

Danica Pension reports strong growth and billions of kroner in returns

Danica Pension's business is healthy and growing. In the first nine months, premiums grew by 10% and a typical customer received a return of 12.3%. The profit for the period was DKK 1.4 billion.

Danica Pension recorded a profit of DKK 1,407 million before tax for the first nine months, compared with DKK 922 million in the year-earlier period. The increase was mainly driven by a continued improvement of an already positive investment result.

“The first nine months of the year were good for our customers, who saw a significant increase in their savings through a high return. It is also quite satisfactory that we generated a profit of DKK 1.4 billion and 10% growth,” says Mads Kaagaard, CEO of Danica Pension.

Successful investment strategy

The return for Danica Pension customers with a medium risk profile and 20 years to retirement was 12.3% for the first nine months of 2024 – the second highest return of all commercial pension providers.

In the first nine months of the year, Danica Pension's main product Danica Balance generated a total a return of DKK 28 billion for its customers.

“We continue to deliver high returns for our customers because we have an investment strategy that works in the long term. Our equity investments have outperformed the benchmark world index for a long period of time, and the lower interest rates have also produced favourable conditions for bond investments. The past five years have seen a number of strong market fluctuations. Despite this, typical Danica Pension customers have received an accumulated return of 43.7% on their savings, giving them good prospects for a secure financial future,” says Mads Kaagaard.

More satisfied customers

Premiums grew by 10% in the first nine months, from DKK 29,458 million in the year-earlier period to DKK 32,483 million, driven by a net inflow of 3,134 new business customers and self-employed customers.

“Right now, there is more competition for tenders than ever before, which is why I am very happy to receive so much positive feedback from existing and new business customers. Our role is to lay a good foundation for their employees' finances, health and future, and in this we have a very strong market position,” says Mads Kaagaard.

The research company Aalund regularly surveys our customer satisfaction score, and Danica Pension holds the top ranking in the personal customer and business customer with over 50 employees segments.

More reactivations and higher prices point to a break-even health and accident result in 2025

In the third quarter, Danica Pension made additional provisions for future expenses in the health and accident area, which had a negative impact on the result. In addition, the area continues to be adversely affected by rising costs from the number of long-term claims.

However, the area is moving towards a break-even level, partly due to stagnation in the number of new claims and partly due to more customers recovering and returning to work as a result of Danica Pension's healthcare offering.

“We are proud of our healthcare solutions at Danica Pension, and I am pleased to note that we have helped so many Danes to get better in the past year. There is a lot of talk and debate about the health and accident area within the

industry and in the media, and it is also a major focus area for us. But we are also mindful of the fact that behind the negative financial performance lies a story of real people who have needed our help,” says Mads Kaagaard and continues:

“The health and accident area will approach break-even in 2025, even if the numbers do not show it yet in 2024. One of the things we have managed to do so far this year is to renegotiate a number of contracts where I believe we have set prices that are in balance with costs. Therefore, everything points to improved future operations in this area. But of course I will not be satisfied until the figures tell the same story.”

The number of customers who have recovered and returned to work, also known as reactivations, increased by 21% compared with the same period last year due to intensified preventive and therapeutic healthcare efforts. More Danica Pension customers are now getting help through early action, as the use of the Health Package increased by 40% in the third quarter compared with the same period last year.

The insurance service result of the health and accident business was a loss of DKK 676 million, compared with a loss of DKK 428 million in the same period last year. Inclusive of the investment result, the loss for the first half stood at DKK 632 million, against a loss of DKK 491 million in the year-earlier period.

	Nine months 2024	Nine months 2023
Premiums (DKK billions)	32.5	29.5
Return on customer funds - Danica Balance Mix, medium risk profile and 20 years to retirement (%)	12.3	4.7
Return on customer funds - Danica Pension Traditionel (%)	2.8	-0.9
Return on customer funds - Danica Pension Traditionel after change in additional provisions (%)	3.0	0.6
Profit/loss before tax, DKK millions	1,407	922
Pension assets under management (DKK billions)	480	423

For further comments, please contact Nikolai Johnsen, Head of Press Relations:

Tel.: +45 23 32 11 63

nikjo@danicapension.dk

Solvency ratio disclosure

September 30th 2024

Danica Pension Livsforsikringsaktieselskab

SCR (DKKm)	15,395
Solvency rate	216%

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