

Varma's Interim Report 1 January–31 March 2024

The comparison figures in parentheses are from 31 March 2023, unless otherwise indicated.

- Total result amounted to EUR 1,068 (-240) million.
- The three-month return on investments was 3.6 (1.0) per cent.
- The market value of investments was EUR 60.9 (59.1 on 1 Jan) billion.
- Solvency capital was EUR 15,078 (14,010 on 1 Jan) million, and 1.6 (1.6 on 1 Jan) times the solvency limit.

Economic operating environment

Global economic growth remained fairly stable in the first quarter of 2024. Economic growth has been driven largely by consumption of goods and services, while the manufacturing industry has stagnated. Weak economic areas have been interest-rate-sensitive sectors such as construction and consumer durables. Despite the economic challenges, the global employment trend has been favourable, which, combined with households' strengthened purchasing power, has supported private consumption. Spring has brought more positive messages from industry, in turn raising this year's economic forecasts. The USA continues to be the engine of global economic growth, while Europe's sluggish outlook has remained essentially unchanged. China's economic growth prospects have remained stable despite problems in the country's real estate sector, and according to survey results, there are signs of a slight improvement in economic growth.

Global inflation is slowing. In the USA, inflation has clearly outpaced the Fed's target inflation rate, reflecting a strong improvement in employment and tighter monetary policy's slow impact on the economy. Persistent inflation has pushed interest rates back up in the USA, and in Europe the markets have starting pricing in the central banks' more moderate interest rate cuts. The ECB is expected to cut the policy rate earlier and more than the Fed, which has widened the gap in interest rates between the economic areas.

The USA's robust economic growth has considerably reduced the risks of a global recession. Nevertheless, the growth prospects of major economies are more moderate than last year, and global inflation development does not yet allow aggressive easing of monetary policy. The geopolitical situation is highly unstable, although the dialogue between the world's two biggest economies, the USA and China, appears to have strengthened. Major public deficits and the stalling of political decision-making in several countries ahead of important elections leave little room to manoeuvre for public finances and financial policy's support for economic growth.

Finland's economy is in recession. Corporate investments, housing construction and consumption have declined as a result of the weak development of purchasing power and the higher interest rate level. Tightening financial policy and strikes during the spring negatively affected economic growth, employment and investment appetites in the first quarter of the year. The slowing down of inflation and the expected easing of monetary policy will, however, likely start to alleviate the economic distress at the end of the year.

Earnings-related pension system

The working group set up by the Ministry of Social Affairs and Health and the Ministry of Finance to look into reforming the earnings-related pension system has continued its work. The objective of the working group is to identify the changes that are needed to ensure the financial sustainability of the earnings-related pension system, secure an adequate level of benefits and stabilise the pension insurance contribution level through a rule-based stabilisation mechanism in the long term. The objective is also to strengthen public finances in the long term by approximately 0.4 percentage points in relation to the GDP. The working group is expected to draw up a proposal of measures by 31 January 2025, after which the proposal will be compiled into a

government proposal. The key labour market organisations have also established a bipartite pension negotiation group to prepare the pension reform.

The changes to the contribution category model, which is used to finance disability pensions, took effect at the start of 2024. The impacts of the changes will be reflected in employers' insurance contributions in the longer term. The changes aim to, among other things, promote the employment of older workers and those with partial disability and encourage companies to adopt timely and effective rehabilitation practices.

Based on amendments to the Self-Employed Persons' Pensions Act (YEL) that entered into force at the start of 2023, last year Varma reviewed the income of 12,000 entrepreneurs whose income was under EUR 15,000. This work continues in 2024 and concerns entrepreneurs whose YEL income is between EUR 15,000 and EUR 25,000. For Varma, this means reviewing the YEL insurance of 8,000 entrepreneurs.

Varma's economic development

The total result at fair value for the three-month period amounted to EUR 1,068 (-240) million. The single most important factor in terms of the total result is the investment surplus, which was EUR 1,063 (-247) million. The return on investments at fair value was EUR 2,126 (566) million. The return requirement on technical provisions was EUR 1,063 (814) million. The estimated technical underwriting result was EUR 5 (6) million. Following the introduction of the company-specific administrative cost component, Varma collects from its customers an administrative cost component that reflects Varma's costs. The loading profit was EUR -1 (0) million.

The solvency capital, which serves as a risk buffer for investment operations and insurance risks, was EUR 15,078 (14,010 mill. on 1 Jan) million at the end of March, and pension assets in relation to the technical provisions were 132.2 (130.4 on 1 Jan) per cent.

Varma's solvency capital was on a solid level, i.e. 1.6 (1.6 on 1 Jan) times the solvency limit.

Insurance business

Varma's premiums written in January–March amounted to EUR 1,491 (1,408) million.

At the end of March, Varma's pension recipients numbered 350,200 (350,500 on 1 Jan 2024). Claims paid in January–March totalled EUR 1,808 (1,699) million.

By the end of March, 7,438 new pension decisions and preliminary decisions were made, which is roughly 30 per cent more than in the corresponding period last year. A total of 14,176 pension decisions were made in January–March. During the reporting period, the number of old-age pension applications increased substantially compared to the first quarter of 2023, because in the first quarter of 2023 no age group had reached its statutory old-age retirement age.

At the end of March, 590,901 (607,535 on 1 Jan) employees and entrepreneurs were insured by Varma. The TyEL payroll grew 3.9 per cent during the review period compared to the same period of 2023. In the transfer rounds between earnings-related pension insurance companies at the start of the year, EUR 129 (31) million in net annual premiums written is being transferred to Varma. Sales of pension insurance policies to new customers during the reporting period amounted to EUR 23 (40) million.

Investments

In the first quarter of 2024, the return on Varma's investments increased to 3.6 (1.0) per cent and the fair value of investments reached EUR 60,939 (56,604) million. Varma's solvency ratio strengthened in the first quarter of the year to 132.2 per cent (130.4 per cent on 31 Dec 2023).

Diminishing fears of a recession supported the risk sentiment, and returns were primarily driven by the strong performance of equities and hedge funds. Stabilising growth prospects weighed down corporate bond spreads, but the rising interest rates offset the impact and weighed down the returns on listed fixed income investments.

The real estate market's gloomy situation continued, and returns in the first quarter were in slightly negative territory.

Equity investments yielded 5.3 (2.0) per cent. The return on listed equities was as high as 6.7 (2.9) per cent, but the differences between geographical areas and business sectors remained great. Of Varma's listed equity investments, US equities yielded over 11 per cent, while Finnish equities were slightly negative. Japanese equities performed very strongly in the first quarter of 2024, although the weaker yen cut into some of the euro-denominated returns. The reported returns on private equity investments were clearly more moderate than the returns on listed equities and reached 3.0 (0.7) per cent.

The new rise in interest rates pushed down the return on fixed income investments to 1.0 (1.2) per cent. In fixed income investments, investment loans and higher-risk corporate bonds yielded the highest returns. The return on lower-risk government bonds fell into negative territory. The markets priced in more moderate monetary policy easing than before in the USA and Europe, which raised the interest rate level at the turn of the year.

The return on real estate investments was -0.7 (-0.8) per cent as the markets reacted to changes in the interest rate environment and thus to the return requirements set on real estate investments. Net rental income from real estate investments remained stable despite the slump in the real estate market.

The return on other investments reached 3.9 (-1.2) per cent. Hedge investments benefited from the USA's strong economic development, narrowed credit spreads and high running yields, which boosted the performance of corporate bond and mortgage investments in particular. Due to the low duration, the negative impacts of rising interest rates on hedge investments were clearly more moderate than on listed fixed income investments.

Varma has USD-denominated investments in almost all asset classes. In accordance with Varma's investment policy, part of the currency risk is hedged. In terms of operations, foreign currency risks are managed as a whole, and in financial reporting, the exchange rate impact is included in the returns of various asset classes. The US dollar strengthened against the euro in January–March, which to some extent supported Varma's investment returns.

Varma's investment activities focused on maintaining the company's secure solvency position, broadly diversifying investments and strongly emphasising risk management. In its investment risk management, the company used derivatives for hedging purposes and to control the risk level of the portfolio. The market risk of investments is the greatest risk affecting the company's result and solvency. Equities constitute by far the greatest market risk. The VaR (Value-at-Risk) figure describing the total risk of Varma's investments stood at EUR 2,229 (2,511) million.

Operating expenses and personnel

Varma's total operating expenses in the reporting period were EUR 35 (36) million. The loading profit for the period was EUR -1 (0) million. Following the introduction of the company-specific administrative cost component, the size of the administrative cost component included in the insurance contribution equals Varma's operating expenses.

Varma's parent company had an average of 571 (564 in 2023) employees in the first quarter of 2024. At the end of March, Varma's personnel were distributed as follows: pension services 15 (17) per cent, insurance and actuarial services 13 (11) per cent, customer service departments 17 (16) per cent, work ability services 12 (13) per cent, investment operations 13 (14) per cent, and other functions 29 (29) per cent.

In March, Varma was recognised as one of Finland's Most Inspiring Workplaces for the fifth time in a row. Varma employees' response rate in the survey has been over 90 per cent year after year, which shows that Varma's employees consider the survey as a means of influencing and developing their mutual day-to-day lives. The survey is carried out annually with hundreds of Finnish organisations, and the result of Varma's personnel survey clearly exceeds the average level of Finnish specialist organisations.

Corporate Governance

Varma's Annual General Meeting was held on 15 March 2024. The Annual General Meeting appointed two new members to Supervisory Board: Janne-Olli Järvenpää and Simo Pöyhönen. The Annual General Meeting approved the financial statements and discharged the Board of Directors, the Supervisory Board and the President and CEO from liability for the financial year 2023.

Continuing as Supervisory Board members are Christoph Vitzthum (Chair), Päivi Leiwo (Deputy Chair), Petri Vanhala (Deputy Chair), Juri Aaltonen, Ari Akseli, Eero Broman, Petri Castrén, Kim Forsström, Lasse Heinonen, Marko Hovinmäki, Olavi Huhtala, Mika Joukio, Jukka Jäämaa, Risto Kalliorinne, Anne Karjalainen, Ville Kopra, Tapio Korpeinen, Katariina Kravi, Pekka Kuusniemi, Elisa Markula, Maria Mäkynen, Pasi Pesonen, Marko Piirainen, Perttu Puro, Mika Rautiainen, Eeva Sipilä, Pekka Tiitinen, Jorma Vehviläinen, Anssi Vuorio and Sauli Väntti.

The Annual General Meeting chose the audit firm Ernst & Young Oy as the company's auditor for the 2024 financial year, with Kristina Sandin (Authorized Public Accountant, Authorized Sustainability Auditor) serving as the principal auditor. By the Annual General Meeting's resolution, the audit firm Ernst & Young Oy will also assure the 2024 sustainability report.

As of the beginning of 2024, Varma's Board of Directors is composed of Jaakko Eskola (Chair), Antti Palola (Deputy Chair), Risto Penttinen (Deputy Chair), Riku Aalto, Anu Ahokas, Anja Frada, Ari Kaperi, Kristiina Mäkelä, Teo Ottola, Pekka Piispanen, Merja Ranta-aho and Saana Siekkinen, and deputy members Jari Elo, Jouni Hakala and Ville Talasmäki.

An up-to-date Corporate Governance Statement based on the recommendations of the Finnish Corporate Governance Code is presented on Varma's website. Varma publishes quarterly interim reports with the aim of ensuring transparent public financial reporting that conforms to best practices.

Sustainability

Varma published its third-party-assured Annual and Sustainability Report for 2023 in accordance with the Global Reporting Initiative (GRI). The report details Varma's key operational results and sustainable actions from the perspectives of pension cover, investments and sustainable working life. The report includes a section on biodiversity, adapting the requirements of the new Taskforce for Nature-related Financial Disclosures (TNFD) framework for the first time.

In Europe, the EU's Corporate Sustainability Reporting Directive makes the previously voluntary reporting requirements mandatory as of this year, and sustainability will be increasingly embedded in boards of directors' tasks.

Varma published its environmental policy in March 2024. Varma has had a climate policy for investments since 2016, but the new environmental policy recognises the significance of environmental impacts throughout the value chain. Biodiversity preservation and climate mitigation are given equal weight. The updated environmental policy covers a comprehensive range of sectors exposed to biodiversity loss. The due diligence process applied in investment operations now also includes sectors that have high exposure to biodiversity risks, such as the food, pharmaceutical and cosmetic industries, manufacturers of packaging materials, the clothing and luxury goods industries, and waste management companies.

EcoVadis, a globally recognised business sustainability rating provider, has awarded Varma the Platinum EcoVadis Medal. Varma's sustainability practices were rated as excellent, and it ranked in the top 1 per cent of the more than 100,000 companies analysed. EcoVadis assesses companies on their sustainability performance from the perspectives of the environment, labour and human rights, ethics and sustainable procurement. The independent assessment report was completed in March 2024. Varma's previous EcoVadis result is from 2022, and since that assessment, Varma's overall score increased from 80/100 to 81/100. Varma's environmental sustainability efforts received the highest points (90/100). In the assessment, EcoVadis highlighted Varma's commitment to the Science Based Targets initiative (SBTi) and the targets set in keeping with the initiative, as well as quantitative targets related to energy consumption and greenhouse gas emissions. According to the

assessment, human and labour rights are also at a commendable level in Varma's operations in terms of both policies and concrete measures, and Varma received a score of 80/100. Of the different areas of the assessment, the greatest improvement was in procurements.

Risk management

Varma's most significant risks are related to investment operations and information processing. Cyber risks in particular are estimated to remain elevated. The most significant financial risks are those concerning investments. Varma's liquidity remains at a secure level.

The risks of pension insurance operations are related to pension and insurance processing and to the effectiveness of the joint systems used in the sector. The risk level related to these has remained low. As part of risk management, Varma conducts regular exercises in case of operational disturbances and threat scenarios.

The Board of Directors has confirmed the principles for the company's internal control and risk management system, as well as Varma's continuity plan. More information about insurance, investment, operative and other risks, the means for managing them, as well as related quantitative data, are provided in the notes to Varma's financial statements.

Varma's Board of Directors' investment plan lays down the general security, diversification and liquidity goals for investments, and the principles governing the company's currency risk hedging. The diversification of the investment portfolio is based on allocation that takes into account the return correlations of asset classes. Varma's risk and solvency assessment describes Varma's key risks and the company's measures to manage them.

Outlook

The outlook for the economic operating environment remains quite challenging. While the likelihood of a global recession has decreased in the short term, persistent inflation may force central banks to maintain relatively tight monetary policy for a long time. The rise in interest rates and high indebtedness leave financial policy little room to manoeuvre, and cut consumers' spending opportunities, although there are significant differences between countries in how monetary policy is transmitted to debt servicing costs. The markets' risk pricing has clearly moderated.

Geopolitical risks remain high, which, combined with the higher interest rate level, is putting the brakes on companies' investment decisions in Finland. Even though inflation has started to decline, there is major uncertainty related to its future development. This may be seen on the markets as strong fluctuations in interest rates. Expenditure pressures related to the aging population, challenges related to security and energy policy, and higher debt service costs than in the last few years mean sustainable economic policy will continue to face challenges. At the same time, carrying out economic policy reforms geared to strengthening productivity growth is very challenging in an environment of slow growth and unstable political atmosphere. The rapid development of artificial intelligence may boost future development of productivity, but its impacts on global growth and productivity are still difficult to assess.

However, Varma's strong solvency position and careful risk management ensure good conditions for the performance of investment returns and secure the pension benefits of the insured in various market conditions. Varma continues to effectively implement the earnings-related pension system.

Helsinki, 26 April 2024

Risto Murto
President and CEO

The figures presented in this interim report are unaudited figures of the parent company.

Varma Mutual Pension Insurance Company is a responsible and solvent investor of pension funds. The company is responsible for the statutory earnings-related pension cover of 941,000 people in the private sector. Premiums written totalled EUR 6.5 billion in 2023 and pension payments stood at EUR 7.1 billion. The company's investment portfolio amounted to EUR 60.9 billion at the end of March 2024.

FURTHER INFORMATION:

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ATTACHMENT: Graphs and charts

www.varma.fi/en

<https://www.varma.fi/annualreport>

Balance sheet at fair values (Parent Company)

| € million | 3/2024 | 3/2023 | 12/2023 |
|--|---------------|---------------|---------------|
| Assets | | | |
| Investments | 60,939 | 56,604 | 59,078 |
| Receivables | 1,233 | 1,175 | 1,339 |
| Furniture and fixtures | 2 | 2 | 2 |
| Total Assets | 62,174 | 57,781 | 60,419 |
| Liabilities | | | |
| Capital and reserves | 154 | 147 | 152 |
| Valuation differences | 14,001 | 11,447 | 12,975 |
| Provision for future bonuses | 931 | 1,512 | 892 |
| Off-balance-sheet liabilities and other deductions | -9 | -3 | -9 |
| Solvency capital, total | 15,078 | 13,103 | 14,010 |
| Provision for current bonuses (for client bonuses) | 0 | 0 | 142 |
| Equity-linked provision for current and future bonuses | 627 | -570 | -17 |
| Actual technical provision | 46,162 | 44,859 | 45,949 |
| Total | 46,788 | 44,289 | 45,932 |
| Other liabilities | 308 | 389 | 335 |
| Total Liabilities | 62,174 | 57,781 | 60,419 |

Income statement at fair values (Parent Company)

| € million | 1-3/2024 | 1-3/2023 | 1-12/2023 |
|-----------------------------------|--------------|-------------|------------|
| Premiums written | 1,491 | 1,408 | 6,466 |
| Claims paid | -1,808 | -1,699 | -6,775 |
| Change in technical provisions | -714 | -489 | -2,134 |
| Net investment income | 2,140 | 572 | 3,396 |
| Total operating expenses | -35 | -36 | -137 |
| Other income/expenses | 0 | 0 | 2 |
| Taxes | -5 | 2 | -2 |
| Total result ¹⁾ | 1,068 | -240 | 815 |

¹⁾ Result at fair value before the change in provision for current and future bonuses.

| € million | 1-3/2024 | 1-3/2023 | 1-12/2023 |
|--------------------------|--------------|-------------|------------|
| Underwriting profit/loss | 5 | 6 | 70 |
| Investment result | 1,063 | -247 | 739 |
| Loading profit | -1 | 0 | 4 |
| Other income/expenses | 0 | 0 | 2 |
| Total result | 1,068 | -240 | 815 |

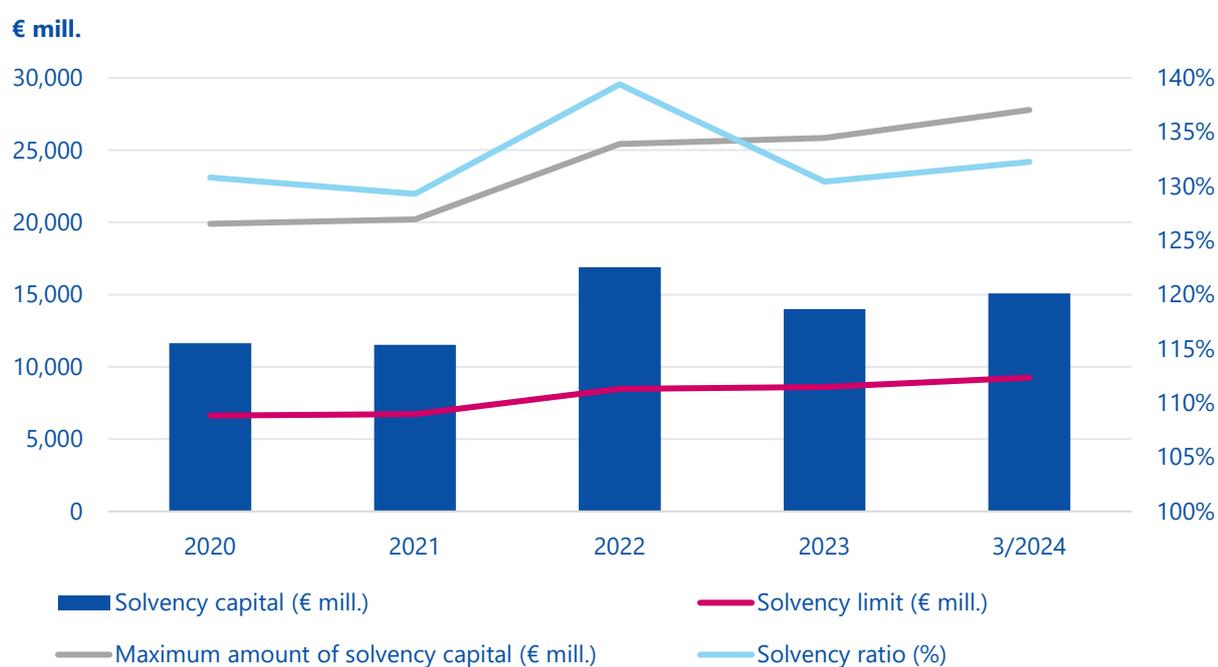
Solvency capital and limits

| | 31/03/2024 | 31/03/2023 | 31/12/2023 |
|---|------------|------------|------------|
| Solvency limit (€ mill.) | 9,260 | 7,452 | 8,614 |
| Maximum amount of solvency capital (€ mill.) | 27,780 | 22,357 | 25,843 |
| Solvency capital (€ mill.) | 15,078 | 13,103 | 14,010 |
| Solvency ratio (%) ¹⁾ | 132.2 | 129.6 | 130.4 |
| Solvency capital/Solvency limit ²⁾ | 1.6 | 1.8 | 1.6 |

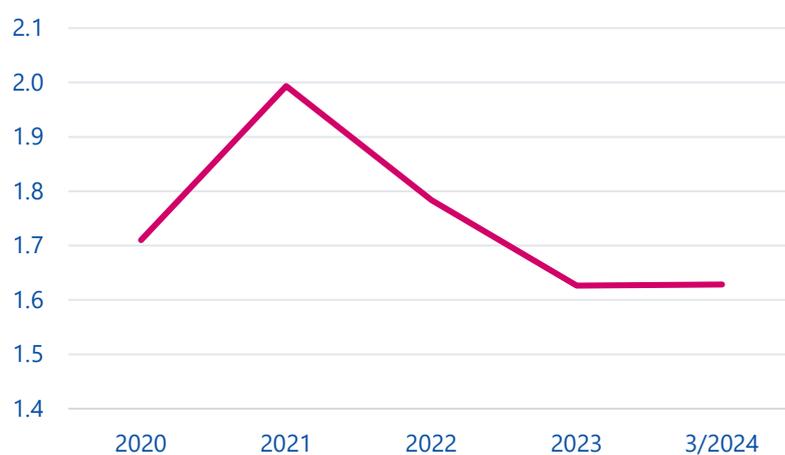
¹⁾ Pension assets in relation to the technical provisions under §11 of the Ministry of Social Affairs and Health's decree governing pension institutions (614/2008).

²⁾ Solvency capital in relation to the solvency limit.

Solvency development



Solvency capital in relation to the solvency limit



Investments at fair value

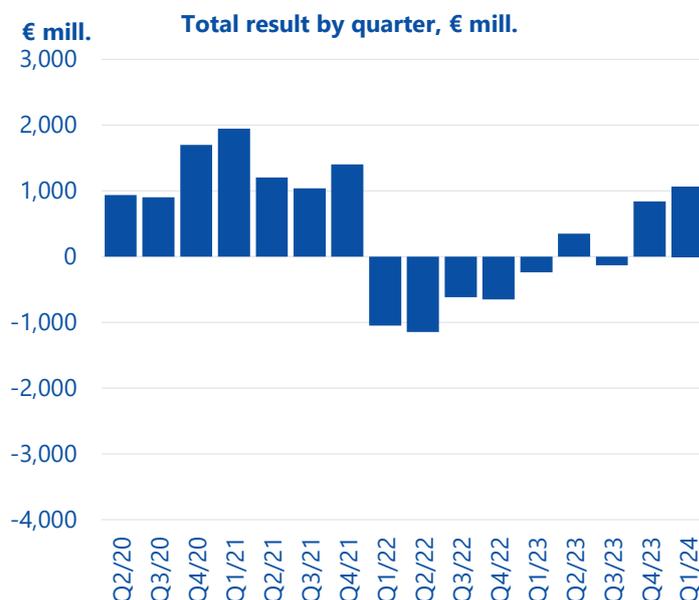
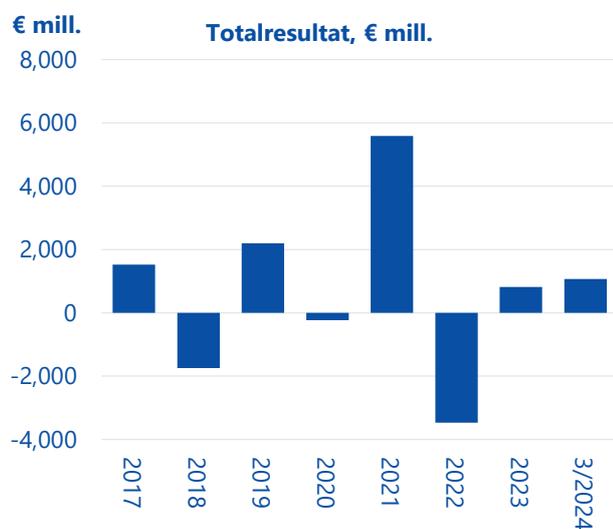
| | 31 Mar 2024 | | | | 31 Mar 2023 | | | | 31 Dec 2023 | | | | 1-3/2024 | 1-3/2023 | 1-12/2023 | 24 m Volati- lity |
|--|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|---------------|------------|-------------|-------------|-------------|-------------------------|
| | Market Value | | Risk position | | Market Value | | Risk position | | Market Value | | Risk position | | Return | Return | Return | |
| | € mill. | % | MWR | MWR | MWR | |
| Fixed-income investments ¹ | 11,598 | 19 | 13,495 | 22 | 14,214 | 25 | 14,847 | 26 | 12,081 | 20 | 9,307 | 16 | 1.0 | 1.2 | 5.6 | |
| Loan receivables | 2,538 | 4 | 2,538 | 4 | 2,772 | 5 | 2,772 | 5 | 2,598 | 4 | 2,598 | 4 | 2.6 | 1.5 | 7.3 | |
| Bonds | 7,756 | 13 | 10,038 | 16 | 9,251 | 16 | 9,606 | 17 | 8,304 | 14 | 8,967 | 15 | 0.6 | 1.4 | 5.8 | 5.0 |
| Public bonds | 3,181 | 5 | 5,366 | 9 | 4,698 | 8 | 5,062 | 9 | 3,769 | 6 | 4,335 | 7 | -0.4 | 2.0 | 4.5 | |
| Other bonds | 4,574 | 8 | 4,672 | 8 | 4,554 | 8 | 4,544 | 8 | 4,536 | 8 | 4,632 | 8 | 1.4 | 0.8 | 7.3 | |
| Other money-market instruments and deposits | 1,305 | 2 | 920 | 2 | 2,190 | 4 | 2,468 | 4 | 1,179 | 2 | -2,259 | -4 | 0.4 | 0.3 | 2.0 | |
| Equity investments | 33,556 | 55 | 33,797 | 55 | 28,005 | 49 | 27,815 | 49 | 31,874 | 54 | 31,866 | 54 | 5.3 | 2.0 | 8.6 | |
| Listed equities | 21,912 | 36 | 22,153 | 36 | 17,657 | 31 | 17,467 | 31 | 20,634 | 35 | 20,626 | 35 | 6.7 | 2.9 | 10.3 | 14.0 |
| Private equity | 10,792 | 18 | 10,792 | 18 | 9,657 | 17 | 9,657 | 17 | 10,425 | 18 | 10,425 | 18 | 3.0 | 0.7 | 5.5 | |
| Unlisted equities | 852 | 1 | 852 | 1 | 691 | 1 | 691 | 1 | 815 | 1 | 815 | 1 | 1.6 | -2.2 | 8.9 | |
| Real estate investments | 5,677 | 9 | 5,677 | 9 | 5,715 | 10 | 5,715 | 10 | 5,641 | 10 | 5,641 | 10 | -0.7 | -0.8 | -4.3 | |
| Direct real estates | 3,062 | 5 | 3,062 | 5 | 3,185 | 6 | 3,185 | 6 | 3,021 | 5 | 3,021 | 5 | 1.0 | 1.0 | -4.0 | |
| Real estate funds | 2,615 | 4 | 2,615 | 4 | 2,529 | 4 | 2,529 | 4 | 2,620 | 4 | 2,620 | 4 | -2.7 | -2.9 | -4.6 | |
| Other investments | 10,109 | 17 | 10,116 | 17 | 8,671 | 15 | 8,668 | 15 | 9,481 | 16 | 9,480 | 16 | 3.9 | -1.2 | 5.6 | |
| Hedge funds | 10,100 | 17 | 10,100 | 17 | 8,678 | 15 | 8,678 | 15 | 9,480 | 16 | 9,480 | 16 | 3.9 | -1.1 | 6.1 | 2.4 |
| Commodities | 2 | 0 | 9 | 0 | 2 | 0 | -2 | 0 | 2 | 0 | 1 | 0 | | | | |
| Other investments | 7 | 0 | 7 | 0 | -9 | 0 | -9 | 0 | -1 | 0 | -1 | 0 | | | | |
| Total investments | 60,939 | 100 | 63,085 | 104 | 56,604 | 100 | 57,044 | 101 | 59,078 | 100 | 56,294 | 95 | 3.6 | 1.0 | 6.0 | 4.9 |
| Impact of derivatives | | | -2,146 | -4 | | | -441 | -1 | | | 2,784 | 5 | | | | |
| Investment allocation at fair value | 60,939 | 100 | 60,939 | 100 | 56,604 | 100 | 56,604 | 100 | 59,078 | 100 | 59,078 | 100 | | | | |

The modified duration for all the bonds is 4.55.

The open currency position is 31.0 per cent of the market value of the investments.

¹ Includes accrued interest

Total result



Summary of the key figures

| | 1-3/2024 | 1-3/2023 | 1-12/2023 |
|--|----------|----------|-----------|
| Premiums written, € million | 1,491 | 1,408 | 6,466 |
| Net investment income at fair value, € million | 2,126 | 566 | 3,363 |
| Return on invested capital, % | 3.6 | 1.0 | 6.0 |

| | 3/2024 | 3/2023 | 12/2023 |
|---------------------------------|--------|--------|---------|
| Technical provisions, € million | 47,720 | 45,801 | 46,966 |
| Solvency capital, € million | 15,078 | 13,103 | 14,010 |
| in relation to solvency limit | 1.6 | 1.8 | 1.6 |
| Pension assets, € million | 61,839 | 57,367 | 60,057 |
| % of technical provisions | 132.2 | 129.6 | 130.4 |
| TyEL payroll, € million | 26,357 | 25,429 | 25,367 |
| YEL payroll, € million | 1,051 | 926 | 943 |

Investments at fair value, broken down as per the regulations of the Financial Supervisory Authority

| | Market value | | | | | | Risk position | | | | | |
|---|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|---------------|--------------|
| | 31 Mar 2024 | | 31 Mar 2023 | | 31 Dec 2023 | | 31 Mar 2024 | | 31 Mar 2023 | | 31 Dec 2023 | |
| | € mill. | % |
| Fixed-Income Investments | 11,598 | 19.0 | 14,214 | 25.1 | 12,081 | 20.5 | 13,495 | 22.1 | 14,847 | 26.2 | 9,307 | 15.8 |
| Loan receivables | 2,538 | 4.2 | 2,772 | 4.9 | 2,598 | 4.4 | 2,538 | 4.2 | 2,772 | 4.9 | 2,598 | 4.4 |
| Bonds | 7,756 | 12.7 | 9,251 | 16.3 | 8,304 | 14.1 | 10,038 | 16.5 | 9,606 | 17.0 | 8,967 | 15.2 |
| Other money-market instruments and deposits | 1,305 | 2.1 | 2,190 | 3.9 | 1,179 | 2.0 | 920 | 1.5 | 2,468 | 4.4 | -2,259 | -3.8 |
| Equity investments | 33,556 | 55.1 | 28,005 | 49.5 | 31,874 | 54.0 | 33,797 | 55.5 | 27,815 | 49.1 | 31,866 | 53.9 |
| Listed equities | 21,912 | 36.0 | 17,657 | 31.2 | 20,634 | 34.9 | 22,153 | 36.4 | 17,467 | 30.9 | 20,626 | 34.9 |
| Private equity | 10,792 | 17.7 | 9,657 | 17.1 | 10,425 | 17.6 | 10,792 | 17.7 | 9,657 | 17.1 | 10,425 | 17.6 |
| Unlisted equities | 852 | 1.4 | 691 | 1.2 | 815 | 1.4 | 852 | 1.4 | 691 | 1.2 | 815 | 1.4 |
| Real estate investments | 5,677 | 9.3 | 5,715 | 10.1 | 5,641 | 9.5 | 5,677 | 9.3 | 5,715 | 10.1 | 5,641 | 9.5 |
| Direct real estates | 3,062 | 5.0 | 3,185 | 5.6 | 3,021 | 5.1 | 3,062 | 5.0 | 3,185 | 5.6 | 3,021 | 5.1 |
| Real estate funds | 2,615 | 4.3 | 2,529 | 4.5 | 2,620 | 4.4 | 2,615 | 4.3 | 2,529 | 4.5 | 2,620 | 4.4 |
| Other investments | 10,109 | 16.6 | 8,671 | 15.3 | 9,481 | 16.0 | 10,116 | 16.6 | 8,668 | 15.3 | 9,480 | 16.0 |
| Hedge funds | 10,100 | 16.6 | 8,678 | 15.3 | 9,480 | 16.0 | 10,100 | 16.6 | 8,678 | 15.3 | 9,480 | 16.0 |
| Commodities | 2 | 0.0 | 2 | 0.0 | 2 | 0.0 | 9 | 0.0 | -2 | 0.0 | 1 | 0.0 |
| Other investments | 7 | 0.0 | -9 | 0.0 | -1 | 0.0 | 7 | 0.0 | -9 | 0.0 | -1 | 0.0 |
| Total | 60,939 | 100.0 | 56,604 | 100.0 | 59,078 | 100.0 | 63,085 | 103.5 | 57,044 | 100.8 | 56,294 | 95.3 |
| Impact of derivatives | | | | | | | -2,146 | -3.5 | -441 | -0.8 | 2,784 | 4.7 |
| Total | 60,939 | 100.0 | 56,604 | 100.0 | 59,078 | 100.0 | 60,939 | 100.0 | 56,604 | 100.0 | 59,078 | 100.0 |

Modified duration of the bond portfolio 4.6

Net return on invested capital

| | Net investment return at fair value | Invested capital | Return % on invested capital 31 Mar 2024 | Return % on invested capital 31 Mar 2023 | Return % on invested capital 31 Dec 2023 |
|--|--|---------------------|---|---|---|
| | € million | million € | % | % | % |
| Fixed-Income Investments | 120 | 11,994 | 1.0 | 1.2 | 5.6 |
| Loan receivables | 67 | 2,553 | 2.6 | 1.5 | 7.3 |
| Bonds | 47 | 8,109 | 0.6 | 1.4 | 5.8 |
| Other money-market instruments and deposits | 6 | 1,332 | 0.4 | 0.3 | 2.0 |
| Equity investments | 1,687 | 31,778 | 5.3 | 2.0 | 8.6 |
| Listed equities | 1,362 | 20,475 | 6.7 | 2.9 | 10.3 |
| Private equity | 311 | 10,471 | 3.0 | 0.7 | 5.5 |
| Unlisted equities | 14 | 832 | 1.6 | -2.2 | 8.9 |
| Real estate investments | -39 | 5,670 | -0.7 | -0.8 | -4.3 |
| Direct real estates | 31 | 3,027 | 1.0 | 1.0 | -4.0 |
| Real estate funds | -70 | 2,643 | -2.7 | -2.9 | -4.6 |
| Real estate funds | 372 | 9,644 | 3.9 | -1.2 | 5.6 |
| Hedge funds | 377 | 9,631 | 3.9 | -1.1 | 6.1 |
| Commodities | 2 | 1 | | | |
| Other investments | -6 | 13 | | | |
| Total | 2,140 | 59,087 | 3.6 | 1.0 | 6.1 |
| Unallocated income, costs and operating expenses from investment activities | -14 | 8 | | | |
| Net investment return at fair value | 2,126 | 59,095 | 3.6 | 1.0 | 6.0 |