

Improved performance for Danica Pension in the first three quarters

Danica Pension produces returns of between 3.9% and 9.8% for our Danica Balance customers in the first three quarters, a period also characterised by solid premiums growth and proactive communication with more than 140,000 customers. The performance results in a satisfactory profit before tax of DKK 1,488 million for the first three quarters.

Danica Pension's profit before tax for the first three quarters of 2017 was DKK 1,488 million, against DKK 1,465 million for the first three quarters of 2016.

"Danica Pension's performance for the first three quarters was satisfactory. Profit before tax was in line with our expectations, premiums were up 19% and we continued to provide attractive returns on our customer's pension schemes," says Per Klitgård, CEO of Danica Pension.

Investment results remain strong

In the first three quarters of 2017, Danica Pension's customers saw attractive returns on their pension savings. Danica Pension customers in Denmark received between 3.9% and 9.8%. The return for customers with Danica Balance, medium risk profile with 20 years to retirement was 7.9% for the first three quarters, placing Danica Pension among the top three commercial pension providers. Customers with Danica Balance medium risk profile with 15 years to retirement had a return of 7.0%.

Alternative investments yielded particularly strong returns for Danica Pension's customers. Overall, alternative investments produced a return of 9.6% in the first three quarters.

"With our alternative investments, we are spreading our investments and producing attractive returns. In the first three quarters of 2017 we invested approximately DKK 6 billion directly in sound companies. In the coming years, our ambition is to invest DKK 15 billion annually, provided we can find suitable investment prospects," says Per Klitgård.

Substantial growth in premiums via Danske Bank

Total premiums for the first three quarters of 2017 amounted to DKK 29.3 billion, an increase of DKK 4.7 billion relative to the same period of 2016. The increase in premiums was due in part to a 48% increase to DKK 5.0 billion in gross premiums via Danske Bank in Denmark compared with the first three quarters of 2016.

"The principal objective of the strengthened collaboration within the Danske Bank Group is to give our customers a better experience, but it also has a positive impact on our financial results," explains Per Klitgård.

More than 140,000 customers contacted proactively

In the first three quarters of 2017, Danica Pension proactively contacted more than 140,000 customers, for example when they moved, were married or had a change in salary. As a result, the number of customers following Danica Pension's pension and insurance recommendations increased by 58% in the first three quarters.

47,500 Pension Checks were performed in the first three quarters. This was an increase of 22% compared with the same period last year.

"Taking a pension check, customers find out if they have the right pension and insurance covers to ensure a financially comfortable and secure retirement or security if they fall ill or have an accident. We can see that our customers react positively when we contact them, and we will therefore continue strengthening our proactive efforts in the coming years," says Per Klitgård.

Danica intends to have proactively contacted 300,000 customers by the end of 2018.

Financial highlights for the Danica Group

(DKK billions)	9M 2017	9M 2016
Premiums	29.3	24.6
Premiums in Denmark	18.1	16.6
Return on customer funds - Unit-linked (%)	6.3	1.3
Return on customer funds - Traditional (%)	1.3	8.9
Return on customer funds after change in additional provisions, (%)*	1.7	4.0
Expenses as percent of net assets in Denmark	0.19	0.20
Technical result	1.36	1.29
Profit before tax	1.49	1.47
Total pension savings (total assets)	421	436
Bonus reserve (%)	6.5	4.0
Additional provisions*	38.1	45.4

* Applies to Danica Traditional customers only.

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Solvency ratio disclosure			
30 September 2017	Danica Pension Livsforsikringsaktieselskab	Danica Pension Group	Danica Group
SCR (DKKm)	9.099	9.989	9.558
Solvency rate	256%	233%	232%

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