

Nordea



Nordea Pension, Livsforsikringsselskab A/S Annual Report 2024

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FIVE-YEAR FINANCIAL HIGHLIGHTS

DKKm	2020	2021	2022	2023	2024
Premiums	10,981	10,360	9,962	12,806	18,767
Investment return	5,344	10,971	-11,503	10,834	14,866
Tax on pension returns	-617	-1,521	-33	-503	-2,145
Insurance benefits	-6,393	-8,955	-8,481	-10,228	-10,415
Change in life insurance provisions and profit margin	-8,877	-10,269	9,945	-12,282	-20,322
Total insurance operating expenses	-564	-585	-575	-602	-674
Profit/loss on ceded business	-2	1	0	0	-1
Transferred investment return	-52	-181	450	-236	-353
Technical result	-181	-179	-236	-210	-277
Technical result, health and accident insurance	-45	-187	-182	-135	7
Return on investment allocated to equity	15	286	88	98	229
Other income	274	375	357	364	401
Other expense	0	0	0	-68	-98
Tax	-15	-55	53	-46	-33
PROFIT FOR THE YEAR	47	241	80	4	229
Total provisions for insurance and investment contracts	82,230	92,717	83,184	96,168	116,082
Total equity	3,707	2,962	2,044	2,048	2,077
Total assets	89,071	101,083	89,277	100,105	121,699

Financial ratios

Rate of return related to with-profit products	4.9	4.0	-14.6	5.3	5.2
Rate of return related to unit-linked products	7.5	15.4	-11.0	13.7	16.4
Risk on return related to unit-linked products	5.25	4.75	5.25	4.50	4.50
Expenses as a percentage of provisions	0.8	0.7	0.7	0.7	0.7
Expenses per policyholder (DKK)	3,418	3,352	3,222	3,320	3,646
Return on equity after tax (%)	1.3	6.6	2.7	0.2	11.3

MANAGEMENT'S REVIEW

ORGANISATION

Nordea Pension, Livsforsikringsselskab A/S (Nordea Pension) manages the life insurance activities of Nordea Pension Group Denmark.

Sales of life insurance, pension schemes and illness and accident insurance are undertaken by Nordea Bank, Topdanmark Forsikring, other business partners, insurance brokers and through Nordea Pension's own sales force.

2024 HIGHLIGHTS

- Total gross premiums, including investment contracts and premiums from the illness and accident business, increased by 42.0% to DKK 20,160m in 2024 compared with 2023.
- Gross premiums in the life insurance business (excluding investment contracts) went up by 46.5% to DKK 18,767m.
- The total investment return before tax on pension returns, at DKK 14,866m in 2024, increased compared to DKK 10,834m in 2023.
- Profit for the year was DKK 229m after tax in 2024 against DKK 4m in 2023.

LIFE INSURANCE AND PENSION MARKET 2024

Competitive situation

The corporate pension market was characterised by increased competition between the five commercial companies, which resulted in general price reductions on both investment costs and administrative costs. The stricter rules in relation to balancing the illness and accident accounts meant that all commercial pension companies increased their insurance prices, but every company has its own strategy for staying competitive in the market, including lowering investment costs, subsidies etc.

Competition in health services has increased significantly over the years with the development of new services. We saw several new initiatives in the market in 2024 such as family counselling and cancer packages,

and online doctor services have also become a standard service in the commercial part of the pension industry.

Market trends

Especially two trends affected the market in 2024: the increased focus on health services and the change in pension brokers' strategies to include a focus on smaller businesses.

The role of the life and pension industry within healthcare is increasingly important, and this intensifies the competition for providing good health services. In particular the focus on health prevention has increased interest from customers, brokers and the media. When providing better health and preventive services, the financials of the illness and accident business area will be more balanced due to minimised claims through better treatment and injury prevention.

Over the last couple of years there has been a shift in the customer focus of pension brokers and pension companies, from mainly larger businesses to smaller businesses, the self-employed and private individuals. This trend means that competition in our core segment (SMEs) has intensified over the last couple of years, including in 2024. At the same time digital brokers are entering the market with a focus on smaller businesses.

The customer in focus

The strategic focus is on strengthening customer relations. Our long-term goal is to ensure that our customers do not need to worry about their pensions. We aim to provide them with suitable coverage, ensuring that they receive value for their investment and fostering enduring customer loyalty.

We have increased proactivity towards corporate customers to support both business and customer satisfaction. In addition, we have introduced Heart Week as an offer to our corporate customers. Heart Week focuses on heart health through deeper knowledge about the heart and encourages small initiatives and changes of habit to increase heart health through exercise and healthy food.

2024 was also a year with very good investment returns that benefit our customers. We generated one of the highest investment returns in the market and was chosen as pension company of the year among the commercial pension companies.

An important part of Nordea Pension's strategy is to integrate with Nordea Bank and increase growth through the Nordea Bank channel. In May 2024 we launched the Annuity – Investment Funds product for Nordea Private Banking and Personal Banking customers, and this has significantly increased sales from Nordea Bank. At the same time the collaboration with Nordea Business Banking was strengthened, leading to a significant increase in the number of referrals and a high conversion rate.

Risk products and prevention

The strong focus in the Danish life insurance and pension industry regarding balance on the illness and accident accounts continued to grow in 2024. In relation to this we reviewed our prices of insurance products for individual customers, and we do this regularly to ensure that our business is viable.

Furthermore, we focus actively on claims prevention and early action in the event of illness in close collaboration with our customers. Our initiatives have shown to be very favourable and reduce both short- and long-term sickness absence among our customers.

Focus on health

Healthcare is an important societal issue, and the role of the life and pension industry within healthcare is increasingly important. During 2024 the focus on health and prevention in the industry was intensified. The challenges our society is facing in the healthcare sector and especially within the psychiatric area have heightened the focus on healthcare amongst politicians and in the media. The government has announced a reform of the healthcare system with emphasis on increased privatisation, and the first recommendations and initiatives to reform public healthcare were launched in 2024.

Like the rest of the life and pension industry, we monitor the political direction closely and invest in solutions that can be a supplement to the public services offered. In 2024 we intensified the focus on prevention of illness and launched Heart Week, with the ambition to establish awareness around heart diseases and the ability to prevent heart diseases through activity and a healthy diet. As mentioned previously, a lot of activities were carried out together with our corporate customers and their employees. Heart Week was well received among customers and will be reinforced in 2025.

At Nordea Pension, we consider it important to help our customers in the healthcare area to the benefit of society, employers and employees alike. We believe in

prevention rather than treatment, and when treatment is needed, we believe in early and professional intervention.

For several years, we have been focusing intensively on helping corporate customers with health screenings and the introduction of health prevention initiatives in the workplace. We also prioritise fast and efficient claims handling, and aftercare is a priority to prevent relapses following treatment of an illness. In 2024 we extended our health screening to a larger number of our corporate customers, and based on the individual results we implemented several preventive measures (in both mental and physical healthcare). These improved the general state of health at several companies and among their employees.

In 2025 Nordea Pension expects to further increase the number of customers accepting our health screening and to implement more preventive measures among our corporate customers. We also expect the health and prevention market to adopt more digital solutions, offering new technologies to support prevention, diagnostics and treatments. We follow the new technologies closely and have an ambition to adopt these when new solutions are proved by evidence. Therefore, both due to the importance of healthcare and prevention and our intention of helping our customers in the best possible way, we will continue to strengthen our focus and provide stronger health services in the future.

Investment returns

2024 saw high returns overall, driven by positive performance across most asset categories. This was largely due to better-than-expected developments in the US economy, coupled with a declining trend in inflation, which had previously posed challenges through higher interest rates than expected at the beginning of the year.

FINANCIAL PERFORMANCE

Profit before tax for 2024 amounted to DKK 262m, while tax is an expense that amounted to DKK 33m. In 2024 profit after tax was DKK 229m.

The return on investment allocated to equity amounted to DKK 229m in 2024 compared to DKK 98m in 2023.

The result was positively affected by performance payment recognised based on a market-leading investment performance in 2024.

Profit for the year		
DKKm	2023	2024
Investment return	88	229
Sales and administration	-63	-133
Insurance risk	22	31
Risk return on shareholders' equity	137	128
Life insurance	184	255
Illness and accident	-135	7
Profit before tax	50	262
Tax	-46	-33
Profit for the year	4	229

Sales and administration amounted to a loss of DKK 133m compared to a loss of DKK 63m in 2023. The loss is mainly driven by increased costs allocated to separation and integration activities, which are not passed on to our customers.

With DKK 31m in 2024, the insurance risk result improved compared to DKK 22m in 2023. The insurance risk result may fluctuate significantly from one year to the next due to changes in new disability claims and reactivations.

In 2024, the realised result, pursuant to the Danish executive order on the contribution principle, was DKK 735m (before appropriation of profit) for the with-profit portfolio – compared to a realised result in 2023 of DKK 593m. In 2024 it was possible to charge full risk return from all interest rate groups.

A profit of DKK 7m was recorded for the illness and accident business compared to a loss of DKK 135m in 2023.

The profit was affected by higher premiums of DKK 829m compared to DKK 729m in 2023. The claims including run-off improved by DKK 8m. There was a positive risk result of DKK 4m (2023: negative at DKK 94m). The risk result was affected by a run-off gain of DKK 13m for 2024 compared to a run-off gain of DKK 7m in 2023.

The profit was also affected by an investment gain of DKK 3m (2023: loss of DKK 41m).

The Board of Directors proposes to distribute a dividend of DKK 200m for 2024.

The profit before tax was above the DKK 75-125m guidance expressed in the Annual Report 2023, mainly due to performance payment received on investment activities.

Development in gross premiums

In a highly competitive market, we managed to generate a significant increase in gross premiums (including illness and accident insurance and investment contracts), mainly driven by single premiums.

The development in premiums and retention of customers was driven by the following factors:

- Nordea Pension has a strategy focused on growth through Nordea Bank and on realising synergies across pensions and banking. This has resulted in acquiring more customers, leading to higher gross premiums.
- Nordea Pension continued to develop its business. To the customers of both Nordea Pension and Nordea Bank, this meant new products and more robust operating performance – among the best in the industry.

In life insurance, total gross premiums increased by 47% to DKK 18,767m in 2024 compared to DKK 12,806m in 2023.

Regular premiums increased by 4.7% to DKK 3,688m in 2024 from DKK 3,523m in 2023. Single premiums increased by 62.4% to DKK 15,079m in 2024 from DKK 9,284m in 2023, mainly driven by brokers and sales through Nordea.

Gross premiums		
DKKm	2023	2024
Life insurance:		
With-profit products	267	230
Unit-linked products	3,006	3,201
Group life	249	257
Regular premiums	3,523	3,688
With-profit products	10	18
Unit-linked products	9,273	15,060
Single premiums	9,284	15,079
	12,806	18,767
Investment contracts:		
Regular premiums	7	8
Single premiums	669	567
	676	575
Illness and accident:		
Gross premiums earned	729	829
Bonuses and rebates	-13	-12
	715	817
TOTAL	14,198	20,160

In 2024 single premiums on investment contracts decreased by 15.2% to DKK 567m. Payments for these contracts are not included in premium income but recognised directly in the balance sheet.

Gross premiums earned in the illness and accident business increased by 14.2% from DKK 715m in 2023 to DKK 817m in 2024 after bonus allocation. Moderate price increases were implemented in 2024 aiming at a sustainable business model for the illness and accident business area.

Investment activities

2024 saw high returns overall, driven by positive performance across most asset categories. This was largely due to better-than-expected developments in the US economy, coupled with a declining trend in inflation, which had previously posed challenges through high interest rates.

At the beginning of the year and throughout the first half, markets were driven by expectations of declining inflation and interest rate cuts from major central banks. However, as the year progressed, the US economy proved stronger than initially anticipated. This led to the anticipated rate cuts being priced out of the market, while corporate earnings exceeded expectations. During the summer macroeconomic indicators and economic data began to suggest a slowdown in the US economy. Meanwhile, developments in Europe remained relatively weak. This prompted interest rate cuts from both the European and US central banks. Nevertheless, the US economy continued to demonstrate resilience, and with Trump's election as president, signalling potential tax cuts and an expansionary economic policy, growth and inflation expectations rose again during the fourth quarter. In other words, the general economic growth outlook drove developments in 2024.

Developments in 2024 had a significant impact on the financial markets, resulting in high returns on risk assets, particularly equities, with US stocks and high-yield credits leading the way. In the bond markets, there was a slight increase in long-term interest rates in the US, while Denmark experienced a slight decline. This widening of the interest rate spread strengthened the US dollar in 2024. The slight decline in interest rates in Denmark meant that both short- and long-term bonds delivered relatively modest positive returns in comparison.

Interest rate group RE9

Interest rate group RE9 comprises schemes with a technical interest rate of 0.5%. Interest rate group RE9 had an allocation to equities of around 13% throughout the year. Equities were supplemented by alternatives, high-yield bonds and real estate investments, which accounted for some 40% of total assets at year-end.

Interest rate group RE1

Interest rate group RE1 comprises schemes with a technical interest rate of between 1.5% and 2.5%. Interest rate group RE1 had an asset allocation to equities of about 9% throughout the year. Equities were supplemented by high-yield bonds, alternatives and real estate investments, which accounted for a total of about 32% of RE1 at year-end.

Interest rate groups RE3, RE4, RE7, RE10 and RE11

Interest rate groups RE3, RE4, RE7, RE10 and RE11 comprise schemes with a technical interest rate of between 1.5% and 4.5%. To this should be added schemes with postponed benefit payment with a minimum payout guarantee of 0.5% and new schemes written based on a minimum payout guarantee of -0.5%. Throughout 2024 the interest rate groups had an asset allocation to equities of about 11%. Equities were supplemented by high-yield bonds, alternatives and real estate investments, which accounted for just over 33% of total assets at year-end.

Interest rate group RE2

Interest rate group RE2 comprises schemes with a technical interest rate of between 1.5% and 2.5%. They were written during the period from 1 July 1994 to 30 June 1997. Throughout 2024 the allocation to equities was around 10%. Equities were supplemented by high-yield bonds, alternatives and real estate investments, which accounted for just over 37% of total assets at year-end.

Interest rate groups RE5 and RE6

Interest rate groups RE5 and RE6 comprise schemes originally established with a technical interest rate of 4.5%. The investment profiles are based on generating returns equal to the schemes' technical interest rates. The investment portfolio includes a large proportion of long-term fixed-rate debt instruments, supplemented by financial instruments, together hedging the technical interest rate.

As mentioned above, supplementary hedging of the interest rate risk on technical interest rates has been established by way of derivative financial instruments.

The value of the hedges is sensitive to interest rate fluctuations. At the current level of interest rates, a significant part of any change in value resulting from a given change in interest rates on the strengthening of provisions on schemes with high technical interest rates would be offset by a corresponding opposite change in the value of the hedge.

Unit-linked products – Profilpension, Formåls pension (lifecycle products) and Link Pension

Customers' savings in unit-linked products are primarily placed in Nordea Pension's mixed portfolio pools or in lifecycle products, by far the most important of which is Profilpension. These products are based on the fund-of-funds principle and managed in collaboration with Nordea Asset Management.

The cooperation with Nordea Asset Management around management of pension pools ensures a significant strengthening of the product offering. This goes for all aspects of running a transparent, robust and repeatable investment strategy with ambitious focus on investing responsibly. We are looking forward to fully utilising the collaboration where more asset class building blocks will be available, also for our Link Pension customers.

Link Pension customers select their own investment composition whereas the lifecycle products have built-in risk profiles aligned with the individual policyholder's date of retirement and risk appetite.

Our newest product is Formåls pension (from 2020) – an extended ESG-screened lifecycle product allowing the customer to select a focus area for their investment, for example green transition or technology. Formåls pension, which is based on our long experience with Profilpension, gives customers several additional choices. Accordingly, customers get a pension scheme that can be customised to better suit their individual needs and wishes.

Formåls pension remains the customers' favourite due to its strong ESG profile and top-end investment returns.

In Nordea Pension we work with an investment community for the cash holdings of our various funds. We do this to achieve the best possible conditions for all our customers in the daily management of the cash holdings. In 2024 we found and corrected an error dating back several years, related to the distribution of interest from these joint investments, the error materialised from mid-2022 and onwards, due to increasing

levels of interest. The investment community, which contains the liquid holdings, constitutes a smaller part of the total investment assets.

More information is available from the Q&A on our website: <https://www.nordeapension.dk/afkastfordeling/>

Interest rate on policyholders' savings in 2024 and 2025

At the beginning of 2024, the interest rates on policyholders' savings for the interest rate groups were between 0% and 6% before tax on pension returns.

Going into 2025, the interest rates on policyholders' savings for the interest rate groups have been determined to range from 0% to 10% before tax on pension returns. For most groups the interest rate has been increased compared to the 2024 rates.

Current interest rates on policyholders' savings are shown on Nordea Pension's website: [Pension med gennemsnitsrente | Spar op uden risiko \(nordeapension.dk\)](https://www.nordeapension.dk/gennemsnitsrente)

RISK FACTORS

Investment policy

The investment policy is defined separately for the various interest rate groups related to the unit-linked portfolio and the market return portfolio, respectively. This provides a greater degree of precision in terms of the targets for the ultimate owners of the funds – customers on the one hand and equity on the other.

Some of the most significant differences between the portfolios are that only policyholders are exposed to equities, equity-related investments and instruments earmarked as hedges of interest rate risk on technical interest rates. Accordingly, the return on pension customers' savings may differ considerably from the return on the remaining funds managed by Nordea Pension.

Nordea Pension seeks to avoid a significant concentration of credit risk in investments other than investments in Danish mortgage bonds, which play a special role for life insurance and pension companies applying the Danish volatility-adjusted discount curve when calculating provisions.

Real estate investments are placed with Nordea Pension Ejendomme, a subsidiary of Nordea Pension. Properties are valued in accordance with the Danish Financial Supervisory Authority's guidelines. With a

few exceptions, properties are located in the Copenhagen area and in Aarhus.

Equity would be affected by losses on equities and other securities only to the extent that their value is not covered by the collective and individual bonus potentials in the with-profit portfolio.

Insurance risk

The most significant insurance risk areas at Nordea Pension are longevity, disability and pandemics. Any additional expenses resulting from increases in longevity or a permanent change in disability frequencies will be partially covered by the collective and individual bonus potentials. Expenses resulting from pandemics may be partially covered by collective bonus potentials. The remaining part will result in a profit/loss and consequently affect equity. Losses on disability covers taken out as illness and accident insurance will result in a profit/loss and consequently affect equity. Current disability benefits are index-linked, and changes in inflation may therefore affect the technical result.

Limited loss-absorbing buffers

The collective and individual bonus potentials in life insurance constitute the loss-absorbing buffers for any losses on customers' guarantees and investing activities. In an environment with low interest rates, the market value of the guarantees is high, and the related individual bonus potentials are low.

A fall in collective bonus potentials is most commonly due to the investment result being lower than the interest accrued on policyholders' savings and/or a fall in interest rates. A fall in collective bonus potentials may also occur in an environment with high interest rates.

The lower the combined bonus potentials are, the greater is the risk that any losses will be charged in full or in part to equity. If interest rates are high, the same losses can to some extent be absorbed by the bonus potentials.

To protect equity, it may be relevant to reduce market risk in an environment with low interest rates. All policies are divided into interest rate groups according to the attached guarantees. In the interest rate groups, the investment policy is determined with a focus on fulfilling the guarantees, and market risk is adjusted in accordance with the risk capacity of the interest rate groups.

SOLVENCY

The solvency capital requirement and own funds are calculated in accordance with Solvency II, and the solvency capital requirement is calculated using the standard formula.

SCR		2020	2021	2022	2023	2024
DKKm						
Solvency requirement		2,232	1,522	1,863	1,612	1,915
Own funds		3,810	4,029	3,119	3,473	3,926
Solvency coverage ratio		171	265	167	215	205

From year-end 2022, solvency provisions relating to the with-profit portfolio are calculated using stochastic modelling.

For further information on Nordea Pension's solvency and financial condition, please visit our website: <https://www.nordeapension.dk/rapporter/> (the 2024 report is available from early April 2025).

DIVERSITY AND CSR

The Board of Directors' policy on diversity is primarily set out in the Group Board Directive on Promotion of Gender Balance. The Board of Directors' Policy on electing and assessing members of the Board, the CEO and Key function holders DK sets out the policy and requirements for qualifications as well as diversity in the management.

The members of the Board of Directors are elected by the shareholders in general meeting and by Nordea Pension's employees. As at 31 December 2024 the Board of Directors had seven members, of which five were elected by the shareholders in general meeting and two by the employees in accordance with the applicable provisions of the Danish Companies Act. Three of the seven board members are women. Of these, one was elected by the shareholders in general meeting and two by the employees. Accordingly, Nordea Pension meets its target of having at least two members of each gender, which also complies with the legal definition of an equal gender distribution. Nordea Pension consequently expects to reach the target percentage for diversity in 2025.

In addition, the total number of managers at Nordea Pension's first and second management levels is nine, and the percentage of the underrepresented gender is

44%. Nordea Pension meets its target of having a gender distribution of 40/60. The gender distribution target is in focus in the recruitment process etc.

Underrepresented gender	2023	2024
Target	40/60	40/60
The underrepresented gender ratio	46	44

The statutory report on corporate social responsibility and target figures for the underrepresented gender pursuant to sections 142, 143 and 144 of the Danish Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds can be found in the [Nordea Bank Abp Annual Report 2024](#).

OUTLOOK FOR 2025

Growth and integration with Nordea

We will continue our efforts to be integrated into Nordea throughout 2025. The integration process includes the consolidation of systems, processes, people, products and services. In 2024 the workforce was relocated to the Nordea Metro Danish headquarters and the integration is ongoing. In 2025 the transfer of Nordea Pension's systems to Nordea's platform will continue.

An important part of the integration is the transfer of the investment set-up from Nordea Pension to Nordea Asset Management. This process is now 90% completed and will continue in 2025. The integration on the investment side will give us and our customers access to a very large and strong asset management set-up.

Integrating Nordea Pension into Nordea also provides opportunities of commercial growth. A high priority has been to develop life and pension products that can be distributed through the bank, and the potential has proven to be great. In both 2023 and 2024 significant growth was achieved, proving the value of merging banking and pensions from a customer perspective.

Illness and accident balancing

We expect a continued focus on balancing the illness and accident business area in the industry and at Nordea Pension as well. We hope for more clarity on the rules and regulations in this regard to pave the way for healthy competition and fair handling of customers in the industry.

Our continued focus on prevention and health services is one of the main ways to seek balance. A new example of this is the Heart Week initiative, which, as mentioned earlier, ran for the first time in 2024. Heart Week will be a recurring initiative every year in week 39 where we focus on heart diseases and how to have a healthy heart together with customers, employees and the rest of Nordea.

Welfare debate

The welfare debate is expected to be a focus of attention in the industry, among politicians and in the media in 2025, continuing the discussions on retirement age from 2024. At Nordea Pension, we wish that solutions are based on broad, political agreements, with the involvement of labour market actors, to ensure long-term solutions.

Financial guidance for 2025

Nordea Pension's profit generation is expected to be unchanged compared to the expectations set for 2024. Profits in 2025 are expected to be generated through:

- Investment return on assets allocated to equity
- Risk return from each contribution group in the with-profit portfolio
- Result of the illness and accident business
- Result of insurance policies outside contribution and unit-linked products
- Profit/loss of Nordea Pension EDB Danmark II ApS
- Profit/loss of Nordea Pension Kapitalforvaltning Danmark A/S.

The financial performance for 2025 will be impacted by the financial market performance. For the life insurance business, we expect to be able to recognise the full risk return as income.

Continued focus on sustainable business models in both the life insurance business and the illness and accident business is expected to improve our results of the illness and accident business in 2025.

Under the assumptions listed above, we expect profit before tax for 2025 to be in the range of DKK 75-125m.

No events other than those mentioned in the management's review have occurred between the balance sheet date and today's date that materially affect the financial statements.

AUDIT COMMITTEE

The Board of Directors of Nordea Pension has set up an Audit Committee. As members of the Audit Committee, the Board of Directors has elected board members Petteri Änkila, Hans Erik Hugo Preutz and Brian Rothemejer Jacobsen (chair).

In the opinion of the Board of Directors, all three members of the Audit Committee possess, as a result of their many years of work in the management of financial companies, the necessary accounting competencies to handle the audit committee profession.

It is therefore the Board of Directors' clear assessment that all three members of the Audit Committee possess qualifications and experience that enable them to make an independent assessment of whether Nordea Pension's financial reporting, internal controls, risk management, statutory audit and group internal audit have been organised and carried out in an appropriate manner in relation to its size and complexity.

The Audit Committee works on the basis of clearly defined terms of reference and holds four ordinary meetings a year. The Audit Committee reports regularly to the Board of Directors.

REMUNERATION

Remuneration policy

The Board of Directors of Nordea Pension has agreed on a remuneration policy. The remuneration policy is in accordance with the corresponding policy agreed on at the Nordea Group. The company's remuneration principles are aimed at ensuring that management and the employees are remunerated in a manner that best supports the company's business and long-term strategic goals. The terms of remuneration are designed to ensure Nordea Pension's ability to recruit and retain a skilled and responsible management that promotes efficient risk management and does not encourage excessive risk-taking. Furthermore, the remuneration principles are aimed at preventing conflicts of interest.

Variable remuneration is used to a limited extent. No employees are entitled to pension schemes that are comparable to variable remuneration.

Remuneration Report for 2024 can be found on our website: <https://www.nordeapension.dk/rapporter/>

DATA ETHICS

Data ethics policy

The Nordea Group Board of Directors has approved the Group Board Directive on Code of Conduct, the Group Board Directive on Data Governance and the L&P Data Privacy Instruction. The Group policies have been adopted by the Board of Directors of Nordea Pension. Finally, Nordea Pension has adopted guidelines issued by Forsikring & Pension on data ethics.

Processing of data at Nordea Pension is a part of the core business. Nordea Pension complies with applicable law and strives to process, treat and analyse all data in a fair and transparent manner and with a strong ethical mindset. We respect customers' privacy:

- We collect and process personal and customer data fairly, lawfully and transparently for legitimate business purposes.
- We respect individuals' right to be in control of what data they share with us and for what purposes with the limitations that legal requirements set on us.
- We only disclose personal and customer data to those authorised to receive it internally at Nordea and externally, for example third parties we collaborate with.
- Our commitment to privacy remains also after relationships with stakeholders end.

The policies that Nordea Pension adhere to cover the processing of data through its journey across Nordea Pension. Essential data, automated data processing and modelling are subject to governance and measured continuously to ensure a high level of data security and ensure compliance with the ethical guidelines.

The daily activities concerning data ethics are carried out in the local Nordea Pension business areas. The reporting on data ethics is the responsibility of a number of functions at Nordea Pension, including Compliance and Data Management.

Nordea Pension's implementation of EU regulations

Since the EU Green Deal was launched in 2019, a series of laws have entered into force which target the financial sector and have different implementation dates. The Sustainable Finance Disclosure Regulation (SFDR) is one of them, and in 2024 Nordea Pension published its second entity PAI statement and 18 periodic reports for its article 8 products. Through these re-

ports, transparency to customers and other stakeholders is provided reflecting how we evolve as an asset owner over time, how we integrate ESG into various products and how these products perform from an ESG perspective seen through the lens of standardised KPIs. In 2025 we will adapt product names to ESMA's fund naming guidelines. Future work also includes additional work related to the Corporate Sustainability Reporting Directive (CSRD), where we are consolidated into the Nordea Group's annual report for the first time in the 2024 report, and preparations for the Corporate Sustainability Due Diligence Directive (CSDDD).

Nordea Life Holding's joint Responsible Investment framework, consisting of a Responsible Investment Policy, a Climate Change Policy and an Engagement Policy and related business procedures, provides a strong foundation for both voluntary work and legal compliance. While the SFDR requires reporting based on the current status, the CSRD requires Nordea Life & Pension, which is a part of the joint CSRD on Nordea Group, and therefore us, to outline the work ahead by providing a transition plan. Our 2030 climate targets,

approved by Nordea Pension's Board of Directors in December 2024, play an important role in this regard since it outlines our strategy and key actions from 2025 to year-end 2029 with follow-up procedures built into our governance process. The strategy for Nordea Life & Pension combines a continued focus on reducing the carbon footprint of Nordea Pension's portfolio (measured in tonnes of CO₂e per USDm invested) with engagements with top emitters and increased allocation of capital into investments that support nature and the climate transition. Work will also continue to evolve within the social and biodiversity/nature area in 2025 where we already have screening in place, but will look further into key actions and appropriate strategies.

Additional information about our responsible investment activities is available on our website at <https://www.nordeapension.dk/pension/opsparring/ansvarlig-investering/>

Finally, reference is made to the Nordea Group's website: [Latest annual report | Nordea](#).

MANAGEMENT AND DIRECTORSHIPS

Executive Board:

Vivian Weis Byrholt

On the executive board of:

Nordea Pension Holding Danmark A/S
Nordea Pension, Livsforsikringsselskab A/S

Member of the board of directors of:

Nordea Pension Kapitalforvaltning Danmark A/S
Nordea Pension Ejendom Danmark A/S
Rådhuskontorerne ApS
PERANKI HOLDING A/S
Gerstenberg & Agger A/S

Member of the executive committee at:

InterForce

Board of Directors:

Mads Skovlund Pedersen

On the executive board of:

Head of Group Business Support - GLT

Member of the board of directors of (chair):

Nordea Pension Holding Danmark A/S
Nordea Pension, Livsforsikringsselskab A/S

Member of the board of directors of (deputy chairman):

Finans Danmark
FR I af 16. september 2015 A/S (FR1)

Helene Bløcher

On the executive board of:

Business Banking, Nordea Danmark

Member of the board of directors of:

Nordea Finans Danmark A/S
Nordea Kredit Realkreditatieselskab
Nordea Pension Holding Danmark A/S
Nordea Pension, Livsforsikringsselskab A/S

Heidi Maria Lovmand Jensen

Employee-elected member of the board of directors
of Nordea Pension, Livsforsikringsselskab A/S

Hans Erik Hugo Preutz

On the executive board of:

Deputy CEO of Nordea Life Holding AB in Sweden

Member of the board of directors of (chair):

Nordea Pension Ejendom Danmark A/S
Nordea Pension Kapitalforvaltning Danmark A/S
Nordea Pension EDB Danmark II ApS
Rådhuskontorerne ApS
Nordea Baltic AB

Member of the board of directors of:

Nordea Pension Holding Danmark A/S
Nordea Pension, Livsforsikringsselskab A/S
Enento Group PLC, Finland

Brian Rothemejer Jacobsen

Member of the board of directors of:

Købstædernes Forsikring, gensidig
ITEG A/S
Nordea Pension, Livsforsikringsselskab A/S

Linda Heldgaard Simonsen

Employee-elected member of the board of directors
of Nordea Pension, Livsforsikringsselskab A/S

The above includes the positions in other business enterprises for which the management has given permission in accordance with section 121 of the Danish Insurance Business Act.

STATEMENT BY THE BOARD OF DIRECTORS AND THE EXECUTIVE MANAGEMENT

The Board of Directors and the Executive Management have today considered and approved the Annual Report 2024 of Nordea Pension, Livsforsikringsselskab A/S.

The annual report has been prepared in accordance with statutory requirements, including – but not exclusively – the specific accounting rules in the Danish Insurance Business Act.

In our opinion, the financial statements give a true and fair view of the company's assets, liabilities and financial position at 31 December 2024 and of the results of the company's operations for the financial year ended 31 December 2024.

In our opinion, the Management's review includes a fair review of developments in the company's activities and financial position together with a description of the principal risks and uncertainties that the company faces.

We recommend that the annual report be adopted at the annual general meeting.

Copenhagen, 25 February 2025

Executive Management

Vivian Weis Byrholt
CEO

Board of Directors

Mads Skovlund Pedersen
Chairman

Brian Rothemejer Jacobsen

Hans Erik Hugo Preutz

Helene Bløcher

Heidi Maria Lovmand Jensen

Linda Heldgaard Simonsen

INDEPENDENT AUDITOR’S REPORT

To the shareholder of Nordea Pension, Livsforsikringsselskab A/S

Our opinion

In our opinion, the Financial Statements give a true and fair view of the Company’s financial position at 31 December 2024 and of the results of the Company’s operations for the financial year 1 January to 31 December 2024 in accordance with the Danish Insurance Business Act.

Our opinion is consistent with our Auditor’s Long-form Report to the Audit Committee and the Board of Directors.

What we have audited

The Financial Statements of Nordea Pension, Livsforsikringsselskab A/S for the financial year 1 January to 31 December 2024 comprise income statement and statement of comprehensive income, balance sheet, statement of changes in equity, and notes, including material accounting policies (“Financial Statements”).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and the additional requirements applicable in Denmark. Our responsibilities under those standards and requirements are further described in the *Auditor’s responsibilities for the audit of the Financial Statements* section of our report.

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

Independence

We are independent of the Company in accordance with the International Ethics Standards Board for Accountants’ International Code of Ethics for Professional Accountants (IESBA Code) and the additional ethical requirements applicable in Denmark. We have also fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code.

To the best of our knowledge and belief, prohibited non-audit services referred to in Article 5(1) of Regulation (EU) No 537/2014 were not provided.

Appointment

We were first appointed auditors of Nordea Pension, Livsforsikringsselskab A/S on 1 December 2022 for the financial year 2022. We have been reappointed annually by shareholder resolution for a total period of uninterrupted engagement of three years including the financial year 2024.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Financial Statements for 2024. These matters were addressed in the context of our audit of the Financial Statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the key audit matter
<p>Measurement of investment properties in group enterprises and associated companies</p> <p>The company holds investment properties that are owned through investments in group enterprises and investments in associates.</p> <p>Investments in group enterprises and investments in associates included in the investment assets and investment assets related to Unit-link products, which primarily consist of property companies, amounts to a total of DKK 8,778 million.</p>	<p>We performed risk assessment procedures to obtain an understanding of business processes and relevant internal controls for measuring investment properties. For the controls, we assessed whether they were designed and implemented to effectively address the risk of material misstatement.</p> <p>We assessed and tested the valuation methods used by management.</p> <p>We assessed the development in the value and</p>

<p>The company recognizes and measures the investment group enterprises and investments in associates applying the equity-method.</p> <p>Investment properties in group enterprises and associates are measured at fair value based on the return-based model for commercial properties and the DCF-model for residential properties. The value is calculated by a systematic assessment of the individual properties based on the properties' market-determined net earnings, cashflows and a market return requirement attached to the individual properties.</p> <p>The method contains assumptions that are not observable to third parties, and which involve significant estimates regarding the determination of return requirements and net earnings on the individual properties.</p> <p>We focused on the measurement of investment properties because the accounting estimate is by its nature complex and influenced by subjectivity and thus associated with a high degree of estimation uncertainty.</p> <p>Reference is made to the financial statements' mention in "Accounting estimates and judgments" in the section "material accounting policies" in note 34 as well as "Investments in group enterprises" and "Investments in associates" in notes 11 and 12.</p>	<p>composition of the investment property portfolio.</p> <p>Based on the development in the overall portfolio of investment properties, we selected a sample in which we</p> <ul style="list-style-type: none"> assessed the most important assumptions in the valuation models based on our knowledge of the individual property and market data tested whether the calculation was carried out correctly tested the accounting of value adjustments and assessed broker valuations obtained by the company. <p>We challenged the significant assumptions that are included in the accounting estimate that is the basis for calculating fair values based on our knowledge of the portfolio and market development.</p> <p>We assessed whether the disclosures on investment properties in group enterprises and associates were appropriate.</p>
<p>Measurement of provisions for insurance and investment contracts</p> <p>The Company's provisions for insurance and investment contracts total DKK 116,082 million, which constitutes 95 % of the balance sheet total.</p> <p>The provisions primarily comprise life insurance provisions for Unit-link contracts DKK 93,690 million and with-profit contracts DKK 16,202 million as well as provisions for claims relating to health and accident insurance DKK 3,166 million.</p> <p>The provisions for market-rate contracts are based on the fair value of the assets allocated and for the remainder of provisions actuarial principles are applied, which involve significant accounting estimates associated with the actuarial assumptions concerning the timing and extent of future payments to the members.</p> <p>The significant actuarial assumptions comprise yield curve used for discounting, longevity, mortality, disability, probability of buy-backs and lapses as well as costs.</p> <p>We focused on the measurement of provisions for insurance and investment contracts, as the accounting estimate by nature is complex and influenced by subjectivity and thus to a large extent associated with estimation uncertainty.</p> <p>Reference is made to the financial statements' mention in "Accounting estimates and judgments" in the section "material accounting policies" in note 34 and "Provisions for insurance and investment contracts" in Note 17 to 19.</p> <p>Furthermore, reference is made to specific risks and sensitivity regarding estimates of provisions for insurance and investment contracts described in note 26 "Risk factors".</p>	<p>We performed risk assessment procedures with the purpose of achieving an understanding of it-systems, procedures and relevant controls relating to provisioning of insurance and investment contracts. In respect of controls, we assessed whether these were designed and implemented effectively to address the risk of material misstatement. For selected controls, on which we planned to rely on, we tested whether these controls had been performed on a consistent basis.</p> <p>We used our own actuaries in the evaluation of the actuarial methods and models applied by the Company as well as assumptions applied, and calculations made.</p> <p>We assessed and challenged the methods and models and significant assumptions applied comprising yield curve used for discounting, longevity, mortality, disability, probability of surrenders and lapses as well as costs based on our experience and knowledge of the sector with a view to assess, whether these assumptions are in accordance with regulatory and accounting requirements. This comprised an assessment of the continuity of the basis for the calculation of provisions.</p> <p>We tested the calculation of provisions for insurance and investment contracts on a sample basis.</p> <p>We assessed whether the disclosures on the provisions were adequate</p>

Statement on Management's Review

Management is responsible for Management's Review.

Our opinion on the Financial Statements does not cover Management's Review, and we do not express any form of assurance conclusion thereon.

In connection with our audit of the Financial Statements, our responsibility is to read Management's Review and, in doing so, consider whether Management's Review is materially inconsistent with the Financial Statements, or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

Moreover, we considered whether Management's Review includes the disclosures required by the Danish Insurance Business Act and other relevant legislation.

Based on the work we have performed, in our view, Management's Review is in accordance with the Financial Statements and has been prepared in accordance with the requirements of the Danish Insurance Business Act and other relevant legislation. We did not identify any material misstatement in Management's Review.

Management's responsibilities for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Insurance Business Act, and for such internal control as Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, Management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's responsibilities for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs and the additional requirements applicable in Denmark will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with ISAs and the additional requirements applicable in Denmark, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.

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- Conclude on the appropriateness of Management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that gives a true and fair view.
- Plan and perform the audit to obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business units as a basis for forming an opinion on the Financial Statements. We are responsible for the direction, supervision and review of the audit work performed. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter.

Hellerup, 25 February 2025

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
CVR no 3377 1231

Per Rolf Larssen
State Authorised Public Accountant
mne24822

INCOME STATEMENT

DKK '000	Note	2023	2024
Gross premiums	1	12,806,408	18,766,850
Ceded insurance premiums		-1,183	-1,211
Total premiums, net of reinsurance		12,805,225	18,765,639
Income from group enterprises	2	274,168	635,538
Income from associates	12	-11,029	36,012
Interest income and dividends etc.		2,508,409	3,878,716
Value adjustments	3	8,650,134	11,093,051
Interest expenses		-124,512	-54,591
Administrative expenses related to investment activities		-462,879	-722,747
Total investment return		10,834,291	14,865,979
Tax on pension return		-502,530	-2,145,154
Claims and benefits paid	4	-10,227,895	-10,415,370
Reinsurance cover received		969	170
Total claims and benefits paid, net of reinsurance		-10,226,926	-10,415,200
Change in life insurance provisions	5	-11,884,708	-19,297,848
Change in reinsurers' share		-228	-193
Total change in life insurance provisions, net of reinsurance		-11,884,936	-19,298,041
Change in profit margin		-396,888	-1,024,030
Acquisition costs		-242,231	-258,459
Administrative expenses		-375,789	-429,796
Reimbursement of costs from group enterprises		15,588	14,701
Total insurance operating expenses, net of reinsurance	6	-602,432	-673,554
Transferred investment return		-235,954	-352,699
TECHNICAL RESULT OF LIFE INSURANCE		-210,150	-277,060
TECHNICAL RESULT OF ILLNESS AND ACCIDENT	7	-134,574	6,890
Return on investment allocated to equity		98,302	229,064
Other income	8	364,438	401,013
Other expenses		-68,224	-98,077
PROFIT BEFORE TAX		49,792	261,830
Tax	9	-45,873	-32,910
PROFIT FOR THE YEAR		3,919	228,920
Proposed appropriation of profit for the year:			
Proposed dividend		200,000	200,000
Transferred to retained earnings		-196,081	28,920
		3,919	228,920

STATEMENT OF COMPREHENSIVE INCOME

Profit for the year	3,919	228,920
Other comprehensive income	0	0
COMPREHENSIVE INCOME FOR THE YEAR	3,919	228,920

ASSETS

DKK '000	Note	2023	2024
INTANGIBLE ASSETS	10	54,323	42,430
Equipment		199	11
TOTAL PROPERTY, PLANT AND EQUIPMENT		199	11
Investments in group enterprises	11	2,856,456	3,126,602
Investments in associates	12	797,441	833,453
Total investments in group enterprises and associates		3,653,897	3,960,055
Equity investments	13	2,071,197	1,710,693
Mutual fund investments		7,521,663	11,248,518
Bonds		8,927,221	5,747,245
Deposits with credit institutions		1,365,754	1,559,038
Derivative financial instruments		300,227	135,941
Total other financial investment assets		20,186,062	20,401,435
TOTAL INVESTMENT ASSETS		23,839,959	24,361,490
INVESTMENT ASSETS RELATED TO UNIT-LINKED PRODUCTS	14	74,546,657	96,089,068
Reinsurers' share of life insurance provisions		624	431
Reinsurers' share of claims provisions	7	46,354	54,224
Total reinsurers' share of provisions for insurance contracts		46,978	54,655
Receivables from policyholders		47,756	61,619
Total receivables arising from direct insurance contracts		47,756	61,619
Receivables from insurance enterprises		3,329	4,478
Receivables from group enterprises		974,573	624,316
Other receivables		177,904	202,923
TOTAL RECEIVABLES		1,250,540	947,991
Current tax assets		0	19,326
Cash and cash equivalents		63,488	61,543
Other		9,560	10,456
TOTAL OTHER ASSETS		73,048	91,325
Accrued interest and rent		239,331	83,444
Other prepayments		100,571	83,067
TOTAL PREPAYMENTS AND ACCRUED INCOME		339,902	166,511
TOTAL ASSETS		100,104,628	121,698,826

LIABILITIES AND EQUITY

DKK '000	Note	2023	2024
Share capital	15	12,100	12,100
Proposed dividend		200,000	200,000
Retained earnings		1,835,653	1,864,573
TOTAL EQUITY		2,047,753	2,076,673
OTHER SUBORDINATED LOAN CAPITAL	16	480,000	480,000
Unearned premium provisions	7	83,066	39,403
With-profit products	17	17,225,598	16,202,083
Unit-linked products	18	73,897,490	93,690,145
Total life insurance provisions		91,123,088	109,892,228
Profit margin on life insurance and investment contracts	19	1,903,460	2,927,490
Claims provisions	7	3,005,955	3,166,210
Risk margin on non-life insurance contracts	7	40,588	41,810
Provisions for bonuses and rebates	7	12,000	14,665
TOTAL PROVISIONS FOR INSURANCE AND INVESTMENT CONTRACTS		96,168,157	116,081,806
Pensions and similar obligations		3,106	0
Deferred tax liabilities	20	16,623	49,543
TOTAL PROVISIONS		19,729	49,543
Debt relating to direct insurance		269,756	271,740
Debt relating to reinsurance		0	41
Amounts owed to credit institutions		382,219	41,903
Payables to group enterprises		146,449	249,243
Current tax liabilities		10	0
Derivative financial instruments		87,922	219,258
Other debt		466,219	2,206,257
TOTAL DEBT		1,352,575	2,988,442
DEFERRED INCOME		36,414	22,362
TOTAL LIABILITIES AND EQUITY		100,104,628	121,698,826
Own funds	21		
Staff costs	22		
Related parties	23		
Collateral	24		
Contingent liabilities	25		
Risk factors	26		
Realised result and shadow account	27		
Specification of assets and return on assets	28		
Assets at fair value	29		
Return and risk – unit-linked products	30		
Group enterprises	31		
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Other note disclosures	33		
Accounting policies	34		

Notes 1-34 form part of the financial statements.

STATEMENT OF CHANGES IN EQUITY

DKK '000

	Share capital	Retained earnings	Proposed dividend	Total
2023				
Equity, end of previous year	12,100	2,031,734	0	2,043,834
Profit for the year		-196,081	200,000	3,919
Other comprehensive income		0		0
Comprehensive income for the year		-196,081	200,000	3,919
Equity at 31 December 2023	12,100	1,835,653	200,000	2,047,753
2024				
Equity, end of previous year	12,100	1,835,653	200,000	2,047,753
Profit for the year		28,920	200,000	228,920
Other comprehensive income		0		0
Comprehensive income for the year		28,920	200,000	228,920
Dividend paid			-200,000	-200,000
Other transactions		0	-200,000	-200,000
Equity at 31 December 2024	12,100	1,864,573	200,000	2,076,673

NOTES

DKK '000	2023	2024
Note 1 Gross premiums		
Individual policies	287,018	232,809
Policies which are part of a tenure	2,986,667	3,198,735
Group life	248,949	256,725
Regular premiums	3,522,634	3,688,269
Individual policies	5,216,946	9,513,089
Policies which are part of a tenure	4,066,828	5,565,492
Single premiums	9,283,774	15,078,581
Gross premiums	12,806,408	18,766,850
Unit-linked products without bonus entitlement	12,279,745	18,261,417
With-profit products	526,663	505,433
	12,806,408	18,766,850
In unit-linked products, the policyholder bears the investment risk.		
Gross premiums, direct insurance, broken down by policyholder's residence:		
Denmark	12,748,306	18,668,962
Other EU countries	53,936	84,464
Other countries	4,166	13,424
	12,806,408	18,766,850
Investment contracts (not recognised in profit/loss):		
Regular premiums	6,952	7,770
Single premiums	668,771	567,481
	675,723	575,251
Number of persons insured at 31 December:		
Insurance contracts		
Individual policies	107,095	111,237
Policies which are part of a tenure	56,838	57,712
Group life	74,705	73,545
Number of customers with investment contracts:		
Individual policies	10,145	9,540
Policies which are part of a tenure	689	1,383
Investment contracts are written without guarantees.		
Note 2 Income from group enterprises		
Nordea Pension Ejendom Danmark A/S	197,845	467,155
Nordea Pension Kapitalforvaltning Danmark A/S	76,244	168,241
Nordea Pension EDB Danmark II ApS	79	142
Income from group enterprises	274,168	635,538
Note 3 Value adjustments		
Equity investments	5,218,798	7,184,431
Mutual fund investments	468,023	3,108,398
Bonds	661,467	429,694
Deposits with credit institutions	559	134
Derivative financial instruments	2,301,559	368,759
Cash and cash equivalents	-667	1,410
Other	395	225
Value adjustments	8,650,134	11,093,051

NOTES

DKK '000	2023	2024
Note 4 Claims and benefits paid		
Claims payable on death	209,369	269,208
Claims payable on invalidity	700	430
Claims payable on maturity	335,059	398,329
Retirement and annuity benefits	598,993	667,795
Surrenders	8,943,026	8,912,305
Bonuses paid in cash	140,748	167,303
Claims and benefits paid	10,227,895	10,415,370
Note 5 Change in life insurance provisions		
With-profit products	613,390	1,127,095
Unit-linked products	-12,498,098	-20,424,943
Change in life insurance provisions	-11,884,708	-19,297,848
Change in life insurance provisions, direct on balance sheet due tax on pension return	-123,762	-103,579
Change in life insurance provisions, direct on balance sheet due return not distributed	-287,395	287,395
Note 6 Insurance operating expenses		
Commissions for direct insurance	24,747	27,883
Information on the total fee for the year paid to the audit firm in charge of the statutory audit has been omitted.		
The company is part of the Nordea Bank Abp group. The audit fee is disclosed at group level in Nordea Bank Abp's annual report. Apart from the statutory audit and the issuance of statements, the external auditors have not performed any tasks for the life insurance company.		
See the consolidated financial statements of Nordea Bank Abp, Finland.		
Note 7 Technical result of illness and accident		
Gross premiums	726,447	779,971
Ceded insurance premiums	-5,598	-6,236
Change in unearned premium provisions	2,893	49,737
Change in profit margin and risk margin	-700	-254
Total premiums, net of reinsurance	723,042	823,218
Claims paid	-625,559	-663,508
Reinsurance cover received	7,039	9,266
Change in claims provisions	-94,821	-48,980
Change in risk margin	834	485
Change in reinsurers' share of claims provisions	9,700	4,851
Total claims expenses, net of reinsurance	-702,807	-697,886
Bonuses and rebates	-13,193	-11,990
Acquisition costs	-43,505	-43,522
Administrative expenses	-57,243	-65,771
Total insurance operating expenses, net of reinsurance	-100,748	-109,293
Total investment return	-40,868	2,841
Technical result of illness and accident	-134,574	6,890
Gross premium income:		
Direct insurance	728,640	829,454
Gross premium income	728,640	829,454
Gross premium income, direct insurance by location of risk:		
Denmark	723,024	823,249
Other EU countries	4,968	5,689
Other countries	648	516
	728,640	829,454
Commissions for direct insurance	1,875	775

NOTES

DKK '000	2023	2024	
Note 7 Technical result of illness and accident (continued)			
Run-off result:			
Gross	7,297	13,741	
Net of reinsurance	6,506	12,779	
Investment return:			
Calculated investment return	137,651	123,635	
Unwinding of provisions	-78,454	-69,831	
Value adjustment of provisions	-100,065	-50,963	
Investment return	-40,868	2,841	
2023	Illness and accident	Health	Total
Gross premiums	483,896	242,551	726,447
Gross premium income	484,990	243,650	728,640
Gross claims expenses	-526,855	-192,691	-719,546
Bonuses and rebates	-13,181	-12	-13,193
Total insurance operating expenses	-67,915	-32,833	-100,748
Profit/loss on ceded business	11,141	0	11,141
Technical result	-111,820	18,114	-93,706
Total investment return			-40,868
Technical result of illness and accident			-134,574
Number of claims paid	5,053	36,770	41,823
Amount of average claims paid	105	5	17
Claims frequency (per mille)	37	370	177
Average settlement period of provisions			11 years
2024			
Gross premiums	527,924	252,047	779,971
Gross premium income	558,629	270,825	829,454
Gross claims expenses	-499,481	-212,522	-712,003
Bonuses and rebates	-11,985	-5	-11,990
Total insurance operating expenses	-76,371	-32,922	-109,293
Profit/loss on ceded business	7,881	0	7,881
Technical result	-21,327	25,376	4,049
Total investment return			2,841
Technical result of illness and accident			6,890
Number of claims paid	4,995	37,936	42,931
Amount of average claims paid	103	6	17
Claims frequency (per mille)	36	390	183
Average settlement period of provisions			11 years
Costs to limit claims as a percentage of claims expenses:			
2023	2.7%	0.3%	2.0%
2024	2.4%	1.1%	2.0%

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Note 7 Technical result of illness and accident (continued)

Five-year key figures	2020	2021	2022	2023	2024
Gross premium income	637,766	629,618	704,119	728,640	829,454
Gross claims expenses	-547,758	-818,874	-789,626	-719,546	-712,003
Bonuses and rebates	-23,000	-8,238	-13,010	-13,193	-11,990
Total insurance operating expenses	-49,091	-49,430	-90,990	-100,748	-109,293
Profit/loss on ceded business	14,782	9,033	12,652	11,141	7,881
Technical result	32,699	-237,891	-176,855	-93,706	4,049
Total investment return	-77,965	51,161	-4,835	-40,868	2,841
Technical result of illness and accident	-45,266	-186,730	-181,690	-134,574	6,890
Run-off result, net of reinsurance	169,206	-49,678	-5,977	6,506	12,779
Total technical provisions	2,895,130	3,124,333	2,847,081	3,141,609	3,262,088
Total insurance assets	45,872	36,064	35,811	46,354	54,224
Gross claims ratio	89.1	131.8	114.3	100.6	87.1
Net reinsurance ratio	-2.4	-1.5	-1.8	-1.6	-1.0
Claims experience	86.7	130.3	112.4	99.0	86.1
Gross expense ratio	8.0	8.0	13.2	14.1	13.4
Combined ratio (operating ratio)	94.7	138.3	125.6	113.1	99.5
Combined ratio excluding run-off	122.2	130.3	124.7	114.0	101.1
Relative run-off result	6.8	-1.9	-0.2	0.2	0.4

Note 8 Other income

	2023	2024
Brokerage commission	364,438	397,313
Other income	0	3,700
Other income	364,438	401,013

Note 9 Tax

Current tax	-377,792	0
Prior-year adjustments	140,513	-10
Change in deferred tax	283,152	32,920
Total tax for the year	45,873	32,910
Tax	45,873	32,910
Profit before tax	49,792	261,830
Income from group enterprises	-77,504	-168,382
	-27,712	93,448
Tax on profit for the year (22%)	-6,097	20,559
Non-deductible expenses and non-taxable income	-23	-1,440
Non deductible financial items, tier 1 loan etc	8,904	8,736
Additional taxable income, financial companies, factor model	69,029	5,065
Prior-year adjustments	-25,940	-10
Tax	45,873	32,910
Effective tax rate	-165.5	35.2

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Note 10 Intangible assets

	Development project under construction		Completed development projects	
	2023	2024	2023	2024
Cost at 1 January	56,925	-	-	59,466
Additions	0	-	2,541	0
Transferred	-56,925	-	56,925	0
Cost at 31 December	0	-	59,466	59,466
Depreciation and impairment at 1 January	-	-	-	-5,143
Depreciation for the year	-	-	-5,143	-11,893
Depreciation and impairment at 31 December	-	-	-5,143	-17,036
Intangible assets	-	-	54,323	42,430

Intangible assets include development projects related to reporting systems.

The recognised amounts mainly consist of cost to external consultants.

The management has not found indication of the need for write-downs in relation to the carrying amount of intangible assets based on the impairment test performed in 2024. It is estimated that the recoverable amount is higher than the carrying amount.

The recoverable amount is calculated based on expected net cash flows during the expected useful lifetime and a discount factor before tax of 8.2%.

Note 11 Investments in group enterprises

	2023	2024
Nordea Pension Ejendom Danmark A/S	7,286,787	7,753,943
Share related to unit-linked products	-4,529,334	-4,818,726
Nordea Pension Kapitalforvaltning Danmark A/S	90,553	182,794
Nordea Pension EDB Danmark II ApS	8,450	8,591
Investments in group enterprises	2,856,456	3,126,602

Note 12 Investments in associates

	Ownership (%)	Equity	Profit
Carlsberg Byen P/S, Copenhagen, real estate development			
Annual Report 2023	23	2,924,580	14,937
Recognised in the Annual Report 2023		797,441	-11,029

Note 13 Equity investments

	2023	2024
The company has previously entered into an agreement to lend equities against collateral (including equity investments related to unit-linked products).		
Carrying amount, securities lending of equities	1,048,110	0
Fair value of bonds received as collateral	1,132,741	0
A list of the company's equity investments is available on request.		

Note 14 Investment assets related to unit-linked products

Equity investments	37,806,871	7,619,384
Mutual fund investments	10,303,129	74,755,335
Bonds	21,901,273	8,895,623
Deposits with credit institutions	6,050	0
Investments in group enterprises	4,529,334	4,818,726
Investment assets related to unit-linked products	74,546,657	96,089,068

The company has previously entered into an agreement to lend equities against collateral, see note 13.

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Note 15 Share capital

The share capital consists of shares with a nominal value of DKK 100,000 each.

Note 16 Other subordinated loan capital

The company has issued two subordinated loans to Nordea Pension Holding Danmark A/S.

The loans have no fixed expiry date, but may be terminated by the debtor subject to approval by the Danish Financial Supervisory Authority.

The loans carry interest at a floating rate determined as Euro CMS 20 + 525 bp.

Loan of DKK 300m carrying interest at currently 7.393% p.a. (2023: 7.949% p.a.)

Loan of DKK 180m carrying interest at currently 7.765% p.a. (2023: 8.298% p.a.)

The loans are recognised in full in own funds.

Interest expense for the year	37,387	39,017
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Note 17 Life insurance provisions, with-profit products

Life insurance provisions, direct insurance at 1 January	17,754,230	17,225,598
Profit margin at 1 January	191,996	176,185
Total technical provisions at 1 January	17,946,226	17,401,783
Tax on pension return, receivable at 1 January	534,265	449,505
Collective bonus potential at 1 January	-1,424,491	-1,766,851
Accumulated value adjustments at 1 January	-501,163	-607,331
Retrospective provisions at 1 January	16,554,837	15,477,106
Gross premiums	526,663	505,433
Investment return	197,840	218,634
Insurance benefits	-1,684,492	-1,861,289
Expense loading after addition of cost bonus	-70,959	-67,069
Risk profit after addition of risk bonus	-14,485	-30,742
Other	2,932	-1,215
Internal transfers	-35,230	-299,046
Retrospective provisions at 31 December	15,477,106	13,941,812
Accumulated value adjustment at 31 December	607,331	675,702
Collective bonus potential at 31 December	1,766,851	2,089,229
Tax on pension return, receivable at 31 December	-449,505	-345,926
Total technical provisions, direct insurance at 31 December	17,401,783	16,360,817
Profit margin at 31 December	-176,185	-158,734
Life insurance provisions, with-profit products	17,225,598	16,202,083

Breakdown by technical rates of interest

	Technical interest rate	Guaran- teed benefits	Individual bonus potential	Collective bonus potential	Tax on pen- sion return receivable	Life insurance provisions
2023						
Interest rate group 11	-0.5%	847,912	81,645	161,415	-1,677	1,089,295
Interest rate group 9	1%	1,669,841	361,831	62,272	-33,185	2,060,759
Interest rate group 10	1%	386,200	22,481	75,780	-3,292	481,169
Interest rate group 1	[1%-2%]	5,234,981	676,606	91,205	-160,562	5,842,230
Interest rate group 3	[1%-2%]	595,470	38,816	163,681	-6,916	791,051
Interest rate group 2	[2%-3%]	1,621,471	58,097	13,796	-84,809	1,608,555
Interest rate group 4	[2%-3%]	699,443	23,184	187,711	-9,487	900,851
Interest rate group 5	[3%-4%]	1,428,053	0	251,358	-71,983	1,607,428
Interest rate group 6	[4%-5%]	1,620,010	0	358,220	-73,775	1,904,455
Interest rate group 7	5%	20,224	941	55,656	-2,122	74,699
Risk groups		0	0	345,757	1,427	347,184
Total contribution		14,123,605	1,263,601	1,766,851	-446,381	16,707,676
Group life						207,308
U74 life annuities						51,246
Other					-3,123	259,368
2023 Total		14,123,605	1,263,601	1,766,851	-449,504	17,225,598

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Note 17 Life insurance provisions, with-profit products (continued)

Breakdown by technical rates of interest

	Technical interest rate	Guaran- teed benefits	Individual bonus potential	Collective bonus potential	Tax on pen- sion return receivable	Life insurance provisions
2024						
Interest rate group 11	-0.5%	844,490	72,568	188,379	1,219	1,106,656
Interest rate group 9	1%	1,664,498	295,418	126,102	-19,913	2,066,105
Interest rate group 10	1%	342,483	18,132	94,510	-2,982	452,143
Interest rate group 1	]1%-2%]	4,738,818	465,742	223,835	-125,057	5,303,338
Interest rate group 3	]1%-2%]	569,731	30,301	193,138	-4,617	788,553
Interest rate group 2	]2%-3%]	1,491,213	30,876	37,562	-73,197	1,486,454
Interest rate group 4	]2%-3%]	587,873	11,895	176,183	-6,660	769,291
Interest rate group 5	]3%-4%]	1,184,714	0	242,479	-60,877	1,366,316
Interest rate group 6	]4%-5%]	1,604,074	0	396,527	-54,713	1,945,888
Interest rate group 7	5%	18,297	798	55,137	-2,964	71,268
Risk groups		0	0	355,377	5,731	361,108
Total contribution		13,046,191	925,730	2,089,229	-344,030	15,717,120
Group life insurance						180,180
U74 life annuities						40,412
Other					-1,895	264,371
2024 Total		13,046,191	925,730	2,089,229	-345,925	16,202,083

	Technical interest rate	2023	2024
Risk margin (share of guaranteed benefits)			
Interest rate group 11	-0.5%	1,687	1,806
Interest rate group 9	1%	8,133	8,158
Interest rate group 10	1%	290	318
Interest rate group 1	]1%-2%]	20,342	19,035
Interest rate group 3	]1%-2%]	1,772	1,870
Interest rate group 2	]2%-3%]	6,138	5,799
Interest rate group 4	]2%-3%]	3,192	3,200
Interest rate group 5	]3%-4%]	10,623	9,694
Interest rate group 6	]4%-5%]	17,797	17,304
Interest rate group 7	5%	255	234
Total contribution		70,229	67,418
U74 life annuities		863	677
Other		1,151	1,066
Total risk margin		72,243	69,161

	Technical interest rate	Bonus rate (%)	Return (%)		
		2023	2024	2023	2024
Bonus rate and return (%)					
Interest rate group 11	-0.5%	26.2	28.5	4.1	4.3
Interest rate group 9	1%	20.7	21.4	5.2	5.2
Interest rate group 10	1%	24.0	31.3	5.0	4.4
Interest rate group 1	]1%-2%]	13.0	13.4	4.8	5.4
Interest rate group 3	]1%-2%]	31.8	37.2	5.1	4.3
Interest rate group 2	]2%-3%]	4.4	4.6	4.6	5.0
Interest rate group 4	]2%-3%]	29.6	32.1	5.2	5.0
Interest rate group 5	]3%-4%]	19.1	22.7	7.7	6.5
Interest rate group 6	]4%-5%]	26.9	30.4	7.3	5.9
Interest rate group 7	5%	283.6	319.0	4.9	4.6

Risk groups

Risk result after addition of risk bonus	22,624	18,417
Risk result after addition of risk bonus (%)	0.1	0.1

Cost groups

Cost contribution after addition of expense bonus	51,020	47,482
Insurance operating expenses	-155,544	-135,639
Expense result	-104,524	-88,157
Expense result (%)	-0.6	-0.5
Return on customer funds after deduction of expenses and before tax (%)	4.3	4.1

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Note 18 Life insurance provisions, unit-linked products

	Insurance contracts	Investment contracts	Total
2023			
Gross provisions at 1 January	56,054,085	5,021,696	61,075,781
Tax on pension return, receivable at 1 January	39,002	0	39,002
Profit margin at 1 January	1,242,781	71,795	1,314,576
Retrospective provisions at 1 January	57,335,868	5,093,491	62,429,359
Gross premiums	12,279,745	675,723	12,955,468
Investment return	8,477,087	824,578	9,301,665
Insurance benefits	-8,543,403	-678,509	-9,221,912
Expense loading after addition of cost bonus	-128,814	-9,320	-138,134
Risk profit after addition of risk bonus	-26,084	275	-25,809
Other	1,344	159	1,503
Internal transfers	35,230	0	35,230
Retrospective provisions at 31 December	69,430,973	5,906,397	75,337,370
Return not distributed	287,395	0	287,395
Profit margin at 31 December	-1,638,831	-88,444	-1,727,275
Life insurance provisions, unit-linked products	68,079,537	5,817,953	73,897,490
2024			
Gross provisions at 1 January	68,079,537	5,817,953	73,897,490
Return not distributed	-287,395	0	-287,395
Profit margin at 1 January	1,638,831	88,444	1,727,275
Retrospective provisions at 1 January	69,430,973	5,906,397	75,337,370
Gross premiums	18,261,417	575,251	18,836,668
Investment return	10,688,308	935,397	11,623,705
Insurance benefits	-8,554,081	-920,144	-9,474,225
Expense loading after addition of cost bonus	-135,727	-9,109	-144,836
Risk profit after addition of risk bonus	-19,939	210	-19,729
Other	-53	955	902
Internal transfers	299,046	0	299,046
Retrospective provisions at 31 December	89,969,944	6,488,957	96,458,901
Profit margin at 31 December	-2,582,497	-186,259	-2,768,756
Life insurance provisions, unit-linked products	87,387,447	6,302,698	93,690,145
		2023	2024
Return on customer funds after deduction of expenses and before tax (%)		15.0	17.0

Note 19 Profit margin on life insurance and investment contracts

With-profit products	176,185	158,734
Unit-linked products	1,727,275	2,768,756
Profit margin on life insurance and investment contracts	1,903,460	2,927,490

Note 20 Deferred tax assets and liabilities

Equipment	3,247	7,103
Properties	-427,466	-489,607
Provisions	807	0
Tax deductibility limitation	405,666	432,576
Other	1,123	385
Deferred tax assets (minus = tax liability)	-16,623	-49,543

NOTES

DKK '000	2023	2024
Note 21 Own funds		
Equity	2,047,753	2,076,673
Proposed dividend	-200,000	-200,000
Profit margin	2,222,850	2,721,949
Intangible assets	-485,067	-400,800
Risk margin difference	-167,056	-180,447
Correction for tax	-425,619	-570,917
Subordinated loan capital	480,000	480,000
Own funds	3,472,861	3,926,458
Note 22 Staff costs		
Salaries	221,809	251,039
Pensions	35,478	40,673
Social security costs	5,109	2,698
Payroll tax	39,351	37,382
Employee shares	7,300	0
	309,047	331,792
Average number of full-time employees	290	315
Note 23 Related parties		
Board of Directors		
Of the six board members, an external member and the two employee representatives received board fees.		
Mads Skovlund Pedersen		
Hans Erik Hugo Preutz		
Helene Bløcher (elected at 22 March 2024)		
Brian Rothemejer Jacobsen		
Heidi Maria Lovmand Jensen		
Linda Heldgaard Sørensen (elected at 26 April 2023)		
Annette Sauffaus Nebel Møller (resigned at 26 April 2023)		
Petteri Juha Väinämö Änkilä (elected at 22 March 2024, resigned at 1 January 2025)		
Katja Bergqvist (resigned at 22 March 2024)		
Total board fees	532	532
Executive Management		
Vivian Weis Byrholt		
Information on remuneration etc. is available on request from the company at https://www.nordeapension.dk/rapporter/		
The remuneration is paid by several companies of the group.		
The company has no unfunded pension obligations.		
Material risk takers		
In addition to the Executive Management, 14 (2023: 10) employees of Nordea Pension have a material impact on the company's risk profile (DKKm):		
Fixed remuneration	16.8	18.7
Variable remuneration	0.8	1.3
	17.6	20.0

NOTES

DKK '000	2023	2024
Note 23 Related parties – continued		
Intragroup transactions with related parties		
Commissions	0	-6,818
IT	-179,178	-231,214
Group costs	-6,788	-11,237
Asset management	-455,373	-705,464
Interest expenses	-28,301	-43,133
Brokerage commissions (other income)	362,262	395,392
Interest income and dividend	19,231	226,862
Gains and losses on securities and derivatives	0	-37,354

Note 24 Collateral

The following assets have been registered as collateral for the technical provisions:

Investments in group enterprises	2,757,453	2,935,217
Investments in associates	797,441	833,453
Equity investments	2,071,197	1,710,693
Mutual fund investments	7,521,661	11,248,518
Bonds	8,475,495	5,747,245
Deposits with credit institutions	1,280,000	1,350,000
Investment assets related to unit-linked products	74,546,657	96,089,068
Receivables from group enterprises	571,385	302,760
Interest receivable	226,279	82,330
	98,247,568	120,299,284

Note 25 Contingent liabilities

Capital commitments made to loan funds and private equity funds etc.	194,421	341,023
Annual rent related to multi-year rent commitments:		
Lease, Borupvang 4, DK-2750 Ballerup (until 31 May 2024)	4,939	0
Lease liabilities, cars under five years	1,729	2,755

The Danish tax authorities have made a decision against Nordea Pension's customers regarding payment of additional individual pension returns tax for 2020. Nordea Pension has expensed the additional individual pension returns tax in profit and loss for 2024. It is a risk that the decision can have a knock-on effect on additional years.

Nordea Pension has disputed the claims of the Danish tax authorities on behalf of our customers and has appealed the individual decisions to the National Tax Tribunal. Furthermore, the case is not expected to have material impact on the company's financial position.

The company is jointly and severally liable for VAT, payroll tax, income tax and other tax liabilities of the jointly registered companies of the Nordea Pension Group.

Nordea Pension, Livsforsikringsselskab A/S is jointly taxed with the Danish companies and branches of Nordea Bank. The companies and branches included in the joint taxation have joint and several unlimited liability for Danish corporation taxes and withholding taxes on dividends and interest. At 31 December 2024, the net taxes receivable from the Danish Tax Agency by the companies and branches included in the joint taxation amounted to DKK 392m (net taxes receivable DKK 232m). Any subsequent corrections of the taxable income subject to joint taxation or withholding taxes on dividends etc. may entail that the companies' assets/liabilities will increase. The Danish Nordea entities as a whole are not liable to others.

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Note 26 Risk factors

The company's risk is illustrated in the below table of the principal risk factors stated as their effect on profit and equity after tax on pension returns and income tax.

The stated assumptions do not reflect the company's expectations, but are merely examples for the purpose of assessing the company's sensitivity to the stated risks.

Life insurance

Disability intensity – 35% increase*	-8,200	-4,365
Mortality intensity – 20% decrease	-108,583	-87,276

Health and accident insurance

Underwriting risk – combined ratio increasing by 1pp	-5,352	-6,049
Provision risk – provisions net of reinsurance increasing by 1%	-22,138	-23,029

Market risk

Interest-bearing debts	Effective interest rate increasing	-165,146	-163,546
Claims provisions etc.	1pp	170,154	170,648
Equities	10% decrease	-589	-167
Properties	10% decrease	-7,649	-7,506
Annual value loss with up to 2.5% probability (VaR)		-918	-692

*35% increase in the first year, then 25%, concurrent with a 20% drop in reactivation rates

Note 27 Realised result and shadow account

Realised result allocated to customers	494,499	505,597
Realised result allocated to equity	98,302	229,064
Realised result	592,801	734,661

The allocation of realised result to policyholders follows the principles set out in the Danish executive order on the contribution principle.

Shadow account at 1 January	178,611	219,150
Addition	40,539	31,519
Shadow account at 31 December	219,150	250,669

Note 28 Specification of assets and return on assets

Assets related to average-rate products	Carrying amount at		Return (%)*
	1 January	31 December	
Land and buildings	2,593,066	2,855,055	6.1
Listed equity investments	10,876,553	10,703,580	6.5
Unlisted equity investments	620,102	668,352	5.3
Total equity investments	11,496,655	11,371,932	6.4
Government and mortgage bonds	6,986,580	4,717,732	4.1
Index-linked bonds	782,280	737,078	1.1
Credit bonds and emerging market bonds	633,262	182,629	12.7
Total bonds	8,402,122	5,637,438	4.3
Associates	598,081	625,090	4.6
Other investment assets	-5,424,869	967,617	3.3
Derivative financial instruments to hedge the net change in assets and liabilities	-40,543	-247,329	

* Return p.a. before tax on pension return and income tax.

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Note 28 Specification of assets and return on assets – continued

Assets related to unit-linked products	Carrying amount at		Return (%)*
	1 January	31 December	
Land and buildings	4,553,453	4,684,990	6.1
Listed equity investments	30,106,332	39,748,604	12.8
Total equity investments	30,106,332	39,748,604	12.8
Government and mortgage bonds	3,459,733	415,695	3.9
Credit bonds and emerging market bonds	8,758,600	7,830,426	26.8
Total bonds	12,218,333	8,246,122	19.0
Other investment assets	2,007	-335,290	0.0
		2023	2024

The exposure to listed equity investments, adjusted via derivative financial instruments, amounts to (DKKm):

50,323 51,249

Cash arising from the use of derivative financial instruments which is not tied up is mainly invested in government bonds and mortgage bonds and amounts to (DKKm):

12,461 479

Assets are calculated on a consolidated basis and thus include assets owned by subsidiaries.

Assets related to unit-linked products do not include assets picked by the policyholders themselves.

In the calculation of rates of return, returns on derivative financial instruments are calculated in proportion to the exposure in the underlying asset.

Note 29 Assets at fair value

	Listed prices level 1	Observable input level 2	Non-observable input level 3
2023			
Investments in group enterprises			2,757,453
Investments in associates			797,441
Equity investments	1,448,929		622,268
Mutual fund investments	7,521,663		
Bonds	1,261,825	6,874,993	790,403
Deposits with credit institutions		1,365,754	
Derivative financial instruments		300,227	
Investment assets related to unit-linked products:			
Equity investments	37,806,871		
Mutual fund investments	10,303,129		
Bonds	3,137,096	18,329,022	435,155
Deposits with credit institutions		6,050	
Investments in group enterprises			4,529,334
Total investment assets related to unit-linked products	51,247,096	18,335,072	4,964,489
Assets at fair value, total	61,479,513	26,876,046	9,932,054
2024			
Investments in group enterprises			2,935,217
Investments in associates			833,453
Equity investments	1,040,760		669,933
Mutual fund investments	11,248,518		
Bonds	583,233	4,608,417	555,595
Deposits with credit institutions		1,559,038	
Derivative financial instruments		135,941	
Investment assets related to unit-linked products:			
Equity investments	7,619,384		
Mutual fund investments	74,755,335		
Bonds	700,664	7,645,316	549,643
Investments in group enterprises			4,818,726
Total investment assets related to unit-linked products	83,075,383	7,645,316	5,368,369
Assets at fair value, total	95,947,894	13,948,712	10,362,567

NOTES

DKK '000

Note 29 Assets at fair value – continued

Investments in group enterprises comprise the carrying amount of subsidiaries whose principal activity is investment in properties, either directly or via investments in group enterprises and associates.

Properties are measured at fair value using the return-based model for commercial properties and DCF-model based for residential properties as the calculated value in use of expected cash flows from each property.

The calculation of the value in use is based on a return requirement determined for each property according to the prevailing market conditions for the property type in question, the location, tenant creditworthiness etc., to the effect that the return requirement is deemed to reflect the current market return requirement for similar properties.

For directly owned properties, the average return requirement is 4.8% (2023: 4.8%). The highest return requirement for a single property is 8.0% (2023: 7.0%) and the lowest is 3.4% (2023: 4.0%). An increase in the return requirement of an average of 0.5 pp would reduce the total fair value of directly owned properties by DKK 622m (2023: DKK 563m).

The total market value adjustment including gains and losses on disposal is a negative DKK 161m (2023: DKK 50m).

The transfers from level 2 are due to the adoption of the Nordea processes on classification of financial instruments in 2023.

DKKm	2023	2024
Financial assets measured at fair value based on non-observable inputs (level 3): (excluding investments in group enterprises)		
At 1 January	43	1,854
Transferred from level 2	1,820	137
Transferred to level 2	0	-318
Repayment	-2	-26
Market value adjustments	-6	128
	1,854	1,775

At 31 December 2024 the portfolio consists of unlisted funds and Danish mortgage bonds.

Note 30 Return and risk – unit-linked products

Selected ages based on retirement age 2023	Years to retirement	Percentage of average provisions	Return (%) before tax on pension return	Risk
Lifecycle:				
	30 years	0.9	14.8	4.75
	15 years	2.5	12.9	4.50
	5 years	1.6	10.8	4.25
	5 years after	0.0	9.8	3.75
Non-lifecycle		36.8	16.8	5.25
2024				
Lifecycle:				
	30 years	0.8	18.4	4.75
	15 years	2.3	16.3	4.50
	5 years	1.7	13.5	4.25
	5 years after	0.0	13.1	3.75
Non-lifecycle		42.9	19.8	5.25

NOTES

DKK '000

Note 31 Group enterprises

2023	Activity	Profit for the year	Equity
Nordea Pension Ejendom Danmark A/S	Real estate	197,845	7,286,787
Nordea Pension Kapitalforvaltning Danmark A/S	Asset management	76,244	90,553
Nordea Pension EDB Danmark II ApS	IT services	79	8,450

All companies are wholly owned and have registered offices in Copenhagen.

Note 32 Consolidated financial statements and parent-subsidiary relations

In accordance with section 134(1) of the Danish Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension funds, the company does not prepare consolidated financial statements.

The financial statements of Nordea Pension, Livsforsikringsselskab A/S are included in the consolidated financial statements of Nordea Bank Abp, Business ID 2858394-9, Hamnbanegatan 5, 00020 Helsinki, Finland. The consolidated financial statements are available from the company on request.

The company is wholly owned by Nordea Pension Holding Danmark A/S, Copenhagen S.

Note 33 Other note disclosures

The five-year financial highlights (section 91a) are shown in the Management's review on page 3, and risk information (section 91b) is set out in the 'Risk factors' section of the Management's review.

NOTES

Note 34 Material accounting policies

The annual report of Nordea Pension, Livsforsikringsselskab A/S has been prepared in accordance with the provisions of the Danish Insurance Business Act, including the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds.

The accounting policies are consistent with those applied in 2023.

GENERAL ACCOUNTING POLICIES

Accounting estimates and judgements

In preparing the financial statements, management has applied estimates and judgements that affect the carrying amounts of assets and liabilities.

Significant estimates and judgements are made in connection with the calculation of life insurance provisions and investment property.

Life insurance provisions

Uncertainty with respect to the value of life insurance provisions mainly relates to best estimates of disability, longevity etc. and the frequencies of surrender and premium paid-up policies, which may have a significant effect on the size of life insurance provisions.

Investment property

In measuring the fair value of investment property, the company applies a return model based on market-determined net earnings and a return requirement based on a number of parameters, including location, vacancy rates, tenant creditworthiness etc.

Recognition and measurement

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when it is probable that future economic benefits will flow from the company and the value of the liability can be reliably measured.

Recognition and measurement take into account predictable losses and risks occurring prior to the presentation of the annual report which confirm or invalidate

affairs and conditions existing at the balance sheet date.

Income is recognised in the income statement as earned. Also recognised in the income statement are all costs relating to the financial year, including depreciation, amortisation and impairment losses. Value adjustments of financial assets and liabilities are recognised in profit or loss, unless otherwise stated below.

Financial instruments are recognised at the settlement date at fair value, equalling cost. Changes in value occurring between the transaction date and the settlement date are recognised in the balance sheet under derivative financial instruments.

Genuine sale and repurchase agreements and genuine purchase and resale agreements (repo and reverse repo agreements) are accounted for as secured loans.

Insurance contracts and investment contracts – classification

An insurance contract is a contract under which the insurer accepts significant insurance risk from the policyholder by agreeing to compensate the policyholder if a specified uncertain future event adversely affects the policyholder.

Insurance risk is considered significant when the contract comprises disability cover, including waiver of premium.

Insurance risk in relation to illness and accident insurance is always considered significant.

Classification is made on a contract-by-contract basis. Contracts comprising group waiver of premium or a group product are considered in their entirety to be one insurance contract.

Contracts issued with bonus entitlement are classified as insurance contracts.

Premiums and benefits for all insurance contracts are recognised in the income statement.

An investment contract is a contract which does not involve sufficient risk to be classified as an insurance contract.

Premiums and benefits for investment contracts are recognised directly in the balance sheet.

Generation of earnings

The generation of earnings in life insurance is governed by the Danish Insurance Business Act. The principles for the calculation of profit/loss for the year have been reported to the Danish Financial Supervisory Authority.

Profit/loss relating to life insurance is made up of unconditional and conditional elements of earnings.

Unconditional elements of earnings include returns on assets allocated to equity, the sales expense result and the result of insurance policies outside contribution.

Conditional elements of earnings comprise risk premiums calculated for each contribution group. The risk return for individual contribution groups (cost groups, risk groups and interest rate groups) is determined based on the degree of risk the group is assessed to impose on equity.

The risk return is allocated to equity to the extent that it can be recovered in the collective bonus potentials before the calculation of profit margin.

Equity must contribute to the funding of any negative results of individual contribution groups if the loss cannot be covered by the collective bonus potential or individual bonus potentials. Any loss not covered by the bonus potentials is referred to the group's outlay account and may be reversed at a future date when the bonus potentials are sufficient to cover the loss.

Intragroup transactions

Intragroup services are settled on a cost recovery basis or on market terms. The companies of Nordea Pension Danmark Group have agreed to settle intragroup balances on market terms.

Intragroup trading in securities and other assets is settled at market prices.

Foreign currency translation

Transactions denominated in foreign currencies are translated at the exchange rates at the transaction date. At 31 December, receivables, payables and other monetary items are translated at the exchange rates at the balance sheet date.

All exchange gains and losses are recognised in the income statement under market value adjustments.

Share options

The Executive Management and senior employees of Nordea Pension were included in the Topdanmark Group's share option programme until 30 November 2022.

On subscription, the options were acquired from Topdanmark A/S. The fair value at the time of grant is recognised in staff costs.

The fair value is determined according to the Black-Scholes model.

INCOME STATEMENT

Premiums net of reinsurance

Premiums net of reinsurance comprise regular and single premiums due during the year on directly and indirectly written insurance policies less reinsurer's share.

Investment return

Income from group enterprises comprise the company's share of the profit/loss of subsidiaries. The enterprises apply the same accounting policies as the parent company for similar items.

Income from associates comprises a share of the profit/loss of associates calculated according to the company's accounting policies.

Interest and dividends etc. comprise interest and dividends earned during the year, index adjustment of index-linked bonds etc.

Realised and unrealised gains and losses on investment assets and foreign exchange adjustments etc. are recognised in market value adjustments.

Administrative expenses related to investment activities comprise all asset management and transaction costs.

Tax on pension returns

Tax on pension returns consists of individual tax on pension returns, calculated on the basis of the interest accrued on policyholders' savings, and institution-level tax on pension returns, calculated on the basis of changes to provisions for collective bonus potential, accumulated value adjustments etc. Only payable tax on pension returns is to be included in the profit/loss, whereas deferred tax on pension returns is to be included in the technical provisions.

The tax rate is 15.3%.

Insurance benefits net of reinsurance comprise payments in connection with the occurrence of an insurance event, payments in connection with surrender and cash bonus payments. They also include insurance benefits related to indirect business. Reinsurance amounts received are deducted.

Insurance operating expenses net of reinsurance

Insurance operating expenses comprise expenses related to the acquisition and administration of the company's insurance portfolio, including staff costs, commissions, marketing costs and rent.

The part of the insurance operating expenses that can be ascribed to acquisition and renewal of the insurance portfolio is recognised under acquisition costs.

Administration fees from group enterprises are calculated on a cost recovery basis or on market terms.

Return on investment allocated to equity

Return on investment allocated to equity is calculated as the part of the investment return allocated to equity in accordance with the principles of generation of earnings reported to the Danish Financial Supervisory Authority.

Other income comprises brokerage commissions.

Other expenses comprise costs not related to policyholder administration or investment management.

Technical result of illness and accident insurance net of reinsurance is calculated according to the rules applying to non-life insurance companies.

Income tax

Tax for the year comprises current tax for the year and changes in deferred tax for the year. The current tax charge for the year is calculated based on the tax rates and tax rules applicable at the balance sheet date.

The company is jointly taxed with Nordea's Danish companies and branches for which Nordea Danmark, filial af Nordea Bank Abp, Finland settles all corporate tax payments to the tax authorities, being the management company for the joint taxation scheme.

The current Danish corporation tax is allocated between the jointly taxed entities in proportion to their taxable income through joint taxation contributions. Companies with negative taxable income receive joint taxation contributions from companies that have been able

to utilise such tax losses to reduce their own taxable income.

Deferred tax is measured using the balance sheet liability method on temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax is not calculated on investments in subsidiaries and associates, where the Group controls the timing of the reversal of the temporary difference, and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax is calculated based on the planned use of the individual asset and settlement of the individual liability at the tax rates expected to apply when the deferred tax is expected to crystallise as current tax.

BALANCE SHEET

Intangible assets

Intangible assets are measured at cost less amortisation over an expected useful life of no more than ten years. Where the recoverable amount is lower than cost, the assets are written down to such lower amount.

Equipment

Equipment is measured at cost less straight-line depreciation over an expected useful life of five years.

Investments in group enterprises are measured at equity value. The enterprises apply the same accounting policies as the parent company.

Investments in associates

Associates are enterprises which are not subsidiaries and over which the company exercises significant influence through major shareholdings and representation on the enterprises' boards of directors.

Investments in associates are measured at equity value calculated in accordance with the company's accounting policies.

Other financial investment assets and investment assets related to unit-linked products

Other financial investment assets and investment assets related to unit-linked products are measured at fair value.

Fair value measurement

Fair value measurement is divided into three levels:

Level 1

Where possible, fair value measurement must always be based on quoted prices generated in transactions in active markets. If no quoted price is available, another publicly available price is used instead if it is presumed to be comparable. Where turnover in open, free markets is limited or where no price can be determined in the closing auction, prices from banks/brokers may be used, if these are determined on the basis of fully updated market data and are presumed to be in accordance with the price that would have been set at a closing auction.

Level 2

Where turnover in open, free markets is limited or where no quoted prices are set in such markets, indicative prices may be obtained from banks/brokers stating prices in an orderly sale. If this is not possible, valuation techniques with input based on observable market data are applied instead.

Level 3

Where the valuation of an investment asset cannot be based on observable market data alone, valuation models are applied, which may include estimates of future events as well as of the nature of the current market situation.

Reinsurers' share of technical provisions

Reinsurers' share of technical provisions is calculated as the amounts expected to be received from reinsurance companies under the applicable reinsurance contracts. Expected future payments are discounted by a yield curve. The reinsurers' share is tested regularly for impairment and written down to a lower recoverable amount, if relevant.

Receivables

Receivables from insurance companies and group enterprises are measured at amortised cost. The receivables are tested regularly for impairment and are written down to a lower recoverable amount, if relevant.

Other subordinated loan capital is initially measured at fair value less transaction costs and subsequently measured at amortised cost.

Technical provisions

Unearned premium provisions

Unearned premium provisions relate to illness and accident insurance and are calculated at the present value of the best estimate of expected payouts for fu-

ture insurance events covered by the insurance policies entered into. At Nordea Pension, insurance policies are generally written for periods of one year.

Premiums on insurance policies entered into comprise premiums due and premiums not yet due on insurance policies by which the Group is bound at the balance sheet date, which mainly comprise renewals/new business for the coming month.

The premium provisions are determined based on the latest combined ratio forecast for the coming 12 months. The forecast is prepared quarterly on the basis of analyses of premium, claims and cost trends.

The expected payouts are calculated at net present value discounted by the volatility-adjusted yield curve.

The best estimate of premium payments not yet due on insurance policies entered into is deducted from the premium provision, taking into account expected cessation.

Changes to provisions as a result of changes to the applied yield curve and unwinding up to the expected payout date are transferred to the items Calculated investment return and Value adjustment of non-life insurance provisions.

The adequacy of provisions is regularly reviewed on the basis of current expectations as to future cash flows.

Life insurance provisions

Life insurance provisions for with-profit products are measured at fair value. Accordingly, the liabilities are calculated on the basis of market value independently of the original underwriting basis. The fair value of life insurance provisions is determined on the basis of realistic expectations of future premium and benefit payments and administrative expenses for concluded contracts.

Future premium payments and benefits are determined based on assumptions with regard to mortality, disability, reactivation, surrender and premium cessation rates. The mortality rate used is based on the Danish Financial Supervisory Authority's population mortality rate and Nordea Pension's own observed mortality rate. The Danish Financial Supervisory Authority's expected future longevity improvements are also applied. Other parameters mentioned are determined on the basis of the company's own observations.

The following longevities are expected for a 60-year-old man and a 60-year-old woman:

Remaining Life expectancy	60 year old	
	man	woman
Nordea Pension Livsforsikringsselskab	26.5	29.0
Danish FSA's benchmark	25.6	28.3

The provisions include amounts required to cover expected future expenses for the administration of concluded insurance contracts. The calculation of the expenses includes indexation.

The net present value of expected future cash flows is calculated using a yield curve laid down in Solvency II (EIOPA yield curve). The yield curve is volatility-adjusted, and for insurance policies subject to tax on pension returns, the individual rates of the term structure of interest rates are reduced by the tax rate of 15.3%.

The provisions include a risk margin reflecting what an independent acquirer of the company's life insurance portfolio would demand in return for assuming the risk of fluctuations in expected payments. The risk margin is calculated as the increase in guaranteed benefits arising in a stress test of biometric risk.

The life insurance provisions are calculated as the sum of a best estimate of guaranteed benefits, a best estimate of non-guaranteed benefits and the risk margin. The best estimate of guaranteed benefits is measured as the net present value of the agreed guaranteed benefits plus future administrative expenses and less the net present value of agreed premiums. Guaranteed benefits have been calculated taking into account any conversions into paid-up policies and surrender.

The best estimate of non-guaranteed benefits is calculated for each contribution group as the group's collective bonus potential adjusted for the risk margin and positive values of the difference between savings under each insurance policy (retrospective provision) on the one hand and the best estimates of guaranteed benefits on these policies on the other.

The collective bonus potential is used to equalise bonus distributions from one year to the next. In years when the investment and insurance results exceed the agreed bonuses, the excess will be added to the collective bonus potential, whereas in years when the results are insufficient to finance the agreed bonuses, funds will be drawn from the collective bonus potential.

The asset on deferred tax on investment return is accounted under the life insurance provisions when a loss on investment return occurs and tax on investment is not payable.

Life insurance provisions for unit-linked products are calculated at fair value, reflecting the value of the assets attached to the insurance policies less the profit margin.

Profit margin on life insurance and investment contracts

The profit margin represents the company's expected future earnings from contracts concluded. To the extent possible, it is financed by the individual bonus potentials, while any shortfall is financed by the collective bonus potentials. The value is determined as an interest margin in accordance with the going concern principle.

Claims provisions

Claims provisions are provisions for regular benefits relating to illness and accident insurance.

The provisions are determined according to an internal model based on the correlation between the possibility of reactivation and the time span since the claim occurred.

The benefits are adjusted once a year according to the net consumer price index. The calculation of the provisions takes into account the expected inflation rate.

Claims provisions include provisions for claims incurred but not reported (IBNR). The IBNR provisions are calculated according to internal models.

The company has derivative financial instruments partially hedging the effects of future consumer price index changes on provisions for regular illness and accident insurance benefits, assuming stable growth in the real value of claims paid. Value adjustment is included in claims expenses.

Claims provisions also include amounts expected to be required to cover direct and indirect costs in settling liabilities.

The net present value of expected future cash flows is calculated on the basis of the term structure of interest rates. The adequacy of provisions is regularly reviewed on the basis of current expectations as to future cash flows.

Risk margin on non-life insurance contracts

The risk margin is calculated as the amount expected to be payable by the company to an acquirer of the insurance portfolio in return for that party assuming the risk of the actual cost of settling the technical provisions deviating from the best estimate.

Provisions for bonus and premium discounts

Provisions for bonus and premium discounts relate to illness and accident insurance and comprise amounts payable to the policyholders as a result of a favourable claims experience.

Pensions and similar obligations

Provisions for anniversary bonuses and pension compensation are accumulated over the service period. The liability is calculated taking into account expected resignations based on the company's past experience. The liability is measured at net present value discounted by expected future payments using the term structure of interest rates.

Deposits with ceding companies

Deposits with ceding companies comprise amounts received from reinsurers held as deposits to cover the reinsurers' liabilities towards the company.

Debt

Debt to credit institutions and derivative financial instruments are measured at fair value. The fair value of debt to credit institutions generally equals nominal value. The fair value of derivative financial instruments is calculated according to the same policy as financial assets.

Other payables are measured at amortised cost.

Deferred income

Deferred income is income received before the balance sheet date but which relates to subsequent years.

Financial ratios

The calculation of return ratios is based on the assumption that regular net premiums received are distributed evenly over the year.