



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

Forsikringselskabet Danica,
Skadeforsikringselskab af 1999

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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 Forsikringssselskabet Danica

Introduction

In the annual report for 2014, on page 8 of the management's report – Events after the balance sheet date, Forsikringssselskabet Danica stated that after the end of the financial year the Group 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. 42.

Note 20 to the financial statements stated that Forsikringssselskabet Danica 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.

Forsikringssselskabet Danica 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 Forsikringssselskabet Danica is incorrect.

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

Forsikringssselskabet Danica 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 for the Group and for the parent company. All corrections arise from corrections in the subsidiary Danica Pension.

Life insurance provisions for pension scheme

Since 2005, Forsikringssselskabet Danica 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, Forsikringssselskabet Danica 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, Forsikringssselskabet Danica has increased the Group's 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, in its consolidated financial statements, Forsikringssselskabet Danica 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 consolidated balance sheet at 31 December 2014 at an estimated fair value of DKK 200 million. Also, the Group's life insurance provisions at 31 December 2014 are increased by DKK 1,037 million.

These changes reduces the shareholders' equity of the Group and the parent company 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 consolidated 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 parent company and consolidated 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, for the Group and the parent company, Forsikringssselskabet Danica 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 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.

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 Group

DKKm	Corrected 2014	Corrected 2013	Corrected 2012	Corrected 2011	Corrected 2010
INCOME STATEMENT					
Life insurance					
Premiums	19.429	18.943	18.662	19.169	16.936
Return on investment after tax on pension returns	31.219	9.754	23.146	7.712	15.722
Claims and benefits	-23.989	-22.412	-18.800	-16.663	-16.715
Change in life insurance provisions and outstanding claims provisions	-4.458	12.494	-3.193	-4.498	-1.131
Change in collective bonus potential	-1.487	-275	-477	1.403	1.035
Change in provisions for unit-linked contracts	-16.576	-15.970	-15.541	-5.764	-12.570
Total operating expenses relating to insurance	-1.079	-1.073	-1.117	-1.203	-1.143
Profit/loss on business ceded	284	-52	168	266	131
Transferred return on investment	-1.255	-488	-1.138	-879	-1.120
Technical result, Life	2.088	921	1.710	-457	1.145
Health and accident insurance					
Gross premium income	1.304	1.307	1.306	1.427	1.457
Gross claims	-1.519	-1.385	-1.311	-1.243	-1.123
Total operating expenses relating to insurance	-112	-123	-143	-162	-183
Profit/loss on business ceded	-8	-9	-8	-9	-23
Return on investment less technical interest	330	180	318	284	198
Technical result of health and accident insurance	-145	-73	32	181	261
Return on investment allocated to equity, etc.	668	585	612	503	869
Profit/loss before tax	2.611	1.433	2.354	227	2.275
Tax	-608	-122	-576	-64	-504
Net profit/loss for the year	2.003	1.311	1.778	163	1.771
BALANCE SHEET					
Total assets	358.636	327.749	324.495	303.160	288.061
Insurance assets, health and accident insurance	127	172	198	216	227
Technical provisions, health and accident insurance	9.644	8.956	9.106	8.648	8.384
Total shareholders' equity	20.056	18.563	18.015	18.780	20.416
Provisions for insurance and investment contracts	315.833	293.522	289.899	268.937	256.113
Collective bonus potential	2.450	1.125	851	375	1.740
KEY FIGURES AND RATIOS (%)					
Return before tax on pension returns	12,9	0,0	8,6	6,1	5,6
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	4,2	4,2	4,8	4,6	5,0
Expenses as per cent of provisions	0,4	0,4	0,5	0,5	0,5
Expenses per policyholder (DKK)	1.162	1.151	1.200	1.337	1.342
Cost result	-0,08	-0,07	-0,09	-0,11	-0,08
Insurance risk result	0,06	0,06	0,06	0,04	0,09
Bonus rate	2,0	0,8	0,6	0,2	1,1
Owners' capital ratio	16,1	13,8	12,0	11,9	14,5
Excess core capital ratio	7,7	7,2	5,6	6,1	8,3
Solvency ratio	213	219	195	212	268
Return on equity before tax	13,5	7,8	12,2	1,1	11,5
Return on equity after tax	10,3	7,1	9,2	0,8	8,9
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	121	109	107	93	82
Gross expense ratio	9	10	12	12	13
Combined ratio	130	120	119	106	97
Operating ratio	141	120	124	108	95
Relative run-off	-2,2	0,1	0,2	1,0	2,2
Run-off, net of reinsurance (DKK millions)	-174	6	17	70	155

The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.

Financial highlights - Danica Group

DKKm	Originally 2014	Originally 2013	Originally 2012	Originally 2011	Originally 2010
INCOME STATEMENT					
Life insurance					
Premiums	19.429	18.943	18.662	19.169	16.936
Return on investment after tax on pension returns	31.001	9.731	23.147	7.779	15.722
Claims and benefits	-23.989	-22.412	-18.800	-16.663	-16.715
Change in life insurance provisions and outstanding claims provisions	-4.374	12.345	-3.184	-4.059	-1.131
Change in collective bonus potential	-1.487	-275	-477	1.403	1.035
Change in provisions for unit-linked contracts	-16.576	-15.970	-15.541	-5.764	-12.570
Total operating expenses relating to insurance	-1.079	-1.073	-1.117	-1.203	-1.143
Profit/loss on business ceded	284	-52	168	266	131
Transferred return on investment	-1.237	-465	-1.139	-946	-1.120
Technical result, Life	1.972	772	1.719	-18	1.145
Health and accident insurance					
Gross premium income	1.304	1.307	1.306	1.427	1.457
Gross claims	-1.519	-1.385	-1.311	-1.243	-1.123
Total operating expenses relating to insurance	-112	-123	-143	-162	-183
Profit/loss on business ceded	-8	-9	-8	-9	-23
Return on investment less technical interest	330	180	318	284	198
Technical result of health and accident insurance	-145	-73	32	181	261
Return on investment allocated to equity, etc.	650	562	613	570	869
Profit/loss before tax	2.477	1.261	2.364	733	2.275
Tax	-577	-82	-578	-183	-504
Net profit/loss for the year	1.900	1.179	1.786	550	1.771
BALANCE SHEET					
Total assets	358.392	327.490	324.495	303.160	288.061
Insurance assets, health and accident insurance	127	172	198	216	227
Technical provisions, health and accident insurance	9.644	8.956	9.106	8.648	8.384
Total shareholders' equity	20.792	19.402	18.986	19.743	20.992
Provisions for insurance and investment contracts	314.796	292.569	288.797	267.844	255.459
Collective bonus potential	2.450	1.125	851	375	1.740
KEY FIGURES AND RATIOS (%)					
Return before tax on pension returns	12,9	0,0	8,6	6,1	5,6
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	4,2	4,2	4,8	4,6	5,0
Expenses as per cent of provisions	0,4	0,4	0,5	0,5	0,5
Expenses per policyholder (DKK)	1.162	1.151	1.200	1.337	1.342
Cost result	-0,08	-0,07	-0,09	-0,11	-0,08
Insurance risk result	0,06	0,06	0,06	0,04	0,09
Bonus rate	2,0	0,8	0,6	0,2	1,1
Owners' capital ratio	16,7	14,4	12,7	12,5	14,8
Excess core capital ratio	8,4	7,9	6,3	6,7	8,7
Solvency ratio	223	230	207	225	276
Return on equity before tax	12,3	6,6	11,7	3,5	11,3
Return on equity after tax	9,4	6,1	8,8	2,6	8,8
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	121	109	107	93	82
Gross expense ratio	9	10	12	12	13
Combined ratio	130	120	119	106	97
Operating ratio	141	120	124	108	95
Relative run-off	-2,2	0,1	0,2	1,0	2,2
Run-off, net of reinsurance (DKK millions)	-174	6	17	70	155

The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.

Income statement - Danica Group

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
	Gross premiums	19.429	19.429	0	18.943	18.943	0
	Reinsurance premiums ceded	-33	-33	0	-40	-40	0
	Total premiums, net of reinsurance	19.396	19.396	0	18.903	18.903	0
	Income from associates	84	84	0	58	58	0
	Income from investment properties	823	823	0	907	907	0
	Interest income and dividends, etc.	7.659	7.659	0	8.352	8.352	0
	Market value adjustments of investments	28.039	28.239	200	1.905	1.905	0
	Interest expenses	-581	-581	0	-363	-363	0
	Administrative expenses related to investment activities	-762	-762	0	-524	-524	0
	Total investment return	35.262	35.462	200	10.335	10.335	0
	Tax on pension returns	-4.261	-4.243	18	-604	-581	23
	Return on investment after tax on pension returns	31.001	31.219	218	9.731	9.754	23
	Claims and benefits paid	-23.989	-23.989	0	-22.412	-22.412	0
	Reinsurers' share received	105	105	0	113	113	0
	Change in outstanding claims provision	14	14	0	-1	-1	0
	Change in outstanding claims provision, reinsurers' share	4	4	0	-3	-3	0
	Total claims and benefits, net of reinsurance	-23.866	-23.866	0	-22.303	-22.303	0
2	Change in life insurance provisions	-4.388	-4.472	-84	12.346	12.495	149
	Change in reinsurers' share	201	201	0	-133	-133	0
	Total change in life insurance provisions, net of reinsurance	-4.187	-4.271	-84	12.213	12.362	149
	Change in collective bonus potential	-1.487	-1.487	0	-275	-275	0
	Total bonus	-1.487	-1.487	0	-275	-275	0
	Change in provisions for unit-linked contracts	-16.576	-16.576	0	-15.970	-15.970	0
	Total change in provisions for unit-linked contracts, net of reinsur	-16.576	-16.576	0	-15.970	-15.970	0
	Acquisition costs	-309	-309	0	-335	-335	0
	Administrative expenses	-770	-770	0	-738	-738	0
	Reinsurance commissions and profit sharing	7	7	0	11	11	0
	Total operating expenses relating to insurance, net of reinsuranc	-1.072	-1.072	0	-1.062	-1.062	0
	Transferred investment return	-1.237	-1.255	-18	-465	-488	-23
	TECHNICAL RESULT OF LIFE INSURANCE	1.972	2.088	116	772	921	149
	TECHNICAL RESULT OF HEALTH AND ACCIDENT INSURANCE	-145	-145	0	-73	-73	0
	Return on investment allocated to equity	354	372	18	295	318	23
	Other income	301	301	0	273	273	0
	Other expenses	-5	-5	0	-6	-6	0
	PROFIT BEFORE TAX	2.477	2.611	134	1.261	1.433	172
	Tax	-577	-608	-31	-82	-122	-40
	NET PROFIT FOR THE YEAR	1.900	2.003	103	1.179	1.311	132
	Net profit for the year	1.900	2.003	103	1.179	1.311	132
	Other comprehensive income:						
	Translation of units outside Denmark	-35	-35	0	-51	-51	0
	Hedges of units outside Denmark	32	32	0	51	51	0
	Tax relating to other comprehensive income	-7	-7	0	-13	-13	0
	Total other comprehensive income	-10	-10	0	-13	-13	0
	NET COMPREHENSIVE INCOME FOR THE YEAR	1.890	1.993	103	1.166	1.298	132

Balance sheet - Danica Group

Assets

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
	INTANGIBLE ASSETS	84	84	0	90	90	0
	Domicile properties	52	52	0	57	57	0
	TOTAL TANGIBLE ASSETS	52	52	0	57	57	0
	Investment properties	22.753	22.753	0	21.660	21.660	0
	Holdings in associates	977	977	0	893	893	0
	Loans to associates	51	51	0	46	46	0
	Total investments in associates	1.028	1.028	0	939	939	0
	Holdings	22.387	22.387	0	20.738	20.738	0
	Unit trust certificates	18.932	18.932	0	22.690	22.690	0
	Bonds	120.655	120.655	0	119.503	119.503	0
	Other loans	1.315	1.315	0	674	674	0
	Deposits with credit institutions	8.342	8.342	0	9.409	9.409	0
	Other	18.080	18.280	200	4.054	4.054	0
	Total other financial investment assets	189.711	189.911	200	177.068	177.068	0
	TOTAL INVESTMENT ASSETS	213.492	213.692	200	199.667	199.667	0
	UNIT-LINKED INVESTMENT ASSETS	137.129	137.129	0	119.610	119.610	0
	Unearned premiums provision, reinsurers' share	5	5	0	5	5	0
	Life insurance provisions, reinsurers' share	2.143	2.143	0	1.944	1.944	0
	Outstanding claims provision, reinsurers' share	134	134	0	177	177	0
	Total technical provisions, reinsurers' share	2.282	2.282	0	2.126	2.126	0
	Amounts due from policyholders	708	708	0	545	545	0
	Amounts due from insurance companies	321	321	0	358	358	0
	Other debtors	643	643	0	1.226	1.226	0
	TOTAL DEBTORS	3.954	3.954	0	4.255	4.255	0
	Current tax assets	0	44	44	18	277	259
	Cash and cash equivalents	1.082	1.082	0	1.236	1.236	0
	Other	-	-	0	22	22	0
	TOTAL OTHER ASSETS	1.082	1.126	44	1.276	1.535	259
	Accrued interest and rent	2.153	2.153	0	2.103	2.103	0
	Other prepayments and accrued income	446	446	0	432	432	0
	TOTAL PREPAYMENTS AND ACCRUED INCOME	2.599	2.599	0	2.535	2.535	0
	TOTAL ASSETS	358.392	358.636	244	327.490	327.749	259

Balance sheet - Danica Group

Liabilities and equity

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
	Share capital	1.000	1.000	0	1.000	1.000	0
	Revaluation reserve	1	1	0	1	1	0
	Other reserves	14.332	13.596	-736	14.342	13.503	-839
	Retained earnings	3.560	3.560	0	3.559	3.559	0
	Proposed dividend	1.899	1.899	0	500	500	0
	TOTAL SHAREHOLDERS' EQUITY	20.792	20.056	-736	19.402	18.563	-839
	Unearned premiums provision	708	708	0	873	873	0
	Guaranteed benefits	161.459	162.496	1.037	152.790	153.743	953
	Bonus potential of future premiums	2.688	2.688	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	165.009	166.046	1.037	162.319	163.272	953
	Outstanding claims provision	9.138	9.138	0	8.313	8.313	0
	Collective bonus potential	2.450	2.450	0	1.125	1.125	0
	Provisions for bonuses and premium discounts	94	94	0	98	98	0
	Provisions for unit-linked contracts	137.397	137.397	0	119.841	119.841	0
	TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	314.796	315.833	1.037	292.569	293.522	953
	Deferred tax	1.468	1.468	0	1.544	1.544	0
	TOTAL PROVISIONS FOR LIABILITIES	1.468	1.468	0	1.544	1.544	0
	Amounts owed, direct insurance	419	419	0	188	188	0
	Amounts owed to reinsurers	24	24	0	28	28	0
	Amounts owed to credit institutions	7.153	7.153	0	8.682	8.682	0
	Amounts owed to group undertakings	2	2	0	3	3	0
	Current tax liabilities	184	-	-184	30	30	0
	Other creditors	12.997	13.124	127	4.648	4.793	145
	TOTAL CREDITORS	20.779	20.722	-57	13.579	13.724	145
	OTHER ACCRUALS AND DEFERRED INCOME	557	557	0	396	396	0
	TOTAL LIABILITIES AND EQUITY	358.392	358.636	244	327.490	327.749	259

Statement of capital - Danica Group

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Changes in shareholders' equity						
Share capital:						
Shareholders' equity, beginning of year	1.000	1.000	0	1.000	1.000	0
Shareholders' equity, end of year	1.000	1.000	0	1.000	1.000	0
Revaluation reserve						
Shareholders' equity, beginning of year	1	1	0	1	1	0
Shareholders' equity, end of year	1	1	0	1	1	0
Foreign currency translation reserve*:						
Shareholders' equity, beginning of year	-1	-1	0	-1	-1	0
Other comprehensive income:						
Translation of units outside Denmark	-35	-35	0	-51	-51	0
Hedges of units outside Denmark	32	32	0	51	51	0
Total other comprehensive income	-3	-3	0	0	0	0
Comprehensive income for the year	-3	-3	0	0	0	0
Shareholders' equity, end of year	-4	-4	0	-1	-1	0
Other reserves:						
Shareholders' equity, beginning of year	14.343	13.504	-839	13.678	12.707	-971
Profit for the year	1.899	2.002	103	1.168	1.300	132
Other comprehensive income:						
Tax on other comprehensive income	-7	-7	0	-13	-13	0
Total other comprehensive income	-7	-7	0	-13	-13	0
Comprehensive income for the year	1.892	1.995	103	1.155	1.287	132
Proposed dividend **	-1.899	-1.899	0	-490	-490	0
Shareholders' equity, end of year	14.336	13.600	-736	14.343	13.504	-839
Retained earnings:						
Shareholders' equity, beginning of year	3.559	3.559	0	3.558	3.558	0
Profit for the year	1	1	0	11	11	0
Comprehensive income for the year	1	1	0	11	11	0
Proposed dividend **	-	-	0	-10	-10	0
Shareholders' equity, end of year	3.560	3.560	0	3.559	3.559	0
Proposed dividend:						
Shareholders' equity, beginning of year	500	500	0	750	750	0
Dividend paid	-500	-500	0	-750	-750	0
Proposed dividend **	1.899	1.899	0	500	500	0
Shareholders' equity, end of year	1.899	1.899	0	500	500	0

Statement of capital - Danica Group

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Total:						
Shareholders' equity, beginning of year	19.402	18.563	-839	18.986	18.015	-971
Profit for the year	1.900	2.003	103	1.179	1.311	132
Other comprehensive income:						
Translation of units outside Denmark	-35	-35	0	-51	-51	0
Hedges of units outside Denmark	32	32	0	51	51	0
Tax on other comprehensive income	-7	-7	0	-13	-13	0
Total other comprehensive income	-10	-10	0	-13	-13	0
Comprehensive income for the year	1.890	1.993	103	1.166	1.298	132
Dividend paid	-500	-500	0	-750	-750	0
Proposed dividend **	0	0	0	0	0	0
Shareholders' equity, end of year	20.792	20.056	-736	19.402	18.563	-839

* Recognised in the balance sheet under other reserves.

** The dividend amounts to DKK 1.899 per share (2013: DKK 500). 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) if 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 Group

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Solvency requirement and capital base						
Shareholders' equity	20.792	20.056	-736	19.402	18.563	-839
Core capital	20.792	20.056	-736	19.402	18.563	-839
- Proposed dividend	-1.899	-1.899	0	-500	-500	0
- Intangible assets	-84	-84	0	-90	-90	0
Reduced core capital	18.809	18.073	-736	18.812	17.973	-839
Capital base	18.809	18.073	-736	18.812	17.973	-839
Solvency requirement for life insurance	8.061	8.102	41	7.797	7.835	38
Solvency requirement for health and accident insurance	371	371	0	367	367	0
Total solvency requirement	8.432	8.473	41	8.164	8.202	38
Excess capital base	10.377	9.600	-777	10.648	9.771	-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.

Noter - Danica Group

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

Noter - Danica Group

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	162.318	163.271	953	182.430	183.532	1.102
	Accumulated value adjustment, beginning of year	-27.338	-28.291	-953	-32.515	-33.617	-1.102
	Retrospective provisions, beginning of year	134.980	134.980	0	149.915	149.915	0
	Changes during the period:						
	Gross premiums	4.465	4.465	0	5.200	5.200	0
	Interest added	2.292	2.292	0	4.085	4.085	0
	Claims and benefits	-15.516	-15.516	0	-16.061	-16.061	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
	Other	-86	-86	0	-82	-82	0
	Total changes	-9.226	-9.226	-	-7.169	-7.169	-
	Other changes:						
	Transfer of provisions	-1.604	-1.604	0	-7.682	-7.682	0
	Change in quota share, Forenede Gruppeliv	-73	-73	0	-9	-9	0
	Other	166	166	0	-74	-74	0
	Total other changes	-1.511	-1.511	-	-7.765	-7.765	-
	Retrospective provisions, end of year	124.243	124.243	-	134.981	134.981	-
	Accumulated value adjustment, end of year	40.766	41.803	1.037	27.338	28.291	953
	Life insurance provisions, end of year	165.009	166.046	1.037	162.319	163.272	953
	Change in gross life insurance provisions consists of:						
	Change in retrospective provisions	-9.226	-9.226	-	-7.169	-7.169	-
	Change in accumulated value adjustment	13.614	13.698	84	-5.177	-5.326	-149
	Change in gross life insurance provisions	4.388	4.472	84	-12.346	-12.495	-149
	Change in gross life insurance provisions consists of:						
	Change in guaranteed benefits	10.366	10.450	84	-14.397	-14.546	-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	4.388	4.472	84	-12.346	-12.495	-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	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

Noter - Danica Group

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
2	(cont'd)						
	Life insurance provisions break down as follows by sub-portfolio						
	Non allocated:						
	Guaranteed benefits	5,221	5,221	0	5,490	5,490	0
	Total life insurance provisions	5,221	5,221	0	5,490	5,490	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	161,458	162,495	1,037	152,790	153,743	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	165,009	166,046	1,037	162,319	163,272	953

Noter - Danica Group

Note	DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
3	RELATED PARTIES						
	Danske Bank A/S, domiciled in Copenhagen, wholly owns the share capital of Forsikringselskabet Danica and consequently exercises control over the Danica Group. Danske Bank A/S is the ultimate parent company of the Danica Group.						
	Transactions with related parties are settled on an arm's-length basis or on a cost-recovery basis. The Group'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.						
	The Danica Group entered into the following significant transactions and balances with other companies in the Danske Bank Group.						
	It operations and development	-225	-225	0	-208	-208	0
	Other administration	-38	-38	0	-36	-36	0
	Commission for insurance sales and portfolio management	-124	-124	0	-142	-142	0
	Ordinary portfolio management fee	-165	-165	0	-157	-157	0
	Performance fee for portfolio management	-135	-135	0	-4	-4	0
	Total net custody fees and brokerage for trades in holdings and the like	-35	-35	0	-44	-44	0
	Interest income	716	716	0	911	911	0
	Interest expenses	-16	-16	0	-19	-19	0
	Rent from premises	14	14	0	14	14	0
	Amounts owed to credit institutions	5	5	0	436	436	0
	Derivatives with negative fair values	10.603	10.603	0	8.558	8.558	0
	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
	Loans to associates comprise subordinated loans granted on equal terms as other investors.						

Financial highlights - Forsikringselskabet Danica

DKKm	Corrected 2014	Corrected 2013	Corrected 2012	Corrected 2011	Corrected 2010
INCOME STATEMENT					
Gross premiums	321	327	339	368	378
Technical interest	-4	-	-2	2	7
Gross claims	-305	-286	-278	-258	-291
Bonuses and premium discounts	-	-1	1	1	2
Total operating expenses relating to insurance	-17	-24	-26	-41	-49
Technical result	-5	16	34	72	47
Total profit on investment activities after transfer of technical interest	2.010	1.299	1.757	116	1.752
Other income and expenses etc.	-3	-	-	3	8
Profit before tax	2.002	1.315	1.791	191	1.807
Tax	1	-4	-13	-28	-36
Net profit for the year	2.003	1.311	1.778	163	1.771
Run-off result	0	5	15	34	50
BALANCE SHEET					
Total assets	20.457	18.967	18.496	19.328	21.029
Holdings in group undertakings	19.933	18.431	17.894	18.383	18.333
Other financial investment assets	515	495	591	928	2.640
Total shareholders' equity	20.056	18.563	18.015	18.780	20.416
Total technical provisions	353	389	432	491	556
RATIOS (%)					
Gross claims ratio	95,0	87,9	81,8	70,1	76,6
Gross expense ratio	5,3	7,4	7,5	11,0	13,0
Combined ratio	100,3	95,3	89,3	81,1	89,6
Operating ratio	101,5	95,2	89,8	80,7	87,9
Relative run-off result (%)	0,0	1,2	3,1	6,3	8,7
Equity ratio	10,3	7,1	9,2	0,8	8,9
Solvency ratio	128	131	108	122	173

The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.

Financial highlights - Forsikringselskabet Danica

DKKm	Originally 2014	Originally 2013	Originally 2012	Originally 2011	Originally 2010
INCOME STATEMENT					
Gross premiums	321	327	339	368	378
Technical interest	-4	-	-2	2	7
Gross claims	-305	-286	-278	-258	-291
Bonuses and premium discounts	-	-1	1	1	2
Total operating expenses relating to insurance	-17	-24	-26	-41	-49
Technical result	-5	16	34	72	47
Total profit on investment activities after transfer of technical interest	1.907	1.167	1.765	503	1.752
Other income and expenses etc.	-3	-	-	3	8
Profit before tax	1.899	1.183	1.799	578	1.807
Tax	1	-4	-13	-28	-36
Net profit for the year	1.900	1.179	1.786	550	1.771
Run-off result	0	5	15	34	50
BALANCE SHEET					
Total assets	21.193	19.806	19.467	20.291	21.605
Holdings in group undertakings	20.669	19.270	18.865	19.346	18.909
Other financial investment assets	515	495	591	928	2.640
Total shareholders' equity	20.792	19.402	18.986	19.743	20.992
Total technical provisions	353	389	432	491	556
RATIOS (%)					
Gross claims ratio	95,0	87,9	81,8	70,1	76,6
Gross expense ratio	5,3	7,4	7,5	11,0	13,0
Combined ratio	100,3	95,3	89,3	81,1	89,6
Operating ratio	101,5	95,2	89,8	80,7	87,9
Relative run-off result (%)	0,0	1,2	3,1	6,3	8,7
Equity ratio	9,4	6,1	8,8	2,6	8,8
Solvency ratio	138	143	121	135	180

The ratios are defined in accordance with the Danish FSA's Executive Order on Financial Reports of Insurance Companies and Lateral Pension Funds.

Income statement - Forsikringselskabet Danica

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Gross premiums	319	319	0	324	324	0
Change in unearned premiums provision	2	2	0	3	3	0
Premiums, net of reinsurance	321	321	0	327	327	0
Technical interest	-4	-4	0	0	0	0
Claims paid, gross	-352	-352	0	-331	-331	0
Change in outstanding claims provision	47	47	0	45	45	0
Claims, net of reinsurance	-305	-305	0	-286	-286	0
Bonuses and premium discounts	-	-	0	-1	-1	0
Acquisition costs	-8	-8	0	-9	-9	0
Administrative expenses	-9	-9	0	-15	-15	0
Total operating expenses relating to insurance, net of reinsurance	-17	-17	0	-24	-24	0
TECHNICAL RESULT	-5	-5	0	16	16	0
Income from group undertakings	1.899	2.002	103	1.168	1.300	132
Interest income and dividends, etc.	14	14	0	15	15	0
Market value adjustments of investments	3	3	0	-13	-13	0
Administrative expenses related to investment activities	-1	-1	0	-1	-1	0
Total return on investment	1.915	2.018	103	1.169	1.301	132
Return on technical provisions	-8	-8	0	-2	-2	0
RETURN ON INVESTMENT LESS TECHNICAL INTEREST	1.907	2.010	103	1.167	1.299	132
Other income	2	2	0	6	6	0
Other expenses	-5	-5	0	-6	-6	0
PROFIT BEFORE TAX	1.899	2.002	103	1.183	1.315	132
Tax	1	1	0	-4	-4	0
NET PROFIT FOR THE YEAR	1.900	2.003	103	1.179	1.311	132
Net profit for the year	1.900	2.003	103	1.179	1.311	132
Other comprehensive income:						
Translation of units outside Denmark	-35	-35	0	-51	-51	0
Hedging of units outside Denmark	32	32	0	51	51	0
Tax relating to other comprehensive income	-7	-7	0	-13	-13	0
Total other comprehensive income	-10	-10	0	-13	-13	0
NET COMPREHENSIVE INCOME FOR THE YEAR	1.890	1.993	103	1.166	1.298	132

Balance sheet - Forsikringssselskabet Danica

Assets

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Holdings in group undertakings	20.669	19.933	-736	19.270	18.431	-839
Total investments in group undertakings and associates	20.669	19.933	-736	19.270	18.431	-839
Bonds	515	515	0	495	495	0
Total other financial investment assets	515	515	0	495	495	0
TOTAL INVESTMENT ASSETS	21.184	20.448	-736	19.765	18.926	-839
Amounts due from policyholders	2	2	0	3	3	0
Amounts due from group undertakings	-	-	0	31	31	0
TOTAL DEBTORS	2	2	0	34	34	0
Deferred tax assets	1	1	0	0	0	0
Cash and cash equivalents	0	0	0	1	1	0
TOTAL OTHER ASSETS	1	1	0	1	1	0
Accrued interest and rent	6	6	0	6	6	0
TOTAL PREPAYMENTS AND ACCRUED INCOME	6	6	0	6	6	0
TOTAL ASSETS	21.193	20.457	-736	19.806	18.967	-839

Balance sheet - Forsikringselskabet Danica

Liabilities and equity

DKKm	Originally 2014	Corrected 2014	Difference 2014	Originally 2013	Corrected 2013	Difference 2013
Share capital	1.000	1.000	0	1.000	1.000	0
Other reserves	14.331	13.595	-736	14.341	13.502	-839
Total reserves	14.331	13.595	-736	14.341	13.502	-839
Retained earnings	3.562	3.562	0	3.561	3.561	0
Proposed dividend	1.899	1.899	0	500	500	0
TOTAL SHAREHOLDERS' EQUITY	20.792	20.056	-736	19.402	18.563	-839
Unearned premiums provision	8	8	0	8	8	0
Outstanding claims provision	341	341	0	377	377	0
Provisions for bonuses and premium discounts	4	4	0	4	4	0
TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS	353	353	0	389	389	0
Amounts owed, direct insurance	17	17	0	10	10	0
Amounts owed to group undertakings	25	25	0	-	-	0
Other creditors	3	3	0	3	3	0
TOTAL CREDITORS	45	45	0	13	13	0
ACCRUALS AND DEFERRED INCOME	3	3	0	2	2	0
TOTAL LIABILITIES AND EQUITY	21.193	20.457	-736	19.806	18.967	-839

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 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.

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

Peter Rostrup-Nielsen

Malene Stadil

Per Søgaard

INTERNAL AUDIT'S REPORT

To the shareholders of Forsikringselskabet Danica, Skadeforsikringsaktieselskab af 1999

We have audited the supplementary/corrective information on the consolidated and parent company financial statements for 2014, pages 4-20, of Forsikringselskabet Danica, Skadeforsikringsaktieselskab af 1999.

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 Forsikringssselskabet Danica, Skadeforsikringsaktieselskab af 1999

We have audited the supplementary/corrective information on the annual report for 2014, pages 4-20, of Forsikringssselskabet Danica, Skadeforsikringsaktieselskab af 1999. 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-authorised public accountant

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