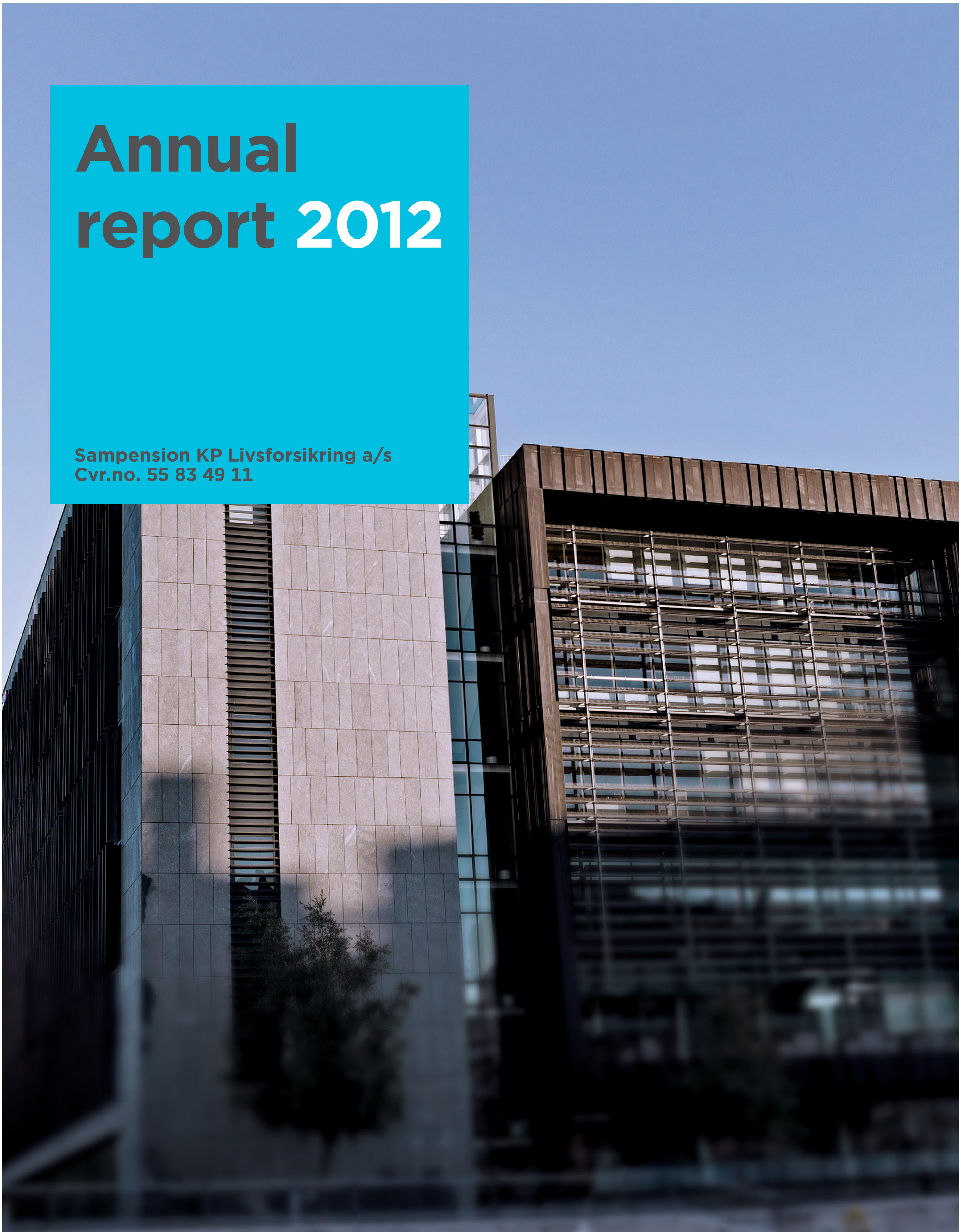
Annual report 2012

Sampension KP Livsforsikring a/s
Cvr.no. 55 83 49 11



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Management's review

The year 2012 at a glance

The year 2012 was heavily impacted by the continuing economic crisis in Europe and the extremely low level of interest rates in Denmark and other countries. Nevertheless, Sampension achieved fair investment returns in both the market rate and the average rate environments.

The financial highlights for Sampension KP Livsforsikring a/s (Sampension) were as follows:

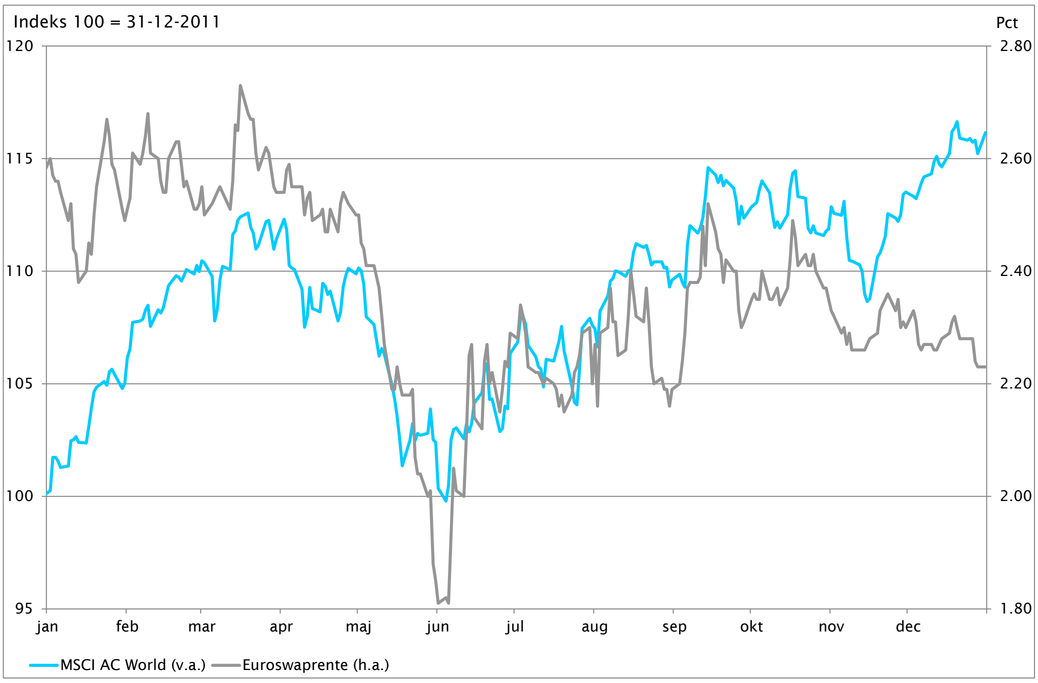
- Investment return of 10.7% for 3 i 1 Livspension.
- Investment return (policyholders) of 11.9% for average-rate policies
- Adjusted return of 5.1% after tax on pension returns for average-rate policies
- Bonus rate of 4.1% in interest rate group A with the highest average basic rates of interest
- Premium income up by 5.9%
- Cost/premium ratio of 2.4% compared with 2.6% in 2011

Financial highlights	2012	2011
	DKKm	**DKKm**
Total premiums	7,837	7,398
Market rate	3,806	3,473
Average rate	4,031	3,926
Investment assets, net	147,228	131,778
Total provisions	141,590	127,190
Market rate	46,327	39,542
Average rate	90,388	84,359
Collective bonus potential	4,875	3,290
Total assets	210,772	185,447
Excess capital base	4,759	3,270
	%	**%**
Cost/premium ratio	2.4	2.6
Expense ratio for provisions	0.18	0.19
Expenses per policyholder (DKK)	447	449
Investment return before tax on pension returns		
Market rate	10.7	4.0
Average rate before interest rate hedging	5.5	3.3
Average rate after interest rate hedging (N1 customers)	11.9	20.2
Adjusted return average rate	5.1	8.7
Excess coverage ratio	7.3	5.0
Bonus rate (interest rate group A)	4.1	3.8

Financial market trends in 2012

After a calm start to the year with optimistic sentiments in the financial markets, investor sentiment was severely shaken in the second quarter, triggered especially by the political chaos in Greece and by concern about how the Spanish banking sector would hold up. At the same time, there were indications that the global economic recovery was losing momentum, primarily due to disappointing US and Chinese key economic indicators.

The financial market turmoil during the spring prompted many market participants to place their funds in safe haven economies such as Denmark or Germany, where interest rate levels dipped to extraordinary lows in early June. By 5 June 2012, for example, the 30Y euro swap rate had dropped to 1.81% from 2.57% at the end of 2011. By the end of 2012, the rate had partly recovered to 2.23%, as can be seen from the chart below.



The exceptionally low level of interest rates drained the capital buffers of Danish life and pension companies, and many of them lost a substantial part of their financial versalility. To address the situation, the Ministry of Business and Growth and the Danish Insurance Association reached an agreement in mid-June intended to alleviate the impact of the abnormal interest rate environment, including by changing the discount curve used to value pension liabilities. The new discount curve implies a considerable lift in discount rates for 20Y+ maturities for the purpose of bringing long-term interest rates more in line with long-term inflation and economic growth targets. For Sampension, the adjusted discount curve meant a DKK 2.6bn reduction in pension provisions at 13 June 2012.

In the third quarter, the European Central Bank (“ECB”) announced that it would be buying sovereign bonds from the debt-ridden economies of southern Europe. This helped to build confidence that the eurozone would remain intact, and it had the desired effect of reducing interest rates in Greece, Italy and Spain. Throughout the second half of the year, the financial markets were shackled by the uncertainty relating to the fiscal cliff in the USA, because if a solution was not found by the turn of the year it would trigger a combination of tax hikes and budget cuts that would most likely lead to an economic downturn. Only in the eleventh hour did the US Congress manage to partly avert the fiscal cliff, but a lasting solution for US fiscal policy is still a long way off.

The value of the global equity markets, as measured by the MSCI All Country IMI Index in local currencies, gained 16.2% in 2012. Returns were higher in emerging markets than in developed economies. The general Danish index gained 26.6% during the year.

Return on investment in market-rate pension schemes, 3 i 1 Livspension

The return on investment before tax on pension returns for 3 i 1 Livspension was 10.7%. Sampension adapts the risk according to the individual policyholder's age on an ongoing basis by investing savings in generation pools each with a specific investment profile, which means that investment risk is gradually reduced as the retirement age approaches.

Generation pools 3 i 1 Livspension, selected Moderate risk	Return %
25 years	11.6
45 years	11.0
64 years	9.8
Total	**10.7**

All generation pools reported positive returns in 2012. Due to a higher weighting of equities the younger pools generated higher returns than older-generation pools.

Investment return on average-rate pension products

In the average-rate environment, one return is calculated on the actual *investment portfolio* and another return is calculated on the *hedge portfolio*, which mainly consists of financial instruments for hedging the interest rate risk on pension provisions. In addition, an *adjusted return* is calculated reflecting the returns on the investment portfolio and the hedge portfolio adjusted for developments in pension provisions resulting from interest rate changes.

The investment portfolio provided a positive return after tax on pension returns of DKK 4.7bn. The return was favourably impacted especially by listed equities and bonds subject to credit risk.

The hedge portfolio produced a positive return of DKK 5.0bn after tax on pension returns even with a DKK 4.9bn increase in pension provisions due to the declining level of interest rates.

Overall, the investment portfolio, hedge portfolio and changes in provisions produced a positive return of DKK 4.8bn, equal to 5.1%, after tax on pension returns (adjusted return).

Improved collective bonus potential

The collective bonus potential was increased by DKK 1.6bn to DKK 4.9bn at 31 December 2012. The bonus rates of our four interest rate groups ranged from 4.1% to 13.2%. At 31 December 2011, the range was from 3.8% to 9.6%.

The change was supported by the high rate of return on the investment portfolio and the reduced provisioning resulting from the adjusted yield curve described above.

Capital base reserves (excess capital base relative to policyholder pension accounts) was 7.3% at 31 December 2012 against 5.0% at 31 December 2011.

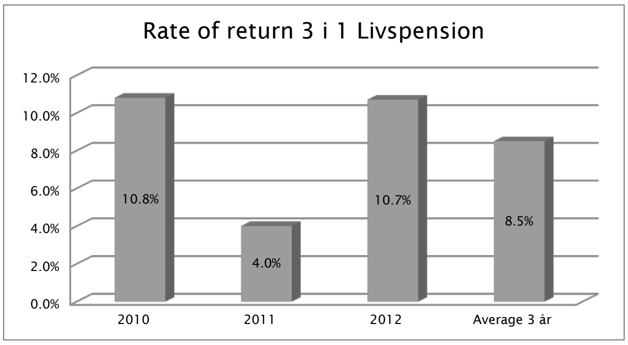
Premiums and costs

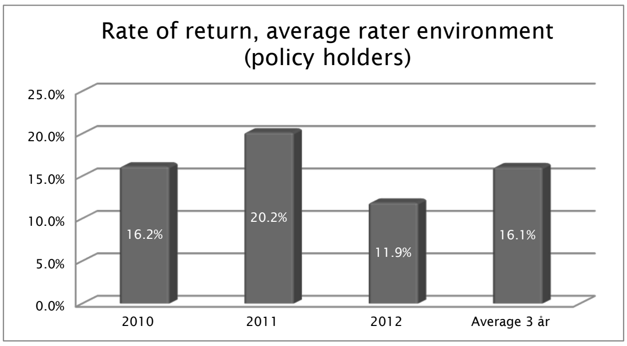
Premiums rose by 5.9% in 2012. The improvement was driven particularly by single premiums thanks to a special campaign to encourage existing policyholders to pool their existing pension schemes with Sampension.

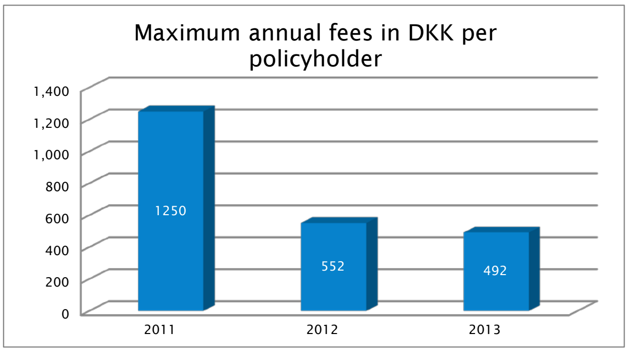
Costs were largely unchanged whereas premiums went up, reducing the cost/premium ratio to 2.4% in 2012 from 2.6% in 2011. Costs expressed as a percentage of policyholders' savings was 0.18% compared with 0.19% in 2011. The percentage fell, because policyholders' savings grew during the year. Expenses per policyholder amounted to DKK 447, which is a low cost level considering Sampensions flexible products and high service levels as well as the even greater flexibility and improved services introduced in 2012. See pages 8-9 for more information.

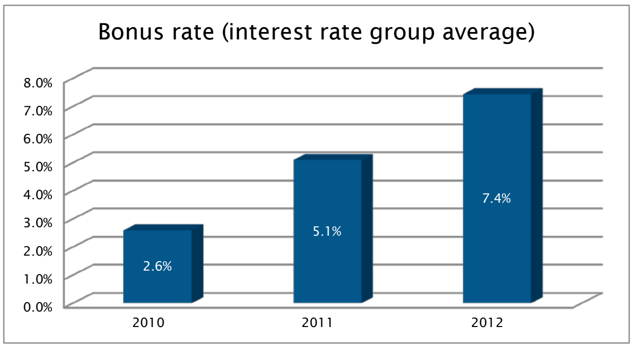
In fact, Sampension was listed several times during the year as one of the lowest priced pension providers in Denmark in terms of annual investment costs (ÅOP). In recent years, we have been among the best in the industry in terms of investing policyholder savings and achieving high returns – without having to impose high costs.

In recent years, Sampension has gained overall financial strength through high returns, a gradual reduction of administrative expenses and improved bonus rates. The charts below illustrate our performance of the past three years.









Key initiatives in 2012

Sampension launched a number of new products, services and investment initiatives in 2012, in addition to introducing new measures spurred by industry initiatives or new legislation. The business strategies and initiatives are rooted in our general strategy, which is entitled Focus 2013.

Sampension's strategy: Focus 2013

In December 2010, Sampension's Board of Directors adopted a new overall strategy for the company called 'Focus 2011'. Towards the end of 2012, the Board reviewed this strategy and concluded that its four focal points will continue to be the main guideposts to steer by in coming years, so the strategy now has a new title: 'Focus 2013'.

The strategy is based on the fact that Sampension is a customer-owned company whose objective is to deliver the optimal (including the most cost-effective) pension product to as many policyholders as possible.

Focus 2013 consists of four focal points, set out in order of priority:

1. Financial strength
2. Products and services
3. Critical mass
4. Positive reputation

<u>Financial strength</u>
Sampension's core focal point in the coming years will be to maintain its financial strength, ie. to:

1. strengthen its solvency
2. generate competitive investment returns
3. have low investment costs and administrative expenses

<u>Products and services</u>
Sampension aims to develop its 3 i 1 Livspension life-cycle pension product and related services in an effort to earn Sampension a leading position among labour market pension schemes and enhance its potential to attract new schemes and corporate customers.

We intend to realign our civil servants pension scheme to better reflect the risk local governments face with these pension schemes.

<u>Critical mass</u>
Having significant volume is essential for a pension provider to operate efficiently under the current financial legislation. To that end, maintaining and expanding its client portfolio is a strategic focal point for Sampension.

<u>Good reputation</u>
Sampension should be perceived by its policyholders, its corporate customers, labour market parties, its peers and the general public as a professional and well-managed pension provider. Sampension is mentioned in the press almost daily, and predominantly in a positive manner. Having our results and achievements become stories that help maintain Sampension's good reputation requires a constant and diligent effort.

Our employees are a major factor in our strategy to succeed. That is why Sampension must remain an attractive workplace focusing on a high level of employee motivation based on

- each employee perceiving his or her work as meaningful;
- staff efforts and results being recognised;
- the organisation evolving;
- great importance being attached to employee satisfaction.

We have made great strides since 2010, when we announced the first version of our strategy, and we have made impressive progress in all four of our focal areas. Our main initiatives in 2012 supporting this strategy are described in the following.

New product and service initiatives

At Sampension, we aim to be competitive by developing pension products and related services that create value for labour market parties and for our policyholders. We introduced a number of new products and services in 2012, including a choice of investment profile, a new advisory service concept, new health and disability services, and Delpension for gradual retirement.

Choice of investment profile

To give individual policyholders different options for investing their retirement pension ("Alderspension"), Sampension now offers policyholders with the 3 i 1 Livspension lifecycle product a choice of investment profile. This means they now have the option to choose a risk profile other than the basic 'moderate risk' profile automatically allocated to policyholders when a pension scheme is set up. Policyholders have three investment profiles to choose from: *low risk, moderate risk* and *high risk*.

We will continue to align investments with each policyholder's age while also giving them the choice of investment profile that best fits their individual position on risk and their expected financial situation in retirement.

Extended opening hours

To serve our policyholders even better, we have extended our opening hours: our pension advice telephone service is now open Mondays to Thursdays until 21.00 and Fridays until 16.00.

New advisory service concept

For many of our policyholders, pensions is a complex subject, so Sampension has set up a team to advise policyholders on their general situation, both by making external calls to corporate customers and to our policyholders' union organisations. The team uses a newly-developed application called Pensionstjek, a unique tool that in a simple way incorporates all economic factors that can affect a policyholder and his or her family in the event the policyholder is disabled, passes away or retires.

Pensionstjek looks at the disposable incomes of the policyholder and of his or her family disposable income from sources such as their assets (wealth), liabilities (debt), other pension schemes, social benefits, early retirement benefits, ATP supplementary pension benefits and tax considerations. With the policyholder's consent, the system retrieves data about any pension schemes the policyholder may have with other pension providers or with banks through Pensionsinfo.

Healthcare scheme and disability cover

Several of Sampension's pension schemes offer extended cover on disability, which means also paying benefits to policyholders with a temporary disability. Under these schemes, a policyholder is only required to have a 50% impairment of his or her capacity to work before becoming eligible for disability benefits.

Sampension, employers and individual policyholders all benefit when a policyholder returns to work as soon as possible. Sampension will contact the labour market parties in 2013 to address this issue and discuss ways to add a healthcare scheme to its product portfolio. The proposed scheme will consist of a healthcare service providing cross-disciplinary treatment of the work-related injuries and disorders that policyholders insured with Sampension typically suffer from. Eligible treatments could include physiotherapy, chiropractic treatment or psychological counselling. We also intend to expand our proactive claims-processing service by expanding our advisory services to include access to social workers, nurses and advice on access to benefits under the Danish healthcare system.

Delpension

Sampension has developed a product that allows policyholders to begin receiving partial pension benefits if they reduce their working hours after reaching the pensionable age, but still have not begun to receive state pension benefits. The product is intended to help beneficiants enjoy a smooth transition to retirement while staying on the labour market longer. The labour market parties within each occupational area determine whether or not to offer Delpension to policyholders in that area.

New investment initiatives

Public-Private Partnership

In 2012, Sampension agreed a collaboration with PensionDanmark, PKA, DEAS and MT Højgaard on participating in future construction projects set up as public-private partnership (PPP) business ventures with investments totalling up to DKK 5bn. The first of its kind in Denmark, the collaboration combines financial strength and powerful expertise in construction and property management. The arrangement will benefit both Sampension and the public sector in general, as there is a growing need in society for this type of PPP project. Many local and regional authorities have seen the many benefits PPP projects can bring, e.g. better and cheaper solutions for the public sector, and the projects will provide a reasonable return to the private sector partners, including Sampension.

Sampension has also set up a working group together with other pension providers, ie. PFA, ATP, PKA and Pensiondanmark, to investigate a wide range of PPP-related issues. The working group will study previous international and domestic projects of this type to learn more about this type of partnership. The working group will prepare a report with recommendations about the most appropriate models for PPP projects in Denmark. The report is expected to be available in April 2013.

LD Pensions becomes an investor in Sampension Invest

Sampension and Lønmodtagernes Dyrtidsfond (LD Pensions) concluded an agreement in 2012 that will see LD Pensions co-invest with Sampension through a capital contribution to Sampension Invest's Global Equity Index sub-fund. The agreement will benefit both LD Pensions and Sampension, because external adviser costs will be reduced proportionally as the portfolio grows and the parties will share certain fixed costs. In choosing Sampension Invest, LD Pensions emphasised our low costs and simplified process. LD Pensions made its first investment in Sampension Invest in January 2013.

Sector initiatives and legislation

Small dormant pension schemes

Considerable political priority has been given to persuading consumers not to have small dormant pension schemes with their pension providers. A working group set up by the Danish Ministry of Employment has been charged with reviewing the current framework for transferring/gathering small dormant pension schemes (paid-up policies). Sampension strongly supports such initiatives and is an active contributor to these efforts, along with the rest of the industry and the labour market parties.

Sampension encourages policyholders to transfer their old pension schemes to Sampension, recommending this to policyholders in the welcoming letter they receive when they join a Sampension scheme, in the letter they receive together with their annual pension review, and in its day-to-day advisory services. Also, Sampension was among the first in the industry to step up the information reported to PensionsInfo by using a special symbol til highlight small dormant pension schemes.

Sampension policyholders are also entitled to transfer their pension custody accounts to other pension providers if they change jobs or are transferred to another employer under industry agreements. Sampension does this to support labour market flexibility.

Fakta om Pension

The pension companies have developed a number of initiatives under the name of Forbrugerplan 2010 in cooperation with the Danish Insurance Association, the purpose being to provide a better way to compare pension schemes across pension providers.

For that purpose, the Danish Insurance Association has established a portal, Fakta om Pension, that policyholders, journalists, pension brokers and others can use to study the main characteristics of participating pension providers.

The information provided in Fakta om Pension is divided into seven categories: risk insurance, savings, services/advice, options, rate of interest/rate of return, costs and a company presentation. All pension providers have submitted data to Fakta om Pension, and a comparison of all companies on all parameters performed by Sampension shows that Sampension is fully competitive in all categories, not just as a labour market pension provider, but also as a commercial pension provider offering company pension schemes.

No more tax relief for capital pension schemes

As part of a tax reform, the Danish government closed the door to tax relief for contributions to capital pension schemes effective 1 January 2013. Sampension manages about 80,000 capital pension policies, about 30,000 of them with regular payments. We are committed to helping our policyholders continue to get tax relief for their contributions, so future contributions will be paid into either an instalment pension scheme or a life annuity policy, as both of these pension types offer tax relief.

Instead of capital pensions, the Danish parliament has introduced retirement pensions ("Alderspension"), a new retirement savings product to be offered by pension providers that does not qualify for tax relief, but which allows benefits to be paid out tax-free in a lump sum. At Sampension, we will be offering our policyholders with a 3 i 1 Livspension to set up this new type of retirement savings.

New capital requirements underway (Solvency II)

Despite extended negotiations during 2012, the EU trialogue parties (the EU Parliament, the Commission and the Council) failed to reach agreement on the final content of the Solvency II regulations. Instead, the parties decided to commission an analysis to highlight the consequences of Solvency II for products with long-term guarantees.

As a result, the Danish FSA has indicated that 1 January 2016 could be a realistic implementation date, but a further postponement would also be possible.

At the end of 2012, the European regulator, EIOPA, called for the national regulators to implement parts of Solvency II as early as 1 January 2014 to ensure that Solvency II can be applied in a consistent and harmonised way rather than having national regulations that may result in unfair competition within the EU.

Sampension established a Solvency II project in 2010 whose purpose is first and foremost to implement and comply with the Solvency II rules. We have also defined a number of business goals in support of the Sampension strategy in order to reap additional benefits from our investment in the project. In 2012, we analysed the future data requirements and what we might need to do to be in compliance. The actual Solvency II project has been put on hold until the EIOPA and the Danish FSA provide further clarification about time schedules and content.

Inspection by the Danish FSA

The Danish FSA conducted a routine inspection of Sampension KP Livsforsikring in the autumn of 2012 as a follow-up to its ordinary inspection conducted in 2010.

The Board of Directors expects to receive the FSA's report on the inspection in March 2013. Sampension is then required to post the report and any orders, reprimands or risk information on its website. In addition, the FSA will post on its website a brief report on each inspection performed. Sampension expects any remarks in the report to be of an administrative nature only and that such remarks can be readily complied with.

Guaranteed benefits discontinued

When implemented, the Solvency II directive adopted by the EU will fundamentally change the conditions for the guaranteed benefits previously provided for pension schemes applying the average-rate principle. This is due to the fact that the new solvency rules will result in significantly stricter capital requirements for pension products with guaranteed benefits.

As a result, Sampension resolved in agreement with the central labour market parties behind the pension schemes to discontinue guaranteed benefits for people with average-rate policies. No other changes have been made to the terms of these pension schemes.

The DFSA has determined that Sampension acted within the rules of the executive order on generally accepted practice when agreeing with the labour market parties to discontinue the guaranteed benefits. The Danish consumer ombudsman has subsequently taken steps to investigate the reasoning behind discontinuing the guarantees. This investigation is still ongoing.

Sampension based its decision on independent legal advice received from professors at the University of Copenhagen and experts from the Plesner law firm. The decision to discontinue the guaranteed benefits was also made to provide the best possible conditions for policyholders. In addition to the agreement between the Ministry of Business and Growth and the Danish Insurance Association to change the discount curve, this objective is supported by the agreement among pension providers to work to reduce the use of products with nominal guarantees.

Sampension will continue to structure its investment strategy for the average-rate environment in a way that will provide the greatest possible assurance that the benefits indicated in the policies can indeed be paid.

Products and policyholders

Sampension products

Sampension writes pension plans in the public and private labour markets. Sampension specialises in writing collective pension schemes that form part of collective agreements. In addition, we offer pension schemes to employees of private as well as public enterprises.

We also insure a large part of local governments’ obligations to civil servants. To date, these insurance agreements have been accounted for as direct insurance contracts, even though they are in fact reinsurance contracts (indirect insurance). In order to reflect their true nature, these contracts have been reclassified from direct insurance to indirect insurance effective from the 2012 Annual Report. The effects of the reclassification on the financial statements are described in the note on accounting policies.

The market for labour market pension schemes is distributed on a number of pension companies and pension funds, In terms of premium income, Sampension holds about a 14% market share.

FLEXIBLE PRODUCTS

Sampension offers flexible products. This means that policyholders can to a wide extent adjust their savings and insurance cover to suit their individual needs. Our main product is 3 i 1 Livspension, a so-called lifecycle product based on a market rate return in which the investment composition is determined according to the policyholder's age in different generation pools with a specific composition of investment assets. Policyholders have three investment profiles to choose from: low risk, moderate risk and high risk.

At the end of 2012, more than 72% of Sampension's premium-paying policyholders had 3 i 1 Livspension, and all new policyholders get this product.

3 i 1 Livspension consists of three components:

Base pension (typically two thirds of contribution)	Mandatory coverage providing basic security at an attractive price. The base pension typically covers disability, certain critical illnesses, death and life-long retirement pension benefits.
Optional pension (typically one third of contribution)	A range of insurance and savings covers individually chosen by policyholders according to their specific needs. The choices made may be changed as other needs arise later on in life, e.g. when buying a house, getting married or divorced, or having children. There is a choice of various forms of cover on illness, death and various savings covers.
Investment option	Policyholders' can influence the return on their pension savings in one of two ways: By selecting an investment profile in their 3 i 1 Livspension or by placing part of their savings in Linkpension funds.

Policyholders may also improve their covers by transferring their pension savings from other pension companies or by supplementing pension benefits from collective agreements with Frivillig pension (voluntary pension) – a voluntary own contribution. Both options are available at no extra cost to the policyholder.

The parties to the pension scheme determine the distribution of a 3 i 1 Livspension on base pension and optional pension contributions on the basis of the pension benefit requirements they have defined on behalf of the policyholders. The parties may also make various adjustments to the insurance and savings covers of a 3 i 1 Livspension arrangement and to the choice of investment profile.

Individual advice

Sampension gives priority to providing comprehensive pension advice to each policyholder, making sure that the policyholder's individual insurance and pension needs are covered. In 2012, Sampension provided individualised advice to policyholders based on some 109,000 telephone enquiries, including on the basis of the many options available in Sampension's flexible pension products.

Our advisory services are very well received. Many policyholders indicate that they are pleased with the advice they get and that they find it reassuring when a pension adviser reviews their pension schemes and explains the options available.

Customer base and market trends

The growing regulation of the pension industry and the higher solvency requirements combined with increasing transparency and a focus on keeping costs low for pension policyholders all make industry consolidation an obvious solution. Sampension's ambition is to have an administrative system, a corporate structure and strong financial results that make us an attractive provider of company pension schemes and partner to other pension companies.

We support a model that allows multiple operators to achieve more economies of scale through partnerships while still maintaining their own brand, member democracy and maintain close relations with their members.

Developing the customer base

Sampension renewed several important pension agreements in 2012, including with KMD, Post Danmark and HK Hovedstaden, who all opted to introduce a number of product innovations which Sampension plans to offer in other areas as well in the coming years. In 2012, the Danish Union of Librarians opted to transfer their pension scheme to another pension provider.

New supplementary pension scheme for 10,000 civil servants

Sampension also won new pension agreements in 2012. During the year, OAO-Stat, the state employees' organisation, appointed Sampension as its provider of a supplementary pension scheme for civil servants.

OAO-Stat had issued a call for tenders for the scheme and its supreme negotiation committee unilaterally selected Sampension. The move strengthens the close collaboration between OAO (Organisations of Public Employees) and Sampension, and serves to highlight the special position Sampension enjoys as a provider of pension schemes to state employee organisations.

The civil servants in OAO-Stat now have a pension product that consists of pension savings with online self-service access via Sampension's website. Policyholders in the scheme are placed in 3 i 1 Livspension generation pools.

The product is also suitable for other areas with supplementary pension schemes, and Sampension has already been named provider of supplementary pension schemes for civil servant groups in Post Danmark with a collective agreement through 3F Post and HK/Post & Kommunikation.

These agreements have increased Sampension's policyholder base by about 10,000.

Development in premiums and the number of policyholders

Gross premiums grew by a total of 5.9% in 2012, with market-rate products growing by 9.6%.

The improvement was driven particularly by an 82% increase in single premiums thanks to a special campaign to persuade existing policyholders gather their existing pension schemes with Sampension.

The primary driver of Sampension's regular premiums is the pay and pension terms agreed in the Danish labour market. As wage and salary increases were quite moderate in 2012, regular premiums were up by only 0.6%.

Group life premiums were up by 13.8%, primarily because Sampension transferred a large proportion of its risk coverage to Forenede Gruppeliv.

Premium income DKKm	2012	2011	Increase in %
Regular premiums	4,378	4,353	0.6
Group life premiums	2,049	1,800	13.8
Total regular premiums	6,427	6,154	4.4
Single premiums	656	360	82.0
Premiums, direct insurance	7,083	6,514	8.7
Premiums, indirect insurance	754	884	-14.8
Total gross premiums	**7,837**	**7,398**	**5.9**
Of which marked-rate policies	**3,806**	**3,473**	**9.6**

Indirect insurance premiums fell by 14.8%, mainly because fewer people have been employed on civil servant terms in recent years.

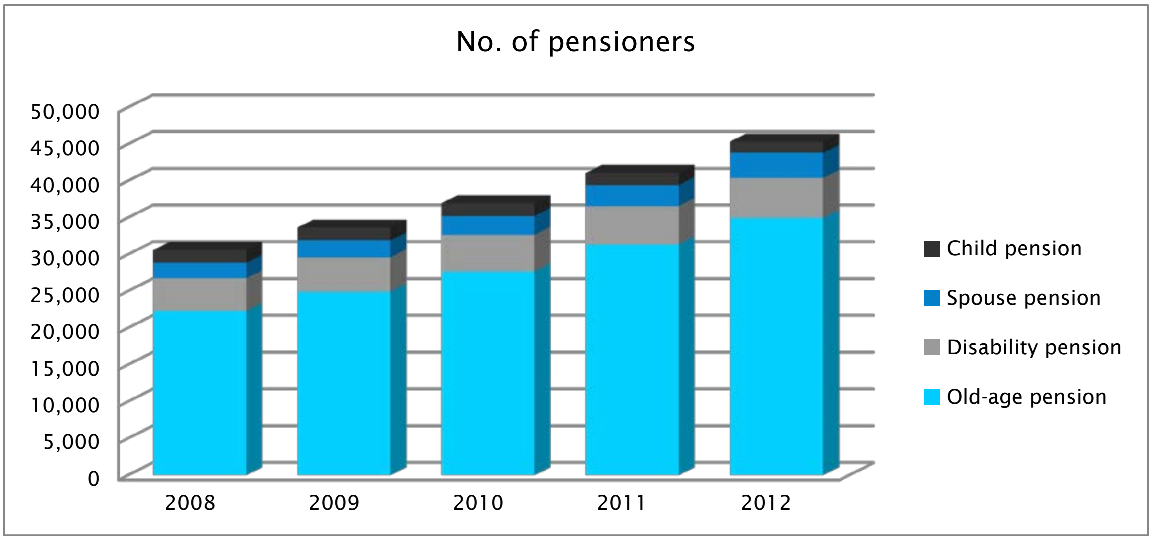
There was a net increase in the number of directly insured policyholders of 6,700 in 2012, corresponding to 2.5%. The number of policyholders with market-rate policies grew by around 23,000 during 2012 to about 150,000.

No. of policyholders	2012	2011	Increase in %
Premium payers	115,682	113,031	2.3
Paid-up policies, etc.	113,702	113,885	-0.2
Pensioners	45,339	41,081	10.4
Total insured directly	**274,723**	**267,997**	**2.5**
Insured indirectly	**19,209**	**19,416**	**-1.1**
Insured under group life schemes	**732,256**	**678,761**	**7.9**

Over a number of years, Sampension has built up a considerable portfolio of group life policies. Forenede Gruppeliv (FG), a company part-owned by Sampension, manages this portfolio. Sampension has about 732,000 group life policyholders with FG.

Benefits paid

The number of pension benefit recipients with Sampension has grown by almost 50% during the past five years, many of these being recipients of retirement pension benefits.



Total benefits paid under direct insurance increased by DKK 675m, or 16.5%, relative to 2011.

The 3 i 1 Livspension accounted for DKK 963m of the DKK 4,760m of total benefits paid, against DKK 598m in 2011.

Insurance benefits DKKm	2012	2011	Increase in %
Pension and interest benefits	1,675	1,488	12.5
Sums insured	752	753	0,0
Cash bonuses	1,371	1,104	24.2
Surrender values, etc.	962	740	29.9
Benefits paid, direct insurance	4,760	4,085	16.5
Benefits paid, indirect insurance	1,388	1,400	-0.9
Total benefits paid	**6,148**	**5,485**	**12.1**

The growing number of pensioners and the increase in savings per policyholder lifted regular benefit payments by DKK 187m, or 12.5%, over 2011.

Provisions for average-rate policies (life insurance provisions)

Provisions are computed at market value based on assumptions of costs, policyholder life expectancy, risk of disability, probability of policy surrenders and the discount rates set out in the executive order on financial reporting of insurance companies and lateral pension funds. These rates are published by the Danish FSA. Provisions are also determined using the Danish FSA's benchmark for expected future improvements in life expectancy.

The accumulated market value adjustment of life insurance provisions increased by DKK 0.2bn in 2012, because we implemented the DFSA's benchmark for expected future improvements in life expectancy, implemented a unisex market value basis and recognised the expected future policy surrenders in the life insurance provisions for 2012. Market value adjustments were further increased by DKK 5.3bn in 2012, of which DKK 4.9bn was due to the drop in the level of interest rates. In 2011, market value adjustments increased by DKK 7.7bn, mainly due to the lower level of interest rates.

Total life insurance provisions amounted to DKK 90.0bn at 31 December 2012 against DKK 84.0bn at 31 December 2011.

Listed in the table below are interest rate, risk and cost results for the insurance portfolio under contribution as well as Sampension's share of the profit in Forenede Gruppeliv.

Interest rate, risk and cost group results DKKm	2012	2011
Interest rate result after pension returns and bonus added	1,950	2,500
Interest rate result, Forenede Gruppeliv	-55	-24
Total interest rate result	**1,895**	**2,476**
Cost result after bonus added	3	8
Cost result, Forende Gruppeliv	61	54
Total cost result	**64**	**62**
Risk result after bonus added	292	70
Risk result, Forenede Gruppeliv	35	32
Total risk result	**327**	**102**

The interest rate result after tax on pension returns for 2012 amounted to DKK 1,895m, a decline from the interest rate result for 2011 of DKK 2,476m.

The 2012 cost result for contribution groups of DKK 3m included the result of market-rate schemes. The total cost contribution after bonus added amounted to DKK 194m in 2012, against DKK 198m in 2011. The positive cost result including the profit from Forenede Gruppeliv amounted to 0.06% of life insurance provisions which was unchanged from 2011.

The risk result is calculated as the policyholders' payments for cover against the risk of disability and death (risk premiums) less expenses for claims covered by the company. There was a positive risk result for contribution groups in 2012 of DKK 292m including market-rate policies, against DKK 70m in 2011. The positive risk result including the profit from Forenede Gruppeliv amounted to 0.30% of life insurance provisions against 0.09% in 2011. The improvement was partly due to an increase from 2011 to 2012 in the risk premiums on disability for a loss-making sub-portfolio.

Financial results, solvency and capital base

The company's financial results

The realised result is the technical result for the year for the part of the portfolio covered by the contribution principle. The result is calculated before tax on pension returns, before changes in collective bonus potential and before allocation of bonuses to policyholders.

The realised result is distributed between the contribution groups and equity in accordance with the contribution principle. This ensures a fair distribution of the results. A proportionate share of the investment portfolio return for the year is allocated to equity. In addition, the profit or loss from Sampension's business in Forenede Gruppeliv is allocated to equity. For guaranteed benefit average-rate policies, a risk premium of 0.5% of the proportion of pension savings with a basic rate of interest of at least 4.25% plus 0.24% of the proportion with a basic rate of interest of less than 4.25% are allocated to equity. No risk premium is allocated to equity for unguaranteed policies or for cost and risk groups.

In 2012, the parent company recorded a profit (total net profit) before tax of DKK 597m. A large part of this amount consisted of the share of the investment portfolio return for the year allocated to equity and the risk premium for the year. The profit after tax amounted to DKK 453m, which was higher than expected.

The consolidated profit for the year before non-controlling interests was DKK 453m in 2012, against DKK 267m in 2011. The higher profit relative to last year was due especially to the higher investment return in 2012. The Group recorded a tax expense of DKK 251m for 2012.

The realised result is distributed on interest rate, cost and risk groups. The allocation of profit for 2012 is set out in the table below with comparative figures for 2011.

Realised result for interest rate, risk and cost groups DKKm	2012	2011
Interest rate groups, total:		
Total investment return	10,600	15,120
Accumulated value adjustment	-5,501	-9,072
Addition of interest after tax on pension returns	-2,048	-2,004
Other	21	-98
Realised interest rate result pursuant to the contribution principle	**3,072**	**3,946**
Tax on pension returns	-946	-1,049
Available for allocation after tax on pension returns	2,126	2,898
Allocated to pension savers:		
Bonus added	-176	-398
Transferred to collective bonus potential, interest rate groups	-1,433	-2,181
Investment return and risk premium allocated to equity	**517**	**319**
Cost groups, total:		
Cost contribution	471	488
Actual administrative expenses	-192	-190
Realised cost result pursuant to the Executive Order on the Contribution Pr	**279**	**298**
Bonus added	-276	-290
Transferred to collective bonus potential, cost groups	-7	-11
Loss on operational event to be covered by equity	7	0
Negative cost result to be covered by equity *)	**2**	**-3**
Risk groups, total:		
Realised risk result pursuant to the Executive Order on the Contribution Pri	**140**	**85**
Bonus added	152	-15
Transferred to collective bonus potential, risk groups	-247	-113
Risk result reducing equity shadow account *)	**45**	**-43**
Shadow accounts:		
Shadow account at 1 January	46	46
Interest on shadow account	3	-
*) Reduction of shadow account during year	-47	-
Shadow account at 31 December	1	46

The interest rate result allowed for DKK 1.4bn to be transferred to the collective bonus potential. The balance of the shadow account from 2010 and prior years, including accrued interest amounted to DKK 1.6bn at 31 December 2012, and was not reduced in 2012. The shadow account for 2012 amounted to DKK 1m for cost groups. Note 14 to the financial statements provides a specification of shadow accounts by contribution groups.

Individual solvency need

The rules on individual solvency need from 2007 were updated in the autumn of 2009. They should be seen as a forerunner of the future Solvency II rules. Companies are required to identify and quantify the risks they may be exposed to within a 12-month time horizon. With the implementation of Solvency II expected to be postponed, the Danish FSA indicated at the end of 2012 that more explicit rules are needed on pension providers' methods for calculating their individual solvency need to ensure that statements are based on consistent risk assessment methods.

The risk profile defined by the Board of Directors is used to calculate Sampension's individual solvency need. Sampension's model for computing the individual solvency need factors in the most significant risks Sampension faces. The model for calculating the individual solvency need has been adopted by the Board of Directors. The Board of Directors reviews the development of significant risks on a current basis and approves the information reported about the individual solvency need.

The method for computing the principal risk elements is explained below:

Risk element	Method of computation
Market risk	The capital requirement resulting from market risk is determined as the DFSA's yellow-light risk scenario, in which the company's investments and the interest rate risk of the life insurance provisions are affected by concurrent changes in economic assumptions (stress testing).
DFSA country-spread risk	The capital requirement covering country-spread risk is determined as the change in provisions if the average country spread for the preceding 12 months included in the country-spread adjusted yield curve were reduced to 0 basis point.
Insurance risk	The capital requirement covering life expectancy risk is calculated as the combination of a 6% shock to the current mortality rate, a 6% shock to the expected future improvements in life expectancy and a shock of $2.6/\sqrt{(5 \cdot H)}$ to the realisation risk, where H is the expected number of mortalities in Sampension's insurance portfolio over a period of five years, assuming that the mortality rate equals the sector mortality rate. The capital requirement relating to disability risk is determined as a 15% increase in the disability rate. An amount corresponding to 0.15% of total positive risk amounts for death and disability is added to cover catastrophe risk.
Operational risk	The capital requirement relating to operational risk is computed as 0.45% of provisions for average-rate policies, 25% of administrative expenses for market-rate policies and 4% of the premiums for Sampension’s business in Forenede Gruppeliv.

The method of computing the risk elements is based on stress testing of the company's total assets at the calculation date. No deduction is made for risk diversification, as the model's stress test is based on concurrent losses on the relevant types of risk, nor for risk diversification between risk elements.

The following deductions are made from the risk elements:

Risk deductions and risk coverage	Method of computation
Cover by collective bonus potential and bonus potential on paid-up policies.	Contributions are made within each interest rate group, meaning that the total loss for guaranteed and non-guaranteed policies are covered by the group's collective bonus potential and the group's bonus potential on paid-up policies. The loss on catastrophe risks is covered by the collective bonus potential of the individual risk groups.
Reduction of policy-defined benefits on non-guaranteed products	Losses on non-guaranteed policies are covered by a reduction of benefits after all loss-absorbing bonus potential has been exhausted.
Negative income tax	The part of a loss covered by equity is offset by negative income tax at a rate of 25% in accordance with current rules.

The risk contribution less risk deductions and risk cover is computed for each contribution group and for equity. If the risk less cover for a group is negative, the contribution to the individual solvency need for that group is fixed at zero.

The individual solvency need equals the capital necessary to ensure that there is very little probability of pension savers suffering losses, should a company become insolvent. Sampension must have sufficient capital at all times to cover the higher of the individual solvency need and the traditional capital requirement. The traditional capital requirement is computed as a percentage of life insurance provisions.

Capital base

The Board of Directors proposes that the profit for the year be transferred to “Retained earnings” under equity, bringing equity to DKK 7.8bn. After deduction of intangible assets and deferred tax assets totalling DKK 0.2bn, the capital base amounted to DKK 7.6bn.

The solvency requirement and capital base are set out in the table below.

Solvency requirements and capital base DKKm	2012	2011
Capital base	7,588	7,031
Traditional capital requirement	2,327	1,990
Individual solvency need	**2,829**	**3,760**
Excess capital base:		
Relative to traditional capital requirement	5,261	5,040
Relative to individual solvency need	**4,759**	**3,270**
Capital base reserve:		
Relative to traditional capital requirement	8.0%	7.7%
Relative to individual solvency need	**7.3%**	**5.0%**

The capital base increased by DKK 0.6bn at 31 December 2012 relative to 31 December 2011. The traditional capital requirement was DKK 2.3bn, against DKK 2.0bn at the end of 2011. The company's individual solvency need was the higher of the two solvency requirement measures, amounting to DKK 2.8bn at 31 December 2012. The DKK 1.0bn fall in the individual solvency need relative to the end of 2011 was due to the application of a more advanced model for life expectancy risks which also takes account of the realisation risk.

The excess capital base relative to the individual solvency need amounted to DKK 4.8bn. Capital base reserves (excess capital base relative to policyholders' savings) was 7.3% at 31 December 2012 against 5.0% at 31 December 2011, computed against the higher solvency requirement measure.

Collective bonus potential

The collective bonus potential and bonus rates set out by contribution group at 31 December 2012 are shown in the table below along with comparative figures for 2011:

Collective bonus potential and bonus rates	2012		2011	
	DKK m		DKKm	
	Collective bonus potential	Bonus rates	Collective bonus potential	Bonus rates
Interest rate group A	1,540	4.1%	1,494	3.8%
Interest rate group B	1,166	10.5%	889	9.6%
Interest rate group C	1,772	11.5%	773	5.3%
Interest rate group D	20	13.2%	11	7.7%
Expense and risk groups	377	0.6%	123	0.2%
Total	**4,875**	**7.4%**	**3,290**	**5.1%**

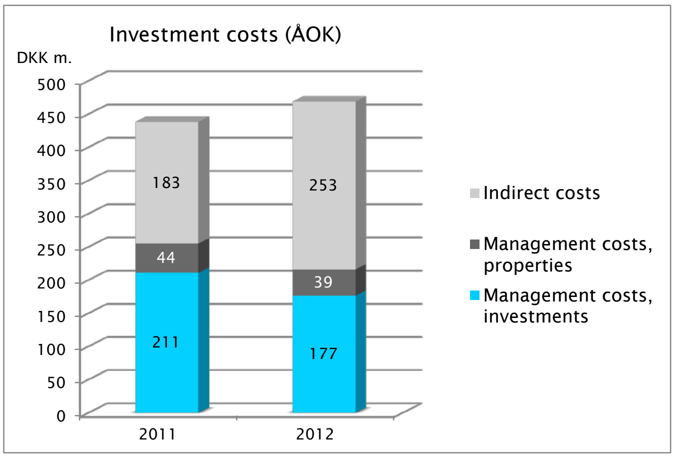
As can be seen from the table, the company's four interest rate groups had collective bonus potentials corresponding to bonus rates of between 4.1% and 13.2%. The corresponding bonus rates at 31 December 2011 were between 3.8% and 9.6%, implying an improvement during 2012, which was especially due to the high return on the investment portfolio.

Costs

Investment costs

The item Investment management expenses in the income statement comprises management fees, deposit fees, front-end fees and performance fees in relation to funds and costs relating to securities trading. For the Sampension Group, this item amounted to DKK 177m for 2012, compared with DKK 211m for 2011.

Part of the cost savings of DKK 34m was attributable to the major reorganisation during the past year of equities under management to more index-driven and less expensive management and a substantial reduction in the number of asset managers.



Annual investment costs are specified in the information provided to policyholders on our website expressed in Danish kroner (ÅOK) and as a percentage of policyholders' savings (ÅOP). The ÅOK amount and the ÅOP percentage include expenses incurred by Sampension, which are disclosed directly in the financial statements, and the indirect costs calculated specifically for this purpose relating to investments in external funds, investment associations, etc.

The figure shows the breakdown between direct and indirect costs for 2012 and 2011. The increase in indirect costs was driven in part by higher performance fees paid to the funds for investments in structured credit which yielded high returns in 2012.

The ÅOP investment costs calculated on policyholder custody accounts for 2012 and 2011 are disclosed in the table below:

Investment costs (ÅOP)	2012	2011
3 i 1 Livspension, selected generation pools (moderate risk):		
25 years	0.66%	0.71%
45 years	0.54%	0.57%
64 years	0.29%	0.24%
3 i 1 Liv total (average)	**0.45%**	**0.48%**
Average	**0.39%**	**0.37%**

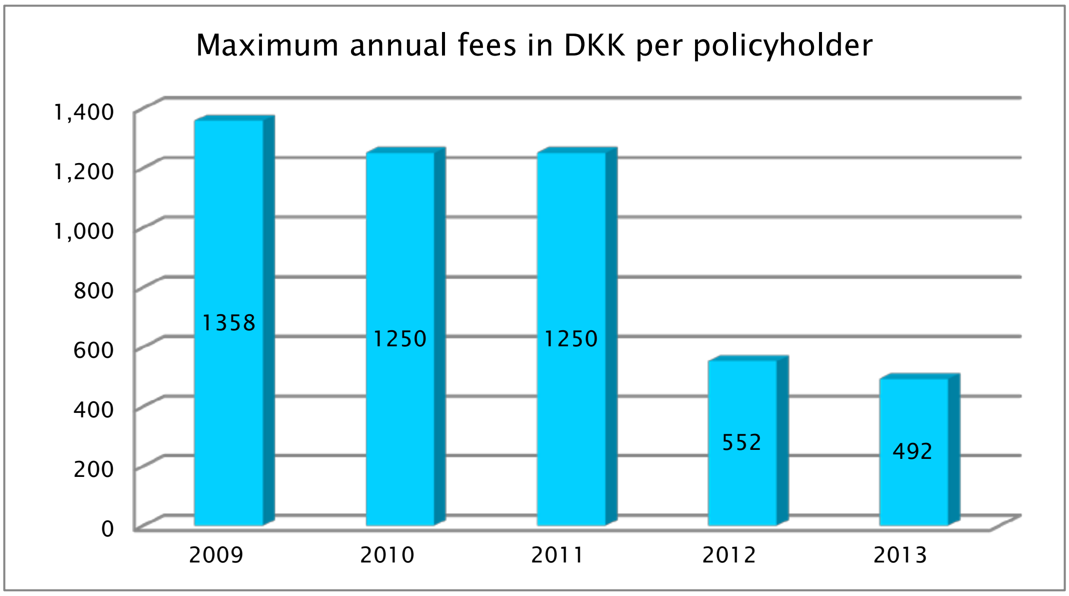
These are competitive rates.

Administrative expenses

Sampension's insurance operating expenses amounted to DKK 192m in 2012, against DKK 190m in 2011. As already stated, costs represented 2.4% of premiums in 2012, against 2.6% in 2011.

In order to distribute expenses more fairly among policyholders, Sampension introduced a new way of charging expenses effective 1 January 2012. The new approach entailed a more simple method than the one previously applied. Previously, costs were partially determined by the premium paid and amounted to up to DKK 1,250 annually for premium-paying policyholders. In 2012, expenses amounted to DKK 552 for all policyholders. For the vast majority of policyholders, this means a big drop in their administrative expenses. Effective from 1 January 2013, annual expenses per policy were reduced by an additional DKK 60 to DKK 492.

During the period 2009–2013, maximum expenses charged to premium-paying policies have been reduced by 64%.



The reduction of cost contributions paid by policyholders reflects Sampension's continued efforts to ensure an efficient administration of pension schemes and maximise the amount of policyholders' pension contributions accruing to pension savings.

The ratio Expenses per policyholder amounted to DKK 447 for 2012. Due to the reclassification of the reinsurance of municipal obligations to civil servants to indirect insurance, this ratio has been changed effective from 2012 to cover policyholders related to direct insurance only. Accordingly, Expenses per policyholder for 2011 has been changed from DKK 539 to DKK 449.

These expenses are among the lowest in the industry, considering the high degree of flexibility offered in the pension schemes and the extensive advisory services provided. This level is expected to be maintained in the coming years.

Investments and returns

Investment strategy

Sampension's Board of Directors determines the investment strategy through its overall investment guidelines and investment framework.

The investment strategy aims to maximise the return within the given risk framework. In addition, investments made are based on Sampension's responsible investment policy (see page 28).

The market-rate and average-rate environments generally participate in the same investments, only at different weightings and volumes. Overall, the market-rate environment has a relatively larger share of investments in risky assets than the average-rate environment. As a result, 3 i 1 Livspension will experience greater fluctuations in annual returns but will also have a higher expected long-term return.

Asset management

Much of the management of the individual asset classes has been outsourced to external managers. Cost efficiency is very important to Sampension, both in terms of internal and external management, and we achieve it by using the same underlying investment structures in the various environments.

Sampension applies cost-benefit analyses to assess on a regular basis whether the various equity portfolios should be managed in-house or externally. Virtually all of Sampension's equity investments have been outsourced to external asset managers. The ability to select these managers is considered a core competency. In 2012, we had awarded listed equity mandates to three external asset managers for developed economies, emerging markets and Denmark, respectively.

Bonds and other fixed-income instruments are mainly managed in-house, including the holding of Danish and European sovereign bonds, Danish mortgage bonds and the hedge portfolio in the average-rate environment. Property investments located in markets where Sampension has long-standing investment experience are also managed in-house. A number of investments in higher-risk credit bonds are made through external managers, and most alternative investments, such as in forestry, hedge funds and unlisted shares, are made though funds managed by external managers.

Market-rate products

The objective of 3 i 1 Livspension is to maximise the return relative to the risk corresponding to a policyholder's current age. A risk management framework has been defined for each generation, so for the younger generations, the target return is close to that of the equity market in general (but with a lower risk through risk diversification) and the older generations have a risk profile similar to that of the bond market (but with a higher expected return through risk diversification). The asset composition for the younger generations should also provide long-term protection against inflation.

The performance of the 3 i 1 Livspension investment strategy is measured by the overall return across generation pools.

In respect of Linkpension, we aim to give our policyholders a choice from among a competitive range of high-quality investments. It is also an objective for the Sampension Invest sub-funds to provide returns at the top end of their peer groups.

The average-rate product

Sampension has defined its investment strategy for the average-rate product on the basis of two key considerations, listed here in order of priority:

- to achieve a high degree of assurance that Sampension will be able to meet its pension obligations and statements of intent particularly in the short term, but also in the long term;
- to assume investment risks in anticipation of a higher return.

Provisions for pensions are stated at market value, which means that the value will depend on interest rate levels. In order to mitigate this risk, Sampension has an independent hedge portfolio. The objective of this portfolio is to obtain a high degree of assurance that we will be able to honour our pension commitments and statements of intent.

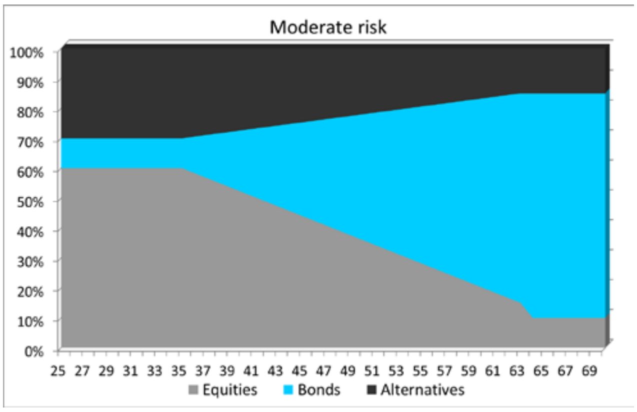
The result of this investment strategy is measured by the overall return on the investment portfolio and the hedge portfolio. This return is compared with developments in provisions for pensions as a result of interest rate changes – the so-called adjusted return.

Return and investment performance for the year

Returns in the market-rate environment

3 i 1 Livspension

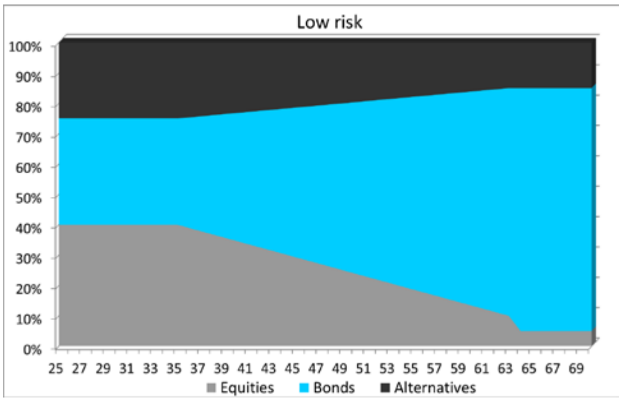
Age-specific distribution in 3 i 1 Livspension 2012

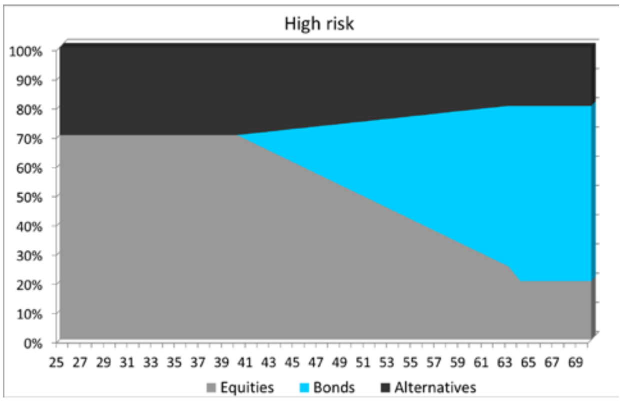


The age-specific distribution of investments in 3 i 1 Livspension is determined by the way the generation pools are allocated to the three base funds; equities, bonds and alternative investments. The chart shows the distribution in 2012. The allocation strategy follows a conventional lifecycle approach of scaling down the risk according to the policyholder's age.

As previously mentioned, Sampension introduced new investment profiles in 2012, providing a higher and a lower risk alternative to the basic moderate risk profile. This enables policyholders to influence investment composition as well as risk and expected returns. The allocation of the new investment profiles is set out below. The low risk profile has a relatively high proportion of bond regardless of age, whereas high risk involves a greater proportion of shares and alternative investments.

Age-specific distribution for low and high risk investment profiles





The bonds base fund yielded a return of 9.8% in 2012, as shown in the table below. The positive return was based especially on solid price increases on European sovereign bonds and investment grade corporate bonds, whereas Danish government bonds and mortgage bonds produced relatively moderate returns. The fund predominantly invests in Danish and European sovereign bonds and Danish mortgage bonds. Additionally, the fund holds investment grade corporate bonds Overall, the fund is exposed to limited market risk.

The equities base fund generated a return of 14.7% in 2012. The performance was driven by strong returns on listed equities in a number of countries, as especially Danish equities and emerging market equities produced powerful returns of 28.4% and 25.6%, respectively. Viewed over a period of several years, the fund is expected to provide a high return, but also to have a significant risk exposure. In other words, returns are subject to large fluctuations from one year to the next.

The alternative Investments base fund produced a return of 5.9 % in 2012. The fund primarily invests in properties and forestry. The value of these assets is traditionally closely related to the general price level in society, which helps protect the portfolio's purchasing power. The fund also invests in carefully selected types of hedge funds and structured credit, which contributes to diversifying the risk. In 2012, investments in structured credit generated a return of 32.5%, while other investments returned only small gains. In terms of risk exposure, the fund is placed in between the two other base funds.

Holdings and return before tax on pension returns, 3 i 1 Livspension

Base fund 3 i 1 Livspension	Market value 31.12.2012 DKKm	Distribution %	Return %
Bonds	21,951	46.7	9.8
Equities	15,248	32.5	14.7
Alternative investments	9,769	20.8	5.9
Total	**46,968**	**100.0**	**10.7**

3 i 1 Livspension reported positive returns for all generation pools in 2012, as shown in the table below. Due to a higher weighting of equities the younger pools generated higher returns than older-generation pools.

Return before tax on pension returns in 3 i 1 Livspension for selected generation pools

Generation pools 3 i 1 Livspension, selected Moderate risk	Return %
25 years	11.6
45 years	11.0
64 years	9.8
Total	**10.7**

Linkpension

In Linkpension, the Sampension Invest discretionary funds with the shortest duration produced a positive return of 7.3%, while the longest-duration fund produced a return of 13.9%. The discretionary funds consist of bonds and listed equities only. Their equity weighting falls in step with the number of years until retirement.

Returns in the average-rate environment

The overall allocation of investments in the average-rate environment at 31 December 2012 and the returns for the year are set out in the table below.

Investment allocation and returns in the average-rate environment

Average rate	Market value 31.12.2012 DKKm	Distribution %	Return %
Marketable assets:	**78,684**	**77.4**	**6.6%**
- Bonds etc. subject to minor credit risk	64,383	63.3	4.7%
- Bonds etc. subject to credit risk	8,498	8.4	13.3%
- Listed shares	5,803	5.7	19.1%
Unmarketable assets:	**9,968**	**9.8**	**2.4%**
- Unlisted shares (private equity)	2,548	2.5	8.5%
- Property etc.	4,470	4.4	1.0%
- Commodities and forest	1,725	1.7	-0.9%
- Hedge funds	1,225	1.2	1.3%
Investment portfolio before currency effects	**86,678**	**85.2**	**5.4%**
Exchange rate fluctuations and hedging thereof	190	0,2	0.1%
Total investment portfolio	**86,868**	**85.4**	**5.5%**
Portfolio of interest rate hedges	14,847	14,6	6.0%
Total investment assets	**101,716**	**100.0**	**11.5%**
			Key figures N1
Investment return - key figures N1 - total			**11.4%**
Investment return - key figures N1 - customers			**11.9%**

Repo transactions are recognised on a net basis. Bank balances etc. is only included in the overall investment portfolio. Return on hedging is measured as a percentage of total investment assets. Returns are set out on a time-weighted basis and before management costs paid to Sampension Administrationsselskab.

The overall return (time-weighted) for 2012 in the average-rate environment was 11.5% inclusive of the hedge portfolio and before investment costs and tax on pension returns. Excluding the hedge portfolio, the return was 5.5%.

Calculated as the financial ratio Return before tax on pension returns (N1), the overall investment return was 11.4%.

The investment assets relating to the company's equity are invested together with investment assets relating to the average-rate environment but excluding the hedge portfolio. As a result, the ratio Return before tax on pension returns (N1) is calculated both for investment assets attributable to policyholders and for equity. The investment return relating to equity equals the return on the investment portfolio. The return attributable to policyholders was 11.9%.

The return on bonds etc. subject to low credit risk of 4.7% was measured after transfer of interest rate risk to the hedge portfolio, see the description of the hedge portfolio on page 28. Inclusive of the interest rate risk, the bond portfolio yielded a return of 7.4%.

Return on asset classes – both investment environments

The following sections contain a detailed description of return developments for the individual asset classes in both the average rate and the market rate environment. Unless otherwise indicated, the returns are stated in local currency, ie without currency hedging.

Bonds etc. subject to low credit risk

The portfolio consists of bonds and other fixed-income instruments subject to low counterparty risk, i.e. mainly in investment grade sovereign bonds and Danish mortgage bonds. The portfolio constitutes the majority of investments in the average-rate environment and the bonds base fund in the market-rate environment, and is intended to provide a stable, current return on invested funds.

The return on the overall bond portfolio before transfer of return to the hedge portfolio was 7.7% in 2012. The return was strongly driven by gains on European sovereign bonds and investment grade covered bonds.

Bonds etc. subject to credit risk

The credit portfolio is composed of below-investment grade bonds, structured loans and credit funds.

The portfolio produced a return of 17.4% in 2012. The performance was driven mainly by large returns on the most risky of the structured investments, which are only exposed to a moderate risk of bankruptcy among the underlying issuers of debt.

Equities

Sampension's equity holdings are distributed on listed and unlisted equities on various geographical regions and on large and small companies in various industries.

The return on listed equities was 18.0% in 2012. The portfolio consists of four externally managed equity mandates, two portfolios designed to reflect the global index, one mandate dedicated to Denmark and one to emerging markets. Unlisted equities generated a return of 5.7% in 2012.

Property, etc.

The property portfolio covers investments in directly owned properties and in property funds. Property is distributed on various types of property (office, residential, retail etc.) and geographical regions.

The property portfolio generated a return of 1.1% in 2012. The portfolio of directly owned Danish properties yielded a small positive return, while the overall return on properties was negative.

Commodities and forestry

The commodities and forestry portfolio, which primarily comprises investments in the forestry industry through funds, mainly in North and South America, produced a return of 0.5% in 2012. The portfolio contributes to diversifying the risk relative to other sub-portfolios through its stable return performance.

Hedge funds

Sampension's portfolio of hedge funds comprises strategies operating across asset classes (mainly the so-called Global Macro funds). The portfolio produced a return of 1.6% in 2012.

Currency

Sampension hedges the currency risk on a group-wide basis in order to limit risk, hedging all material currency positions at between 50% and 100% of the exposure.

Overall, exchange rate adjustments and currency hedges made a small positive contribution to the overall investment result for 2012.

Portfolio for hedging the average-rate product

This hedge portfolio consists of derivative financial instruments (such as swaps and swaptions) and long-term sovereign bonds. Some of the portfolio's swaps are made in-house and have been established to transfer most of the interest rate risk from the bond holdings of the investment portfolio to the hedge portfolio. The hedge portfolio was split into two components with a high and a low basic rate of interest.

In 2012, the portfolio was a positive contributor to the total investment return, and the total return was 6.0%. The performance reflects the general fall in the level of interest rates seen in 2012.

Corporate social responsibility

Sampension's policy on corporate social responsibility is predominantly organised as business-driven CSR. Accordingly, we seek to implement our corporate social responsibility policy through selected Sampension business areas. We focus on the following selected business areas:

Responsible investments

Sampension has adopted an investment policy which, among other things, is based on the assumption that companies acting socially and environmentally responsibly yield better returns over the long term. Our socially responsible investment policy is designed on the principles defined in the UN Global Compact, and we have implemented a number of investment restrictions with respect to arms.

Operations

Operations and the ongoing development of Sampension as a company are focused on factors such as productivity improvements, efficiency enhancements and an increased range of services. These activities include relevant environmental and climate considerations to the greatest possible extent, not least in relation to carbon emissions.

CSR activities in 2012

Responsible investments

<u>Screening</u>

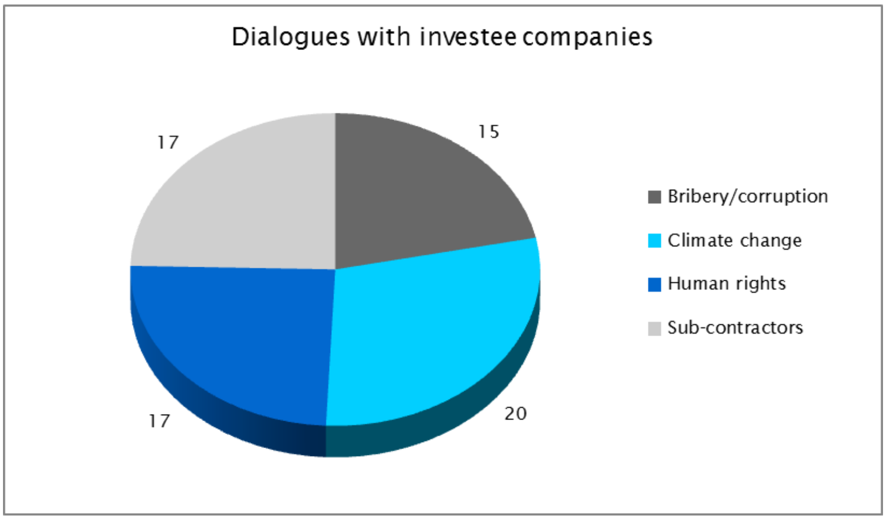
Sampension has appointed EIRIS, a UK-based company, to screen and monitor the more than 1,500 equity positions in its portfolio in terms of a number of ethical aspects. EIRIS scores the individual stocks on the basis of a wide range of parameters that could influence the considerations behind Sampension's investment policy.

If a stock score stands out in specific areas or deviates significantly overall, the company may be put on alert for a closer review, possibly through a dialogue. Sampension will always have the final decision on whether to add a stock to its portfolio. In 2012, a total of 80 companies were blacklisted from our investment universe.

<u>Engagement/active dialogue</u>

Sampension concentrates on a number of core themes in its ongoing engagement with investeee companies. In 2012, the main focus was on bribery/corruption, climate change, human rights and subcontractors.

In this respect, Sampension engaged in a dialogue with 69 companies during the year. The chart below shows a breakdown of these discussions by issue.



Of the 69 cases, 17 have reached a satisfactory conclusion. The remaining discussions continue, and in some cases a discussion may extend over two or three years until a final conclusion can be reached.

While the issues are fairly evenly distributed, a prudent and preliminary conclusion would indicate that the most progress has been achieved in policies on climate change and bribery/corruption. In the latter category, 80% of the companies have engaged in dialogue with Sampension, and as many as half of them have introduced a policy on the issue or are in the process of doing so.

Geographically, the distribution of engagement issues have been consistent with the distribution of companies in the various areas.

Operations

Once again in 2012, Sampension implemented its planned initiatives for improving the company's carbon consumption by further reducing its power consumption.

While being fairly modest relative to the significant 20% reduction in power consumption achieved in 2011, our goal for 2012 was nevertheless an additional reduction of 10%. We almost met this target, reducing our power consumption by 9%, equal to almost a 54 tonne reduction in our carbon emissions.

Upcoming CSR activities

In our engagement with companies in 2013, we will delve deeper into issues such as ESG (Environmental, Social and Governance) risk management and water management systems. In terms of ESG, risks vary considerably from company to company, sector to sector and country to country.

The target for Sampension's operations in 2013 is to keep up the improvements achieved from already completed initiatives and to remain aware of other areas in which this type of effort could yield additional reductions. We expect to reduce our carbon emissions by a further 5% in 2013.

Outlook for 2013

Most of Sampension's policyholders are scheduled to negotiate new collective agreements in 2013. Most likely, this will result in low rates of wage and salary increases, and Sampension expects that last year's moderate rate of premium growth will carry over into 2013.

The number of premium-paying policyholders is expected to fall slightly. Pension benefit payments are set to increase, due to the growing number of retirees and an increase in savings per individual.

The agreement reached in June between Ministry of Business and Growth and the Danish Insurance Association to change the discount curve included a requirement for added consolidation and for pension companies to demonstrate prudence and restraint. The agreement caps bonus allotments on average rate products at 2% of policyholders' savings. While Sampension is not directly subject to the agreement, as guarantees no longer apply to collective bargaining agreements, we still wish to comply with the intention of the agreement. Accordingly, the rate of interest on policyholders' savings has been fixed at 2% before tax on pension returns for all pension schemes covered by statements of intent effective from 1 January 2013.

In respect of market-based schemes, the return will depend on developments in the financial markets.

Sampension's results depend on developments in the financial markets. Based on an unchanged level of interest rates and an overall investment return of 1.2% before tax on pension returns, Sampension expects a return on equity after tax of approximately DKK 100m in 2013.

Other matters

Uncertainty in recognition and measurement

In preparing the financial statements, management makes a number of estimates and assumptions of future events that will affect the carrying amount of assets and liabilities. The area in which management's estimates and judgements have the most material effect on the financial statements is provisions for insurance contracts and the fair value of non-marketable assets such as unlisted financial instruments and properties. See the note on accounting policies for further details.

The audit committee and the company's Board of Directors review the estimates and valuation methods applied in Sampension's financial statements.

Events after the balance sheet date

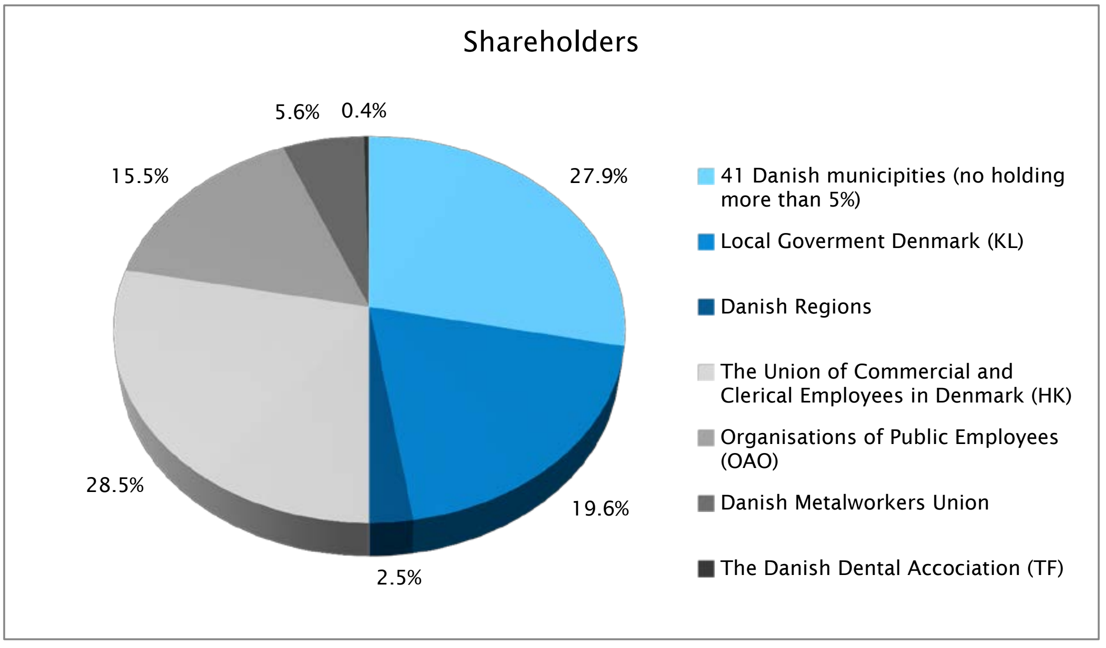
No events have occurred in the period from the balance sheet date until today which may change the assessment of the Annual Report.

Company details

Management structure

Shareholders

Sampension KP Livsforsikring a/s is owned by the parties to the collective agreements under which Sampension is a pension provider. Sampension's share capital is held equally by employee organisations on the one hand and by employers and employer organisations on the other.



Board of Directors

Sampension's Board of Directors consists of shareholder representatives, a Board member recommended by the Board of Directors and representatives of the Group's employees. The Board of Directors of Sampension KP Livsforsikring a/s also serves as the Board of Sampension Administrationsselskab a/s.

On 4 July 2012, Rita Bundgaard replaced Thora Pedersen who retired.

Information about the executive functions of the members of the Board of Directors and Executive Board is provided on page 37.

The Board of Directors performed a self-evaluation in the autumn of 2012. Based on the company's business model, risk universe and risk profile, the Board discussed and considered whether it has the knowledge and experience necessary to perform the overall and strategic management of the company, including whether it is capable of addressing and managing the company's business areas and risks in an adequate manner and of challenging the Executive Board. The Board concluded that it will work to develop and enhance its overall skills set in 2013 by way of continuing professional development programmes. In the upcoming period, the Board will also consider whether Sampension can strengthen the Board's overall knowledge and experience by making changes to the Board, with due respect for the ownership structure.

Audit committee

According to the rules on audit committees, at least one Board member must be independent of Sampension and possess audit or accounting qualifications. Through her professional career and educational background, Bodil Nyboe Andersen, Board member of Sampension and former governor of the Danish central bank, complies with the requirements of independence and qualifications according to the rules on audit committees.

Effective from the date of the annual general meeting held in April 2012, the Board of Directors set up an audit committee. Until then, the audit committee functions were handled by the Board of Directors in unison. The members of the audit committee are Bodil Nyboe Andersen (chairman) and the Chairman and Deputy Chairman of the Board of Directors.

The framework for the audit committee’s work is defined in a terms of reference. The audit committee's main duties are to monitor the financial reporting process, monitor the efficiency of Sampension’s internal control system, internal audit function and risk management systems, monitor the statutory audit, and monitor and verify the independence of the auditors. The Audit Committe held three meetings in 2012.

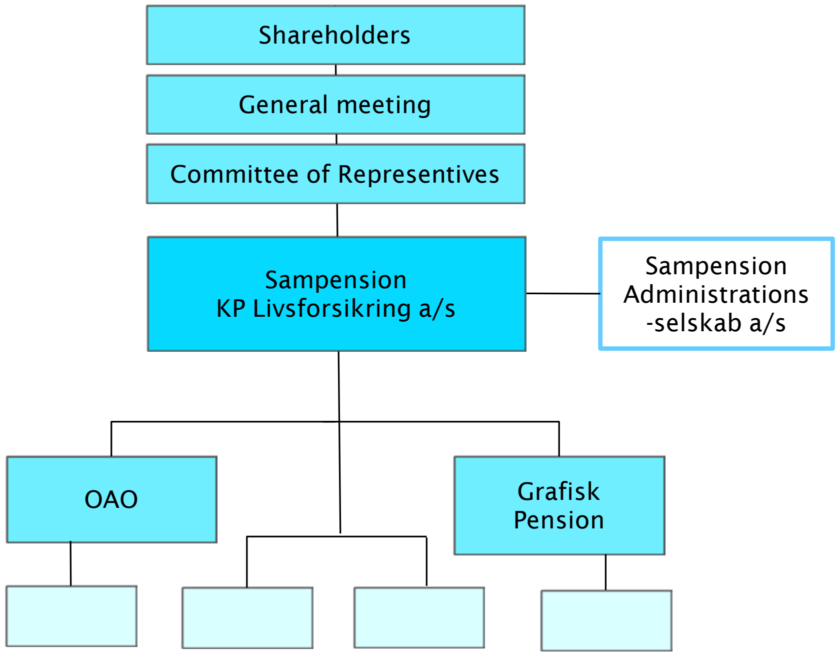
Boards of policyholder group and contact committees

Sampension gives high priority to working closely together with various policyholder groups, and various models have been developed to help each policyholder group exercise its influence.

For several policyholder groups, actual boards have been established to determine the content of individual schemes (such as products selected and the contribution structure, among other things) and the group life scheme (product composition, levels of contribution) within the shared framework defined by Sampension's Board of Directors. These boards also discuss the overall developments in Sampension as well as its investment strategy and financial situation. The labour market parties to the pension schemes are represented on the policyholder group boards.

“Contact committees” have been established for these and a number of other schemes with a view to preparing and communicating requests for changes to pension schemes as well as administrative, advisory and communication follow-up. Serving on contact committees are representatives of employee organisations and possibly employers or employer organisations behind the pension schemes.

Group structure



The shareholders appoint the members of the Board of Directors and the Audit Committee at the **annual general meeting** and through the **Committee of Representatives**.

The parent company **Sampension KP Livsforsikring a/s** has delegated the management responsibilities of the entire Sampension Group to **Sampension Administration a/s.**

Boards of policyholder groups consisting of representatives of the labour market parties behind the pension schemes determine the content and service levels of individual schemes.

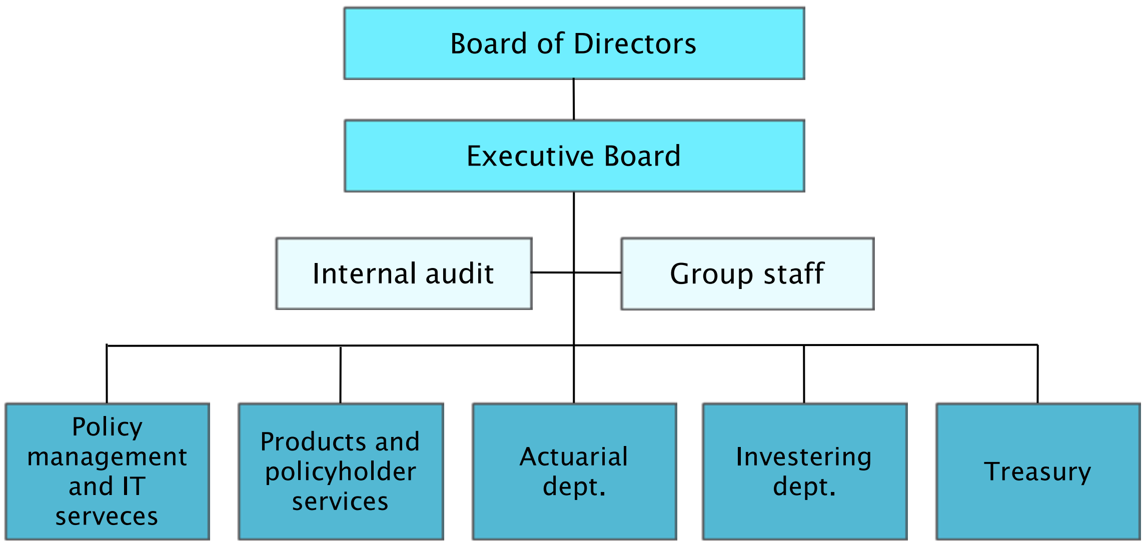
In a number of sub-trade areas **contact committees** have been set up consisting of representatives of each area's employee organisations, etc.

Organisation and management

The Sampension organisation has five specialist areas in addition to staff functions that handle the daily operations and day-to-day developments at Sampension. Seven people, including the Executive Management make up the day-to-day management of Sampension.

The organisational structure is set out in the chart:

The Sampension organisation



Remuneration

The Board of Directors of Sampension KP Livsforsikring a/s has defined a remuneration policy that is consistent with the provisions of sections 71 (1)(ix) and 77 (a)-(d) of the Danish Financial Business Act.

The remuneration principles applied at Sampension are intended to ensure that the management and the employees are remunerated in a manner that best supports to company's business and long-term strategic goals.

The remuneration provided by Sampension should reflect and support Sampension's ability to recruit and retain a competent and responsible management that promotes healthy and efficient risk management and that does not motivate excessive risk-taking.

Pursuant to current regulations, the company is required to disclose certain information regarding its remuneration policy etc. See note 6 to the financial statements.

Group structure and organisation chart

In addition to the parent company, the Sampension Group comprises a number of subsidiaries and associates which between them operate the Group's business areas.

Sampension Administrationsselskab a/s

Sampension administrationsselskab a/s manages pension schemes and investment portfolios in accordance with Sampension's policyholder service concept. Companies currently under management are members of the Sampension Group. Sampension Administrationsselskab has developed a solution targetting pension funds and corporate pension funds in which Sampension manages all or parts of the operations and the administrative tasks in policy management and customer service, plus a number of optional related financial services (such as treasury services or actuarial assignments).

Through Sampension's efficient administrative processes and a state-of-the-art IT platform, our skilled employees ensure efficient operations and a market-leading product and services offering at a competitive cost for the benefit of each pension fund and its members.

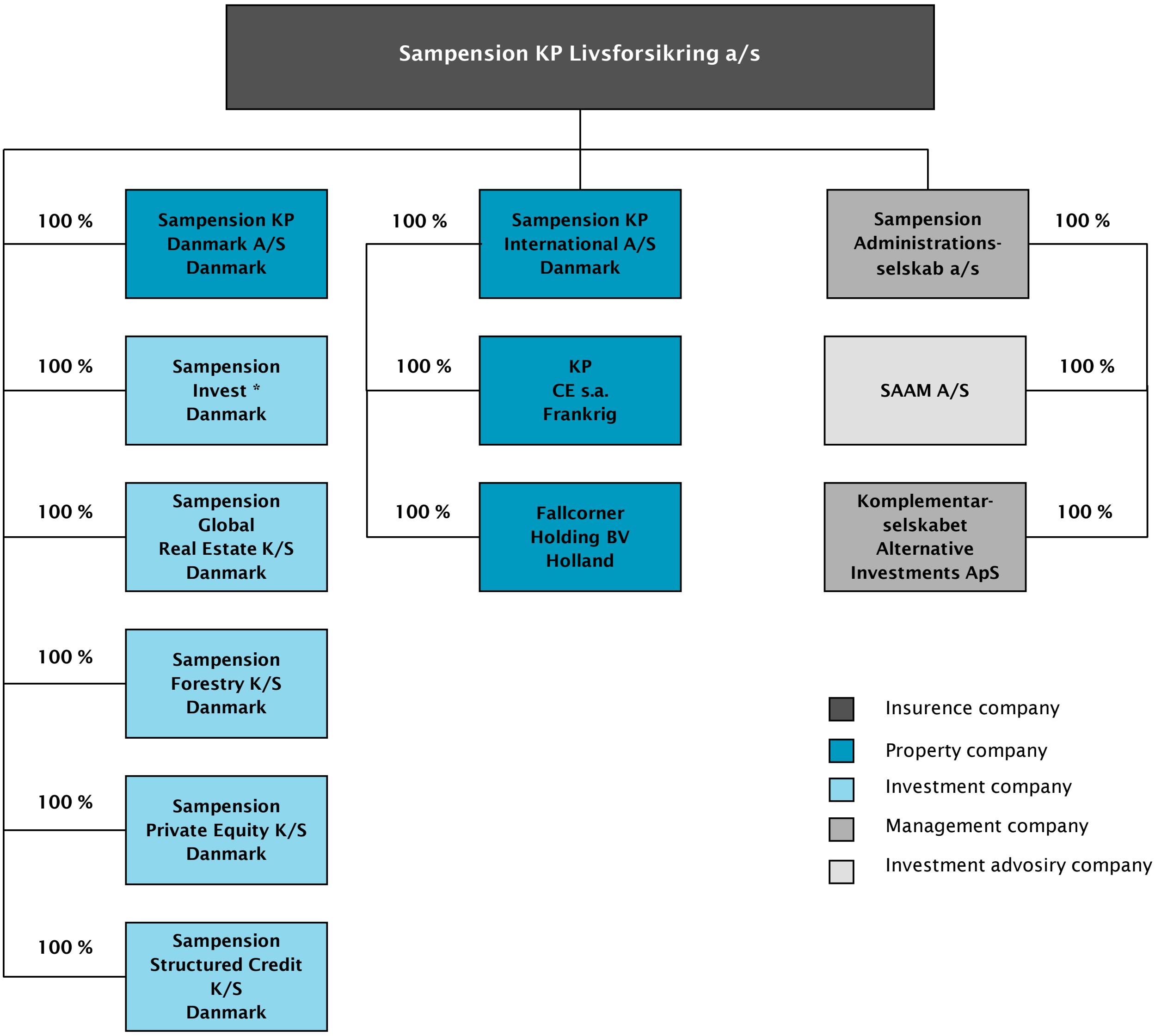
SAAM A/S

SAAM A/S operates an investment advisory business under the rules of part 20a of the Danish Financial Business Act.

Other companies

The Group also consists of several property companies, which own substantial parts of the Group's property portfolio, and a number of investment companies and investment associations, primarily covering alternative investments and shares in both the average-rate and the market-rate environments.

Group structure at 31 December 2012



* Sampension Invest consists of 5 sub-funds each with a different assets mix.

Board of Directors

Sampensions Board of Directors consists of shareholder representatives, including of the labour market parties behind the majority of the pension schemes in Sampension, a Board member recommended by the Board of Directors and representatives of the Group's employees.

M embers representing local authorities, regions and jointly-controlled local authority institutions are:

Johnny Søtrup (Chairman), Mayor of Esbjerg local authority
Arne Boelt, Mayor of Hjørring local authority
Poul Arne Nielsen, Mayor of Stevns local authority

Members representing negotiation organisations of the policyholders are:

Kim Simonsen, (Deputy Chairman) Chairman of HK
Thorkild E. Jensen, unionadviser
Bodil Otto, Deputy Chairman of HK/Municipal Authorities
Rita Bundgaard, Deputy Chairman HK/Government Authorities (entered 4 July 2012)

Thora Petersen, Deputy Chairman HK/Government Authorities (resigned 4 July 2012)

Board Member recommended by the Board of Directors:

Bodil Nyboe Andersen, former chairman of the board of governors of Danmarks Nationalbank (the Danish Central Bank)

Board members elected by the employees are:

John Helle, pension adviser
Bjørn Kroghsbo, portfolio manager
WEB coordinator Morten Lundsgaard
Team leader Majbritt Pedersen

Chief actuary

Flemming Windfeld

Internal audit

Gert Stubkjær, Group Chief Internal Auditor

Independent audit

PricewaterhouseCoopers

Statsautoriseret Revisionspartnerselskab
Strandvejen 44
2900 Hellerup

General meetings

The Annual General Meeting will be held on 12 April 2013 at the Company's address.

Board of Directors and Executive Board executive functions

The following sets out the executive functions in other companies held by the board members¬ and executive officers of Sampension KP Livsforsikring a/s. The list does not include executive functions in Sampension's wholly-owned subsidiaries.

Board of Directors

JOHNNY SØTRUP, MAYOR, CHAIRMAN, BORN 1949

Chairman of the board of directors of EU Syddanmark
Member of the board of directors of Esbjerg Havn
Member of the board of directors of Danish Offshore Center
Chairman of den Erhvervsdrivende Fond Musikhuset Esbjerg
Member of the board of representatives of SydEnergi
Member of the board of directors of Udbetaling Danmark

KIM SIMONSEN, CHAIRMAN OF HK, DEPUTY CHAIRMAN, BORN 1961

Chairman of the board of directors of Hotel Christiansminde A/S, Svendborg
Chairman of the board of directors of ASX7 ApS, Svendborg
Chairman of the board of directors of Refshaleøens Ejendomsselskab A/S, REDA I A/S and REDA II A/S
Chairman of the board of directors of Forbrugsforeningen af 1886 A/S
Chairman of the board of directors of Knudemosen a/s
Chairman of the board of directors of AKF Holding
Chairman of the boards of directors of ALKA A/S
Member of the board of directors of LD Pensions
Member of the board of representatives of Lån og Spar Bank A/S
Member of the board of representatives of Arbejdernes Landsbank
Member of the board of directors of CPH West
Member of the board of directors and of the board of representatives of ATP

ARNE BOELT, MAYOR, BORN 1961

Member of the board of directors of Toppen af Danmark
Member of the board of directors of VisitNordjylland
Member of the board of directors of Væksthus Nordjylland
Member of the board of directors of Hjørring Erhvervscenter
Member of the local banking council of Arbejdernes Landsbank

RITA BUNDGAARD, DEPUTY CHAIRMAN. BORN 1960

Member of the board of directors AUB (Arbejdsgivernes Uddannelsesbidrag)

THORKILD E. JENSEN, UNIONADVISER, BORN 1950

Member of the board of directors of A-Pressen
Member of the boards of directors of Industriens Pension, Industriens Pension Holding and Industriens Pension Service
Member of the board of directors of Arbejderbevægelsens Kooperative Finansieringsfond
Member of the board of directors of and chairman of the board of representatives of Arbejdernes Landsbank
Chairman of the board of directors of Fagbevægelsens Erhvervsinvestering A/S
Chairman of Dansk Erhvervsinvestering A/S

POUL ARNE NIELSEN, MAYOR, BORN 1944

Chairman of the board of directors of SEAS-NVE
Chairman of the board of directors of Dansk Energi
Chairman of the board of directors of Sjællandske Medier
Member of the board of directors of DONG Energy A/S

BODIL OTTO, DEPUTY CHAIRMAN, BORN 1957

Member of the board of directors of Forenede Gruppeliv
Member of the board of directors of PKA A/S
Deputy Chairman of the board of directors of PKA Pensionskassen for Kontorpersonale A/S

Executive Board

HASSE JØRGENSEN, CEO, BORN 1962

Member of the board of directors of Refshaleøens Ejendomsselskab A/S, REDA I A/S og REDA II A/S
Member of the board of directors of DEAS A/S

Financial statement

Group and Parent Company Financial Statements

Note	Income statement	GROUP		PARENT COMPANY	
	DKKm.	2012	2011	2012	2011
1	Gross premiums	7,837	7,398	7,837	7,398
	Reinsured premiums ceeded	-1	-1	-1	-1
	Total premiums, net of reinsurance	**7,836**	**7,398**	**7,836**	**7,398**
	Income from group enterprises	-	-	3,671	623
	Income from associates	88	79	2	27
	Income from investment properties	188	168	0	0
2	Interest income, dividends etc.	5,221	5,243	3,984	4,345
3	Market value adjustments	9,684	11,455	7,353	11,815
	Interest expenses	-96	-290	-71	-259
6	Investment management expenses	-177	-211	-125	-124
	Total investment return	**14,908**	**16,444**	**14,814**	**16,428**
4	**Tax on pension returns**	**-1,606**	**-1,472**	**-1,606**	**-1,472**
	Investment return after tax on pension returns	**13,302**	**14,972**	**13,208**	**14,955**
5	Benefits paid	-6,148	-5,486	-6,148	-5,486
	Reinsurance cover received	3	15	3	15
	Change in the provision for claims	-46	18	-46	18
	Total insurance benefits, net of reinsurance	**-6,192**	**-5,452**	**-6,192**	**-5,452**
13	**Total change in life insurance provisions, net of reinsuran**	**-6,127**	**-10,463**	**-6,127**	**-10,463**
14	**Change in collective bonus potential**	**-1,566**	**-2,176**	**-1,566**	**-2,176**
15	**Change in provisions for unit-linked contracts**	**-6,388**	**-3,754**	**-6,388**	**-3,754**
6	Administrative expenses	-192	-190	-192	-190
	Total net operating expenses, net of reinsurance	**-192**	**-190**	**-192**	**-190**
	Transferred return on investments	**-433**	**-241**	**-433**	**-241**
	TECHNICAL RESULT	**241**	**92**	**147**	**75**
	Investment return on equity	**433**	**241**	**433**	**241**
	Other income	**11**	**8**	**6**	**2**
	Other expenses	**-1**	**-1**	**0**	**0**
	PROFIT BEFORE TAX	**685**	**341**	**586**	**319**
7	**Tax**	**-245**	**-80**	**-140**	**-62**
	PROFIT FOR THE YEAR	**440**	**260**	**446**	**257**

Income statement (continued)

Note	DKKm.	GROUP 2012	GROUP 2011	PARENT COMPANY 2012	PARENT COMPANY 2011
	Other comprehensive income				
	Domicile properties revaluation	8	-3	-	-
	Translation of units outside Denmark	145	159	145	159
	Tax on pension returns	-13	-17	-13	-17
	Change in collective bonus potential	-121	-128	-121	-128
7	Tax	-6	-4	-4	-4
	TOTAL OTHER COMPREHENSIVE INCOME	**13**	**7**	**7**	**10**
	NET PROFIT FOR THE YEAR	**454**	**267**	**453**	**267**
	Minority interest's share	**0**	**0**	**-**	**-**
	PARENT COMPANY’S SHARE OF PROFIT FOR THE YEAR	**453**	**267**	**453**	**267**

Balance sheets

Note	DKKm.	GROUP 31.12.2012	GROUP 31.12.2011	PARENT COMPANY 31.12.2012	PARENT COMPANY 31.12.2011
	ASSETS				
	INTANGIBLE ASSETS	**113**	**98**	**0**	**0**
8	Equipment	5	6	0	0
9	Domicile properties	322	316	0	0
	TOTAL PROPERTY, PLANT AND EQUIPMENT	**327**	**321**	**0**	**0**
10	**Investment properties**	**4,922**	**4,970**	**0**	**0**
	Investments in group enterprises	-	-	14,588	11,423
	Loans to group enterprises	-	-	1,116	1,112
	Investments in associates	1,089	1,131	390	388
	Total investments in group enterprises and associates	**1,089**	**1,131**	**16,094**	**12,922**
	Investments	9,548	7,639	3,264	3,848
	Units in mutual funds	1	11	0	1
	Bonds	89,121	89,240	86,493	87,624
11	Currency-based dericative financial instruments	34,775	24,213	34,662	24,213
	Deposits with credit institutions	9,499	8,586	9,499	8,363
	Other	105	0	105	0
	Total other financial investment assets	**143,049**	**129,689**	**134,023**	**124,048**
	TOTAL INVESTMENT ASSETS	**149,060**	**135,790**	**150,117**	**136,971**
12	**INVESTMENT ASSETS RELATED TO UNIT-LINKED CONTRACTS**	**56,524**	**43,953**	**56,389**	**43,551**
	Receivables from policyholders	160	168	160	168
	Total receivables arising from direct insurance contracts	**160**	**168**	**160**	**168**
	Receivables from group enterprises	**0**	**0**	**124**	**18**
	Other receivables	**1,964**	**1,777**	**1,919**	**1,738**
	TOTAL RECEIVABLES	**2,123**	**1,944**	**2,203**	**1,924**
	Current tax assets	26	40	26	40
7	Deferred tax asset	126	242	115	233
	Cash and cash equivalents	1,369	1,204	637	417
	Other	2	171	1	7
	TOTAL OTHER ASSETS	**1,523**	**1,657**	**779**	**697**
	Interest and rent receivable	1,185	2,194	1,089	2,114
	Other prepayments	203	203	195	191
	TOTAL PREPAYMENTS	**1,387**	**2,397**	**1,284**	**2,304**
	TOTAL ASSETS	**211,059**	**186,160**	**210,772**	**185,447**

Balance sheets

Note	DKKm.	GROUP 31.12.2012	GROUP 31.12.2011	PARENT COMPANY 31.12.2012	PARENT COMPANY 31.12.2011
	EQUITY AND LIABILITIES				
	Share capital	**1**	**1**	**1**	**1**
	Contingency fund	1,061	1,061	1,061	1,061
	Other reserves	141	128	102	95
	Total reserves	**1,202**	**1,188**	**1,163**	**1,155**
	Retained earnings	**6,613**	**6,173**	**6,652**	**6,206**
	Minority interests	**9**	**10**	-	-
	TOTAL EQUITY	**7,825**	**7,373**	**7,816**	**7,362**
	Guaranteed benefits	35,271	29,945	35,271	29,945
	Bonus potential on future premiums	3,261	3,207	3,261	3,207
	Bonus potential on paid-up benefits	51,502	50,897	51,502	50,897
13	**Total life insurance provisions**	**90,033**	**84,049**	**90,033**	**84,049**
	Provision for claims outstanding	**355**	**309**	**355**	**309**
14	**Collective bonus potential**	**4,875**	**3,290**	**4,875**	**3,290**
15	**Provisions for unit-linked contracts**	**46,327**	**39,542**	**46,327**	**39,542**
	TOTAL INSURANCE PROVISIONS, NET OF REINSURANCE	**141,590**	**127,190**	**141,590**	**127,190**
	Pensions and similar liabilities	15	15	0	0
7	Deferred tax liabilities	57	64	0	7
	Other provisions	44	42	0	0
	TOTAL PROVISIONS FOR LIABILITIES	**115**	**121**	**0**	**7**
	Payables arising from reinsurance operations	112	100	112	100
16	Payables to credit institutions	163	597	0	133
	Payables to group enterprises	0	0	202	103
	Other payables	7	12	0	6
17	Other debt	61,161	50,679	61,002	50,489
	TOTAL DEBT	**61,443**	**51,388**	**61,316**	**50,831**
	TOTAL DEFERRED INCOME	**86**	**89**	**50**	**57**
	TOTAL EQUITY AND LIABILITIES	**211,059**	**186,160**	**210,772**	**185,447**

18 CONTINGENT ASSETS AND LIABILITIES
19 CHARGES
20 INTRA GROUP TRANSACTIONS
21 DISTRIBUTION PRINCIPLES REGARDING REALISED RESULT
22 OVERVIEW OF ASSETS AND RETURNS
23 EQUITY PORTFOLIO BY SECTORS AND REGIONS
24 FIVE-YEAR KEY FIGURES
25 FIVE-YEAR FINANCIAL RATIOS, PARENT COMPANY
26 RISK MANAGEMENT AND SENSITIVITY INFORMATION

Statement of changes in Equity

DKKm.	Share capital	Contingency fund	Currency translation adjustments	Domicile	Retained earnings	Minority interests	Total
Parent Company							
Equity at 1 January 2011	**1**	**1,061**	**85**	**0**	**5,949**	**0**	**7,096**
Profit for the year	-	-	-	-	257	-	257
Other comprehensive income	-	-	10	-	0	-	10
Distributed dividends	-	-	-	-	-	-	0
Proposed dividends	-	-	-	-	0	-	0
Equity at 31 December 2011	**1**	**1,061**	**95**	**0**	**6,206**	**0**	**7,362**
Profit for the year	-	-	-	-	446	-	446
Other comprehensive income	-	-	7	-	0	-	7
Distributed dividends	-	-	-	-	-	-	0
Proposed dividends	-	-	-	-	0	-	0
Equity at 31 December 2012	**1**	**1,061**	**102**	**0**	**6,652**	**0**	**7,816**
Group							
Equity at 1 January 2011	**1**	**1,061**	**85**	**36**	**5,913**	**11**	**7,107**
Profit for the year	-	-	-	-	260	0	260
Other comprehensive income	-	-	10	-2	0	-	7
Minority interests shares - additions	-	-	-	-	-	-1	-1
Distributed dividends	-	-	-	-	-	-	0
Proposed dividends	-	-	-	-	0	-	0
Equity at 31 December 2011	**1**	**1,061**	**95**	**33**	**6,173**	**10**	**7,373**
Profit for the year	-	-	-	-	440	0	440
Other comprehensive income	-	-	7	6	0	-	13
Minority interests shares - additions	-	-	-	-	-	-1	-1
Distributed dividends	-	-	-	-	-	-	0
Proposed dividends	-	-	-	-	0	-	0
Equity at 31 December 2012	**1**	**1,061**	**102**	**39**	**6,613**	**9**	**7,825**

	2012	2011
Capital base		
Equity	7,816	7,362
Intangible assets in group entreprises	-113	-98
Current tax assets	-115	-233
Capital base	**7,588**	**7,031**

Accounting policies

General information

The Annual Report of the Group and the parent company has been prepared in accordance with the Danish Financial Business Act and the executive order issued by the Danish FSA on the presentation of financial reports by insurance companies and lateral pension funds (the "Executive Order").

All amounts in the annual financial statements are stated in DKK millions. The stated totals have been calculated on the basis of actual amounts. As amounts are rounded to DKK millions, there may be minor differences between the sum of individual amounts and the stated totals.

Relative to the 2011 Annual Report, the following changes have been made to the accounting policies:

Sampension insures a large part of local governments' obligations to civil servants. To date, Sampension has accounted for these insurance agreements as direct insurance contracts, even though they are in fact reinsurance contracts (indirect insurance). Accordingly, these contracts have been reclassified from direct insurance to indirect insurance effective from the 2012 Annual Report. The change has had no effect on the income statement, the balance sheet or equity. The changes has an effect on the following note disclosures, which have been restated accordingly from 2011 onwards.

- In notes 1. Gross premiums, 5. Benefits paid and 13. Life insurance provisions, indirect insurance is presented in a single line and is no longer included in specifications to the notes.
- In note 25, the ratio Expenses per policyholder has been changed, because it only covers policyholders related to direct insurance. Expenses per policyholder for 2011 has been changed from DKK 530 to DKK 449. The ratio for years prior to 2011 has not been changed, as no information is available on the pre-2011 distribution of expenses between direct and indirect business.

The annual report has been affected by a change in estimates in the following areas:

Previously, future surrenders were not recognised directly in life insurance provisions. Expected future surrenders are recognised in life insurance provisions effective from 2012. Policies are surrendered mainly in connection with job changes. The probability of a policy being surrendered prior to retirement is estimated at 10% for people under 50 and at 2.5% for people over 50. Due to the very limited volume of policy surrenders and transfers in reinsurance contracts, surrenders are not taken into account in the calculation of the market values of liabilities relating to this group. The change has reduced overall life insurance provisions by DKK 456 million. As the amount was added to the collective bonus potential, the change had no effect on either profit or equity.

As a new feature, the Danish FSA published, in December 2010, benchmarks for life expectancy assumptions for the computation of life insurance provisions. The Danish FSA reviews these benchmarks once a year, and the pension companies are required to update their market value mortality accordingly. The overall effect on life insurance provisions of the changes in life expectancy assumptions in 2012, including the implementation of a unisex market value base, was an increase in life insurance provisions of DKK 654 million. As the amount was deducted from the collective bonus potential, the change had no effect on either profit or equity.

The discount curve agreed by the Ministry of Business and Growth and the Danish Insurance Association and taking effect from 13 June 2012 was used to calculate life insurance provisions for 2012. The yield curve has been changed for maturities of more than 20 years. The change has reduced life insurance provisions by DKK 2,596 million when the new yield curve was applied. As the amount was added to the collective bonus potential, the change has had no effect on either profit or equity.

No other changes have been made to the accounting policies or estimates relative to last year.

Contribution principle

The following rules on the calculation and distribution of results between equity and policyholders have been reported to the Danish FSA:

A proportionate share of the return for the year of the investment portfolio is allocated to equity less the proportion deriving from the interest rate hedge portfolios. In addition, the profit or loss from Sampension's business in Forenede Gruppeliv is allocated to equity.

For guaranteed benefit average-rate policies, a risk premium of 0.5% of the proportion of pension savings with a basic rate of interest of at least 4.25% plus 0.24% of the proportion with a basic rate of interest of less than 4.25% are allocated to equity. No risk premium is allocated to equity for unguaranteed policies or for expense and risk groups. To the extent that the Executive Order on the Contribution Principle does not allow the company to recognise full risk premium, the amount may be recognised over the coming years if justified by the realised result. In such case, shadow accounts are set up and any amounts in the shadow accounts will carry interest equal to the investment return allocated to equity. Shadow accounts are disclosed in the note on collective bonus potential.

The rest is allocated to the policyholders, equalling the realised results for the year, calculated in accordance with the Executive Order on the Contribution Principle, less the calculated amount allocated to equity.

Recognition and measurement

In the income statement, all income is recognised as earned, and all costs are recognised as incurred. All gains and losses, value adjustments, amortisation, depreciation, impairment write-downs as well as reversals of amounts previously recognised in the income statement are recognised in the income statement. Foreign exchange adjustments as a result of translation from functional currency to presentation currency are recognised in other comprehensive income. Unrealised revaluations of domicile properties are also recognised in other comprehensive income. Amounts recognised in other comprehensive income are adjusted for the tax effect.

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 an outflow of economic benefits from the Company is probable and the value of the liability can be reliably measured.

Financial instruments and derivative financial instruments are recognised at the trading date.

On initial recognition, assets and liabilities are measured at cost, which is equal to fair value. Subsequently, assets and liabilities are generally measured at fair value. This is described in further detail under the individual items.

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

The measurement currency is Danish kroner. All other currencies are foreign currencies.

Uncertainty in recognition and measurement

In preparing the financial statements, management makes a number of estimates and judgments of future circumstances which could influence the carrying amount of assets and liabilities. The area in which management's estimates and judgements have the most material effect on the financial statements is provisions for insurance and investment contracts and the fair value of non-marketable assets such as unlisted financial instruments and properties.

The valuation of life insurance provisions are subject to particular uncertainty in respect of the recognised expected future life expectancy trend.

The pricing of non-marketable assets is subject to more uncertainty than the pricing of marketable assets. In addition to the uncertainty related to fair value, as explained in the section on risk management, there is a risk that large volumes of un-marketable assets cannot be sold over a short period of time at the same prices as smaller volumes can and that the negative effect on prices of a forced large scale sale will be enhanced by the current situation in the financial markets. However, in practice, Sampension is not subject to any notable risk of having to sell non-marketable assets on unfavourable terms. The value of marketable assets exceeds the annual payment obligations by a substantial margin.

The valuation of investments at the end of the year is based on information from relevant companies, funds and managers available at the preparation of the financial statements. This information mainly pertains to underlying valuations made before the end of the year. Any fair value changes in the period from the date of the received unaudited information to the preparation of this annual report are a source of uncertainty.

The estimates and assumptions are based on assumptions that management finds reasonable but which are inherently uncertain and unpredictable. The assumptions may be incomplete and unexpected future events or circumstances may arise.

Corporate information and consolidation policies

Group enterprises are included in the consolidation. The consolidated financial statements are prepared on the basis of audited annual reports of all consolidated companies, restated to the accounting policies applied by the Group.

Consolidation was made by adding items of a uniform nature line by line and by eliminating intra-group balances as well as intra-group income and expenses.

Investments in group enterprises are set off against the parent company's share of the equity value of each group enterprise at the year-end date.

Newly acquired or divested group enterprises are recognised in the consolidated financial statements at the results for the year after the acquisition or before the divestment, respectively.

Non-controlling interests

Investments in group enterprises that are not wholly owned are recognised in full in the consolidated financial statements. Non-controlling interests are presented in separate lines in connection with the income statements and as part of equity.

Intra-group transactions

Intra-group transactions are made in writing and settled on market terms.

Income statement

Technical result

Premiums, net of reinsurance

Premium income relates to insurance and investment contracts with bonus entitlement made as part of an employment contract as well as reinsurance contracts relating to local governments' obligations to civil servants. Premium income covers premiums and contributions for the year. Premium income is stated net of social security contributions and reinsurance premiums.

Forenede Gruppeliv

Sampension's group life insurance is managed by Forenede Gruppeliv. Forenede Gruppeliv's annual report is included in the relevant items of the company's Annual Report on a pro-rata basis.

Return on investments

Income from group enterprises and associates

Income from group enterprises and associates covers the company's proportionate share of total profit, restated to the accounting policies applied by the Group.

Group enterprises are fully recognised in the consolidated financial statements, and non-controlling interests are presented in separate lines in connection with the income statements and as part of equity.

Income from investment property

The item covers property management income net of property management costs, but before deduction of mortgage interest.

Interest income and dividends, etc.

The item covers interest from financial investment assets and cash and cash equivalents, indexation of index-linked bonds and dividends on equity investments, including equities and investment funds. Interest income from loans to group enterprises is also included.

Market value adjustments

The item covers realised and unrealised net gains/losses on investment assets, including foreign exchange adjustments except from profits and losses relating to group enterprises and associates.

Foreign exchange adjustments comprise value adjustments related to exchange differences arising on translation of foreign currencies into Danish kroner.

Foreign currency assets and liabilities, including assets and liabilities in foreign group enterprises, are translated into Danish kroner at the closing exchange rates at the balance sheet date. Transactions during the year are translated using the exchange rates at the date of transaction and realised and unrealised foreign exchange gains and losses are recognised in the income statement. Profits/losses from group enterprises are translated at average exchange rates. Foreign exchange adjustments as a result of translation from functional currency to presentation currency are recognised in other comprehensive income.

Interest expenses

The item Interest expenses mainly covers mortgage interest for the financial year.

Investment management charges

The item comprises management fees, deposit fees, front-end fees and performance fees in relation to funds and securities trading costs.

Costs relating to funds etc. are recognised to the extent that information thereon has been received.

Tax on pension returns

Tax on pension returns consists of both individual and non-allocated tax on pension returns.

Individual tax on pension returns is computed on the basis of the return allocated to policyholders' pension accounts, with due consideration for any exempt values.

The non-allocated tax on pension returns is computed on the basis of the difference between policyholders' share of the investment return for the year and returns allocated to policyholder pension accounts, with due consideration for any exempt values.

The part of the tax on pension returns for the year attributable to profit or loss for the year is recognised in the income statement and the part attributable to other comprehensive income is recognised in the statement of other comprehensive income.

Insurance benefits, net of reinsurance

Insurance benefits, net of reinsurance, comprise benefits paid in respect of direct or indirect insurance net of changes for the year in claims provisions less reinsurance cover received. Benefits also comprise cash bonuses paid in accordance with the bonus regulations in force.

Change in life insurance provisions, net of reinsurance

The item comprises the change in gross life insurance provisions over the year.

Change in collective bonus potential

The item comprises transfers to reserves for the financial year or expenditure for the financial year of collective bonus potential.

Change in provisions for unit-linked contracts

This item comprises changes in provisions for unit-linked contracts for the financial year.

Administrative expenses, net of reinsurance

Administrative expenses for the parent company comprise an administrative fee in accordance with the management contract with the subsidiary Sampension Administrationsselskab a/s and direct expenses incurred. Administrative expenses are divided into insurance business and investment business. Administrative expenses comprise depreciation and amortisation for the financial year on property, plant and equipment and intangible assets.

Transferred return on investment

The technical result is net of transferred return on investments, which constitutes the investment return on equity.

Other income and expenses

The items Other income and Other expenses comprise ordinary income and expenses that cannot be attributed to insurance business.

Tax

Sampension KP Livsforsikring a/s acts as a management company in relation to income tax payments to the tax authorities.

The Company is taxed jointly with the Danish subsidiaries of which it has exercised control during the financial year. Income tax is fully allocated within the Group. Accordingly, the Company pays to use any negative taxable income from jointly taxed companies and is reimbursed for any tax losses in the Company used by jointly taxed companies. The payment or reimbursement, as the case may be, corresponds to the value of the utilised tax loss. The taxable income of wholly owned property subsidiaries is considered part of Sampension KP Livsforsikring a/s' taxable income. The total income tax payable on the Danish subsidiaries' tax base is recognised and paid by Sampension KP Livsforsikring a/s.

Income tax regarding entities not included in the Danish joint taxation is calculated on the basis of the tax rules in the respective countries.

Tax on the profit for the year comprises tax calculated on the taxable income for the year and adjustment of deferred tax. Current tax is calculated on the profit for the year before tax, adjusted for non-taxable income and non-deductible expenses. The part of the tax for the year attributable to profit or loss for the year is recognised in the income statement and the part attributable to other comprehensive income is recognised in the statement of other comprehensive income.

The jointly taxed companies are taxed under the Danish tax prepayment scheme. In its capacity as a management company, Sampension KP Livsforsikring a/s is jointly and severally liable with the jointly-taxed companies for any part of income tax, tax paid on account and residual tax plus any surcharges or interest relating to individual companies.

Non-controlling interests

Non-controlling shareholders' proportionate share of the total profit or loss is stated below the income statement.

Balance sheet

Intangible assets

IT development projects which are clearly defined and identifiable, where the level of technical utilisation, sufficient resources and a potential future business opportunity for the company can be demonstrated and where the intention is to use the results of the project, are recognised as intangible assets where there is sufficient certainty that the value in use of future earnings covers not only administrative expenses but also actual development costs.

On recognition, IT development projects are measured at cost. Cost comprises acquisition price and costs directly associated with the acquisition until the time when the asset is ready to be brought into use. Costs of materials, components, subcontractors, direct payroll costs and indirect development costs are added to cost.

Development costs that do not meet the criteria for recognition in the balance sheet are expensed in the income statement as incurred.

Capitalised development costs are measured at the lower of cost less accumulated depreciation and impairment losses and the recoverable amount.

On completion, capitalised development costs are amortised on a straight-line basis over the period in which it is expected to generate economic benefits, not exceeding ten years, however.

Property, plant and equipment

Equipment

Operating equipment is measured at cost less accumulated depreciation and impairment.

Cost comprises acquisition price and costs directly associated with the acquisition until the time when the asset is ready to be brought into use.

Equipment and IT systems are depreciated on a straight-line basis over 2-10 years. Any residual value is determined based on an estimated selling price at the expected date of disposal or replacement.

Cars are depreciated on a straight-line basis over four years, assuming a residual value of 30% of cost.

Domicile property

The domicile property is the office building occupied by Sampension Administrationsselskab a/s. The domicile property is measured at a revalued amount less accumulated depreciation and impairment losses. The revalued amount is calculated according to the capitalised returns method on the basis of the expected operating return on the property for each financial year and the required rate of return for the individual property. Any increases in revalued amounts are recognised in other comprehensive income, unless the increase offsets a decrease in value previously recognised in the income statement. Any decreases in revalued amounts are recognised in the income statement, unless the decrease offsets an increase in value previously recognised in other comprehensive income. Amortisation/depreciation is recognised in the income statement.

The domicile property is depreciated on a straight-line basis over 40 years, assuming a residual value of 75% of cost.

Investment assets

Investment property

Danish and foreign investment properties are measured at a calculated fair value in accordance with the Executive Order. The fair value is calculated according to the capitalised returns method on the basis of the expected operating return on the individual property for each financial year and the required rate of return for the individual property.

In connection with acquisitions or disposals of property, the additions or disposals are recognised at the date of the agreement.

Investments in group enterprises

Enterprises in which Sampension exercises control are recognised as associates. Enterprises in which the Group holds more than 50% of the voting rights are generally classified as subsidiaries. The determining factor is whether the ownership interest provides real influence, as measured individually for each enterprise by the ability to influence activities, management structures, financial decisions and risk factors.

Investments in group enterprises are measured at the proportionate share of the equity values in accordance with the most recent annual reports of the enterprises, restated to the Group's accounting policies.

Investments in group enterprises that are not wholly owned are recognised in full in the consolidated financial statements. Non-controlling interests are presented in separate lines in connection with the income statements and as part of equity.

Loans to group enterprises

Intra-group loans are made in writing and on an arm's length basis. Intra-group loans are measured at fair value at the balance sheet date.

Investments in associates

Enterprises in which Sampension exercises significant influence but not control are recognised as associates. Enterprises in which the Group holds between 20% and 50% of the voting rights are generally classified as associates. The determining factor is whether the ownership interest provides real influence, as measured individually for each enterprise by the ability to influence activities, management structures, financial decisions and risk factors.

Investments in associates are measured at the proportionate share of the equity value in accordance with the most recent annual reports of the enterprises or in accordance with later interim financial statements, if available. Allowance is also made for subsequent capital increases, capital reductions or dividends up to the reporting date.

Investments and units in mutual funds

Listed investments and units in mutual funds are measured at fair value at the balance sheet date (closing price). Unlisted investments and units in mutual funds are measured at an estimated fair value.

Bonds

Listed bonds are measured at fair value at the balance sheet date (closing price), or, in the absence of a closing price, another public price deemed to be most similar thereto. In respect of listed bonds which have not been traded for a period of time, specific prices are retrieved from banks or are determined at a fair value calculated using generally accepted valuation methods based on estimates of relevant market conditions and risk of losses. Unlisted bonds are measured at an estimated fair value using generally accepted valuation methods. The fair value of drawn bonds is measured at present value.

Derivatives

Derivative financial instruments are measured at fair value at the balance sheet date. Value adjustments are recognised in the income statement under Market value adjustments.

Deposits with credit institutions

Deposits with credit institutions consist of fixed-term deposits and are measured at fair value.

Investment assets related to unit-linked contracts

Investment assets related to unit-linked contracts are measured according to the accounting policy described above for the company's investment assets and are specified in a note to this balance sheet item.

Receivables

Receivables are measured at nominal value less provision for bad debts. Provision for bad debts is made according to an individual assessment of each receivable.

Other assets

Current tax assets

Current tax assets relate to tax paid on account and is measured at nominal value.

Deferred tax assets

Deferred tax is recognised based on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax assets, including the tax base of tax loss carry-forwards, are measured in accordance with the tax rules in force and at the tax rate expected to apply when the deferred tax is expected to be used, either as a set-off against tax on future income or as a set-off against deferred tax liabilities. Deferred tax assets arising from unused tax losses are recognised to the extent that it is probable that such losses can be offset against taxable income in the following financial year.

Cash and cash equivalents

Cash and cash equivalents consist of deposits with credit institutions other than fixed-term deposits. Cash and cash equivalents are measured at fair value.

Prepayments

Prepayments comprise interest and rent receivable and costs incurred relating to subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to nominal value.

Equity

Contingency fund

The contingency fund is a statutory reserve which is recognised in the equity of the company and the Group. Pursuant to section 293(2) of the Danish Financial Business Act, the contingency fund may be used only to cover losses on settlement of technical provisions or otherwise for the benefit of the policyholders. The contingency fund reserves were made prior to 1990 from untaxed funds.

Other reserves

Other reserves comprise reserves for foreign exchange adjustments as a result of translation from functional currency to presentation currency and for unrealised value adjustments of the domicile property. Adjustments are made for taxes.

Non-controlling interests

The item comprises the share of equity attributable to non-controlling interests.

Provisions for insurance and investment contracts

Life insurance provisions

Life insurance provisions comprises insurance contracts, investment contracts with bonus entitlement and reinsurance contracts. Insurance contracts and investment contracts with bonus entitlement are classified as direct insurance, while reinsurance contracts are classified as indirect insurance.

Life insurance provisions are measured at market value according to the policies reported to the Danish FSA.

Life insurance provisions are computed for each insurance policy on the basis of the discount rates set out in Annex 8 to the Executive Order. These rates are published by the Danish FSA. The computation applies mortality and disability assumptions and surrenders determined from the company's past experience and an estimate of future improvements in life expectancy defined as the Danish FSA's benchmark. Policies are surrendered mainly in connection with job changes. The probability of a policy being surrendered prior to retirement is estimated at 10% for people under 50 and at 2.5% for people over 50.

<u>Guaranteed benefit policies</u>
A risk premium is included in life insurance provisions in respect of the part of the portfolio subject to guaranteed benefits by including in the computation a 5% reduction of the mortality rate and a 5% increase of the disability rate relative to observations in the insurance portfolio.

Life insurance provisions in respect of the part of the portfolio with guaranteed benefits are divided into guaranteed benefits, bonus potential on future premiums and bonus potential on paid-up policy benefits.

Guaranteed benefits comprise obligations to pay guaranteed benefits to policyholders. Guaranteed benefits are calculated as the present value of the benefits guaranteed by the insurance policy plus the present value of the expected future insurance administration costs and less the present value of the agreed future premiums.

The bonus potential on future premiums comprises obligations to pay bonuses concerning agreed future premiums. The bonus potential on future premiums is calculated as the difference between the value of the guaranteed paid-up benefits and the value of guaranteed benefits. Guaranteed paid-up benefits are calculated as the present value of the benefits guaranteed by the insurance policy if the policy is converted into a paid-up policy plus the present value of the expected future insurance administration costs of the paid-up policy.

The bonus potential on paid-up benefits includes obligations to pay bonuses concerning premiums etc. already due. The bonus potential on paid-up benefits is calculated as the value of policyholders' savings less the guaranteed benefits and less the bonus potential on future premiums. The policyholders' share of a decline in the value of the assets is recognised mainly by reducing the collective bonus potential, see below. If the collective bonus potential is insufficient to cover such decline in the value of the assets, the bonus potential of paid-up benefits is reduced in accordance with the Company's reported profit allocation rules.

Non-guaranteed benefit policies

For the company's average-rate product without guaranteed benefits, life insurance provisions are divided into bonus potential for future premiums, bonus potential – non-guaranteed benefits and bonus potential on paid-up policy benefits. 'Bonus potential – non-guaranteed benefits' represents the value of agreed benefits on non-guaranteed products. The value is determined using the same method as is applied for guaranteed benefits. 'Bonus potential – non-guaranteed benefits' is recognised under 'Bonus potential on paid-up benefits' in the balance sheet. The bonus potential on future premiums and bonus potential on paid-up policy benefits is calculated using the same method as is applied for guaranteed benefits.

Outstanding claims provisions

The provision for outstanding claims comprises insurance benefits due, but not yet paid out. The provisions comprise estimated amounts in relation to claims incurred but not reported at the end of the financial reporting period, as well as known claims the processing of which had not been completed at the end of the financial reporting period.

Collective bonus potential

The collective bonus potential comprises the policyholders' share of the realised results not yet allocated to individual policyholders according to the contribution principle.

Provisions for unit-linked contracts

Provisions for unit-linked contracts are calculated as the market value of the corresponding assets.

Provisions

Provisions are recognised when, as a consequence of an event occurring before or at the balance sheet date, the company has a legal or constructive obligation, and it is probable that economic benefits will flow from the company to meet the obligation.

Pensions and similar obligations

The pension liability comprises pension obligations to former civil servants. The obligation is calculated on an actuarial basis at the present value at the balance sheet date.

Other provisions with an expected term of more than 12 months after the balance sheet date are discounted at present value. The discount factor used is determined by Local Government Denmark.

Deferred tax liabilities

Deferred tax is recognised based on temporary differences between the carrying amounts and tax bases of assets and liabilities. Deferred tax is measured using applicable tax rules and the tax rate expected to apply when the temporary differences is expected to crystallise as current tax.

The tax charge on the contingency fund is not provided for in the balance sheet as the tax liability crystallises as current tax only if the fund's reserves are not used for the purpose prescribed in the Danish Financial Business Act or the insurance activity is reduced to a level below that of 1994.

Deferred tax is recognised on all temporary differences between the carrying amount and the tax base of assets and liabilities.

Deferred tax is measured on the basis of the tax regulations and rates that, according to the rules in force at the balance sheet date, will apply at the time the deferred tax is expected to crystallise as current tax.

Other provisions

Statutory provisions pursuant to the Danish Lease and Housing Regulation Act are made in the balance sheet and expensed in the income statement. Actual costs incurred during the financial year are recognised directly in the provision accounts recognised in the balance sheet, and any additional expenditure is recognised in the income statement.

Liabilities

Debt to credit institutions

Debt to credit institutions regarding property investments is initially recognised at the proceeds received net of transaction costs incurred. Subsequently, the financial liabilities are measured at fair value. The value adjustment is recognised in the income statement.

Other payables

Other payables, which include deposits received, current tax liabilities and payables to group enterprises and associates, are measured at amortised cost, which usually corresponds to the nominal value.

Other payables

Other debt, comprising repos and debt related to purchases of bonds as a result of trades with long value dates and derivative financial instruments, is measured at fair value. Other debt also comprises the bonus adjustment account regarding group life policy schemes.

Deferred income

Deferred income comprises payments received relating to income in subsequent financial years. Prepayments are measured at amortised cost, which usually corresponds to nominal value.

Contingent liabilities

Contingent liabilities relating to guarantees etc. provided outside insurance contracts are stated in a note to the financial statements.

Notes to the Financial Statements

DKKm.	Group 2012	Group 2011	Parent Company 2012	Parent Company 2011
1 Gross premiums				
Regular premiums	4,378	4,353	4,378	4,353
Group life contracts	2,049	1,800	2,049	1,800
Single premiums	656	360	656	360
Premiums, direct insurance	7,083	6,514	7,083	6,514
Premiums, indirect insurance	754	884	754	884
Total gross premiums	**7,837**	**7,398**	**7,837**	**7,398**
Premiums, direct insurance, broken down by insurance arrangement:				
Insurance contracts written in connection with employment	5,034	4,714	5,034	4,714
Group life contracts	2,049	1,800	2,049	1,800
Total	**7,083**	**6,514**	**7,083**	**6,514**
Premiums with profits insurance	3,277	3,041	3,277	3,041
Unit-linked contracts	3,806	3,473	3,806	3,473
Total	**7,083**	**6,514**	**7,083**	**6,514**
Premium by policyholder's address				
Denmark	7,057	6,487	7,057	6,487
Other EU-countries	23	25	23	25
Ohter countries	2	2	2	2
Total	**7,083**	**6,514**	**7,083**	**6,514**
Number of policyholders with insurance and investment contracts written as part of their employment (thousands)	275	268	275	268
Of this number of unit-linked contracts in thousands	150	127	150	127
Number of group life insurances in thousands	732	679	732	679
2 Interest income and dividends etc.				
Dividends from investments	822	699	65	77
Dividens from units in mutual funds	18	7	18	7
Interest of bonds	3,938	3,934	3,419	3,619
Interest from group enterprises	0	0	44	45
Other interest income	10	22	5	15
Indexation	7	6	7	6
Interest swap instruments	426	576	426	576
Total interest income, dividends, etc.	**5,221**	**5,243**	**3,984**	**4,345**
3 Market value adjustments				
Investment properties	-78	108	0	0
Investments	1,970	-426	195	88
Units in mutual funds	102	-32	103	-28
Bonds	5,077	6,568	4,552	6,442
Derivative finansical instruments	2,666	5,173	2,521	5,187
Cash and demand deposit	-66	110	-50	106
Other	13	-45	32	19
Total value adjustments	**9,684**	**11,455**	**7,353**	**11,815**
4 Tax on pension returns				
Tax on pension returns, current year	-1,606	-1,558	-1,606	-1,558
Tax on pension returns, prior-year adjustment	0	86	0	86
Total tax on pension returns	**-1,606**	**-1,472**	**-1,606**	**-1,472**
Part of the taxable yield is exempt from tax on pension returns subject to the Tax on Pension Returns Act.	-	-	36.7%	37.6%

Noter til regnskabet (fortsat)

Mio. kr.	Koncern 2012	Koncern 2011	Moderselskab 2012	Moderselskab 2011
5 Benefits paid				
Death benefits	-339	-346	-339	-346
Insurance sums payable in the event of critical illness	-192	-73	-192	-73
Disability benefits	-70	-163	-70	-163
Benefits at maturity	-152	-171	-152	-171
Retirement and annuity benefits	-1,675	-1,488	-1,675	-1,488
Payment at surrender etc.	-960	-738	-960	-738
Bonuses paid in cash	-1,371	-1,104	-1,371	-1,104
Insurance premiums, lump-sum payment scheme	-2	-2	-2	-2
Benefits paid, direct insurance	-4,760	-4,085	-4,760	-4,085
Benefits paid, indirect insurance	-1,388	-1,400	-1,388	-1,400
Total benefits paid	**-6,148**	**-5,486**	**-6,148**	**-5,486**

6 Administrative expenses

The following staff cost are included in administrative expenses and investment management expenses:

Mio. kr.	Koncern 2012	Koncern 2011	Moderselskab 2012	Moderselskab 2011
Staff salaries	-157	-156	-2	-2
Staff pensions	-28	-29	0	0
Other social security costs	-1	-1	0	0
Payroll tax etc.	-16	-17	0	0
Total staff costs	**-201**	**-203**	**-2**	**-2**
Average number of full-time employees	253	256	-	-

	Group 2012			Group 2011	
	No. of people	Fixed salary, including pension, earned and paid out	Variable salary earned not yet paid out	No. of people	Fixed salary, including pension
Executive Board	1			1	
Hasse Jørgensen		4.41	-		3.77
Board of Directors:	12			12	
Johnny Søtrup		0.26	-		0.22
Kim Simonsen		0.19	-		0.18
Bodil Nyboe Andersen		0.19	-		0.19
Arne Boelt		0.11	-		0.11
Thorkild E. Jensen		0.11	-		0.11
Poul Arne Nielsen		0.11	-		0.11
Bodil Otto		0.11	-		0.11
Thora Petersen		0.11	-		0.11
John Helle		0.11	-		0.11
Bjørn Kroghsbo		0.11	-		0.11
Morten Lundsgaard		0.11	-		0.11
Majbritt Pedersen		0.11	-		0.11
Employees whose activities have a material impact on the company's risk profile	3	6.67	*)	1	*)

*) Information about fixed salaries (2011) and variable salaries (2012), including information about the breakdown of variable salaries on granted, paird out and deferred amounts and on the breakdown on cash and subordinated debt has been left out, as it would otherwise reveal salary information pertaining to specific individuals.

No special incentive programmes have been set up for management, nor has variable remuneration been paid.
No pension commitments other than regular pension contributions are included in the above-mentioned costs.

No sign-on bonuses or severance payments have been made to members of the Executive Board, Board of Directors or to employees whose activities have a material impact on the company's risk profile.

In accordance with the Danish executive order on remuneration policy and public disclosure of salaries in financial institutions and financial holding companies, the company has disclosed certain information regarding its remuneration policy etc. Such information is provided on the company's websi
http://www.sampension.dk/Forside/Om-Sampension/Fakta-om-Sampension/Selskaber-og-bestyrelser/Sampension-KP-Livsforsikring/loenpolitik.aspx

Notes (continued)

Mio. kr.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Remuneration for auditors elected by the Annual General Meeting				
PricewaterhouseCoopers, Statsautoriseret Revisionspartnerselskab				
Statutory audit	0.89	0.89	0.00	0.00
Assurance engagements	0.10	0.13	0.13	0.00
Tax advice	0.10	0.16	0.10	0.00
Other services	0.08	0.00	0.00	0.00
	1.17	**1.18**	**0.23**	**0.00**

In addition to the stated remuneration, costs were also incurred for the Group's internal auditing.

7 Tax

Mio. kr.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Current corporation tax	-95	0	-21	0
Change in deferred tax, ordinary	-73	-15	-71	-23
Adjustment relating to previous years, current tax	-28	-44	-26	-44
Adjustment relating to previous years, deferred tax	20	10	35	10
Dividend tax	0	-35	0	-5
Other taxes paid etc.	-14	3	-4	0
Write-down of deferred tax asset	-55	0	-55	0
Total tax income statement	**-245**	**-80**	**-140**	**-62**
Tax , other comprehensive income can be broken down as follows:				
Domicile properties revaluation	-2	0	-	-
Translation of units outside Denmark	-37	-41	-37	-41
Tax on pension returns	3	4	3	4
Change in collective bonus potential	30	32	30	32
Tax, other comprehensive income	**-6**	**-4**	**-4**	**-4**
Tax reconcilation:				
Profit before tax	685	341	586	319
Other comprehensive income before tax	19	11	11	14
Calculated tax, 25 %	-176	-88	-149	-83
Non-taxable income and non-deductible expenses	1	22	54	51
Dividend tax		11		
Other	-14	5	-4	1
Prior-year adjustment	-8	-34	9	-34
Write-down of deferred tax asset	-55	0	-55	0
	-251	**-84**	**-144**	**-66**
Tax provisions				
Land and buildings	-41	-41	0	-7
IT assets	-16	-24	0	0
Other assets	6	6	0	0
Tax loss carry-forward	175	236	169	233
Write-down of deferred tax asset	-55	0	-55	0
Total tax provisions	**70**	**178**	**115**	**226**
Deferred tax asset	**126**	**242**	**115**	**233**
Deferred tax liability	**-57**	**-64**	**0**	**-7**

8 *Intangible assets*

Mio. kr.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Cost at 1 January	29	31	0	0
Additions during the year, including improvements	0	0	0	0
Disposals during the year	0	-2	0	0
Cost at 31 December	**30**	**29**	**0**	**0**
Write downs and depreciation at 1 January	-24	-24	0	0
Depreciation for the year	-1	-1	0	0
Reserval of previous depreciation	0	1	0	0
Write downs and depreciation at 31 December	**-24**	**-24**	**0**	**0**
Carrying value at 31 December	**5**	**6**	**0**	**0**

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
9 Domicile properties				
Cost at 1 January	287	287	0	0
Additions during the year, including improvements	0	0	0	0
Disposals during the year	0	0	0	0
Cost at 31 December	**287**	**287**	**0**	**0**
Revaluation at 1 January	44	47	0	0
Revaluation for the year via equity	8	0	0	0
Reversal of previous revaluation	0	-4	0	0
Revaluation at 31 December	**51**	**44**	**0**	**0**
Depreciation at 1 January	-15	-13	0	0
Depreciation for the year	-2	-2	0	0
Reversal of previous depreciation	0	0	0	0
Depreciation at 31 December	**-17**	**-15**	**0**	**0**
Revaluated value at 31 December	**322**	**316**	**0**	**0**

No external experts have been consulted concerning property revaluation.

	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Rates of return applied to assess the market value of each property:	5.00	5.00	-	-

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
10 *Investment properties*				
Cost at 1 January	4,671	4,796	0	0
Additions during the year, including improvements	5	9	0	0
Disposals during the year	0	-168	0	0
Exchange rate adjustment	37	35	0	0
Cost at 31 December	**4,713**	**4,671**	**0**	**0**
Revaluation at 1 January	591	520	0	0
Revaluation for the year	92	96	0	0
Reversal of previous revaluation	-12	0	0	0
Disposal due to sales	-17	-24	0	0
Exchange rate adjustment	0	0	0	0
Revaluation at 31 December	**654**	**591**	**0**	**0**
Write-downs at 1 January	-292	-336	0	0
Write-downs during the year	-178	-65	0	0
Reversed write-downs	29	54	0	0
Reversal of write-downs due to sales	0	59	0	0
Exchange rate adjustment	-3	-4	0	0
Write-downs at 31 December	**-445**	**-292**	**0**	**0**
Fair value at 31 December	**4,922**	**4,970**	**0**	**0**

No external experts have been consulted concerning property revaluation.

Average rates of return applied to assess the market value of each type of property:	**2012**	**2011**		
Residential property	4.28	4.20	-	-
Commercial property	4.25	4.25	-	-
Residential property for the elderly	5.53	5.46	-	-
Foreign commercial property	6.59	6.36	-	-
Weighted average of rates of return	5.44	5.32	-	-

Notes (continued)

DKKm.

11 Derivative financial instruments

Sampension uses derivative financial instruments to hedge its exposure to interest rate risk on pension obligations. Furthermore, the company uses listed and unlisted derivative financial instruments to actively manage the interest rate risk on the bond portfolio and to the hedge against currency risk. See also the detailed description provided in note 26 "Risk management and sensitivity information".

	Group		Parent company	
2012	**Positive fair value**	**Negative fair value**	**Positive fair value**	**Negative fair value**
Interest rate hedging instruments etc.:				
Interestswaps	33,264	20,318	33,264	20,318
CAP's	60	24	60	24
Swaptions	1,197	38	1,197	38
CDS's	11	0	11	0
Option on futures	2	0	2	0
Total Interest rate hedging instruments	34,535	20,380	34,535	20,380
Currency-based derivative financial instruments	625	196	457	196
Total derivative financial instruments	**35,160**	**20,576**	**34,992**	**20,576**
Fair value included in the item Derivative financial instruments	**34,775**		**34,662**	
Fair value included in the item Investment assets related to unit-linked contracts, see note 12	**385**		**330**	
Fair value included in the item ohter debt see note 18		**20,576**		**20,576**
Net carrying value (asset)	**14,584**		**14,416**	

Agreements have been concluded to post collateral for derivative financial instruments	
The Group has received collateral in the form of liquid bonds equal to a fair value of	19,695
The Group has provided collateral in the form of liquid bonds equal to a fair value of	4,361
Net collateral (asset)	15,334

	Group		Parent company	
2011	**Positive fair value**	**Negative fair value**	**Positive fair value**	**Negative fair value**
Interest rate hedging instruments etc.:				
CAP's	23,245	14,048	23,245	14,048
Swaptions	104	10	104	10
CDS's	951	0	951	0
Option on futures	0	49	0	49
Total Interest rate hedging instruments	24,300	14,107	24,300	14,107
Currency-based derivative financial instruments	22	948	22	930
Total derivative financial instruments	**24,322**	**15,055**	**24,322**	**15,036**
Fair value included in the item Derivative financial instruments	**24,213**		**24,213**	
Fair value included in the item Investment assets related to unit-linked contracts, see note 12	**109**		**109**	
Fair value included in the item ohter debt see note 18		**15,055**		**15,036**
Net carrying value (asset)	**9,268**		**9,286**	

Agreements have been concluded to post collateral for derivative financial instruments	
The Group has received collateral in the form of liquid bonds equal to a fair value of	12,243
The Group has provided collateral in the form of liquid bonds equal to a fair value of	3,520
Net collateral (asset)	8,723

In addition, equity futures used for effective portfolio management purposes had a total exposure of DKK 597 million (2011: DKK -95 million) in the market-rate environment and a total exposure of DKK 99 million (2011: DKK 0 million) in the average-rate environment. Bond futures used for hedging interest-rate risk on the bond portfolio had a total exposure of DKK 634 million (2011: DKK 3,749 million) in the market-rate environment and a total exposure of DKK -6,845 million (2011: DKK 6,145 million) in the average-rate environment. As gains/losses are settled on a current basis, the fair value is nil.

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
12 Total investment assets related to unit-linked contracts				
Unit-linked contracts related to 3i1 Livspension				
Investment assets				
Investment properties	2,802	2,834	0	0
Investments in group enterprises	-	-	21,107	18,555
Investments in associates	313	472	0	0
Investments	18,752	15,934	2,536	1,849
Units in mutual funds	843	746	842	744
Bonds	27,645	21,602	25,804	20,276
Deposits with credit institutions	5,690	2,174	5,675	1,937
Derivative financial instruments see note 11	385	109	330	109
Total investment assets at 31 December	**56,430**	**43,871**	**56,294**	**43,470**
Other unit-linked contracts				
Investment assets				
Investments in group enterprises	-	-	19	11
Investments	18	10	0	0
Units in mutual funds	75	70	75	70
Bonds	1	1	0	0
Total investment assets at 31 December	**94**	**81**	**94**	**81**
Total investment assets related to unit-linked contracts	**56,524**	**43,953**	**56,389**	**43,551**
13 *Life insurance provisions*				
Change in gross life insurance provisions is specified as follows:				
Life insurance provisions, beginning of year	53,911	47,093	53,911	47,093
Accumulated value adjustment, beginning of year	-14,049	-7,950	-14,049	-7,950
Retrospective provisions, beginning of year, direct insurance	**39,862**	**39,143**	**39,862**	**39,143**
Gross premiums	3,278	3,041	3,278	3,041
Addition of interest after tax on pension returns	1,502	1,718	1,502	1,718
Tax on pension returns	-221	-228	-221	-228
Bonus allocated relating to sub-portfolio	0	238	0	238
Off which tax on pensions return	0	-36	0	-36
Transfer between classes I and III	-296	-412	-296	-412
Insurance benefits	-3,809	-3,464	-3,809	-3,464
Cost addition after addition of cost bonus	-141	-107	-141	-107
Risk gain after addition of risk bonus	-165	-124	-165	-124
Change in quota Forenede Gruppeliv	127	44	127	44
Other	39	49	39	49
Retrospective provisions, end of year	**40,175**	**39,862**	**40,175**	**39,862**
Accumulated value adjustment, end of year	16,588	14,049	16,588	14,049
Life insurance provisions, end of year, direct insurance	**56,763**	**53,911**	**56,763**	**53,911**
Life insurance provisions, end of year, indirect insurance	**33,270**	**30,138**	**33,270**	**30,138**
Life insurance provisions, end of year	**90,033**	**84,049**	**90,033**	**84,049**
Part of provisions exempted from tax on pension returns	23,557	23,671	23,557	23,671
Increases of bonus potential in pursuance of Section 66, Subsections 7 and 8 of the executive order on accounting are distributed as follows:				
Bonus potential on paid-up benefits	24,119	18,726	24,119	18,726
Bonus potential on future premiums	390	283	390	283

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Change in gross life insurance provsions is specified as follows:				
Change in retrospective provisions	-313	-719	-313	-719
Change in accumulated value adjustment	-2,539	-6,098	-2,539	-6,098
Change in indirect insurance	-3,132	-3,478	-3,132	-3,478
Change in gross life insurance provisions	**-5,984**	**-10,295**	**-5,984**	**-10,295**
Change in guaranteed benefits	-5,326	35,441	-5,326	35,441
Change in bonuspotentail on future premiums	-54	2,825	-54	2,825
Change in bonus potential on paid-up benefits	-605	-48,562	-605	-48,562
Change in gross life insurance provisions	**-5,984**	**-10,295**	**-5,984**	**-10,295**
Of which:				
Transfer between classes I and III	-296	-412	-296	-412
Subsidy from equity at transfer to market rate	0	-2	0	-2
Bonus allocated relating to sub-portfolio	0	238	0	238
Off which tax on pensions return	0	-36	0	-36
Change in quota Forenede Gruppeliv	154	44	154	44
Ændring i bruttolivsforsikringshensættelser, resultatopgørelse	**-6,127**	**-10,463**	**-6,127**	**-10,463**
Life insurance provsions is specified as follows:				
Interest rate group A (average basic rate of interest 3.5 % - 4.5%)				
Guaranteed benefits	20,350	19,341	20,350	19,341
Bonus potential on future premiums	157	293	157	293
Bonus potential - non-garanteed benefits	36,325	36,402	36,325	36,402
Bonus potential on paid-up benefits	1	0	1	0
Total interest rate group A	**56,832**	**56,036**	**56,832**	**56,036**
Interest rate group B (average basic rate of interest 2.5 % - 3.5%)				
Guaranteed benefits	11,387	8,273	11,387	8,273
Bonus potential on future premiums	203	236	203	236
Bonus potential - non-garanteed benefits	3,576	3,180	3,576	3,180
Bonus potential on paid-up benefits	0	0	0	0
Total interest rate group B	**15,166**	**11,689**	**15,166**	**11,689**
Interest rate group C (average basic rate of interest 1.5 % - 2.5%)				
Guaranteed benefits	3,527	2,330	3,527	2,330
Bonus potential on future premiums	2,888	2,664	2,888	2,664
Bonus potential - non-garanteed benefits	10,982	10,783	10,982	10,783
Bonus potential on paid-up benefits	461	396	461	396
Total interest rate group C	**17,858**	**16,174**	**17,858**	**16,174**
Interest rate group D (average basic rate of interest 0.5 % - 1.5%)				
Guaranteed benefits	6	0	6	0
Bonus potential on future premiums	13	14	13	14
Bonus potential - non-garanteed benefits	156	133	156	133
Bonus potential on paid-up benefits	2	2	2	2
Total interest rate group D	**177**	**149**	**177**	**149**
Total				
Guaranteed benefits	35,271	29,945	35,271	29,945
Bonus potential on future premiums	3,261	3,207	3,261	3,207
Bonus potential - non-garanteed bnefits	51,038	50,498	51,038	50,498
Bonus potential on paid-up benefits	464	399	464	399
Total life insurance provision on interest rate groups	**90,033**	**84,049**	**90,033**	**84,049**

Guaranteed benefits are calculated without taking account of paid-up policy conversions and, for 2011, without taking account of surrenders. Adjusted for surrenders, guaranteed benefits were reduced by DKK 2 million for 2012.

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
14 Collective bonus potential				
Interest groups				
Interest rate group A (average basic rate of interest 3.5 % - 4.5%)	1,540	1,494	1,540	1,494
Interest rate group B (average basic rate of interest 2.5 % - 3.5%)	1,166	889	1,166	889
Interest rate group C (average basic rate of interest 1.5 % - 2.5%)	1,772	773	1,772	773
Interest rate group D (average basic rate of interest 0.5 % - 1.5%)	20	11	20	11
Collective bonus potential on interest groups	**4,498**	**3,167**	**4,498**	**3,167**
Expense groups	**18**	**11**	**18**	**11**
Risk groups	**359**	**112**	**359**	**112**
Collective bonus potential at 31 December	**4,875**	**3,290**	**4,875**	**3,290**
Shadow account (negative result receivable)				
Interest rate group A (average basic rate of interest 3.5 % - 4.5%)	986	985	986	985
Interest rate group B (average basic rate of interest 2.5 % - 3.5%)	279	221	279	221
Interest rate group C (average basic rate of interest 1.5 % - 2.5%)	332	307	332	307
Interest rate group D (average basic rate of interest 0.5 % - 1.5%)	3	3	3	3
Total shadow account on interest rate groups	**1,600**	**1,516**	**1,600**	**1,516**
Shadow account (negative result receivable)				
Risk group	0	43	0	43
Total shadow account on risk group	**0**	**43**	**0**	**43**
Shadow account (negative result receivable)				
Expense groups	1	3	1	3
Total shadow account on expense groups	**1**	**3**	**1**	**3**

Bonus rates for each interest rate group are provided in the section 'Financial results, solvency and capital base' in the Management's review on page 20.

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
15 Provisions for unit-linked contracts				
Change in provisions for 3 i 1 Livspension contracts is specified as follows:				
Pvovision for 3 i 1 Livspensions contracts, beginning of year	39,436	34,831	39,436	34,831
Gross premiums	3,797	3,450	3,797	3,450
Addition of interest after tax on pension returns	4,321	1,447	4,321	1,447
Transfer between classes I and III	296	412	296	412
Bonus allocated relating to sub-portfolio	0	137	0	137
Off which tax on pensions return	0	-21	0	-21
Subsidy from transfer	101	332	101	332
Tax on peinsion returns and on subsidy from transfer	-670	-442	-670	-442
Insurance benefits	-963	-598	-963	-598
Cost addition after addition of cost bonus	-77	-106	-77	-106
Risk gain after addition of risk bonus	-32	-6	-32	-6
Provisions for 3 i 1 Livspension, end of year	**46,209**	**39,436**	**46,209**	**39,436**
Change in provisions for unit-linked contracts is specified af follows:				
Pvovision for unit-linked contracts, beginning of year	106	96	106	96
Gross premiums	8	23	8	23
Addition of interest before tax on pension returns	13	-9	13	-9
Tax on pension returns	-2	1	-2	1
Insurance benefits	-7	-6	-7	-6
Cost addition after addition of cost bonus	0	0	0	0
Risk gain after addition of risk bonus	0	0	0	0
Other	-1	0	-1	0
Provisions for unit-linked, end of year	**118**	**106**	**118**	**106**
Total provisions for unit-linked contracts	**46,327**	**39,542**	**46,327**	**39,542**

The insurance policies are written without guaranteed minimum return.

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Breakdown of changes in provisions for unit-linked contracts:				
Change in provisions	6,785	4,614	6,785	4,614
Off which:				
Transfer between classes I and III	-296	-412	-296	-412
Bonus allocated relating to sub-portfolio	0	-137	0	-137
Off which tax on pensions return	0	21	0	21
Subsidy from transfer to market interest	-101	-330	-101	-330
Equity subsidy from transfer to market interest	-0	-1	-0	-1
Change in gross provsions, income statement	**6,388**	**3,754**	**6,388**	**3,754**

16 Payables to credit institutions

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Bank loans	145	441	0	133
Mortgage loans	18	156	0	0
Total payables to credit institutions	**163**	**597**	**0**	**133**
From the bank loans and the mortgage loans (index-linked loans) the following fall due in the coming year	0	1	0	0
After five years the outstanding balance (index-linked) will be:	18	13	0	0

17 Other debt

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
Repos	23,376	29,741	23,376	29,741
Derivative financial instruments	20,576	15,055	20,576	15,036
Payables relating to bond purchase	6,892	1,947	6,892	1,947
Debt relating to settlement of repos	3,726	1,877	3,726	1,877
Debt relating to unsettled transactions	4,706	0	4,706	0
Other	1,884	2,059	1,725	1,888
Total other payables	**61,161**	**50,679**	**61,002**	**50,489**

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
18 Contingent liabilities				
The Company has committed itself at a later date to invest in funds etc. amounting to	3,601	2,988	373	304
PPP agreement concluded for an investment in Carlsbergbyen in Copenhagen (vocational college) with expected conversion to loan in mid-July 2016 amounts to	400	0	400	0
Capital increases in group enterprises not yet paid in, which the parent company has committed to paying, amount to			4,906	1,531
Sampension has issued a letter of confort to Sampension Alternative Investments F.M.B.A. for investment commitments already issued at the transfer of the portfolio to the company on 1 July 2007. The remaining investment commitments amount to	213	281	213	281
The jointly taxed companies are taxed under the Danish tax on-account tax scheme. As a management company, Sampension KP Livsforsikring a/s is jointly and severally liable with the jointly-taxed companies for any part of tax plus any surcharges or interest relating to each individual company.				
The Company is jointly and severally liable with jointly registered companies for the payment of aggregate VAT and payroll taxes.				
VAT adjustment liability relating to properties	4	9	-	-
Sampension is jointly and severally liable with the other owner companies for insurance liabilities relating to all policies managed by Forenede Gruppeliv A/S.				
Sampension has declared its financial support for Sampension KP International A/S's, if necessary with further capital so it can meet its obligations to the company's bankers.				
At most the liability can amount to			-	19 mio. GBP
At most the liability can amount to			20 mio. EUR	20 mio. EUR
Corresponding to			149	318
Sampension Administrationsselskab a/s is jointly and severally liable for total debt and liabilities in Scandinavian Center I/S, Århus. According to the Annual Report, the total debt and liabilities amount to	15	31	-	-
Commitments regarding concluded lease agreements amount t	2	2	-	-
Total contingent liabilities	4,235	3,312	6,041	2,434

Notes (continued)

DKKm.	Group 2012	Group 2011	Parent company 2012	Parent company 2011
19 Charges				
Sampension has provided security for the Sampension KP International A/S group	429	369	429	369
Margin deposits relating to futures	204	292	204	292
Net assets registered in cover of 'Total provisions for insurance and investment contracts' amount to	146,482	131,554	146,482	131,554
The amounts related to the following items:				
Total investments in group enterprises			35,641	30,002
Loans to group enterprises			1,031	1,140
Investments			4,464	4,554
Units in mutual funds			639	578
Bonds			86,446	81,636
Currency-based dericative financial instruments			18,261	13,644
Total assets earmarked as security for policyolders' savings			146,482	131,554
Off which market interest			46,993	39,778

20 Intra group transactions

Sampension's overall administration is handled in accordance with the management agreement with Sampension Administrationsselskab, which undertakes all administrative functions. Administration covers both insurance and investment activities.

Sampension pays an administrative fee, distributed on insurance operating expenses and investment management expenses with DKK 183m (DKK 183m in 2011) and DKK 141m (DKK 110m in 2011), respectively.

	Parent company 2012	Parent company 2011
Current intra-group transactions:		
Management contracts (on an arm's length basis)	325	294
Capital reduction	0	543
Capital increase	460	964
Loans	6,690	103
Other market-based services	81	98

These services are settled on market terms or on a cost recovery basis.

21 ***Distribution principles regarding realised result***

Information is detailed in the Parent Company financial results and consolidation section of the Mangement's review page 16-17, including information on the allocation of the profit for the year.

22 Overview of assets and returnes, parent company

DKKm.	Market value 1) Beg. Of year 2)	End of year	Net investments	Return 2012 % p.a.
1.1. Land and buildings, direct ownership	0	0	0	0.0
1.2. Property companies	3,841	4,050	250	-0.3
1. Total land and buildings	**3,841**	**4,050**	**250**	**-0.3**
2. Other subsidiaries	**353**	**422**	**0**	**21.5**
3.1. Listed Danish shares	377	504	25	26.3
3.2. Unlisted Danish investments	8	10	1	9.2
3.3. Listed foreign investments	3,917	5,411	591	16.9
3.4. Unlisted foreign investments	4,886	5,528	439	2.2
3. Other investments, total	**9,188**	**11,452**	**1,056**	**9.6**
4.1. Government bonds 3)	21,917	19,140	-3,965	12.9
4.2. Montgage bonds	28,221	31,925	2,783	6.4
4.3. Index-linked bonds	291	135	-165	1.8
4.4. Credit bonds, investment grade	16,813	16,774	-913	7.2
4.5. Credit bonds, non-investment grade	1,781	3,700	1,345	26.6
4.6. Other bonds	1,150	1,191	42	3.6
4. Bonds, total	**70,172**	**72,865**	**-872**	**9.0**
6. Other financial investment assets	**125**	**-1,129**	**-1,240**	**-65.8**
7. Derivative financial investments	**10,735**	**14,073**	**494**	**29.2**

1) At the beginning of 2012, the specification includes derivative financial instruments at a negative market valure of DKK 15,036m, repos of DKK 29,741m and debt relating to bond purchases of DKK 3,824m. At the end of 2012, the specification includes derivative financial instruments at a negative market value of DKK 20,361m, repos of 20,388m and debt relating to bond purchases of DKK 8,637m.

2) The return on government bonds includes the return on bond futures.

The specifications has been prepared in accordance with the requirements in section 96 of the Danish Financial Supervisory Authority's executive order on financial reports of insurance companies and therefore cannot be reconciled with the figures in the financial statements. The annual return has been calculated as a

23 Equity portfolio by sectors and regions

	Denmark	Rest of Europe	North America	South America	Japan	Other Far East	Other contries	Not distributed	Total
Energy	0.0%	1.5%	3.5%	0.0%	0.1%	0.0%	0.2%	0.0%	**5.4%**
Materials	0.1%	2.0%	8.4%	1.8%	0.3%	0.1%	2.2%	0.0%	**14.9%**
Industrials	1.3%	2.1%	2.7%	0.2%	1.2%	0.5%	0.2%	0.0%	**8.2%**
Consumer durables	0.3%	2.0%	3.7%	0.0%	0.9%	0.5%	0.1%	0.0%	**7.5%**
Consumer goods	0.8%	3.5%	3.2%	0.2%	0.5%	0.8%	0.7%	0.0%	**9.8%**
Health Care	1.4%	1.9%	3.8%	0.0%	0.3%	0.2%	0.3%	0.0%	**7.9%**
Financial	1.4%	6.8%	5.3%	0.1%	0.9%	1.5%	1.5%	0.0%	**17.4%**
Information technology	0.2%	0.9%	4.8%	0.0%	0.4%	1.0%	0.0%	0.0%	**7.4%**
Telecommunivation	0.3%	1.4%	1.3%	0.2%	0.2%	0.6%	0.1%	0.0%	**4.1%**
Utilities	0.0%	0.8%	1.2%	0.2%	0.2%	0.6%	0.0%	0.0%	**3.0%**
Not distributed	0.5%	1.9%	4.1%	0.1%	0.0%	0.4%	0.1%	7.4%	**14.4%**
Total	**6.4%**	**24.8%**	**42.0%**	**2.8%**	**5.0%**	**6.2%**	**5.3%**	**7.6%**	**100.0%**

The specifications have been prepared in accordance with the requirements in section 97 of the Danish Financial Supervisory Authority’s executive order on financial reports of insurance companies and therefore cannot be reconciled with the figures in the

24 Five-year key figures for the group and parent company

Five-year key figures for the group

DKKm.	2012	2011	2010	2009	2008
Gross premiums	7.837	7.398	7.323	7.081	6.533
Benefits, net of reinsurance	-6.192	-5.452	-4.733	-4.538	-4.153
Total investment return	14.908	16.444	15.702	2.118	202
Total net operating expenses	-192	-190	-184	-188	-146
Business ceded	2	14	0	0	-1
Technical result	241	92	31	-463	83
Profit/loss for the year	440	260	765	-238	91
Total provisions for insurance contracts	141.590	127.190	110.653	95.074	90.356
Total equity	7.825	7.373	7.107	6.324	6.562
Total assets	211.059	186.160	149.127	130.810	147.752

Five-year key figures for the parent company

DKKm.	2012	2011	2010	2009	2008
Gross premiums	7.837	7.398	7.323	7.081	6.533
Benefits, net of reinsurance	-6.192	-5.452	-4.733	-4.538	-4.153
Total investment return	14.814	16.428	15.689	2.083	165
Total net operating expenses	-192	-190	-184	-181	-192
Business ceded	2	14	0	0	-1
Technical result	147	75	19	-491	0
Profit/loss for the year	446	257	785	-229	87
Total provisions for insurance contracts	141.590	127.190	110.653	95.074	90.356
Total equity	7.816	7.362	7.096	6.312	6.550
Total assets	210.772	185.447	147.523	129.859	147.180

25 Five-year key figures for the parent company

DKKm.	2012	2011	2010	2009	2008
Return ratios					
Total return before tax on pension returns	11,4%	18,7%	16,2%	1,0%	1,4%
Return before tax on pension returns - customers	11,9%	20,2%	-	-	-
Return before tax on pension returns - equity	5,7%	3,3%	-	-	-
Expense ratios					
Expense ratio for premiums	2,4%	2,6%	2,5%	2,6%	2,9%
Expense ratio for provisions	0,18%	0,19%	0,19%	0,20%	0,24%
Expenses per policyholder (DKK) 1)	447	449	511	513	557
Performance ratios					
Cost result	0,06%	0,06%	0,05%	0,08%	0,09%
Insurance risk result	0,30%	0,09%	0,11%	0,04%	0,11%
Consolidation and capital structure ratios					
Bonus rate	7,4%	5,1%	2,6%	0,1%	0,1%
Customer capital ratio	11,9%	11,3%	11,0%	8,3%	7,9%
Excess coverage ratio	8,0%	7,7%	5,2%	3,3%	3,1%
Solvency coverage	326%	353%	196%	172%	170%
Return ratios					
Return on equity before tax	7,9%	4,6%	15,5%	-6,6%	1,3%
Return on equity after tax	6,0%	3,7%	11,3%	-3,6%	1,3%
Return on customer funds after costs but before tax	11,6%	20,8%	17,2%	0,8%	1,2%

Reference is made to the description of key ratios in schedule 9 of the Danish Financial Supervisory Authority's executive order on financial reports of insurance companies. Current net payments are evenly distributed over the year. Ratios no. 9, 16, 17, 18 and 19 have not been calculated as they are not relevant to the Company.

1) Expenses per policyholder for 2010 and prior years are not comparable with 2011 or 2012, which have been adjusted to reflect indirect insurance.

26. Risk management and sensitivity information

On the basis of Sampension's risk universe, ie the full scope of the risks Sampension faces, the Board of Directors has determined the extent to which the company should reduce or expand each risk to a given level, thereby defining the company's risk profile. Based on the risk profile, the Board of Directors has defined an overall level for assuming or hedging risk in each individual area. Regular reporting flows to the Board of Directors on the extent to which Sampension complies with the defined risk profile. The Board of Directors considers on a regular basis whether changes in Sampension's risk universe will influence the company's business model, policies or guidelines and, accordingly, whether to make any adjustments to the desired risk profile.

Set out below are the risk classes that Sampension can to a material extent hedge and manage.

Financial risk

Investments relating to market-rate products

The financial risks relating to the market-rate products 3 i 1 Livspension and Linkpension lie with the policyholders. Hence, they have no effect on Sampension's equity.

Generally, the age-specific allocation in 3 i 1 Livspension is determined by the allocation of the generation pools on the base funds. There are currently three base funds: bonds, equities and alternative investments.
In respect of 3 i 1 Livspension, Sampension aims to maximize the return to the effect that the younger generations achieve a return that is close to that of the equity market, only with less risk through a certain diversification of risk and the older generations have a risk close to that of the bond market but with a higher expected return through a certain diversification of risk. The asset composition for the younger generations should also provide long-term protection against inflation.

In order to achieve this aim, the Board of Directors has determined a framework for the type of investments allowed in the base funds and for the distribution of investments by base funds for the individual generation pools.

Policyholders in each scheme have three investment profiles to choose from: low risk, moderate risk and high risk.

Investments relating to average-rate product and equity

The market risk of the traditional average-rate product depends on the correlation between investment assets, life insurance obligations and equity. If the return on investment does not cover the rate on policyholders' funds and the necessary strengthening of life insurance obligations etc., the deficit is covered first by the collective bonus potential and then by the bonus potential of paid-up benefits. If these bonus potentials are insufficient to fully cover a deficit, the benefits of the unguaranteed products may be reduced, whereas funds allocated from equity are used to cover the guaranteed policies.

The Board of Directors has determined the framework governing the overall investment policy and the financial risks. The overall risk is maintained at a low level in part by ensuring an appropriate diversification of risk on overall asset classes, in part by establishing a framework for the overall Value-at-Risk (VaR). Based on Sampension's internal model, we calculate VaR as the smallest of the largest losses that would occur at a given, low probability over a specific time horizon.

In addition to investment assets and the hedge portfolio, we include the interest rate risk related to the market value of our provisions in our calculation of VaR. As explained above, Sampension applied a new discount curve for calculating the market value of pension obligations effective 13 June 2012. The new curve implements components that are expected to form a part of the discount curve to be applied when the Solvency II Directive for European insurance companies is implemented. Some of these components have the effect that the discount curve will not be affected by market rates of 20+ year maturities and that the discount curve for long maturities will fluctuate less than market rates for up to 20 year maturities. This raises a risk management dilemma in that the objective of short-term stability of reserves (regulatory risk) will lead to less interest rate hedging and the use of shorter term fixed-income instruments than a the objective of hedging future payments to reflect pension obligations (financial risk). In planning its interest-rate hedging, Sampension has considered both of these aspects. As a result, Sampension has retained a substantial interest rate risk in its portfolio of interest rate hedges and contracts to receive fixed rates of interest for maturities well in excess of 20 years.

In addition to diversification of risk on the overall asset classes, Sampension emphasises an appropriate diversification of risk within each asset class.

Sampension invests in illiquid assets for which valuation is subject to greater uncertainty than the pricing of more liquid assets. In addition, there is a risk that large volumes of non-marketable assets cannot be sold over a short period of time at the same prices as small volumes can, just as the negative effect on prices of a forced sale can be enhanced by crisis in the financial markets. The framework defined by the Board of Directors for investing in these asset classes reflects these considerations. The value of marketable assets exceeds the annual payment obligations by a substantial margin. Sampension therefore does not face any notable risk of having to sell on unfavourable terms.

The investment assets relating to the company's equity are invested together with investment assets relating to the average-rate environment but excluding the hedge portfolio.

Financial Risk Management

Sampension's risks are managed in part through derivative financial instruments. This applies particularly in relation to average-rate products. The interest rate risk on pension obligations is largely hedged by using interest rate swaps and swaptions. In addition, interest rate swaps and futures are used in the active management of interest rate risk on the bond portfolio.

Sampension's currency risks are managed on the basis of 75% hedging of exposures in foreign currency. The Board of Directors has defined frameworks stating that currency exposures must by hedged by between 50% and 100% (apart from EUR and minor exposures).

Credit risks are seen as part of the overall market risk. In addition to actual credit risks related to the overall investment portfolio, Sampension is also subject to counterparty risks. This is the risk of

Sampension suffering losses because a counterparty to a financial contract is unable to meet its obligations. Counterparty risk is managed through the provision of collateral and lines for net outstanding balances with the relevant financial institutions.

Objective of maximising the probability for avoiding a reduction in benefits

Sampension discontinued most of the guaranteed benefits effective 1 January 2011 by agreement with the central labour market parties. The Danish FSA has determined that Sampension acted within the rules of the executive order on generally accepted practice when agreeing with the labour market parties to discontinue the guaranteed benefits. The consumer ombudsman has subsequently taken steps to investigate the reasoning for discontinuing the guarantees. This investigation is still ongoing.

Sampension based its decision on independent legal advice received from professors at the University of Copenhagen and experts from the Plesner law firm. The decision to discontinue the guaranteed benefits was also made to provide the best possible conditions for policyholders. In addition to the agreement between the Ministry of Business and Growth and the Danish Insurance Association to change the discount curve, this objective is supported by the agreement among pension providers to work to reduce the use of products with nominal guarantees.

The company continues to arrange investments in the average-rate environment with a view to maximising the probability of not having to reduce policy-defined benefits. Achieving this objective requires both short-term and long-term planning.

In the short term, the emphasis is on limiting the risk of a negative change in the value of the assets relative to the value of liabilities, the latter being calculated on the assumption that policy benefits are not reduced. The longer term projections include the fact that a higher expected current return will reduce the risk of policy benefits being reduced.

Given the limited risk buffers (bonus potential) in the average-rate environment, the company places considerable emphasis on limiting short-term risk.

Shown in the table below are key indicators for the actual investment exposure in the average-rate environment. Hedging rate is used to indicate the proportion of an increase in the value of policy benefits that is covered by the anticipated gain on assets and derivative financial instruments after tax on pension returns resulting from a one percentage point drop in interest rates.

Risk indicators in the average-rate environment

Risk indicators, average rate	Risk indicators, average rate	Risk indicators, average rate
Hedging rate at one percentage point drop in interest rates	101%	91%
Hedging rate at one percentage point drop in interest rates, interest rate group A 1)	101%	105%
Listed and unlisted shares in % of net investment assets	8.2%	7.5%

1) Interest rate group A consists of policyholders with an average basic rate of interest of 3.5% or higher. This group has the least risk buffers relative to its size.

In the interest hedging of policy benefits related to interest rate groups A and B, considerable emphasis is placed on protecting collective bonus reserves against interest movements. These interest-rate groups have virtually no other bonus potential.

In addition to collective bonus potentials, interest-rate groups C and D also have bonus potential on paid-up policies, which can be used to cover losses. These interest-rate groups have some emphasis on protecting the overall risk buffers against interest movements, but a loss of bonus potential for paid-up policies is permitted in the event of a fall in interest rates in order to allow bonus potential to build up on paid-up policies in the event of an increase in interest rates. This approach has been taken in order to limit the risk that policyholders in these interest-rate groups are left with low interest rates on their pension savings in a situation of high market rates.

Overall, the key indicators reveal a conservative investment profile that places maximum emphasis on reducing the short-term risk of benefits being reduced.

Given the current uncertainty prevailing in the European economy and the low yield levels for Danish government bonds and mortgage bonds, placing funds in investment grade bonds will not provide a sufficient return on provisions (given their discount rates). Consequently, limiting the risk of benefits being reduced over the longer term requires a supplementary investment in equities producing a higher anticipated return and involving a correspondingly higher risk exposure. In order to achieve this and to achieve a risk diversification gain, Sampension has invested in a portfolio of investment assets involving some degree of uncertainty as to the size of future cash flows, but with a higher anticipated return.

Insurance risk

Insurance risk includes developments in life expectancy and disability rates.

Increased life expectancy means that regular pension benefits will be paid over a longer period. Life insurance provisions are estimated on the basis of the company's past experience and an estimate of future improvements in life expectancy defined as the Danish FSA's benchmark.

The various risk elements are analysed on an ongoing basis for the calculation of provisions for insurance obligations and statements of intent.

All risk amounts are covered for own account, meaning that no reinsurance contracts have been concluded for pension insurance. The risk sum is the difference between accumulated reserves and reserves to be provided to meet future payments in the event of disability or death.

Operational risk

The company’s operational risks comprise the risk of direct or indirect losses as a result of inappropriate or inadequate internal processes, human or system error or losses resulting from external events, including legal risks.

Management believes that Sampension has no significant operational risks. In order to reduce operational risk, we have set up procedures to monitor and minimise risk in relation to the pension business and the investment business. We also record operational incidents and follow up and report to the audit committee and, in exceptional circumstances, to the Board of Directors.

Overall risks

Overall management of the interaction between investment assets and life insurance provisions is designed to maximise the return to our pension customers with due consideration for risk.

The objective of managing short-term risks is for our investment policy and risk management to work together to ensure that Sampension has sufficient reserves to meet the reserve requirements of the red-light risk scenario defined by the Danish FSA and the requirement for an adequate capital base, which is the higher value of our individual solvency need and the solvency requirement.

At the end of 2012, Sampension's excess capital base amounted to DKK 4.1 billion in the red-light risk scenario and to DKK 4.6 billion in the scenario of rising interest rates.

Sensitivity information

The mortality ratio shows the effect of a 10% increase in the disability rate. This equals a change in life expectancy of about one year. The disability ratio shows the effect of a 10% increase in the disability rate. For Sampension, a 10% drop in the mortality rate will reduce the collective bonus potential and the bonus potential on paid-up benefits by DKK 2.3 billion. A 10% increase in the disability rate will only have a small effect. The other risk elements form part of the red-light risk scenario.

Sensitivity information

Event DKKm	Minimum effect on capital base	Maximum effect on collective bonus potential	Maximum effect on bonus potential for paid-up policies before changes in bonus potential applied for paid-up policies	Maximum effect on bonus potential applied for paid-up policies
0.7 - 1.0 p.p. interest rate increase	5	(447)	912	0
0.7 - 1.0 p.p. interest rate fall	(34)	(175)	(426)	0
12% share price depreciation	(123)	(1,297)	-	0
8% fall in property prices	(37)	(391)	-	0
Exchange rate rist at (VAR 99.5%)	(29)	(300)	-	0
8% counterparty loss	(133)	(1,395)	-	0
10% drop in mortality rate	0	(2,179)	(74)	0
10% increase in mortality rate	0	1,974	84	0
10% increase in disability rate	0	(56)	(8)	0

The calculations in the table were made on the basis of the reported distribution principles regarding realised result in force as at 31 December 2012. As can be seen from the table, either an increase or a fall in the level of interest rates will cause Sampension to incur a loss in the form of an overall reduction of the capital base and the collective bonus potential. Conversely, an increase in interest rates will increase the bonus potential in insurance provisions by a substantial margin, whereas a decrease in interest rates will reduce the bonus potential. Overall, a decrease in interest rates is therefore considered to be more detrimental to Sampension and the policyholders than an increase in interest rates.

Overview of Group equity investments

DKKm.	Activity	Ownership Interest (%)		Profit in annual report		Equity in annual report		Included in annual report
		2012	2011	2012	2011	2012	2011	
Group enterprises								
Sampension Administrationsselskab a/s, Gentofte	Management	100.0	100.0	69	14	422	353	422
SAAM A/S, Gentofte	Investment advisory company	100.0	100.0	4	4	24	21	-
Komplementarselskabet Alternative Investments ApS, Gentofte	Investment company	100.0	100.0	0	0	1	0	-
Sampension KP Danmark A/S, Gentofte	Real estate company	100.0	100.0	98	109	3,506	3,408	3,506
Sampension KP International A/S, Gentofte	Real estate company	100.0	100.0	-85	38	440	533	440
Fallcorner BV, Holland	Real estate company	90.0	90.0	2	4	95	102	-
KP SG s.a., Frankrig	Real estate company	-	100.0	-2	28	-	51	-
KP CE s.a., Frankrig	Real estate company	100.0	100.0	27	13	122	94	-
SAMPENSION INVEST, København V								
SAMPENSION INVEST (GEM II)	Investment company	100.0	100.0	483	-104	2,366	1,920	2,366
SAMPENSION INVEST (Obligationer)	Investment company	100.0	100.0	5	16	147	142	147
SAMPENSION INVEST (Danske aktier II)	Investment company	100.0	100.0	304	-238	1,389	1,084	1,389
SAMPENSION INVEST (Aktieindeks Enhanced)	Investment company	100.0	100.0	862	-247	7,031	5,157	7,031
SAMPENSION INVEST (Aktieindeks)	Investment company	100.0	100.0	1,055	-347	7,472	6,533	7,472
Sampension Forestry K/S, Gentofte	Investment company	100.0	100.0	-46	122	2,510	2,186	2,510
Sampension Global Real Estate K/S, Gentofte	Investment company	100.0	100.0	-66	159	2,398	2,373	2,398
Sampension Alternative Investments F.M.B.A., Gentofte **	Investment company	100.0	100.0	0	855	-	6,313	-
Sampension Private Equity K/S, Gentofte	Investment company	100.0	100.0	283	0	3,645	0	3,645
Sampension Structured Credit K/S, Gentofte	Investment company	100.0	100.0	1,078	0	4,397	0	4,397
Of thies unit-linked contracts								-21,126
Total group enterprises								**14,588**
		2012	**2011**	**2012**	**2011**	**2012**	**2011**	
Associates								
Refshaleøen Holding A/S, København *	Real estate company	39.0	39.0	0	0	980	980	382
SAXoTECH A/S, Ålborg	Investment company	20.4	20.4	8	5	42	31	7
Interessentskabet af 23. december 1991	Real estate company	29.8	29.8	50	53	811	795	287
K/S Kristensen German Retail Partners, Danmark	Real estate company	36.3	36.3	47	35	565	528	176
Kristensen Partners I ApS, Danmark	Real estate company	36.3	36.3	0	0	0	0	0
Britannia Invest A/S, Danmark	Real estate company	21.9	21.3	-47	-35	777	752	158
Aareal German Residential Fund Schroeders, USA	Real estate company	20.0	20.0	50	53	717	806	79
Total associates								**1,089**

* The company is dissolved on 6. February 2012

** Recognised at redemption price

On the company's homepage http://www.sampension.dk/Forside/Om-Sampension/Fakta-om-Sampension/Nøgletal/Aktiebeholdning.aspx there is a overview over Sampensions total equity portfolio.

Statements and reports

Statement by Management

The Board of Directors and the Executive Board of Sampension KP Livsforsikring a/s have today considered and approved the Annual Report for 2012.

The annual report has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated and parent company financial statements give a true and fair view of the Group's and the parent company's assets, liabilities and financial position at 31 December 2012 and of the results of the Group's and the parent company's operations for the financial year ended 31 December 2012.

In our opinion, the management's review gives a fair review of the development and performance of the business and the financial position of the Group and the parent company, together with a description of the principal risks and uncertainties that may affect the Group and the parent company.

We recommend the Annual Report for approval at the annual general meeting

Hellerup, 8 March 2013

Executive Board

Hasse Jørgensen Chief Executive Officer	*/ Mads Smith Hansen* *Chief Financial Officer*

Board of Directors

Johnny Søtrup (Chairman)	Kim Simonsen (Deputy Chairman)
Bodil Nyboe Andersen	Arne Boelt
Rita Bundgaard	Thorkild E. Jensen
Poul Arne Nielsen	Bodil Otto
John Helle (employee representative)	Bjørn Kroghsbo (employee representative)
Morten Lundsgaard (employee representative)	Majbritt Pedersen (employee representative)

Internal auditors' report

Endorsement on the consolidated financial statements and the parent company financial statements

We have audited the consolidated and parent company financial statements of Sampension KP Livsforsikring a/s for the financial year ended 31 December 2012. The consolidated and parent company financial statements have been prepared in accordance with the Danish Financial Business Act.

Basis of opinion

We have conducted our audit in accordance with the Executive Order of the Danish Financial Supervisory Authority on Auditing Financial Undertakings etc. as well as Financial Groups and International Standards on Auditing. This requires that we plan and perform the audit to obtain reasonable assurance that the Financial Statements for the Group, as well as the Company, are free from material misstatement.

The audit has been performed in accordance with the division of work agreed with the external auditors and has included an assessment of procedures and internal controls established, including the risk management organised by Management relevant to the entity's reporting processes and significant business risks. Based on materiality and risk, we have examined, on a test basis, the basis of amounts and other disclosures in the Financial Statements for the Group, as well as the Company. Furthermore, the audit has included evaluating the appropriateness of the accounting policies applied by Management and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of the Financial Statements for the Group, as well as the Company.

We have participated in the audit of risk and other material areas and believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Our audit has not resulted in any qualification.

Opinion

In our opinion, the procedures and internal controls established, including the risk management organised by Management relevant to the entity's reporting processes and significant business risks, are working satisfactorily.

Furthermore, in our opinion, the Consolidated and the Company's Financial Statements give a true and fair view of the Group's and the Company's assets, liabilities and financial position at 31 December 2012, and of the results of the Group's and the Company's operations for the financial year ended 31 December 2012 in accordance with the Danish Financial Business Act.

Statement on the management's review
We have, in accordance with the Danish Financial Business Act, read the Management Review. We have not conducted any additional procedures in connection with our audit of the Financial Statements for the Group, as well as the Company.

On this basis, it is our opinion that the information presented in the Management Review is in accordance with the Financial Statements for the Group, as well as the Company.

Hellerup, 8 March 2013

Gert Stubkjær
Group Chief Auditor

Independent Auditor's Report

To the Shareholders of Sampension KP Livsforsikring A/S

Report on Consolidated Financial Statements and Parent Company Financial Statements

We have audited the Consolidated Financial Statements and the Parent Company Financial Statements of Sampension KP Livsforsikring A/S for the financial year ended 31 December 2012, which comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity, significant accounting policies and notes. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the Danish Financial Business Act.

Management's Responsibility for the Consolidated Financial Statements and the Parent Company Financial Statements

Management is responsible for the preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in accordance with the Danish Financial Business Act, and for such internal control as Management determines is necessary to enable the preparation of Consolidated Financial Statements and Parent Company 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 Consolidated Financial Statements and the Parent Company Financial Statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company 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 purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

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

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2012 and of the results of the Group's and the Parent Company's operations for the financial year 1 January to 31 December 2012 in accordance with the Danish Financial Business Act.

Statement on Management's Review

We have read Management's Review in accordance with the Danish Financial Business Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Hellerup, 8 March 2013

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab

Ole Fabricius
State Authorised Public Accountant

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