



Interim report 1 January – 30 September 2021

28 October 2021

Summary of January–September

- The total return on Veritas' investments was **8.3 per cent** in January–September.
- Veritas' equity investments performed best during the period of January–September, with a return of **17.2 per cent**. The return on real estate investments was **4.1 per cent**, fixed income investments **1.3 per cent** and other investments **5.9 per cent**.
- The good investment return has strengthened Veritas' solvency during the year. The solvency ratio was **131.1 per cent** at the end of September.
- Veritas has increased its market share of YEL insurance policies and improved its customer retention.



8.3%

Return on investments



4.2bn

Value of investments



131.1%

Solvency ratio



1.8

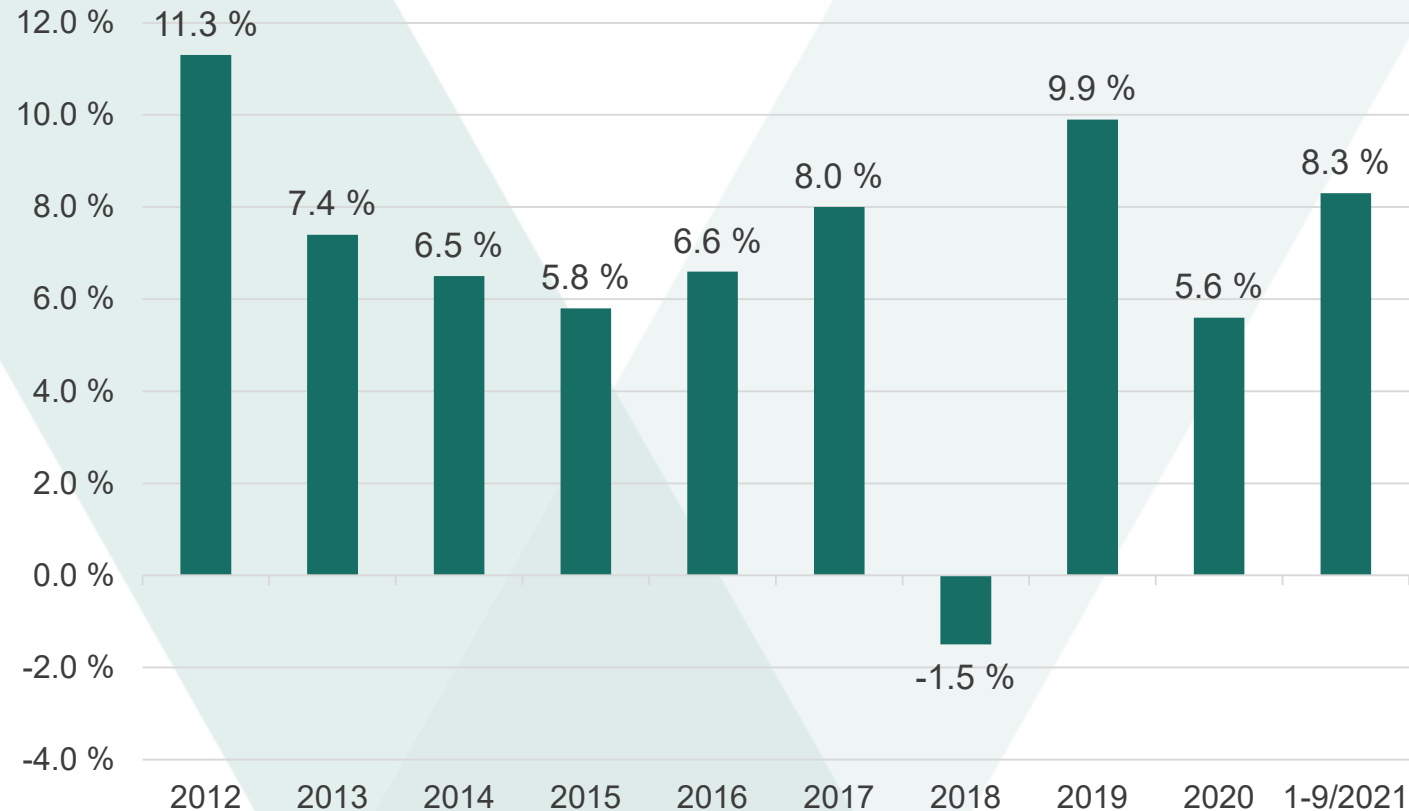
Solvency position



Investments

The investment return was 8.3% in January-September

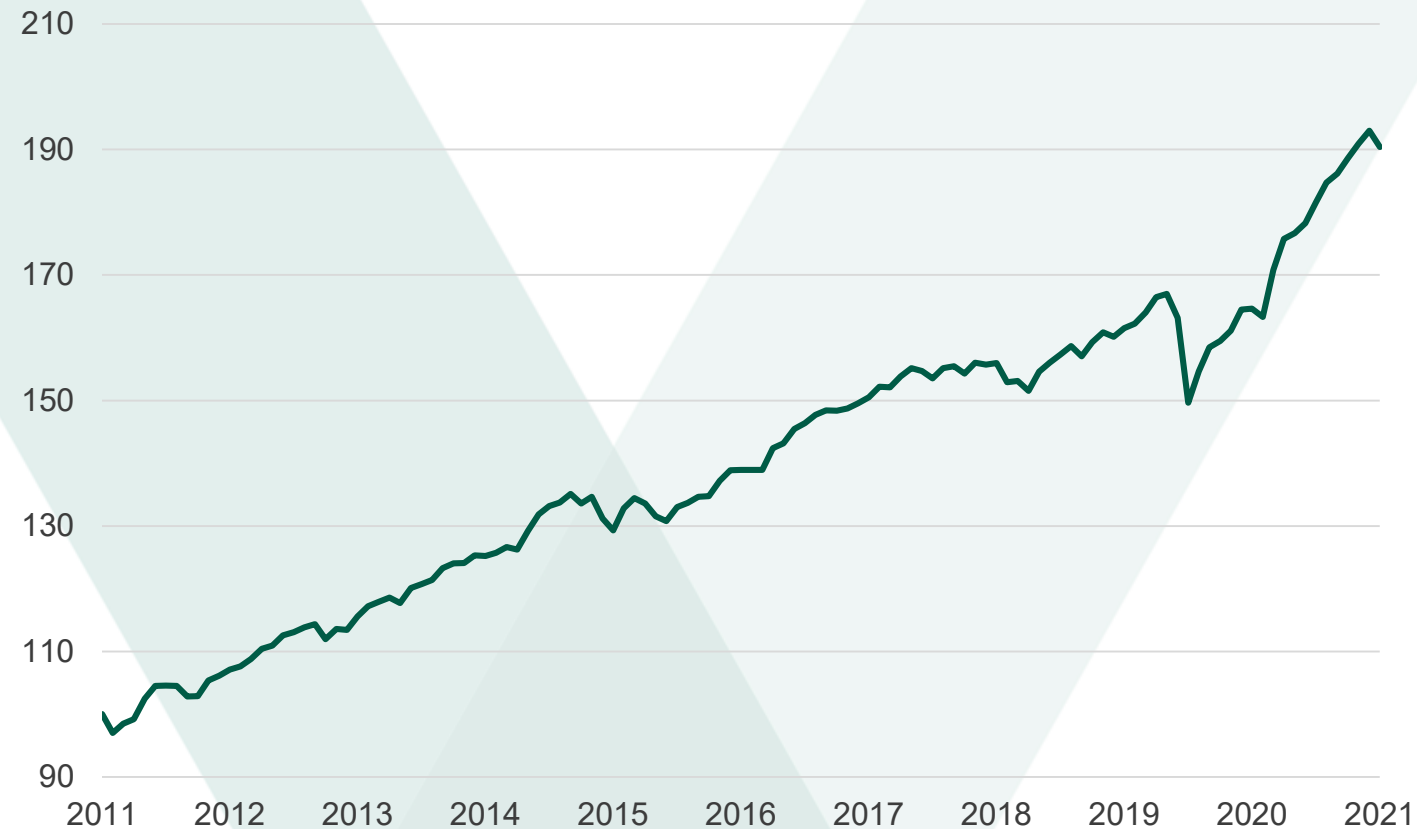
Investment returns



- The return on Veritas' investments was **0.9%** in July-September.
- In January-September, the investment return was **8.3%**.
- Equity investments performed best, with a return of **17.2%**. Real estate investments had a return of **4.1%**, other investments **5.9%**, and fixed-income investments **1.3%**.

Long-term return is high

The cumulative investment return for a 10-year period is 90.4%.



The return is calculated from 1 October 2011 to 30 September 2021 .

Nominal return

10 years
7.0 %

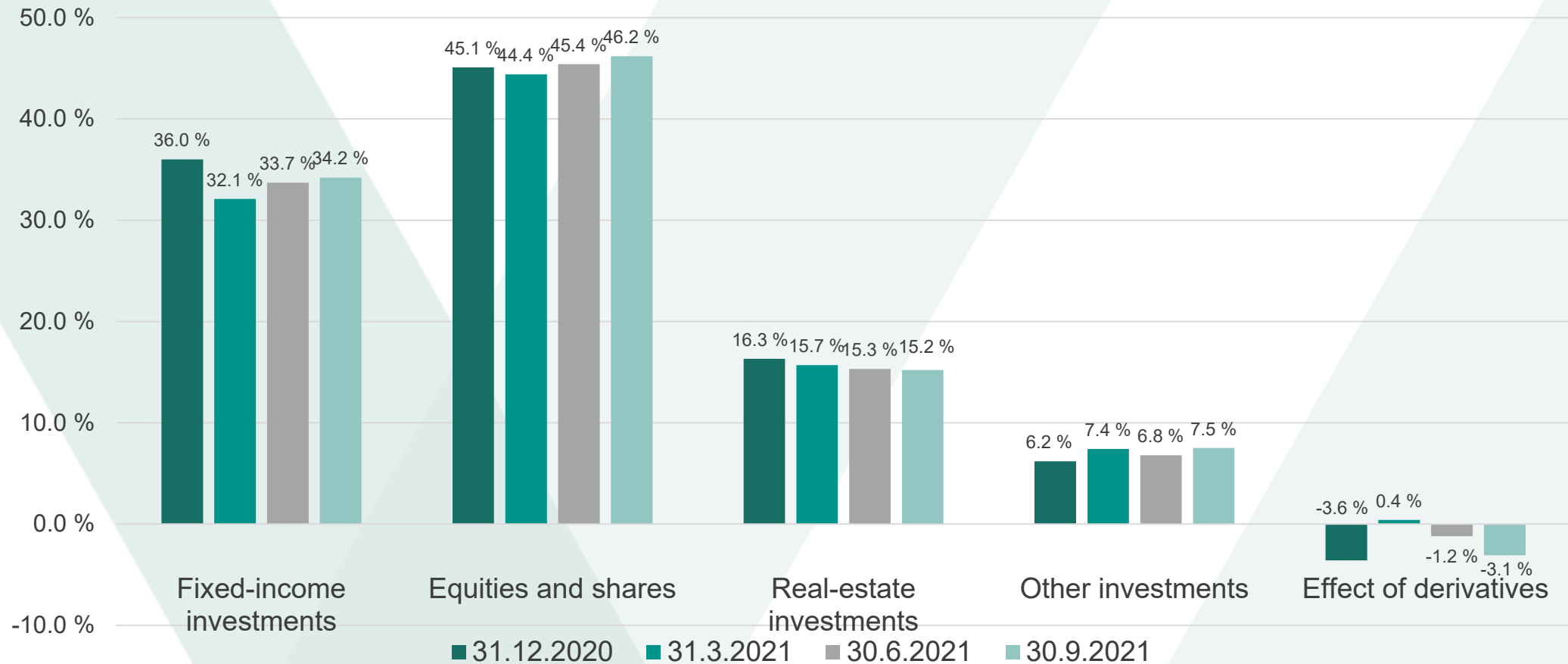
5 years
6.5 %

Real return

10 years
5.9 %

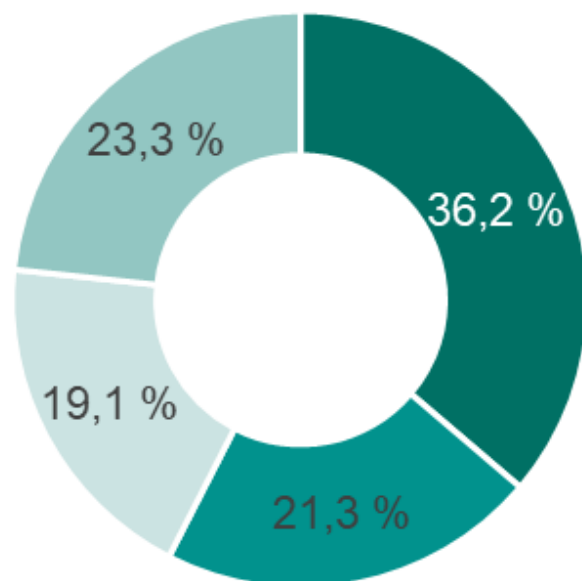
5 years
5.3 %

Changes in portfolio allocation



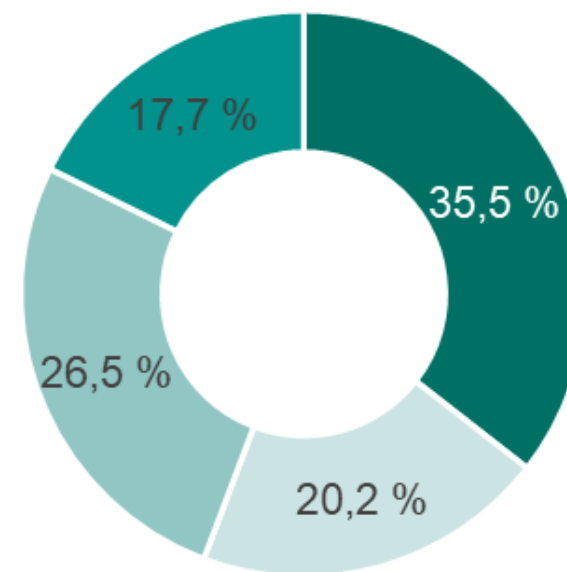
Geographical distribution of investments

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 Sep 2021		30 Sep 2021		1-9/2021
	milj. €	%	milj. €	% ⁸	%
Fixed-income investments	1 411,9	33,5	1 439,5	34,2	1,3
Loan receivables ¹	56,7	1,3	56,7	1,3	1,0
Bonds ¹	1 171,3	27,8	1 196,8	28,4	1,6
Government bonds	681,4	16,2	709,0	16,8	0,1
Other bonds	490,0	11,6	487,8	11,6	3,1
Other money market instruments and deposits ^{1 2}	183,8	4,4	186,0	4,4	0,1
Equity investments	1 843,5	43,8	1 946,1	46,2	17,2
Listed equities	1 470,4	34,9	1 573,0	37,3	16,0
Private equity investments ³	337,8	8,0	337,8	8,0	24,0
Unlisted equities ⁴	35,3	0,8	35,3	0,8	4,8
Real estate investments	641,2	15,2	641,2	15,2	4,1
Direct real estate investments	528,4	12,5	528,4	12,5	3,7
Real estate funds	112,8	2,7	112,8	2,7	5,7
Other investments	315,1	7,5	315,1	7,5	5,9
Hedge fund investments ⁵	191,8	4,6	191,8	4,6	9,0
Other investments ⁶	123,2	2,9	123,2	2,9	1,3
Total investments	4 211,7	100,0	4 341,9	103,1	8,3
Effect of derivatives ⁷			-130,2	-3,1	
Total investments at fair value			4 211,7	100,0	
Modified duration of the bond portfolio			5,3		
Open currency position, % of the market value of investments			23,7		

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.

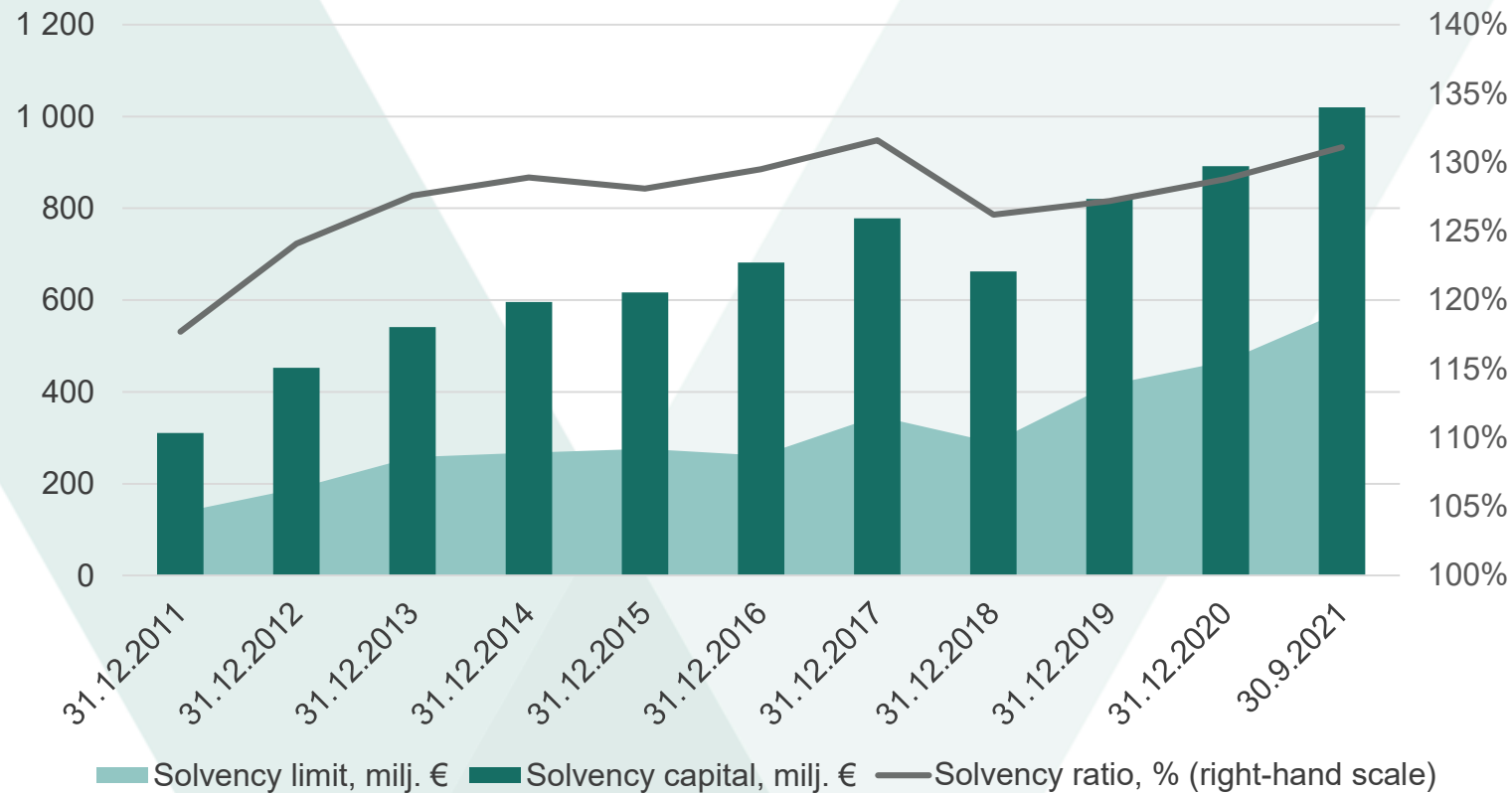
⁶ Includes items that cannot be allocated to other investment groups

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.

The good investment return has strengthened Veritas' solvency

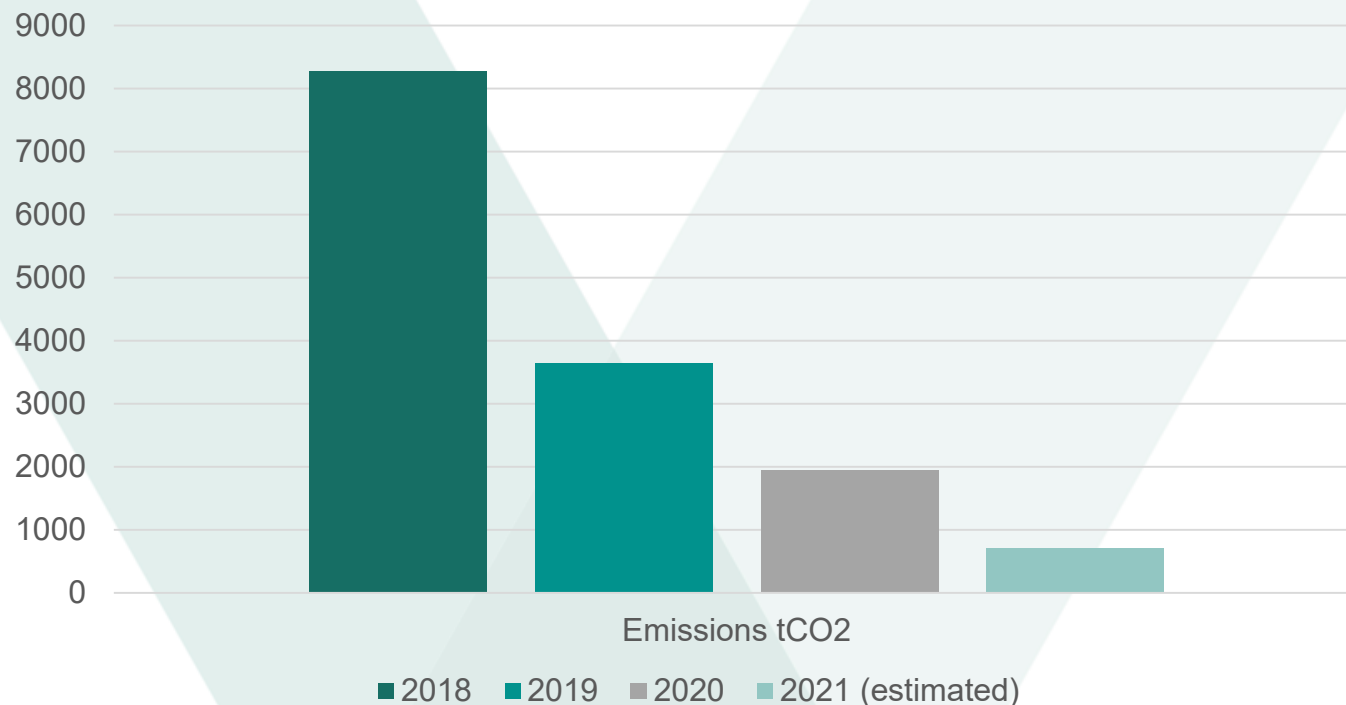


- The solvency ratio has increased to **131.1%** during the year.
- The solvency position was **1.8** at the end of September.
- The solvency capital stood at **EUR 1 019,7** million at the end of September.

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 2011–2012 include the provision for pooled claims equated with solvency capital, which was EUR 73.3 million in 2011 and EUR 78.3 million in 2012.

Carbon-neutral real estate portfolio by 2030

Emissions of direct real estate investments



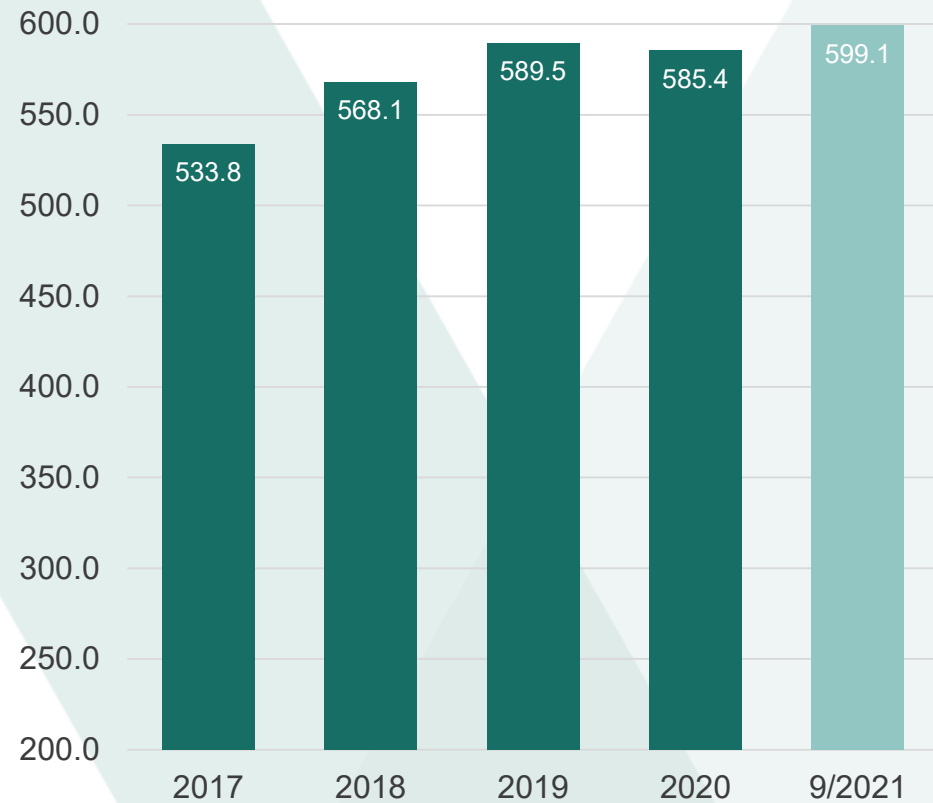
- From 2018 to 2020 the emissions have decreased by 76 per cent.
- The emissions are estimated to decrease even further this year.
- On-going energy efficiency projects in Turku and Helsinki.



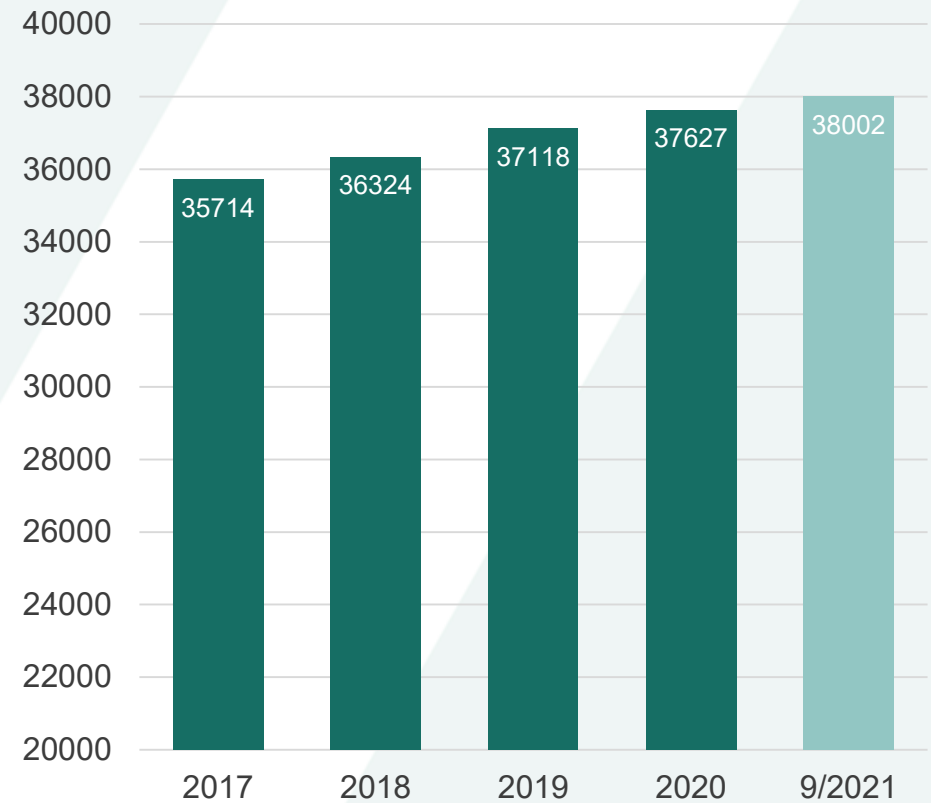
Pensions and insurance

The pension expenditure is close to 600 million euros

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



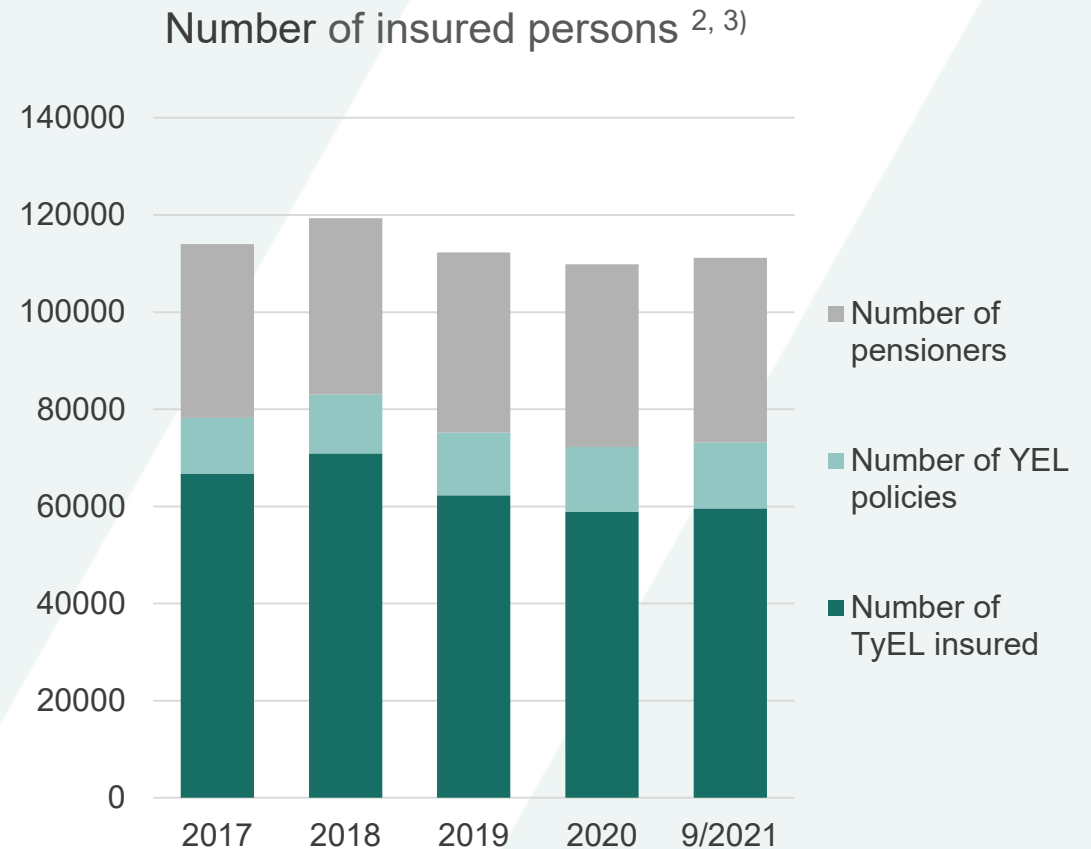
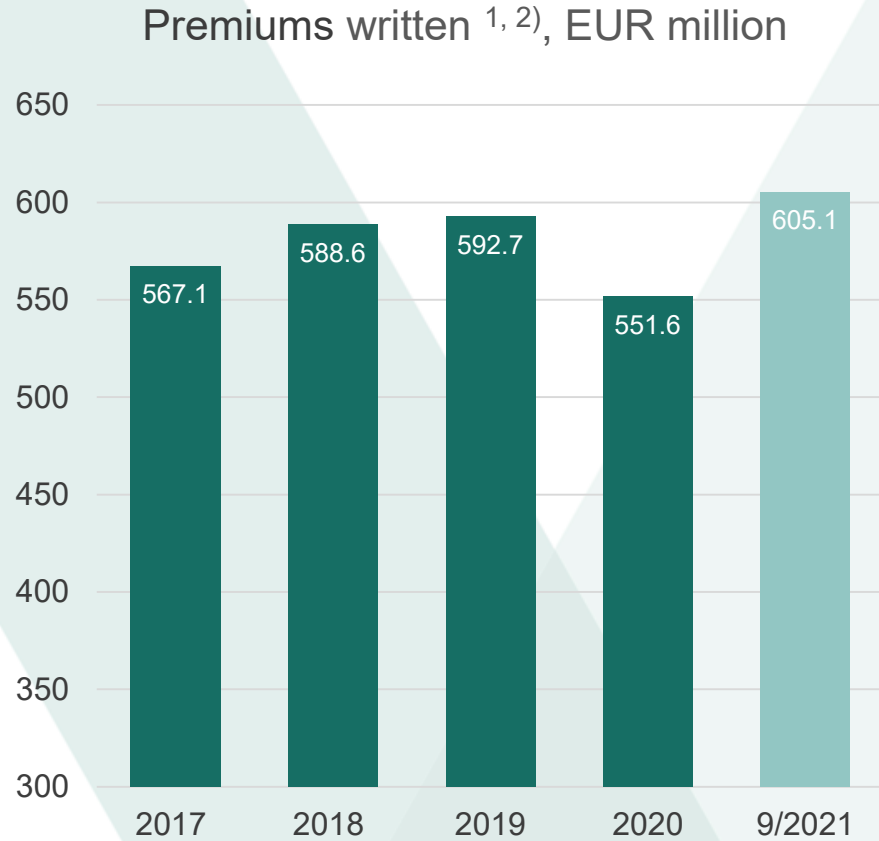
Number of pensioners ²⁾



1) Pensions and other claims paid 9/2021 is an estimate for the whole year 2021.

2) The figures for 2017-2018 are pro forma figures (Veritas + Pensions-Alandia)

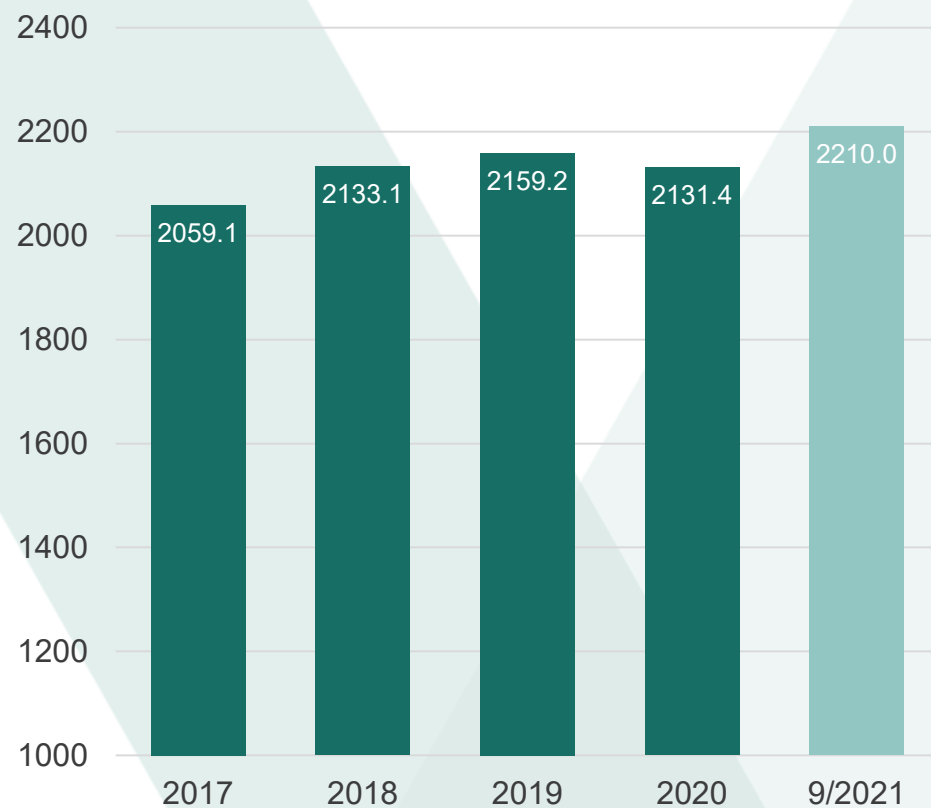
Veritas' premiums written will likely exceed 600 million euro during this year



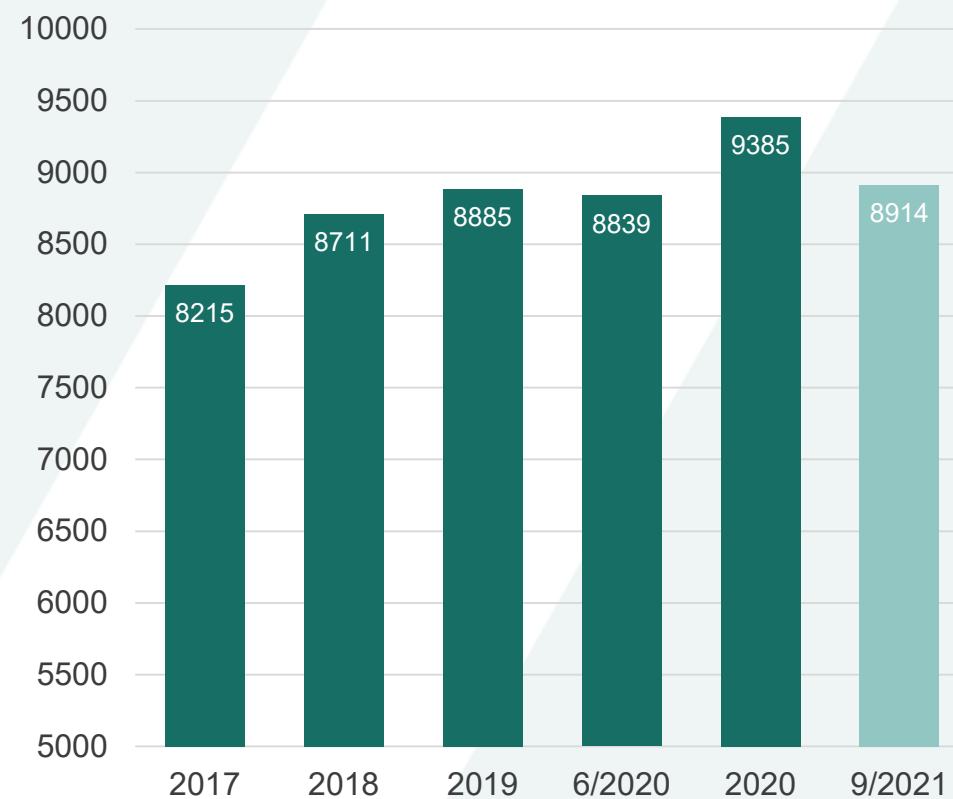
- 1) Premiums written 9/2021 is an estimate of the whole year 2021. The temporary discount on employers' TyEL contributions between May and December 2020 is taken into account.
- 2) The figures for 2017–2018 are pro forma figures (Veritas + Pensions-Alandia).
- 3) The number of TyEL-insured persons in 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 has started to rise

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

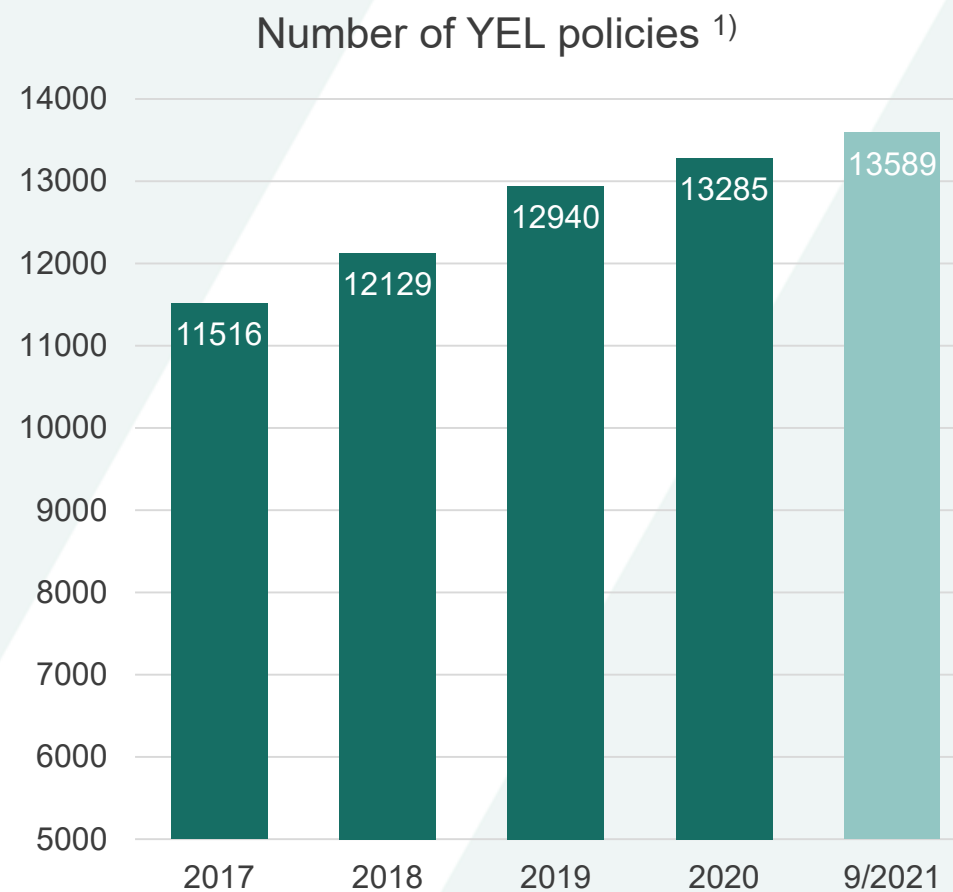
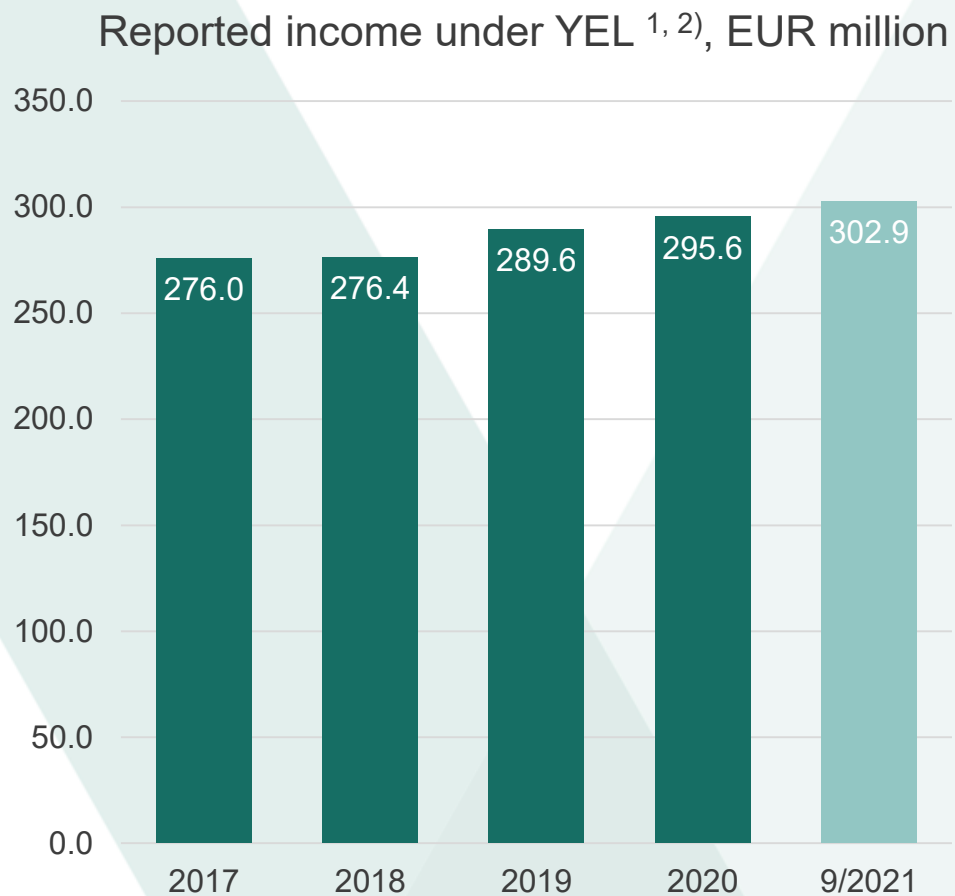


Number of TyEL policies ^{1, 3)}



- 1) The figures for 2017–2018 are pro forma figures (Veritas + Pensions-Alandia)
- 2) TyEL payroll 9/2021 is an estimate for the whole year 2021.

Number of YEL policies continues to increase



1) The figures for 2017–2018 are pro forma figures (Veritas + Pensions-Alandia)

2) Reported income under YEL 9/2021 is an estimate for the whole year 2021.

Result

Result analysis, EUR million

	1-9/2021	1-9/2020	2020
Technical underwriting result	6,9	5.9	2.3
Return on investments at fair value	119,8	-95.6	70.0
+ Net return on investments at fair value	324,1	-39.3	206.4
- Return requirement on technical provisions	-204,4	-56.3	-136.4
Loading profit	1,4	1.2	1.8
Other profit	0,4	0.8	1.7
Total result	128,5	-87.6	75.8

Operating income covered by expense loading component,
EUR million

13,4 12.7 17.5

% of the expense loading component

90,6 % 91.4% 90.5 %

Number of employees (average)

158 158 157



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PENSION INSURANCE

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