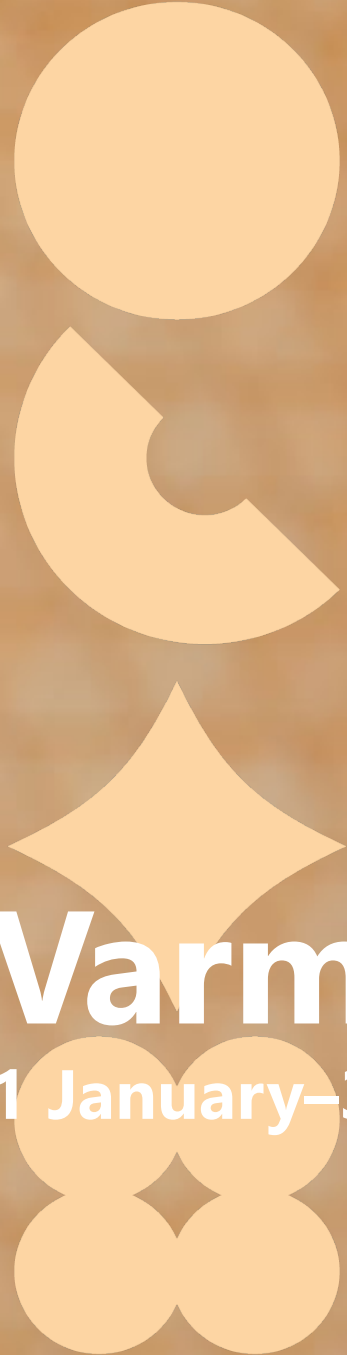




Varma's Interim Report

1 January–30 September 2026

VARMA

Key figures 1-9/2026



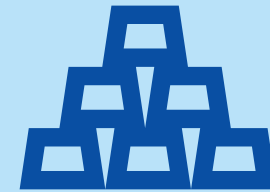
**Value of
investments**

€72.4 bn



**Return on
investments**

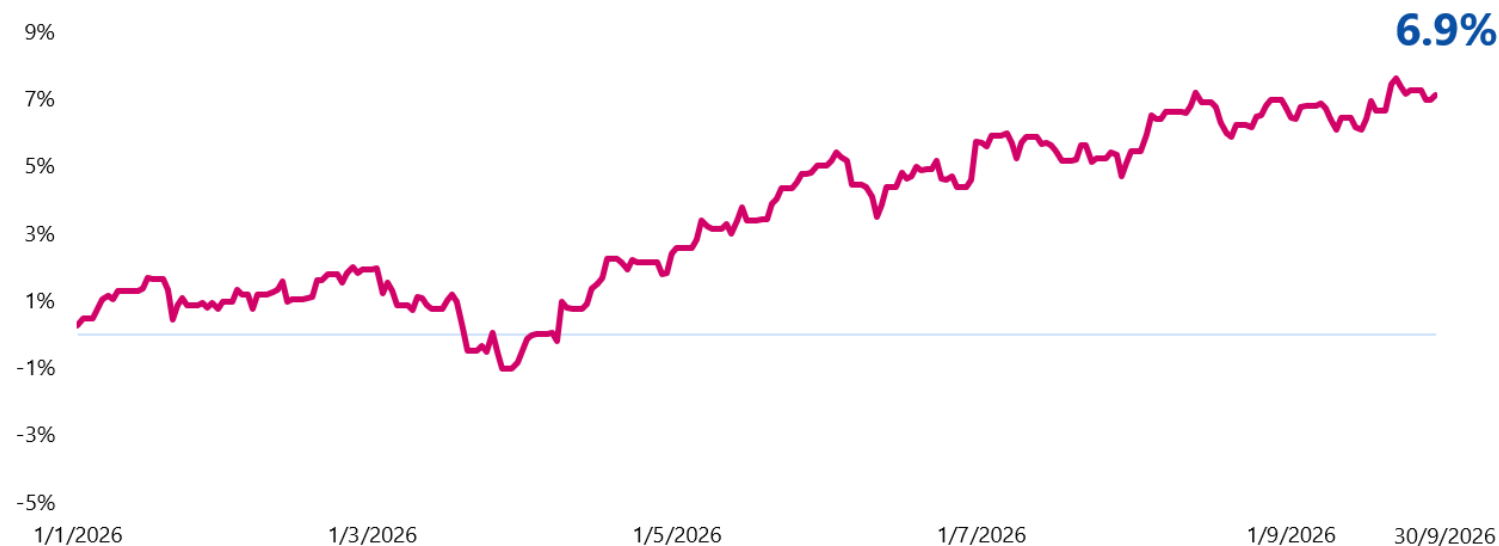
6.9%



Solvency

€20.0 bn

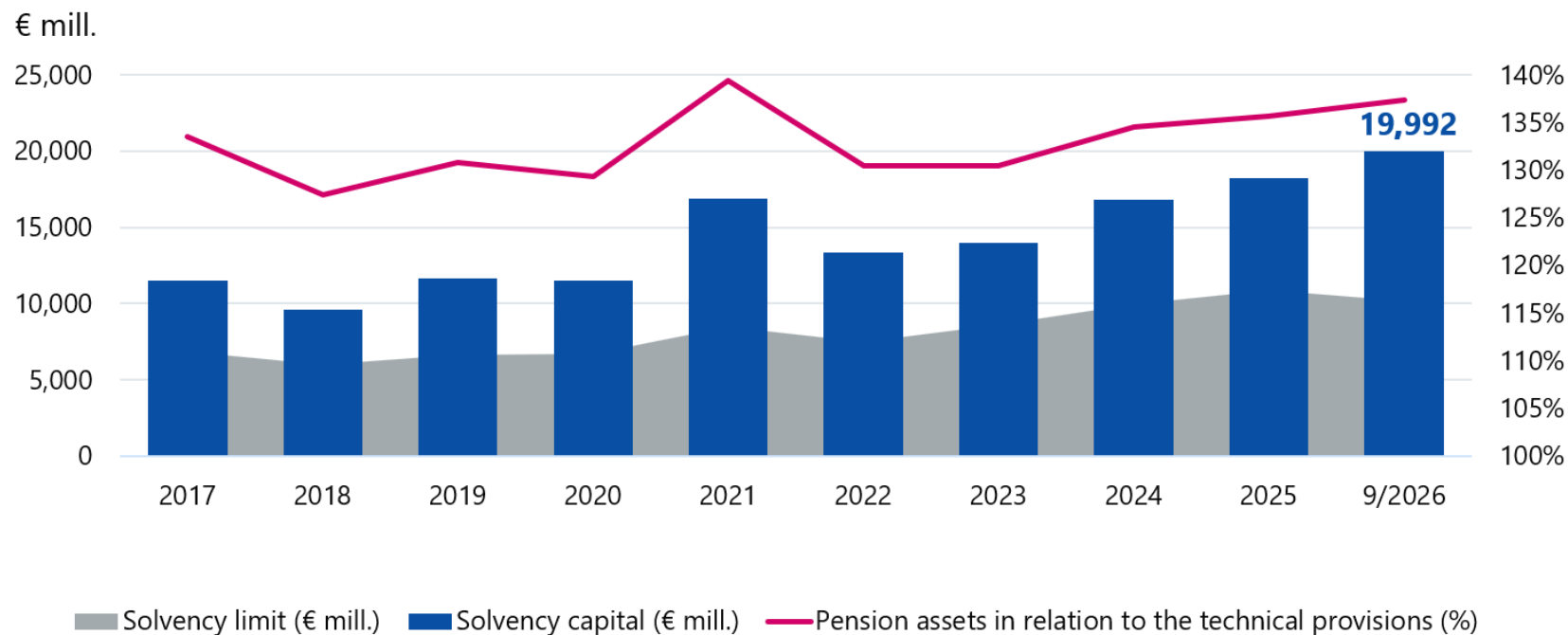
6.9 per cent return on Varma's investments



"Despite geopolitical tensions, the year has brought solid returns to investors. The impacts of the AI boom are now strongly spilling over into the Finnish export industry, and Finland's economy has also shifted into export-driven growth. The rise in energy prices and interest rates caused by the war in Iran could, however, slow Finland's economic recovery."

Risto Murto, President & CEO

Varma is the most solvent earnings-related pension company



- Solvency capital amounted to EUR **20.0** billion.
- Solvency capital was **2.0** times the solvency limit.
- The solvency ratio was **137.4** per cent.

Development of investment returns and solvency

	1-9/2026	1-9/2025	12 months	1-12/2025
Investment return (MWR)	6.9%	4.5%	9.9%	7.5%

	9/2026	9/2025	12/2025
Solvency capital (€ mill.)	19,992	17,589	18,221
Solvency capital / solvency limit	2.0	1.7	1.7
Solvency ratio (%)	137.4	135.1	135.7
Investments at fair value (€ mill.)	72,395	66,693	68,287

Finnish pension system ranked most reliable in the world

- Finland has received the highest score for the integrity of its pension system in the international Marsh CFA Institute Global Pension Index comparison.
- When also comparing the adequacy of pensions and the sustainability of the system, Finland ranked ninth.
- Finland's overall score improved from last year, but its ranking dropped by one place.
- The top spot was held by the Netherlands. The comparison included 55 countries.



Insurance and pensions



Varma takes care of the pension cover of 996,000 people



**Insured employees
and
entrepreneurs**

648,400



Pensioners

348,000

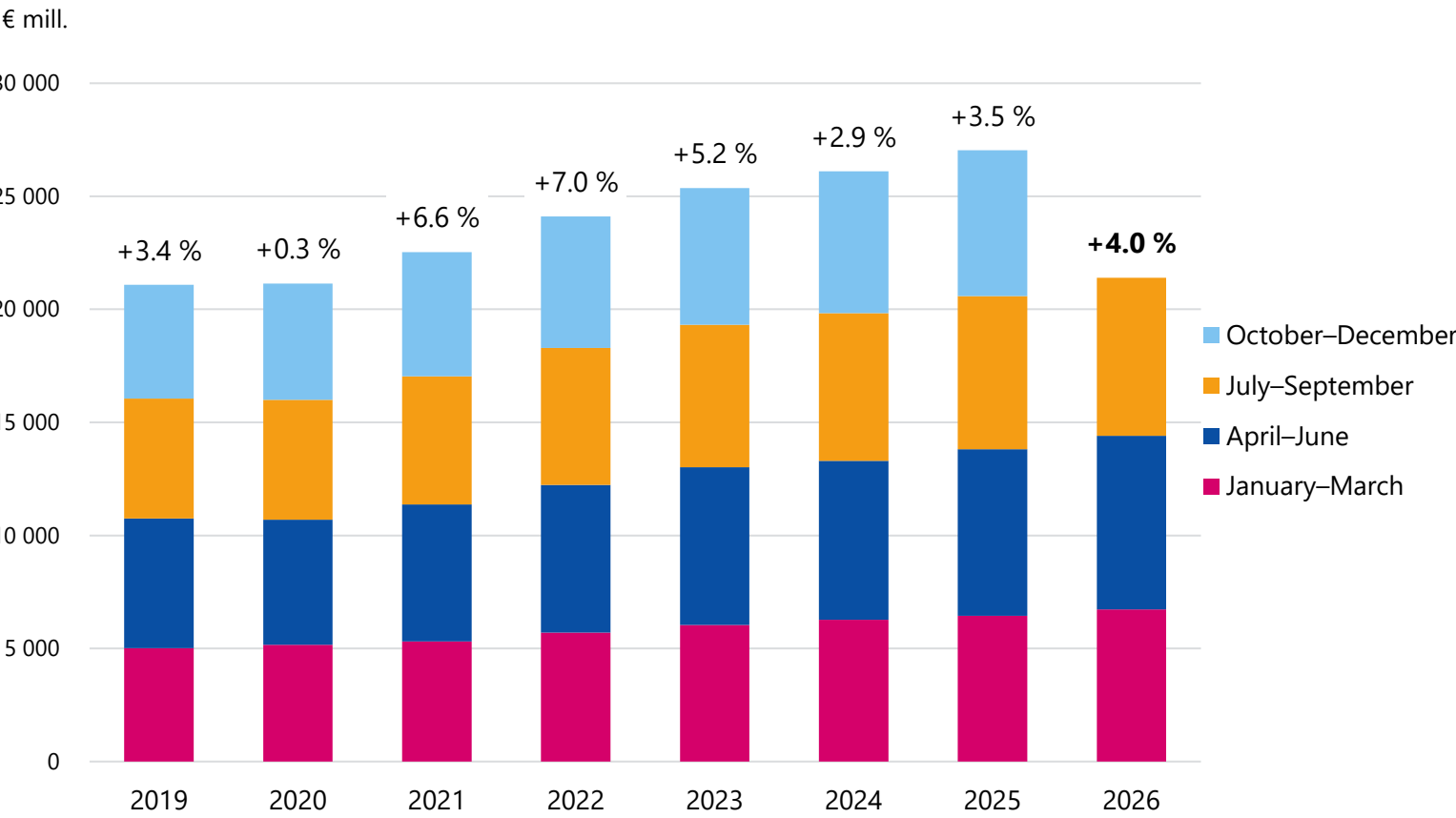


Pensions paid

€5.9 bn



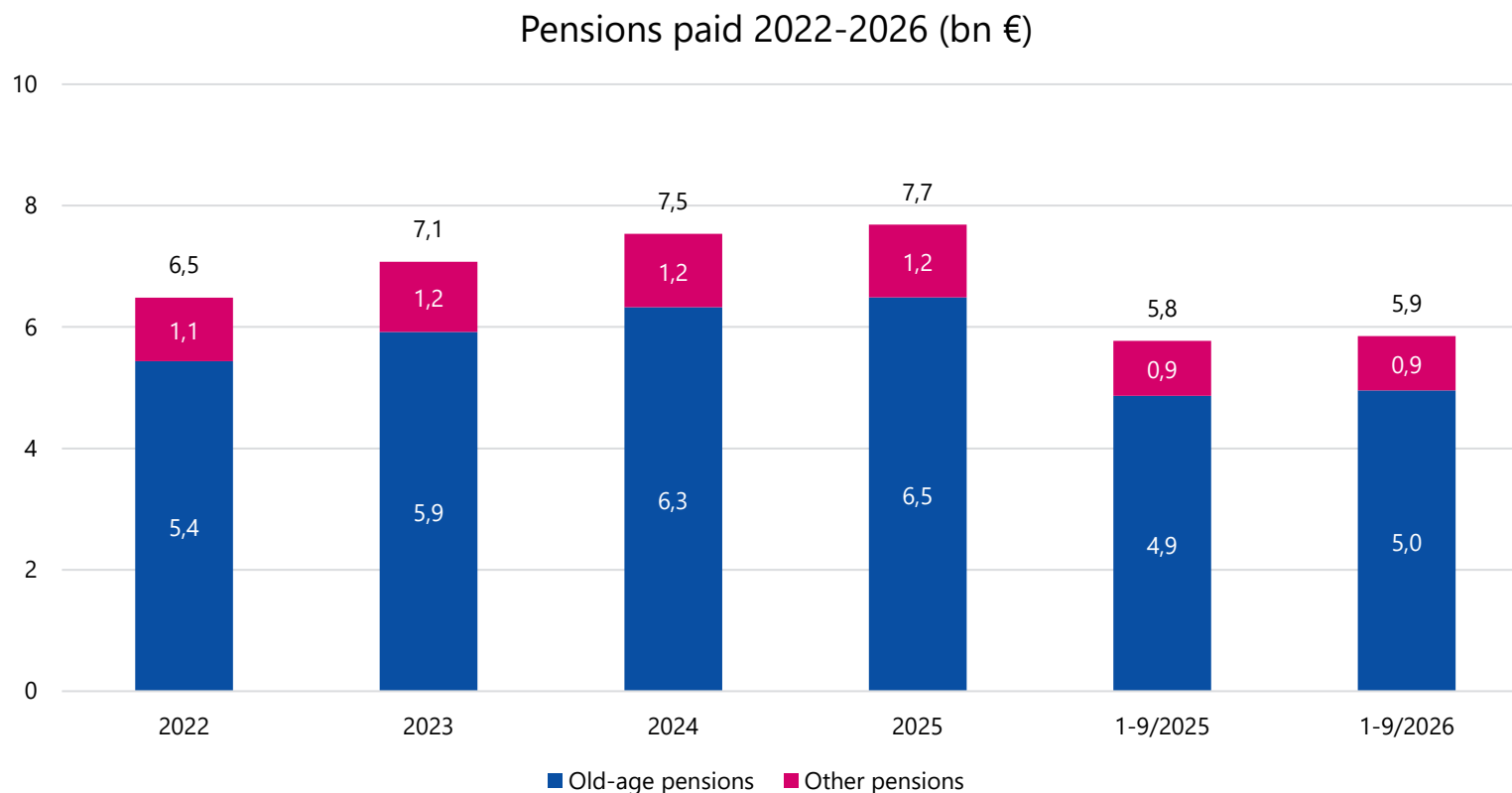
Client companies' TyEL payroll development



The TyEL payroll of Varma's client companies grew **4.0 per cent** in January–September 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–September 2026, the amount of pensions paid increased **1.4 per cent** compared to the same period last year. The increase was due to index increments.
- Old-age pensions accounted for EUR **5.0 billion**, accounting for **85 per cent** of all pensions paid.
- The second-largest category of pensions paid was survivors' pension, which totalled EUR **381 million**.
- Disability pensions paid amounted to EUR **245 million**.

Current pension topics

Increase in pension applications and number of decisions – partial old-age pension popular

- The number of pension decisions in January–September totalled 39,900, i.e. 8 per cent more than a year earlier. Of these, 21,600 were new decisions and preliminary decisions, an increase of 12 per cent.
- The number of pension applications received by Varma increased 10 per cent compared to last year. Old-age pension applications increased 9 per cent, due to annual variations related to the lowest retirement age.
- The number of applications for partial early old-age pension rose 80 per cent. Varma received fewer applications than usual in the 2025 comparison period, because no new age cohort had reached the lowest age of eligibility for this pension benefit.
- Of the old-age pensions paid by Varma that began this year, 35 per cent were preceded by a partial old-age pension. Additionally, a disability pension or a years-of-service pension was the preceding benefit in about 20 per cent of new old-age pensions.
- In total, more than half of those retiring on an old-age pension had previously received another earnings-related pension benefit.

Electronic service helps with pension application processing

- The average processing time for all pension benefits was 15 (18) days, which is three days fewer than at the beginning of the year.
- More than half of partial early old-age pension applicants received their decision on the same day they applied. 98 per cent of the partial early old-age pension applications were filed in our online service.

Earnings-related pension index to increase more than in the previous two years

- The earnings-related pension index is projected to raise pensions by 2.6 per cent as of the beginning of 2027. The index-linked increase to earnings-related pensions protects the purchasing power of current pensions.



Pension matters handled smoothly in the Varma Online Service

Increasing number of people checking their pension accrual in the electronic pension record



- For many, the earnings-related pension record is their first contact with their personal pension security, showing a summary of their employment history, earnings and pension accrued to date.
- Around a quarter of customers who are eligible to access their pension record under our advisory obligation view it in the Varma Online Service – and that share is growing.
- Over half are aged 45–65. The largest age cohort is those aged 60–65, with a share of roughly 18 per cent. Even the under-30 age group represents some 12 per cent.
- Close to three-quarters of all pension applications are submitted via our online service. In January–September, 74 per cent of all pension applications were filed via the Varma Online Service. For old-age pension applications, the share was 87 per cent, and for partial early old-age pension applications, it was as high as 98 per cent.
- Applicants can also follow the status of their application in the Varma Online Service and receive their decision electronically. Pension recipients can view their pension payment details and manage, among other things, matters related to their account numbers and certificates.
- The active use of the services, combined with high customer satisfaction (3.5/4), indicates that online service is an essential part of the smooth and efficient management of pension security.

Progress of the YEL reform

2023

2025

2026

2027

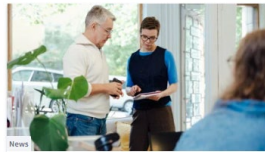
2028

Varma supports entrepreneurs and keeps them up to date through changes



News
YEL was amended – How does Varma review YEL income and whose income will be reviewed this year?
insurance, entrepreneurship
10.2.2023

Previous YEL reform enters into force. As a result, earnings-related pension companies begin conducting YEL reviews.



News
Ministry of Social Affairs and Health publishes rapporteur Jukka Rantala's proposal for developing the YEL system
entrepreneurship, insurance
16.12.2025

Government-appointed rapporteur Jukka Rantala's report on the need for YEL reform is completed.



News
YEL reform advances to consultation round
entrepreneurship, insurance
25.6.2026

The YEL reform agreed in the summer government session proceeds to the consultation round. The earnings-related pension sector submitted its comments on the bill.



News
Two proposed options for determining entrepreneurs' YEL income – bill now before Parliament
insurance
9.10.2026

Government bill on the YEL reform submitted to Parliament on 8 October.

Review by Parliament and approval of the bill.

The bill before Parliament

- Under the legislative bill, entrepreneurs would in future be able to choose, as the basis for their YEL income, either an **overall assessment model** similar to the current one, or a new **earned income model** in which their YEL income would be based on the earned income from their entrepreneurial activities.
- Earned income from entrepreneurial activities is also significant in the overall assessment model, as YEL income should ultimately, after the transition period, be at least 50 per cent of the earned income from entrepreneurial activities.

In 2027, YEL insurance will still be subject to the current legislation.

As of 1 January 2028, entrepreneurs can request information from their earnings-related pension insurance company in order to compare options and choose their YEL income basis.

The choice and new YEL income would only take effect on 1 April 2028, however.

Current state of entrepreneurs' pension security

- YEL contributions are based on an estimate of the monetary value of the entrepreneur's work input. Earned income from entrepreneurial activities does not directly influence contributions.
- Some entrepreneurs have under-insured themselves relative to their work input, which means low pension and social security benefits.
- Entrepreneurs' pension contributions do not accumulate in a fund. The state's annual financial contribution to entrepreneurs' pensions is around EUR 600 million.

The legislative amendment is expected to enter into force on **1 April 2028**.

Rehabilitation and disability pensions



Current issues in promoting work ability



Work ability assistant Maia helps with questions related to work ability

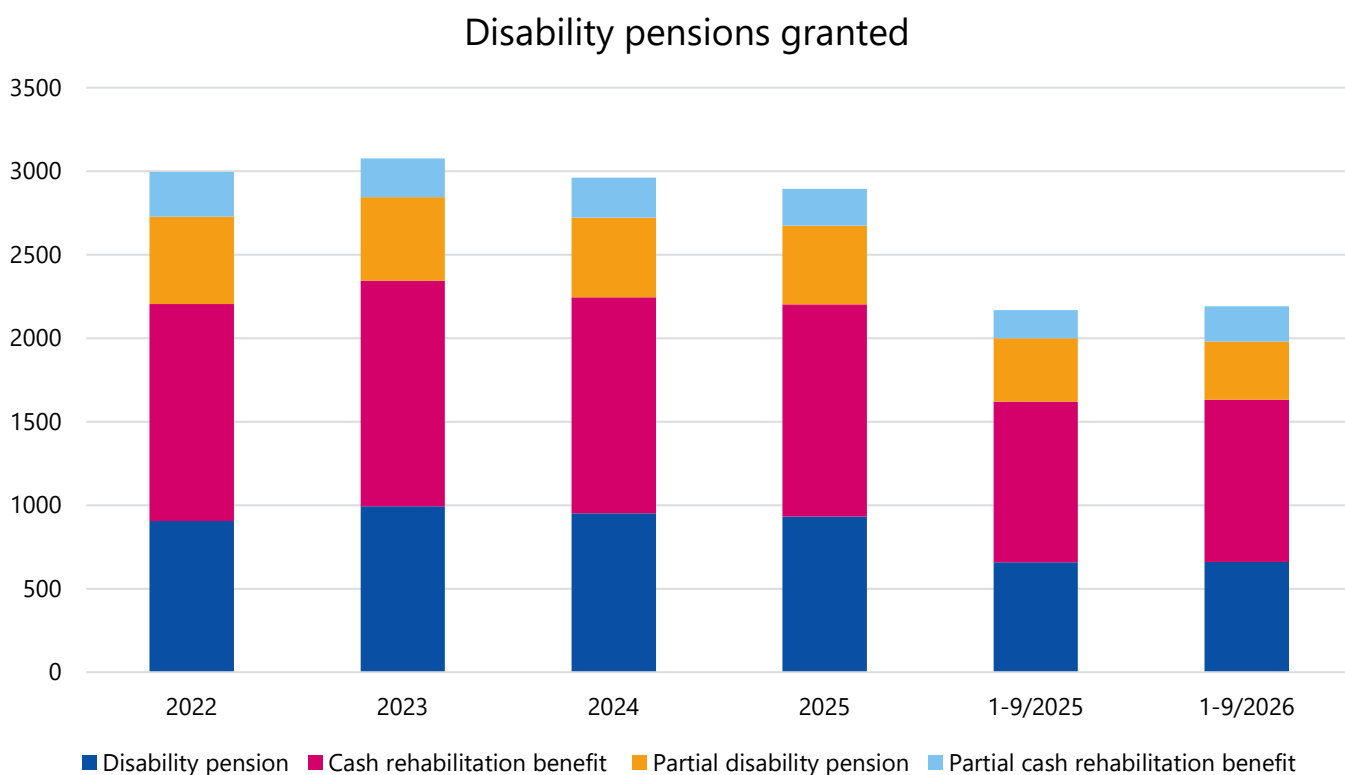
Maia the work ability assistant helps HR professionals and supervisors in issues related to work ability management. The service is a combination of Varma's expertise and AI. The assistant provides quick support in questions and situations related to work ability. Maia will be available via voice and text chat. The information provided by the assistant is based on Varma's expert knowledge and studies.



We activate customers to initiate vocational rehabilitation

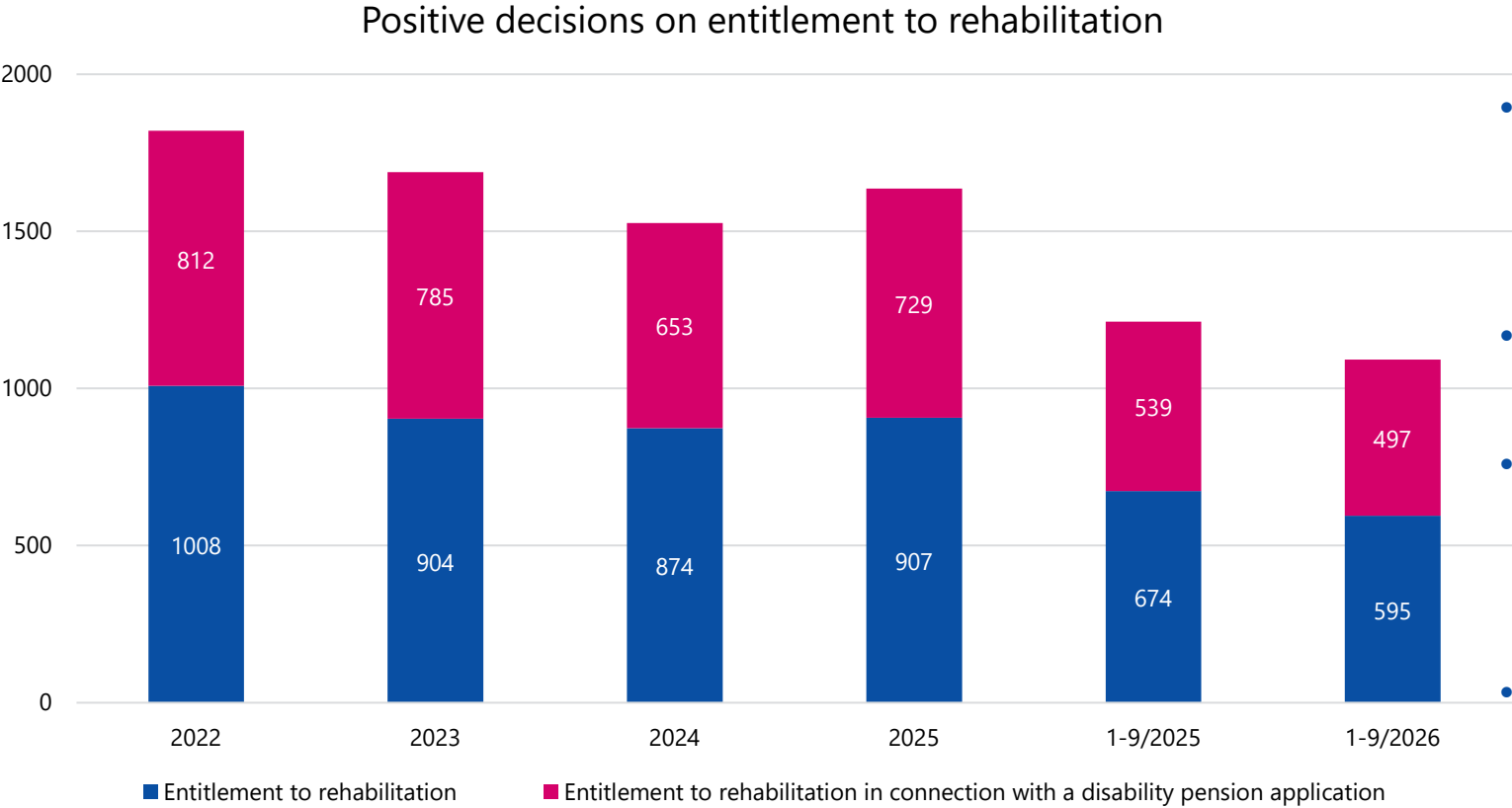
During the summer, we launched a pilot project to activate customers to begin vocational rehabilitation. We contact our customers whose cash rehabilitation benefit, i.e. fixed-term disability pension, is about to end. The goal is to help customers seek rehabilitation to ensure they exercise their right to it or that the cash rehabilitation benefit is not unnecessarily prolonged.

Number of granted disability pensions remained nearly unchanged compared to the previous year



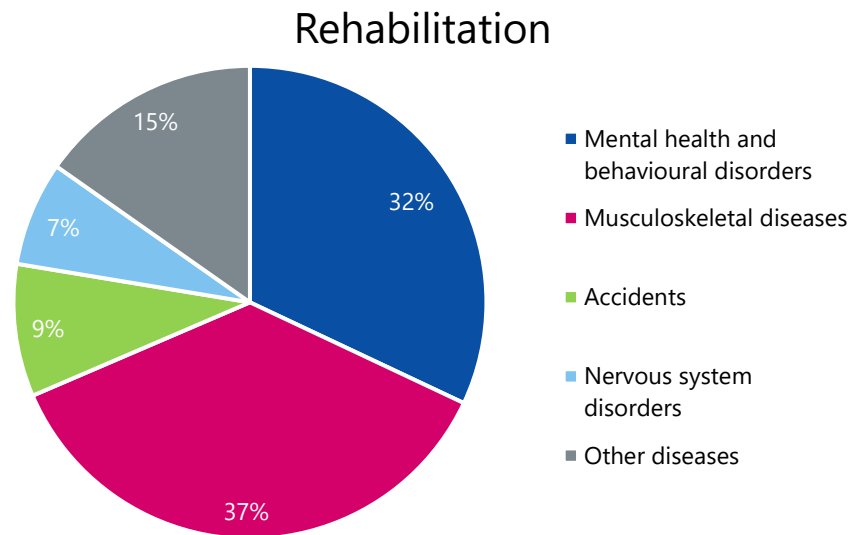
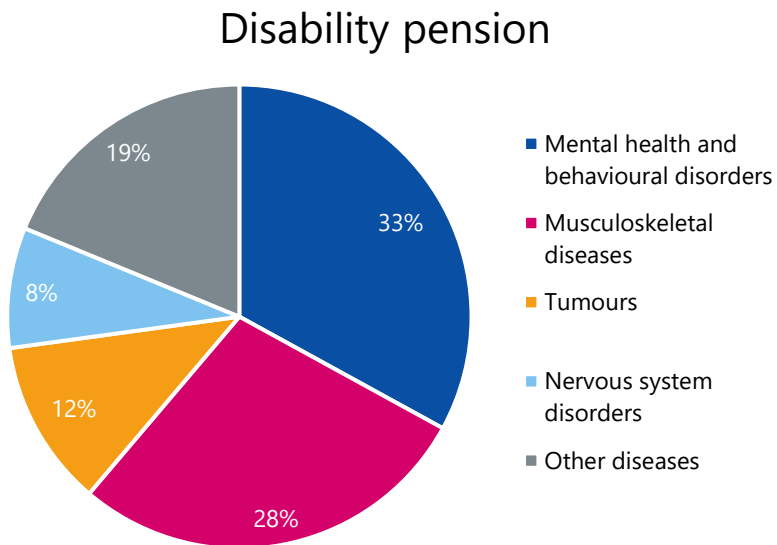
- The number of new disability pensions granted in January– September 2026 remained close to the level of the same period last year. The increase was a mere **1 per cent**.
- The number of the partial cash rehabilitation benefits granted increased **24 per cent** year on year. Of all disability pensions granted in January– September, they accounted for **10 per cent**.
- The share of partial disability pensions (partial cash rehabilitation benefits and partial disability pensions) of all granted disability pensions was **26 per cent**. The share remained nearly unchanged compared to the previous year.
- **54 per cent** of the granted disability pensions consisted of the **fixed-term** cash rehabilitation benefit and the partial cash rehabilitation benefit. **The share increased 2 per cent** year on year.

Number of vocational rehabilitation decisions lower than a year earlier



- The number of rehabilitation applications declined **3.5 per cent** from the previous year.
- In January–September, **10 per cent** fewer vocational rehabilitation decisions were issued than during the same period last year.
- **45 per cent** of rehabilitation applicants received a positive decision.
- A slightly larger share (**46 per cent**) of the rehabilitation decisions were issued in connection with a disability pension application.
- A vocational rehabilitation decision can be issued upon an application for it, or in connection with a disability pension decision.

The most common reason for granting a disability pension was a mental health disorder, whereas for rehabilitation it was a musculoskeletal disease



- The most common reason for new disability pensions in January–September 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



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.

Latest developments in sustainability



Keilaniemen Portti completed – nominated for the 2026 Wood Award

Construction was completed on Keilaniemen Portti, an office building in Espoo commissioned by Varma. Efforts were made to reduce the building's lifecycle emissions through, e.g. timber construction and energy-efficiency solutions. The building is in the running for the 2026 Wood Award.



Varma promotes UN Sustainable Development Goals

In September, we took part in SDG Flag Day, which promotes the UN's Sustainable Development Goals. We promote the goals by supporting work ability and longer careers, investing responsibly, reducing the climate impacts of our own operations and investments, and developing good governance and sustainable operating practices.



When assessing sustainability, identifying the connections between risks is important

Some 90 per cent of respondents to Varma's fund survey had a responsible investment policy in place. Only 28 per cent of respondents had integrated geopolitical risks, technological disruption and energy security in their investment decisions. In assessing the sustainability of a portfolio, the interconnected risks are highlighted.

Investment outlook



Economic outlook

- Equity markets navigate the crosscurrents between AI capex and the impacts of the war in Iran
- The impacts of AI capex spill over into traditional industry
- Long-term interest rates have neared their highest levels of the 2000s in many countries
- Corrections in certain sectors; equities remain strong overall
- Inflation faces upward pressure as energy prices rise
- Finland's economy has shifted into export-driven growth



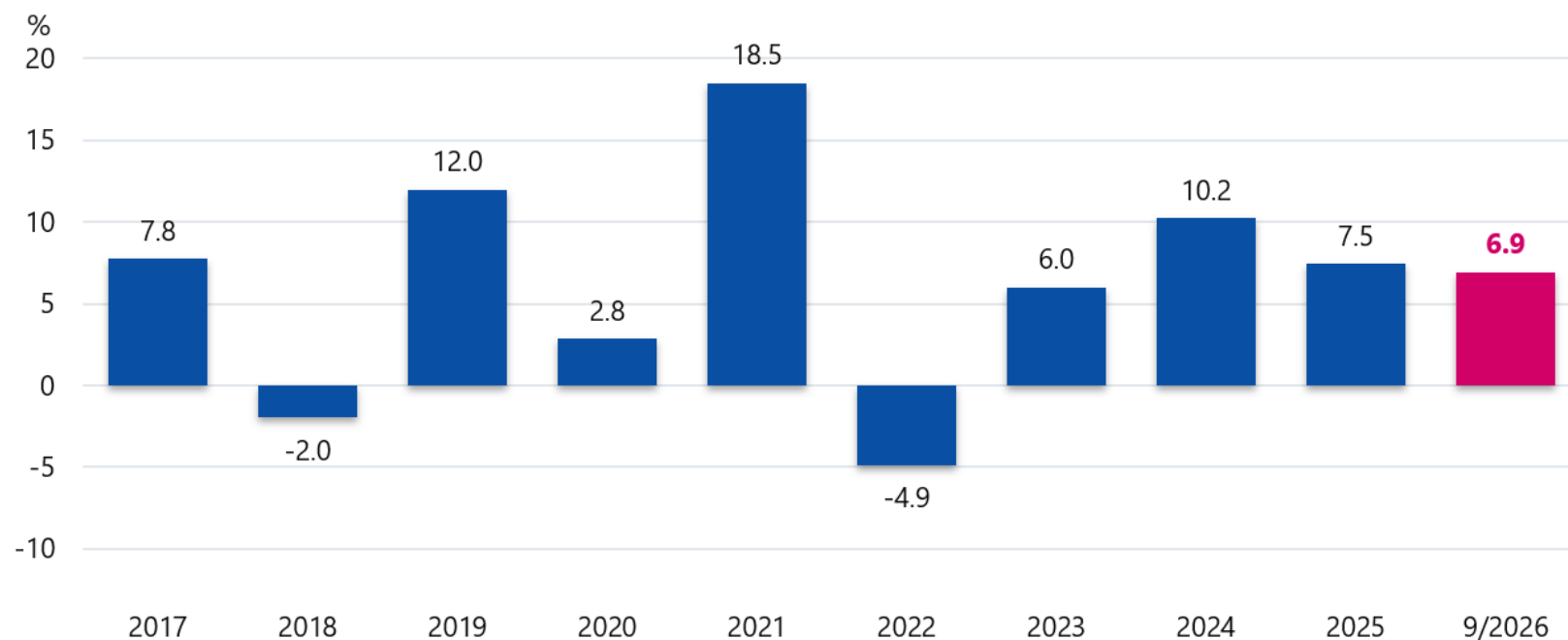
Varma backs the growth of Finnish companies

- Since the start of 2021, Varma has funded Finnish growth companies to the tune of over EUR 1.1 billion.
- These investments help Varma seek long-term returns on pension assets through risk diversification.
- A common thread among the investee companies is a high-tech profile and strong R&D focus. Their solutions are used, for instance, in satellites, intelligence, data processing, industry, and energy systems.
- At the same time, they support the growth and internationalisation of Finnish companies.



**€1.1 bn in
growth
investments in
five years**

Return on investments since 2017



Average nominal
return on investments
over 10 years:

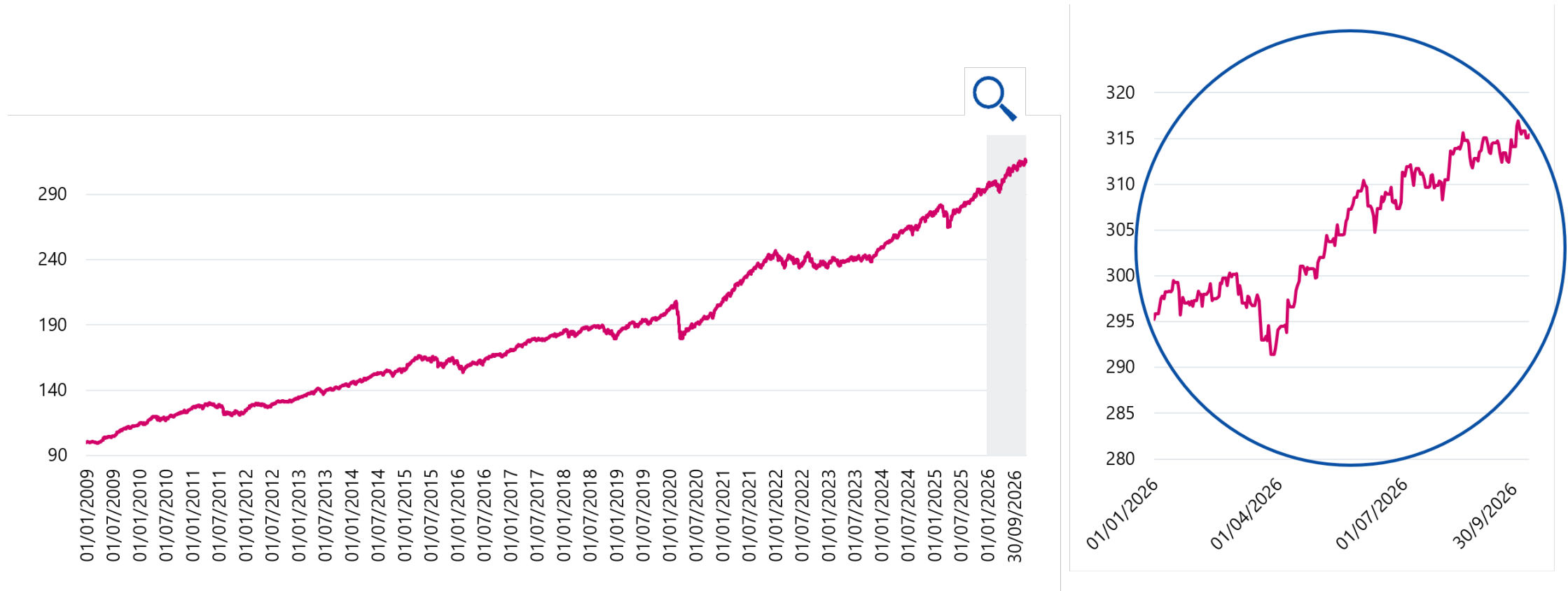
6.5%

Average nominal
return on investments
over 5 years:

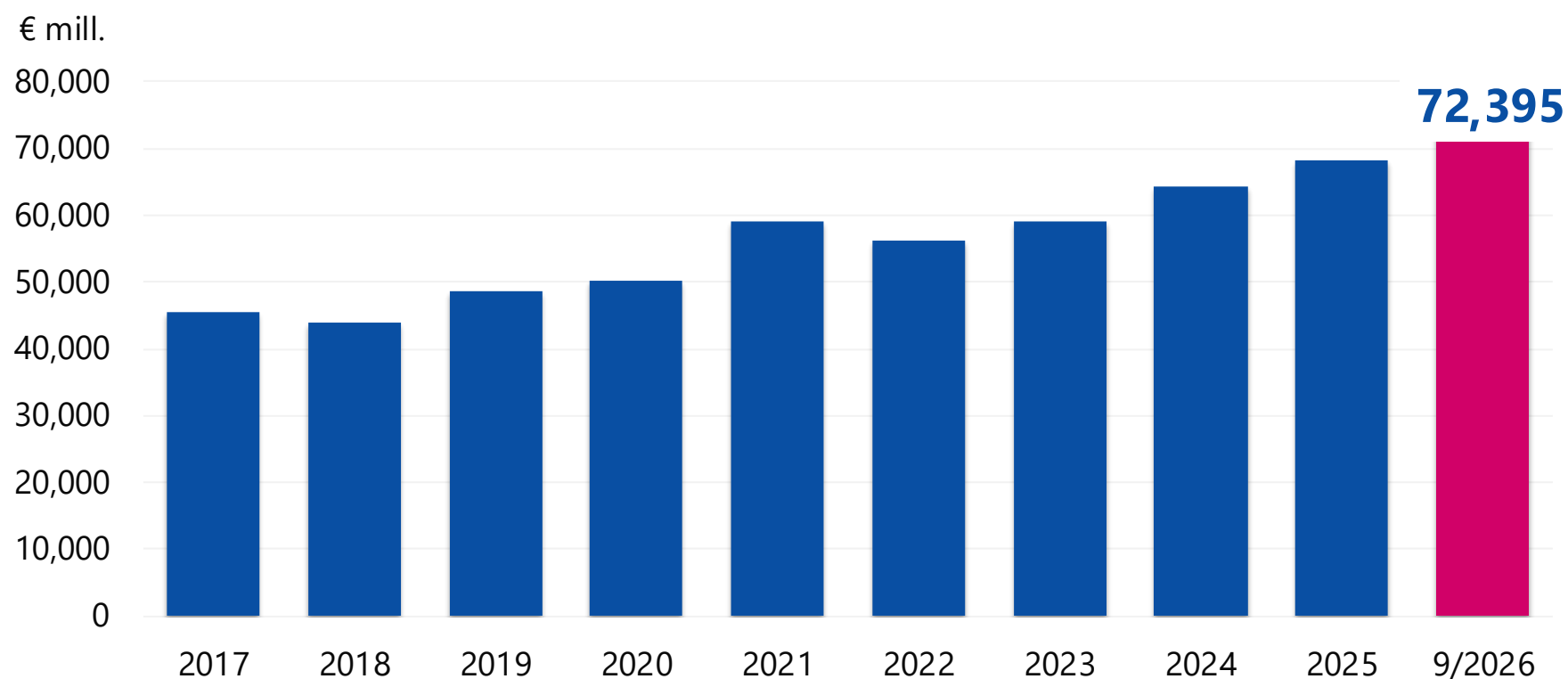
5.9%

The average nominal return on investments over ten years is approx. 6.5%, calculated in accordance with the recommendations issued by TELA.

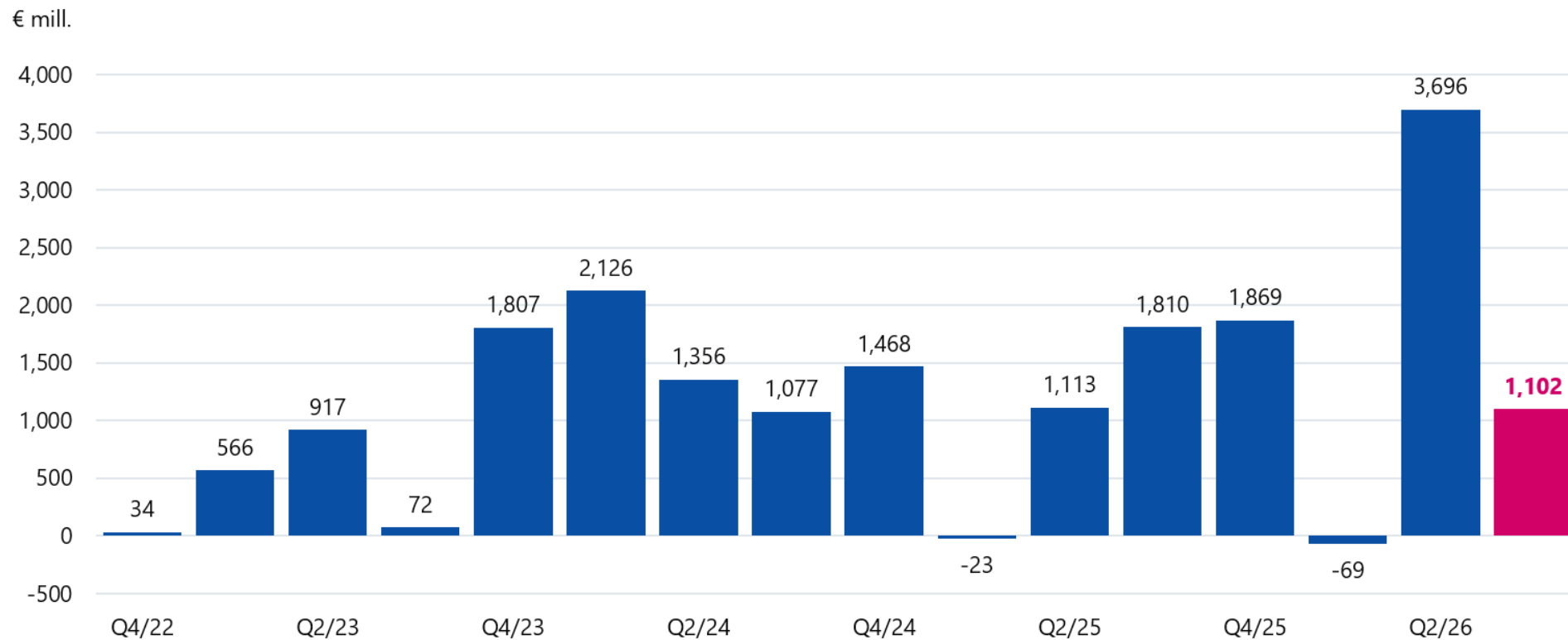
Return on investments since 2009: 215%, i.e. EUR 52.4 billion



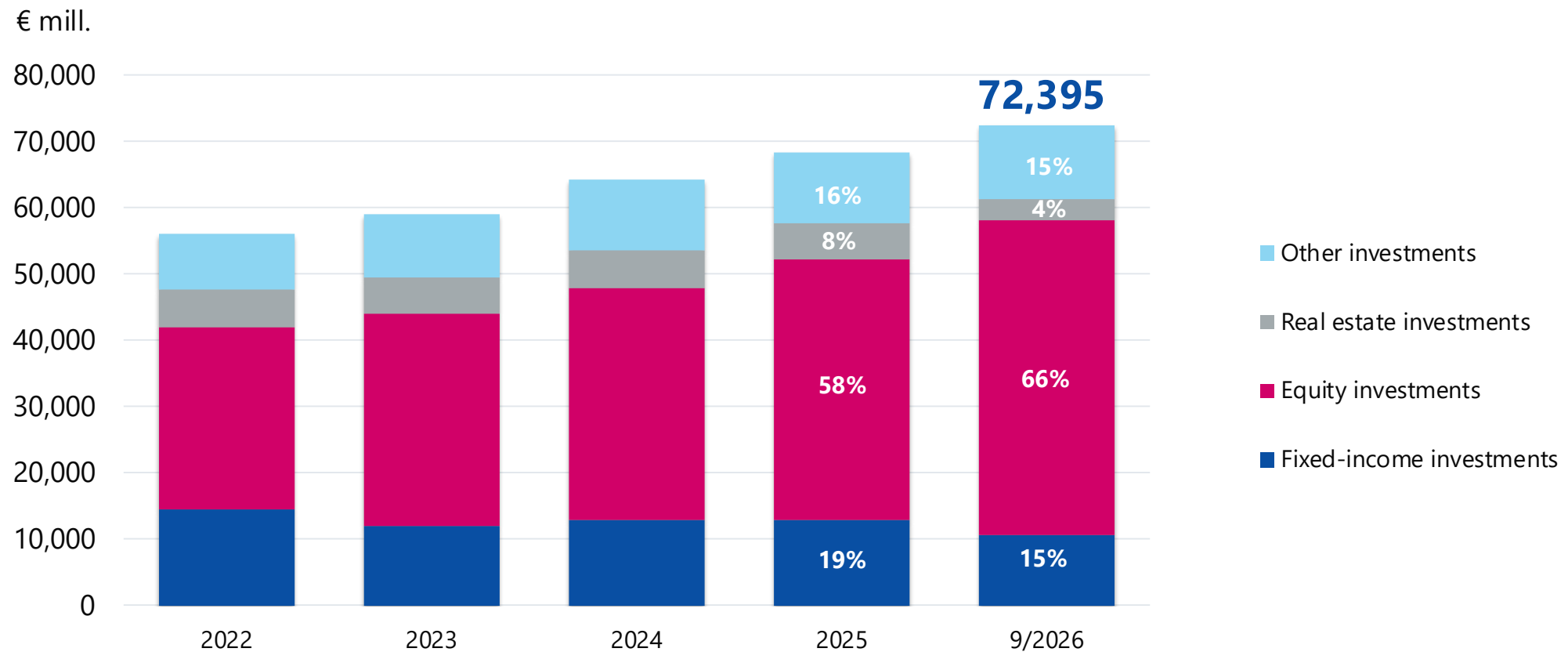
Value of investments €72.4 billion



Return on investments at fair values by quarter



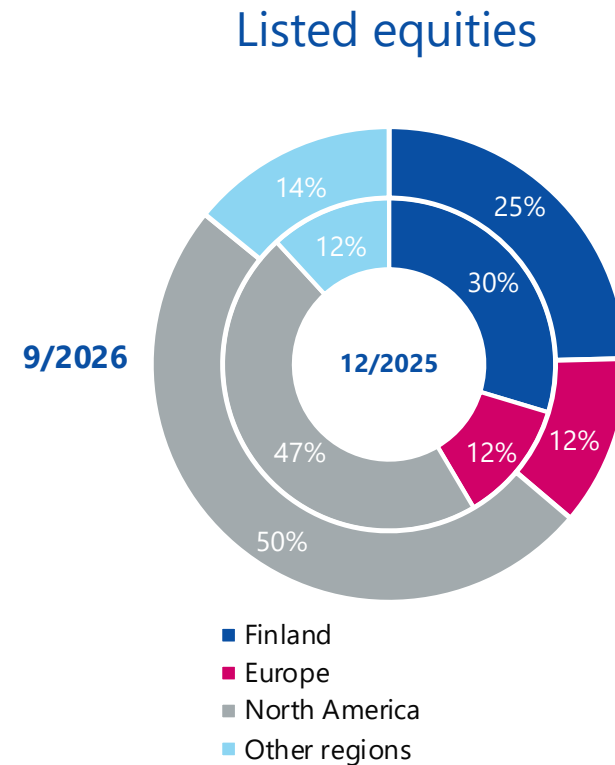
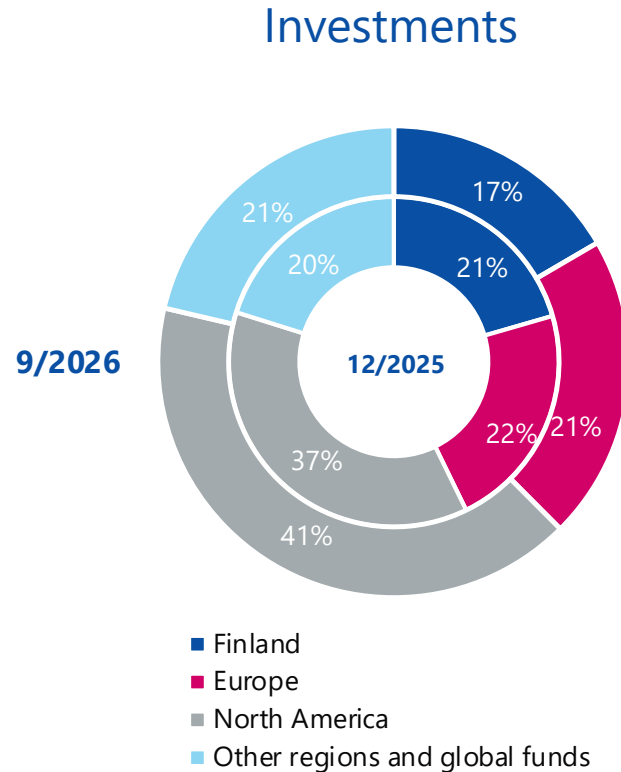
66 per cent of Varma's investments are in equities



Investments by asset class

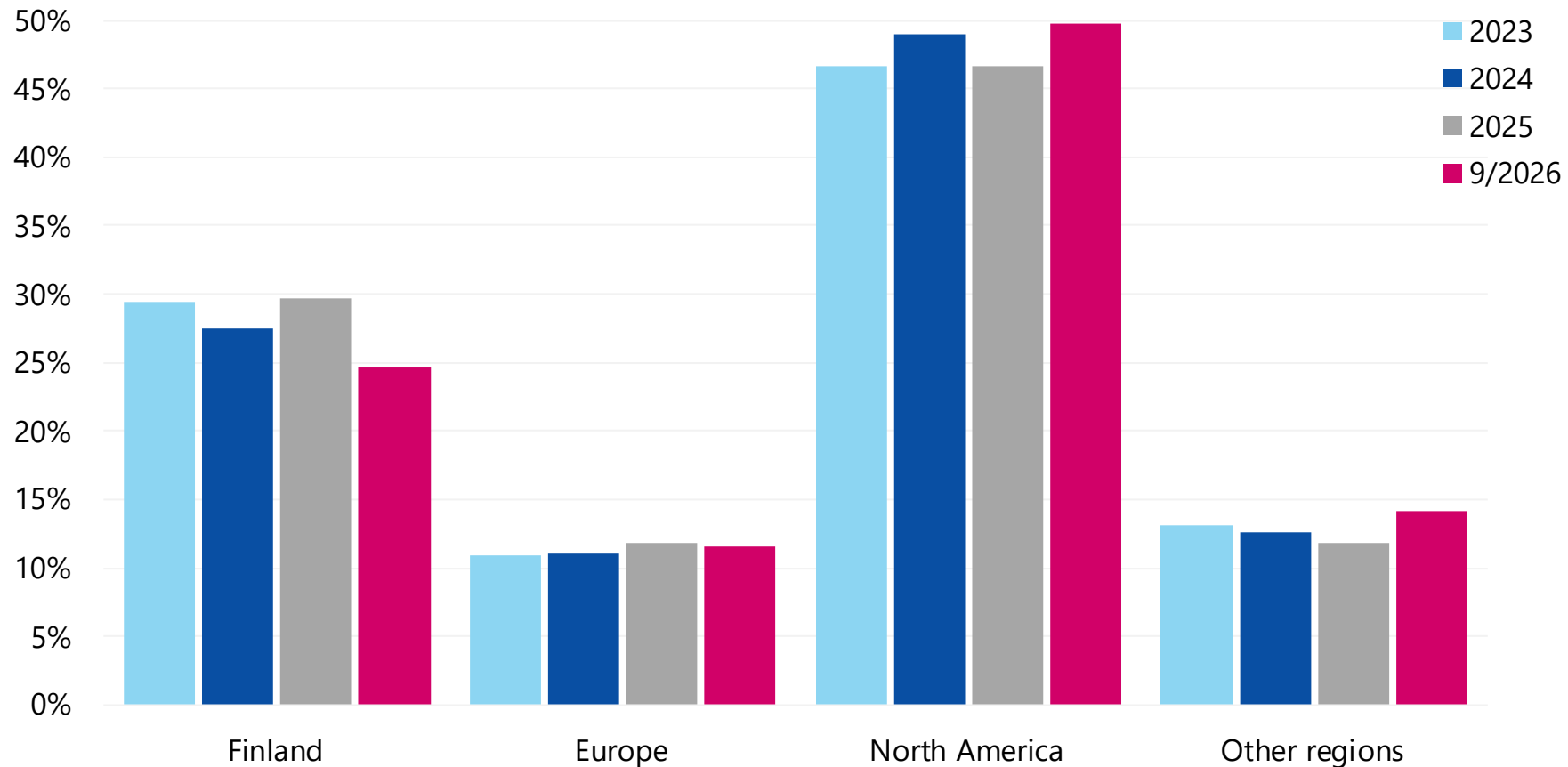
	30 Sep 2026				31 Dec 2025		01-09/2026
	Market value				Market value		Return
	Market Value		Risk position		Risk position		MWR
	mill. €	%	mill. €	%	mill. €	%	%
Fixed-income investments	10,745	15	20,386	28	13,845	20	-2.0
Loan receivables	1,781	2	1,781	2	2,069	3	1.4
Bonds	7,639	11	9,310	13	10,173	15	-3.3
Other money-market instruments and deposits	1,325	2	9,295	13	1,603	2	0.5
Equity investments	47,442	66	47,691	66	39,640	58	11.2
Listed equities	33,991	47	34,240	47	27,143	40	13.8
Private equity	12,118	17	12,118	17	11,417	17	4.9
Unlisted equities	1,333	2	1,333	2	1,079	2	11.1
Real estate investments	3,188	4	3,188	4	5,470	8	-2.1
Direct real estates	865	1	865	1	2,956	4	-5.8
Real estate funds	2,323	3	2,323	3	2,514	4	1.0
Other investments	11,020	15	11,034	15	10,616	16	5.9
Hedge funds	10,994	15	10,994	15	10,616	16	5.7
Other investments	26	0	41	0	0	0	
Total investments	72,395	100	82,300	114	69,570	102	6.9
Impact of derivatives			-9,905	-14	-1,284	-2	
Investment allocation at fair value	72,395	100	72,395	100	68,287	100	

Geographical distribution of investments



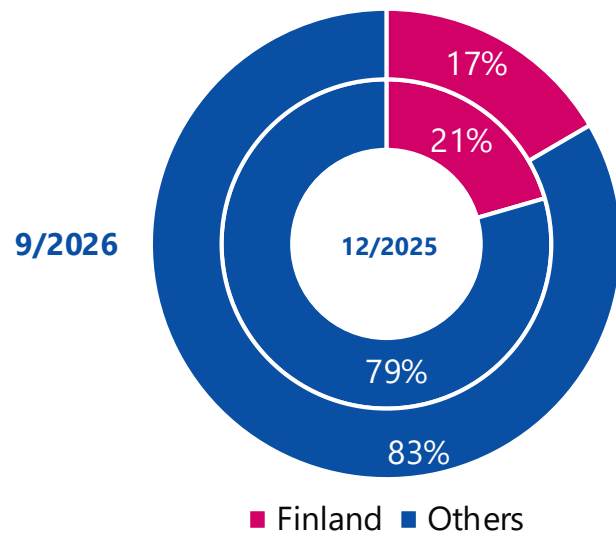
Global funds also includes investments in Finland, Europe and North America.

Geographical distribution of listed equities

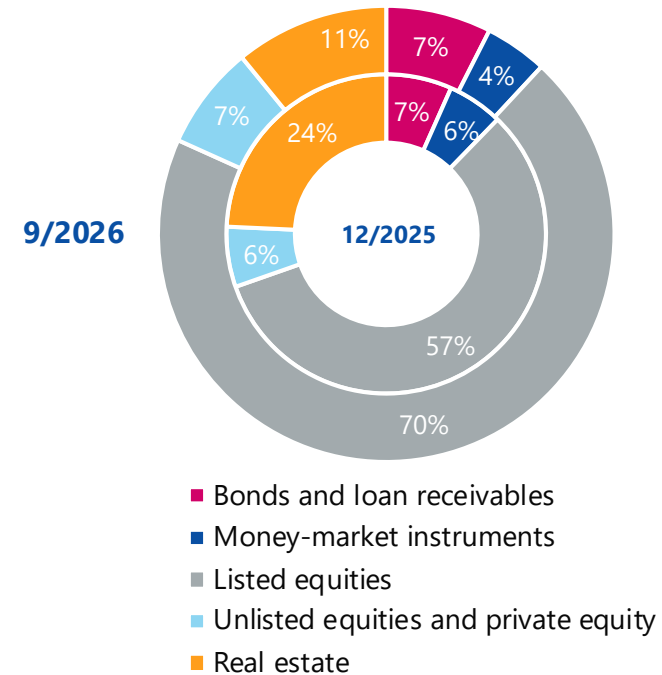


Investments in Finland 17 per cent, EUR 12.1 bn

Investments in Finland

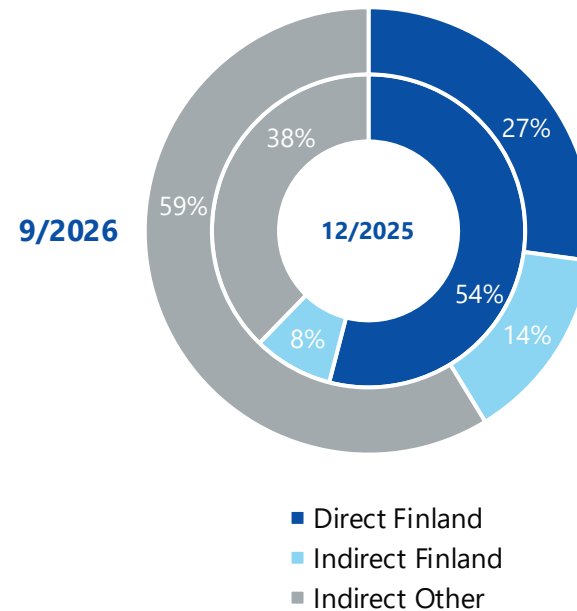


Distribution of Finnish investments



41 per cent of real estate investments, i.e. EUR 1.3 billion, in Finland

Real estate investments 3,2 bn €



Varma's and the markets' investment returns

%	Varma	Finnish equities	European equities	US equities	Euro government bonds	Euro corporate bonds
1-9/2026	6,9	13,8	9,5	12,7	-3,2	-1,3
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	7,1	9,7	13,8	-2,9	-0,4
10 years	6,5	10,0	9,1	15,3	-0,8	0,6
Since 1999 *	5,9	8,9	5,7	8,8	2,9	3,2
Average real return						
5 years	2,4	3,5	6,0	10,0	-6,2	-3,7
10 years	4,1	7,6	6,7	12,8	-3,0	-1,6
Since 1999 *	3,9	6,9	3,8	6,8	1,0	1,3

* 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

Key figures

	1-9/2026	1-9/2025	1-12/2025
Premiums written, € million	5,318	5,207	6,901
Net investment income at fair value, € million	4,728	2,899	4,768
Return on invested capital, %	6.9	4.5	7.5
	9/2026	9/2025	12/2025
Technical provisions, € million	54,755	51,993	52,984
Solvency capital, € million	19,992	17,589	18,221
in relation to solvency limit	2.0	1.7	1.7
Pension assets, € million	73,422	67,687	69,308
% of technical provisions	137.4	135.1	135.7
TyEL payroll, € million	28,116	27,090	27,034
YEL payroll, € million	1,114	1,097	1,097

VARMA