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Well prepared for tomorrow

Ilmarinen’s Interim Report January–September 2026



Investment return was 6.2 per cent, solvency ratio strengthened and customer acquisition was particularly successful

- The return on Ilmarinen’s investment portfolio was 6.2 (4.8) per cent, or EUR 4.2 billion. The market value of investments increased to EUR 71.0 (67.5) billion. The long-term average return on investments since 1997 was 6.0 per cent. This corresponds to a real return of 4.1 per cent.
- The total result was EUR 1,070 (808) million.
- Premiums written totalled EUR 5,495 (5,457) million, and pensions paid EUR 6,107 (6,015) million.
- Net client acquisition strengthened to EUR 162 (71) million, and rolling client retention for the previous 12 months was 96.8 (95.6) per cent.
- Operating expenses financed using loading income totalled EUR 66 (68) million, amounting to 0.29 (0.31) per cent of the Employees Pensions Act payroll and YEL income of the insured.
- Solvency capital increased to EUR 16.6 (15.5) billion, and the solvency ratio strengthened to 129.9 (129.2) per cent.
- Prospects: Ilmarinen’s written premiums 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 for January-September

Premiums written

5.50 (5.46)

EUR billion



6.11 (6.02)

EUR billion

Pensions paid

Operating expenses financed using loading income

66 (68)

EUR million



0.29 (0.31)

%

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

Return on investments

6.2 (4.8)

%



71.0 (67.5)

EUR billion

Investment assets

Solvency ratio

129.9 (129.2)

%



16.6 (15.5)

EUR billion

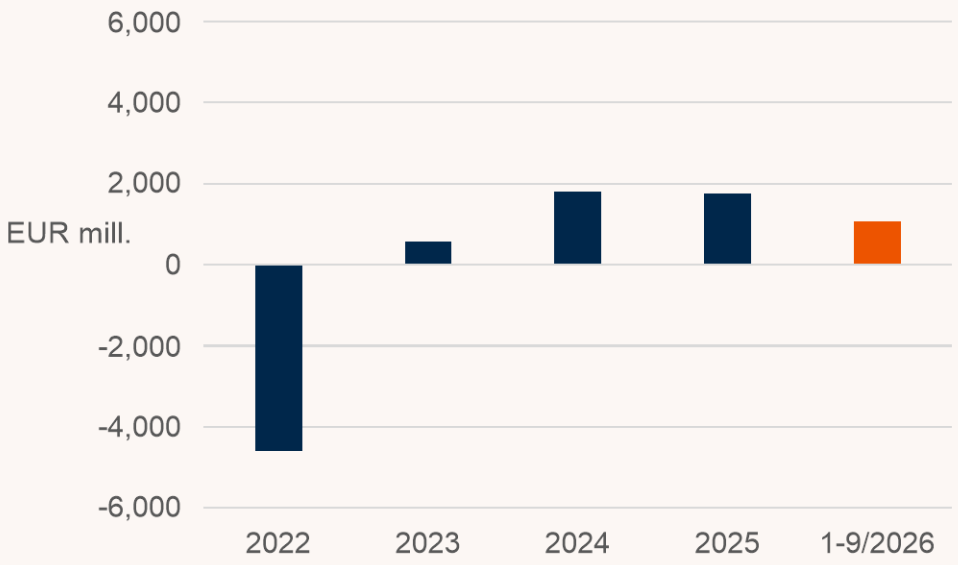
Solvency capital

*) 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 1.1 billion

Total result, EUR mill.



Sources of profit, EUR mill.

Result analysis, EUR mill.	1.1.-30.9.2026	1.1.-30.9.2025	1.1.-31.12.2025
Underwriting result	13	-28	-39
Return on investments at fair value	1,059	839	1,807
+ Net return on investments at fair value	4,170	3,034	5,107
- Return requirement on technical provisions	-3,112	-2,195	-3,300
Loading profit	-2	-3	-6
Other profit	0	0	4
Total result	1,070	808	1,766



Operating environment

The technology cycle supported growth in an uncertain operating environment

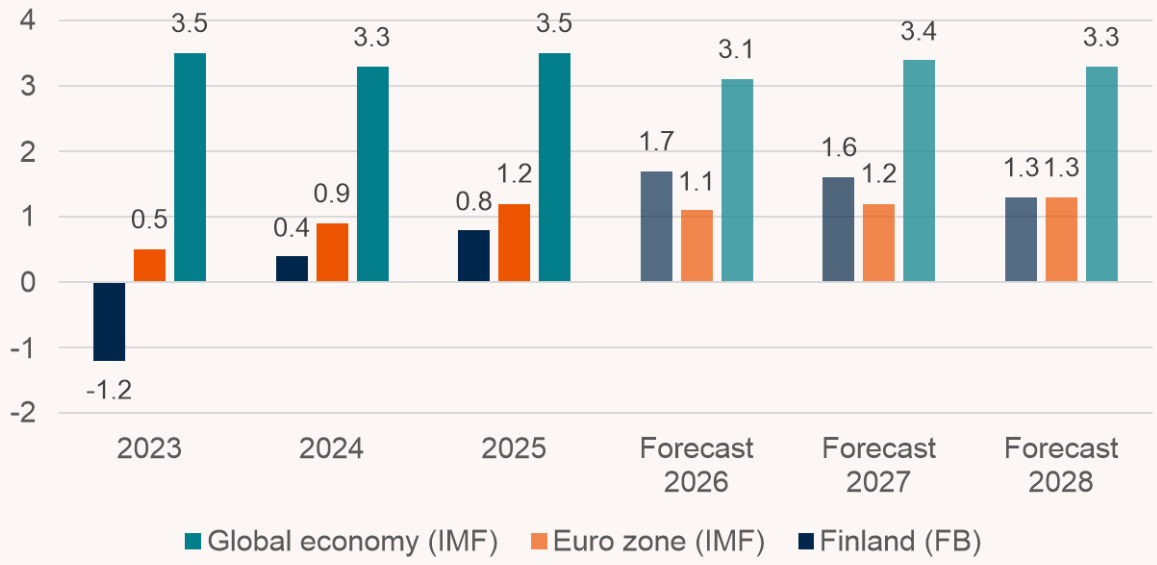
- The International Monetary Fund (IMF) forecasts the global economy to grow by 3.1 per cent this year and by 3.4 per cent next year.
- Finland's economic growth is forecast to be 1.7 (0.7) per cent in 2026 and 1.6 (1.2) per cent in 2027, if the Middle East conflict's impacts on growth and inflation remain short-term.
- Rising oil and energy prices accelerate inflation and the uncertainty arising from it. Interest rate expectations have risen, and trade policy uncertainty is still elevated.
- In Europe, inflation had already returned to target levels, but the energy price shock has significantly increased actual inflation. In the United States as well, inflation will accelerate as a result of rising energy prices.
- The listed stock market has yielded excellent profits with the support of strong performance and the rise in performance forecasts for the next few years. European (10 per cent) and US (13 per cent) equities performed very well. In Finland, the stock prices increased by 14 per cent.
- The rise in commodity prices and strong demand for financing raised long-term and short-term interest rates in both the eurozone and the United States.
- The euro declined by 4 per cent against the US dollar.



Global economic growth has remained stable

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

GDP development, %



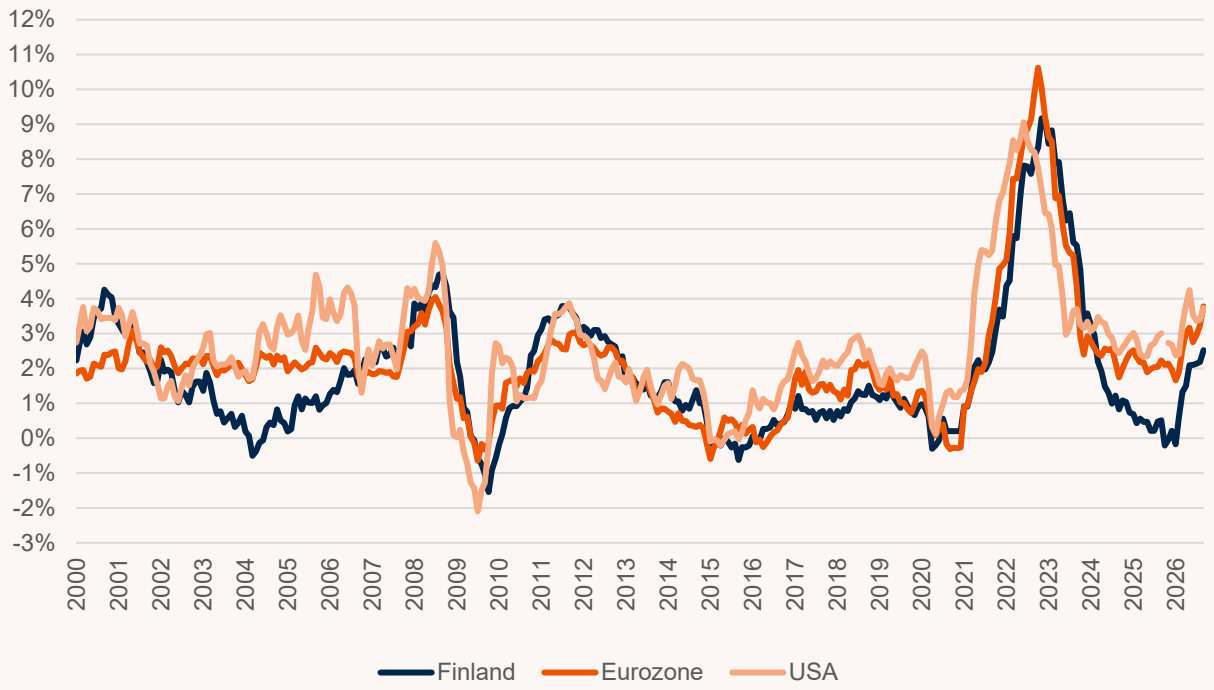
Development of Finland's employment and unemployment rates, %



Sources: Bank of Finland 9/2026, IMF 10/2026, Ministry of Finance 9/2026

Energy crisis drives inflation

Year-on-year change in consumer prices



- Inflation in the eurozone was 3.8 per cent at the end of September. Inflation has been driven by the increase in energy prices caused by the war in Iran. Eurozone core inflation excluding energy prices in August was at 2.5 per cent.
- In the United States, consumer price inflation was 3.7 per cent at the end of September. Inflation has been driven by a sharp 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.

The stock market yielded excellent profits with the support of strong performance and the increased performance forecasts for the next few years

- The return on equity investments was 13 per cent in the USA and 10 per cent in Europe.
- In Finland, the return on equity investments was 14 per cent.
- The valuation level of equity investments has normalised.

Equity market performance



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



Data: Bloomberg, period 31 December 2022 – 30 September 2026

Rising commodity prices and strong demand for financing raised interest rates

Credit risk premiums returned to pre-war levels but have increased again as a result of rising interest rates and demand for financing

Development of interest rates, %pt



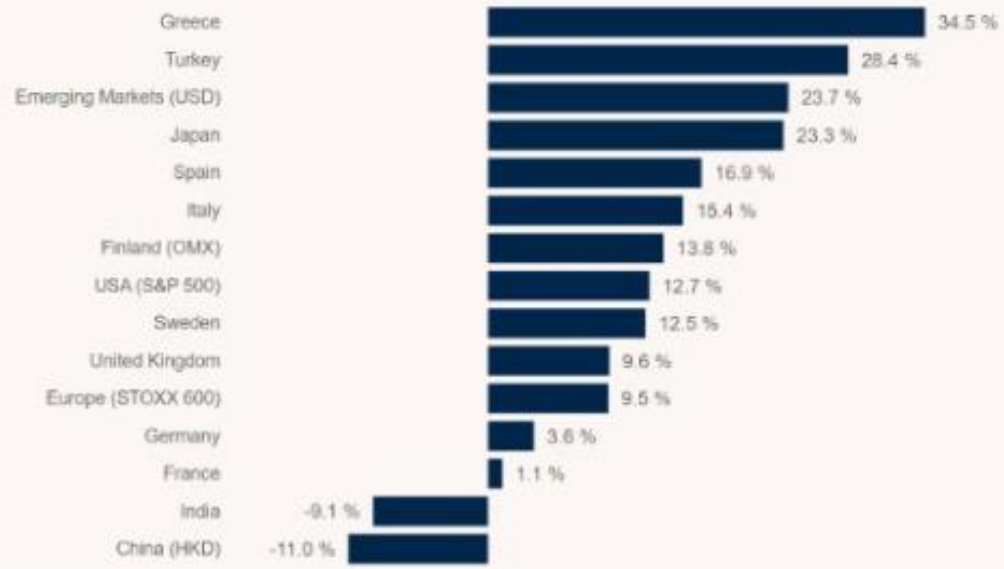
Development of credit risk premiums, basis point



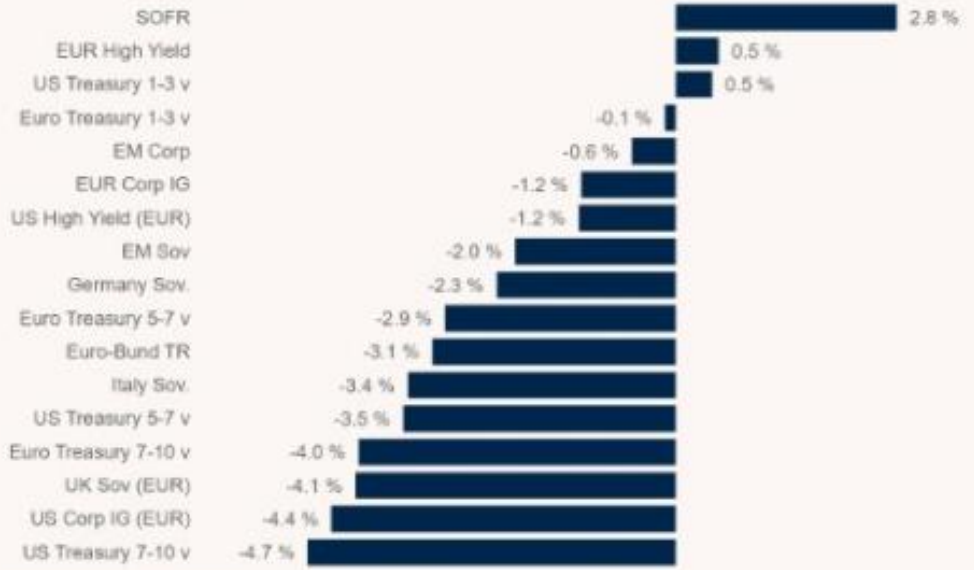
Data: Bloomberg, period 31 December 2022 – 30 September 2026, interest rate time series based on interest rate swap quotations

Asset class returns 1 January – 30 September 2026

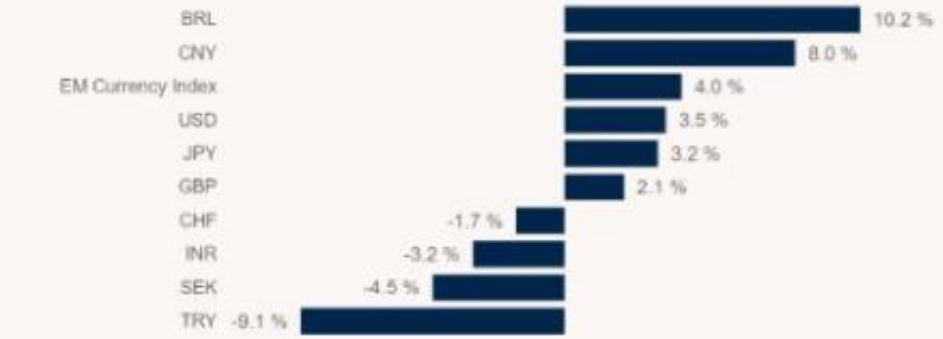
Equity market YTD %, total return in local currency



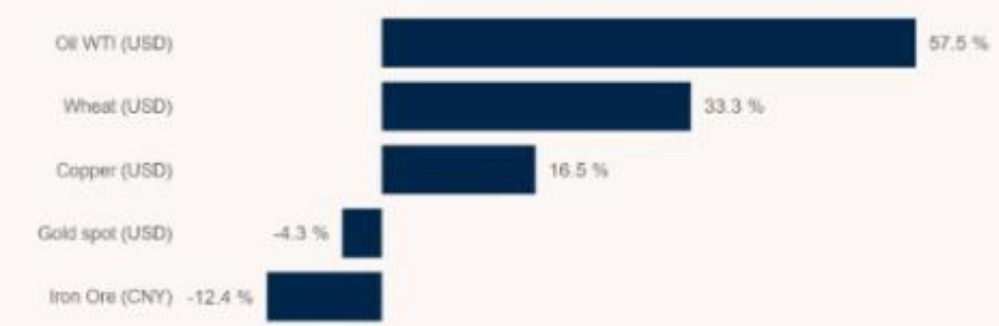
Fixed income YTD %



Currency against the euro YTD %



Commodities YTD %



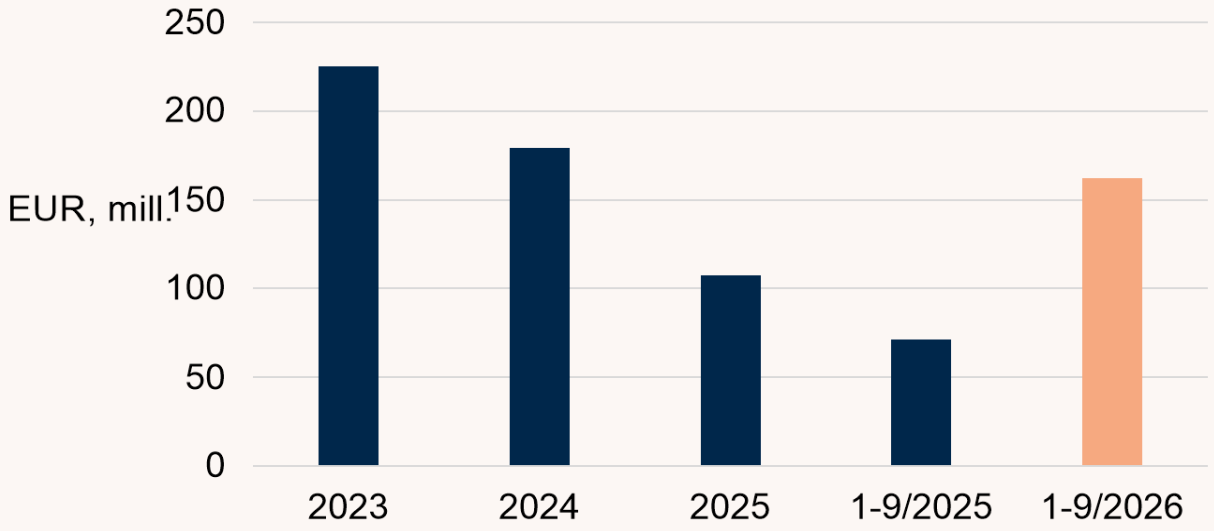


Pension security for you

Insurance and pensions

Net customer acquisition was EUR 162 million, customer retention was 96.8 per cent

Net customer acquisition 2023 – 30 September 2026, EUR million *)



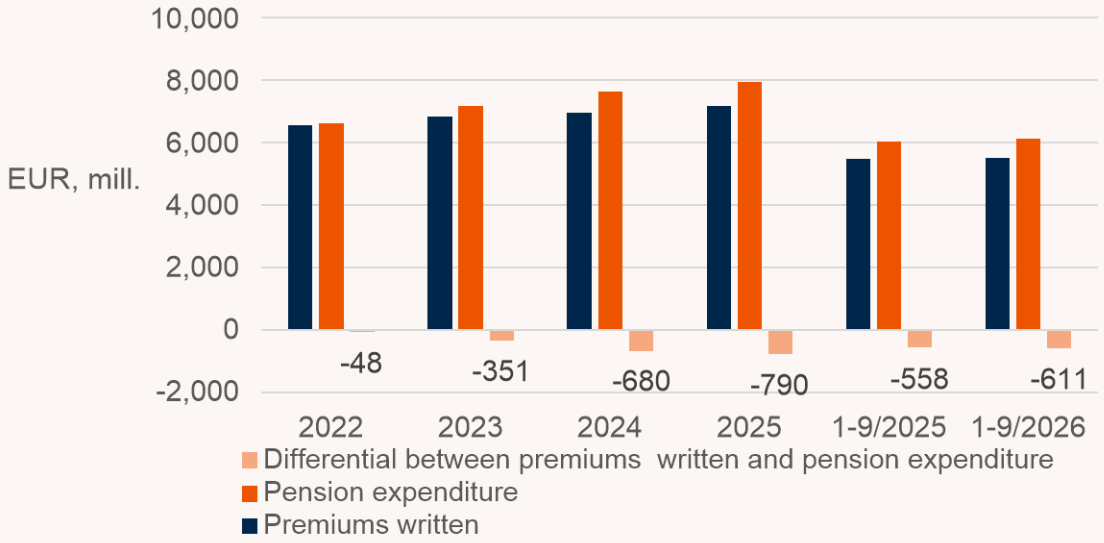
Net customer acquisition, EUR million

EUR mill.	1–9/2026	1–9/2025	2025
Net customer acquisition	162	71	107
Sales of new insurance	80	74	108
Net transfer of insurance	83	-2	0
Customer retention, % of premiums written	96.8%	95.6%	95.8%

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

Premiums written amounted to EUR 5.5 billion, while pensions paid amounted to EUR 6.1 billion

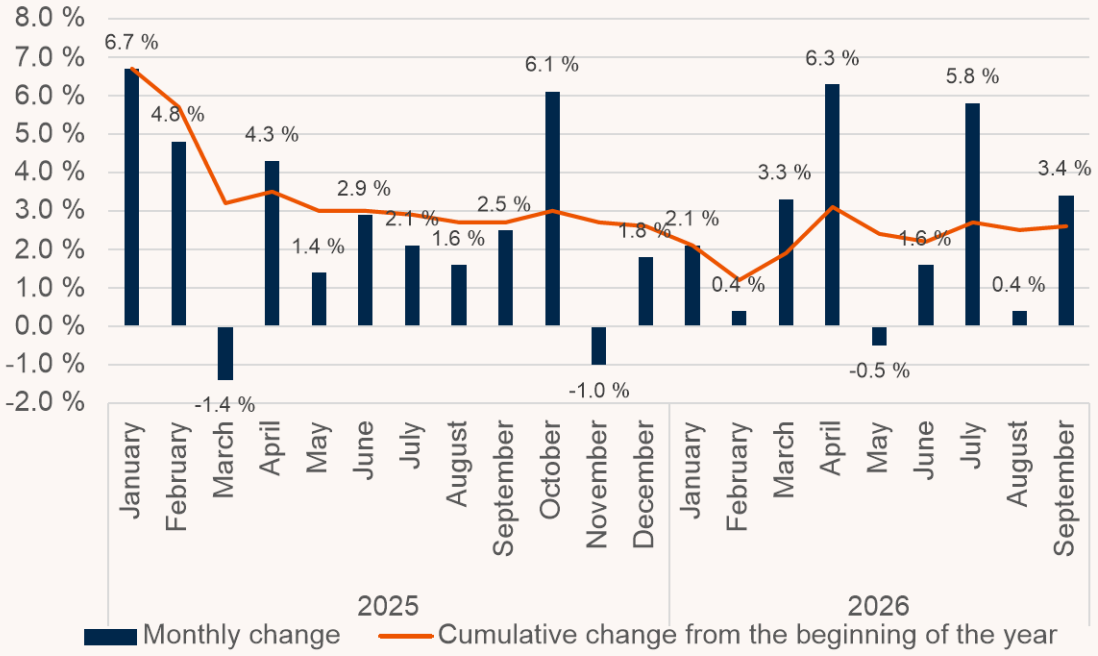
Premiums written and pensions paid, 2022 – 30 September 2026



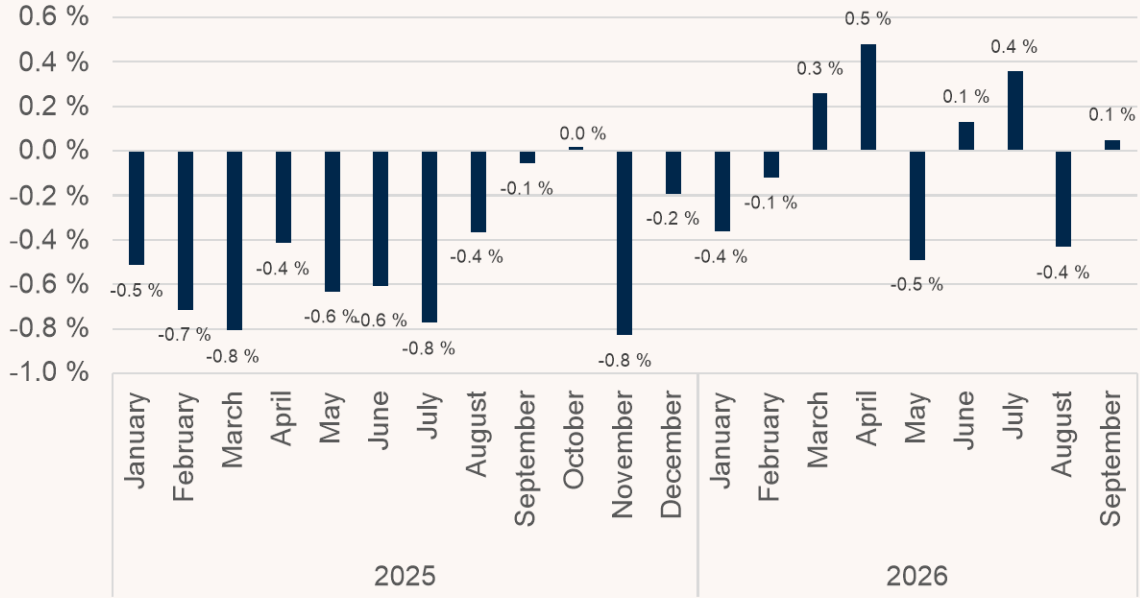
EUR mill.	1–9/2026	1–9/2025	2025	2024	2023	2022
TyEL	5,164	5,128	6,740	6,533	6,418	6,164
YEL	331	329	420	423	404	394
Premiums written	**5,495**	**5,457**	**7,160**	**6,956**	**6,822**	**6,558**
TyEL	5,759	5,669	7,504	7,187	6,744	6,189
YEL	347	347	446	449	429	417
Pension expenditure	**6,107**	**6,015**	**7,950**	**7,636**	**7,173**	**6,606**

The payroll of customers increased by 2.6 per cent in January–September, and the number of employees in the business cycle index remained unchanged from the beginning of the year

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



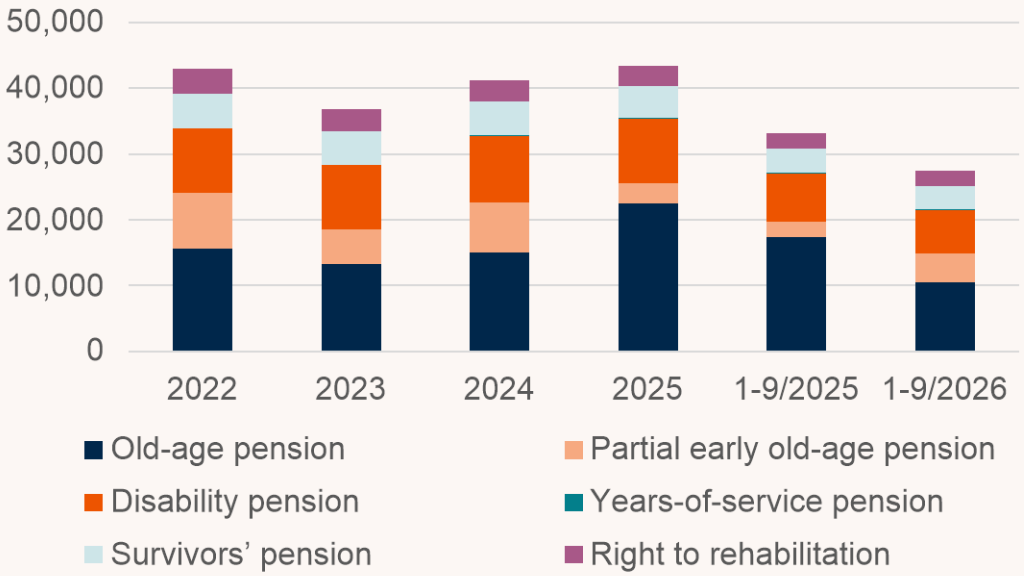
Change in number of employees in Ilmarinen's business cycle index



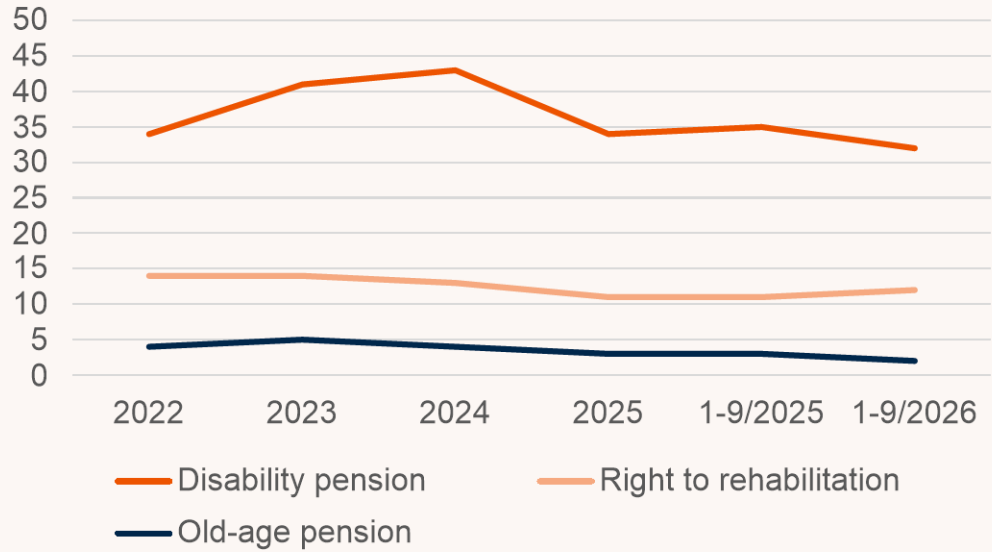
Old-age pension decisions were issued in two days on average

The number of decisions made this year is clearly lower than in the previous year. A significant part of the decrease was due to work carried out alongside old-age pension and the applications for the pension accrued from this work. The number of pension decisions varies annually depending on age limits.

Number of new pension decisions



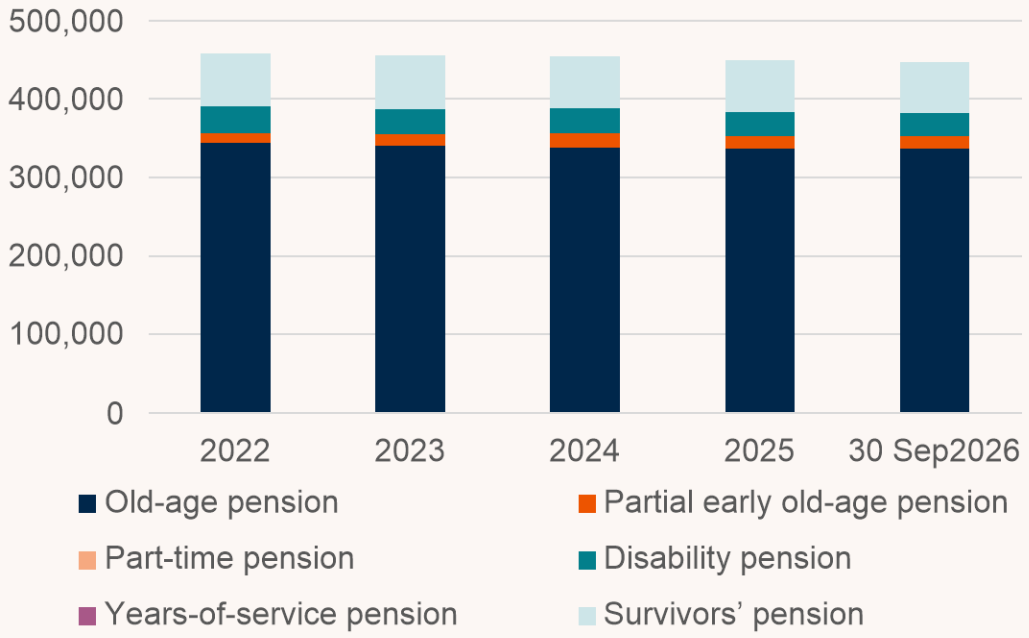
Average application processing time, days



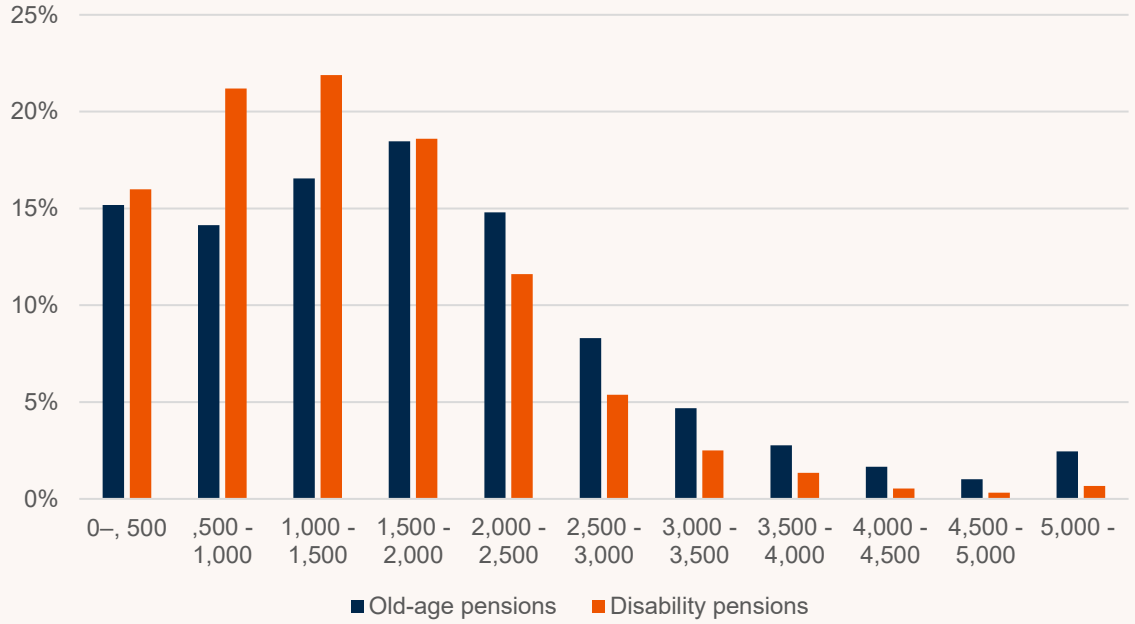
We paid EUR 6.1 billion in pensions to 446,701 pension recipients

The average old-age pension was EUR 1,770 per month.

Ilmarinen's pension recipients



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





Future work ability

Work ability risk management and rehabilitation

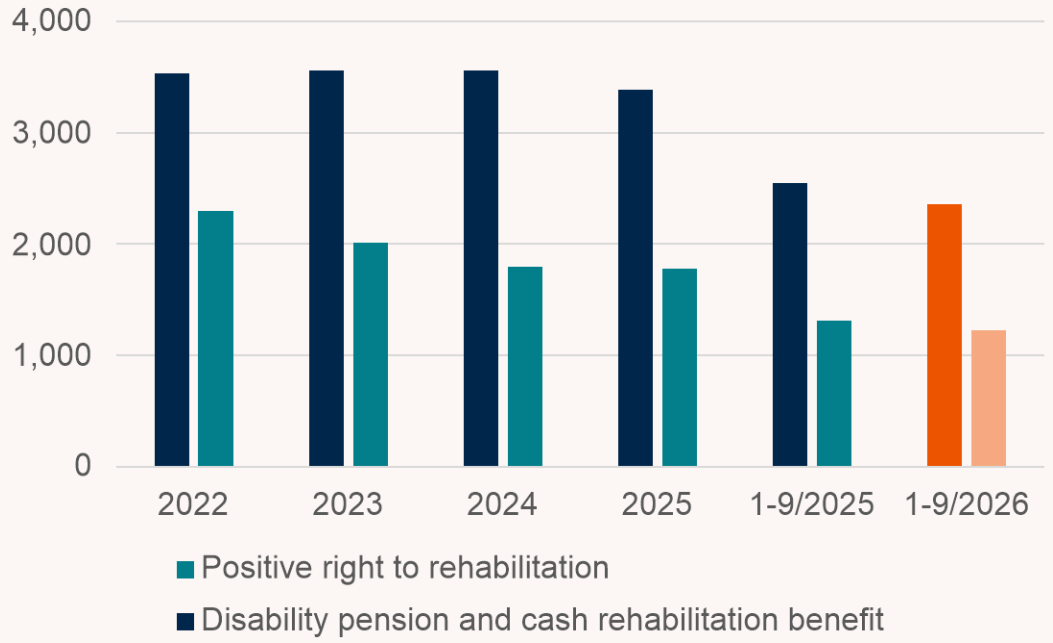
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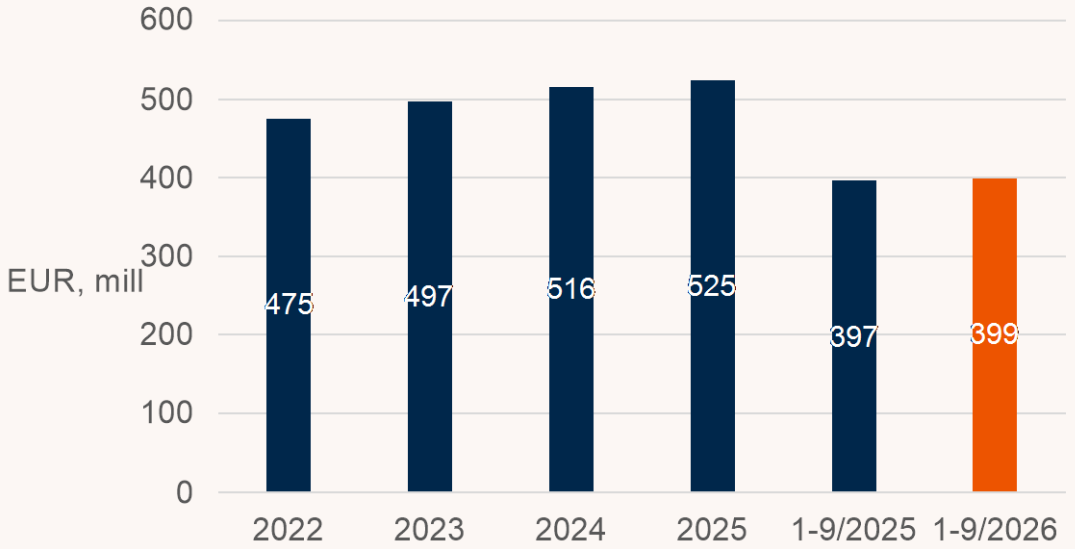
A total of 2,361 persons transitioned to disability benefit, which was 7 per cent less than in the previous year.

Disability pension expenditure was at the level of the preceding year

Decisions on entitlement to rehabilitation and persons retired on disability pension



Disability pension expenditure, EUR mill.



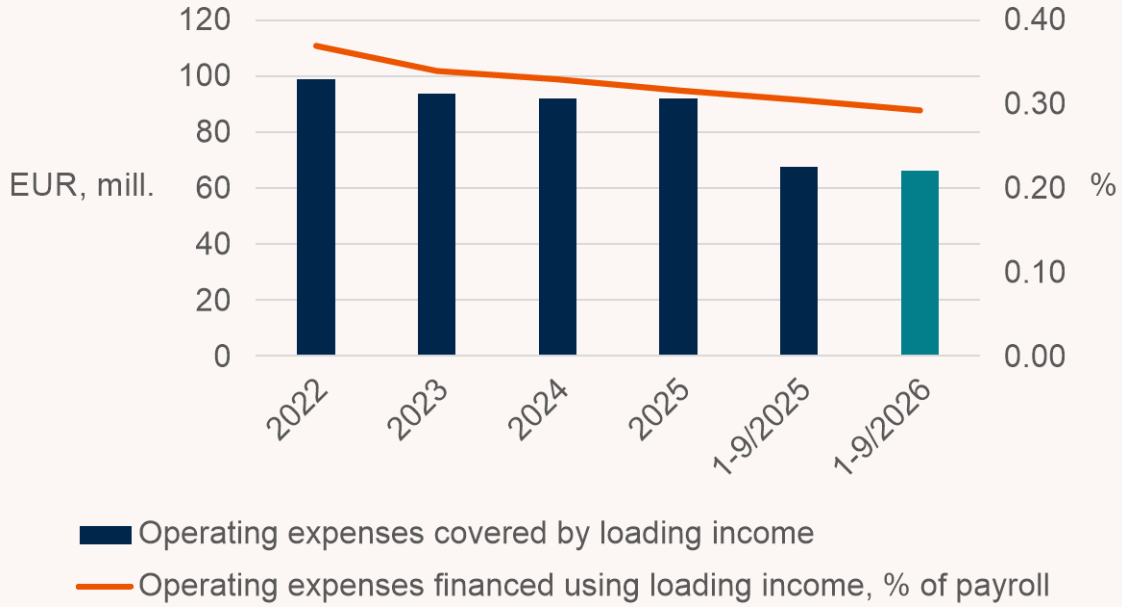


Cost-effective operations

Operating expenses and personnel

Operating expenses financed using loading income decreased to EUR 66 million, or 0.29 per cent of the payroll

Total operating expenses, operating expenses financed using loading income, and operating expenses using loading income, % of payroll 2022 – 30 September 2026 *)



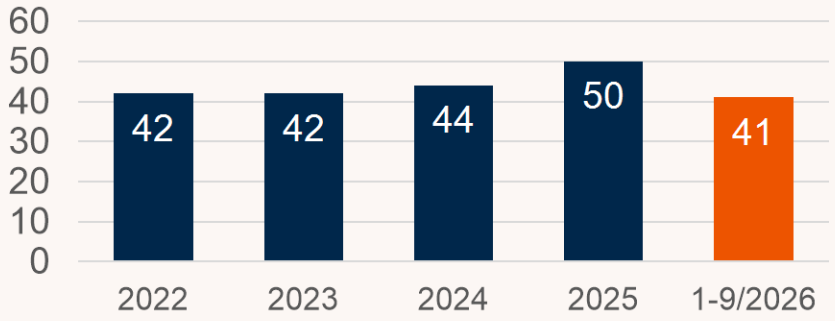
	1–9/2026	1–9/2025	2025	2024	2023	2022
Total operating expenses EUR, mill.	111	109	150	143	146	151
Operating expenses covered by loading income EUR, mill.	66	68	92	92	94	99
Operating expenses financed using loading income, % of payroll	0.29	0.31	0.32	0.33	0.34	0.37
Operating expenses financed using loading income per pensioner and insured, EUR	59	60	83	82	83	87

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

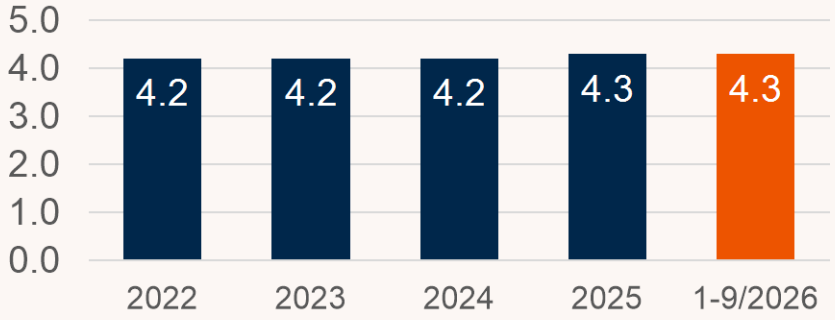
The number of personnel decreased, but the employees' work energy remained at an excellent level.

The number of sick leaves decreased.

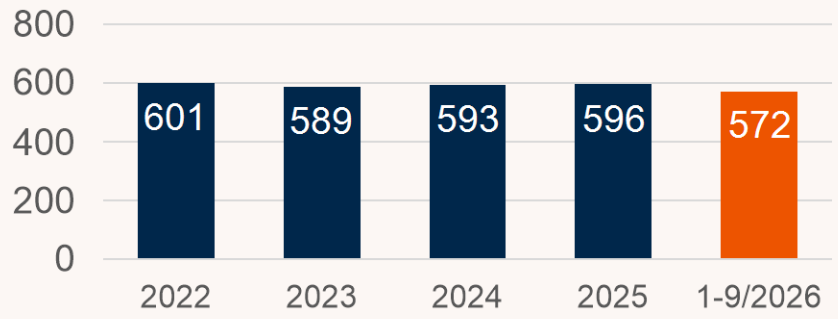
Employee Net Promoter Score (eNPS)



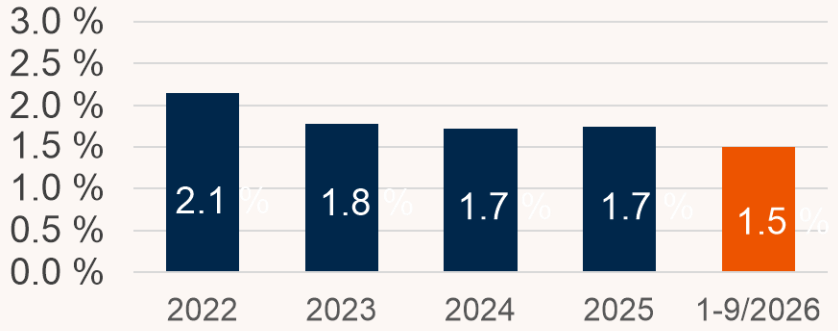
Personnel's average energy level (1–5)



Average number of employees (person years)



Lost work time due to sick leave





Profitably, securely and responsibly

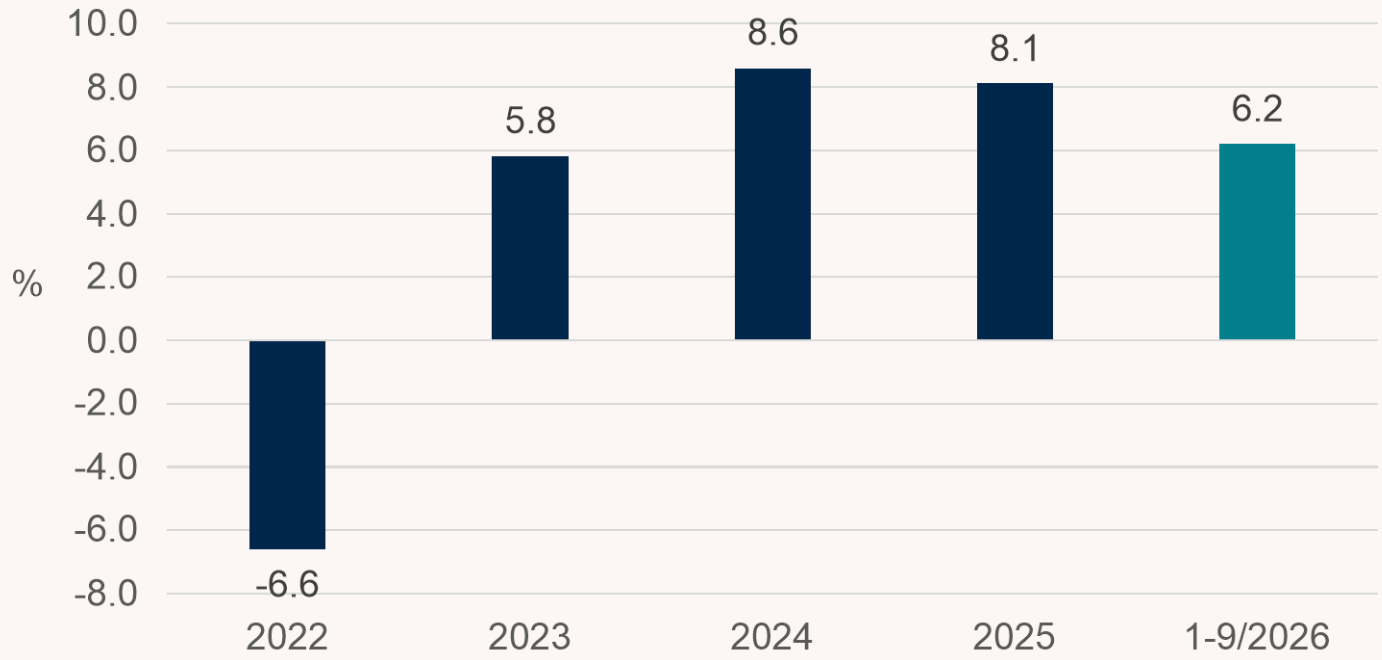
Investment activities

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The return on the investment portfolio was 6.2 per cent, or EUR 4.2 billion

Return on investments at current value, %

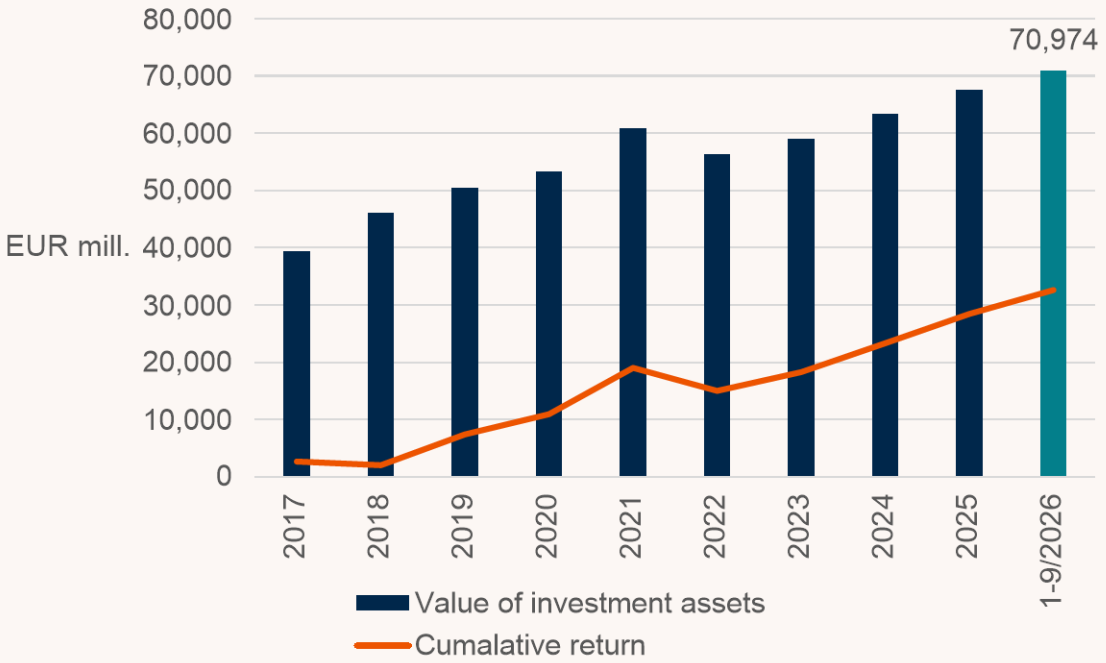


Average nominal return on investments over 5 years 5.2 per cent and real return 1.6 per cent. Average nominal return on investments over 10 years was 6.3 per cent and real return 3.9 per cent.

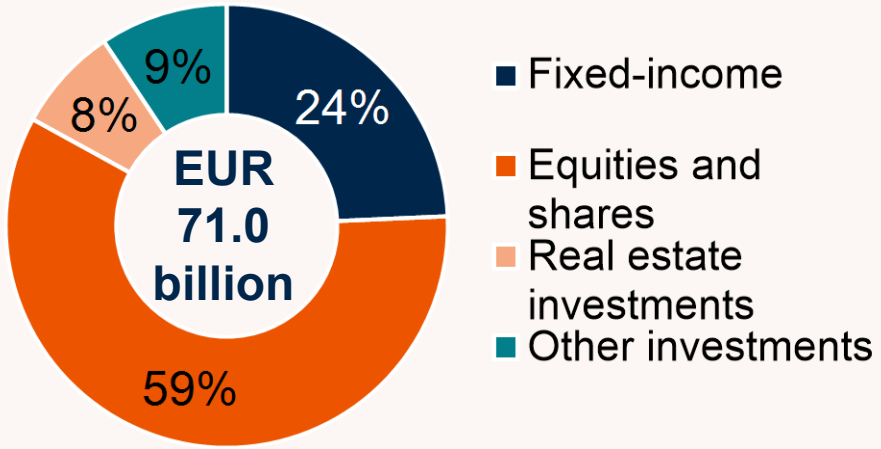


The value of investments was EUR 71.0 billion. Investments have generated a total of EUR 32.6 billion since 2017.

Value of investments and cumulative return 2017–30 September 2026, EUR million



Distribution of market value of investments, 30 September 2026



Average nominal return on investments over 10 years was 6.3 per cent and real return 3.9 per cent

Return on Ilmarinen's investment portfolio was 6.2 per cent

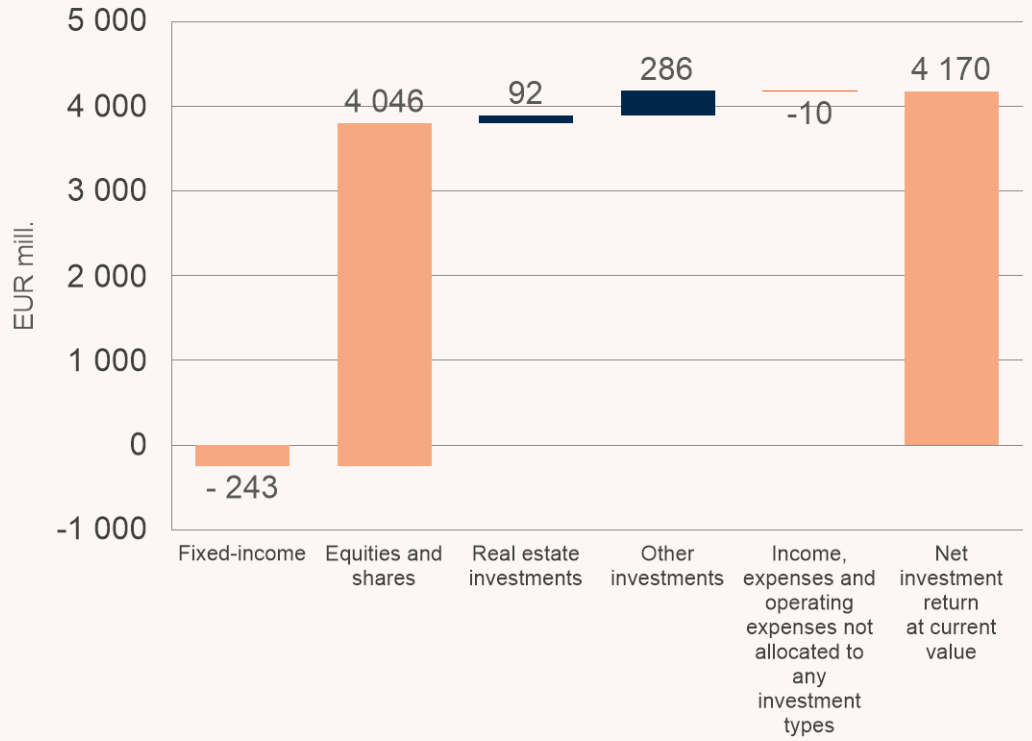
The return on investments was mainly generated from listed equity investments.

Return, %

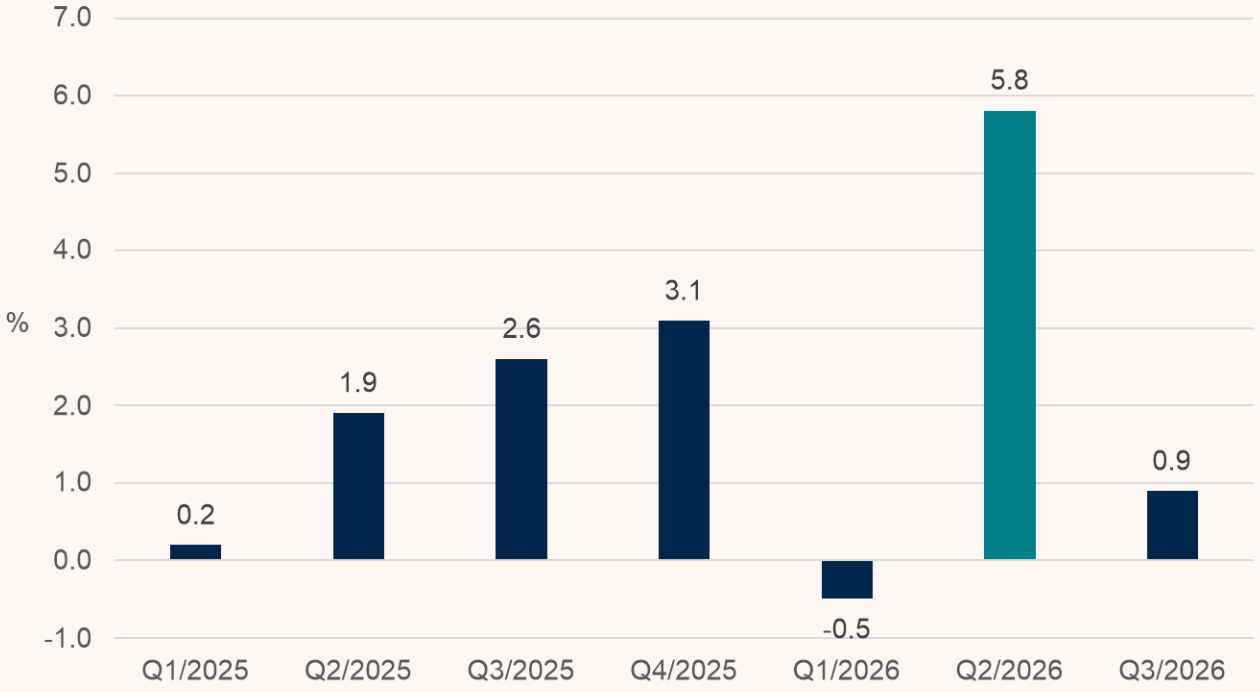
	1–9/2026	1–9/2025	2025
ROCE,%	**6.2**	**4.8**	**8.1**
Fixed-income	-1.3	4.7	6.3
Equities and shares	10.9	5.4	10.4
Real estate investments	1.6	1.3	1.1
Other investments	4.6	5.8	8.4

Calculated from 1997, the average annual return at current value has been 6.0 per cent per annum. This corresponds to an annual real return of 4.1 per cent.

Return by type of investment, EUR mill.



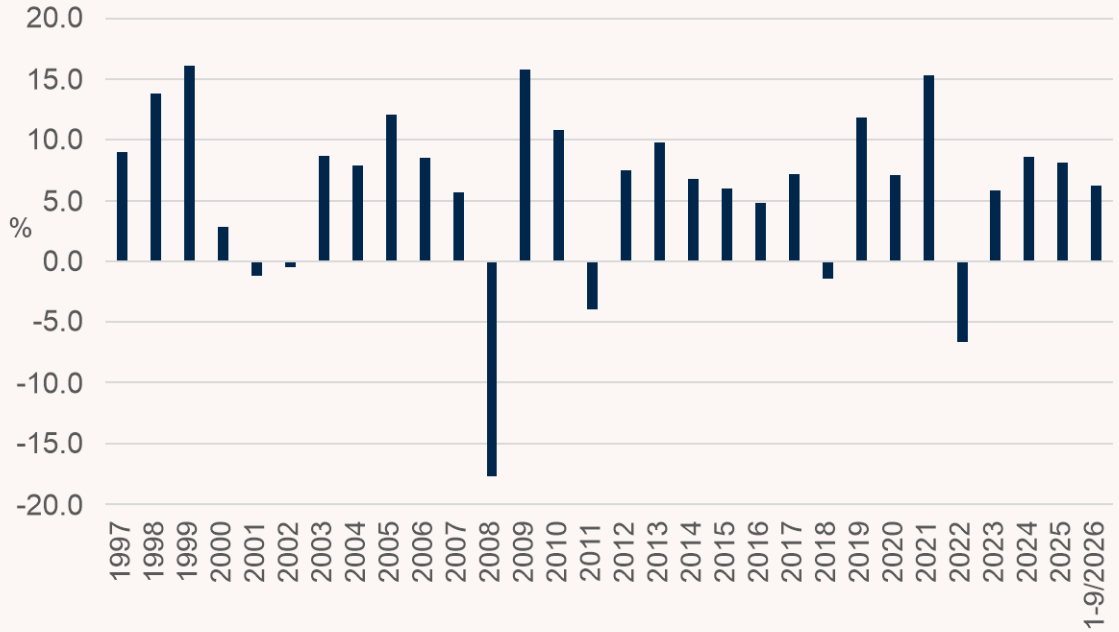
The return for the third quarter of the year was 0.9 per cent, or EUR 0.6 billion



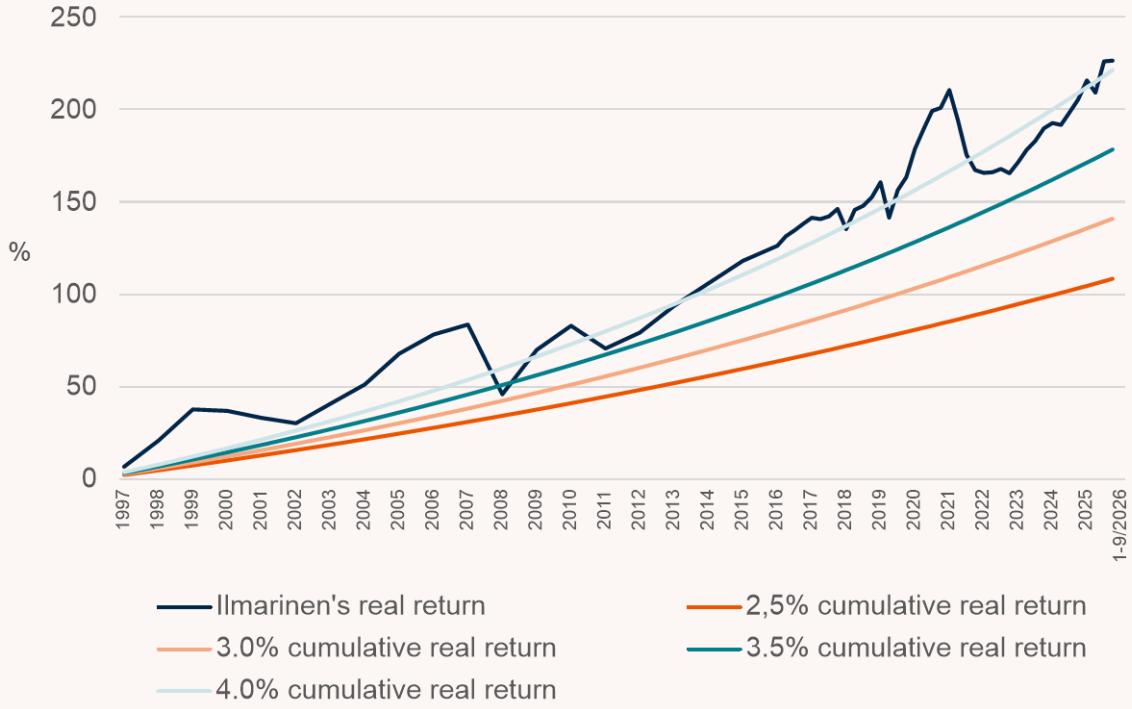
The return on investments was mainly generated from listed equity investments.

Long-term average nominal return 6.0 per cent per annum, or 4.1 per cent in real terms

Net return on investments at current value



Cumulative return on investments 1997–30 September 2026



Average annual return at current value (1997–) 6.0%
Average annual return at real value (1997–) 4.1%

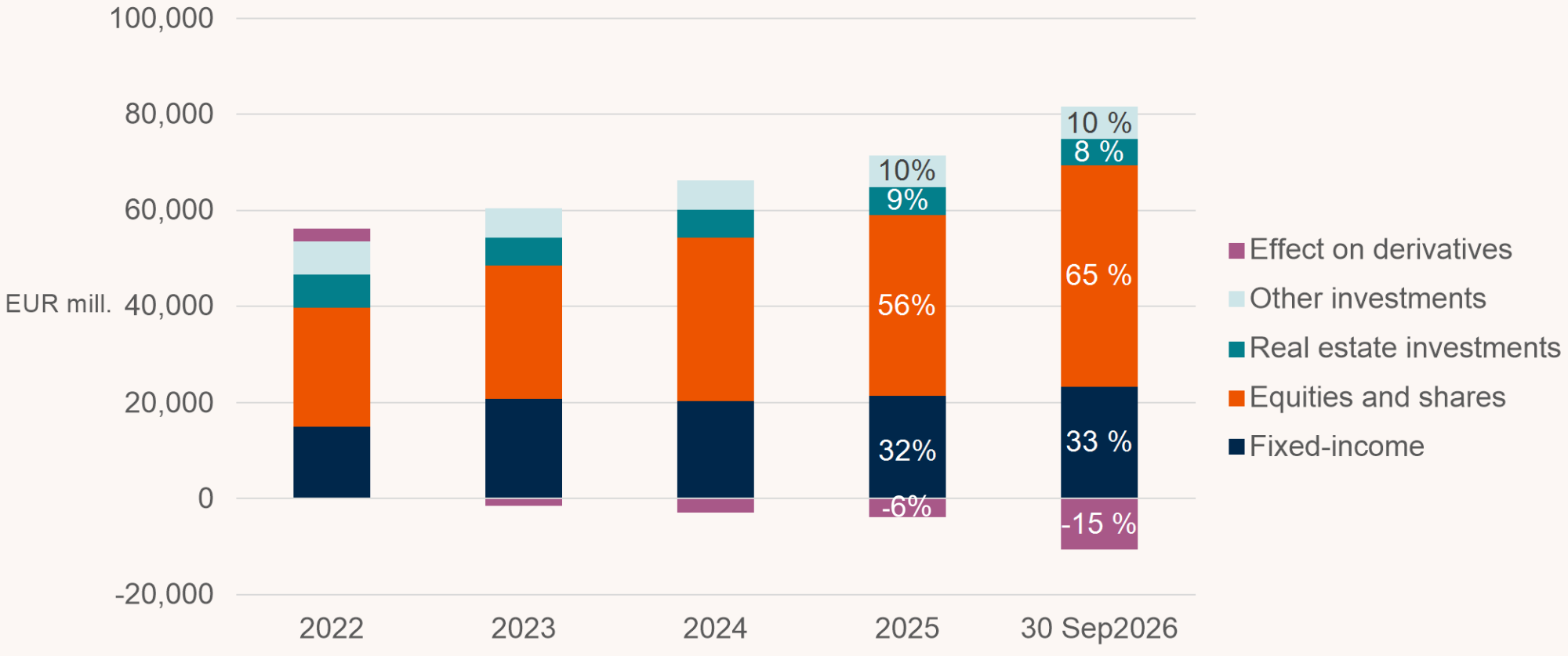
Long-term return at a good level

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
1–9/2026	6.2	13.8	9.5	16.6	-3.2	-1.3
2025	8.1	35.3	19.8	3.9	0.6	3.0
Average return over 5 years	5.2	7.1	9.7	14.2	-2.9	-0.4
Average return over 10 years	6.3	10.0	9.1	15.2	-0.8	0.6
Average return over 20 years	5.3	8.4	6.0	11.8	2.2	2.6
Average return since 1997	6.0	10.0	7.2	10.5	3.3	3.6
Real average return over 5 years	1.6	3.5	6.0	10.4	-6.2	-3.7
Real average return over 10 years	3.9	7.6	6.7	12.6	-3.0	-1.6
Real average return over 20 years	3.3	6.3	4.0	9.7	0.2	0.6
Real average return since 1997	4.1	8.0	5.3	8.5	1.5	1.7

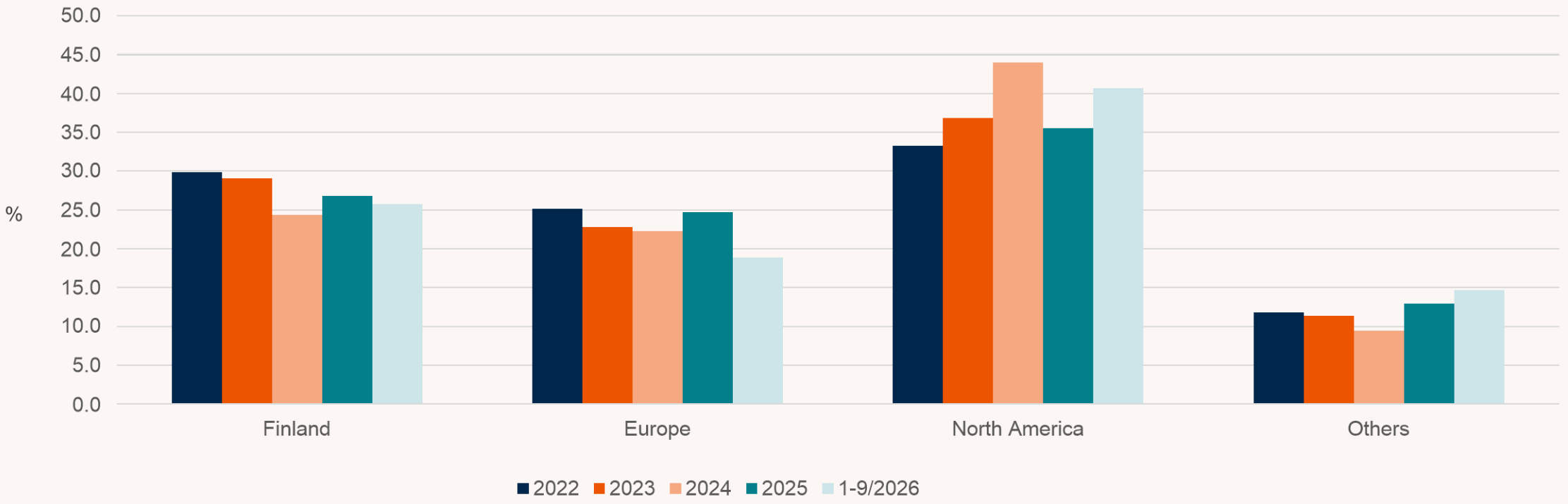
Share of equity investments of the breakdown of Ilmarinen's investment risks rose to 65 per cent

Breakdown of investment risks



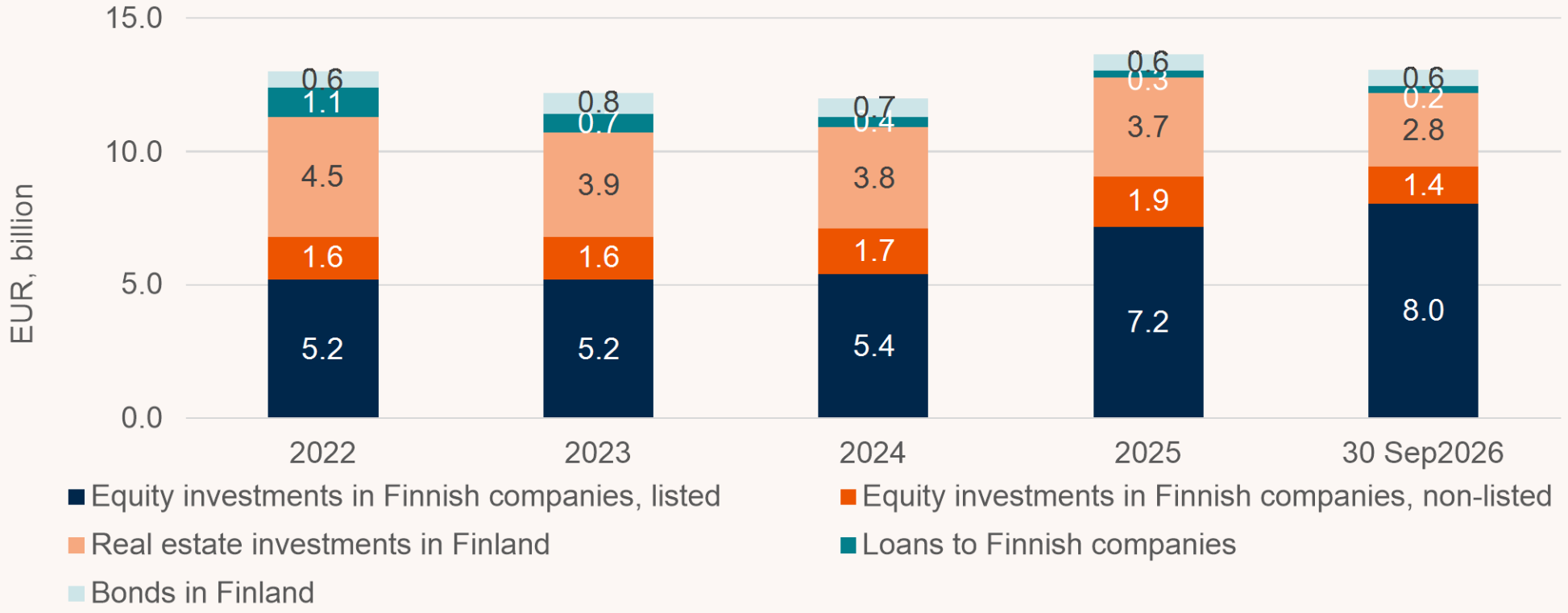
The share of North America in listed shares increased to 41 per cent due to the increase and value increase of the US equity allocation. Finland's share was 26 per cent.

Geographical breakdown of listed equities



Ilmarinen's investments in Finland were EUR 13.1 billion, or 18 per cent of the investment portfolio

Investments in Finland by asset class, EUR billion



Holdings in Finnish publicly listed companies was EUR 8 billion

Largest Finnish listed equity holdings

	EUR mill.	30 September 2026	31 December 2025
↑	Nokia Corporation	597	445
↑	Neste Corporation	596	483
↑	Fortum Oyj	596	354
↑	Nordea Bank Abp	565	466
↑	Kone Corporation	542	419
↑	Wartsila Plc	501	464
↑	Sampo Plc	481	449
↑	Metso Corporation	455	418
	UPM-Kymmene Corporation	390	390
↑	Orion Corporation	365	329

	Ownership percentage	30 September 2026	31 December 2025
↓	Nurminen Logistics Plc	14.3	14.4
	SRV Group Plc	11.4	11.4
	Digia Plc	9.9	9.9
↑	KPY osk	9.7	
	Solteq Plc	8.5	8.5
↑	Bioretec Ltd	8.0	7.1
↑	Reaktor Group Oyj	7.8	
↓	Lumo Kodit Plc	7.8	8.3
	Siili Solutions Plc	7.5	7.5
	Nokian Brewery Plc	7.5	7.5

Summary of investment breakdown and return on investment 30 September 2026

	Basic breakdown		Risk breakdown		Return	Volatility
	EUR mill.	%	EUR mill.	%	%	
Fixed-income investments	**17,256**	**24**	**23,252**	**33**	**-1.3**	
Loan receivables	907	1	907	1	2.5	
Bonds	15,733	22	22,235	31	-0.7	3.5
Public corporation bonds	5,883	8	10,607	15	-4.4	
Other bonds	9,851	14	11,628	16	1.8	
Other money market instruments and deposits (incl. investment receivables and payables)	615	1	110	0	-	
Equities and shares	**41,630**	**59**	**46,153**	**65**	**10.9**	
Listed equities and shares	31,227	44	35,750	50	13.8	10.9
Private equity investments	9,026	13	9,026	13	3.0	
Non-listed equities and shares	1,377	2	1,377	2	3.2	
Real estate investments	**5,431**	**8**	**5,431**	**8**	**1.6**	
Real estate investments	2,062	3	2,062	3	-0.7	
Real estate funds and joint investments	3,368	5	3,368	5	3.6	
Other	**6,658**	**9**	**6,765**	**10**	**4.6**	
Hedge fund investments	6,616	9	6,616	9	5.8	2.1
Commodity investments	0	0	15	0	-	
Other investments	42	0	133	0	-	
Investments total	**70,974**	**100**	**81,600**	**115**	**6.2**	**4.8**
Effect of derivatives			-10,626	-15		
Investments at current value	**70,974**	**100**	**70,974**	**100**	**6.2**	

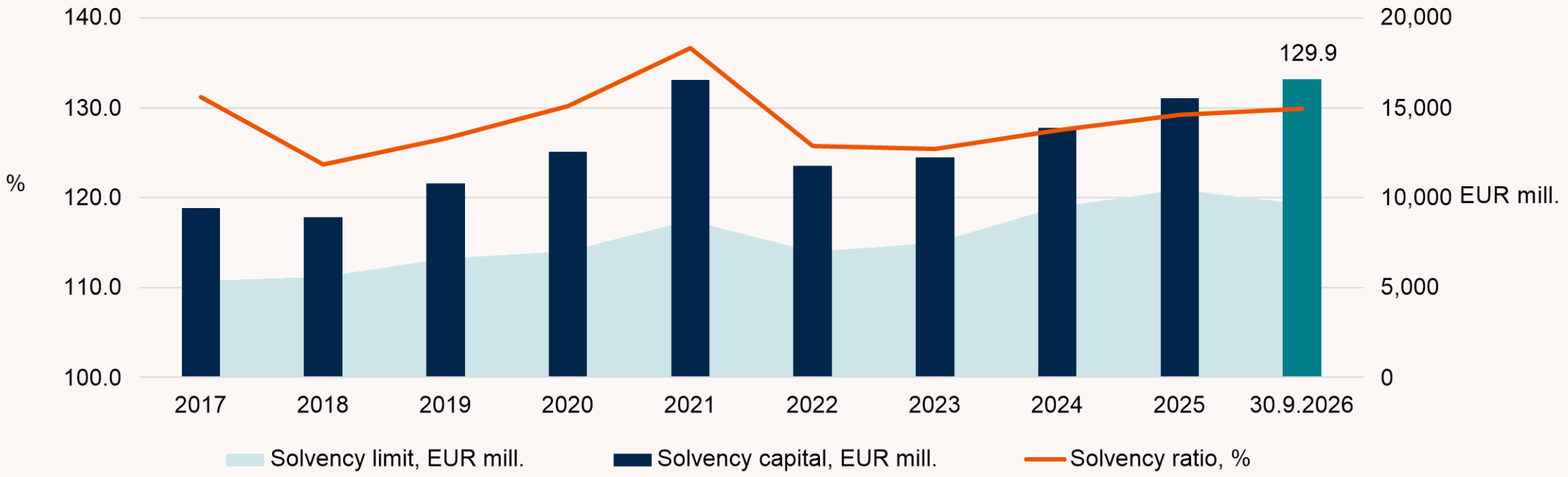
The modified duration of bond investments was 4.6 years

The open currency position was 30.9 per cent 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 16.6 billion, and the solvency ratio was 129.9 per cent. The solvency position was 1.7.

Solvency capital, solvency ratio and solvency limit





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 economic growth.
- Despite the uncertainty, economic growth is expected to continue. The global economic growth forecast was revised to 3.1 per cent for 2026. The Finnish economy is expected to grow by 1.7 per cent in 2026.
- Political uncertainty, including geopolitical and trade policy risks, is a key source of uncertainty.
- Ilmarinen’s written premiums 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.



The first changes brought about by the pension reform were introduced on 1 July 2026

- The aim is to strengthen the financial sustainability of the earnings-related pension system. Now, a larger share of assets can be invested in higher-return investments, such as shares. This improves the expected return but increases the variation in returns on investments.
- The first major change in the investment reform included in the pension reform entered into force on 1 July 2026. We leveraged the risk-bearing ability strengthened by the more lax solvency regulation by increasing equity investments. We also used the expanding credit opportunities of the subsidiaries' real estate investments to increase our equity investments. The next changes will enter into force on 1 January 2027 and on 1 July 2027.
- The TyEL contribution level will be set at 24.4 per cent for 2026–2030, and the financing of old-age pensions will be strengthened.
- Index increments for pensions to be paid from 2030 onwards will be limited to the increase of the wage coefficient over a two-year period. The reform does not include other changes related to pension benefits.
- According to a long-term calculation of the Finnish Centre for Pensions, the pension system is expected to be financially balanced after the reform, but the increased dependence on returns on investments increases uncertainty.



YEL reform progresses – more choices for self-employed people

- The Government proposal to amend the Self-Employed Persons' Pensions Act was submitted to Parliament on 8 October 2026.
- According to the proposal, self-employed people could select actual confirmed income or confirmed income based on an overall estimate as the basis for their pension contributions and pension benefits. The Act is due to enter into force on 1 April 2028.
- The Ministry of Social Affairs and Health appointed a rapporteur to investigate the funding of pensions of self-employed people. The aim of the investigation is to present options for starting the financing of the YEL system and to propose ways to improve the efficiency of the implementation of and to reduce administrative costs. The report is due to be completed by 26 February 2027.

