

ILMARINEN

Well prepared for tomorrow

Ilmarinen's Interim Report
January–March 2026



Return on investments was -0.5 per cent, solvency remained strong and customer acquisition was growing at a record pace.

- The return on Ilmarinen's investment portfolio was -0.5 (0.2) per cent, or EUR -0.3 billion. The market value of investments decreased to EUR 66.8 (67.5) billion. The long-term average return on investments was 5.8 per cent as of 1997. This corresponds to a real return of 3.9 per cent.
- The total result was EUR -786 (-164) million.
- Premiums written were at the level of the preceding year, EUR 1,749 (1,749) million. Pensions paid increased by 3 per cent to EUR 2,009 (1,951) million.
- Net customer acquisition was EUR 83 (-9) million and rolling customer retention for the previous 12 months was 96.3 (96.3) per cent.
- Operating expenses financed using loading income totalled EUR 23 (24) million, amounting to 0.33 (0.34) per cent of the Employees Pensions Act payroll and the YEL income of the insured.
- Solvency capital was EUR 14.7 (15.5) billion, and the solvency ratio was 127.7 (129.2) per cent.
- Prospects: Ilmarinen's premiums written are expected to increase at a slightly slower rate than the increase in payrolls, as the TyEL contribution percentage decreased for 2026. The decrease in the contribution percentage was due to the fact that repayment of the temporary reduction of employers' social security contributions granted during the COVID-19 pandemic ended in 2025.



Key figures January-March 2026

Premiums written

1.75 (1.75)
EUR billion



Operating expenses
financed using
loading income

23 (24)
EUR million



Return on
investments

-0.5 (0.2)
%



Solvency ratio

127.7 (129.2)
%



2.01 (1.95)
EUR billion

Pensions paid

0.33 (0.34)
%

Operating expenses
financed using
loading income, %
of payroll*)

66.8 (67.5)
EUR billion

Investment assets

14.7 (15.5)
EUR billion

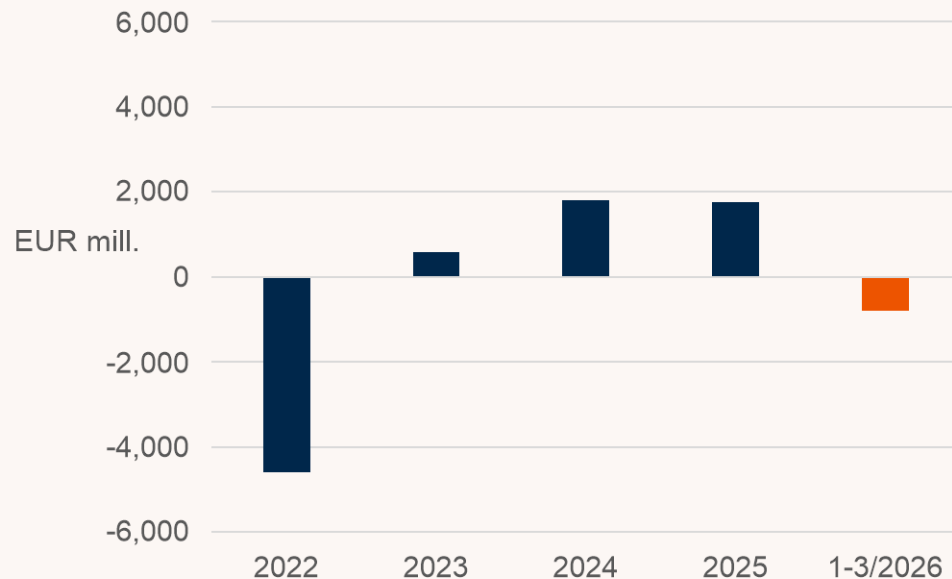
Solvency capital

*) Payroll is the sum of TyEL payroll and YEL income

The result comparison figures are the figures for the corresponding period of 2025. The comparison figures for the balance sheet and other cross-sectional figures are the figures for the end of 2025.

Ilmarinen's total result was EUR -786 million

Total result, EUR million



Sources of profit, EUR million

Result analysis, EUR mill.	1.1.-31.3.2026	1.1.-31.3.2025	1.1.-31.12.2025
Underwriting result	5	-8	-39
Return on investments at fair value	-788	-152	1.807
+ Net return on investments at fair value	-341	144	5.107
- Return requirement on technical provisions	-448	-296	-3.300
Loading profit	-2	-3	-6
Other profit	0	0	4
Total result	-786	-164	1.766



Operating environment

Uncertainty in the capital market has increased as a result of the conflict in the Middle East.

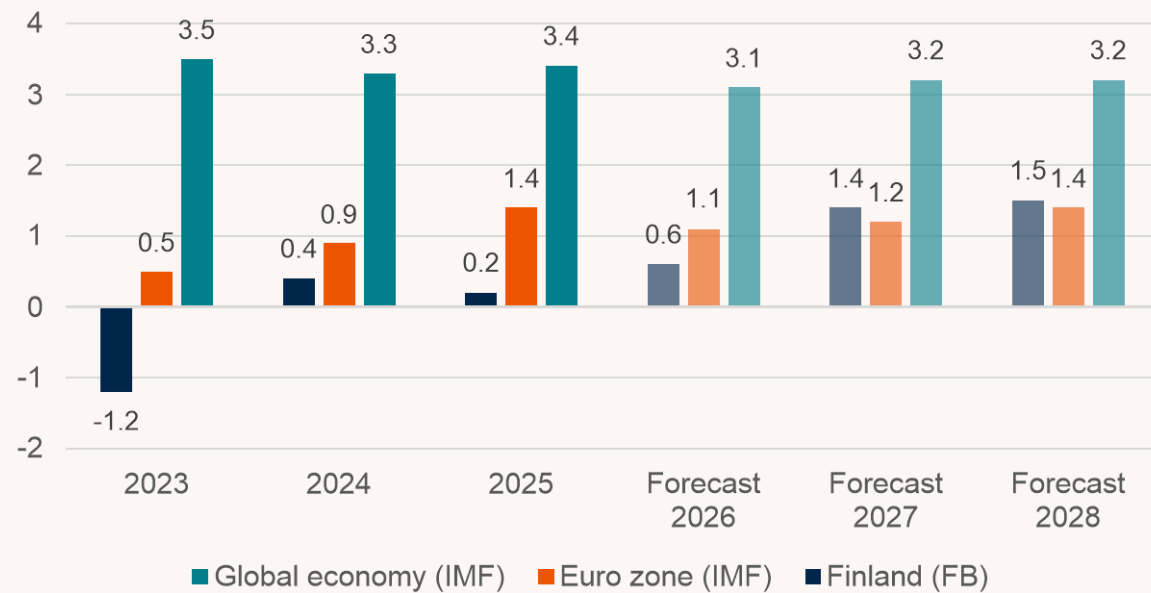
- Oil prices increased by almost 80 per cent in the early part of the year. Oil and energy prices involve a great deal of uncertainty. Trade policy uncertainty is also still elevated.
- The International Monetary Fund (IMF) forecasts the global economy to grow by 3.1 per cent this year and by 3.2 per cent next year.
- In Europe, inflation had already returned to target levels, but the energy price shock is accelerating inflation at least temporarily. In the United States, as well, inflation will accelerate as a result of rising energy prices.
- Finland's economic growth is forecast to be 0.6 per cent in 2026 and 1.4 per cent in 2027, if the conflict's impacts on growth and inflation remain short-term.
- Equity market returns remained generally negative in the early part of the year. European equities yielded approximately -1 per cent and United States equities yielded -4 per cent. In Finland, the stock prices increased by 3 per cent.
- The uncertainty of inflation growth increased long-term and short-term interest rates in both the eurozone and the United States.
- The euro declined moderately (1.7 per cent) in relation to the US dollar.



Rising energy prices overshadow economic growth

The growth forecast of global economy was revised to 3.1 per cent

GDP development, %

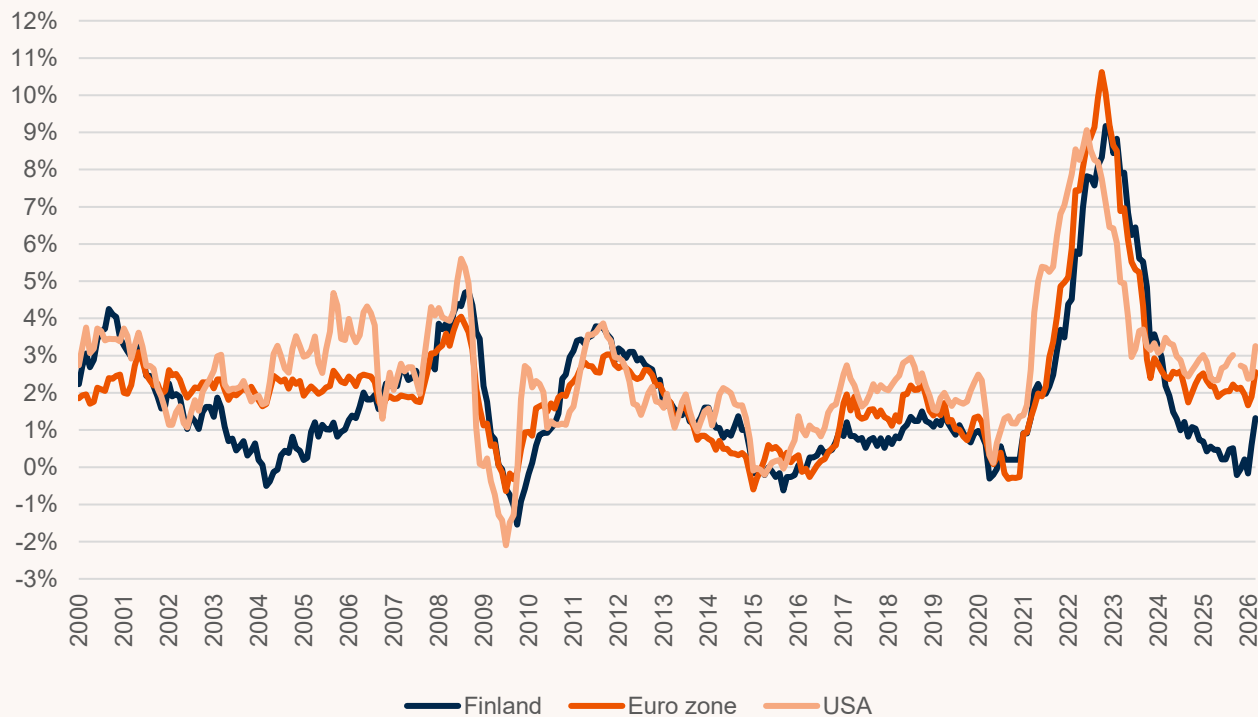


Development of Finland's employment and unemployment rates, %



The energy crisis is increasing inflation at least temporarily

Year-on-year change in consumer prices

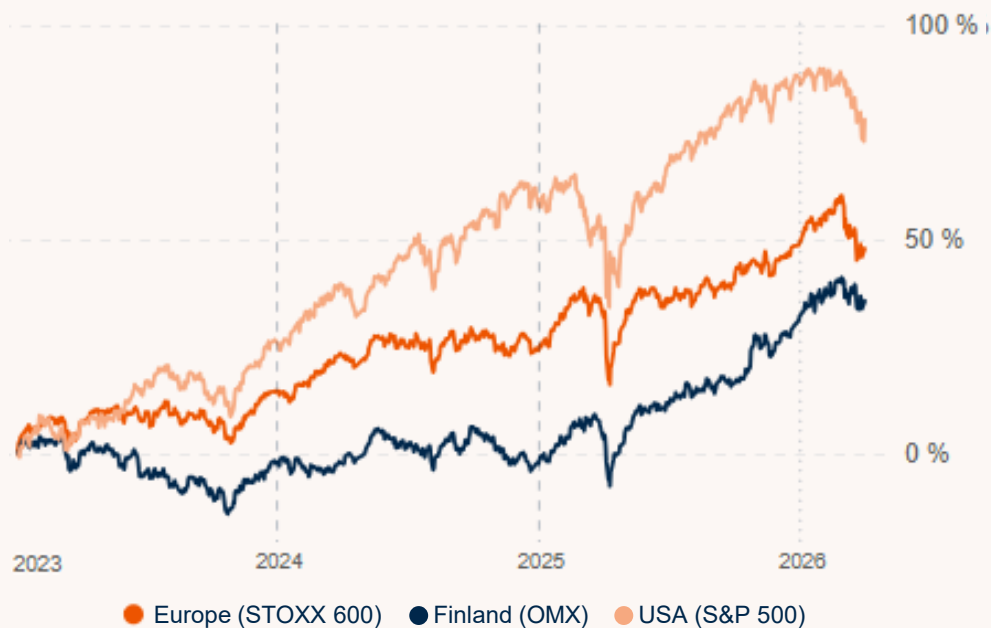


- In March, inflation in the euro area increased to 2.6 per cent as a result of the rise in energy prices caused by the war in Iran. Inflation had remained below 2 per cent in the early part of the year.
- Eurozone core inflation less energy prices in March was at 2.3 per cent.
- In the United States, consumer price inflation rose from 2.4 per cent to 3.3 per cent in March. This rise is the result of the strong increase in energy prices.
- The outlook on inflation is directly dependent on the duration, scale and damage to energy infrastructure caused by the Iranian crisis.

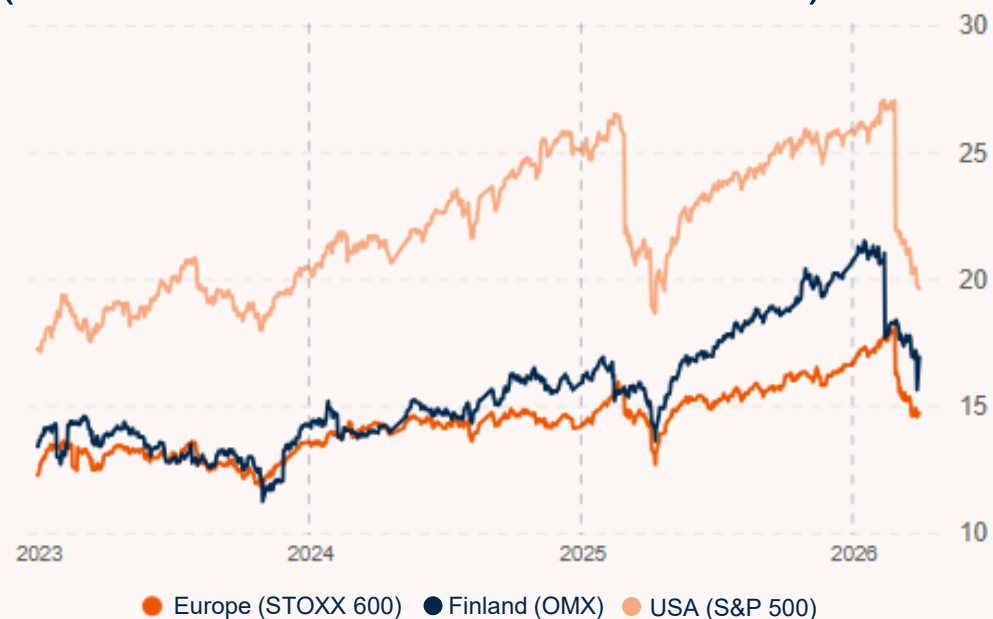
Equity market returns and valuation levels decreased as a result of the Middle East conflict

- The return on equity investments was -4 per cent in the USA and -1 per cent in Europe.
- In Finland, the return on equity investments was 3 per cent.

Equity market performance



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



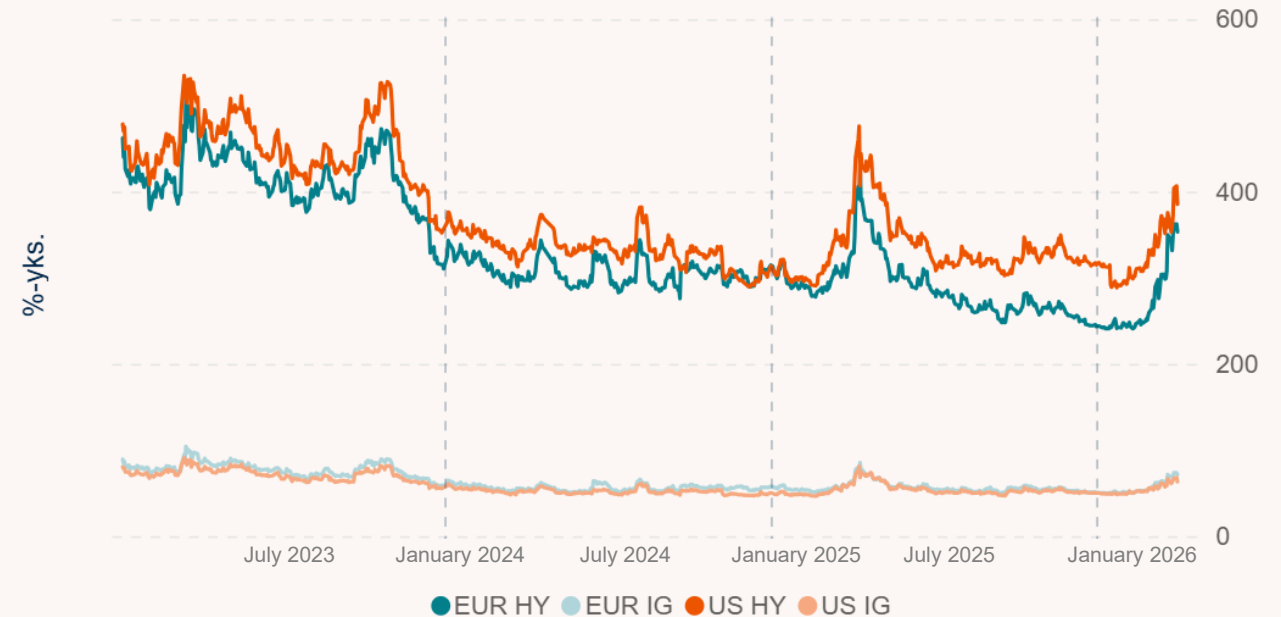
Uncertainty regarding inflation raised particularly short-term interest rates in the euro area and the United States

As a result of the Middle East conflict, risk premiums for credit risk bonds increased

Development of interest rates, %pt

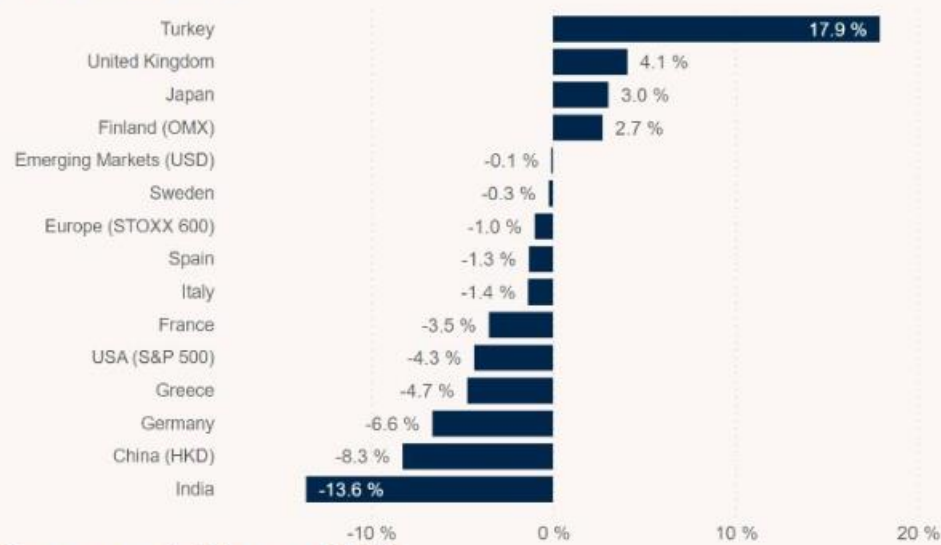


Development of credit risk premiums, basis point

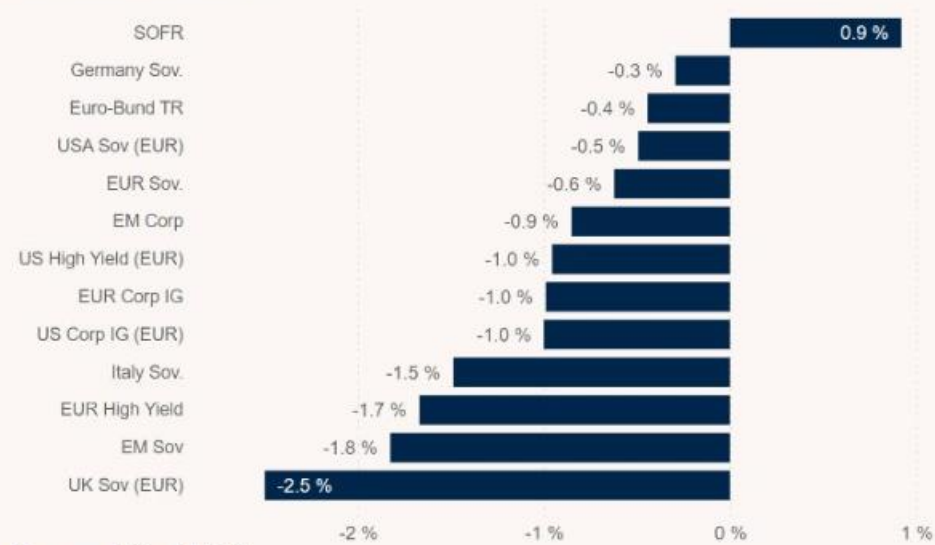


Asset class returns 1 January – 31 March 2026

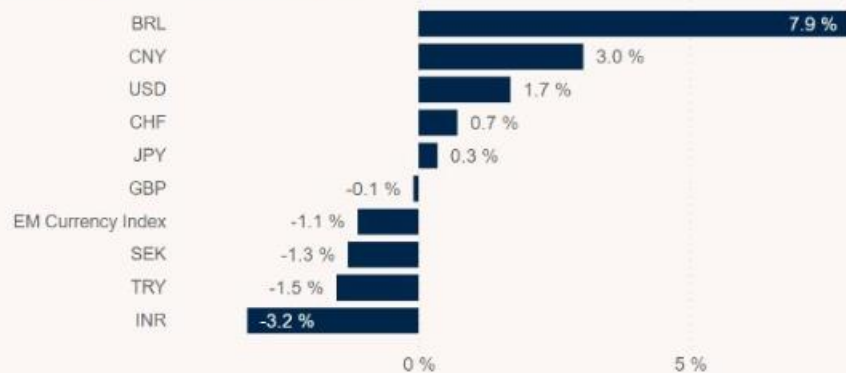
Equity market YTD %, total return in local currency



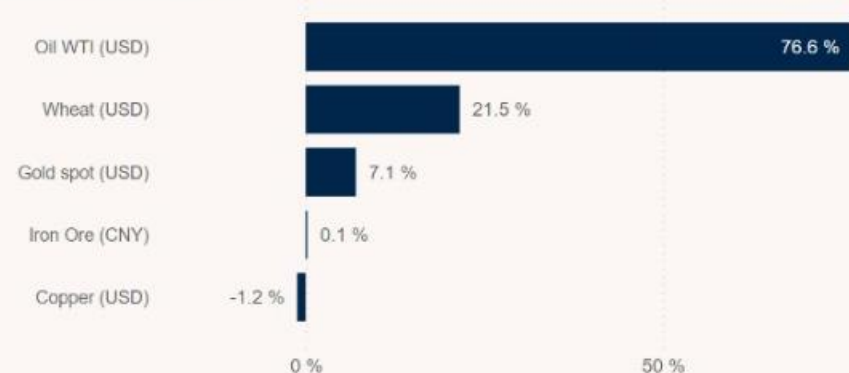
Fixed income YTD %



Currency against the euro YTD %



Commodities YTD %



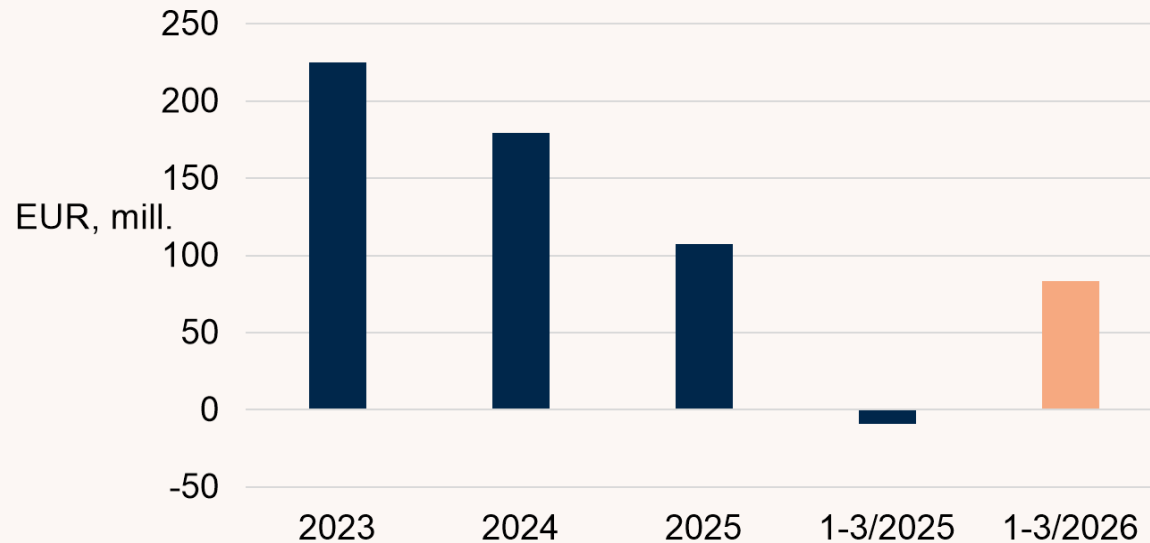


Pension security for you

Insurance and pensions

Net customer acquisition was EUR 83 million, customer retention was 96.3 per cent

Net customer acquisition 2023 – 31 March 2026, EUR mill. million *)



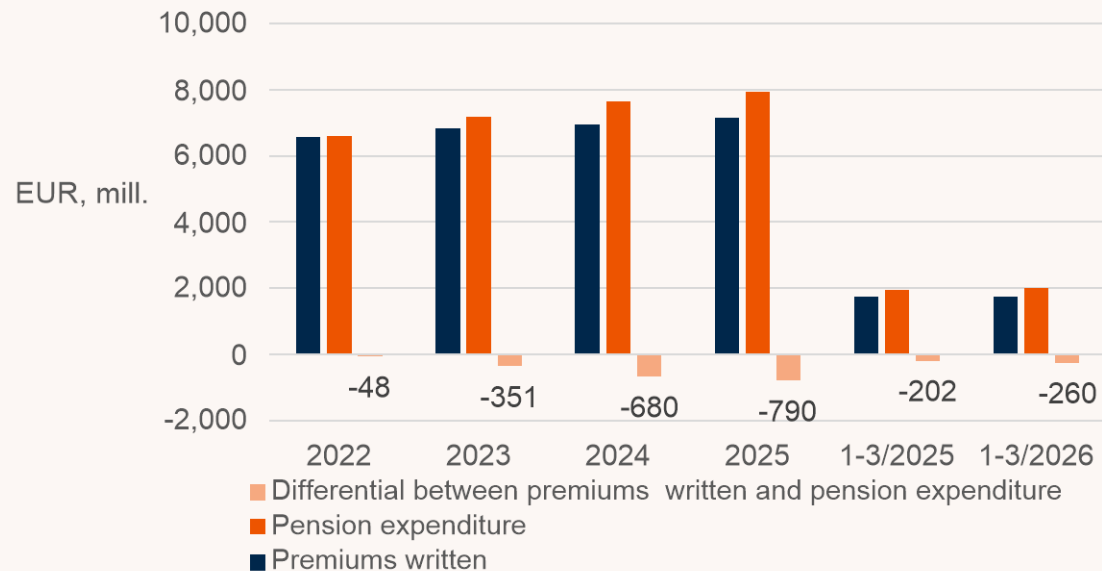
Net customer acquisition, EUR million

EUR mill.	1-3/2026	1-3/2025	2025
Net customer acquisition	83	-9	107
Sales of new insurance	29	27	108
Net transfer of insurance	54	-36	0
Customer retention, % of premiums written	96.3 %	96.3 %	95.8%

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

Premiums written were at the level of the previous year, EUR 1.7 billion, and pensions paid increased by 3 per cent to EUR 2.0 billion

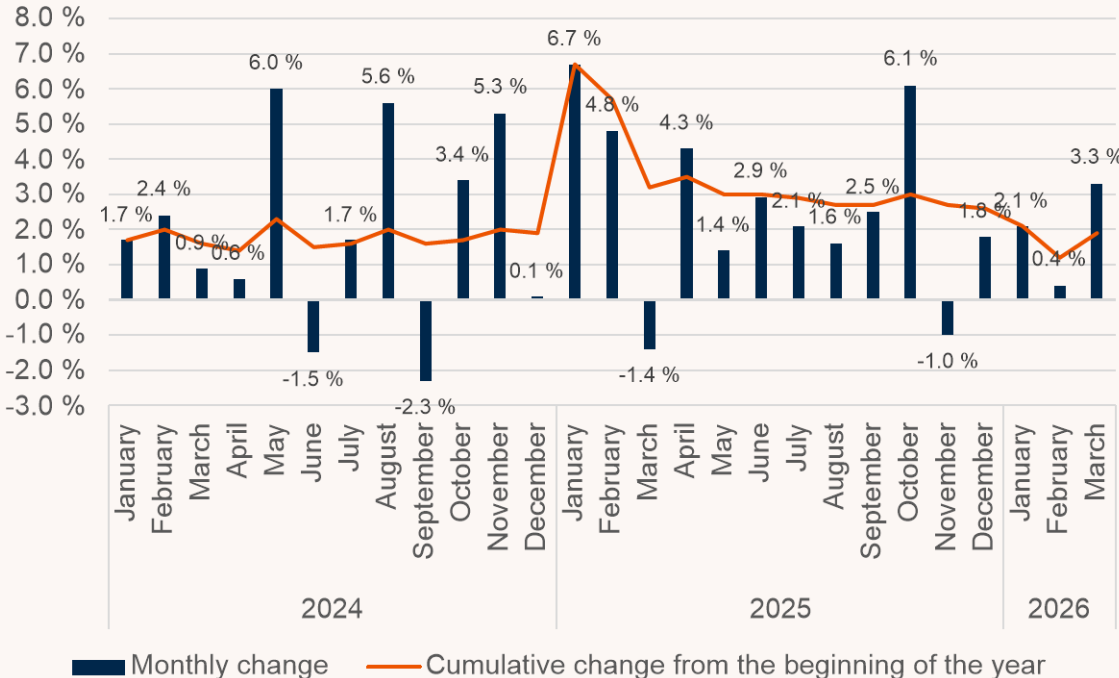
Premiums written and pensions paid, 2022 – 31 March 2026



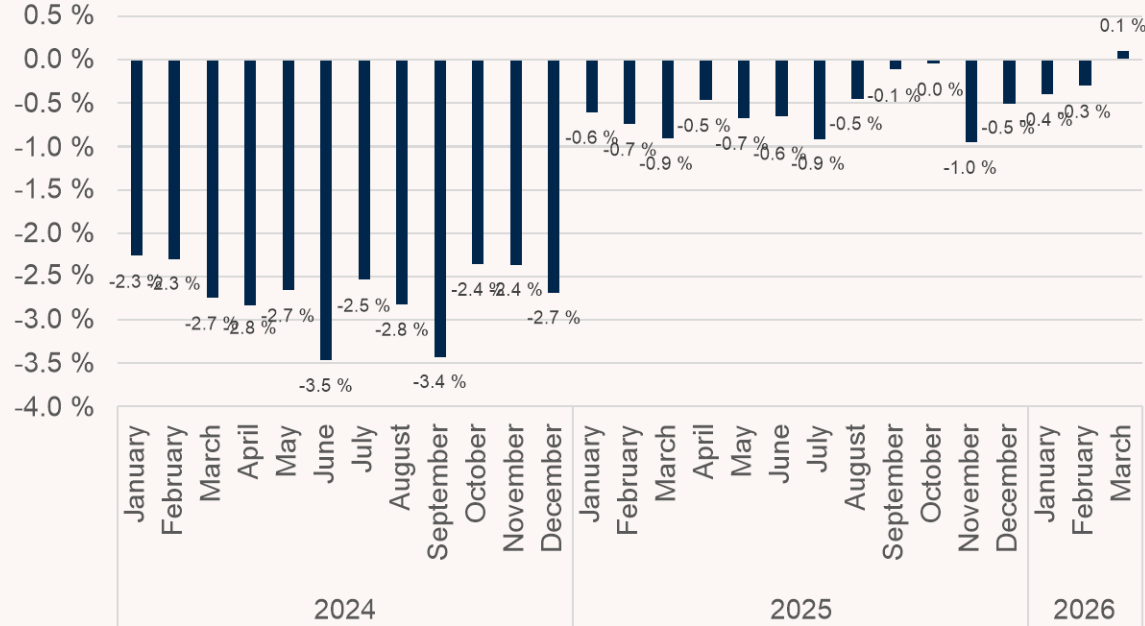
EUR mill.	1–3/2026	1–3/2025	2025	2024	2023	2022
Premiums written	1.749	1.749	7.160	6.956	6.822	6.558
TyEL	1.621	1.621	6.740	6.533	6.418	6.164
YEL	128	128	420	423	404	394
Pension expenditure	2.009	1.951	7.950	7.636	7.173	6.606
TyEL	1.872	1.814	7.504	7.187	6.744	6.189
YEL	137	137	446	449	429	417

Customers' payroll for January–March increased by 1.9 per cent while the number of employees in the business cycle index decreased by 0.2 per cent

Change in payroll of Ilmarinen's customers from the previous year



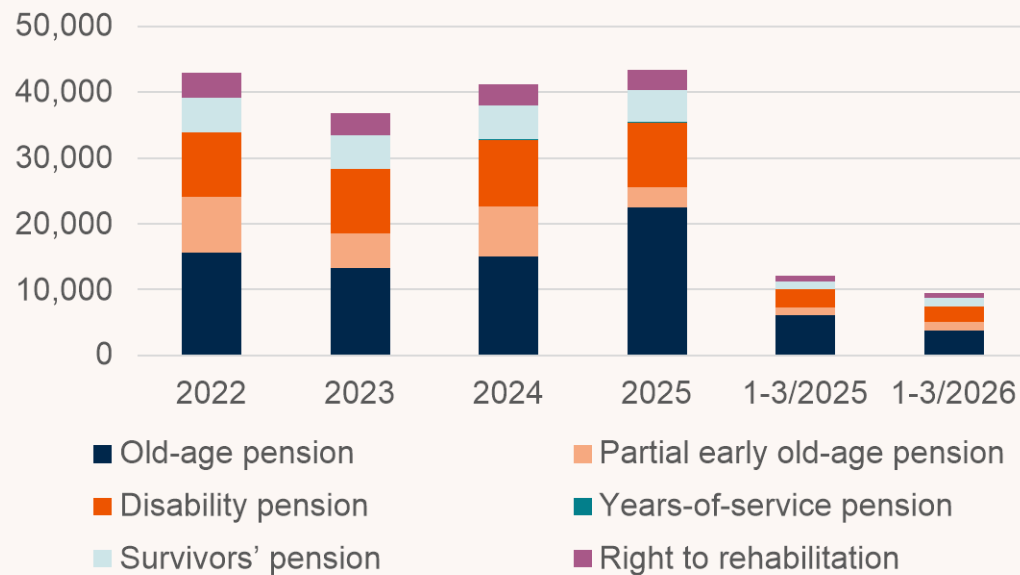
Change in number of employees in Ilmarinen's business cycle index



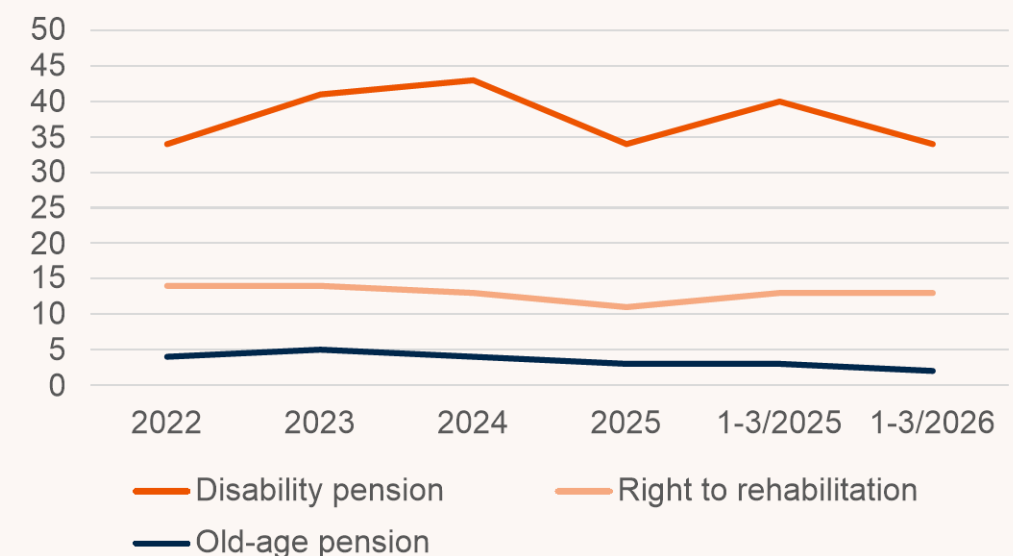
The number of old-age pension decisions decreased by 40 per cent from the previous year and totalled 3,690.

Old-age pension decisions were issued in two days on average. Applying for a pension accrued from working alongside an old-age pension was exceptionally active in the comparison year. This year, the number of applications has almost returned to the normal level.

Number of new pension decisions



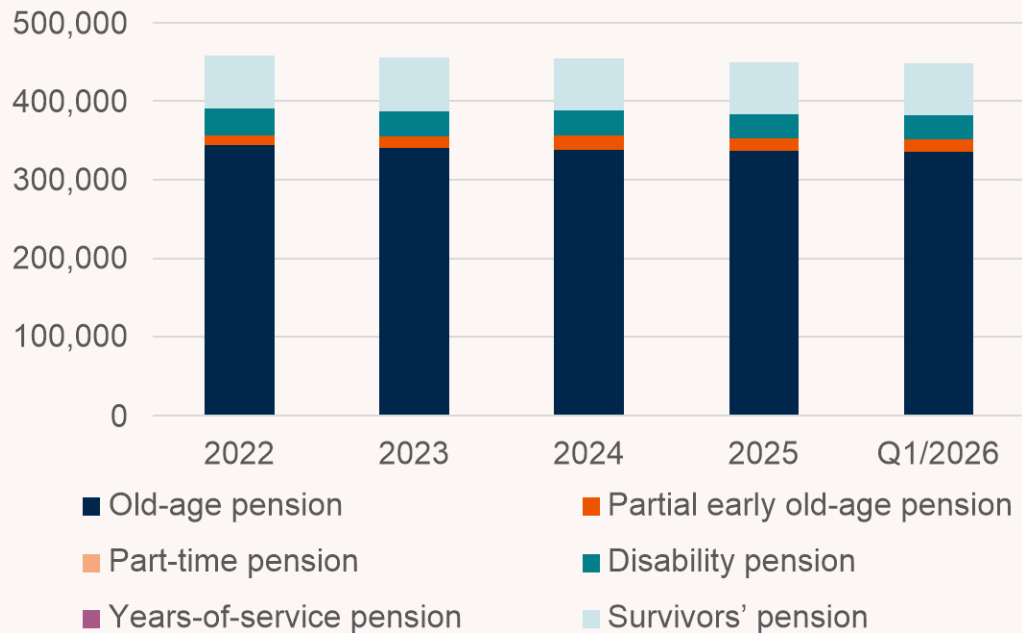
Average application processing time, days



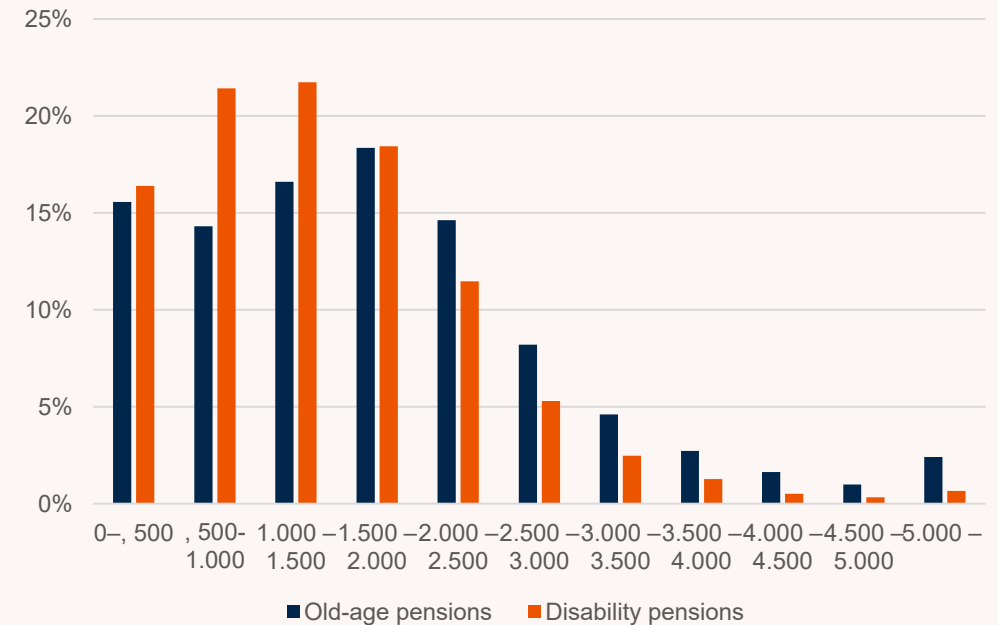
We paid EUR 2.0 billion in pensions to 447,646 pension recipients

The average old-age pension was EUR 1,754/month

Ilmarinen's pension recipients



Distribution of paid old-age and disability pensions by size, EUR pcm





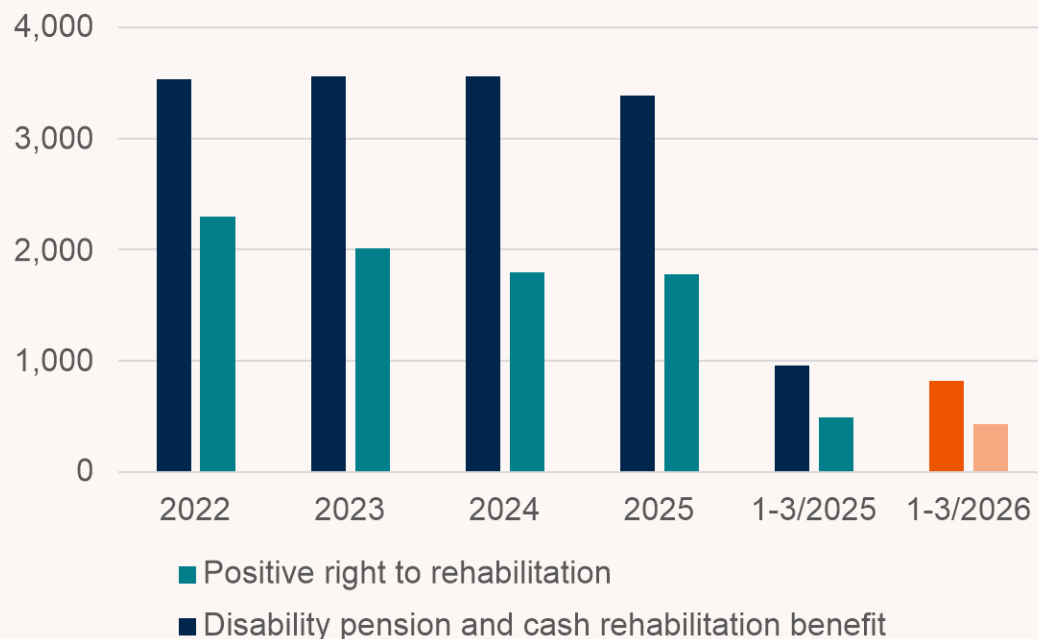
For a better working life

Work ability risk management
and rehabilitation

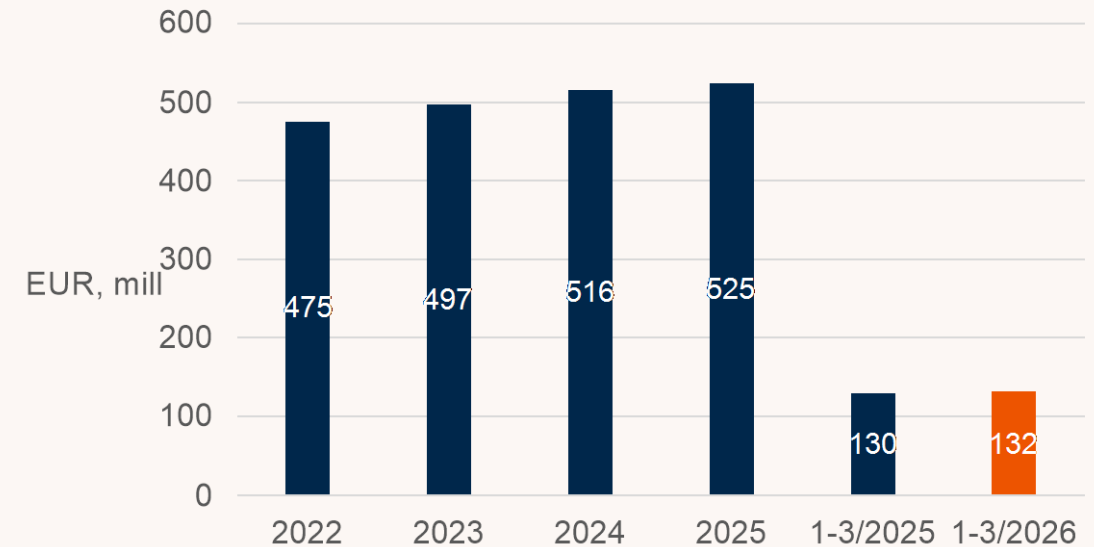
817 persons transitioned to disability benefit, which was 15 per cent less than in the previous year.

Disability pension expenditure rose by EUR 2.8 million to EUR 132 million

Decisions on entitlement to rehabilitation and persons retired on disability pension



Disability pension expenditure, EUR million

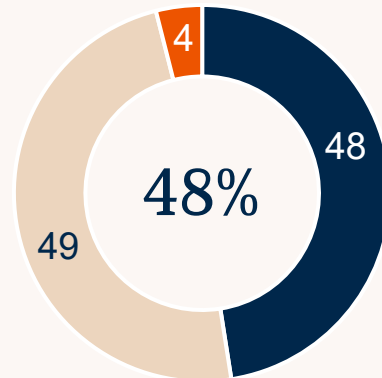


Uncertainty in the world economy has increased the importance of work ability management

Ilmarinen surveyed the state and development of work ability management with the most comprehensive work ability management survey targeted at business sector decision-makers in Finland.

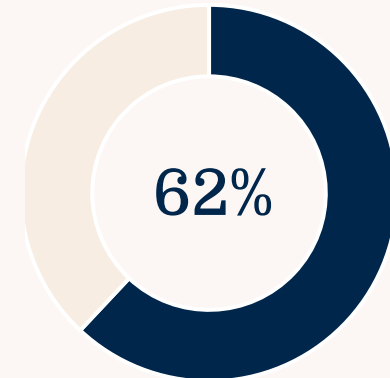


Research operations help us build longer, better and more careers.



- Significance has increased
- Significance has remained the same
- Significance has decreased

According to business-sector decision-makers, work ability management has become more important.



Share increased from 53% (in 2023) to 62%.

Personnel are increasingly included in the planning and implementation of work ability management.

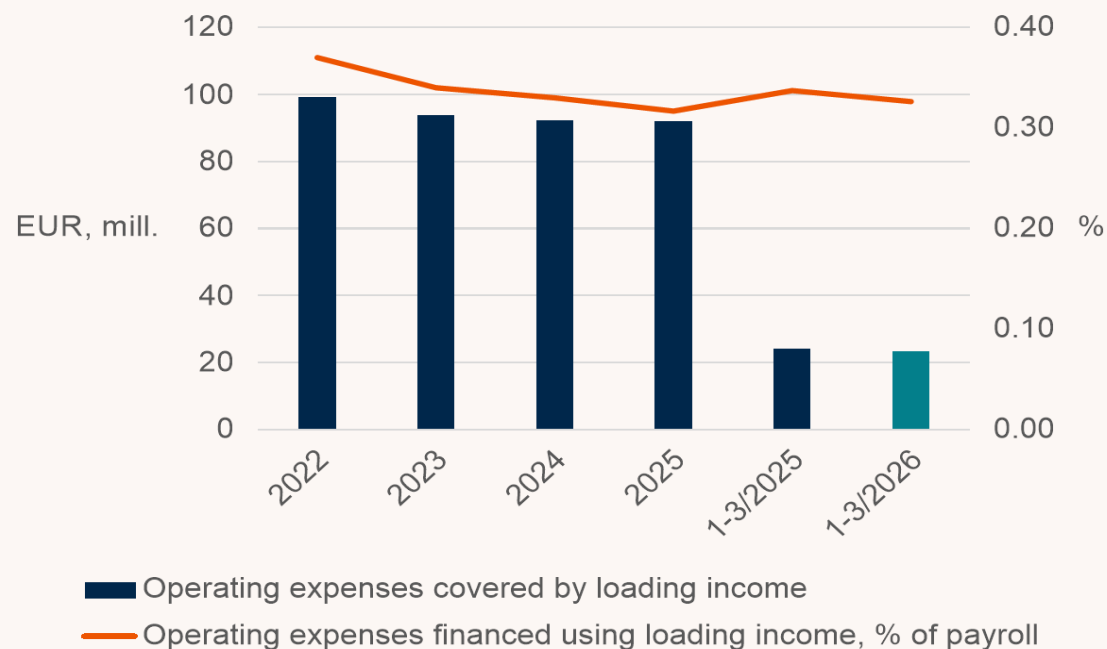


Cost-effective operations

Operating expenses and personnel

Operating expenses financed using loading income amounted to EUR 23 million and 0.33 per cent of the payroll

Total operating expenses, operating expenses financed using loading income, and operating expenses using loading income, % of payroll 2022 – 31 March 2026 *)



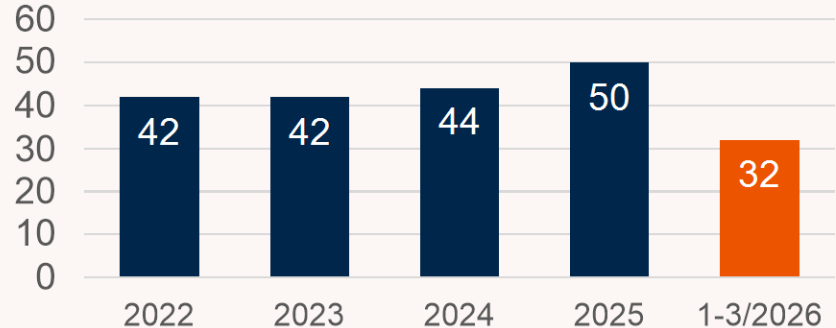
	1-3/2026	1-3/2025	2025	2024	2023	2022
Total operating expenses EUR, mill.	39	39	150	143	146	151
Operating expenses covered by loading income EUR, mill.	-23	24	92	92	94	99
Operating expenses financed using loading income, % of payroll	0.33	0.34	0.32	0.33	0.34	0.37
Operating expenses financed using loading income per pensioners and insured, EUR	21	22	83	82	83	87

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

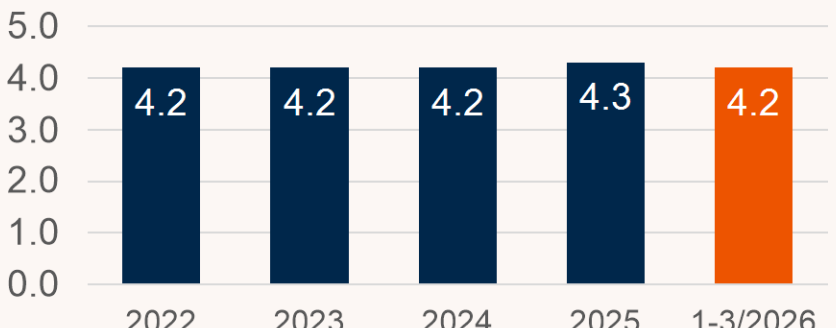
Employee Net Promoter Score decreased, energy level and sickness absences remained at a good level

Number of sick leaves remained at the previous year's level

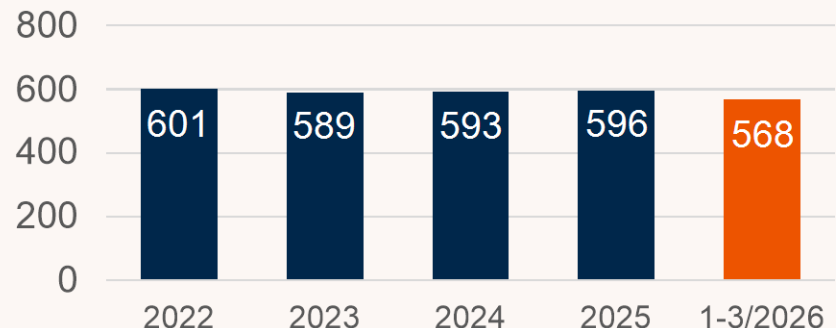
Employee Net Promoter Score (eNPS)



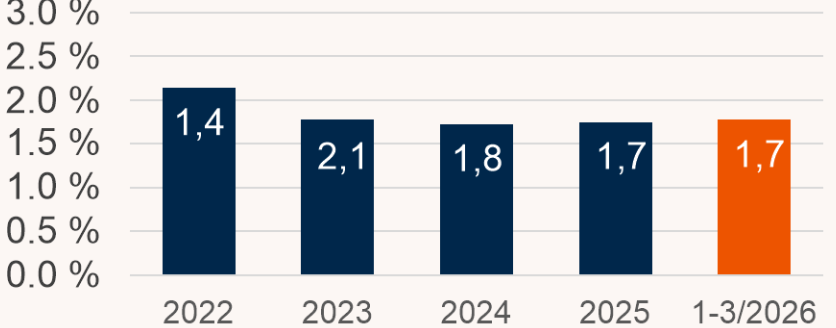
Personnel's average energy level (1–5)



Average number of employees (person years)



Lost work time due to sick leave



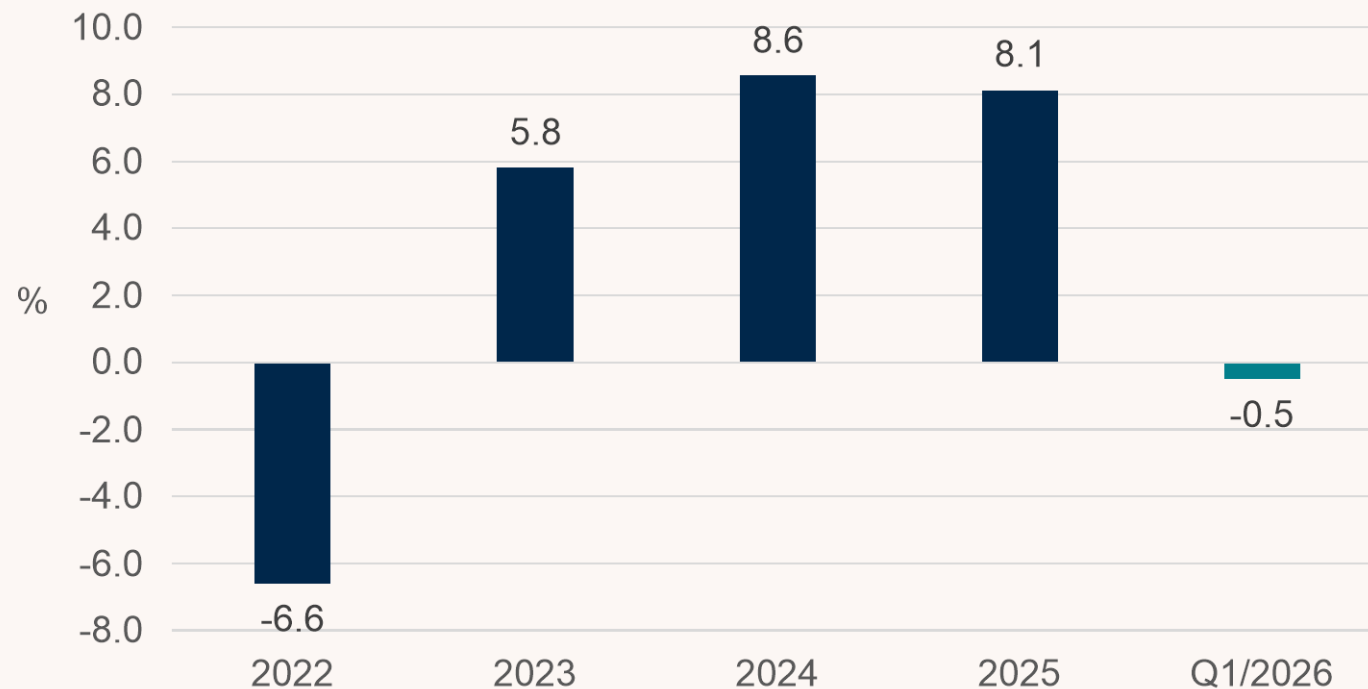


Profitably, securely and responsibly

Investment activities

The return on the investment portfolio was -0.5 per cent, or EUR -0.3 billion

Return on investments at current value, %

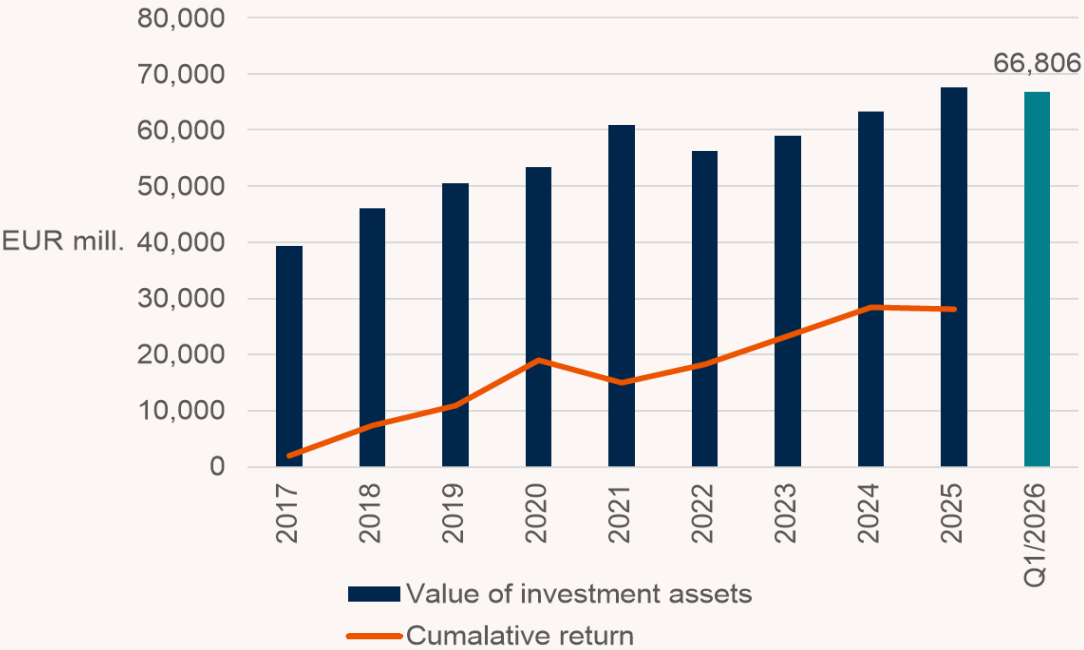


Average nominal return on investments over 5 years was 4.9 per cent and real return 1.3 per cent. Average nominal return on investments over 10 years was 6.0 per cent and real return 3.7 per cent

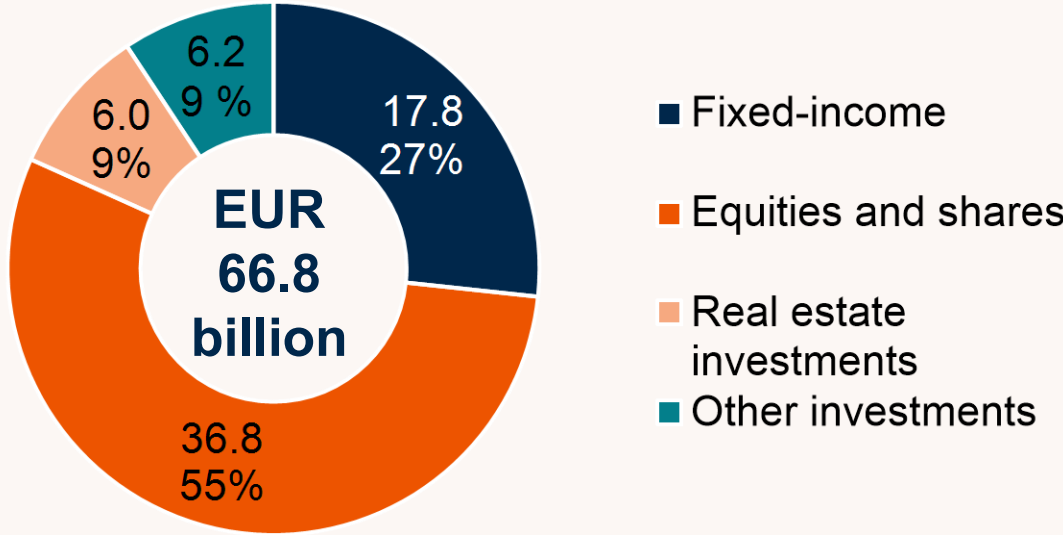


The value of investments was EUR 66.8 billion. Investments have generated a total of EUR 28.1 billion since 2017

Value of investments and cumulative return 2017 – 31 March 2026, EUR million



Breakdown of investments, 31 March 2026



Average nominal return on investments over 10 years was 6.0 per cent and real return 3.7 per cent

Return on Ilmarinen's investment portfolio was -0.5 per cent

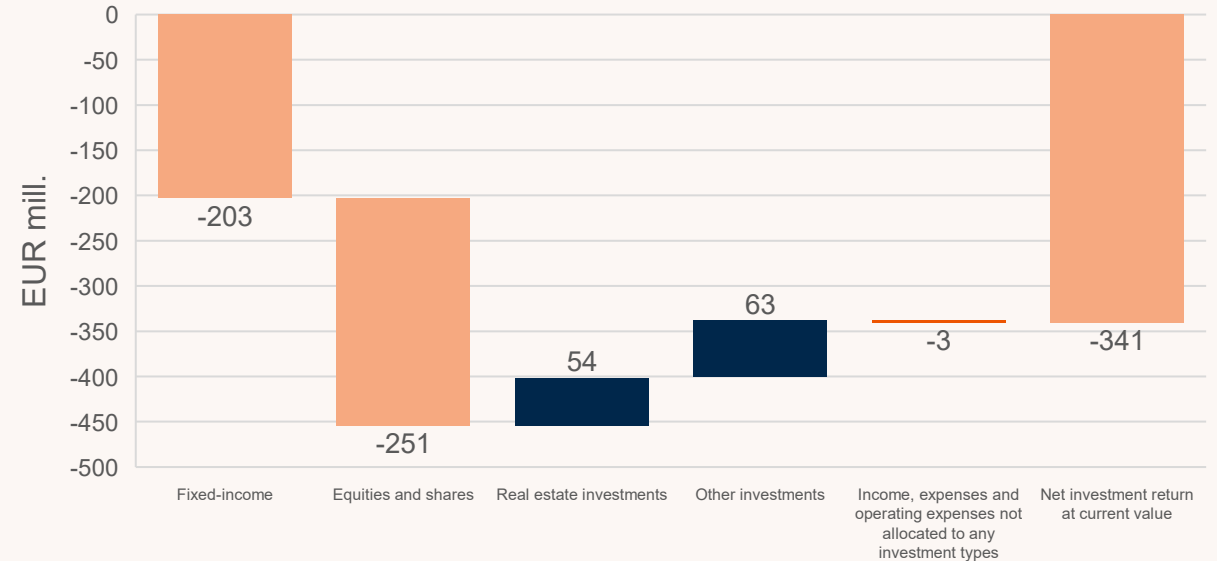
Listed equity investments and fixed-income investments decreased the investment income

Return, %

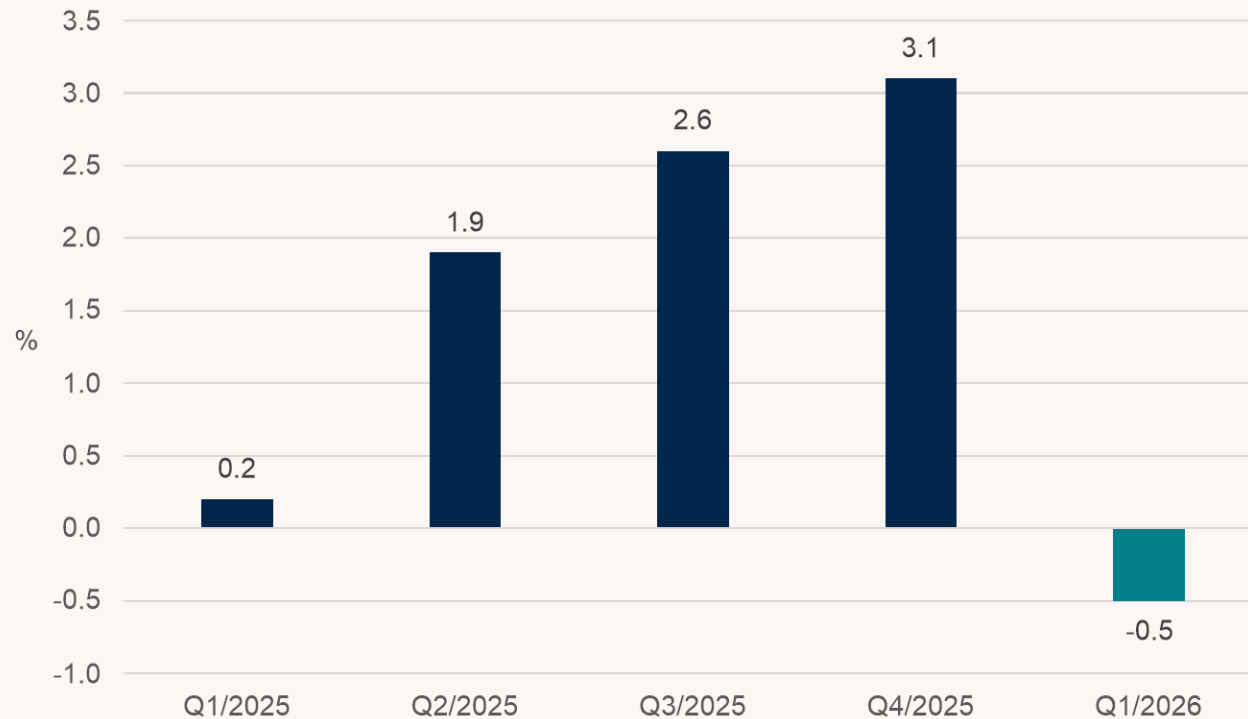
	1-3/2026	1-3/2025	2025
ROCE, %	-0.5	0.2	8.1
Fixed-income	-1.1	1.3	6.3
Equities and shares	-0.7	-0.6	10.4
Real estate investments	0.9	0.2	1.1
Other investments	1.0	1.6	8.4

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 3.9 per cent.

Return by type of investment, EUR million



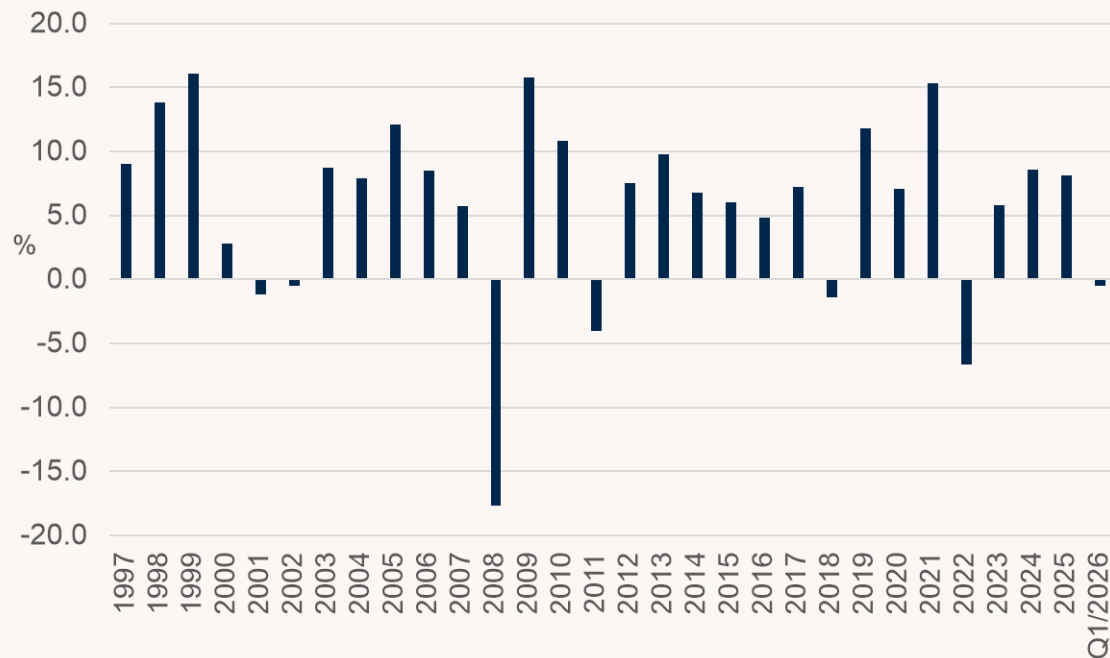
Return for the first quarter of the year was lower than in preceding quarters



Listed equity investments and fixed-income investments decreased the investment income

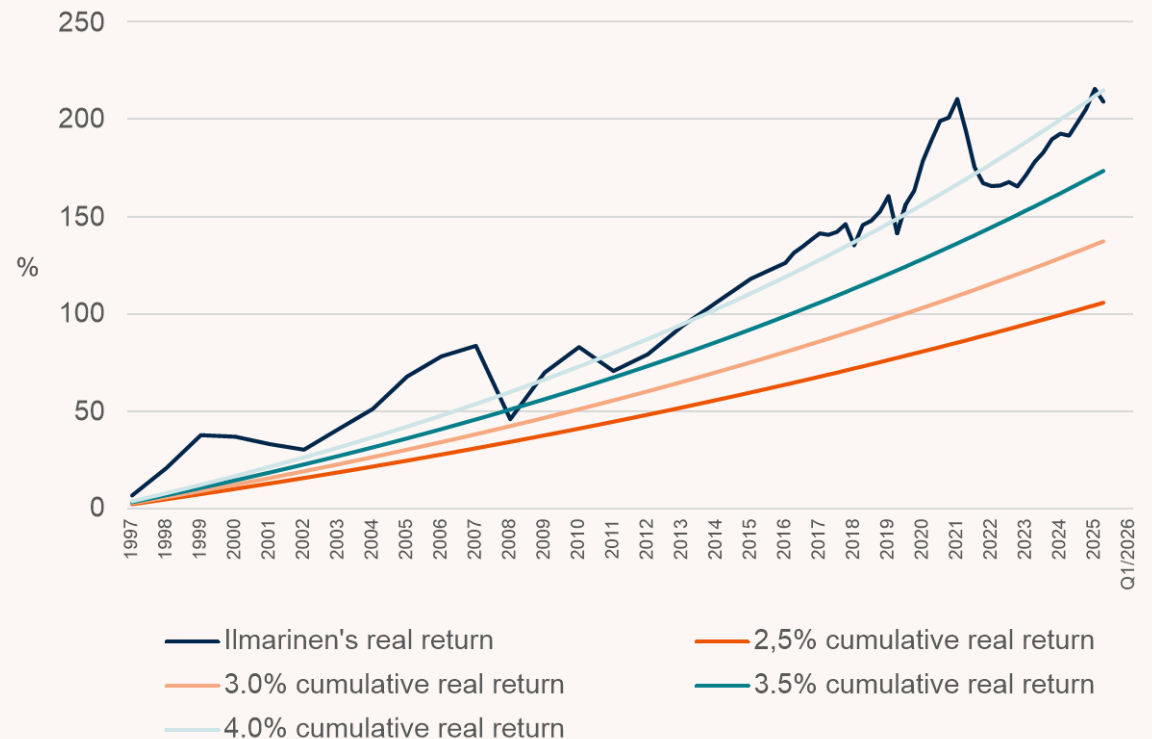
Long-term average nominal return was 5.8 per cent per annum, or 3.9 per cent in real terms

Net return on investments at current value



Average annual return at current value (1997–) 5.8%
Average real return (1997–) 3.9 per cent

Cumulative return on investments 1997 – 31 March 2026



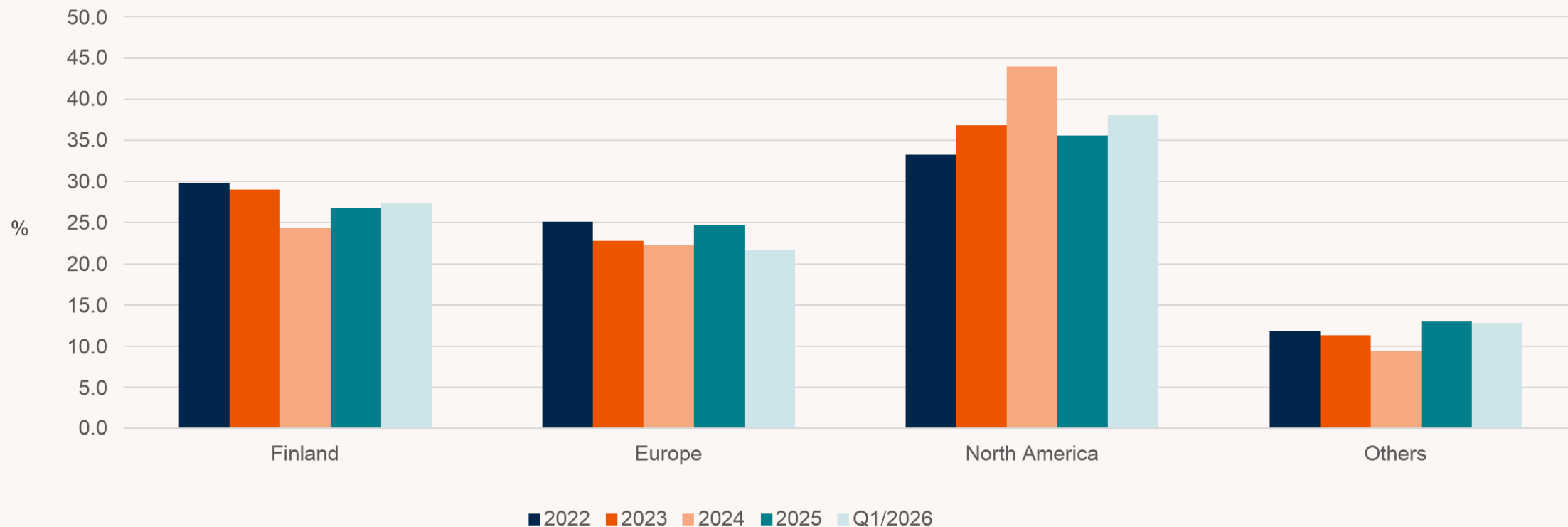
Long-term return at a good level

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
Q1/2026	-0.5	2.7	-1.0	-2.5	-0.7	-1.0
2025	8.1	35.3	19.8	3.9	0.6	3.0
Average return over 5 years	4.9	6.7	9.0	12.5	-2.5	-0.3
Average return over 10 years	6.0	10.2	8.4	14.0	-0.3	1.0
Average return over 20 years	5.0	7.6	5.7	10.8	2.4	2.7
Average return since 1997	5.8	9.8	7.0	10.0	3.5	3.6
Real average return over 5 years	1.3	3.1	5.3	8.7	-5.9	-3.7
Real average return over 10 years	3.7	7.8	6.0	11.6	-2.5	-1.2
Real average return over 20 years	3.0	5.5	3.7	8.7	0.5	0.7
Real average return since 1997	3.9	7.8	5.1	8.0	1.6	1.8

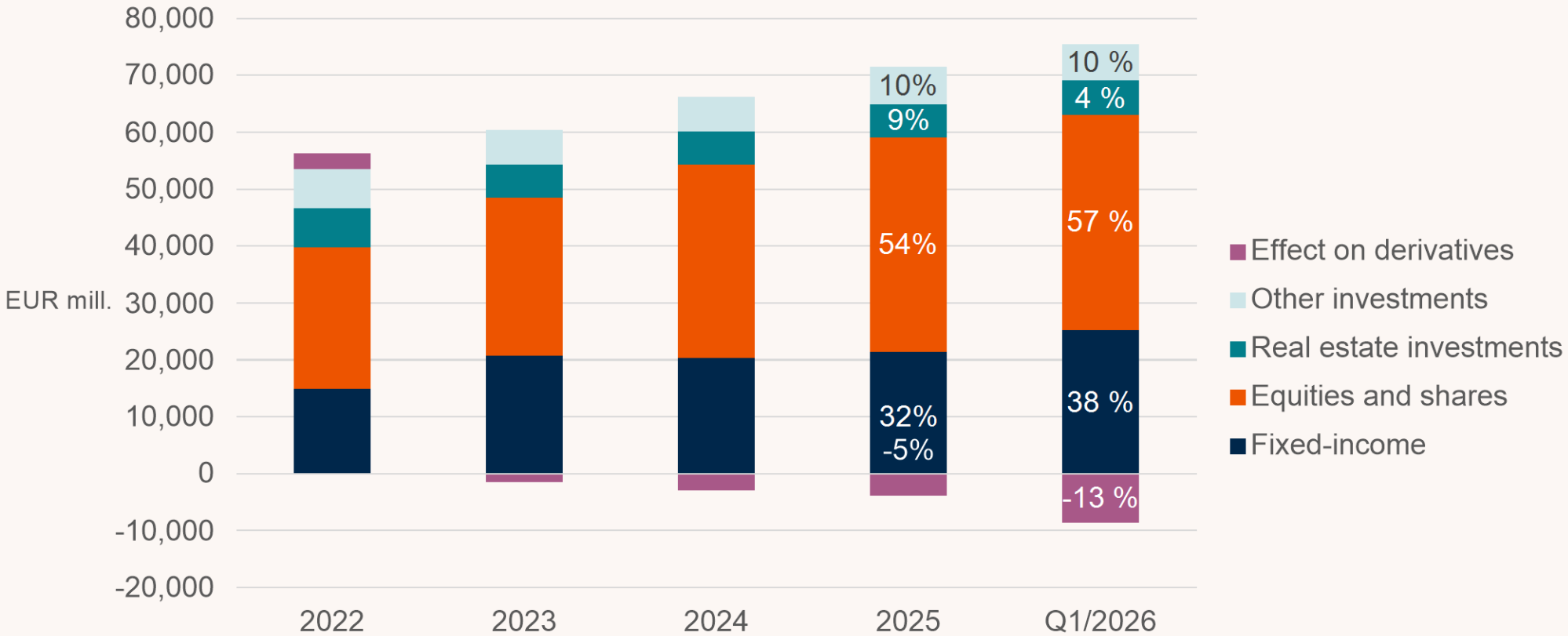
The share of domestic listed equity investments increased to 27 per cent and to 38 per cent for North America. Europe's share of listed equity decreased.

Geographical breakdown of listed equities



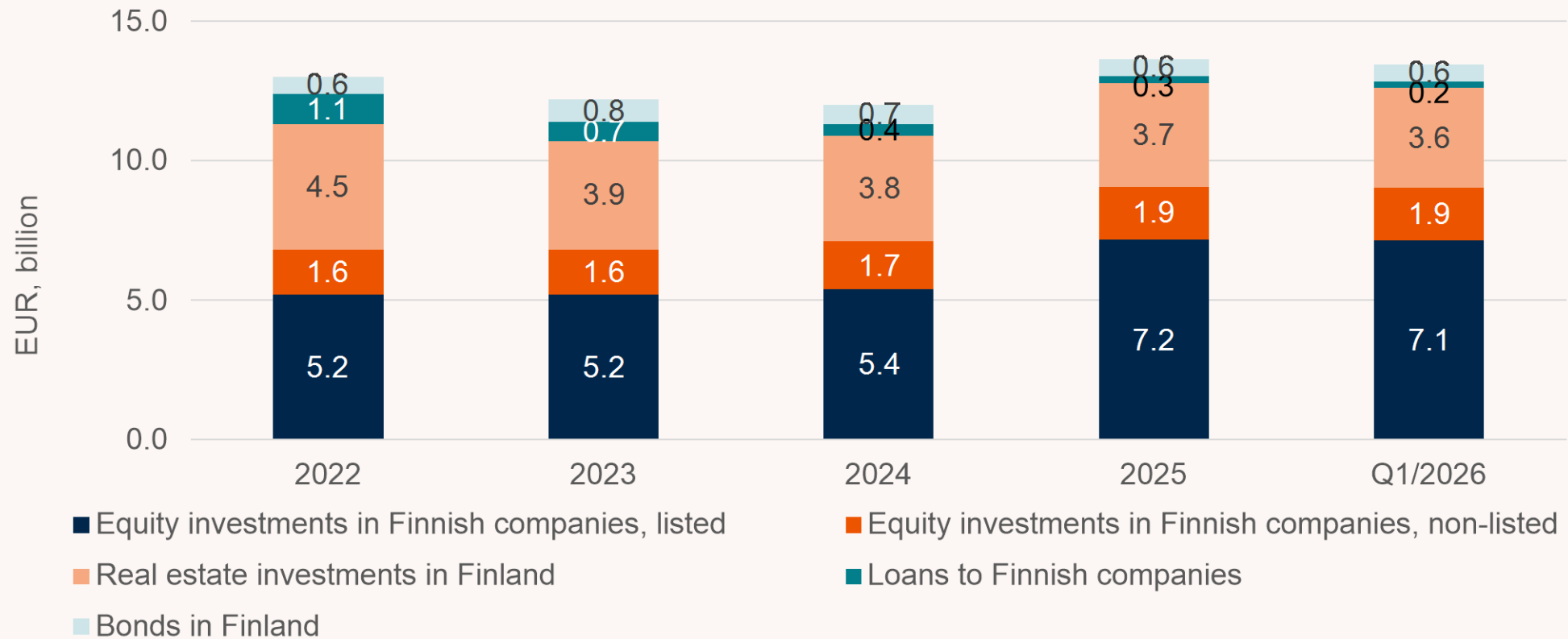
Share of equity investments of the breakdown of Ilmarinen's investment risks rose to 57 per cent

Breakdown of investment risks



Ilmarinen's investments in Finland were EUR 13 billion, or 20 per cent of the investment portfolio

Investments in Finland 2022 – 31 March 2026, EUR billion



Holdings in Finnish publicly listed companies EUR 7 billion

Largest Finnish listed equity holdings

EUR mill.	31 March 2026	31 December 2025	Ownership percentage	31 March 2026	31 December 2025
↑ Neste Corporation	583	483	Nurminen Logistics Plc	14.4	14.4
↑ Nokia Corporation	509	445	SRV Group Plc	11.4	11.4
↑ Fortum Oyj	449	354	Digia Plc	9.9	9.9
↑ UPM-Kymmene Corporation	442	390	Solteq Plc	8.5	8.5
↑ Nordea Bank Abp	429	466	↓ Administer Plc	8.3	8.4
↑ Sampo Plc	421	449	Lumo Kodit Plc	8.3	8.3
↑ Wartsila Plc	414	464	Siili Solutions Plc	7.5	7.5
↑ Kone Corporation	395	419	Nokian Brewery Plc	7.5	7.5
↓ Metso Corporation	392	418	Glaston Corporation	7.3	7.3
↑ Orion Corporation	352	329	Bioretec Ltd	7.1	7.1

Summary of investment breakdown and return on investment 31 March 2026

	Basic breakdown		Risk breakdown		Return	Volatility
	EUR mill.	%	EUR mill.	%	%	
Fixed-income investments	17.831	27	25.193	38	-1.1	
Loan receivables	964	1	964	1	1.6	
Bonds	16.774	25	23.103	35	-0.6	3.6
Public corporation bonds	6.885	10	13.347	20	-1.5	
Other bonds	9.889	15	9.756	15	0.0	
Other money market instruments and deposits (incl. investment receivables and payables)	94	0	1.126	2	-	
Equities and shares	36.752	55	37.880	57	-0.7	
Listed equities and shares	26.048	39	27.176	41	-1.6	9.7
Private equity investments	8.895	13	8.895	13	1.6	
Non-listed equities and shares	1.809	3	1.809	3	2.0	
Real estate investments	6.010	9	6.010	9	0.9	
Real estate investments	2.882	4	2.882	4	1.0	
Real estate funds and joint investments	3.127	5	3.127	5	0.8	
Other	6.213	9	6.348	10	1.0	
Hedge fund investments	6.155	9	6.155	9	1.6	1.9
Commodity investments	1	0	13	0	-	
Other investments	57	0	180	0	-	
Investments total	66.806	100	75.431	113	-0.5	4.4
Effect of derivatives			-8.625	-13		
Investments at current value	66.806	100	66.806	100	-0.5	

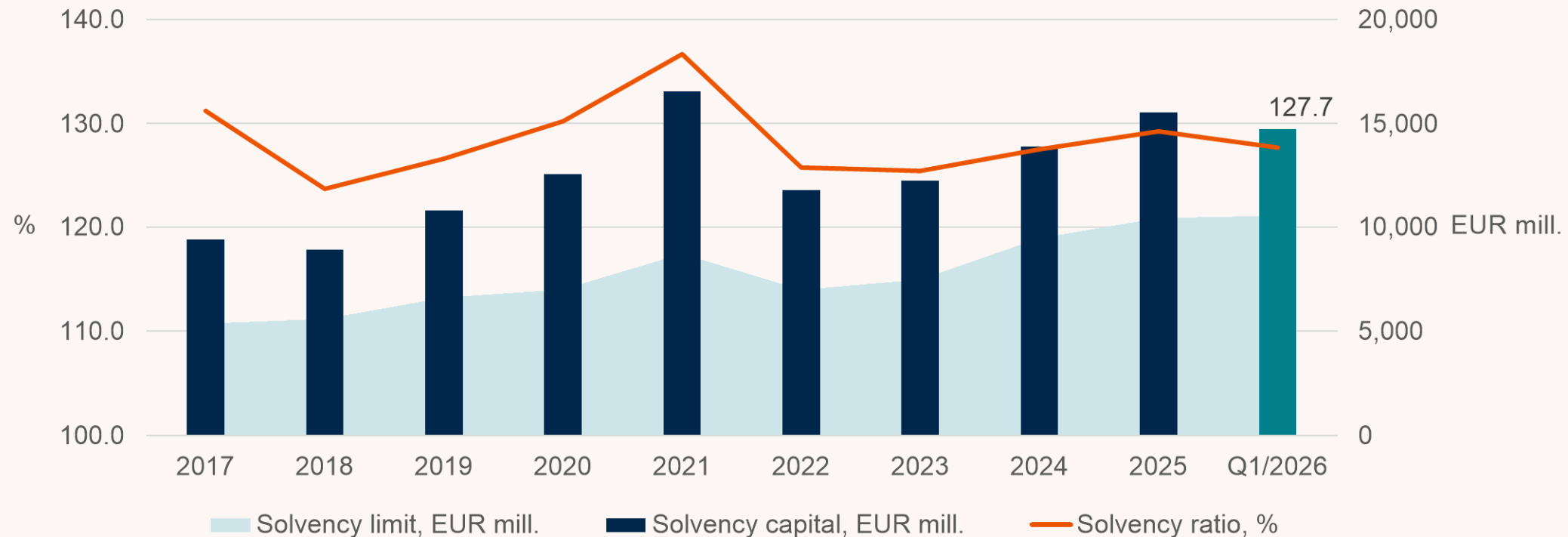
The modified duration of bond investments was 4.7 years

The open currency position was 27% of the market value of the investments.

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

Solvency capital was EUR 14.7 billion, and the solvency ratio was 127.7 per cent. The solvency position was 1.4.

Solvency capital, solvency ratio and solvency limit 2017 – 31 March 2026





Future prospects

The future outlook is characterised by unpredictability

- Growth and inflation prospects are blurred by both the uncertainties surrounding the wars in Iran and Ukraine and the tensions related to international trade as a result of US customs policy. The rise in energy prices will accelerate inflation, at least temporarily, and slow down economic growth.
- Despite the slowdown, economic growth is expected to continue. The global economic growth forecast was revised to 3.1 per cent for 2026. The increase in uncertainty will also decrease the growth rate of the Finnish economy in 2026 to 0.6 per cent.
- Political uncertainty, including geopolitical and trade policy risks, is a key source of uncertainty.
- Ilmarinen's premiums written are expected to increase at a slightly slower rate than the increase in payrolls, as the TyEL contribution percentage decreased for 2026. The decrease in the contribution percentage was due to the fact that repayment of the temporary reduction of employers' social security contributions granted during the COVID-19 pandemic ended in 2025.
- 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 birth rate. The birth rate has been exceptionally low in recent years.



Current information about the pension system

- The government proposal on pension reform has progressed to Parliament. The purpose is to ensure the sustainability and benefit level of the earnings-related pension system. The reform will enter into force in stages in 2026–2030 after the adoption of the legislative proposal.
- In the reform, the level of pension contributions will be stabilised to 24.4 per cent for 2026–2030 and the reserve funds of pensions will be strengthened.
- The aim is to achieve higher investment returns on pension assets in the long term by increasing the risk-taking potential of pension providers by relaxing the solvency limit and enabling higher equity weighting. The changes may increase return fluctuations.
- A new inflation stabiliser will be introduced in 2030. It may limit the annual index increments of pensions in payment on the basis of the two-year trend in the wage coefficient.
- The reform will strengthen public finances by an estimated EUR 2 billion in the long term, which corresponds to 0.8 per cent of GDP.
- Solutions for the reform of the pension scheme for entrepreneurs are expected during spring 2026. The purpose of the report commissioned by the Ministry of Social Affairs and Health was to map out alternatives for the definition of an entrepreneur's confirmed income and reserve funds. After the report was completed, the Ministry of Social Affairs and Health set up a project to develop the confirmed income in 2026.



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Well prepared for tomorrow.