

# **CODAN**

## **CODAN A/S INTERIM REPORT H1 2016**

Gammel Kongevej 60  
1850 Frederiksberg C  
Company Reg. No. 56 77 12 12

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## General information

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**Board of Directors and  
Board of Management**

**Board of Directors:**

Lars Nørby Johansen, Chairman  
Anthony Piers Latham, Deputy Chairman  
Christer Arne Bjellert\*  
Scott Egan  
Marianne Philip  
Marie Elisabeth Sandblom\*  
Christian Sletten\*

\*) Employee representative

**Board of Management:**

Patrick Bergander, CEO  
Vivian Lund, Executive Officer

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**Auditors**

**Auditors elected by the general meeting:**

KPMG Statsautoriseret Revisionspartnerselskab

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**Ownership**

RSA Insurance Group plc, 20 Fenchurch Street, London, England, owns 100 % of the shares in Codan A/S, through the wholly owned Dutch subsidiary RSA Overseas Holding B.V., Netherland.

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**Address, etc.**

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Company Reg. No. 56 77 12 12

### Management's review

#### The Company's principal activity

Codan A/S is a financial holding company whose principal activity is to own and manage general insurance companies in Scandinavia, primarily through the Danish subsidiary Codan Forsikring A/S, which offer general insurance products to personal and commercial customers.

#### Interim Report for 2016

Codan A/S is a subsidiary of RSA Overseas Holding B.V., 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 Group.

The Interim Report for 2016 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 forsikringselskaber og tværgående pensionskasser*). The Danish Financial Supervisory Authority has issued a new executive order on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds effective from 1 January 2016. The accounting policies have been changed as a consequence of implementing this Executive Order. Changes to accounting policies are described in note 1 to the Interim Report. Accounting policies not mentioned in note 1 are unchanged from last year and are described in the Annual Report for 2015.

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

#### Major events

##### *Dividend*

In the course of the first six months of 2016, Codan A/S received an interim dividend from its subsidiary Codan Forsikring A/S of DKK 1,600 million.

On 27 May 2016 Codan A/S declared an interim dividend of DKK 1,500 million to RSA Overseas Holdings B.V., the parent company of Codan A/S.

##### *New Executive Officer*

During the first half of 2016, Head of Legal and Compliance, Vivian Lund, has been appointed Executive Officer of Codan A/S.

##### *Solvency II*

As of 1 January 2016 Solvency II regulation, a set of EU rules, came into force for insurance companies. The former Danish individual solvency rules are in many respects an early implementation of a Solvency II like regime. The Codan Group has since 2009 prepared for Solvency II in a project coordinated with the RSA Group.

In December 2015, Codan Forsikring and Forsikringselskabet Privatsikring, as part of the RSA Group, received approval to use an internal model to calculate the solvency capital requirement (SCR) as of 1 January 2016. In addition to the SCR, the companies also calculate the minimum capital requirement (MCR) as of 1 January 2016. Companies must hold eligible own funds to cover the MCR in order to ensure ongoing authorisation. The subsidiary Holmia Livförsäkring uses the standard formula for calculating SCR and MCR.

As no sub-consolidation is required for the Codan Group, and whereas the Danish Executive Order on Solvency applicable up to Solvency II was revoked as of 1 January 2016, there is no solvency capital requirement for Codan A/S, however, the company will ensure to hold sufficient capital to meet its obligations.

Codan A/S is an intermediate insurance holding company and is as such not covered by the requirements set out in the new legislation.

##### *New Executive Order on accounting*

The new executive order comprises new presentation and changes in the measurement of insurance contract provisions, but do also introduce new items as risk margin and profit margin. In addition to this, a new interest curve, calculated by the European Insurance and Occupational Pension Authority (EIOPA) is introduced.

### Management's review

The new rules have had a negative impact on the subsidiary Codan Forsikring's equity with DKK 1,265 million. Comparison figures have been adjusted to reflect the changed accounting policies. The changes are described in note 1, Accounting Policies.

#### **Profit for the period and movements in equity**

Codan A/S posts a profit for the first half of 2016 of DKK 883.4 million, which as an improvement of DKK 775.6 million compared to the same period last year, where the profit was DKK 107.8 million. The increase in profit is primarily attributable to income from Group entities, which increased from DKK 128.4 million in the first half of 2015 to DKK 888.6 million for the same period in 2016.

The equity in Codan A/S amounted to DKK 7,879.4 million compared with DKK 8,281.9 million at 30 June 2015 and DKK 8,646.1 million at 31 December 2015. The reduction in equity is primarily attributable to the distribution of dividends.

#### ***Income from Group entities***

Income from Group entities amounted to DKK 888.6 million against DKK 128.4 million for the comparable prior year period.

Income from Group entities can be broken down as follows: The profit for Codan Forsikring A/S amounted to DKK 893.9 million. The profit for other subsidiaries amounted to DKK -5.3 million.

#### ***Codan Forsikring A/S***

Codan Forsikring A/S offers almost all types of general insurance products to private individuals and companies in the Scandinavian countries. Being the third largest player in both the personal and commercial markets, Codan Forsikring A/S holds a leading position in the general insurance market in Denmark. The Company has branches in Sweden, Norway, United States and Estonia.

For the first half of 2016 Codan Forsikring realised a profit of DKK 893.9 million, which is significantly higher than the profit of DKK 130.3 million for the same period in 2015. The profit is achieved through a balance on the technical account exceeding that of last year, along with a positive effect from the declining interest rates on the investment result.

The company has experienced increasing gross earned premiums of 3.4 % compared to the same period last year. The increase is primarily attributable to the Swedish business, which shows growth in both the private and the commercial business. In Denmark premiums show a slight decline, particularly in motor, liability and house and content in the commercial sector. In Norway premiums are affected by the loss of a large affinity deal.

The gross claims ratio for Codan Forsikring for the first half of 2016 is 66.3, which is an improvement of 4.5 compared to that of last year. 2015 was impacted by large run-off losses attributable to personal accident, primarily in Sweden, due to changed actuarial assumptions. The ratio covers an increase in large losses, which is off-set by a positive development in the underlying claims for all three countries.

The company has managed to keep expenses at the level of last year while increasing premiums and reducing claims. This leads to a gross expense ratio of 19.2 compared to 19.9 for the same period last year. The company has a continued focus on reducing costs and are showing reduced personnel and it-costs.

The re-insurance activities of the company improved in 2016 and generated a loss of DKK 144.4 million against a loss of DKK 278.8 million last year. The results include the result of the quota sharing agreement with RSA Reinsurance Ireland Ltd. for the years 2011, 2012 and 2013.

The combined ratio for the company was 87.3 against 94.2 for the same period last year. The combined ratio reflects the declining claims ratio and the declining expenses along with the improvement in the result of re-insurance activities.

The investment return in the company has increased from DKK -29.1 million to DKK 1,526.8 million at 30 June 2016. The investment result is sensitive to the interest rates and the decreasing interest rates have affected the investments in bonds resulting in large unrealised capital gains.

### Management's review

#### *Interest and value adjustments*

Interest income, expenses and value adjustments for the first half of 2016 amounted to DKK -1.1 million against DKK -20.5 million for the same period in 2015. Interest income contains primarily income from units in open-ended funds and other equity investments, while interest expenses is made up of interests on intercompany loans.

#### *Loans and forward exchange contracts*

The exchange adjustments relating to loans in foreign currency amounts to DKK -23.3 million against DKK -50.1 million for the same period last year. The company has entered into forward exchange contracts to hedge the exposure regarding the loans in foreign currency. Value adjustments on forward exchange contracts amounts to DKK 34.2 million for the first half of 2016 compared to DKK 46.1 million for the first half of 2015.

#### *Equity investments and units in open-ended funds*

The company continued to have an exposure to Danish unlisted shares. The company's equity investments and units in open-ended funds amounted to DKK 150.5 million at 30 June 2016, equal to 1.7 % of the total investment portfolio (1.6 % in 2015).

Income from the company's investments in units in open-ended funds and other equity investments amounted to DKK 6.3 million against a return of DKK 19.3 million for the first half of 2015.

#### *Bonds*

The Company's investments in bonds have decreased during the first half of 2016 and amounts to DKK 97.8 million as of 30 June compared to DKK 168.2 million last year. The bonds are non-callable Danish mortgage bonds with a short duration.

#### **Risk management in Codan**

Reference is made to the section on risk management in the Management's review in the Annual Report for 2015. The description outlined still applies on 30 June 2016.

#### **Risks and uncertainties**

Codan A/S expects to continue to maintain the satisfactory insurance operating profit in subsidiaries for the remaining six months of the financial year in accordance with the expectations for the full year 2016 as outlined in the Annual Report for 2015.

However, the insurance result of subsidiaries will continue to be sensitive to the development in the financial situation and economic factors. Furthermore, the technical account of subsidiaries will particularly depend on developments in weather-related claims and large claims.

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 2016**

No events of material importance to the Company's financial position or business affairs have occurred subsequent to 30 June 2016.

## Codan A/S - Interim Report H1 2016

### Statement by the Boards of Directors and Management

The Board of Directors and Board of Management have today considered and approved the Interim Report for Codan A/S for the period 1 January to 30 June 2016.

The Interim Report of Codan A/S 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 2016 and of its financial performance for the period 1 January to 30 June 2016. It is also our opinion that the Management's review contains 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, 17 August 2016

#### Board of Management

Patrick Bergander  
*CEO*

Vivian Lund  
*Executive Officer*

#### Board of Directors

Lars Nørby Johansen  
*Chairman*

Anthony Piers Latham  
*Deputy Chairman*

Christer Arne Bjellert

Scott Egan

Marianne Philip

Maria Elisabeth Sandblom

Christian Sletten

## Income statement

Note	DKK million	H1 2016	H1 2015	2015
<b>Investment return</b>				
		888.6	128.4	410.5
		-	0.3	0.5
3	Interest income and dividends, etc.	7.2	19.9	21.7
4	Value adjustments	10.4	-11.4	1.0
5	Interest expenses	-16.6	-26.7	-46.0
	Investment management expenses	-2.1	-2.6	-3.0
<b>Total investment return</b>		<b>887.5</b>	<b>107.9</b>	<b>384.7</b>
6	Other expenses	-4.4	-5.7	-6.4
<b>Profit before tax</b>		<b>883.1</b>	<b>102.2</b>	<b>378.3</b>
	Tax	0.3	5.6	7.8
<b>Profit for the period</b>		<b>883.4</b>	<b>107.8</b>	<b>386.1</b>

## Statement of comprehensive income

	Currency translation adjustment, subsidiaries	-157.2	161.8	275.2
	Currency translation adjustment, goodwill re. subsidiaries	7.1	7.7	-14.2
	Actuarial gains/losses on pension obligations	-	-	-3.9
	Tax on actuarial gains/losses on pension obligations	-	-	0.8
	Other comprehensive income	-	-0.8	-3.3
<b>Other comprehensive income</b>		<b>-150.1</b>	<b>168.7</b>	<b>254.6</b>
Profit for the period		883.4	107.8	386.1
<b>Total comprehensive income for the period</b>		<b>733.3</b>	<b>276.5</b>	<b>640.7</b>



## Balance sheet

Note	DKK million	30 June 2016	30 June 2015	31 December 2015
<b>Assets</b>				
	<b>Intangible assets</b>	<b>1,085.0</b>	<b>1,099.6</b>	<b>1,077.8</b>
	<b>Investment properties</b>	<b>-</b>	<b>18.5</b>	<b>-</b>
7	Investments in Group entities	8,511.3	8,987.5	9,380.4
	<b>Total investments in Group entities</b>	<b>8,511.3</b>	<b>8,987.5</b>	<b>9,380.4</b>
	Equity investments	150.5	149.7	149.7
	Bonds	97.8	168.2	97.3
	Derivatives	34.2	33.1	-
	<b>Total other financial assets</b>	<b>282.5</b>	<b>351.0</b>	<b>247.0</b>
	<b>Total investments</b>	<b>8,793.8</b>	<b>9,357.0</b>	<b>9,627.4</b>
	Other receivables	0.2	0.2	0.2
	<b>Total receivables</b>	<b>0.2</b>	<b>0.2</b>	<b>0.2</b>
	Current tax assets	12.4	2.4	12.4
	Deferred tax assets	7.3	5.1	5.7
	Cash and cash equivalents	151.8	32.9	96.3
	<b>Total other assets</b>	<b>171.5</b>	<b>40.4</b>	<b>114.4</b>
	Accrued interest and rent	1.1	1.7	1.2
	<b>Total accrued income</b>	<b>1.1</b>	<b>1.7</b>	<b>1.2</b>
	<b>Total assets</b>	<b>10,051.6</b>	<b>10,498.9</b>	<b>10,821.0</b>

## Balance sheet

Note	DKK million	30 June 2016	30 June 2015	31 December 2015
<b>Equity and liabilities</b>				
<b>Share capital</b>		860.0	860.0	860.0
Reserve for net revaluation according to the equity method		-	322.9	718.4
Translation reserve		-32.7	-16.0	-40.5
<b>Total reserves</b>		-32.7	306.9	677.9
<b>Retained earnings</b>		7,052.1	7,115.0	7,108.2
<b>Proposed dividend</b>		-	-	-
<b>Total equity</b>		<b>7,879.4</b>	<b>8,281.9</b>	<b>8,646.1</b>
Pension and other similar obligations		22.7	21.0	22.7
Other provisions		4.9	8.6	4.8
<b>Total provisions</b>		<b>27.6</b>	<b>29.6</b>	<b>27.5</b>
8 Amounts owed to Group entities		2,143.5	2,182.3	2,144.4
Other payables		1.1	5.1	3.0
<b>Total payables</b>		<b>2,144.6</b>	<b>2,187.4</b>	<b>2,147.4</b>
<b>Total equity and liabilities</b>		<b>10,051.6</b>	<b>10,498.9</b>	<b>10,821.0</b>

**Notes without reference**

- 1 Accounting policies
- 2 Key figures and financial ratios

## Statement of changes in equity

	DKK million	Share capital	Revaluation reserves	Translation reserve	Retained earnings	Proposed dividend	Total equity
<b>2015</b>							
<b>Equity, beginning of the year</b>		<b>860.0</b>	<b>4,068.9</b>	<b>-25.1</b>	<b>4,235.8</b>	<b>1,800.0</b>	<b>10,939.6</b>
Change in accounting policy		-	-1,134.2	-	-	-	-1,134.2
Restated equity, beginning of year		860.0	2,934.7	-25.1	4,235.8	1,800.0	9,805.4
Currency translation adjustment, foreign subsidiaries		-	276.5	-1.3	-	-	275.2
Currency translation adjustment, goodwill relating to foreign subsidiaries		-	-	-14.2	-	-	-14.2
Actuarial gains/losses on pension obligations		-	-	-	-3.9	-	-3.9
Tax on actuarial gains/losses on pension obligations		-	-	-	0.8	-	0.8
Other comprehensive income		-	-3.2	0.1	-0.2	-	-3.3
Profit/loss for the year		-	273.3	-15.4	-3.3	-	254.6
Total comprehensive income for the year		-	410.5	-	-24.4	-	386.1
Release of net revaluation reserve according to the equity method on disposal of subsidiaries		-	-0.1	-	0.1	-	-
Dividend paid		-	-	-	-	-1,800.0	-1,800.0
Dividends received from subsidiaries		-	-2,900.0	-	2,900.0	-	-
Changes in equity for the year		-	-2,216.3	-15.4	2,872.4	-1,800.0	-1,159.3
<b>Equity, end of the year</b>		<b>860.0</b>	<b>718.4</b>	<b>-40.5</b>	<b>7,108.2</b>	<b>-</b>	<b>8,646.1</b>

## Statement of changes in equity

	DKK million	Share capital	Revaluation reserves	Translation reserve	Retained earnings	Proposed dividend	Total equity
<b>H1 2015</b>							
<b>Equity, beginning of period</b>		<b>860.0</b>	<b>4,068.9</b>	<b>-25.1</b>	<b>4,235.8</b>	<b>1,800.0</b>	<b>10,939.6</b>
Change in accounting policy		-	-1,134.2	-	-	-	-1,134.2
Restated equity, beginning of year		860.0	2,934.7	-25.1	4,235.8	1,800.0	9,805.4
Currency translation adjustment, subsidiaries		-	160.4	1.4	-	-	161.8
Currency translation adjustment, goodwill re. subsidiaries		-	-	7.7	-	-	7.7
Other comprehensive income		-	-0.6	-	-0.2	-	-0.8
Profit/loss for the period		-	159.8	9.1	-0.2	-	168.7
Total comprehensive income for the period		-	128.4	-	-20.6	-	107.8
Declared interim dividend		-	-	-	-	-1,800.0	-1,800.0
Dividends received from subsidiaries		-	-2,900.0	-	2,900.0	-	-
Changes in equity for the period		-	-2,611.8	9.1	2,879.2	-1,800.0	-1,523.5
<b>Equity, end of the period</b>		<b>860.0</b>	<b>322.9</b>	<b>-16.0</b>	<b>7,115.0</b>	<b>-</b>	<b>8,281.9</b>
<b>H1 2016</b>							
<b>Equity, beginning of period</b>		<b>860.0</b>	<b>718.4</b>	<b>-40.5</b>	<b>7,108.2</b>	<b>-</b>	<b>8,646.1</b>
Currency translation adjustment, subsidiaries		-	-157.9	0.7	-	-	-157.2
Currency translation adjustment, goodwill re. subsidiaries		-	-	7.1	-	-	7.1
Dividends received from subsidiaries		-	-1,600.4	-	1,600.4	-	-
Other comprehensive income		-	-	-	-	-	-
Profit/loss for the period		-	-1,758.3	7.8	1,600.4	-	-150.1
Total comprehensive income for the period		-	888.6	-	-5.2	-	883.4
Release of negative revaluation reserve, equity method		-	-869.7	7.8	1,595.2	-	733.3
Declared interim dividend		-	151.3	-	-151.3	-	-
Dividend paid		-	-	-	-1,500.0	1,500.0	-
Changes in equity for the period		-	-	-	-	-1,500.0	-1,500.0
Changes in equity for the period		-	-718.4	7.8	-56.1	-	-766.7
<b>Equity, end of the period</b>		<b>860.0</b>	<b>-</b>	<b>-32.7</b>	<b>7,052.1</b>	<b>-</b>	<b>7,879.4</b>

## Notes to the financial statements

### Note

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#### 1 Accounting policies

The interim Report for 2016 for Codan 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 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 A/S Group.

#### *Changes to accounting policies*

Codan A/S and its subsidiaries have implemented 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). The executive order introduces a number of changes to the accounting treatment of insurance contracts.

The new executive order comprises changes to the accounting for and measurement of insurance contracts in the subsidiaries, hereunder introducing the new terms risk margin on insurance contracts and profit margin on insurance contracts. The executive order also includes changes to the presentation in the financial statements and the introduction of a new yield curve, calculated by the European Insurance and Occupational Pension Authority (EIOPA) is introduced.

#### *Risk margin on insurance contracts*

Risk margin is the risk premium that a third party in principle will demand, to take over the insurance contract provisions with the inherent risk. Risk margin is calculated separately for unearned premium provision and outstanding claims provision.

Risk margin on insurance contracts has not previously been presented separately in the balance sheet.

#### *Profit margin on insurance contracts*

Profit margin on insurance contracts is recognised as the expected future profit on bound, but not yet incepted insurance contracts, and incepted insurance contracts with remaining risk period, meaning the insurance contracts that today are covered by the provision for unearned premiums.

Profit margin on insurance contracts is measured as the difference between premiums related to bound but not yet incepted insurance contracts incepted insurance contracts with remaining risk period and the expected claims payments included in the unearned premium reserve. In the case that the future claims payments for a line of business with homogenous risks are expected to exceed the future premiums, no profit margin will be recognised for this line of business.

Profit margin on insurance contracts has not previously been presented separately in the balance sheet.

#### *Provision for unearned premium*

The Provision for unearned premiums is still covering compensation for claims that have not yet incurred, but where the insurance company has taken on the risk through an insurance contract with an external party. The part of the provision that is attributable to the expected future profit on the provision for unearned premiums, shall be recognised in the new balance sheet item "Profit margin on general insurance contracts". A risk margin shall be recognised for the premium provision to cover the uncertainty regarding claims that occur after the balance sheet date. The risk margin is recognised in the new balance sheet item "Risk margin on general insurance contracts". Cash flows related to not collected premiums are reclassified from receivables.

The expected future payments is recognised at present value by discounting the payments with a yield curve calculated by EIOPA.

## Notes to the financial statements

Note	DKK million	30 June 2016	30 June 2015	31 December 2015
<p>“Return on and value adjustment on technical provisions” includes the proportion of the changes to the present value of the provision for unearned premium attributable to changes in the yield curve used for discounting and attributable to the current revaluation of the present value of the provision until the expected settlement date (impact of unwind of discount).</p> <p>In addition, the criterion for recognising an insurance contract in the premium provision and related balance sheet items, is changed. According to the new executive order, a contract is recognised when the insurer is bound, where the previous rules of recognition stated time of inception. Furthermore all premium provisions are discounted going forward, where the current rules only require discounting when the impact is significant.</p> <p>The new rules have had a negative impact of DKK 1,265 million on Codan Forsikring’s equity as of 1 January 2016. Comparison figures have been adjusted in accordance with the accounting policies.</p> <p>Apart from this the accounting policies remain unchanged from the Annual Report for 2015.</p>				
<b>2 Key figures and financial ratios</b>				
Total investment return		887.5	107.9	384.7
Profit for the period		883.4	107.8	386.1
Total equity		7,879.4	8,281.9	8,646.1
Total assets		10,051.6	10,498.9	10,821.0
Return on equity in %		10.7	1.2	4.2
<b>3 Interest income and dividends, etc.</b>				
Interest income from bonds, loans and deposits		0.9	0.6	2.4
Income from units in open-ended funds and other equity investments		6.3	19.3	19.3
<b>Interest income and dividends, etc.</b>		<b>7.2</b>	<b>19.9</b>	<b>21.7</b>
<b>4 Value adjustments</b>				
Investment properties		-	-	12.2
Equity investments		0.8	-0.2	-0.2
Bonds		-1.0	-0.8	-2.9
Derivatives		34.2	46.1	-24.2
Total investments		34.0	45.1	-15.1
Loans in foreign currency		-23.3	-50.1	-40.5
Other value adjustments		-0.3	-6.4	56.6
<b>Value adjustments</b>		<b>10.4</b>	<b>-11.4</b>	<b>1.0</b>
Realised gains and losses on investments		-1.5	-17.0	-44.5
Unrealised gains and losses on investments		35.5	62.1	29.4
Other realised gains and losses		-41.6	60.9	61.0
Other unrealised gains and losses		18.0	-117.4	-44.9
<b>Value adjustments</b>		<b>10.4</b>	<b>-11.4</b>	<b>1.0</b>

## Notes to the financial statements

Note	DKK million	30 June 2016	30 June 2015	31 December 2015
<b>5 Interest expenses</b>				
Interest payable to Group entities		-16.6	-26.7	-45.7
Other financial expenses		-	-	-0.3
		<b>-16.6</b>	<b>-26.7</b>	<b>-46.0</b>
<b>6 Other expenses</b>				
Included in other expenses are staff costs, other administrative expenses and amortisation of intangible assets.				
<b>7 Investments in Group entities</b>				
Cost, beginning of the period		9,780.1	9,780.1	9,780.1
Disposals		-0.5	-	-
		<b>9,779.6</b>	<b>9,780.1</b>	<b>9,780.1</b>
Adjustments, beginning of the period		-399.7	1,817.8	1,817.8
Exchange gains and losses		0.7	1.4	-1.3
Disposals		0.4	-	-
Total comprehensive income for the period		730.7	288.2	683.8
Dividends from subsidiaries		-1,600.4	-2,900.0	-2,900.0
		<b>-1,268.3</b>	<b>-792.6</b>	<b>-399.7</b>
<b>Carrying amount, end of the period</b>		<b>8,511.3</b>	<b>8,987.5</b>	<b>9,380.4</b>

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### Notes to the financial statements

Note	DKK million	30 June 2016	30 June 2015	31 December 2015
The value of investments in Group entities can be broken down as follows:				
NIS Denmark A/S		-	0.5	0.5
NIS Sweden I AB		0.0	0.0	0.0
NIS Sweden II AB		0.0	0.0	0.0
Codan Ejendomme II A/S		20.0	41.8	24.6
Codan Finance Ltd		1.3	1.3	1.3
Codan Forsikring A/S		8,490.0	8,943.9	9,354.0
<b>Investments in Group entities</b>		<b>8,511.3</b>	<b>8,987.5</b>	<b>9,380.4</b>

Equity in Group entities, which has formed the basis for the calculation of Codan A/S's share as specified above, has been determined in accordance with the accounting policies of Codan A/S. NIS Denmark A/S was dissolved during H1 2016.

All subsidiaries are separate entities.

Additional information on investments in Group entities:

	Registered office	Ownership interest %	Results H1 2016	Equity H1 2016
Companies carrying out insurance business:				
Codan Forsikring A/S	Frederiksberg	100	893.9	8,490.0
Companies carrying out investment business:				
Codan Ejendomme II A/S	Frederiksberg	100	-5.3	20.0
Codan Finance Ltd.	Great Britain	100	0.0	1.3
Dormant companies:				
NIS Denmark A/S	Frederiksberg	-	0.0	-
NIS Sweden I AB	Sweden	100	0.0	0.0
NIS Sweden II AB	Sweden	100	0.0	0.0

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

#### 8 Amounts owed to Group entities

NIS Norway AS	791.9	842.0	760.1
Codan Ejendomme II A/S	221.6	221.9	249.7
Royal & Sun Alliance Insurance plc	1,102.2	1,102.4	1,109.3
Codan Forsikring A/S	27.8	16.0	25.3
<b>Amounts owed to Group entities</b>	<b>2,143.5</b>	<b>2,182.3</b>	<b>2,144.4</b>