



Financial statement presentation 2022

17 February 2023



The year in brief

- In terms of sales, the year was all-time best for Veritas if measured in euros.
- Veritas' premiums written grew by **13.4 per cent**, to nearly **EUR 700 million**.
- Veritas solvency position was at a solid level at the end of the year: **1.7-fold** compared to the solvency limit.
- In the last quarter of the year, the return of Veritas' investments amounted to **1.8 per cent**.
- The overall return for the year was **-4.5 per cent**.



+13.4%

Premiums written



+10.9%

TyEL payroll



+3.8%

YEL insurance
policies



4.2bn

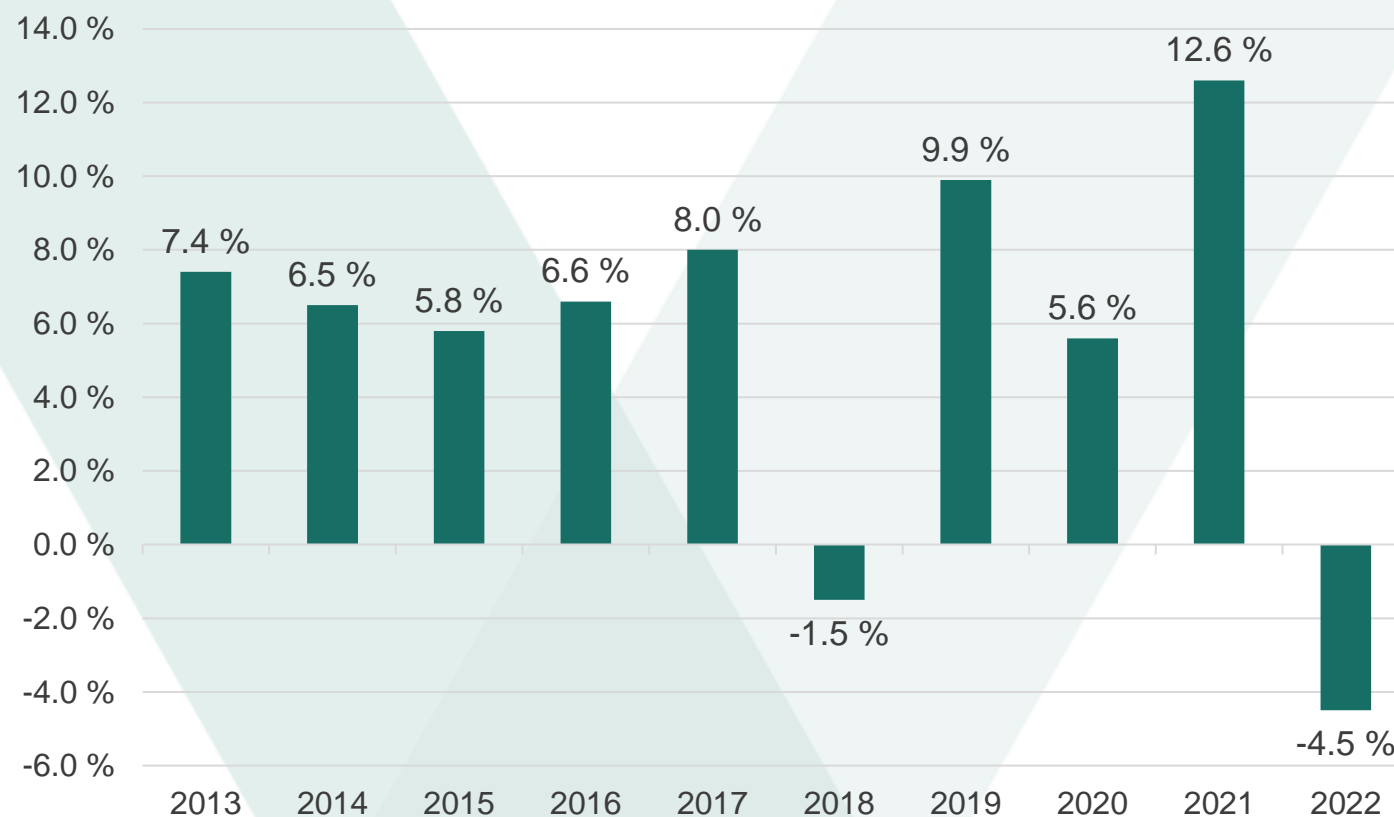
Value of
investments



Investments

Positive return in the second half of 2022

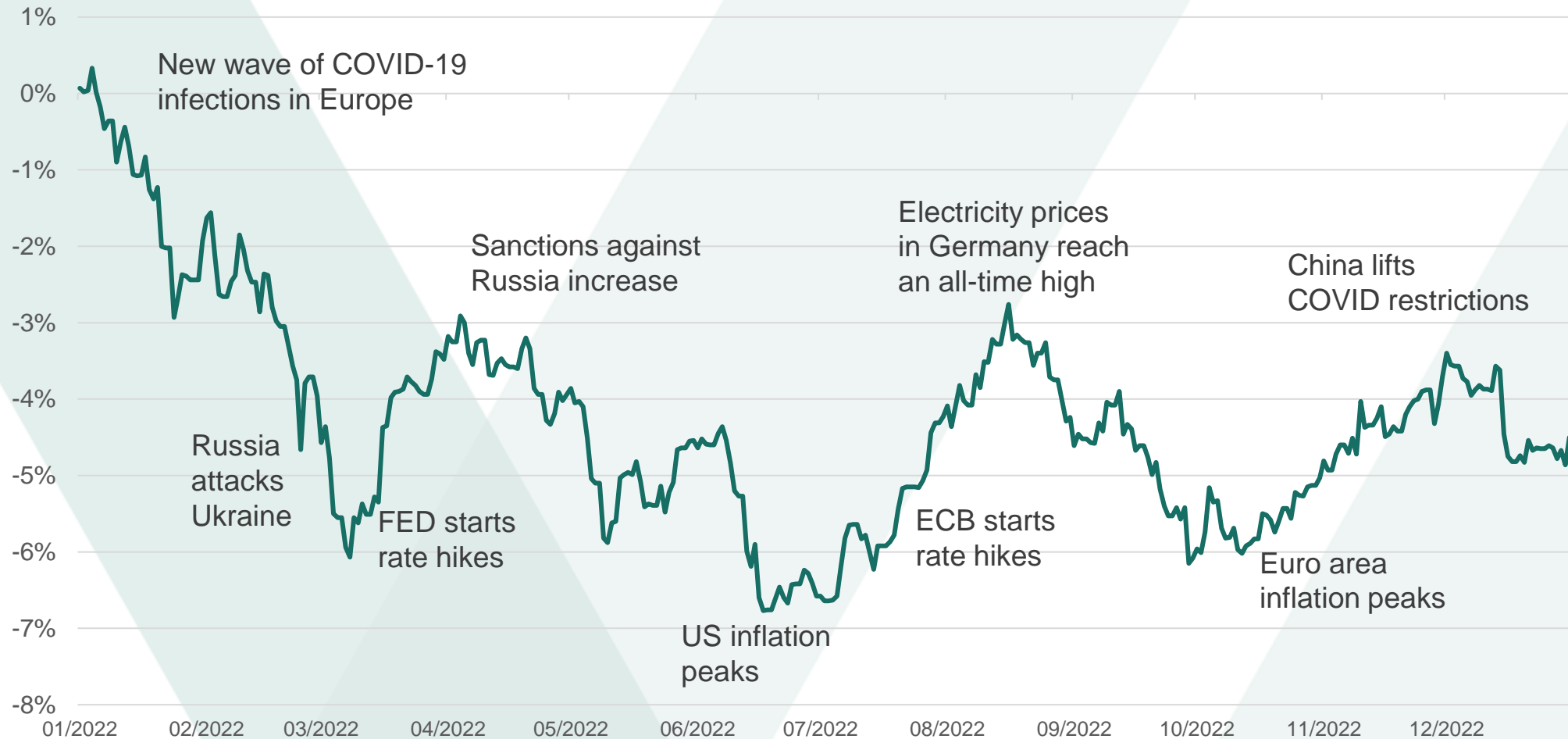
Investment returns



- The return on Veritas' investments was **-4.5%** in 2022.
- The return on fixed-income instruments was **-7.4** per cent, equity investments **-8.4** per cent, real estate investments **3.3** per cent and other investments **10.3** per cent.
- In the fourth quarter, the investment return was **1.8%**.

2022 – the year of war, inflation and rising interest rates

The return on Veritas' investments 2022



The cumulative investment return for a 10-year period is 71.1 per cent



The return is calculated from 1 January 2013 to 31 December 2022.

Nominal return

10 years
5.5%

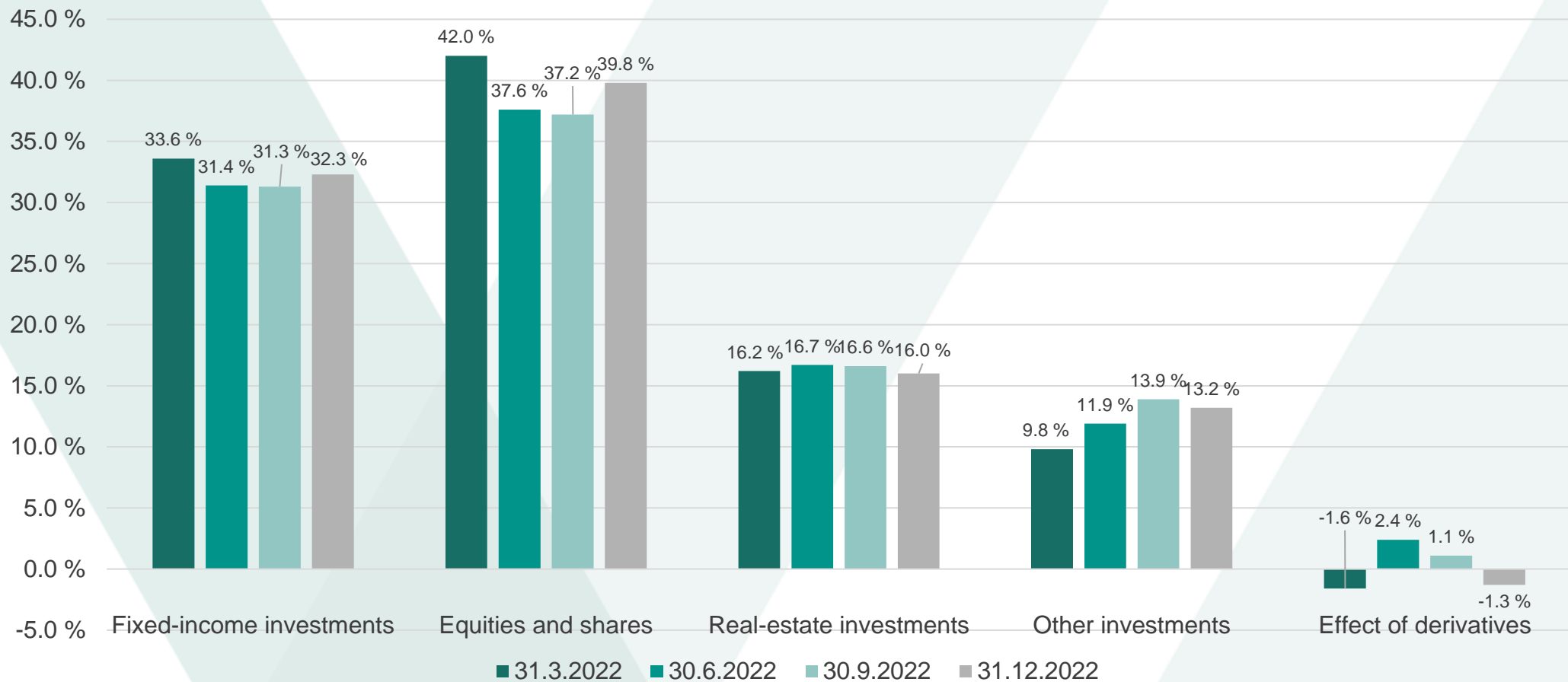
5 years
4.2%

Real return

10 years
3.7%

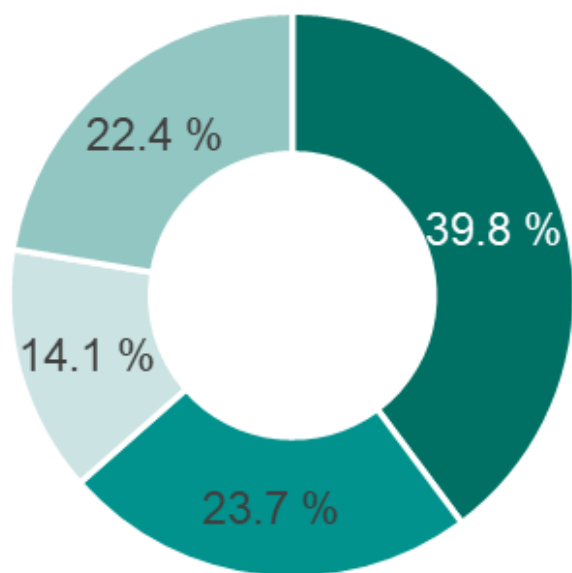
5 years
1.2%

Changes in portfolio allocation



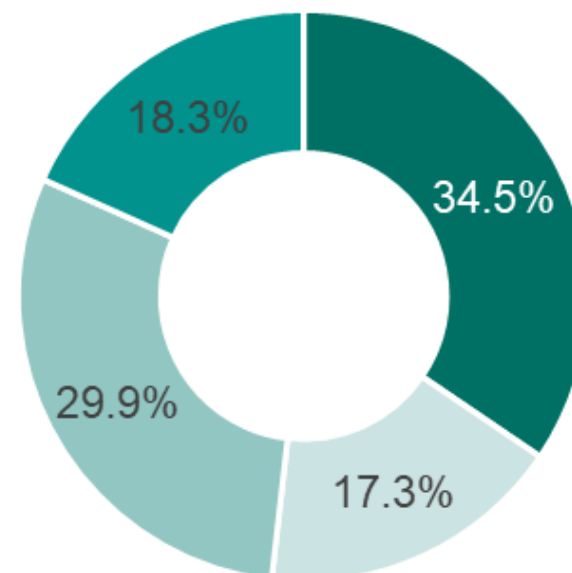
Geographical distribution of investments

All investments



■ Finland ■ Europe ■ North-America ■ Others

Listed equities



■ Finland ■ Europe ■ North-America ■ Others

Breakdown of investments at fair value

	Basic breakdown 31 Dec 2022		Risk-adjusted breakdown 31 Dec 2022		Return 2022
	milj. €	%	milj. €	% ⁸	%
Fixed-income investments	1 361,1	32,6	1 349,3	32,3	-7,4
Loan receivables ¹	60,5	1,4	60,5	1,4	2,2
Bonds ¹	1 015,1	24,3	1 003,3	24,0	-10,0
Government bonds	477,5	11,4	465,6	11,1	-10,7
Other bonds	537,7	12,9	537,7	12,9	-9,1
Other money market instruments and deposits ^{1 2}	285,4	6,8	285,4	6,8	0,1
Equity investments	1 599,6	38,3	1 663,9	39,8	-8,4
Listed equities	1 162,2	27,8	1 226,4	29,3	-14,7
Private equity investments ³	374,8	9,0	374,8	9,0	11,8
Unlisted equities ⁴	62,6	1,5	62,6	1,5	42,9
Real estate investments	670,1	16,0	670,1	16,0	3,3
Direct real estate investments	545,3	13,0	545,3	13,0	2,3
Real estate funds	124,8	3,0	124,8	3,0	8,0
Other investments	550,0	13,2	550,0	13,2	10,3
Hedge fund investments ⁵	337,2	8,1	337,2	8,1	12,3
Other investments ⁶	212,8	5,1	212,8	5,1	7,1
Total investments	4 180,8	100,0	4 233,2	101,3	-4,5
Effect of derivatives ⁷			-52,4	-1,3	
Total investments at fair value			4 180,8	100,0	
Modified duration of the bond portfolio			3,5		
Open currency position, % of the market value of investments			22,3		

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.

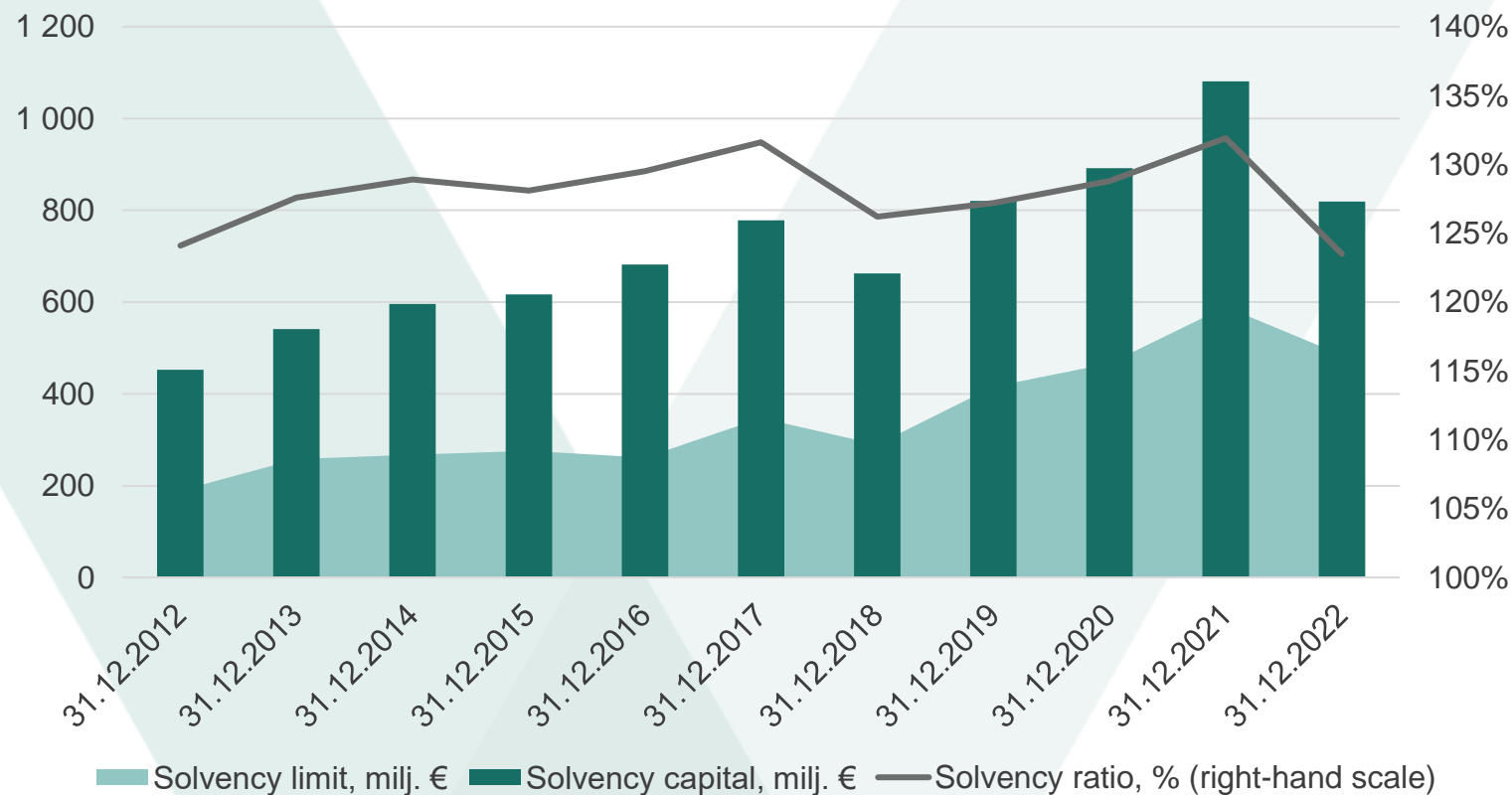
⁸ Includes items that cannot be allocated to other investment groups

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.

⁶ 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 stands at a secure level

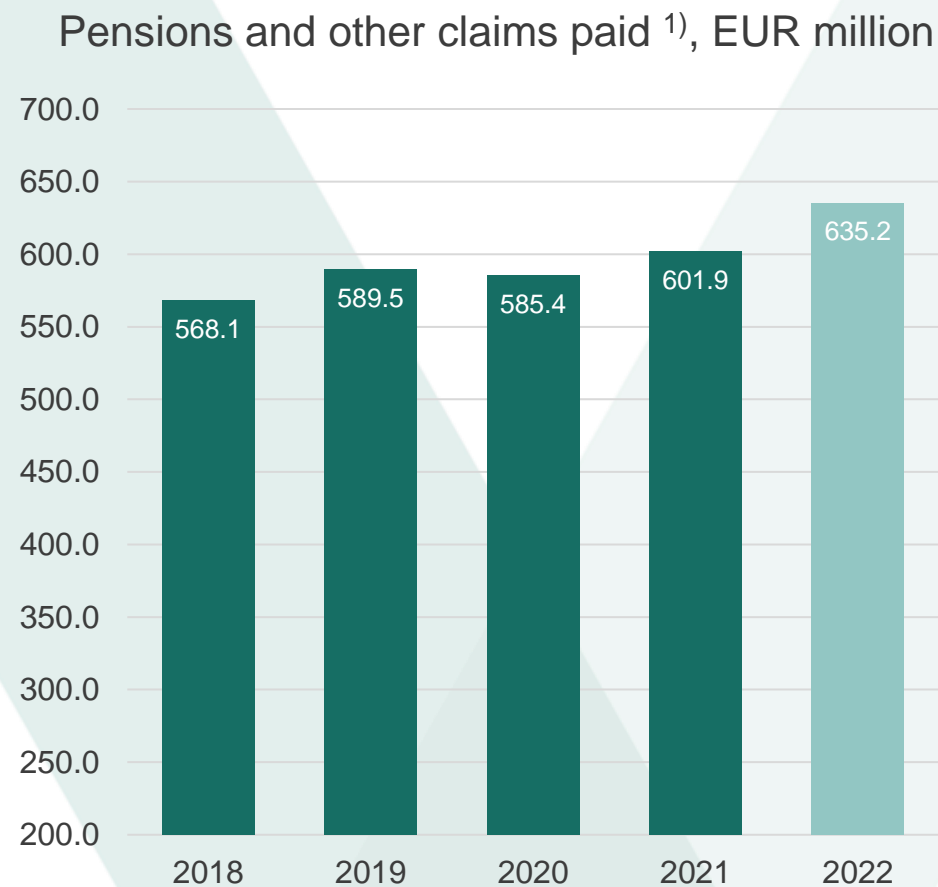


- The solvency ratio was **123.5** per cent at the end of the year 2022.
- The solvency position was **1.7**-fold compared to the solvency limit.
- The solvency capital stood at EUR **818.8** million at the end of the year.

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 2012 include the provision for pooled claims equated with solvency capital, which was EUR 78.3 million.

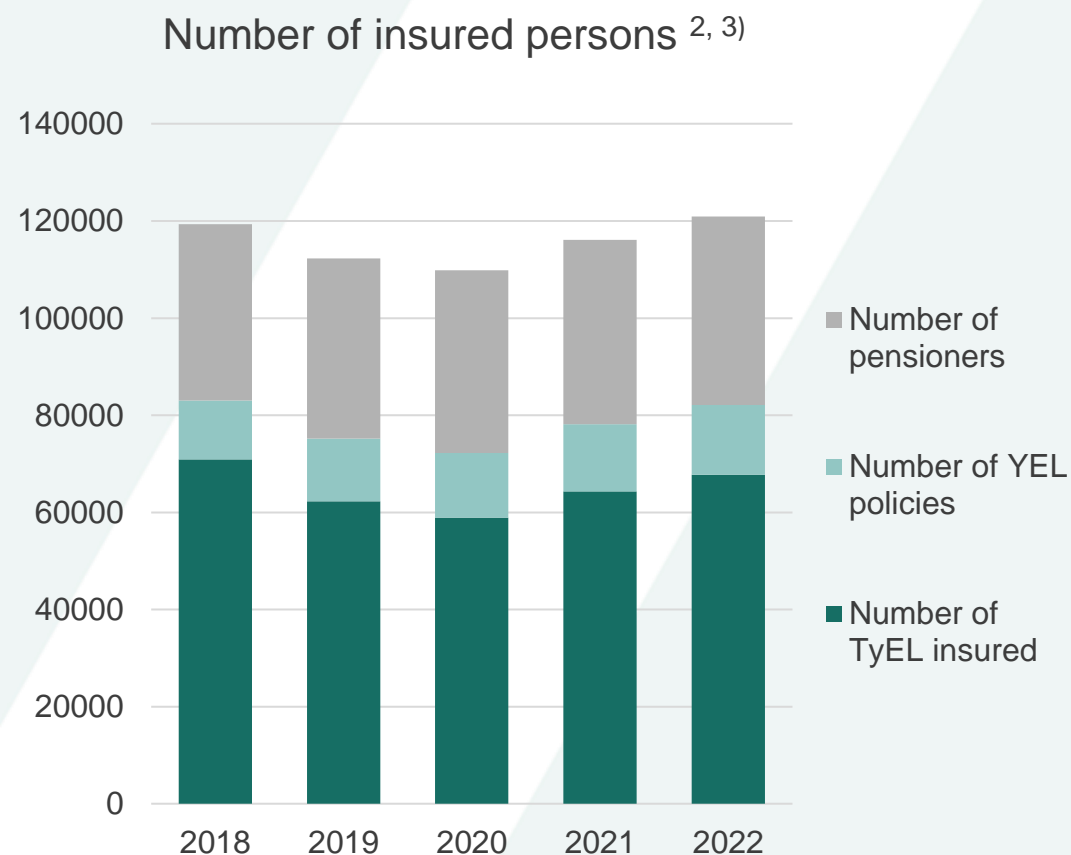
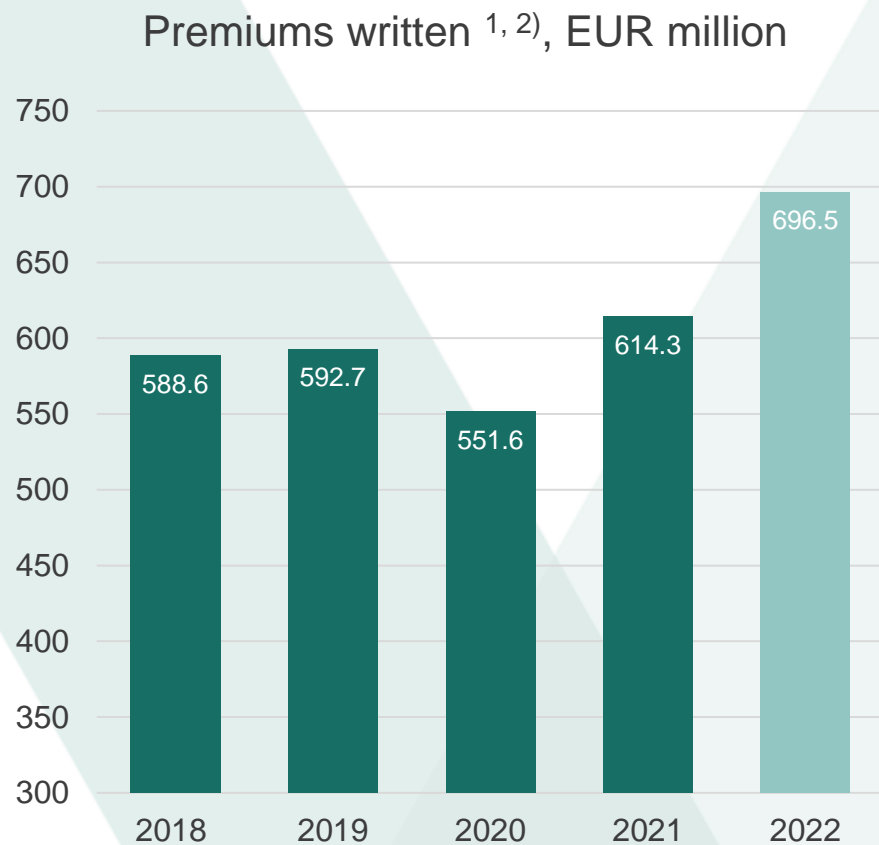
Pensions and insurance

Veritas paid out pensions to nearly 39 000 recipients



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

Premiums written grew by 13.4 per cent

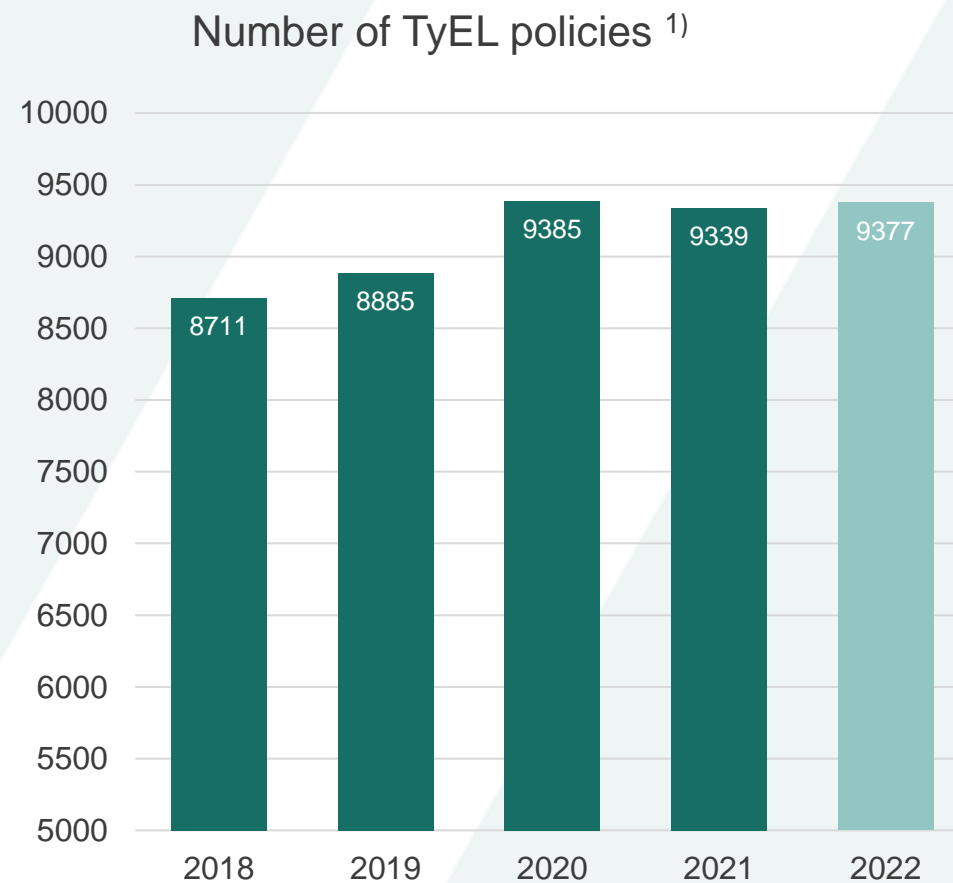
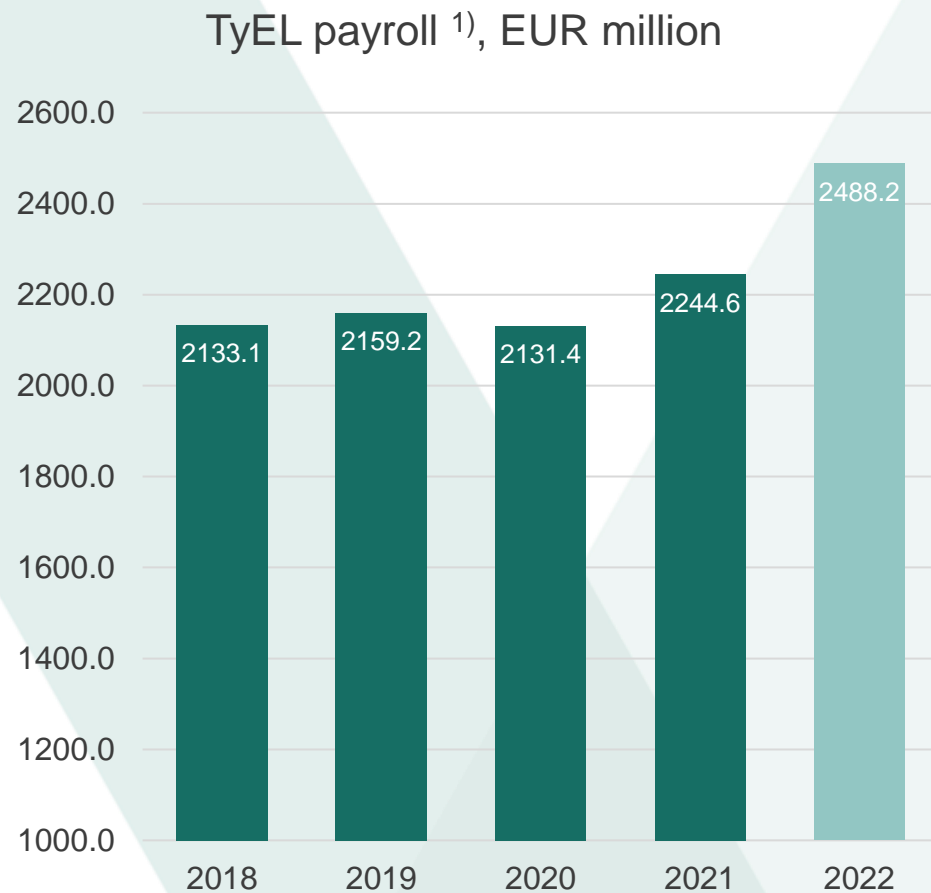


1) The temporary discount on employers' TyEL contributions between May and December 2020 is taken into account.

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.

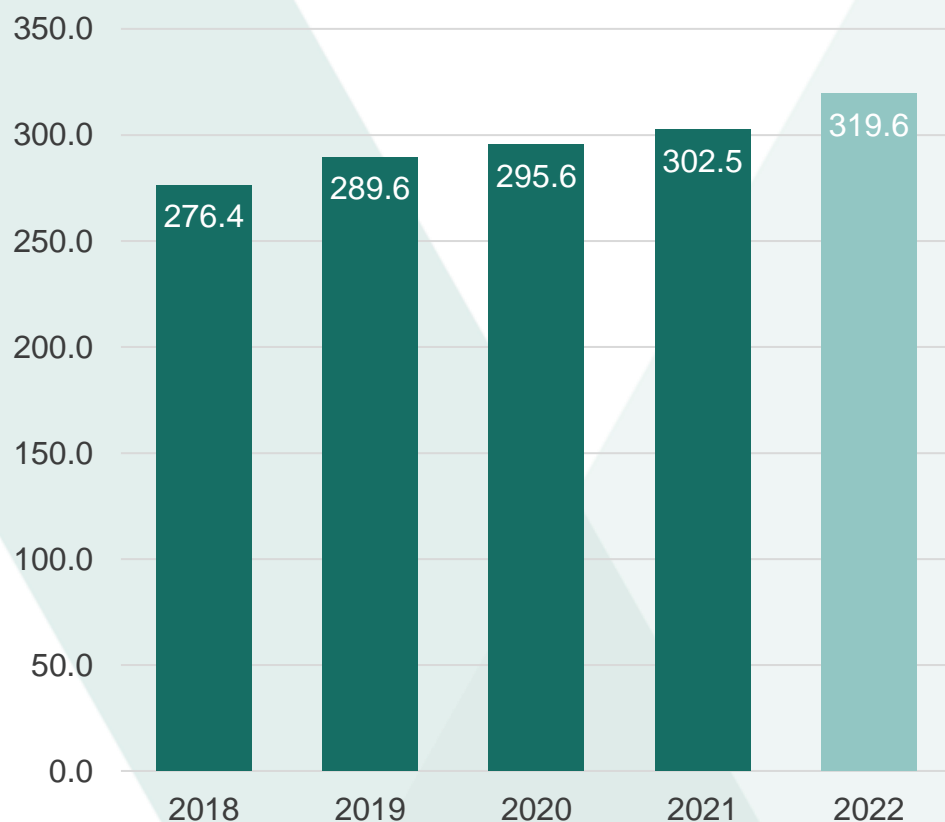
Customers' payroll grew by 10.9 per cent



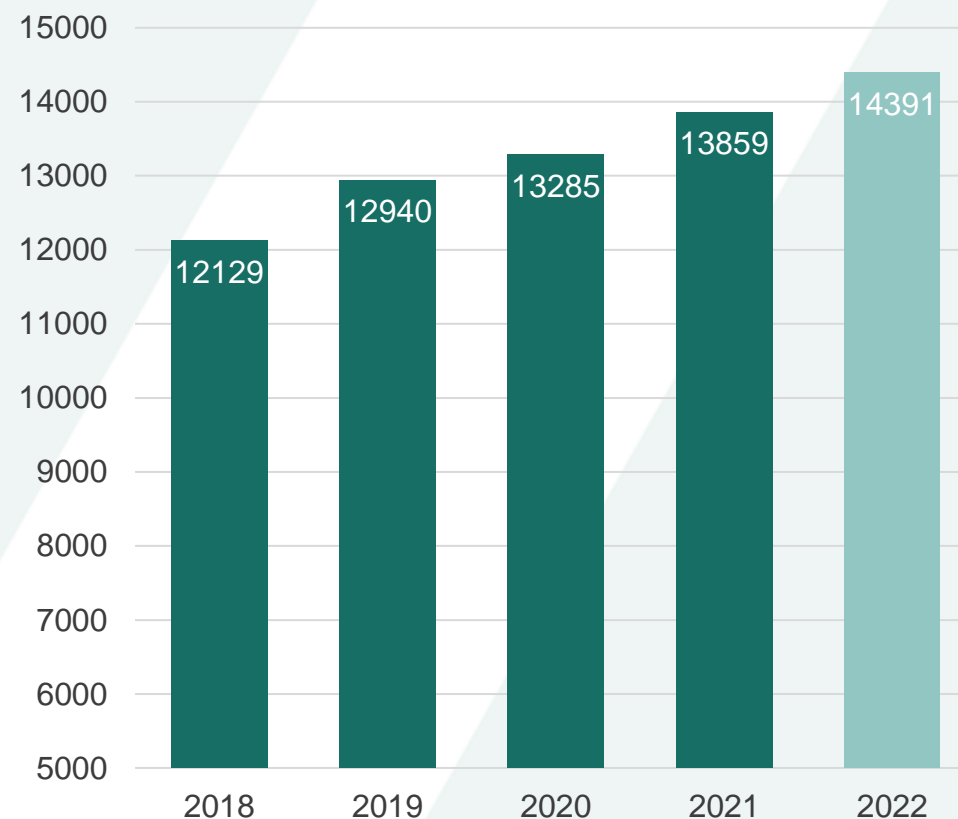
1) The figures for 2018 are pro forma figures (Veritas + Pensions-Alandia)

Strong growth in YEL insurance policies continues

Reported income under YEL ¹⁾, EUR million



Number of YEL policies ¹⁾



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

Result

Result analysis, EUR million	2022	2021
Technical underwriting result	11,0	8,7
Return on investments at fair value	-263,9	192,6
+ Net return on investments at fair value	-198,7	490,3
- Return requirement on technical provisions	-65,3	-297,6
Loading profit	-7,4	2,0
Other profit	0,9	-0,4
Total result	-259,5	202,9

Operating income covered by expense loading component, EUR million	26,8	18,2
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% of the expense loading component ¹⁾	138,3 %	90,3 %
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Number of employees (average)	146	157
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1) Veritas changed the accounting principles regarding development expenditure of IT systems in 2022. This resulted in a non-recurring impairment of EUR 6.8 million in capitalized IT systems expenditure. Without the non-recurring impairment, the loading profit would have been EUR -0.6 million and the expense loading ratio 102.9 per cent.

In addition, a discount of 9.5 per cent was made in the TyEL expense loading component at the start of 2022. Without the discount and the non-recurring impairment, the comparable loading profit would have been approximately EUR 1.1 million and the expense loading ratio 95 per cent. With the impairment, the comparable figures would have been EUR -5.8 million and 128 per cent, respectively.



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