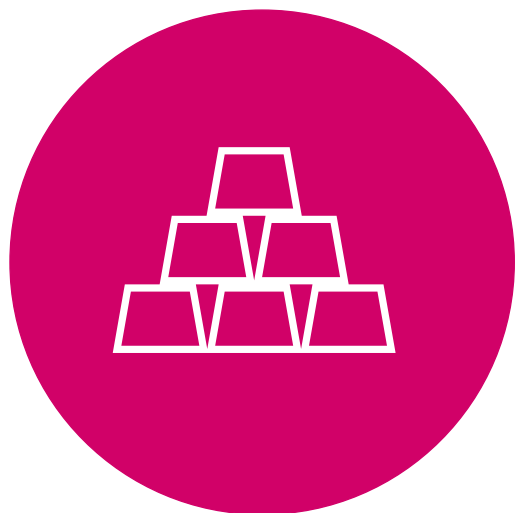
A woman with blonde hair, wearing a light-colored trench coat over a blue shirt and a pink patterned scarf, is walking on a paved bridge. She is looking upwards and to the left. The bridge has a dark metal railing. In the background, there are trees with some autumn-colored leaves and a modern building with lit windows. The sky is a soft orange and yellow, suggesting sunset or sunrise.

Varma's half-year result 1 January–30 June 2025

VARMA

Key figures 1-6/2025



Value of
investments

€64.9 bn



Return on
investments

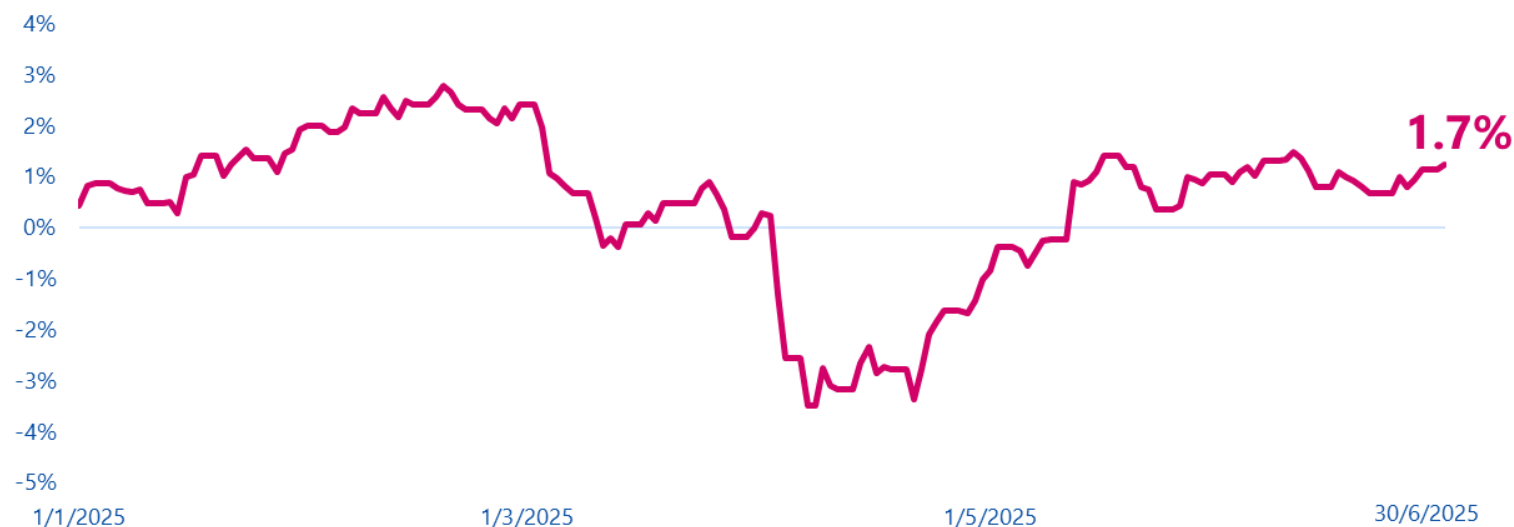
1.7%



Solvency

€16.8 bn

Investments yielded 1.7 per cent

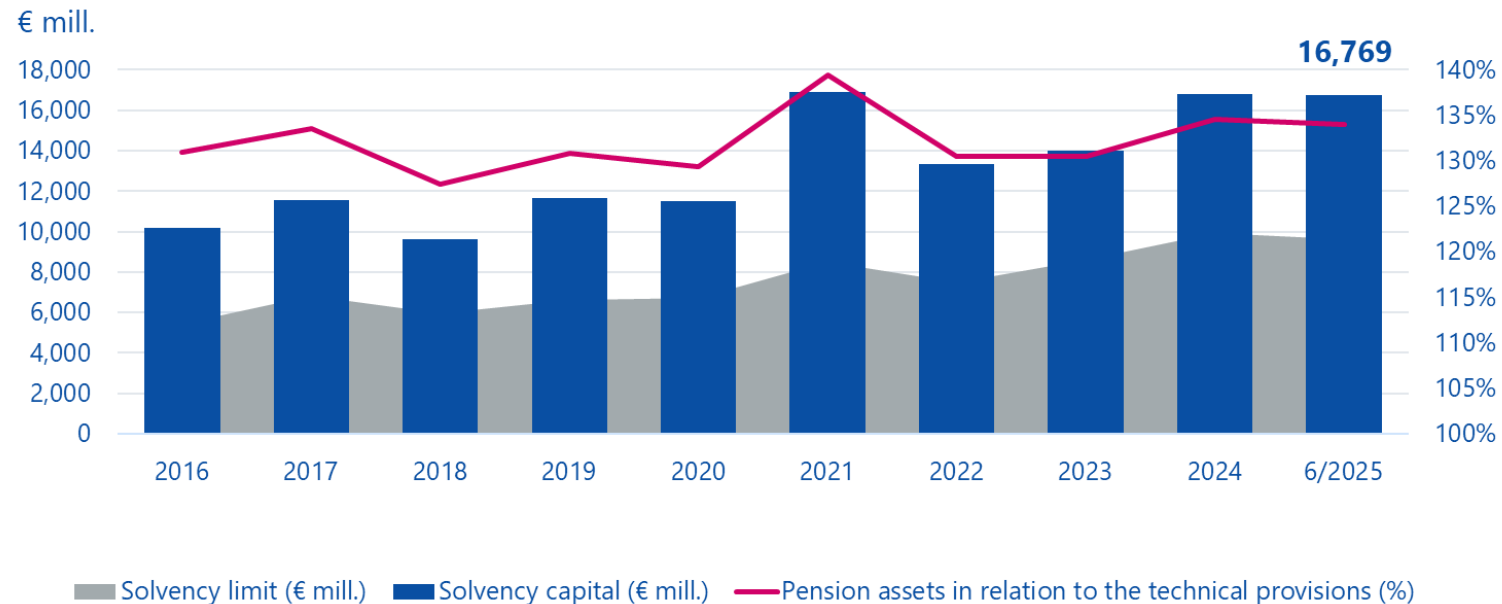


”

Investments performed satisfactorily in the first half of the year. The investment markets have been restless due to geopolitical crises and uncertainty related to tariffs, but the reactions have nevertheless been limited. The weak US dollar in particular has affected investment returns.

Risto Murto
President and CEO

Varma is the most solvent earnings-related pension company



- Solvency capital was EUR **16.8 billion**.
- Solvency capital was **1.7 times** the solvency limit.
- The solvency ratio was **134.0 per cent**.
- Solvency capital, which serves as a risk buffer for investment operations, provides protection against volatility in the investment markets.

Development of investment returns and solvency

	1-6/2025	1-6/2024	12 months	1-12/2024
Investment return (MWR)	1.7%	5.9%	5.9%	10.2%

	6/2025	6/2024	12/2024
Solvency capital (€ mill.)	16,769	15,693	16,793
Solvency capital / solvency limit	1.7	1.7	1.7
Solvency ratio (%)	134.0	133.0	134.6
Investments at fair value (€ mill.)	64,879	62,069	64,354



Current pension topics

VARMA

Varma takes care of the pension cover of 993,000 people



Insured employees and entrepreneurs

643,000



Pensioners

351,000



Pensions paid

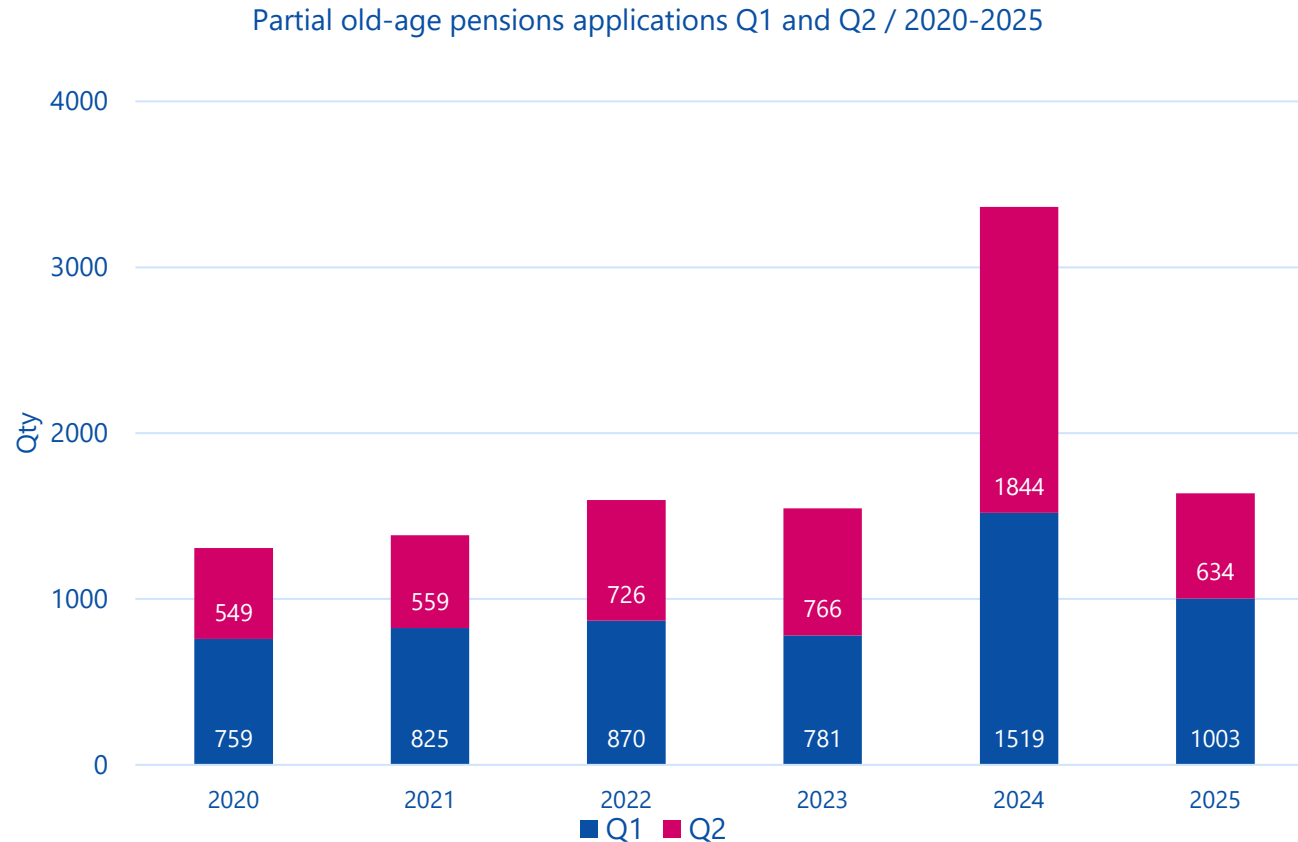
€3.8 bn

Current information about pensions

- Varma issued 25,780 pension decisions between January and June, 11,700 of which were new decisions, i.e. 2.7 per cent less than in the corresponding period of 2024.
- The number of old-age pension decisions increased 38 per cent. Since those born in 1961 will not reach the lowest retirement age until the end of the year at the earliest, the number of old-age pension applications is expected to decrease in the second half of the year.
- The number of applications for partial old-age pension dropped by 50 per cent compared to the same period last year. The number of applications in the first quarter was higher than expected, however.
- The decline was due to the fact that not a single new age cohort will reach the lower age limit for partial old-age pension this year. Partial old-age pension is still a popular pension benefit.



Partial old-age pension applications were down



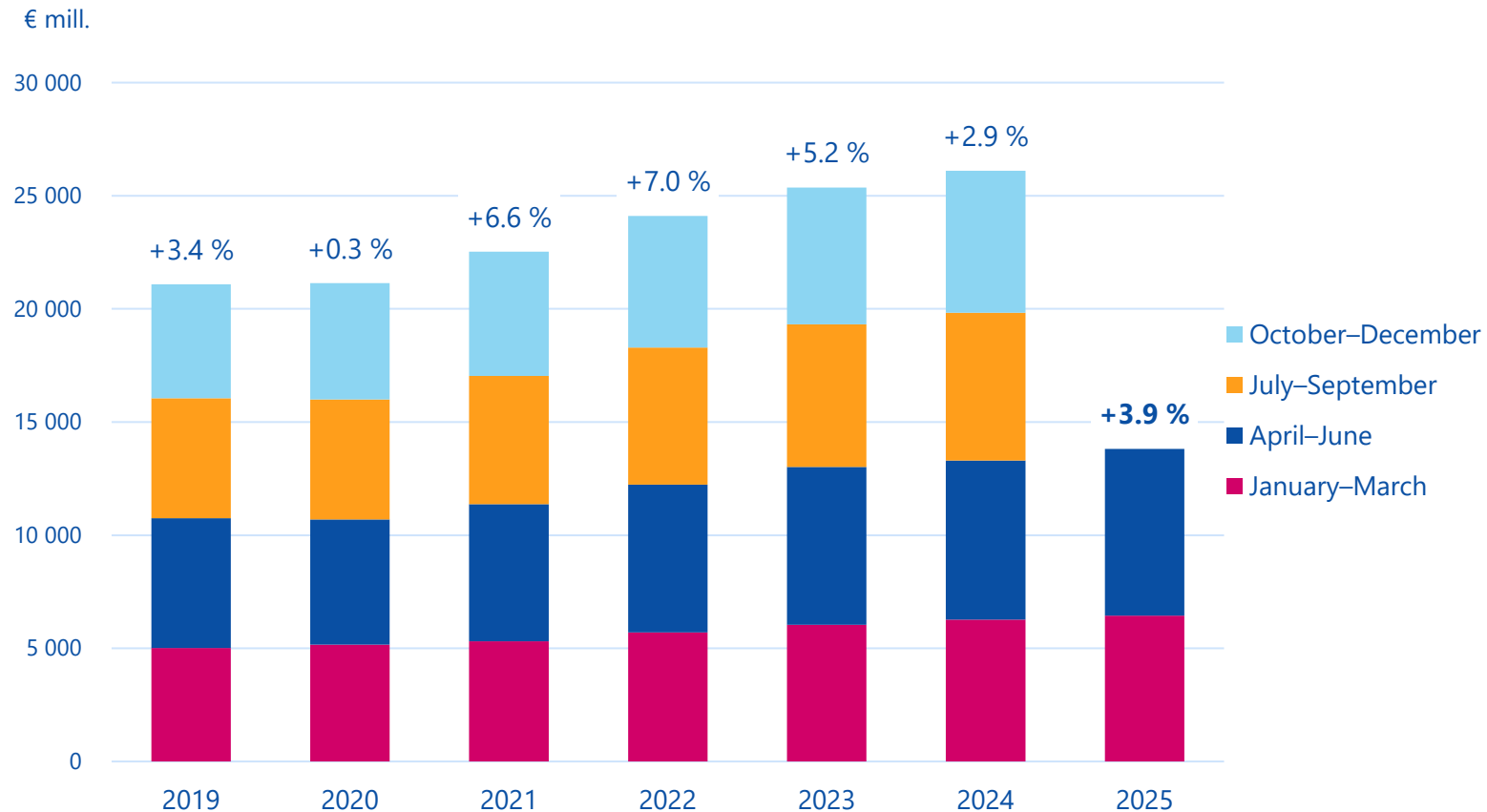
- Applications for partial old-age pension were down. The decline is attributed to the change in the lower age limit for pension eligibility from 61 to 62 for those born in 1964.
- For younger age cohorts, the lower age limit is three years lower than the lowest retirement age for the age cohort.
- The average retirement age of those who received a decision was 62.5.
- The larger, 50 per cent, pension was chosen by 72 per cent of the applicants. Women applied for the smaller, 25 per cent, pension option slightly more than men.
- Men accounted for 60 per cent of the decisions.

A woman with short brown hair, wearing a blue t-shirt, is sitting and talking to a person with large, curly brown hair wearing an orange shirt. The woman in blue is gesturing with her hands as she speaks. They are in a room with a white cabinet in the background that has various items on it, including bottles and a potted plant.

Insurance and customer relationships

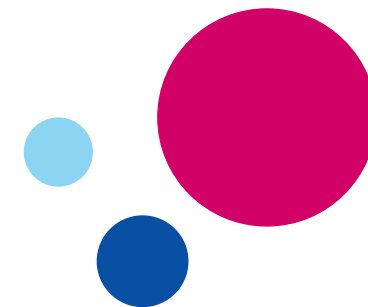
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Client companies' TyEL payroll development



- The TyEL payroll of Varma's client base grew **3.9 per cent** in January–June compared to the same period last year.
- The percentage shown on top of the column indicates the change from last year.

Customer acquisition remained strong



€390

million

1.5% compared to the payroll
last year

**Amount of new TyEL
customers' payroll**

(net)



3,400

9% of the TyEL policies at the end of
last year

Number of new TyEL customers

(net)



4,000

9% of the YEL policies at the end of
last year

Number of new YEL customers

(net)

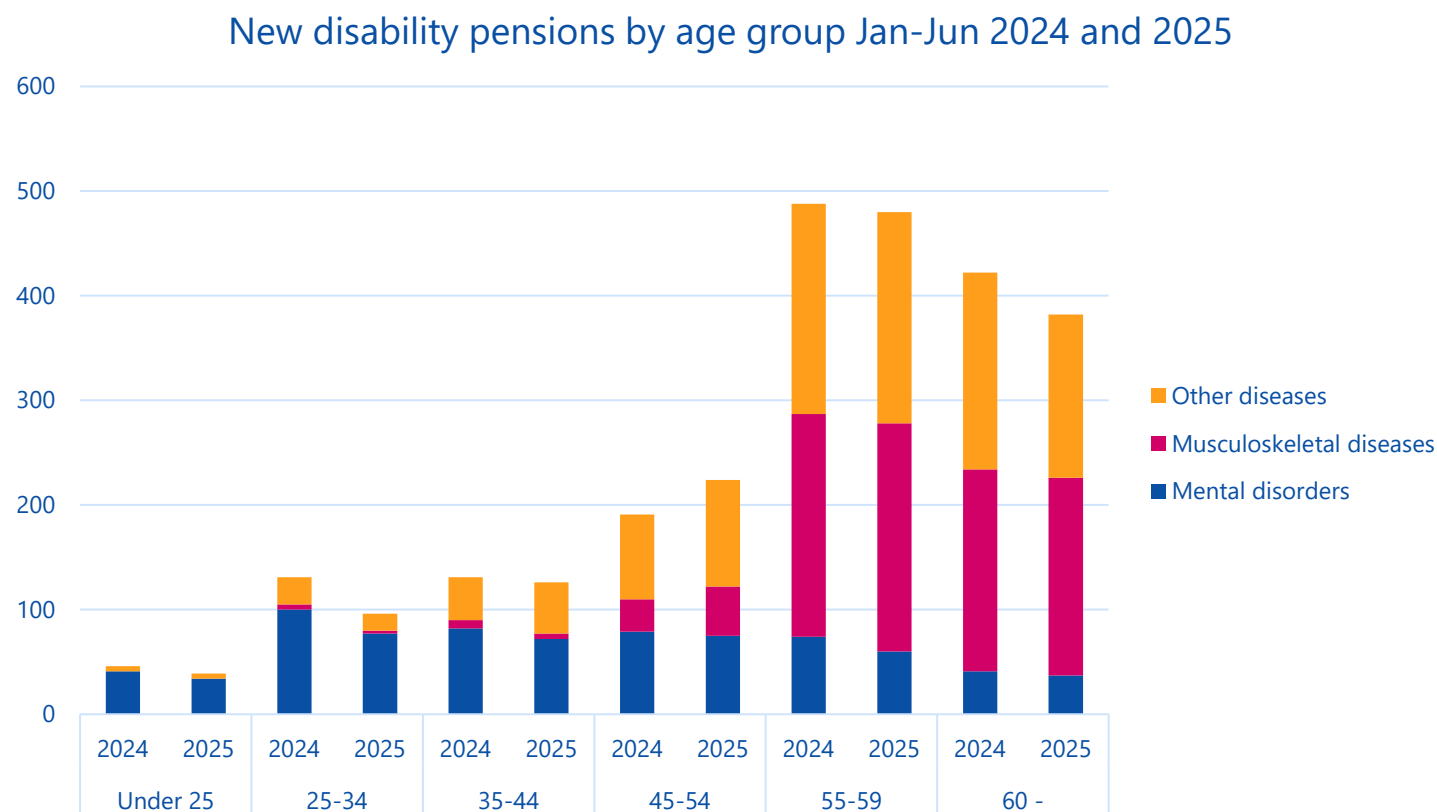
The figures include new client acquisition and the effect of transfers between pension companies

A close-up photograph of a person wearing an orange blazer over a white shirt. They are using their right index finger to touch the screen of a smartwatch on their left wrist. The watch has a light-colored band and a dark screen. The background is a plain, light blue-grey color.

Managing disability risk

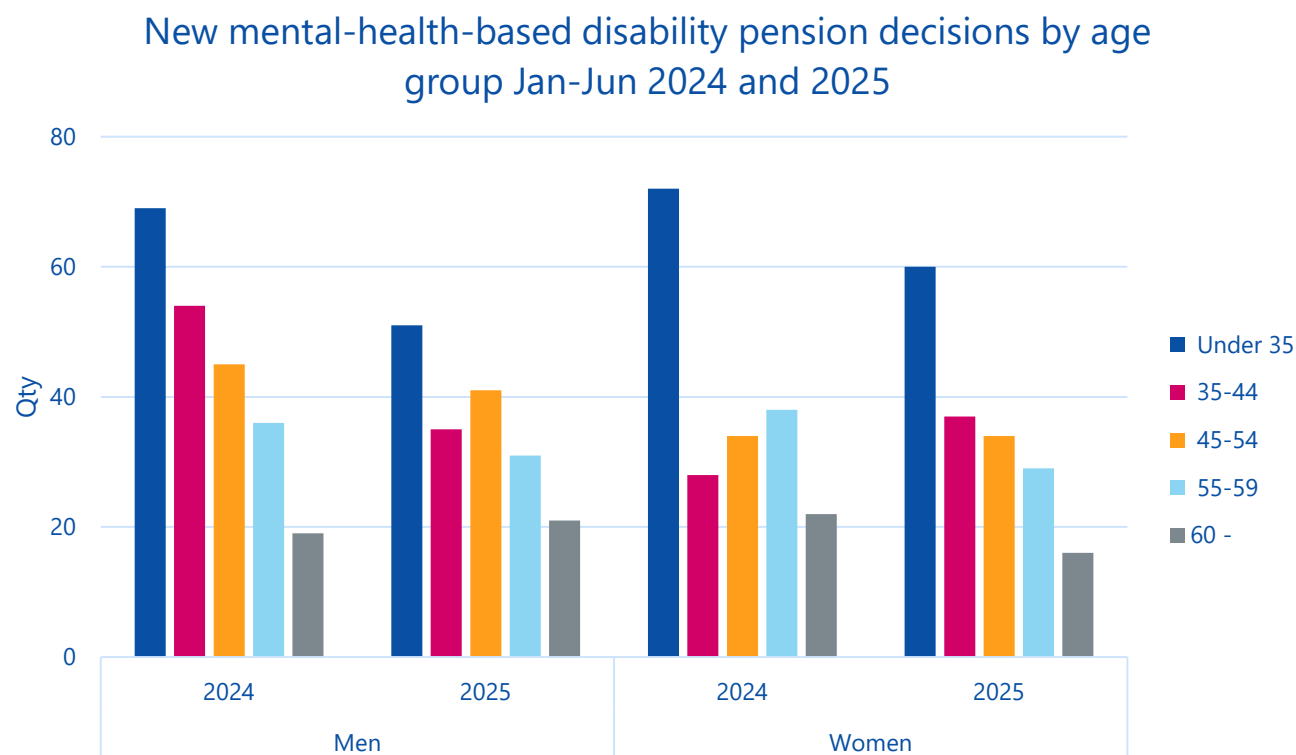
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The number of new disability pensions granted decreased in almost all age cohorts



- In the first half of 2025, the number of new disability pensions decreased year-on-year in all age cohorts, with the exception of those between the ages of 45 and 54.
- The number of new disability pensions granted was highest among those aged 55–59 and those over 60.
- The share of mental health-based disability pensions among all new disability pensions was highest among those under 35 years of age and lowest among those over 60 years of age.

The number of new disability pensions granted for mental health reasons was highest among those aged under 35



- In the first half of 2025, the number of new disability pensions granted for mental health reasons was highest among those aged under 35.
- The number of new disability pensions granted for mental health disorders fell among men in all age cohorts except for those aged 60 and over, and among women in all age cohorts except for those aged 35–44 and 45–54.
- The number of new disability pensions granted based on mental health disorders decreased clearly more among men than among women. In total, disability pensions granted based on mental health disorders decreased by 15 per cent compared to the same period in 2024.

Minor growth in granted rehabilitation rights

- In the second quarter, 4.7 per cent fewer rehabilitation applications were received, and 2.5 per cent fewer rehabilitation applications were received in the entire first half of the year than in the corresponding period last year.
- There was minor growth in granted rehabilitation rights. Roughly 90 per cent of those applying for rehabilitation on their own took advantage of their opportunity to be rehabilitated and started the programme.
- Between January and June, the average age of those receiving a positive decision was 47.7, and among them, the most common primary diagnosis among both men and women was musculoskeletal diseases.
- The most common rehabilitation measure granted based on a rehabilitation plan was a work trial.
- Of those who had started a rehabilitation programme, 81.2 per cent returned to the labour market.
- Among the rehabilitation applications that were rejected, the most common primary diagnosis was mental health disorders, but the difference between that and musculoskeletal disorders was less than one per cent.



Tool for gauging a rehabilitant's experience helps in assessing the benefits of rehabilitation

- The first results of the tool to assess a rehabilitant's work ability, introduced in 2024, are now in. The assessment, developed jointly by Varma and Keva, measures rehabilitant's personal experience of the benefits of rehabilitation.
- The assessments indicate that rehabilitation promotes continuing in working life and improves work ability. In the questionnaire, the customer assesses their state of health, work ability, relationship to working life, confidence in their future work capacity and their experience of the benefits of rehabilitation.
- Individuals who have completed rehabilitation see their situation as brighter than those who have only received a preliminary rehabilitation decision.



A man and a woman are relaxing on a rocky shore. The woman is sitting up, leaning back on her hands, wearing a light-colored sweater and dark pants. The man is lying down, propped up on his elbows, wearing a dark blue long-sleeved shirt and dark pants. They are both looking out at a calm lake where the sun is setting, creating a bright reflection on the water. The sky is a deep blue, and the water is dark with some ripples. The rocks they are sitting on are grey and textured.

Sustainability

VARMA

A secure future for everyone

Through our sustainability work we are building a better world for current and future generations.



Investing for change

We aim for better returns and reduced risks through responsible investment.



Ensuring secure pensions

We build trust in pension security and a sustainable future.



For sustainable working life

We support work ability in a world that's going through incredible change.

Latest developments in sustainability



Updated principles on the defence sector

Varma's updated principles on the defence sector will allow profitable and secure investments in the business landscape emerging around the defence sector. Excluded from Varma's direct investments are companies that manufacture controversial weapons and whose headquarters are not located in the areas of NATO, Switzerland, or the IP-4 countries (Japan, South Korea, Australia & New Zealand).



Analysis of the equality of the boards of listed companies

One per cent of the boards of the listed companies in Varma's direct investments include only one gender. The boards with the most (43%) female members were companies operating in basic industries, such as the chemical, forest and mining industries. Data on board compositions were obtained from Varma's annual equality survey.



Varma participated in over 400 shareholder meetings

The main themes voted on were the transparency of political donations in the USA and the ethical use of AI. Varma supported increased requirements for reporting political donations in five US companies. Varma also supported shareholder proposals requiring companies to develop AI responsibly and in compliance with ethical principles.



Equality efforts culminated in Pride month

Varma carries out long-term work to promote equality and diversity year-round. June was Pride month, and Varma employees celebrated by marching in the Pride parade for equal working life and the rights of sexual and gender minorities.

Investment outlook



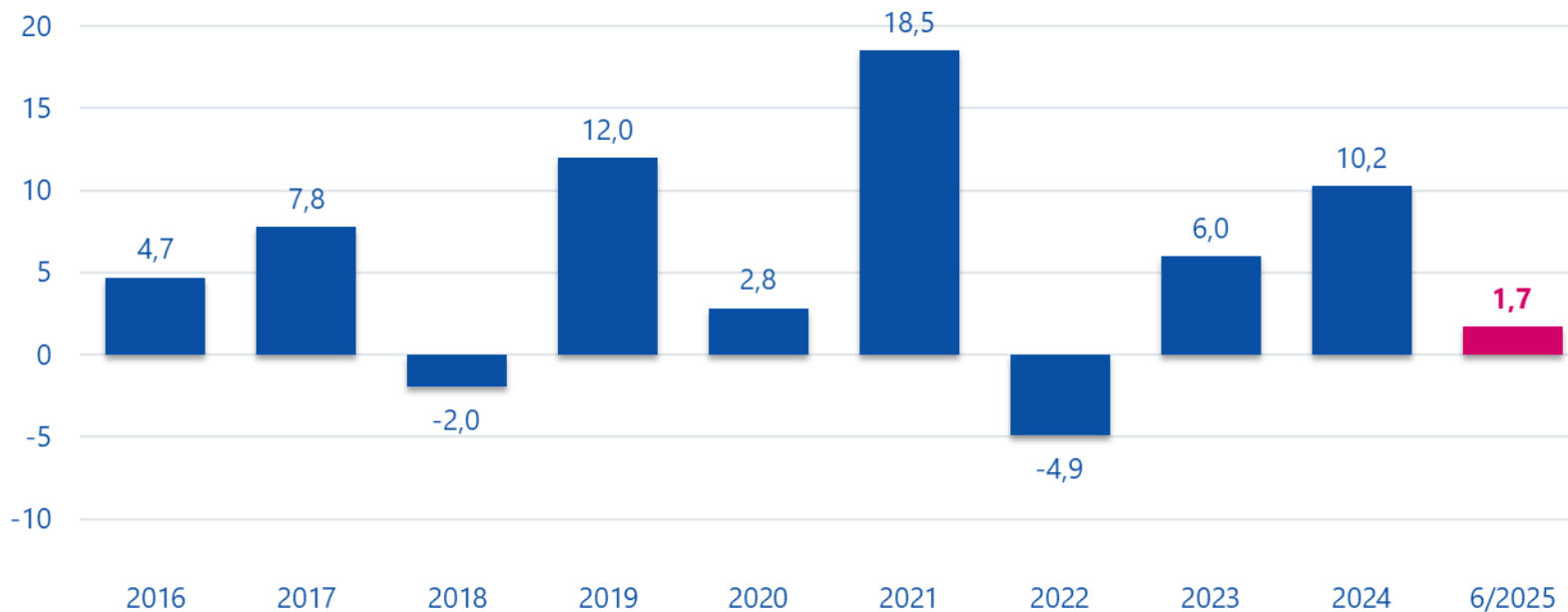
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Economic outlook

- Investment market movements have been strong
- The equity markets rapidly recovered from the sharp fall in stock prices following the USA's tariff announcements
- US equity valuation is peaking again, but the value of the US dollar has fallen significantly
- Finland's economic growth faces headwinds as a result of the USA's tariff policy and the development of the global economy
- At the end of July, the USA and the EU reached an agreement on 15 per cent tariffs; some tariff negotiations are ongoing



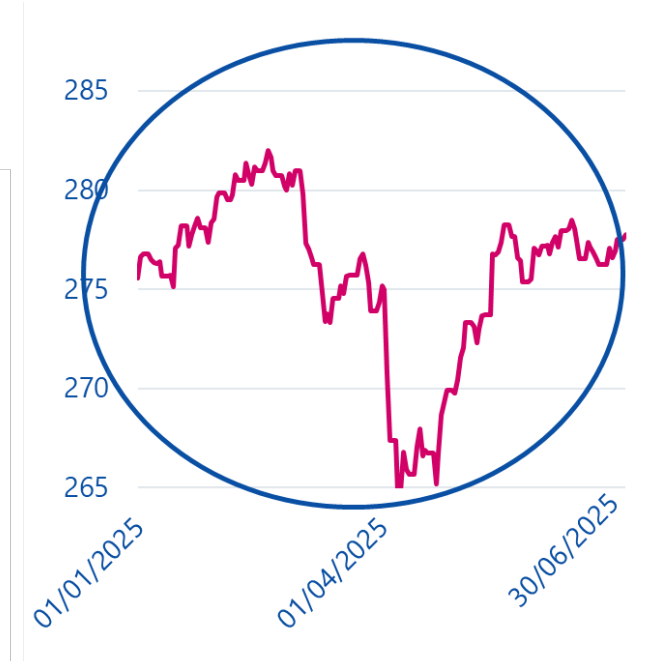
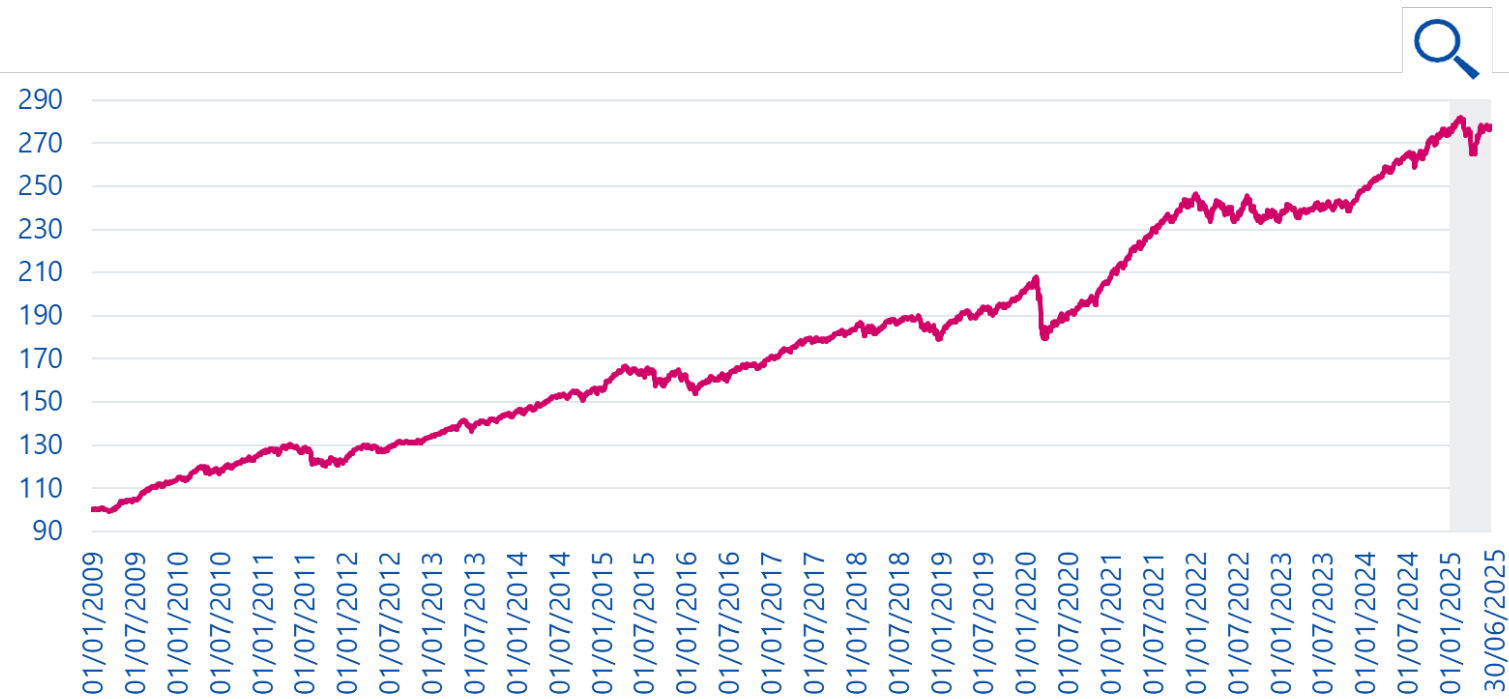
Return on investments since 2016



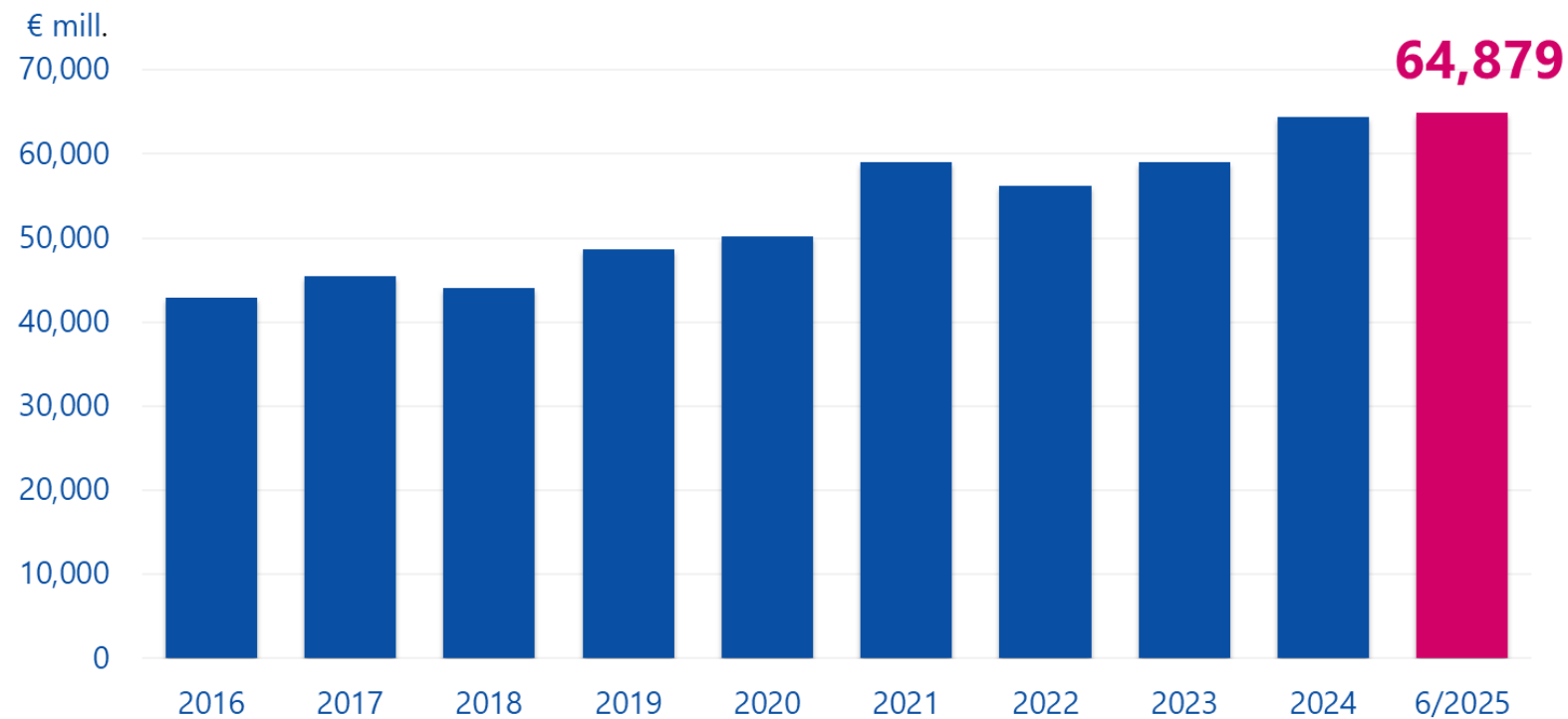
The average nominal return on investments over ten years is approx. 5.5%, calculated in accordance with the recommendations issued by TELA.

- The return on Varma's investments was **1.7 per cent** in January–June 2025.
- The value of investments was **EUR 64.9 billion** at the end of June.

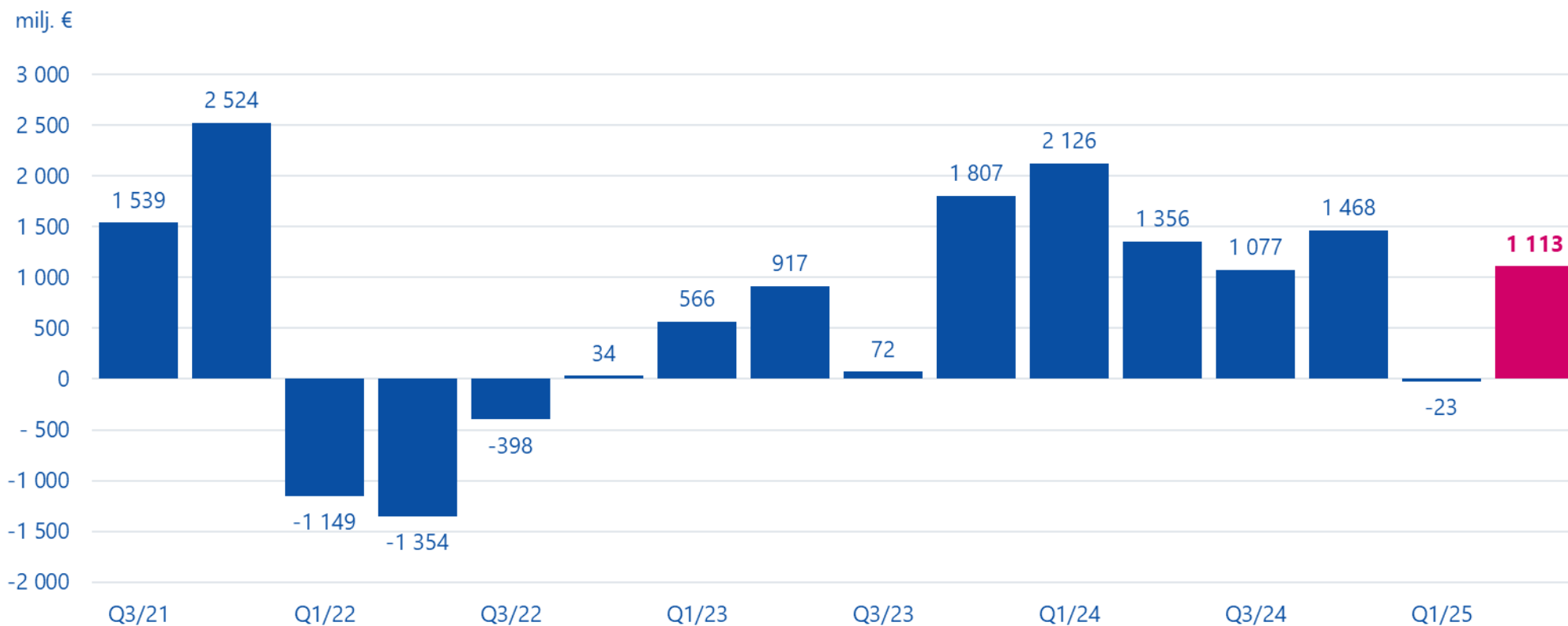
Return on investments since 2009: EUR 44 billion, i.e. 178 per cent



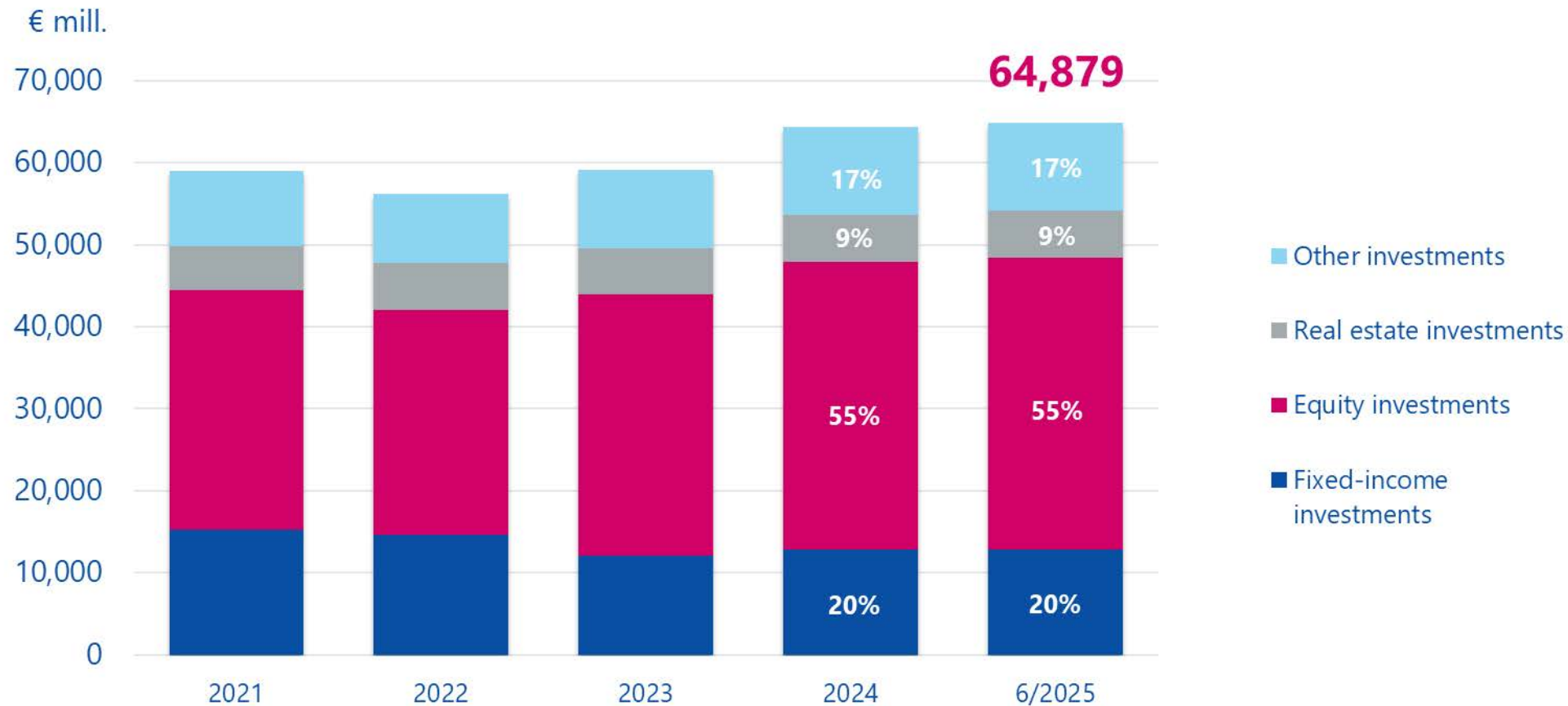
The value of Varma's investments exceeded EUR 64.9 billion



Return on investments at fair values by quarter



In the investment allocation, 55% invested in equities

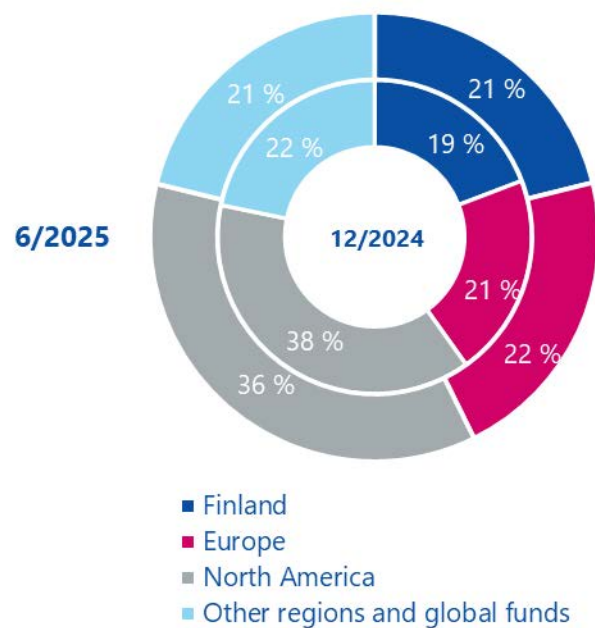


Investments classified according to risk

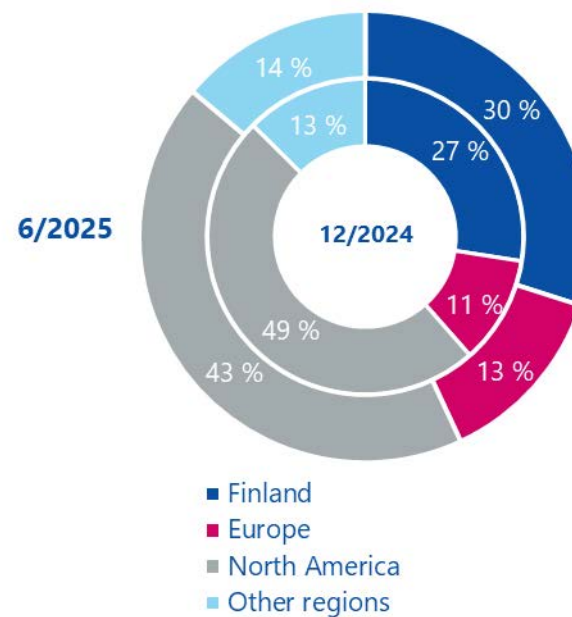
	30 Jun 2025				31 Dec 2024		01-06/2025
	Market value				Market value		Return
	Market Value		Risk position		Risk position		MWR
	mill. €	%	mill. €	%	mill. €	%	%
Fixed-income investments	12,825	20	23,509	36	34,854	54	2.8
Loan receivables	2,997	5	2,997	5	2,072	3	2.2
Bonds	7,502	12	8,239	13	10,613	16	3.2
Other money-market instruments and deposits	2,327	4	12,273	19	22,169	34	2.4
Equity investments	35,527	55	35,779	55	35,437	55	1.0
Listed equities	23,256	36	23,507	36	22,711	35	3.6
Private equity	11,135	17	11,135	17	11,704	18	-4.1
Unlisted equities	1,137	2	1,137	2	1,022	2	3.8
Real estate investments	5,776	9	5,776	9	5,717	9	1.2
Direct real estates	2,998	5	2,998	5	3,028	5	1.2
Real estate funds	2,777	4	2,777	4	2,689	4	1.1
Other investments	10,751	17	10,743	17	10,696	17	3.2
Hedge funds	10,746	17	10,746	17	10,667	17	3.2
Other investments	5	0	-3	0	29	0	
Total investments	64,879	100	75,806	117	86,704	135	1.7
Impact of derivatives			-10,927	-17	-22,350	-35	
Investment allocation at fair value	64,879	100	64,879	100	64,354	100	

Geographical distribution of investments

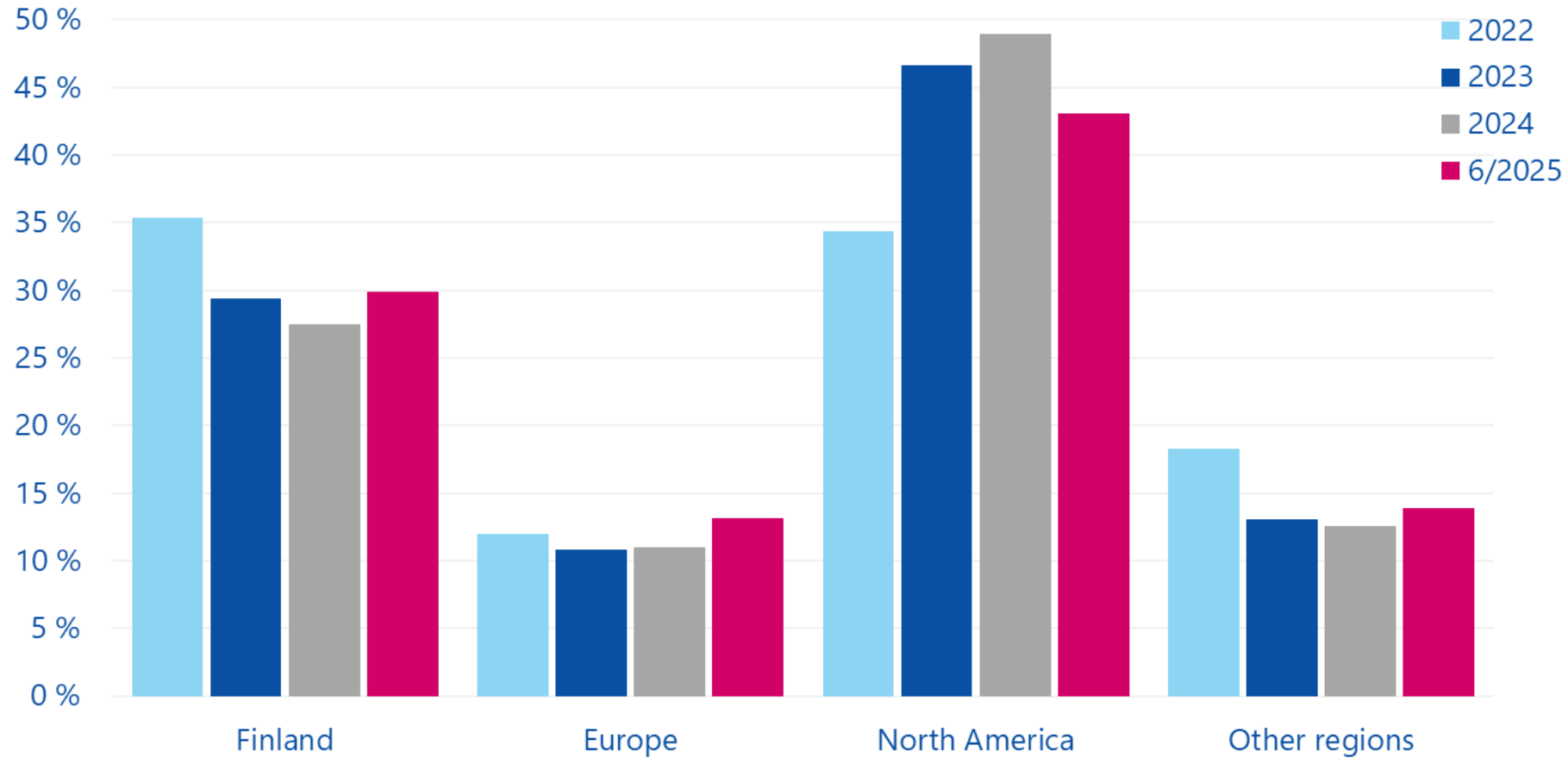
Investments



Listed equities

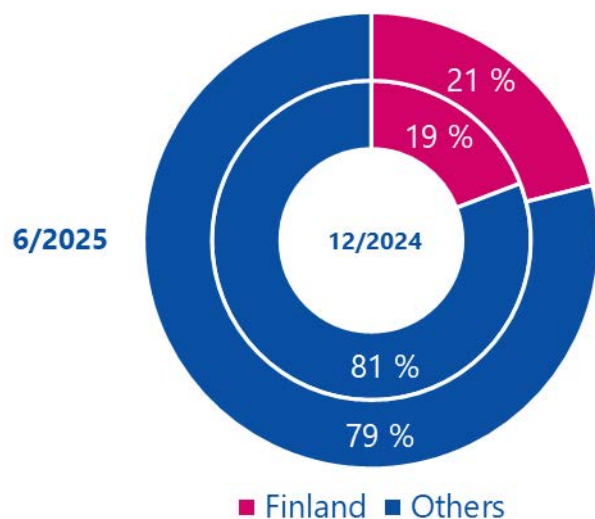


Geographical distribution of listed equities

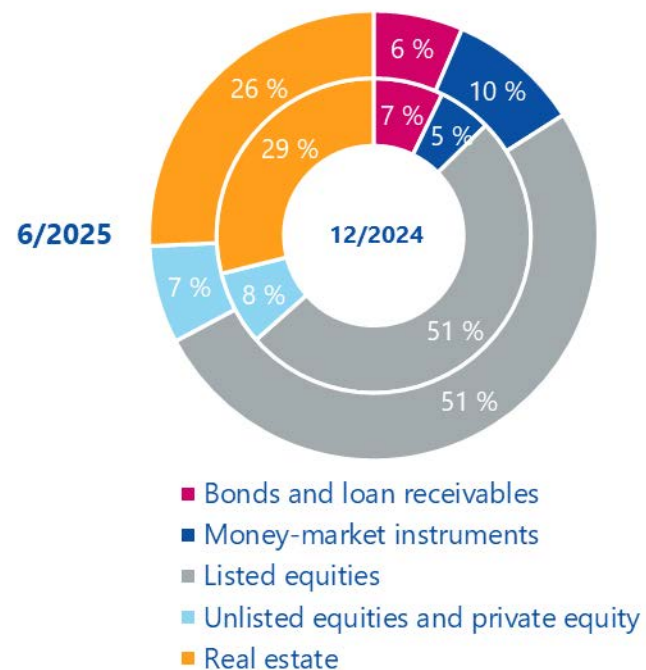


Investments in Finland 21 per cent, i.e. EUR 13.7 billion

Investments in Finland

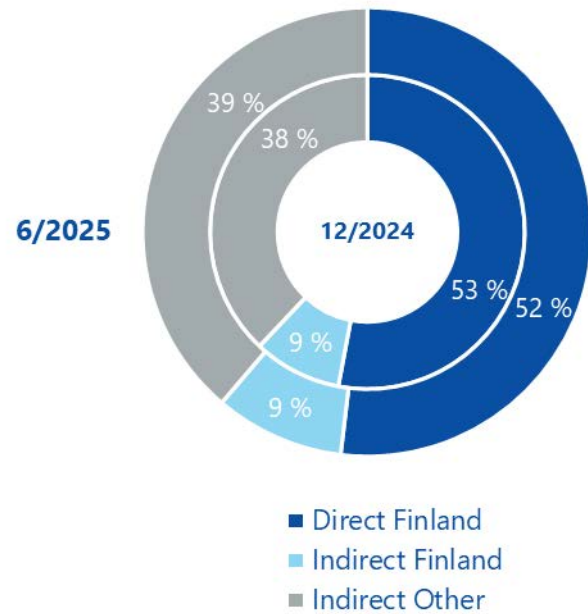


Distribution of Finnish investments

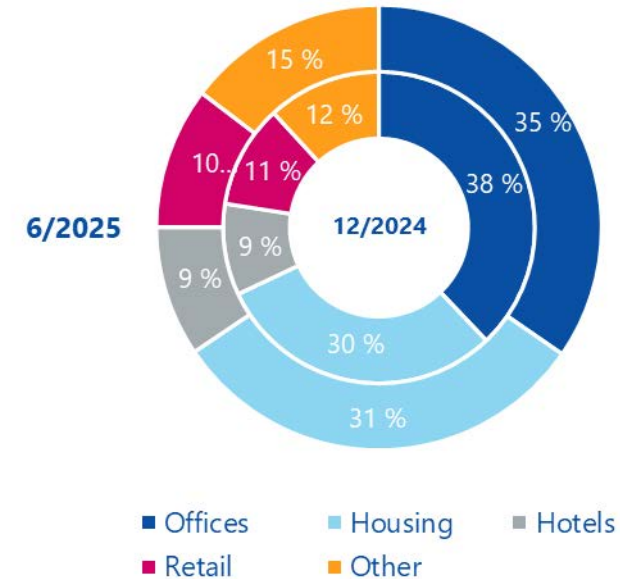


61 per cent of real estate investments, i.e. EUR 3.5 billion, in Finland

Real Estate Investments, €5.8 bn



Direct Real Estate Investment Finland, €3.0 bn



Varma's and the markets' investment returns

%	Varma	Finnish equities	European equities	US equities	Euro government bonds	Euro corporate bonds
1-6/2025	1,7	14,4	8,8	6,2	0,6	1,8
2024	10,2	-0,1	8,8	25,0	1,8	4,6
2023	6,0	-0,6	15,8	26,3	7,2	8,2
Average nominal return						
5 years	7,9	8,3	11,3	16,6	-2,3	0,3
10 years	5,5	8,1	6,3	13,6	0,4	1,3
Since 1999 *	5,7	8,1	5,2	8,3	3,2	3,3
Average real return						
5 years	4,3	4,7	7,6	12,8	-5,6	-3,0
10 years	3,4	5,9	4,2	11,4	-1,6	-0,7
Since 1999 *	3,7	6,1	3,3	6,3	1,3	1,5

* 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

	1-6/2025	1-6/2024	1-12/2024
Premiums written, € million	3,438	3,312	6,656
Net investment income at fair value, € million	1,089	3,482	6,026
Return on invested capital, %	1.7	5.9	10.2
	6/2025	6/2024	12/2024
Technical provisions, € million	50,992	48,498	50,261
Solvency capital, € million	16,769	15,693	16,793
in relation to solvency limit	1.7	1.7	1.7
Pension assets, € million	66,035	63,178	65,365
% of technical provisions	134.0	133.0	134.6
TyEL payroll, € million	27,025	26,255	26,111
YEL payroll, € million	1,094	1,053	1,055

VARMA