

# Ilmarinen's Interim Report

1 January to 31 March 2022



ILMARINEN

# Ilmarinen's Interim Report 1 January to 31 March 2022: Premiums written grew, cost-effectiveness improved and solvency remained strong in a challenging market

## January–March performance in brief:

- The return on Ilmarinen's investment portfolio was -2.2 (4.8 per cent), i.e. EUR 1.4 billion negative due to falling stock prices and rising interest rates. The market value of investments fell to EUR 59.1 (60.8) billion. The long-term average return on investments was 6.1 per cent. This corresponds to an annual real return of 4.4 per cent.
- As a result of the negative return on investment operations, the total result for January–March fell to EUR -1.3 (1.4) billion.
- Premiums written rose by 13 per cent to EUR 1.6 (1.4) billion thanks to strong growth in payrolls and the 0.45 percentage point increase made in TyEL contributions. EUR 1.6 (1.5) billion was paid in pensions.
- Net customer acquisition was EUR 55 (93) million and customer retention was 97.2 (97.4) per cent.
- Loading profit improved to EUR 12 (11) million and the ratio of operating expenses to expense loading components to 67 (72) per cent, despite the 9.5 per cent reduction in the expense loading rate. Operating expenses financed using loading income amounted to EUR 26 (29) million.
- Solvency capital was EUR 15.3 (16.5) billion and the solvency ratio was 134.0 (136.7) per cent.
- Outlook: Ilmarinen's premiums written are expected to grow in 2022, due to higher payrolls and the 0.45 percentage point increase in the TyEL contribution. Loading income will decrease as a result of the lowering of the premium rate in the insurance contribution's administrative cost component. The loading profit is nevertheless expected to grow thanks to increasing cost effectiveness.

Key figures	1-3/2022	1-3/2021	2021
Premiums written, EUR million	1,556	1,382	5,922
Pensions paid, EUR million	1,635	1,545	6,309
Operating expenses covered by loading income, EUR million	26	29	126
Loading profit, EUR million	12	11	42
Ratio of operating expenses to expense loading components, %	67	72	75
Return on investments, %	-2.2	4.8	15.3
Total result at current value, EUR million	-1,267	1,403	4,179
Value of investment assets, EUR million	59,149	55,425	60,773
Solvency capital, EUR million	15,265	13,923	16,539
Solvency ratio, %	134.0	132.8	136.7

The interim report result comparison figures are the figures for the corresponding period of 2021. Unless otherwise indicated, the comparison figures for the balance sheet and other cross-sectional items are the figures for the end of 2021.

## PRESIDENT AND CEO JOUKO PÖLÖNEN'S REVIEW



“In January–March the investment market experienced strong volatility due to accelerating inflation, central banks’ tightening monetary policy and the war begun by Russia. The return on Ilmarinen’s investments in January–March was -2.2 per cent, i.e. EUR -1.4 billion. Solvency remained strong, premiums written grew and cost-effectiveness improved.

From a global economy standpoint the first quarter was twofold. Economies’ recovery from Covid-19 has been brisk and employment and payrolls showed positive development. However, the Covid-19 situation continues to cast a shadow over economic growth, among other things, due to China’s lockdown measures. The rapid rise in energy and raw material prices and especially the rise in wages resulting from the US labour shortage have accelerated inflation, which has led to the tightening of monetary policy.

Russia’s attack on Ukraine is entirely indefensible and has caused great suffering for the people trapped in the midst of the war. Millions have had to leave their homes. The war impacts the security and economy of Finland and the rest of Europe, creating uncertainty and concern about the future. It is more important than ever to prepare for security threats and various types of disturbances. In Finland, the payment of pensions is secure also in emergency conditions, and there are reserve systems in place in case of disturbances.

Russia’s war has been widely condemned, and unprecedented economic sanctions have

been imposed to prevent its continuation and expansion. The economic sanctions are further increasing the challenges related to the availability and price of energy, raw materials and food, and to economic growth.

The key equity markets fell and interest rates rose clearly in the first quarter. The return on equities in Ilmarinen’s investment portfolio was -3.5 per cent. The return on fixed income investments was -1.7 per cent, 0.4 on real estate investments and -0.5 per cent on other investments. The long-term average nominal return on investments was 6.1 per cent, corresponding to a 4.4 per cent annual real return. The solvency ratio remained strong at 134 per cent and the solvency capital was EUR 15.3 billion. The solvency buffers built up through long-term funding and investing protect pension assets during market volatility.

Premiums written grew by 13 per cent to EUR 1.6 billion. Behind the strong growth is the brisk increase in the payroll of employees insured with Ilmarinen and the 0.45 percentage point increase made in the pension contribution. The number of employees in the companies belonging to Ilmarinen’s business cycle index increased by 3.7 per cent year-on-year during January–March. Recovery has been strong especially in the restaurant and hospitality sector and in staff leasing services, which suffered from the Covid-19 crisis.

We paid EUR 1.6 billion in pensions to around 455,000 pensioners. In Q1, Ilmarinen received close to 6 per cent more disability pension applications than in the previous year. The positive development seen in disability pension incidence during the Covid-19 pandemic seems to have turned. Problems related to mental health are the most common cause behind new disability pensions. According to the survey we published in February, almost two thirds of pension recipients were interested in working alongside their pension, the majority part-time, around two days per week. The main reasons pen-

sion recipients had for working were having something interesting to do and improving their income.

Thanks to strong growth and improved cost-effectiveness, the loading profit for January–March improved to EUR 12 million and the ratio of operating expenses to expense loading components to 67 per cent, despite the 9.5 per cent reduction in the expense loading rate. Operating expenses financed using loading income came to EUR 26 million, i.e. EUR 3.6 million less year-on-year.

Ilmarinen's goal is to achieve a carbon-neutral investment portfolio by the end of 2035. The Climate Roadmap we published towards the end of last year describes the tools and

interim targets for achieving carbon neutrality. We only purchase electricity generated with zero carbon dioxide emissions for our Finnish real estate. We further tightened our policy concerning fossil fuels and divested investments in companies that are planning new coal investments. In 2021, the carbon intensity of Ilmarinen's direct listed equity investments decreased 30 per cent. However, absolute emissions grew with investment assets growing more than EUR 8 billion. The assault launched by Russia further highlights the need to accelerate the green transition and improve energy self-sufficiency and security of supply."

## Current information about the pension system

During 2021, earnings-related pension assets grew by EUR 33 billion thanks to excellent investment returns, and pension assets came to EUR 258 billion at the end of 2021. The average overall pension rose year-on-year by EUR 20, coming to EUR 1,784 per month in 2021.

A survivors' pension reform entered into force at the start of the year, as a result of which earnings-related pension provides better security for families with children. Survivors' pension is paid to children until the age of 20 instead of the earlier 18 and the surviving spouse's pension also covers common law spouses in addition to married spouses when they have an underage child together. At the same time, the surviving spouse's pension became fixed term: it is paid for 10 years or until the youngest child turns 18. The fixed term applies to surviving spouses born in 1975 or thereafter. Surviving spouse's pensions granted before the entry into force of the reform will not change.

In upcoming reforms, parliamentary proceedings have begun concerning a proposal that the administrative cost component included in the earnings-related pension insurance contribution be determined on a company-specific basis starting in 2023. The long-prepared change will improve the trans-

parency and clarity of insurance management costs. The change is expected to increase cost competition between pension institutions, creating even stronger incentives to increase operational efficiency. The proposal additionally includes a change in the provisions concerning earnings-related pension financing, which would enable downward flexibility in old-age pension liabilities, and thus better investment returns in an exceptionally weak investment market situation.

The Ministry of Social Affairs and Health's working group evaluating the need to reform pension legislation concerning self-employed persons focussed during the start of the year on possible changes proposed for the regulation of self-employed persons' YEL income. The goal is for a self-employed person's YEL income to correspond more closely to the value of the entrepreneur's work input, both at the start of the self-employment and when the activities continue.

## Operating environment and investment market

Global economic growth was strong at the start of the year with economic growth supported by recovery from the Covid-19 crisis. Nevertheless, accelerating inflation has raised concerns related to tightening monetary policy. Russia's attack on Ukraine and Covid-related challenges in China have weak-

ened the global economic outlook.

Economic growth forecasts for this year have been downgraded and the threat of stagflation, i.e. simultaneous strong inflation and slow economic growth, has increased. The economic impacts of Russia's war primarily affect Europe and the direct impacts on global economic growth are relatively limited. The rise in energy prices, however, weakens the outlook.

As a result of the spread of Covid-19, lockdowns have been imposed on many major Chinese cities, which has affected economic growth.

In the USA, consumer prices rose more than eight per cent year-on-year in March, and in the euro zone, inflation accelerated to more than seven per cent. The acceleration of inflation has been impacted by the rapid rise in energy and raw material prices and especially the dramatic rise in wages resulting from the US labour shortage.

Finland's economy was on a strong growth path prior to Russia's attack, but since the attack, the growth forecasts for Finland's economy have also been downgraded and uncertainty has increased. Consumer confidence in Finland's economy weakened due

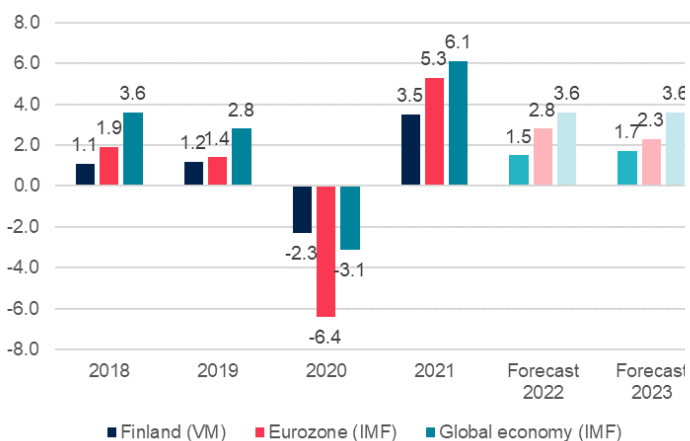
to the attack, but people's confidence in their personal finances remained stable.

The capital markets' performance was soft in Q1. Stock prices fell and interest rates rose. A key factor behind the capital markets' performance was accelerating inflation and the tightening of monetary policy, especially in the USA. Russia's assault on Ukraine, which began at the end of February, further increased the markets' uncertainty, in Europe in particular.

The US equity markets (S&P 500 index) fell by just over five per cent. The broad European stock index (Stoxx Europe 600) fell by close to six per cent. Finland's equity markets, on the other hand, plummeted by more than 12 per cent. Russia's war on Ukraine has impacted Finnish listed companies more than the European average.

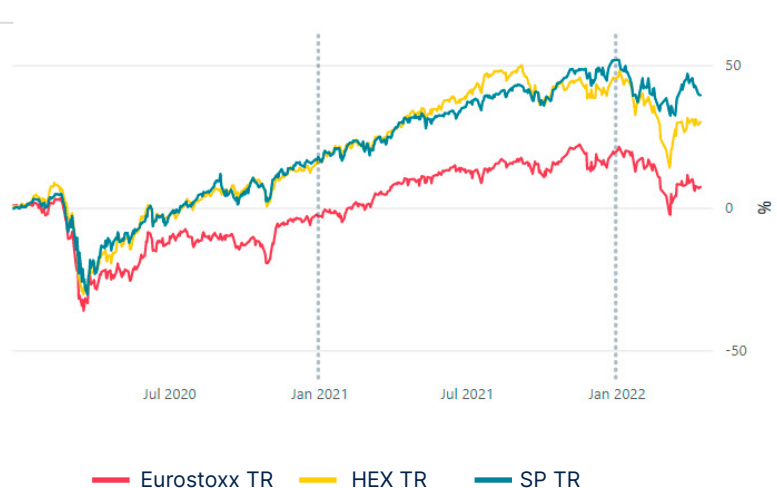
Interest rates have risen rapidly in both the USA and the euro zone, and yield curves have flattened. Both the US and German 10-year government bond rates rose in January–March by almost one percentage point. The markets are pricing in several key interest rate hikes for the USA this year. Tightening monetary policy is also being priced in for the euro zone. In addition to interest rate

## Economic growth and forecasts



Sources: Statistics Finland, World Bank (EU) and IMF

## Stock price development



hikes, the Fed's security purchase programme is expected to end (net) and its balance sheet is expected to shrink towards year-end.

The US dollar appreciated by around three per cent against the euro. The appreciation of the dollar has had a positive impact on dollar-denominated investment returns.

### Insurance operations

The January–March payroll for employees insured with Ilmarinen grew by 11.2 per cent to EUR 5,834 (5,244) million. The strong growth is partly explained by the downward impact that Covid-19 restrictions had on employment and the payroll in the comparison period. Recovery has been strong especially in the restaurant and hospitality sector and in staff leasing services after restrictions were lifted.

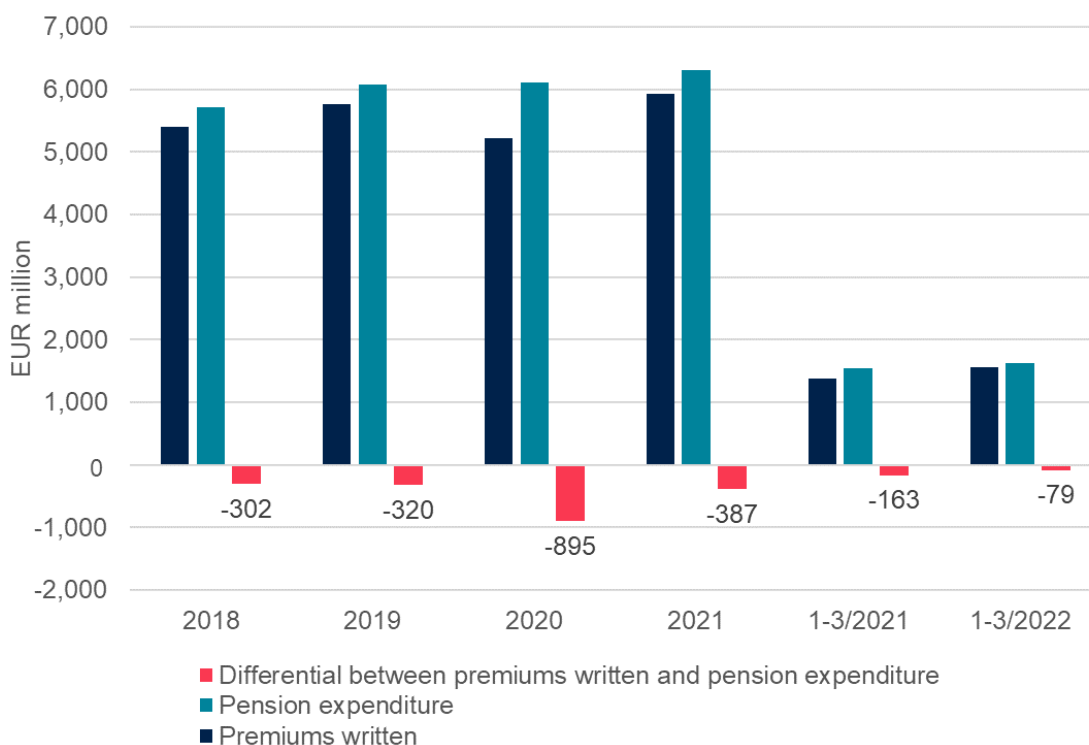
Premiums written amounted to EUR 1,556 (1,382) million in January–March. In addition to customers' growing payroll, premiums written grew thanks to the 0.45 percentage point increase in the TyEL contribution percentage.

The number of insurance policies fell and totalled 140,290 (146,036) at the end of March. Measured in premiums written, net customer acquisition was EUR 55 (93) million. Customer retention was 97.2 per cent year-on-year.

At the end of March, Ilmarinen had altogether 454,628 (457,516) pensioners, to whom a total of EUR 1,635 (1,545) million was paid in benefits. Ilmarinen made a total of 9,590 (9,120) new pension decisions in January–March. The number of new disability pension decisions made was 2,540 (2,218), up 15 per cent year-on-year. In Q1, 959 (816) persons transitioned on a disability pension or cash rehabilitation benefit, which is 18 per cent more than last year. New rehabilitation decisions totalled 1,082 (1,123).

Pension processing times shortened considerably for old-age pension applications. During the period under review, the average processing time for old-age pension applications was 3 (10) days and for disability pension applications 37 (37) days.

### Premiums written and pension expenditure January–March 2022



## Return on investments

At the end of March, Ilmarinen's total investments at current value were EUR 59,149 million (60,773). The return on investments at current value was -2.2 (4.8) per cent. Calculated at current value, the average annual return over the last five years has been 6.9 per cent, which corresponds to an average annual real return of 4.9 per cent. Calculated from 1997, the average annual returns at current value for Ilmarinen's investments have been 6.1 per cent per annum. This corresponds to an annual real return of 4.4 per cent.

Fixed income investments accounted for 29.4 (30.1) per cent of the investment portfolio and their return at current value was -1.7 (2.0) per cent. Their total market value was EUR 17,406 (18,292) million. Bonds accounted for 25.0 (23.4) per cent of Ilmarinen's investment assets and their return was -2.1 (2.1) per cent. The modified duration of bonds was 2.1 (0.5) years.

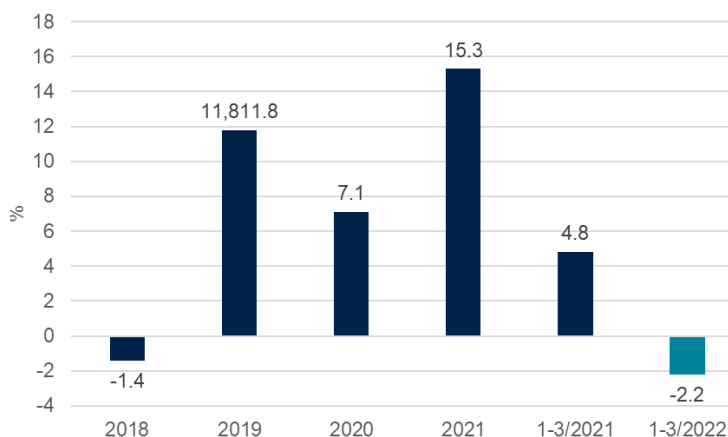
Listed and non-listed equities and shares as well as private equity investments made

up 49.6 (50.1) per cent of all investments. Their value at the end of March stood at EUR 29,315 (30,476) million. In the risk breakdown, listed equities and shares accounted for 34.8 (36.0) per cent. Finnish equities made up 28.7 (30.4) per cent of listed equity investments. The return on equities, calculated at current value, was -3.5 (9.1) per cent. The return on listed equity investments was -6.4 (8.2) per cent.

Real estate investments at the end of March stood at EUR 6,706 (6,491) million. They accounted for 11.3 (10.7) per cent of all investments, with indirect investments making up 1.2 (1.1) percentage points. The total return on real estate investments was 0.6 (0.8) per cent.

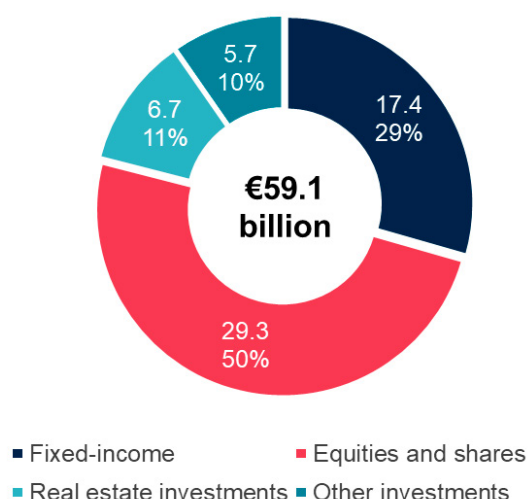
Investments in hedge funds and commodities and other investments made up 9.7 (9.1) per cent of the market value of the investments at the end of March. Their total return was -0.5 (-3.2) per cent and their value at the end of March was EUR 5,722 (5,514) million.

## Return on investments 2018-Q1/2022



Average nominal return on investments over 5 years 6.9% and real return 4.9%.

## Breakdown of investments, 31 March 2022



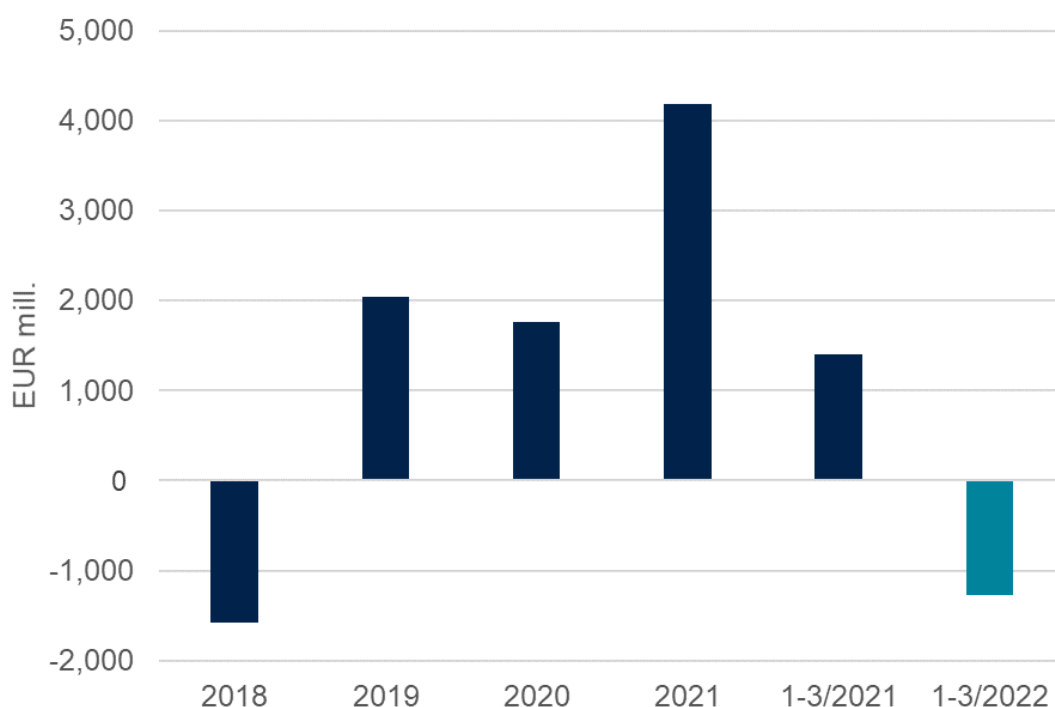
## Result and solvency

Ilmarinen's total result at current value at the end of the first quarter was EUR -1,267 (1,403) million. Investment income at current value was EUR -1,299 (1,398) million, the underwriting result was EUR 20 (-6) million, and the loading profit was EUR 12 (11) million. The ratio of operating expenses to expense loading components, measuring cost-effectiveness, was 67 (72) per cent in January–March.

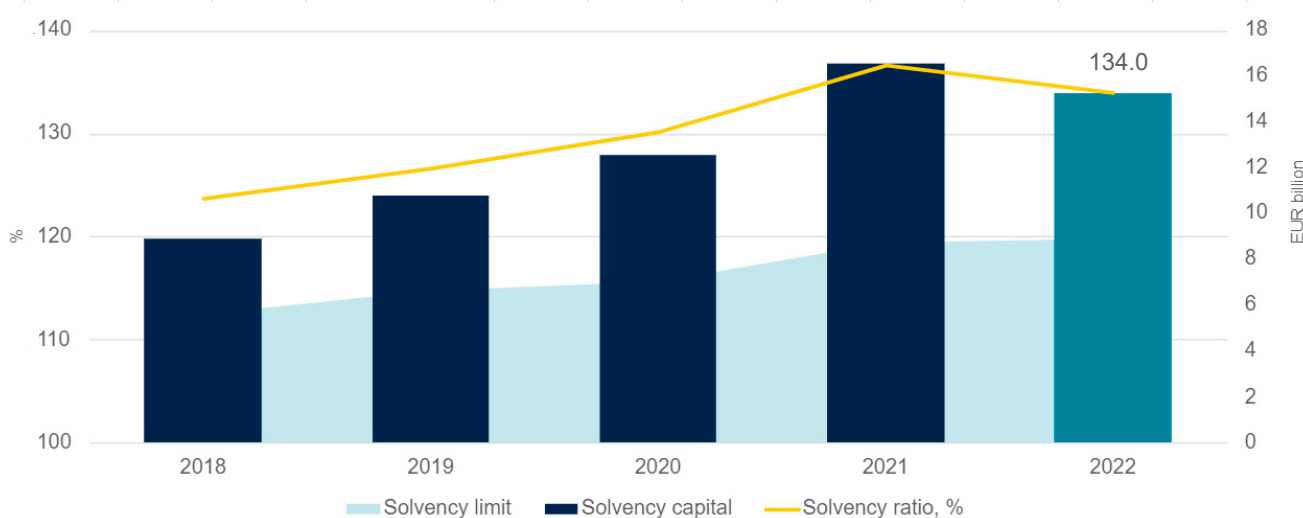
At the end of March, the solvency ratio was 134.0 (136.7) per cent and solvency capital stood at EUR 15,265 (16,539) million. Capital and reserves included in the solvency capital were EUR 204 (201) million, the valuation difference between current and book values was EUR 15,088 (15,500) million, and the provision for future bonuses was EUR -9 (858) million.

The technical provisions amounted to EUR 45,823 (46,004) million. The EUR 44,936

### Total result 2018-Q1/2022



### Solvency 2018-Q1/2022





(45,117) million in solvency technical provisions do 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–March was 583 (608). The energy level of Ilmarinen's personnel has been monitored closely through the Työ-vire pulse survey. According to the surveys, personnel's energy level has remained excellent despite the exceptional circumstances caused by the Covid-19 pandemic (4.2 on a scale of 1–5). The employee Net Promoter Score (eNPS) was +41 (+38) (on a scale of -100 to +100).

The spreading of the Covid-19 Omicron variant at the end of 2021 increased absences due to illness also at Ilmarinen. Ilmarinen's sick leave rates were higher than normal in Q1 (average of 2.66 per cent in Q1), but were still low compared to the sector average. Fortunately, the majority of Ilmarinen's personnel who caught Covid-19 only had a mild form of the disease.

Societal restrictions linked to Covid-19 have been lifted during the spring. The exceptional measures at Ilmarinen are also ending and things will be back to normal from the start of May. We will apply the lessons learned during the pandemic and combine the best aspects of in-office and remote work in order to achieve our goals. When we see in practice what our day-to-day work will look like, we will review, together with the personnel, the learned lessons and identified improvement needs related to practices and our premises, for instance, and make the necessary changes. The cornerstones of the new working life are trust, a sense of community and clear ground rules. In the new working life, the intention is to balance remote work and in-office work so that for at least two days a week we will work at the office, meet with colleagues and stakeholders, and develop our operations together.

The war started by Russia naturally also

causes concern in Finland, and we have offered our personnel support with regard to this, an offer that part of the work community has already accepted. Otherwise, the war has so far had no effect on our personnel or the running of our operations.

## Changes in Ilmarinen's governance

Ilmarinen's General Meeting of 28 March 2022 elected four new members to the Supervisory Board: **Martti Ala-Härkönen**, CFO, Strategy and IT, Neste; **Elina Engman**, Executive Vice President, Industry at Caverion; **Veli-Matti Liimatainen**, Chief Executive Officer at Helsingin Osuuskauppa Elanto and **Heidi Lehikoinen**, Executive Director, Palvelualojen ammattiliitto PAM ry. The other members will continue in office.

Metsä Group's CEO **Ilkka Härmälä** will continue as Chairman of the Supervisory Board. **Salla Luomanmäki**, Executive Director, Akava Special Branches, will continue as Deputy Chairman of the Supervisory Board and **Juhapekka Joronen**, Managing Director, SOL Palvelut Oy, took on the role of second Deputy Chairman.

No changes were made to the composition of Ilmarinen's Board of Directors at the Supervisory Board meeting on 4 March 2022.

The Board of Directors constituted itself after the General Meeting. No changes were made to the chairmen of the Board of Directors.

As of 28 March 2022, the chairmen are:

- **Pasi Laine**, Chairman
- **Jarkko Eloranta**, 1st Deputy Chairman and primary deputy to the Chairman
- **Jyri Häkämies**, 2nd Deputy Chairman

## Future prospects and key uncertainties

The faster-than-expected hike in inflation, expectations of slowing economic growth and Russia's assault on Ukraine are clouding the growth prospects of the global economy. The global economic growth rate is expected to be 3.6 per cent and Finland's growth 1.5 per cent in 2022.

Ilmarinen's premiums written are expected

to grow in 2022, due to higher payrolls and the 0.45 percentage point increase in the TyEL contribution.

Loading income will decrease as a result of the lowering of the premium rate in the insurance contribution's administrative cost component. The loading profit is nevertheless expected to grow thanks to increasing cost-effectiveness.

The stimulus measures of the central banks and governments have supported the markets. The faster-than-expected hike in inflation and concerns over an increase in long-term inflationary pressures, tightening central bank monetary policy and slowing economic growth are causing uncertainty in the markets. The escalation of Russia's attack and other geopolitical tensions are serving to increase market restlessness.

The long-term real return expectation on investment assets is low, especially due to the low real interest rate level and the high valuation level of risky asset classes. 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 birth rate. The birth rate has been exceptionally low in recent years.

### **For more information, please contact:**

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- **Liina Aulin**, Executive Vice President, Communications and Corporate Responsibility, tel. +358 40 770 9400

## Tables

Key figures in brief	1.1.–31.3.2022	1.1.–31.3.2021	1.1.–31.12.2021
Premiums written, EUR mill.	1,556	1,382	5,922
Net return on investments at fair value, EUR mill.	-1,352	2,545	8,086
ROCE, %	-2.2	4.8	15.3
	31.3.2022	31.3.2021	31.12.2021
Technical provisions, EUR mill.	45,823	44,510	46,004
Solvency capital, EUR mill. <sup>1)</sup>	15,265	13,923	16,539
in relation to solvency limit	1.7	1.7	1.9
Pension assets, EUR mill. <sup>2)</sup>	60,201	56,365	61,656
as a percentage of technical provisions	134.0	132.8	136.7
TyEL payroll, EUR mill. <sup>3)</sup>	23,675	22,150	22,874
YEL payroll, EUR mill. <sup>3)</sup>	1,701	1,660	1,677

- 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	31.3.2022	31.3.2021	31.12.2021
Solvency limit, EUR mill.	8,919	8,099	8,728
Maximum solvency capital, EUR mill.	26,757	24,296	26,184
Solvency capital, EUR mill.	15,265	13,923	16,539
Solvency ratio, % <sup>1)</sup>	134.0	132.8	136.7
Solvency position <sup>2)</sup>	1.7	1.7	1.9

- 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.–31.3.2022	1.1.–31.3.2021	1.1.–31.12.2021
Source of profit			
Technical underwriting result	20	-6	44
Return on investments at fair value	-1,299	1,398	4,104
+ Net return on investments at fair value	-1,352	2,545	8,086
- Return requirement on technical provisions	53	-1,147	-3,982
Loading profit	12	11	42
Other profit	0	0	-11
Total result	-1,267	1,403	4,179

Breakdown of investments (current value)	Basic breakdown						Risk breakdown			
	31.3.2022		30.3.2021		31.12.2021		31.3.2022		31.3.2021 31.12.2021	
	EUR mill.	%	EUR mill.	%	EUR mill.	%	EUR mill.	%	%	%
<b>Fixed income investments total</b>	<b>17,406.5</b>	<b>29.4</b>	<b>17,212.4</b>	<b>31.1</b>	<b>18,291.6</b>	<b>30.1</b>	<b>14,509.2</b>	<b>24.5</b>	<b>27.1</b>	<b>27.0</b>
Loan receivables <sup>1)</sup>	2,077.9	3.5	1,832.4	3.3	2,009.8	3.3	2,077.9	3.5	3.3	3.3
Bonds	14,781.7	25.0	14,090.8	25.4	14,221.5	23.4	16,104.5	27.2	15.8	25.4
Other money market instruments and deposits <sup>1) 2)</sup>	546.9	0.9	1,289.2	2.3	2,060.3	3.4	-3,673.2	-6.2	8.0	-1.8
<b>Equities and shares total</b>	<b>29,314.8</b>	<b>49.6</b>	<b>27,391.6</b>	<b>49.4</b>	<b>30,476.1</b>	<b>50.1</b>	<b>29,417.4</b>	<b>49.7</b>	<b>49.3</b>	<b>50.0</b>
Listed equities and shares <sup>3)</sup>	20,477.7	34.6	20,564.3	37.1	21,966.6	36.1	20,580.3	34.8	36.9	36.0
Private equity investments <sup>4)</sup>	7,591.2	12.8	5,773.6	10.4	7,270.7	12.0	7,591.2	12.8	10.4	12.0
Non-listed equities and shares <sup>5)</sup>	1,245.9	2.1	1,053.7	1.9	1,238.8	2.0	1,245.9	2.1	1.9	2.0
<b>Real estate investments total</b>	<b>6,705.6</b>	<b>11.3</b>	<b>6,351.6</b>	<b>11.5</b>	<b>6,490.7</b>	<b>10.7</b>	<b>6,738.8</b>	<b>11.4</b>	<b>11.5</b>	<b>10.7</b>
Direct real estate investments	5,999.8	10.1	5,762.0	10.4	5,836.8	9.6	6,016.4	10.2	10.4	9.6
Real estate funds and joint investments	705.8	1.2	589.6	1.1	653.9	1.1	722.4	1.2	1.1	1.1
<b>Other investments total</b>	<b>5,722.4</b>	<b>9.7</b>	<b>4,469.0</b>	<b>8.1</b>	<b>5,514.5</b>	<b>9.1</b>	<b>6,148.8</b>	<b>10.4</b>	<b>8.0</b>	<b>8.2</b>
Hedge fund investments <sup>6)</sup>	4,155.7	7.0	3,367.7	6.1	4,115.5	6.8	4,155.7	7.0	6.1	6.8
Commodity investments	152.6	0.3	71.6	0.1	92.5	0.2	312.3	0.5	0.6	0.0
Other investments <sup>7)</sup>	1,414.0	2.4	1,029.8	1.9	1,306.5	2.1	1,680.8	2.8	1.4	1.4
<b>Investments total</b>	<b>59,149.2</b>	<b>100.0</b>	<b>55,424.6</b>	<b>100.0</b>	<b>60,772.9</b>	<b>100.0</b>	<b>56,814.2</b>	<b>96.1</b>	<b>95.9</b>	<b>95.9</b>
Effect of derivatives							2,335.0	3.9	4.1	4.1
<b>Investment return at current value total</b>	<b>59,149.2</b>	<b>100.0</b>	<b>55,424.6</b>	<b>100.0</b>	<b>60,772.9</b>	<b>100.0</b>	<b>59,149.2</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

The modified duration of bond investments was 2.1 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 <sup>8)</sup>	Capital employed <sup>9)</sup>	ROCE, %	ROCE, %	ROCE, %
	31.3.2022	31.3.2022	31.3.2022	31.3.2021	31.12.2021
	EUR mill.	EUR mill.	%	%	%
<b>Fixed income investments total</b>	<b>-306.9</b>	<b>18,290.3</b>	<b>-1.7</b>	<b>2.0</b>	<b>3.9</b>
Loan receivables <sup>1)</sup>	16.9	2,054.7	0.8	1.5	4.4
Bonds	-308.3	14,813.6	-2.1	2.1	4.1
Other money market instruments and deposits <sup>1) 2)</sup>	-15.6	1,422.0	-1.1	1.4	0.7
<b>Equities and shares total</b>	<b>-1,050.1</b>	<b>30,426.9</b>	<b>-3.5</b>	<b>9.1</b>	<b>28.0</b>
Listed equities and shares <sup>3)</sup>	-1,395.4	21,818.0	-6.4	8.2	23.7
Private equity investments <sup>4)</sup>	313.3	7,368.6	4.3	13.7	44.5
Non-listed equities and shares <sup>5)</sup>	32.0	1,240.4	2.6	2.1	24.4
<b>Real estate investments total</b>	<b>41.3</b>	<b>6,520.5</b>	<b>0.6</b>	<b>0.8</b>	<b>8.8</b>
Direct real estate investments	26.0	5,868.1	0.4	0.9	9.0
Real estate funds and joint investments	15.3	652.4	2.3	0.7	7.1
<b>Other investments total</b>	<b>-26.8</b>	<b>5,565.5</b>	<b>-0.5</b>	<b>-3.2</b>	<b>-2.0</b>
Hedge fund investments <sup>6)</sup>	107.2	4,086.4	2.6	4.1	7.3
Commodity investments	9.6	81.9	-	-	-
Other investments <sup>7)</sup>	-143.6	1,397.2	-10.3	-23.8	-27.6
<b>Investments total</b>	<b>-1,342.5</b>	<b>60,803.3</b>	<b>-2.2</b>	<b>4.8</b>	<b>15.3</b>
Unallocated income, costs and operating expenses	-9.1	0.0	0.0	0.0	0.0
<b>Investment return at current value total</b>	<b>-1,351.6</b>	<b>60,803.3</b>	<b>-2.2</b>	<b>4.8</b>	<b>15.3</b>

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.