



Financial statement presentation 2023

16 February 2024



The figures have not been audited.

Veritas' strong growth continued

- Veritas' sales achieved a new record last year both in terms of policy figures and premium income.
- During the year, Veritas gained more than **5,100** new TyEL and YEL insurance policies to manage. The new premiums written totalled **EUR 108.2 million**.
- Veritas' premiums written increased by 4 per cent over the previous year and was **EUR 724 million**.
- The TyEL payroll of companies insured by Veritas grew by **4.4 per cent**.
- At the end of year, nearly **66,000 employees** and **15,000 self-employed persons** were insured by Veritas. The number of pensioners was 39 000.

The return on Veritas' investments was 5.7 per cent

- The return on fixed-income investments was **7.8 per cent**, equity investments **8.7 per cent**, real estate investments **-4.1 per cent** and other investments **4.8 per cent**.
- The value of Veritas' investments was **EUR 4.4 billion** at the end of 2023.
- Veritas' solvency remained at a secure level and was **1.6 times** the solvency limit at the end of the year.



5.7%

Return on investments



4.4 bn

Value of investments



122.2%

Solvency ratio



1.6

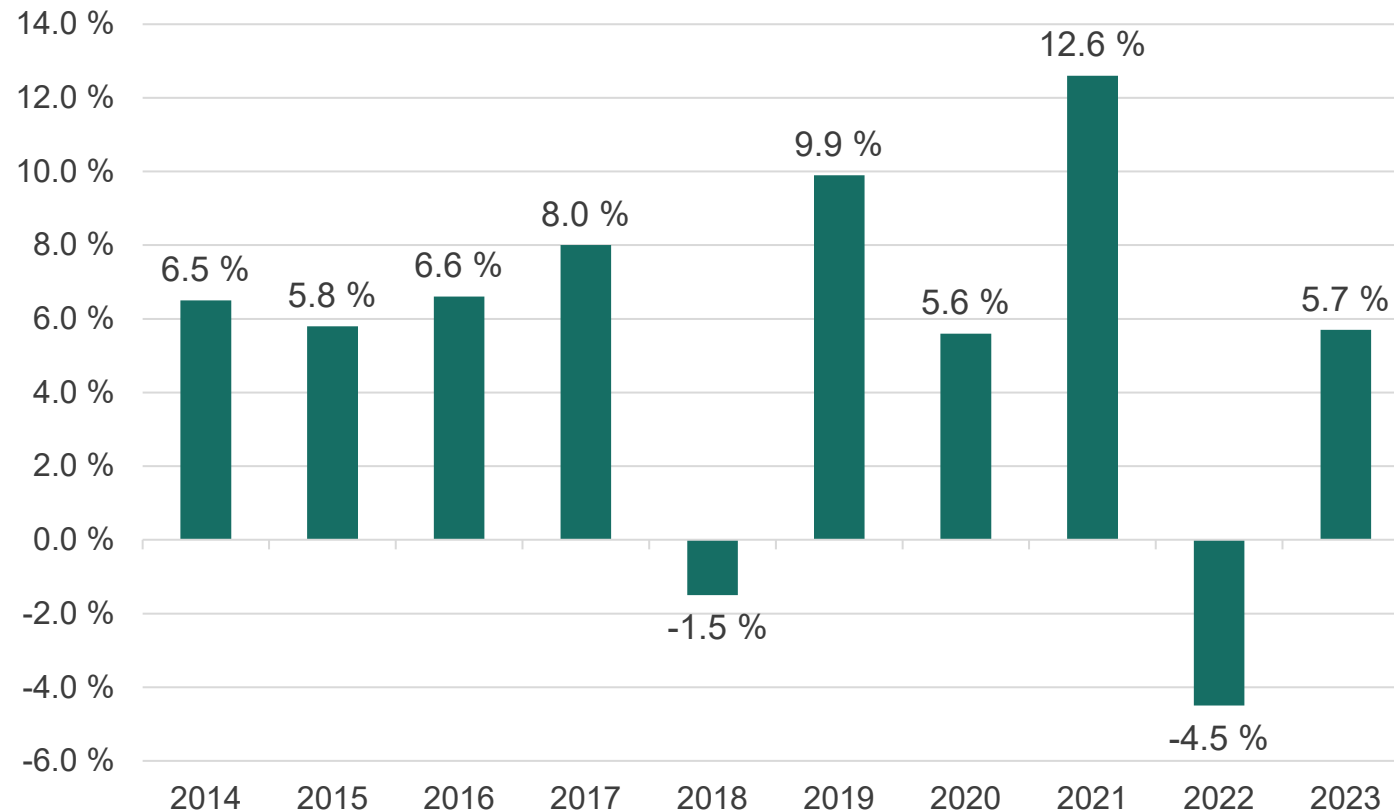
Solvency position



Investments

Investments returned 5.7 per cent

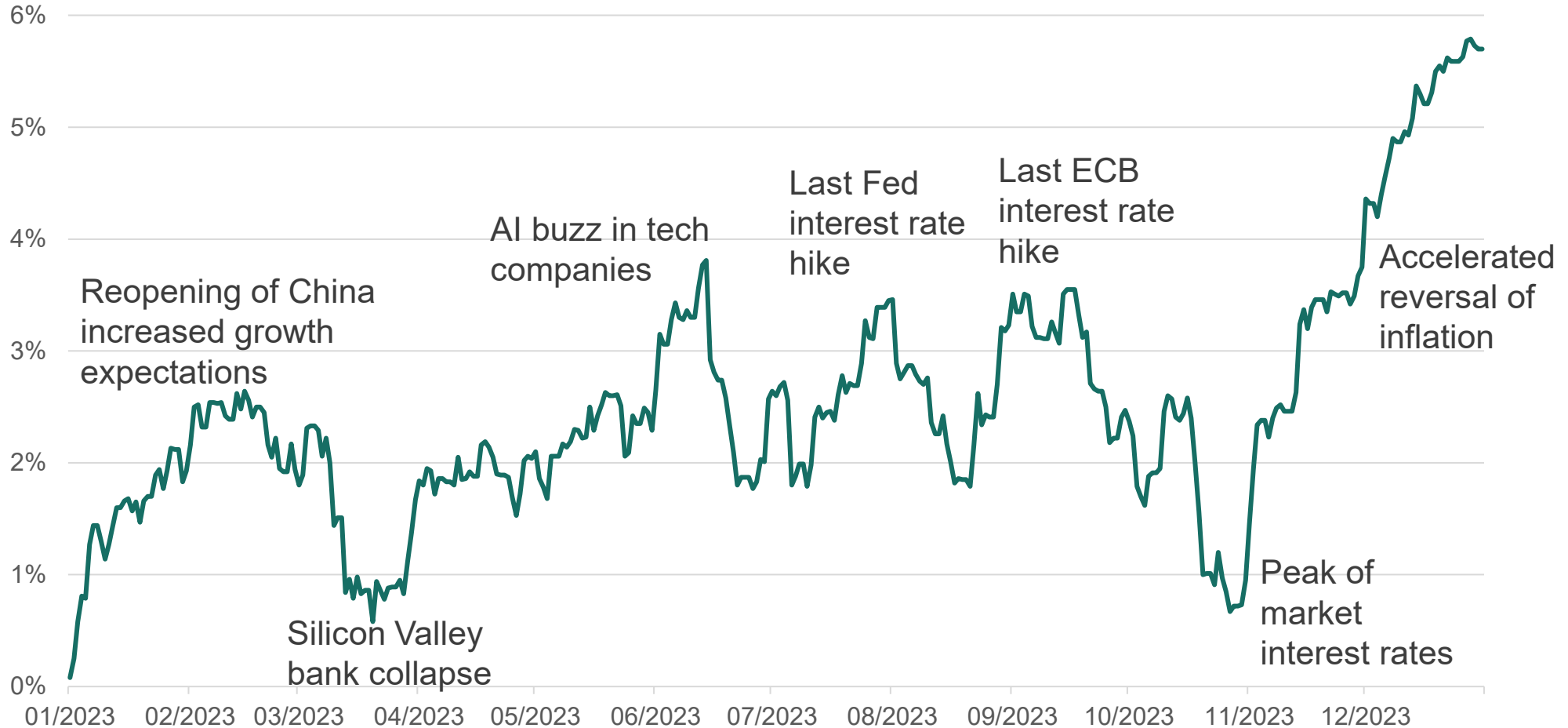
Investment returns



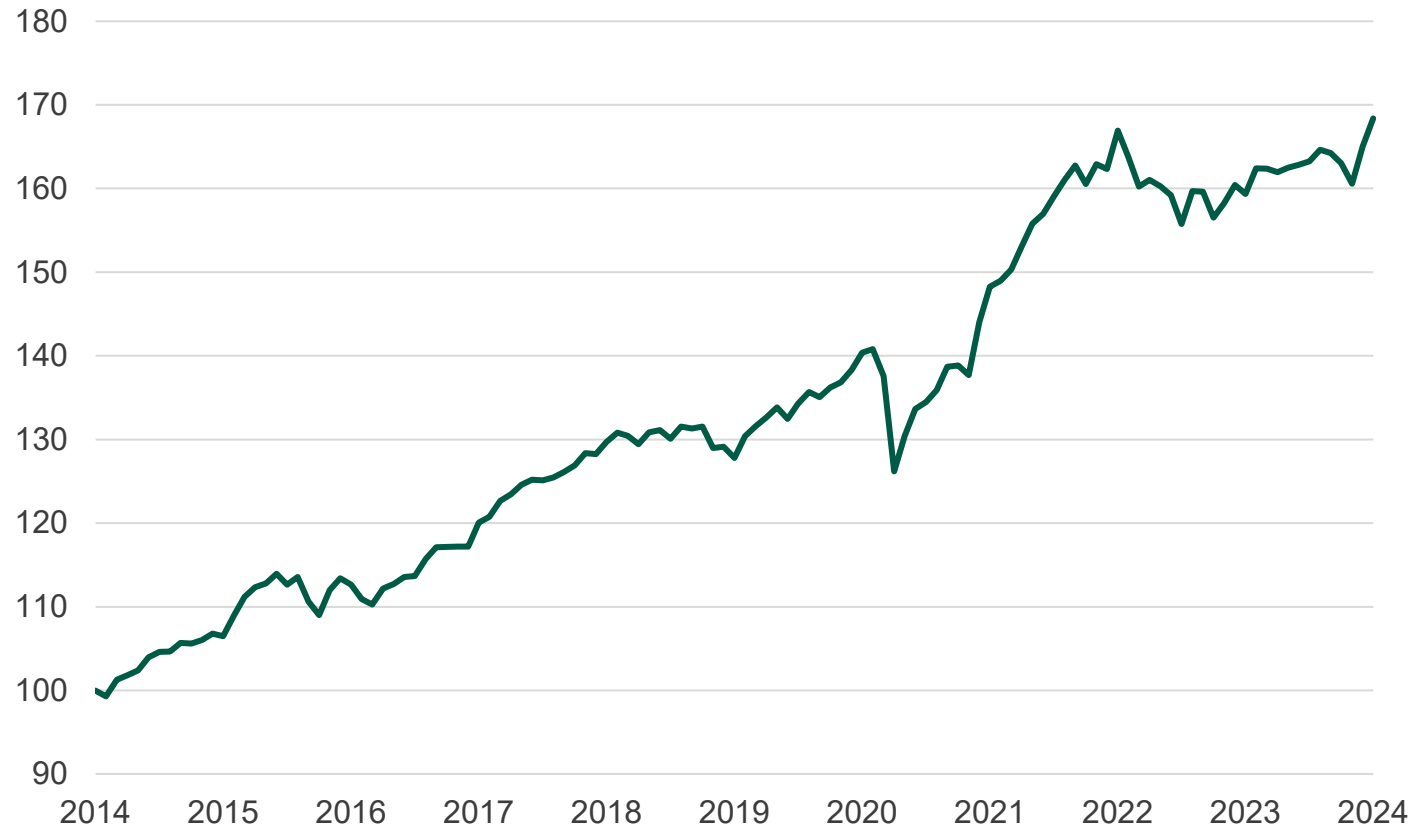
- The return on Veritas' investments was **5.7 per cent** in 2023.
- In the fourth quarter, the return on investments was **3.3 per cent**.
- The return on fixed income investments was **7.8 per cent**, equity investments **8.7 per cent**, real estate investments **-4.1 per cent** and other investments **4.8 per cent**.

2023 –the year of interest rate hikes and inflation

Return development of Veritas' investments



The cumulative investment return for a 10-year period is 68.4 per cent



Nominal return

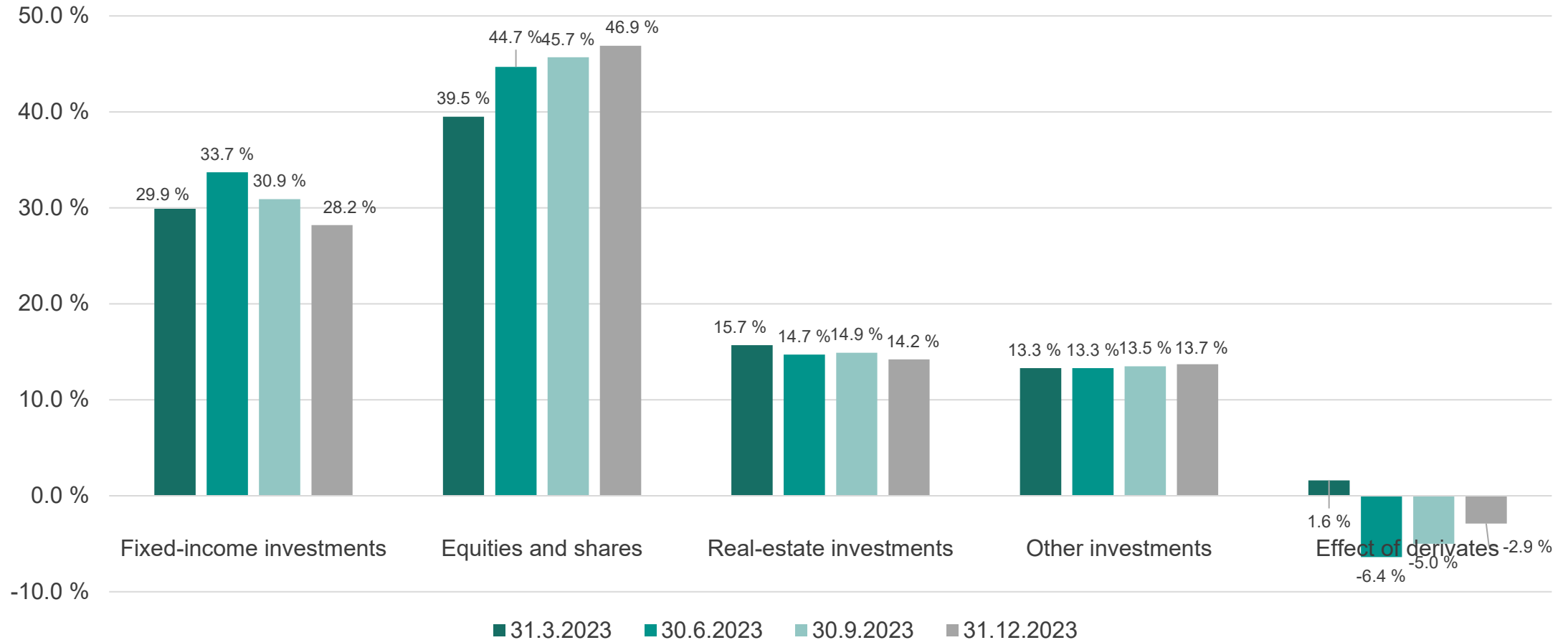


Real return



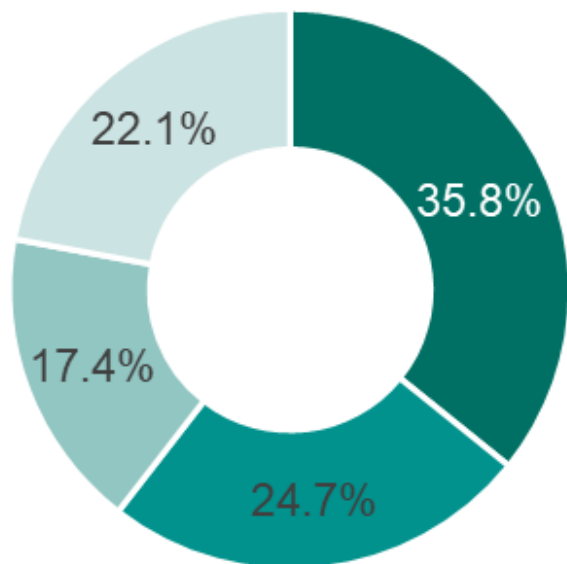
The return is calculated from 1 January 2014 to 31 December 2023.

The share of equity investments was increased during the year



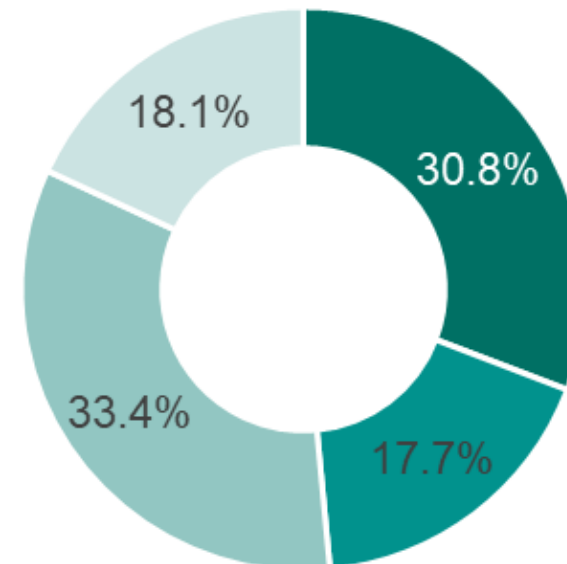
Geographical distribution of investments

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	
	31 Dec 2023		31 Dec 2023		2023	
	EUR million	%	EUR million	% ⁸		%
Fixed-income investments	1 265,1	28,7	1 245,8	28,2		7,8
Loan receivables ¹	61,1	1,4	61,1	1,4		5,6
Bonds ¹	1 085,1	24,6	1 065,8	24,2		8,7
Government bonds	609,5	13,8	590,3	13,4		6,8
Other bonds	475,5	10,8	475,5	10,8		11,6
Other money market instruments and deposits ^{1 2}	118,9	2,7	118,9	2,7		2,0
Equity investments	1 918,8	43,5	2 067,9	46,9		8,7
Listed equities	1 447,0	32,8	1 596,1	36,2		9,2
Private equity investments ³	402,9	9,1	402,9	9,1		6,2
Unlisted equities ⁴	68,9	1,6	68,9	1,6		14,2
Real estate investments	624,3	14,2	624,3	14,2		-4,1
Direct real estate investments	503,4	11,4	503,4	11,4		-4,7
Real estate funds	121,0	2,7	121,0	2,7		-1,2
Other investments	602,5	13,7	602,5	13,7		4,8
Hedge fund investments ⁵	478,0	10,8	478,0	10,8		3,0
Other investments ⁶	124,5	2,8	124,5	2,8		11,5
Total investments	4 410,7	100,0	4 540,6	102,9		5,7
Effect of derivatives ⁷			-129,8	-2,9		
Total investments at fair value			4 410,7	100,0		
Modified duration of the bond portfolio			4,2			
Open currency position, % of the market value of investments			23,9			

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

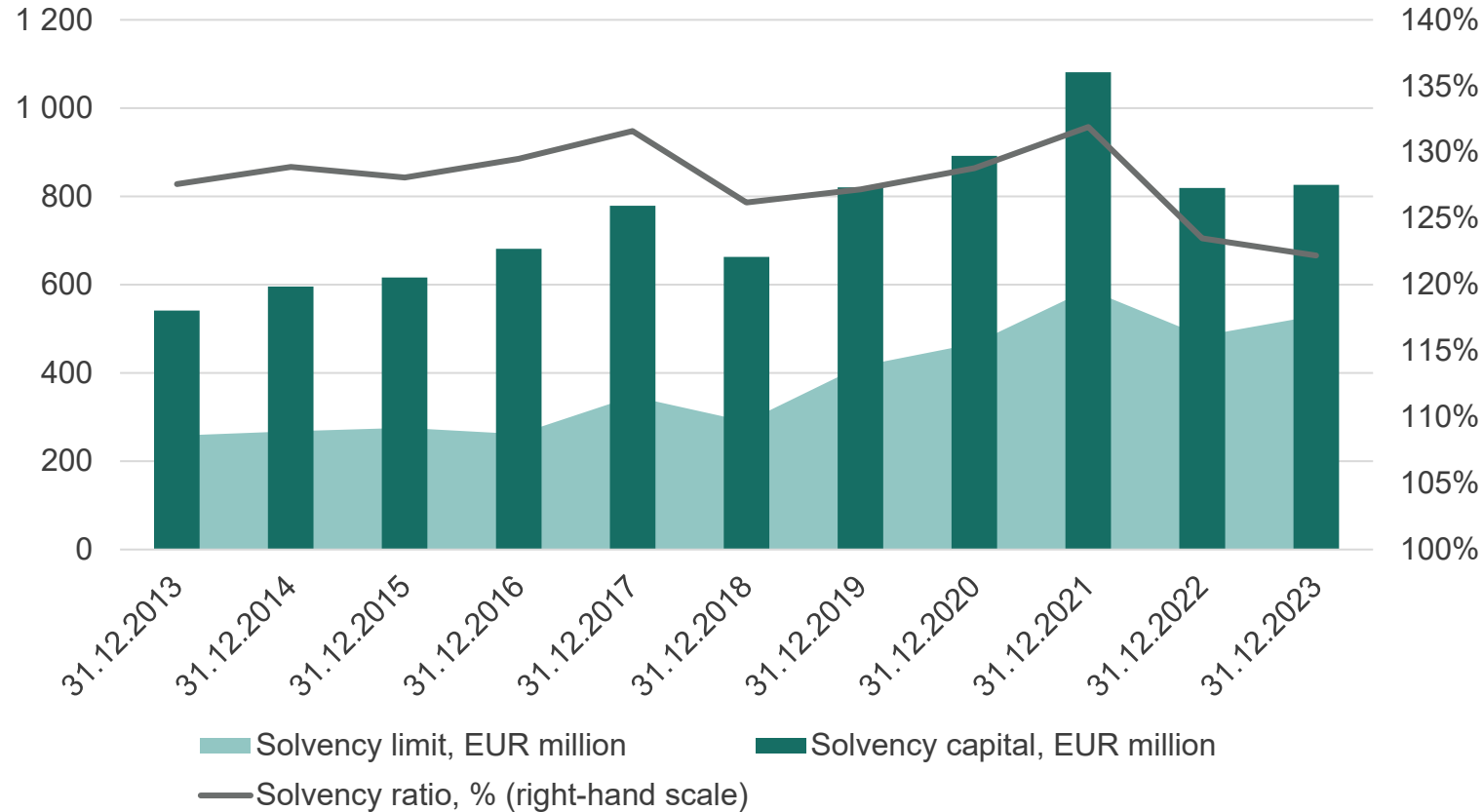
⁶ Includes items that cannot be allocated to other investment groups

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 stands at a secure level



- The solvency ratio was **122.2 per cent** at the end of the year 2023.
- The solvency position was **1.6** times the solvency limit.
- The solvency capital stood at **EUR 826.3 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.

A man and a woman are sitting on a light-colored sofa in a modern office environment. The woman, on the left, has long blonde hair and is wearing a white cardigan over a colorful floral dress. The man, on the right, has a beard and is wearing a white cable-knit sweater and blue jeans. They are both looking at a tablet computer that the woman is holding. The background features a glass railing, a wall of green plants, and large windows letting in natural light.

Pensions and insurance

Current pension issues

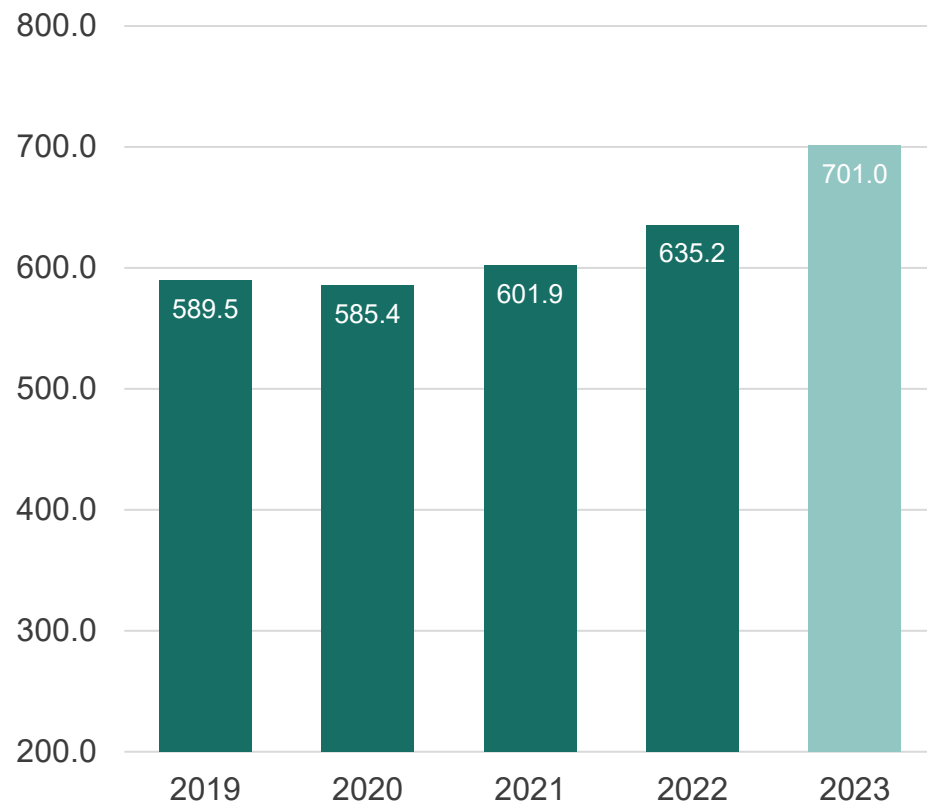
- The earnings-related pension index increased pensions in payment by about **5.7 per cent** as of 1 January 2024.
- The wage coefficient increased pensions that are accrued but not yet in payment by approximately **5.1 per cent**.
- Veritas' online pension record was upgraded in October 2023. The upgrade improved the functionality and accessibility of the pension record.
- The pension record provides an estimate of the pension amount at the minimum retirement age, the target retirement age and the maximum retirement age.

The reformed contribution category model promotes longer work careers

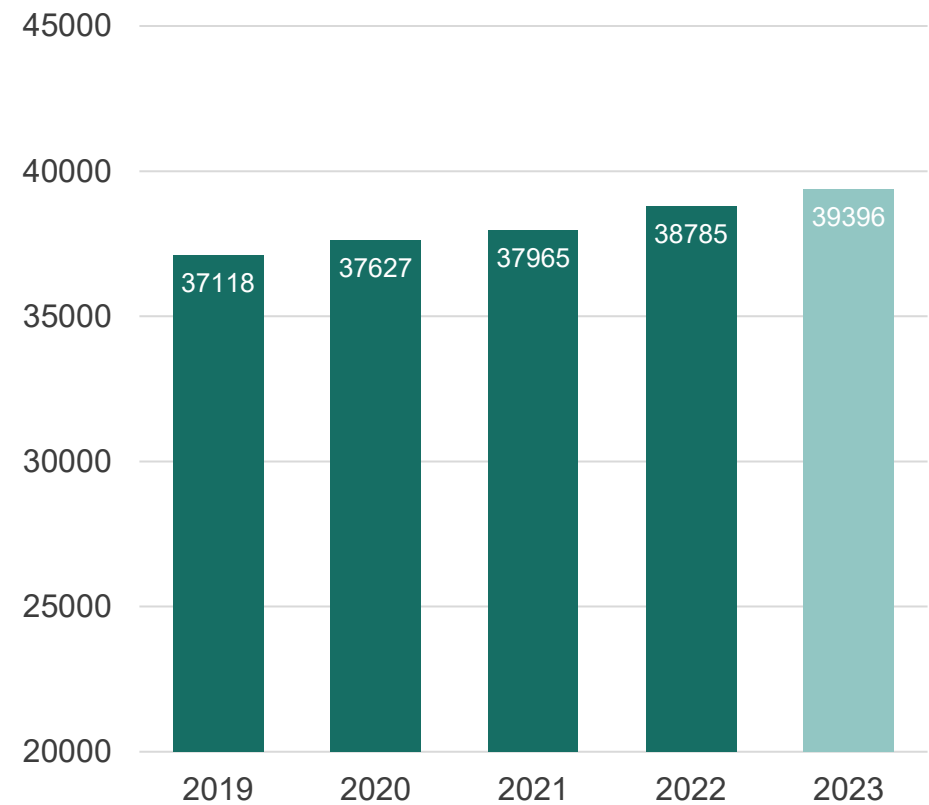
- Changes to the contribution category model for disability pension funding entered into force at the start of 2024.
- The employer's liability is reduced so that even fully liable employers must pay part of the tariff contribution.
- Cash rehabilitation benefits that have lasted for over two years will now affect the contribution category.
- Pension cases that are more than five years old no longer affect the contribution category.
- The disability of people over 55 years of age who are genuinely recruited as new employees no longer affects the contribution category.
- Employment disability cases that start with work trials or apprenticeship training as a part of vocational rehabilitation do not affect the contribution category if the period between the start of the rehabilitation to the pension event is a maximum of five years (as organised by a pension company, Kela or a motor liability or accident insurance company).

Veritas pays out more than EUR 700 million in pensions

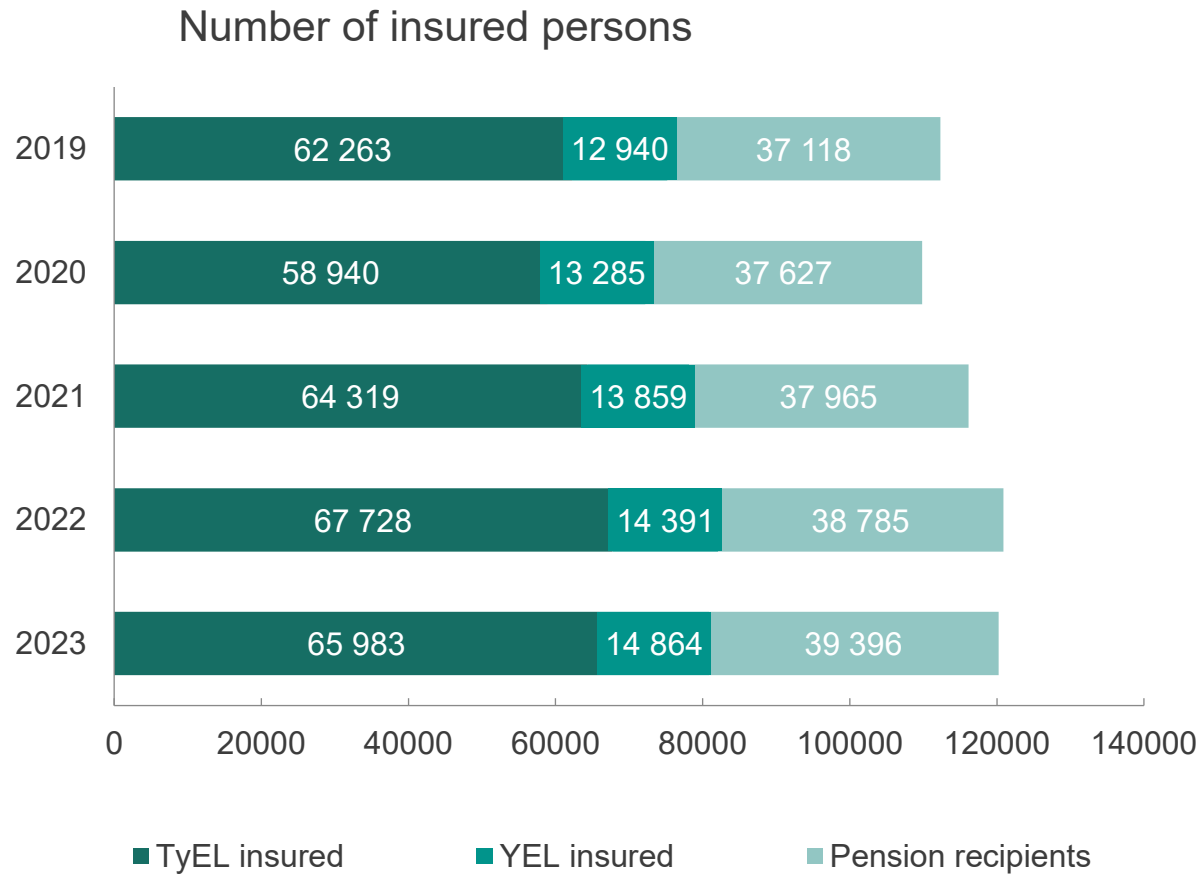
Pensions and other claims paid, EUR million



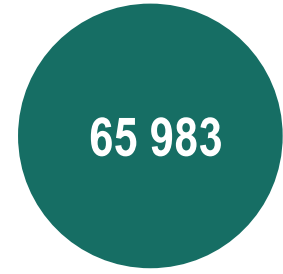
Number of pensioners



Veritas manages the earnings-related pension security of more than 120,000 people



TyEL insured



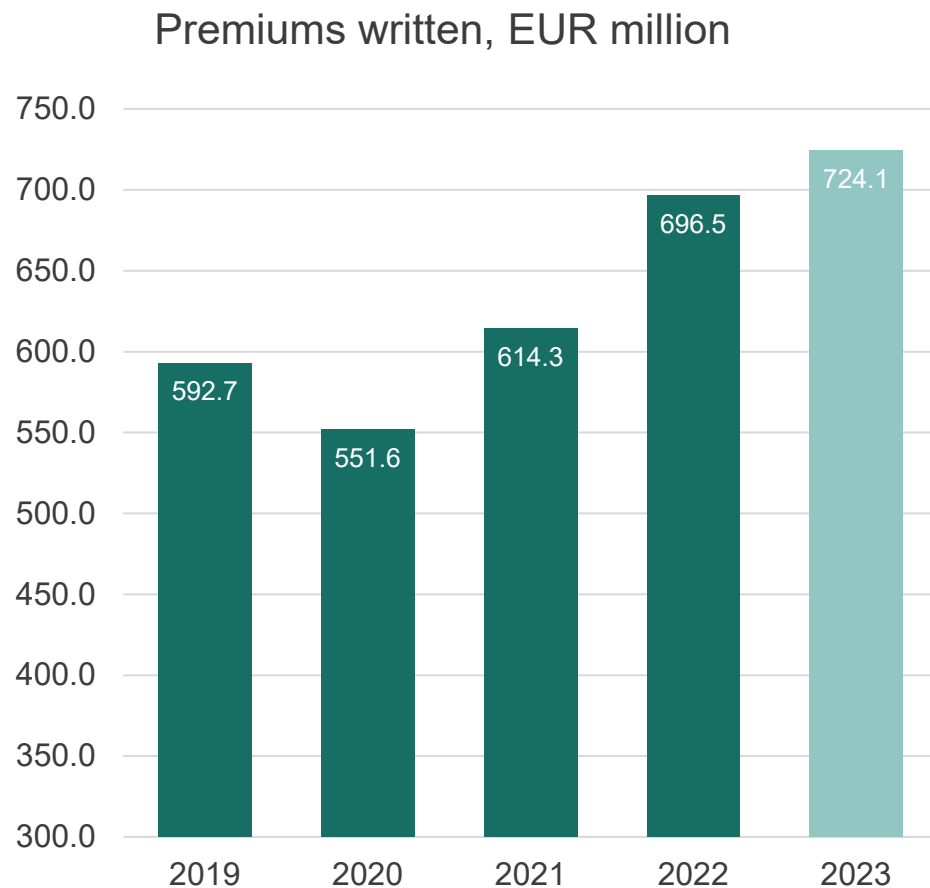
YEL insured



Pension recipients



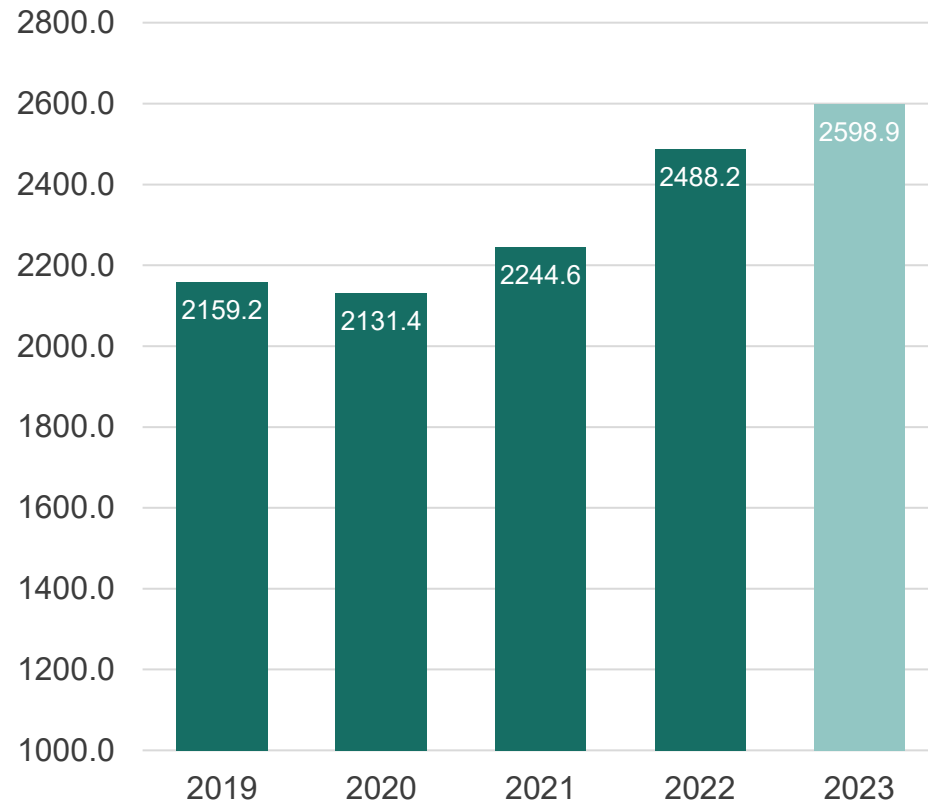
Premiums written grew by 4.0 per cent



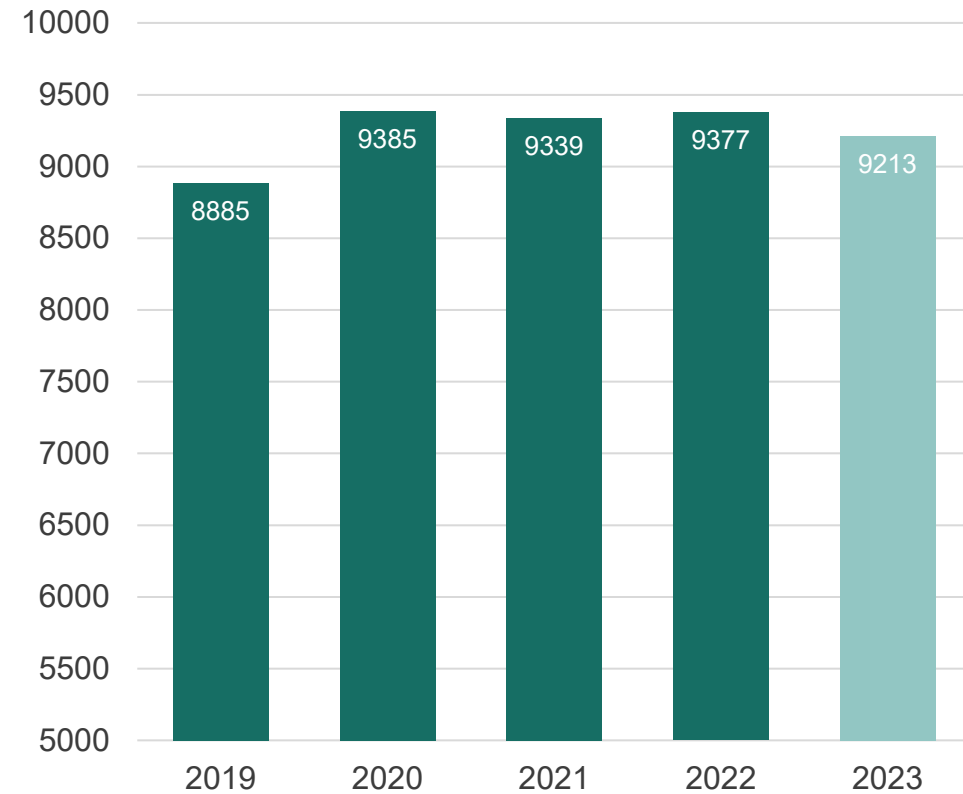
- Veritas' premiums written totalled **EUR 724.1 million**.
- The share of TyEL insurances accounted for **EUR 645.3 million** and YEL insurances for **EUR 78.7 million**.
- Premiums written increased by **4.0 per cent** in comparison to 2022.

TyEL payroll grew by 4.4 per cent

TyEL payroll, EUR million

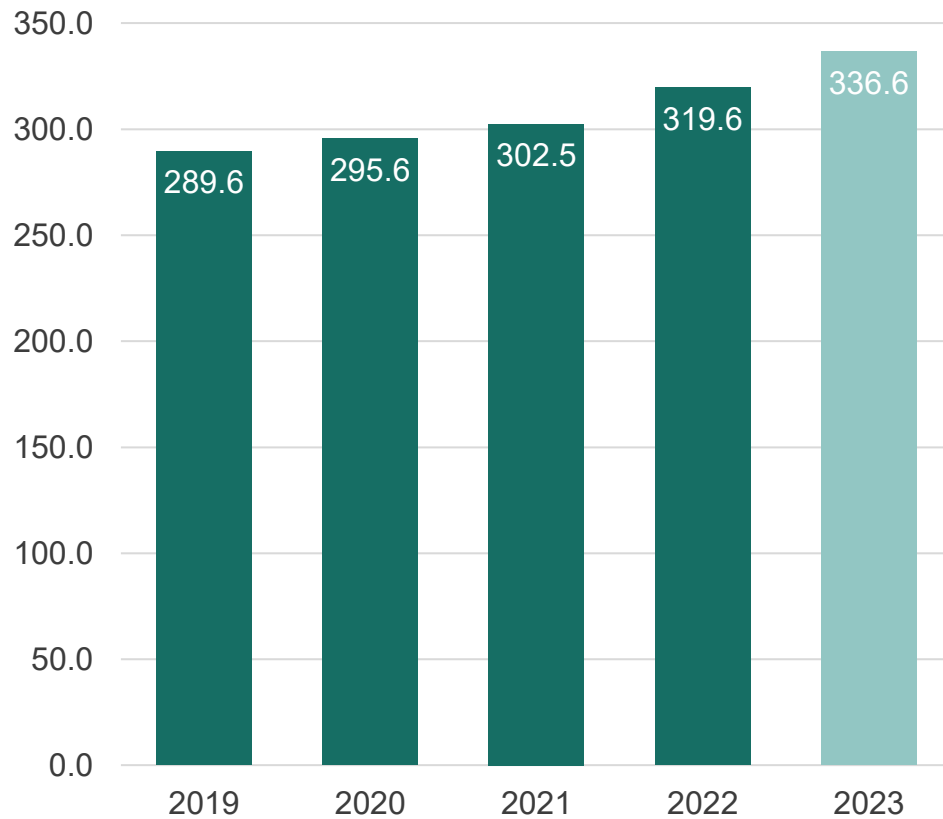


Number of TyEL policies

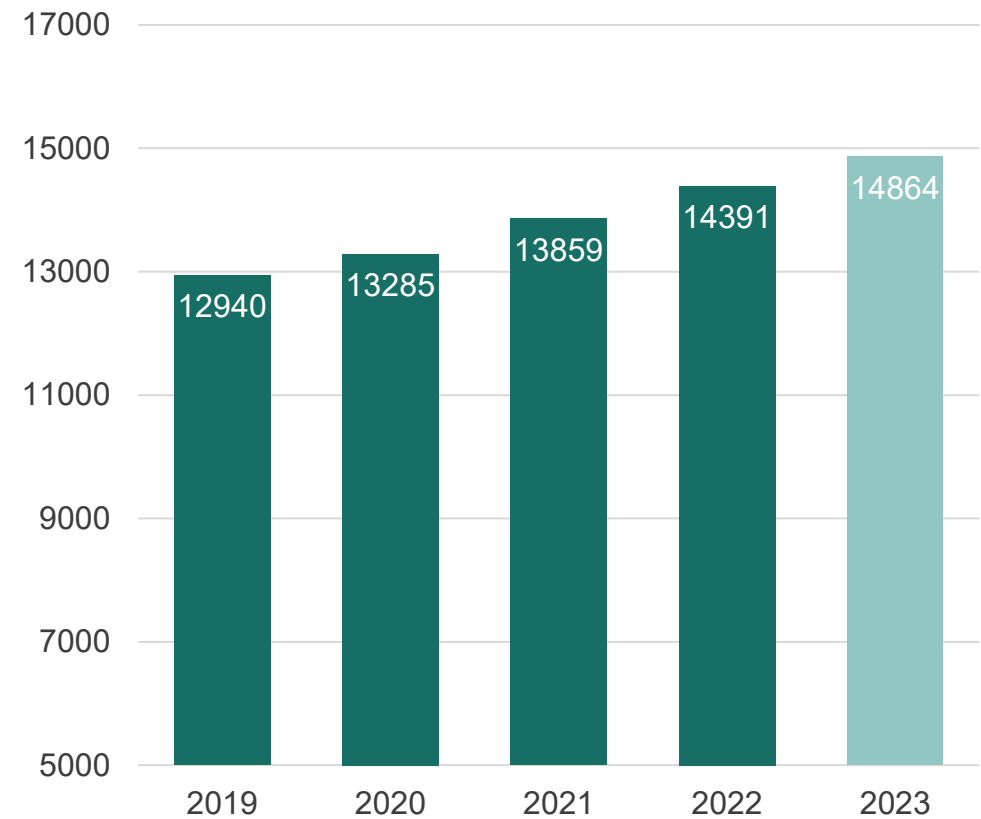


Strong growth in YEL insurance policies continues

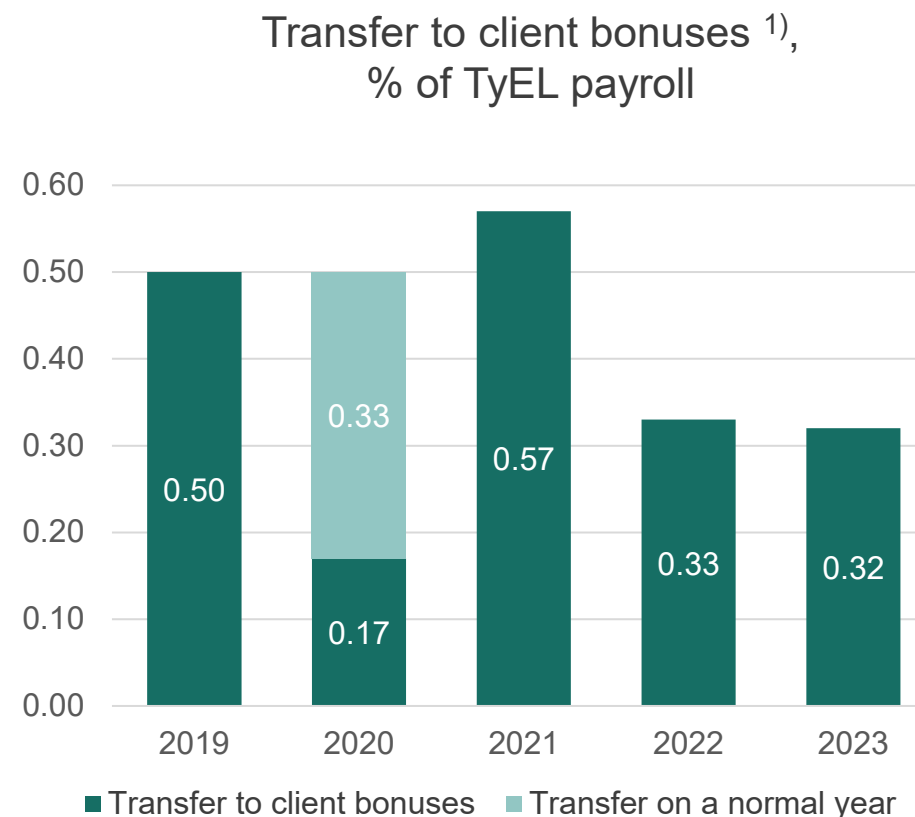
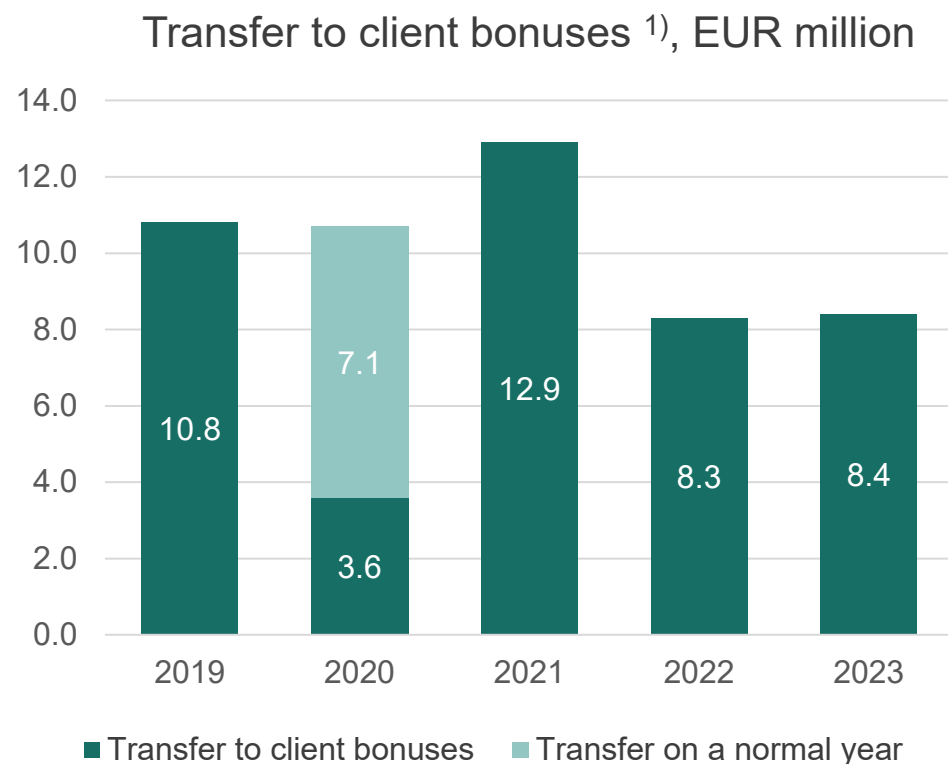
Reported income under YEL, EUR million



Number of YEL policies



Client bonuses at same level as in 2022



1) A temporary legislative amendment was made due to the corona pandemic and the TyEL contribution was reduced by 2.6% for the period 1 May–31 December 2020. The law provided that the pension insurance companies were not allowed to pay client bonuses during the reduction period. Thus, the client bonuses for 2020 could be at most one third of the normal amount of client bonuses. If no amendment had been made, the client bonuses for 2020 would have been EUR 10.7 million or 0.50% of the TyEL payroll.

Result

Result analysis, EUR million	2023	2022
Technical underwriting result	-2.8	11.0
Return on investments at fair value	26.1	-263.9
+ Net return on investments at fair value	237.6	-198.7
- Return requirement on technical provisions	-211.5	-65.3
Loading profit ¹⁾	-0.3	-7.4
Other profit	0.3	0.9
Total result	23.2	-259.5
Operating income covered by expense loading component, EUR million ¹⁾	18.0	26.8
Number of employees (average)	130	146

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.



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