



*Report and
supplementary/corrective
information on the
annual report for 2014*

Danica Pension,
Livsforsikringsaktieselskab

Contents

Report	2
Supplementary/corrective information on the annual report for 2014	
- Financial highlights for Danica Pension (corrected)	4
- Financial highlights for the Danica Pension (Annual Report 2014)	5
- Income statement, assets and liabilities	6
- Statement of capital	9
- Notes to the financial statements	11
Statement and reports	15

This Report and supplementary/corrective information on the annual report for 2014 is a translation of the original report in the Danish language (Report and supplementary/corrective information on the annual report for 2014). In case of discrepancy, the Danish version prevails

Report on the annual report for 2014 of Danica Pension

Introduction

In the annual report for 2014, on page 8 of the management's report – Events after the balance sheet date, Danica Pension stated that after the end of the financial year the company had received an inquiry from the Danish FSA with regard to the calculation principles and accounting treatment of life insurance provisions for a pension scheme, referring to the information in note 20 to the financial statements, Assets deposited as collateral and contingent liabilities, p. 39.

Note 20 to the financial statements stated that Danica Pension intended to respond to the FSA's inquiry in February 2015 and that in the event the FSA came to a different conclusion in the matter, it could affect Danica Pension's recognition and measurement of the life insurance provisions in question.

Danica Pension has subsequently responded to the FSA's request for a report and during the first half of 2015 extensively discussed with the FSA the interpretation of the agreements underlying the pension scheme and the resulting accounting treatment.

As a result of these discussions, the FSA has indicated that the accounting treatment previously applied by Danica Pension is incorrect.

The discussions with the FSA have caused Danica Pension to reassess its recognition and measurement and presentation and, consequently, change its accounting policy for the pension scheme in question.

Danica Pension has therefore corrected its measurement and presentation of life insurance provisions for the pension scheme and is publishing supplementary/corrective information on the annual report for 2014.

Life insurance provisions for pension scheme

Since 2005, Danica Pension has in its life insurance provisions recognised a liability with respect to a company pension scheme for current and former Danske Bank employees.

The pension scheme comprises conditional benefit promises to the policyholders, in relation to which Danske Bank has provided a guarantee for a real investment return on the reserves in the scheme.

Since 2005, in its calculation of life insurance provisions for the pension scheme, Danica Pension has recognised expected cash flows reflecting the conditional benefit promises and a value of the related return guarantee provided by the employer.

Accordingly, the life insurance provisions for the scheme have previously been calculated at a value lower than the liability that would be calculated for an unconditional benefit promise without a return guarantee from the policyholders' employer.

As a result of the discussions with the FSA, Danica Pension has increased the life insurance provisions relating to the scheme to reflect the full benefit promise, without consideration to the fact that such benefit promises are conditional and that the scheme has a return guarantee. Moreover, Danica Pension has recognised and measured the return guarantee in relation to the pension scheme as a separate asset in the balance sheet (under Other financial investment assets).

Accordingly, Danske Bank's return guarantee is recognised as a separate asset in the balance sheet at 31 December 2014 at an estimated fair value of DKK 200 million. Also, the life insurance provisions at 31 December 2014 are increased by DKK 1,037 million.

These changes reduces the shareholders' equity at 31 December 2014 by DKK 736 million, net after tax, as the increased life insurance provisions at 31 December 2014 result in the recognition in the balance sheet of a tax receivable of DKK 228 million and a liability regarding tax on pension returns of DKK 127 million.

As a result of the changed measurement of the pension scheme, the profit for the year 2014 in the corrected income statement is increased by DKK 103 million. Corrections to prior year comparative figures are shown in the corrected financial highlights and income statements.

The accounting changes are not related to contribution and does not affect the collective bonus potential.

The statement below shows changes to the financial statement items. Where practically possible, corrections should be made for the past five years. It has been practically possible to show corrections as from 31 December 2010, and the statement comprises profit for the year, assets, liabilities and equity for all subsequent financial years. The changes will also be incorporated in the comparative figures for the interim and annual reports for 2015.

Format

Pursuant to sections 86 and 89(8) of the Executive Order on Financial Reports Presented by Insurance Companies and Lateral Pension Funds, Forsikringssselskabet Danica is required with respect to accounting errors to state in the supplementary/corrective information their nature and the amount of the effect on, and correction of, items in the balance sheet and income statement. Accordingly, Danica Pension presents both the original and the corrected figures in the income statement, balance sheet and affected notes.

The supplementary/corrective financial information should be read in conjunction with the annual report for 2014 in order to give a true and fair view of Danica Pension's assets, liabilities and financial position at 31 December 2014, and of the results of the company's operations for the financial year 2014 in accordance with the Danish Financial Business Act.

Solvency coverage ratio

As a consequence of the reduced shareholders' equity, the solvency coverage ratio of Danica Pension relative to the solvency need at 31 December 2014 is 168%, which is lower than the intended solvency coverage ratio of 175% set out in the agreement with the Ministry of Business and Growth. The Ministry of Business and Growth has been informed of this fact.

Financial highlights - Danica Pension

DKKm	Corrected 2014	Corrected 2013	Corrected 2012	Corrected 2011	Corrected 2010
INCOME STATEMENT					
Premiums	17,517	16,838	16,638	17,206	15,211
Return on investment after tax on pension returns	27,204	5,305	20,325	9,888	14,237
Claims and benefits	-23,326	-21,852	-18,144	-16,374	-16,519
Change in life insurance provisions and outstanding claims provisions	-4,432	12,541	-3,642	-4,646	-1,239
Change in collective bonus potential	-12,055	-10,634	-11,465	-6,671	-9,933
Change in provisions for unit-linked contracts	-1,482	-273	-476	1,403	1,035
Total operating expenses relating to insurance	-710	-701	-758	-824	-853
Profit/loss on business ceded	285	-43	175	269	141
Transferred return on investment	-1,198	-474	-1,069	-793	-978
Technical result, Life	1,803	707	1,584	-542	1,102
Gross premium income	868	847	848	964	1,007
Gross claims	-1,116	-994	-917	-916	-798
Total operating expenses relating to insurance	-76	-82	-98	-109	-120
Profit/loss on business ceded	-3	-6	-7	-18	-11
Return on investment less technical interest	321	176	309	283	199
Technical result of health and accident insurance	-146	-107	2	82	198
Return on investment allocated to equity, etc.	925	790	691	552	806
Profit/loss before tax	2,582	1,390	2,277	92	2,106
Tax	-580	-89	-538	-14	-443
Net profit/loss for the year	2,002	1,301	1,739	78	1,663
BALANCE SHEET					
Total assets	315,846	289,188	291,720	275,903	262,428
Insurance assets, health and accident insurance	51	93	120	143	167
Technical provisions, health and accident insurance	8,873	8,176	8,291	7,865	7,597
Total shareholders' equity	20,031	18,537	18,015	18,498	18,447
Provisions for insurance and investment contracts	274,101	255,906	258,053	243,047	233,433
Collective bonus potential	2,450	1,125	851	375	1,740
KEY FIGURES AND RATIONS (%)					
Return before tax on pension returns	12.7	-0.1	8.6	6.1	5.6
Return before tax on pension returns on equity funds	2.0	1.9	1.8	1.3	2.9
Return before tax on pension returns on customer funds	14.0	-0.2	9.2	6.8	5.8
Expenses as per cent of premiums	3.9	4.0	4.5	4.7	5.5
Expenses as per cent of provisions	0.3	0.3	0.4	0.4	0.4
Expenses per policyholder (DKK)	1,139	1,086	1,135	1,212	1,233
Cost result	-0.05	-0.02	-0.03	-0.02	-0.01
Insurance risk result	0.02	0.00	0.01	-0.01	0.04
Bonus rate	2.0	0.8	0.6	0.2	1.1
Owners' capital ratio	16.2	13.8	12.0	11.7	13.3
Excess core capital ratio	7.7	7.2	5.6	5.9	8.2
Solvency ratio	215	221	197	212	270
Return on equity before tax	13.4	7.6	12.0	0.5	12.0
Return on equity after tax	10.4	7.1	9.1	0.4	9.4
Return on customer funds after deduction of expenses before tax	11.7	-1.1	8.2	6.0	3.5
Return on subordinated debt before tax	-	-	-	1.7	1.4
RATIOS FOR HEALTH AND ACCIDENT INSURANCE					
Gross claims ratio	136	123	119	105	87
Gross expense ratio	9	10	13	13	13
Combined ratio	145	134	133	119	101
Operating ratio	164	135	143	124	100
Relative run-off	-2.3	0.0	0.0	0.5	1.5
Run-off, net of reinsurance (DKK millions)	-175	0	0	35	100
RATE OF INTEREST ON POLICYHOLDERS' SAVINGS (%)					
Rate of interest on policyholders' savings before tax on pension returns	1.8	1.8	1.8	3.0	3.3
Rate of interest on policyholders' savings after tax on pension returns	1.5	1.5	1.5	2.5	2.8
The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.					
* From 2011, information on the interest rate on policyholders' savings comprises the new business group					

Financial highlights - Danica Pension

DKKm	Originally 2014	Originally 2013	Originally 2012	Originally 2011	Originally 2010
INCOME STATEMENT					
Premiums	17,517	16,838	16,638	17,206	15,211
Return on investment after tax on pension returns	26,986	5,282	20,326	9,955	14,237
Claims and benefits	-23,326	-21,852	-18,144	-16,374	-16,519
Change in life insurance provisions and outstanding claims provisions	-4,348	12,392	-3,633	-4,207	-1,239
Change in collective bonus potential	-12,055	-10,634	-11,465	-6,671	-9,933
Change in provisions for unit-linked contracts	-1,482	-273	-476	1,403	1,035
Total operating expenses relating to insurance	-710	-701	-758	-824	-853
Profit/loss on business ceded	285	-43	175	269	141
Transferred return on investment	-1,180	-451	-1,070	-860	-978
Technical result, Life	1,687	558	1,593	-103	1,102
Gross premium income	868	847	848	964	1,007
Gross claims	-1,116	-994	-917	-916	-798
Total operating expenses relating to insurance	-76	-82	-98	-109	-120
Profit/loss on business ceded	-3	-6	-7	-18	-11
Return on investment less technical interest	321	176	309	283	199
Technical result of health and accident insurance	-146	-107	2	82	198
Return on investment allocated to equity, etc.	907	767	692	619	806
Profit/loss before tax	2,448	1,218	2,287	598	2,106
Tax	-549	-49	-540	-133	-443
Net profit/loss for the year	1,899	1,169	1,747	465	1,663
BALANCE SHEET					
Total assets	315,579	288,929	291,720	275,903	262,428
Insurance assets, health and accident insurance	51	93	120	143	167
Technical provisions, health and accident insurance	8,873	8,176	8,291	7,865	7,597
Total shareholders' equity	20,767	19,376	18,986	19,461	19,023
Provisions for insurance and investment contracts	273,064	254,953	256,951	241,954	232,779
Collective bonus potential	2,450	1,125	851	375	1,740
KEY FIGURES AND RATIOS (%)					
Return before tax on pension returns	12.7	-0.1	8.6	6.1	5.6
Return before tax on pension returns on equity funds	1.9	1.8	1.8	1.7	3.3
Return before tax on pension returns on customer funds	14.0	-0.2	9.2	6.8	5.8
Expenses as per cent of premiums	3.9	4.0	4.5	4.7	5.5
Expenses as per cent of provisions	0.3	0.3	0.4	0.4	0.4
Expenses per policyholder (DKK)	1,139	1,086	1,135	1,212	1,233
Cost result	-0.05	-0.02	-0.03	-0.02	-0.01
Insurance risk result	0.02	0.00	0.01	-0.01	0.04
Bonus rate	2.0	0.8	0.6	0.2	1.1
Owners' capital ratio	16.8	14.4	12.7	12.3	13.6
Excess core capital ratio	8.3	7.8	6.2	6.6	8.6
Solvency ratio	225	232	209	225	278
Return on equity before tax	12.2	6.3	11.4	3.1	11.6
Return on equity after tax	9.4	6.1	8.7	2.4	9.1
Return on customer funds after deduction of expenses before tax	11.7	-1.1	7.7	6.1	4.6
Return on subordinated debt before tax	-	-	-	1.7	1.4
RATIOS FOR HEALTH AND ACCIDENT INSURANCE					
Gross claims ratio	136	123	119	105	87
Gross expense ratio	9	10	13	13	13
Combined ratio	145	134	133	119	101
Operating ratio	164	135	143	124	100
Relative run-off	-2.3	0.0	0.0	0.5	1.5
Run-off, net of reinsurance (DKK millions)	-175	0	0	35	100
RATE OF INTEREST ON POLICYHOLDERS' SAVINGS (%)					
Rate of interest on policyholders' savings before tax on pension returns	1.8	1.8	1.8	3.0	3.3
Rate of interest on policyholders' savings after tax on pension returns	1.5	1.5	1.5	2.5	2.8
The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.					
* From 2011, information on the interest rate on policyholders' savings comprises the new business group					

Income statement - Danica Pension

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
	Gross premiums	17,517	17,517	0	16,838	16,838	0
	Reinsurance premiums ceded	-5	-5	0	-15	-15	0
	Total premiums, net of reinsurance	17,512	17,512	0	16,823	16,823	0
	Income from group undertakings	1,339	1,339	0	1,124	1,124	0
	Income from associates	-4	-4	0	-	-	0
	Income from investment properties	5	5	0	5	5	0
	Interest income and dividends, etc.	5,313	5,313	0	6,286	6,286	0
	Market value adjustments of investments	25,723	25,923	200	-825	-825	0
	Interest expenses	-576	-576	0	-302	-302	0
	Administrative expenses related to investment activities	-553	-553	0	-402	-402	0
	Total investment return	31,247	31,447	200	5,886	5,886	0
	Tax on pension returns	-4,261	-4,243	18	-604	-581	23
	Return on investment after tax on pension returns	26,986	27,204	218	5,282	5,305	23
	Claims and benefits paid	-23,326	-23,326	0	-21,852	-21,852	0
	Reinsurers' share received	96	96	0	109	109	0
	Change in outstanding claims provision	21	21	0	-5	-5	0
	Total claims and benefits, net of reinsurance	-23,209	-23,209	0	-21,748	-21,748	0
2	Change in life insurance provisions	-4,369	-4,453	-84	12,397	12,546	149
	Change in reinsurers' share	194	194	0	-137	-137	0
	Total change in life insurance provisions, net of reinsurance	-4,175	-4,259	-84	12,260	12,409	149
	Change in collective bonus potential	-1,482	-1,482	0	-273	-273	0
	Total bonus	-1,482	-1,482	0	-273	-273	0
	Change in provisions for unit-linked contracts	-12,055	-12,055	0	-10,634	-10,634	0
	Total change in provisions for unit-linked contracts, net of reinsurance	-12,055	-12,055	0	-10,634	-10,634	0
	Acquisition costs	-100	-100	0	-120	-120	0
	Administrative expenses	-627	-627	0	-605	-605	0
	Omkostningsrefusion fra tilknyttede virksomheder	17	17	0	24	24	0
	Reinsurance commissions and profit sharing			0			0
	Total operating expenses relating to insurance, net of reinsuranc	-710	-710	0	-701	-701	0
	Transferred investment return	-1,180	-1,198	-18	-451	-474	-23
	TECHNICAL RESULT OF LIFE INSURANCE	1,687	1,803	116	558	707	149
	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-146	-146	0	-107	-107	0
	Return on investment allocated to equity	318	336	18	293	316	23
	Other income	589	589	0	474	474	0
	PROFIT BEFORE TAX	2,448	2,582	134	1,218	1,390	172
	Tax	-549	-580	-31	-49	-89	-40
	NET PROFIT FOR THE YEAR	1,899	2,002	103	1,169	1,301	132
	Net profit for the year	1,899	2,002	103	1,169	1,301	132
	Other comprehensive income:						
	Translation of units outside Denmark	-42	-42	0	-67	-67	0
	Hedges of units outside Denmark	32	32	0	51	51	0
	Tax relating to other comprehensive income	-8	-8	0	-13	-13	0
	Total other comprehensive income	-18	-18	0	-29	-29	0
	NET COMPREHENSIVE INCOME FOR THE YEAR	1,881	1,984	103	1,140	1,272	132

Balance sheet - Danica Pension

Assets

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
	INTANGIBLE ASSETS	182	182	0	196	196	0
	Investment properties	275	275	0	275	275	0
	Holdings in group undertakings	23,340	23,340	0	22,065	22,065	0
	Loans to group undertakings	79	79	0	84	84	0
	Total investments in group undertakings and associates	23,419	23,419	0	22,149	22,149	0
	Holdings	11,118	11,118	0	7,409	7,409	0
	Unit trust certificates	34,420	34,420	0	46,775	46,775	0
	Bonds	115,096	115,096	0	108,037	108,037	0
	Other loans	1,315	1,315	0	674	674	0
	Deposits with credit institutions	8,159	8,159	0	9,306	9,306	0
	Other	18,080	18,280	200	3,957	3,957	0
	Total other financial investment assets	188,188	188,388	200	176,158	176,158	0
	TOTAL INVESTMENT ASSETS	211,882	212,082	200	198,582	198,582	0
	UNIT-LINKED INVESTMENT ASSETS	96,467	96,467	0	83,100	83,100	0
	Unearned premiums provision, reinsurers' share	5	5	0	5	5	0
	Life insurance provisions, reinsurers' share	2,116	2,116	0	1,922	1,922	0
	Outstanding claims provision, reinsurers' share	46	46	0	88	88	0
	Total technical provisions, reinsurers' share	2,167	2,167	0	2,015	2,015	0
	Amounts due from policyholders	675	675	0	459	459	0
	Amounts due from insurance companies	317	317	0	353	353	0
	Tilgodehavender hos tilknyttede virksomheder	27	27	0	236	236	0
	Other debtors	519	519	0	1,043	1,043	0
	TOTAL DEBTORS	3,705	3,705	0	4,106	4,106	0
	Current tax assets	-	67	67	18	277	259
	Cash and cash equivalents	786	786	0	581	581	0
	TOTAL OTHER ASSETS	786	853	67	599	858	259
	Accrued interest and rent	2,142	2,142	0	1,932	1,932	0
	Other prepayments and accrued income	415	415	0	414	414	0
	TOTAL PREPAYMENTS AND ACCRUED INCOME	2,557	2,557	0	2,346	2,346	0
	TOTAL ASSETS	315,579	315,846	267	288,929	289,188	259

Balance sheet - Danica Pension

Liabilities and equity

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
	Share capital	1,100	1,100	0	1,100	1,100	0
	Contingency fund	1,499	1,499	0	1,499	1,499	0
	Retained earnings	16,269	15,533	-736	16,287	15,448	-839
	Proposed dividend	1,899	1,899	0	490	490	0
	TOTAL SHAREHOLDERS' EQUITY	20,767	20,031	-736	19,376	18,537	-839
	Unearned premiums provision	476	476	0	536	536	0
	Guaranteed benefits	161,187	162,224	1,037	152,517	153,470	953
	Bonus potential of future premiums	2,689	2,689	0	5,670	5,670	0
	Bonus potential of paid-up policies	862	862	0	3,859	3,859	0
2	Total life insurance provisions	164,738	165,775	1,037	162,046	162,999	953
	Outstanding claims provision	8,577	8,577	0	7,854	7,854	0
	Collective bonus potential	2,450	2,450	0	1,125	1,125	0
	Provisions for bonuses and premium discounts	90	90	0	94	94	0
	Provisions for unit-linked contracts	96,733	96,733	0	83,298	83,298	0
	TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	273,064	274,101	1,037	254,953	255,906	953
	Deferred tax	1,463	1,463	0	1,544	1,544	0
	TOTAL PROVISIONS FOR LIABILITIES	1,463	1,463	0	1,544	1,544	0
	Amounts owed, direct insurance	317	317	0	54	54	0
	Amounts owed to credit institutions	7,153	7,153	0	8,682	8,682	0
	Amounts owed to group undertakings	82	82	0	57	57	0
	Current tax liabilities	161	0	-161	-	-	0
	Other creditors	12,035	12,162	127	3,882	4,027	145
	TOTAL CREDITORS	19,748	19,714	-34	12,675	12,820	145
	OTHER ACCRUALS AND DEFERRED INCOME	537	537	0	381	381	0
	TOTAL LIABILITIES AND EQUITY	315,579	315,846	267	288,929	289,188	259

Statement of capital - Danica Pension

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Changes in shareholders' equity						
Share capital:						
Shareholders' equity, beginning of year	1,100	1,100	0	1,100	1,100	0
Shareholders' equity, end of year	1,100	1,100	0	1,100	1,100	0
Foreign currency translation reserve *:						
Shareholders' equity, beginning of year	-8	-8	0	8	8	0
Other comprehensive income:						
Translation of units outside Denmark	-42	-42	0	-67	-67	0
Hedges of units outside Denmark	32	32	0	51	51	0
Tax relating to other comprehensive income	-8	-8	0	-	-	0
Total other comprehensive income	-18	-18	0	-16	-16	0
Comprehensive income for the year	-18	-18	0	-16	-16	0
Shareholders' equity, end of year	-26	-26	0	-8	-8	0
Contingency fund						
Shareholders' equity, beginning of year	1,499	1,499	0	1,499	1,499	0
Shareholders' equity, end of year	1,499	1,499	0	1,499	1,499	0
Retained earnings:						
Shareholders' equity, beginning of year	16,295	15,456	-839	15,629	14,658	-971
Profit for the year	1,899	2,002	103	1,169	1,301	132
Other comprehensive income:						
Tax on other comprehensive income	-	-	0	-13	-13	0
Total other comprehensive income	-	-	0	-13	-13	0
Comprehensive income for the year	1,899	2,002	103	1,156	1,288	132
Proposed dividend **	-1,899	-1,899	0	-490	-490	0
Shareholders' equity, end of year	16,295	15,559	-736	16,295	15,456	-839
Proposed dividend:						
Shareholders' equity, beginning of year	490	490	0	750	750	0
Dividend paid	-490	-490	0	-750	-750	0
Proposed dividend **	1,899	1,899	0	490	490	0
Shareholders' equity, end of year	1,899	1,899	0	490	490	0
Total:						
Shareholders' equity, beginning of year	19,376	18,537	-839	18,986	18,015	-971
Profit for the year	1,899	2,002	103	1,169	1,301	132
Other comprehensive income:						
Translation of units outside Denmark	-42	-42	0	-67	-67	0
Hedges of units outside Denmark	32	32	0	51	51	0
Tax on other comprehensive income	-8	-8	0	-13	-13	0
Total other comprehensive income	-18	-18	0	-29	-29	0
Comprehensive income for the year	1,881	1,984	103	1,140	1,272	132
Dividend paid	-490	-490	0	-750	-750	0
Proposed dividend **	0	0	0	0	0	0
Shareholders' equity, end of year	20,767	20,031	-736	19,376	18,537	-839

* Recognised in the balance sheet under other reserves.

** The dividend amounts to DKK 172.67 per share (2013: DKK 44.50). The line shows the effect on shareholders' equity at year end.

Danica Pension has an obligation to allocate part of the excess equity to certain policyholders of Statsanstalten for Livsforsikring (now part of Danica Pension) the percentage by which the equity exceeds the required capital base is higher than the percentage that had been maintained by Statsanstalten for Livsforsikring prior to the privatisation of this company in 1990.

Danica Pension is comprised by the agreement between the Danish Insurance Association and the Danish Ministry of Business and Growth to maintain a minimum solvency coverage ratio of 175% relative to the higher of the solvency requirement and the solvency need. The agreement will be terminated once the industry and the Ministry of Business and Growth have agreed how best to incorporate the final technical assumptions of Solvency II in the yield curve, however not later than 1 January 2016.

Statement of capital - Danica Pension

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Solvency requirement and capital base						
Shareholders' equity	20,767	20,031	-736	19,376	18,537	-839
Proportionate share of capital base of insurance subsidiaries	441	441	0	411	411	0
- Value of proportionate share	-506	-506	0	-449	-449	0
Core capital	20,702	19,966	-736	19,338	18,499	-839
- Proposed dividend	-1,899	-1,899	0	-490	-490	0
- Intangible assets	-182	-182	0	-196	-196	0
- Proportionate share of capital requirement of insurance subsidiaries	-114	-114	0	-116	-116	0
Reduced core capital	18,507	17,771	-736	18,536	17,697	-839
Capital base	18,507	17,771	-736	18,536	17,697	-839
Solvency requirement for life insurance	7,948	7,989	41	7,681	7,719	38
Solvency requirement for health and accident insurance	295	295	0	295	295	0
Total solvency requirement	8,243	8,284	41	7,976	8,014	38
Excess capital base	10,264	9,487	-777	10,560	9,683	-877

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

Notes - Danica Pension

Note DKKm

- 1 BASIS FOR SUPPLEMENTARY/CORRECTIVE INFORMATION ON THE ANNUAL REPORT FOR 2014
As a result of discussions with the FSA on the calculation principles and accounting treatment of life insurance provisions for a pension scheme, supplementary/corrective information on the annual report for 2014 has been prepared.

The corrections concerning the pension scheme concern the following:

- The presentation of life insurance provisions and the return guarantee provided in relation hereto
- The accounting method used to measure the life insurance provisions

See the first three paragraphs of the introduction on pages 2-3 for a more detailed description of the corrections made.

The supplementary/corrective financial information should be read in conjunction with the annual report for 2014 in order to give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2014, and of the results of the Group's and the parent company's operations for the financial year 2014 in accordance with the Danish Financial Business Act.

Other than the corrections, the accounting policies are consistent with those applied in the financial statements for 2014, to which reference is made

Notes - Danica Pension

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
2	CHANGE IN LIFE INSURANCE PROVISIONS, GROSS						
	Provisions, beginning of year	162,046	162,999	953	182,135	183,237	1,102
	Accumulated value adjustment, beginning of year	-27,338	-28,291	-953	-32,515	-33,617	-1,102
	Retrospective provisions, beginning of year	134,708	134,708	0	149,620	149,620	0
	Changes during the period:						
	Gross premiums	4,281	4,281	0	4,991	4,991	0
	Interest added	2,293	2,293	0	4,085	4,085	0
	Claims and benefits	-15,438	-15,438	0	-15,985	-15,985	0
	Expense supplement after addition of expense bonus	-425	-425	0	-459	-459	0
	Risk gain after addition of risk bonus	-37	-37	0	-9	-9	0
	Special allotments	81	81	0	157	157	0
	Total changes	-9,245	-9,245	-	-7,220	-7,220	-
	Other changes:						
	Transfer of provisions	-1,604	-1,604	0	-7,683	-7,683	0
	Change in quota share, Forenede Gruppeliv	-73	-73	0	-9	-9	0
	Other	186	186	0	-	-	0
	Total other changes	-1,491	-1,491	-	-7,692	-7,692	-
	Retrospective provisions, end of year	123,972	123,972	-	134,708	134,708	-
	Accumulated value adjustment, end of year	40,766	41,803	1,037	27,338	28,291	953
	Life insurance provisions, end of year	164,738	165,775	1,037	162,046	162,999	953
	Change in gross life insurance provisions consists of:						
	Change in retrospective provisions	-9,245	-9,245	-	-7,220	-7,220	-
	Change in accumulated value adjustment	13,614	13,698	84	-5,177	-5,326	-149
	Change in gross life insurance provisions	4,369	4,453	84	-12,397	-12,546	-149
	Change in gross life insurance provisions consists of:						
	Change in guaranteed benefits	10,347	10,431	84	-14,448	-14,597	-149
	Change in bonus potential of future premiums	-2,982	-2,982	0	418	418	0
	Change in bonus potential of paid-up policies	-2,996	-2,996	0	1,633	1,633	0
	Change in gross life insurance provisions	4,369	4,453	84	-12,397	-12,546	-149
	Increase in provisions because the bonus potential of future premiums and paid-up policies must be positive for each policy:						
	Bonus potential of future premiums	425	425	0	148	148	0
	Bonus potential of paid-up policies	38,583	38,583	0	25,372	25,372	0
	Reduction of bonus potential of paid-up policies on allocation of technical basis for risk allowance	312	312	0	-78	-78	0
	Bonus potential of paid-up policies used on allocation of technical basis for risk allowance	0	0	0	312	312	0
	Bonus potential of paid-up policies can generally be used to cover losses. However, on certain policies it can only be used partially due to a guaranteed surrender value.						
	Total bonus potential of paid-up policies, before reduction re. technical basis for risk allowance	862	862	0	4,170	4,170	0
	Total bonus potential of paid-up policies available to cover losses	768	768	0	3,990	3,990	0
	Guaranteed benefits are calculated taking into account conversions of policies into paid-up policies and surrenders. A surrender rate of 2% p.a. is used for policies under the old surrender rules, where benefits are not being paid. Also a probability rate of 4% p.a. of conversion into paid-up policy is used, based on experience from Danica Pension's portfolio.						
	The effect on guaranteed benefits amounts to	-38	-38	0	1,198	1,198	0

Notes - Danica Pension

Note DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
2						
fortsat						
Life insurance provisions break down as follows by sub-portfolio						
Non allocated:						
Guaranteed benefits	4,950	4,950	0	5,217	5,217	0
Total life insurance provisions	4,950	4,950	0	5,217	5,217	0
Interest rate group 1:						
Guaranteed benefits	39,641	39,641	0	36,373	36,373	0
Bonus potential of future premiums	2,217	2,217	0	4,672	4,672	0
Bonus potential of paid-up policies	588	588	0	3,364	3,364	0
Total life insurance provisions	42,446	42,446	0	44,409	44,409	0
Interest rate group 2:						
Guaranteed benefits	21,188	21,188	0	20,058	20,058	0
Bonus potential of future premiums	232	232	0	589	589	0
Bonus potential of paid-up policies	130	130	0	307	307	0
Total life insurance provisions	21,550	21,550	0	20,954	20,954	0
Interest rate group 3:						
Guaranteed benefits	15,651	15,893	242	14,006	14,230	224
Bonus potential of future premiums	69	69	0	158	158	0
Bonus potential of paid-up policies	88	88	0	108	108	0
Total life insurance provisions	15,808	16,050	242	14,272	14,496	224
Interest rate group 4:						
Guaranteed benefits	79,757	80,552	795	76,863	77,592	729
Bonus potential of future premiums	171	171	0	251	251	0
Bonus potential of paid-up policies	56	56	0	80	80	0
Total life insurance provisions	79,984	80,779	795	77,194	77,923	729
Total:						
Guaranteed benefits	161,187	162,224	1,037	152,517	153,470	953
Bonus potential of future premiums	2,689	2,689	0	5,670	5,670	0
Bonus potential of paid-up policies	862	862	0	3,859	3,859	0
Total life insurance provisions	164,738	165,775	1,037	162,046	162,999	953

Notes - Danica Pension

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
3	RELATED PARTIES						
	Forsikringselskabet Danica, domiciled in Copenhagen, Denmark, wholly owns the share capital of Danica Pension and thus exercises control. Danske Bank A/S domiciled in Copenhagen is the final owner.						
	Transactions with related parties are settled on an arm's-length basis or on a cost-recovery basis. The company's IT operations and development, internal audit, HR administration, logistics, marketing and the like are handled by Danske Bank. Danske Bank also handles portfolio management and securities trading.						
	Danica Pension entered into the following significant transactions and balances with other companies in the Danske Bank Group.						
	It operations and development	-200	-200	0	-185	-185	0
	Other administration	-30	-30	0	-31	-31	0
	Commission for insurance sales and portfolio management corresponding to 2.0% of the gross premiums sold through through Danske Bank Group (2.7% in 2013)	-84	-84	0	-95	-95	0
	Ordinary portfolio management fee corresponding to 0.13 % of the assets under management (0.12 % in 2013)	-165	-165	0	-160	-160	0
	Performance fee for portfolio management	-134	-134	0	-3	-3	0
	Total net custody fees and brokerage for trades in holdings and the like	-35	-35	0	-44	-44	0
	Interest income	943	943	0	967	967	0
	Interest expenses	-326	-326	0	-164	-164	0
	The insurance companies in the Danica group are managed by Danica Pension, which settles expenses with the companies managed on an arm's-length or a cost reimbursement basis.						
	Furthermore, the Danica Group manages the labour market pension schemes of the Danske Bank Group and its related parties. Under one of these schemes, Danske Bank has guaranteed Danica Pension a real return on the policy reserves allocated to the scheme of 3.5% p.a. Danske Bank will compensate Danica Pension should the accumulated investment return be lower than this percentage. The value of this is recognised in the item Other under Other financial investment assets.	0	200	200	0	0	0

STATEMENT BY THE MANAGEMENT

On the basis of the Danish FSA's inquiry and subsequent discussions with the FSA with regard thereto, the management has prepared supplementary/corrective information on the annual report for 2014.

The supplementary/corrective information should be read in conjunction with the annual report for 2014 in order to give a true and fair view of the company's assets, liabilities and financial position at 31 December 2014, and of the results of the company's operations for the financial year 2014 in accordance with the Danish Financial Business Act.

We have today considered and approved the supplementary/corrective information on the annual report for 2014.

Copenhagen, 22 July 2015

Executive Board

Per Klitgård
CEO

Jacob Aarup-Andersen

Jesper Winkelmann

Anders Hjelmsø Svennesen

Board of Directors

Thomas F. Borgen
Chairman

Henrik Ramlau-Hansen
Deputy Chairman

Kim Andersen

Thomas Falck

Thomas Mitchell

Charlott Due Pihl

Ib Katznelsson

Peter Rostrup-Nielsen

Malene Stadil

Per Søgaard

INTERNAL AUDIT'S REPORT

To the shareholders of Danica Pension, Livsforsikringsaktieselskab

We have audited the supplementary/corrective information on the consolidated and parent company financial statements for 2014, pages 4-14, of Danica Pension, Livsforsikringsaktieselskab.

Management's responsibility

Management is responsible for presenting supplementary/corrective information on the consolidated and parent company financial statements for 2014, prepared in accordance with discussions with the Danish FSA. Management is also responsible for such internal control as management determines is necessary to enable the preparation of supplementary/corrective information that is free from material misstatement, whether due to fraud or error.

Basis of opinion

We conducted our audit in accordance with the FSA's Executive Order on Auditing Financial Undertakings etc. as well as Financial Groups and in accordance with International Standards on Auditing. This requires that we plan and perform the audit to obtain reasonable assurance as to whether the supplementary/corrective information on the financial statements for 2014 is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the supplementary/corrective information on the consolidated and parent company financial statements for 2014. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the supplementary/corrective information, whether due to fraud or error. In making this risk assessment, the auditor considers internal controls in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the supplementary/corrective information on the consolidated and parent company financial statements for 2014.

Our work solely comprised an audit of the corrected recognition and measurement of life insurance provisions for a specific company pension scheme, as measured, recognised and presented in the supplementary/corrective information on the consolidated and parent company financial statements for 2014.

Our work did not comprise any other procedures with respect to the consolidated and parent company financial statements for 2014, on which we issued an auditors' report on 3 February 2015.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the supplementary/corrective information on the consolidated and parent company financial statements for 2014 has in all material respects been prepared in accordance with the discussions with the FSA.

Copenhagen, 22 July 2015

Dorthe Tolborg
Group Chief Auditor

INDEPENDENT AUDITOR'S REPORT ON SUPPLEMENTARY/CORRECTIVE INFORMATION ON THE ANNUAL REPORT FOR 2014

To the shareholders of Danica Pension, Livsforsikringsaktieselskab

We have audited the supplementary/corrective information on the annual report for 2014, pages 4-14, of Danica Pension, Livsforsikringsaktieselskab. The supplementary/corrective information was prepared in accordance with discussions with the Danish FSA.

Management's responsibility

Management is responsible for preparing supplementary/corrective information on the annual report for 2014.

Management is also responsible for such internal control as management determines is necessary to enable the preparation of supplementary/corrective information on the annual report for 2014 that is free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the supplementary/corrective information on the annual report for 2014 based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the supplementary/corrective information on the annual report for 2014 is free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the supplementary/corrective information on the annual report for 2014. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the supplementary/corrective information on the annual report for 2014, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to management's preparation of supplementary/corrective information on the annual report for 2014 that are free from material misstatement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organisation's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as the overall presentation of the supplementary/corrective information on the annual report for 2014.

Our work solely comprised an audit of the recognition and presentation of the calculation of life insurance provisions for a pension scheme, as measured, recognised and presented in the supplementary/corrective information on the annual report for 2014 in accordance with discussions with the FSA.

Our work did not comprise any other procedures with respect to the annual report for 2014, on which we issued an unqualified auditors' report on 3 February 2015. Accordingly, we have not carried out any audit procedures regarding the period after 3 February 2015.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the supplementary/corrective information on the annual report for 2014 has in all material respects been prepared in accordance with the discussions with the FSA.

Copenhagen, 22. juli 2015

ERNST & YOUNG
Godkendt Revisionspartnerselskab

Ole Karstensen
State-authorized public accountant

Address

Danica Pension,
Livsforsikringsaktieselskab
Parallelvej 17
DK-2800 Kgs. Lyngby, Denmark

Telephone: (+45) 70 11 25 25

Fax: (+45) 45 14 96 16

www.danicapension.dk

Company Registration No.

CVR 24256146

Contact: *Jens Christian Nielsen, Chief Economist*