Varma's Half-Year Financial Report 1 January–30 June 2026

Key figures 1-6/2026

Value of investments

€71.4 bn

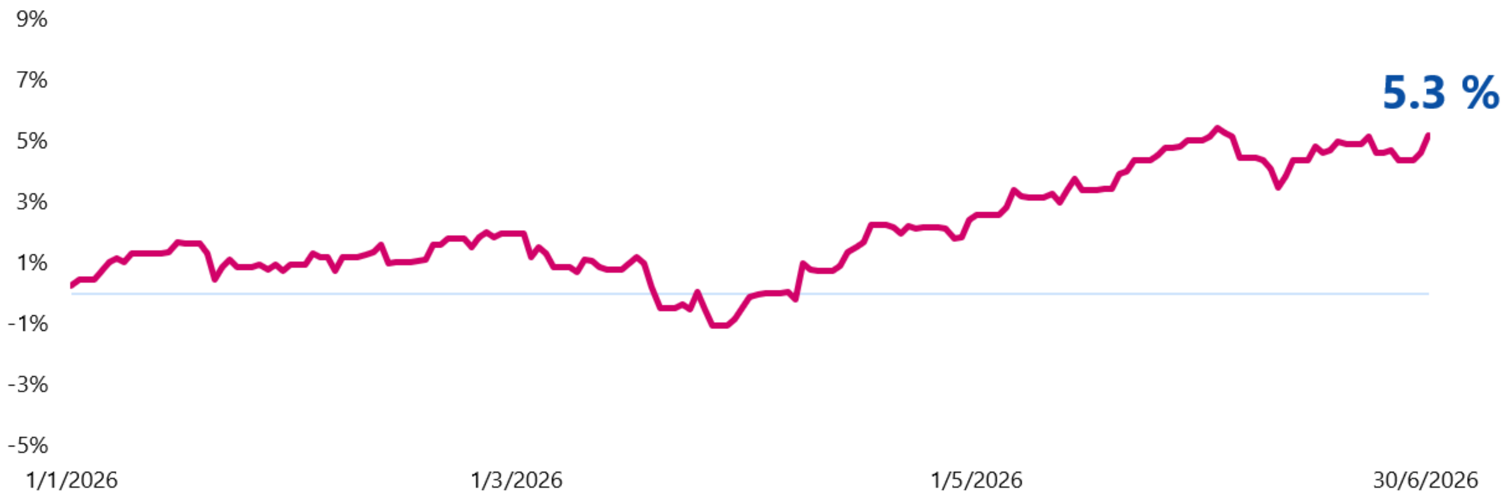
Return on investments

5.3%

Solvency

€19.7 bn

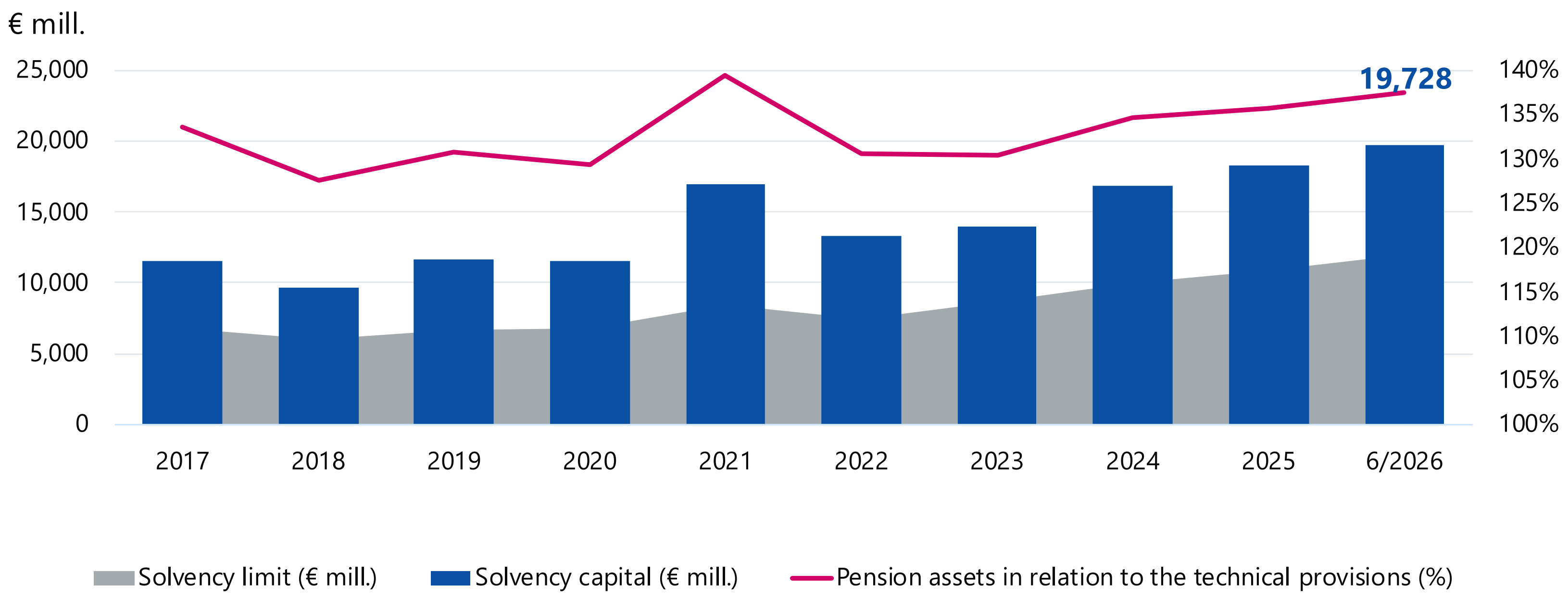
5.3 per cent return on Varma's investments



"The investment markets demonstrated strong resilience, as the war in Iran and the ensuing energy crisis did not interrupt the upward trend in the market. Also positive is that rising interest rates and the conflict in the Middle East were not able to stall Finland's economic recovery."

Risto Murto, President & CEO

Varma is the most solvent earnings-related pension company



Solvency capital amounted to EUR **19.7** billion.

Solvency capital was **1.7** times the solvency limit.

The solvency ratio was **137.4** per cent.

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Development of investment returns and solvency

	1-6/2026	1-6/2025	12 months	1-12/2025
Investment return (MWR)	5.3%	1.7%	11.3%	7.5%

	6/2026	6/2025	12/2025
Solvency capital (€ mill.)	19,728	16,769	18,221
Solvency capital / solvency limit	1.7	1.7	1.7
Solvency ratio (%)	137.4	134.0	135.7
Investments at fair value (€ mill.)	71,365	64,879	68,287

Insurance and pensions

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Varma takes care of the pension cover of more than a million people

Insured employees and entrepreneurs

655,600

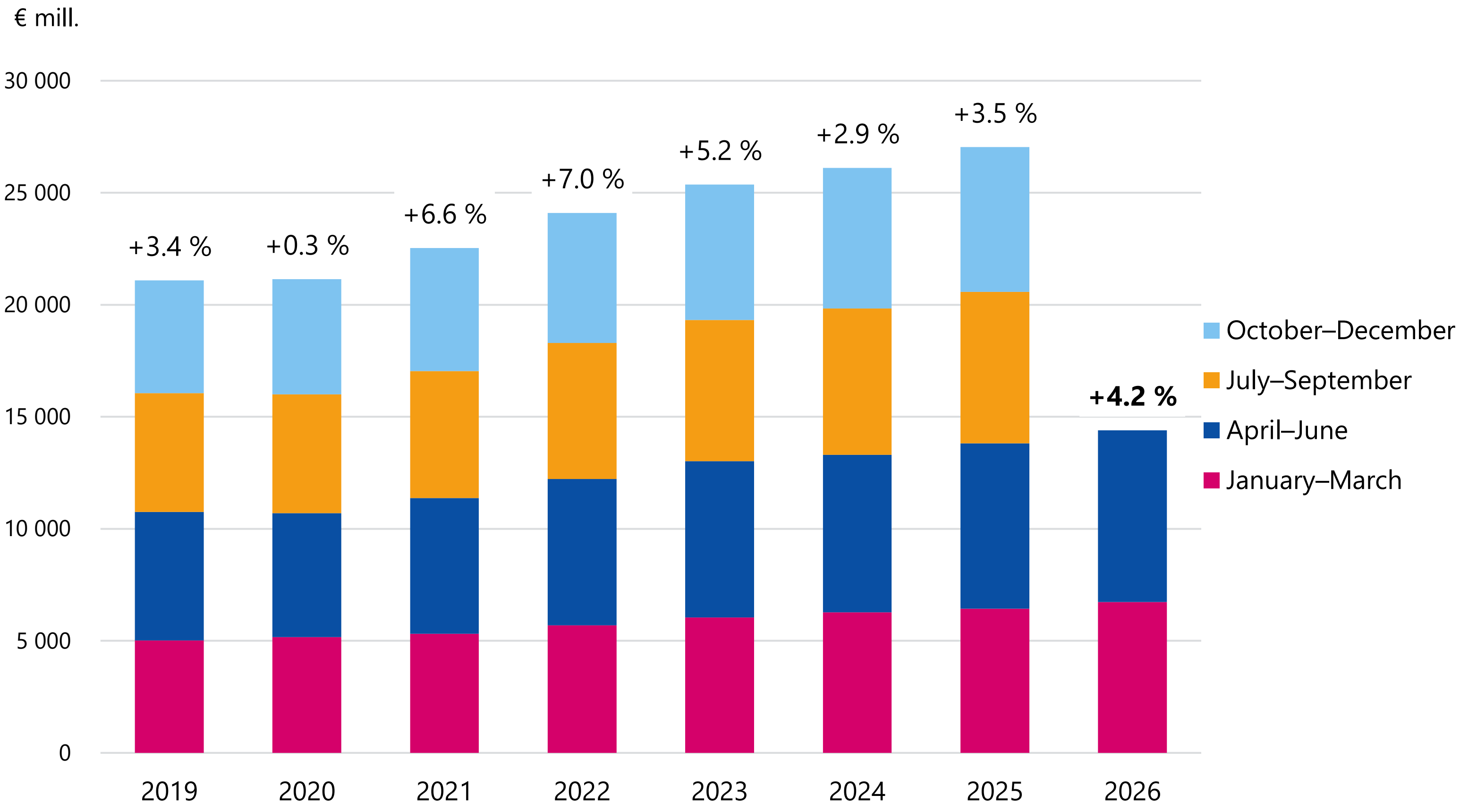
Pensioners

348,000

Pensions paid

€3.9 bn

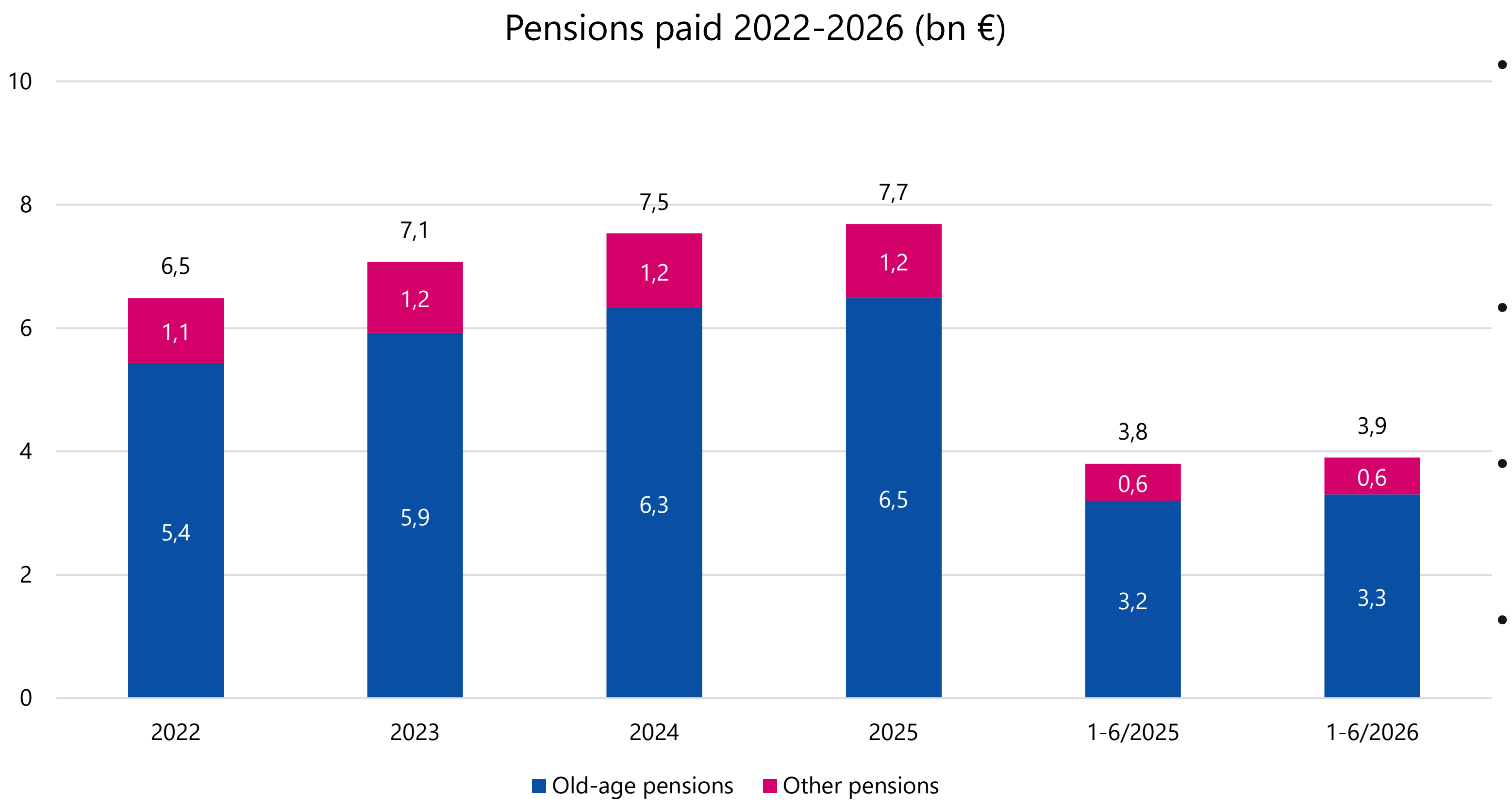
Client companies' TyEL payroll development



The TyEL payroll of Varma's client companies grew **4.2 per cent** in January–June 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 includes components financed by the state's share of YEL pension expenditure and by division-of-cost compensations.

- In January–June 2026, the total amount of all pensions paid increased by **1.3** per cent compared to the same period last year, mainly due to the index adjustment of pensions.
- Old-age pensions paid totalled **EUR 3.3 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 **254 million**.
- Disability pensions paid amounted to **EUR 164 million**.

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Survivors’ pension secures the livelihood of more than 50,000 surviving spouses and children

Survivors’ pension recipients 2022-2026

- Survivors’ pension secures the livelihood of the surviving spouse and children after the death of the spouse or a provider.
- Recipients of survivors’ pension account for approximately 15 per cent of all pension recipients. Their number is in a slight decline.
- Survivors’ pensions account for 6.5 per cent of all pensions paid, and the average amount of survivors’ pension is around EUR 820 a month.
- Survivors’ pension is mainly paid to surviving spouses – the proportion of children is small.
- Women account for 91 per cent of surviving spouses, and the average age is approximately 80.
- The number of surviving spouses turning 100 or more this year is 231.
- Around 280 of the survivors’ pensions are fixed term. Surviving spouses that receive a fixed-term pension are also younger than average. Following the survivors’ pension reform, younger surviving spouses (b. 1975 or later) are granted a fixed-term pension, while older recipients receive it indefinitely.

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Current pension topics

Pension decisions exceeded previous year's numbers

- A total of 27,000 pension decisions were made in January–June, which is 4.4 per cent more than in the previous year. Of these, 14,700 were new pension decisions and preliminary decisions, which is roughly 7 per cent more than in the corresponding period last year.
- The number of decisions related to partial early old-age pension increased by nearly 70 per cent. This is due to a new age cohort becoming eligible for the benefit at the beginning of 2026.

Number of old-age pension applications almost unchanged

- The number of old-age pension applications increased 0.3 per cent compared to the same period last year.
- The number of applications for work performed while receiving pension declined. This year, no new age cohort will reach the maximum retirement age at which it is possible to apply for the pension accrued from working while retired. The maximum retirement age for those born in 1958 is 69 years.

Pension applications processing accelerated

- Although the number of pension applications has increased, we have processed them more quickly than before.
- The average processing time for all pension benefits in the first half of the year was 16 (17) days.

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Rehabilitation and disability pensions

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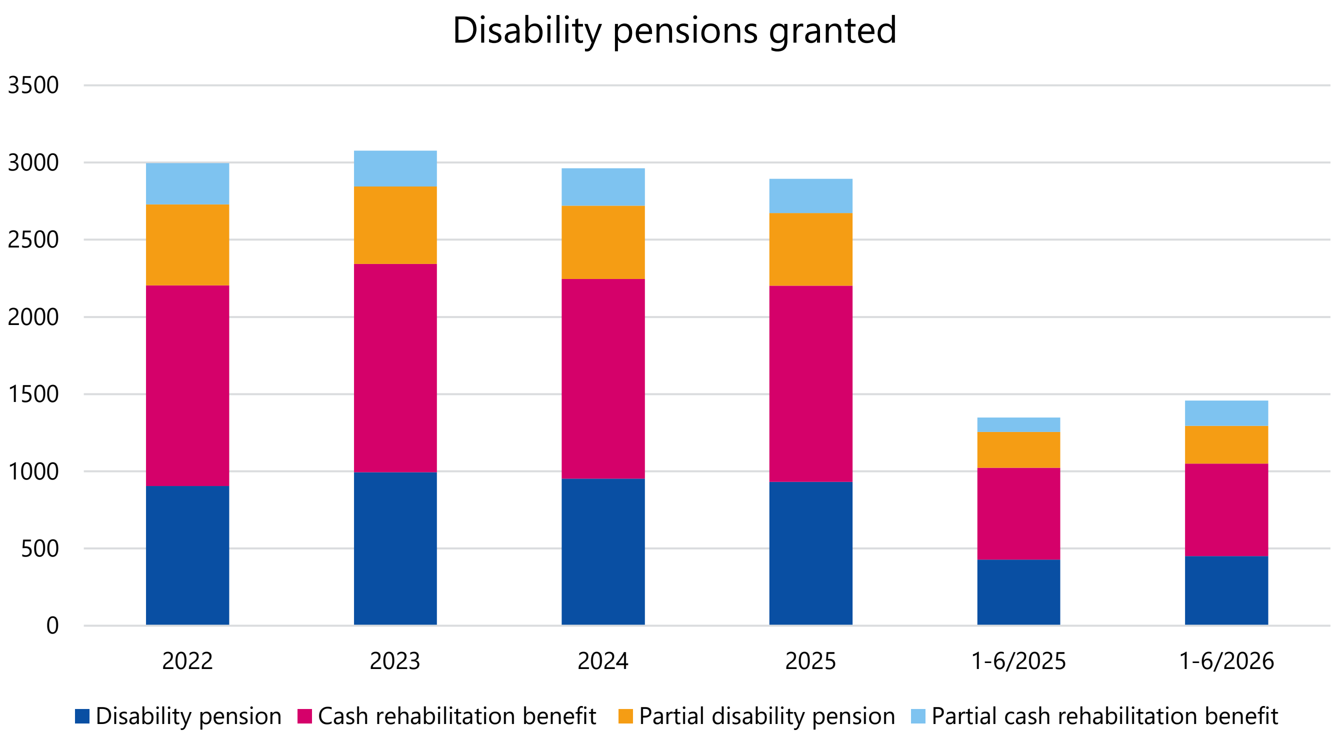
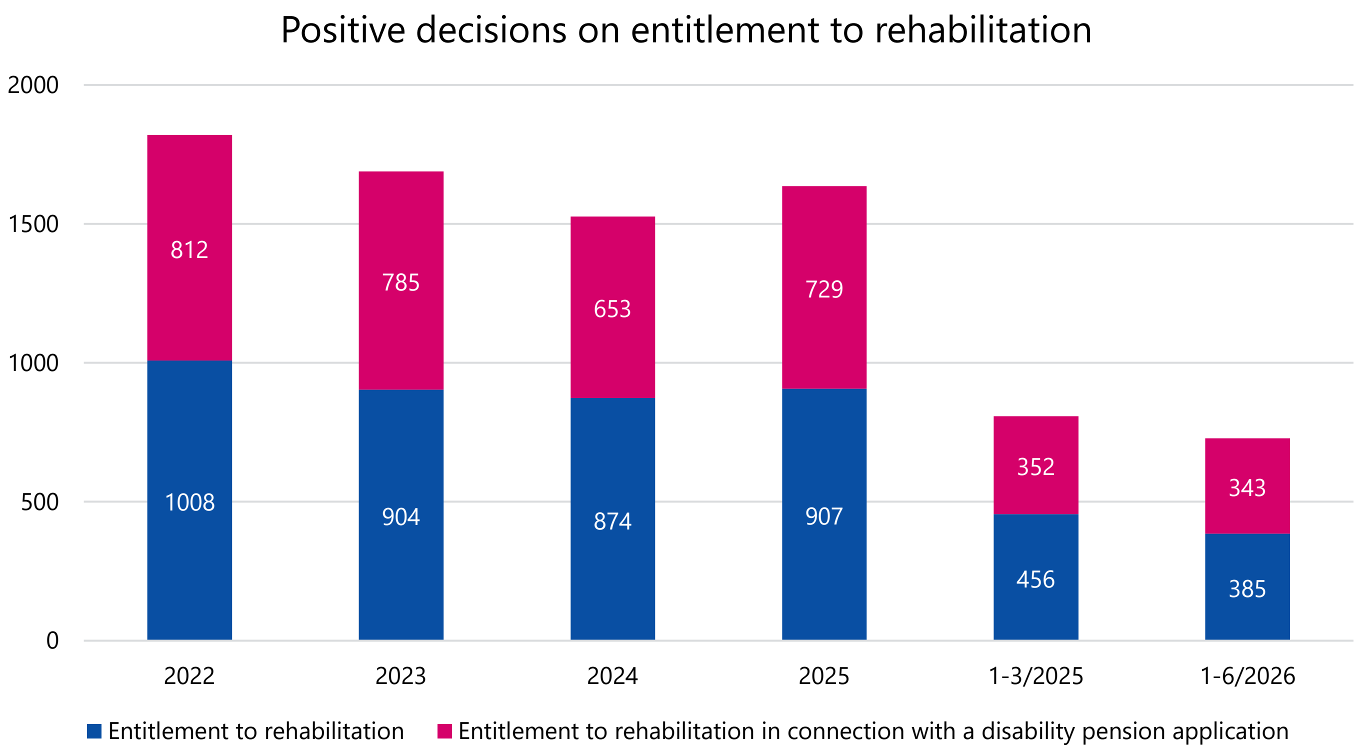
Number of granted disability pensions increased slightly from the previous year



- The number of new disability pensions granted in January–June was **8.2 per cent** higher than in the same period last year.
- The number of partial cash rehabilitation benefits granted increased by as much as **78.3 per cent** year on year. They accounted for **11.2 per cent** of all disability pensions granted in January–June.
- The share of partial disability pensions (incl. partial cash rehabilitation benefits and partial disability pensions) of all granted disability pensions was **28.1 per cent**, which is slightly more than last year.
- Slightly more than half of the granted disability pensions (**52.2 per cent**) consisted of the fixed-term cash rehabilitation benefit and the partial cash rehabilitation benefit.

The number of vocational rehabilitation decisions decreased year on year



- The number of rehabilitation applications declined by **3.7 per cent** from the previous year. In January–June, **10 per cent** fewer vocational rehabilitation decisions were issued than during the same period last year.
- **47.1 per cent** of the decisions were issued in connection with a disability pension application, which is slightly more than the previous year.
- A rehabilitation decision can be issued upon an application for it, or in connection with a disability pension decision.

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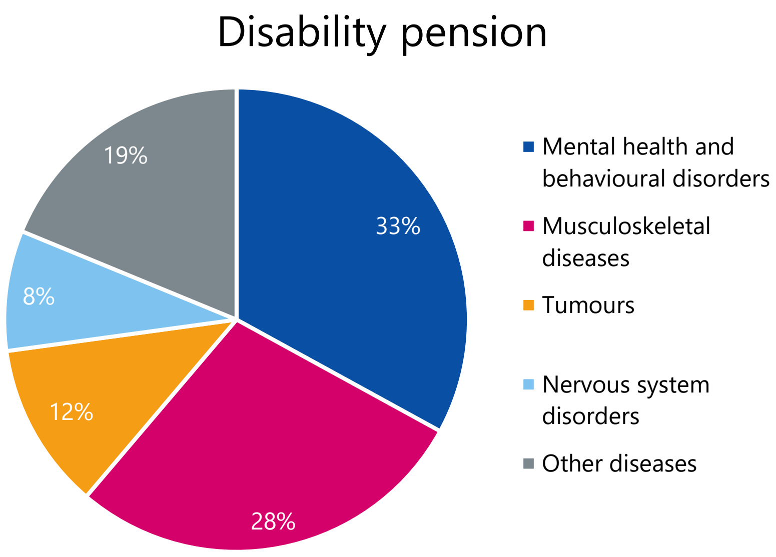
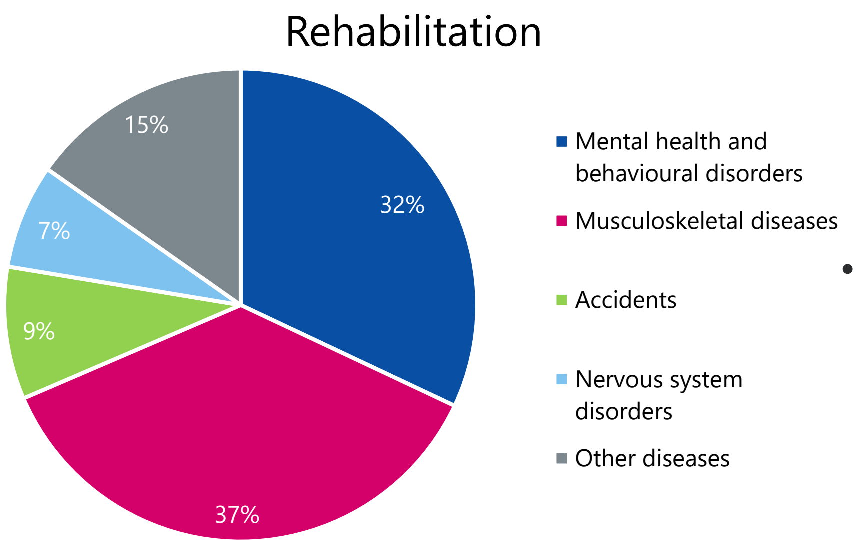
Mental health disorders are the main cause of granted new disability pensions; rehabilitation is most frequently granted on the basis of musculoskeletal disorders





- The most common reason for new disability pensions was 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

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Building a sustainable future together

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

We revised our principles of investee engagement

In accordance with the revised principles, we focus our engagement efforts on investees which offer us the best opportunities to promote responsible and sustainable business practices. Engagement is performed with the help of annual themes, such as climate, biodiversity and ecosystems, human rights, and technology and AI.

We analysed gender equality in the boards of listed companies

Each year, we assess how gender equality is achieved in the boards of the listed companies in which we invest. The 2026 analysis shows that approximately 1 per cent of the boards consisted of members of just one gender. Overall, women account for approximately 36 per cent of the board members, weighted by the value of the investments. The corresponding figure for Finnish listed companies was 40 per cent.

We participated in over 600 shareholder meetings

Voting at annual general meetings is a key part of Varma's investee engagement. Through voting, we promote responsible business practices, good governance and long-term sustainability of its investments.

At international general meetings, large index funds play a prominent role.

Investment outlook

Economic outlook

- The investment markets have been volatile due to the energy crisis caused by the war in Iran
- In the second quarter of the year, the equity markets rebounded strongly, driven by AI and semiconductor companies
- AI capex has supported the global economy, markets have demonstrated resilience
- Finland's economic recovery has continued despite the uncertainties

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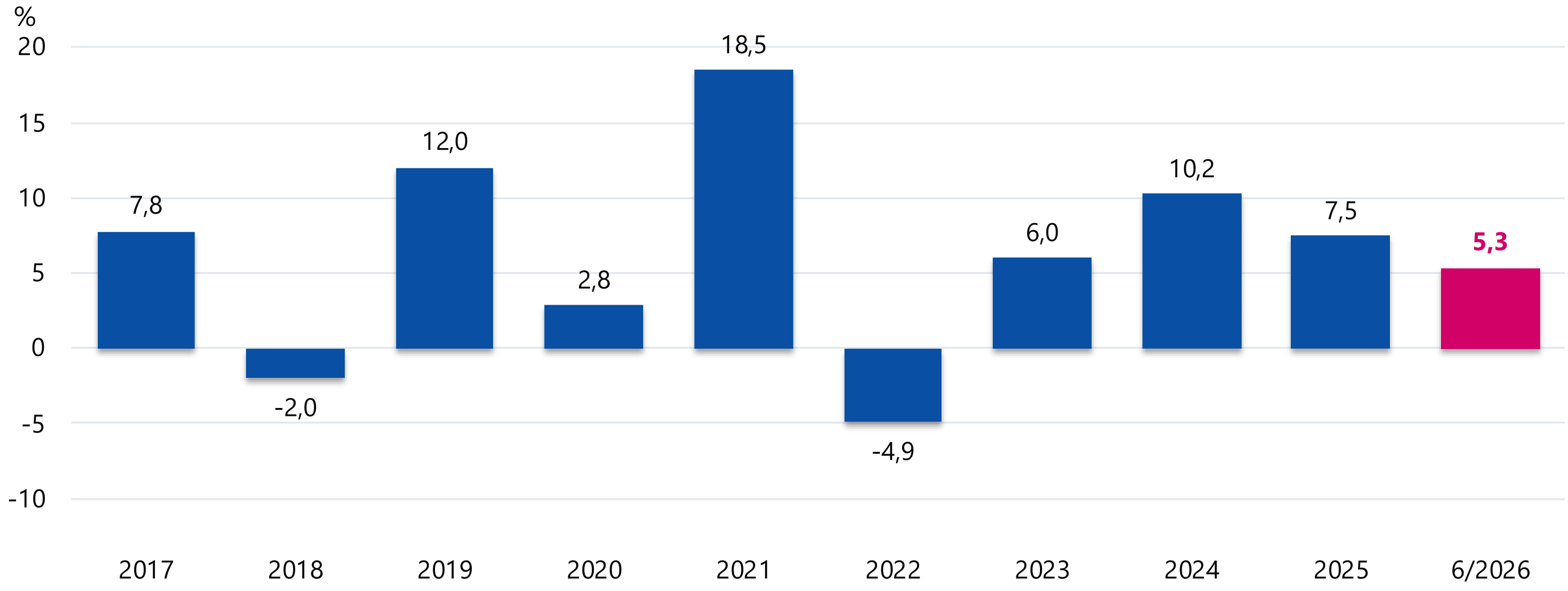
Return on investments since 2017



Average nominal return on investments over 10 years:

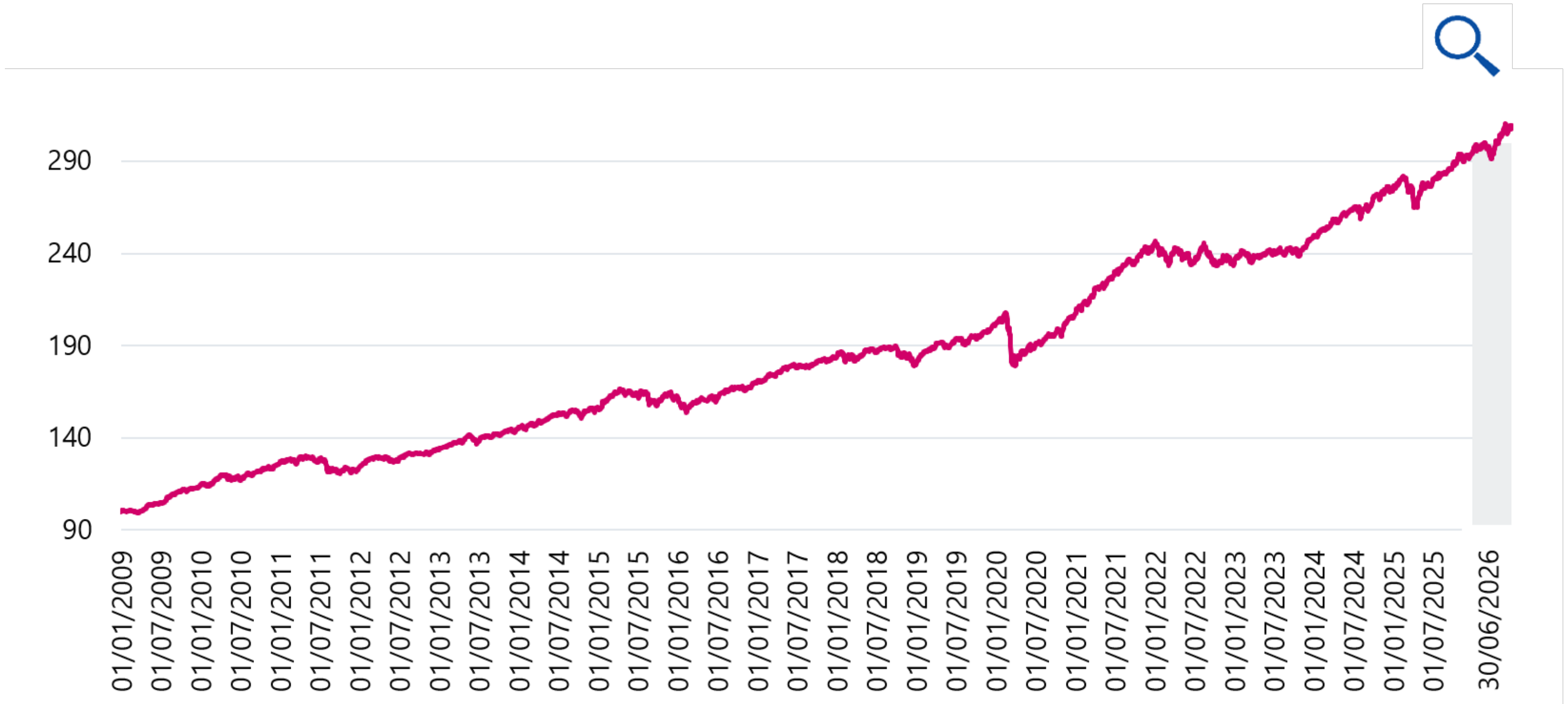
6.7%

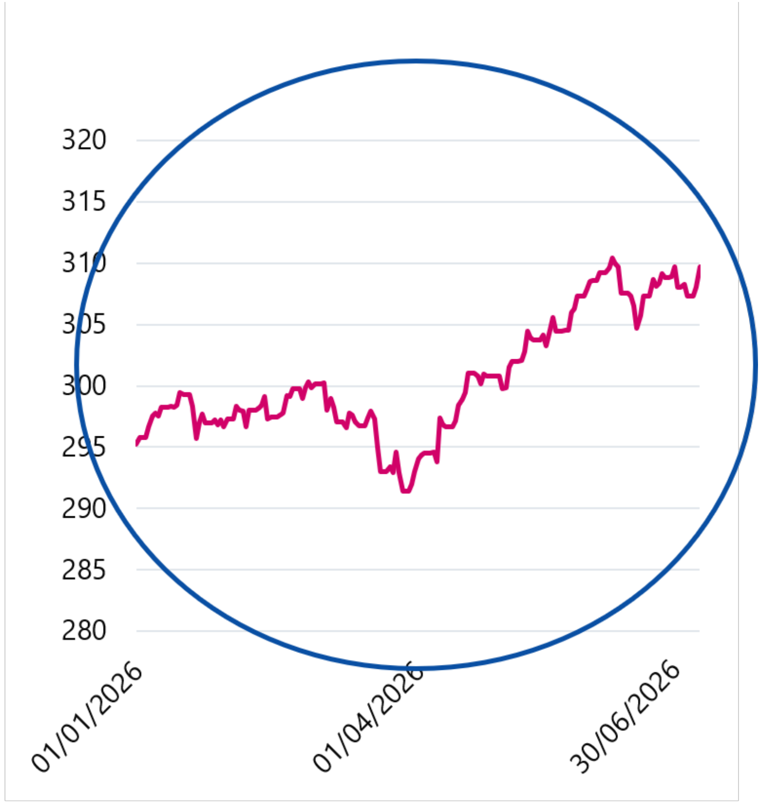
Average nominal return on investments over 5 years:

6.2%

The average nominal return on investments over ten years is approx. 6.7%, calculated in accordance with the recommendations issued by TELA.

Return on investments since 2009: 210%, i.e. EUR 51.3 billion





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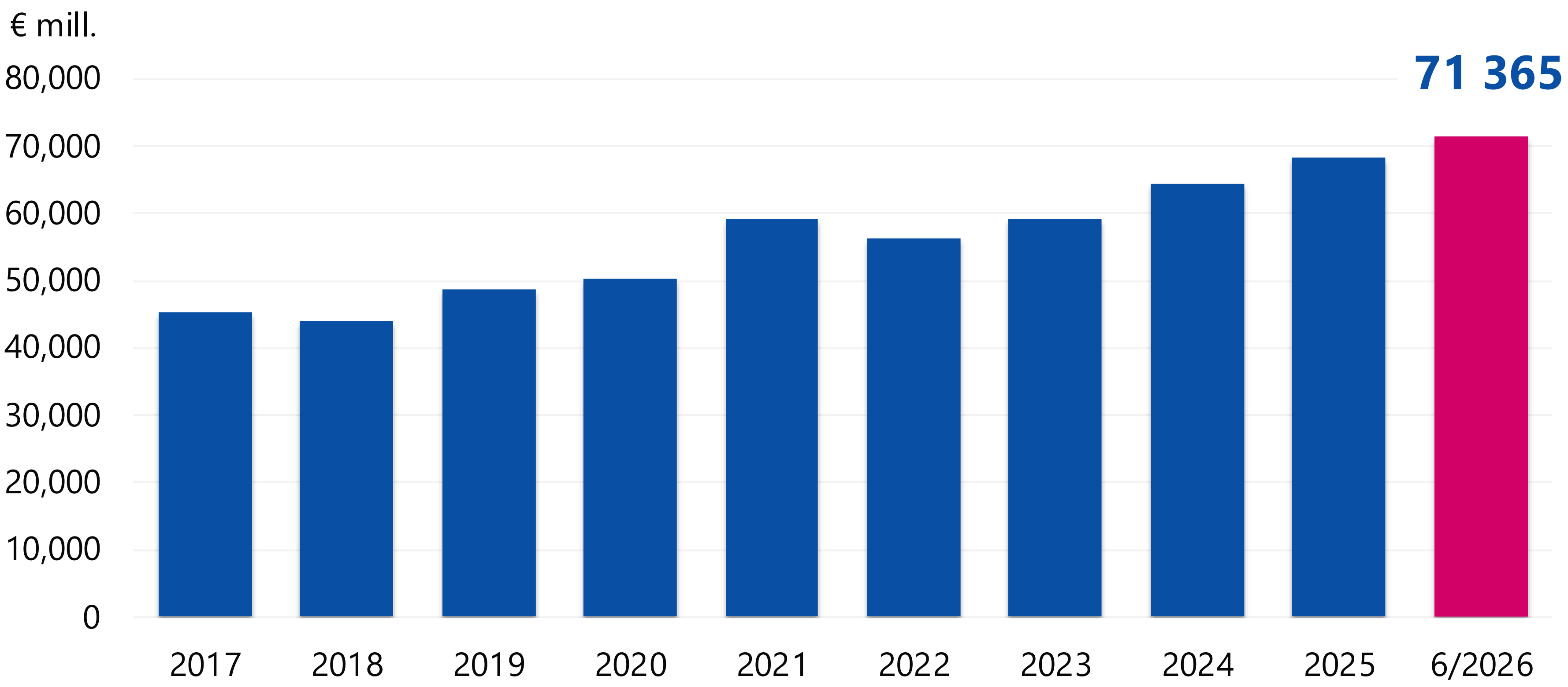
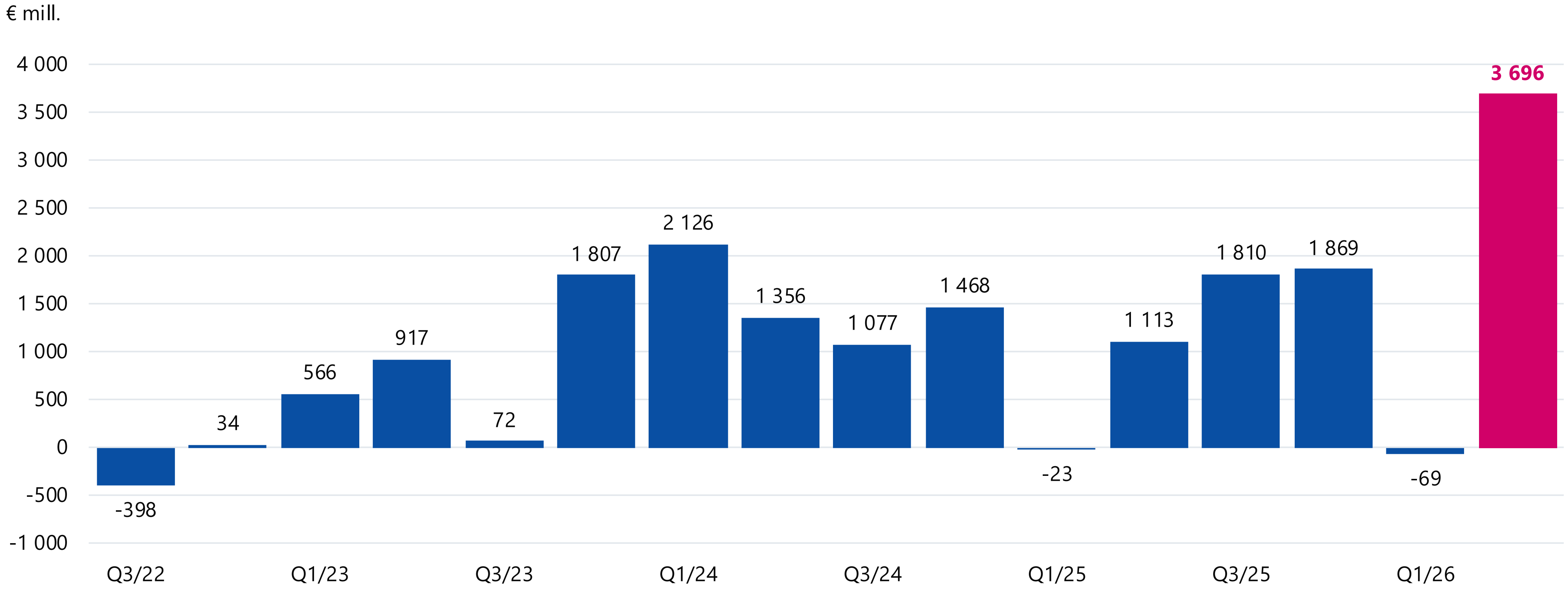
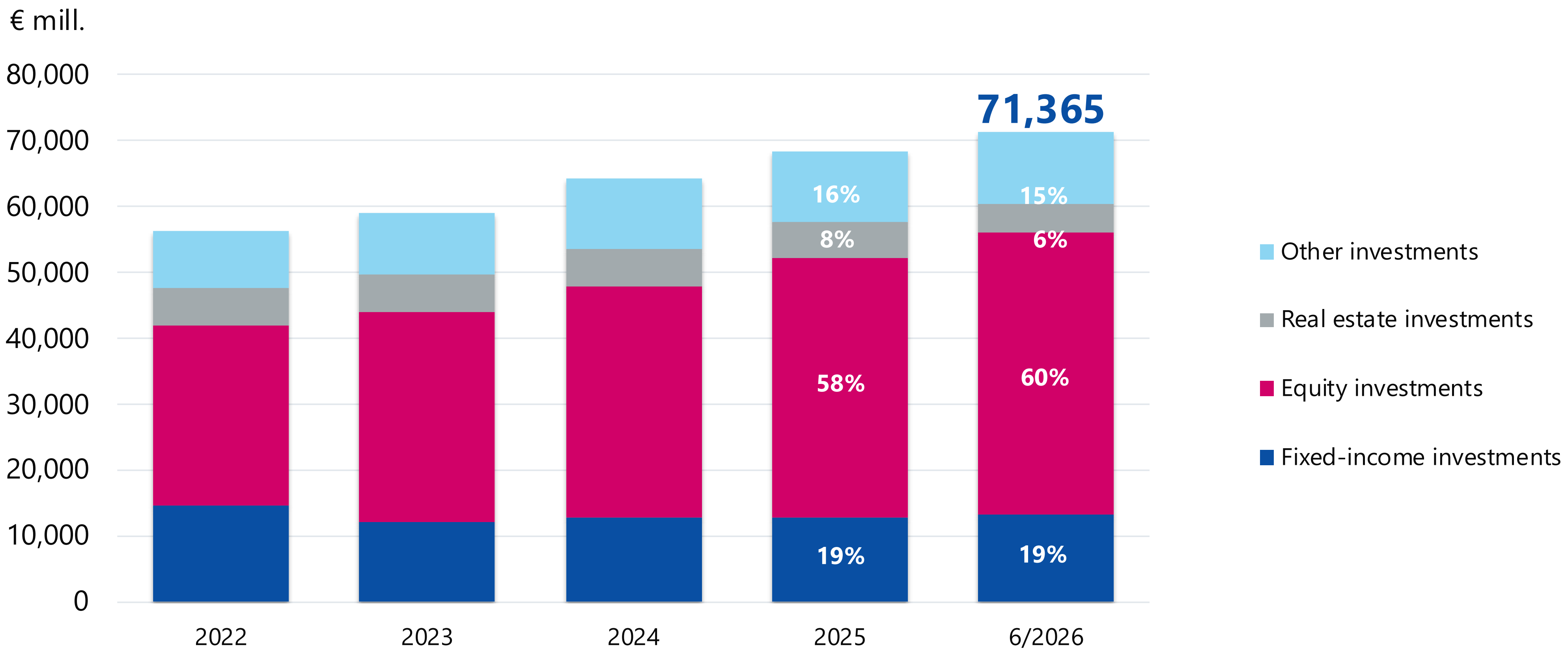
Value of investments €71.4 billion



Return on investments at fair values by quarter



60 per cent of Varma's investments are in equities



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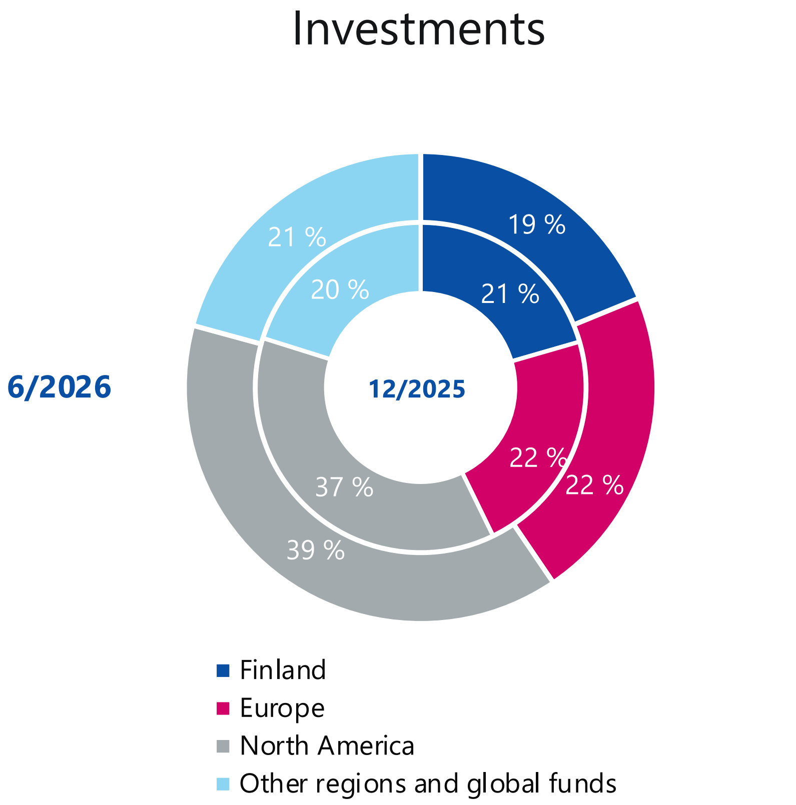
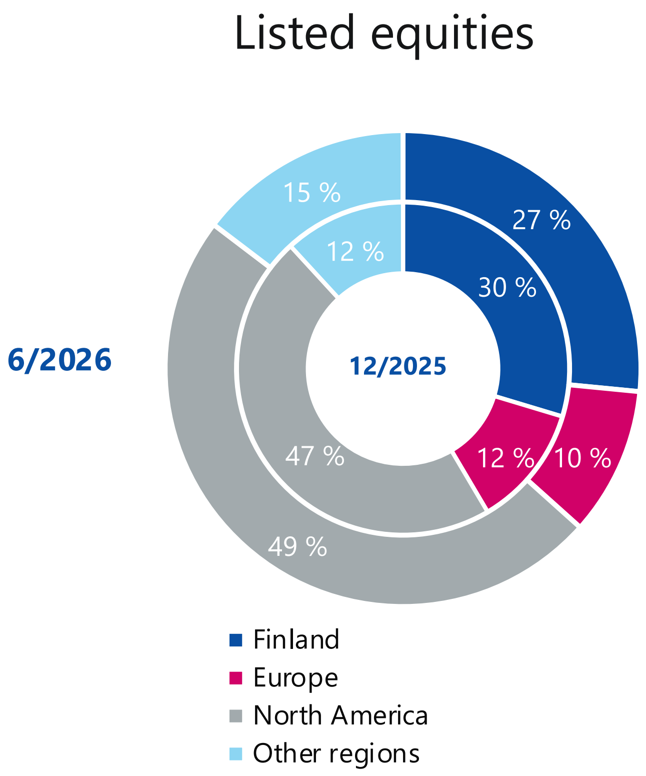
Investments by asset class

	30 Jun 2026				31 Dec 2025		01-06/2026
	Market value				Market value		Return
	Market Value		Risk position		Risk position		MWR
	mill. €	%	mill. €	%	mill. €	%	%
Fixed-income investments	**13,298**	**19**	**16,823**	**24**	**13,845**	**20**	**0.4**
Loan receivables	1,827	3	1,827	3	2,069	3	0.9
Bonds	8,894	12	10,418	15	10,173	15	0.5
Other money-market instruments and deposits	2,576	4	4,578	6	1,603	2	-0.3
Equity investments	**42,834**	**60**	**43,312**	**61**	**39,640**	**58**	**8.0**
Listed equities	29,999	42	30,477	43	27,143	40	10.7
Private equity	11,682	16	11,682	16	11,417	17	2.2
Unlisted equities	1,153	2	1,153	2	1,079	2	1.3
Real estate investments	**4,328**	**6**	**4,328**	**6**	**5,470**	**8**	**-2.0**
Direct real estates	1,976	3	1,976	3	2,956	4	-5.2
Real estate funds	2,352	3	2,352	3	2,514	4	1.4
Other investments	**10,905**	**15**	**10,905**	**15**	**10,616**	**16**	**5.1**
Hedge funds	10,891	15	10,891	15	10,616	16	5.0
Other investments	14	0	14	0	0	0	
Total investments	**71,365**	**100**	**75,369**	**106**	**69,570**	**102**	**5.3**
Impact of derivatives			-4,004	-6	-1,284	-2	
Investment allocation at fair value	**71,365**	**100**	**71,365**	**100**	**68,287**	**100**	

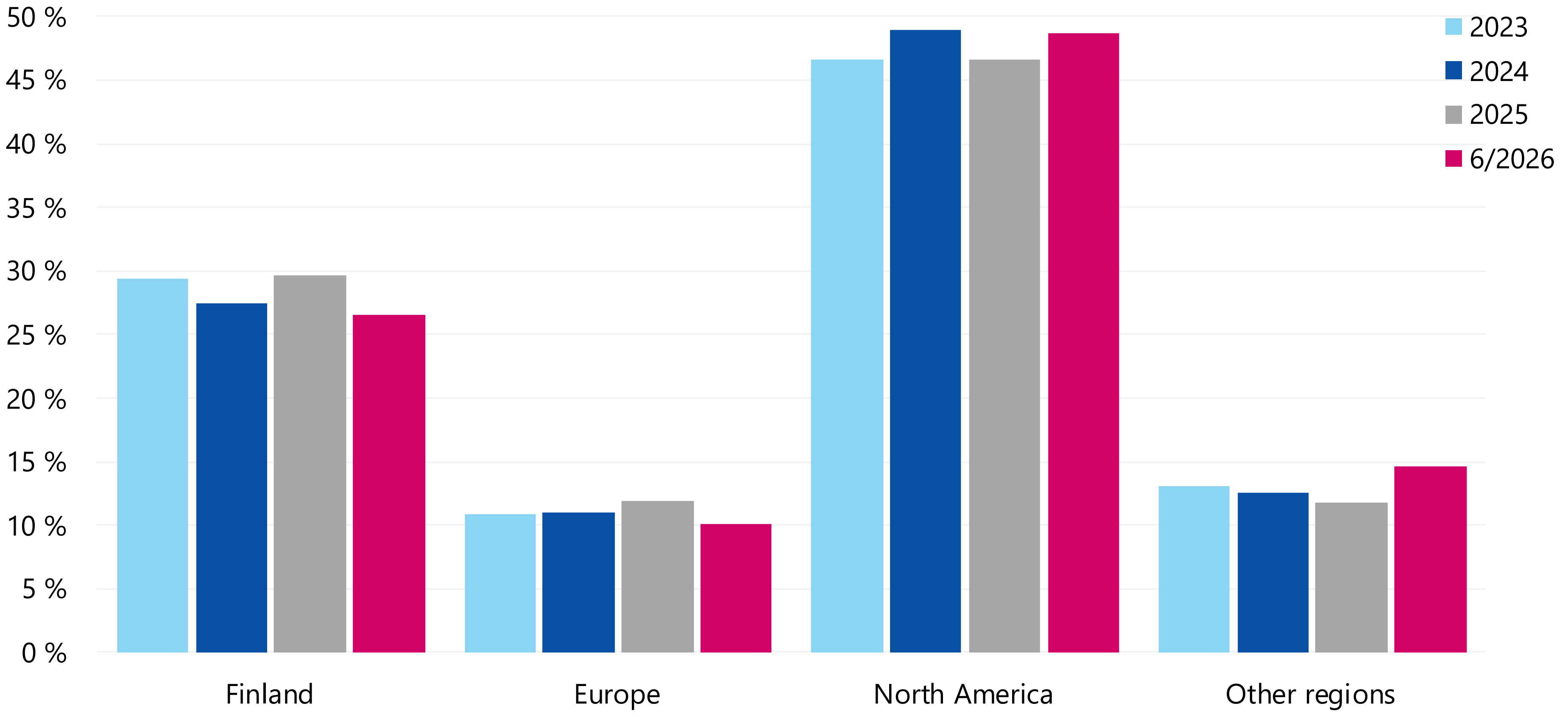
Geographical distribution of investments





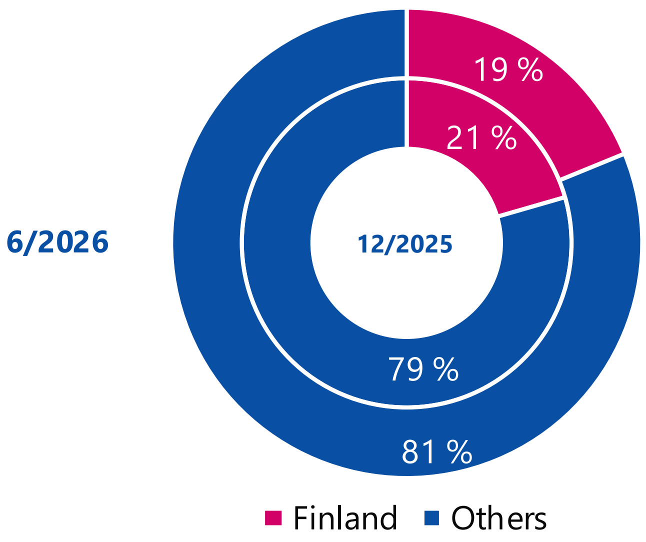
Global funds also includes investments in Finland, Europe and North America.

Geographical distribution of listed equities

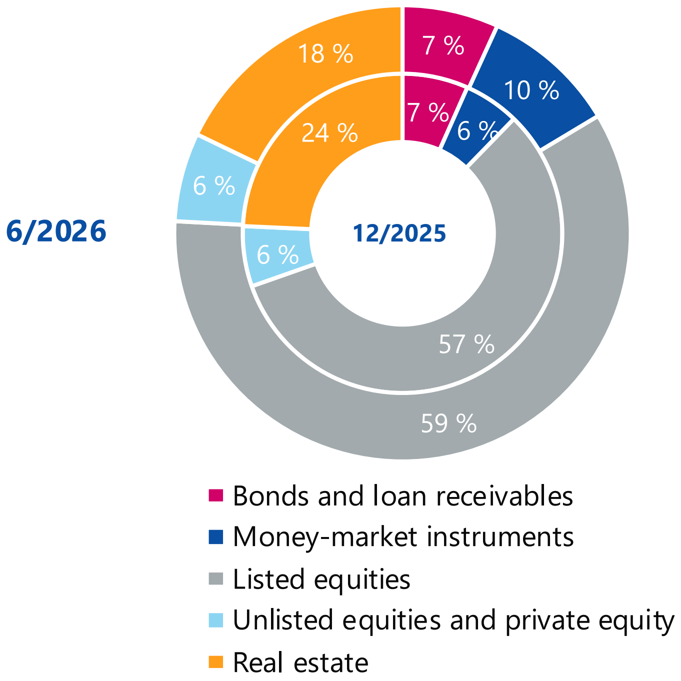


Investments in Finland 19 per cent, i.e. EUR 13.6 billion

Investments in Finland



Distribution of Finnish investments



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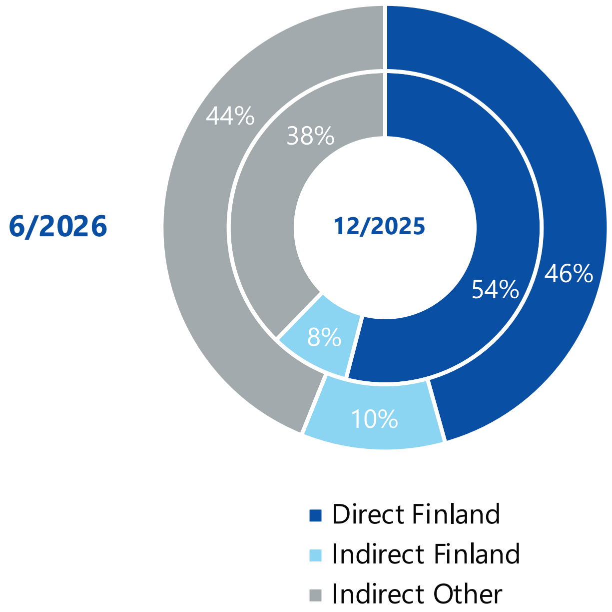
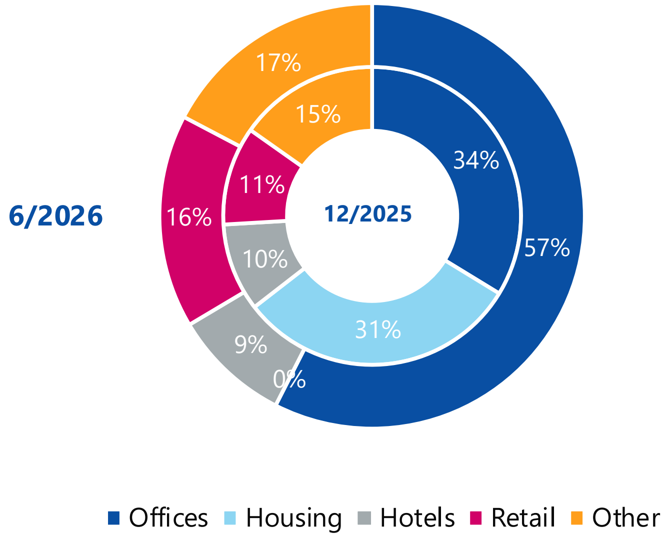
56 per cent of real estate investments, i.e. EUR 2.4 billion, in Finland

Real estate investments 4.3 bn €



Direct real estate investments 2.0 bn €



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Varma's and the markets' investment returns

%	Varma	Finnish equities	European equities	US equities	Euro government bonds	Euro corporate bonds
1-6/2026	5.3	8.8	10.3	10.2	1.3	1.4
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	6.2	6.0	10.0	13.4	-2.0	0.2
10 years	6.7	10.6	9.7	15.5	-0.3	1.1
Since 1999 *	5.9	8.8	5.8	8.8	3.1	3.3
Average real return						
5 years	2.6	2.4	6.3	9.6	-5.3	-3.2
10 years	4.3	8.2	7.3	13.0	-2.5	-1.1
Since 1999 *	3.9	6.8	3.9	6.8	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

European equities = Stoxx 600 Total Return Index EUR

US equities= S&P500 Total Return Index

Euro government bonds = IBOXX Eurozone EUR (Total Return)

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

Key figures

	1-6/2026	1-6/2025	1-12/2025
Premiums written, € million	3,520	3,438	6,901
Net investment income at fair value, € million	3,627	1,089	4,768
Return on invested capital, %	5.3	1.7	7.5
	6/2026	**6/2025**	**12/2025**
Technical provisions, € million	54,359	50,992	52,984
Solvency capital, € million	19,728	16,769	18,221
in relation to solvency limit	1.7	1.7	1.7
Pension assets, € million	72,521	66,035	69,308
% of technical provisions	137.4	134.0	135.7
TyEL payroll, € million	27,980	27,025	27,034
YEL payroll, € million	1,116	1,094	1,097

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