

Interim report from Velliv, H1 2023

Solid result from Velliv

Interim CEO Morten Møller comments on the report:

"Velliv presents a solid interim report. The result is historically high due to efficient operations, satisfactory development of the health and accident business, and good investment returns. Velliv has the highest customer satisfaction and loyalty rate of the industry and continuously renews agreements with existing customers. Having satisfied customers is the best recommendation we can get."

Chief Investment Officer Anders Stensbøl says:

"Returns on pension savings are looking good in the short, medium and long term. The turbulence from 2022 has been replaced by solid returns in the first half of 2023, although the positive trends have been highly centred around a few tech shares. The steep rise in interest rates, the inflation and the fast-paced labour market make the financial markets unpredictable. Hence, we see a risk of increased volatility in the upcoming period."

Financial highlights

The result before tax amounted to DKK 712 million (DKK 160 million in the first half of 2022).

The result after tax amounted to DKK 533 million (DKK 125 million in the first half of 2022).

Return on equity before tax was 18.2 percent (4.4 percent in the first half of 2022).

Return on equity after tax was 13,6 percent (3.4 percent in the first half of 2022).

Premiums made a total of DKK 17.5 billion (DKK 17.0 billion in the first half of 2022).

Customer returns made a total of DKK 11.3 billion (DKK -37.4 billion in the first half of 2022).

Positive development of the core business

As a result of efficient operations, satisfactory development of the health and accident business, and improved return on equity, the result before tax amounted to DKK 712 million. Returns on equity amounted to 18.2 percent before tax. The return on equity, low costs, growth and solid long-term customer returns all made up the reasons for EY and FinansWatch voting Velliv as Commercial Pension Company of the Year (Årets kommercielle pensionselskab) for the fourth year in a row.

Aalund's Company pension barometer (Firmapensionsbarometer) of June 2023 showed that Velliv has the highest customer satisfaction and loyalty rate of the industry. This contributes to Velliv renewing agreements with the majority of customers and is also reflected in the fact that regular premiums increased by 9 percent in the period. Total premiums increased by 3 percent and now makes a record DKK 17.3 billion. Since 2018, total premiums in Velliv have increased by more than 90 percent.

The development in the health and accident business is positive and follows the plan we have laid out for the area. Velliv therefore expects there to be balance in 2024 despite the fact that the number of customers on sick leave has increased. The development is driven by better balanced prices and the effect of preventive efforts aimed at the customers.

Investment and return

The return for the first half of the year was positive and between 5.0 and 7.4 percent for a customer with medium risk and 15 years until retirement, depending on the selected product. The general high interest rate level increases the long-term return for bonds. For share markets, we expect more volatility and a general lower return on shares than what we were used to in the 2010s. Velliv regularly assesses market conditions and the need for adjusting the company's savings products to the new trends on investment markets.

Velliv focuses on making sure that the more than DKK 300 billion managed by Velliv contribute to the green transition. Therefore, we have changed our policy on fossil investments. We no longer invest in companies

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that do not contribute to the green transition. This is a necessary step to encourage the world to speed up this crucial transition.

Find more information about the development in Velliv

- Velliv has the highest satisfaction rate among corporate customers
[Velliv ranks no. 1 in customer satisfaction, loyalty, and image](#)
- Velliv intensifies its profile on fossil fuel investments
[Velliv's view on fossil fuel investments](#)
- Velliv is awarded Commercial Pension Company of the Year (Årets pensionselskab) for the fourth year in a row
[Finanswatch and EY recognise Velliv as pension company of the year](#)

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