

## Varma's Interim Report 1 January–30 September 2025

The comparison figures in parentheses are from 30 September 2024 unless otherwise indicated.

- The total result was EUR 796 (2,116) million.
- The nine-month return on investments was 4.5 (7.7) per cent.
- The market value of investments was EUR 66.7 (64.4 on 1 Jan) billion.
- Solvency capital was EUR 17,589 (16,793 on 1 Jan) million, and 1.7 (1.7 on 1 Jan) times the solvency limit.

### The economic operating environment

2025 has been characterised by a major change in the international trading system, driven by the USA's shift to a protectionist trade policy based on import tariffs. Although the change is significant and may cause potentially long-lasting changes to the international trading system, global growth has continued at a steady pace. At the beginning of the year, global trade was marked by a strong increase in inventory building particularly in the USA before the import tariffs came into effect. The effects of US trade policy on global growth are likely to become clear only gradually.

In the US, economic growth slowed compared to last year, and the labour market cooled. Economic growth in Europe accelerated early in the year, when exports to the USA were advanced before the import tariffs took effect. After this, growth began to wane. Germany's measures to strengthen the defence sector and the country's infrastructure will support the eurozone's economic growth in the coming years, but implementation will still take time. In China, economic growth relied on stimulus measures and strong development of net exports in the early part of the year, although economic activity slowed as the year progressed. In Finland, the start of economic growth was delayed due to cuts in public finances and the weak labour market. Consumption remained low due to consumer cautiousness. In the eurozone, inflation slowed to the European Central Bank's target level, and the ECB has kept its key interest rates unchanged since June. In the USA, the Fed resumed key interest rate cuts, which it justified by the rapid slowdown in the labour market. Inflation remains persistently above the target level, making it challenging to anticipate the Fed's monetary policy in the coming months.

The geopolitical situation remained difficult. The battles in Ukraine continued fiercely, and hopes for a quick ceasefire, let alone peace, faded. In Gaza, the possibility of resolving the crisis seems to have increased based on a separate peace plan, but the situation is still volatile. Tensions between Russia and European NATO countries have also increased.

### Earnings-related pension system

Preparations for the legislative changes and implementation required by the pension system reforms announced in January 2025 have continued under the leadership of the Ministry of Social Affairs and Health. The deadline for the working group is 31 March 2026.

The assessment initiated by the Finnish government regarding the development needs of the Self-Employed Persons' Pensions Act (YEL) continues, and the work of the investigator appointed by the Ministry of Social Affairs and Health is expected to be completed by the end of November this year. The investigation seeks solutions for improving how YEL income, which is used as the basis for the self-employed's pension contributions and pension, is determined. In connection with the investigator's report, other necessary amendments for developing the YEL system will also be considered.

The earnings-related pension insurance companies have submitted an application concerning the actuarial principles for the 2026 insurance contribution for the private sector to the Ministry of Social Affairs and Health, and the ministry should issue its decision by mid-November. The transition period that began in 2017, involving different employee contributions and accruals by age group, will conclude at the end of 2025.

According to the proposal, in 2026 the TyEL contribution will be 24.4 percent of the payroll on which the contribution is based, the employer's contribution will be an average of 17.10 per cent of the payroll on which the contribution is based, and the employee's contribution will be 7.30 per cent for all age groups. The uniform employee contribution means a reduced contribution for those aged 53–62, and an increased contribution for those under 53 and 63 and over compared to the 2025 contributions. The YEL pension contribution for entrepreneurs will remain on average similar to that of 2025. The removal of age-related insurance contributions will reduce the YEL contribution for those aged 53–62 who are insured under YEL, while it will increase the YEL contribution for those under 53 and 63 and over.

The insurance contribution interest rate used in TyEL and YEL insurance contributions was 2.65 per cent during the first half of the year. As of the beginning of July, the TyEL insurance contribution interest rate has been 2.10 per cent, while the YEL insurance contribution interest rate has remained at 2.65 per cent.

Finland's pension system ranked eighth in the international Mercer CFA Institute Global Pension Index. In terms of the integrity of pension system governance, Finland ranked number one in the world.

The earnings-related pension index of current pensions is adjusted annually in January to ensure pensions' purchasing power. The Finnish Centre for Pensions has submitted a proposal to the Ministry of Social Affairs and Health to raise the earnings-related pension index by 0.9 per cent for 2026. This would influence current pensions as of the beginning of 2026. The proposed increase is moderate.

## Varma's economic development

Varma's total result at fair value for nine months amounted to EUR 796 (2,116) million. The total investment result was EUR 790 (2,080) million. The return on investments at fair value was EUR 2,899 (4,558) million. The interest credited on the technical provisions was EUR 2,110 (2,478) million. The estimated technical underwriting result was EUR 7 (36) million. Following the introduction of the company-specific administrative cost component, Varma collects from its customers an administrative cost component that has been adjusted to reflect Varma's costs. The loading profit was EUR -1 (1) million.

Varma's solvency remained at a good level. The solvency capital, which serves as a risk buffer for investment and insurance operations, was EUR 17,589 (16,793 on 1 Jan) million at the end of September, and 135.1 (134.6 on 1 Jan) per cent in relation to the technical provisions.

Solvency capital was on a solid level, i.e. 1.7 (1.7 on 1 Jan) times the solvency limit.

Tables illustrating Varma's financial development are presented as attachments to this interim report.

## Insurance business

Varma's pension recipients numbered 350,000 at the end of September (351,000 on 1 Jan). Claims paid in January–September totalled EUR 5,707 (5,425) million. By the end of September, 16,320 new pension decisions were made, which is 12.6 per cent less than in the corresponding period of 2024. A total of 36,604 pension decisions were made in January–September.

The number of partial old-age pension decisions decreased by 60 per cent because no age cohort will reach the lower age limit of 62 years for partial old-age pension this year. The number of old-age pension decisions in January–September increased 9.3 per cent compared to the same period last year. The increase is partly explained by the growing trend of working while on pension and applying for pension for this work.

Based on the amendments to the Self-Employed Persons' Pensions Act, Varma has carried out YEL income reviews since June for entrepreneurs whose income is EUR 25,000 or more. The reviews will continue until the end of the year. Varma will review the incomes of over 12,000 entrepreneurs this year.

Disability risk management places an increasing emphasis on analytics and digital services. Analytics focusses on profession-specific reviews and the more detailed root causes of disability. A "years of work ability" indicator was developed to assess the effectiveness of disability risk management. In the first phase, the indicator can be used to examine how companies' activeness in work ability management is related to years of work ability. In follow-up work, the analysis can be utilised in customer work. Artificial intelligence was used to generate information on disability risks.

The TyEL payroll of those insured by Varma amounted to EUR 20,579 million during the period under review, up 3.8 per cent from the situation one year ago. At the end of September, 639,000 (621,000 on 1 Jan) employees and entrepreneurs were insured by Varma.

Varma gained a total of EUR 169 (170) million in new premiums written during January–September. That includes new sales and the net impact of premiums written transferred from other pension institutions.

## Investments

Risk sentiment soured significantly on the investment markets in April after the US president imposed high import tariffs on its trading partners. The US administration lowered the tariff rates and continued trade negotiations, which calmed the markets. Attention gradually shifted to the tax cuts and regulatory easing planned by the government. Government bond yields sought direction this year at the same time as the interest rate spreads between the USA and the eurozone narrowed. In the currency markets, the US dollar weakened in the early part of the year, but movements remained more moderate in the third quarter.

Investment returns for the review period were 4.5 (7.7) per cent, and the value of investments rose to EUR 66,693 (63,156) million. Varma's solvency ratio strengthened slightly to 135.1 per cent (134.6 per cent on 31 Dec 2024).

The equity markets performed strongly in the third quarter of the year, and the cumulative returns on equity investments for the current year rose to 5.8 (11.2) per cent. Listed equities reached 10.0 (14.8) per cent, due in particular to the strong performance of Finnish equities. US equities continued their strong rise following the correction in April, but the substantial weakening of the dollar hindered this year's euro-denominated returns. European equities performed moderately, but other markets performed strongly. The return on private equity investments remained negative, at -2.3 (4.4) per cent, mainly due to the depreciated US dollar.

Uncertainty about trade, financial and monetary policies swayed interest rates globally. In the USA, government bond yields fell during the review period, but in Europe, interest rates trended upwards. Corporate bond credit spreads tightened significantly after the turbulence at the beginning of the year, which supported their returns.

The return on real estate investments was 1.8 (-2.1) per cent. As the interest rate environment stabilises, property valuations have levelled off, although there is still uncertainty about property valuation levels, and changes in the interest rate environment continue to reflect in investors' expectations of real estate returns. Transaction volumes have generally been on the rise, but there is still a noticeable difference in views on valuation levels between buyers and sellers in the market.

The return on other investments was 3.5 (6.5) per cent. The dispersion of hedge investment returns was large between different portfolios, and the events in the listed markets had only a mild impact on the performance of the asset class. Due to the low duration, the effects of interest rate changes on hedge investments' returns were also limited.

Varma has USD-denominated investments in almost all asset classes. In accordance with Varma's investment policy, part of the currency risk is hedged. On the operational level, 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 depreciated sharply against the euro as 2025 progressed, which had a negative impact on Varma's investment returns. The value of the dollar remained stable in the third quarter.

Varma's investment activities focussed 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 2,898 (2,832) million.

### Operating expenses and personnel

Varma's administrative expenses decreased during the review period compared to the same period in 2024, and the loading profit was EUR -1 (1) million. However, Varma's total operating expenses increased as the investment function's operating expenses rose. Varma's total operating expenses in the reporting period were EUR 104 (102) million. Varma implements statutory earnings-related pension cover in an efficient manner. Following the introduction of the company-specific administrative cost component, the administrative cost component included in the insurance contribution has been adjusted to reflect Varma's costs.

Varma's parent company employed an average of 556 people in the reporting period (578 in 2024). At the end of September, Varma's personnel were distributed as follows: pension and insurance services 23 per cent, customer service departments 17 per cent, work ability services 14 per cent, investment operations 15 per cent and other functions 31 per cent.

Strategic competencies were defined for Varma's personnel, and they also represent key elements in terms of competence development as Varma implements its strategy. Salary discussions in accordance with the collective agreement binding on Varma were completed during the review period.

### Governance

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

For the third time now, Varma has assessed how prepared its investee companies are to consider biodiversity and mitigate biodiversity loss. According to the study, companies have made progress particularly in sustainable water resource management and water use guidelines, and more companies had concrete plans in place to promote biodiversity. Almost half of the companies had taken significant steps to consider biodiversity, but 12 (18 in 2024) per cent of the companies did not mention the topic in their public policies. The data for the study was based on companies' public reports and websites.

Varma is committed to halting biodiversity loss by 2030 and is also involved in the international Nature Action 100 investor-led initiative.

### Risk management

Varma's most significant risks are related to investment operations and information processing. Cyber risks in particular are estimated to remain elevated. A focus on mitigating cyber risks has contributed to disturbance-free services and preparations for future threats. 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.

The Board of Directors has confirmed the principles for the company's internal control and risk management system. 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 goals set for investments, the diversification and liquidity goals, and the principles for organising 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 is still uncertain. Global economic growth has remained moderate, and inflation has gradually slowed, but in the USA, import tariffs are creating inflationary pressures and slowing the development of purchasing power. The impacts of the US's tariff-based trade policy on global economic growth have so far been somewhat limited, but it will take time for their full effect to show. The effects of trade policy are softened by expansionary financial policy on both sides of the Atlantic. The focus of monetary policy easing has shifted from the eurozone to the USA, where the Fed is expected to resume its long-paused interest rate cuts. In the eurozone, the cycle of easing monetary policy appears to have reached its endpoint, unless the eurozone economy faces new negative shocks.

The conditions in the financial markets have remained stable since the turbulence of spring. Equity market valuations have risen to very high levels in the USA and have also increased elsewhere in the world. The decline in interest rates and corporate bond spreads reduces companies' financing costs, but in the uncertain economic situation, companies' investment appetite is strongly sector-dependent. Investments in AI and data centres are growing at an unprecedented rate, but import tariffs are hindering the investment appetite of US trading partners in several sectors. The US dollar has weakened significantly, which on one hand supports the competitiveness of American exporters, but at the same time increases inflationary pressures through higher import prices. The strengthened euro combined with US import tariffs undermines price competitiveness in the eurozone.

Geopolitical risks have remained very high. The security threats created by Russia and the new goals of NATO countries to increase European defence spending are likely to support economic growth in the coming years. However, large additional investments in security combined with the cost pressures associated with an aging population also create challenges for the sustainability of financial policy and political cohesion. Artificial intelligence has the potential to significantly improve productivity development in the future, but its impacts on global growth, employment and productivity are still difficult to assess for the time being.

Varma's strong solvency position and careful risk management ensure good conditions for the favourable 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, 24 October 2025

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 989,000 people in the private sector. Premiums written totalled EUR 6.7 billion in 2024 and pension payments stood at EUR 7.5 billion. Varma's investment portfolio amounted to EUR 66.7 billion at the end of September 2025.*

## FURTHER INFORMATION:

Pekka Pajamo, Senior Vice President, Finance and Internal Services, tel. +358 40 532 2009

Hanna Kaskela, Senior Vice President, Sustainability & Communications, tel. +358 40 584 5045

ATTACHMENT: Graphs and charts

[www.varma.fi/en](http://www.varma.fi/en)

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

## Balance sheet at fair values (Parent Company)

€ million	9/2025	9/2024	12/2024
<b>Assets</b>			
Investments	66,693	63,156	64,354
Receivables	1,118	1,699	1,395
Furniture and fixtures	1	2	2
<b>Total Assets</b>	<b>67,812</b>	<b>64,857</b>	<b>65,751</b>
<b>Liabilities</b>			
Capital and reserves	166	158	159
Valuation differences	15,574	14,724	14,989
Provision for future bonuses	1,862	1,254	1,657
Off-balance-sheet items and other deductions	-12	-11	-13
Solvency capital, total	17,589	16,125	16,793
Provision for current bonuses (for client bonuses)	0	0	170
Equity-linked provision for current and future bonuses	2,037	1,159	1,334
Actual technical provision	48,094	46,865	47,100
Total	50,131	48,024	48,434
Other liabilities	92	708	354
<b>Total Liabilities</b>	<b>67,812</b>	<b>64,857</b>	<b>65,751</b>

## Income statement at fair values (Parent Company)

€ million	1-9/2025	1-9/2024	1-12/2024
Premiums written	5,207	5,011	6,656
Claims paid	-5,707	-5,425	-7,263
Change in technical provisions	-1,527	-1,950	-2,363
Net investment income	2,934	4,593	6,071
Total operating expenses	-104	-102	-135
Other income/expenses	0	0	2
Taxes	-7	-11	-13
<b>Total result <sup>1)</sup></b>	<b>796</b>	<b>2,116</b>	<b>2,956</b>

<sup>1)</sup> Result at fair value before the change in provision for current and future bonuses

€ million	1-9/2025	1-9/2024	1-12/2024
Underwriting profit/loss	7	36	38
Investment result	790	2,080	2,914
Loading profit	-1	1	2
Other income/expenses	0	0	2
<b>Total result</b>	<b>796</b>	<b>2,116</b>	<b>2,956</b>

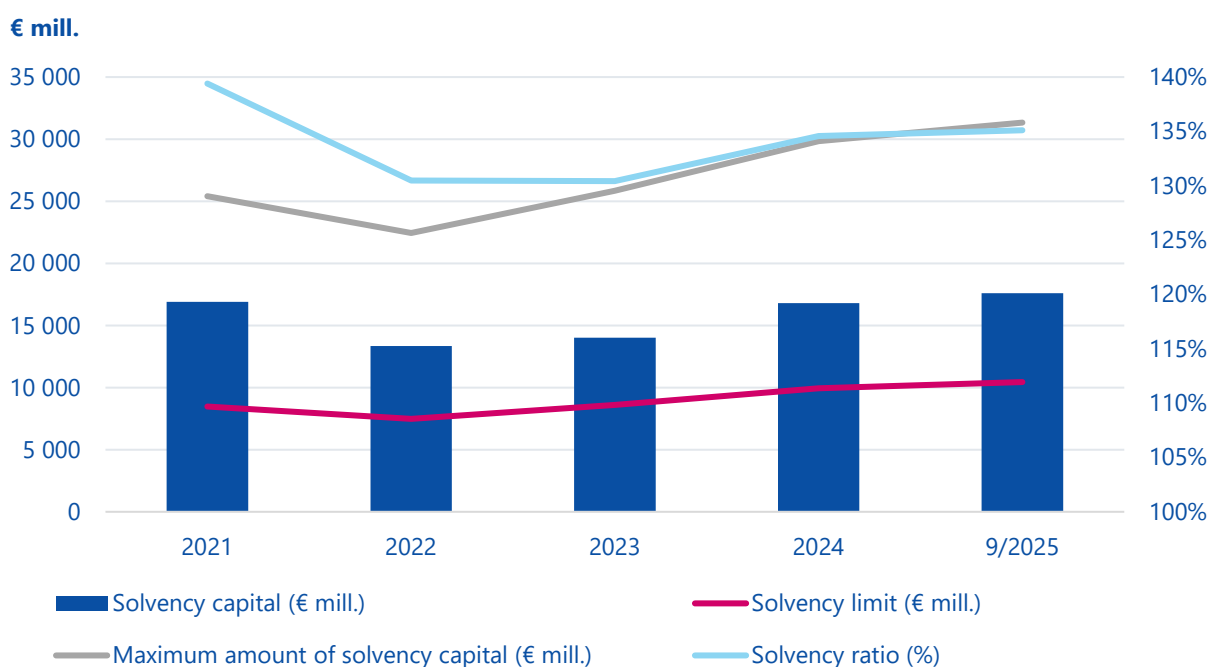
## Solvency capital and limits

	30/09/2025	30/09/2024	31/12/2024
Solvency limit (€ mill.)	10,445	9,430	9,943
Maximum amount of solvency capital (€ mill.)	31,334	28,289	29,828
Solvency capital (€ mill.)	17,589	16,125	16,793
Solvency ratio (%) <sup>1)</sup>	135.1	133.6	134.6
Solvency capital/Solvency limit <sup>2)</sup>	1.7	1.7	1.7

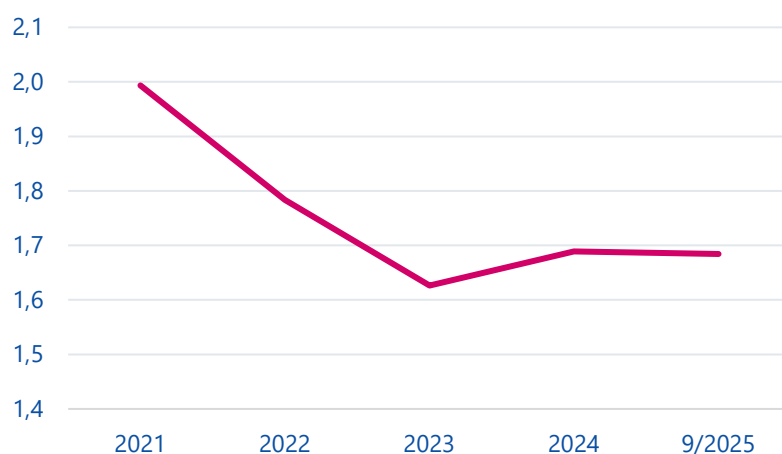
<sup>1)</sup> Pension assets in relation to the technical provisions under §11 of the Ministry of Social Affairs and Health's decree governing pension institutions (614/2008).

<sup>2)</sup> Solvency capital in relation to the solvency limit.

## Solvency development



## Solvency capital in relation to the solvency limit





## Investments at fair value

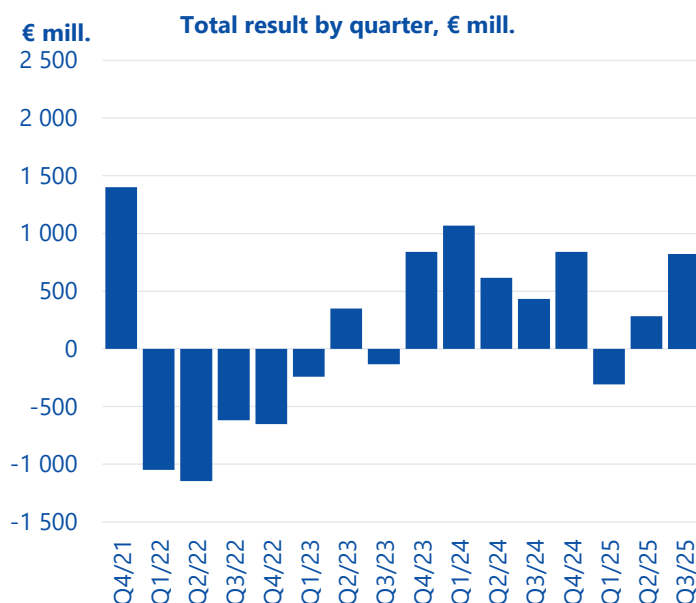
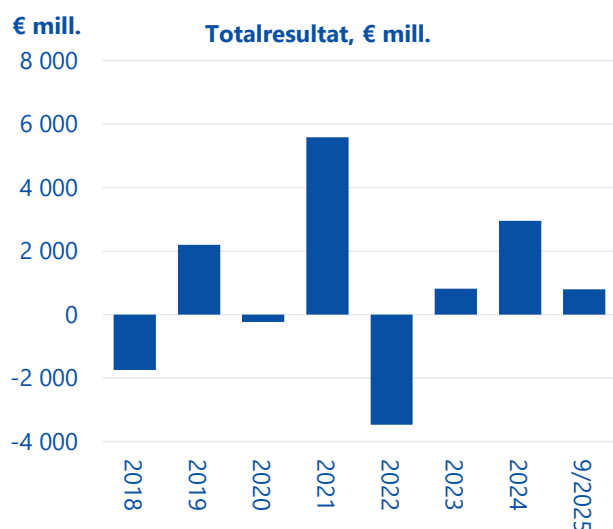
	30 Sep 2025				30 Sep 2024				31 Dec 2024				1-9/2025	1-9/2024	1-12/2024	24 m
	Market Value				Market Value				Market Value				Return	Return	Return	Volati-
	Market Value	Risk position	Market Value	Risk position	Market Value	Risk position	Market Value	Risk position	Market Value	Risk position	Market Value	Risk position	MWR	MWR	MWR	lity
	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	%	%	%	
<b>Fixed-income investments <sup>1</sup></b>	<b>12,444</b>	<b>19</b>	<b>33,052</b>	<b>50</b>	<b>12,845</b>	<b>20</b>	<b>15,062</b>	<b>24</b>	<b>12,815</b>	<b>20</b>	<b>34,854</b>	<b>54</b>	<b>3.5</b>	<b>4.7</b>	<b>4.7</b>	
Loan receivables	2,348	4	2,348	4	2,253	4	2,253	4	2,072	3	2,072	3	3.3	5.8	7.5	
Bonds	9,005	14	9,155	14	8,112	13	9,615	15	7,992	12	10,613	16	4.1	5.0	4.1	<b>4.5</b>
Public bonds	5,062	8	5,114	8	3,271	5	4,676	7	2,820	4	5,345	8	3.7	4.6	1.5	
Other bonds	3,943	6	4,041	6	4,841	8	4,939	8	5,172	8	5,268	8	4.4	5.3	5.9	
Other money-market instruments and deposits	1,092	2	21,549	32	2,479	4	3,194	5	2,751	4	22,169	34	1.8	2.0	3.6	
<b>Equity investments</b>	<b>37,904</b>	<b>57</b>	<b>38,233</b>	<b>57</b>	<b>34,239</b>	<b>54</b>	<b>34,432</b>	<b>55</b>	<b>35,134</b>	<b>55</b>	<b>35,437</b>	<b>55</b>	<b>5.8</b>	<b>11.2</b>	<b>14.9</b>	
Listed equities	25,535	38	25,864	39	22,287	35	22,480	36	22,408	35	22,711	35	10.0	14.8	16.5	<b>10.1</b>
Private equity	11,206	17	11,206	17	10,980	17	10,980	17	11,704	18	11,704	18	-2.3	4.4	12.0	
Unlisted equities	1,163	2	1,163	2	972	2	972	2	1,022	2	1,022	2	5.8	9.0	12.7	
<b>Real estate investments</b>	<b>5,656</b>	<b>8</b>	<b>5,656</b>	<b>8</b>	<b>5,723</b>	<b>9</b>	<b>5,723</b>	<b>9</b>	<b>5,717</b>	<b>9</b>	<b>5,717</b>	<b>9</b>	<b>1.8</b>	<b>-2.1</b>	<b>-2.8</b>	
Direct real estates	3,016	5	3,016	5	3,057	5	3,057	5	3,028	5	3,028	5	2.0	-0.2	-0.9	
Real estate funds	2,640	4	2,640	4	2,666	4	2,666	4	2,689	4	2,689	4	1.5	-4.3	-4.9	
<b>Other investments</b>	<b>10,689</b>	<b>16</b>	<b>10,643</b>	<b>16</b>	<b>10,350</b>	<b>16</b>	<b>10,337</b>	<b>16</b>	<b>10,687</b>	<b>17</b>	<b>10,696</b>	<b>17</b>	<b>3.5</b>	<b>6.5</b>	<b>10.5</b>	
Hedge funds	10,685	16	10,685	16	10,345	16	10,345	16	10,667	17	10,667	17	3.6	6.7	10.5	<b>1.3</b>
Commodities	2	0	-44	0	2	0	-11	0	0	0	8	0				
Other investments	1	0	1	0	3	0	3	0	21	0	21	0				
<b>Total investments</b>	<b>66,693</b>	<b>100</b>	<b>87,585</b>	<b>131</b>	<b>63,156</b>	<b>100</b>	<b>65,554</b>	<b>104</b>	<b>64,354</b>	<b>100</b>	<b>86,704</b>	<b>135</b>	<b>4.5</b>	<b>7.7</b>	<b>10.2</b>	<b>4.0</b>
Impact of derivatives			-20,892	-31			-2,397	-4			-22,350	-35				
<b>Investment allocation at fair value</b>	<b>66,693</b>	<b>100</b>	<b>66,693</b>	<b>100</b>	<b>63,156</b>	<b>100</b>	<b>63,156</b>	<b>100</b>	<b>64,354</b>	<b>100</b>	<b>64,354</b>	<b>100</b>				

The modified duration for all the bonds is 6.32

The open currency position is 29.6 per cent of the market value of the investments

<sup>1</sup> Includes accrued interest

## Total result



## Summary of the key figures

	1-9/2025	1-9/2024	1-12/2024
Premiums written, € million	5,207	5,011	6,656
Net investment income at fair value, € million	2,899	4,558	6,026
Return on invested capital, %	4.5	7.7	10.2

	9/2025	9/2024	12/2024
Technical provisions, € million	51,993	49,278	50,261
Solvency capital, € million	17,589	16,125	16,793
in relation to solvency limit	1.7	1.7	1.7
Pension assets, € million	67,687	64,121	65,365
% of technical provisions	135.1	133.6	134.6
TyEL payroll, € million	27,090	26,128	26,111
YEL payroll, € million	1,097	1,056	1,055

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

	Market value						Risk position					
	30 Sep 2025		30 Sep 2024		31 Dec 2024		30 Sep 2025		30 Sep 2024		31 Dec 2024	
	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%
<b>Fixed-Income Investments</b>	<b>12,444</b>	<b>18.7</b>	<b>12,845</b>	<b>20.3</b>	<b>12,815</b>	<b>19.9</b>	<b>33,052</b>	<b>49.6</b>	<b>15,062</b>	<b>23.8</b>	<b>34,854</b>	<b>54.2</b>
Loan receivables	2,348	3.5	2,253	3.6	2,072	3.2	2,348	3.5	2,253	3.6	2,072	3.2
Bonds	9,005	13.5	8,112	12.8	7,992	12.4	9,155	13.7	9,615	15.2	10,613	16.5
Other money-market instruments and deposits	1,092	1.6	2,479	3.9	2,751	4.3	21,549	32.3	3,194	5.1	22,169	34.4
<b>Equity investments</b>	<b>37,904</b>	<b>56.8</b>	<b>34,239</b>	<b>54.2</b>	<b>35,134</b>	<b>54.6</b>	<b>38,233</b>	<b>57.3</b>	<b>34,432</b>	<b>54.5</b>	<b>35,437</b>	<b>55.1</b>
Listed equities	25,535	38.3	22,287	35.3	22,408	34.8	25,864	38.8	22,480	35.6	22,711	35.3
Private equity	11,206	16.8	10,980	17.4	11,704	18.2	11,206	16.8	10,980	17.4	11,704	18.2
Unlisted equities	1,163	1.7	972	1.5	1,022	1.6	1,163	1.7	972	1.5	1,022	1.6
<b>Real estate investments</b>	<b>5,656</b>	<b>8.5</b>	<b>5,723</b>	<b>9.1</b>	<b>5,717</b>	<b>8.9</b>	<b>5,656</b>	<b>8.5</b>	<b>5,723</b>	<b>9.1</b>	<b>5,717</b>	<b>8.9</b>
Direct real estates	3,016	4.5	3,057	4.8	3,028	4.7	3,016	4.5	3,057	4.8	3,028	4.7
Real estate funds	2,640	4.0	2,666	4.2	2,689	4.2	2,640	4.0	2,666	4.2	2,689	4.2
<b>Other investments</b>	<b>10,689</b>	<b>16.0</b>	<b>10,350</b>	<b>16.4</b>	<b>10,687</b>	<b>16.6</b>	<b>10,643</b>	<b>16.0</b>	<b>10,337</b>	<b>16.4</b>	<b>10,696</b>	<b>16.6</b>
Hedge funds	10,685	16.0	10,345	16.4	10,667	16.6	10,685	16.0	10,345	16.4	10,667	16.6
Commodities	2	0.0	2	0.0	0	0.0	-44	-0.1	-11	0.0	8	0.0
Other investments	1	0.0	3	0.0	21	0.0	1	0.0	3	0.0	21	0.0
<b>Total</b>	<b>66,693</b>	<b>100.0</b>	<b>63,156</b>	<b>100.0</b>	<b>64,354</b>	<b>100.0</b>	<b>87,585</b>	<b>131.3</b>	<b>65,554</b>	<b>103.8</b>	<b>86,704</b>	<b>134.7</b>
Impact of derivatives							-20,892	-31.3	-2,397	-3.8	-22,350	-34.7
<b>Total</b>	<b>66,693</b>	<b>100.0</b>	<b>63,156</b>	<b>100.0</b>	<b>64,354</b>	<b>100.0</b>	<b>66,693</b>	<b>100.0</b>	<b>63,156</b>	<b>100.0</b>	<b>64,354</b>	<b>100.0</b>

### Modified duration of the bond portfolio 6.3

## Net return on invested capital

	Net investment return at fair value	Invested capital	Return % on invested capital	Return % on invested capital	Return % on invested capital
	€ million	€ million	30 Sep 2025 %	30 Sep 2024 %	31 Dec 2024 %
<b>Fixed-Income Investments</b>	<b>439</b>	<b>12,617</b>	<b>3.5</b>	<b>4.7</b>	<b>4.7</b>
Loan receivables	98	3,001	3.3	5.8	7.5
Bonds	298	7,272	4.1	5.0	4.1
Other money-market instruments and deposits	43	2,343	1.8	2.0	3.6
<b>Equity investments</b>	<b>2,024</b>	<b>35,097</b>	<b>5.8</b>	<b>11.2</b>	<b>14.9</b>
Listed equities	2,233	22,300	10.0	14.8	16.5
Private equity	-272	11,723	-2.3	4.4	12.0
Unlisted equities	63	1,075	5.8	9.0	12.7
<b>Real estate investments</b>	<b>102</b>	<b>5,700</b>	<b>1.8</b>	<b>-2.1</b>	<b>-2.8</b>
Direct real estates	61	3,007	2.0	-0.2	-0.9
Real estate funds	42	2,693	1.5	-4.3	-4.9
<b>Real estate funds</b>	<b>367</b>	<b>10,624</b>	<b>3.5</b>	<b>6.5</b>	<b>10.5</b>
Hedge funds	380	10,620	3.6	6.7	10.5
Commodities	-5	4			
Other investments	-8	1			
<b>Total</b>	<b>2 933</b>	<b>64 039</b>	<b>4,6</b>	<b>7,8</b>	<b>10,3</b>
Unallocated income, costs and operating expenses from investment activities	-33	16			
<b>Net investment return at fair value</b>	<b>2,899</b>	<b>64,055</b>	<b>4.5</b>	<b>7.7</b>	<b>10.2</b>

### Varma Mutual Pension Insurance Company

Telephone: +358 10 2440

Address: Salmisaarenranta 11, Helsinki | P.O. Box 1, FI-00098 VARMA, FINLAND

Business ID: 0533297-9

Homepage: <https://www.varma.fi/en>