

Interim report from Velliv Q1 - Q3 2023

A satisfactory result

Interim CEO Morten Møller comments on the report:

"Velliv delivers a solid pre-tax profit of DKK 858 million, giving a return on equity of 22 per cent. It has never been better. In addition to the result, I also note a significant increase of 13 per cent in regular premiums. We have a target of balancing the health and accident business in 2024 and have adjusted prices early. We are well on the way to reaching this ambitious target."

Chief Investment Officer Anders Stensbøl says:

"In Velliv, we are intensifying our efforts to support the green transition. Earlier this year, we lost patience with the fossil-based extraction companies that did not meet the objectives of the Paris Agreement. And most recently, we have invested billions in certified forests and entered a unique partnership with the World Bank."

Financial highlights

Result before tax of DKK 858m (DKK -11m in the third quarter of 2022).

Result after tax of DKK 641m (DKK -11m in the third quarter of 2022)

Gross Written Premiums (GWP) of DKK 25.8bn (DKK 25.5bn in the third quarter of 2022)

Return on equity before tax of 22.0 per cent (-0.3 per cent in the third quarter of 2022)

Total customer returns of DKK 7.2bn (DKK -46.4bn in the third quarter of 2022)

Good development of the core business

The net profit for the period amounted to DKK 641 million, which is just over DKK 650 million more than the same period last year. The solid result is driven by a continued focus on efficient operations, an improved result of the health and accident business and an improved investment result compared to last year.

According to Aalund's Company Pension Barometer (Firmapensionsbarometer), Velliv has the highest satisfaction and loyalty rate among corporate customers. Hence the vast majority of customers continuously extend their agreements with Velliv, among other reasons. GWP make a record DKK 25.8 billion and are especially supported by a good development in regular premiums, which amount to DKK 11.6 billion. Single premiums remain at a very high level of DKK 14.2 billion. This is a slight decline and is partly due to Velliv's early focus on balancing the health and accident business. Since 2018, GWP in Velliv have increased by more than 80 percent.

Investment and return

2023 started off with good returns. In recent months, however, we have seen that the return has fallen back somewhat due to the development in stock markets, among other things. The return for the first half of the year was positive and between 3.1 and 5.5 per cent for a customer with medium risk and 15 years until retirement, depending on the selected product. We expect the rising volatility from late summer to continue throughout the year, but by the end of the year returns are expected to end in positive territory.

Velliv is enhancing the efforts to support the green transition. This includes allocating DKK 2 billion to certified forestry since mid-year. The first half of the investment will be allocated to forest areas that are primarily located in North America and correspond an area of approximately 45,000 football fields. The investment is expected to contribute with an annual return in the region of 6-7 per cent. Furthermore, Velliv has entered a partnership with the World Bank on investment in social and green bonds. Among other things, this has led to an investment focusing on clean drinking water in Vietnam and on biodiversity in the Galapagos Islands. These investments also contribute with solid risk-adjusted returns to customers.

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Find more information about the development in Velliv

- [Velliv invests DKK 2 billion in certified forests](#)
- [Velliv has the highest satisfaction rate among corporate customers](#)
- [Velliv intensifies its profile on fossil investments](#)

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