

# **CODAN**

**CODAN FORSIKRING A/S  
INTERIM REPORT  
30 JUNE 2018**

Gammel Kongevej 60  
1850 Frederiksberg C  
Company Reg. no. 10 52 96 38

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## General information

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**Board of Directors and  
Board of Management**

**Board of Directors:**

Lars Nørby Johansen, Chairman  
Phillip Wynford Moore, Deputy Chairman  
Gunilla Astrid Henriette Asker  
Christer Arne Bjellert\*  
Scott Egan  
Marianne Philip  
Elisabeth Sandblom\*  
Christian Sletten\*

\*) Employee representative

**Board of Management:**

Patrick Bergander, CEO  
Vivian Lund, EO

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**Auditors**

**Auditors elected by the general meeting:**

KPMG Statsautoriseret Revisionspartnerselskab

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**Ownership**

Codan A/S, Frederiksberg, owns all of the shares in Codan Forsikring A/S.

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**Address, etc.**

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Company Reg. No.: 10 52 96 38

### Management's review

#### The Company's Business model

Codan Forsikring A/S ('Codan Forsikring') is a part of the Codan Group, one of the largest non-life insurance providers in Scandinavia. We work closely together with our branches in Scandinavia and share certain resources, services, knowledge and best practice within all parts of the insurance business to ensure an optimal and efficient administration. We conduct a non-life insurance business in Norway through our Norwegian branch and in Sweden via our Swedish branch, and compete with other non-life general insurance companies in this market.

#### Interim Report for 2018

Codan Forsikring is a subsidiary of Codan A/S whose ultimate parent company is RSA Insurance Group plc, which prepares consolidated financial statements in accordance with applicable United Kingdom law. Consolidated financial statements have therefore not been prepared for the Codan Forsikring Group, which comprise of the insurance companies Codan Forsikring A/S, Forsikringsselskabet Privatsikring A/S and Holmia Livsforsikring AB

The Interim Report for 2018 is unaudited and has been prepared in accordance with the Danish Financial Business Act (*Lov om finansiel virksomhed*), including the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds (*Bekendtgørelse om finansielle rapporter for forsikringsselskaber og tværgående pensionskasser*).

A summary of key figures and financial ratios is provided in note 2 to the Interim Report.

#### Major events

##### *Interim dividend for 2018*

On 21 June 2018 the company declared an interim dividend of DKK 1,857.4 million to the parent company, Codan A/S. The dividend was decided based on the rules on solvency, stress scenarios and registered assets as set out in the legislation governing insurance companies.

##### *Closing of Estonian Branch*

In June 2018 The Estonian branch was finally closed. The branch has been without activity since the sale of the insurance portfolio in 2014.

The loan of DKK 1,000 million to the sister company Codan Ejendomme II was settled in April 2018 and in replacement a new loan of the same amount to Codan A/S was entered.

#### Profit for the period and development of the Company

Profit for the period is DKK 1,072.2million, which is an increase of DKK 38.7 million or 4 % compared to the profit from the first half of 2017. The increasing profit is driven by decrease in the balance on the technical account, 9 % decrease compared to last year offset by increase in investment return which increased by 183% compared to first half of 2017.

The profit for the period breaks down as follows (in DKK million):

	<b>30 June 2018</b>	<b>30 June 2017</b>	<b>31 December 2017</b>
Balance on the technical account	932.4	1,020.2	1,811.8
Investment result	436.1	288.1	685.9
Other income/expenses	-	-	2.1
Tax	-296.3	-274.8	-535.1
<b>Profit for the period</b>	<b>1,072.2</b>	<b>1,033.5</b>	<b>1,964.7</b>

### Management's review

The profit is affected by the investment result that contributes with DKK 436.1 million compared to DKK 288.1 million for the first half of 2017. The investment result is strongly impacted by decreasing interest rate level in the market, which has led to unrealised gains on the investment portfolio, including a capital gain of DKK 196.3 million against a capital loss of DKK -383.1 million for the comparable period last year.

Equity amounted to DKK 7,267.1 million compared with DKK 7,553.2 million at 30 June 2017 and DKK 8,386.2 million at 31 December 2017. The change in equity is primarily driven by the payment of dividend of DKK 1,857.4 million to the parent company and retained profit for the period.

#### **General insurance**

Gross earned premium amounted to DKK 7,489.0 million compared to DKK 7,722.5 for the first half of 2017 which represents a decline of DKK 233.5 million. In spite of this decline the company still posts a strong balance on the technical account. The decline in gross earned premium is affected by the declining exchange rate on SEK against DKK. In local currency the Swedish business shows overall increases in gross earned premiums mainly driven by increases in the personal business partly offset by a slight decrease in the commercial business. However converted to DKK the Swedish business shows overall declining gross earned premiums compared to the same period last year. The Danish business shows an overall increase in gross earned premiums arising from an increase in the commercial business partly offset by decreases in the personal business. For the Norwegian branch Gross earned premium overall decreases both in local currency and in conversion to DKK

The balance on the technical account is also impacted by a slight increased claims incurred, which amounts to DKK 4,969.9 million against DKK 4,960.9 million for the comparable period last year. The gross claims ratio for the first half of 2018 is 68.8 which is an increase compared to the claims ratio for the first half of 2017 of 66.4. Claims incurred are negatively impacted by increases in large losses in Denmark and Sweden, and increases in underlying loss ratios for Denmark and Norway.

The company continues to work on reducing expenses, and the balance on the technical account is impacted by a 7 % decrease in net operating expenses compared to the same period last year. The gross expense ratio is 17.0 against 18.1 for the comparable period last year. Acquisition costs decreases by 6%, and the company's strong initiatives in process optimisation, personnel reductions and infrastructure costs leads to an 15 % decrease in administrative expenses compared to first half of 2017.

The reinsurance activities of the company generated a loss of DKK 130.9 million in the first half of 2018 against a loss of DKK 175.2 million last year. The results include the result of the quota sharing agreement related to the Marine Hull business for the claims years 2016, 2017 and 2018.

The combined ratio for the company is 87.5 against 86.7 for the same period last year. The combined ratio reflects the increased claims ratio partly offset by reduced expenses.

#### **Investments**

The Company's investments comprise investments in subsidiaries and investments in other financial assets. Other financial assets of DKK 32.8 billion include AAA-rated investments of DKK 25.6 billion.

The investment return amounts to DKK 699.1 million for the first half of 2018 against DKK 247.2 million for the comparable period in 2017.

For the first half of 2018 the decreasing interest rates have affected the investments in bonds resulting in unrealised capital gains of DKK 196.3 million against a capital loss of DKK -383.1 million for the first half of 2017.

Total value adjustments are a gain of 192.4 DKK million compared to a loss of DKK -371.0 million for the comparative period last year.

## **Management's review**

Income from Group entities amounts to DKK 45.1 million in the first half of 2018 against DKK 108.1 million for the comparable prior year period. Income from Group entities is made up of a profit from Holmia Livsförsäkring AB of DKK 36.8 million and a profit from Forsikringselskabet Privatsikring A/S of DKK 8.3 million.

### **Risk management in Codan**

Reference is made to the section on risk management in the Management's review in the Annual Report for 2017. The description outlined still applies on 30 June 2018.

### **Risks and uncertainties**

Codan Forsikring A/S' results for the full year 2018 will continue to be sensitive to the development in the financial situation and economic factors. In addition, the results will primarily depend on the trend in weather-related claims and large claims as well as of changes in the level of Danish interest rates.

The Management of Codan does not consider it appropriate to make any statements as to the expected developments in the interest rate and stock markets and consequently to the expected value adjustments for the remaining six months of the financial year.

### **Events subsequent to 30 June 2018**

No events of material importance to the Company's financial position or business affairs have occurred subsequent to 30 June 2018.

## Codan Forsikring A/S - Interim Report 30 June 2018

### Statement by the Boards of Directors and Management

The Board of Directors and the Board of Management have today considered and approved the Interim Report for Codan Forsikring A/S for the period 1 January - 30 June 2018.

The Interim Report has been prepared in accordance with the Danish Financial Business Act.

It is our opinion that the interim report gives a true and fair view of the Company's financial position at 30 June 2018 and of its financial performance for the period 1 January to 30 June 2018. It is also our opinion that the Management's review gives a true and a fair view of developments in the Company's activities and financial position and describes the major risks and uncertainties which the Company is facing.

Copenhagen, 30 August 2018

#### Board of Management

Patrick Bergander  
*CEO*

Vivian Lund  
*EO*

#### Board of Directors

Lars Nørby Johansen  
*Chairman*

Phillip Wynford Moore  
*Deputy Chairman*

Gunilla Astrid Henriette Asker

Christer Arne Bjellert

Scott Egan

Marianne Philip

Elisabeth Sandblom

Christian Sletten

## Income statement

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
<b>General insurance</b>				
	Gross premiums written	8,650.0	9,029.8	15,448.9
	Premiums ceded to reinsurers	-461.1	-526.8	-658.5
	Change in premium provision	-1,265.7	-1,356.6	264.9
	Change in profit margin and risk margin	104.7	49.3	-252.9
	Change in the provision for unearned premiums, reinsurers' share	158.5	166.7	-43.8
	<b>Earned premiums, net of reinsurance</b>	<b>7,186.4</b>	<b>7,362.4</b>	<b>14,758.6</b>
	Claims paid, gross	-4,916.8	-5,497.9	-10,795.6
	Claims paid, reinsurers' share	91.7	177.4	297.1
	Change in the provision for claims	-245.8	489.1	715.1
	Change in risk margin	33.6	-94.7	-58.7
	Change in the provision for claims, reinsurers' share	67.4	-34.8	-241.6
	<b>Claims incurred, net of reinsurance</b>	<b>-4,969.9</b>	<b>-4,960.9</b>	<b>-10,083.7</b>
	<b>Bonuses and rebates</b>	<b>-33.8</b>	<b>-34.6</b>	<b>-67.1</b>
	Acquisition costs	-906.8	-971.6	-1,893.0
	Administrative expenses	-356.1	-417.4	-966.6
	Reinsurance commissions and profit participation	12.6	42.3	63.6
	<b>Net operating expenses</b>	<b>-1,250.3</b>	<b>-1,346.7</b>	<b>-2,796.0</b>
	<b>Balance on the technical account, general insurance</b>	<b>932.4</b>	<b>1,020.2</b>	<b>1,811.8</b>
<b>Investments</b>				
	Income from Group entities	45.1	108.1	162.7
	Income from associated entities	4.9	2.7	2.7
	Income from investment properties	-0.2	-0.4	-0.7
3	Interest income and dividends, etc.	496.6	552.3	1,059.1
4	Value adjustments	192.4	-371.0	-323.4
	Interest expenses	-0.2	-1.1	-0.9
	Investment management expenses	-39.5	-43.4	-74.3
	<b>Total investment return</b>	<b>699.1</b>	<b>247.2</b>	<b>825.2</b>
	<b>Return on and value adjustment on technical provisions</b>	<b>-263.0</b>	<b>40.9</b>	<b>-139.3</b>
	<b>Total investment return after return on and value adjustment on technical provisions</b>	<b>436.1</b>	<b>288.1</b>	<b>685.9</b>
	Other income	-	-	2.1
	<b>Profit before tax</b>	<b>1,368.5</b>	<b>1,308.3</b>	<b>2,499.8</b>
	Tax	-296.3	-274.8	-535.1
	<b>Profit for the period</b>	<b>1,072.2</b>	<b>1,033.5</b>	<b>1,964.7</b>

**Statement of comprehensive income**

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
Currency translation adjustment, subsidiaries		-19.4	-3.6	-9.7
Currency translation adjustment, foreign branches		-312.4	-59.2	-159.5
Currency translation adjustment, foreign associated companies		-1.3	-	-
Disposal of Estonian translation reserve		0.2	-	-
Intra-group contribution		-	-12.0	1.4
Tax on intra-group contribution		-	3.0	-0.4
Other comprehensive income		-1.0	0.2	-1.6
<b>Other comprehensive income</b>		<b>-333.9</b>	<b>-71.6</b>	<b>-169.8</b>
Profit for the period		1,072.2	1,033.5	1,964.7
<b>Total comprehensive income</b>		<b>738.3</b>	<b>961.9</b>	<b>1,794.9</b>

## Balance sheet

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
<b>Assets</b>				
	<b>Intangible assets</b>	<b>1,233.1</b>	<b>1,312.0</b>	<b>1,254.6</b>
	Equipment	27.1	21.6	31.9
	Group occupied properties	-	13.9	15.1
	<b>Total property and equipment</b>	<b>27.1</b>	<b>35.5</b>	<b>47.0</b>
5	Investments in Group entities	681.7	604.1	656.0
	Loans to Group entities	1,000.0	1,000.0	1,000.0
	Investments in associated companies	24.2	21.9	20.4
	<b>Total investments in Group entities</b>	<b>1,705.9</b>	<b>1,626.0</b>	<b>1,676.4</b>
	Equity investments	1,894.1	1,860.4	1,965.3
	Units in open-ended funds	905.8	906.1	891.8
	Bonds	29,983.4	31,976.4	30,779.4
	Other loans	3.0	39.4	43.8
	Other	111.8	63.3	86.9
	<b>Total other financial assets</b>	<b>32,898.1</b>	<b>34,845.6</b>	<b>33,767.2</b>
	Deposits with ceding undertakings	1.5	3.2	2.0
	<b>Total investments</b>	<b>34,605.5</b>	<b>36,474.8</b>	<b>35,445.6</b>
	Reinsurers' share of provision for unearned premiums	319.9	371.4	161.3
	Reinsurers' share of provision for claims	712.7	838.6	615.0
	<b>Total reinsurers' share of insurance contract provisions</b>	<b>1,032.6</b>	<b>1,210.0</b>	<b>776.3</b>
	Receivables from policyholders	367.5	1,631.6	289.3
	Receivables from brokers	182.1	94.3	122.3
	<b>Total receivables arising from direct insurance contracts</b>	<b>549.6</b>	<b>1,725.9</b>	<b>411.6</b>
	Receivables from insurance companies	145.4	209.0	104.6
	Receivables from Group entities	375.7	72.7	211.5
	Other receivables	62.5	42.1	46.7
	<b>Total receivables</b>	<b>2,165.8</b>	<b>3,259.7</b>	<b>1,550.7</b>
	Assets held for sale	20.0	2.3	2.3
	Current tax assets	-	-	29.1
	Deferred tax assets	353.8	328.2	345.6
	Cash and cash equivalents	744.9	715.3	1,225.8
	<b>Total other assets</b>	<b>1,118.7</b>	<b>1,045.8</b>	<b>1,602.8</b>
6	Accrued interest and rent	356.2	416.7	320.6
	Other prepayments	121.7	114.1	69.0
	<b>Total prepayments and accrued income</b>	<b>477.9</b>	<b>530.8</b>	<b>389.6</b>
	<b>Total assets</b>	<b>39,628.1</b>	<b>42,658.6</b>	<b>40,290.3</b>

## Balance sheet

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
<b>Equity and liabilities</b>				
<b>Share capital</b>		15.0	15.0	15.0
Contingency funds		5,188.8	5,497.6	5,417.3
Reserve for net revaluation according to the equity method		446.6	343.2	401.5
Translation reserve		13.6	144.0	118.0
<b>Total reserves</b>		5,649.0	5,984.8	5,936.8
<b>Retained earnings</b>		1,603.1	1,553.4	2,434.4
<b>7 Total equity</b>		<b>7,267.1</b>	<b>7,553.2</b>	<b>8,386.2</b>
Provision for unearned premiums		1,298.7	3,139.6	522.0
Profit margin on general insurance contracts		1,591.7	1,427.1	1,702.7
Provision for outstanding claims		23,989.9	24,707.2	24,303.0
Risk margin on general insurance contracts		1,866.8	2,084.7	2,023.4
Provision for bonuses and rebates		27.2	25.0	29.7
<b>Total insurance contract provisions</b>		<b>28,774.3</b>	<b>31,383.6</b>	<b>28,580.8</b>
Pension and other similar obligations		20.0	37.7	28.1
Deferred tax liabilities		105.6	118.1	107.1
Other provisions		291.5	308.1	352.1
<b>Total provisions</b>		<b>417.1</b>	<b>463.9</b>	<b>487.3</b>
<b>Deposits received from reinsurers</b>		<b>0.5</b>	<b>13.6</b>	<b>1.5</b>
Payables arising from direct insurance contracts		298.6	209.4	266.3
Payables arising from reinsurance contracts		112.4	201.8	72.2
Debt to credit institutions		1,438.7	1,437.8	997.6
Amounts owed to Group entities		166.9	76.0	70.1
Current tax liabilities		10.5	91.7	31.7
Other payables		1,100.7	1,179.0	1,317.5
<b>Total payables</b>		<b>3,127.8</b>	<b>3,195.7</b>	<b>2,755.4</b>
<b>Deferred income</b>		<b>41.3</b>	<b>48.6</b>	<b>79.1</b>
<b>Total equity and liabilities</b>		<b>39,628.1</b>	<b>42,658.6</b>	<b>40,290.3</b>

## Notes without reference

- 1 Accounting policies
- 2 Key figures and financial ratios

## Statement of changes in equity

DKK million	Share capital	Revaluation reserves	Other reserves	Proposed dividend	Retained earnings	Total equity
<b>2017</b>						
<b>Equity, beginning of the year</b>	<b>15.0</b>	<b>415.8</b>	<b>5,704.6</b>	<b>-</b>	<b>2,655.9</b>	<b>8,791.3</b>
<b>Changes in equity for the period:</b>						
Currency translation adjustment, foreign subsidiaries	-	0.1	-9.8	-	-	<b>-9.7</b>
Currency translation adjustment, foreign branches	-	-	-159.5	-	-	<b>-159.5</b>
Sale of Besigtelses Kontoret af 1914 A/S	-	3.3	-	-	-3.3	<b>-</b>
Intra-group contribution	-	-	-	-	1.4	<b>1.4</b>
Tax on intra-group contribution	-	-	-	-	-0.4	<b>-0.4</b>
Other comprehensive income	-	0.1	-	-	-1.7	<b>-1.6</b>
Profit for the year	-	3.5	-169.3	-	-4.0	<b>-169.8</b>
	-	77.6	-	-	1,887.1	<b>1,964.7</b>
Total comprehensive income for the year	-	81.1	-169.3	-	1,883.1	<b>1,794.9</b>
Received dividend, subsidiaries	-	-95.4	-	-	95.4	<b>-</b>
Distributed interim dividend	-	-	-	2,200.0	-2,200.0	<b>-</b>
Dividend paid	-	-	-	-2,200.0	-	<b>-2,200.0</b>
<b>Changes in equity for the year</b>	<b>-</b>	<b>-14.3</b>	<b>-169.3</b>	<b>-</b>	<b>-221.5</b>	<b>-405.1</b>
<b>Equity, end of the year</b>	<b>15.0</b>	<b>401.5</b>	<b>5,535.3</b>	<b>-</b>	<b>2,434.4</b>	<b>8,386.2</b>
<b>30 June 2017</b>						
<b>Equity, beginning of the year</b>	<b>15.0</b>	<b>415.8</b>	<b>5,704.6</b>	<b>-</b>	<b>2,655.9</b>	<b>8,791.3</b>
<b>Changes in equity for the period:</b>						
Currency translation adjustment, foreign subsidiaries	-	-	-3.6	-	-	<b>-3.6</b>
Currency translation adjustment, branches	-	-	-59.2	-	-	<b>-59.2</b>
Sale of Besigtelses Kontoret af 1914 A/S	-	5.2	-	-	-5.2	<b>-</b>
Intra-group contribution	-	-	-	-	-12.0	<b>-12.0</b>
Tax on intra-group contribution	-	-	-	-	3.0	<b>3.0</b>
Other comprehensive income	-	-	-0.2	-	0.4	<b>0.2</b>
Profit for the period	-	5.2	-63.0	-	-13.8	<b>-71.6</b>
	-	17.6	-	-	1,015.9	<b>1,033.5</b>
Total comprehensive income for the period	-	22.8	-63.0	-	1,002.1	<b>961.9</b>
Received dividend, subsidiaries	-	-95.4	-	-	95.4	<b>-</b>
Declared interim dividend	-	-	-	2,200.0	-2,200.0	<b>-</b>
Dividend paid	-	-	-	-2,200.0	-	<b>-2,200.0</b>
<b>Changes in equity for the period</b>	<b>-</b>	<b>-72.6</b>	<b>-63.0</b>	<b>-</b>	<b>-1,102.5</b>	<b>-1,238.1</b>
<b>Equity, end of the period</b>	<b>15.0</b>	<b>343.2</b>	<b>5,641.6</b>	<b>-</b>	<b>1,553.4</b>	<b>7,553.2</b>

## Statement of changes in equity

DKK million	Share capital	Revaluation reserves	Other reserves	Proposed dividend	Retained earnings	Total equity
<b>30 June 2018</b>						
<b>Equity, beginning of the year</b>	<b>15.0</b>	<b>401.5</b>	<b>5,535.3</b>	-	<b>2,434.4</b>	<b>8,386.2</b>
Currency translation adjustment, foreign subsidiaries	-	-	-19.4	-	-	<b>-19.4</b>
Currency translation adjustment, foreign associated companies	-	-	-1.3	-	-	<b>-1.3</b>
Currency translation adjustment, branches	-	-	-312.4	-	-	<b>-312.4</b>
Disposal of Estonian translation reserve	-	-	0.2	-	-	<b>0.2</b>
Other comprehensive income	-	-	-	-	-1.0	<b>-1.0</b>
Profit for the period	-	45.1	-	-	1,027.1	<b>1,072.2</b>
<b>Total comprehensive income for the period</b>	-	<b>45.1</b>	<b>-332.9</b>	-	<b>1,026.1</b>	<b>738.3</b>
Received dividend, subsidiaries	-	-	-	-	-	-
Declared interim dividend	-	-	-	1,857.4	-1,857.4	-
Dividend paid	-	-	-	-1,857.4	-	<b>-1,857.4</b>
<b>Changes in equity for the period</b>	-	<b>45.1</b>	<b>-332.9</b>	-	<b>-831.3</b>	<b>-1,119.1</b>
<b>Equity, end of the period</b>	<b>15.0</b>	<b>446.6</b>	<b>5,202.4</b>	-	<b>1,603.1</b>	<b>7,267.1</b>

## Notes to the financial statements

## Note

## 1 Accounting policies

The Interim Report for 2018 for Codan Forsikring A/S is unaudited and has been prepared in accordance with the Danish Financial Business Act, including the Danish Financial Supervisory Authority's executive orders no. 937 of 7 July 2015 and no. 688 of 1 June 2016 on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds).

Codan Forsikring A/S is a subsidiary of RSA Insurance Group plc, which prepares consolidated financial statements in accordance with applicable United Kingdom law. Consolidated financial statements have therefore not been prepared for the Codan Forsikring A/S Group.

The accounting policies remain unchanged from the Annual Report for 2017.

## 2 Key figures and financial ratios\*

DKK million	30 June 2018	30 June 2017	31 December 2017
Gross earned premiums	7,489.0	7,722.5	15,460.9
Gross claims incurred	-5,129.0	-5,103.5	-10,139.2
Total operating expenses	-1,262.9	-1,389.0	-2,859.6
Profit/loss from reinsurance	-130.9	-175.2	-583.2
Balance on the technical account	932.4	1,020.2	1,811.8
Total investment return after return on and value adjustment on technical provisions	436.1	288.1	685.9
Profit for the period	1,072.2	1,033.5	1,964.7
Run-off gain/loss, net of reinsurance	193.8	312.9	395.4
Total technical provisions	28,774.3	31,383.6	28,580.8
Total insurance assets	1,032.6	1,210.0	776.3
Total equity	7,267.1	7,553.2	8,386.2
Total assets	39,628.1	42,658.6	40,290.3
<b>Financial ratios</b>			
Gross claims ratio	68.8	66.4	65.9
Gross expense ratio	17.0	18.1	18.6
Combined ratio	87.5	86.7	88.2
Operating ratio	87.5	86.7	88.2
Relative run-off result	0.8	1.2	1.6
Return on equity in %	23.7	20.8	23.1
Solvency ratio - Solvency II**	159.8	186.4	210.3

\* The key figures and financial ratios have been calculated in accordance with the Danish Financial Supervisory Authority's Executive Order on Financial Reports for Insurance Companies and Lateral Pension Funds (Nationwide Occupational Pension Funds).

## Notes to the financial statements

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
<b>3 Interest income and dividends, etc.</b>				
Interest income from Group entities		2.0	3.8	6.4
Interest income from bonds, loans and deposits		402.7	466.6	901.6
Non-taxable interest income		-0.2	0.8	1.8
Income from units in open-ended funds and other equity		87.6	77.4	138.6
Other interest income		4.5	3.7	10.7
<b>Interest income and dividends, etc.</b>		<b>496.6</b>	<b>552.3</b>	<b>1,059.1</b>
<b>4 Value adjustments</b>				
Group occupied properties		3.0	1.2	2.7
Investments:				
Equity investments		12.5	-7.2	94.0
Units in open-ended funds		19.1	1.6	1.5
Bonds		35.5	-399.7	-570.9
Other loans		13.9	-0.8	26.1
Derivatives		122.9	-31.5	2.6
<b>Total investments</b>		<b>206.9</b>	<b>-436.4</b>	<b>-444.0</b>
Other value adjustments		-14.5	65.4	120.6
<b>Value adjustments</b>		<b>192.4</b>	<b>-371.0</b>	<b>-323.4</b>
Realised gains and losses on investments		10.6	-53.3	-123.5
Unrealised gains and losses on investments		196.3	-383.1	-320.5
Other realised gains and losses		5.8	3.1	34.2
Other unrealised gains and		-20.3	62.3	86.4
<b>Value adjustments</b>		<b>192.4</b>	<b>-371.0</b>	<b>-323.4</b>

## Notes to the financial statements

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
<b>5 Investments in Group entities</b>				
Cost, beginning of the year		262.4	263.2	263.2
Capital Increase		-	-	3.2
Disposals		-	-0.8	-4.0
Cost, end of the year		262.4	262.4	262.4
Adjustments, beginning of the period		393.6	417.8	417.8
Exchange gains and losses		-19.4	-3.6	-9.8
Currency translation adjustment, subsidiaries		-	0.1	0.1
Profit for the period from Group entities		45.1	17.6	77.6
Paid dividends, capital reduction, etc.		-	-95.4	-95.4
Value adjustments re disposals, during the year		-	5.2	3.3
Adjustments, end of the period		419.3	341.7	393.6
Carrying amount, end of the period		<b>681.7</b>	<b>604.1</b>	<b>656.0</b>
The value of investments in Group entities can be broken down as follows:				
Holmia Livförsäkring AB		341.9	294.4	324.5
Forsikringsselskabet Privatsikring A/S		339.8	309.7	331.5
		<b>681.7</b>	<b>604.1</b>	<b>656.0</b>

Equity in Group entities, which has formed the basis for the calculation of Codan Forsikring A/S' share as specified above, has been determined in accordance with the accounting policies of Codan Forsikring A/S.

All subsidiaries are separate entities.

Additional information on investments in Group entities:

	Ownership interest %	Results 30 June DKK million	Equity 30 June DKK million
Companies carrying on insurance business:			
Holmia Livförsäkring AB, Stockholm	100	36.8	341.9
Forsikringsselskabet Privatsikring A/S, Frederiksberg	100	8.3	339.8

Results and equity in Group entities as stated above have been prepared in accordance with the accounting policies of Codan Forsikring A/S.

## Notes to the financial statements

Note	DKK million	30 June 2018	30 June 2017	31 December 2017
<b>6 Accrued interest and rent</b>				
Accrued interest from Group entities		0.8	2.5	-
Accrued interest from investments		355.4	414.2	320.6
		<b>356.2</b>	<b>416.7</b>	<b>320.6</b>
<b>7 Total equity</b>				
Capital base to cover Solvency Capital Requirement		<b>7,322.0</b>	<b>7,428.5</b>	<b>8,441.5</b>
Capital base to cover Solvency Capital Requirement is calculated as follows:				
Equity		7,267.1	7,553.2	8,385.2
Value of intangible assets		-1,233.1	-1,312.0	-1,254.6
Value of equipment		-5.4	-21.6	-6.4
Adjustment regarding subsidiaries		74.5	77.0	35.1
Profit margin on general insurance contracts		1,591.1	1,427.1	1,703.7
Reinsurers' share of profit margin on general insurance contracts		-147.6	-172.7	-239.9
Deferred tax effect		-102.7	-8.4	-112.6
Prepayments		-121.9	-114.1	-69.0
Capital base to cover the Solvency Capital Requirement		<b>7,322.0</b>	<b>7,428.5</b>	<b>8,441.5</b>