

Interim report – first half 2024

Danica Pension

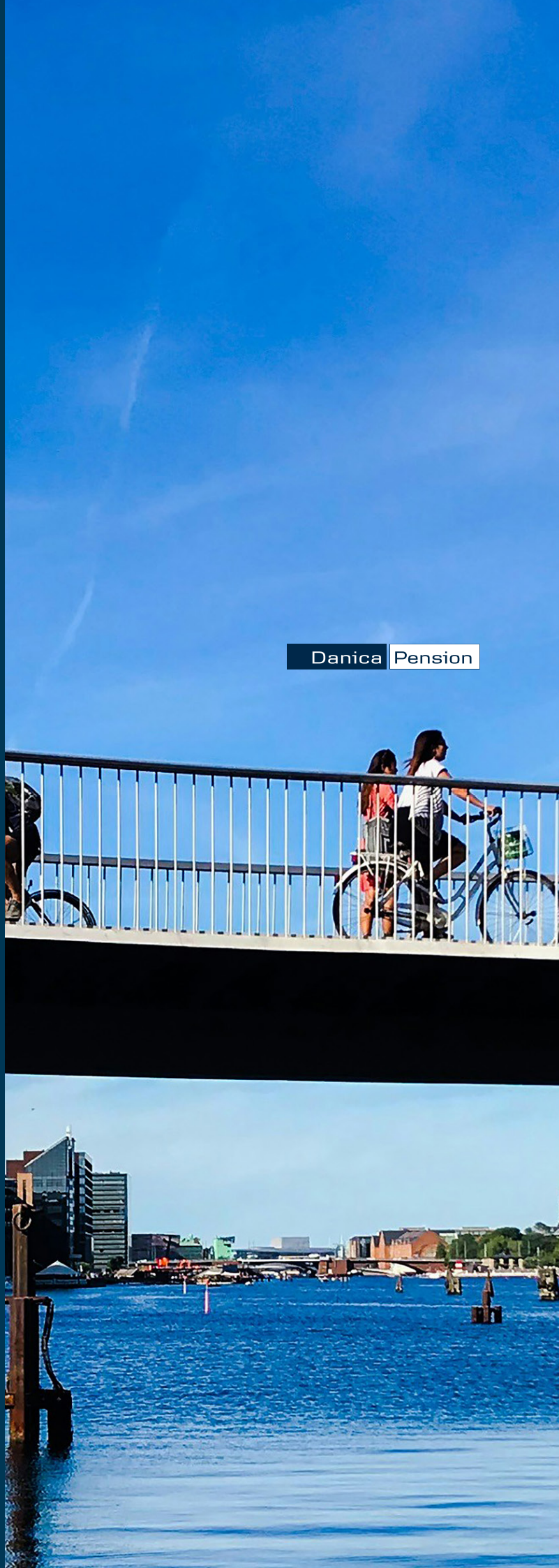


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This Interim Report is a translation of the original report in the Danish language. In case of discrepancy the Danish version prevails.

SELECTED FINANCIAL HIGHLIGHTS FOR THE DANICA GROUP

(DKK millions)	H1 2024	H1 2023	Full year 2023
PREMIUMS INCLUDING INVESTMENT CONTRACTS	21,570	20,051	38,647
INCOME STATEMENT			
Insurance service result	461	435	779
Investment result	421	242	615
Other income and expenses	17	12	28
Profit/loss before tax	899	689	1,422
Tax	-43	-174	-225
Profit after tax from discontinued operations	50	-	50
Profit/loss for the period	906	515	1,247
BALANCE SHEET			
Total assets	570,817	536,777	541,667
Total provisions for insurance and investment contracts	462,716	417,519	438,527
Total shareholders' equity	20,129	19,632	20,364
DANICA PENSION (PARENT COMPANY)¹⁾			
KEY FIGURES AND RATIOS (%)			
Return related to average rate products	-0.3	0.2	4.6
Return related to unit-linked products	6.1	5.7	10.5
Risk on return related to unit linked products	5.25	4.75	4.75
Net return before tax on pension returns on average-rate products ²⁾	0.7	0.8	3.6
Expenses as per cent of provisions	0.16	0.16	0.32
Expenses per policyholder (DKK)	933	860	1,742
Return on equity after tax	4.4	2.2	5.6
Return on equity after tax (Group)	4.6	2.7	6.3
Solvency coverage ratio ³⁾	217	191	170
RATIOS FOR HEALTH AND ACCIDENT INSURANCE			
Gross claims ratio	117	135	167
Gross expense ratio	5	13	10

¹⁾ For Danica Pension (Parent Company), the financial highlights are calculated in accordance with the Danish executive order on financial reports

²⁾ Includes change in accumulated value adjustment

³⁾ At 30 June 2024, the solvency capital requirement (SCR) was DKK 15,136 million and total capital amounted to DKK 32,815 million.

Comments on selected financial highlights for the Group

Premiums including investment contracts comprise all regular and single premiums in the life business and health and accident insurance premiums.

DANICA PENSION'S STRATEGY AND HIGHLIGHTS OF THE PERIOD

Danica Pension's strategy is based on our ambition to be our customers' financial security provider and thereby enhance customer satisfaction. Our aim is to be one step ahead in providing advice to our customers about how to achieve financial security, both in terms of pension savings and in terms of insurance covers that will enable them to provide for themselves and their family in the event of long-term illness. Danica Pension focus on proactively helping our customers – both personal and business customers – to ensure that they have the right pension, insurance and healthcare solutions.

Continuing growth

Over a period of several years, Danica Pension has generated strong growth in the Danish market, and the growth has continued in 2024 with an 8% increase in premiums. This is a clear indication that customers are actively choosing the overall value proposition and that Danica Pension enjoys an extremely strong position in the Danish pension market. Our collaboration with Danske Bank is a central part of our growth strategy, and new business written through the bank was up by 85% year-on-year in the first half.

Positive market sentiment

The financial markets have performed well so far in 2024, and a number of economic indicators give rise to optimism. Global inflation has slowed, and companies generally continue to perform in accordance with market expectations.

A few US tech stocks remain in particular favour with investors as evidenced by continuing rises in the NASDAQ index over other global leading indices.

Investment return

The return for customers with Danica Pension Balance Mix with a medium risk profile and 20 years to retirement was 9.4% for the first half of 2024, which is among the best for commercial pension providers. Over the past five years, this customer group has achieved a net return of 43.5%. In other words, our long-term investment strategy continues to generate high returns for Danica Pension customers.

Significant increase in solvency ratio

Danica Pension's solvency coverage ratio increased from 170% at 31 December 2023 to 217% at 30 June 2024, reflecting the very strong financial foundation of the business. The higher solvency coverage ratio primarily resulted from a change to the method of determining how the loss-absorbing capacity of deferred taxes is to be recognised in the solvency capital requirement.

New strategy under way

A new commercial strategy is scheduled to be launched in the second half of 2024. The new strategy will outline our commercial focus areas, our collaboration with Danske Bank and the path to

exploiting future market potentials to ensure that we offer our customers one of the most attractive value propositions in the market.

Big boost in customer satisfaction

Several internal and external surveys indicate that Danica Pension's customers are becoming more and more satisfied. The research company Aalund regularly surveys our customer satisfaction score, and Danica Pension now holds the top ranking in the personal customer and business customer with over 50 employees segments. For all business segments combined, Danica Pension ranks second in the survey.

Over a long period of time, customers have furthermore indicated a significant increase in satisfaction on Trustpilot, from an average score of below 2 of 5 to currently 3.6.

The increase in customer satisfaction reflects a series of concrete measures taken by Danica Pension over the past year to enhance accessibility for customers through both physical meetings at selected businesses and most significantly through digital meetings and via Danica Pension's advisory centre. These measures have resulted in shorter response times for customer enquiries and a more effective approach to customer meetings.

Strong growth in the self-employed segment

Pension for Selvstændige is an example of an area in which efforts are continually being made to improve the interaction with individual customers. This was also an important focus area in the first half of 2024. These efforts have paid off in terms of strong growth, in part driven by a close collaboration with Danske Bank, as the bank refers many customers to Pension for Selvstændige.

This development reflects the continual focus on the agreement between Danica Pension and Pension for Selvstændige renewed in 2021 and which now covers 43,000 customers. For more than 30 years, the self-employed segment has been a major focus area for Danica Pension. It is important to Danica Pension to make a difference for the self-employed, and this includes advising them to ensure that they have the right pension schemes and adequate insurance covers if they suffer long-term illness, and providing the best healthcare solutions to reduce their sickness absence.

Close collaboration with Danske Bank for the benefit of customers

On 7 June 2023, Danske Bank launched the Group's new Forward '28 strategy, in which Danica Pension plays a key role. The interaction between Danske Bank and Danica Pension will equally be an important focus area in Danica Pension's upcoming strategy. In connection with this, Danica Pension are working on further developing and underlining the benefits of being a customer of both Danica Pension and Danske Bank.

In fact, surveys indicate that customers of both Danske Bank and Danica Pension are more satisfied and remain customers for a longer period of time. A key explanation of this greater customer satisfaction is that Danica Pension, as a pension provider, is good at identifying when customers experience life-changing events which makes it relevant to advise them about their pension.

Significant reduction of investment costs

Ongoing efforts to optimise investments have revealed that Danica Pension's in-house performance has in many cases exceeded that of most external managers. Consequently, Danica Pension has restructured the investment setup and taken over a number of externally managed investment mandates. This restructuring has resulted in major investment cost savings in relation to these mandates, which benefits our customers. Danica Pension expect to perform as well or better as previously as a result of the restructuring and at the same time be better able to deliver strong returns for our customers as a result of the lower costs.

Launch of binding targets

'Forebyggelsesalliancen', in which Danica Pension work with 24 other businesses and organisations to improve public health through preventive health care, reached a milestone in May 2024 with the alliance's presentation of a proposal for ten binding targets to improve the health of people living in Denmark over the coming ten years. The alliance's objectives were presented in a plan called 'A longer and better life', and if the 2035 goals are realised, the health-related benefits in Denmark will include avoiding increased hospital admissions, relieved pressure on the child psychiatric system and a significant boost to public mental well-being.

Digital advances improving customer service

The first half of 2024 brought a number of digital improvements. A previously manual process for resolving customer claims was replaced by a digital process enabling customers to get faster responses to enquiries about the eligibility of their claims by answering a few typical questions. The aim is for as many customers as possible to get a quick response, which will drastically reduce waiting times and significantly increase the possibility of providing fast and correct treatment.

Moreover, it has become easier for new customers to perform the initial analysis of their pension needs, as Pension Start has been integrated directly into Danica Pension's popular Mobilpension app. This advance is an example of a 'mobile first' strategy, in which Danica Pension meet customers' expectations of being able easily to solve queries related to their pension schemes on their smartphone.

Popular new healthcare solutions

In the first half of 2024, our new healthcare solutions that were introduced in September 2023 to offer coaching and family counselling were very

well received by our customers.

Danica Pension's targeted family counselling is a reflection of our dedication to helping our customers with a wide range of issues, also those that are not work-related, to ensure that they are able to perform their job as well-functioning, sound individuals.

The two new solutions are included in the Health Package, which offers customers early help by way of quick online access to a number of health experts. The solutions offered through the Health Package received a customer satisfaction score of 94% in the first half and were used by 17,195 customers during this period.

Since its launch in 2021, the Health Package has been a great success, and it is today a cornerstone of our catalogue of preventive measures. The Health Package helps to prevent mild symptoms from developing into serious mental or physical conditions.

Increase in health and accident claims

The positive results of a number of preventive measures and the introduction of several new healthcare solutions in the first half were not sufficient to offset the general trend in society that increasing numbers of people are falling ill, receiving sickness benefits or attending public re-employment or resource programmes. The result of the health and accident business was thus adversely affected by a rise in the number of new claims, although the rate of increase slowed over the course of the first half. Danica Pension's health and accident business generated a loss of DKK 341 million in the first half.

The general trend in society of increasing numbers of people falling ill is reflected in the number of people in Denmark who receive sickness benefits or attend public re-employment or resource programmes. The number of people receiving sickness benefits or attending re-employment or resource programmes rose by 66% from 2019 to 2023. In the same period, Danica Pension experienced a 44% increase in the number of new loss of earning capacity claims. Our introduction of preventive measures is what has kept Danica Pension from being fully impacted by the trend.

It remains Danica Pension's ambition to comply with the requirement of the Danish FSA's executive order that underlying health and accident results must be in balance, and Danica Pension are making a committed effort to introduce measures to this end.

SUSTAINABILITY

Danica Pension has defined a 2025 sustainability strategy with special focus on three themes: climate and environment, financial security and a healthier life.

Danica Balance Responsible Choice

Our Danica Balance Responsible Choice pension solution offers our customers the opportunity to enhance their sustainability focus and invest part or all of their pension savings in companies that

endeavour to help solve global climate, environmental, health and other challenges. In the standard Danica Balance solution, sustainable investments must make up at least 10% of investments, but in Danica Balance Responsible Choice, at least 75% of investments must meet Danica Pension's and Danske Bank's internal sustainability criteria.

In 2024, one of our focus areas is to continually develop the underlying investment strategy of Danica Balance Responsible Choice. At 30 June 2024, our customers had chosen to invest DKK 5.8 billion in this solution, representing a 19% increase in investments compared with December 2023.

Climate targets of investments

We have defined carbon emissions targets for 2025 in five key sectors: energy, utilities, transportation, cement and steel. Our ambition is to reduce carbon emissions for these key sectors by between 15% and 35% relative to the 2019 level. Since 2019, the reduction of carbon intensity in the cement and steel sectors has progressed well, while the transition of the energy, utilities and transportation sectors has progressed slower than expected.

To support progress towards meeting the carbon emissions reduction targets, Danica Pension has in 2024 introduced stricter climate requirements governing our investment in fossil fuel companies. In future, Danica Pension will therefore only invest in companies that have realistic Paris Agreement-aligned transition plans. If a company fails to meet these stricter requirements, it will be placed on the exclusion list before the end of 2024.

To further contribute to the transition towards a more environmentally sustainable society, it is Danica Pension's ambition to invest DKK 100 billion in the green transition by the end of 2030. As from 2024, Danica Pension adheres to a new model description for the pension industry's climate pledge issued by Insurance and Pension Denmark, which is based on the EU Taxonomy and the Sustainable Finance Disclosure Regulation (SFDR). At 30 June 2024, Danica Pension had invested DKK 53.2 billion in the green transition under the revised computation method.

Biodiversity in focus

Biodiversity is under enormous pressure, which in turn aggravates the climate crisis. Danica Pension has a biodiversity strategy that has a dedicated focus on engaging with and exercising active ownership in companies within sectors that have a high degree of dependence and impact on forests and oceans.

In addition, Danica Ejendomme has launched an updated biodiversity strategy in 2024. The ambition is that areas surrounding existing and new properties in Denmark are to be nature-positive by 2030. This entails restoring and improving the quality and variation of natural ecosystems in such

areas. A further benefit of this is that more diverse and green outdoor spaces can positively affect people's well-being and mental health.

Financial security supported by digital solutions

Our aim is to increase the financial security of at least 500,000 individuals or businesses over the period from 2019 to 2025. The status at 30 June 2024 is that Danica Pension has increased the financial security of 458,800 individuals and businesses since 2019, for example via online Pension Check, Pension Start or advisory meetings.

In the first half of 2024, Danica Pension launched new digital solutions. As a new feature, customers can start their pension schemes directly via their smartphone. We also launched a new version of Danica Investment Check. The Investment Check gives customers a recommendation on investment options, including the option of investing in Danica Balance Responsible Choice. Finally, our customers can now change the designation of beneficiaries of their insurance covers in Netpension.

Focus on prevention

Danica Pension want to contribute towards a healthier society that has reduced levels of absence due to illness. Our goal is to help at least 400,000 individuals and businesses achieve a healthier life before the end of 2025 and to focus more on prevention. The status at 30 June 2024 was that Danica Pension has helped 338,900 individuals with treatment or financial compensation.

To ramp up the focus on prevention and to supplement our online family counselling and individual psychological counselling for children and adults, we launched our 'Familielandsats' (family action) solution. With this new solution, we offer our customers a programme for both children and parents if a child is not thriving. The programme focuses on helping families create a positive family environment in which both children and adults thrive. A group of customers had the opportunity to try out this programme in a pilot project. Their feedback was positive, and the programme is now being rolled out to all our customers. This initiative from Danica Pension is a direct response to the growing number of customers with reduced working capacity caused by having one or more children with mental health issues, which is costly for the families, employers, Danica Pension and society in general.

Corporate Sustainability Reporting Directive

The Corporate Sustainability Reporting Directive (CSRD) is an EU directive that imposes stricter sustainability reporting requirements on companies. The objective is to harmonise reporting and increase transparency in sustainability reporting. In the first half of 2024, Danica Pension has dedicated resources to preparing a double materiality assessment, and our first reporting under the CSRD will be in the annual report for 2024.

FINANCIAL REVIEW – DANICA GROUP

Profit/loss for the period, etc.

Profit/loss for the period

For the first half of 2024, the Danica Group realised a profit before tax and special items of DKK 899 million, against a profit of DKK 689 million for the first half of 2023. After tax and special items, the profit for the first half of 2024 amounted to DKK 906 million, against a profit of DKK 515 million for the first half of 2023.

DANICA GROUP, INCOME STATEMENT		
(DKK millions)	H1 2024	H1 2023
Insurance service result	461	435
Investment result	421	242
Other income and expenses	17	12
Profit/loss before tax and special items	899	689
Tax	-43	-174
Profit/loss before special items	856	515
Discontinued operations	50	-
Profit/loss for the period	906	515

The profit for the first half of 2024 is satisfactory and in line with the guidance provided in the annual report for 2023.

INSURANCE SERVICE RESULT PER PRODUCT		
(DKK millions)	H1 2024	H1 2023
Average rate products	370	332
Unit-linked products	394	325
Health and accident insurance	-329	-261
Other ¹⁾	26	39
Total insurance service result	461	435

¹⁾ Primarily includes portfolio of life insurance products in run-off, for which Danica Pension holds the risk

The insurance service results for average-rate products (conventional products) and unit-linked products were affected by the positive financial market developments in the first half of 2024, resulting in an increase in pension savings and, consequently, income from the management of these. The full risk allowance was recognised in all interest rate groups in the first half of 2024.

As mentioned previously, the insurance service result for health and accident insurance was affected by an increase in the number of reported claims, and thus an increase in the amount of benefits paid, in the first half of 2024.

The investment result amounted to DKK 421 million in the first half of 2024, against DKK 242 million in the first half of 2023. The investment result primarily consists of income and expenses from the management of investment assets relating to life insurance products and the investment result of health and accident insurance, assets attributed to

shareholders' equity and life insurance products for which Danica Pension holds the risk. The investment result for the first half of 2024 was affected by bullish financial markets, primarily driven by price increases on high-risk assets, which boosted investment results on life insurance products for which Danica Pension holds the risk and assets attributed to shareholders' equity.

INVESTMENT RESULT, SPECIFICATION

(DKK millions)	H1 2024	H1 2023
Income from asset management	381	383
Investment result, life insurance ¹⁾	220	66
Investment result, health and accident insurance	-12	-60
Investment result attributed to shareholders' equity	221	164
Investment management expenses	-389	-311
Total investment result	421	242

¹⁾ Primarily includes portfolio of life insurance products in run-off, for which Danica Pension holds the risk

Income tax amounted to an expense of DKK 43 million in the first half of 2024, against an expense of DKK 174 million in the first half of 2023. Income tax for 2024 was affected by a positive prior-year correction of DKK 203 million.

Profit after tax from discontinued operations consisted of a correction of the proceeds from the sale of Danica Norway in 2022.

Comments on the balance sheet

The Group's total assets grew from DKK 541.7 billion at 31 December 2023 to DKK 570.8 billion at 30 June 2024.

DANICA GROUP, BALANCE SHEET

(DKK millions)	30/06/2024	31/12/2023
ASSETS:		
Cash and cash equivalents	2,162	2,632
Investment assets	523,409	497,176
Receivables ¹⁾	1,312	1,257
Investments in associates	12,093	11,709
Investment property	24,252	22,789
Intangible assets	555	615
Other assets ²⁾	7,034	5,489
TOTAL ASSETS	570,817	541,667
LIABILITIES AND EQUITY:		
Due to credit institutions	13,582	14,091
Derivatives with negative fair values	61,357	57,220
Provisions for investment contracts	25,608	23,113
Provisions for insurance contracts	437,108	415,414
Other provisions ²⁾	9,419	7,865
Subordinated debt	3,614	3,600
Shareholders' equity	20,129	20,364
TOTAL LIABILITIES AND EQUITY	570,817	541,667

¹⁾ Including current tax assets and receivables in connection with reinsurance

²⁾ Including current tax liabilities and any deferred tax assets or liabilities and payables in connection with reinsurance

The increase in investment assets etc. was primarily due to the financial market performance in the first half of 2024.

Intangible assets at 30 June 2024 comprised the value of customer relationships taken over of DKK 522 million and capitalised IT development costs of DKK 33 million. No evidence of impairment of customer relationships was identified in the first half of 2024. The intangible asset relating to customer relationships is amortised over a period of ten years, corresponding to the run-off of the customer relationships.

The increase in the provision for insurance contracts primarily related to an increase in provisions for unit-linked products because provisions related to average rate products declined during the period. The contractual service margin (CSM), which is a component forms part of provisions for insurance contracts, amounted to DKK 17.7 billion at 30 June 2024, against DKK 16.7 billion at 31 December 2023. The increase was attributable to an inflow of new customers and an update of parameters for underlying expected future earnings. The contractual service margin (CSM) expresses the expected future earnings from insurance contracts entered into.

Shareholders' equity stood at DKK 20.1 billion at 30 June 2024, against DKK 20.4 billion at 31 December 2023. Dividend payments related to 2023 amounted to DKK 1.1 billion in the first half of 2024.

Special matters

Additional pension returns tax on health and accident business

As previously mentioned, the Danish tax authorities have made claims against Danica Pension for additional pension returns tax on the health and accident business. The claims cover the period from 2012, during which period the tax authorities are of the opinion that negative risk and cost results in the health and accident business are subject to pension returns tax. In Danica Pension's opinion, negative results in the health and accident business are not subject to pension returns tax.

Danica Pension has recognised a total provision of DKK 962 million, including interest, for potential additional pension returns tax for the period 2017 to June 2024, of which DKK 59 million was recognised in the first half of 2024.

The Danish tax authorities have made a further claim against Danica Pension for DKK 439 million, including interest, in additional pension returns tax for the period 2012-2016. We have not recognised this as a provision, but as a receivable, as - apart from disputing the tax authorities' decision that negative results in the health and accident business are subject to pension returns tax - Danica Pension believes the claims for the period 2012 to 2016 to be time-barred.

Danica Pension has appealed the tax authorities' individual decisions to the National Tax Tribunal.

Provision for compensation relating to omission to advise customers on raised state pension age

As stated in the annual report for 2023, Danica Pension recognised a provision of DKK 250 million covering compensation for customers in connection with Danica Pension's omission to advise them of the effect of the indexation of the state pension age since 2015. In the first half of 2024, Danica Pension began paying compensation to affected customers, and about half of the compensation amounts have been paid out so far.

Other financial information

Gross premiums

Gross premiums in the first half of 2024 were up 7.6%, from DKK 20.1 billion in the first half of 2023 to DKK 21.6 billion in the first half of 2024. The increase was attributable to growth in both regular and single premiums.

PREMIUMS (INCLUDING INVESTMENT CONTRACTS) - H1					
(DKK billions)	2024	2023	2022	2021	2020
Life insurance	20.6	19.2	17.6	16.6	13.2
Health and accident insurance	1.0	0.9	0.8	0.8	0.8
Total premiums	21.6	20.1	18.4	17.4	14.0

Insurance benefits

Insurance benefits amounted to DKK 16.1 billion in the first half of 2024, against DKK 15.7 billion in the first half of 2023. Surrenders including investment contracts amounted to DKK 11.1 billion in the first half of 2024, against DKK 11.1 billion in the first half of 2023.

Expenses

Life insurance operating expenses in the first half of 2024 amounted to DKK 693 million, against DKK 649 million in the first half of 2023.

EXPENSES AS PER CENT OF PROVISIONS		
	H1 2024	H1 2023
Danica Pension	0.16	0.16

Expenses as per cent of provisions were unchanged compared with the first half of 2023. The unchanged expense ratio resulted from increased expenses due to the recruitment of more employees in customer-facing functions combined with increased technical provisions.

Return on customer funds (conventional products)

The return on investment of customer funds in conventional products was negative at 0.3% for the first half of 2024, against a return of 0.2% for the first half of 2023. Adjusted for changes in provisions, the return was 0.7% for the first half of 2024, against 0.8% for the first half of 2023.

Return on Danica Balance products

The table below shows the returns on the unit-linked products in Danica Balance and Danica Balance Responsible Choice, broken down by risk profile and number of years to retirement.

Return before tax, H1 2024 (%)			
Risk	30 years to retirement	20 years to retirement	5 years to retirement
Danica Balance			
High risk profile	12.3	12.3	7.9
Medium risk profile	11.4	9.4	5.8
Low risk profile	10.1	6.7	4.0
Danica Balance Responsible Choice			
High risk profile	11.1	11.1	6.9
Medium risk profile	10.3	8.4	5.0
Low risk profile	9.0	5.8	3.2

The positive returns were primarily attributable to gains on high-risk assets.

Solvency statement and capital requirements

At 30 June 2024, the Danica Group's solvency coverage ratio was 217%, against 170% at 31 December 2023. Danica Pension's total capital and solvency capital requirement are based on the standard formula under the new Solvency II rules.

DANICA PENSION, SOLVENCY		
(DKK millions)	30/06/2024	31/12/2023
Total capital	32,815	31,852
Solvency capital requirement (SCR)	15,136	18,738
Excess capital base	17,679	13,114

The change in the solvency coverage ratio in the first half was primarily a result of Danica Pension making an adjustment to the calculation of the loss-absorbing capacity of deferred taxes as well as an adjustment for tax effects related to the risk margin. Both factors give rise to an increased solvency coverage ratio. Furthermore, a reduction of market risks also contributes to a lower solvency capital requirement.

Danica Pension publishes an annual solvency and financial condition report as a supplement to the annual report. The report, which is mandatory under Solvency II, gives a detailed account of the Company's solvency and financial condition. The report is available on Danica Pension's website ([Årsrapporter \(danicapension.dk\)](https://arsrapporter.danicapension.dk)).

As part of our capital management and its optimisation, Danica Pension regularly reassesses capital structure and funding in consultation with our parent company, Danske Bank.

Events after the balance sheet date

No events have occurred between 30 June 2024 and the date of the signing of the interim report that, in the opinion of the management, will materially affect the company's financial position.

Outlook for 2024

Danica Pension maintains its full-year guidance for 2024 of a higher insurance service result compared with 2023. The investment result will be affected by developments in the financial markets in the second half of 2024 but is still expected to contribute favourably to the profit for the second half of 2024.

FINANCIAL REVIEW – DANICA PENSION (parent company)

Accounting policy differences between the Danica Group and Danica Pension (Parent)

Danica Pension's consolidated financial statements are presented in accordance with the International Financial Reporting Standards (IFRS), while Danica Pension (Parent) presents its financial statements in accordance with the Danish executive order on financial reports for insurance companies and multi-employer occupational pension funds.

Because of the above-mentioned differences between the consolidated financial statements and the parent company financial statements, a financial review for the parent company has been added to the management report. Significant accounting matters and the profit/loss for the period and balance sheet developments for Danica Pension (Parent) are described in this section. The financial review for Danica Pension (Parent) should be read in conjunction with the financial review for the Danica Group.

Profit/loss for the period for Danica Pension (Parent)

For the first half of 2024, Danica Pension realised a profit before tax of DKK 903 million, against DKK 613 million in the first half of 2023. Profit after tax for the first half of 2024 amounted to DKK 872 million, against DKK 458 million for the first half of 2023.

DANICA PENSION (PARENT), PROFIT/LOSS		
(DKK millions)	H1 2024	H1 2023
Insurance service result, life insurance	672	461
Insurance service result, health and accident	-341	-321
Result of insurance business	331	140
Return on investment allocated to shareholders' equity, etc. ¹⁾	572	473
Profit/loss before tax	903	613
Tax	-31	-155
Profit/loss for the period	872	458

¹⁾ Including other income

The insurance service result for life insurance for the first half of 2024 amounted to DKK 672 million, against DKK 461 million in the first half of 2023. The profit for the first half of 2024 was affected by improved investment results for life insurance products, in which Danica Pension is subject to investment risk. The improvement was mainly driven by positive returns on high-risk assets in the first half of 2024. It was possible to recognise the full risk allowance in all interest rate groups in the first half of 2024.

The insurance service result for health and accident insurance was a loss of DKK 341 million for the first half of 2024, against a loss of DKK 321 million in the first half of 2023. The investment result of the health and accident business was a loss of DKK 12 million, against a loss of DKK 60 million in the first half of 2023. The improvement was affected by financial market developments in the first half of 2024. The risk and cost result relating to health and accident insurance was a loss of DKK 329 million in the first half of 2024, against a loss of DKK 261 million in the first half of 2023, primarily driven by an increase in claims expenses.

The return on investment allocated to shareholders' equity, etc. was impacted by positive financial market developments in the first half of 2024.

Comments on the balance sheet, Danica Pension (Parent Company)

Total assets in Danica Pension (Parent Company) rose from DKK 543.0 billion at 31 December 2023 to DKK 571.7 billion at 30 June 2024.

DANICA PENSION (PARENT COMPANY), BALANCE SHEET		
(DKK millions)	30/06/2024	31/12/2023
ASSETS:		
Intangible assets	555	615
Investment assets ¹⁾	560,392	533,440
Debtors	1,922	1,552
Other assets	4,070	2,092
Prepayments and accrued income	4,771	5,276
TOTAL ASSETS	571,710	542,975
LIABILITIES AND EQUITY:		
Technical provisions	463,196	438,912
Other liabilities ²⁾	88,258	83,538
Shareholders' equity	20,256	20,525
TOTAL LIABILITIES AND EQUITY	571,710	542,975

¹⁾ Including investment assets related to unit-linked products

²⁾ Other liabilities than technical provisions

Investment assets, including investment assets related to unit-linked products, rose from DKK 533.4 billion at 31 December 2023 to DKK 560.4 billion at 30 June 2024. The value of derivatives with positive fair values was reduced from DKK 64.0 billion at 31 December 2023 to DKK 54.7 billion at 30 June 2024. The net fair value of derivatives was DKK negative at 6.7 billion at 30 June 2024, against a positive value of DKK 6.8 billion at 31 December 2023 primarily due to changes in the derivatives portfolio.

Provisions for insurance and investment contracts totalled DKK 463.2 billion, against DKK 438.9 billion at 31 December 2023. The development covers a fall in provisions regarding conventional products and an increase regarding unit-linked products.

Life insurance provisions regarding conventional products were down DKK 6.2 billion to DKK 121.6 billion. This development was driven primarily by the reduction in the number of average-rate products, as expected.

Life insurance provisions related to unit-linked products rose from DKK 277.8 billion at 31 December 2023 to DKK 307.5 billion at 30 June 2024. The increase was primarily due to the positive financial market developments in the first half of 2024.

Other liabilities include derivative financial instruments with negative fair values. Derivative financial instruments with negative fair values amounted to DKK 61.4 billion at 30 June 2024, against DKK 57.2 billion at 31 December 2023.

RISK EXPOSURE AND SENSITIVITY INFORMATION

Information on risk and risk management is set out in note 14 to the financial statements. The below table shows the effects on the Group's total capital and solvency coverage ratio of isolated changes in various risk categories, see section 160(2) and section 312(2) of the Danish Financial Business Act. For each sensitivity stress, we indicate the degree of stress it would require for the solvency ratio to drop to 125% and 100%, respectively, however limited to the maximum stress levels set out in the Danish Executive Order on Sensitivity Analyses for Group 1 Insurance Companies. A further description of the stress scenarios in the various risk categories is provided in the Danish Executive Order on Sensitivity Analyses for Group 1 Insurance Companies.

Sensitivity information – Solvency capital requirement [SCR]

	SCR 125%			SCR 100%		
	Stress (%)	Total capital (DKK millions)	Solvency coverage ratio (%)	Stress (%)	Total capital (DKK millions)	Solvency coverage ratio (%)
Interest rate risk	-2	33,527	209	-2	33,527	209
Equity risk	100	18,548	127	100	18,548	127
Property risk	83	23,209	125	100	20,997	111
Credit spread risk:						
- Danish government bonds, etc.	23	24,694	125	32	21,095	100
- Other government bonds, etc.	61	25,526	125	83	22,235	100
- Other bonds	66	24,205	125	93	20,228	100
Currency spread risk:						
USD	62	32,483	207	62	32,483	207
JPY	100	32,549	210	100	32,549	210
GBP	100	32,594	211	100	32,594	211
Counterparty risk	-	31,524	121	-	-	-
Longevity risk	68	29,024	125	76	27,544	100
Life insurance option risk	629	31,524	162	629	31,524	162
Non-life catastrophe risk	N/A	N/A	N/A	N/A	N/A	N/A

Sensitivity information – Minimum capital requirement [MCR]

	MCR 125%			MCR 100%		
	Stress (%)	Total capital (DKK millions)	Solvency coverage ratio (%)	Stress (%)	Total capital (DKK millions)	Solvency coverage ratio (%)
Interest rate risk	-2	31,358	434	-2	31,358	434
Equity risk	100	16,099	276	100	16,099	276
Property risk	100	18,781	269	100	18,781	269
Credit spread risk:						
- Danish government bonds, etc.	55	8,703	125	59	6,956	100
- Other government bonds, etc.	100	17,391	252	100	17,391	252
- Other bonds	100	16,996	246	100	16,996	246
Currency spread risk:						
USD	9	30,286	449	9	30,286	449
JPY	100	30,280	450	100	30,280	450
GBP	100	30,329	450	100	30,329	450
Counterparty risk	-	-	-	-	-	-
Longevity risk	127	17,095	125	133	16,150	100
Life insurance option risk	629	29,262	433	629	29,262	433
Non-life catastrophe risk	N/A	N/A	N/A	N/A	N/A	N/A

The above table was prepared on the basis of total capital of DKK 32,815 million and a solvency coverage ratio of 217%. Please note that for credit spread risk, a decline in bonds without an increase in EIOPA's discount yield curve is assumed. Accordingly, the results are based on the assumption that the volatility adjustment (VA), which is a component of EIOPA's discount curve, is unchanged.

Income statement & Other comprehensive income - Danica Group

Note	DKKmn	First half 2024	First half 2023
3	Insurance revenue	3.003	2.763
4	Insurance service expenses	-2.516	-2.298
	Net expenses from reinsurance contracts	-26	-30
	Insurance service result	461	435
5	Return on investment	24.210	15.034
	Net finance expenses from insurance contracts	-21.819	-13.798
	Net change in investment contracts liabilities	-1.970	-994
	Investment result	421	242
	Other income and expenses	17	12
	PROFIT BEFORE TAX	899	689
	Tax	-43	-174
	NET PROFIT FOR THE PERIOD, BEFORE DISCONTINUED OPERATIONS	856	515
6	Profit after tax from discontinued operations	50	-
	NET PROFIT FOR THE PERIOD	906	515
	Net profit for the period	906	515
	Other comprehensive income:	-	-
	NET COMPREHENSIVE INCOME FOR THE PERIOD	906	515

Balance sheet - Danica Group

Assets

Note	DKKkm	30 June 2024	31 December 2023	30 June 2023
	Cash and cash equivalents	2.162	2.632	1.775
7	Investment assets	523.409	497.176	488.423
	Receivables	1.312	1.257	2.700
	Current tax assets	2.045	-	225
	Reinsurance contract assets	218	213	41
	Holdings in associates and joint ventures	12.093	11.709	10.570
	Investment property	24.252	22.789	26.839
	Domicil property	-	-	45
8	Intangible assets	555	615	687
	Other assets	4.771	5.276	5.472
	TOTAL ASSETS	570.817	541.667	536.777

Liabilities and equity

Note	DKKkm	30 June 2024	31 December 2023	30 June 2023
	LIABILITIES			
	Amounts owed to credit institutions	13.582	14.091	17.515
	Derivative liabilities	61.357	57.220	69.677
	Current tax liabilities	-	768	-
9	Investment contract liabilities	25.608	23.113	20.682
10	Insurance contract liabilities	437.108	415.414	396.837
	Reinsurance contract liabilities	29	28	27
	Deferred tax	479	277	1.608
	Other provisions	8.911	6.792	7.303
11	Subordinated debt	3.614	3.600	3.496
	TOTAL CREDITORS	550.688	521.303	517.145
	SHAREHOLDERS' EQUITY			
	Share capital	1.101	1.101	1.101
	Revaluation reserve	1	1	1
	Contingency fund	1.882	1.882	1.882
	Retained earnings	17.145	16.239	16.648
	Proposed dividend	0	1.141	-
	TOTAL SHAREHOLDERS' EQUITY	20.129	20.364	19.632
	TOTAL LIABILITIES AND EQUITY	570.817	541.667	536.777

Statement of capital - Danica Group

DKKm

Changes in shareholders' equity	Share capital	Revaluation reserve	Contingency funds	Retained earnings	Proposed dividend	Total
Shareholders' equity at 31 December 2023	1.101	1	1.882	16.239	1.141	20.364
Profit for the period	-	-	-	906	-	906
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	906	-	906
Dividend paid	-	-	-	-	-1.141	-1.141
Shareholders' equity at 30 June 2024	1.101	1	1.882	17.145	0	20.129
Shareholders' equity at 31 December 2022	1.101	1	1.882	16.133	0	19.117
Profit for the period	-	-	-	1.247	-	1.247
Total other comprehensive income	-	-	-	-	-	-
Comprehensive income for the period	-	-	-	1.247	-	1.247
Proposed dividend	-	-	-	-1.141	1.141	0
Shareholders' equity, 31 December 2023	1.101	1	1.882	16.239	1.141	20.364

Danica Pension has an obligation to allocate part of the excess equity to certain policyholders of the former Statsanstalten for Livsforsikring (now a part of Danica Pension) if the percentage by which the equity exceeds the calculated capital requirement is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. This comprises any excess either added to shareholders' equity or distributed as dividend, but it does not comprise shareholders' equity paid in after the privatisation.

The share capital is made up of 11,010,000 shares of a nominal value of DKK 100 each. All shares carry the same rights; there is thus only one class of shares.

Cash flow statement - Danica Group

DKKmn	First half 2024	Full year 2023	First half 2023
Cash flow from operations			
Profit before tax	899	1.422	689
Adjustment for non-cash operating items:			
Non-cash items	9.732	6.126	2.983
Tax paid	-3.604	-293	
Cash flow from operations	7.027	7.255	3.672
Cash flow from investing activities			
Purchase of bonds	-4.696	-10.544	-3.615
Sale of bonds	9.007	10.680	3.662
Purchase of derivatives	-790	-	-
Sale of derivatives	73	-	-
Cash flow from investing activities	3.594	136	47
Cash flow from financing activities			
Dividend	-1.141	-	-
Debt to credit institutions	-3.933	-8.816	-5.392
Cash flow from financing activities	-5.074	-8.816	-5.392
Cash and cash equivalents at 1 January	9.885	11.310	11.310
Change in cash and cash equivalents	5.547	-1.425	-1.673
Cash and cash equivalents, end of period	15.432	9.885	9.637
Cash and cash equivalents, end of period			
Deposits with credit institutions	13.270	7.253	7.862
Cash in hand and demand deposits	2.162	2.632	1.775
Total	15.432	9.885	9.637

Notes – Danica Group

Note

1 MATERIAL ACCOUNTING POLICY INFORMATION

The consolidated financial statements are prepared in accordance with the International Financial Reporting Standards (IFRS), issued by the International Accounting Standards Board (IASB) as adopted by the EU, and with relevant interpretations issued by the International Financial Reporting Interpretation Committee (IFRIC). Furthermore, the consolidated financial statements comply with the Danish FSA's disclosure requirements for interim reports of issuers of listed bonds.

The interim report has not been reviewed or audited. The interim report is condensed and should be read in conjunction with the annual report for 2023.

CHANGES IN ACCOUNTING POLICIES

The Danica Group has implemented the amendments to IAS 1, IAS 7 and IAS 16 on 1 January 2024.

The implementation of the amendments had no impact on the Danica Group's financial statements. Apart from the changes to accounting policies described above, the accounting policies have not changed compared to the annual report for 2023 to which reference is made for a description of material accounting policy information.

RECLASSIFICATION OF COMPARATIVE FIGURES

Comparative figures for the first half of 2023 regarding the recognition of deferred tax on pension returns have been reclassified in accordance with the information provided hereon in the annual report 2023.

As a result, an amount of DKK 2,008 million have been reclassified from "Investment result" in the income statement which have been increased by 2.008 million. "Insurance service result" has been reduced by 1,823 million furthermore "Net changes in investment contract liabilities" has been reduced by 185 million. "Net changes in investment contract liabilities" was in the interim report 2023 included in "Net finance expenses from insurance contracts".

In the balance sheet the consequence of recognising the deferred tax on pension returns in the insurance liabilities have reduced "Investment contract liabilities" by DKK 168 million and "Insurance contract liabilities" by DKK 9,199 million. "Receivables" have been reduced by DKK 9,367 million.

SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGMENTS

The preparation of the consolidated financial statements requires the use of judgements and estimates by management concerning future events that will significantly affect the carrying amounts of assets and liabilities.

The estimates and judgements that are deemed to be most critical to the consolidated financial statements are:

- the measurement of liabilities under insurance contracts
- the fair value measurement of derivative financial instruments
- the fair value measurement of unlisted investments
- the fair value measurement of real property
- the measurement of intangible assets/customer relationships

Notes - Danica Group

Note	DKKm	First half 2024	First half 2023
2	BUSINESS SEGMENTS		
	The group consists of one business segment as shown below.		
	Insurance revenue	3.003	2.763
	Insurance service expenses	-2.516	-2.298
	Net expenses from reinsurance contracts	-26	-30
	Insurance service result	461	435
	Investment return	24.210	15.034
	Net finance expenses from insurance contracts	-21.819	-13.798
	Net change in investment contracts liabilities	-1.970	-994
	Investment result	421	242
	Other income and expenses	17	12
	Profit before tax	899	689
	Other segment information:		
	Interest income	28.098	35.038
	Interest expenses	-25.764	-33.010
	Income from associated undertakings at book value	337	-132
	Impairment, depreciation and amortisation charges	-73	-76
	The Danica Group has no customers generating 10% or more of the combined revenue. All premiums originates from Denmark.		
	GROSS PREMIUMS, incl. payments received under investment contracts		
	Life insurance (incl. Investment contracts):		
	Regular premiums	9.685	9.464
	Single premiums	10.871	9.690
	Total life insurance	20.556	19.154
	Health and accident insurance premiums	1.014	897
	Total gross premiums	21.570	20.051
3	INSURANCE REVENUE		
	Amount relating to changes in liabilities for remaining coverage:		
	Contractual service margin released in the year	789	862
	Change in risk adjustment for risk expired	14	14
	Expected incurred claims and expenses	1.227	1.020
	Insurance revenue - contracts not measured under premium allocation approach	2.030	1.896
	Insurance revenue from premium allocation approach	973	867
	Total insurance revenue	3.003	2.763
4	INSURANCE SERVICE EXPENSES		
	Amount relating to changes in liabilities for remaining coverage:		
	Incurred claims and other insurance service expenses	-1.226	-1.186
	Insurance service expenses - contracts not measured under premium allocation approach	-1.226	-1.186
	Insurance service expenses from premium allocation approach	-1.290	-1.112
	Total insurance service expenses	-2.516	-2.298
5	INVESTMENT RETURN		
	Income from investment property	427	405
	Interest income and dividends, etc.	30.614	38.179
	Value adjustments	21.725	10.279
	Income from associates	337	-132
	Interest expenses	-25.764	-33.100
	Administrative expenses related to investment activities	-389	-311
	Tax on pension returns	-2.740	-286
	Total investment return	24.210	15.034
6	PROFIT AFTER TAX FROM DISCONTINUING OPERATIONS		
	Profit related to sale	50	-
	Net profit for the period after profit related to sale	50	-

Notes - Danica Group

Note	DKKm			30 June 2024	31 December 2023
7	INVESTMENT IN FINANCIAL ASSETS				
			Investment assets*	Other financial assets	
30 June 2024					
Unlisted holdings			33.836	3.356	37.192
Listed holdings			180.038	14.405	194.443
Unlisted bonds			706	80	786
Listed bonds			150.773	39.806	190.579
Loans			1.796	1.367	3.163
Unit trust certificates			29.283	26	29.309
Deposit with credit institutions			11.042	2.228	13.270
Derivatives			45.083	9.584	54.667
Total			452.557	70.852	523.409
31 December 2023					
Unlisted holdings			33.411	3.443	36.854
Listed holdings			145.066	10.474	155.540
Unlisted bonds			767	87	854
Listed bonds			169.951	29.558	199.509
Loans			1.558	1.336	2.894
Unit trust certificates			15.884	14.422	30.306
Deposit with credit institutions			6.844	409	7.253
Derivatives			53.344	10.622	63.966
Total			426.825	70.351	497.176
*This column includes investment assets related to life insurance products measured according to the VFA method.					
8	INTANGIBLE ASSETS				
		Goodwill	Customer value	Software under de- velopment	Fully de- veloped software
30 June 2024					
Cost, beginning of period	2.423	1.332	12	78	3.845
Additions during the year	-	-	13	-	13
Cost, end of period	2.423	1.332	25	78	3.858
Impairment and amortisation charges, beginning of period	-2.423	-744	-	-63	-3.230
Amortisation during the year	-	-66	-	-7	-73
Impairment and amortisation charges, end of period	-2.423	-810	-	-70	-3.303
Carrying amount, end of period	0	522	25	8	555
31 December 2023					
Cost, beginning of year	2.423	1.332	2	78	3.835
Additions during the year	-	-	10	-	10
Cost, end of year	2.423	1.332	12	78	3.845
Impairment and amortisation charges, beginning of year	-2.423	-610	-	-45	-3.078
Amortisation during the year	-	-134	-	-18	-152
Impairment and amortisation charges, end of period	-2.423	-744	-	-63	-3.230
Carrying amount, end of year	0	588	12	15	615
Intangible assets consist of value of customers (VIF asset) regarding acquisition of the former SEB companies on 7 June 2018, as well as proprietary, software under development and fully developed software. The customer value will be depreciated linearly over a period of 10 years starting 1 June 2018. Fully developed software will be depreciated linearly over a period of 3 years.					

Notes - Danica Group

Note	DKKm				30 June 2024	31 December 2023
9	INVESTMENT CONTRACT LIABILITIES					
	Balance at beginning of period				23.113	20.116
	Contributions received				960	1.141
	Benefits paid				-2.215	-4.654
	Investment return from underlying assets				1.337	1.675
	Other				2.413	4.835
	Balance at end of period				25.608	23.113
10	INSURANCE CONTRACT LIABILITIES					
	Life insurance					
	30 June 2024	Cashflow	Risk adjustment	CSM for existing contracts at transition*	CSM for other contracts	
	Carrying amount, beginning of period	381.717	910	14.748	1.955	399.330
	Contractual Service Margin (CSM) recognised in period	-	-	-701	-88	-789
	Change in risk adjustment for expired risk	-	-14	-	-	-14
	Experience adjustment	-16	-	-	-	-16
	Changes that relate to current services	-16	-14	-701	-88	-819
	Contracts initially recognised	-678	0	0	678	0
	Changes in estimates that adjust the CSM	-1.093	12	867	214	0
	Changes that relate to future services	-1.771	12	867	892	0
	Finance income and expenses from insurance	21.773	-1	0	-	21.772
	Premiums	18.333	-	-	-	18.333
	Claims, benefits and expenses paid	-15.187	-	-	-	-15.187
	Changes in amounts due from policyholders	-122	-	-	-	-122
	Cash flow	3.024	-	-	-	3.024
	Other	-2.138	-	-	-	-2.138
	Carrying amount, end of period	402.589	907	14.914	2.759	421.169
	Amount payable on demand					309.158
	31 December 2023					
	Carrying amount, beginning of year	353.117	1.007	13.194	276	367.594
	Contractual Service Margin (CSM) recognised in period	-	-	-1.506	-85	-1.591
	Change in risk adjustment for expired risk	-	-28	-	-	-28
	Experience adjustment	-41	-	-	-	-41
	Changes that relate to current services	-41	-28	-1.506	-85	-1.660
	Contracts initially recognised	-883	0	0	883	0
	Changes in estimates that adjust the CSM	-3.864	-77	3.060	881	0
	Changes that relate to future services	-4.747	-77	3.060	1.764	0
	Finance income and expenses from insurance	31.851	8	0	-	31.859
	Premiums	33.547	-	-	-	33.547
	Claims, benefits and expenses paid	-27.641	-	-	-	-27.641
	Changes in amounts due from policyholders	221	-	-	-	221
	Cash flow	6.127	-	-	-	6.127
	Other	-4.590	-	-	-	-4.590
	Carrying amount, end of year	381.717	910	14.748	1.955	399.330
	Amount payable on demand					309.117

* CSM for contracts at the transition date.

Notes - Danica Group

Note	DKKm		30 June 2024	31 December 2023
10	Analysis by remaining coverage and incurred claims (cont'd)			
	30 June 2024	LFRC*	LFIC*	
	Carrying amount, beginning of period	399.330	0	399.330
	Insurance revenue	-1.963	-	-1.963
	Incurred claims and other insurance service expenses	-	1.107	1.107
	Insurance service expenses	-	1.107	1.107
	Investment component	-14.080	14.080	0
	Net finance expenses from insurance contract	21.772	-	21.772
	Premiums	18.333	-	18.333
	Claims, benefits and expenses paid	-	-15.187	-15.187
	Changes in amounts due from policyholders	-122		-122
	Cash flow	18.211	-15.187	3.024
	Other	-2.101	-	-2.101
	Carrying amount, end of period	421.169	0	421.169
	31 December 2023			
	Carrying amount, beginning of year	367.594	-	367.594
	Insurance revenue	-3.826	-	-3.826
	Incurred claims and other insurance service expenses	-	2.096	2.096
	Insurance service expenses	-	2.096	2.096
	Investment component	-25.545	25.545	0
	Net finance expenses from insurance contract	31.859	-	31.859
	Premiums	33.547	-	33.547
	Claims, benefits and expenses paid	-	-27.641	-27.641
	Changes in amounts due from policyholders	221		221
	Cash flow	33.768	-27.641	6.127
	Other	-4.520	-	-4.520
	Carrying amount, end of year	399.330	0	399.330
	*LFRC is Liabilities for remaining coverage			
	*LFIC is Liabilities for incurred claims (benefits)			

Notes - Danica Group

Note	DKKm	30 June 2024	31 December 2023
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10 Health and accident insurance (cont'd)

30 June 2024	LFRC* excl. Loss component	Loss component	LFIC* - Cashflows	LFIC* - Risk adjustment	
Carrying amount, beginning of period	63	1.551	13.659	811	16.084
Insurance revenue	-973	-	-	-	-973
Incurred claims and other insurance service expenses	-	-604	1.718	20	1.134
Changes that relate to future services	-	156	-	-	156
Insurance service expenses	-	-448	1.718	20	1.290
Investment components	-	-59	109	-17	33
Premiums	1.014	-	-	-	1.014
Claims, benefits and expenses paid	-	-	-1.489	-	-1.489
Changes in amounts due from policyholders	-	-	1	-	1
Cash flow	1.014	-	-1.488	-	-474
Other	-19	-2	0	-	-21
Carrying amount, end of period	85	1.042	13.998	814	15.939

31 December 2023

Carrying amount, beginning of year	62	1.196	13.215	1.072	15.545
Insurance revenue	-1.750	-	-	-	-1.750
Incurred claims and other insurance service expenses	-	-887	2.979	436	2.528
Changes that relate to past services	-	-	-375	-682	-1.057
Changes that relate to future services	-	1.303	-	-	1.303
Insurance service expenses	-	416	2.604	-246	2.774
Investment components	-	-57	553	-15	481
Premiums	1.752	-	-	-	1.752
Claims, benefits and expenses paid	-	-	-2.710	-	-2.710
Changes in amounts due from policyholders	-	-	-3	-	-3
Cash flow	1.752	-	-2.713	-	-961
Other	-1	-4	-	-	-5
Carrying amount, end of year	63	1.551	13.659	811	16.084

*LFRC is Liabilities for remaining coverage

*LFIC is Liabilities for incurred claims (benefits)

Notes - Danica Group

Note	DKKm	30 June 2024	31 December 2023
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11 SUBORDINATED DEBT

Subordinated debt is debt which, in the event of the company's voluntary or compulsory winding-up, will not be repaid until the claims of ordinary creditors have been met. Subordinated debt is included in the capital base etc. In accordance with sections 36-38 of the Executive Order on calculation of capital base for insurance companies and insurance holding companies and calculation of total capital for certain investment firms.

Currency	Borrower	Note	Nominal	Interest rate	Year of issue	Maturity	Re- demption price		
EUR	Danica Pension	a)	500	4,38	2015	29.9.45	100	3.729	3.727
Subordinated debt								3.729	3.727
Discount								-5	-6
Hedging of interest rate risk								-110	-121
Total, corresponding to amortised cost plus the fair value of the hedged interest rate risk								3.614	3.600
Included in the capital base								3.614	3.600

a) The loan was issued on 29 September 2015 and is listed on the Irish Stock Exchange. The loan can be repaid from September 2025.

The loan carries interest at a rate of 4.375% p.a. until 29 September 2025, at which point a step-up will occur.

The interest expense amounted to DKK 139 million for the first half of 2024 (DKK 114 million in H1 2023).

Fair value of the subordinated debt is estimated at DKK 3,706 million and of June 2024 and DKK 3,672 million end of 2023.

12 ASSETS DEPOSITED AS COLLATERAL, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

Assets have been deposited as collateral for policyholders' savings with a total of:	479.029	443.187
As collateral for derivative transactions, the Group has delivered bonds equal to a total fair value of	23.974	28.353
Minimum lease payments regarding cars amount to	3	6
The Group has undertaken contractual obligations, incl. duty of reversion, to purchase, construct, convert or extend investment properties or to repair, maintain or improve these at an amount of	1.122	1.993
The Group has undertaken to participate in alternative investments with an amount of	15.335	14.668
The Group has provided guaranties in co-investments with an amount of	217	447
The Group is voluntarily registered for VAT on certain properties. The Group's VAT adjustment liability amounts to	708	583
As a participant in partnerships, the Group is liable for a total debt of	11	29

The Group's companies are jointly taxed with all units in the Danske Bank Group and are jointly and severally liable for their Danish income tax, withholding tax etc.

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 Group is continually a party to various lawsuits and disputes. The Group does not expect the outcomes of lawsuits and disputes to have any material effect on its financial position.

If Danica is fully or partially successful in its complaint concerning the potential payment of additional pension returns tax on health and accident insurance regarding 2017-2024, see the mention in the management's review, Danica Pension will be able to recognise all or part of the provision for this liability as income. At 30 June 2024, the provision totals DKK 962 million including interest.

If Danica is not fully or partially successful in its complaint concerning the payment of additional pension returns tax on health and accident insurance regarding 2012-2016, see mention in the management's review, Danica Pension will have to recognise all or part of the receivable as an expense. At 30 June 2024, the receivable totals DKK 439 million including interest.

Notes - Danica Group

Note DKKm

13 FINANCIAL INSTRUMENTS

30 June 2024	Fair value			Amortised cost		
	Held for trading	Designated	Fair value hedge	Debtors	Liabilities	Total
Unlisted holdings	-	37.192	-	-	-	37.192
Listed holdings	-	194.443	-	-	-	194.443
Unlisted bonds	-	786	-	-	-	786
Listed bonds	-	190.579	-	-	-	190.579
Loans	-	3.163	-	-	-	3.163
Unit trust certificates	-	29.309	-	-	-	29.309
Deposit with credit institutions	-	13.270	-	-	-	13.270
Derivatives	54.667	-	-	-	-	54.667
Debtors	-	-	-	1.312	-	1.312
Cash and cash equivalents	-	-	-	2.162	-	2.162
Total financial assets	54.667	468.742	0	3.474	0	526.883
Investment contract liabilities	-	25.608	-	-	-	25.608
Due to credit institutions	-	13.582	-	-	-	13.582
Derivatives	61.357	-	-	-	-	61.357
Subordinated debt	-	-	-110	-	3.724	3.614
Total financial liabilities	61.357	39.190	-110	-	3.724	104.161
31 December 2023						
Unlisted holdings	-	36.651	-	-	-	36.651
Listed holdings	-	155.743	-	-	-	155.743
Unlisted bonds	-	2.556	-	-	-	2.556
Listed bonds	-	197.807	-	-	-	197.807
Loans	-	2.894	-	-	-	2.894
Unit trust certificates	-	30.306	-	-	-	30.306
Deposit with credit institutions	-	7.253	-	-	-	7.253
Derivatives	63.966	-	-	-	-	63.966
Debtors	-	-	-	1.257	-	1.257
Cash and cash equivalents	-	-	-	2.632	-	2.632
Total financial assets	63.966	433.210	0	3.889	0	501.065
Investment contract liabilities	-	23.113	-	-	-	23.113
Due to credit institutions	14.091	-	-	-	-	14.091
Derivatives	57.220	-	-	-	-	57.220
Subordinated debt	-	-	-121	-	3.721	3.600
Total financial liabilities	71.311	23.113	-121	-	3.721	98.024

Recognition as income:

Exchange rate adjustment of debtors and creditors measured at amortised cost were recognised under value adjustments at DKK -13 million in H1 2024 and at DKK -75 million in H1 2023.

The remaining part of investment return included in the income statement items interest income and dividends, etc., interest expenses and value adjustments relates to financial instruments at fair value

Notes - Danica Group

Note DKKm

13
(cont'd)

Financial instruments at fair value

The fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Level 1: Quoted prices

Fair value measurement is based on quoted prices generated in transactions in active markets.

Where an active market exists for listed equity investments, bonds, derivative financial instruments, etc., the instrument is generally measured at the closing price at the balance sheet date.

Level 2: Observable input

In the absence of a listed closing price, another publicly available price presumed to be the closest thereto, in the form of indicative prices from banks/brokers, is used. Assets in this category include hedge funds, CDOs and credit bonds. In the case of listed securities for which the closing price does not represent fair value, valuation techniques or other observable data are used to determine fair value. Where no active market exists for a financial instrument, valuation techniques with input based on observable market data are used. Depending on the nature of the asset or liability, these may be calculations based on underlying parameters such as yields, exchange rates and volatility or with reference to transaction prices for similar instruments.

Level 3: Non-observable input

In some cases, the valuation cannot be based on observable market data alone. Where this is the case, valuation models are used which may include estimates of future events as well as of the nature of the current market situation. This level includes unlisted equities and investment property.

The measurement of unlisted investments is based on the industry, market position and earnings capacity of the company. Furthermore, the fair value is affected by macroeconomic and financial conditions.

At 30 June 2024, Danica had financial assets as set out below in the amount of DKK 523,409 million, of which 96% was attributable to insurance obligations to policyholders and 4% was attributable to shareholders' equity. Accordingly, changes in various valuation parameters would therefore have an insignificant impact on shareholders' equity, as the risk is assumed by policyholders.

30 June 2024	Quoted prices	Observable input	Non-observable input	Total
Holdings	192.275	2.192	37.168	231.635
Unit trust certificates	20.731	8.101	477	29.309
Bonds	165.557	25.474	334	191.365
Other loans	-	-	3.163	3.163
Derivatives	1.240	52.704	723	54.667
Cash and cash equivalents	-	13.270	-	13.270
Total financial assets	379.803	101.741	41.865	523.409
Due to credit institutions	-	13.582	-	13.582
Derivatives	101	59.883	1.373	61.357
Subordinated loan capital	-	-110	-	-110
Provisions	-	25.608	-	25.608
Total financial liabilities	101	98.963	1.373	100.437

Notes - Danica Group

Note DKKm

13
(cont'd)

31 December 2023	Quoted prices	Observable input	Non-observable input	Total
Holdings	153.380	2.197	36.817	192.394
Unit trust certificates	22.882	6.877	547	30.306
Bonds	179.559	20.461	343	200.363
Other loans	1.192	-	1.702	2.894
Derivatives	437	62.584	945	63.966
Cash and cash equivalents	7.253	-	-	7.253
Total financial assets	364.703	92.119	40.354	497.176
Due to credit institutions	14.091	-	-	14.091
Derivatives	45	55.972	1.203	57.220
Subordinated loan capital	-	-121	-	-121
Provisions	-	23.113	-	23.113
Total financial liabilities	14.136	78.964	1.203	94.303

At 30 June 2024, financial instruments measured on the basis of non-observable input comprised unlisted shares DKK 37,192 million and illiquid bonds DKK 3,949 million.

During the first half of 2024 DKK 9,182 million was transferred from quoted prices to observable input (DKK 5,739 million in 2023).

During the first half of 2023 DKK 4,181 million was transferred from observable input to quoted prices (DKK 6,194 million in 2023).

Valuation based on non-observable input				30 June 2024	31 December 2023
	Holdings	Bonds	Derivatives		
Fair value, beginning of year	36.854	2.556	-258	39.152	39.888
Value adjustment recognised through profit or loss in					
Value adjustments	793	-65	-393	335	1.062
Purchase	1.414	273	-	1.687	3.258
Sale	-1.869	-15	-	-1.884	-5.056
Transferred from quoted prices and observable input	-	1.200	-	1.200	-
Fair value, end of period	37.192	3.949	-651	40.490	39.152

In the first half of 2024, unrealised market value adjustments were recognised at DKK -644 million (2023: DKK -1,576 million) on financial instruments valued based on non-observable input.

Notes – Danica Pension Group

14 RISK MANAGEMENT AND SENSITIVITY INFORMATION

RISK MANAGEMENT

Danica Pension's Board of Directors (BoD) defines the framework for the management of Danica Pension's overall risks. On a daily basis, Danica Pension's risk management function monitors both the risk and the asset-liability management (ALM) limits set by its BoD, including limits set for the solvency capital requirement, the solvency coverage ratio and the own funds loss exposure in a risk scenario defined by Danica Pension's BoD. The risk management function also follows up on investment limits and calculates key risk figures for ALM purposes.

Danica Pension is exposed to a number of different risks where market risk is the main contributor to the solvency capital requirement.

Market risks	Insurance risks	Non-financial risks	Other risks
Interest rate risk	Longevity	Operational risk	Sustainability risk
Equity risk	Mortality	Information Technology and	Conduct risk
Property risk	Disability	Security risk	Strategic Risk
Currency risk	Health and accident	Data risk	
Credit spread risk	Critical illness	Financial crime	
Inflation risk	Healthcare	Regulatory compliance risk	
Volatility risk	Surrender		
Liquidity	Expenses		
Counterparty	Concentration		
Concentration			

Market risks

Market risk is the risk of losses following changes in the value of Danica Pension's assets and liabilities. Market risk primarily covers changing market conditions, such as changes in interest rates, equity prices, property values, exchange rates and credit spreads. Market risk also includes

- volatility risk, relates to the value of options such as equity options or swaptions, but also assets with build-in options like Danish callable mortgage bonds,
- inflation risk, relates to indexation of benefits for the health and accident products,
- liquidity risk, is the risk of losses due to forced sale of investment assets to meet liquidity needs,
- counterparty risk, is the risk of losses due to counterparties default on their obligations,
- concentration risk, is the risk of losses because of high exposure to single issuers.

Market risk may lead to financial losses for Danica Pension, either as losses of investment assets or as the technical provisions increases.

Danica Pension has three sources of market risk:

- with-profits products (conventional, average-rate products)
- unit-linked products (to which customers may have attached an investment guarantee)
- investment assets allocated to the shareholders' equity and other products with direct equity exposure

The amount of market risk differs for the various products in Danica Pension's product range, but the most significant market risk is the market risk relating to its with-profit products.

Market risks related to the with-profits products

The with-profit products offer guaranteed benefits based on a technical rate of interest and are called *Danica Traditionel*. The portfolio of with-profit products is closed for new business, which means that it is in run-off.

The products offer policyholders an annuity or a lump sum consisting of a guaranteed minimum amount in nominal terms. Customers are divided into homogeneous interest rate groups on basis of the technical rates, and each

Notes – Danica Pension Group

group has its own investment strategy and asset allocation. In each interest rate group, customers participate in a collective investment pool that covers a range of different assets (such as equities, property and bonds).

The policyholders earn interest at a rate set at the discretion of Danica Pension and subject to change at any time.

The difference between the actual (set) interest rate and the return on the policyholders' (collective) assets is allocated to collective buffer accounts owned by the customers. The balances of these buffer accounts are gradually transferred to the individual customer accounts in subsequent years by means of a bonus allocation mechanism. This means that high investment returns may lead to higher benefits than those guaranteed.

The mark-to-market value of the guaranteed benefits depends on the level of the discount curve, which is defined under Solvency II and based on EUR swap rates. The yields on Danish mortgage, credit and government bonds are also taken into account. The level of the long end of the discount curve, for which no reliable market data is available, is determined by the European Insurance and Occupational Pensions Authority (EIOPA).

The portfolio of with-profit products, Danica Pension will have to cover the shortfall if the value of the assets falls below the value of the liabilities. This will be the case if, for example, investment returns become sufficiently negative (reducing the asset values) or if the level of the discount curve, other things being equal, falls (increasing the value of the liabilities). Hence, the market risk on investments is borne by the customers to the extent that the negative returns can be covered by the collective buffer accounts. Once the buffer accounts have been depleted, negative investment returns on customer savings will force Danica Pension to step in with funds to ensure that it is possible to provide the benefits guaranteed to the policyholders.

Furthermore, Danica Pension can book the annual risk allowance fee income for each of the individual interest rate groups only if the collective bonus potential for the interest rate group is sufficient to cover the risk allowance.

Managing the with-profits product thus involves a combination of managing risks on behalf of the policyholders and managing Danica Pension's risk of having to cover losses.

To ensure that the return on customer funds matches the guaranteed benefits on policies with bonus entitlement, Danica Pension monitors market risk on an ongoing basis. As a part of the risk management activities, internal stress tests are performed to show the consequences for various ALM limits and the solvency position in case of large interest rate fluctuations. Interest rate risk is hedged by means of the bond portfolio and by using derivatives.

Investments sensitive to changes in interest rates comprise of a wide range of interest rate-based assets: Danish and European government bonds, Danish mortgage bonds, Danish index-linked bonds and a well-diversified portfolio of global credit bonds. Consequently, Danica Pension is exposed to interest rate spreads between government and credit spreads.

The credit spread risk on bond holdings is limited in that a large proportion of the portfolio consists of government and mortgage bonds with high credit ratings (AA – AAA) from the international credit rating agencies or of unrated bonds issued by an issuer with a similar high credit quality. Only a minor proportion of the portfolio is invested in non-investment grade bonds.

Danica Pension limits its counterparty credit risk by demanding high credit ratings for reinsurance and derivatives counterparties and by demanding collateral for financial derivatives. For collateral Danica Pension uses central clearing and seeks to minimise the proportion of cash and cash equivalents for the purpose of reducing counterparty credit risk.

Currency risk maintains at a moderate level by means of currency hedging instruments.

Danica Pension limits its liquidity risk by placing the majority of investments in liquid listed bonds and highly marketable equities.

Concentration risk is limited by investing with a focus to ensure a high degree of portfolio diversification and by limiting the number of investments in a single issuer. For mortgage bonds, the issuer is not considered critical to concentration risk because the individual borrower provides collateral for issued mortgage bonds.

Market risks related to unit-linked products

In unit-linked products, policyholders receive the actual return on the investments rather than a fixed interest rate return. However, some of the unit-linked products give the policyholders the option to have their benefits guaranteed.

The market risk associated with unit-linked products is primarily borne by the policyholders, particularly in respect of contracts without an investment guarantee.

Notes – Danica Pension Group

For unit-linked products with financial guarantees, Danica Pension hedges the risk on the financial guarantees by means of financial derivatives and by adjusting the investment allocation during the period leading up to retirement. The investment allocation is adjusted according to the guaranteed amount, the investment horizon etc. If a guarantee is attached to the individual policy, Danica Pension bears the risk in relation to the guarantee.

Danica Pension's main saving product – and the product recommended to most customers – is called *Danica Balance*. *Danica Balance* is a life-cycle product, meaning that the asset allocation between different risk categories (bonds or equities, for example) for each customer is adjusted gradually as the customer gets older and approaches retirement.

Market risk related to assets allocated to shareholders' equity and other products

Market risk associated with assets allocated to shareholders' equity and other products concerns the following:

- Assets in which the shareholders' equity of Danica Pension is invested, i.e. investment returns have a full effect on Danica Pension's profits,
- The investment results for Danica Pension's health and accident products,
- Assets for some life insurance products with investment guarantees. This means that Danica Pension bears the risk if the changes in the value of provisions for these products differ from the changes in the value of the corresponding assets. The provisions are the net present value of expected future pay-outs and are exposed to movements in the discount curve, which is defined under Solvency II. The corresponding assets may be exposed to changes in interest rates and to changes in the values of equities and property.

Danica Pension has separate investment strategies for assets allocated to its equity, to health and accident products, and to life insurance products with investment guarantees.

Insurance risks

Insurance risks are linked to trends in policy surrender activity, mortality, disability, critical illness and other variables that could materialise unfavourably from Danica Pension's current assumptions and expectations. For example, an increase in longevity lengthens the period during which benefits are payable under certain pension plans and may potentially have a negative effect on Danica Pension's profits. Similarly, trends in mortality, sickness and recovery affect life insurance and disability benefits respectively. The principal insurance risks are longevity risk and the risk of increased surrenders (i.e. the risk of customers leaving Danica Pension or ceasing to pay premiums). Most insurance risks materialise over long-time horizons during which the gradual changes in biometric conditions deviate from those assumed in contract pricing.

Insurance risk may also materialise through changes in the actuarial assumptions used for liability valuation. Unfavourable changes in assumptions resulting in an increase in liabilities will, to the extent possible, be covered by customer buffers. Once the buffer accounts have been depleted, Danica Pension will have to step in with funds to ensure that it is possible to provide the benefits guaranteed to the policyholders.

Concentration risk relating to life insurance risk comprises the risk of losses as a result of high exposure to a few customer groups and to a few individuals. Danica Pension limits concentration risk by means of risk diversification of the insurance portfolio and by means of reinsurance.

To limit losses on individual life insurance policies subject to high risk exposure, Danica Pension reinsures a small portion of the risk related to mortality and disability.

The various risk elements are subject to ongoing actuarial assessment for the purposes of calculating insurance obligations and making relevant business adjustments.

Non-financial risks

Non-financial risks relate to the risk of losses resulting from inadequate or faulty internal processes, controls, persons and systems or external events and include legal and compliance risks. Non-financial risk events are defined as events that have occurred and may have caused a financial loss, reputational damage or have caused a near loss. This risk category also comprises of model risk, which is losses due to wrongful design, use or interpretation of models or model results in Danica Pension. Non-financial risks also comprise of risks related to digitalisation and technological development.

Non-financial risks arise in connection with the Group's activities. The Group assumes non-financial risks whenever it accepts business from new customers, introduces new products and hires new employees.

The Group closely monitors the development on the markets where the Group operates to ensure the

Notes – Danica Pension Group

competitiveness of prices and customer service. The Group is committed to treating customers fairly and communicating openly and transparently. The Group subjects its business units to systematic assessments to reduce the risk of financial losses due to damage to its reputation.

The Group limits operational risks by establishing internal controls that are regularly updated and adjusted to the Group's current business volume and identified risks. Another measure is segregation of duties.

Other risks

Other risks relate to risks associated with sustainability, conduct and strategy. These risks are typically transversal risks that either arise in connection with or tie various other types of risk together. A transversal risk is an additional source of risk and must be handled as an integrated part of other risks. For example, sustainability risk such as climate risk will be a source of risk within both market risk and insurance risk.

Issues relating to sustainability and ESG (environment, social and governance) have become increasingly important in recent years for Danica Pension, Danica Pension's customers, media, NGOs and authorities. Therefore, there has also been a greater focus on the derived risks.

Danica Pension has a sustainability strategy and has a particular focus on three themes that support the UN's Sustainable Development Goals, namely climate and environment, financial security and a healthier life. The work with sustainability and ESG has influence on Danica Pension's reputational risk and regulatory risk. The reputational risk is caused by the fact that it may affect Danica Pension's ability to retain and attract both customers and employees if Danica Pension's efforts in relation to sustainability and ESG are not sufficient, or if Danica Pension is not acting with the professionalism that is expected of a large life insurance company.

Sustainability risks can for example be:

- reputational risk – if customers or other stakeholders find that Danica Pension's ESG efforts are not adequate or if activities related to sustainable investments are marketed as more sustainable than they really are,
- regulatory risk – if Danica Pension is unable to meet the regulatory requirements for sustainable investments,
- market risk – if future climate change – or expected future climate change – affects the valuation of investment assets to cause Danica Pension a loss. Furthermore, Danica Pension may suffer a loss if the valuation of the investments changes, for instance because the companies in which the investments are made will no longer be able to meet the criteria for sustainability,
- insurance risk – if future climate change affects mortality and disease transmission patterns.

Conduct risk is the risk of loss because of Danica Pension's way of conducting its business both internally and towards customers, e.g., in connection with products or advisory. Danica Pension aims for proper treatment of customers and stakeholders as well as openness and transparency in its communication. The risk is mitigated via a general high standard when handling conduct risks. Danica Pension has policies and business procedures which determine concrete requirements for business operations, and which are analysed and define Danica Pension's handling of customers, employees and other stakeholders.

Strategic risk is the risk of loss because of Danica Pension not achieving its strategic goals, regardless of it being due to internal or external conditions. This can for example be incorrect identification of risks in connection with the strategy, inadequate execution of the strategy or lack of capital to support the strategy. Danica Pension's strategic risk can, for example, be influenced by:

- the development of the Danish pension market in general, including development due to changed regulation,
- Danica Pension's market position and competitiveness, which for instance depends on prices and value proposition,
- Danica Pension's focus on social responsibility and sustainability, including various stakeholders' assessment of whether Danica Pension's efforts are sufficient, and whether the efforts – e.g., in relation to the classification of sustainable investments – meets the authorities' requirements.

SENSITIVITY INFORMATION

Sensitivity information is described on page 10 of the management's review.

Financial highlights - Danica Pension

DKKm	First half 2024	First half 2023	Full year 2023
INCOME STATEMENT			
Premiums	19.596	18.582	35.754
Claims and benefits	-16.115	-15.730	-28.679
Return on investment	26.950	15.320	35.955
Tax on pension returns	-2.740	-4.302	-729
Total operating expenses relating to insurance	-693	-649	-1.305
Profit/loss on business ceded	-14	-14	14
Technical result, Life	672	461	1.108
Gross premium income	1.408	573	1.337
Gross claims	-1.646	-1.012	-2.221
Total operating expenses relating to insurance	-72	-67	-137
Profit/loss on business ceded	-12	-16	124
Return on investment less technical interest	-12	-60	-23
Technical result of health and accident insurance	-341	-321	-924
Net profit/loss for the period	872	458	1.140
BALANCE SHEET			
Total assets	571.710	536.564	542.975
Insurance assets, health and accident insurance	166	25	164
Technical provisions, health and accident insurance	15.970	15.447	16.117
Total shareholders' equity	20.256	19.843	20.525
Provisions for insurance and investment contracts	463.196	417.371	438.912
KEY FIGURES AND RATIOS (%)			
Rate of return related to average rate products	-0,3	0,2	4,6
Rate of return related to unit-linked products	6,1	5,7	10,5
Risk on returns related to unit-linked rate products	5,25	4,75	4,75
Expenses as per cent of provisions	0,16	0,16	0,32
Expenses per policyholder (DKK)	933	860	1.742
Return on equity after tax	4,4	2,2	5,6
RATIOS FOR HEALTH AND ACCIDENT INSURANCE			
Gross claims ratio	117	135	167
Gross expense ratio	5	13	10
Combined ratio	123	150	168
Operating ratio	123	150	168
Relative run-off (%)	0,0	0,0	4,0
Run-off, net of reinsurance (DKK millions)	0	0	526

The ratios are defined in accordance with the Danish FSA's Executive Order on financial reports

Income statement - Danica Pension

Note	DKKm	First half 2024	First half 2023
2	Gross premiums	19.596	18.582
	Reinsurance premiums ceded	-26	-21
	Total premiums, net of reinsurance	19.570	18.561
	Income from group undertakings	1.139	-383
	Income from associated undertakings	122	-21
	Income from investment property	11	13
	Interest income and dividends, etc.	29.171	37.204
	Value adjustments	22.838	12.133
	Interest expenses	-25.781	-33.102
	Administrative expenses related to investment activities	-550	-524
	Total investment return	26.950	15.320
	Tax on pension returns	-2.740	-4.302
	Claims and benefits paid	-16.115	-15.730
	Reinsurers' share received	9	2
	Total claims and benefits, net of reinsurance	-16.106	-15.728
	Change in life insurance provisions	-24.888	-12.293
	Change in reinsurers' share	3	5
	Total change in life insurance provisions, net of reinsurance	-24.885	-12.288
	Change in profit margin	-896	-135
	Acquisition costs	-199	-170
	Administrative expenses	-494	-479
	Total operating expenses relating to insurance, net of reinsurance	-693	-649
	Transferred investment return	-528	-318
	TECHNICAL RESULT	672	461
3	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-341	-321
	Return on investments allocated to equity	506	460
	Other income	66	13
	PROFIT BEFORE TAX	903	613
	Tax	-31	-155
	NET PROFIT FOR THE PERIOD	872	458
	Net profit for the period	872	458
	Other comprehensive income	-	-
	TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	872	458

Balance sheet - Danica Pension

Assets

Note	DKKm	30 June 2024	31 December 2023	30 June 2023
	INTANGIBLE ASSETS	555	615	687
	Investment properties	320	354	355
	Holdings in group undertakings	22.369	24.569	24.727
	Holdings in associated undertakings	661	521	593
	Total investments in group undertakings and associates	23.030	25.090	25.320
	Holdings	23.593	20.751	22.670
	Unit trust certificates	11.864	16.265	15.335
	Bonds	112.388	115.993	113.263
	Other loans	887	753	920
	Deposits with credit institutions	10.209	3.274	4.634
	Other (derivatives)	27.249	39.185	47.999
	Total other financial investment assets	186.190	196.221	204.821
	TOTAL INVESTMENT ASSETS	209.540	221.665	230.496
	INVESTMENT ASSETS RELATED TO UNIT-LINKED PRODUCTS	350.852	311.775	294.954
	Unearned premiums provision, reinsurers' share	20	-	16
	Life insurance provisions, reinsurers' share	52	49	16
	Outstanding claims provision, reinsurers' share	146	164	9
	Total technical provisions, reinsurers' share	218	213	41
	Amounts due from policyholders	515	466	308
	Amounts due from insurance companies	138	228	67
	Amounts due from group undertakings	247	61	1.316
	Other debtors	804	584	1.460
	TOTAL DEBTORS	1.922	1.552	3.192
	Current tax assets	2.045	-	225
	Cash and cash equivalents	2.025	2.092	1.539
	TOTAL OTHER ASSETS	4.070	2.092	1.764
	Accrued interest and rent	4.247	4.760	4.977
	Other prepayments and accrued income	524	516	494
	TOTAL PREPAYMENTS AND ACCRUED INCOME	4.771	5.276	5.471
	TOTAL ASSETS	571.710	542.975	536.564

Balance sheet - Danica Pension

Liabilities and equity

Note	DKKm	30 June 2024	31 December 2023	30 June 2023
Share capital		1.101	1.101	1.101
Contingency fund		1.882	1.882	1.882
Retained earnings		17.273	16.401	16.860
Proposed dividend		-	1.141	-
TOTAL SHAREHOLDERS' EQUITY		20.256	20.525	19.843
SUBORDINATED LOAN CAPITAL		3.614	3.600	3.496
Unearned premiums provision		535	978	1.020
Life insurance provisions, average rate products		121.604	127.812	129.659
Life insurance provisions, unit-linked products		307.532	277.790	265.442
Total life insurance provisions		429.136	405.602	395.101
Profit margin on life insurance and investment contracts, average rate products		3.553	3.780	1.801
Profit margin on life insurance and investment contracts, unit-linked products		14.537	13.413	5.022
Profit margin on life insurance and investment contracts		18.090	17.193	6.823
Outstanding claims provision		14.028	13.690	13.110
Risk margin on non-life insurance contracts		1.386	1.413	1.286
Provisions for bonuses and premium discounts		21	36	31
TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS		463.196	438.912	417.371
Deferred tax		389	198	1.547
Other provisions		263	253	237
TOTAL PROVISIONS FOR LIABILITIES		652	451	1.784
Amounts owed, direct insurance		334	174	128
Amounts owed to reinsurers		29	28	27
Amounts owed to credit institutions		13.575	14.091	17.515
Amounts owed to group undertakings		1.066	1.746	1.411
Current tax liabilities		-	767	-
Other creditors		65.463	58.353	71.150
TOTAL CREDITORS		80.467	75.159	90.231
ACCRUALS AND DEFERRED INCOME		3.525	4.328	3.839
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		571.710	542.975	536.564

Statement of capital - Danica Pension

DKK m

Changes in shareholders' equity

	Share capital	Contingency fund	Retained earnings	Proposed dividend	Total
Shareholders' equity at 31 December 2023	1.101	1.882	16.401	1.141	20.525
Profit for the period	-	-	872	-	872
Dividend paid	-	-	-	-1.141	-1.141
Shareholders' equity at 30 June 2024	1.101	1.882	17.273	0	20.256
Shareholders' equity at 31 December 2022	1.101	1.882	16.402		19.385
Profit for the year	-	-	1.140	-	1.140
Proposed dividend	-	-	-1.141	1.141	0
Shareholders' equity at 31 December 2023	1.101	1.882	16.401	1.141	20.525

Danica Pension has an obligation to allocate part of the excess equity to certain policyholders of the former Statsanstalten for Livsforsikring (now a part of Danica Pension) if the percentage by which the equity exceeds the calculated capital requirement is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990. This comprises any excess either added to shareholders' equity or distributed as dividend, but it does not comprise shareholders' equity paid in after the privatisation. Special allotments to those policyholders are recognised as an expense in the income statement item "Change in life insurance provisions".

The share capital is made up of 11,010,000 shares of a nominal value of DKK 100 each. All shares carry the same rights; there is thus only one class of shares.

Notes – Danica Pension

Note

1 MATERIAL ACCOUNTING POLICY INFORMATION

The financial statements of the Parent Company, Danica Pension, are presented in accordance with the Danish Act on insurance business, including the Danish FSA's Executive Order No. 503 of 23 May 2024 on financial reports for insurance companies and multi-employer occupational pension funds.

The interim report has not been reviewed or audited. The interim report is condensed and should be read in conjunction with the annual report for 2023.

RECLASSIFICATION OF COMPARATIVE FIGURES

Comparative figures for the first half of 2023 regarding the recognition of deferred tax on pension returns have been reclassified in accordance with the information provided hereon in the annual report 2023.

As a result, an amount of DKK 2,008 million has been reclassified in the income statement. "Tax on pension returns", was increased by DKK 2,008 million. "Change in life insurance provisions", was reduced by DKK 1,935 million. "Transferred investment return", was reduced by DKK 73 million.

In the balance sheet the consequence of recognising the deferred tax on pension returns in the insurance liabilities have reduced "Total life insurance provisions" by DKK 9,367 million. Further, the item "Receivables" has been reduced by DKK 9,367 million.

Holdings in group undertakings

Investments in group undertakings are measured according to the equity method, and profit after tax are recognized under "Income from group undertakings".

Notes - Danica Pension

Note	DKKm	First half 2024	First half 2023
2	GROSS PREMIUMS, incl. payments received under investment contracts		
	Direct insurance:		
	Regular premiums	9.685	9.464
	Single premiums	10.871	9.690
	Total direct insurance	20.556	19.154
	Total gross premiums	20.556	19.154
	In the above gross premiums, premiums paid on investment contracts which are not included in the income statement constitute:		
	Regular premiums	70	67
	Single premiums	890	505
	Total premiums paid	960	572
	Total gross premiums included in the income statement	19.596	18.582
3	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE		
	Gross premiums	1.014	897
	Reinsurance premiums ceded	-48	-37
	Change in unearned premiums provision	394	-324
	Change in profit margin and risk margin	18	-58
	Change in unearned premiums provision, reinsurers' share	20	15
	Premiums, net of reinsurance	1.398	493
	Claims paid, gross	-1.417	-1.268
	Reinsurers' share received	34	8
	Change in outstanding claims provision	-229	256
	Change in risk margin	-20	315
	Change in outstanding claims provision, reinsurers' share	-18	-2
	Claims, net of reinsurance	-1.650	-691
	Bonus and premium discounts	-5	4
	Acquisition costs	-30	-28
	Administrative expenses	-42	-39
	Total operating expenses relating to insurance, net of reinsurance	-72	-67
	Return on investment	-12	-60
	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-341	-321

Notes - Danica Pension

Note	DKKm	30 June 2024	31 December 2023
4	ASSETS DEPOSITED AS COLLATERAL, CONTINGENT LIABILITIES AND CONTINGENT ASSETS		
	Assets have been deposited as collateral for policyholders' savings with a total of:	479.029	443.187
	As collateral for derivative transactions, the company has delivered bonds equal to a total fair value of	23.974	28.353
	The company has undertaken to participate in alternative investments with an amount of	15.335	14.668
	The company has provided guaranties in co-investments with an amount of	217	447
	Minimum lease payments regarding cars amount to	3	6
	The company is jointly taxed with all units in the Danske Bank Group and is jointly and severally liable for their Danish income tax, withholding tax etc.		
	The company is registered jointly with group undertakings for financial services employer tax and VAT, for which it is 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, Danica Pension is continually a party to various lawsuits. The Company does not expect the outcomes of lawsuits and disputes to have any material effect on its financial position.		
	If Danica is fully or partially successful in its complaint concerning the potential payment of additional pension returns tax on health and accident insurance regarding 2017-2024, see the mention in the management's review, Danica Pension will be able to recognise all or part of the provision for this liability as income. At 30 June 2024, the provision totals DKK 962 million including interest.		
	If Danica is not fully or partially successful in its complaint concerning the payment of additional pension returns tax on health and accident insurance regarding 2012-2016, see mention in the management's review, Danica Pension will have to recognise all or part of the receivable as an expense. At 30 June 2024, the receivable totals DKK 439 million including interest.		

Statement by the Management

The Board of Directors and the Executive Board (the management) have today considered and approved the interim financial statements of Danica Pension, Livsforsikringsaktieselskab for the six months ended 30 June 2024.

The consolidated interim report has been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and reporting requirements for listed companies in Denmark. The interim report of the Parent Company has been prepared in accordance with statutory requirements, including the Danish Financial Business Act and the Danish Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds.

In our opinion, the interim financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities, shareholders' equity and financial position at 30 June 2024 and of the results of the Group's and the Parent Company's operations and the consolidated cash flows for the six months ended 30 June 2024. Moreover, in our opinion, the management 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, 19 July 2024

Executive Board

Mads Nicolai Kaagaard
Chief Executive Officer

Thomas Dyhrberg Nielsen
Member of Executive Board

Jesper Grundvad Bjerre
Member of Executive Board

Dorte Bilsgaard
Member of Executive Board

Board of Directors

Carsten Rasch Egeriis
Chairman

Christoffer Møllenbach
Vice Chairman

Jesper Koefoed

Ib Katznelson

Linda Olsen

Christoffer Kanstrup

Kenneth Stricker-Nielsen

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