

## Satisfactory start to 2018 for Danica Pension

*Danica Pension's profit before tax for the first quarter of 2018 was DKK 335 million. Equity market uncertainty had an adverse effect on investment results and profit before tax. The technical result was satisfactory and on a par with the first quarter of 2017.*

Profit before tax for the first quarter of 2018 was DKK 335 million. For the first quarter of 2017, profit before tax was DKK 515 million. The result of insurance business for the first quarter of 2018 amounted to DKK 452 million, in line with the same period last year. Result of insurance business is the technical result without the effect of investment returns.

“We report a satisfactory start to 2018. Premiums continued to grow, reflecting our customers’ confidence in us – a confidence that we will honour by continually striving to make pensions relevant to our customers and something they can feel confident about”, says Per Klitgård, CEO of Danica Pension.

### **Increase in premiums**

For the first quarter of 2018, total premiums amounted to DKK 12.9 billion, an increase of DKK 1.5 billion, or 14%, relative to the same period of 2017. In Denmark, premiums declined 4% due to an extraordinary, non-recurring transfer of a scheme in the first quarter of 2017. Regular premiums in Denmark grew 2%. In Norway, premiums were down 13%, whereas in Sweden they were up 54%.

“Once again, the Group experienced significant growth in premiums, driven in particular by strong growth in Sweden. In Denmark, we consolidated last year’s strong growth, and even saw an increase in regular premiums, which is satisfactory,” says Per Klitgård.

### **Volatile equity markets**

For the first quarter of 2018, pension returns were negative for Danica Pension’s Danish customers. This was due to equity market uncertainty, leading to general price falls.

Customers with Danica Balance, medium risk and with 20 years to retirement saw a negative return of 3.1% for the first quarter. The negative return was a reflection of the general price drops in the markets.

“The long-term returns are what is important, and we remain confident of a moderate positive return for the full year. We are satisfied that we have the right long-term strategy, portfolio and team. It is also worth noting that the losses in the first three months of the year followed on the back of several years of strong positive returns that have improved our customers’ purchasing power,” explains Per Klitgård.

### **Changes on the way**

Danica Pension is awaiting the authorities’ approval of the acquisition of SEB Pension.

“We are anticipating the authorities’ approval so that we can begin the process of integrating SEB Pension’s customers and employees in Danica Pension. We are convinced that this will strengthen our ability to develop even better and more innovative solutions for our customers in the future,” says Per Klitgård.

## Financial highlights for the Danica Group

(DKK billions)	First quarter 2018	First quarter 2017
Premiums	12.9	11.4
Premiums in Denmark	6.6	7.0
Return on customer funds - Unit-linked (%)	-2.5	3.6
Return on customer funds - Traditional (%)	-0.2	0.0
Return on customer funds after change in additional provisions, (%)*	-0.4	0.5
Expenses as percent of net assets in Denmark	0.06	0.07
Technical result (DKK m)	452	453
Profit before tax (DKK m)	335	515
Total pension savings (total assets) (DKK bn)	415	409
Bonus reserve (%)*	5.4	6.2
Additional provisions*	39.1	38.2

\* Applies to Danica Traditional customers only.

## For additional information, please contact:

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Solvency ratio disclosure			
31 March 2018	Danica Pension Livsforsikringsaktieselskab	Danica Pension Group	Danica Group
SCR (DKKm)	10.304	11.179	10.744
Solvency rate	242%	223%	222%

#### 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