

# Danica Pension

Interim financial statement, 2010

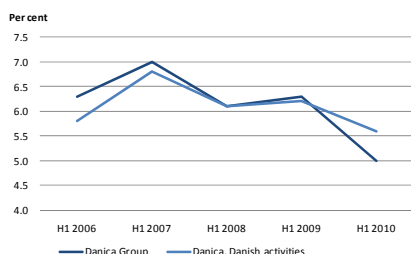
August 10, 2010

THESE INTERIM FINANCIAL STATEMENTS DESCRIBE THE ENTIRE DANICA GROUP AND INCLUDE BUSINESS ACTIVITIES IN BOTH DENMARK, SWEDEN, NORWAY AND IRELAND.

DANICA PENSION IS DENMARK'S LARGEST COMPANY WITHIN PENSION SCHEMES, LIFE INSURANCE AND HEALTH INSURANCE. OUR CUSTOMERS CONSIST OF 6,000 BUSINESSES AND APPROXIMATELY 630,000 PRIVATE INDIVIDUALS.

## Danica group, first half 2010: Record premium income and lower prices

- 25% increase in premiums to DKr12.2bn, mainly as a result of considerable growth in Sweden and Norway. Satisfactory 2% increase in Denmark.
- Expense ratio in Denmark reduced from 6.2 in the first half of 2009 to 5.6 in the first half of 2010.
- DKr250m to policyholders through bonus and price reductions.
- Return for Danica Traditionel of 5.4% or DKr10.0bn.
- Average first half return for Danica Balance and Danica Link of 3.7%, or DKr1.2bn.
- 140,000 customers in Denmark have now opted for one of Danica's market products.
- Profit of DKr824m for the first half of 2010, up from DKr718m for the year-earlier period.



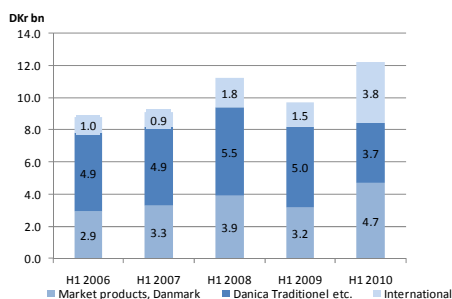
Expense ratio:

Note: Expenses as per cent of premium income

### D kr250m returned to policyholders

Henrik Ramlau-Hansen, CEO on the financial statements in general: "By making our operations more efficient, we have achieved Danica's lowest ever level of expenses. For this reason, we are lowering the prices of a number of our insurance and savings products. On an annual basis, this corresponds to price reductions of more than DKr100m. At the same time, we are providing an extra bonus of Dkr150m to our corporate customers due to the good claims experience on their risk coverage. There is no question that competition in the industry is the strongest it has ever been. By virtue of economies of scale, low prices, efficient services combined with openness and considerable financial strength of DKr16.6bn, Danica Pension remains the secure choice for customers."

### Danica group premiums, first half



### Substantial premium growth

Premium income reached a record high of DKr12.2bn, against DKr9.7bn in the year-earlier period. Our Swedish and Norwegian subsidiaries reported strong growth, but we are also satisfied to note that contributions are rising in Denmark, up by 2% - not least during a period marked by uncertainty, both in terms of pension taxation and weak economic growth. Danica Pension has consolidated its position in the corporate market in particular, and this process is expected to continue throughout the rest of the year. Premiums received in the market products Danica Balance and Danica Link rose by 48% from DKr3.2bn to DKr4.7bn, for the first time surpassing Danica Traditionel premiums. This trend is expected to continue.

#### **Satisfactory returns to customers totalling DKr1 1.2bn**

Danica Balance and Danica Link customers' returns totalled DKr1.2bn or 3.7% on average. A vast majority of our customers have made it safely through the financial crisis so far and have more than recovered their losses from 2008. The return on Danica Traditionel was also satisfactory at DKr10.0bn or 5.4%, against 1.6% in the year-earlier period. The common reserves (collective bonus potential) rose from DKr1.5bn at June 30, 2009 to DKr2.0bn. Interest rates fell sharply. As a consequence, Danica's additional provisions to meet customer guarantees rose from DKr8.3bn at June 30, 2009 to DKr17.6bn.

#### **Solid financial strength of DKr16.6bn makes Danica Pension the secure choice for customers**

"Danica Pension's considerable financial strength enables us to keep the promises we make to our customers - no matter if your guarantee covers one year or 50 years. Danica Pension is the only pension company in Denmark to have a Standard & Poor's rating. For the past six years, Danica 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 Henrik Ramlau-Hansen.

#### **Openness and other customer-oriented measures**

"We strive to be the secure choice for our customers - in terms of returns, expenses, efficient service and a contemporary product offering. In the annual statement, which can be viewed at Din Netpension, all customers have since the beginning of 2010 been able to see their annual expenses in Danish kroner as well as in per cent of savings. The new electronic annual statement has been well received by our policyholders. We are continually improving our electronic self-service options. It is now possible to make certain insurance claims online. We intend to expand this service to include all types of insurance within the foreseeable future. This ensures that our many customers are serviced even faster", concludes Henrik Ramlau-Hansen.

### Financial highlights for Danica Pension (group)

(DKr bn)	First half 2010	First half 2009
Premiums	12.2	9.7
Of this, premiums in Denmark	8.4	8.2
Profit before tax (DKr m)	824	718
Pension savings (assets)	280	245
Expense ratio, Danica group*	5.0	6.3
Expense ratio, Denmark*	5.6	6.2
Expenses as per cent of provisions	0.3	0.3
Financial strength	16.6	13.7
Return on customer funds**	5.4	1.6
Common reserves (collective bonus potential)**	2.0	1.5
Bonus rate (%)**	1.3	0.9

\* Expenses as per cent of premium income

\*\* Applies to Danica Traditional customers

#### For additional comments, please contact:

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Danica Pensions financial statements  
 can be found at [www.danicapension.com](http://www.danicapension.com)