

# Well prepared for tomorrow

Ilmarinen's Interim Report  
January-September 2025





# Return on investments was 4.8 per cent, solvency was strong, and cost-effectiveness at a good level

- The return on Ilmarinen's investment portfolio was 4.8 (7.4) per cent, or EUR 3.0 billion. The market value of investments grew to EUR 65.7 (63.3) billion. The long-term average return on investments was 5.8 per cent as of 1997. This corresponds to a real return of 4.0 per cent.
- The total result was EUR 808 (1,792) million.
- Premiums written increased by 3 per cent to EUR 5,457 (5,299) million. Pensions paid increased by 4 per cent to EUR 6,015 (5,776) million.
- Net customer acquisition was EUR 71 (150) million and rolling customer retention for the previous 12 months was 95.6 (96.5) per cent.
- Operating expenses financed using loading income were EUR 68 (69) million, amounting to 0.31 (0.32) per cent of the Employees Pensions Act payroll and YEL income of the insured.
- The solvency capital was EUR 14.7 (13.9) billion, and the solvency ratio was 128.3 (127.5) per cent.
- Mikko Mursula assumed the role of CEO on 1 September 2025.
- Prospects: Ilmarinen's premiums written are expected to increase as payrolls increase.



# Key figures for January-September

Premiums written

**5.46** (5.30)  
EUR bn.



Operating expenses  
financed using  
loading income

**68** (69)  
EUR mill.



Return on  
investments

**4.8** (7.4)  
%



Solvency ratio

**128.3** (127.5)  
%



**6.02** (5.78)  
EUR bn.

Pensions paid

**0.31** (0.32)  
%

Operating expenses  
financed using  
loading income, %  
of payroll<sup>\*)</sup>

**65.7** (63.3)  
EUR bn.

Investment assets

**14.7** (13.9)  
EUR bn.

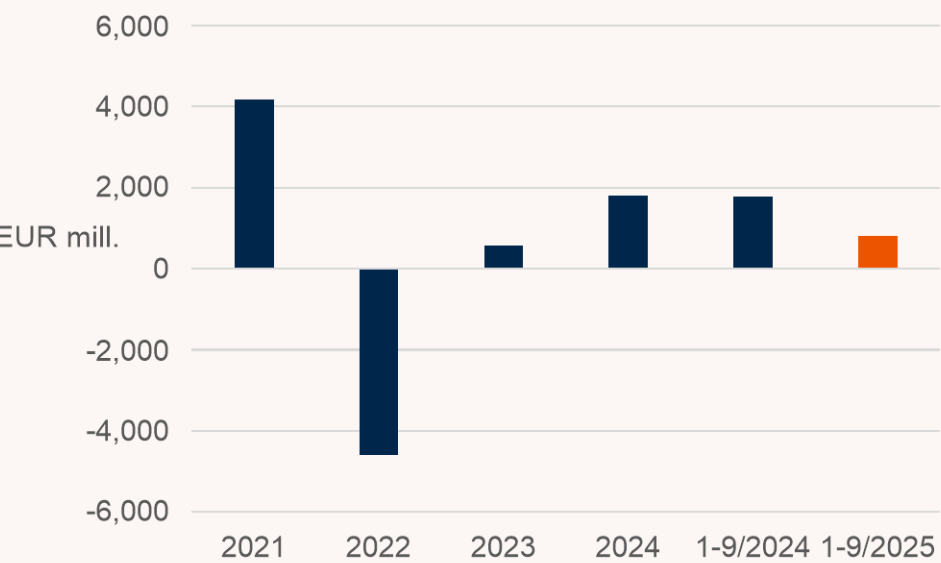
Solvency capital

<sup>\*)</sup> Payroll is the sum of TyEL payroll and YEL income.

The result comparison figures are the figures for the corresponding period of 2024. The comparison figures for the balance sheet and other cross-sectional figures are the figures for the end of 2024.

# Ilmarinen’s total result was EUR 808 million

Total result, EUR mill.



Sources of profit, EUR mill.

Result analysis, EUR mill.	1 Jan – 30 Sep2025	1 Jan – 30 Sep2024	1 Jan – 31 Dec2024
Underwriting result	-28	14	6
Return on investments at fair value	839	1,777	1,797
+ Net return on investments at fair value	3,034	4,362	5,044
- Return requirement on technical provisions	-2,195	-2,585	-3,247
Loading profit	-3	0	-1
Other profit	0	0	3
Total result	808	1,792	1,804





# Operating environment

# Uncertainty overshadowing the economic operating environment and investment market is on the decline

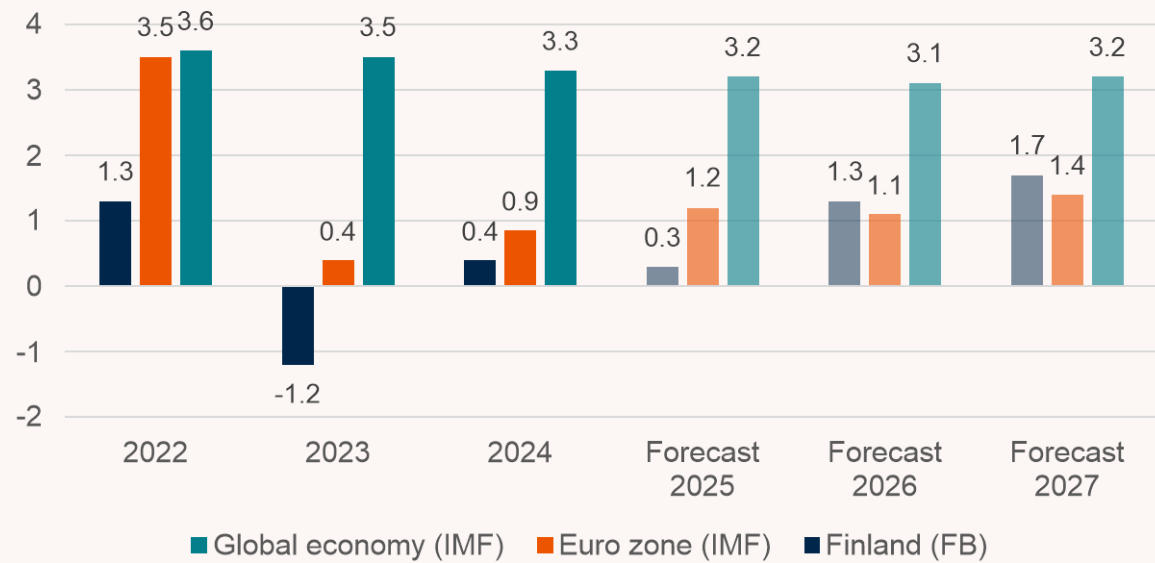
- Uncertainty related to trade and power politics has declined since the spring through the conclusion of trade agreements, for instance. The growth forecasts of global economy were revised to 3.2 per cent for 2025.
- In the eurozone, inflation has recovered to the level of 2 per cent, which is in line with the ECB's price stability target. In the United States, inflation has slowed down significantly more slowly.
- In Finland, economic growth is still weak, but more rapid growth is forecast for next year. According to a forecast by the Bank of Finland, the economy will grow by 0.3 per cent this year and 1.3 per cent next year.
- The equity market has yielded very good returns by the end of September. European equities have yielded 13 per cent and Finnish equities 19 per cent. In the United States, rates have risen by 15 per cent in the local currency.
- The dollar weakened by 12 per cent at the beginning of the year, but this development stopped in the summer. The return on the US stock market in euros was only 1.2 per cent.
- The greater investment expectations increased long-term rates in Europe. Conversely, long-term rates declined in the United States.





# The growth forecast of global economy was revised to 3.2 per cent for 2025. The Finnish economy is expected to slowly recover from the recession.

GDP development, %



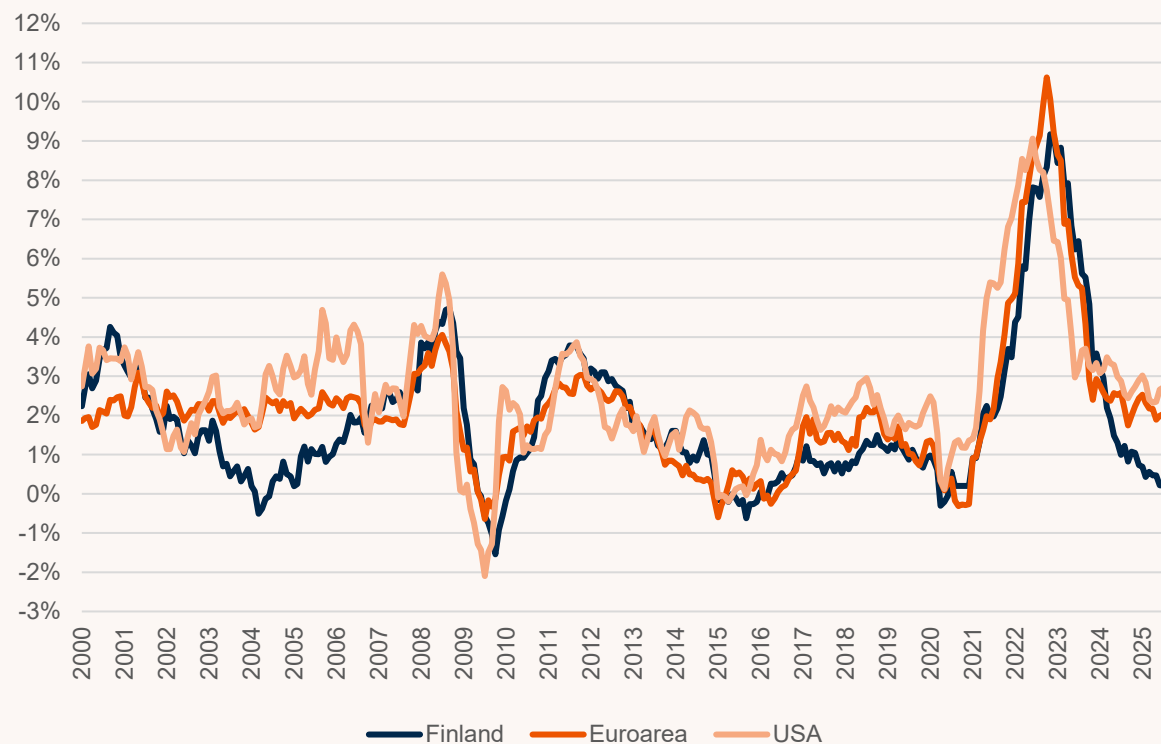
Development of Finland's employment and unemployment rates, %



Sources: Bank of Finland 9/2025, IMF 10/2025, VM 9/2025

# Inflation has fallen to the ECB's target level in Europe, still above the target in the United States

Year-on-year change in consumer prices



- In August, inflation was 2.9 per cent in the United States. In September, inflation was 2.2 per cent in the eurozone and 0.5 per cent in Finland.
- In the eurozone, inflation has recovered to the level of 2 per cent, which is in line with the European Central Bank's (ECB) price stability target.
- In the United States, the recovery of inflation towards the Fed's target level has been slower, as tariffs and uncertainty slow down the recovery and increase uncertainty related to inflation.



# The equity market has recovered since the decline at the beginning of April

- The return on equity investments in the USA was 14.8 per cent and in Europe 12.6 per cent.
- In Finland, the return on equity investments was 19.4 per cent.

## Equity market performance



## Stock valuation level (P/E based on 12-month forecasts)



# The greater investment expectations increased long-term rates in Europe

The risk premiums for instruments with credit risks at a low level

Development of interest rates, %pt

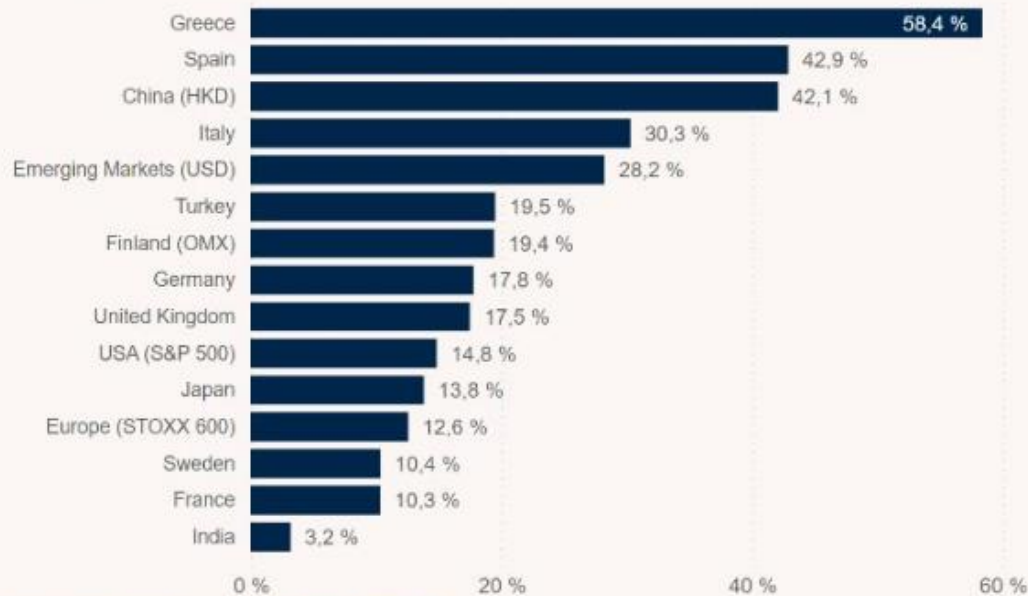


Development of credit risk premiums, basis point

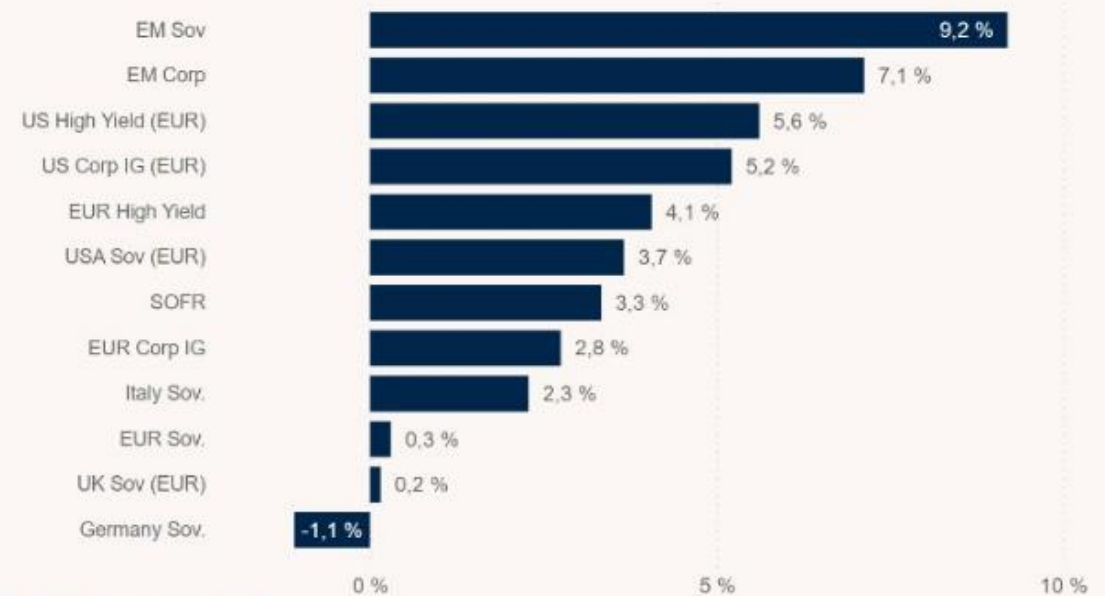


# Asset class incomes from 1 January to 30 September 2025

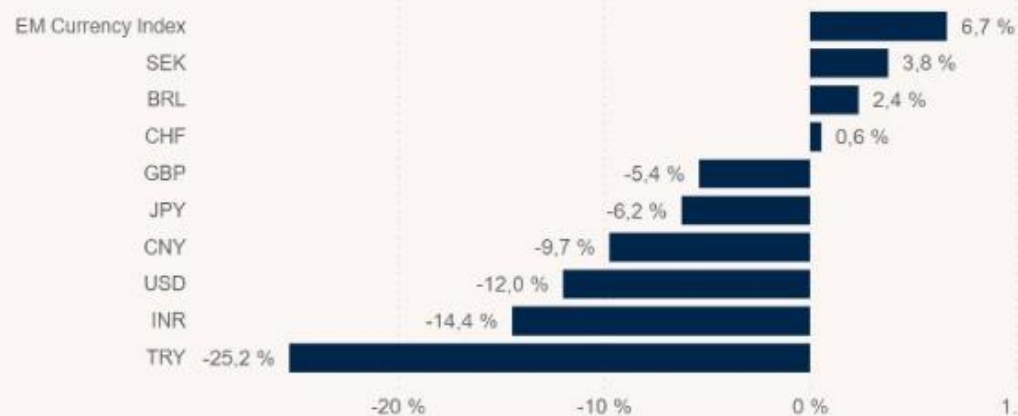
Equity market YTD % , total return in local currency



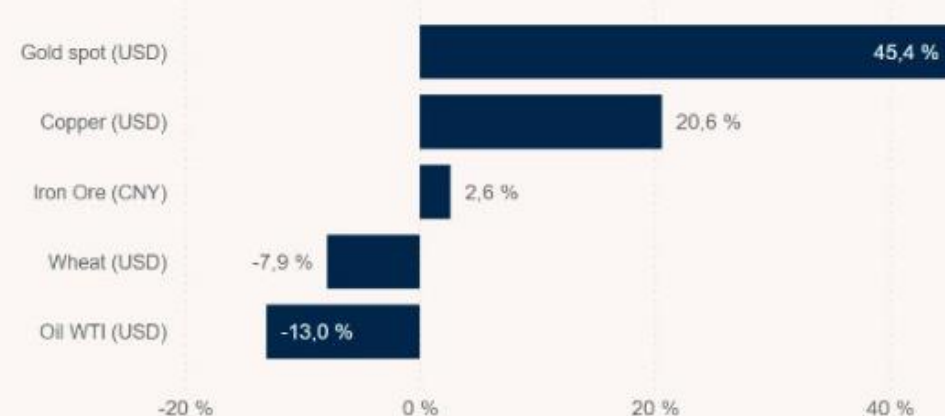
Fixed income YTD %



Currency against the euro YTD %



Commodities YTD %





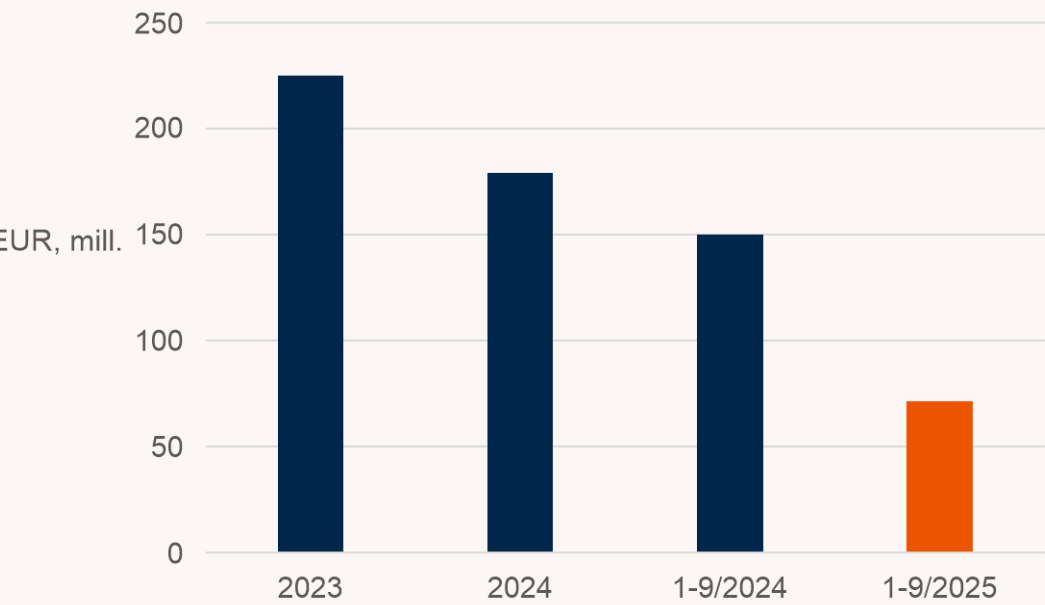


# Pension security for you

Insurance and pensions

# Net customer acquisition was EUR 71 million, customer retention was 95.6 per cent

Net customer acquisition  
2023–30 September 2025, EUR mill. \*)



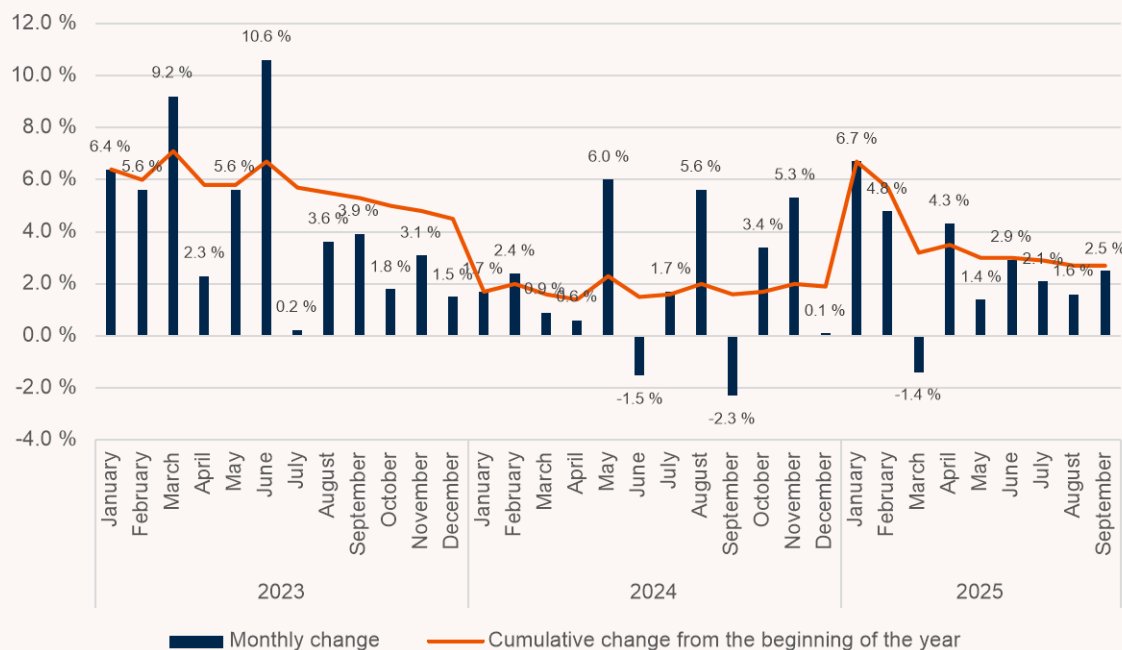
Net customer acquisition, EUR mill.

EUR mill.	1–9/2025	1–9/2024	2024
Net customer acquisition	71	150	179
Sales of new insurance	74	76	103
Net transfer of insurance	-2	73	77
Customer retention, % of premiums written	95.6%	96.5%	96.7%

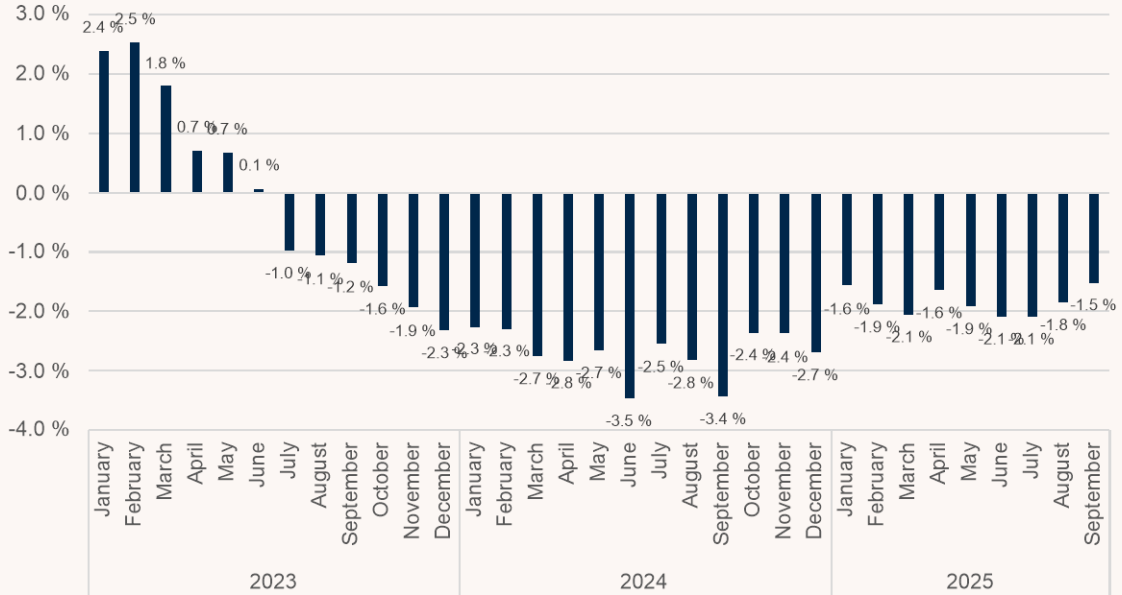
\*) Net customer acquisition is presented from 2023 onward, as a change in reporting weakens the comparability of earlier years.

# Customers' payroll increased by 2.7 per cent in January–September, but the number of employees in the business cycle index decreased by 1.8 per cent

Change in payroll of Ilmarinen's customers from previous year



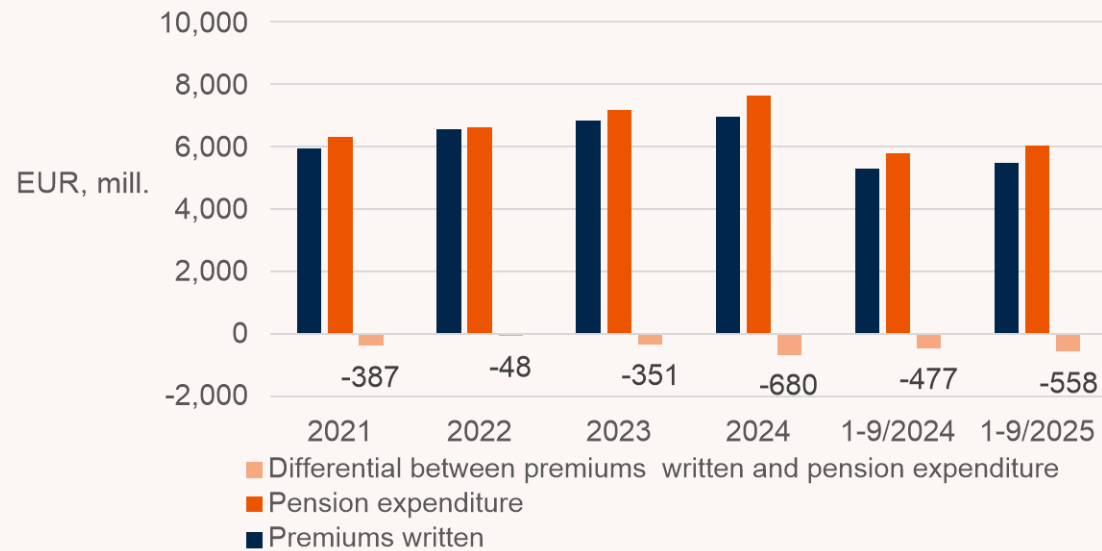
Change in number of employees in Ilmarinen's business cycle index





# Premiums written increased by 3 per cent to EUR 5.5 billion, while pension expenditure also increased by 4 per cent to EUR 6.0 billion

Premiums written and pension expenditure, 2021–30 September 2025

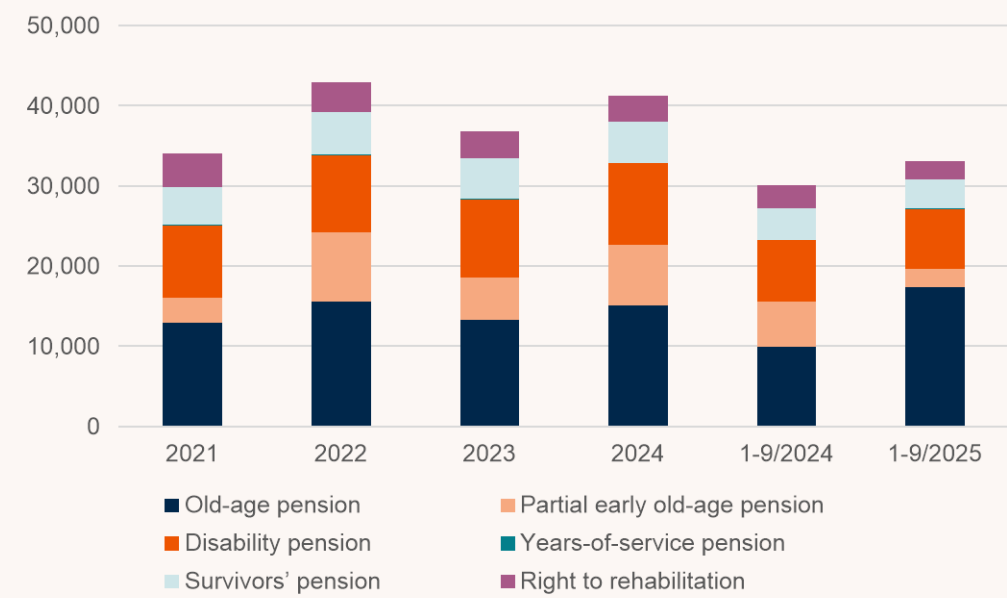


EUR mill.	1–9/2025	1–9/2024	2024	2023	2022	2021
TyEL	5,128	4,967	6,533	6,418	6,164	5,534
YEL	329	331	423	404	394	388
<b>Premiums written</b>	<b>5,457</b>	<b>5,299</b>	<b>6,956</b>	<b>6,822</b>	<b>6,558</b>	<b>5,922</b>
TyEL	5,669	5,427	7,187	6,744	6,189	5,902
YEL	347	348	449	429	417	407
<b>Pension expenditure</b>	<b>6,015</b>	<b>5,776</b>	<b>7,636</b>	<b>7,173</b>	<b>6,606</b>	<b>6,309</b>

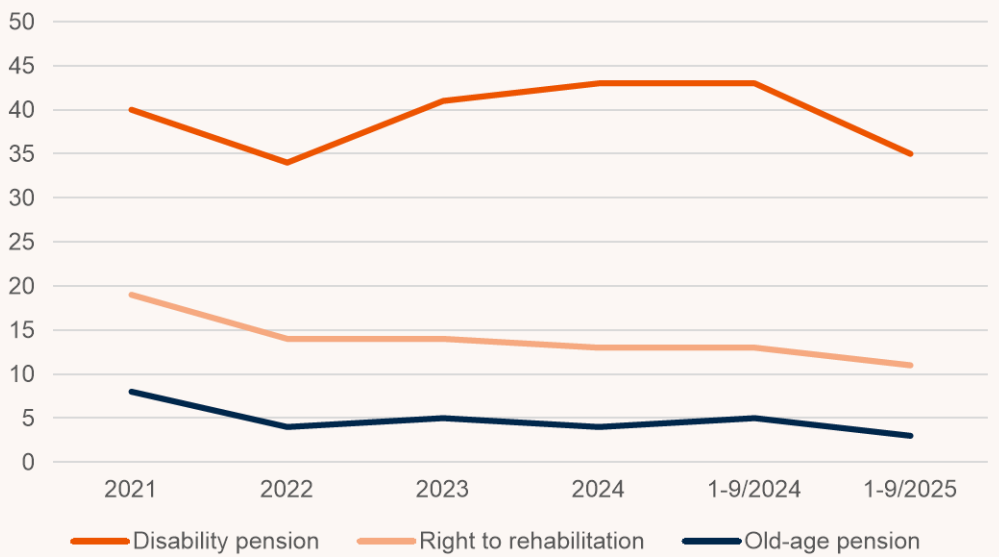
# The number of old-age pension decisions almost doubled from the previous year and was 17,358

Working alongside the old-age pension has become more common, and the pension accrued from this work is applied for more often than before. Old-age pension decisions were issued in three days on average.

Number of new pension decisions



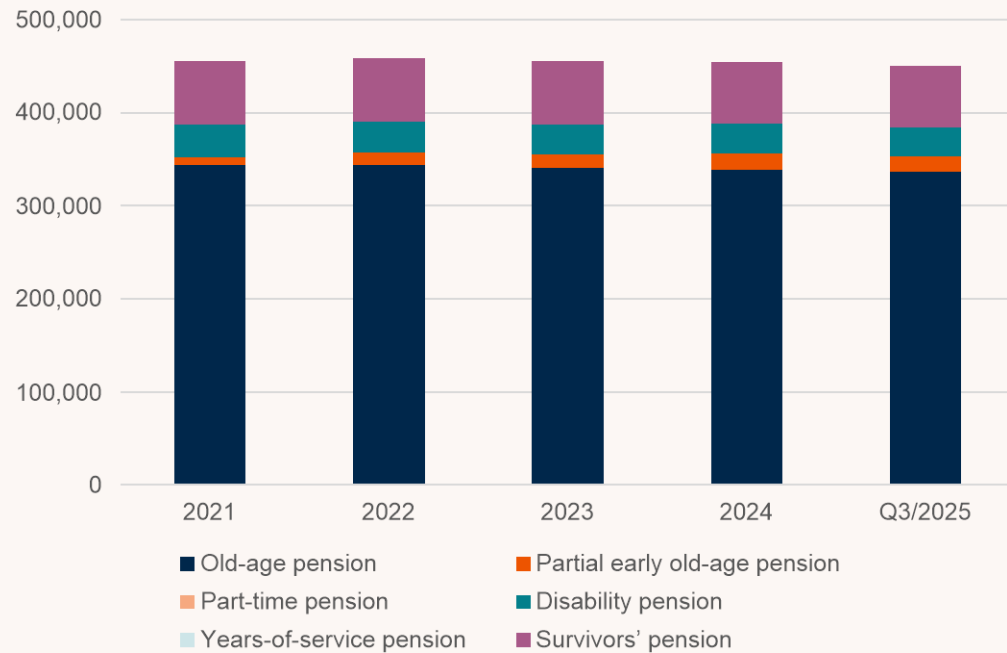
Average application processing time, days



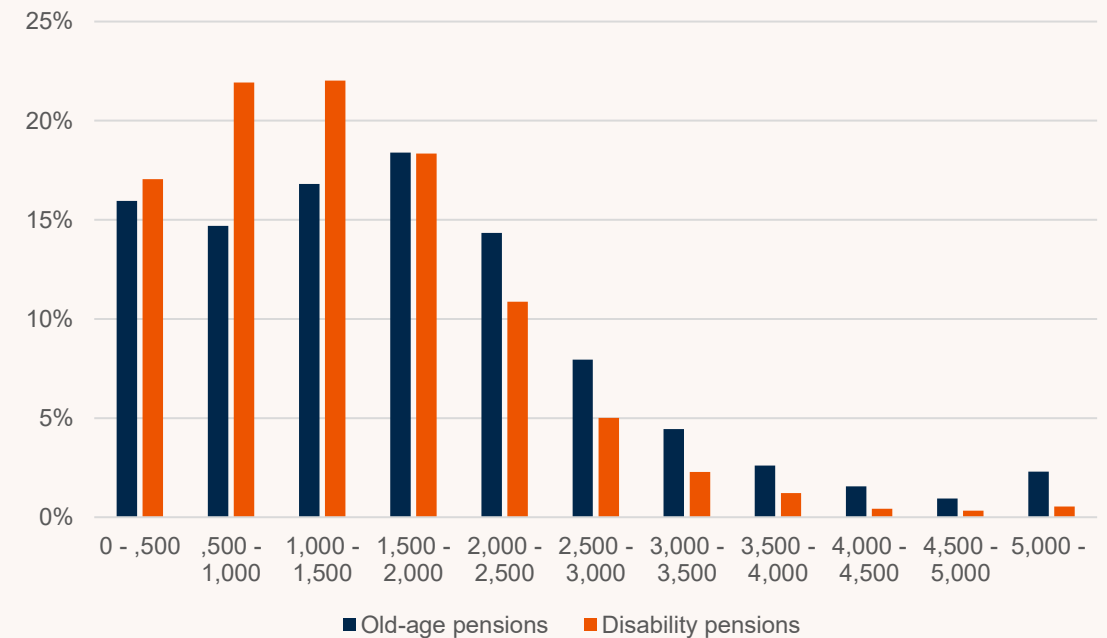
# We paid 4 per cent more pensions, or a total of EUR 6.0 billion to 449,917 pensioners

The average old-age pension was EUR 1,727 per month.

## Ilmarinen's pension recipients



## Distribution of paid old-age and disability pensions by size







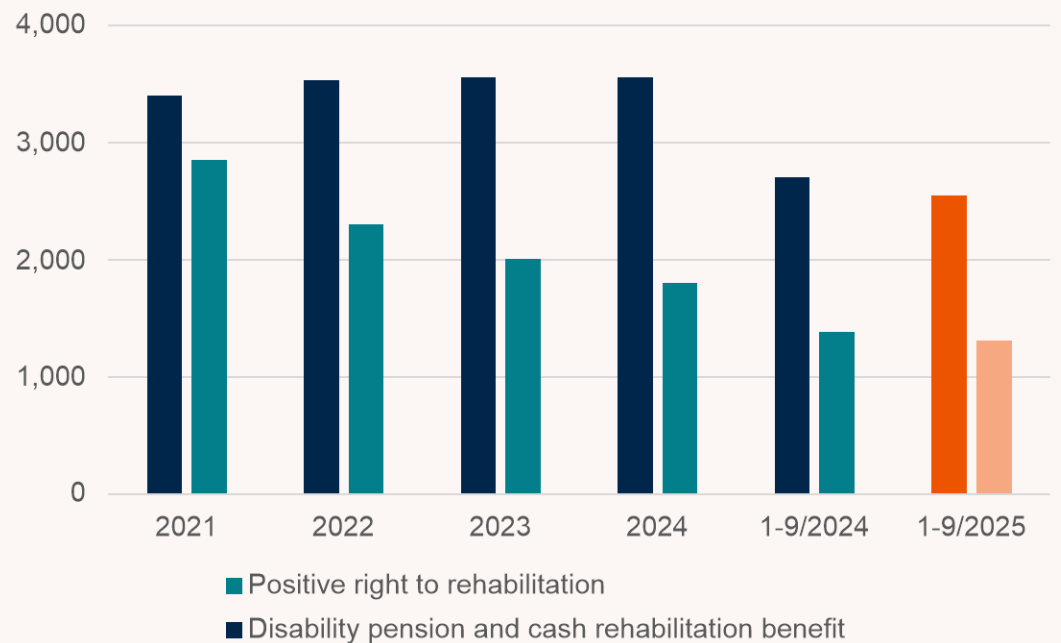
# Future work ability

Work ability risk management  
and rehabilitation

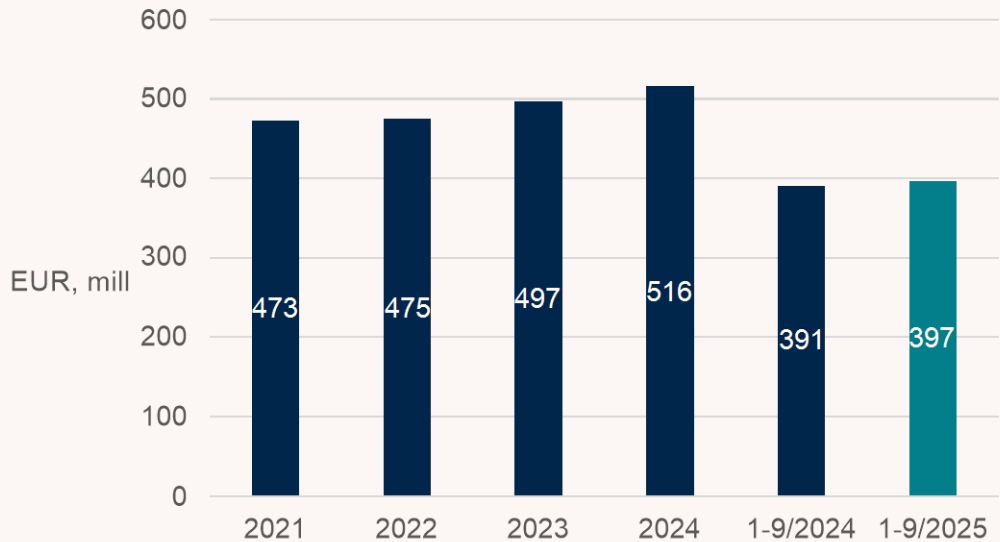
# 2,551 persons transitioned to disability benefit, which was 6 per cent less than in the previous year.

## Disability pension expenditure rose by EUR 6 million to EUR 397 million

Decisions on entitlement to rehabilitation and persons retired on disability pension

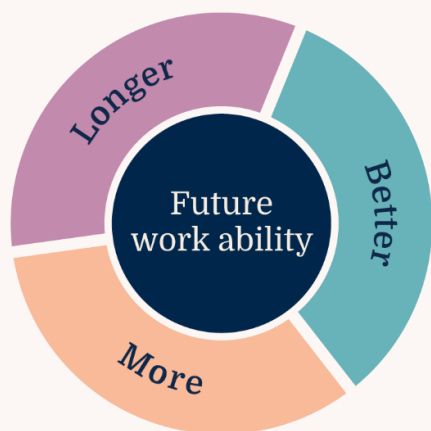


Disability pension expenditure, EUR mill. million



# Customers find work ability management services very effective

Longer, better and more careers with the “Future work ability” model



In 2024, we published the “Future work ability” model to support effective cooperation.

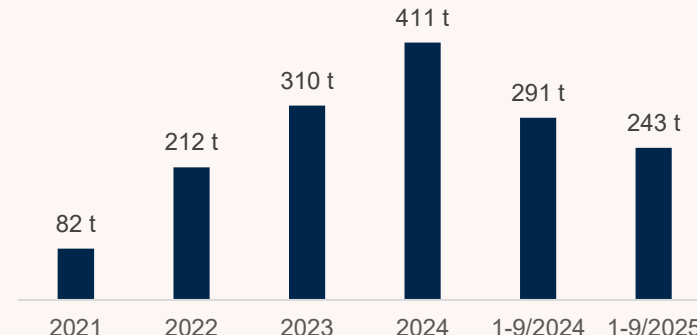
For 2025, the estimate of the benefit was

# 4.8

Customers find work ability services very useful. For 2025, the estimate of the benefit was 4.8 (4.6) on a scale from 1 to 5. Work ability services’ NPS was 79.

Customers are interested in the contents of work ability management services

Service users 2021–Q3/2025



Customers are interested in the contents of the Work Ability Hub. Over 243,000 users actively used the service.

The number of employees in companies using the services is now over 380,000.



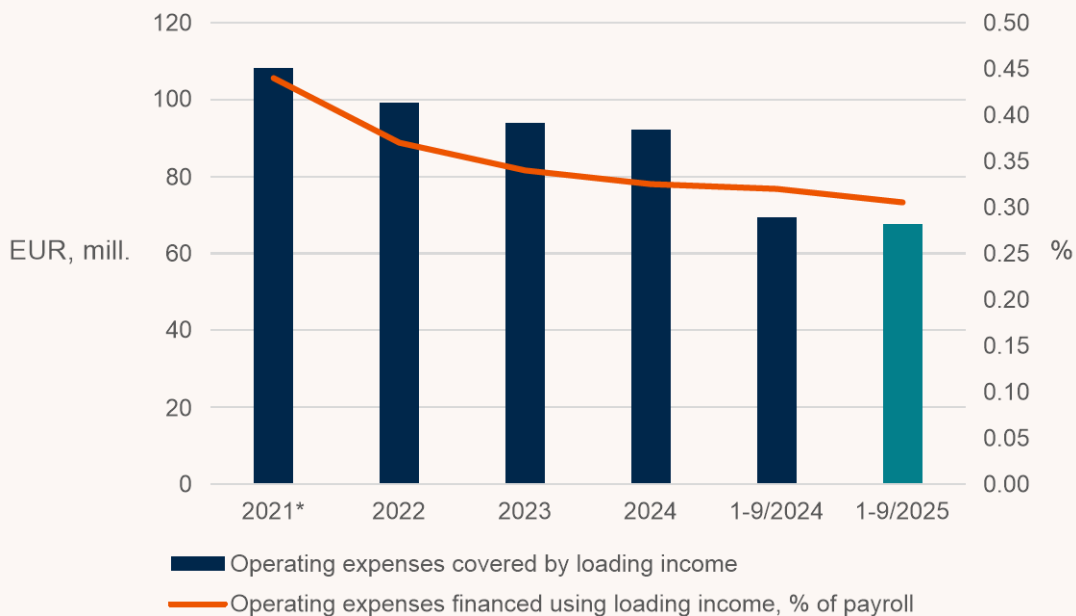


# Cost-effective operations

Operating expenses and personnel

# Operating expenses financed using loading income amounted to EUR 68 million and 0.31 per cent of the payroll

Total operating expenses, operating expenses financed using loading income, and operating expenses using loading income of payroll 2021–30 September 2025 \*) \*\*)



	1–9/2025	1–9/2024	2024	2023	2022	2021*
Total operating expenses EUR, mill.	109	107	143	146	151	157
Operating expenses covered by loading income EUR, mill.	68	69	92	94	99	108
Operating expenses financed using loading income, % of payroll	0.31	0.32	0.33	0.34	0.37	0.44
Operating expenses financed using loading income per pensioners and insured, EUR	60	61	82	83	87	96

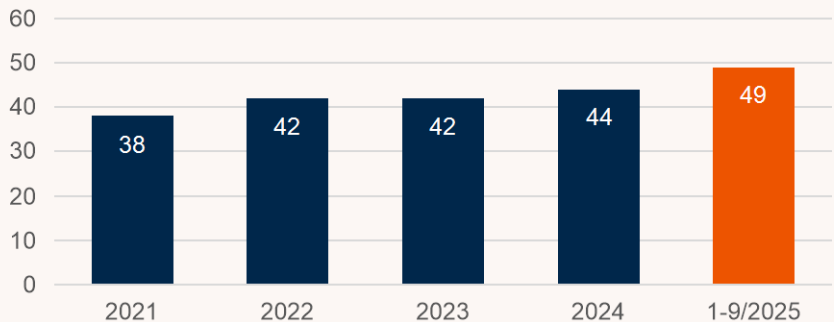
\*) Operating expenses and operating expenses financed using loading income are presented above without the one-time write-down of EUR 18.2 million for intangible assets made in the financial statements for 2021

\*\*) The payroll is the sum of TyEL payroll and YEL income

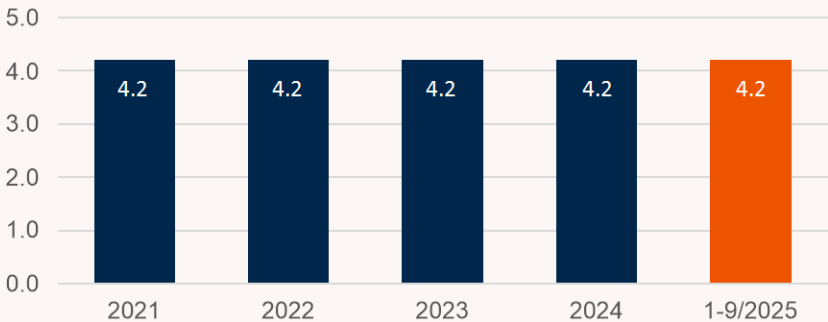
# Employee experience and energy level at work were excellent

## Number of absences due to illness on the decline

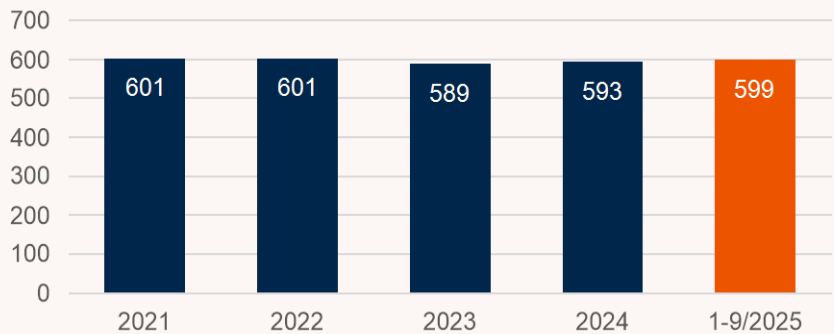
Employee Net Promoter Score (eNPS)



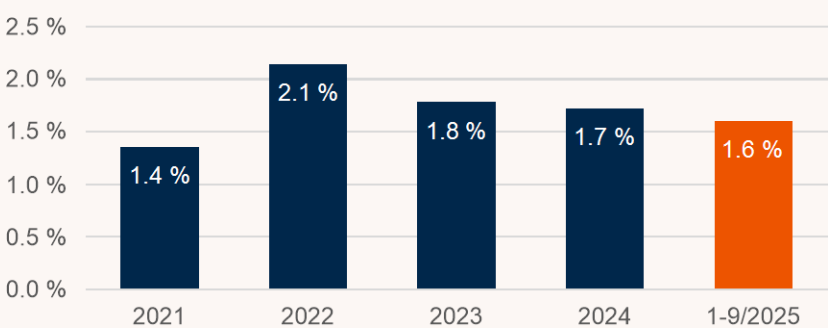
Personnel's average energy level (1–5)



Average number of employees (person years)



Sick leave percentage







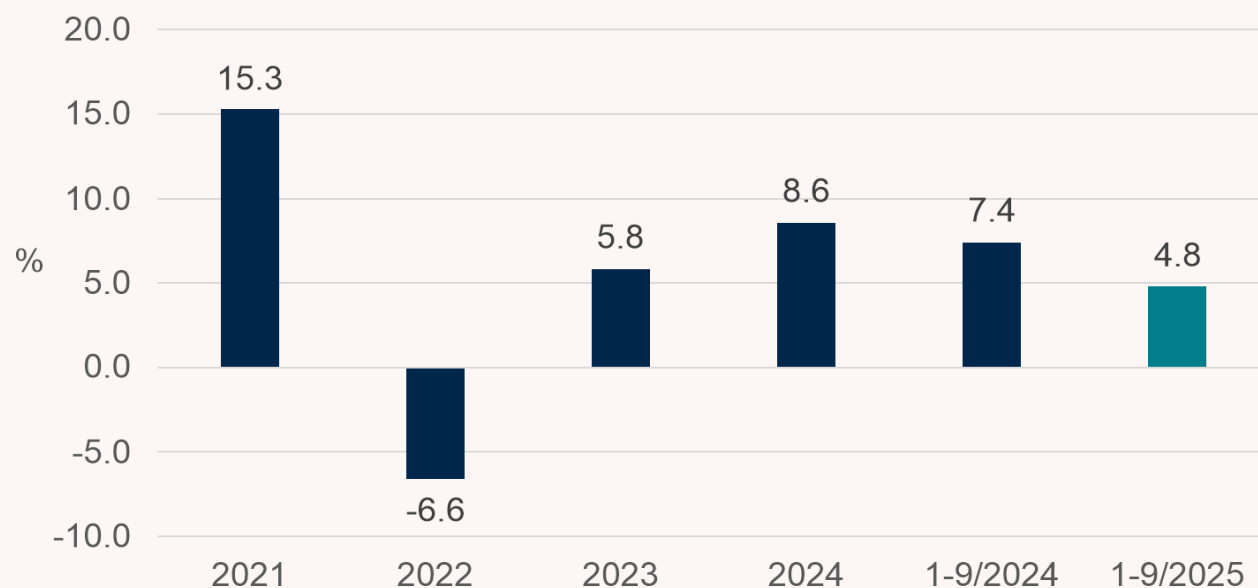
# Profitably, securely and responsibly

Investment activities

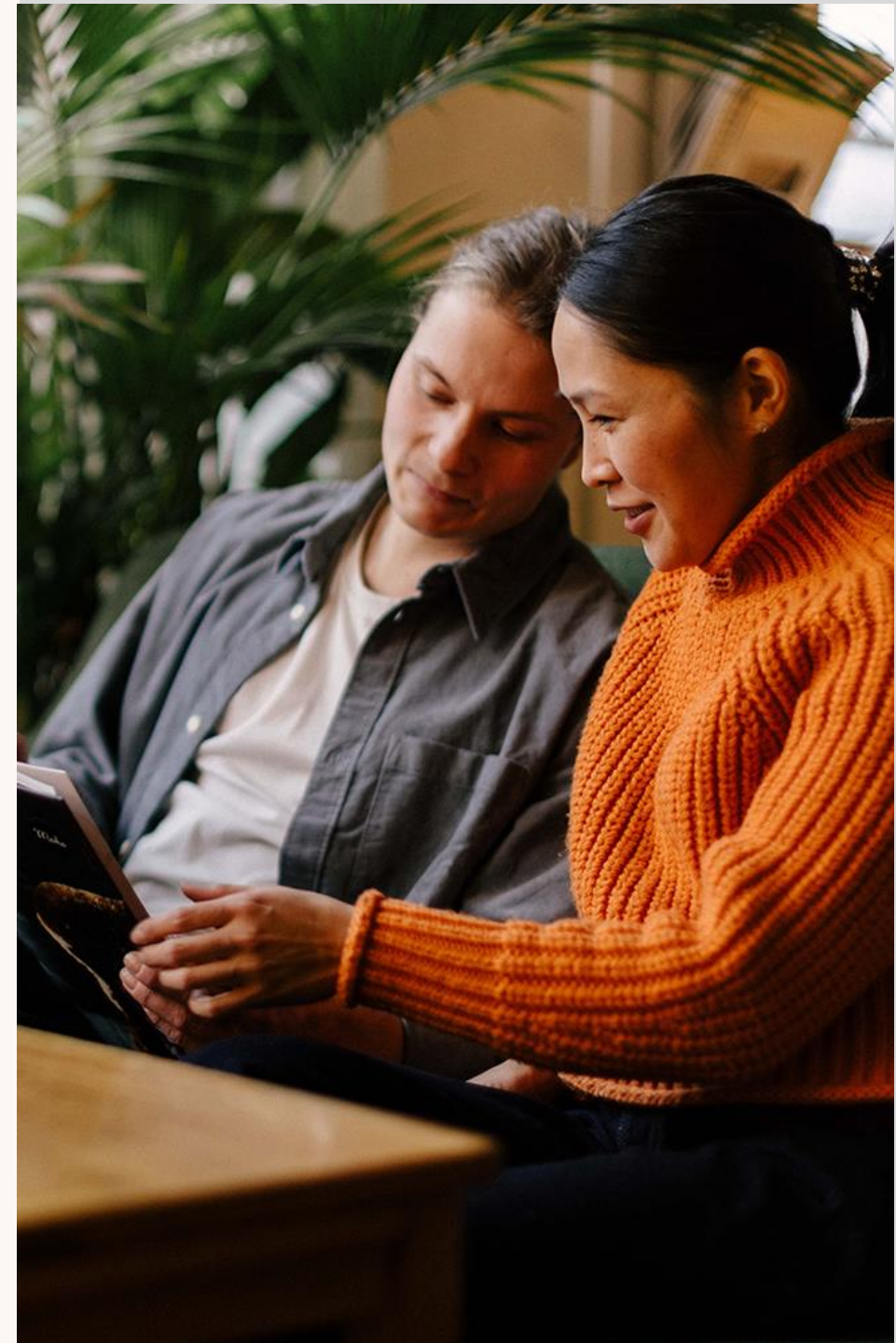


# The return on the investment portfolio was 4.8 per cent, or EUR 3.0 billion

Return on investments at current value, %

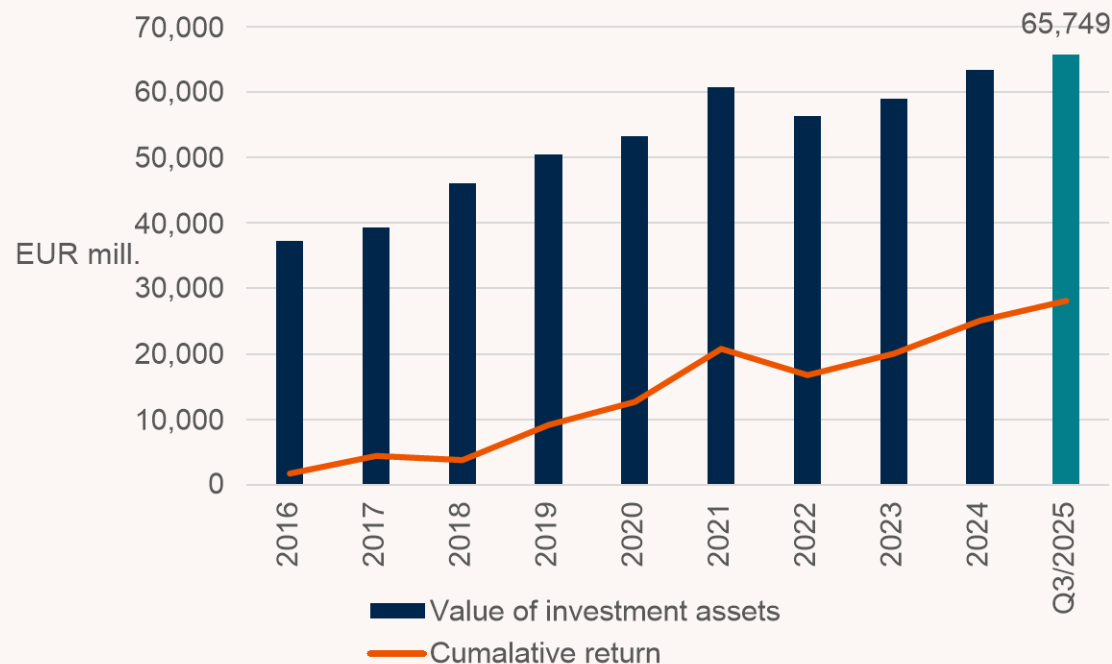


Average nominal return on investments over 5 years 6.6 per cent and real return 3.0 per cent. Average nominal return on investments over 10 years 5.9 per cent and real return 3.7 per cent.

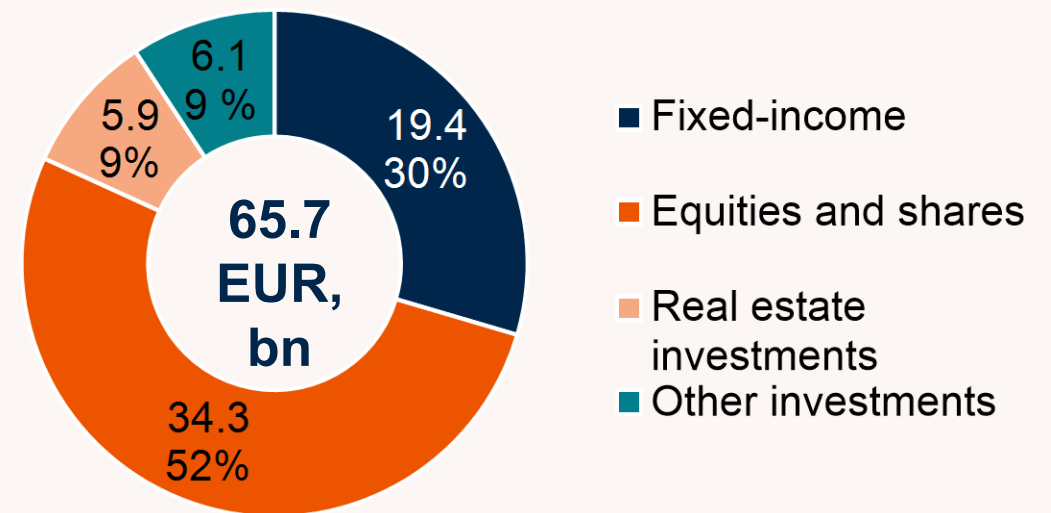


# The value of investments increased to EUR 65.7 billion. Investments have generated a total of EUR 28.1 billion since 2016

Value of investments and cumulative return  
2016–30 September 2025, EUR mill.



Breakdown of investments, 30 September 2025



Average nominal return on investments over 10 years 5.9 per cent and real return 3.7 per cent

# Return on Ilmarinen's investment portfolio was 4.8 per cent

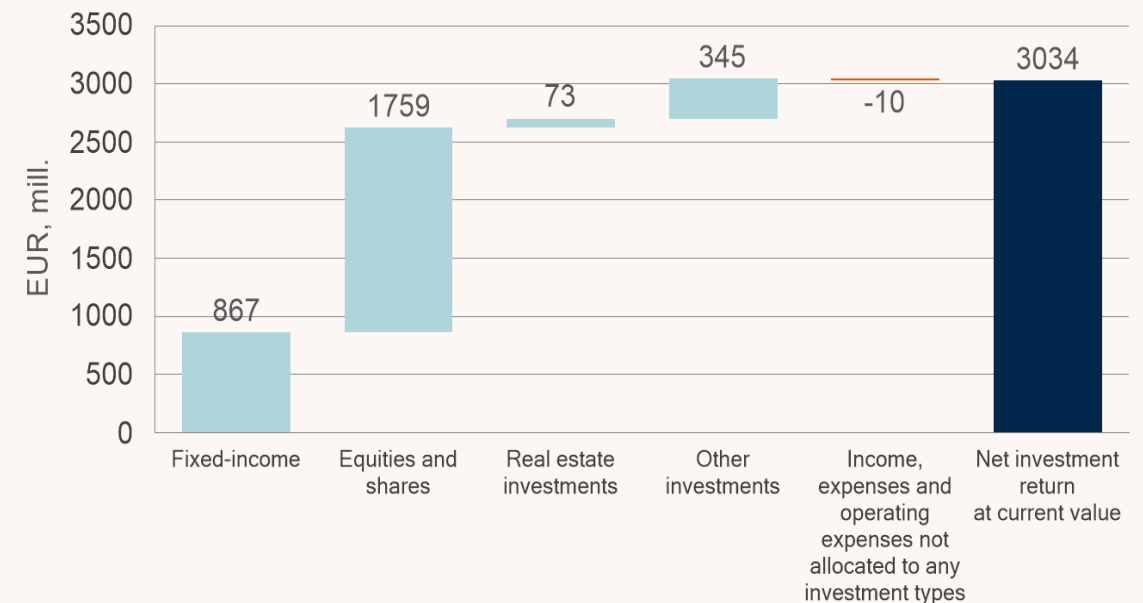
Positive return on investments was increased especially by equity and fixed-income investments.

Return, %

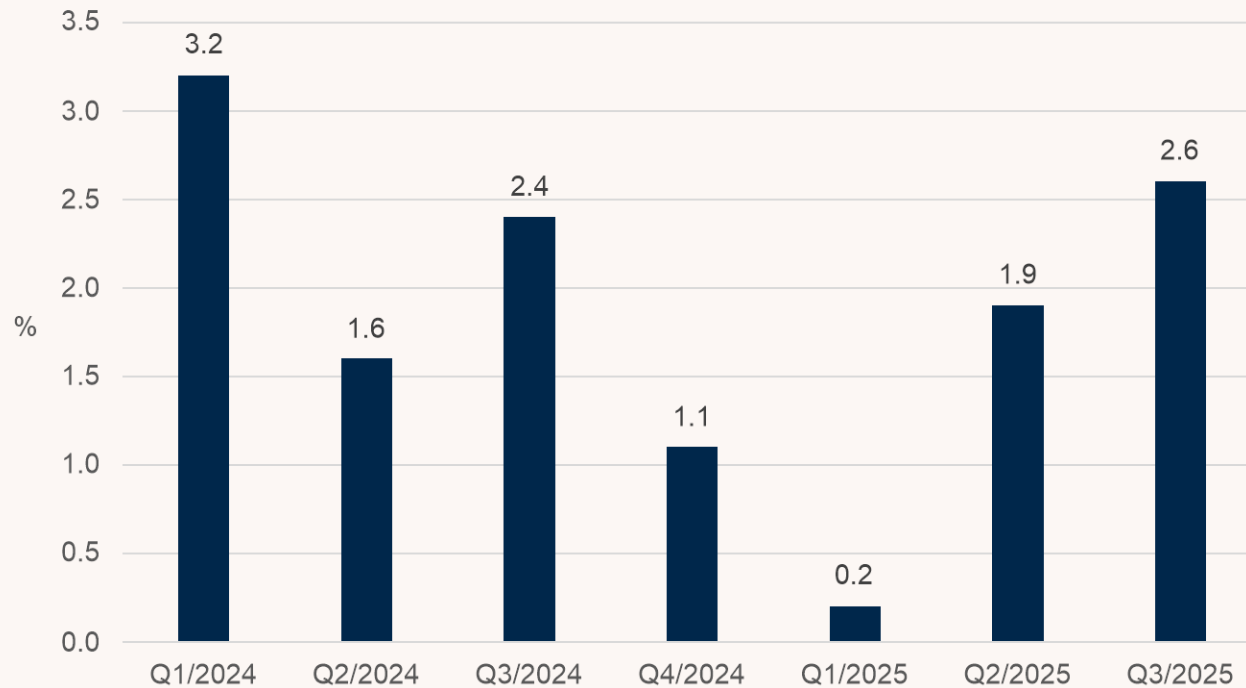
	1–9/2025	1–9/2024	2024
ROCE, %	4.8	7.4	8.6
Fixed-income	4.7	4.6	4.4
Equities and shares	5.4	11.9	14.1
Real estate investments	1.3	-0.3	-0.9
Other investments	5.8	4.0	6.7

Calculated from 1997, the average annual return at current value has been 5.8 per cent per annum. This corresponds to an annual real return of 4.0 per cent.

Return by type of investment, EUR mill.



# The return for the third quarter was 2.6 per cent, or EUR 1.7 billion

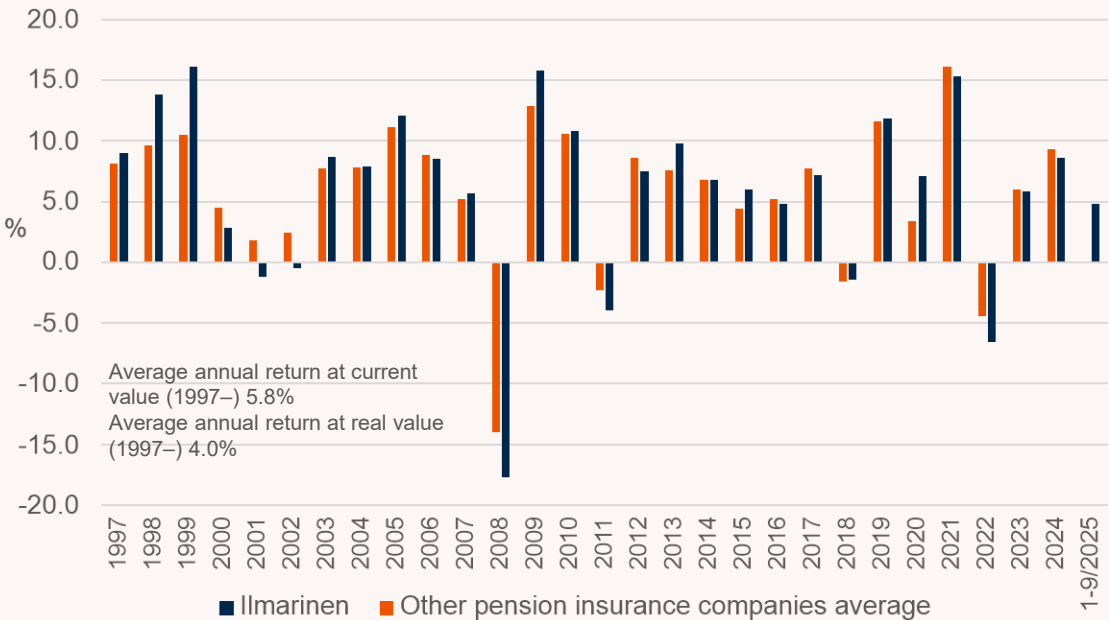


Return on investments was increased especially by listed equity investments.



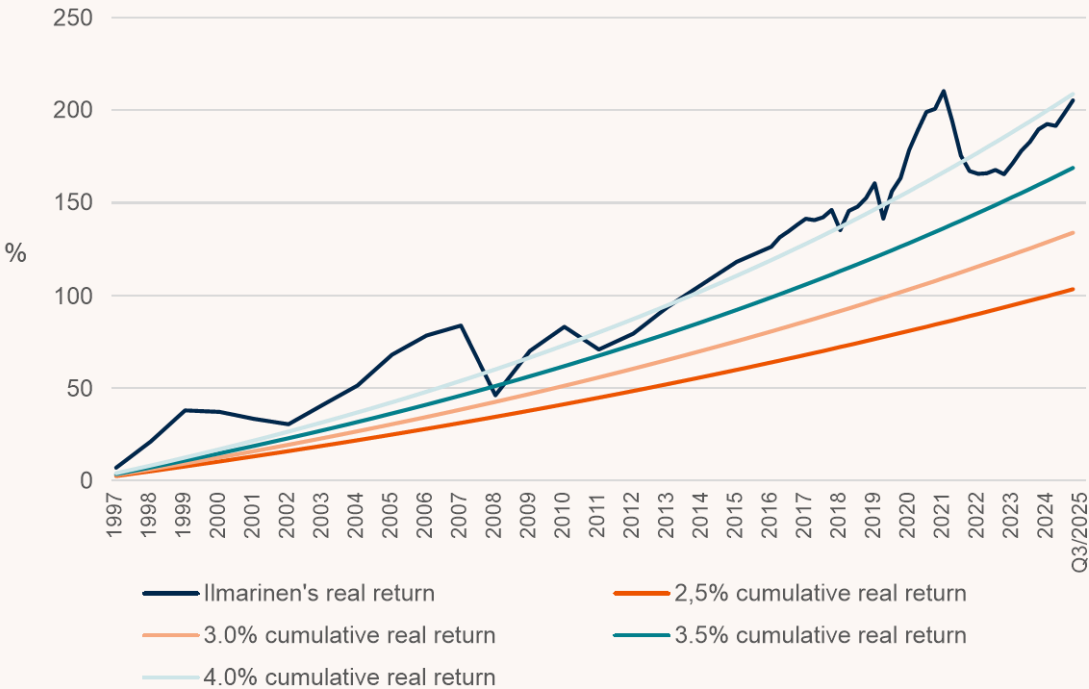
# Long-term average nominal return 5.8 per cent per annum, or 4.0 per cent in real terms

Net return on investments at current value



Average annual return at current value (1997–) 5.8%  
Average annual return at real value (1997–) 4.0%

Cumulative return on investments 1997–30 September 2025



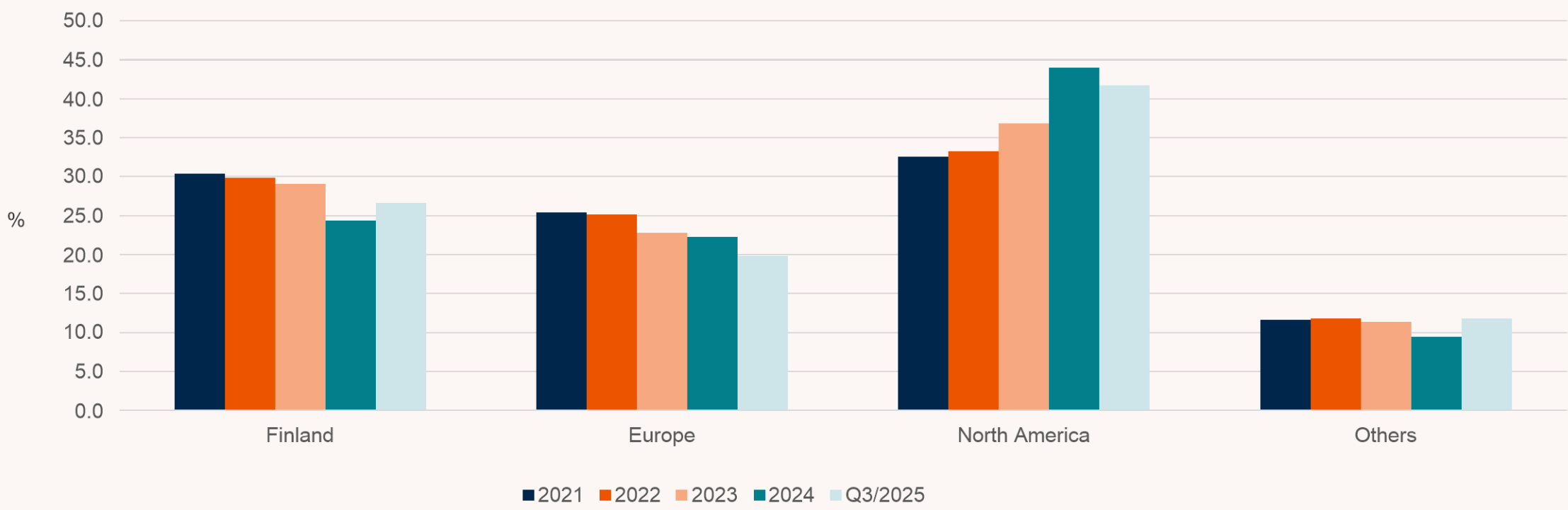
# Long-term return at a good level

Average return of different markets (EUR), %

	Ilmarinen	Finnish equities and shares	European equities and shares	USA equities and shares	Euro government bonds	Euro corporate bonds
1–9/2025	4.8	19.4	12.6	1.2	0.4	2.8
2024	8.6	-0.1	8.8	33.4	1.8	4.6
Average return over 5 years	6.6	7.3	11.9	16.4	-2.7	0.1
Average return over 10 years	5.9	9.5	7.6	14.7	0.1	1.4
Average return over 20 years	5.1	7.8	6.1	11.1	2.3	2.6
Average return since 1997	5.8	9.4	6.9	10.2	3.5	3.7
Real average return over 5 years	3.0	3.7	8.2	12.5	-5.9	-3.2
Real average return over 10 years	3.7	7.2	5.4	12.4	-1.9	-0.6
Real average return over 20 years	3.1	5.8	4.1	9.0	0.4	0.7
Real average return since 1997	4.0	7.4	5.0	8.2	1.7	1.9

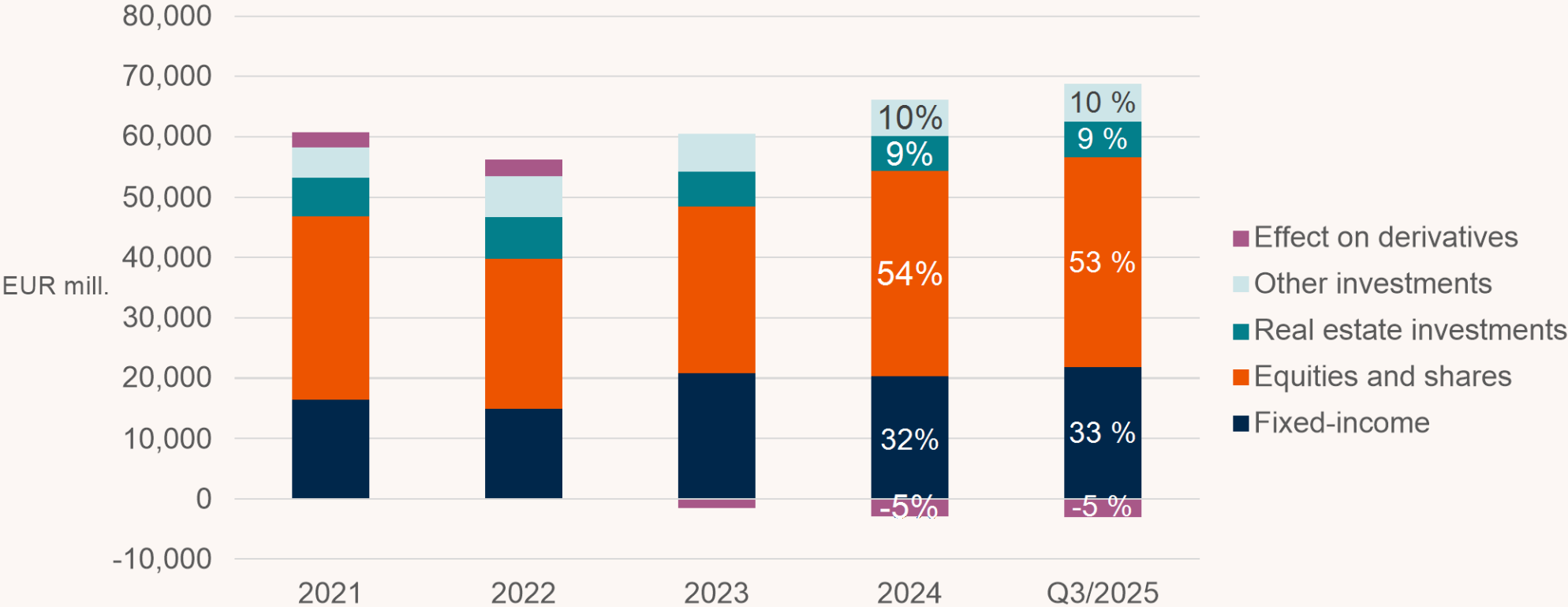
# The share of domestic listed equities increased to 27 per cent, whilst the shares of Europe and North America of the listed equities decreased

Geographical breakdown of listed equities



# The share of fixed-income investments in Ilmarinen's breakdown of investment risks increased to 33 per cent, and the share of equity investments decreased to 53 per cent

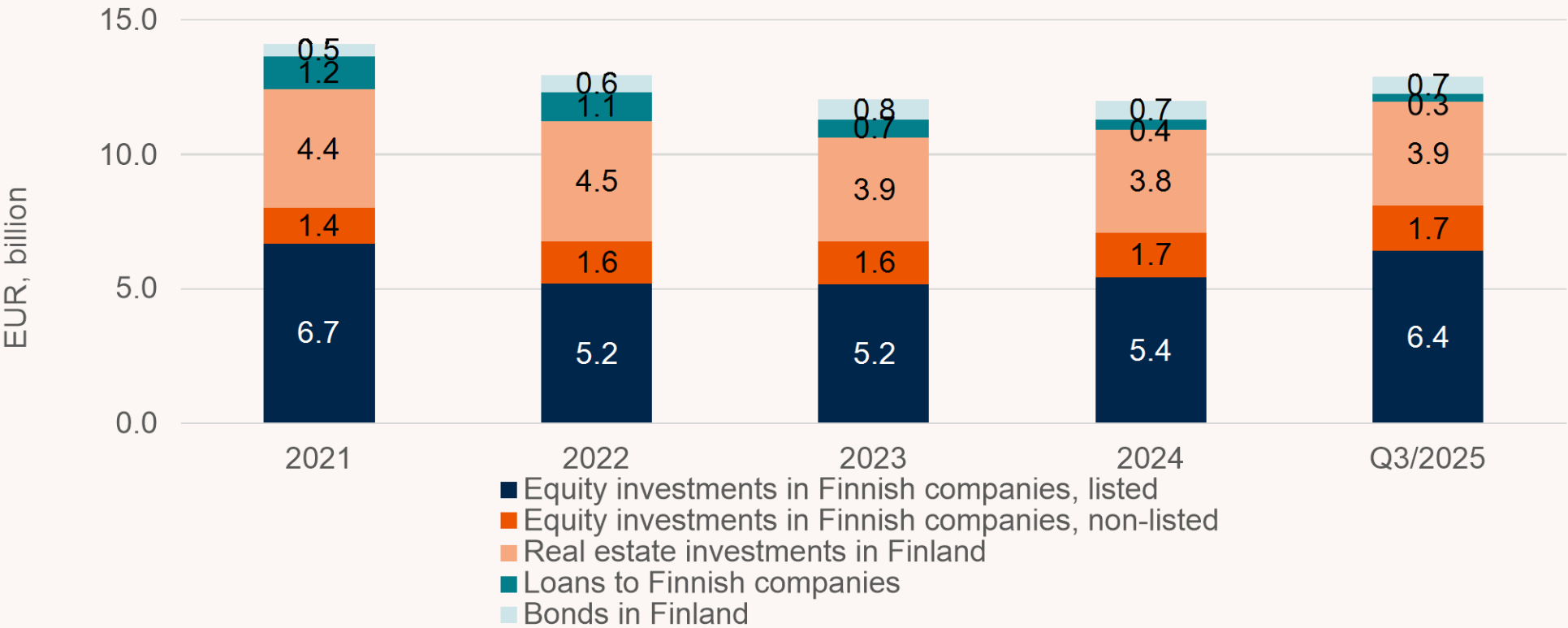
Breakdown of investment risks





# Ilmarinen’s investments in Finland were EUR 12.9 billion, or 20 per cent of the investment portfolio

Investments in Finland 2020–30 September 2025, EUR billion



# Holdings in Finnish publicly listed companies EUR 6.4 billion

## Largest Finnish listed equity holdings

EUR mill.	30 Sep2025	31 Dec2024	Ownership percentage	30 Sep2025	31 Dec2024
↑ Wartsila Plc	420	310	↓ Nurminen Logistics Oyj	14.4	14.9
↑ Nokia Corporation	400	321	SRV Group Plc	11.4	11.4
↑ Nordea Bank Abp	382	324	Digia Plc	9.9	9.9
↑ Kone Corporation	379	321	Solteq Plc	8.5	8.5
↑ Sampo Plc	377	273	↓ Administer Plc	8.4	8.7
↑ Neste Corporation	372	238	Kojamo Plc	8.3	8.3
↑ UPM-Kymmene Corporation	341	324	Siili Solutions Plc	7.5	7.5
↑ Metso Corporation	324	240	Nokian Brewery Plc	7.5	N/A
↑ Fortum Oyj	306	275	↑ QT Group Plc	7.5	6.3
↑ Orion Corporation	302	249	Glaston Corporation	7.3	7.3

# Summary of investment breakdown and return on investment 30 September 2025

	Basic breakdown		Risk breakdown		Return	Volatility
	EUR mill.	%	EUR mill.	%	%	
<b>Fixed-income investments</b>	<b>19,427</b>	<b>30</b>	<b>21,857</b>	<b>33</b>	<b>4.7</b>	
Loan receivables	782	1	782	1	4.4	
Bonds	17,696	27	22,312	34	4.0	4.0
Public corporation bonds	6,620	10	9,875	15	2.3	
Other bonds	11,076	17	12,437	19	5.2	
Other money market instruments and deposits (incl. investment receivables and payables)	950	1	-1,237	-2	-	
<b>Equities and shares</b>	<b>34,344</b>	<b>52</b>	<b>34,713</b>	<b>53</b>	<b>5.4</b>	
Listed equities and shares	24,057	37	24,426	37	7.3	9.7
Private equity investments	8,604	13	8,604	13	0.0	
Non-listed equities and shares	1,683	3	1,683	3	7.2	
<b>Real estate investments</b>	<b>5,883</b>	<b>9</b>	<b>5,883</b>	<b>9</b>	<b>1.3</b>	
Real estate investments	3,129	5	3,129	5	1.5	
Real estate funds and joint investments	2,754	4	2,754	4	0.9	
<b>Other</b>	<b>6,095</b>	<b>9</b>	<b>6,281</b>	<b>10</b>	<b>5.8</b>	
Hedge fund investments	5,980	9	5,980	9	4.3	1.6
Commodity investments	0	0	187	0	-	
Other investments	115	0	114	0	-	
<b>Investments total</b>	<b>65,749</b>	<b>100</b>	<b>68,733</b>	<b>105</b>	<b>4.8</b>	<b>3.9</b>
Effect of derivatives			-2,985	-5		
<b>Investments at current value</b>	<b>65,749</b>	<b>100</b>	<b>65,749</b>	<b>100</b>	<b>4.8</b>	

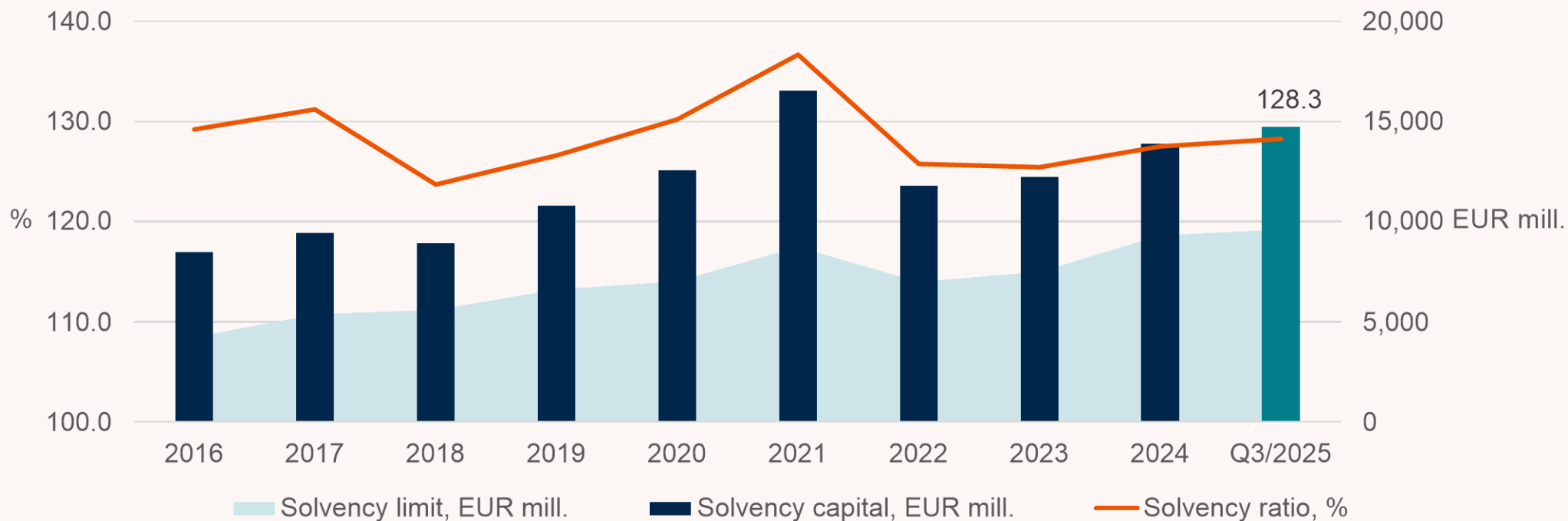
The modified duration of bond investments was 4.1 years

The open currency position was 29.1% of the market value of the investments.

The total return percentage includes income, expenses and operating expenses not allocated to any investment types

The solvency capital was EUR 14.7 billion, and the solvency ratio was 128.3 per cent. The solvency position was 1.5.

Solvency capital, solvency ratio and solvency limit 2016–30 September 2025







# Future prospects

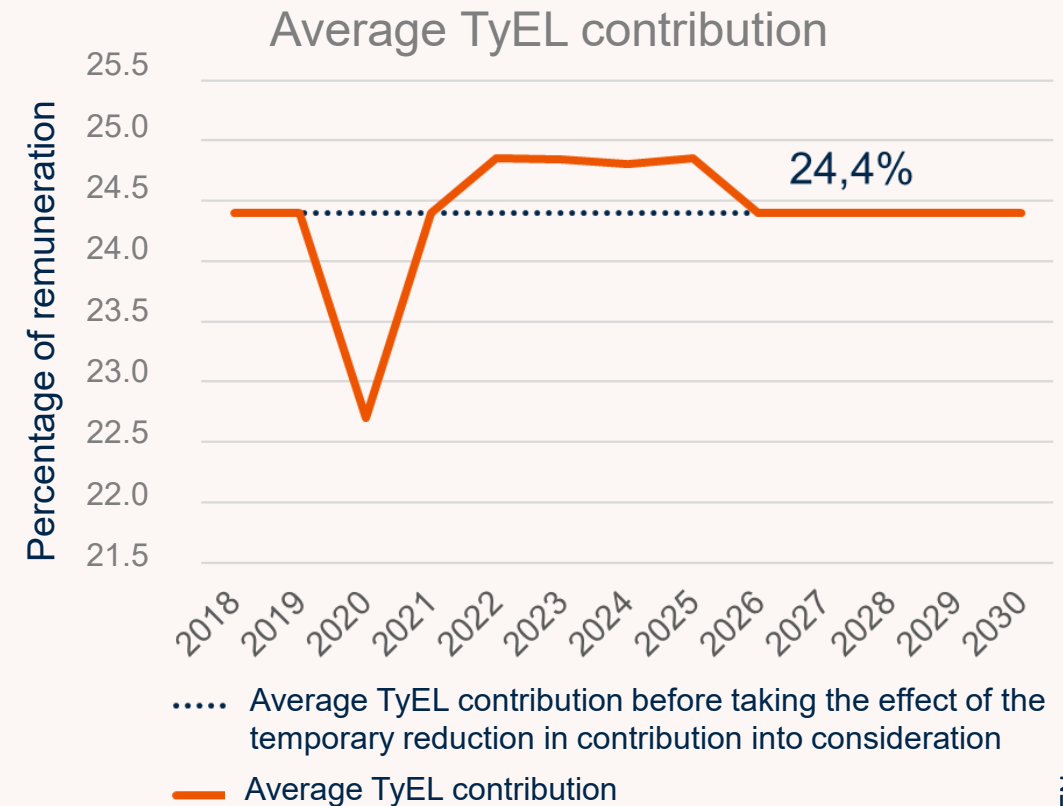
# The future outlook is characterised by unpredictability

- Uncertainty related to trade and power politics has declined since the spring through the conclusion of trade agreements, for instance. Russia's war of aggression in Ukraine, geopolitical tensions, acts of war in the Middle East, and extensive changes in trade policy are casting a shadow over the growth and inflation outlook, adding to the overall uncertainty in the economy and investment market.
- The global economic growth forecast was revised to 3.2 per cent for 2025. Uncertainty is also slowing the rate at which the Finnish economy can recover from the recession.
- Ilmarinen's premiums written are expected to increase as payrolls increase.
- The key risks affecting Ilmarinen's operations and the earnings-related pension scheme are related to the development of employment and the payroll, changes in disability pension incidence, uncertainty in the investment markets, demographic development, and the exceptionally low birth rate.



# Changes in investment regulation at the centre of the pension reform

- The level of earnings-related pension contributions will be stabilised to 24.4 per cent for the 2026–2030 period.
- The aim is to achieve higher return on investments on pension assets in the long term by increasing the risk-taking potential of pension providers in the investment of pension assets, by relaxing the solvency limit and by enabling higher equity weighting by increasing the link to equity yield of technical provisions from 20 to 30 per cent.
- The possibility of using the leverage ratio of an employment pension insurance company's subsidiaries in real estate investments will be expanded.
- The maximum amount of the employer's premium lending will be limited to EUR 10 million from 2026 onward.
- A new inflation stabiliser will be introduced in 2030.
- The schedule for the entry into force of the pension reform will be specified as legislative drafting progresses.





# Current information about the pension system

- The application for actuarial principles for the 2026 earnings-related pension contributions has been submitted to the Ministry of Social Affairs and Health. Under the proposal, the average TyEL contribution would be 24.4 per cent of the wage on which the contribution is based, i.e. the same as the actual contribution collected in 2025. In 2025, the contribution also included the final repayment instalment of the temporary reduction in the employer's contribution that was in force in 2020 (0.45 per cent of the payroll).
- According to a preliminary estimate by the Finnish Centre for Pensions, the earnings-related pension index will increase by 0.9 per cent at the turn of the year and the wage coefficient by 2.3 per cent.
- A project launched by the Ministry of Social Affairs and Health investigates reforming the pension scheme for entrepreneurs. The aim is to examine the options for determining entrepreneurs' confirmed income and initiating funding by the end of November.
- Finns are working longer than before at the end of their careers. The goal set for the expected retirement age for 2025 has already been exceeded by 0.7 years.
- The average monthly pension of Finns continued to increase in 2024, amounting to EUR 2,100.
- Partial early old-age pension has become more popular in recent years. Nevertheless, the number of partial old-age pensions has decreased this year, since the minimum age was raised from 61 to 62.

