

## Danica Pension presents satisfactory financial performance for 2017

*2017 was a good year for Danica Pension with a DKK 1.9 billion profit before tax. Premiums grew 17.5% to DKK 39.7 billion.*

Danica Pension realised a profit before tax for 2017 of DKK 1,917 million, against DKK 2,220 million for 2016. The result of insurance business amounted to DKK 1,799 million, against DKK 1,670 million in 2016. Result of insurance business is the technical result without the effect of investment returns.

“2017 was a good year for our customers as well as for Danica Pension. Our financial results exceeded our expectations and customers received solid returns on their pension savings. We also noted a large increase in the number of customers taking a “Pension Check” and gaining a sense of security about their pension and insurance. We are pleased about the great confidence in us that we are seeing from our customers, reflected in several years of significant growth in premium income throughout Scandinavia,” says Per Klitgård, CEO of Danica Pension.

### **Strong premiums growth over several years**

Last year, premiums amounted to DKK 39.7 billion, an increase of DKK 5.9 billion relative to 2016. The total increase in premiums was 17.5%, with 10% in Denmark, 8% in Norway and 39% in Sweden.

“Premiums were up across the board - in Denmark, Norway and Sweden. We are pleased that so many personal and business customers choose us as their pension and insurance provider, and we want to honour their confidence by offering pension and insurance solutions that give our customers a sense of security,” says Per Klitgård.

The increase in premium income was due in part to a 47% increase to DKK 6.9 billion in gross premiums via Danske Bank in Denmark compared with 2016. The number of company agreements via Danske Bank rose 14% to 221 in 2017.

“Being part of Danske Bank is a major strength for our customers as well as for Danica Pension. We continually strive to use this advantage for the benefit of our customers by offering them improved digital solutions and a better overall customer experience,” explains Per Klitgård.

### **Continued solid investment results**

In 2017, Danica Pension’s customers saw attractive returns on their pension savings. Danica Pension customers in Denmark received between 4.8% and 12.3%. The return for customers with “Danica Balance medium risk” and with 20 years to retirement was 9.5% in 2017, and for customers with “Danica Balance medium risk” and 15 years to retirement it was 8.4%.

“In 2017, we improved our customers’ purchasing power by a significant margin, providing returns well above the rate of inflation. We are particularly satisfied with our return performance because the risk exposure we assumed in investing our customers’ money was among the lowest in the industry,” states Per Klitgård.

Danica Pension’s investment return gave the company a mid-ranking in a field with very narrow margins separating the providers.

“Since launching our current investment strategy, we have delivered solid risk-adjusted returns at the top of the market. With a stronger focus on alternative investments combined with tight risk management, we expect to continue to deliver stable, high risk-adjusted returns for our customers,” says Per Klitgård.

**More than 170,000 customers contacted proactively**

In 2017 Danica Pension proactively contacted more than 170,000 customers, for example in connection with life-changing events such as a move, a wedding or a change in salary. As a result, the number of customers who are following Danica Pension's pension and insurance recommendations was up 58%. Our customers took 64,700 Pension Checks in 2017. This was 13% more than last year.

It is important for us that our customers take a Pension Check, because it gives them a clear picture of their pension and insurance, so they feel secure about their retirement. As we can see that our customers react positively when we contact them with relevant information, we will continue to strengthen our proactive efforts in the coming years," says Per Klitgård.

**Danica Pension is growing**

In 2017, Danica Pension entered into an agreement to acquire SEB Pension for an amount of DKK 5 billion. The transaction is subject to approval by the relevant authorities, which is expected to happen during the first half of 2018.

"The acquisition of SEB Pension will make us even more competitive and strengthen our innovation capacity, improving our ability to develop new and relevant pension and insurance solutions for some 800,000 customers," says Per Klitgård, stressing that Danica Pension will naturally also focus on providing proactive, relevant services to our customers while awaiting the authorities' approval.

**New composition of Danica Pension's Executive Board**

Along with the satisfactory set of results for 2017, Danica Pension also announces changes to its Executive Board. From 1 May 2018, Lars Ellehave-Andersen will be CEO of Danica Pension in Norway.

"With Lars Ellehave as CEO in Norway, we are strengthening our Norwegian business, where we see great potential," says Per Klitgård, CEO of Danica Pension.

"Lars expressed a desire to head Danica Pension in Norway, and since we will continue to be able to benefit from his extensive network and strong competencies in our activities in Denmark, the move is right for both the Danica Group and for Lars, who will be heading this important task."

Ole Krogh Petersen, formerly Executive Vice President, will become Senior Executive Vice President, and Søren Lockwood, today CEO of SEB Pension, will also join the Executive Board as Chief Commercial Officer, once the acquisition has been approved by the authorities.

The Executive Board of Danica Pension will thus be composed of CEO Per Klitgård, CIO Anders Svennesen, CCO Søren Lockwood, CFO Claus Harder, and COO Ole Krogh Petersen.

"I am pleased to welcome Ole Krogh Petersen and Søren Lockwood on the Executive Board," says Per Klitgård.

"With Søren Lockwood as CCO, we will have the best possibilities of creating value for our customers with the acquisition of SEB Pension. We now have the right management team to secure an even stronger position for Danica Pension throughout Scandinavia."

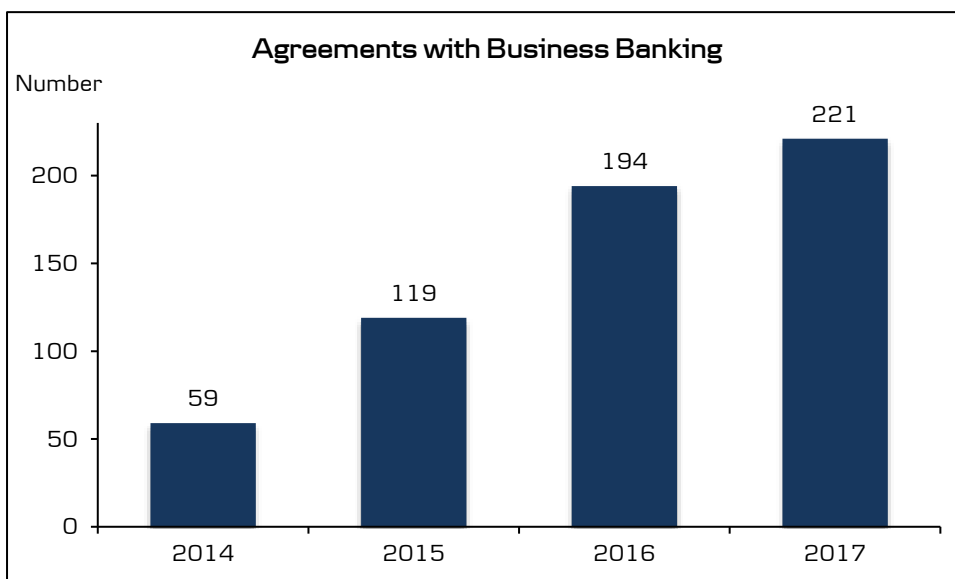
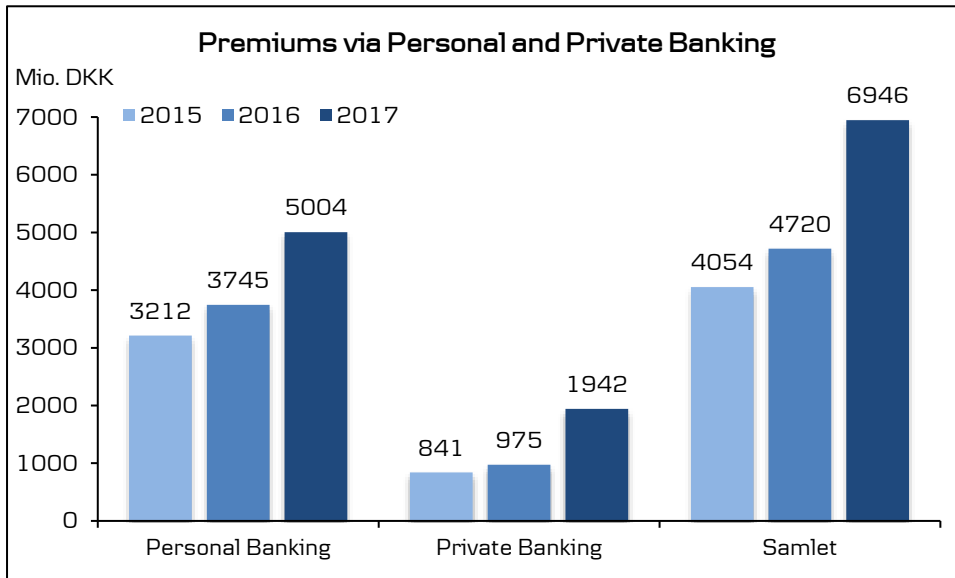
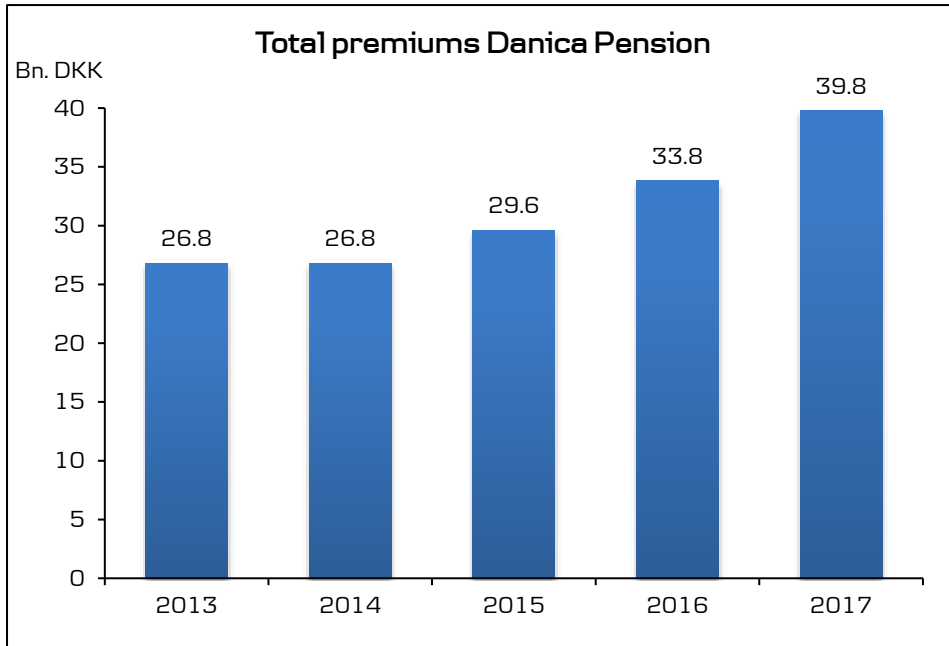
## Financial highlights for Danica Pension (Group)

(DKK billions)	2017	2016
Premiums	39.7	33.8
Premiums in Denmark	24.7	22.5
Return on customer funds - Unit-linked in Denmark (%)	7.8	5.9
Return on customer funds - Danica Traditionel in Denmark (%)	2.5	6.5
Return on customer funds after change in additional provisions, (%)*	3.5	4.8
Expenses as percent of provisions in Denmark	0.26	0.27
Result of insurance business	1.80	1.67
Profit before tax	1.90	2.22
Total pension savings (total assets)	427	404
Additional provisions*	39.2	38.9
Shareholders' equity	17.1	17.2
Total customer return	20.1	21.2
Shadow account balance (DKK millions)	0	44

\* Applies to Danica Traditionel customers only.

## For additional information, please contact:

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31 December 2017	Danica Pension Livsforsikringsaktieselskab	Danica Pension Group	Danica Group
SCR (DKKm)	10.072	9.989	9.558
Solvency rate	247%	228%	227%

#### Summary of Danica'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