
INTERIM REPORT – FIRST HALF 2011

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This Interim Report - first half 2011 is a translation of the original report in the Danish language (Delårsrapport – 1. halvår 2011). In case of discrepancy, the Danish version prevails.

Financial highlights – the Danica Pension Group

(DKK millions)	First half 2011	First half 2010	Full year 2010
INCOME STATEMENT			
Life insurance			
Premiums (excluding investment contracts)	9,406	8,107	16,936
Return on investment after tax on pension returns	1,053	9,966	15,608
Claims and benefits	-9,160	-8,977	-16,715
Change in life insurance provisions and outstanding claims provisions	3,760	-3,970	-1,131
Change in collective bonus potential	-747	800	1,035
Change in provisions for unit-linked contracts	-3,297	-4,699	-12,570
Total operating expenses relating to insurance	-596	-567	-1,143
Result of reinsurance	-16	151	131
Transferred return on investment	-254	-619	-1,006
Technical result	149	192	1,145
Health and accident insurance			
Gross premium income	544	547	1,078
Gross claims	-477	-466	-831
Total operating expenses relating to insurance	-65	-68	-133
Profit/loss on business ceded	6	-26	-23
Return on investments less technical interest	3	168	198
Technical result of health and accident insurance	-51	118	215
Return on investment allocated to equity, etc.	281	401	771
Profit before tax	379	711	2,131
Tax	-91	-140	-468
Net profit for the period	288	571	1,663
BALANCE SHEET			
Total assets	293,017	283,991	285,496
Technical provisions, health and accident insurance	7,904	7,827	7,828
Provisions for insurance and investment contracts	257,524	248,230	254,903
Collective bonus potential	2,525	2,043	1,740
Total shareholders' equity	19,283	17,927	19,023
KEY FIGURES AND RATIOS (%)			
Return before tax on pension returns	1.1	5.0	5.6
Return before tax on pension returns on assets allocated to shareholders' equity in Danica Pension	0.9	1.8	3.3
Return before tax on pension returns on customer funds in Danica Pension	1.1	5.4	5.8
Return after tax on pension returns	1.0	4.4	5.0
Expenses as per cent of premiums	4.4	5.0	5.0
Expenses as per cent of provisions	0.3	0.3	0.5
Expenses per policyholder (DKK)	681	678	1,342
Cost result	-0.05	-0.04	-0.08
Insurance risk result	0.04	0.04	0.09
Bonus rate – bonus-paying companies	1.6	1.3	1.1
Owners' capital ratio	14.0	12.9	13.6
Excess core capital ratio	6.9	7.7	8.6
Solvency ratio	242	256	275
Return on equity before tax	2.0	4.0	11.7
Return on equity after tax	1.5	3.5	9.1
Return on customer funds after deduction of expenses before tax	0.8	5.1	4.6
Return on subordinated loan capital before tax	0.9	0.6	1.4
RATIOS FOR HEALTH AND ACCIDENT INSURANCE			
Gross claims ratio	99	91	84
Gross expense ratio	14	13	14
Combined ratio, net of reinsurance	111	110	100
Operating ratio	108	112	98
Relative run-off	0.5	0.4	1.6
Run-off, net of reinsurance (DKK millions)	30	3	105

Income overview

- Premiums up by 17% to DKK 14.0 billion in the first half of 2011.
- Premiums up by 15% in the Danish business and up by 22% in the foreign business.
- Expenses as per cent of provisions in Denmark down from 0.22 to 0.21 and expenses as per cent of premiums down from 5.6 to 4.8.
- Total return to Danish customers of 1.0% or DKK 2,118 million.
- Profit before tax of DKK 379 million realised by the Danica Pension Group, against DKK 711 million for the first half of 2010.

A pension market under change

The Danish Insurance Association releases annual overviews of developments in the Danish pension market net of transfers between companies. According to this year's report, the pension market contracted by 11% from 2009 to 2010 as compared with an average annual increase of 7% during the period 2005-2009.

The negative market growth in 2010 was affected by the tax reform effective from 1 January 2010. Furthermore, the pension market is becoming saturated. Accordingly, companies are making great efforts to capture corporate pension plans from other companies, which puts pressure on prices.

The total premiums in Danica's Danish business increased by 15% compared with the first half of 2010. In the first half of 2011, Danica captured several major corporate plans that are not yet fully reflected in premiums.

62% of life insurance premiums were in the market products. Policyholders still expect the market products to yield the greatest long-term returns. The Danish market products Danica Balance and Danica Link produced a negative total year-to-date return of 1.0% or DKK 0.5 billion, although the average annual return over the past 3 years is positive at 4.7%.

The Danish government entered a deal with the Danish People's Party and the Social Liberals on a reform of the early retirement system. Key measures of the plan include:

- reducing the early-retirement period from five to three years over the period 2018-2023;
- gradually raising the early-retirement age as from 2014;
- offsetting early-retirement benefits against pension savings;
- option of earning tax-exempt premiums through work for up to three years if early retirement is forfeited;
- option of withdrawing payments made to early retirement scheme free of tax in 2012.

A bill will be put forward in the Danish parliament after the upcoming general election. If adopted, the proposal is expected to have a positive impact on the need for pension savings as early retirement will become less attractive.

The Social Democrats and the Socialist People's Party unveiled their 2020 plan, Fair Solution 2020, which touches on the pension area. Their proposals are:

- a total annual cap on pension contributions at DKK 100,000 for term-based annuity pensions and life-long pensions;
- share turnover tax on purchase and sale of equities;
- abolition of tax exemption of health care insurance.

If these proposals are adopted, they are expected to have a negative impact on pension savings.

Financial uncertainty and Solvency II put professional risk management and solid financial strength on the agenda. Danica meets the requirements for both in full.

New customer-directed initiatives in the Danish business

Digitalisation is high on the agenda, and Danica has developed a number of online solutions that make a useful supplement to personal advisory services. Reporting a claim, e.g. on a Danica Sundhedssikring policy, via the website is easy and gives policyholders instant confirmation of insurance cover. Customers can also activate their new pension plans with Danica. Finally, persons in charge of corporate pension plans have online access to such services as registering or deregistering employees.

During the first half, electronic communication was also in focus. Increasingly, Danica customers are opting for digital communication. Rather than receiving physical letters, these customers choose to get letters electronically and save them in an electronic file either in their e-boks or at Din Netpension. At Din Netpension, customers furthermore get a simple overview of types of insurance cover and how their pension savings are developing. Customers can now log on to Netpension using Nem-ID. Here, customers can for example check their pension plan or report a claim at any time.

Advisory services are a top priority at Danica, and during the first half of 2011 a total of 30,000 advisory customer meetings were held, either in person or as e-meetings or telephone meetings. In order to give customers a clearer idea of their disposable amounts on retirement, more than 600 senior analyses were conducted during the first half. Senior analysis is an advisory tool offered to customers 55 years of age or older. The tool and the accompanying talk with an advisor give policyholders an insight into the means at their disposal for their third age.

Effective processes also form part of The Safe Choice. Danica measures all key processes and for the first half, the Company met all service targets set out, which means that more than 90% of all customer inquiries were handled in between five and ten business days.

Danica customers are typically covered by a range of insurances. First half figures show that many also receive benefits from these policies. For example, Danica paid out funds to 10,000 customers during the first half. In addition, 103,000 customers received monthly benefits totalling DKK 3.6 billion from their pension schemes during the first half.

Customers who have questions regarding their pension scheme can call Danicalinjen. During the first half, 113,000 customers contacted Danicalinjen. This figure has declined in the past few years as more self-service functions have become available at danicapension.dk.

CUSTOMERS WITH BENEFIT PAYMENTS ETC. IN THE FIRST HALF OF 2011	
Payments relating to disability cover	10,000
Payments of pensions	103,000
Calls to Danicalinjen	113,000
Number of electronic customers	134,000

In collaboration between corporate customers and Danica, an increasing number of those receiving disablement pension have been helped in returning to work. In particular, people suffering from stress have benefitted from this. Two thirds of this group return to work within one to two years.

The pension industry has made an agreement with the Danish government to provide capital for entrepreneurs and small growth enterprises. In the first half, Danica has committed to making an investment in Dansk Vækstkapital of DKK 536 million, the largest commitment among the commercial participants.

On 1 July, all pension companies that are members of the Danish Insurance Association have committed to disclosing to their customers all annual expenses in Danish kroner as well as in per cent of savings. In addition to this, the commercial companies must provide an online cost calculator that can calculate expenses according to uniform assumptions. This provides customers with a means of comparing the expenses of different companies. These conditions were agreed collectively by the industry through the Danish Insurance Association. Danica was the first company in the pension industry to launch a cost calculator more than two years ago. Danica's cost calculator has been adjusted to the Danish Insurance Association's new standards as from 1 July.

Strong premium growth

Premiums rose by DKK 2.1 billion to DKK 14.0 billion. This is a 17% increase, which mainly relates to the market products in Denmark, up 31%, and Sweden, where premiums rose 23%.

Total premiums in the Danish business rose by 15% relative to the first half of 2010.

Premiums in the foreign entities amounted to DKK 4.6 billion in the first half of 2011, against DKK 3.8 billion in the first half of 2010, equalling an increase of 22%.

In Sweden, premiums amounted to DKK 3,972 million, against DKK 3,224 million in the year-earlier period, equalling a 23% increase. The premium growth is primarily explained by the continued success of the savings product Depåförsäkring.

In Norway, premiums amounted to DKK 583 million, against DKK 543 million in the first half of 2010, equalling a 7% increase. The Norwegian business has signed an agreement with Terra which will boost premiums by approximately DKK 900 million in the second half of 2011.

In Ireland, premiums amounted to DKK 74 million, against DKK 35 million in the year-earlier period. Ireland is one of the countries hardest hit by the financial crisis. Premiums were therefore below expectations.

PREMIUMS (INCLUDING INVESTMENT CONTRACTS) (DKK billions)	First half	First half
	2011	2010
Danica Balance	4.9	3.4
Danica Link	1.2	1.3
Danica Traditionel	3.7	3.9
Health and accident	0.5	0.4
International	4.6	3.8
Internal transfers	-0.9	-0.9
Total premiums	14.0	11.9

The Danica Pension Group's profit before tax was DKK 379 million, against DKK 711 million for the first half of 2010.

DANICA PENSION GROUP, PROFIT BEFORE TAX (DKK millions)		
	First half 2011	First half 2010
Technical result, traditional business	588	572
Technical result, unit-linked business in Denmark	153	107
Health and accident result in Denmark before return on investment	-55	-56
Technical result, foreign entities	27	36
Return on investment	144	429
Risk allowance transferred to shadow account	-353	-177
Special allotments	-125	-200
Profit before tax	379	711

For the traditional business, the technical result amounted to DKK 588 million.

The technical basis for risk allowance provided for the booking of the full risk allowance of DKK 592 million for the four interest rate groups, but in light of the significant financial market volatility and expectations of higher interest rates, the risk allowance was only booked in part for the first half of 2011. In total, risk allowance of DKK 239 million is booked for the interest rate groups for the first half of 2011. If the full risk allowance for the first half is booked at a later date, profit before tax will in total rise by some DKK 300 million. The full risk allowance is not expected to be booked if interest rates rise above the level at the end of June. In case of a 20% drop in equity prices and unchanged interest rates, no risk allowance is expected to be booked.

The technical result of unit-linked business in Denmark amounted to DKK 153 million, against DKK 107 million in the year-earlier period. The improved performance was a result of the increasing volume of business.

The Danish health and accident business before return on investment posted a loss of DKK 55 million. For the Danica Pension Group, the claims ratio was up from 91% in the first half of 2010 to 99% in the first half of 2011. The claims ratio was adversely impacted by lower prices. The booking of a positive run-off result of DKK 30 million had a positive impact.

The technical result of foreign activities before tax was a profit of DKK 27 million, against DKK 36 million in the first half of 2010. The performance of the foreign activities was adversely impacted by a lower risk result in Sweden.

The investment return was DKK 144 million, against DKK 429 million in the first half of 2010. The decline was mainly due to lower bond yields.

Special allotments were recognised in the amount of DKK -125 million in the first half. The final expenditure for 2011 will depend on how Danica's earnings and business volume progress. In March, customers entitled to special allotments had a total amount of DKK 681 million added to their savings in respect of 2009 and 2010.

Volatile financial markets

The investment return for the first half of 2011 was marked by strong market volatility fuelled by disappointing economic growth figures from the USA, the Middle East crisis, the Greek debt crisis and the natural disaster in Japan. As a consequence, equity prices were very volatile in the first half. Measured in terms of the world index, equity prices ended the first half at an almost unchanged level, but with significant fluctuations during the period.

Interest rates continued to rise in the first half, particularly in short maturities, resulting in low returns on bonds.

The overall return for Danica Balance and Danica Link customers for the first half was a negative DKK 0.5 billion, corresponding to a negative return of 1.0%.

DANICA BALANCE, RETURN BEFORE TAX FIRST HALF 2011				
(%)	30 years to maturity	5 years to maturity		
Risk	Return	Equity share	Return	Equity share
Aggressive	-0.1	100	0.4	59
High	-0.1	100	0.5	49
Medium	0.1	90	0.6	38
Low	0.2	75	0.7	27
Conservative	0.5	49	0.9	16
Average return, Danica Balance 0.0%				

The overall return for Danica Balance customers in the first half was DKK 0.0 billion, corresponding to a return of 0.0%. The average annual investment return over a five-year period was 3.6%.

The overall return for Danica Link customers for the first half was a negative DKK 0.5 billion, corresponding to a negative return of 2.1%. The average annual investment return over a five-year period was 2.9%.

DANICA LINK VALG PORTFOLIO'S RETURN BEFORE TAX			
(%)	First half 2011	First half 2010	
Danica Valg Guarantee	0.0	3.4	
Danica Valg 100% Bonds	2.0	4.2	
Danica Valg Low Risk	0.5	4.2	
Danica Valg Medium Risk	-1.4	5.3	
Danica Valg High Risk	-2.0	5.3	
Danica Valg 100% Equities	-3.8	5.8	
Average return, Danica Link	-2.1	5.1	

The return on investment of customer funds in Danica Traditionel was DKK 2.1 billion or 1.1% in the first half of 2011 before tax on pension returns. After recognition of DKK 1.7 billion from reduced life insurance provisions, the return was 2.2%. In the first half, interest after tax on pension returns of DKK 2.2 billion was accrued to policyholders' saved-up funds.

Listed equities generated an overall negative return of 0.2%, whilst bonds generated a positive return of 1.2%. Interest rate hedging instruments contributed adversely to the overall performance. The return on properties was 2.2%, against 2.0% for the first half of 2010. The valuation of the Company's properties is based on market return requirements of an average of 6.2% for office buildings and 6.0% for shopping centres. The return requirements were fairly stable relative to 2010.

DANICA TRADITIONEL, CUSTOMER FUNDS				
HOLDINGS AND RETURNS (DKK billions)	First half 2011 Value	First half 2010 Value	First half 2011 Return %	First half 2010 Return %
Property investments	18.9	18.4	2.2	2.0
Listed equities	12.3	14.5	-0.2	-0.5
Alternative investments	4.6	3.0	8.7	11.6
Credit investments	29.7	25.2	3.1	4.0
Global bonds	5.9	5.4	-0.1	1.8
Nominal bonds	72.0	76.0	0.5	5.8
Index-linked bonds	19.7	26.6	3.4	6.2
Short-term bonds and cash and cash equivalents	19.5	17.9	0.4	2.8
Total bonds, etc.	117.1	125.9	0.8	5.3
Other financial assets	0.0	-	-	5.3
Total	182.6	192.3	1.1	5.4
Return after change in additional provisions			2.2	1.9

Customer funds for Danica Traditionel totalled DKK 182.6 billion at the end of June 2011, consisting of 9.2% equities and alternative investments; 16.3% credit bonds; 10.3% property and 64.2% other bonds including derivatives. At the end of June 2011, the asset allocation in the new business

category was 15.5% equities and alternative investments; 9.1% property; 13.1% credit bonds; and 62.3% other bonds.

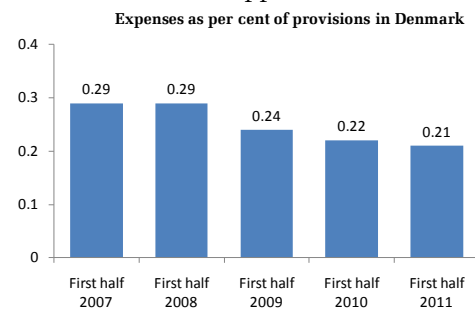
Danica's investments in Irish, Italian and Spanish government bonds amounted to 2.8% of customer funds at the end of first half 2011. No investments were made in Portuguese or Greek government bonds.

Continued cost reductions in the Danish business

Operating expenses relating to life insurance amounted to DKK 597 million for the first half of 2011, against DKK 567 million in the year-earlier period. The increase relates to a reimbursement of financial services employer tax of DKK 32 million in 2010 and increasing acquisition costs in the foreign business. In Denmark, expenses were down 1%, and by 7% when adjusting for financial services employer tax. In the Danica Pension Group, the expense ratio was down from 5.0% in the first half of 2010 to 4.4% in the first half of 2011, and for the Danish activities, the expense ratio dropped from 5.6% in the first half of 2010 to 4.8% in the first half of 2011.

EXPENSE RATIO	First half 2011	First half 2010
Danica Pension Group	4.4	5.0
Danish activities	4.8	5.6

Measured relative to provisions, the expenses in the Danish business dropped from 0.22% to 0.21%.



The cost result of Danica Pension's traditional business was DKK 18 million, distributed among four cost groups, one of which posted a profit of DKK 17 million. The three remaining cost groups' loss of DKK 35 million was paid through shareholders' equity.

Continued significant financial strength

At the end of June 2011, the balance sheet total stood at DKK 293 billion and total investment assets including unit-linked assets amounted to DKK 286 billion, a 3% increase over the year-earlier period.

Provisions for unit-linked contracts rose from DKK 66 billion at the end of 2010 to DKK 73 billion at the end of first half of 2011.

Combined with an annual 3.25% rate of interest on policyholders' savings before tax on pension returns, the investment return after tax meant that DKK 0.7 billion could be added to the collective bonus potential.

CHANGE IN COLLECTIVE BONUS POTENTIAL (DKK billions)		
	First half 2011	First half 2010
Return on customer funds before investment costs (life)	2.1	9.9
Investment costs ¹⁾	-0.2	-0.2
Change in the value of insurance obligations	1.5	-6.6
	3.4	3.1
Tax on pension returns	-0.2	-1.3
Interest added for the period after tax on pension returns	-2.3	-2.4
Cost and risk results, etc.	0.0	0.2
Risk allowance of provisions	-0.6	-0.6
Transferred to shadow account	0.4	0.2
Change in collective bonus potential	0.7	-0.8

¹⁾ Including estimated indirect costs

The collective bonus potential is distributed among four interest rate groups. See the below table. To this should be added DKK 148 million in collective bonus potential for the risk groups and DKK 17 million for the cost groups.

DISTRIBUTION ON INTEREST RATE GROUPS AT 30.06.2011

(%)	Policyholders' savings before tax on pension returns	Investment return	Collective bonus potential (DKK billions)	Bonus ratio
Interest rate group 1 (new customers)	3,25	1,5	0,4	0,7
Interest rate group 2 (low guarantee)	3,25	1,4	0,2	0,7
Interest rate group 3 (medium guarantee)	3,25	0,4	0,4	2,8
Interest rate group 4 (high guarantee)	3,25	0,8	1,5	2,1

The charge on customer funds amounted to 0.46% in the first half of 2011 before transfer to the shadow account. At 30 June 2011, the shadow account stood at DKK 353 million.

CHARGE ON CUSTOMER FUNDS IN DANICA TRADITIONEL (DKK millions)

	First half 2011	First half 2010
Risk allowance (share of provisions)	592	555
Subordinated loan capital	10	10
Administrative expenses related to investment activities ¹⁾	220	240
Charge for the period, interest rate groups	822	805
In % of provisions	0.48	0.45
Risk allowance (share of risk result)	24	0
Risk result	-50	-36
Cost result	-17	-11
Total charge for the period	779	758
In % of provisions	0.46	0.42
Transferred to/from shadow account	-353	-177
Total charge including shadow account	426	581
In % of provisions	0.25	0.32

¹⁾ Including estimated indirect costs

At the end of June 2011, the Group's shareholders' equity totalled DKK 19.3 billion. The capital base stood at DKK 18.8 billion compared with a solvency requirement of DKK 7.7 billion. The financial strength is down by DKK 2.0 billion since the beginning of the year. The repayment of the subordinated loan has reduced the Group's financial strength by DKK 3.0 billion, whereas the increase in collective bonus potential has increased the financial strength by DKK 0.7 billion.

The Group's financial strength, i.e. capital base and collective bonus potential less solvency requirement, amounted to DKK 13.6 billion at the end of June 2011. To this should be added a bonus potential of paid-up policies of DKK 12.6 billion, part of which can be used for offsetting capital losses.

Danica's sturdy financial strength is a contributing factor in the Company's A rating with Standard & Poor's.

Throughout the first half of 2011, Danica maintained a green light in terms of the Danish FSA's risk scenarios.

In 2011, Danica has continued its preparations for the coming EU solvency rules (Solvency II). For the time being, it is uncertain whether the rules will be implemented as from 1 January 2013 as previously announced. Calculations indicate that Danica will not have any difficulty meeting the capital requirement.

Events after the balance sheet date

No events have occurred between 30 June 2011 and the date of the signing of the financial statements that, in the opinion of the management, will materially affect the financial position of the Company.

Outlook for 2011

The profit is expected to be lower than in 2010, which was positively affected by the booking of the shadow account from previous years and a large return on investment activities. The risk allowance is only expected to be booked in part for 2011 due to expected interest rate increases. Expectations as to the size of the investment return and risk allowance for the full year are subject to uncertainty as they are dependent on financial market developments, including in particular developments in interest rates and equity prices.

Danica expects to see a fair increase in premiums for the Danish activities relative to 2010 and a greater increase for the foreign activities.

Expenses as per cent of premiums are expected to be lower for 2011 than for 2010.

Danica Pension's subordinated loan of DKK 3 billion will be repaid in October 2011. The investors have been informed on 8 August 2011.

Income statement - Danica Pension Group

Note	DKK m	First half 2011	First half 2010
	LIFE INSURANCE		
3	Gross premiums	9,406	8,107
	Reinsurance premiums ceded	-18	-24
	Total premiums, net of reinsurance	9,388	8,083
	Income from associated undertakings	10	1
	Income from investment properties	486	484
	Interest income and dividends, etc.	4,834	4,258
	Gains and losses on investments	-3,678	7,014
	Interest expenses	-168	-135
	Administrative expenses related to investment activities	-238	-223
	Total investment return	1,246	11,399
	Tax on pension returns	-193	-1,433
	Return on investment after tax on pension returns	1,053	9,966
	Claims and benefits paid	-9,160	-8,977
	Reinsurers' share received	61	55
	Change in outstanding claims provision	30	62
	Change in outstanding claims provision, reinsurers' share	0	-4
	Total claims and benefits, net of reinsurance	-9,069	-8,864
	Change in life insurance provisions	3,730	-4,032
	Change in reinsurers' share	-63	116
	Total change in life insurance provisions, net of reinsurance	3,667	-3,916
	Change in collective bonus potential	-747	800
	Total bonus	-747	800
	Change in provisions for unit-linked contracts	-3,297	-4,699
	Change in provisions for unit-linked contracts, net of reinsurance	-3,297	-4,699
	Acquisition costs	-188	-170
	Administrative expenses	-431	-423
	Reimbursement of costs from group undertakings	23	26
	Reinsurance commissions and profit participation	4	8
	Total operating expenses relating to insurance, net of reinsurance	-592	-559
	Transferred investment return	-254	-619
	TECHNICAL RESULT	149	192

Income statement - Danica Pension Group

Note	DKK m	First half 2011	First half 2010
	Brought forward	149	192
	HEALTH AND ACCIDENT INSURANCE		
	Gross premiums	523	538
	Reinsurance premiums ceded	-85	-72
	Change in unearned premiums provision	21	9
	Change in unearned premiums provision, reinsurers' share	29	27
	Premiums, net of reinsurance	488	502
	Technical interest	15	-11
	Claims paid, gross	-453	-429
	Reinsurers' share received	35	-4
	Change in outstanding claims provision	-24	-37
	Change in outstanding claims provision, reinsurers' share	26	16
	Claims, net of reinsurance	-416	-454
	Bonus and premium discounts	-62	-37
	Acquisition costs	-21	-22
	Administrative expenses	-44	-46
	Reinsurance commissions and profit participation	1	7
	Total operating expenses relating to insurance, net of reinsurance	-64	-61
	Return on investment	-12	179
	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-51	118
	Return on investments allocated to equity	170	298
	Other income	111	103
	PROFIT BEFORE TAX	379	711
	Tax	-91	-140
	NET PROFIT FOR THE PERIOD	288	571
	Net profit/loss for the period	288	571
	Other comprehensive income:		
	Translation of foreign units	1	19
	Foreign unit hedges	-1	-14
	Tax on entries on shareholders' equity	0	3
	Total other comprehensive income	0	8
	NET COMPREHENSIVE INCOME FOR THE PERIOD	288	579

Balance sheet - Danica Pension Group

Assets

Note	DKK m	June 30, 2011	Dec. 31, 2010	June 30, 2010
	INTANGIBLE ASSETS	216	219	221
	Operating equipment	-	0	3
	Domicile properties	60	60	58
	TOTAL TANGIBLE ASSETS	60	60	61
	Investment properties	20,465	20,290	20,429
	Shares in associated undertakings	1,022	1,027	1,017
	Loans to associated undertakings	151	172	171
	Total investments in associated undertakings	1,173	1,199	1,188
	Equity shares	18,362	17,465	16,387
	Units in unit trusts	28,136	31,649	28,004
	Bonds	137,271	139,002	142,949
	Other loans	63	67	67
	Deposits with credit institutions	7,145	818	9,466
	Derivatives	1,132	1,334	3,516
	Total financial investment assets	192,109	190,335	200,389
	TOTAL INVESTMENT ASSETS	213,747	211,824	222,006
	UNIT-LINKED INVESTMENTS	71,848	66,261	54,771
	Unearned premiums provision, reinsurers' share	34	4	30
	Life insurance provisions, reinsurers' share	1,744	1,807	1,867
	Outstanding claims provision, reinsurers' share	240	230	219
	Provisions for unit-linked contracts, reinsurers' share	-	1	-
	Total technical provisions, reinsurers' share	2,018	2,042	2,116
	Amounts due from policyholders	72	300	580
	Amounts due from insurance companies	1,005	1,048	836
	Amounts due from group enterprises	1	11	47
	Other debtors	659	369	503
	TOTAL DEBTORS	3,755	3,770	4,082
	Current tax assets	79	78	-
	Cash and cash equivalents	692	444	319
	Other	6	2	5
	TOTAL OTHER ASSETS	777	524	324
	Accrued interest and rent	2,189	2,413	2,103
	Other prepayments and accrued income	425	425	423
	TOTAL PREPAYMENTS AND ACCRUED INCOME	2,614	2,838	2,526
	TOTAL ASSETS	293,017	285,496	283,991

Balance sheet - Danica Pension Group

Liabilities and equity

Note	DKK m	June 30, 2011	Dec. 31, 2010	June 30, 2010
LIABILITIES				
	Unearned premium provisions	927	929	922
	Guaranteed benefits	150,052	157,150	162,674
	Bonus potential of future premiums	11,364	10,437	10,998
	Bonus potential of paid-up policies	12,620	10,965	9,199
	Total life insurance provisions	174,036	178,552	182,871
	Outstanding claims provisions	7,305	7,274	7,114
	Collective bonus potential	2,525	1,740	2,043
	Provisions for bonuses and premium discounts	101	98	73
	Provisions for unit-linked contracts	72,630	66,310	55,207
	TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	257,524	254,903	248,230
	Pensions and similar liabilities	-	-	1
	Deferred tax	1,196	1,174	1,107
	Amounts owed, direct insurance	74	164	327
	Amounts owed to reinsurers	72	10	37
	Amounts owed to credit institutions	7,067	812	9,220
	Amounts owed to group enterprises	101	166	211
	Current tax liabilities	13	25	205
	Other creditors	4,348	5,992	3,324
	Other prepayments and accrued income	339	186	324
	Subordinated loan capital	3,000	3,041	3,078
	TOTAL CREDITORS	273,734	266,473	266,064
SHAREHOLDERS' EQUITY				
	Share capital	1,100	1,100	1,100
	Revaluation reserve	1	1	1
	Contingency fund	1,499	1,499	1,499
	Retained earnings	16,683	16,423	15,327
	TOTAL SHAREHOLDERS' EQUITY	19,283	19,023	17,927
	TOTAL LIABILITIES AND EQUITY	293,017	285,496	283,991

Capital - Danica Pension Group

DKK m

Change in shareholders' equity

	Share capital	Revaluation reserve	Revaluation reserve	Contingency fund	Retained earnings	Total
Shareholders' equity at December 31, 2010	1,100	1	-1	1,499	16,424	19,023
Correction of errors in 2010	-	-	-	-	-28	-28
Adjusted shareholders' equity at January 1, 2011	1,100	1	-1	1,499	16,396	18,995
Profit for the year					288	288
Other comprehensive income						
Translation of foreign units	-	-	1	-	0	1
Foreign unit hedges	-	-	-1	-	0	-1
Tax on other comprehensive income	-	-	0	-	0	0
Total other comprehensive income	-	-	0	-	0	0
Comprehensive income for the year	-	-	0	-	288	288
Shareholders' equity at June 30, 2011	1,100	1	-1	1,499	16,684	19,283
Shareholders' equity at December 31, 2009	1,100	1	-7	1,499	14,755	17,348
Profit for the year					571	571
Other comprehensive income						
Translation of foreign units	-	-	19	-	-	19
Foreign unit hedges	-	-	-14	-	-	-14
Tax on other comprehensive income	-	-	3	-	-	3
Total other comprehensive income	-	-	8	-	-	8
Comprehensive income for the year	-	-	8	-	571	579
Shareholders' equity at June 30, 2010	1,100	1	1	1,499	15,326	17,927

Danica Pension has an obligation to allocate part of the excess equity to certain policyholders of Statsanstalten for Livsforsikring (now part of Danica Pension) if the percentage by which the equity exceeds the required capital base is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. In addition, it is the intention not to distribute dividends for a period of at least 25 years from 1990. Paid-up capital and interest accrued thereon may, however, be distributed.

The share capital is made up of 1,000,000 shares of a nominal value of Dkr 1,000 each. All shares carry the same rights; there is thus only one class of shares.

During the first half of 2011, an amount of DKK 353 million was added to the shadow account. The balance of which was thus DKK 353 million at 30 June 2011

Capital - Danica Pension Group

DKK m	June 30, 2011	Dec. 31, 2010	June 30, 2010
Solvency requirement and capital base			
Shareholders' equity	19,283	19,023	17,927
Core capital	19,283	19,023	17,927
- Expected dividend	-288	-	-
- Intangible assets	-216	-219	-221
Reduced core capital	18,779	18,804	17,706
Supplementary capital	3,000	3,041	3,079
- Limitations to supplementary capital	-3,000	-75	-115
Reduced supplementary capital	0	2,966	2,964
Capital base	18,779	21,770	20,670
Solvency requirement for life insurance	7,449	7,613	7,782
Solvency requirement for health and accident insurance	295	295	296
Total solvency requirement	7,744	7,908	8,078
Excess capital base	11,035	13,862	12,592

The capital base should at any time exceed the solvency requirement calculated in accordance with the Danish Financial Business Act.

Supplementary capital is included at DKK 0 at 30 June 2011 as the loan has been terminated for repayment at 6 October 2011.

Cash flow statement - Danica Pension Group

DKK m	June 30, 2011	Dec. 31, 2010	June 30, 2010
Cash flow from operations			
Profit/loss before tax	379	2,131	711
Adjustment for non-cash items in the income statement			
Non-cash items relating to premiums and benefits	751	13,198	8,130
Non-cash items relating to reinsurance	69	-140	-160
Non-cash items relating to investment return	2,971	-10,550	-7,315
Non-cash items relating to tax on pension returns	-1,755	1,932	899
Non-cash items relating to expenses	484	73	995
Net investment, customer funds	-2,561	-7,112	-3,851
Payments received and made, investment contracts	2,574	3,013	2,647
Taxes paid	-49	-704	-177
Cash flow from operations	2,863	1,841	1,879
Cash flow from investing activities			
Purchase of shares	-869	-200	-
Purchase of bonds	-8,901	-11,142	-2,878
Sale of bonds	7,228	8,598	208
Purchase of derivatives	-1	-	0
Sale of derivatives	-	1	4
Cash flow from investing activities	-2,543	-2,743	-2,666
Cash flow from financing activities			
Debt to credit institutions	6,255	142	8,550
Cash flow from financing activities	6,255	142	8,550
Cash and cash equivalents, beginning of period	1,262	2,022	2,022
Change in cash and cash equivalents	6,575	-760	7,763
Cash and cash equivalents, end of period	7,837	1,262	9,785
Cash and cash equivalents, end of period			
Deposits with credit institutions	7,145	818	9,466
Cash in hand and demand deposits	692	444	319
Total	7,837	1,262	9,785

Notes – Danica Group

Note

1 Accounting policies

The Group's interim report for 2011 has been prepared in accordance with IAS 34, Interim Financial Reporting as adopted by the EU and in accordance with the Danish Statutory Order on Adoption of IFRS for financial enterprises.

The accounting policies are consistent with those of the Annual Report for 2010, which gives a comprehensive description of the accounting policies applied. The information has been adapted to reflect the amendments to IAS 34 as part of Improvement 2010.

Audit

The interim report has been neither reviewed nor audited.

Accounting estimates and assessments

The preparation of the financial statements is based on the management's estimates and assessments of future events that will significantly affect the carrying amounts of assets and liabilities. The amounts most influenced by critical estimates and assessments are the same as at the end of 2010:

- Liabilities under insurance contracts
- Fair value measurement of financial instruments
- Fair value of real property

For a more detailed description of these and for a description of the most significant risks and external factors that may affect the Group, we refer to the Annual Report for 2010.

Change in accounting estimates

Change in accounting estimates following the Danish Financial Supervisory Authority's benchmark for mortality rates does not materially affect provisions for insurance liabilities.

Standards and interpretations not yet in force

The International Accounting Standards Board (IASB) has issued a number of amendments to existing international financial reporting standards that have not yet come into force. The section below lists the standards and interpretations that may be relevant to the financial reporting of the Group.

In October 2010, the IASB issued IFRS 9, Financial Instruments. This standard represents phase 1 of a process to replace the rules of IAS 39 during 2011. After implementation of phase 1, IFRS 9 deals with classification of financial instruments and derecognition, while the next phases will address impairment, hedge accounting and offsetting of financial assets and liabilities. The transitional rules adopted in IFRS 9 (phase 1) imply implementation of the standard by 2013. However, a postponement of the implementation deadline until 2015 is currently under consideration. The EU has decided to postpone adoption of IFRS 9 until the details of the remaining phases are known.

The Group does not expect IFRS 9 (phase 1) to materially affect the measurement of its financial instruments. Meaningful classification and measurement of financial instruments is not possible without information about the future content of IFRS 9 to clarify the overall accounting effects of the standard.

In May 2011, in connection with the IASB's consolidation project, a number of new standards (IFRS 10, IFRS 11 and IFRS 12) and amendments to existing standards (IAS 27 and IAS 28) were issued. This introduced a single definition of control as the basis for identification of a group relation. Classification of joint arrangements was changed and in future, pro rata consolidation will only be used for arrangements classified as joint operations. In addition, the disclosure requirements for consolidated as well as non-consolidated entities and for joint arrangements and associates have been extended. These standards, which have not yet been approved by the EU, must be implemented by 2013. No changes to the Danica Group's composition are expected, and the Group's joint arrangements are still expected to be consolidated on a pro rata basis.

In May 2011, IFRS 13, Fair Value Measurement was issued. With this standard, a new definition of and guidance on fair value measurement was introduced, and the standard comprises disclosure requirements on the measured fair value. The provisions of this standard must be applied in situations in which another standard stipulates recognition at fair value or fair value disclosure. This standard, which has not yet been approved by the EU, must be implemented at 1 January 2013. The implementation is not expected to have any material financial effect.

Notes - Danica Pension Group

Note DKK m

2 BUSINESS SEGMENTS

The group's business segments are based on differences in products. The segment Traditional covers traditional life insurance and pension plans with guaranteed benefits and Forenede Gruppeliv, while the Unit-linked segment covers market return pension plans. The Health and accident segment covers health and accident insurance.

BUSINESS SEGMENTS FIRST HALF 2011	Traditional	Unit-link	Health and accident insurance	Total	Reclassification	Group
Gross premiums	3,719	10,680	523	14,922	-960	13,962
- Gross premiums from inter-segment sales	-	-960	-	-960	960	0
Gross premiums from external sales	3,719	9,720	523	13,962	0	13,962
- Gross premiums on investment contracts	-	-4,033	-	-4,033	-	-4,033
Gross premiums in the income statement	3,719	5,687	523	9,929	0	9,929
Return on investment allocated to technical result	1,682	-939	-	743	59	802
Claims and benefits paid	-7,904	-1,256	-453	-9,613	-	-9,613
Change in provisions for insurance and investment contracts	3,390	-3,205	-65	120	-469	-349
Total operating expenses relating to insurance	-284	-313	-65	-662	1	-661
Result of reinsurance	-15	-1	6	-10	-	-10
Other income , net	-	206	-	206	-95	111
Technical result	588	179	-54	713	-504	209
Change in shadow account	-353	-	-	-353	353	0
Special allotments	-125	-	-	-125	125	0
Return on investments, shareholders' equity	141	-	-	141	29	170
Return on investments, health and accident	-	-	3	3	-3	0
Profit before tax	251	179	-51	379	0	379
Other segment information						
Interest income	2,772	18	123	2,913		
Interest expenses	-164	-3	-1	-168		
Income from associated undertakings at book value	10	-	-	10		
Impairment, depreciation and amorisation charges	0	-6	-	-6		
Other non-cash operating items	6,955	-4,473	51	2,533		
BUSINESS SEGMENTS FIRST HALF 2010						
Gross premiums	3,932	8,426	538	12,896	-960	11,936
- Gross premiums from inter-segment sales	-	-960	-	-960	960	0
Gross premiums from external sales	3,932	7,466	538	11,936	0	11,936
- Gross premiums on investment contracts	-	-3,291	-	-3,291	-	-3,291
Gross premiums in the income statement	3,932	4,175	538	8,645	0	8,645
Return on investment allocated to technical result	8,473	852	-	9,325	190	9,515
Claims and benefits paid	-8,034	-943	-429	-9,406	-	-9,406
Change in provisions for insurance and investment contracts	-3,656	-3,836	-65	-7,557	-377	-7,934
Total operating expenses relating to insurance	-297	-270	-68	-635	-	-635
Result of reinsurance	154	-3	-26	125	-	125
Other income , net	-	162	-	162	-59	103
Technical result	572	137	-50	659	-246	413
Change in shadow account	-177	-	-	-177	177	0
Return on investments, shareholders' equity	261	-	-	261	37	298
Return on investments, health and accident	-	-	168	168	-168	0
Profit before tax	656	137	118	911	-200	711
Other segment information						
Interest income	3,002	56	2	3,060		
Interest expenses	-133	-2	0	-135		
Income from associated undertakings at book value	1	0	0	1		
Impairment, depreciation and amorisation charges	-1	-6	0	-7		
Other non-cash operating items	5,160	-3,822	14	1,352		

Notes - Danica Pension Group

Note	DKK m	First half 2011	First half 2010
3	GROSS PREMIUMS, incl. payments received under investment contracts		
	Direct insurance:		
	Regular premiums	6,850	6,528
	Single premiums	6,589	4,869
	Total direct insurance	13,439	11,397
	Total gross premiums	13,439	11,397
	In the above gross premiums, premiums paid on investment contracts which are not included in the income statement constitute:		
	Regular premiums	436	282
	Single premiums	3,597	3,008
	Total premiums paid	4,033	3,290
	Total gross premiums included in the income statement	9,406	8,107

Notes - Danica Pension Group

Note DKK m

4 FINANCIAL INSTRUMENTS

Financial instruments are recognised in the balance sheet at either fair value or amortised cost. See note 35 in the annual report 2010. The classification is unchanged.

The fair value is the amount for which a financial asset could be exchanged between knowledgeable, willing parties. If an active market exists, the market price is applied. If an active market does not exist, which is the case for a number of financial assets and liabilities, a discounted cash flow or other generally accepted estimation and valuation techniques based on market conditions at the balance sheet date are used to calculate an estimated value.

	Quoted prices	Observable input	Non-observable input	Total
30. June 2011				
Financial investment assets	175,480	5,402	4,082	184,964
Unit-linked investments	71,848	-	-	71,848
Total financial assets	247,328	5,402	4,082	256,812
Derivatives	1,864	495	-	2,359
Provisions for unit-linked investment contracts	-	24,770	-	24,770
Total financial liabilities	1,864	25,265	-	27,129
31. December 2010				
Financial investment assets	180,861	3,932	4,724	189,517
Unit-linked investments	66,261	-	-	66,261
Total financial assets	247,122	3,932	4,724	255,778
Derivatives	2,547	324	-	2,871
Provisions for unit-linked investment contracts	-	22,397	-	22,397
Total financial liabilities	2,547	22,721	-	25,268

At 30 June 2011, financial instruments measured on the basis of non-observable input comprised unlisted shares DKK 3,814 million and illiquid bonds DKK 268 million.

	June 30, 2011	Dec. 31, 2010
Valuation based on non-observable input		
Fair value, beginning of year	4,724	4,157
Fair value through profit or loss	180	566
Purchase	693	1,366
Sale	-320	-720
Transferred to quoted prices and observable input	-1,195	-645
Fair value, end of period	4,082	4,724

Transfer to listed prices and observable input is essentially due to the fact that for a larger part of the total bond portfolio, the most recently published price is deemed to reflect the 30.06 value.

Bond prices have been negatively impacted by in particular the rise in short-term interest rates during the period.

Equity prices are relatively unchanged, but the markets were very volatile during the period due to the great uncertainty in the wake of such events as the debt crisis in Greece, the Middle East crisis, the absence of economic growth in the USA and the natural disaster in Japan.

Notes - Danica Pension Group

Note	DKK m	June 30, 2011	Dec. 31, 2010	June 30, 2010
5	ASSETS DEPOSITED AS SECURITY AND CONTINGENT LIABILITIES			
	At the end of the year, assets were provided as security for policyholders' savings at a total carrying amount of	269,618	269,237	262,440
	Mortgages have been issued as security for the technical liabilities in a total amount of	75	75	75
	As collateral for derivative transactions, the Group has delivered bonds equal to a total fair value of	1,909	1,593	-
	The Group has undertaken contractual obligations to purchase, construct, convert or extend investment properties or to repair, maintain or improve these at an amount of	173	363	269
	The Group has undertaken to participate in investment in unlisted shares etc. With an amount of	4,729	3,699	2,818
	The Group is voluntarily registered for VAT on certain properties. The Group's VAT adjustment liability amounts to	655	655	570
	In certain cases, Danica Pension is liable to pay compensation to policyholders who have transferred their pension plan to Danica Pension. The total amount of compensation cannot exceed	7	45	45
	As a participant in partnerships, the Group is liable for a total debt of	92	93	84
	Amount of this included in the Group's balance sheet	69	69	63
	The Danish group companies are registered jointly for financial services employer tax and for VAT for which they are jointly and severally liable.			
	Danica Pension is jointly and severally liable with the other participants for the insurance obligations concerning all the policies administered by Forenede Gruppeliv A/S.			
	Owing to its size and business volume, the Danica Pension Group is continually a party to various lawsuits. The Danica Pension Group does not expect the outcomes of the cases pending, to have any material effect on its financial position.			

Income statement - Danica Pension

Note	DKKm	First half 2011	First half 2010
2	Gross premiums	8,669	7,399
	Reinsurance premiums ceded	-9	-12
	Total premiums, net of reinsurance	8,660	7,387
	Income from subsidiary undertakings	459	421
	Income from associated undertakings	-3	-6
	Income from investment properties	3	3
	Interest income and dividends, etc.	4,062	3,907
	Gains and losses on investments	-2,501	7,569
	Interest expenses	-160	-126
	Administrative expenses related to investment activities	-177	-190
	Total investment return	1,683	11,578
	Tax on pension returns	-193	-1,433
	Return on investment after tax on pension returns	1,490	10,145
	Claims and benefits paid	-9,001	-8,852
	Reinsurers' share received	57	50
	Change in outstanding claims provision	31	53
	Total claims and benefits, net of reinsurance	-8,913	-8,749
	Change in life insurance provisions	3,629	-4,082
	Change in reinsurers' share	-63	117
	Total change in life insurance provisions, net of reinsurance	3,566	-3,965
	Change in collective bonus potential	-747	800
	Total bonus	-747	800
	Change in provisions for unit-linked contracts	-3,283	-4,405
	Total change in provisions for unit-linked contracts, net of reinsurance	-3,283	-4,405
	Acquisition costs	-105	-108
	Administrative expenses	-346	-349
	Reimbursement of costs from group undertakings	23	26
	Total operating expenses relating to insurance, net of reinsurance	-428	-431
	Transferred investment return	-244	-608
	TECHNICAL RESULT	101	174
	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-54	111
	Return on investments allocated to equity	162	289
	Other income	162	128
	PROFIT/LOSS BEFORE TAX	371	702
	Tax	-83	-131
	NET PROFIT/LOSS FOR THE PERIOD	288	571
	Net profit for the year	288	571
	Other comprehensive income:		
	Translation of foreign units	1	19
	Foreign unit hedges	-1	-14
	Tax relating to other comprehensive income	0	3
	Total other comprehensive income	0	8
	NET COMPREHENSIVE INCOME FOR THE YEAR	288	579

Balance sheet - Danica Pension

Assets

Note DKKm	June 30, 2010	Dec. 31, 2009	June 30, 2009
INTANGIBLE ASSETS	212	211	207
TANGIBLE ASSETS	-	0	1
Investment properties	308	307	304
Shares in subsidiary undertakings	20,936	20,520	20,397
Loans to subsidiary undertakings	81	83	78
Shares in associated undertakings	54	57	62
Total investments in subsidiary and associated undertakings	21,071	20,660	20,537
Equity shares	9,635	16,896	16,302
Units in unit trusts	39,059	34,269	28,344
Bonds	134,475	136,208	141,984
Deposits with credit institutions	7,037	705	9,301
Other	1,123	1,328	3,516
Total other financial investments	191,392	189,473	199,513
TOTAL INVESTMENTS	212,771	210,440	220,354
UNIT-LINKED INVESTMENTS	47,697	44,658	37,593
Unearned premiums provision, reinsurers' share	32	3	28
Life insurance provisions, reinsurers' share	1,726	1,790	1,850
Outstanding claims provision, reinsurers' share	167	164	140
Provisions for unit-linked contracts, reinsurers' share	-	1	-
Total technical provisions, reinsurers' share	1,925	1,958	2,018
Amounts due from policyholders	34	271	555
Amounts due from insurance companies	995	1,035	836
Amounts due from group enterprises	439	734	988
Other debtors	550	216	338
TOTAL DEBTORS	3,943	4,214	4,735
Current tax assets	79	78	-
Cash in hand and demand deposits	123	56	81
TOTAL OTHER ASSETS	202	134	81
Accrued interest and rent	2,121	2,359	2,084
Other prepayments and accrued income	412	412	393
TOTAL PREPAYMENTS AND ACCRUED INCOME	2,533	2,771	2,477
TOTAL ASSETS	267,358	262,428	265,448

Balance sheet - Danica Pension

Liabilities and equity

Note	DKKm	June 30, 2010	Dec. 31, 2009	June 30, 2009
	Share capital	1,100	1,100	1,100
	Contingency fund	1,499	1,499	1,499
	Profit brought forward	16,684	16,424	15,328
	TOTAL SHAREHOLDERS' EQUITY	19,283	19,023	17,927
	SUBORDINATED LOAN CAPITAL	3,000	3,041	3,079
	Unearned premiums provision	710	741	787
	Guaranteed benefits	149,823	156,922	162,460
	Bonus potential of future premiums	11,364	10,436	10,998
	Bonus potential of paid-up policies	12,620	10,965	9,198
	Total life insurance provisions	173,807	178,323	182,656
	Outstanding claims provision	7,234	7,217	7,042
	Collective bonus potential	2,525	1,740	2,043
	Provisions for bonuses and premium discounts	101	97	73
	Provisions for unit-linked contracts	48,417	44,661	37,998
	TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	232,794	232,779	230,599
	Deferred tax	1,200	1,177	1,112
	TOTAL PROVISIONS FOR LIABILITIES	1,200	1,177	1,112
	Amounts owed, direct insurance	54	143	318
	Amounts owed to reinsurers	60	2	0
	Amounts owed to credit institutions	7,067	715	9,211
	Amounts owed to group enterprises	58	40	46
	Current tax liabilities	-	-	198
	Other creditors	3,508	5,330	2,639
	TOTAL CREDITORS	10,747	6,230	12,412
	ACCRUALS AND DEFERRED INCOME	334	178	319
	TOTAL LIABILITIES AND EQUITY	267,358	262,428	265,448

Capital - Danica Pension

DKKm	June 30, 2010	Dec. 31, 2009	June 30, 2009
Solvency requirement and capital base			
Shareholders' equity	19,283	19,023	17,927
Proportionate share of capital base of insurance subsidiaries	653	671	634
- Value of proportionate share	-662	-683	-655
Core capital	19,274	19,011	17,906
- Proposed dividend	-288	-	-
- Intangible assets	-212	-211	-207
- Proportionate share of capital requirement of insurance subsidiaries	-128	-131	-118
Reduced core capital	18,646	18,669	17,581
Supplementary capital	3,000	3,041	3,079
- Limitations to supplementary capital	-3,000	-75	-115
Reduced supplementary capital	0	2,966	2,964
Capital base	18,646	21,635	20,545
Solvency requirement for life insurance	7,321	7,482	7,664
Solvency requirement for health and accident insurance	295	295	295
Total solvency requirement	7,616	7,777	7,959
Excess capital base	11,030	13,858	12,586

Notes - Danica Pension

Note	DKKm	First half 2011	First half 2010		
1	<p>ACCOUNTING POLICIES</p> <p>The financial statements of the Parent Company, Danica Pension, are presented in accordance with the provisions of the Danish Financial Business Act, including the Danish FSA's Executive Order on financial reports presented by insurance companies and lateral pension funds. These rules are identical to the Group's measurement under IFRS.</p> <p>See the description of significant accounting policies in note 1 to the consolidated financial statements.</p> <p>The accounting policies are consistent with the policies applied in the annual report 2010.</p>				
2	<p>GROSS PREMIUMS, incl. payments received under investment contracts</p> <p>Direct insurance:</p> <p>Regular premiums</p> <p>Single premiums</p> <p>Total direct insurance</p> <p>Total gross premiums</p> <p>In the above gross premiums, premiums paid on investment contracts which are not included in the income statement constitute:</p> <p>Regular premiums</p> <p>Single premiums</p> <p>Total premiums paid</p>	<p>5,869</p> <p>2,999</p> <p>8,868</p> <p>8,868</p> <p>70</p> <p>129</p> <p>199</p>	<p>5,811</p> <p>1,839</p> <p>7,650</p> <p>7,650</p> <p>71</p> <p>180</p> <p>251</p>		
3	<p>CONTINGENT LIABILITIES</p> <p>At the end of the period assets were earmarked as security for policyholders' savings.</p> <p>Mortgages have been issued as security for the technical liabilities in a total amount of</p> <p>As collateral for derivative transactions, the group has delivered bonds equal to a total fair value of</p> <p>The company has undertaken to participate in investment in unlisted shares with an amount of</p> <p>In certain circumstances, Danica Pension has an obligation to compensate policyholders who have transferred their pension plan to Danica Pension. The total amount of compensation cannot exceed</p> <p>The company is registered jointly with group undertakings for financial services employer tax and VAT, for which it is jointly and severally liable.</p> <p>Danica Pension is jointly and severally liable with the other participants for the insurance obligations concerning all the policies administered by Forenede Gruppeliv A/S.</p> <p>Owing to its size and business volume, Danica Pension is continually a party to various lawsuits. The Company does not expect the outcomes of the cases pending to have any material effect on the financial position.</p>	<p>249,872</p> <p>75</p> <p>1,909</p> <p>4,729</p> <p>7</p>	<p>248,716</p> <p>75</p> <p>-</p> <p>2,818</p> <p>45</p>		
4	<p>SENSITIVITY RATIOS 30 JUNE 2011</p>				
	DKr bn	Minimum effect on capital base	Maximum effect on collective bonus potential	Maximum effect on bonus potential of paid-up policies before change in used bonus potential of paid-up policies	Maximum effect on used bonus potential of paid-up policies
	Interest rate increase of 0.7 of a percentage point	-0.3	-0.2	4.2	-
	Interest rate decline of 0.7 of a percentage point	0.3	-0.2	-4.2	-
	12% fall in equity prices	-0.2	-1.1	0.0	-0.6
	8% fall in property prices	-0.2	-1.1	0.0	-0.1
	Foreign exchange risk (VaR 99.5%)	0.0	-0.1	0.0	0.0
	8% loss on counterparties	-0.1	-2.0	0.0	-0.2
	10% fall in mortality rate	0.0	-1.3	0.0	0.0
	10% rise in mortality rate	0.0	1.3	0.1	0.0
	10% rise in disability rate	0.0	0.0	0.1	0.0

Statement by the Management

The Board of Directors and the Executive Board (the management) have considered and approved the interim report of Forsikringsselskabet Danica, Skadeforsikringsselskab af 1999 A/S for the period starting on 1 January 2011 and ending on 30 June 2011.

The consolidated interim financial statements are presented in accordance with IAS 34, Interim Financial Reporting as adopted by the EU, while the interim financial statements of the parent company are presented in accordance with the Danish Financial Business Act. The interim report is further presented in accordance with the Danish supplementary information requirements.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, equity and financial position at 30 June 2011, and of the results of the Group's and the Parent Company's operations and the Group's cash flows for the period starting on 1 January 2011 and ending on 30 June 2011. Moreover, in our opinion, the management's report includes a fair review of developments in the Group's and the Parent Company's operations and financial position and describes the significant risks and uncertainty factors that may affect the Group and the Parent Company.

Copenhagen, 9 August 2011

Executive Board

Jørgen Klejnstrup
CEO

Jesper Winkelmann

Board of Directors

Peter Straarup
Chairman

Tonny Thierry Andersen
Vice Chairman

Lars Andreasen

Thomas Falck

Gitte Jensen

Ib Katznelson

Georg Schubiger

Erik Sevaldsen

Per Søggaard

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