



Financial statements 2011

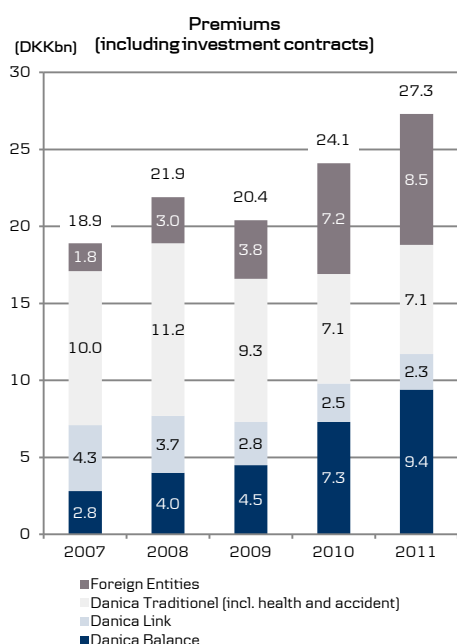
9 February 2012

THE FINANCIAL STATEMENTS DESCRIBE THE ENTIRE DANICA GROUP, INCLUDING BUSINESS ACTIVITIES IN DENMARK, SWEDEN, NORWAY AND THE REPUBLIC OF IRELAND.

DANICA PENSION IS ONE OF SCANDINAVIA'S LEADING PROVIDERS OF PENSION PLANS, LIFE INSURANCE AND HEALTH CARE INSURANCE. WE HAVE MORE THAN 13,000 BUSINESS CUSTOMERS AND 850,000 PERSONAL CUSTOMERS.

Major premium growth and lower costs

- Expense ratio dropped from 5.0 in 2010 to 4.6 in 2011.
- Price reductions on Danica Balance of up to 20% from 1 January 2012.
- 13% increase in premiums received by the Danica Group to DKK 27.3 billion.
- Average returns on Danica Balance and Danica Link over the past three years of 10.2% and 11.4% respectively.
- Return on Danica Traditionel of between a negative 0.4% and a positive 13.8%.
- Profit before tax of DKK 733 million, against DKK 2,275 million in 2010.



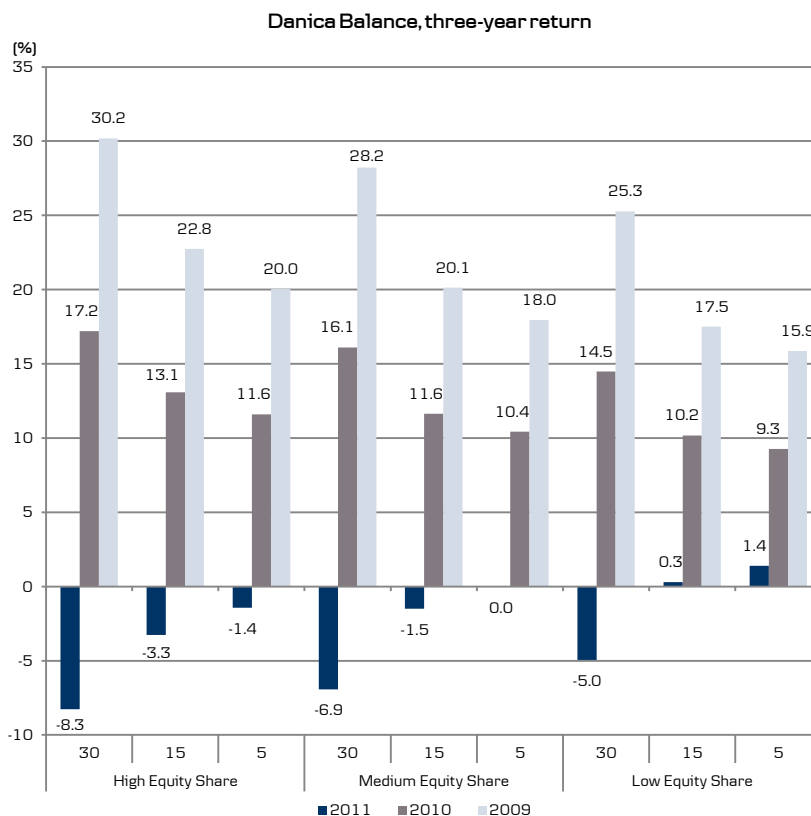
Substantial premium growth of DKK 3.2 billion

Per Klitgård, CEO, says: "Danica Pension's competitive position is strong. In 2011, we saw a 13% increase in premiums received in Denmark. The business customer market is where we have mainly gained ground. There is no question that the pension sector is highly competitive. In several instances, competition reached such heights that expenses exceeded income, and Danica chose to withdraw from several tenders in 2011.

The market products contributed the most to the premium growth. In Denmark, premiums for Danica Balance and Danica Link grew 20% to DKK 11.7 billion. They now significantly exceed premiums for Danica Traditionel, which amounted to DKK 7.1 billion for 2011. For business activities outside Denmark, Danica experienced satisfactory premium growth of 17% to DKK 8.5 billion.

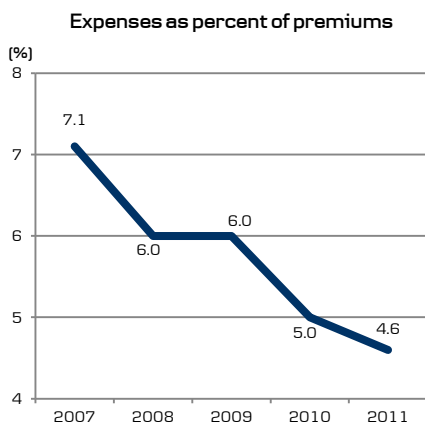
Top performance for Danica Link and Danica Balance over a three-year period

As the leading provider of market products in Denmark, Danica Pension has offered unit-linked pension products since 2001. In 2005, the life cycle product Danica Balance was introduced, and today this is the preferred product among new Danica Pension customers.



All in all, 162,000 Danish customers have now chosen one of Danica Pension's market products, and their total pension savings come to DKK 52 billion.

"Seen over the past three years, the average return has been 10.2% p.a. for Danica Balance and 11.4% p.a. for Danica Link, which represents the absolute top of the market. Our market products typically have a larger equity share than comparable products on the market. With the equity price drops seen in 2011, the market products therefore saw a minor negative average return for the year of 2.5%, against a return of 12.9% in 2010. It is important to view it from a longer perspective, however. After all, nobody saves up for their pension in just one year", explains Per Klitgård.



Up to 20% price reductions on Danica Balance

Improved processes, scale benefits and the increasing digitalisation allowed Danica to lower the price of our most popular product, Danica Balance.

"Digitalisation is part of the explanation to why we are able to regularly lower our prices. Moreover, we keep expenses in check, and they are at the lowest level ever. Accordingly, from 1 January 2012, we have lowered the price of Danica Balance by up to 20%. This will increase customers' savings by DKK 300 million over the coming five years. For the average customer making premium payments with Danica for 30 years, this means at least DKK 50,000 in additional pension savings", says Per Klitgård.

In 2011, Danica Pension launched two index-linked funds in Danica Link. In these, investment costs are as low as 0.1% and 0.2% for the bond fund and the equity fund respectively. The two funds are some of the least expensive in Denmark. The index-linked funds are based on passive management, returns being linked to a simple index.

Growing customer satisfaction

Customer satisfaction is an important parameter for Danica Pension. With the customer in focus, Danica constantly seeks to optimise products, processes and services.

"We are continuously striving to provide our customers with the best on-line self-service solutions in the industry. In 2011, we launched "Activate your pension". With this tool, our customers can set up their pension plan on-line in just 12 minutes. Four years ago, it took ten days in all to set up a pension plan. By optimising our processes we have also reduced our processing times and heightened our customer service targets. We are the only pension provider in Europe to impose fines on ourselves payable to our customers if we fail to meet our promised processing times", explains Per Klitgård.

Internal as well as external studies indicate increasing customer satisfaction with Danica Pension. Surveys among customers who have been in contact with Danica Pension show significant improvement in the number of customers expressing satisfaction with the service they received.

From the first to the fourth quarter of 2011, the number of customers declaring themselves very satisfied with Danica Pension was up 17%, while the number of dissatisfied customers was almost halved. Another survey carried out by market research institute Aalund for the pension industry as a whole indicated a major increase in satisfaction with Danica Pension among decision makers. Danica Pension is particularly strong in comparison to the industry in general in the areas of processing times, proactive follow-up and individually tailored solutions.

Return on Danica Traditionel

The average return on Danica Traditionel in 2011 was 6.8%, against 5.8% in 2010. The average covers returns varying from a negative 0.4% to a positive 13.8%, depending on the interest rate group. The interest rate on policyholders' savings was adjusted on an ongoing basis. Most recently, it was adjusted so that, effective from 2012, it is 1.8% before tax for all interest groups. For Danica Traditionel, a surrender charge was introduced on 8 September 2011, which is adjusted regularly. At the end of 2011, the surrender charge applied to two of the four interest rate groups.

The debt crisis and the uncertainty as to the global economic trends caused significant drops in the equity markets and record-low interest rates. In response to this, Danica Pension fixed a conservative, prudent rate of interest on policyholders' savings, allowing the company to re-establish reserves and optimise customer savings in the long term.

Strong capital base

"Danica is a well-capitalised pension company, and it is important for customers to have assurance, at all times, that we are able to fulfil the guarantees we provided to our 600,000 customers in Denmark. Danica Pension's shareholders' equity amounts to DKK 19.7 billion, and our capital base is 2.25 times the statutory solvency requirement. Danica Pension is thus in a strong position to meet the stricter solvency requirements facing the pension industry", explains Per Klitgård.

Pension stability

Political initiatives continually affect pension savings in Denmark: "We handle any new legislative requirements so as to cause policyholders the least possible disturbance. For example, a new cap has been introduced on the deductibility of annuity pension. In response to this, we automatically ensure that payments exceeding the maximum deductible amount are automatically transferred to a life annuity. This ensures that all the customer's premium payments are deductible. Our life annuity is a modern pension product that can be tailored to suit individual needs and that covers the policyholder throughout his or her life. If he or she were to die while still saving up or during the guarantee period after retirement, the savings will be paid out to the policyholder's beneficiaries", says Per Klitgård.

2011 also saw the passing of the Danish labour market retirement reform. Accordingly, 1.1 million Danes will now have to decide whether to stay in the early retirement pension scheme or whether to withdraw their savings in 2012.

Financial results

Per Klitgård states: "Our profit before tax was DKK 733 million, against DKK 2,275 million in 2010. This is obviously not satisfactory, but should be seen in the context of a significant improvement during the fourth quarter of 2011. The profit also reflects a well-functioning business with a strong inflow of new business and expenses under control. Danica Pension's reduced profit is due entirely to lower capital market returns as a result of the debt crisis and political uncertainty as to a solution to the crisis. The return on investments of our own shareholders' equity was down almost DKK 300 million. In addition to this, DKK 1,158 million was transferred to the so-called shadow account".

The shadow account is a receivable to Danske Bank which cannot be taken to income until Danica Pension achieves an investment return exceeding that guaranteed to customers.

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Danica Pension's financial statements are incorporated in the consolidated financial statements of the Danske Bank Group.

Financial highlights for the Danica Group

DKKbn / %	2011	2010
Total premiums	27.3	24.1
Premiums in Denmark	18.8	16.9
Return on customer funds (%)*	6.8	5.8
Expenses as percent of premiums, Danica Group	4.6	5.0
Expenses as percent of provisions, Denmark	0.40	0.42
Profit/loss before tax	0.7	2.3
Financial strength	10.0	15.8
Total [[pension savings]] (total assets)	303	288
Bonus rate	0.2	1.1
Common reserves (collective bonus potential)*	0.4	1.7
Additional provisions*	25.2	16.4

* Applies to Danica Traditional customers only.