

Danica delivers top returns and accelerates growth

Danica reported the highest year-on-year premium growth ever in 2024 and delivered the highest investment return of the major Danish commercial pension providers.

Danica's growth accelerated, resulting in 1.3% year-on-year premium growth in 2024. It is a record high.

While the growth was partially driven by an inflow of 3,753 new business customers, Danica's sales through Danske Bank were also up 40% in 2024.

Danica's profit before tax for 2024 was DKK 1,334 million, compared with DKK 1,422 million in 2023.

"2024 was a good year for Danica, and we created value for our customers. We helped many customers and also welcomed a substantial number of new customers, making it a satisfactory year for us. We also succeeded in growing sales through Danske Bank," says Danica's CEO, Mads Kaagaard.

In research company Aalund's annually survey of the collective customer satisfaction score of Danish pension providers, Danica ranked first in the business customer segment.

"This shows that our customers appreciate our strong value proposition. We launched several measures to make it easier to be a customer with Danica. For example, we improved our app to make it easier for customers to see their return and to enable them to get healthcare assistance with a single click. Because what is most important for us is having satisfied customers," he continues.

Best-in-class returns

Danica's pension customers received solid returns for the year despite war and market turmoil. Among Denmark's major commercial pension providers, Danica generated the highest returns for customers across all customer profiles. For customers with Danica's main pension product, Danica Balance, the overall return was DKK 35 billion.

This strong return benefits all customers, whether they have high or low risk profiles. The average return across all customer profiles was 15% in 2024. Over the past five years, a typical customer has received an impressive accumulated return of 42%.

"We are pleased to have delivered solid returns to all our pension customers. Whether they have chosen a high or a low risk profile and whether they are far from or close to retirement, our customers received really strong returns in 2024. At the same time, we successfully lowered our investment costs by more than DKK 400 million, making it both cheaper and better to be a Danica customer. That is something we are proud of," says Mads Kaagaard. Danica's total pension assets under management (AuM) grew to DKK 487 billion.

More claims and padding for the future

The profit for the year was affected by a loss of DKK 1,194 million on the health and accident business (excluding investment result), against a loss of DKK 902 million for 2023.

Danica generally helps more customers than ever return to work after long-term absence due to illness. And when customers have full access to both the health package and health insurance, studies show that fewer are reported absent due to long-term illness.

However, this does not fully offset the continuing trend in Denmark that a growing number of people are reported absent due to illness, receive sickness benefits and attend re-employment or resource programmes. Consequently, the health and accident business was adversely affected by this trend.

Danica reported a loss of DKK 1,194 million on the health and accident business excluding the investment result in 2024. Some 50% of the loss was attributable to higher claims expenses, while the other half was attributable to provisions for future losses on customer contracts in force.

Danica adjusted its prices in this area in 2024 in connection with contract renewals with customers. The new prices are effective from 1 January 2025.

“We are making a huge effort to achieve balance in our health and accident business. We failed to do so in 2024, which is obviously not satisfactory. We have launched many initiatives intended to address this in the coming year in combination with our price adjustments. We are still keeping our eyes on the ball and are determined to achieve our goal of making the business break even,” says Mads Kaagaard.

The investment result for the health and accident business in 2024 was a loss of DKK 223 million.

More customers use healthcare offerings

Danica’s healthcare products are gaining traction. The number of online consultations with doctors, psychologists and other health package offerings was up 28% on last year to about 50,000.

In 2024, Danica expanded the package with two additional healthcare offers: a family counsellor and a coach. Both offers will continue in 2025.

In 2024, Danica helped a record number of customers return to work after an absence due to illness.

“Prevention works. This is clearly evidenced by the fact that fewer people are reported absent due to long-term illness when they have access to our preventive offers such as online consultations with a doctor, a psychologist or a family counsellor. And if customers consult a doctor a little earlier, we can prevent issues from escalating into something more serious. I am also really pleased that we are able to help so many people return to work in a positive way,” says Mads Kaagaard.

More than 95% of Danica’s customers now report their claims online, and three in four immediately learn whether or not their claim is coverable.

	2024	2023
Premiums (DKK billions)	43.6	38.6
Return on customer funds - Danica Balance Mix, medium risk profile and 20 years to retirement (%)	15.3	11.1
Return on customer funds - Danica Traditionel (%)	3.3	4.6
Return on customer funds - Danica Traditionel after change in additional provisions (%)	2.8	3.6
Profit/loss before tax and discontinued operations (DKK millions)	1,334	1,422
Pension assets under management (DKK billions)	487	440

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Solvency ratio disclosure

December 31th 2024

Danica Pension
Livsforsikringsaktieselskab

SCR (DKKm)	16,005
Solvency rate	207%

Summary of Danica Pension's subordinated loan capital

Issuer	Danica Pension Livsforsikringsaktieselskab
Securities code (ISIN)	XS1117286580
Amount	EUR 500 m
Coupon	4.375 % p.a
Issued	29 September 2015
Matures	29 September 2045
First call date	29 September 2025
Rate of interest will reset on	29 September 2025
