

13.2.2025

Keva reports strong performance

Keva, which is responsible for the funding of local government and wellbeing services county pensions and for the investment of pension funds, reported a total return on Keva's investments at market value of 10.4% or EUR 6.7 billion for 2024.

Of Keva's investment assets, the best performers were listed equities, which generated a return of 14.2%, hedge funds 12.7% and private equity investments 10.0%. Fixed income investments generated a return of 6.8% and real estate investments 1.8%.

Keva's investment assets had a market value totalling EUR 71.5 billion at year-end 2024. Of this, listed equities accounted for 40.0%, fixed income investments 29.3%, private equity investments (including unlisted equities) 19.8%, hedge fund investments 6.9% and real estate investments for 6.7% of risk-based allocation. Derivatives had an impact of -2.7% on risk-based allocation.

Keva CEO **Jaakko Kiander** says that 2024 as a whole was a good year for Keva.

"Excellent investment performance resulted in an increase in the funding rate of the pensions for which we are responsible, besides which there was an improvement in the cost efficiency depicting our operations. Keva celebrated its 60th anniversary in high spirits," he says.

CIO **Ari Huotari** says that market attention in 2024 was largely focused on central bank rate cuts and expectations of such cuts.

"Economic performance was subdued in Europe but much stronger in the USA, whereas there are mixed expectations for 2025. Equities saw another strong year in 2024, but going forward, geopolitical concerns and possible actions by the new US administration are casting a shadow over capital markets," Huotari says.

Long-term investment performance still at a good level

Keva's long-term return on investments has been at a good level. The cumulative capital-weighted real return on investments since funding began in 1988 to year-end 2024 was 3.9%. The average real return, excluding capital weighting, over the same period was 5.0%. The Finnish pension sector normally calculates long-term returns excluding capital

13.2.2025

weighting. Keva's five-year real return excluding capital weighting has been 2.4% (nominal return 5.9%) and the ten-year return 3.7% (nominal return 5.8%).

Sum of wages and salaries of Keva member organisations increased

The sum of wages and salaries of Keva member organisations – towns and cities, municipalities, joint municipal authorities, municipal limited liability companies and wellbeing services counties – was EUR 22,9 billion, up 5% compared to 2023. A total of EUR 6.4 billion in contribution income accrued. Keva paid out EUR 7.3 billion in local government and wellbeing services county pensions. The gap between contribution income and pension expenditure was met out of investment income.

In 2024, Keva paid out pensions totalling EUR 6 billion to State, Evangelical Lutheran Church, Social Insurance Institution of Finland (Kela) and Bank of Finland personnel. The State, Church, Kela and Bank of Finland fund their own pensions and Keva's investment assets are used solely to cover local government and wellbeing services county pensions.

Slight increase in total number of pension applications

Keva received a total of 3% more pension applications than in 2023. Partial early old-age pension applications rose by around 3,600 or 49% to reach around 10,900. This slightly exceeded the peak figures seen in 2022. Old-age and survivor pension applications were down 3-6%.

The number of applications for disability pensions, both full and partial disability pensions, was more or less unchanged compared to the previous year, whereas vocational rehabilitation applications were down 6% compared to 2023, with a particularly sharp fall seen in rehabilitation plan applications. Rehabilitation applications have been on a downward trajectory for many years now. Around 5,500 rehabilitation applications were received in 2024, whereas there were more than 8,100 in 2018.

In 2024, 65% of all pension applications in 2023 were made electronically in the Keva My Pension service. In addition to this, around 8% of pension applications arrived electronically via Keva, for example.

Keva processed old-age pensions in 3 days and disability pensions in 30 days on average. Partial early old-age pensions were processed fastest, with decisions issued in 2 days on average. Survivors' pensions took an average of 6 days to process and rehabilitation decisions took an average



13.2.2025

of 18 days. Old-age, disability and survivors' pensions were processed an average of 2-5 days faster than in private institutions.

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13.2.2025

Keva's key figures 2024

	2024	2023	2022	2021	2020
Sum of wages and salaries of Keva member organisations, €m	22 890	21 809	20 345	19 462	18 487
Share of contribution of Keva member organisations, €m	6 211	5 966	5 677	5 489	5 252
Number of people insured in Keva member organisations 31 Dec.	588 888	588 777	573 945	563 644	541 239
Number of pension recipients in Keva member organisations, 31 Dec.	444 575	437 944	435 830	423 827	418 696
Amount of pensions paid out in Keva member organisations, €m	7 293	6 748	6 192	5 915	5 728
Fair value of investments, 31 Dec., €m	71 499	65 685	62 235	66 849	58 009
Return on investments at fair value	10,4 %	6,8 %	-7,0 %	15,8 %	4,7 %
Annual real return on investments since funding began in 1988 (capital weighted)	3,9 %	3,7 %	3,7 %	4,4 %	4,0 %
Annual real return on investments since funding began in 1988 (not capital weighted)	5,0 %	4,8 %	4,9 %	5,5 %	5,2 %
Operating costs, €m	86,4	84,6	81,1	79,9	76,6
Permanent employees, 31 Dec.	469	480	481	485	496
Number of State pension recipients, 31 Dec.	221 866	226 375	232 613	237 008	242 145
Amount of State pensions paid out, €m *)	5 572	5 311	4 982	4 879	4 857
Number of Evangelical Lutheran Church pension recipients, 31 Dec.	20 011	19 926	19 928	19 573	19 509
Amount of Evangelical Lutheran Church pensions paid out, €m *)	271	254	234	223	217
Number of Kela pension recipients, 31 Dec.	5 986	6 027	6 057	5 965	5 958
Amount of Kela employee pensions paid out, €m *)	129	123	114	108	106
Number of Bank of Finland pension recipients, 31 Dec.	1 470	1 461	1 458	1 404	
Amount of Bank of Finland pensions paid out, €m *)	33	31	29	29	

*) These payments have no impact through profit and loss on Keva's financial statements. Keva's administration of Bank of Finland pensions began on 1 January 2021.

The figures in this release are preliminary and have not been subject to audit.

Keva's financial statements, annual reports and interim reports are published on <https://www.keva.fi/en/this-is-keva/financial-information/>.

The report of the Board of Directors and financial statements will be published on our website after the meeting of Keva Councillors on 6 March.