

## Satisfactory nine-month performance with attractive investment returns

*Danica Pension's financial performance for the first three quarters of 2019 was enhanced by strong investment results and by the sale of Danica Pension Sweden. Customers saw attractive returns – the market's highest, net of expenses.*

For the first three quarters of 2019, Danica Pension posted a profit before tax of DKK 2,740 million, against DKK 1,207 million in the same period of 2018. This major profit lift was primarily due to the sale of Danica Pension Sweden, which was finalised in the second quarter. Profit before tax from continuing operations, i.e. without Danica Pension Sweden, amounted to DKK 1,387 million for the first three quarters, against DKK 1,131 million for the year-earlier period, representing a 23% increase.

The performance was mainly attributable to positive investment results and the addition of Danica Pensionsforsikring (Former SEB Pension in Denmark). Conversely, the performance was weakened by non-recurring expenses related to regulatory changes (VA) combined with declining interest rates and the integration of Danica Pensionsforsikring, which mainly caused an increase in expenses in the first half.

Ole Krogh Petersen, CEO, commented on Danica Pension's interim financial statements:

"We achieved a satisfactory profit and an attractive investment return for our customers. With the integration of SEB Pension in Denmark completed, we can now present our customers with a Danica Pension that is even more competitive and in a strong position to continue to make our customers feel financially secure," said Ole Krogh Petersen.

### Attractive returns in the first three quarters

In the first three quarters of 2019, Danica Pension customers saw solid returns on their pension savings. For customers with Danica Balance Mix, the returns on their investments ranged between 9.0% for low risk and five years to retirement and 18.6% for high risk and 30 years to retirement. For customers with Danica Balance Mix, medium risk profile and 20 years to retirement, the return was 15.0%. These returns, which are net of expenses, are the market's strongest.

"We are pleased to have delivered attractive returns for our customers, which enhance the sense of financial security about their pension schemes. It is essential to look at returns over a period of several years, and we are satisfied to have provided our customers with robust, competitive net returns on their pension schemes in the period since 1 January 2016, when we introduced our new investment strategy," said Ole Krogh Petersen.

### More focus on green investments

During the third quarter, Danica Pension announced the ambition of reaching DKK 100 billion in green investments by 2030. Danica Pension's green investments currently amount to DKK 11 billion – more than a doubling this year alone.

"We believe that we can make green and sustainable investments without compromising our customers' returns, which is our key concern, of course. With our investments, we want to ensure that we leave a sustainable world for future generations. However, we also see a great financial potential in climate change mitigation, as there is an enormous demand," said Ole Krogh Petersen.

### Focus on prevention and security

Danica Pension's ambition is to provide financial security for our customers. This mainly means helping customers prevent illness and injury, but it also means helping when illness or injury occurs. As part of this ambition, Danica Pension has recently launched Danica Step Care™ – a whole new way of helping ill or injured customers, which ensures uniform treatment in all parts of the country, fast action without a doctor's referral and a more coaching approach with a single point of contact through our nationwide partners.

"Our ambition is to reduce our customers' sickness absence. Primarily for their own sake, but also for the sake of their employers and society – and it is no secret that it would also benefit our health and accident result if we are successful in this respect," Ole Krogh Petersen added.

#### Developments in premiums and the continuing integration of Danica Pensionsforsikring

Total premiums in Danica Pension's continuing operations amounted to DKK 21,836 million in the first three quarters of 2019, compared with DKK 22,101 million in the year-earlier period. The first three quarters particularly saw a decline in single premiums.

"In the past year, our focus has been on welcoming our 200,000 new customers from SEB Pension in Denmark to Danica Pension, which was a huge task. The integration of 250,000 policies is now complete, and the result is a stronger, larger and more focused Danica Pension, ready to attract new customers in the coming period," stated Ole Krogh Petersen.

DKK billions	Q1-Q3 2019	Q1-Q3 2018
Premiums, continuing operations*	21.8	22.1
Premiums in Denmark*	19.8	20.3
Return on customer funds - Danica Balance Mix, medium risk profile and 20 years to retirement (%)	15.0	1.2
Return on customer funds - Danica Pension Traditionel (%)	11.8	0.6
Return on customer funds - Danica Pension Traditionel after change in additional provisions, (%)	3.4	1.3
Result of insurance business, DKKm*	1,832	1,262
Profit before tax from continuing operations, DKKm*	1,387	1,132
Total pension assets **	442	482

\*Comprising Danica Pensionsforsikring as from takeover on 7 June 2018.

\*\*Total pension assets at 30 September 2018 comprise Danica Pension Sweden in the amount of DKK 64 billion.

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Solvency ratio disclosure			
30 September 2019	Danica Pension Livsforsikringsaktieselskab	Danica Pension Group	Danica Group
SCR (DKKm)	13.602	13.717	13.212
Solvency rate	206%	204%	196%

#### Summary of Danica's subordinated loan capital

Issuer	Danica Pension Livsforsikringsaktieselskab
Securities code (ISIN)	XS1117286580
Amount	EUR 500 m
Coupon	4.375 % p.a
Issued	29 September 2015
Matures	29 September 2045
First call date	29 September 2025
Rate of interest will reset on	29 September 2025