

FINAL LIQUIDATION FINANCIAL STATEMENTS  
AND THE INTERIM REPORT H1 2014

**Alm Brand FORMUE**

**2014**

# CONTENT

## COMPANY INFORMATION

2 Company information

## LIQUIDATOR'S REVIEW

3 Financial highlights and key ratios

4 Liquidator's review

## SIGNATURE

5 Liquidator's statement

6 Auditors' reports

## LIQUIDATION REPORT AND INTERIM REPORT

8 Comprehensive income

9 Balance sheet

10 Statement of changes in equity

11 Cash flow statement

12 Overview of notes

13 Notes to the financial statements

30 Definition of ratios

## **COMPANY INFORMATION**

### **LIQUIDATOR**

**Peter Ketelsen**, Attorney

### **REGISTRATION**

Alm. Brand Formue A/S in liquidation  
Company reg. (CVR) no. 27 23 75 25

### **AUDITORS**

Deloitte  
Statsautoriseret Revisionspartnerselskab

### **ADDRESS**

Midtermolen 7  
DK-2100 Copenhagen Ø  
Phone: 35 47 48 49  
Fax: 35 47 48 60  
[www.formue.almbrand.dk](http://www.formue.almbrand.dk)

### **INTERNAL AUDITOR**

**Poul-Erik Winther**, Group Chief Auditor

**FINANCIAL HIGHLIGHTS AND KEY RATIOS**

DKKm	H1 2014	2013	2012	2011	2010
<b>INCOME</b>					
Interest receivable	5,2	32,2	25,2	33,0	32,8
Interest payable	6,5	20,9	19,8	28,3	22,7
<b>Net interest income</b>	<b>-1,3</b>	<b>11,3</b>	<b>5,4</b>	<b>4,7</b>	<b>10,2</b>
Fees and commissions receivable (net) and dividend etc.	-2,1	-0,6	-0,2	-0,8	0,7
<b>Net interest and fee income</b>	<b>-3,4</b>	<b>10,7</b>	<b>5,2</b>	<b>3,9</b>	<b>10,9</b>
Value adjustments:	27,6	40,6	69,4	-56,5	60,2
Interest rate contracts	6,7	-16,4	9,1	3,5	-8,4
Share contracts	21,3	61,3	59,1	-60,8	65,8
Foreign exchange contracts	-0,5	-4,3	1,2	0,8	2,8
<b>Profit before expenses</b>	<b>24,2</b>	<b>51,3</b>	<b>74,6</b>	<b>-52,6</b>	<b>71,1</b>
Staff costs and administrative expenses	2,9	3,3	3,1	3,7	4,9
<b>Profit before tax</b>	<b>21,3</b>	<b>48,0</b>	<b>71,5</b>	<b>-56,3</b>	<b>66,2</b>
Tax	-0,0	0,9	0,8	1,0	0,5
<b>Profit/loss for the period</b>	<b>21,3</b>	<b>47,1</b>	<b>70,7</b>	<b>-57,3</b>	<b>65,6</b>
<b>BALANCE</b>					
Deposits	-	723	858	633	810
Shareholders' equity	-	333	291	273	348
Share capital	31	31	31	31	31
Shareholders' equity	364	343	315	258	342
Total assets	366	1.063	1.158	913	1.168
<b>KEY RATIOS ETC.</b>					
Return on equity before tax p.a. (%)	12,0	14,6	25,6	-18,9	21,3
Return on equity after tax p.a. (%)	12,0	14,3	25,3	-19,2	21,1
Earnings per share, DKK	7,8	16,7	24,7	-19,1	21,2
Financial gearing	-	2,1	2,7	2,5	2,4
Bonds as percentage of assets (%)	-	68,0	74,1	69,3	69,3
Shares as percentage of assets (%)	-	31,3	25,2	30,0	29,8
Dividend per share, DKK	-	5,0	-	6,0	-
Market price at end of period (B shares), DKK	131,50	103,50	87,00	65,00	89,00
Net asset value per share, DKK	133,54	125,73	113,25	87,53	110,50
Market price/book value	0,98	0,82	0,77	0,74	0,81
Average number of shares	2.727.800	2.822.417	2.861.633	2.992.563	3.093.173

Financial highlights and key ratios have been prepared in accordance with IFRS and "Recommendations & Financial Ratios 2010" issued by the Danish Society of Financial Analysts.

## **LIQUIDATOR' S REVIEW**

### **FINANCIAL RESULTS**

The company entered into solvent liquidation at an extraordinary general meeting held on 18 March 2014. Prior to the extraordinary general meeting, the company had stated in company announcement no. 4 of 17 March 2014 that it had sold its entire securities portfolio. The final liquidation financial statements cover the period from 1 January 2014 to 30 June 2014.

In the reporting period, the company posted a satisfactory profit of DKK 21.3 million. In the period from 30 June 2014 until the date of disbursement of the liquidation proceeds, the company expects to receive interest income of about DKK 0.4 million.

The balance of the liquidation account, including the expected interest income until the expected disbursement of liquidation proceeds, is approximately DKK 364.7 million. If the liquidation financial statements are adopted and a resolution is passed to complete the liquidation, the balance of the liquidation account will be distributed to the company's shareholders on condition that no further claims have been made against the company in the interim. An extraordinary general meeting of the company will be held on 4 September 2014 for the purpose of adopting the liquidation financial statements and passing a resolution to complete the liquidation of the company.

### **RECOGNITION AND MEASUREMENT UNCERTAINTY**

The recognition and measurement of assets and liabilities in the balance sheet are not subject to material uncertainty. The statutory notice period has expired and no claims have been received from creditors other than those already recognised in the financial statements as liabilities.

### **EVENTS AFTER THE BALANCE SHEET DATE**

No events have occurred in the period from the balance sheet date until today's date which may change the evaluation of the final liquidation financial statements.

The liquidation is expected to be completed with 30 June 2014 as the effective date for accounting purposes. Distribution of the expected liquidation proceeds of approximately DKK 364.7 million, corresponding to DKK 133.68 per share with a nominal value of DKK 10 (excluding own shares held by the company) is expected to take place as soon as possible after the extraordinary general meeting to be held on 4 September 2014. The company expects the liquidation proceeds to be transferred from the company on 12 September 2014.

## **LIQUIDATOR' S STATEMENT**

I have today considered and approved the final liquidation financial statements and the interim report of Alm. Brand Formue A/S in liquidation for the six months ended 30 June 2014.

The final liquidation financial statements and the interim report have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for interim reports of listed companies.

In my opinion, the final liquidation financial statements give a true and fair view of the company's

assets, liabilities and financial position at 30 June 2014 and of the results of the company's operations and cash flows for the period 1 January – 30 June 2014.

In my opinion, the liquidator's review includes a fair review of the matters under review.

I recommend that the final liquidation financial statements and the interim report be approved by the shareholders in general meeting.

### **LIQUIDATOR**

Copenhagen, 11 August 2014

**Peter Ketelsen**

Attorney

# AUDITORS' REPORTS

## INTERNAL AUDITOR'S REPORTS

### **Report on the final liquidation financial statements and interim financial statements for H1 2014**

We have audited the final liquidation financial statements and interim financial statements of Alm. Brand Formue A/S in liquidation for the financial year 1 January 2014 to 30 June 2014, which comprise accounting policies, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes. The final liquidation financial statements and interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

#### *The Liquidator's responsibility for the final liquidation financial statements and interim financial statements*

The Liquidator is responsible for the preparation of final liquidation financial statements and interim financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies, and for such internal control as the Liquidator determines is necessary to enable the preparation of final liquidation financial statements and interim financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the final liquidation financial statements and interim financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the final liquidation financial statements and interim financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the final liquidation financial statements and interim financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the final liquidation financial statements and interim financial statements, whether due to fraud or error. In making such risk assessment, the auditor

considers internal control relevant to the entity's preparation of final liquidation financial statements and interim financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Liquidator, as well as the overall presentation of the final liquidation financial statements and interim financial statements.

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

Our audit has not resulted in any qualification.

#### *Opinion*

In our opinion, the final liquidation financial statements and interim financial statements give a true and fair view of the Company's financial position at 30 June 2014 and of the results of its operations and cash flows for the financial year 1 January to 2014 to 30 June 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

#### **Emphasis of matter affecting the financial statements**

Without modifying our opinion we point out that the Company is subject to liquidation. Thus, the final liquidation financial statements and interim financial statements are not prepared on a going concern basis.

#### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the final liquidation financial statements and interim financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the final liquidation financial statements and interim financial statements.

Copenhagen, 11 August 2014

Poul-Erik Winther  
Group Chief Auditor

## AUDITORS' REPORTS

### INDEPENDENT AUDITOR'S REPORTS

#### To the shareholders of Alm. Brand Formue A/S in liquidation

#### Report on the final liquidation financial statements and interim financial statements for H1 2014

We have audited the final liquidation financial statements and interim financial statements of Alm. Brand Formue A/S in liquidation for the financial year 1 January 2014 to 30 June 2014, which comprise accounting policies, statement of comprehensive income, balance sheet, statement of changes in equity, cash flow statement and notes. The final liquidation financial statements and interim financial statements have been prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

#### *The Liquidator's responsibility for the final liquidation financial statements and interim financial statements*

The Liquidator is responsible for the preparation of final liquidation financial statements and interim financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and additional Danish disclosure requirements for listed companies, and for such internal control as the Liquidator determines is necessary to enable the preparation of final liquidation financial statements and interim financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditor's responsibility*

Our responsibility is to express an opinion on the final liquidation financial statements and interim financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the final liquidation financial statements and interim financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the final liquidation financial statements and interim financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the final liquidation financial statements and interim financial statements, whether due to fraud or

error. In making such risk assessment, the auditor considers internal control relevant to the entity's preparation of final liquidation financial statements and interim financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purposes of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Liquidator, as well as the overall presentation of the final liquidation financial statements and interim financial statements.

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

Our audit has not resulted in any qualification.

#### *Opinion*

In our opinion, the final liquidation financial statements and interim financial statements give a true and fair view of the Company's financial position at 30 June 2014 and of the results of its operations and cash flows for the financial year 1 January 2014 to 30 June 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed companies.

#### **Emphasis of matter affecting the financial statements**

Without modifying our opinion we point out that the Company is subject to liquidation. Thus, the final liquidation financial statements and interim financial statements are not prepared on a going concern basis.

#### **Statement on the management commentary**

Pursuant to the Danish Financial Statements Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the final liquidation financial statements and interim financial statements.

On this basis, it is our opinion that the information provided in the management commentary is consistent with the final liquidation financial statements and interim financial statements.

Copenhagen, 11 August 2014

### Deloitte

Statsautoriseret Revisionspartnerselskab

Henrik Wellejus  
State Authorised Public Accountant

Kasper Bruhn Udam  
State Authorised Public Accountant



**COMPREHENSIVE INCOME**

DKK '000	Note	Q2 2014	Q2 2013	H1 2014	H1 2013	Year 2013
Interest receivable	3	751	9.624	5.236	18.626	32.194
Interest payable	4	2	6.061	6.575	11.597	20.932
<b>Net interest income</b>		<b>749</b>	<b>3.563</b>	<b>-1.339</b>	<b>7.029</b>	<b>11.262</b>
Dividend on shares, etc.		-	3.364	53	5.165	5.992
Fees and commissions payable		79	1.800	2.112	3.506	6.597
<b>Net interest and fee income</b>		<b>670</b>	<b>5.127</b>	<b>-3.398</b>	<b>8.688</b>	<b>10.657</b>
Value adjustments	5	-	-34.463	27.561	-9.141	40.607
<b>Profit before expenses</b>		<b>670</b>	<b>-29.336</b>	<b>24.163</b>	<b>-453</b>	<b>51.264</b>
Staff costs and administrative expenses	6	1.927	844	2.868	1.678	3.307
<b>Profit/loss before tax</b>		<b>-1.257</b>	<b>-30.180</b>	<b>21.295</b>	<b>-2.131</b>	<b>47.957</b>
Tax	7	-17	523	-9	751	864
<b>Profit/loss for the period</b>		<b>-1.240</b>	<b>-30.703</b>	<b>21.304</b>	<b>-2.882</b>	<b>47.093</b>
Items that may be recycled to profit or loss		-	-	-	-	-
Items that may not be recycled to profit or loss		-	-	-	-	-
<b>Total comprehensive income for the period</b>		<b>-1.240</b>	<b>-30.703</b>	<b>21.304</b>	<b>-2.882</b>	<b>47.093</b>
Earnings per share, DKK		-0,5	-10,8	7,8	-1,0	16,7
Diluted earnings per share, DKK		-0,5	-10,8	7,8	-1,0	16,7

**BALANCE SHEET**

DKK '000	Note	30.06.2014	31.12.2013
<b>ASSETS</b>			
Balances due from credit institutions		365.124	-
Bonds at fair value	8	-	722.786
Shares, etc.	9	-	333.103
Other assets	10	749	7.481
Prepayments		-	10
<b>Total assets</b>		<b>365.873</b>	<b>1.063.380</b>
<b>LIABILITIES AND EQUITY</b>			
<b>Payables</b>			
Payables to credit institutions	11	-	717.065
Other liabilities	12	1.603	3.349
<b>Total payables</b>		<b>1.603</b>	<b>720.414</b>
<b>Shareholders' equity</b>			
Share capital	13	31.000	31.000
Special reserve		139.500	139.500
Retained earnings		193.770	172.466
<b>Total shareholders' equity</b>		<b>364.270</b>	<b>342.966</b>
<b>Total liabilities and equity</b>		<b>365.873</b>	<b>1.063.380</b>

**STATEMENT OF CHANGES OF EQUITY**

DKK '000	Share- capital	Special reserve	Retained earnings	Total
<b>Shareholders' equity at 1 January 2013</b>	31.000	139.500	144.052	314.552
<b>Equity changes 2013</b>				
Profit for the year			47.093	47.093
<b>Comprehensive income in 2013</b>	-	-	47.093	47.093
Acquisition of treasury shares			-5.000	-5.000
Dividend, treasury shares			1.821	1.821
Dividend paid			-15.500	-15.500
<b>Total changes in equity in 2013</b>	-	-	28.414	28.414
<b>Shareholders' equity at 31 December 2013</b>	31.000	139.500	172.466	342.966
<b>Shareholders' equity at 1 January 2013</b>	31.000	139.500	144.052	314.552
<b>Equity changes H1 2013</b>				
Profit/loss for the period			-2.882	-2.882
<b>Comprehensive income in H1 2013</b>	-	-	-2.882	-2.882
Acquisition of treasury shares			-4.951	-4.951
Dividend, treasury shares			1.548	1.548
Dividend paid			-15.500	-15.500
<b>Total changes in equity in H1 2013</b>			-6.285	-21.785
<b>Shareholders' equity at 30 June 2013</b>	31.000	139.500	122.267	292.767
<b>Shareholders' equity at 1 January 2014</b>	31.000	139.500	172.466	342.966
<b>Equity changes 2014</b>				
Profit/loss for the period			21.304	21.304
<b>Comprehensive income in 2014</b>	-	-	21.304	21.304
Acquisition of treasury shares			-	-
Dividend, treasury shares			-	-
Dividend paid			-	-
<b>Total changes in equity in 2014</b>	-	-	21.304	21.304
<b>Shareholders' equity at 30 June 2014</b>	31.000	139.500	193.770	364.270

**CASH FLOW STATEMENT**

DKK '000	H1 2014	H1 2013	Year 2013
<b>Operating activities</b>			
Profit for the period before tax	21.295	-2.131	47.957
Tax paid for the period	9	-751	-1.137
Adjustment for amounts with no cash flow impact:			
Other adjustments to cash flows from operating activities	6.249	-18.364	-49.031
<b>Total, operating activities</b>	<b>27.553</b>	<b>-21.246</b>	<b>-2.211</b>
<b>Working capital</b>			
Bonds	721.533	-181.704	132.549
Shares	333.103	-9.782	11.496
<b>Total, working capital</b>	<b>1.054.636</b>	<b>-191.486</b>	<b>144.045</b>
<b>Financing activities</b>			
Distribution of dividends	-	-13.952	-13.952
Acquisition of treasury shares	-	-4.951	-5.000
Payables to credit institutions	-717.065	231.635	-122.882
<b>Total, financing activities</b>	<b>-717.065</b>	<b>212.732</b>	<b>-141.834</b>
<b>Change in cash and cash equivalents</b>	<b>365.124</b>	<b>-</b>	<b>-</b>
Cash and cash equivalents, beginning of year	-	-	-
Change in cash and cash equivalents	365.124	-	-
<b>Cash and cash equivalents, end of period</b>	<b>365.124</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents, end of period</b>			
Balances due from credit institutions less than 3 months	365.124	-	-
<b>Cash and cash equivalents, end of period</b>	<b>365.124</b>	<b>-</b>	<b>-</b>

## OVERVIEW OF NOTES

---

### NOTES WITH REFERENCE

NOTE 3	Interest receivable
NOTE 4	Interest payable
NOTE 5	Value adjustments
NOTE 6	Staff costs and administrative expenses
NOTE 7	Tax
NOTE 8	Bonds at fair value
NOTE 9	Shares, etc.
NOTE 10	Other assets
NOTE 11	Payables to credit institutions
NOTE 12	Other liabilities
NOTE 13	Share capital

### NOTES WITHOUT REFERENCE

NOTE 1	Liquidation of the company
NOTE 2	Distribution overview
NOTE 14	Off-balance sheet items
NOTE 15	Breakdown of bonds
NOTE 16	Breakdown of shares
NOTE 17	By term to maturity
NOTE 18	Credit risk
NOTE 19	Market risk
NOTE 20	Related parties
NOTE 21	Derivatives
NOTE 22	Fair value measurement of financial instruments
NOTE 23	Classification of financial instruments
NOTE 24	Return on financial instruments
NOTE 25	Fair value of financial instruments
NOTE 26	Risk management
NOTE 27	Accounting policies

**NOTES TO THE FINANCIAL STATEMENTS**

DKK '000

Q2 2014 Q2 2013 H1 2014 H1 2013 Year 2013

**NOTE 1 Liquidation of the company**

The company entered into liquidation in accordance with the provisions on liquidation of solvent companies limited by shares following a resolution passed at an extraordinary general meeting held on 18 March 2014.

The company has assigned a contested vat receivable to Alm. Brand Bank A/S. See Note 20 Related parties for additional information.

At 30 June 2014, the company's assets consisted of cash and cash equivalents of DKK 365.1 million and interest receivable on cash and cash equivalents of DKK 0.7 million. The company's liabilities consisted of fees to the liquidator and auditors as well as payment of expenses to the Alm. Brand Group.

**NOTE 2 Distribution overview**

Unencumbered assets according to final liquidation balance sheet	-	-	365.873	-	-
Interest income in the period from 30 June to 11 September 2014	-	-	412	-	-
Other payables at 30 June 2014	-	-	-1.603	-	-
Expenses in the period from 1 July to 11 September 2014			-30		
<b>Assets available for distribution</b>	<b>-</b>	<b>-</b>	<b>364.652</b>	<b>-</b>	<b>-</b>

Assets may be distributed to shareholders as follows:

Cash and cash equivalents	-	-	365.124	-	-
Payment of interest receivable	-	-	1.161	-	-
Payment of other payables	-	-	-1.603	-	-
Expenses payable in the period from 1 July to 11 September 2014			-30		
<b>Liquidation proceeds</b>	<b>-</b>	<b>-</b>	<b>364.652</b>	<b>-</b>	<b>-</b>

Liquidation proceeds per share of DKK 10 (2,727,800 shares) excluding own shares.

133,68 - -

**NOTE 3 Interest receivable**

Balances due from credit institutions	751	-	751	-	-
Bonds	-	9.604	4.206	18.573	31.906
Total derivatives	-	20	279	53	288
Of which:					
Foreign exchange contracts	-	20	279	53	288
<b>Total interest receivable</b>	<b>751</b>	<b>9.624</b>	<b>5.236</b>	<b>18.626</b>	<b>32.194</b>

**NOTE 4 Interest payable**

Credit institutions	-	6.059	6.571	11.592	20.923
Other interest expenses	2	2	4	5	9
<b>Total interest payable</b>	<b>2</b>	<b>6.061</b>	<b>6.575</b>	<b>11.597</b>	<b>20.932</b>

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Q2 2014	Q2 2013	H1 2014	H1 2013	Year 2013
<b>NOTE 5 Value adjustments</b>					
Bonds	-	-18.758	7.906	-16.284	-17.401
Shares, etc.	-	-12.000	21.330	11.781	62.025
Foreign currency	-	-3.002	-469	-2.457	-4.341
Total derivatives	-	-703	-1.206	-2.181	324
Of which:					
Interest rate contracts	-	-703	-1.206	-1.465	1.040
Share contracts	-	-	-	-716	-716
<b>Total value adjustments</b>	<b>-</b>	<b>-34.463</b>	<b>27.561</b>	<b>-9.141</b>	<b>40.607</b>
<b>NOTE 6 Staff costs and administrative expenses</b>					
Remuneration to the Management Board and Board of Directors:					
Remuneration to the Management Board:					
Salaries and wages	-39	92	43	174	338
Pensions	-	7	8	15	31
Total remuneration to the Management Board	-39	99	51	189	369
Remuneration to the Board of Directors:					
Fees	-12	35	-12	70	140
Total remuneration to the Management Board and Board of Directors	-51	134	39	259	509
Other administrative expenses	1.978	710	2.829	1.419	2.798
<b>Total staff costs and administrative expenses</b>	<b>1.927</b>	<b>844</b>	<b>2.868</b>	<b>1.678</b>	<b>3.307</b>
<b>Number of employees</b>					
Average number of employees during the financial year, full-time equivalents	0	0	0	0	0
<b>Fees to auditors appointed at the annual general meeting</b>					
Statutory audit	44	-	44	-	175
Total fees to auditors appointed at the annual general meeting	44	-	44	-	175
<b>NOTE 7 Tax</b>					
Withholding tax on foreign shares	-17	523	-9	751	864
<b>Total tax</b>	<b>-17</b>	<b>523</b>	<b>-9</b>	<b>751</b>	<b>864</b>
Effective tax rate					
Withholding tax on foreign shares	-	-	0,0%	-35,2%	1,8%
Total effective tax rate	-	-	0,0%	-35,2%	1,8%

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	H1 2014	2013
<b>NOTE 8 Bonds at fair value</b>		
Mortgage credit bonds	-	651.268
Corporate bonds	-	71.518
<b>Bonds at fair value, end of period</b>	<b>-</b>	<b>722.786</b>
Rating of bonds:		
Rated AAA	-	651.267
Rated AA- til AA+	-	8.438
Rated A- til A+	-	36.325
Others	-	26.756
<b>Bonds at fair value, end of period</b>	<b>-</b>	<b>722.786</b>
<b>NOTE 9 Shares, etc.</b>		
Listed on NASDAQ OMX Copenhagen A/S	-	233.858
Listed on other stock exchanges	-	99.245
Other shares	-	-
<b>Other shares, etc., end of period</b>	<b>-</b>	<b>333.103</b>
<b>NOTE 10 Other assets</b>		
Interest and commissions receivable	749	6.997
Positive market value of derivatives	-	18
Other assets	-	466
<b>Other assets, end of period</b>	<b>749</b>	<b>7.481</b>
<b>NOTE 11 Payables to credit institutions</b>		
Credit institutions	-	717.065
<b>Payables to credit institutions, end of period</b>	<b>-</b>	<b>717.065</b>
<b>NOTE 12 Other liabilities</b>		
Interest and commissions payable	-	572
Miscellaneous creditors	1.603	2.682
Negative market value of derivatives	-	95
<b>Other liabilities, end of period</b>	<b>1.603</b>	<b>3.349</b>
<b>NOTE 13 Share capital</b>		
Share capital, unlisted	2.945	2.945
Share capital, listed	28.055	28.055
<b>Total share capital, nominal value, end of period</b>	<b>31.000</b>	<b>31.000</b>



**NOTER**

DKK '000	H1 2014	2013
<b>NOTE 13 Share capital - continued</b>		
Share capital, unlisted:		
Share capital July 2003	10.000	10.000
Capital increase September 2003	9.000	9.000
Capital increase March 2005	9.500	9.500
Capital increase June 2005	950	950
Capital reduction August 2010	-26.505	-26.505
Unlisted share capital, end of period	2.945	2.945
Share capital, listed:		
Capital increase September 2003	181.000	181.000
Capital increase March 2005	90.500	90.500
Capital increase June 2005	9.050	9.050
Capital reduction in August 2010	-252.495	-252.495
Listed share capital, end of period	28.055	28.055
The share capital consists of 294,500 A shares of DKK 10 each and 2,805,500 B shares of DKK 10 each.		
Treasury shares:		
Cost, beginning of period	31.816	26.816
Acquisition of B shares	-	5.000
Cost, end of period	31.816	31.816
No. of shares, beginning of period	372.200	322.470
Acquisition of B shares	-	49.730
No. of shares, end of period	372.200	372.200
Per cent of share capital, beginning of period	12,0%	10,4%
Acquisition of B shares	0,0%	1,6%
Per cent of share capital, end of period	12,0%	12,0%

**NOTE 14 Off-balance sheet items**

Other contingent liabilities

The company has no other contingent liabilities.

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	H1 2014	2013
<b>NOTE 15 Breakdown of bonds</b>		
<b>Mortgage bonds</b>		
4 % Nordea SDRO 41	-	21.790
4 % Nordea SDRO OA 41	-	47.028
5 % Realkredit Danmark 23.S D.A 35	-	86.378
5 % Nykredit 02D 28	-	22.636
4 % Nykredit 01E OA 41	-	215.187
4 % Nykredit 73D OA38	-	37.842
2 % BRF 17	-	51.940
2 % BRF SDO OK.14	-	35.976
4 % Totalkredit 111C S 35	-	132.491
Listed mortgage bonds, end of period	-	651.268
<b>Corporate bonds</b>		
4 % SEB 22	-	1.579
3,5 % ING Bank 23	-	7.496
1,625 % Standard Chartered 18	-	14.665
Danske Bank var.perp	-	9.865
Dong Energy var.perp	-	3.919
2,875 % Statoil 25	-	7.461
GECC var. 67	-	977
Munich Re var.perp	-	10.955
Aviva var.perp	-	3.895
Allianz var.perp	-	10.706
Listed corporate bonds, end of period	-	71.518
Bonds at fair value, end of period	-	722.786

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	H1 2014	2013
<b>NOTE 16 Breakdown of shares</b>		
<b>Listed on NASDAQ OMX Copenhagen A/S</b>		
Nordea Bank AB	-	18.650
Danske Bank A/S	-	29.808
AB Invest Global	-	19.861
Carlsberg A/S	-	16.620
FLSmidt & Co. A/S	-	15.699
A.P. Møller - Mærsk A	-	7.714
A.P. Møller - Mærsk B	-	19.538
Topdanmark	-	9.151
DSV A/S	-	10.668
Vestas Wind Systems A/S	-	6.086
Dampskibsselskabet Norden A/S	-	4.560
GN Store Nord A/S	-	3.571
Novo-Nordisk A/S	-	39.802
Novozymes B	-	8.286
Coloplast A/S	-	21.221
TrygVesta A/S	-	2.623
Listed on NASDAQ OMX Copenhagen A/S, end of period	-	233.858
<b>Listed on other stock exchanges</b>		
HSBC Holdings plc	-	3.135
Koninklijke DSM NV	-	3.822
Mastercard Inc	-	4.961
Daimler AG	-	1.408
Sanofi	-	5.122
Kone Oyj B	-	2.936
Nestle N	-	9.140
Richemont	-	3.783
PVH Corp	-	4.010
TJX Cos Inc	-	3.770
Syngenta Ltd	-	5.836
StatoilHydro ASA	-	950
BG Group PLC	-	3.590
Ericsson	-	807
H&M	-	8.353
Elekta AB	-	1.520
Antofagasta	-	2.232
Sandvik AB	-	4.557
Volvo AB	-	10.176

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	H1 2014	2013
<b>NOTE 16 Breakdown of shares - continued</b>		
SKF	-	5.173
SAPAG	-	3.719
Fresenius	-	3.663
Autoliv Inc	-	6.582
Listed on other stock exchanges, end of period	-	99.245
Shares, etc., end of period	-	333.103
<b>NOTE 17 By term to maturity</b>		
Payables to credit institutions:		
Payables at call	-	400.440
Over 3 months and up to and including 1 year	-	316.625
Payables to credit institutions, year-end	-	717.065
<b>NOTE 18 Credit risk</b>		
<b>Maximum exposure to credit risk</b>		
Maximum credit risk at the balance sheet date without taking into account security.		
On-balance sheet exposures:		
Balances due from credit institutions	365.124	-
Bonds at fair value	-	722.786
Shares, etc.	-	333.103
Other assets	749	7.481
Maximum exposure to credit risk, end of period	365.873	1.063.370
<b>NOTE 19 Market risk</b>		
<b>Foreign exchange risk</b>		
Foreign currency positions:		
Long positions	-	171.651
Net positions	-	171.651

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	H1 2014	2013
<b>NOTE 19 Market risk - continued</b>		
Foreign currency positions distributed on the five largest net positions:		
USD	-	12.741
CHF	-	18.759
GBP	-	8.957
SEK	-	37.067
EUR	-	93.177
Other	-	950
<b>Total foreign currency positions</b>	<b>-</b>	<b>171.651</b>
Exchange rate indicator 1	-	171.651
Exchange rate indicator 1 as a percentage of equity after deductions	-	50,0%
Exchange rate indicator 2	-	1.496
Exchange rate indicator 2 as a percentage of equity after deductions	-	0,4%
<b>Interest rate risk</b>		
The Danish Financial Supervisory Authority's method:		
Total interest rate exposure on debt instruments, etc.	-	16.836
Interest rate exposure by currency subject to the greatest risk:		
DKK	-	12.809
EUR	-	4.027
<b>Total interest rate risk</b>	<b>-</b>	<b>16.836</b>
The company's own method	-	21.700

The in-house method applies own option-adjusted durations, whereas the FSA's method is based on official durations from the NASDAQ OMX Copenhagen A/S.

Note 27 Risk management contains a description of the risks assumed by the company.

# NOTES TO THE FINANCIAL STATEMENTS

DKK '000

H1 2014

2013

## NOTE 20 Related parties

Related parties comprise:

- a) the company's liquidator and his related family members
- b) companies controlled by the liquidator
- c) the parent company's management board or board of directors, and
- d) the Alm. Brand Group, Midtermolen 7, DK-2100 Copenhagen Ø, which exercises a controlling influence on the company.

No loans, charges or guarantees have been granted in respect of the liquidator or his related family members, companies controlled by the liquidator or the management board or board of directors of the company's parent company. Salaries and remuneration to the liquidator appear from the note relating to staff costs and administrative expenses.

The Alm. Brand Group has intra-group functions that solve joint administrative tasks for group companies. Fees for these services are determined on market terms or, in the absence of a clear market, on a cost recovery basis.

The company's parent company is Alm. Brand Bank A/S, which is a wholly-owned subsidiary of the Alm. Brand Group. Alm. Brand Bank is the company's primary banker. This involves the conclusion of a number of agreements between the company and the bank, and there is a regular flow of transactions between the company and the bank. All agreements and transactions between the company and the bank are made on an arm's length or cost recovery basis in accordance with applicable legislation for intra-group transactions.

The company has raised loans and maintains transaction accounts with the bank, and an agreement has been made on interest accruing on accounts with the bank on an arm's length basis.

Effective 31 March 2014, the company terminated its management agreement with Alm. Brand Bank A/S at the agreed notice of 12 months.

Alm. Brand A/S is a party to a VAT case pending before the Danish Tax Appeals Agency. In the case, Alm. Brand A/S has submitted that VAT was erroneously charged on certain services provided to Alm. Brand Formue A/S and that, consequently, Alm. Brand A/S is entitled to repayment of the VAT amounts charged. SKAT, the Danish Customs and Tax Administration, has recently rejected the claim for repayment made by Alm. Brand A/S in the case before the Danish Tax Appeals Agency. If Alm. Brand A/S succeeds in the disputed claim against SKAT, the overcharged VAT amount will become repayable to Alm. Brand Formue A/S. The amount of the VAT claim was DKK 2.7 million at 30 June 2014. The VAT case before the Danish Tax Appeals Agency is not expected to be decided before the end of September 2014. With a view to completing the liquidation not later than 30 September 2014, the company in late June 2014 entered into an agreement with Alm. Brand Bank A/S to assign the disputed VAT claim to Alm. Brand Bank A/S in return for Alm. Brand Bank A/S renouncing the right to receive payment of a fee of DKK 3.6 million during the notice period of the management agreement and payment of certain joint expenses in the amount of DKK 0.2 million.

Alm. Brand Bank A/S has stated that if the liquidation is completed, the bank will not exercise its right pursuant to the articles of association to demand that the company redeem the bank's shares in the company at the higher of the market price of the company's Class B shares and the net asset value of the shares.

Except therefrom, no material intra-group transactions have been concluded.

### Financial relations, Alm. Brand Bank

Receivable	5.124	-
Payables	-	402.119
Interest and fee expenses	3.594	19.770
Administration fee	1.428	1.779
Purchase of securities, etc.	100.720	1.269.615
Sale of securities, etc.	1.184.535	1.398.784

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	Market value 30 June 2014		Market value 2013		Average market value H1 2014		Average market value 2013	
	Positive	Negative	Positive	Negative	Positive	Negative	Positive	Negative
<b>NOTE 21 Derivatives</b>								
<b>Foreign exchange contracts</b>								
Forw ard transactions/futures, bought	-	-	-	-	-	-	-	1
Forw ard transactions/futures, sold	-	-	-	5	-	-	1	2
<b>Interest rate contracts</b>								
Forw ard transactions/futures, bought	-	-	-	-	-	-	35	-
Forw ard transactions/futures, sold	-	-	-	90	-	-	8	84
<b>Share contracts</b>								
Forw ard transactions/futures, bought	-	-	-	-	-	-	-	-
Forw ard transactions/futures, sold	-	-	-	-	-	-	-	60
Derivatives, end of period	-	-	-	95	-	-	44	147
<b>Unsettled spot transactions</b>								
Foreign exchange contracts, bought	-	-	-	-	-	-	-	-
Foreign exchange contracts, sold	-	-	5	-	-	-	-	-
Interest rate contracts, bought	-	-	-	-	-	-	-	-
Interest rate contracts, sold	-	-	-	-	-	-	-	-
Share contracts, bought	-	-	7	-	-	-	-	-
Share contracts, sold	-	-	6	-	-	-	-	-
Total unsettled spot transactions	-	-	18	-	-	-	-	-
<b>Total</b>	-	-	18	95	-	-	44	147

## NOTES TO THE FINANCIAL STATEMENTS

DKK '000	H1 2014				2013			
<b>NOTE 22 Fair value measurement of financial instruments</b>								
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Financial assets at fair value:								
Bonds at fair value	-	-	-	-	722.786	-	-	722.786
Share, etc.	-	-	-	-	333.103	-	-	333.103
Other assets	-	749	-	749	-	7.015	-	7.015
Financial assets, end of period	-	749	-	749	1.055.889	7.015	-	1.062.904
Financial liabilities at fair value:								
Other liabilities	-	-	-	-	-	667	-	667
Financial liabilities, year-end	-	-	-	-	-	667	-	667

There have been no transfers between levels in the fair value hierarchy in the current financial year.

There are three levels of fair value measurement:

Level 1 is based on official (unadjusted) prices in active markets.

Level 2 comprises financial instruments whose valuation is based on directly or indirectly observable input for the instrument.

Level 3 comprises financial instruments for which the input is not based on directly observable market data.

Bonds at fair value comprises mortgage and corporate bonds valued at quoted prices.

Shares, etc. comprises listed shares valued at quoted prices. Unlisted shares for which the input is not based on directly observable market data are placed in level 3.

Other assets comprises interest receivable at DKK 0.7 million and positive values of derivative financial instruments at DKK 0 million. Interest rates are measured on the basis of normal principles of accrual. Financial instruments are measured on the basis of observable data in the form of yield curves, volatilities or share indices.

Other liabilities comprises interest payable at DKK 0 million and negative values of derivative financial instruments at DKK 0 million. Interest rates are measured on the basis of normal principles of accrual. Financial instruments are measured on the basis of observable data in the form of yield curves, volatilities or share indices.

Level 3:	Shares	Shares
Carrying amount, beginning of period	-	734
Additions during the year	-	-
Disposals during the year	-	-138
Value adjustment through profit or loss	-	-596
Carrying amount, year-end	-	-



## NOTES TO THE FINANCIAL STATEMENTS

DKK '000

H1 2014

2013

**NOTE 23 Classification of financial instruments**

	Loans at amortised cost	Trading Portfolio	Total	Loans at amortised cost	Trading portfolio	Total
Financial assets:						
Bonds at fair value	-	-	-	-	722.786	722.786
Shares, etc.	-	-	-	-	333.103	333.103
Other assets	-	749	749	-	7.015	7.015
Financial assets, end of period	-	749	749	-	1.062.904	1.062.904

	Liabilities at amortised cost	Trading portfolio	Total	Liabilities at amortised cost	Trading portfolio	Total
Financial liabilities:						
Payables to credit institutions	-	-	-	717.065	-	717.065
Other liabilities	-	-	-	-	667	667
Financial liabilities, end of period	-	-	-	717.065	667	717.732

**NOTE 24 Return on financial instruments**

	Assets and liabilities at amortised cost	Trading portfolio	Total	Assets and liabilities at amortised cost	Trading portfolio	Total
Interest receivable	-	5.236	5.236	-	32.194	32.194
Interest payable	6.575	-	6.575	20.932	-	20.932
Net interest income	-6.575	5.236	-1.339	-20.932	32.194	11.262
Dividend on shares, etc.	-	53	53	-	5.992	5.992
Fees and commissions payable	-	2.112	2.112	-	6.597	6.597
Net interest and fee income	-6.575	3.177	-3.398	-20.932	31.589	10.657
Value adjustments	-	27.561	27.561	-	40.607	40.607
Total	-6.575	30.738	24.163	-20.932	72.196	51.264

# NOTES TO THE FINANCIAL STATEMENTS

DKK '000 H1 2014 2013

## NOTE 25 Fair value of financial instruments

	Fair value	Recognised value	Fair value	Recognised value
Financial assets:				
Balances due from credit institutions	365.124	365.124	-	-
Bonds at fair value	-	-	722.786	722.786
Shares, etc.	-	-	333.103	333.103
Other assets	749	749	7.015	7.015
<b>Financial assets, end of period</b>	<b>365.873</b>	<b>365.873</b>	<b>1.062.904</b>	<b>1.062.904</b>
Financial liabilities:				
Payables to credit institutions	-	-	717.065	717.065
Other liabilities	-	-	667	667
<b>Financial liabilities, end of period</b>	<b>-</b>	<b>-</b>	<b>717.732</b>	<b>717.732</b>

Balances with credit institutions are measured at amortised cost. The difference relative to fair values is assumed to be the interest rate level-independent value adjustment calculated by comparing current market rates with the market rates prevailing when the outstanding balances were established. Changes in the credit quality of balances with credit institutions and changes in the fair value of amounts due to credit institutions due to changes in the company's own credit rating are taken into account but are not assessed to have any impact.

The fair value equals the carrying amount of financial assets and liabilities, and the unrecognised unrealised gain was thus zero at 30 June 2014 and 31 December 2013, respectively.

## NOTE 26 Risk management

Being an investment company, the company assumes a number of risks on an ongoing basis, including in the form of market risk, credit risk, counterparty risk and operational risk. In order to manage such risk, it is important that the company knows the size of the individual risks and how they develop. The company has therefore concluded an agreement with the Alm. Brand Group, which calculates and reports the company's risks on a regular basis.

In addition to acting as a control function in relation to compliance with the company's investment programmes, risk management provides valuable input to the investment process, ensuring that the different risks are mutually balanced in the investment strategy.

### Interest rate risk

Interest rate risk is defined as the risk of a loss on interest rate exposure due to a one percentage point parallel shift in the yield curve. Interest rate risk thus expresses the extent to which a given interest rate change will affect the company's equity as a result of value changes in the company's portfolio of bonds, fixed-income derivatives and various types of debt financing.

The interest rate risk in the company was zero per cent of equity at 30 June 2014, corresponding to DKK 0 million. The interest rate risk was 4.9% of equity at 31 December 2013, corresponding to DKK 16.8 million.

The company's investment strategy permits a debt/equity ratio of up to 4.0. Shareholders' equity is generally placed in equities, while the gearing is placed in bonds. At 30 June 2014, the debt/equity ratio was zero, against 2.1 at 31 December 2013.

## NOTES TO FINANCIAL STATEMENTS

### Currency risk

Currency risk is defined as the risk of a loss on the company's foreign exchange positions in the event of changes in market rates. Currency risk is thus based on the extent to which a given change in the exchange rate of specific currencies will affect the company's equity

Expressed in terms of the Danish FSA's exchange rate indicator 1, the company's currency risk was DKK 0 million at 30 June 2014, corresponding to zero per cent of equity after deductions, against a currency risk of DKK 172 million, or 50% of equity after deductions, at 31 December 2013. Exchange rate indicator 1 calculates net exposures per currency, and the higher of the sum of short positions and long positions, respectively, represents the exchange rate indicator 1 exposure.

### Equity risk

Equity risk is defined as the risk of a loss on the company's equity exposure in case of changes in market rates. At 30 June 2014, the company's equity exposure amounted to DKK 0 million, against DKK 333 million at 31 December 2013. The company's exposure to international equities amounted to zero per cent of the overall equity portfolio at 30 June 2014, against 30% at 31 December 2013.

### Operational risk

Operational risk may occur as a result of human or technical errors, or because of external events that may entail substantial unforeseen costs or business disruption. The company is subject to the procedures relating to operational risks existing in Alm. Brand Bank, which monitors these risks on an ongoing basis in order to ensure that the necessary contingency measures, controls and resources are in place. The scope of these measures, controls and resources is weighed up against the expenses they involve.

### NOTE 27 Accounting policies

#### General

The final liquidation financial statements and interim report have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU. In addition, the final liquidation financial statements and the interim report are presented in accordance with additional Danish disclosure requirements for the annual reports of listed companies and the Danish Statutory Order on Adoption of IFRS issued pursuant to the Danish Financial Statements Act.

The company has entered into liquidation pursuant to the rules on solvent liquidation. The accounting policies are described below and are consistent with the policies applied at 31 December 2013, but financial statement items are recognised, measured, classified and presented with due consideration to the fact that the company's assets are to be realised.

The final liquidation financial statements and the interim report have been presented in Danish kroner (DKK), which is considered the primary currency of the company

#### Implementation of new and amended standards and interpretations

The final liquidation financial statements and the interim report for the six months ended 30 June 2014 are presented in accordance with the new and amended standards (IFRS/IAS) and interpretations (IFRIC) which apply for financial years starting on or after 1 January 2014. The following new or amended standards and interpretations, which apply to financial years starting on 1 January 2014, have been implemented in the liquidation financial statements and the interim report for the six months ended 30 June 2014:

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 27 Accounting policies - continued

Effective from 1 January 2014, the company has implemented the following new and amended standards and interpretations:

- IFRS 10, Consolidated financial statements
- IFRS 11, Joint arrangements
- IFRS 12, Disclosure of interests in other entities
- Amended IAS 27, Separate financial statements
- IFRS 28, Investments in associates and joint ventures
- Amended IAS 32, Financial instruments: Presentation (Offsetting financial assets and financial liabilities)
- IFRIC 21, Levies
- Amended IAS 39, Financial instruments: Recognition and measurement (Novation of derivatives and continuation of hedge accounting)
- Amended IAS 36, Impairment of assets: Recoverable amount disclosures for non-financial assets

The implementation of new and amended standards did not result in any changes in accounting policies.

#### Accounting estimates

The calculation of the carrying amount of certain assets and liabilities is based on an estimate of the effect of future events on the values of such assets and liabilities. The most significant estimates relate to the calculation of fair values of unlisted financial instruments and provisions.

The estimates are based on assumptions considered appropriate by management. In addition, the company is subject to risks and uncertainties that may cause actual results to deviate from the estimates.

#### Intra-group transactions

Intra-group services are settled on market terms or on a cost recovery basis. Intra-group accounts carry interest on market terms. Intra-group transactions in securities and other assets are settled at market prices.

#### General recognition and measurement policies

Income is recognised in the income statement as earned. This includes the recognition of value adjustments of financial assets and liabilities. Costs incurred to generate the year's income are recognised in the income statement. 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 they are probable and can be reliably measured.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the financial statements which confirm or invalidate affairs and conditions existing at the balance sheet date.

Otherwise, assets and liabilities are recognised and measured as described for each individual item below.

In connection with the acquisition or sale of financial assets and liabilities, the settlement date is used as the recognition date. Changes to the value of the asset acquired or sold during the period from the transaction date to the settlement date are recognised as a financial asset or a financial liability. If the acquired item is measured at cost or amortised cost after initial recognition, any value changes during the period from the transaction date to the settlement date are not recognised.

Certain financial assets and liabilities are measured at amortised cost, implying the recognition of a constant effective rate of interest to maturity. Amortised cost is stated as original cost less any principal payments and plus or minus the accumulated amortisation of any difference between cost and the nominal amount. This method allocates capital gains and losses over the term to maturity.

At the time of recognition, financial assets are divided into the following four categories:

- trading portfolio measured at fair value

## NOTES TO THE FINANCIAL STATEMENTS

---

### **NOTE 27 Accounting policies - continued**

Below is a description of the accounting policies applied to financial assets and liabilities as well as other items.

#### **Foreign currency**

Transactions in foreign currency are translated into the functional currency at the transaction date. Gains and losses on exchange differences arising between the transaction date and the settlement date are recognised in the income statement.

Monetary assets and liabilities in foreign currency are translated at the exchange rates at the balance sheet date. Exchange rate adjustments of monetary assets and liabilities arising as a result of differences in the exchange rates applying at the transaction date

Non-monetary assets and liabilities in foreign currency that are subsequently revalued at fair value are translated at the exchange rates applying at the date of revaluation. Exchange rate adjustments are included in the fair value adjustment of the asset or liability. Other non-monetary items in foreign currency are translated at the exchange rates at the date of transaction.

#### **Derivative financial instruments**

Forward transactions, futures, options and unsettled spot transactions are measured at fair value on initial and subsequent recognition. Positive and negative fair values of derivatives are recognised as Other assets and Other liabilities, respectively. Changes in the fair value of derivatives are recognised in the income statement.

#### **Tax**

The company is tax-exempt pursuant to section 3(1)(xix) of the Danish Corporation Tax Act. The company only pays a final tax of 15% on Danish share dividends. In addition, the company pays foreign tax of up to 15% on foreign share dividends. These dividend taxes are expensed as incurred.

#### **Income statement**

Interest receivable comprises interest and interest-like income, while Interest payable comprises interest and interest-like expenses. Interest income and expenses also include interest on financial instruments at fair value.

Dividend on shares, etc. comprises dividends and similar income from equity investments.

Fees and commissions payable includes expenses concerning management fees, etc.

Value adjustments comprises value adjustments of assets and liabilities measured at fair value. The item also includes exchange rate adjustments.

Staff costs and administrative expenses comprises remuneration for the Management Board and the Board of Directors and staff costs and other administrative expenses.

The company has concluded a defined contribution plan with the Director under which the company pays fixed contributions into the Director's pension plans. Expenses for pension contributions are recognised in the income statement in the period in which they are earned. The company has no obligations to pay additional contributions. There are no defined benefit plans in the company.

## NOTES TO THE FINANCIAL STATEMENTS

---

### NOTE 27 Accounting policies - continued

#### Balance sheet items

Amounts due from credit institutions are measured at fair value on initial recognition and subsequently at amortised cost.

Bonds at fair value comprises listed bonds and other claims for which the price is fixed in active markets. Bonds at fair value are measured at fair value on initial and subsequent recognition. The fair value of listed bonds is determined based on the closing price at the balance sheet date, or in the absence of a closing price, another public price deemed to be most similar thereto. However, the fair value of drawn listed bonds is calculated as the present value of the bonds. Other claims are measured at fair value using a valuation technique which is in accordance with generally recognised methods for pricing financial instruments.

Shares, etc. comprises listed equity investments and other unlisted equity investments. Shares, etc. are measured at fair value at initial and subsequent recognition. The fair value of listed equity investments is determined based on the closing price at the balance sheet date, or in the absence of a closing price, another public price deemed to be most similar thereto. The fair value of unlisted equity investments is determined as the transaction price that would result from a transaction between independent parties. If the fair value cannot be reliably measured, unlisted equity investments will be measured at cost less any impairment.

Other assets comprises the positive fair value of spot transactions and derivatives and income that does not fall due for payment until after the end of the financial year, including interest receivable and dividend receivable.

Dividends are recognised as a liability when approved by the shareholders at the annual general meeting.

Acquisition and sales sums arising on the purchase and sale of treasury shares and dividends on treasury shares are recognised directly in retained earnings under equity.

Prepayments comprises expenses incurred prior to the balance sheet date but which relate to a subsequent accounting period, including prepaid commission and prepaid interest.

Amounts due to credit institutions are measured at fair value on initial recognition and subsequently at amortised cost.

Other liabilities comprises the negative fair value of spot transactions and derivatives and expenses that do not fall due for payment until after the end of the financial year, including interest payable.

Special reserve under equity was attributable to a provision made pursuant to section 188 (1)(iii) of the Danish Companies Act in connection with the company's capital reduction in 2010.

#### Cash flow statement

The cash flow statement shows the company's cash flows for the year divided into cash flows from operating activities, working capital, investing activities and financing activities. The cash flow statement is presented using the indirect method and based on the profit for the year before tax.

Cash flows from operating activities includes the items of the income statement adjusted for operating items of a non-cash nature.

Cash flows from working capital includes assets and liabilities related to operating activities.

Cash flows from investing activities includes the purchase and sale of shares and bonds, including realised gains and losses on the sale of such assets.

Cash flows from financing activities includes financing from shareholders as well as by raising of short-term and long-term loans.

Cash and cash equivalents comprise cash at bank and in hand and balances with credit institutions with a remaining term of up to three months.

## Definitions of ratios

---

Gennemsnitlig egenkapital	=	$\frac{\text{Egenkapital primo} + \text{egenkapital ultimo}}{2}$
Egenkapitalforrentning før skat	=	$\frac{\text{Resultat før skat} \times 100}{\text{Gennemsnitlig egenkapital}}$
Egenkapitalforrentning efter skat	=	$\frac{\text{Resultat efter skat} \times 100}{\text{Gennemsnitlig egenkapital}}$
Renterisiko	=	$\frac{\text{Renterisiko}}{\text{Egenkapital}}$
Valutaposition	=	$\frac{\text{Valutakursindikator 1}}{\text{Egenkapital}}$
Valutarisiko	=	$\frac{\text{Valutakursindikator 2}}{\text{Egenkapital}}$
Resultat pr. aktie	=	$\frac{\text{Resultat efter skat}}{\text{Gennemsnitligt antal aktier}}$
Finansiell gearing	=	$\frac{\text{Netteorentebærende gæld}}{\text{Egenkapital}}$
Obligationer i pct. af aktiver	=	$\frac{\text{Obligationer}}{\text{Aktiver i alt}}$
Aktier i pct. af aktiver	=	$\frac{\text{Aktier}}{\text{Aktiver i alt}}$
Indre værdi pr. aktie	=	$\frac{\text{Egenkapital ultimo} \times 100}{\text{Aktiekapital ultimo}}$
Børskurs/Indre værdi	=	$\frac{\text{Børskurs ultimo}}{\text{Indre værdi pr. aktie}}$

Ved beregningen af gennemsnitlig antal aktier og gennemsnitlig egenkapital er der taget højde for kapitaludvidelser samt køb og salg af egne aktier, hvor kapitaludvidelsen samt køb og salg af egne aktier indgår med en forholdsmæssig andel i forhold til tidspunktet for ændringen.