

Danica reports record growth and increases health and accident provisions

Danica's strong contribution growth continues, reaching a new record level. Provisions have been increased to achieve break-even in the health and accident business.

In 2025, Danica's contributions grew by 22% to reach DKK 50 billion for the first time - a major improvement on the record level reached in 2024. Net sales were up 85%, reflecting strong overall commercial appeal. The growth was driven by a strong inflow of companies of all sizes. The customer collaboration with Danske Bank has proven particularly successful in this respect with over 70% aggregate growth over the past two years.

Danica CEO, Mads Kaagaard:

"2025 was an unusual year with extraordinarily high customer activity and turbulent global financial markets, and against this backdrop, I am very pleased with our record growth. We successfully renegotiated a number of customer contracts and welcomed many new companies. We also achieved an increase in customer satisfaction based on a number of improved digital solutions and are thus on track to meet our strategic target of being the preferred pension provider in Denmark."

Increased provisions to strengthen the health and accident business, affecting profit for the year

Danica's total profit for 2025 was just short of DKK 1.4 billion before tax, which was on par with the profit for 2024. The performance was affected by Danica's efforts to close the orders issued by the Danish FSA in the health and accident insurance area.

The overall insurance service result of the health and accident business improved by DKK 328 million from a loss of DKK 1,194 million in 2024 to a loss of DKK 866 million. The FSA orders gave rise to a major revision of methodology and model assumptions used in Danica's health and accident business. As a result, Danica has adopted a more cautious approach and increased provisions by approximately DKK 500 million in the fourth quarter. The net effect was a DKK 200 million reduction of profit for the year, which was recognised in the fourth quarter.

The underlying health and accident result improved significantly in 2025 as a result of the quality of Danica's healthcare solutions. For example, in 2025, Danica succeeded in helping 17% more customers return to work after a period of absence compared with the same period of 2023. In addition, the number of employees being reported absent due to long-term illness was reduced by close to 10% in the same period.

"The overall profit for 2025 is satisfactory, albeit at the lower end of our profit guidance, and is negatively affected by the increased provisions for health and accident insurance. It is not satisfactory that we have failed to achieve break-even in the health and accident business despite regular price adjustments and high-quality healthcare solutions. Following constructive dialogue with the Danish FSA, we have now decided to change our approach to determining model parameters and estimates. We are financially strengthening the health and accident business by increasing our provisions, thus adopting a slightly more cautious outlook, which we believe is in line with the FSA's expectations for the industry," says Mads Kaagaard.

Returns in solid positive territory after market turmoil

2025 saw major financial market upswings as well as downturns, with the weakening of the US dollar in particular having a negative impact on Danica's investments. Overall, however, it was a very positive year for global equity markets, which lifted returns for Danica's customers into solid positive territory. As a consequence of the expected future return potential, Danica has decided to gradually increase risk profiles during 2026, which means that customers will see a higher allocation to equities over the course of their savings period.

"Following a very strong performance in 2024, our returns lagged slightly behind the market in 2025, although our long-term returns remain among the highest in the market – proving the value of a diversified investment strategy with the resilience to perform well over time. In 2026, we will increase the allocation to equities for customers with our primary product, Danica Balance, as we expect this to generate higher positive returns over time for our customers in the future."

The return for customers with 20 years to retirement and a medium risk profile was 6.3% in 2025. Over the past five years, this customer group has achieved a return of 51%.

| | 2025 | 2024 |
|---|-------|-------|
| Contributions (DKK billions) | 53.3 | 43.6 |
| Return – Danica Balance Mix, medium risk profile and 20 years to retirement (%) | 6.3 | 15.3 |
| Return – Danica Traditionel (%) | 1.6 | 1.8 |
| Return – Danica Traditionel after change in additional provisions (%) | 4.6 | 2.8 |
| Profit/loss before tax (DKK millions) | 1,357 | 1,387 |
| Pension assets under management (DKK billions) | 516 | 487 |

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