

Danica Pension

Annual Report 2010

10 February 2011

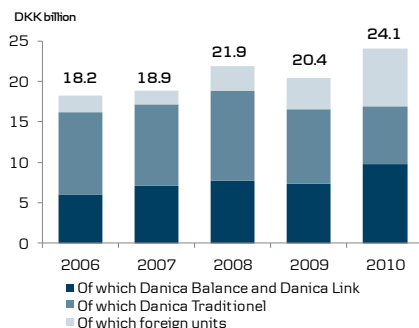
THE ANNUAL REPORT 2010 DESCRIBES THE ENTIRE DANICA GROUP, INCLUDING BUSINESS ACTIVITIES IN DENMARK, SWEDEN, NORWAY AND THE REPUBLIC OF IRELAND.

DANICA PENSION IS ONE OF DENMARK'S LEADING PROVIDERS OF PENSION PLANS, LIFE INSURANCE AND HEALTH CARE INSURANCE. OUR CUSTOMERS COUNT MORE THAN 13,000 CORPORATIONS AND 850,000 PRIVATE POLICYHOLDERS.

Danica Group 2010: Lower costs and high returns for Danica Balance and Danica Link

- Expense ratio drops from 6.0 in 2009 to 5.0 in 2010.
- Average return for Danica Balance and Danica Link of 12.9% or DKK 4.8 billion. Return for Danica Traditionel of 5.8% or DKK 10.9 billion.
- 18% increase in premiums to DKK 24.1 billion, mainly as a result of massive growth rates in Sweden and Norway of 86% and 132%, respectively. 2% increase in Denmark. Premiums received for the market products, Danica Balance and Danica Link now exceed those for Danica Traditionel.
- Profit before tax of DKK 2.3 billion in 2010, against DKK 3.1 billion in 2009.

Pension premiums received, Danica Pension



Substantial premium growth

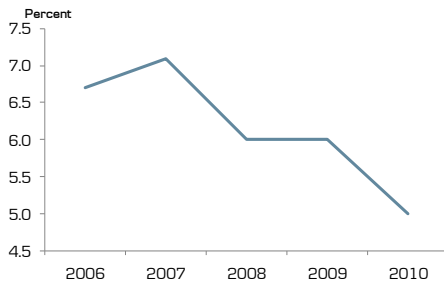
Jørgen Klejnstrup, CEO states: We have seen a significant 18% increase in premiums received, mainly originating from our subsidiaries outside Denmark. Expenses continue to decline, and our customers benefited from this fact in 2010, as we lowered our prices by a total of DKK 100 million.

"Our strong product range and digital solutions for our customers, known from our Danish business, are also used by our other subsidiaries in other Nordic countries with great success. In 2011, we will further reduce costs by making our entire business digital. As a result, our customers will see lower prices, improved quality and faster service. We also wish to offer even more self-service solutions as a supplement to our personal advisory services, says Jørgen Klejnstrup."

Premiums received in Sweden rose by DKK 2.7 billion to DKK 5.8 billion and in Norway by DKK 0.8 billion to DKK 1.4 billion. In Denmark, premiums were up 2% to DKK 16.9 billion. Premiums for the market products Danica Balance and Danica Link rose 34% to DKK 9.8 billion. A total of 147,000 customers now have one of Danica Pension's market products. For Danica Pension as a whole, Danica Balance and Danica Link have now surpassed Danica Traditionel in terms of premiums received, and this trend will continue.

Jørgen Klejnstrup explains the development in Denmark: “During the year, several major corporate customers chose Danica Pension as their provider because of our low prices, efficient service, significantly improved communication and our strong product range. Of our new customers, 85% chose a market product, which meant that our new corporate customers overall were off to a good start in 2010 with a return of about 11.5%.

Expenses in percent of premiums received



Better service and lower expenses

In 2010, Danica Pension developed a number of online services, which were well received by customers. All customers can now choose to receive their mail from Danica Pension electronically. The design of Din Netpension on www.danicapension.dk has been simplified and texts have been rewritten to make it easier for customers to understand and find their way around the site. Some 100,000 customers a month use the site. It has also become possible for customers to set up their pension plan online, and at www.danicapension.dk, they can report claims in respect of health care plans, among other things.

Several new functionalities have been added to Netpension Corporate, making it easier for our corporate customers to manage their pension agreement. Half of our corporate customers now use Netpension Corporate.

The new online services were implemented concurrently with measures to improve the efficiency of Danica Pension’s operations. The Danica Group’s expense level is historically low, the ratio of expenses to premiums being down from 6.0% to 5.0% in 2010.

Return on Danica Balance 2010

| (Percent) | 30 years to maturity | 15 years to maturity | 5 years to maturity |
|--------------|----------------------|----------------------|---------------------|
| Aggressive | 17.2 | 14.5 | 12.7 |
| High | 17.2 | 13.1 | 11.6 |
| Medium | 16.1 | 11.6 | 10.4 |
| Low | 14.5 | 10.2 | 9.3 |
| Conservative | 11.6 | 8.7 | 8.1 |

At Din Netpension, Danica customers have since the beginning of 2010 been able to see all expenses expressed in Danish kroner and in percent of savings. On average, it costs one percent of savings to maintain a pension plan at Danica Pension, all inclusive. For this amount, customers receive investment management services, competent and efficient advisory services, easily understandable communications, online services and personal advice.

Return on Danica Link 2010

| (Percent) | Return |
|---------------------------|--------|
| Danica Valg Guarantee | 10.7 |
| Danica Valg 100% Bonds | 6.1 |
| Danica Valg Low Risik | 9.5 |
| Danica Valg Medium Risk | 14.1 |
| Danica Valg High Risk | 17.4 |
| Danica Valg 100% Equities | 20.8 |

Satisfactory total return of DKK 4.8 billion for Danica Balance and Danica Link customers

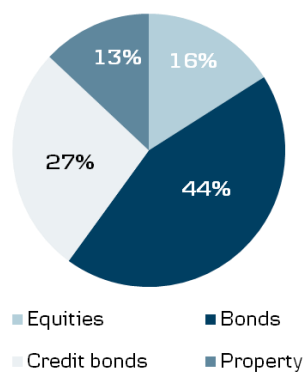
Danica Balance and Danica Link customers’ returns totalled DKK 4.8 billion or 12.9% on average. Danica Traditionel’s return was reduced at the end of 2010 as a result of rising interest rates, and for 2010 as a whole the return on Danica Traditionel was DKK 10.9 billion or 5.8%, relative to 7.1% for 2009.

Changes to Danica Traditionel

On 1 January 2011, new rules came into force which meant that returns on all Danica Traditionel customers’ savings will be calculated in a new way. Previously, all Danica Traditionel customers were treated equally in many respects. Regardless of whether high or low guarantees were attached to savings, they carried the same rate of interest. This has been changed, and customers with Danica Traditionel have been divided into four interest rate groups.

Danica Pension will from now on show the rate of interest on policyholders' savings, common reserves (collective bonus potential) and bonus rate separately for each group when publishing its financial statements.

Distribution of investment assets for interest rate group 1



Information on the four interest rate groups in Danica Traditionel at 1 January 2011

| Interest rate group | Interest rate on policyholders' savings before tax (percent) | Joint reserves in DKK billion (Collective bonus potential) | Bonus ratio (percent) |
|--|--|--|-----------------------|
| Interest rate group 1 (new customers) | 3.25 | 0.5 | 1.0 |
| Interest rate group 2 (low guarantee) | 3.25 | 0.2 | 1.0 |
| Interest rate group 3 (medium guarantee) | 3.25 | 0.1 | 1.0 |
| Interest rate group 4 (high guarantee) | 3.25 | 0.8 | 1.0 |

For now, all interest rate groups have the same rate of interest rate, but they may become differentiated over time. Customers with high guarantees have been grouped together in interest rate group 4. In this group, investments are conservative, which means that policyholders with high guarantees can expect a lower, but stable rate of interest on their savings. New Danica Traditionel customers will be grouped together in interest rate group 1. Investments in this group will have a higher risk profile, which in the longer term is expected to yield higher returns. Accordingly, new customers can expect a somewhat higher - but also more volatile - return on their savings. More information about the changes to Danica Traditionel is available on danicapension.dk.

Solid financial strength of DKK 15.8 billion

"Our considerable financial strength is a guarantee to our customers that we will always keep our promises - no matter if a guarantee covers one year or 50 years. Danica Pension is the only pension fund in Denmark to be rated by Standard & Poor's. For the past six years, Danica Pension has maintained a rating of "A" or better, and this is a reflection of our significant financial strength, strong competitiveness and our affiliation with the Danske Bank Group", explains Jørgen Klejnstrup.

Net profit for the year

Profit before tax was DKK 2.3 billion in 2010, against DKK 3.1 billion in 2009. The risk allowance for 2010 has been booked as well as the remainder of the amount relating to 2008, which had been allocated to a so-called "shadow account". In other words, the shadow account has now been reset to zero.

Special allotments amounted to DKK 641 million in 2010, which along with DKK 40 million from 2009 plus interest will be distributed to the relevant customers in March 2011.

Financial highlights for Danica Pension (Group)

| (DKK billion) | 2010 | 2009 |
|---|------|------|
| Premiums | 24.1 | 20.4 |
| Of which premiums in Denmark | 16.9 | 16.6 |
| Return on customer funds, percent* | 5.8 | 7.1 |
| Cost percentage of premiums., Denmark | 5.5 | 6.0 |
| Cost percentage of premiums., Danica Group | 5.0 | 6.0 |
| Costs in relation to provisions in percentage., Denmark | 0.42 | 0.7 |
| Result before tax | 2.3 | 3.1 |
| Capital strength | 15.8 | 17.1 |
| Pension capital (assets in total) | 288 | 264 |
| Bonus ratio* | 1.1 | 1.8 |
| Joint reserves (collective bonus potential)* | 1.7 | 2.8 |
| Additional provisions* | 16.4 | 13.4 |

* Applies to Danica Traditional customers only.

For further information:

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Danica Pension's Annual Report 2010
can be found on
www.danicapension.dk/regnskab