

Ilmarinen's Interim Report

1 January to 30 September 2023



ILMARINEN

Ilmarinen's Interim Report 1 January to 30 September 2023: Return on investments 3.3 per cent, premiums written grew and cost-effectiveness improved further

January–September performance in brief:

- The return on Ilmarinen's investment portfolio was 3.3 (-8.0) per cent, i.e. EUR 1.9 billion. The market value of investments grew to EUR 57.7 (56.3) billion. The long-term average return on investments was 5.7 per cent since 1997. This corresponds to an annual real return of 3.7 per cent.
- The total result grew to EUR 0.2 (-4.8) billion.
- Premiums written grew 5 per cent to EUR 5.2 (5.0) billion. EUR 5.4 (5.0) billion was paid in pensions.
- Net customer acquisition was EUR 135 (159) million and rolling customer retention for the previous 12 months was 96.6 (97.7) per cent.
- Operating expenses financed using loading income decreased 2 per cent to EUR 72 (73) million and were 0.34 (0.36) per cent of the TyEL payroll and YEL income of the insured.
- Solvency capital increased to EUR 12.0 (11.8) billion and the solvency ratio fell to 125.5 (125.8) per cent.
- Outlook: Ilmarinen's premiums written are expected to grow on the back of payroll growth, but the growth pace is expected to slow from the previous year.

Key figures	1-9/2023	1-9/2022	2022
Premiums written, EUR million	5,209	4,967	6,558
Pensions paid, EUR million	5,384	4,948	6,606
Operating expenses covered by loading income, EUR million	72	73	99
TyEL payroll and YEL income, EUR mill.	21,218	20,194	26,630
Operating expenses financed using loading income of payroll and YEL income, %	0.34	0.36	0.37
Return on investments, %	3.3	-8.0	-6.6
Total result at current value, EUR million	233	-4,751	-4,592
Value of investment assets, EUR million	57,712	55,775	56,264
Solvency capital, EUR million	12,024	11,801	11,777
Solvency ratio, %	125.5	126.3	125.8

The interim report result comparison figures are the figures for the corresponding period of 2022. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional items are the figures for the end of 2022.

PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



Ilmarinen's return on investments was 3.3 per cent, and cost-effectiveness continued to improve as premiums written grew 5 per cent and operating expenses fell 2 per cent. Our customers benefit directly from the improvement in our efficiency. From the start of 2024, the administrative cost component will decrease by 20 per cent.

The rise in the interest rate level and general cost level combined with weakened consumer confidence has slowed economic growth this year. Major industry- and country-specific differences have been seen in the growth. In the USA in particular, economic growth and the labour market have remained stronger than expected, while in Europe, growth has been more subdued. In China, problems in the real estate sector have weakened the economic outlook.

Finland's economy grew slightly year to date, but the outlook for the rest of the year is weaker, and the economy will be in a recession. Inflation and rising financing costs mitigate spending and investments particularly in the real estate sector. Consumers' confidence in Finland's economy is low, and companies' confidence indicators have weakened further. The return on Ilmarinen's investment portfolio was 3.3 per cent, driven by the equity market's positive performance and fixed income and credit risk investments. The rise in the interest rate level was reflected

in the returns on real estate investments, which turned negative. The market value of investments reached EUR 57.7 billion, and the long-term average return since 1997 was 5.7 per cent.

Premiums written grew 5 per cent to EUR 5.2 billion along with the growth in the payroll of insured employees. According to Ilmarinen's business cycle index, employment is weakening. The number of employees in our client companies began to fall in the summer for the first time in more than two years. Employment weakened further in September as the number of employees fell 1.4 per cent compared to the previous year.

We paid a total of EUR 5.4 billion in pensions in January–September. At the start of 2023, an exceptional index increase of 6.8 per cent was made to earnings-related pensions. From the start of 2024, pensions will be raised by 5.7 per cent.

Last year, we became the most cost-effective company in the industry, measured by the ratio of operating expenses to expense loading components. In January–September, the operating expenses financed using loading income decreased by another 2 per cent to EUR 72 million, amounting to 0.34 per cent of the payroll and YEL income. The administrative cost component included in the earnings-related pension insurance contribution became company specific as of the start of 2023, and our customers benefit from our cost-effectiveness directly in their insurance contributions. Ilmarinen's administrative cost component will decrease 20 per cent at the start of 2024.

The debate over the pension reform is lively. Although the earnings-related pension system is in good shape, preparations must be made for the pressure to increase pension contributions due to the demographic development. Improving employment and prolonging careers play a key role. By developing solvency regulation, the best possible long-term return on pension assets must be

ensured. The amendments to the earnings-related pension legislation that, according to the Government Programme, are necessary for securing the system's sustainable financing and an adequate level of benefits will be prepared on a tripartite basis by January 2025. The goal set for the working group preparing the pension amendments is to strengthen public finances in the long term by approximately 0.4 percentage points in

relation to the GDP, representing some one billion euros.

Early in the year, we published our new sustainability programme, which focuses on the themes of climate, biodiversity and human rights. Ilmarinen's goal is to achieve a carbon-neutral investment portfolio by 2035. We were anchor investors in four ETF index funds focusing on climate, investing a total of EUR 5,167 million in them.

Current information about the pension system

Retirement on old-age pension has been significantly delayed after the 2017 pension reform. According to the Finnish Centre for Pensions, Finns retired on earnings-related pension at the age of 62.2 years on average in 2022. Last year, retirement took place a couple of months earlier compared to the previous year, prompted by an exceptionally large 6.8 per cent index increase. A slightly more moderate approx. 5.7 per cent index increase is expected next year to protect pensions' purchasing power from accelerating inflation.

This autumn, the index increase will somewhat increase interest in applying for pensions, but the number of applications will probably be lower than last year. The difference between the earnings-related pension index used to increase current pensions and the wage coefficient used to increase wages will, according to the Finnish Centre for Pensions' estimate, be less than 0.6 percentage points; at the turn of last year, it was 3 percentage points.

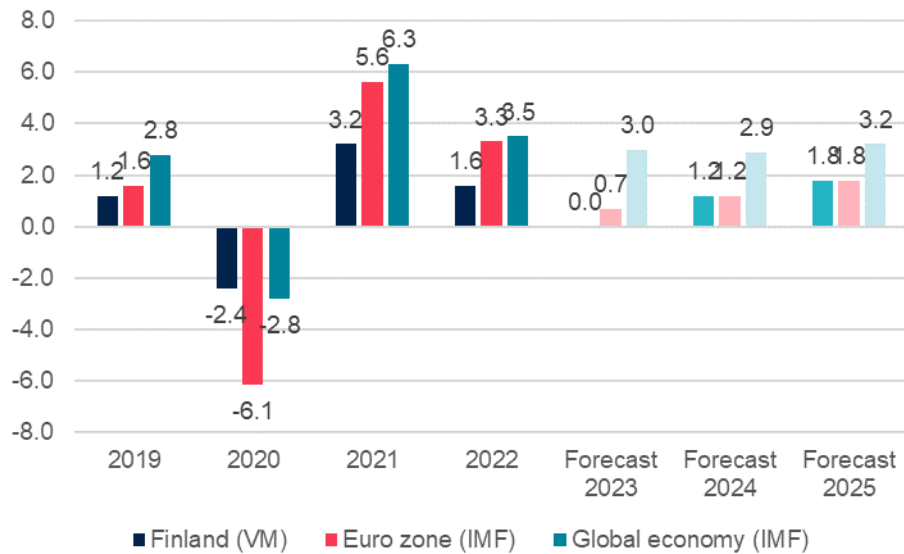
The administrative cost component included in the earnings-related pension insurance contribution became company specific as of the start of 2023. Now every pension company has its own contribution criteria for the administrative cost component. The amendment is expected to increase competition between pension institutions, creating even stronger incentives to increase operational efficiency. Ilmarinen's customers' administra-

tive cost component will be 20 per cent lower at the start of 2024.

The act on more detailed specifications on determining entrepreneurs' YEL income and reviewing the YEL income for existing insurance policies came into force at the start of 2023. This year's reviews at Ilmarinen are wrapping up. This year, the review applies to entrepreneurs with an annual YEL income of less than EUR 15,000, if no material changes have been made to the YEL income for the past three years. On the earnings-related insurance provider's initiative, YEL income can be raised by a maximum of EUR 4,000 in a review to ensure that the rise in an entrepreneur's monthly insurance contribution remains reasonable, at no more than EUR 85. The YEL income may also remain unchanged or decrease. The objective of the amendment is to improve entrepreneurs' pension and social security and to support the implementation of the Self-Employed Persons Pensions Act. There is still a need for a more substantial renewal of the pension and social security system for the self-employed.

The Ministry of Social Affairs and Health and the Ministry of Finance are establishing a working group to plan the reform of the earnings-related pension system. The government is preparing issues related to earnings-related pension policy with key labour market organisations in tripartite negotiations by the end of January 2025. The goal is to prepare changes in earnings-related pension legislation in accordance with the Government Programme to ensure financial sustainability and the benefit level. Changes are needed

Economic growth and forecasts



Sources: Statistics Finland, Ministry of Finance (9.10.2023), IMF (estimate 10/2023)

due to the declining dependency ratio and the uncertainty related to economic development, returns on pension fund asset investments and future growth in contributions. The preparatory work must find, based on the assessment carried out jointly by the Ministry of Finance and the Finnish Centre for Pensions, methods for the long-term stabilisation of the pension insurance contribution level and significant reinforcing of public finances as a whole over a sustained period using a rule-based fiscal stabilisation system. The amendments must strengthen public finances in the long term by approximately 0.4 percentage points in relation to the GDP, representing some one billion euros. The programme also states that an evaluation of the need to develop the Self-employed Persons' Pensions Act (YEL) system will be initiated. As part of the evaluation, the possibility of directing YEL contributions to the Farmers' Social Insurance Institution Mela will be investigated.

Finns' confidence in the pension system has remained high. According to the latest Pension Barometer survey released by the Finnish Centre for Pensions, two thirds of respondents trust in the pension system and almost an equal amount felt that pen-

sion assets are managed reliably. Confidence has fallen slightly since the previous Pension Barometer studies.

Operating environment and investment market

The rise in the interest rate level and general cost level combined with weakened consumer confidence has slowed economic growth this year. The International Monetary

Return development of the equity markets



Fund (IMF) forecasts that economic growth will slow globally to some 3 per cent, 2.1 per cent in the USA and 0.7 per cent in the euro zone. The Ministry of Finance predicts zero growth for Finland's economy this year, as the economy will shrink at the end of the year.

Despite slowing down, global economic growth has thus far suffered surprisingly few setbacks from the incredibly rapid tightening of monetary policy, energy and food price shocks and weakened consumer purchasing power caused by strongly accelerating inflation. Major industry- and country-specific differences have been seen in the growth, however. Strong employment and payroll development has supported demand particularly in the service sectors. The growth outlook for industry is still clearly weaker. Particularly in the USA, economic growth and the labour market have remained stronger than expected year to date, while in Europe, growth has been more subdued. In China, problems in the real estate sector have weakened the economic outlook, and expectations of a need for a more stimulating economic policy for boosting China's economic growth have increased.

Finland's economy grew slightly in the first half of the year, but the outlook for the second half is weaker. Inflation and rising financing costs mitigate spending and investments in, for example, construction. The real estate sector in particular already faces challenges. Consumers' confidence in Finland's economy is low, and companies' confidence indicators have continued to weaken. The proportion of floating rate loans in Finland is significant, which is why monetary policy has had a relatively fast impact on private spending and companies' investments. Correspondingly, real pay development is expected to adjust to better support private spending when inflation slackens.

Inflation slowed in the first three quarters of the year. The year-on-year change in consumer prices was 4.3 per cent in September in the euro zone. In the USA, inflation's pace of deceleration has levelled out, and in September the annual change in consumer prices

was 3.7 per cent. Core inflation, less energy and food prices, has remained higher than the target.

The US central bank, i.e. the Fed, raised its key interest rates one percentage point to between 5.25 and 5.50 per cent, but the pace of interest rate hikes has slowed towards the end of the year. The European Central Bank continued its key interest rate hikes during January–September. Between January and September, the deposit rate was raised a total of 2 percentage points to 4.0 per cent. The fixed income markets are pricing in the end of key interest rate hikes in the USA and the euro zone.

Expectations of the threat of an immediate recession have eased due to stronger than expected employment growth in the USA especially. Stronger than expected economic growth and sustained high inflation were reflected in the development of the capital markets during January–September. Equity market returns were mainly positive, and interest rates grew.

In the USA, the equity market (S&P 500 index) return for January–September was some 13 per cent, bolstered especially by the positive performance of the largest tech companies. In Europe, the EURO STOXX 50 index also returned 13 per cent in January–September. In Finland, companies' earnings growth has remained relatively weak, and the Helsinki stock exchange's return for this year was roughly seven per cent negative. The fluctuation of returns that illustrates equity market uncertainty, i.e. volatility, fell to a low level in January–September after concerns related to the banking sector eased.

Government bond interest rates rose in January–September, and especially during the third quarter. The US 10-year government bond's interest rate was 4.6 per cent at the end of September, i.e. at its highest level since 2007. The German government bond was 2.7 per cent, the highest quotation in over 10 years. Yield curves have been inverted throughout the first nine months of the year, i.e. long-term interest rates have been lower than short-term rates. The yield curves

clearly levelled out during the third quarter, however, as long-term rates rose.

At the end of September, the credit spreads of corporate bonds were roughly at the same level as they were at the start of the year. Differences between companies and sectors were great, however. The rapidly rising financing costs have increased refinancing and credit default risks particularly in the real estate sector, accelerated partly by banks' tightened lending terms.

The US dollar has strengthened against the euro during the year by approximately one per cent to 1.06, while the Japanese yen depreciated by more than 11 per cent against the euro in January–September thanks to, among other things, the higher interest rate differential. The Japanese central bank has maintained a clearly more stimulating monetary policy than the other central banks.

Insurance operations

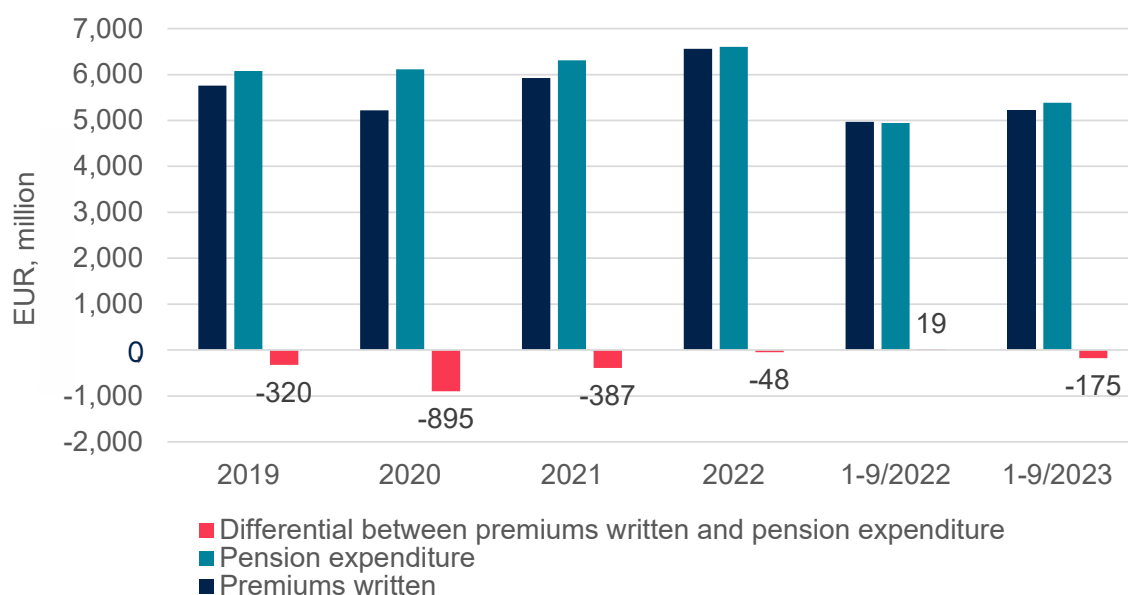
Premiums written in January–September rose to EUR 5,209 (4,967) million. The growth in premiums written was due to the increase in customers' payroll. The January–September

payroll for employees insured with Ilmarinen grew 5.3 per cent to EUR 19,852 (18,856) million. The number of insurance policies totalled 132,656 (138,900) at the end of September. Net customer acquisition, measured by premiums written, was EUR 135 (159) million and customer retention was 96.6 (97.7) per cent.

At the end of September, Ilmarinen had altogether 454,601 (453,591) pensioners. They were paid a total of EUR 5,384 (4,948) million in benefits since the beginning of the year. Ilmarinen made a total of 25,814 (27,961) new pension decisions in January–September, which is 8 per cent less than the previous year. The number of new disability pension decisions made was 7,076 (7,131), down 1 per cent year-on-year. New rehabilitation decisions totalled 2,496 (2,818). From January to September, 2,613 (2,642) people transitioned to disability pension or the cash rehabilitation benefit, i.e. 1 per cent less than last year.

The average processing time for old-age pension applications was 5 (3) days and for disability pension applications 40 (35) days.

Premiums written and pension expenditure January–September 2023



Return on investments

At the end of September, Ilmarinen's total investments at current value were EUR 57,712 (56,264) million. The return on investments at current value was 3.3 (-8.0) per cent. Calculated at current value, the average annual return over the last five years has been 5.0 per cent, which corresponds to an average annual real return of 1.5 per cent. Calculated from 1997, the average annual return at current value for Ilmarinen's investments has been 5.7 per cent. This corresponds to an annual real yield of 3.7 per cent.

Fixed income investments accounted for a total of 30 (30) per cent of the investment portfolio, and their return at current value was 4.7 (-5.7) per cent. Their total market value was EUR 17,261 (16,748) million. Bonds accounted for a total of 26 (24) per cent of Ilmarinen's investment assets, and their return was 5.1 (-7.2) per cent. The modified duration of bonds was 3.7 (2.5) years.

Listed and unlisted equity investments and private equity investments made up 48 (47) per cent of all investments. Their value at the end of September stood at EUR 27,602 (26,232) million. In the risk breakdown, listed

equities and shares accounted for 31 (29) per cent. Finnish equities made up 26 (30) per cent of listed equity investments. The return on equity investments at current value was 5.0 (-12.8) per cent. The return on listed equity investments was 5.5 (-18.6) per cent.

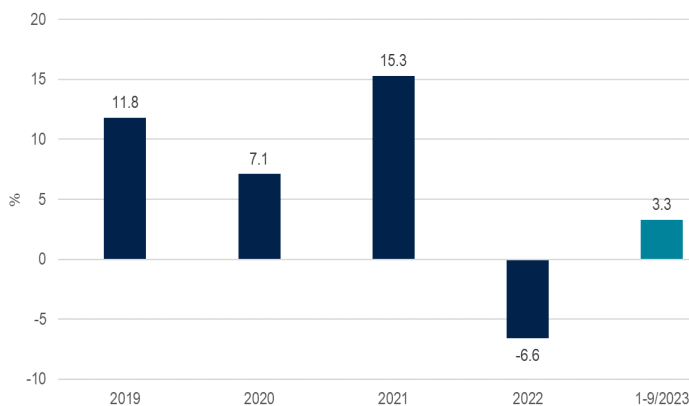
Real estate investments at the end of September stood at EUR 6,640 (6,834) million. They accounted for 12 (12) per cent of all investments, with the total return of -1.6 (4.0) per cent.

Investments in hedge funds and commodities and other investments made up 11 (12) per cent of the market value of the investments at the end of September. Their total return was -2.0 (-3.3) per cent, and their value at the end of September was EUR 6,209 (6,450) million.

Result and solvency

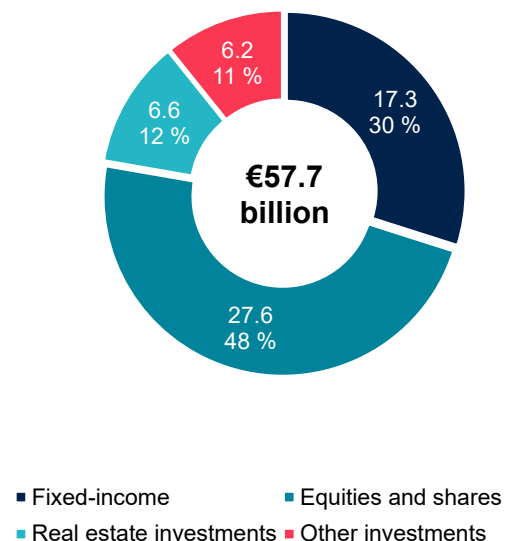
Ilmarinen's total result at current value was EUR 233 (-4,751) million. Investment income at current value was EUR 194 (-4,865) million, the underwriting result was EUR 31 (70) million, and the loading profit was EUR 7 (45) million. The ratio of operating expenses to the payroll and YEL income, a measure of

Return on investments 2019-Q3/2023

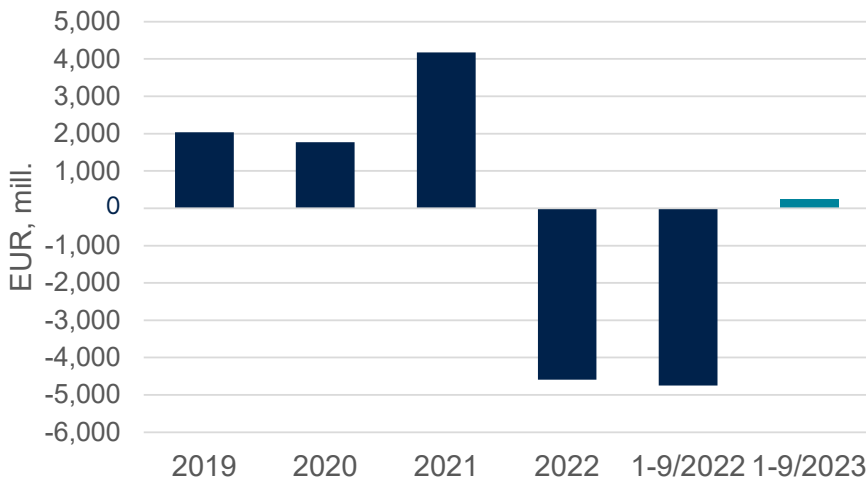


Average nominal return on investments over 5 years 5.0% and real return 1.5%.

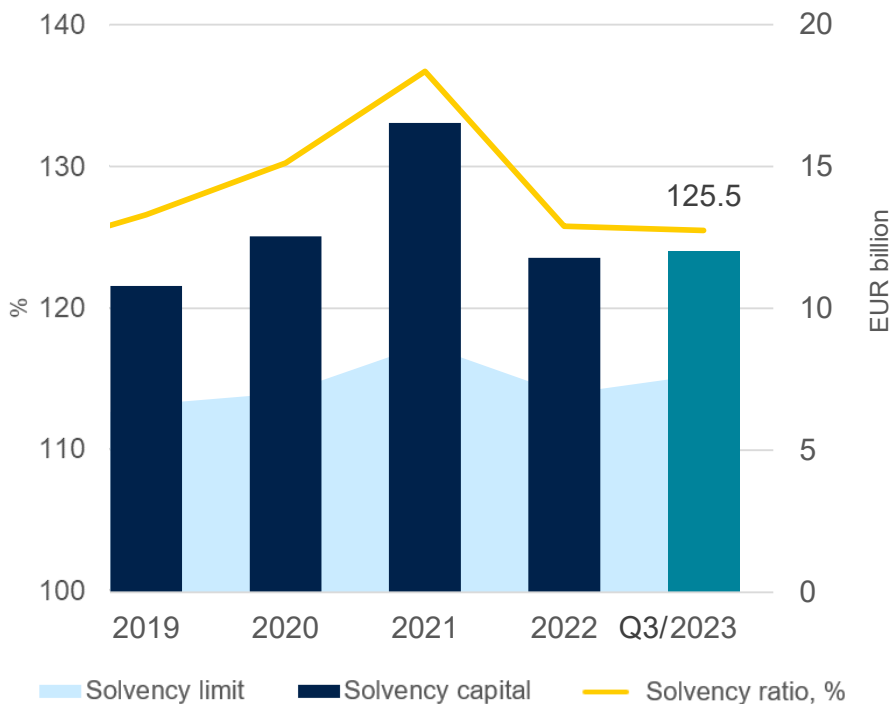
Breakdown of investments, 30 September 2023



Total result 2019-Q3/2023



Solvency 2019-Q3/2023



cost-effectiveness, improved to 0.34 (0.36) per cent in the first nine months of the year, and operating expenses per pensioner and insured decreased to EUR 62 (64).

The solvency ratio declined to 125.5 (125.8) per cent and the solvency capital increased

to EUR 12,024 (11,777) million. Capital and reserves included in the solvency capital were EUR 221 (213) million, the valuation difference between current and book values was EUR 11,467 (12,134) million, and the provision for future bonuses was EUR 350 (-559) million.

The technical provisions amounted to EUR 47,481 (45,198) million. The EUR 47,099 (45,728) million in solvency technical provisions does not include the provision for future bonuses or the earnings-related pension contributions that remain open receivables in the basic insurance under YEL.

Personnel

The average number of personnel (person years) in January–September was 591 (608). We have been monitoring our personnel's energy level for the fifth year now through the Työvire pulse survey, which is carried out every other month. The energy level is excellent (4.2 on a scale of 1–5). The employee Net Promoter Score (eNPS) was 43 (on a scale of -100 to +100) on average year to date.

At the start of 2023, we launched a strategic work ability management project in which we assess the focal points of our own work ability management and future needs. From a health perspective, our work ability situation is already very good. Ilmarinen's overall strategic work ability management was built in a dialogue with supervisors and Ilmarinen's various expert groups, OHS Committee and shop stewards. Our chosen work ability management focal points stem from our day-to-day work, and their cornerstone is human efficiency. The goal is for both people and the business to be healthy.

In autumn, we initiated an age management pilot programme that will continue until 2024. We want to be sure that people of all ages are happy working at Ilmarinen, as well as find ways to support a positive entry into working life, maintaining work ability and continuing in working life. Through groups of young people and those who have already been in working life for a longer time, the pilot aims to find best practices for the special challenges faced by each age group.

Along with the "A feel-good workplace" label (Hyvän mielen työpaikka®) that was granted to Ilmarinen, we have placed even greater emphasis on mental well-being. In early autumn, we launched a mental well-being mentor network that aims, for instance,

to encourage discussions and brainstorm the best way to promote mental well-being together.

In 2023, the "Kilometrikisa" bicycle competition once again got Ilmarinen employees moving and improving their work ability by pedalling. This year, our team of 90 cyclists pedalled more than 55,000 kilometres. At the same time, we collected funds to help combat climate change through the Finnish Red Cross's Chain Reaction campaign.

Responsibility

Early in the year, we published our new sustainability programme, which focuses on the themes of climate, biodiversity and human rights. We also released our Annual and Sustainability Report for 2022. We report in line with the international GRI standard. In reporting climate issues, we used the international Task Force on Climate-related Financial Disclosures framework, and with regard to biodiversity, the beta version of the Taskforce on Nature-related Financial Disclosures framework. We joined the TNFD Forum, which supports biodiversity. Ilmarinen's goal is to achieve a carbon-neutral investment portfolio by the end of 2035. In direct listed equity investments, we switched over to a benchmark index that accounts for climate aspects in particular. We were anchor investors in four ETF index funds focusing on climate. We invested altogether EUR 5,167 million in them. We also began calculating the carbon footprint of our own operations.

As an active owner, we took part in the general meetings of almost all of our portfolio's Finnish listed companies in person. We paid particular attention to remuneration reporting, among other things. At foreign general meetings, we made use of a service provider's voting service and principles that consider ESG aspects.

Upcoming changes concerning corporate responsibility regulation also apply to Ilmarinen. One of the focal areas of the upcoming regulation is human rights and how companies manage their human rights impacts. We initiated a due diligence process concerning

human rights. We also joined the UN's responsible investment umbrella organisation for the PRI human rights stewardship initiative PRI Advance.

Influencing our investees is part of our biodiversity roadmap activities. In September, we joined the Nature Action 100 initiative, in which investors demand urgent nature actions from companies. We also joined KIRA-Hub, which drives sustainable digitalisation in the built environment. The purpose is to promote carbon-free construction.

Future prospects and key uncertainties

Prolonged inflation, the weakening of consumers' purchasing power and geopolitical tensions cast a shadow over the global economic growth outlook. Global economic growth is anticipated to decelerate this year to approximately 3 per cent, and Finland's economy is expected to weaken to zero growth.

Ilmarinen's premiums written are expected to grow on the back of payroll growth, but the growth pace is expected to slow from the previous year.

The longer-than-expected duration of inflationary pressure and the resulting prolonged tighter monetary policy are key risk factors, in addition to geopolitical tensions, for economic growth and the capital markets. Furthermore, the weakening of companies' earnings outlook is causing uncertainty on the markets. The real estate sector in particular and the problems of indebted companies and households threaten to pile up owing to the prolonged tight monetary policy.

The key risks affecting Ilmarinen's operations and the earnings-related pension system are related to the development of employment and payroll, changes in disability pension incidence, uncertainty in the investment markets, the development of demographics, and the exceptionally low birth rate.

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Tables

Key figures in brief	1.1.–30.9.2023	1.1.–30.9.2022	1.1.–31.12.2022
Premiums written, EUR mill.	5,209	4,967	6,558
Net return on investments at fair value, EUR mill.	1,882	-4,868	-4,009
ROCE, %	3.3	-8.0	-6.6
	30.9.2023	30.9.2022	31.12.2022
Technical provisions, EUR mill.	47,481	45,815	45,198
Solvency capital, EUR mill. ¹⁾	12,024	11,801	11,777
in relation to solvency limit	1.6	1.6	1.7
Pension assets, EUR mill. ²⁾	59,123	56,726	57,505
as a percentage of technical provisions	125.5	126.3	125.8
TyEL payroll, EUR mill. ³⁾	26,121	24,933	24,924
YEL payroll, EUR mill. ³⁾	1,734	1,702	1,705

- 1) Calculated according to the regulations in force at the time (the same principle also concerns other solvency key figures).
- 2) Technical provisions + solvency capital in accordance with section 11, item 10, of the Ministry of Social Affairs and Health's decree (614/2008.)
- 3) Estimated TyEL and YEL payroll for the whole year.

Solvency capital and limits	30.9.2023	30.9.2022	31.12.2022
Solvency limit, EUR mill.	7,670	7,576	6,990
Maximum solvency capital, EUR mill.	23,011	22,728	20,970
Solvency capital, EUR mill.	12,024	11,801	11,777
Solvency ratio, % ¹⁾	125.5	126.3	125.8
Solvency position ²⁾	1.6	1.6	1.7

- 1) Pension assets in relation to technical provisions as referred to in Section 11, item 10, of the Ministry of Social Affairs and Health's decree 614/2008.
- 2) Solvency capital in relation to solvency limit.

Result analysis, eur mill.	1.1.–30.9.2023	1.1.–30.9.2022	1.1.–31.12.2022
Source of profit			
Technical underwriting result	31	70	132
Return on investments at fair value	194	-4,865	-4,801
+ Net return on investments at fair value	1,882	-4,868	-4,009
- Return requirement on technical provisions	-1,688	3	-792
Loading profit	7	45	58
Other profit	0	0	18
Total result	233	-4,751	-4,592

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	30.9.2023		30.9.2022		31.12.2022		30.9.2023		30.9.2022 31.12.2022	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
Fixed income investments total	17,261	30	15,248	27	16,748	30	18,513	32	23	27
Loan receivables ¹⁾	1,691	3	1,892	3	1,778	3	1,691	3	3	3
Bonds	15,126	26	12,904	23	13,390	24	17,470	30	21	32
Other money market instruments and deposits ^{1) 2)}	443	1	452	1	1,579	3	-648	-1	-1	-8
Equities and shares total	27,602	48	26,761	48	26,232	47	27,460	48	46	44
Listed equities and shares ³⁾	18,191	32	17,730	32	17,419	31	18,049	31	29	28
Private equity investments ⁴⁾	7,881	14	7,731	14	7,329	13	7,881	14	14	13
Non-listed equities and shares ⁵⁾	1,530	3	1,299	2	1,483	3	1,530	3	2	3
Real estate investments total	6,640	12	7,048	13	6,834	12	6,640	12	13	12
Direct real estate investments	5,931	10	6,339	11	6,127	11	5,931	10	11	11
Real estate funds and joint investments	709	1	709	1	707	1	709	1	1	1
Other investments total	6,209	11	6,719	12	6,450	11	6,248	11	13	12
Hedge fund investments ⁶⁾	5,060	9	4,899	9	4,818	9	5,060	9	9	9
Commodity investments	3	0	34	0	70	0	-37	0	1	1
Other investments ⁷⁾	1,146	2	1,786	3	1,562	3	1,225	2	3	3
Investments total	57,712	100	55,775	100	56,264	100	58,861	102	94	95
Effect of derivatives							-1,149	-2	6	5
Investment return at current value total	57,712	100	55,775	100	56,264	100	57,712	100	100	100

The modified duration of bond investments was 3.7 years.

- 1) Includes accrued interest.
- 2) Includes cash at bank and in hand and consideration receivables and debt.
- 3) Also includes mixed funds unless they can be allocated elsewhere.

- 4) Includes private equity funds, mezzanine funds and infrastructure investments.
- 5) Also includes unlisted real estate investment companies.
- 6) Includes all types of hedge fund units regardless of the fund's strategy.
- 7) Includes items that cannot be allocated to other investment classes.

Net ROCE of investments	Net investment return market value ⁸⁾	Capital employed ⁹⁾	ROCE, %	ROCE, %	ROCE, %
	30.9.2023	30.9.2023	30.9.2023	30.9.2022	31.12.2022
	EUR mill.	EUR mill.	%	%	%
Fixed income investments total	804	17,140	4.7	-5.7	-5.2
Loan receivables ¹⁾	73	1,702	4.3	3.2	3.2
Bonds	717	14,180	5.1	-7.2	-6.4
Other money market instruments and deposits ^{1) 2)}	15	1,258	1.2	-0.7	-3.5
Equities and shares total	1,313	26,133	5.0	-12.8	-10.2
Listed equities and shares ³⁾	946	17,228	5.5	-18.6	-14.5
Private equity investments ⁴⁾	317	7,431	4.3	0.8	-2.7
Non-listed equities and shares ⁵⁾	50	1,474	3.4	6.6	21.3
Real estate investments total	-105	6,774	-1.6	4.0	1.3
Direct real estate investments	-108	6,062	-1.8	3.4	0.8
Real estate funds and joint investments	3	711	0.4	9.2	6.3
Other investments total	-125	6,287	-2.0	-3.3	-1.1
Hedge fund investments ⁶⁾	138	4,813	2.9	8.8	8.2
Commodity investments	-2	17	-	-	-
Other investments ⁷⁾	-261	1,458	-17.9	-32.8	-22.0
Investments total	1,887	56,333	3.4	-8.0	-6.6
Unallocated income, costs and operating expenses	-5	0	0.0	0.0	0.0
Investment return at current value total	1,882	56,333	3.3	-8.0	-6.6

1) Includes accrued interest.

2) Includes cash at bank and in hand and consideration receivables and debt.

3) Also includes mixed funds unless they can be allocated elsewhere.

4) Includes private equity funds, mezzanine funds and infrastructure investments.

5) Also includes unlisted real estate investment companies.

6) Includes all types of hedge fund units regardless of the fund's strategy.

7) Includes items that cannot be allocated to 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.