

Danica Group presents satisfactory full-year performance

Per Klitgård, CEO, comments on the Danica Group's financial statements for 2016:

"Danica Pension presented a satisfactory profit before tax of DKK 2,220 million in a year marked by global political and financial turmoil."

"Total premiums grew by more than 14% in 2016. The improvement was explained by the further strengthening of our close collaboration with Danske Bank. Furthermore, we attracted several major new customers and saw significant growth in Norway and Sweden."

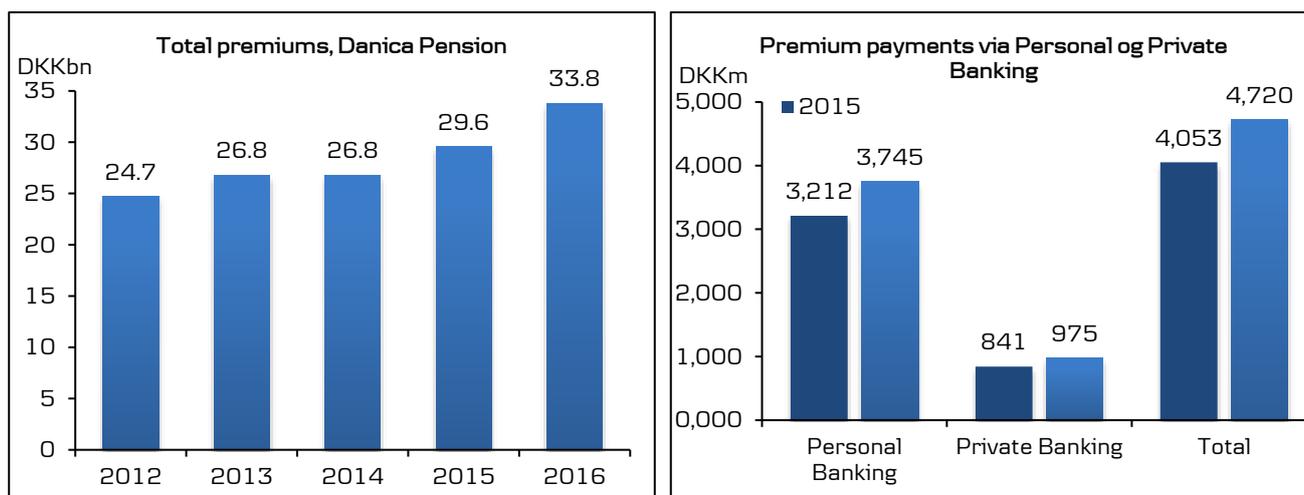
Annual report highlights:

- Profit before tax of DKK 2,220 million, against DKK 1,955 million in 2015.
- Danica Group premiums of DKK 33,809 million, against DKK 29,573 million in 2015.
- Technical result of DKK 1,670 million, against DKK 1,719 million in 2015.
- Premiums via Personal Banking and Private Banking in Denmark totalled DKK 4,719 million, against DKK 4,053 million in 2015.
- The number of business contracts via Business Banking in Denmark has quadrupled since 2014.
- Danica Balance medium risk profile with 15 years to retirement yielded a return of 7.5%, placing Danica Pension second among commercial pension companies in Denmark.
- 17% increase in premiums in Norway and 13% increase in Sweden.

Collaboration with Danske Bank continued to produce results

In 2016, Danica Pension's collaboration with Danske Bank expanded further. Premiums via Personal Banking in Denmark totalled DKK 3,745 million, up 16.5% relative to 2015. Premiums via Private Banking also showed a positive trend, up 16% on 2015. Danica Pension's premiums via Personal Banking and Private Banking together amounted to DKK 4,720 million in 2016. In terms of the business market, the collaboration with Danske Bank also proved strong, as the number of contracts via Business Banking has quadrupled since 2014.

"We are seeing a highly positive trend in the collaboration between Danske Bank and Danica Pension - in terms of both personal and business customers. There is still a strong potential, which we will achieve in the coming years," says Per Klitgård.



Investment strategy paid off

The return for Danica Pension customers with the Balance, Link and Select products was DKK 6.1 billion, or 5.5%, before tax for 2016. Danica Balance produced an overall return of 5.7%.

Danica Balance, medium risk profile with 15 years to retirement produced a return of 7.5%, placing Danica Pension second among commercial pension companies in Denmark in terms of returns.

"We provided a satisfactory and attractive return in 2016. We are pleased that our investment strategy is now really paying off, to the benefit of our customers in the form of attractive returns in 2016," states Per Klitgård.

"Our strategy of creating long-term, robust portfolios, so that major political events such as Brexit and the US presidential election do not expose our customers' savings to unnecessary risk. We succeeded in this respect, providing our customers with strong absolute returns while taking a prudent approach to risk," says Per Klitgård.

Increase in large customers

In 2016, Danica Pension recorded a 9% increase in the number of labour market pensions schemes. In 2016, we saw an increase of about DKK 900 million in premiums from business customers with more than 200 employees relative to 2015, in part due to an increase in the number of business customers with more than 200 employees.

"We are pleased that so many companies in 2016 chose Danica Pension for their employees, and we see the trend continuing into 2017, as we have welcomed several major customers - companies as well as in the labour market pension area. We have a strong set-up for handling such large customers, so we will increase our focus on this area in the coming years," says Per Klitgård.

Focus on expenses and digital options

Danica Pension's expenses were reduced to DKK 1,252 million in 2016, DKK 52 million less than in 2015. Expenses as per cent of provisions now stands at 0.36%, having fallen continuously since 2012.

"We are continually striving to make it simpler, easier and better to be a Danica Pension customer. Our focus is on making our products simpler and more transparent as well as on creating new digital options. This is why we can present decreasing expenses," explains Per Klitgård.

In 2017, Danica Pension will continue to improve the customers' self-service options.

Significant growth in Norway and Sweden

Danica Pension has launched a proactive growth strategy in Norway and Sweden in an effort to secure a larger market share of the Nordic pension market. This resulted in a 17% increase in premiums in Norway relative to 2015. Total premiums in Danica Pensjon Norge amounted to DKK 2,188 million for 2016.

In Sweden, premiums rose 13% to DKK 9.2 billion.

"Our proactive efforts in Norway and Sweden paid off and produced a satisfactory result in 2016. We will continue these efforts in the coming years to continue to win market shares," states Per Klitgård.

Financial highlights for Danica Pension (Group)

(DKK billions)	2016	2015
Premiums	33.8	29.6
Premiums in Denmark	22.5	19.6
Return on customer funds - Unit-linked in Denmark (%)	5.9	5.6
Return on customer funds - Traditionel (%)	6.5	1.0
Return on customer funds after change in additional provisions, (%)*	4.8	5.1
Expenses as percent of provisions in Denmark	0.27	0.28
Technical result	1.67	1.72
Profit before tax	2.2	2.0
Total pension savings (total assets)	404	368
Bonus reserve	7.0%	NA
Additional provisions*	38.9	36.8
Shareholders' equity	17.2	19.6

* Applies to Danica Traditionel customers only.

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Supplementary information for investors December 31st 2016

Solvency ratio disclosure			
31 December 2016	Danica Pension Livsforsikringsaktieselskab	Danica Pension Group	Danica Group
SCR (DKKm)	9,483	9,971	9,605
Solvency rate	262%	249%	246%

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

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