

Varma's Interim Report 1 January–31 March 2026

VARMA

Key figures 1-3/2026



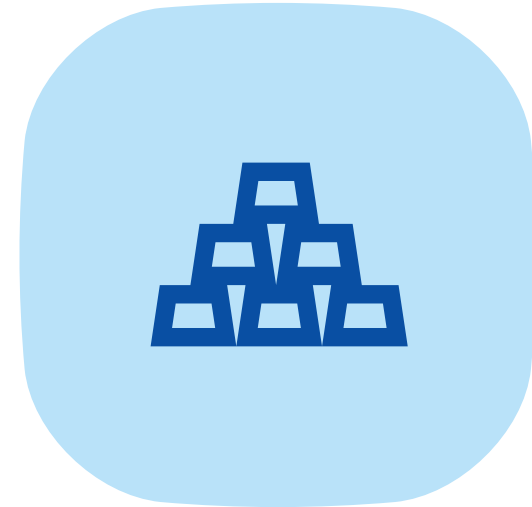
Value of investments

€67.9 bn



Return on investments

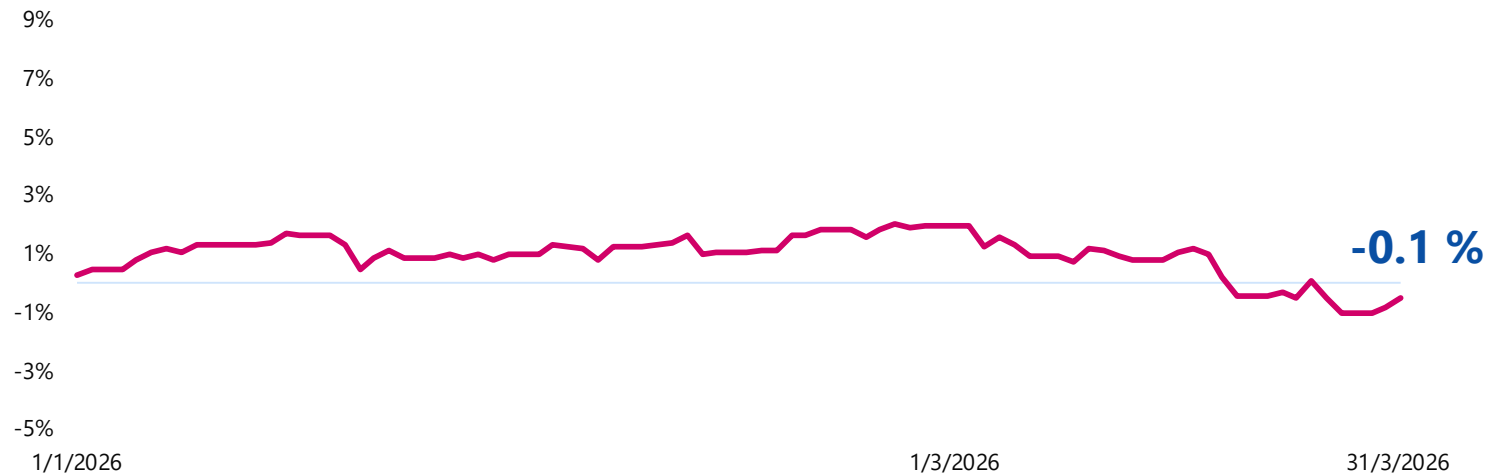
-0.1%



Solvency

€17.7 bn

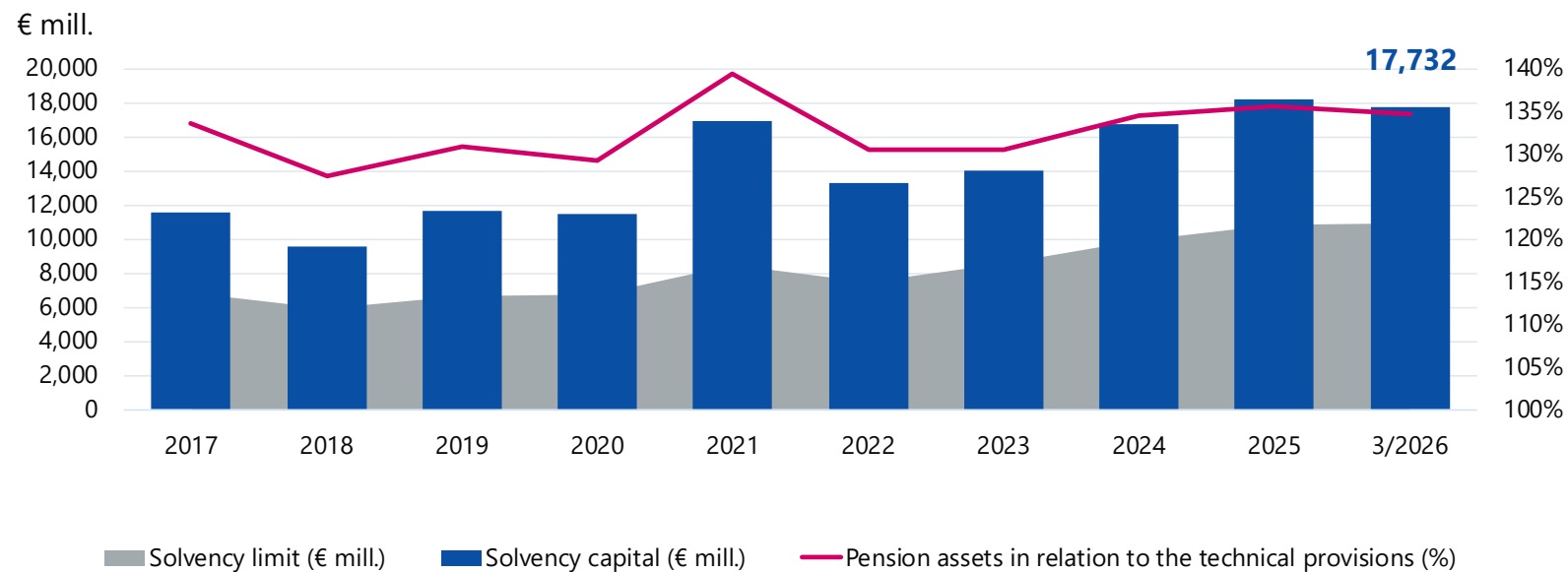
Value of Varma's investments close to the level at the start of the year



"Varma's investments retained their value despite the uncertain market environment. The biggest risk right now is the war in Iran. The long-term shutdown of the Strait of Hormuz would be a serious setback also for Finland's economy."

Risto Murto, President & CEO

Varma is the most solvent earnings-related pension company



- Solvency capital amounted to EUR **17.7** billion.
- Solvency capital was **1.6** times the solvency limit.
- The solvency ratio was **134.7** per cent.

Development of investment returns and solvency

	1-3/2026	1-3/2025	12 months	1-12/2025
Investment return (MWR)	-0.1%	0.0%	7.4%	7.5%

	3/2026	3/2025	12/2025
Solvency capital (€ mill.)	17,732	16,487	18,221
Solvency capital / solvency limit	1.6	1.7	1.7
Solvency ratio (%)	134.7	134.0	135.7
Investments at fair value (€ mill.)	67,854	63,966	68,287

Insurance and pensions



Varma takes care of the pension cover of over 957,000 people



**Insured employees
and
entrepreneurs**

609,000



Pensioners

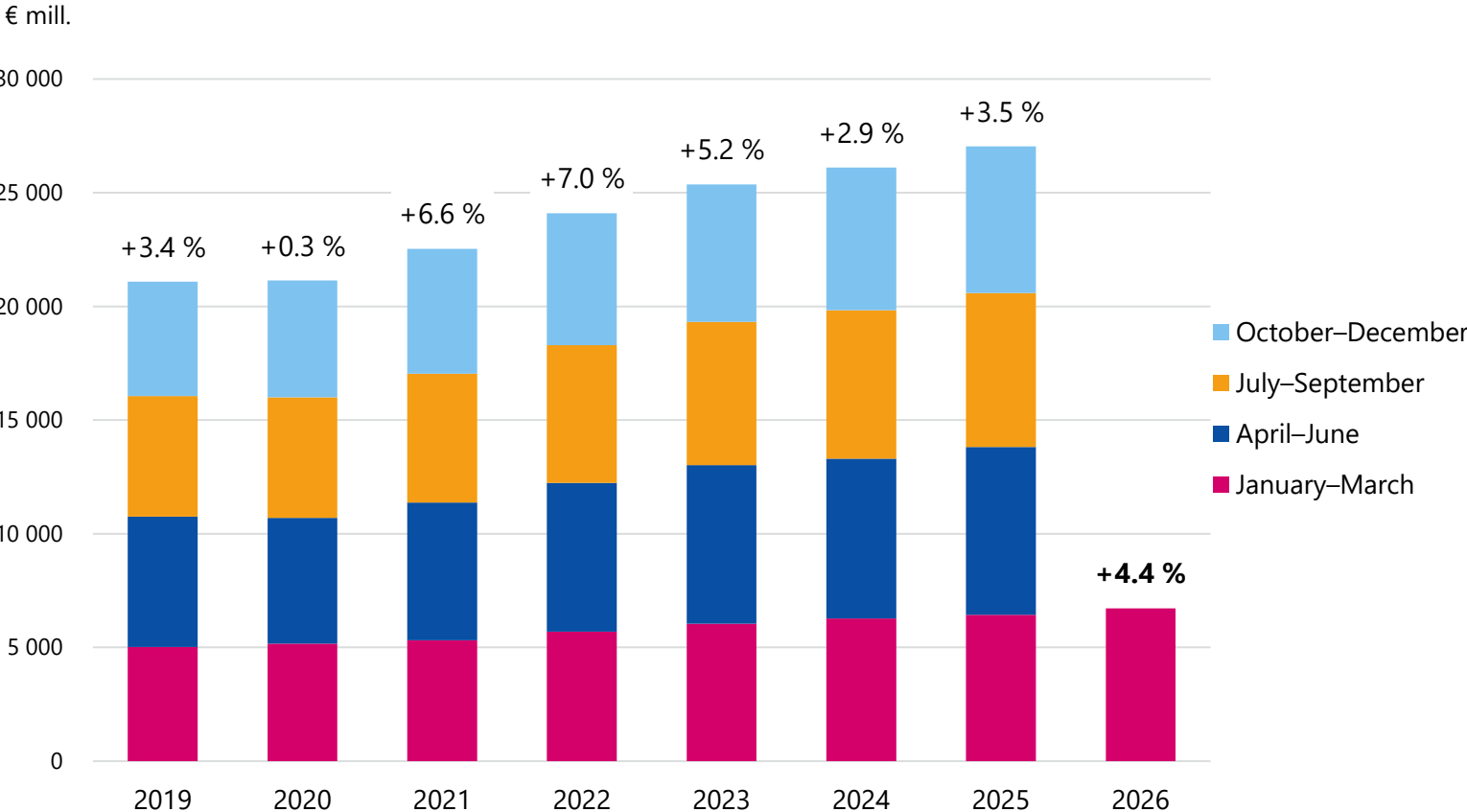
348,000



Pensions paid

€1.9 bn

Client companies' TyEL payroll development

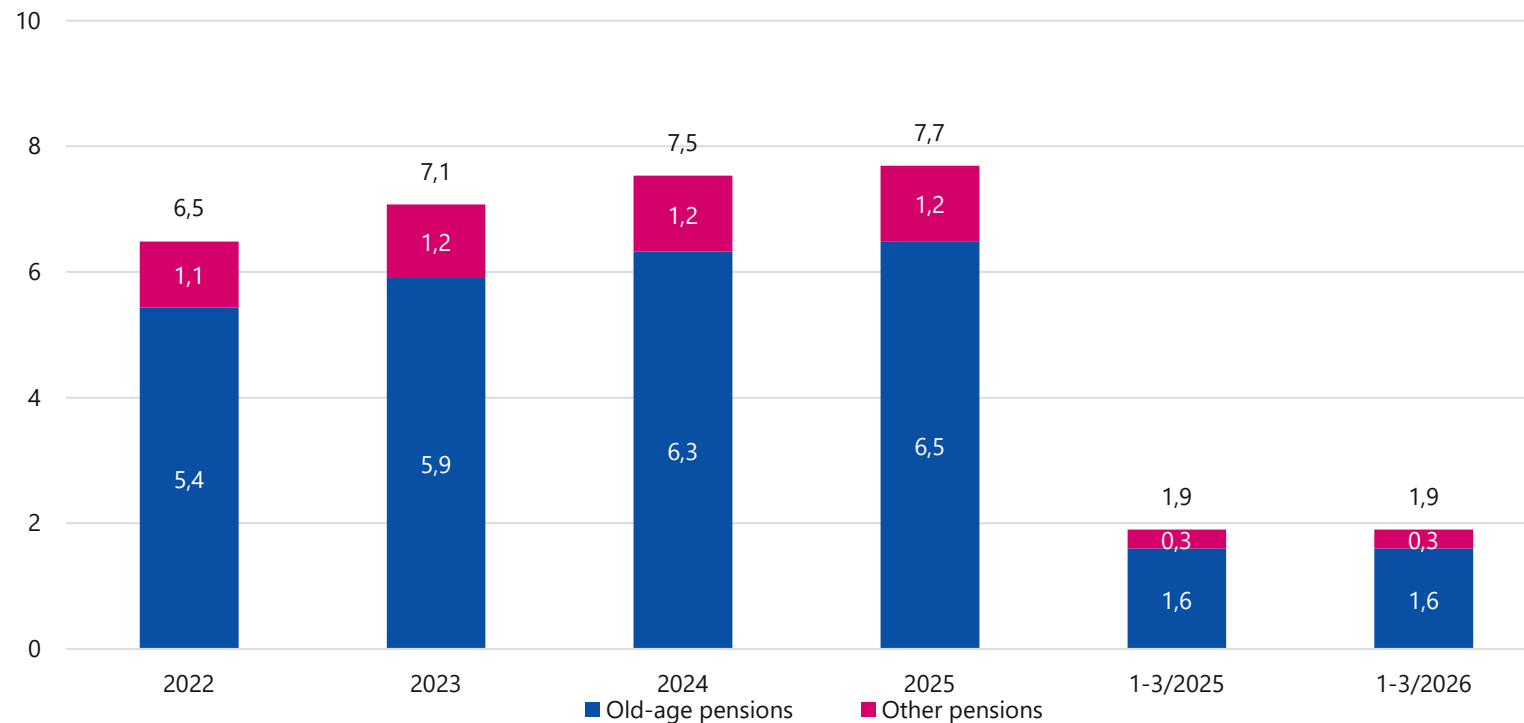


The TyEL payroll of Varma's client base grew **4.4 per cent** in January–March compared to the same period last year.

The percentage figures above the bars indicate the year-on-year change.

Pensions paid in 2022–2026

Pensions paid 2022–2026 (€ bn)



Pensions paid includes components financed by the state's share of YEL pension expenditure and by division-of-cost compensations.

- In January–March 2026, the total amount of all pensions paid increased by just over one per cent compared to the same quarter last year, mainly due to the index adjustment of pensions.
- Old-age pensions paid totalled **EUR 1.6 billion**. Old-age pensions account for **85 per cent** of all pensions paid.
- The second-largest category of pensions paid was survivors' pension, which totalled **EUR 127 million**.
- Disability pensions paid amounted to **EUR 82 million**.

Current pension topics

The number of applications for partial early old-age pension has returned to the normal level.

- The number of partial early old-age pension applications and decisions has grown after a more moderate 2025.
- This is explained by a new age cohort that became eligible for the pension benefit.
- For those born in 1964, the age limit for partial old-age pension rose to 62, which meant that no new age cohort reached the minimum eligibility age for this pension benefit in 2025.

Pension applications are processed in 18 days on average

- Old-age pension applications in 9 days



Strong performance in customer service

In the first quarter of 2026, the Pension Services customer service department handled a total of around 29,800 customer contacts

- Approx. 15,500 phone calls
- Our average call response time is 3 minutes, and the customer satisfaction rating for our phone service is 3.8 (on a scale of 1–4)
- Customer messages amounted to around 14,300 (emails and messages sent via the Varma Online Service)

Our customers are very happy overall with the service they receive

- On a scale of 1–4, the overall score was 3.6

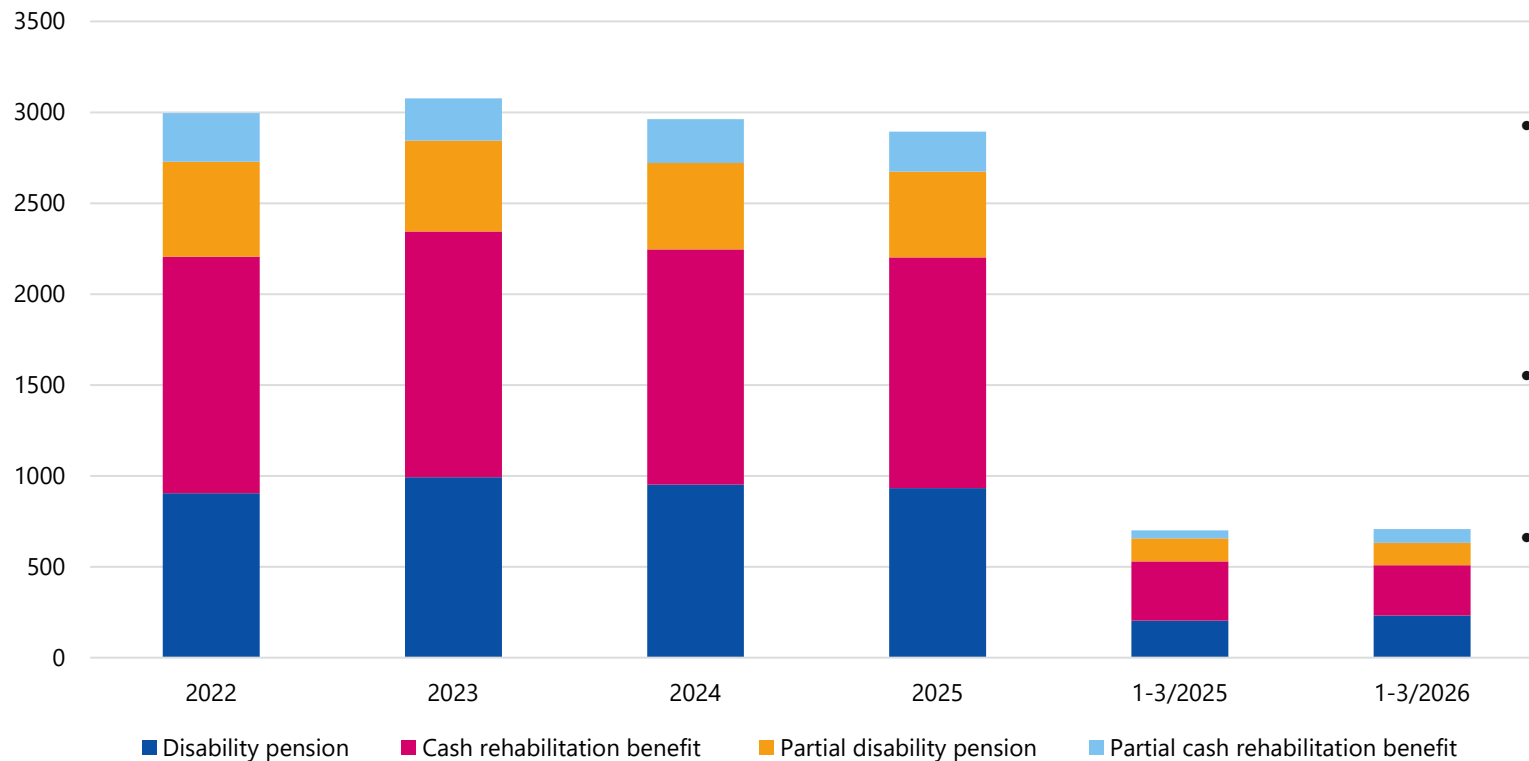


Disability risk management



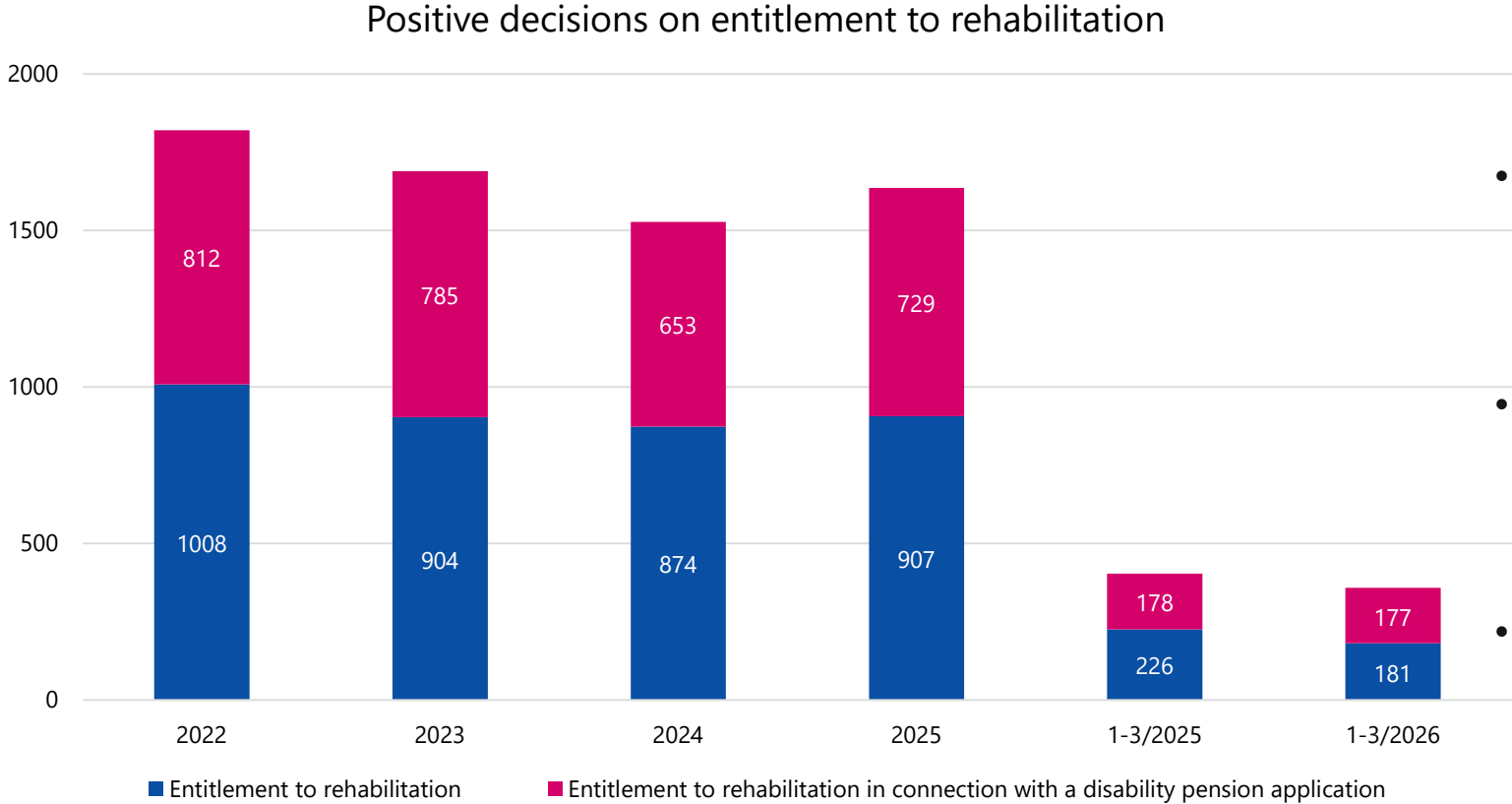
Number of granted disability pensions remained unchanged, but the number of granted partial cash rehabilitation benefits increased

Disability pensions granted



- The number of new disability pensions granted in January–March 2026 was close to the level of the same period last year.
- The number of the partial cash rehabilitation benefits granted increased by as much as **77 per cent** year on year. They accounted for **11 per cent** of all disability pensions granted in January–March.
- The share of partial disability pensions of all granted disability pensions was **28 per cent**, which is slightly more than last year
- Half of the granted disability pensions consisted of the fixed-term cash rehabilitation benefit and the partial cash rehabilitation benefit.

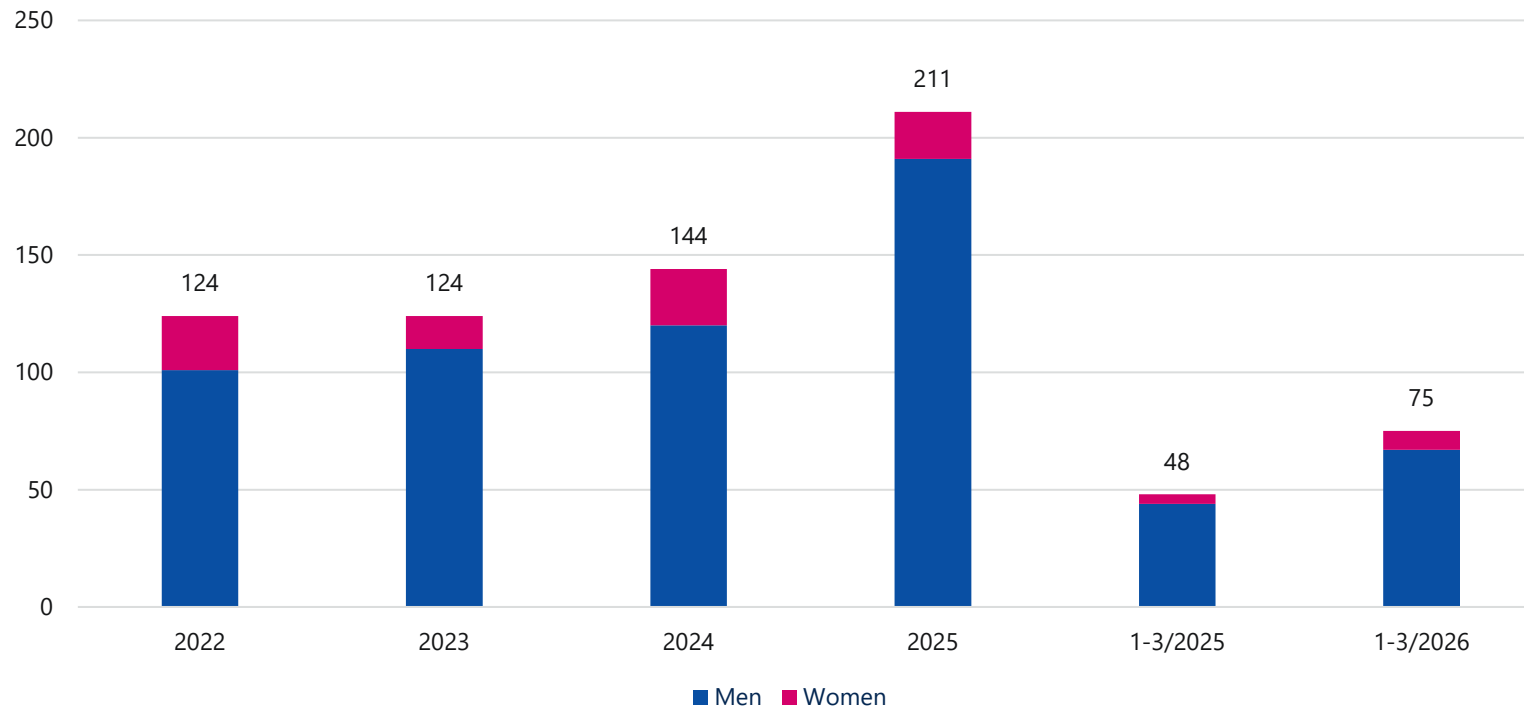
The number of vocational rehabilitation decisions decreased year on year



- In January–March, **11 per cent** fewer decisions on entitlement to rehabilitation were issued than during the same period last year.
- **49 per cent** of the decisions were issued in connection with a disability pension application, slightly more than the previous year.
- A decision on entitlement to rehabilitation can be issued upon an application for it, or in connection with a disability pension decision.
- The main condition for granting vocational rehabilitation is the probable threat of disability pension in the next few years due to illness or injury.

Years-of-service pension – a small pension benefit that is becoming more popular

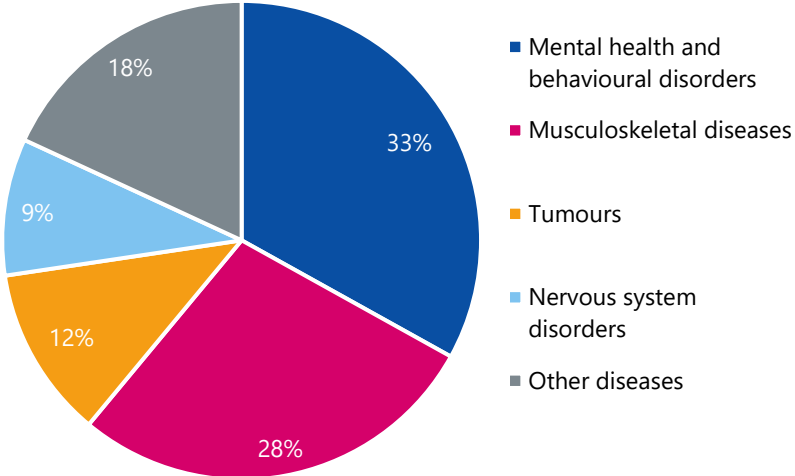
Applications for a preliminary decision on the years-of-service pension, 2022–2026



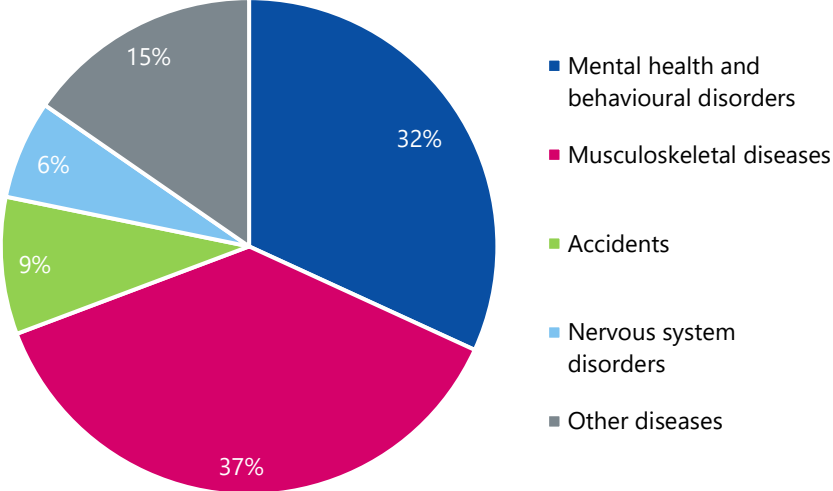
- The number of applications for the years-of-service pension grew significantly: Varma received **211** applications for it in 2025.
- In the first quarter of 2026, the number of applications spiked.
- The years-of-service pension can be granted to an individual over 63 years of age who has performed work that requires great mental or physical effort for at least 38 years and whose work ability has permanently weakened due to illness or injury. The years-of-service pension converts into an old-age pension after the individual reaches their statutory retirement age.
- The majority of applicants and recipients are men.

Mental health disorders remain the main cause of new disability pensions; rehabilitation is most frequently granted on the basis of musculoskeletal disorders

Disability pension

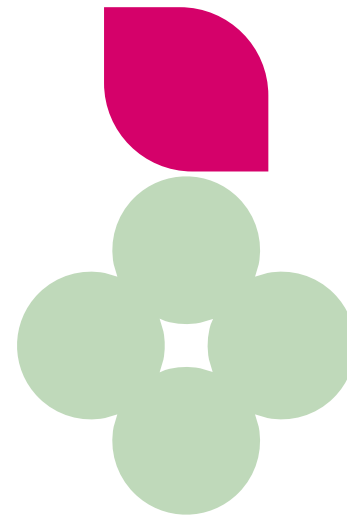


Rehabilitation



- The most common reason for new disability pensions was again mental health disorders. Musculoskeletal diseases accounted for the second-largest share of new disability pensions granted, followed by tumours.
- Musculoskeletal diseases were the foremost reason for granting vocational rehabilitation. Mental health disorders accounted for the second-largest share of vocational rehabilitation, followed by after-effects of accidental injuries.

Sustainability



Building a sustainable future together

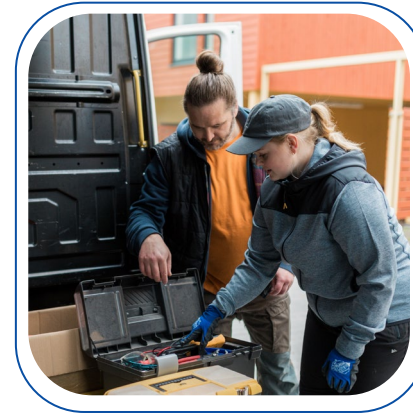
Varma's Sustainability Programme 2026–2030



Safeguarding your pension



Preparing for the future by investing responsibly



Promoting sustainable work ability



A good workplace for our employees

**Our responsibility for pension assets compels us to prepare for the future.
As the world evolves around us, we remain committed to advancing sustainability.
In line with our strategy, we focus on actions that truly make a difference.**

Current issues in sustainability

Varma voluntarily published a responsible investment review in March 2026.

According to the review, renewables accounted for 68 per cent, fossil fuels for 17 per cent and other forms of production for 15 per cent of Varma's investments in electricity generation.

Varma's goal is for the average fossil-based electricity generation capacity of these investees to be no more than 10 per cent by 2030.



We prepare for the future by investing responsibly

We invest profitably and securely. In our investments, we take into account the impacts of climate change, biodiversity loss and geopolitical instability. We also identify new opportunities.

Investment outlook

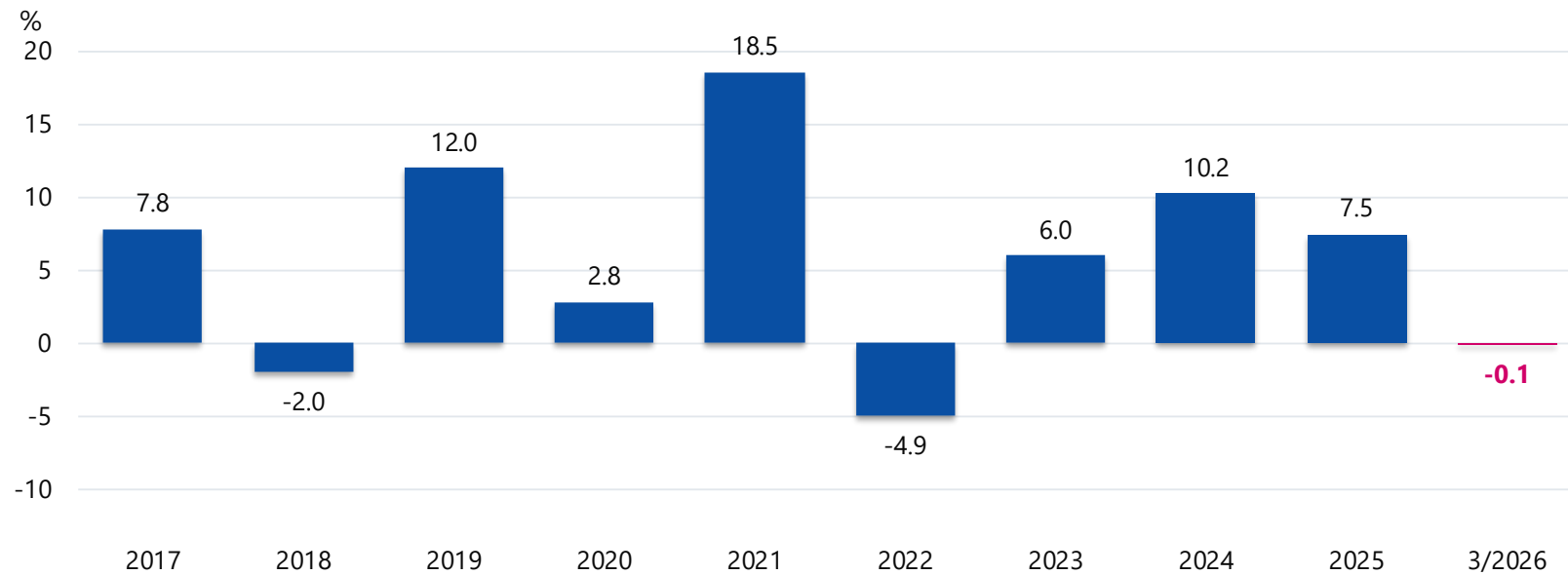


Economic outlook

- The investment markets have been volatile, with the war in Iran posing the biggest threat right now
- Surging oil and gas prices are broadly affecting the global markets
- Stock market valuations have nevertheless remained within the range of normal fluctuation
- Interest rates and energy costs have risen, and inflation has increased sharply
- Reopening the Strait of Hormuz is critical also for Finland's economic growth



Return on investments since 2017



Average nominal return on investments over 10 years:

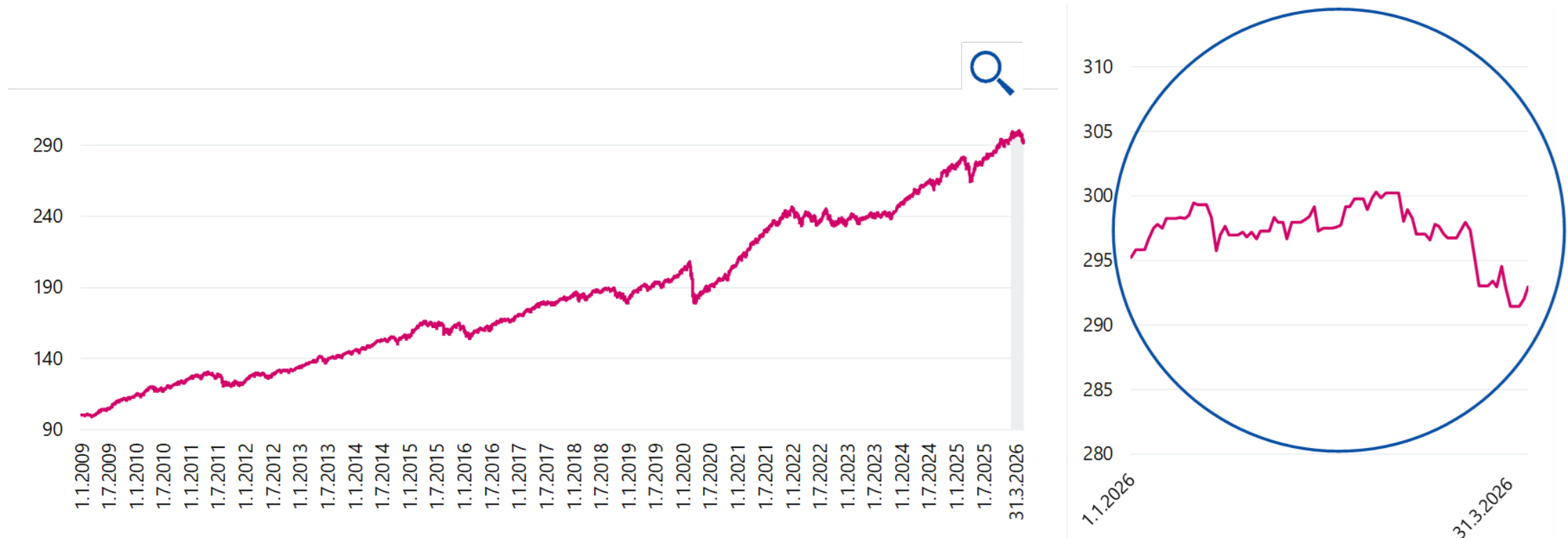
6.2%

Average nominal return on investments over 5 years:

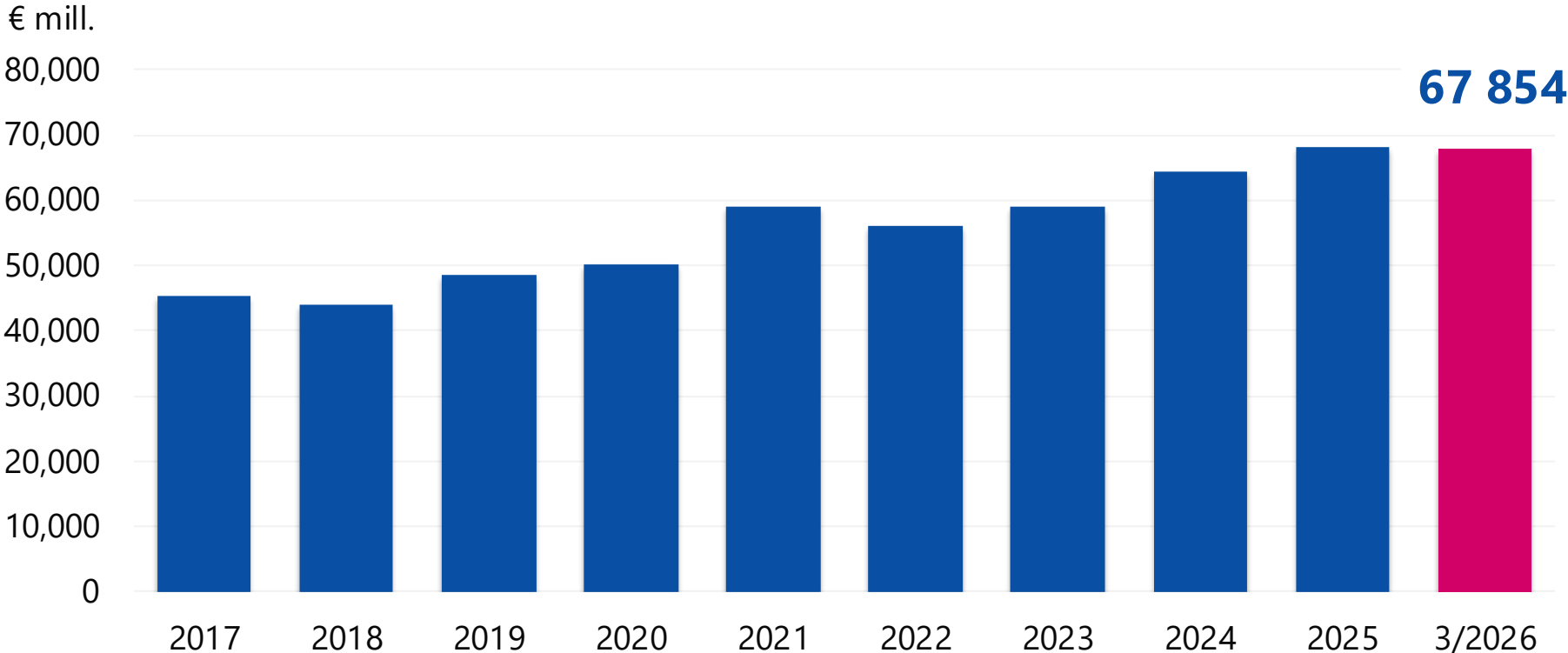
5.9%

The average nominal return on investments over ten years is approx. 6.2%, calculated in accordance with the recommendations issued by TELA.

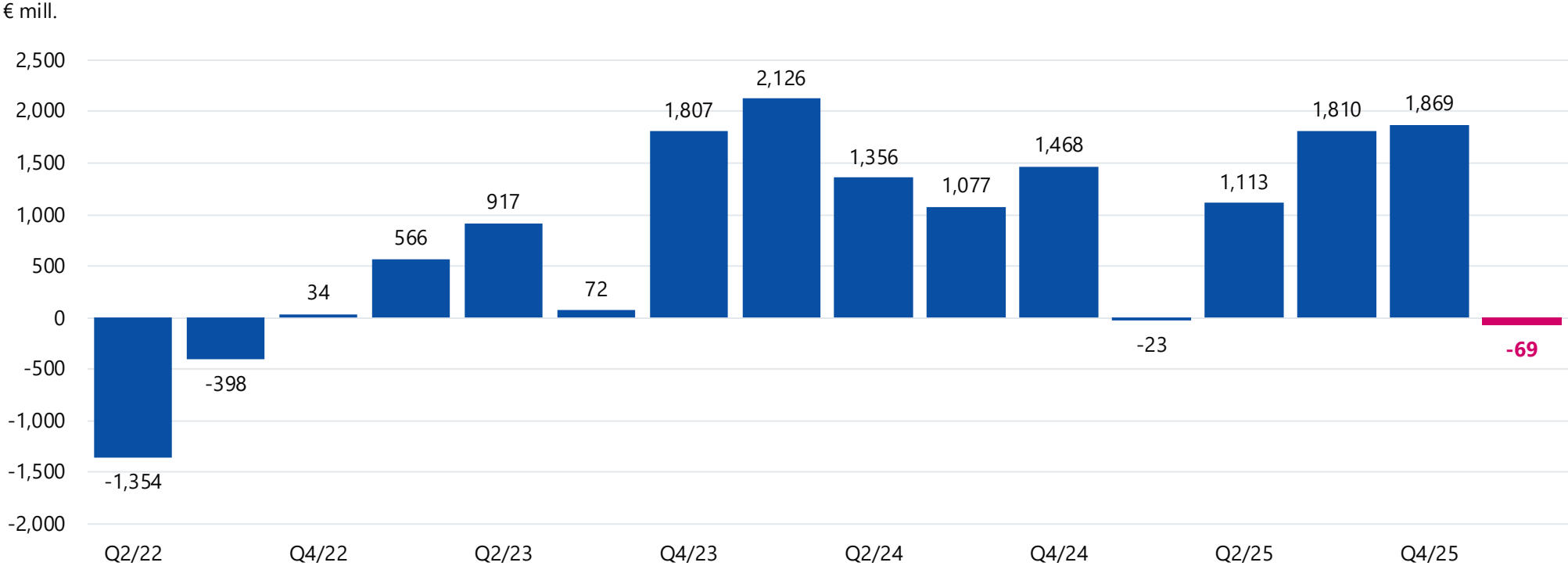
Return on investments since 2009: 193%, i.e. EUR 47.6 billion



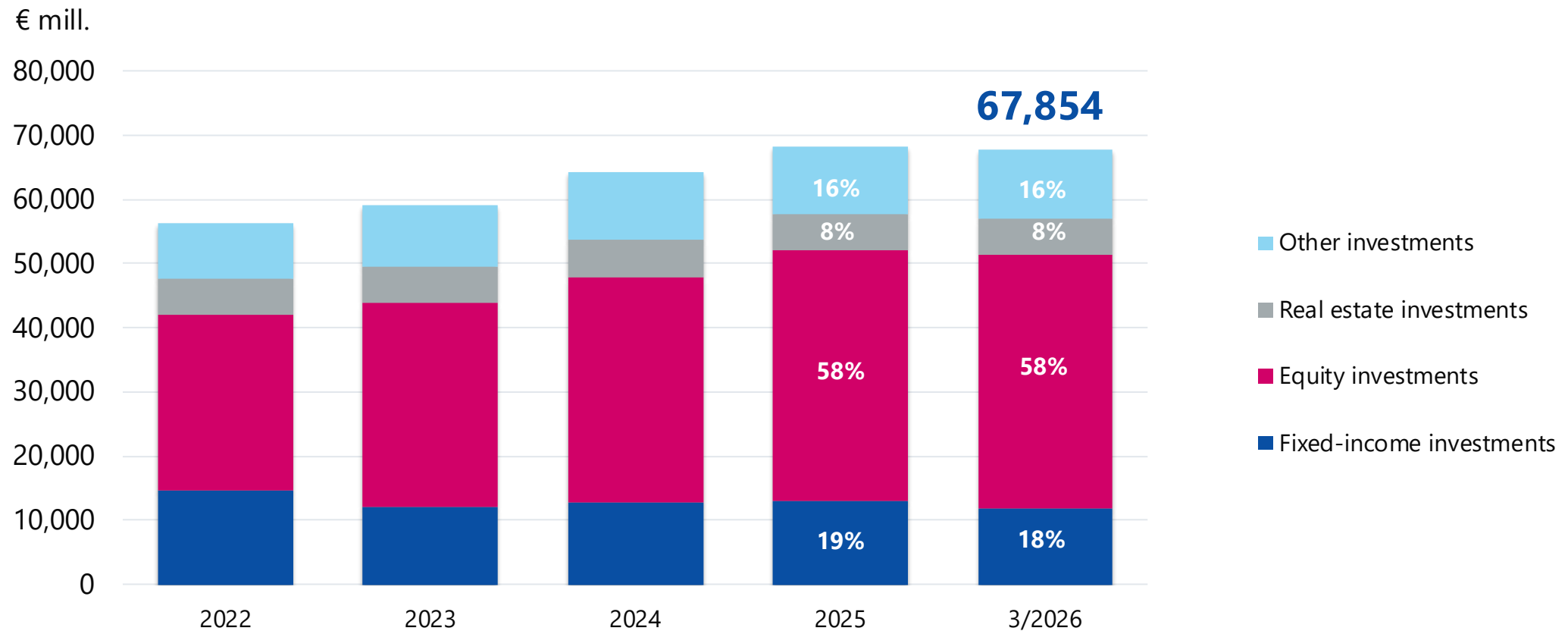
Value of investments €67.9 billion



Return on investments at fair values by quarter



58 per cent of Varma's investments are in equities

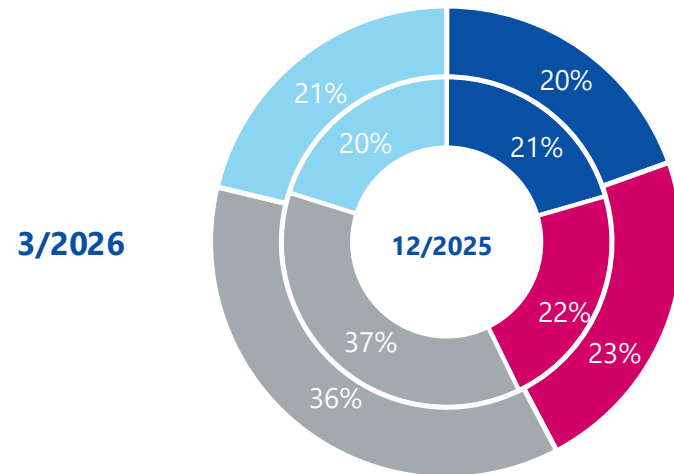


Investments by asset class

	31 Mar 2026				31 Dec 2025		01-03/2026
	Market value				Market value		Return
	Market Value		Risk position		Risk position		MWR
	mill. €	%	mill. €	%	mill. €	%	%
Fixed-income investments	11,930	18	11,506	17	13,845	20	-1.2
Loan receivables	1,844	3	1,844	3	2,069	3	-1.0
Bonds	8,193	12	10,744	16	10,173	15	-1.2
Other money-market instruments and deposits	1,893	3	-1,083	-2	1,603	2	-1.1
Equity investments	39,507	58	39,868	59	39,640	58	-0.2
Listed equities	26,704	39	27,065	40	27,143	40	-1.2
Private equity	11,696	17	11,696	17	11,417	17	2.2
Unlisted equities	1,107	2	1,107	2	1,079	2	0.7
Real estate investments	5,471	8	5,471	8	5,470	8	-0.3
Direct real estates	2,926	4	2,926	4	2,956	4	-2.2
Real estate funds	2,546	4	2,546	4	2,514	4	1.9
Other investments	10,945	16	10,949	16	10,616	16	1.6
Hedge funds	10,939	16	10,939	16	10,616	16	1.6
Other investments	7	0	10	0	0	0	
Total investments	67,854	100	67,794	100	69,570	102	-0.1
Impact of derivatives			60	0	-1,284	-2	
Investment allocation at fair value	67,854	100	67,854	100	68,287	100	

Geographical distribution of investments

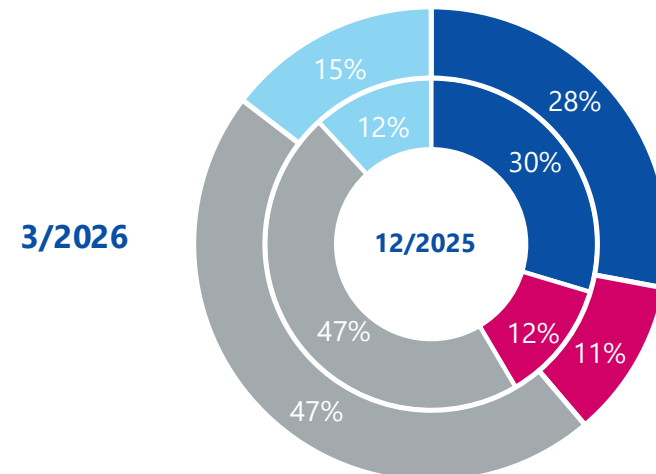
Investments



- Finland
- Europe
- North America
- Other regions and global funds

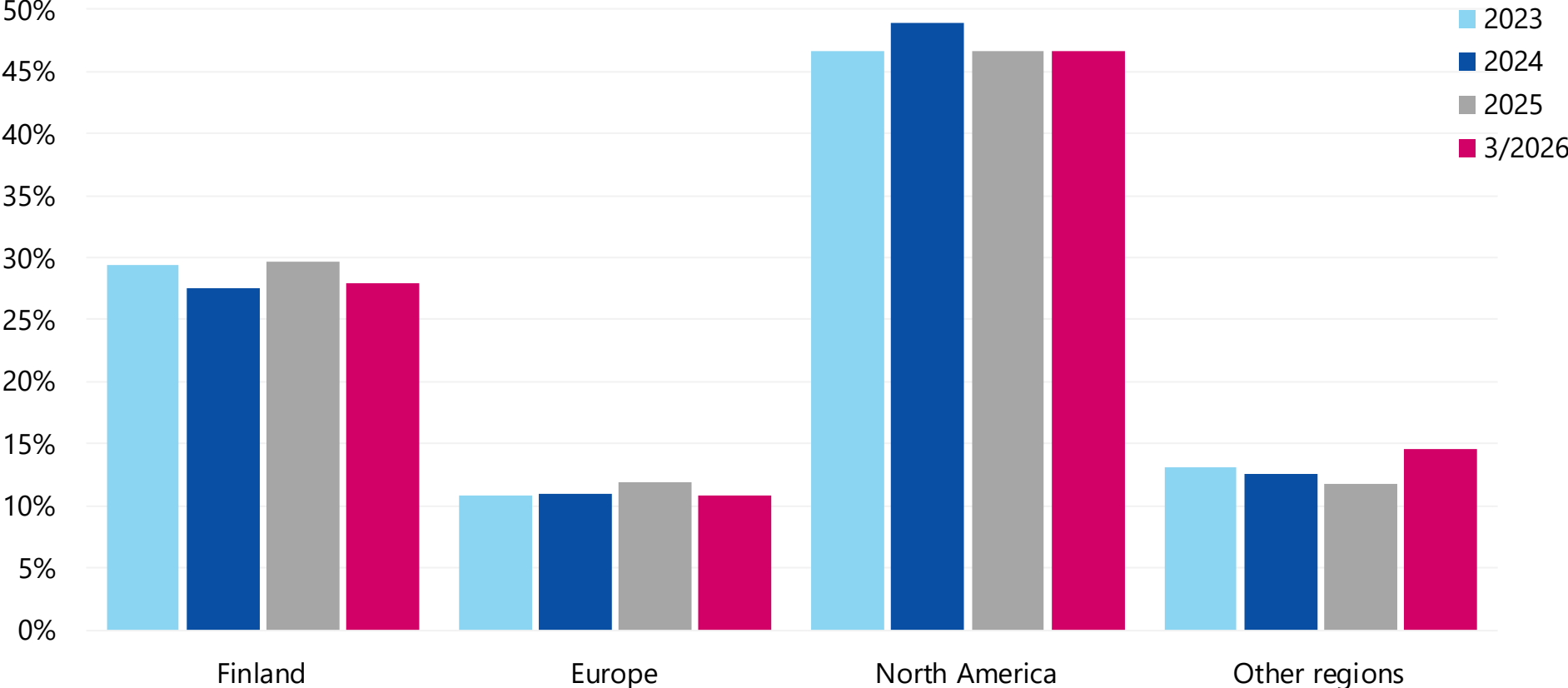
Global funds also includes investments in Finland, Europe and North America

Listed equities



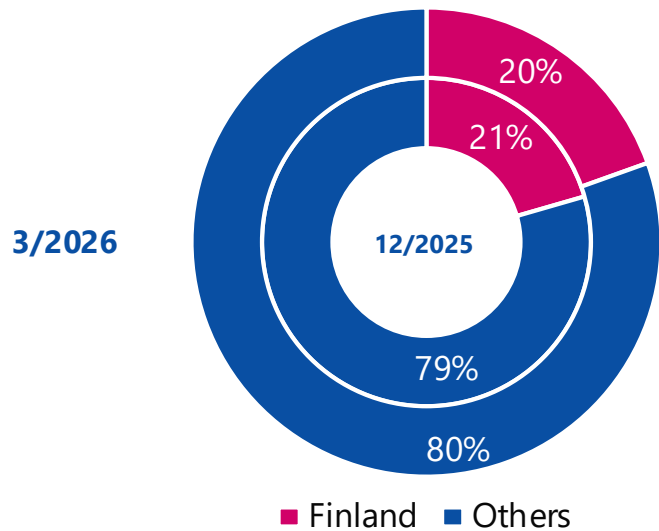
- Finland
- Europe
- North America
- Other regions

Geographical distribution of listed equities

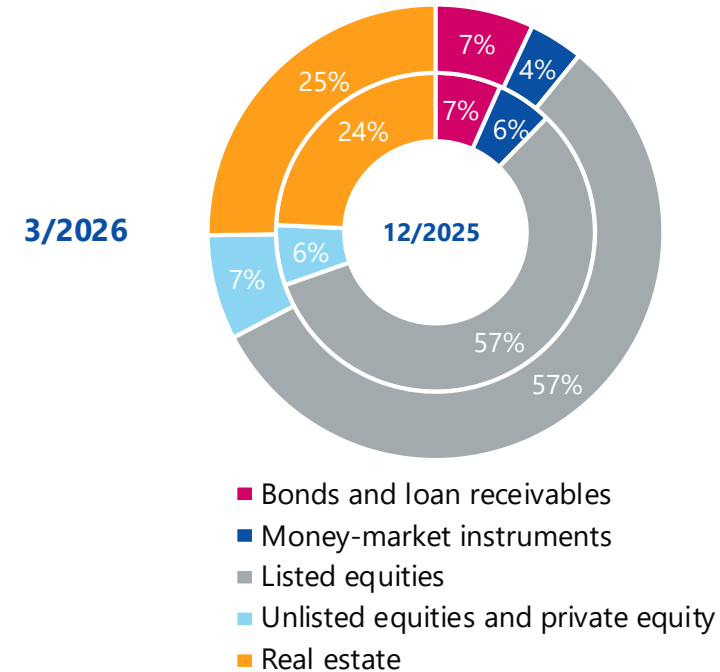


Investments in Finland 20 per cent, i.e. EUR 13.4 billion

Investments in Finland

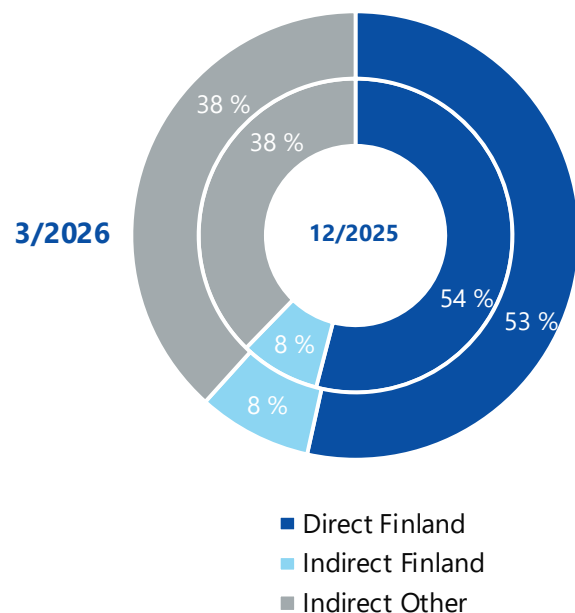


Distribution of Finnish investments

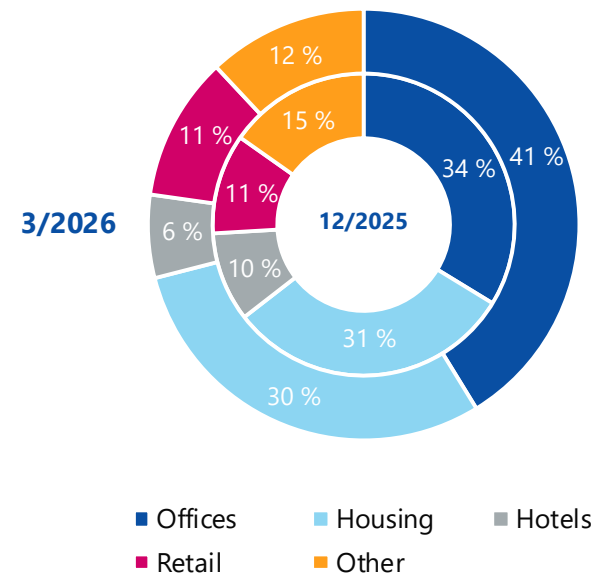


62 per cent of real estate investments, i.e. EUR 3.4 billion, in Finland

Real estate investments 5.5 bn €



Direct real estate investments 2.9 bn €



Varma's and the markets' investment returns

%	Varma	Finnish equities	European equities	US equities	Euro government bonds	Euro corporate bonds
1-3/2026	-0.1	2.7	-1.0	-4.3	-0.7	-1.0
2025	7.5	35.3	19.8	17.9	0.6	3.0
2024	10.2	-0.1	8.8	25.0	1.8	4.6
Average nominal return						
5 years	5.9	6.7	9.0	12.1	-2.5	-0.3
10 years	6.2	10.2	8.4	14.2	-0.3	1.0
Since 1999 *	5.7	8.7	5.4	8.3	3.0	3.3
Average real return						
5 years	2.3	3.1	5.3	8.3	-5.9	-3.7
10 years	3.9	7.8	6.0	11.7	-2.5	-1.2
Since 1999 *	3.8	6.7	3.5	6.3	1.2	1.4

* Varma, as it is today, was founded in mid-1998, so comparison data earlier than 1999 is not available.

Finnish equities = OMX Helsinki Cap Index

Euro government bonds = IBOXX Eurozone EUR (Total Return)

European equities = Stoxx 600 Total Return Index EUR

Euro corporate bonds = IBOXX Corporate Overall Performance Index EUR (Total Return)

US equities = S&P500 Total Return Index

VARMA