

Keva's investments delivered strong returns

Keva, which is responsible for financing the pensions of the municipal sector and wellbeing services counties and for investing pension assets, achieved a market-value total return of 5.8 per cent last year, amounting to 4.1 billion euros.

Listed equities were Keva's best-performing asset class, with a return of 13.1 per cent, followed by private equity at 1.5 per cent, and fixed-income investments at 0.9 per cent. Hedge fund returns were –0.1 per cent, and real estate investments returned –0.2 per cent.

The market value of Keva's investment assets totaled 74 billion euros at the end of 2025. Within this risk-adjusted allocation, listed equities accounted for 44.6 per cent, fixed-income investments for 30.5 per cent, private equity investments (including unlisted equities) for 18.9 per cent, real estate investments for 6.6 per cent, and hedge fund investments for 6.3 per cent. The impact of derivatives on the risk allocation was 7 per cent.

Chief Executive Officer **Jaakko Kiander** considers it to be a good return on investment portfolio.

"Due to low inflation, the real return exceeded 5 per cent. If not for the weakening of the dollar last year, last year's result would have been excellent", says Jaakko Kiander.

- Keva's contribution income grew less than expected last year.

According to Kiander, the main reason for this was the cost-cutting measures implemented by municipalities and wellbeing services counties, which slowed the growth of the payroll insured by Keva.

According to Chief Investment Officer **Maaria Kettunen**, political and geopolitical tensions were strongly evident last year.

"In particular, unpredictable U.S. policies and concerns about the independence and integrity of key institutions, such as the central bank, unsettled the markets and weakened the dollar," said Maaria Kettunen.

"Despite the tensions, corporate earnings growth remained at a good level, particularly outside Europe."

"Market valuation levels have in some cases climbed high, which may lead to significant price volatility in the short term. There have already been signs of this during the current year", Maaria Kettunen notes.

Long-term investment returns remain solid.

Keva has maintained solid long-term returns. The cumulative, capital-weighted real return on investments from the start of funding (in 1988) to the end of 2025 averaged 3.9 per cent per year for Keva. Over the same period, the capital-unweighted average real return amounted to 5.0 per cent. In Finland, the pension sector generally uses capital-unweighted returns when assessing long-term performance. Keva's five-year real return without capital weighting has been 2.6 per cent (nominal return of 6.1 per cent), and the ten-year return 3.8 per cent (nominal return of 5.9 per cent).

The payroll of Keva's member organisations increased.

The member organizations of Keva—namely cities, municipalities, municipal federations and municipal limited liability companies, as well as wellbeing services counties—had a payroll of 23.8 billion euros, representing a growth of 4.1 per cent compared with 2024. The total contribution income amounted to 6.55 billion euros. Keva paid 7.52 billion euros in pensions for the municipal sector and wellbeing services counties. The difference between contribution income and pension expenditure was covered by investment returns.

In 2025, Keva paid a total of 6.1 billion euros in pensions to employees of the central government, the Evangelical Lutheran Church of Finland, the Social Insurance Institution of Finland, and the Bank of Finland. The central government, the Church, Kela, and the Bank of Finland finance their own pensions, and the investment assets of Keva secure only the pensions of the municipal sector and wellbeing services counties.

The total number of pension applications declined.

Keva received 9% fewer pension applications than in 2024. In 2025, no new age cohort became eligible for the partial early old-age pension (OPE), which is why the number of OPE applications fell by 57% to approximately 4,700. In total, just over 63,000 applications were submitted to Keva.

The number of old-age pension applications declined by 1.5%. The number of applications for full disability pensions remained at the previous year's level, while the number of partial disability pension applications increased by 2 per cent. Applications for vocational rehabilitation also increased by around 2 per cent compared with 2024, reversing a declining trend that had continued for several years.

In 2025, 76 per cent of all pension applications were submitted electronically via Keva's 'My Pension Information' service or by accepting a pension proposal. In addition, nearly 6 per cent of pension applications were submitted electronically, including via Kela.

The processing of pension applications remained efficient in 2025. Keva processed old-age pensions and partial early old-age pensions in an average of three days, and survivors' pensions in five days. Decisions on disability pensions were issued on average in 32 days, and rehabilitation decisions in 19 days.

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Key figures for Keva in 2025

	2025	2024	2023	2022	2021
Payroll of Keva's member organisations, EUR million	23 829	22 890	21 809	20 345	19 462
Contribution shares of Keva's member organisations, EUR million	6 388	6 211	5 966	5 677	5 489
Number of insured persons in Keva's member organisations as at 31 December	565 210	571 169	588 777	573 945	563 644
Number of pensions in payment for Keva's member organisations ^{a)}	446 923	444 575	437 944	435 830	423 827
Pensions paid to Keva's member organisations, EUR million	7 521	7 293	6 748	6 192	5 915
Investments at fair value as at 31 December, EUR million	74 008	71 499	65 685	62 235	66 849
Return on investments at fair value	5,8 %	10,4 %	6,8 %	-7,0 %	15,8 %
Annual real return on investments					
Since the start of funding in 1988 (capital-weighted)	3,9 %	3,9 %	3,7 %	3,7 %	4,4 %
Annual real return on investments					
Since the start of funding in 1988 (capital-unweighted)	5,0 %	5,0 %	4,8 %	4,9 %	5,5 %
Operating expenses, EUR million	86,4	86,4	84,6	81,1	79,9
Permanent staff as at 31 December	463	469	480	481	485
Number of state pensions in payment as at 31 December	216 419	221 866	226 375	232 613	237 008
State pensions paid, EUR million ^{**) b)}	5 615	5 572	5 311	4 982	4 879
Number of Evangelical Lutheran Church pensions in payment as at 31 December	19 990	20 011	19 926	19 928	19 573
Evangelical Lutheran Church pensions paid, EUR million ^{**) b)}	279	271	254	234	223
Number of pensions in payment for employees of the Social Insurance Institution of Finland	5 978	5 986	6 027	6 057	5 965
Pensions paid to employees of the Social Insurance Institution of Finland	131	129	123	114	108
Number of Bank of Finland pensions in payment as at 31 December	1 477	1 470	1 461	1 458	1 404
Bank of Finland pensions paid, EUR million ^{**) b)}	34	33	31	29	29

^{a)} The number of insured persons is not comparable with the years 2021–2023 due to a change in the definition of insured persons.

Persons who had no earnings during the year in question are excluded from the insured population.

For the sake of comparability, the figures for 2024 are also presented as recalculated using the new methodology.

^{**) b)} These payments have no impact on Keva's financial statements.

The figures presented in the release are unaudited preliminary data.

Keva's results and annual reports, as well as interim results, are published at www.keva.fi/tulostiedot.

The Board of Directors' report and the financial statements will be published on our website after the meeting of the Council of Representatives on 5 March.