



Interim report 1 January – 30 June 2022

25 August 2022

Summary of January–June

- The return on Veritas' investments was **-3.3 per cent** in April-June and **-6.7 per cent** in the first half of 2022.
- The solvency position remained strong and at the end of June, it was **1.7-fold** compared to the solvency limit.
- Premiums written are expected to grow by nearly **13 per cent** in 2022, mainly due to the growth in the TyEL insurance portfolio.
- The volume of YEL insurance policies continued to grow.
- All energy consumed by Veritas' properties has been completely emissions-free since the beginning of June.



-6.7%

Return on investments



4.1bn

Value of investments



124.5%

Solvency ratio



1.7

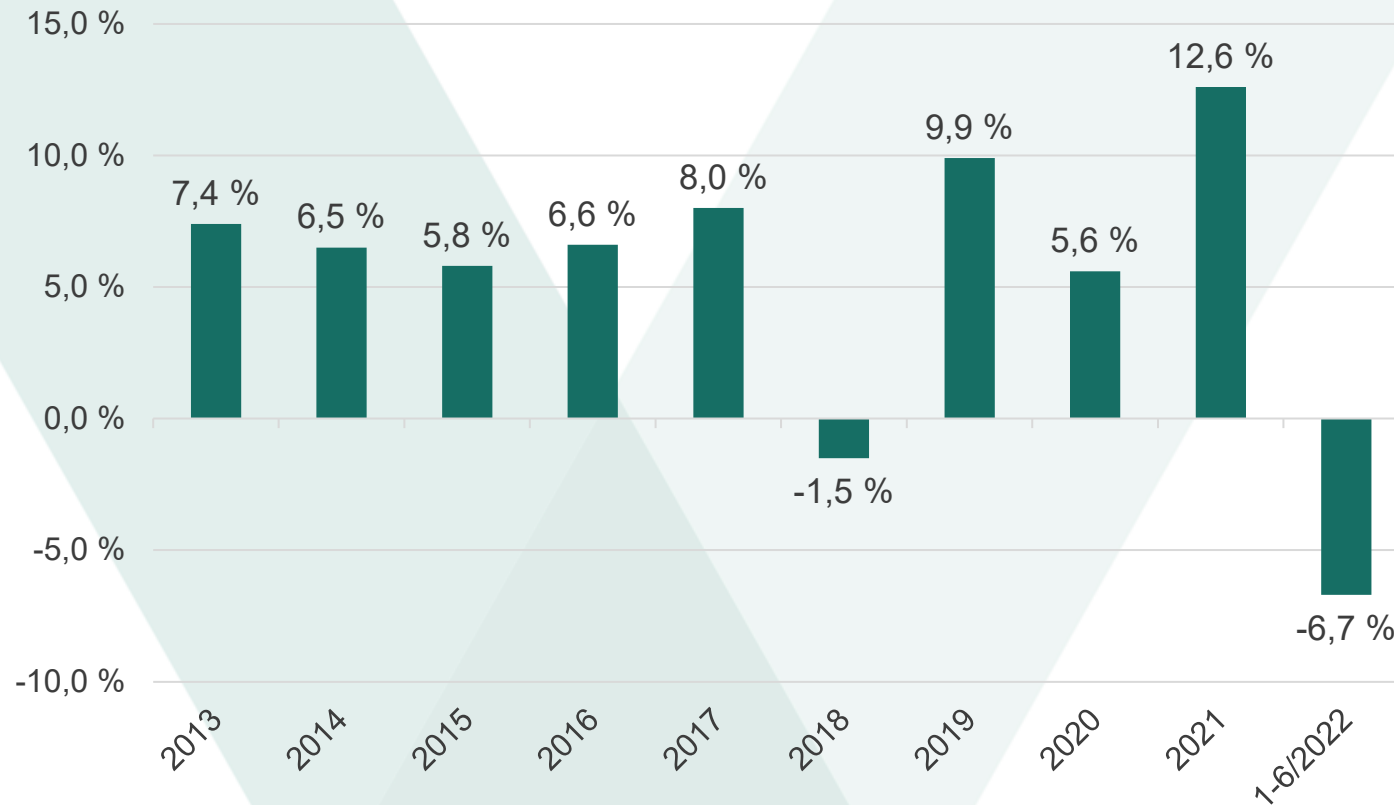
Solvency position



Investments

The investment return was negative in January-June

Investment returns



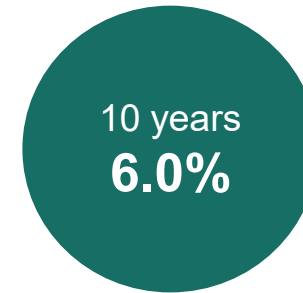
- The return on Veritas' investments was **-3.3** per cent in the second quarter of the year.
- In January-June, the investment return was **-6.7** per cent.
- The return on fixed-income instruments was **-7.6** per cent, equity investments **-12.5** per cent, real estate investments **2.9** per cent and other investments **8.3** per cent.

The cumulative investment return for a 10-year period is 79.6 per cent



The return is calculated from 1 July 2012 to 30 June 2022.

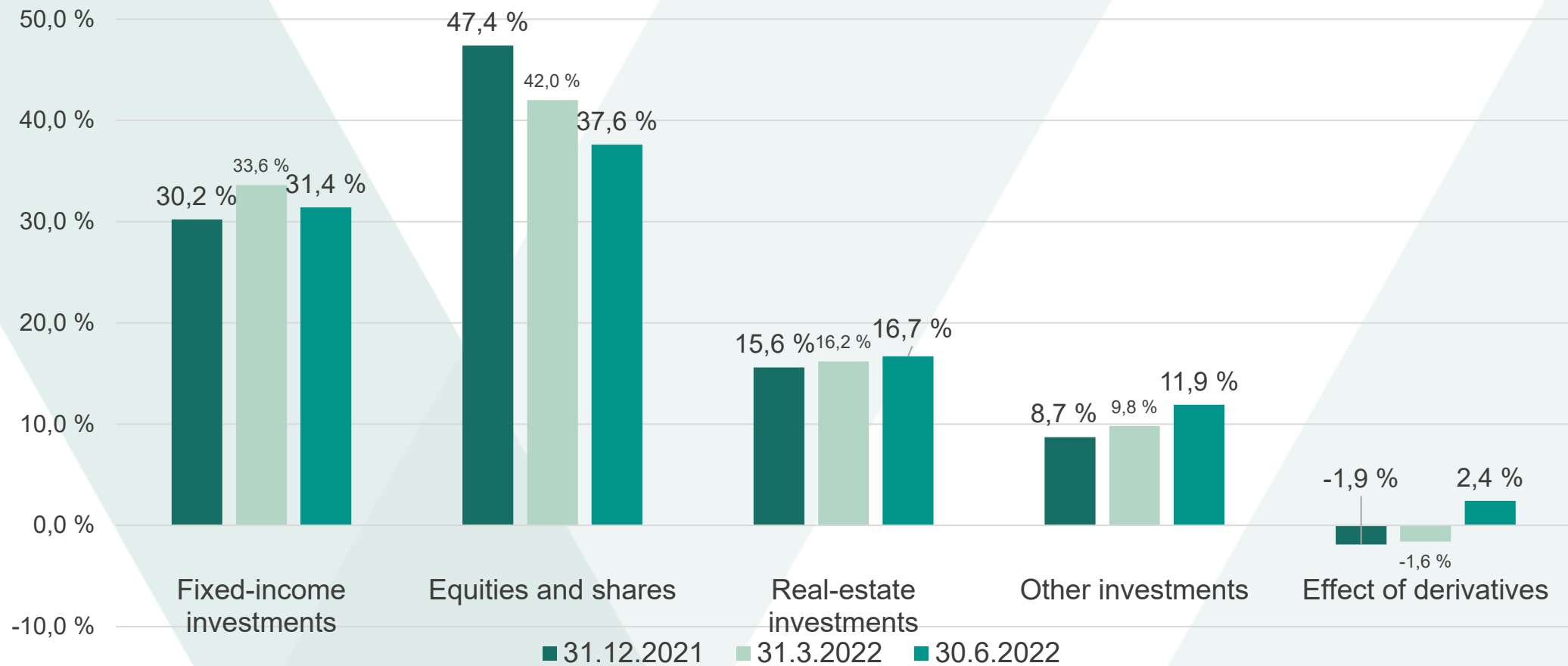
Nominal return



Real return

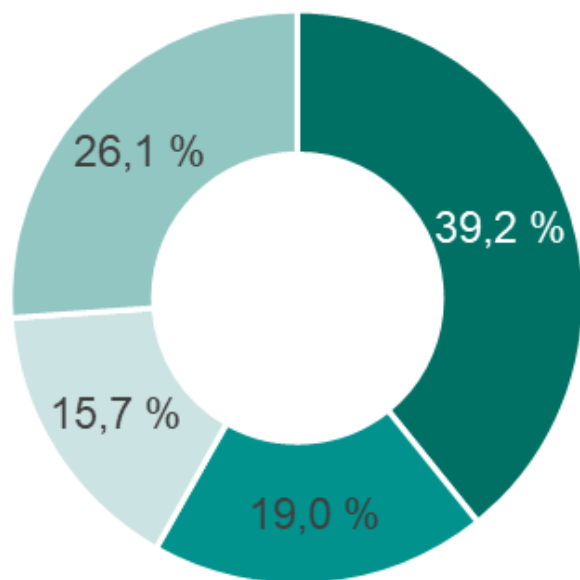


Changes in portfolio allocation



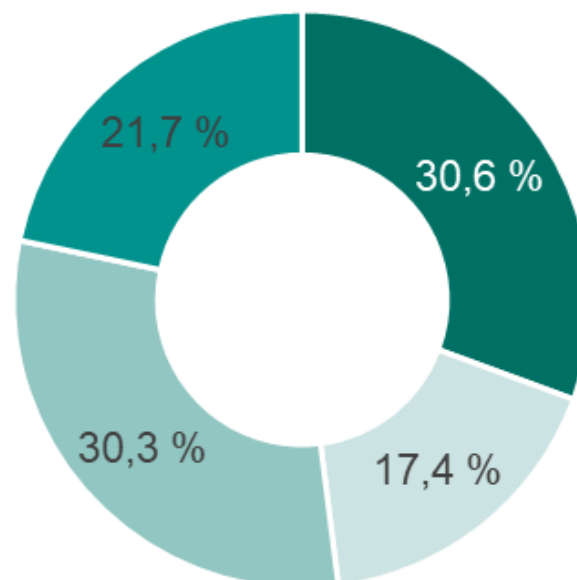
Geographical distribution of investments

All investments



■ Finland ■ Europe ■ North-America ■ Others

Listed equities



■ Finland ■ Europe ■ North-America ■ Others

Breakdown of investments at fair value

	Basic breakdown		Risk-adjusted breakdown		Return
	30 Jun 2022		30 Jun 2022		1-6/2022
	milj. €	%	milj. €	% ⁸	%
Fixed-income investments	1 276,5	31,3	1 282,6	31,4	-7,6
Loan receivables ¹	56,1	1,4	56,1	1,4	0,9
Bonds ¹	878,6	21,5	884,6	21,7	-10,2
Government bonds	480,4	11,8	486,5	11,9	-10,3
Other bonds	398,1	9,8	398,1	9,8	-10,0
Other money market instruments and deposits ^{1 2}	341,9	8,4	341,9	8,4	0,0
Equity investments	1 637,5	40,1	1 534,9	37,6	-12,5
Listed equities	1 214,6	29,8	1 112,1	27,3	-17,9
Private equity investments ³	376,3	9,2	376,3	9,2	8,6
Unlisted equities ⁴	46,5	1,1	46,5	1,1	7,4
Real estate investments	682,4	16,7	682,4	16,7	2,9
Direct real estate investments	558,3	13,7	558,3	13,7	2,3
Real estate funds	124,1	3,0	124,1	3,0	5,7
Other investments	483,8	11,9	483,8	11,9	8,3
Hedge fund investments ⁵	304,6	7,5	304,6	7,5	8,5
Other investments ⁶	179,2	4,4	179,2	4,4	8,1
Total investments	4 080,2	100,0	3 983,6	97,6	-6,7
Effect of derivatives ⁷			96,6	2,4	
Total investments at fair value			4 080,2	100,0	
Modified duration of the bond portfolio			4,5		
Open currency position, % of the market value of investments			28,7		

¹ Includes accrued interest.

² Includes cash and bank balance as well as settlement receivables and liabilities.

³ Includes private equity and mezzanine funds.

⁴ Includes unlisted real estate investment companies.

⁵ Includes all types of hedge fund shares, regardless of the fund's strategy.

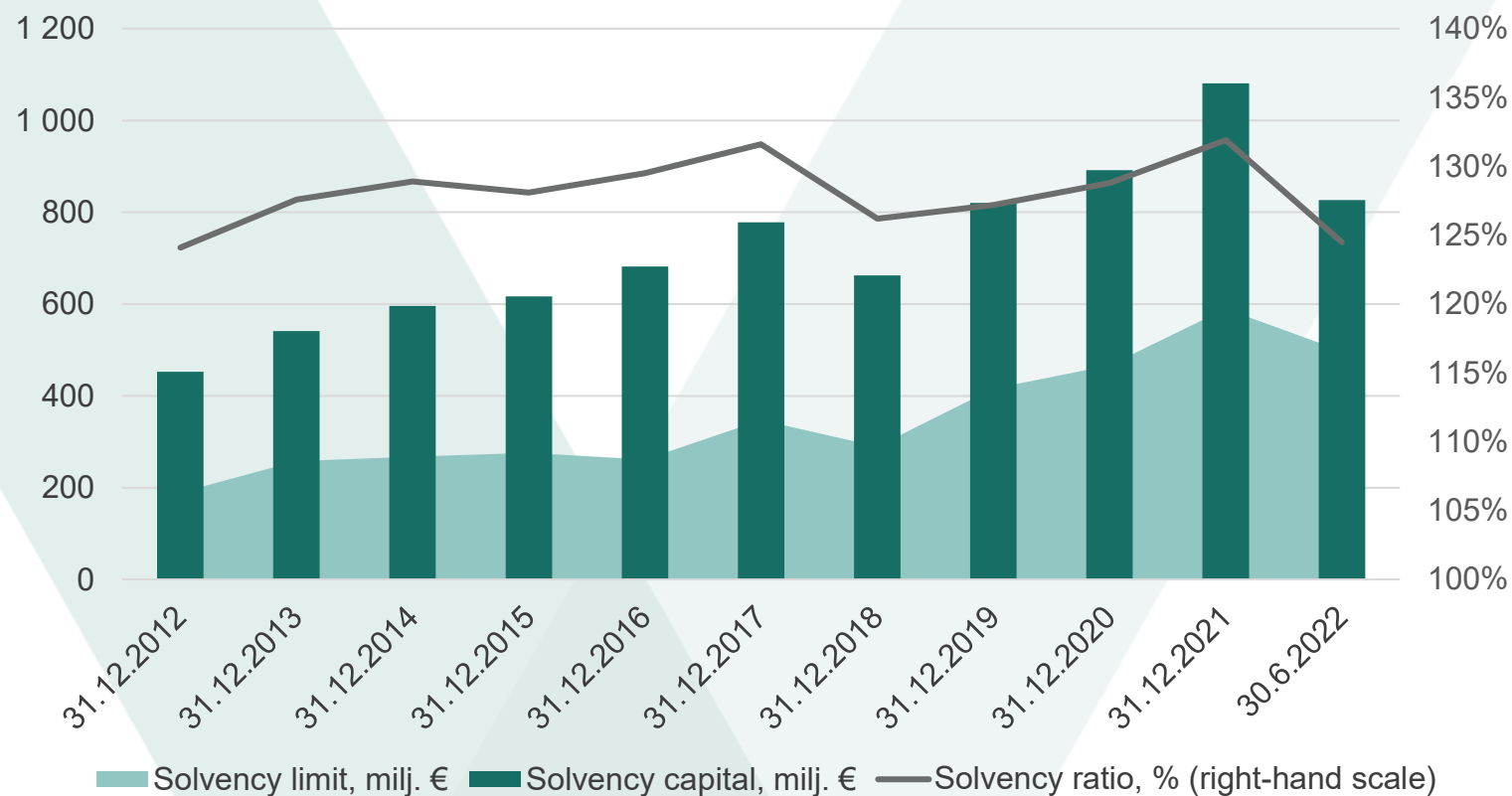
⁶ Includes items that cannot be allocated to other investment groups

⁷ Includes the effect of derivatives on the difference between risk-adjusted breakdown and basic breakdown. The effect may be positive or negative (+/-). When the effect is taken into account, the sums of the risk-adjusted breakdown and the basic breakdown are equal.

⁸ The relative proportion is calculated using the total of the line 'Total investments at fair value' as the divisor.

The table has been compiled according to the guidelines of the Finnish Pension Alliance Tela.

Veritas' solvency remained strong



- The solvency ratio was **124.5** per cent at the end of June.
- The solvency position was **1.7**-fold compared to the solvency limit.
- The solvency capital stood at EUR **826.4** million at the end of June 2022.

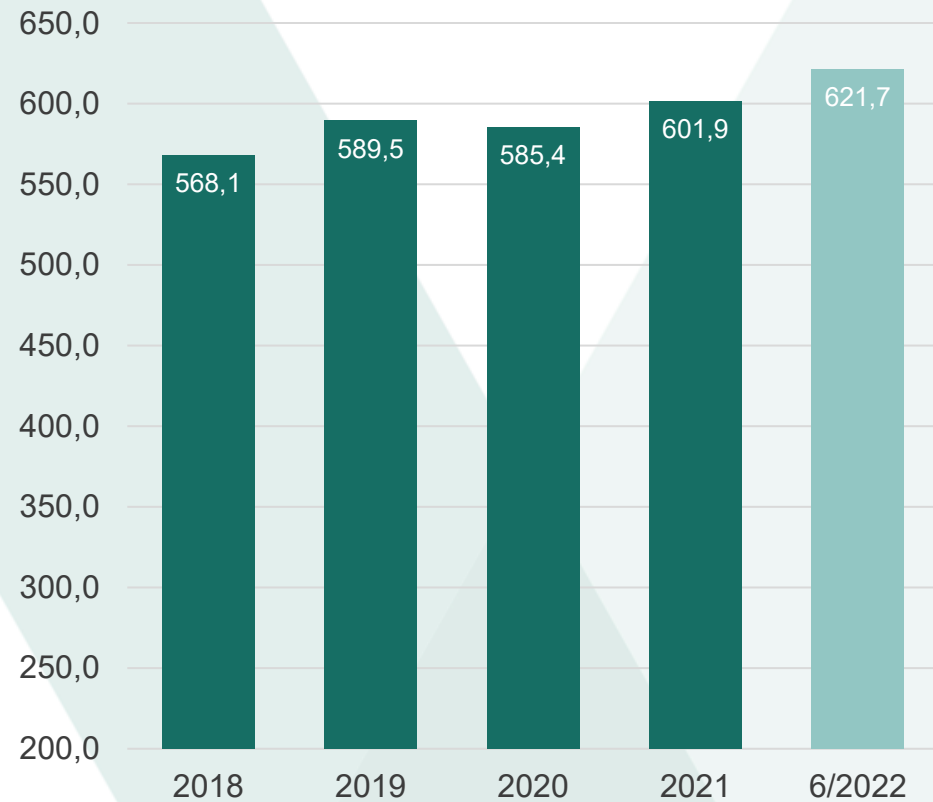
1) Veritas Pension Insurance and Pensions-Alandia merged on 1 January 2019. The figures for the previous years are Veritas figures before the merger.
 2) The figures for 2012 include the provision for pooled claims equated with solvency capital, which was EUR 78.3 million.



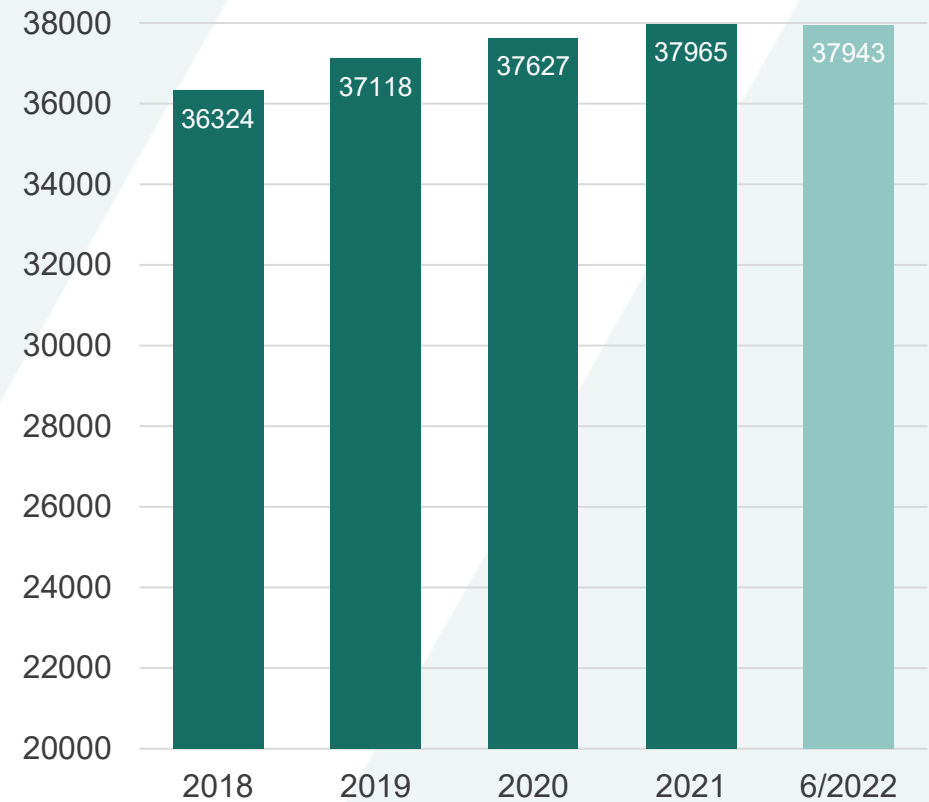
Pensions and insurance

Veritas paid out pensions to nearly 38 000 recipients

Pensions and other claims paid ^{1, 2)}, EUR million



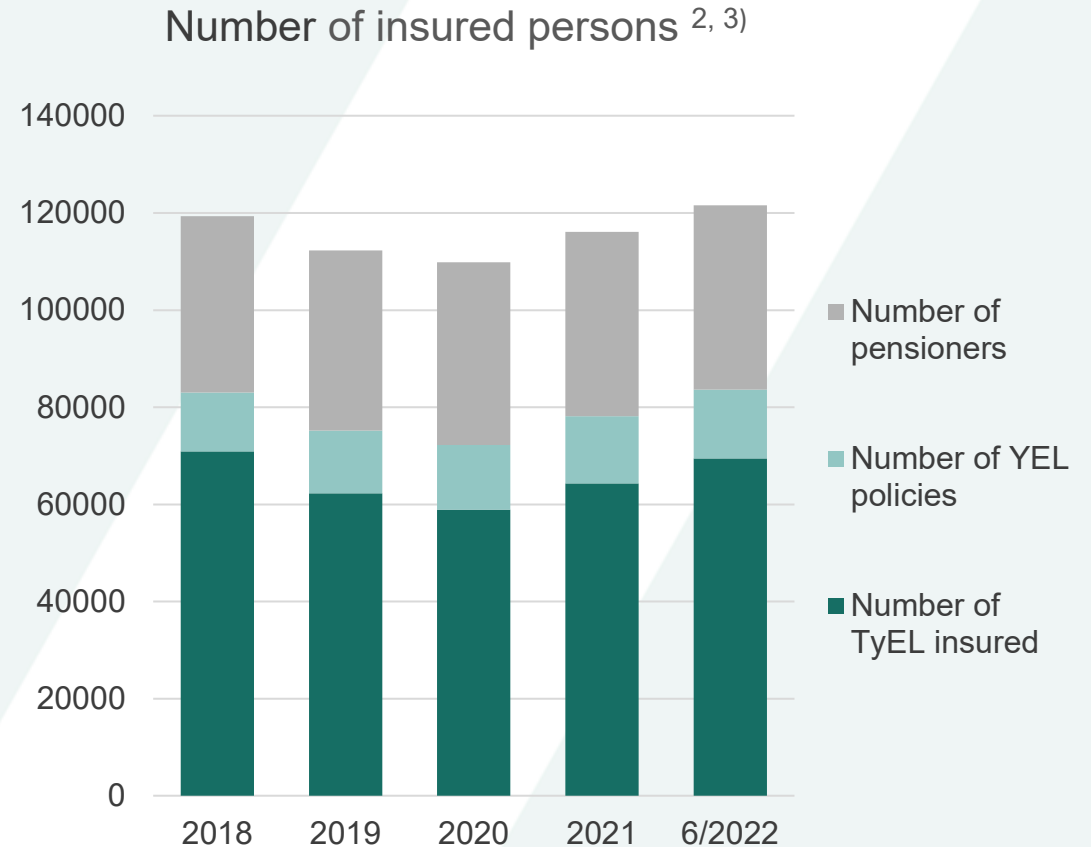
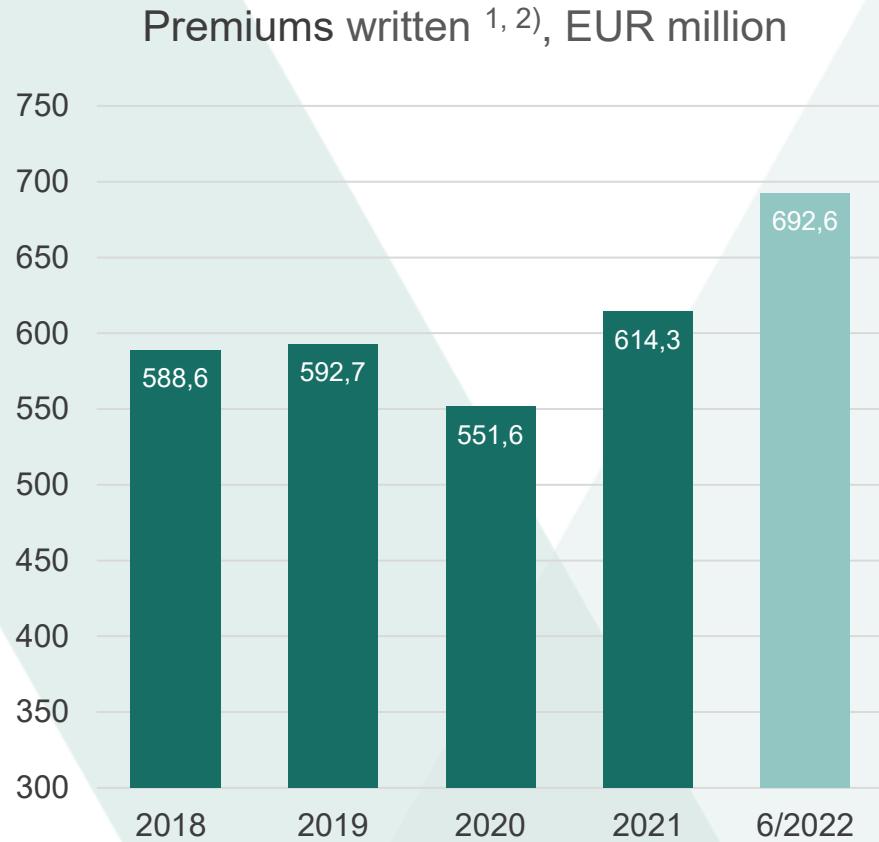
Number of pensioners ²⁾



1) Pensions and other claims paid 6/2022 is an estimate for the whole year 2022.

2) The figures for 2018 are pro forma figures (Veritas + Pensions-Alandia)

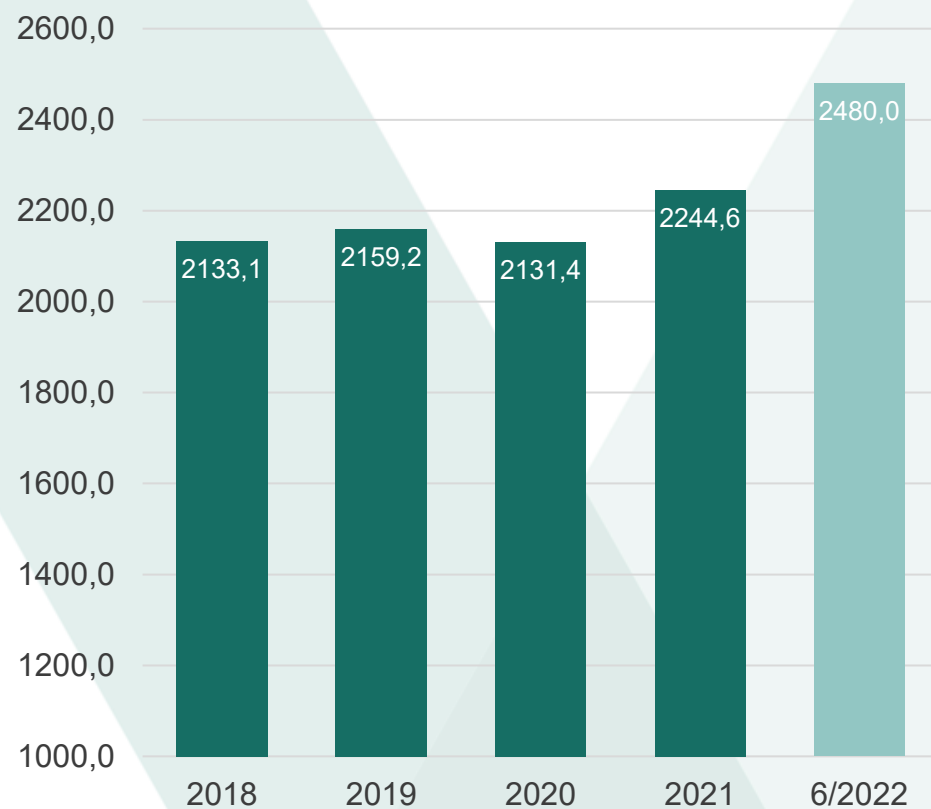
Premiums written are expected to grow by nearly 13 per cent



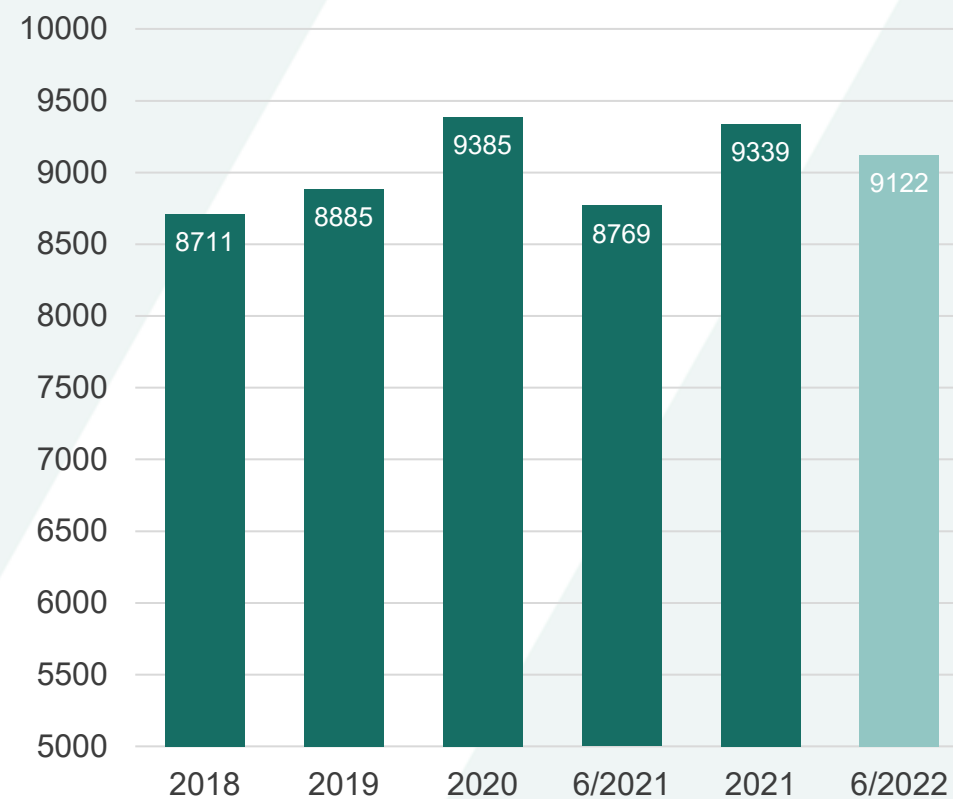
- 1) Premiums written 6/2022 is an estimate of the whole year 2022. The temporary discount on employers' TyEL contributions between May and December 2020 is taken into account.
- 2) The figures for 2018 are pro forma figures (Veritas + Pensions-Alandia).
- 3) The number of TyEL-insured persons in 2019-2021 is not fully comparable with the earlier years. The definition of this key figure changed in 2019 when the Incomes Register was taken into use.

Customers' payroll to grow by over 10 per cent

TyEL payroll ^{1, 2)}, EUR million



Number of TyEL policies ^{1, 3)}

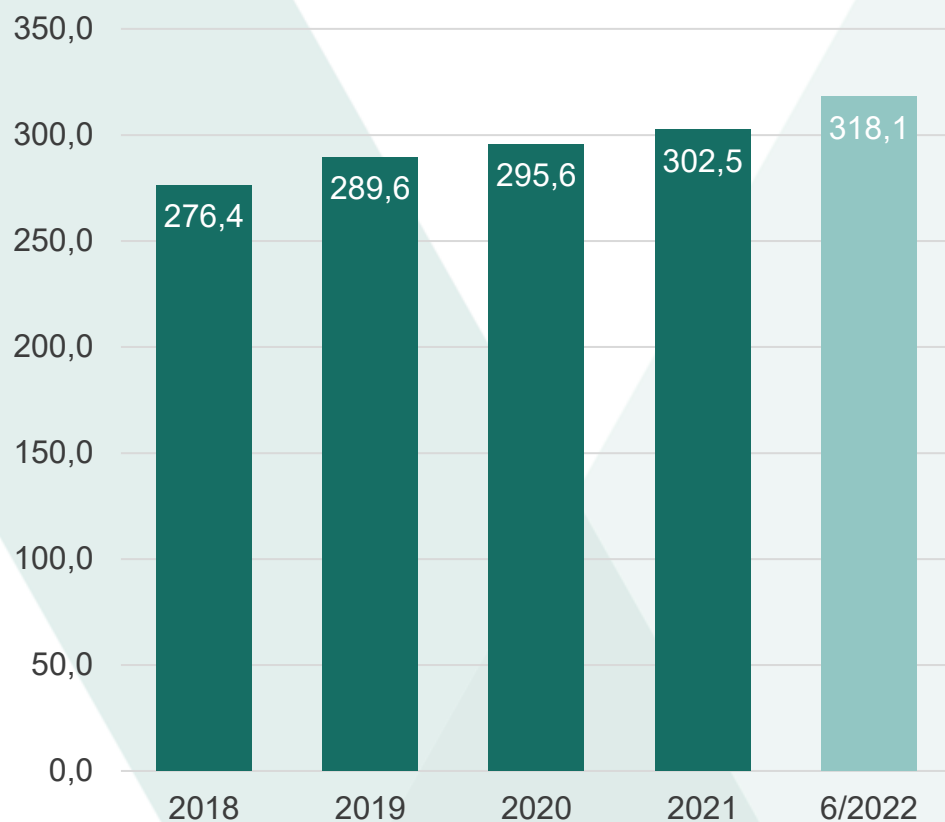


1) The figures for 2018 are pro forma figures (Veritas + Pensions-Alandia)

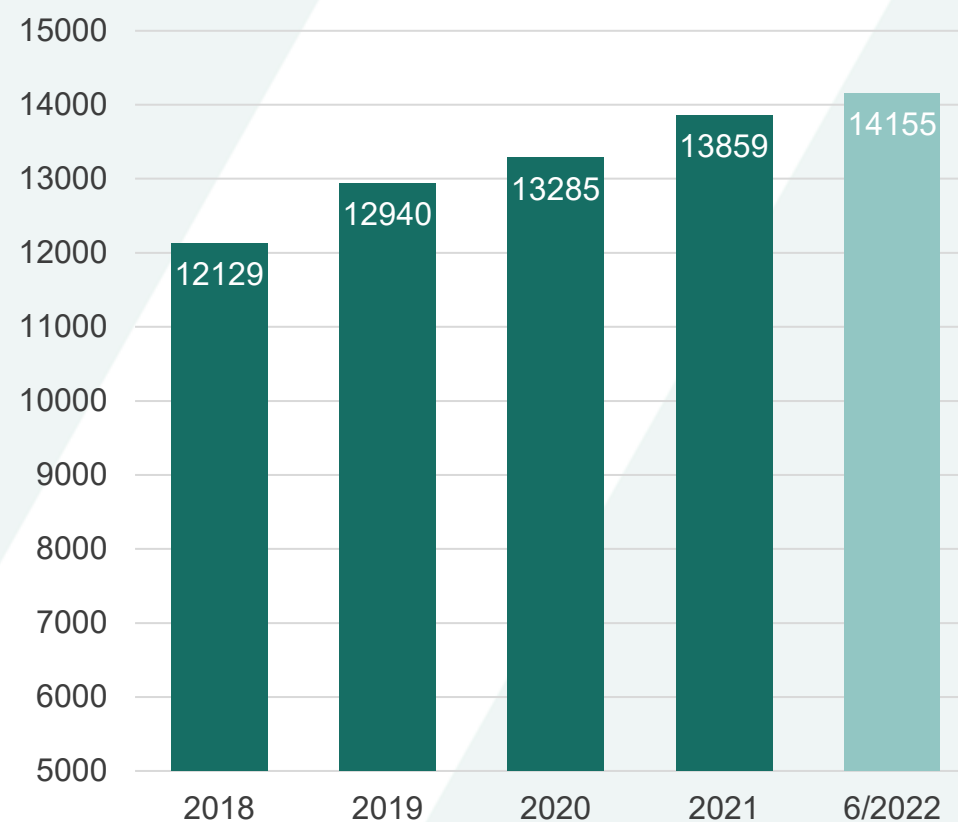
2) TyEL payroll 6/2022 is an estimate for the whole year 2022.

Strong growth in YEL insurance policies continues

Reported income under YEL ^{1, 2)}, EUR million



Number of YEL policies ¹⁾



- 1) The figures for 2018 are pro forma figures (Veritas + Pensions-Alandia)
- 2) Reported income under YEL 6/2022 is an estimate for the whole year 2022.

Result

Result analysis, EUR million	1-6/2022	1-6/2021	2021
Technical underwriting result	11,2	5,6	8,7
Return on investments at fair value	-266,1	123,1	192,6
+ Net return on investments at fair value	-292,1	284,8	490,3
- Return requirement on technical provisions	26,0	-161,7	-297,6
Loading profit	0,2	0,8	2,0
Other profit	0,5	0,1	-0,4
Total result	-254,2	129,6	202,9
Operating income covered by expense loading component, EUR million	9,9	9,4	18,2
% of the expense loading component	98,0 %	91,9 %	90,3 %
Number of employees (average)	154	159	157



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PENSION INSURANCE

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