

## Varma's Interim Report 1 January–30 June 2022

The comparison figures in parentheses are from 30 June 2021, unless otherwise indicated.

- The total result was EUR -2,196 (3,146) million.
- The six-month return on investments was -4.3 (10.4) per cent, and the market value of investments was EUR 56.7 (59.0 on 1 Jan) billion.
- Solvency capital amounted to EUR 14,780 (16,890 on 1 Jan) million and was 1.8 times (2.0 on 1 Jan) the solvency limit.

### Economic operating environment

Sentiment in the global economy has declined from the upswing experienced after the Covid-19 pandemic, and recession risks have increased significantly. The outlook has been weakened especially by inflation that has eroded the purchasing power of households. One of the factors behind the weakened economic situation is Russia's invasion of Ukraine. This has disrupted the supply of energy and food raw materials in particular and raised their prices. Of the main economic regions, Europe has been hit the hardest by the war due to its strong reliance on energy imported from Russia.

China's economic growth was hit by the country's strict Covid-19 lockdowns, which maintained a global shortage of components, although the situation started to gradually improve in early summer. In the USA, the biggest challenges are related to inflation and the overheating of the economy, which have maintained significant production bottlenecks and hit household confidence. In Finland, the economic situation and households' confidence in the economy have weakened rapidly, although the employment situation has remained good.

The central banks have reacted to the sharp acceleration of inflation by tightening their monetary policies. Of the main central banks, the US Fed has come the longest way in tightening monetary policy. It raised its policy rate at a fast pace during the first half of the year and has started to sell the securities it had purchased earlier from its balance sheet. The other Western central banks have been slower to tighten their monetary policies. The shortage of several raw materials and components has kept producer price inflation at a very high level, but increasing fears of recession and declining demand have reversed the upward trend of the prices of many raw materials.

### Earnings-related pension system

A government proposal on amending the Self-Employed Persons' Pensions Act is before Parliament. The proposal aims to improve self-employed persons' pension security and support the implementation of the Self-Employed Persons' Pensions Act. The objective is that a self-employed person's YEL income would better reflect the value of their work input. The Self-Employed Persons' Pensions Act would also provide for regular monitoring and adjustment of YEL income. The definition of YEL income would not be changed, but the regulation concerning the information used to determine it would be specified in more detail. If the reform of the Self-Employed Persons' Pensions Act passes, it would clarify the position of YEL insurance providers and consolidate the legislative framework based on which earnings-related pension insurance companies confirm self-employed persons' YEL income equally for all self-employed persons.

Earnings-related pension insurance companies will adopt a company-specific administrative cost component included in the TyEL contribution as of 1 January 2023. A legislative amendment to that end entered into force on 1 June 2022, and the Ministry of Social Affairs and Health confirmed the earnings-related pension insurance

company-specific criteria for the administrative cost component on 6 June 2022. Going forward, the administrative cost component included in the TyEL contribution will correspond to the operating expenses that the company incurs for managing these insurance policies. The operational efficiency of a pension company thus shows directly in the amount of the TyEL contribution. Following the legislative amendment, the determination of client bonuses will also change: the amount to be distributed as client bonuses will be based solely on the earnings-related pension company's solvency. The change will enter into force such that it will affect the determination of the administrative cost component of TyEL contributions for the first time in 2023 and customer bonuses that are paid in spring 2024.

### **Varma's economic development**

Varma's total result at fair value for six months amounted to EUR -2,196 (3,146) million. The most significant factor of the total result is the investment result, which was EUR -2,262 (3,123) million. The return on investments at fair value amounted to EUR -2,503 (5,193) million, and the interest credited on the technical provisions was EUR -241 (2,070) million. The estimated technical underwriting result was EUR 38 (-1) million, the loading profit was EUR 18 (24) million and other result was 11 (0) million.

Varma's solvency remained at a strong level. The solvency capital, which serves as a risk buffer for investment operations, was EUR 14,780 million at the end of June (16,890 mill. on 1 Jan), and 134.5 per cent in relation to the technical provisions (139.4 on 1 Jan).

Solvency capital was on a sustainable level, i.e. 1.8 (2.0 on 1 Jan) times the solvency limit.

Tables illustrating Varma's financial development are presented as attachments to this half-year report.

### **Insurance business**

Varma's pension recipients totalled 348,800 at the end of June (345,700 on 1 Jan). Claims paid in January–June totalled EUR 3,051 (2,949) million. By the end of June, 11,667 new pension decisions had been made, which is 2 per cent more than in the corresponding period last year. A total of 27,409 pension decisions were made in January–June.

In the first half of the year, Varma gained a total of EUR 95 (31) million in new premiums written. This includes the net impact of new sales and changes in insurance policies transferred from other pension companies and funds.

At the end of June, Varma provided insurance for 608,200 (571,200 on 1 Jan) employees and self-employed persons.

### **Changes in the insurance portfolio**

On 30 June 2022, Varma received the pension liabilities of one pension fund, a total of EUR 349 million. At the same time, pension assets totalling EUR 445 million transferred to Varma to cover pension liabilities.

### **Investments**

Varma's returns on investments were clearly in negative territory in the first half of the year. The return on investments was -4.3 (10.4) per cent and the value of investments stood at EUR 56,675 (59,024 on 31 Dec 2021) million at the end of June. Varma's solvency was 134.5 (139.4 on 31 Dec 2021) per cent at the end of the first half of the year.

Slowing economic growth, accelerating inflation and tightening monetary policy had an impact on most asset classes in the early part of the year, strongly pushing their values down. The differences between the returns on Varma's listed and unlisted investments continued to widen. The returns on listed fixed income and equity investments were at an all-time low, and fixed income investments were not able to offset the impact of the decline in equity markets on the total return. In contrast, the return on unlisted investments remained clearly

positive in the first half of the year, which can be explained by, among other factors, their lower interest rate risk and the fact that the volatility experienced by the listed equity markets was reflected on unlisted investments with a certain delay.

The return on equities was -8.2 (18.3) per cent. The return on listed equities was -17.1 (16.2) per cent. The differences across geographical areas and sectors were large, but the world's biggest equity market in the USA recorded the weakest performance in decades in the first half of the year. However, thanks to the appreciation of the dollar, the decline in the euro-denominated return on US equities was much less drastic than the decline in Finnish and European equities. The reported returns on private equity investments and unlisted equities compensated for the weak results of the equity and fixed income markets and were 12.1 (25.2) and 8.5 (8.1) per cent. The return reflects the slower reaction of unlisted investments to market changes and the protection that the infrastructure investments included in these asset classes provide against inflation.

The rise in interest rates pushed the return on fixed income investments into negative territory, at -4.6 (0.9) per cent. The return on public-sector bonds was at an all-time low, at -9.5 (-1.1) per cent. The return on fixed income investments was affected by an exceptionally sharp surge in inflation and the aggressive tightening of monetary policy by central banks. The return on corporate bonds also suffered from the dramatic rise in interest rates and the substantial increase in credit risk premiums, driven by fears of recession. The return on corporate bonds fell to -7.0 (2.5) per cent. The return on loan receivables developed more consistently, thanks to their moderate interest rate risk, and they yielded 1.5 (1.9) per cent in the first half of the year.

As market instability persisted, the return on real estate investments remained stable in January–June. The return on direct real estate investments was 1.9 (1.3) per cent and the return on real estate investment funds was 6.3 (2.8) per cent.

The return on other investments developed moderately and reached 4.6 (7.4) per cent. The returns once again relied on the stable performance of hedge funds, which diversified the risks involved in Varma's investments and significantly compensated for the weak performance of listed investments.

Varma has US-dollar-denominated investments in hedge funds, equities, corporate bonds and private equity funds. 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 clearly against the euro in the first quarter, and this supported Varma's investment returns.

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, and its biggest component is the market risk of equities. The VaR (Value-at-Risk) figure describing the total risk of Varma's investments stood at EUR 2,657 (2,443) million.

### **Operating expenses and personnel**

Varma's total operating expenses during the reporting period were EUR 70 (68) million. The loading profit for the period was EUR 18 (24) million. Varma efficiently implements statutory earnings-related pension cover, and 73 per cent of the contributions collected for insurance operations were used in the review period (62 per cent in 2021). For 2022, the administrative cost components included in the TyEL contribution were reduced by around 9.5%, as a result of which the loading profit will significantly contract.

The impacts of the Covid-19 pandemic still show in Varma's work practices. The established teleworking practices have ensured efficient operations. Varma has created a common framework for post-pandemic day-to-day life by making use of both flexible work models and practices that support a sense of community.

Varma's parent company employed an average of 527 people in the first half of the year (527 in 2021). At the end of June, Varma's personnel were distributed as follows: pension services 17 per cent, actuarial and

insurance services 11 per cent, customer service departments 17 per cent, disability risk management 14 per cent, investment operations 14 per cent, and other functions 27 per cent.

### Corporate Governance

Varma's Supervisory Board held its constitutive meeting on 18 May 2022. Christoph Vitzthum continues as Chair of the Supervisory Board, and Petri Vanhala continues as Deputy Chair. Päivi Leiwo was elected as a new Deputy Chair.

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.

### Sustainability

Varma's new Sustainability Programme was published in May 2022. Varma wants to be a pioneer in sustainability. In a pension company, the cornerstone of sustainability is managing pension assets, and biodiversity, human rights and the sustainability of the value chain were identified as rising themes in the Programme. The Sustainability Programme and its focus areas were built based on a materiality assessment, and various stakeholders were consulted in the process.

In June, Varma updated the climate policy for its investments and sharpened its investment targets aimed at combating climate change. The goal is to cut the entire investment portfolio's absolute emissions by 25 per cent by 2025 and halve emissions by 2030.

In spring of 2022, Varma participated in the general meetings of 96 public companies in Finland. In addition, Varma has voted at general meetings outside of Finland. Information about Varma's positions and votes at the general meetings is published on Varma's website.

### Risk management

The Covid-19 pandemic and Russia's attack on Ukraine have also changed Varma's risk position. Varma has managed its operations smoothly and without interruption also during these times. The risk level of Varma's investments has been adjusted to reflect the changes in the investment markets during the review period by reducing the equity weight in the investment portfolio.

Varma's greatest risks are related to investment operations and information processing. Cyber-risks in particular are estimated to have increased, and preparedness has been enhanced in that respect. The most significant financial risks to Varma are those concerning investments. Varma's Board of Directors' investment plan lays down the general security goals for investments, diversification and liquidity goals, 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 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. In this respect, operations under the exceptional circumstances have proceeded well and the risk level 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.

### Outlook

The outlook for the economic operating environment is weakening. The biggest risks to the global economy and the investment markets relate to the increasing probability of recession, the duration of the inflation spike that is eroding purchasing power and the central banks' measures to keep inflation in check. Rising interest

rates and high indebtedness create challenges for economic policy decision-makers and companies, although the differences across countries and sectors are large.

The very tight security policy environment also undermines predictability and is putting the brakes on companies' investment decisions. The significant uncertainty surrounding Russian gas deliveries is likely to maintain the price of European electricity at a high level and may lead to the rationing of energy. High inflation is also fuelling geopolitical tensions in the EU countries. In Finland, the sharp rise in costs is likely to erode households' purchasing power and confidence, as well as companies' profitability. Future investments in defense, energy infrastructure and health care, in turn, are creating pressure on the sustainability of public finances. The balancing of public finances seems to be postponed further.

Varma's strong solvency position and careful risk management ensure good conditions for seeking high returns and securing the insured benefits in all market conditions. Varma continues to effectively implement earnings-related pension provision.

Helsinki, 19 August 2022

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. The company is responsible for the statutory earnings-related pension cover of 957,000 people in the private sector. Premiums written totalled EUR 5.6 billion in 2021 and pension payments stood at EUR 6.2 billion. The company's investment portfolio amounted to EUR 56.7 billion at the end of June 2022.*

FURTHER INFORMATION:

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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	6/2022	6/2021	12/2021
<b>Assets</b>			
Investments	56,675	55,033	59,024
Receivables	1,379	1,449	1,173
Furniture and fixtures	3	3	3
<b>Total Assets</b>	<b>58,056</b>	<b>56,486</b>	<b>60,200</b>
<b>Liabilities</b>			
Capital and reserves	141	133	137
Valuation differences	12,167	11,907	14,416
Provision for future bonuses	2,473	2,625	2,339
Off-balance-sheet items	-1	-1	-1
Solvency capital, total	14,780	14,664	16,890
Provision for current bonuses (for client bonuses)	0	0	222
Equity-linked provision for current and future bonuses	1,156	2,077	2,434
Actual technical provision	41,662	39,154	40,230
Total	42,819	41,231	42,664
Other liabilities	458	591	423
<b>Total Liabilities</b>	<b>58,056</b>	<b>56,486</b>	<b>60,200</b>

## Income statement at fair values (Parent Company)

€ million	1-6/2022	1-6/2021	1-12/2021
Premiums written	2,986	2,811	5,635
Claims paid	-3,051	-2,949	-5,980
Change in technical provisions	417	-1,856	-3,222
Net investment income	-2,486	5,211	9,290
Total operating expenses	-70	-68	-130
Other income/expenses	11	0	-1
Taxes	-2	-4	-6
<b>Total result <sup>1)</sup></b>	<b>-2,196</b>	<b>3,146</b>	<b>5,587</b>

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

€ million	1-6/2022	1-6/2021	1-12/2021
Underwriting profit/loss	38	-1	48
Investment result	-2,262	3,123	5,488
Loading profit	18	24	51
Other income/expenses	11	0	-1
<b>Total result</b>	<b>-2,196</b>	<b>3,146</b>	<b>5,587</b>

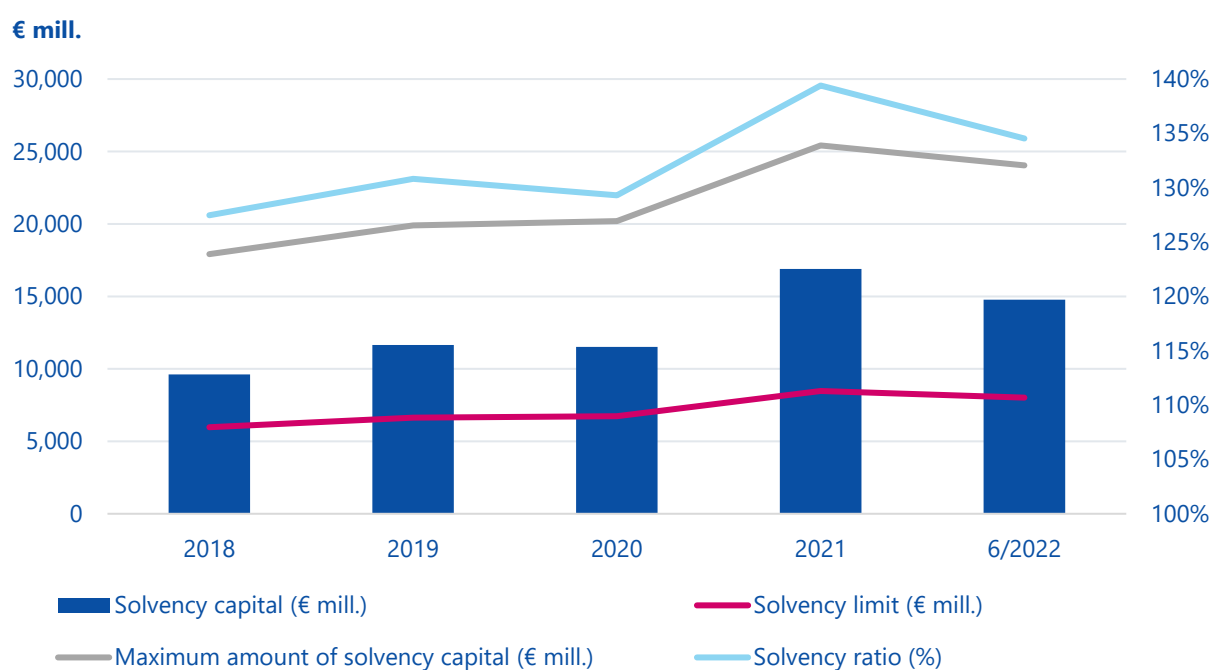
## Solvency capital and limits

	30/06/2022	30/6/2021	31/12/2021
Solvency limit (€ mill.)	8,013	8,141	8,473
Maximum amount of solvency capital (€ mill.)	24,038	24,422	25,418
Solvency capital (€ mill.)	14,780	14,664	16,890
Solvency ratio (%) <sup>1)</sup>	134.5	135.6	139.4
Solvency capital/Solvency limit <sup>2)</sup>	1.8	1.8	2.0

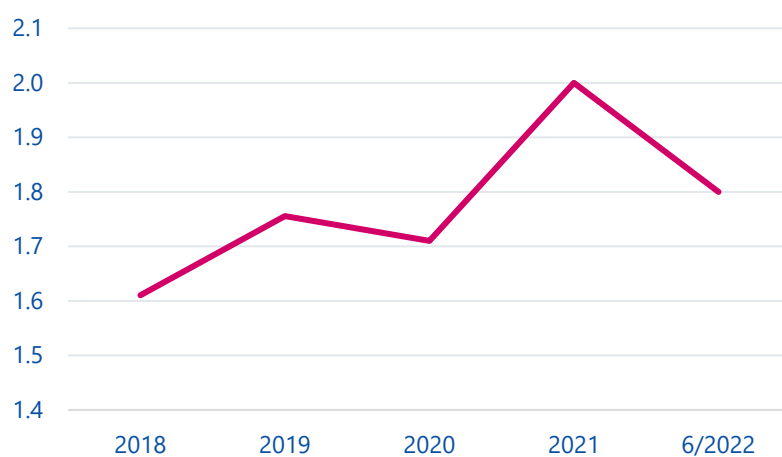
<sup>1)</sup> Pension assets in relation to the technical provisions under §11 of the Ministry of Social Affairs and Health's decree governing pension institutions (614/2008).

<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 Jun 2022				30 Jun 2021				31 Dec 2021				1-6/2022	1-6/2021	1-12/2021	24 m Volati- lity
	Market Value		Risk position		Market Value		Risk position		Market Value		Risk position		Return	Return	Return	
	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	MWR %	MWR %	MWR %	
<b>Fixed-income investments <sup>1</sup></b>	<b>14,835</b>	<b>26</b>	<b>15,083</b>	<b>27</b>	<b>13,567</b>	<b>25</b>	<b>13,684</b>	<b>25</b>	<b>15,251</b>	<b>26</b>	<b>15,402</b>	<b>26</b>	<b>-4.6</b>	<b>0.9</b>	<b>1.9</b>	
Loan receivables	2,698	5	2,698	5	2,903	5	2,903	5	2,711	5	2,711	5	1.5	1.9	5.4	
Bonds	7,789	14	7,685	14	8,482	15	8,800	16	9,269	16	10,281	17	-8.3	0.8	1.4	<b>3.7</b>
Public bonds	3,777	7	3,645	6	4,485	8	4,803	9	5,132	9	6,189	10	-9.5	-1.1	-1.2	
Other bonds	4,012	7	4,040	7	3,997	7	3,997	7	4,136	7	4,092	7	-7.0	2.5	4.2	
Other money-market instruments and deposits	4,348	8	4,699	8	2,182	4	1,981	4	3,271	6	2,409	4	0.0	-0.2	-0.9	
<b>Equity investments</b>	<b>27,133</b>	<b>48</b>	<b>27,454</b>	<b>48</b>	<b>27,681</b>	<b>50</b>	<b>27,889</b>	<b>51</b>	<b>29,144</b>	<b>49</b>	<b>29,352</b>	<b>50</b>	<b>-8.2</b>	<b>18.3</b>	<b>32.2</b>	
Listed equities	16,773	30	17,094	30	20,111	37	20,319	37	20,010	34	20,217	34	-17.1	16.2	26.4	<b>13.1</b>
Private equity	9,829	17	9,829	17	7,221	13	7,221	13	8,663	15	8,663	15	12.1	25.2	49.6	
Unlisted equities	531	1	531	1	349	1	349	1	471	1	471	1	8.5	8.1	26.3	
<b>Real estate investments</b>	<b>5,581</b>	<b>10</b>	<b>5,581</b>	<b>10</b>	<b>4,981</b>	<b>9</b>	<b>4,981</b>	<b>9</b>	<b>5,442</b>	<b>9</b>	<b>5,442</b>	<b>9</b>	<b>3.8</b>	<b>1.9</b>	<b>5.9</b>	
Direct real estates	3,071	5	3,071	5	2,868	5	2,868	5	3,086	5	3,086	5	1.9	1.3	4.1	
Real estate funds	2,510	4	2,510	4	2,113	4	2,113	4	2,356	4	2,356	4	6.3	2.8	8.5	
<b>Other investments</b>	<b>9,125</b>	<b>16</b>	<b>9,119</b>	<b>16</b>	<b>8,804</b>	<b>16</b>	<b>8,819</b>	<b>16</b>	<b>9,187</b>	<b>16</b>	<b>9,187</b>	<b>16</b>	<b>4.6</b>	<b>7.4</b>	<b>15.3</b>	
Hedge funds	9,129	16	9,129	16	8,805	16	8,805	16	9,184	16	9,184	16	4.5	7.5	15.3	<b>2.9</b>
Commodities	0	0	-6	0	0	0	15	0	0	0	0	0				
Other investments	-4	0	-4	0	0	0	0	0	3	0	3	0				
<b>Total investments</b>	<b>56,675</b>	<b>100</b>	<b>57,237</b>	<b>101</b>	<b>55,033</b>	<b>100</b>	<b>55,372</b>	<b>101</b>	<b>59,024</b>	<b>100</b>	<b>59,382</b>	<b>101</b>	<b>-4.3</b>	<b>10.4</b>	<b>18.5</b>	<b>5.4</b>
Impact of derivatives			-562	-1			-339	-1			-358	-1				
<b>Investment allocation at fair value</b>	<b>56,675</b>	<b>100</b>	<b>56,675</b>	<b>100</b>	<b>55,033</b>	<b>100</b>	<b>55,033</b>	<b>100</b>	<b>59,024</b>	<b>100</b>	<b>59,024</b>	<b>100</b>				

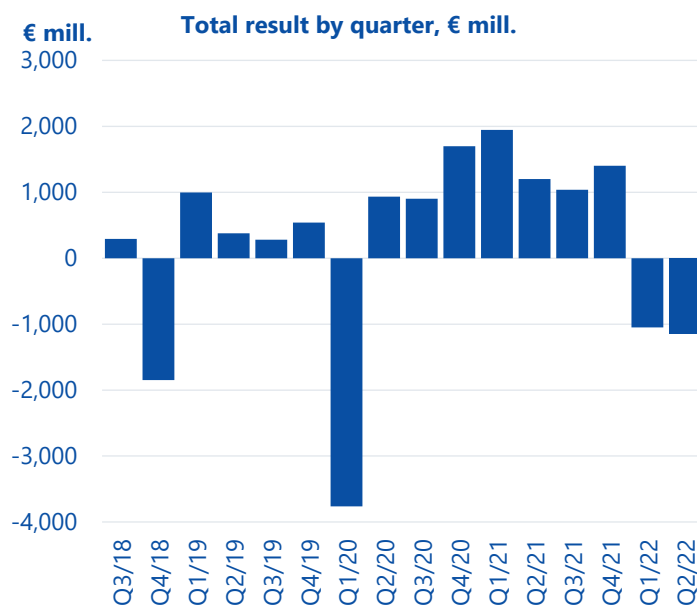
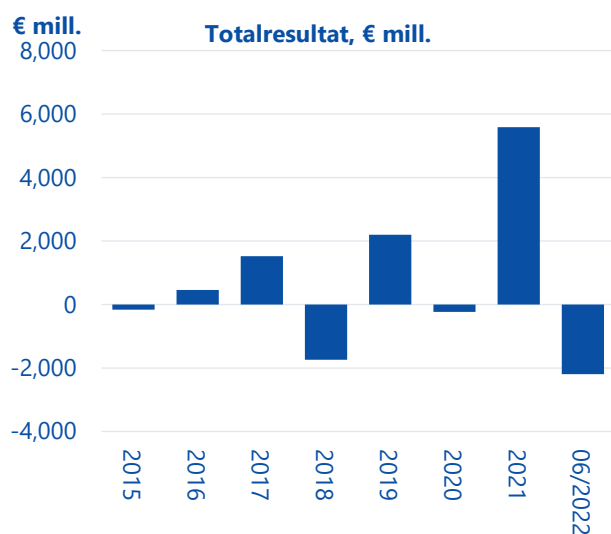
The modified duration for all the bonds is 3.47.

The open currency position is 24.4 per cent of the market value of the investments.

<sup>1</sup> Includes accrued interest



## Total result



## Summary of the key figures

	1-6/2022	1-6/2021	1-12/2021
Premiums written, € million	2,986	2,811	5,635
Net investment income at fair value, € million	-2,503	5,193	9,256
Return on invested capital, %	-4.3	10.4	18.5

	6/2022	6/2021	12/2021
Technical provisions, € million	45,291	43,856	45,225
Solvency capital, € million	14,780	14,664	16,890
in relation to solvency limit	1.8	1.8	2.0
Pension assets, € million	57,575	55,873	59,754
% of technical provisions	134.5	135.6	139.4
TyEL payroll, € million	24,000	22,147	22,535
YEL payroll, € million	860	817	815

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

	Market value						Risk position					
	30 Jun 2022		30 Jun 2021		31 Dec 2021		30 Jun 2022		30 Jun 2021		31 Dec 2021	
	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%	€ mill.	%
<b>Fixed-Income Investments</b>	<b>14,835</b>	<b>26.2</b>	<b>13,567</b>	<b>24.7</b>	<b>15,251</b>	<b>25.8</b>	<b>15,083</b>	<b>26.6</b>	<b>13,684</b>	<b>24.9</b>	<b>15,402</b>	<b>26.1</b>
Loan receivables	2,698	4.8	2,903	5.3	2,711	4.6	2,698	4.8	2,903	5.3	2,711	4.6
Bonds	7,789	13.7	8,482	15.4	9,269	15.7	7,685	13.6	8,800	16.0	10,281	17.4
Other money-market instruments and deposits	4,348	7.7	2,182	4.0	3,271	5.5	4,699	8.3	1,981	3.6	2,409	4.1
<b>Equity investments</b>	<b>27,133</b>	<b>47.9</b>	<b>27,681</b>	<b>50.3</b>	<b>29,144</b>	<b>49.4</b>	<b>27,454</b>	<b>48.4</b>	<b>27,889</b>	<b>50.7</b>	<b>29,352</b>	<b>49.7</b>
Listed equities	16,773	29.6	20,111	36.5	20,010	33.9	17,094	30.2	20,319	36.9	20,217	34.3
Private equity	9,829	17.3	7,221	13.1	8,663	14.7	9,829	17.3	7,221	13.1	8,663	14.7
Unlisted equities	531	0.9	349	0.6	471	0.8	531	0.9	349	0.6	471	0.8
<b>Real estate investments</b>	<b>5,581</b>	<b>9.8</b>	<b>4,981</b>	<b>9.1</b>	<b>5,442</b>	<b>9.2</b>	<b>5,581</b>	<b>9.8</b>	<b>4,981</b>	<b>9.1</b>	<b>5,442</b>	<b>9.2</b>
Direct real estates	3,071	5.4	2,868	5.2	3,086	5.2	3,071	5.4	2,868	5.2	3,086	5.2
Real estate funds	2,510	4.4	2,113	3.8	2,356	4.0	2,510	4.4	2,113	3.8	2,356	4.0
<b>Other investments</b>	<b>9,125</b>	<b>16.1</b>	<b>8,804</b>	<b>16.0</b>	<b>9,187</b>	<b>15.6</b>	<b>9,119</b>	<b>16.1</b>	<b>8,819</b>	<b>16.0</b>	<b>9,187</b>	<b>15.6</b>
Hedge funds	9,129	16.1	8,805	16.0	9,184	15.6	9,129	16.1	8,805	16.0	9,184	15.6
Commodities	0	0.0	0	0.0	0	0.0	-6	0.0	15	0.0	0	0.0
Other investments	-4	0.0	0	0.0	3	0.0	-4	0.0	0	0.0	3	0.0
<b>Total</b>	<b>56,675</b>	<b>100.0</b>	<b>55,033</b>	<b>100.0</b>	<b>59,024</b>	<b>100.0</b>	<b>57,237</b>	<b>101.0</b>	<b>55,372</b>	<b>100.6</b>	<b>59,382</b>	<b>100.6</b>
Impact of derivatives							-562	-1.0	-339	-0.6	-358	-0.6
<b>Total</b>	<b>56,675</b>	<b>100.0</b>	<b>55,033</b>	<b>100.0</b>	<b>59,024</b>	<b>100.0</b>	<b>56,675</b>	<b>100.0</b>	<b>55,033</b>	<b>100.0</b>	<b>59,024</b>	<b>100.0</b>

### Modified duration of the bond portfolio 3.5

## 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 Jun 2022 %	30 Jun 2021 %	31 Dec 2021 %
<b>Fixed-Income Investments</b>	<b>-674</b>	<b>14,743</b>	<b>-4.6</b>	<b>0.9</b>	<b>1.9</b>
Loan receivables	41	2,673	1.5	1.9	5.4
Bonds	-715	8,647	-8.3	0.8	1.4
Other money-market instruments and deposits	0	3,423	0.0	-0.2	-0.9
<b>Equity investments</b>	<b>-2,428</b>	<b>29,790</b>	<b>-8.2</b>	<b>18.3</b>	<b>32.2</b>
Listed equities	-3,527	20,600	-17.1	16.2	26.4
Private equity	1,057	8,705	12.1	25.2	49.6
Unlisted equities	41	484	8.5	8.1	26.3
<b>Real estate investments</b>	<b>207</b>	<b>5,418</b>	<b>3.8</b>	<b>1.9</b>	<b>5.9</b>
Direct real estates	58	3,058	1.9	1.3	4.1
Real estate funds	149	2,360	6.3	2.8	8.5
<b>Real estate funds</b>	<b>413</b>	<b>8,917</b>	<b>4.6</b>	<b>7.4</b>	<b>15.3</b>
Hedge funds	398	8,925	4.5	7.5	15.3
Commodities	5	-4			
Other investments	10	-4			
<b>Total</b>	<b>-2,482</b>	<b>58,867</b>	<b>-4.2</b>	<b>10.4</b>	<b>18.6</b>
Unallocated income, costs and operating expenses from investment activities	-21	13			
<b>Net investment return at fair value</b>	<b>-2,503</b>	<b>58,880</b>	<b>-4.3</b>	<b>10.4</b>	<b>18.5</b>

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