



Financial statement presentation 2021

17 February 2022

The year in brief

- Veritas succeeded in attaining excellent investment returns in 2021. The return from investments during the year amounted to **12.6** per cent, i.e., close to EUR **0.5** billion.
- Veritas' solvency position remained solid and was further improved owing to the good investment performance.
- Veritas gained a record-breaking number of new customers and increased its customer retention.
- At the close of the year, a total of **78 000** people were insured by Veritas. Veritas was paid out pensions to nearly **38 000** recipients.



12.6%

Investment return



4.4bn

Value of investments



131.9%

Solvency ratio



1.8

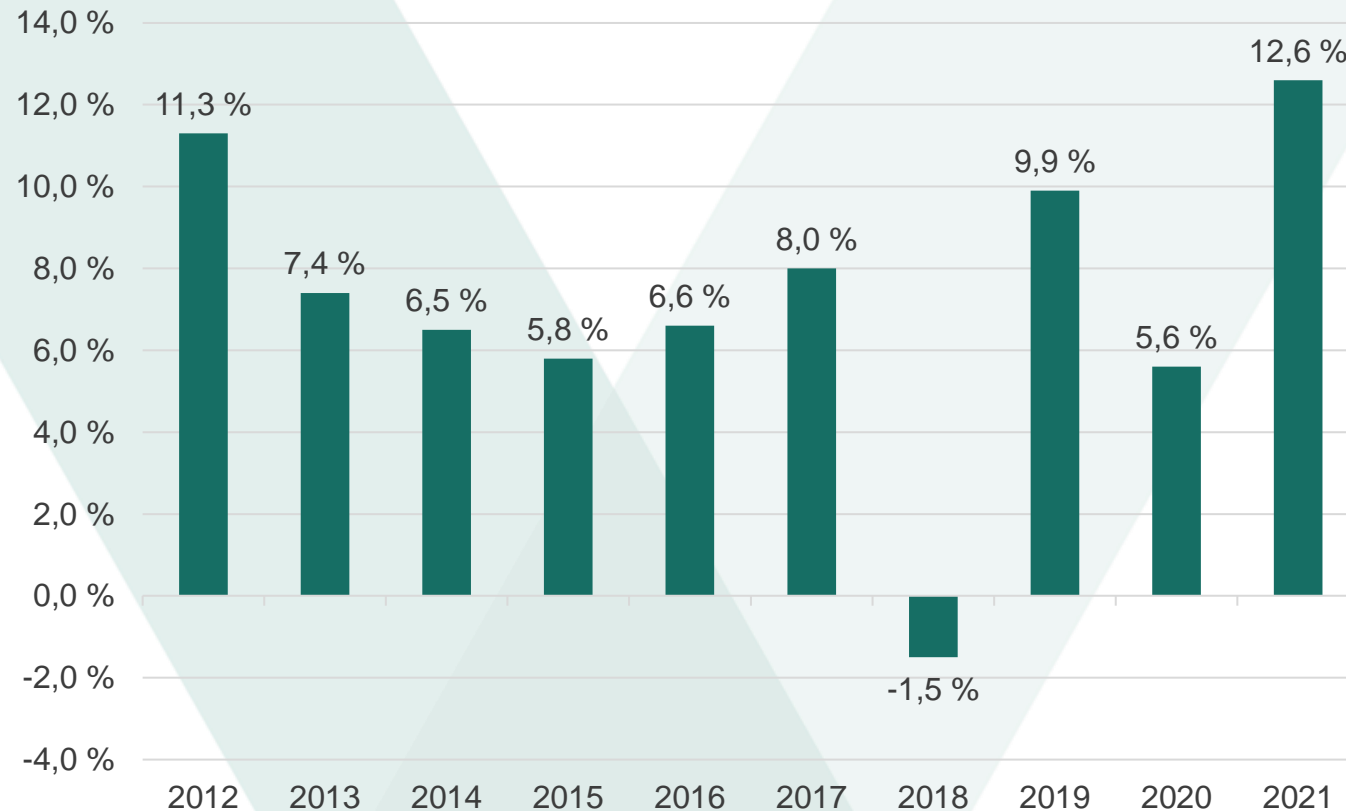
Solvency position



Investments

Highest investment return for Veritas in the 21st century

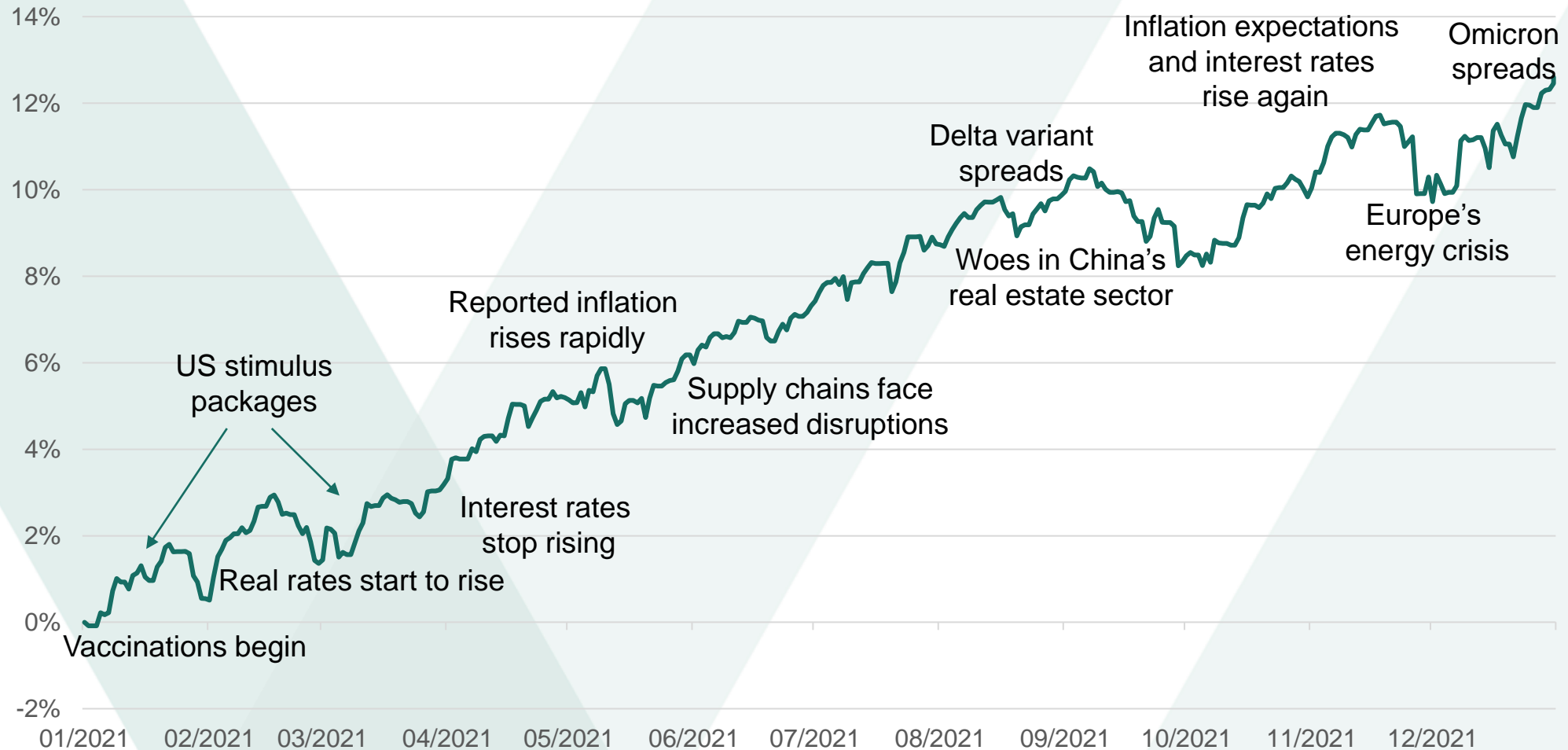
Investment returns



- The investment return for the whole year was **12.6%** in 2021
- Equity investments succeeded best, with a return of **25.2%** last year. The return on real estate investments was **9.5%**, other investments **7.4%** and fixed income investments **1.6%**.
- In the fourth quarter, the investment return was **4.0%**.

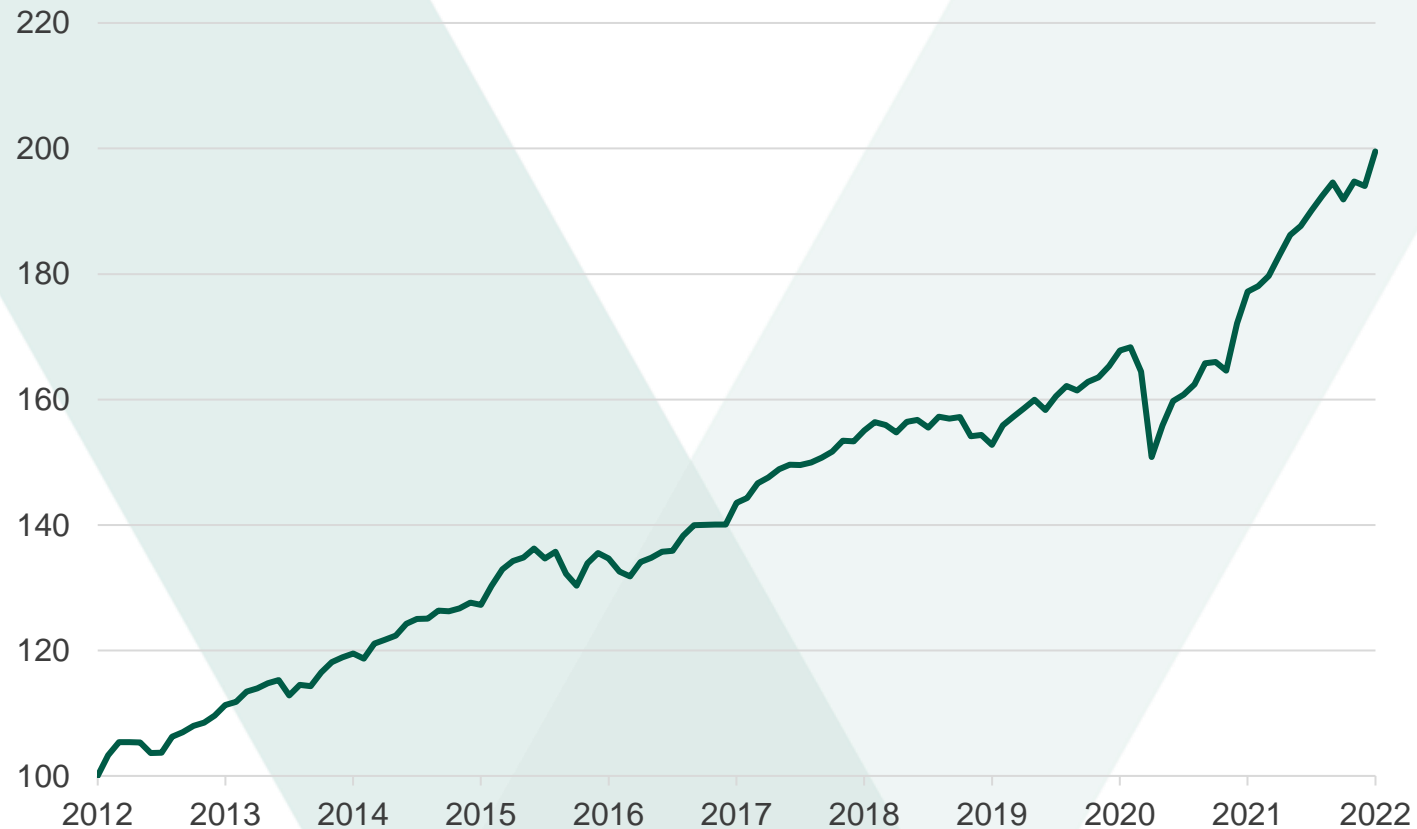
2021 – the year of stimulus, vaccines and inflation

Return development of Veritas investments 2021



Monetary stimulus has contributed to good investment returns

The cumulative investment return for a 10-year period is 99.5%



The return is calculated from 1 January 2012 to 31 December 2021.

Nominal return

10 years
7.2%

5 years
6.8%

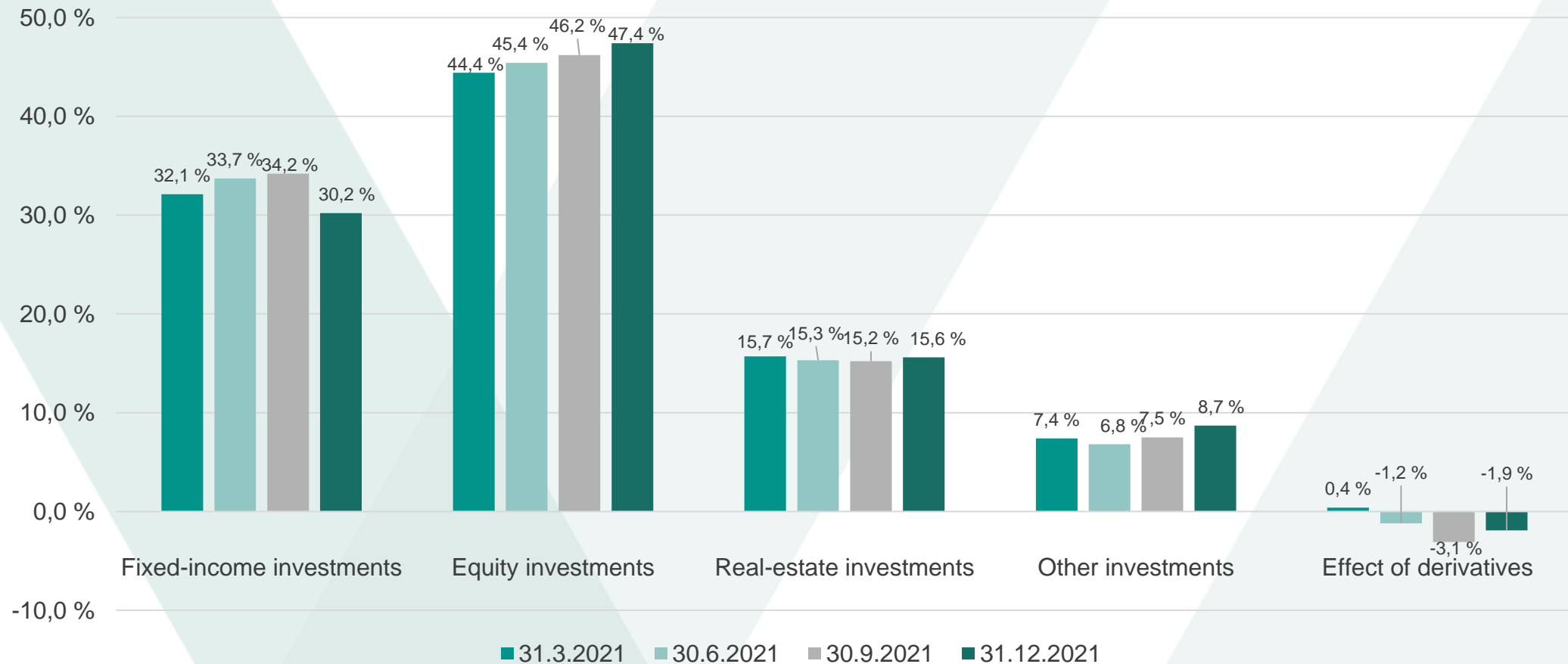
Real return

10 years
5.9%

5 years
5.5%

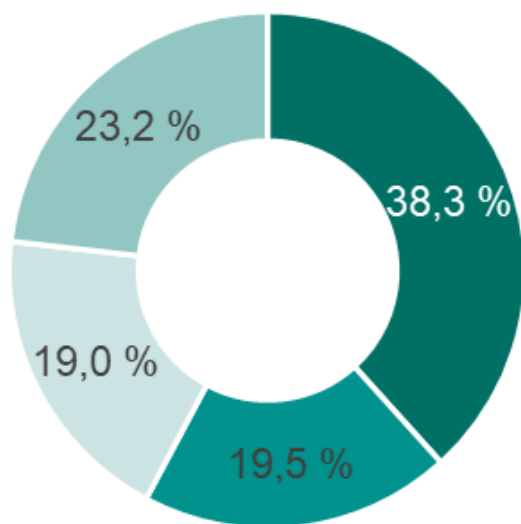
The share of equity investments increased

Changes in portfolio allocation



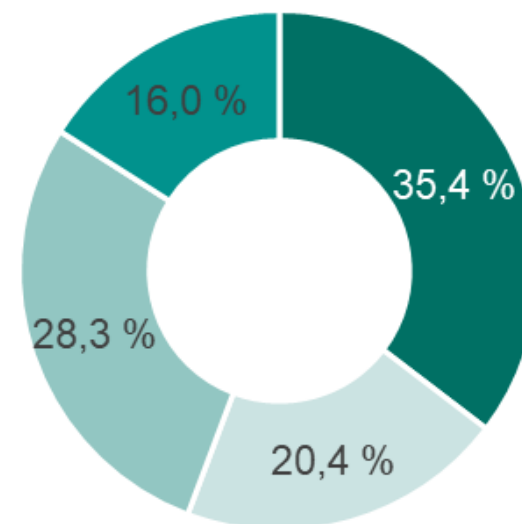
Geographical distribution of investments

All investments



■ Finland ■ Europe ■ North-America ■ Others

Listed equities



■ Finland ■ Europe ■ North-America ■ Others

Breakdown of investments at fair value

	Basic breakdown 31 Dec 2021		Risk-adjusted breakdown 31 dec 2021		Return 2021
	milj. €	%	milj. €	% ⁸	%
Fixed-income investments	1 361,3	31,1	1 322,2	30,2	1,6
Loan receivables ¹	54,2	1,2	54,2	1,2	0,9
Bonds ¹	1 069,1	24,4	1 030,0	23,5	1,9
Government bonds	612,4	14,0	573,3	13,1	0,8
Other bonds	456,7	10,4	456,7	10,4	3,2
Other money market instruments and deposits ^{1 2}	238,0	5,4	238,0	5,4	0,4
Equity investments	1 951,0	44,6	2 072,2	47,4	25,2
Listed equities	1 550,7	35,4	1 671,9	38,2	23,8
Private equity investments ³	354,8	8,1	354,8	8,1	31,1
Unlisted equities ⁴	45,5	1,0	45,5	1,0	27,5
Real estate investments	683,8	15,6	683,8	15,6	9,5
Direct real estate investments	566,1	12,9	566,1	12,9	9,1
Real estate funds	117,7	2,7	117,7	2,7	11,3
Other investments	380,2	8,7	380,2	8,7	7,4
Hedge fund investments ⁵	246,7	5,6	246,7	5,6	9,0
Other investments ⁶	133,5	3,1	133,5	3,1	4,9
Total investments	4 376,2	100,0	4 458,4	101,9	12,6
Effect of derivatives ⁷			-82,1	-1,9	
Total investments at fair value			4 376,2	100,0	
Modified duration of the bond portfolio			4,7		
Open currency position, % of the market value of investments			25,5		

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.

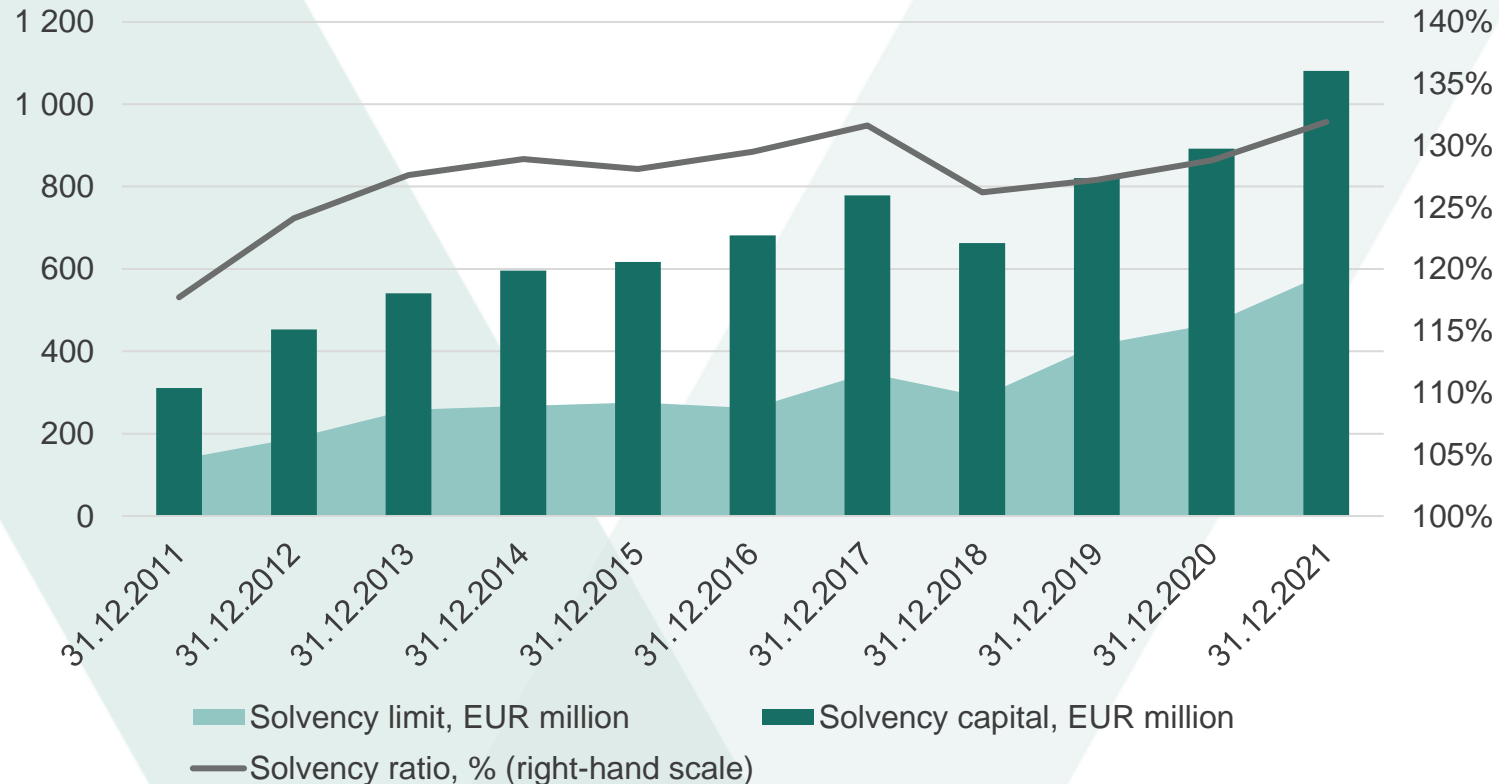
⁶ Includes items that cannot be allocated to other investment groups

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.

Solvency was further improved owing to the good investment performance



- The solvency ratio increased during the final quarter to **131.9%**.
- The solvency position was **1.8** at the end of the year.
- The solvency capital stood at EUR **1 081.0** million at the end of the year.

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.

Veritas climate roadmap

Listed equity investments

Base year 2020

2021

2025

2030

2035

Listed equity investments

Shift to low-carbon indices

Carbon footprint -30%

Carbon footprint -50 %

Direct real estate investments

Fossil free heating and electricity

Carbon footprint -80%

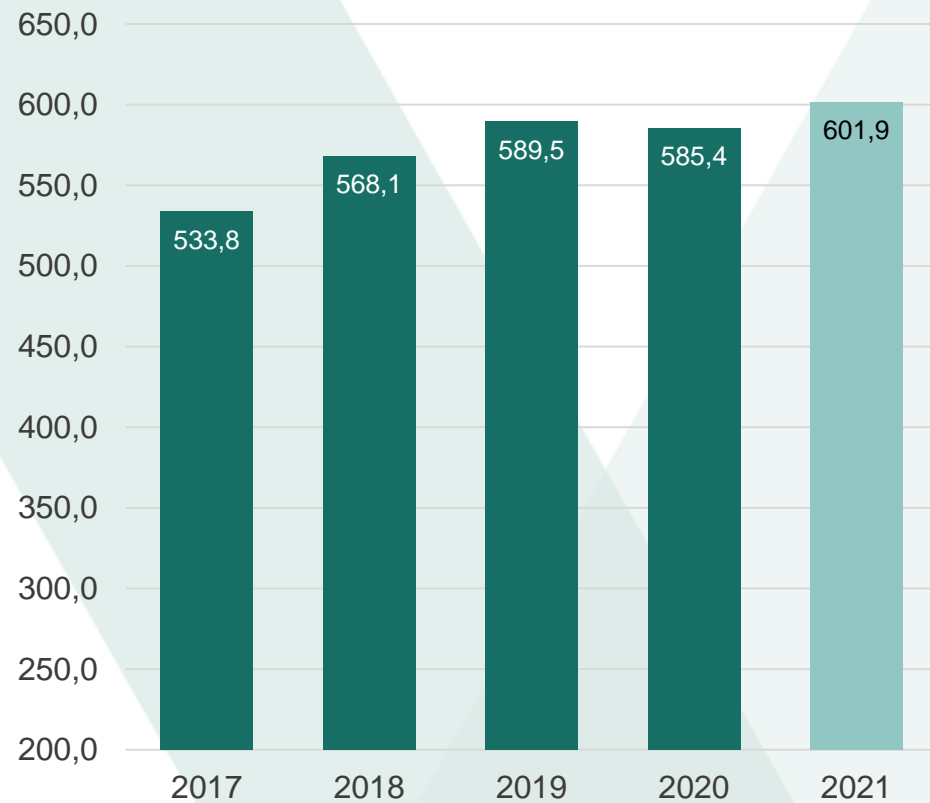
Carbon neutrality

Carbon neutral portfolio

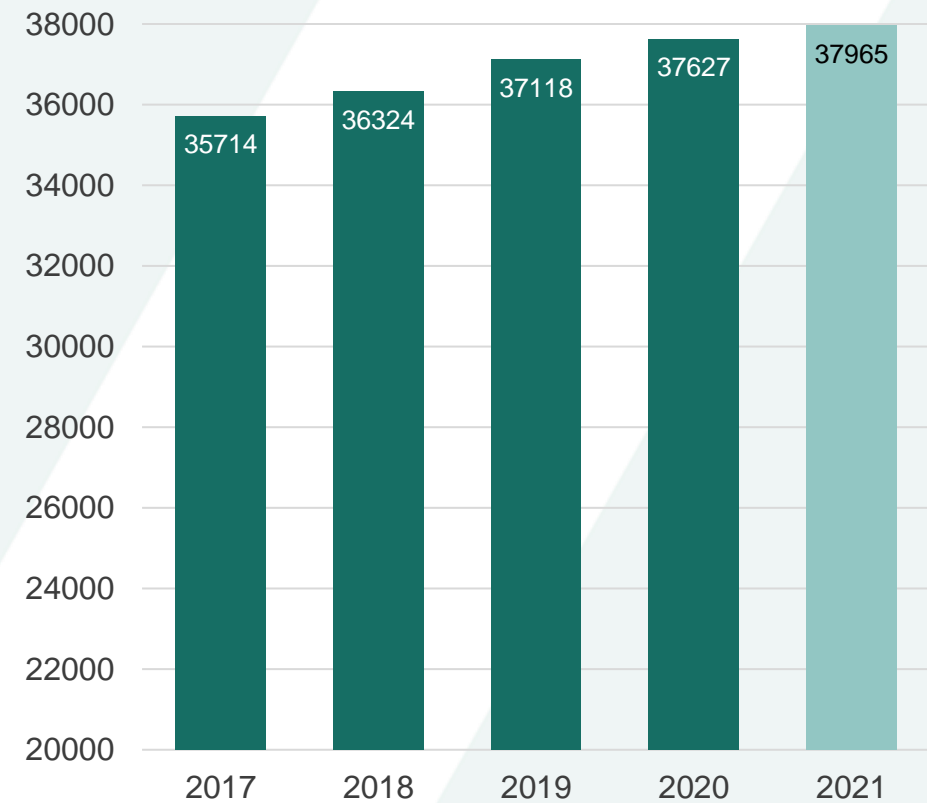
Pensions and insurance

Over EUR 600 million paid in pensions

Pensions and other claims paid ¹⁾, EUR million

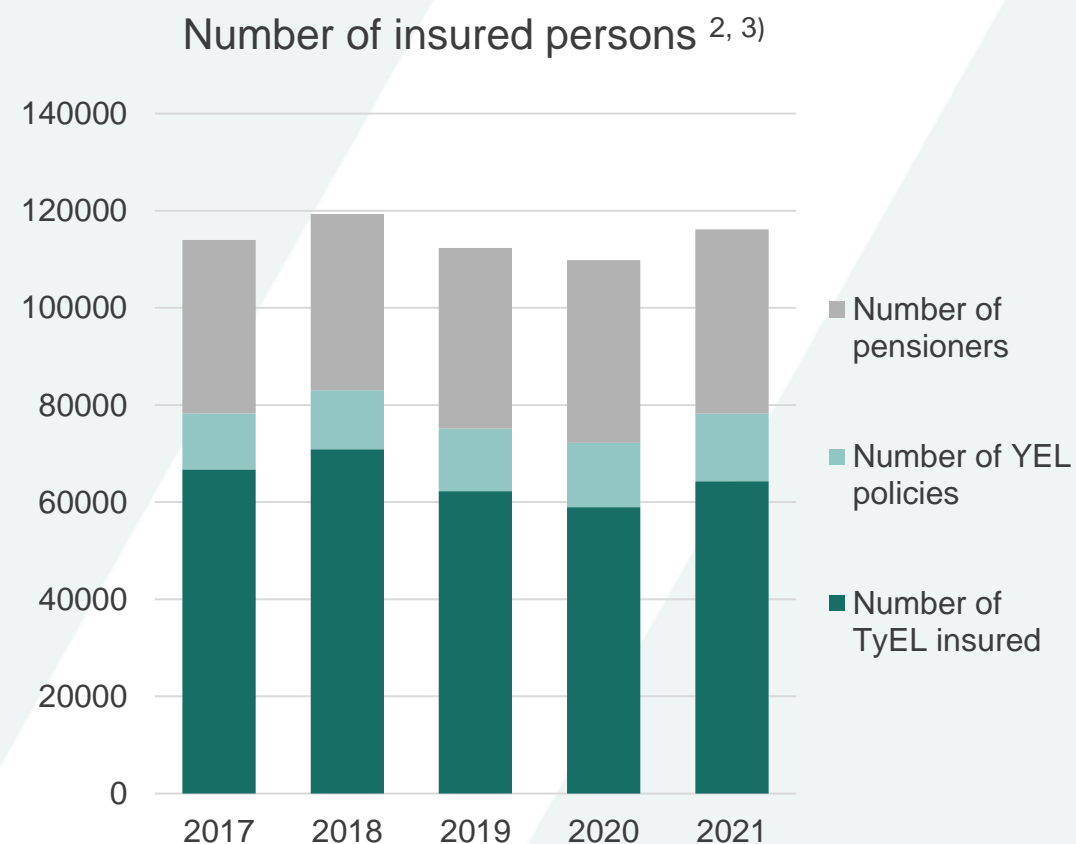
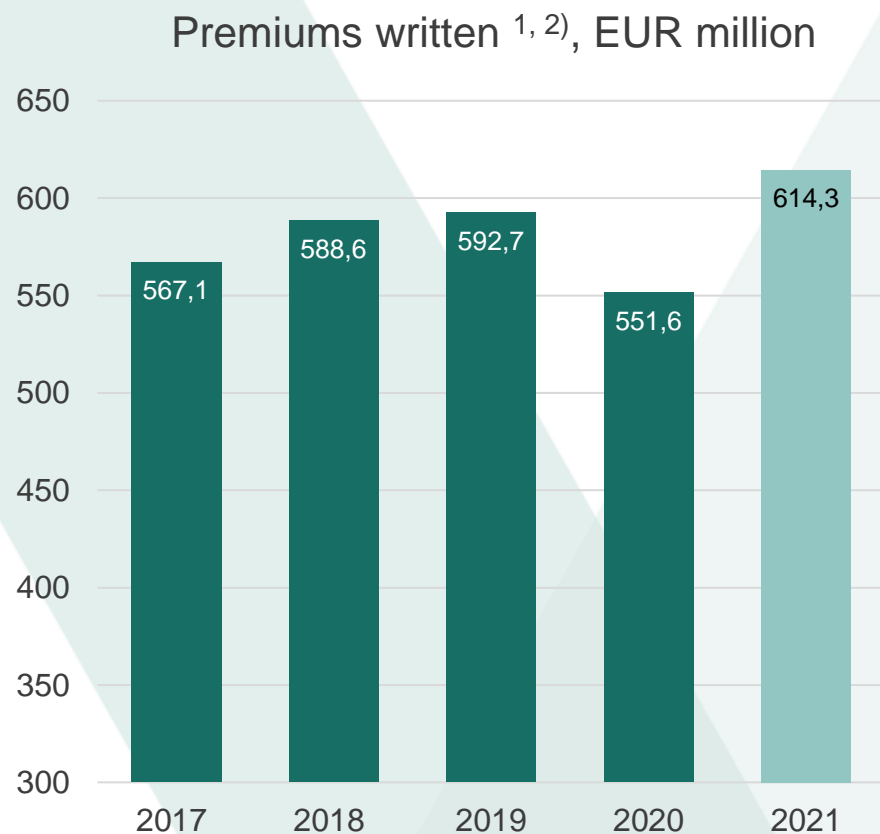


Number of pensioners ¹⁾



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

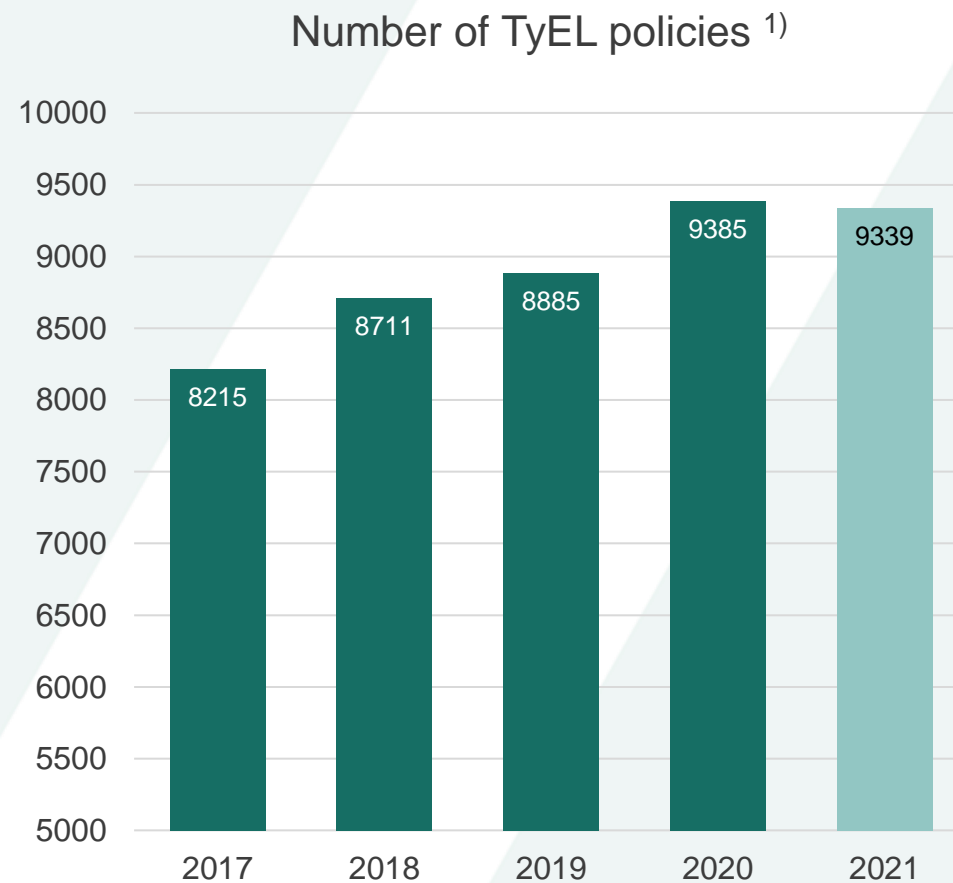
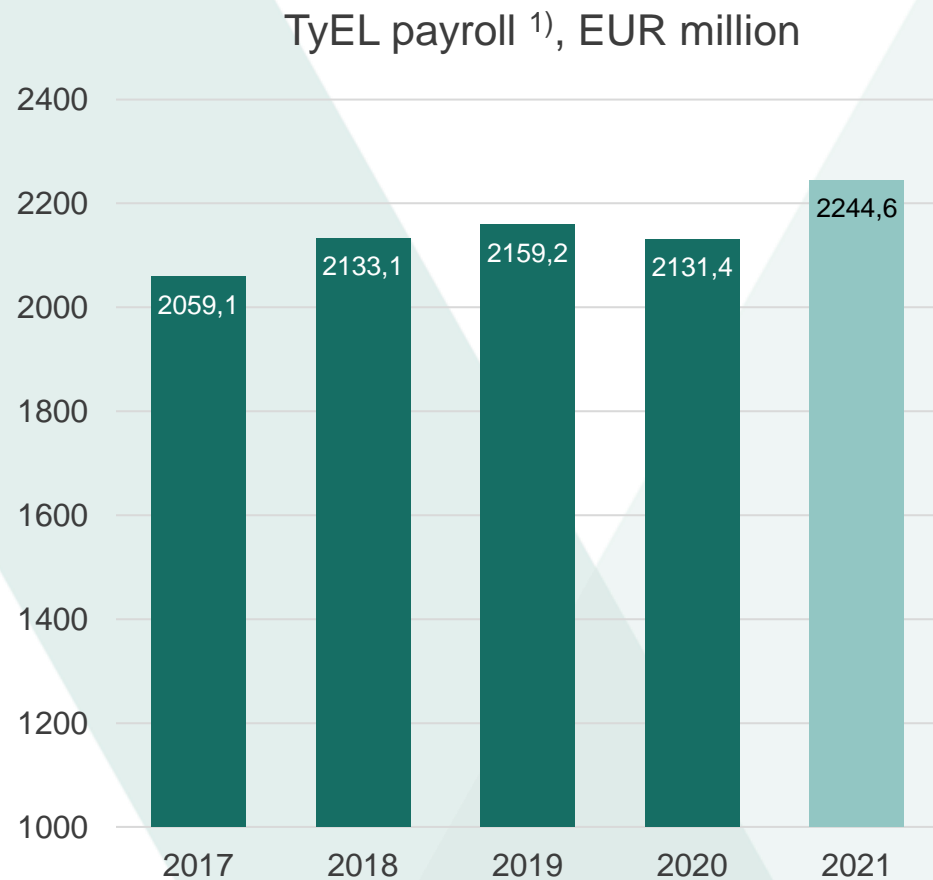
Premiums written increased to over EUR 600 million



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

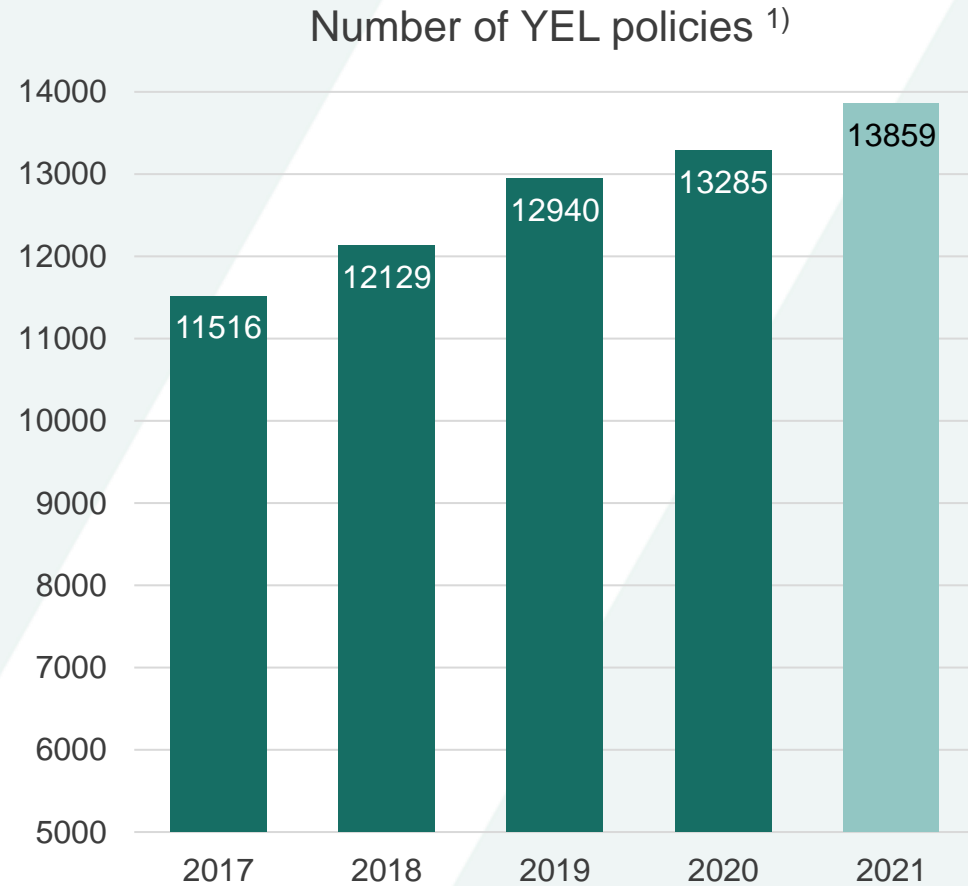
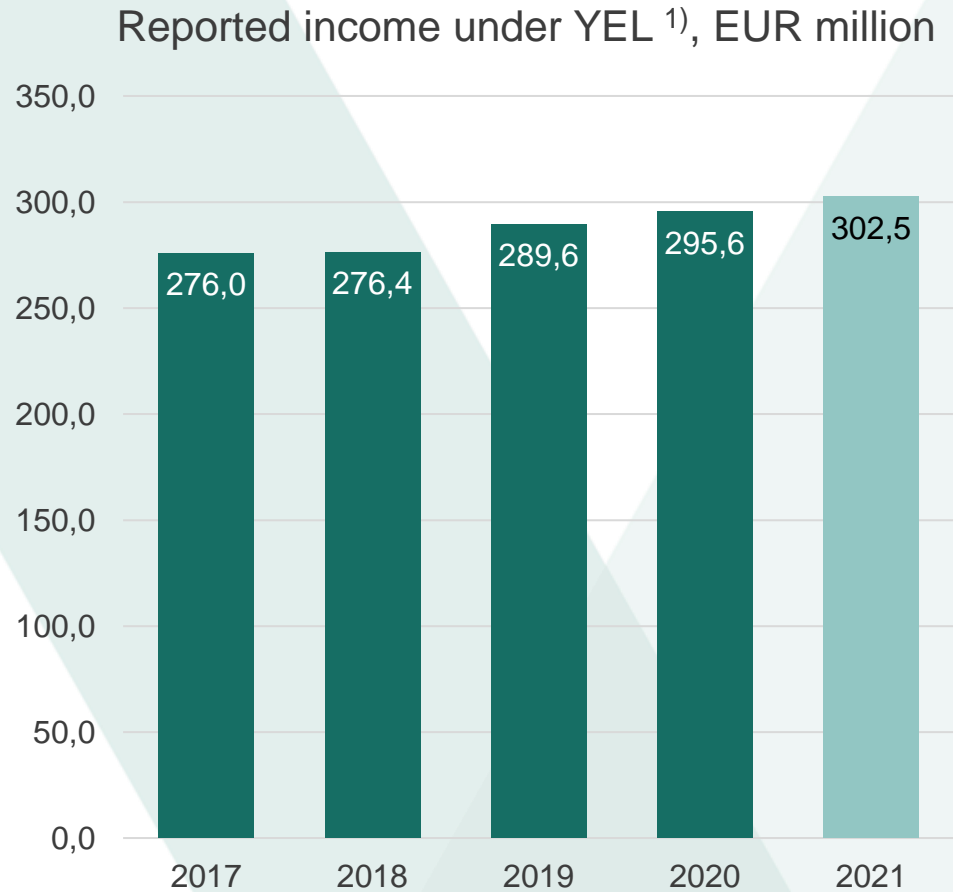
2) The number of TyEL-insured persons in 2019–2021 is not fully comparable with the earlier years. The definition of this key figure changed in 2019 when the Incomes Register was taken into use.

TyEL payroll amount increased by 5.3 per cent



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

Number of entrepreneur customers continues to increase



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

Result

Result analysis, EUR million	2021	2020
Technical underwriting result	8,7	2,3
Return on investments at fair value	192,6	70,0
+ Net return on investments at fair value	490,3	206,4
- Return requirement on technical provisions	-297,6	-136,4
Loading profit	2,0	1,8
Other profit	-0,4	1,7
Total result	202,9	75,8

Operating income covered by expense loading component, EUR million	18,2	17,5
% of the expense loading component	90,3 %	90,5 %
Number of employees (average)	157	157



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#MeOllaanVeritas

#ViÄrVeritas