Annual Report

Alm Brand

2014

Take good care of what *matters* most


Alm Brand
Alm Brand

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Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab

Registration

Alm. Brand A/S
Company reg. (CVR) no. 77333517

Contents

This is a translation of the Danish annual report 2014. In case of any discrepancies the Danish version prevails.

Board of Directors

From the left:

Brian Egested
Employee representative
Born 1969
Since 2014

*Jan Skytte Pedersen**
Born 1956
Since 2010

*Per Viggo Hasling Frandsen**
Born 1952
Since 2009

Susanne Larsen
Employee representative
Born 1964
Since 2006

*Henrik Christensen**
Born 1950
Since 2010

Arne Nielsen
Born 1944
Since 2009

*Elected by the principal shareholder

*Jørgen Hesselbjerg Mikkelsen**
Chairman
Born 1954
Since 1994

Karen Sofie Hansen-Hoeck
Born 1965
Since 2013

Ebbe Castella
Born 1950
Since 2013

Helle Låsby Frederiksen
Employee representative
Born 1962
Since 2010

Lars Christiansen
Employee representative
Born 1971
Since 2013

*Boris Nørgaard Kjeldsen**
Deputy Chairman
Born 1959
Since 2003

*Elected by the principal shareholder

Group structure

Alm. Brand A/S

Alm. Brand Forsikring

Alm. Brand Bank

Alm. Brand Liv og Pension

Alm. Brand Leasing

Chief Executive Officer
Søren Boe Mortensen
Born 1955
Joined Alm. Brand in 1987
Appointed to the Management Board in 1998
Chief Executive Officer since December 2001

Alm. Brands principal activity is its *non-life insurance* operations, which are supported by the business areas *life insurance and pension* and *banking.*

Management's *review*

Alm. Brand *2014*

Performance of the group

Alm. Brand posted consolidated profit of DKK 401 million before tax, which was better than the most recent guidance. The profit was composed of a DKK 737 million profit on forward-looking activities and a loss of DKK 336 million on winding-up activities.

The profit was substantially higher than the guidance provided at the beginning of 2014. However, as the profit translates into a return on equity of 9%, Alm. Brand failed to deliver on the target of a return on equity equalling the money market rate plus 10%. The performance was therefore not entirely satisfactory.

The Board of Directors recommends that dividend in the amount of DKK 0.50 per share be distributed for a total dividend payment of DKK 87 million.

Non-life Insurance

The group's non-life insurance activities reported a highly satisfactory profit of DKK 651 million in 2014. The technical result was extremely positive, and both the underlying business and major claims were better than expected. Weather-related claims were favourably affected by a mild winter but adversely affected by several cloudbursts around Denmark, including a major cloudburst that hit Copenhagen in August. The investment result was adversely affected by interest rate developments.

The combined ratio was 85.5, of which the expense ratio represented 15.6. Run-off gains improved the combined ratio by 2.6 percentage points in 2014, which was below the 2013 level. The underlying combined ratio was 77.0, which was better than expected.

DKK 401m

Profit before tax

Growth in premiums was 0.5% and in line with expectations. Competition intensified in 2014, particularly within motor insurances.

Life and Pension

Life and pension activities reported a satisfactory profit of DKK 78 million.

In both 2013 and 2014, regular payments were adversely affected by the tax reform, which abolished the tax deductibility of contributions to capital pension schemes. In 2014, growth was 1.0%, marking a slight decline relative to 2013.

On the other hand, the company saw strong growth in single payments due to more and more customers pooling their savings with Alm. Brand Liv og Pension.

Life and Pension produced a satisfactory expense and risk result and a satisfactory investment return in 2014. Driven by the favourable results, Alm. Brand Liv og Pension further strengthened the collective bonus potential in 2014, while at the same time offering a high rate on policyholders' savings. The collective bonus po-

85.5

Combined ratio in Non-life Insurance

0.5%

Premium increase in Non-life Insurance

tential increased by a total amount of DKK 85 million to DKK 912 million, and the bonus rate was 9.8% at 31 December 2014.

The rate on policyholders' savings for new customers is maintained at 4.00% for 2015 in spite of the significant fall in interest rates seen in 2014. The rate on policyholders' savings remains one of the best rates offered in the market.

Banking

The group's banking activities incurred a loss before tax of DKK 275 million in 2014, against a loss of DKK 469 million in 2013. In spite of the significant improvement, the performance was still not satisfactory.

The bank's forward-looking activities reported a pre-tax profit of DKK 61 million. In 2013, the bank's impairment writedowns were affected by an extraordinary credit review of private customers, while impairment writedowns came in at a more normal level in 2014 at an impairment ratio of 0.7.

The bank's performance was affected by certain non-recurring income, including an adjustment for accounting purposes related to the solvent liquidation of Alm. Brand Formue.

The level of activity in the bank's forward-looking activities increased in 2014, and new loans and advances exceeded the winding up of loans from existing customers. However, the bank is experiencing mounting competition for the most attractive customers.

The bank's winding-up activities reported a loss of DKK 336 million, against DKK 379 million in 2013. The improvement was driven by a better performance before impairment writedowns. Impairment writedowns were on a par with 2013 and were adversely affected by the deteriorating conditions facing the bank's agricultural customers.

Adjusted for losses and writedowns and excluding the sale of mortgage deeds to Non-life Insurance (see below), the winding-up portfolio was reduced by approximately DKK 0.6 billion, which was better than expected.

Financial highlights and key ratios

	DKKm	2014	2013	2012	2011	2010
Group	Income					
	Non-life Insurance	5,058	5,031	4,866	4,772	4,762
	Life and Pension	1,243	928	903	724	719
	Banking	602	708	852	1,008	1,132
	Investment etc.	735	653	726	714	728
	Total income	**7,638**	**7,320**	**7,347**	**7,218**	**7,341**
	Profit/loss excluding minority interests					
	Non-life Insurance	651	763	853	460	207
	Life and Pension	78	86	90	137	181
	Banking, forward-looking activities	61	– 90	– 47	– 164	– 869
	Other activities	– 53	– 28	– 36	– 40	– 54
	Profit/loss before tax, forward-looking activities	**737**	**731**	**860**	**393**	**– 535**
	Banking, winding-up activities	– 336	– 379	– 472	– 990	–
	Profit/loss before tax	**401**	**352**	**388**	**– 597**	**– 535**
	Tax	– 53	– 159	– 94	98	135
	Profit/loss after tax	**348**	**193**	**294**	**– 499**	**– 400**
	Consolidated profit/loss					
	Consolidated profit/loss before tax	409	372	419	– 622	– 538
	Tax	– 53	– 159	– 94	97	135
	Consolidated profit/loss after tax	**356**	**213**	**325**	**– 525**	**– 403**
	Total provisions for insurance contracts	19,449	18,627	19,678	19,197	18,413
	Consolidated shareholders' equity	4,847	4,676	4,500	4,202	4,750
	Share attributable to minority interests	–	153	137	113	160
	Total assets	39,118	39,580	42,559	44,913	48,149
	Average no. of employees	1,590	1,585	1,592	1,572	1,725
	Return on equity before tax	8.6%	8.0%	9.2%	– 13.8%	– 16.4%
	Return on equity after tax	7.4%	4.4%	7.0%	– 11.6%	– 12.3%
Parent company	**Profit/loss before tax**	**335**	**188**	**273**	**– 509**	**– 414**
	Tax	13	5	11	10	14
	Profit/loss for the year	**348**	**193**	**284**	**– 499**	**– 400**
	Total assets	5,187	4,874	4,711	4,436	4,992
	Total investment assets	5,080	4,772	4,623	4,365	4,919
	Share capital	1,735	1,735	1,735	1,735	1,735
	Shareholders' equity	4,847	4,523	4,363	4,089	4,590
	Payables	50	61	52	51	106
	Return on equity before tax*	8.6%	7.9%	8.9%	– 13.7%	– 16,4%
	Return on equity after tax*	7.4%	4.3%	6.7%	– 11.6%	– 12.3%
Key ratios	Dividend per share **	0,5	–	–	–	–
	Earnings per share	2,0	1,1	1,7	– 2,9	– 24
	Diluted earnings per share	2,0	1,1	1,7	– 2,9	– 24
	Net asset value per share	29	27	25	24	27
	Share price at 31 December	32.7	24.1	14.0	8.15	14.2
	Price/NAV	1.14	0.91	0.55	0.34	0.53
	No. of shares at year-end (in thousands)	169,623	170,655	172,790	173,202	173,079
	Average no. of shares (in thousands)	170,194	171,587	173,123	173,140	16,882

* Return on equity in the parent company is calculated before tax in subsidiaries
**Proposed dividend for the financial year

The results of Pensionskassen under Alm. Brand A/S are no longer included in the consolidation of the Alm. Brand Group but recognised in the Alm. Brand A/S parent company. Comparative figures have been restated accordingly.

Major events

Tier 2 capital

On 27 February 2014, the Board of Directors of Alm. Brand af 1792 fmba approved the repayment by Alm. Brand A/S of the existing DKK 250 million subordinated loan, as it was no longer eligible for recognition in total capital. At the same time, Alm. Brand af 1792 fmba and Alm. Brand A/S agreed to set up a new subordinated loan of DKK 250 million.

On 20 March 2014, Alm. Brand Bank repaid the remaining DKK 226 million of the state-funded additional tier 1 capital.

Sale of mortgage deeds from Alm. Brand Bank A/S to Alm. Brand Forsikring A/S

On 11 December 2014, Alm. Brand Forsikring A/S completed an acquisition of mortgage deeds for a total amount of DKK 1.9 billion from Alm. Brand Bank. This transaction will optimise the liquidity and asset composition of the group without increasing the underlying risk. It will also substantially reduce the group's funding requirements. At the current interest rate level, the transaction is expected to lift the group's results by DKK 30 million in 2015.

The transaction comprises an option agreement to protect Alm. Brand Forsikring A/S against future credit losses. The agreement implies that Alm. Brand Forsikring can sell mortgage deeds back to the bank if a debtor defaults on his payment obligations. This means that the bank retains the credit risk, whereas Non-life Insurance only assumes the market risk associated with investing in the mortgage deeds.

This optimises the investment portfolio of Non-life Insurance, and the investment result is thus expected to improve by DKK 20 million in 2015 without any increase in market risk.

The mortgage deed sale reduces the bank's funding requirements by approximately DKK 2.3 billion, and the agreement will thus result in lower funding costs. These positive factors are partly offset by the loss of return on the mortgage deeds sold by the bank. At current prices of fixed-rate deposits, the bank's profit will improve by DKK 10 million in 2015, whereas its solvency need related to mortgage deeds will remain unchanged.

Events after the balance sheet date

No events have occurred in the period from 1 January 2015 until the date of the financial statements which would significantly change an assessment of the annual report.

Outlook

For 2015, the consolidated profit before tax is expected to be in the range of DKK 200-300 million.

The group's forward-looking activities are expected to generate profit of DKK 550-600 million before tax, while the winding-up activities are expected to produce a loss of DKK 300-350 million.

DKKm	2015
Total expected profit	**200-300**
Forward-looking activities	550-600
Non-life insurance	500
Life og Pension	75
Banking	40
Other activities	-50
Winding-up activities	-300 til -350

The outlook for Non-life Insurance reflects a combined ratio of 90-91 and an expense ratio of around 16%. The performance of Life and Pension is expected to be in line with 2014. The results of the bank's winding-up activities are expected to be slightly lower than in 2014, reflecting that the 2014 results were favourably affected by non-recurring income. Other activities are expected to produce a loss of DKK 50 million.

The performance of winding-up activities is expected to be unchanged from 2014. Core earnings are expected to improve, driven by the positive effects of lower funding costs. On the other hand, losses and writedowns are expected to be higher as impairment writedowns on agricultural customers are expected to remain high in 2015 due to expectedly lower settlement prices.

The increased turmoil in the financial markets in 2015 and the negative Danish interest rates significantly increase uncertainty related to the expected results. The outlook is based on an assumption that the situation of negative interest rates in Denmark will be of limited duration. Moreover, the guidance for the winding-up activities in particular is subject to uncertainty, and the actual performance will depend on general economic developments, market conditions and other factors.

Alm. Brand covers *all* of Denmark

Odense
Bank branch
Hillerød
Bank branch
Helsingør
Sales centre
Roskilde
Bank branch
Holbæk
Sales centre
Lyngby
Bank branch
Glostrup
Sales centre
Copenhagen
Bank branch
Ringsted
Sales centre
Køge
Bank branch
Nykøbing
Sales centre
Silkeborg
Sales centre
Helsingør
Hillerød
Lyngby
Copenhagen
Holbæk
Roskilde
Glostrup
Ringsted
Køge
Nykøbing

We have so much *confidence* in our financial results and in our OVERALL business that we are now ready to distribute *dividends* to our shareholders again.

Søren Boe Mortensen,
Chief Executive Officer

Take good care of what *matters* most

For Alm. Brand, 2014 was in many ways a year exceeding our expectations. All business areas performed in line with or better than we expected at the beginning of the year.

But it was also a year in which macroeconomic conditions had a major effect on the group's results. Interest rates dropped to a new historic low, impacting all three business areas adversely. Danish agriculture was hard hit by the Russian trade embargo and plunging Chinese demand for dairy products, and this rubbed off negatively on the bank's impairment writedowns on agricultural lending.

However, thanks to a very strong performance by Non-life Insurance, good results and strong growth in our pension activities, and banking activities that improve day by day, we are nevertheless maintaining the positive momentum that has come to characterise Alm. Brand. Yet, due to the loss produced by the bank's winding-up activities, the overall performance is still not satisfactory.

Looking beyond the financial results, we have significantly increased customer satisfaction over the past two years.

We are also now in a position allowing the Board of Directors to recommend that dividends be distributed to the shareholders.

So all in all, I am very pleased with the progress we made in 2014.

That being said, 2015 seems to have come off to a quite disconcerting start. Problems in the agricultural sector have continued unabated, and there is no immediate solution on the horizon. In addition, uncertainty in the financial markets, pressure on the Danish krone and resulting negative or unprecedentedly low interest rates are having an adverse impact on our consolidated earnings.

Very strong claims performance

We generated a highly satisfactory technical result on our non-life insurance activities. Reporting a combined ratio of 85.5, we emerged from 2014 in much better shape than we normally expect to. Overall, we are pleased with the lower claims frequency seen in the underlying business, supported in particular by fewer burglaries and car accidents. Major claims were also below the expected level.

In recent years, we have adapted our insurance terms and prices on an ongoing basis so that they better reflect actual claims reported. In addition, more and more of our customers have deductibles on their insurances, meaning that they absorb small claims themselves, thereby eliminating a lot of administrative work which has very little value for the customers. Together with the general efficiency enhancements, this has made Alm. Brand Forsikring one of the most cost-efficient companies in Denmark.

Weather conditions were both benign and harsh. 2014 was the warmest year ever recorded in Denmark. We have had very mild winters without the many ice, snow and frost claims usually reported. However, we experienced several cloudbursts, and especially a major cloudburst in Copenhagen gave rise to many expensive claims.

The government and local authorities are very concerned about protecting our society against the effects of climate change and are taking extensive measures to prevent damage. Yet, extreme weather phenomenons in Denmark nevertheless still result in many claims. In other words, all parties need to continue – and preferably even increase – their efforts.

Alm. Brand's extended water damage cover provides additional security for our customers. We have also teamed up with the rest of the industry to improve conditions and coverage for customers with storm surge flooding claims. Moreover, we help our customers prevent claims. For example, our initiatives to prevent fire and other claims are beginning to take effect.

Lastly, we adapt to the changed weather conditions by continuously improving our reinsurance programme.

Growth in Life and Pension and in Banking
Both Life and Pension and Banking have a target of growing their business volume.

Life and Pension is in a very strong position to generate growth. In 2004, we offered the highest rate on policyholders' savings on private schemes, and we have maintained the high rate for new customers in 2015. At the same time, costs payable by customers are among the lowest and the bonus rate among the highest in the industry.

However, maintaining the growth momentum on regular premium payments in our pension activities has been more difficult. Because Alm. Brand Liv og Pension held such a strong position within capital pensions, we are still struggling with the effects of the tax reform, which eliminated tax deductibility on such schemes. This means that although more and more new and existing customers are pooling their pension savings with us, we have yet to generate sufficient growth in regular premium payments.

For the bank, 2014 was the year in which we began to report separately on the results of our forward-looking banking activities. We can now report positive results generated by the banking activities that we are focusing on going forward.

During the financial crisis, people in Denmark turned to repaying their debts. Also, the very low level of interest rates has caused many of our customers to convert bank debt into mortgage loans through our business partner Totalkredit. This impacted growth in lending to private customers of Alm. Brand Bank.

In 2014, new lending raised by private customers exceeded the level of debt repayment for the first time in many years. At the same time, the number of customers having Alm. Brand Bank as their main banker has grown significantly in recent years. Moreover, activity in Financial Markets and Leasing has increased by a fair margin, and revenue from Leasing alone has doubled over the past few years.

Stronger competition and focus on customers
The focus of our CUSTOMERS FIRST strategy is to ensure that our customers get a service that is nothing short of supreme. When we look at our customer satisfaction surveys today, just over two years after the strategy was launched, we are pleased to note that customers in all business areas are rating us significantly higher than before. In fact, our customer satisfaction rate has doubled for the group as a whole. We have also measured this directly by way of a 50% reduction in the number of complaints filed with the Insurance Complaints Board.

Booklet cover for Alm. Brand Nordic Classic Cars

In 2014, Alm. Brand launched a new marketing campaign under the slogan "Take good care of what matters most". This slogan applies to all of our customers, whether insurance, pension or banking customers. The campaign expresses that we want our customers to be aware of what is important in their lives and that we as a company can help take care of what matters most to them.

When we look across our business areas, it is obvious that competition intensified in 2014. Customer service is a key parameter in customer retention, but we are also seeing that price is increasingly becoming an important competitive parameter. The relatively weak growth in our non-life insurance business was, among other things, due to a more competitive market for motor insurance.

We are working to become even better at pricing the individual customer's risk. In the competition for customers, we need to offer competitive prices, but we refuse to compromise on our product profitability requirements. At the same time, we expect that by offering a more precise price tailored to the individual customer, we can increase our share of some of the markets that we have previously not focused on.

As far as the bank is concerned, we are very pleased to see growing optimism among our customers. However, this also means that competition for the most attractive customers will increase. Competition in the markets for securities trading and leasing of private cars also grew stronger between the various providers and, as far as leasing is concerned, the number of providers also increased.

Difficult macroeconomic conditions

When we look back on 2014, what stands out the most are the historically low level of interest rates and the renewed pressure on the agricultural sector.

The interest rate decline affected all our business areas adversely. The group has had a large portfolio of high-yielding mortgage bonds, but the significant increase in remortgaging caused by interest rate developments had an adverse effect on the return.

Moreover, Non-life Insurance has for some time been exposed to rising interest rates, which was why we reported very strong investment results in 2013 when interest rates increased. In 2014, we saw the opposite situation, which caused us to incur quite substantial investment losses.

In spite of the low level of interest rates, our pension activities succeeded in maintaining the attractive rate on policyholders' savings for existing and new customers, while also increasing the bonus rate. As one of only a few companies in the industry, we continue to offer our pension customers the option of guaranteed benefits, and they can also choose to invest their pension savings in market rate products. We believe that some customers can benefit from a guaranteed product, which ensures that they will avoid the risk of seeing the value of their pension assets diminish and gives them the assurance of knowing their financial situation when they retire.

Other major events in 2014 included the Russian trade embargo and slumping Chinese demand for dairy products in particular. This has affected the Danish agricultural sector as a whole, which is once again battling low settlement prices.

The negative effect on agriculture fed through in the third quarter, and we made substantial impairment writedowns on agricultural customers in the fourth quarter. As mentioned, we are seeing the unfortunate developments carry on and accelerate into 2015 and have therefore increased the bank's expected impairment writedowns on agricultural customers. On the other hand, we expect lending for commercial properties and mortgage deeds to improve and the winding-up activities to develop favourably.

Time for dividend
The effects of the financial crisis have taken their toll on Alm. Brand and not least on our financial results. We last distributed dividends to our shareholders in 2008.

During the interim six years, the entire Alm. Brand Group has undergone a comprehensive cost savings plan to achieve efficiency enhancements in our day-to-day operations, and we have reviewed and optimised our business base. We have chosen to close down a number of business areas because we did not believe that we had the right skills to achieve optimal business results. Furthermore, we have made a targeted effort to define, map out and limit the group's overall risks.

We have launched our ambitious CUSTOMERS FIRST strategy, which is focused on customer satisfaction and customer service while constantly keeping in mind our financial and efficiency enhancement targets. Finally, we have strengthened and optimised our total capital, and today Alm. Brand is an efficient, well-functioning and focused business with highly satisfied customers.

It is against this background that we now acknowledge the patience of our shareholders. We have proposed a dividend amount which is relatively modest considering our excess capital, reflecting the uncertainty in the financial markets in the wake of the current pressure on the Danish krone and the uncertainty associated with the upcoming Solvency II rules. Although we do not expect this to happen, a lowering of the yield curve would require increased insurance provisions and capital. However, we have so much confidence in our financial results and in our business in general that we are now ready to distribute dividends to our shareholders again.

2015 straight ahead
In 2015, we will see the effects of Alm. Brand Bank's sale of non-delinquent mortgage deeds to Alm. Brand Forsikring. We expect the transaction to improve the consolidated profit by DKK 30 million without any change in risk. Recent years' repayment of additional tier 1 capital and subordinated loan capital and reduction of fixed-term deposits will also lift the bank's results.

We will also in 2015 and 2016 begin to see the effects of our CUSTOMERS FIRST strategy, which has been our guideline for the past two years. We expect that the positive trend in customer satisfaction, the substantially lower level of complaints and the more precise pricing of individual customer premiums will make us more competitive and make customers want to stay longer with Alm. Brand.

Increased communication through campaigns focused on moral and personal values, a greater presence in the press and communications tailored specifically to each individual customer will also serve to make Alm. Brand more visible and to strengthen our value proposition to our customers.

We have a strategy which ensures focus on what our customers consider most important: commendable service, value-adding advisory services and proper treatment in all respects. We have an efficient business, and we will continue to focus on efficiency enhancements, among other things through digitalisation.

That being said, 2015 will be a rough year.

Competition is growing stronger in all our markets. At the same time, macroeconomic conditions in Denmark and the rest of the world are presenting us with entirely new and serious challenges – not least the historically low and negative interest rates, the pressure on the Danish krone and the considerable trade barriers continuing to exist between the EU and Russia.

Nonetheless, we believe that we are well prepared to tackle whatever the year may bring, to do even better and to maintain Alm. Brand's leading position.

Yours sincerely,

Søren Boe Mortensen
Chief Executive Officer

Non-life Insurance

Non-life Insurance is the group's core business. Alm. Brand is the fourth largest non-life insurer in the Danish market with annual gross premium income of just over DKK 5 billion and a market share of 10%. Non-life Insurance exclusively targets the Danish market with a special focus on the following segments: Private customers, small and medium-sized enterprises, property owners and administrators, agricultural customers and the public sector. The group has deliberately opted not to focus on major corporate and marine customers, as competition for these customers primarily takes place at the pan-Nordic level.

Organisation and sales

At 31 December 2014, Non-life Insurance had almost 400,000 private customers, some 200,000 of which were so-called Pluskunder, who have largely all their insurances with Alm. Brand. The commercial and agricultural customer portfolio comprises just under 100,000 customers.

Insurances are mainly sold through insurance agents, customer service centres and insurance brokers. Supported by the introduction of online sales in the second half of 2014, online sales through the group's website are expected to increase. Distribution to the private customer segment takes place mainly through insurance agents and customer service centres, while commercial and agricultural customers are primarily served by insurance agents, service centres and insurance brokers.

The table below shows a breakdown of sales in 2014.

	Private	Commercial	Agriculture	Total
Insurance agents	59%	75%	74%	66%
Customer service centres	41%	10%	20%	28%
Brokers	0%	15%	6%	6%

Insurance agents

Insurance agents, specialising in private, commercial and agricultural customers, constitute the primary distribution channel. Private insurances account for around 49% of sales, and commercial and agricultural insurances for 51%.

Private customer insurance agents work out of the 14 local offices (sales centres) as well as from the local regional offices. Private customer insurance agents primarily work away from the office as sales and advisory services are typically provided at the individual customer's home.

Commercial and agricultural customer insurance agents are also based locally as customers in these segments typically have a designated insurance agent, who regularly advises them on their insurance needs based on a risk assessment.

The insurance agents' agreements with prospective customers are effected through five telemarketing departments distributed across the five regions. From these departments, telemarketers phone customers to set up meetings with insurance agents. In recent years, investments have been made in IT tools in order to improve and enhance the efficiency of the overall telemarketing efforts.

Competition was *tough* in 2014, especially from established market players. However, Alm. Brand REFUSES to *compromise* on profitability.

Jesper Mørch Sørensen,
Managing Director, Non-life Insurance

Financial results for *Q4*

- Profit before tax: DKK 202 million (2013: DKK 125 million)
- Technical result: DKK 257 million (2013: DKK 74 million)
- Combined ratio: 79.9 (2013: 94.2)
- Claims ratio: 59.1 (2013: 108.0)
- Expense ratio: 15.1 (2013: 15.1)
- Underlying combined ratio: 72.8 (2013: 75.8)

The Q4 performance was highly satisfactory, supported by significantly fewer claims expenses than expected. Relative to the same period of 2013, the performance was favourably affected by a significant improvement of weather-related claims and adversely affected by the investment return.

Premiums

Gross premiums totalled DKK 1,276 million in Q4, against DKK 1,267 million in Q4 2013, equivalent to an increase of 0.7%. The private customer segment grew by 0.5%, and the commercial customer segment recorded growth of 1.0% relative to 2013.

Claims

Total gross claims amounted to DKK 755 million in Q4, compared with DKK 1,369 million in Q4 2013, when claims were strongly impacted by autumn storms. Net of the effect of reinsurance, the claims experience was 64.8% in 2014, against 79.1% in 2013, when claims were affected twice by the catastrophe reinsurance retention.

Run-off gains net of reinsurance were DKK 29 million in Q4, against DKK 64 million for the same period of last year. The Q4 run-off gains were mainly attributable to personal injury lines and building insurance.

Major claims amounted to DKK 89 million, against DKK 68 million in 2013, corresponding to 7.0 percentage points of the combined ratio.

Costs

Costs amounted to DKK 192 million in Q4, against DKK 191 million in the year-earlier period.

Investment return

The investment return before transfer to insurance activities was a loss of DKK 55 million in Q4, against a gain of DKK 51 million in Q4 2013. The investment return before transfer to insurance activities was a loss of DKK 45 million, against a gain of DKK 67 million in the same period of last year. This development was mainly due to capital losses on the portfolio of mortgage bonds as a result of a higher risk premium relative to government bonds as well as to interest rate declines in the longer durations where the risk profile was exposed to rising interest rates.

DKK 202m

Profit before tax (2013: DKK 125m)

DKK 257m

Technical result (2013: DKK 74m)

79.9

Combined ratio (2013: 94.2)

59.1

Claims ratio (2013: 108.0)

15.1

Expense ratio (2013: 15.1)

Customer service centres
The customer advisers of the group's five regional customer service centres provide advice and sell insurances to the private customer segment.

In order to ensure optimum accessibility and service for our commercial and agricultural customers, we serve these customer segments through the group's two centralised service centres – one for agricultural customers in Aarhus and one for commercial customers in Roskilde. These centres provide advice on and sell insurances that do not require the direct involvement of an insurance agent.

Distribution through insurance brokers
In sales through this distribution channel, insurance brokers typically have the customer contact. Around 16% of sales to commercial customers takes place through brokers, while about 6% of sales to agricultural customers takes place through this channel. Sales to the private customer segment through brokers are virtually non-existent.

Alm. Brand has a centralised department responsible for preparing quotations for and serving the insurance brokers.

Market

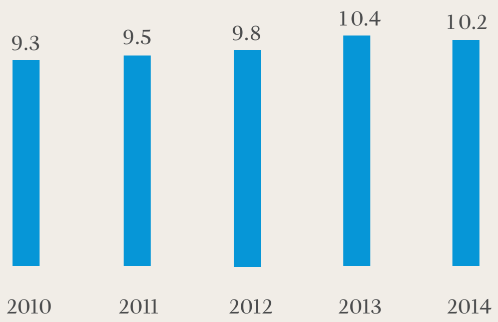
According to the Danish Insurance Association's official statistics, the overall market for direct insurance in Denmark grew slightly, by 1.7%, from Q3 2013 to Q3 2014. This corresponds largely to the average indexation of premiums.

Alm. Brand's total market share decreased by 0.2 of a percentage point to 10.2% in the same period. The change in market share breaks down into an unchanged market share in motor insurance, a slight increase in commercial insurance, a slight decline in private insurance and a slightly greater decline in health and personal accident insurance. The decline in health and personal accident insurance was due to strong growth in the market, and Alm. Brand's premium income in this segment grew by only 2.1 percentage points.

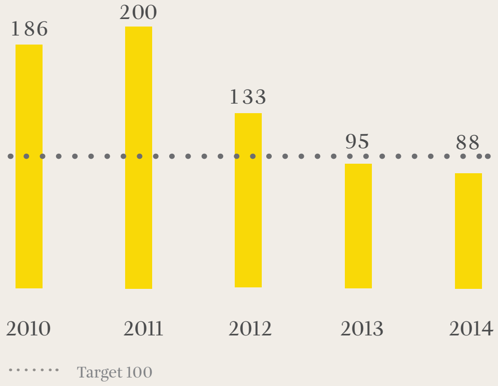
Private
Measured by gross premiums, the market for private insurances declined by 0.4% from Q3 2013 to Q3 2014.

The motor insurance market in Denmark saw a decline in gross premium income of 2.2%. The decline occurred despite the fact that, for the second consecutive year, the number of new motor car registrations hit peak in 2014, equivalent to a total of 189,000 in 2014, against 182,000 in 2013. The total motor car fleet increased by 2%. Whereas sales of new cars was previously dominated by micro cars, the sale of cars in the mini and small mid-size segments increased in 2014. Cars in the latter segments are typically more expensive to insure, but due to the more competitive motor insurance market, premium income nevertheless declined. Competition is particularly fierce from established market players.

Market share (%)



No. of complaints filed with the Insurance Complaints Board



Ad for bicycle lock experiment for Alm. Brand Forsikring

In late 2014, the Danish Insurance Association launched an updated version of forsikringsguiden.dk. This gives ordinary consumers an online portal where they can compare not only prices but also more qualitative parameters. The website currently offers comparisons of contents, houseowner's, motor and personal accident insurance across the Danish market, and it is expected to be further expanded to include holiday home insurance in the first half of 2015. Alm. Brand currently has its three main products, contents, homeowner's and motor insurance, represented on the website and expects to have its personal accident and holiday home insurances represented by the end of 2015.

Commercial

Gross premium income for direct insurance in the Danish commercial insurance market, excluding motor insurance, declined by 1.6% in 2014.

Small and medium-sized enterprises

The market for insurance of small and medium-sized enterprises has not changed to any significant extent in recent years. The Danish business sector remains characterised by weak growth as a result of the general economic slowdown that has characterised Denmark for a number of years. The weak growth is also reflected in the commercial insurance market. Alm. Brand has retained its market share.

Competition was fierce in 2014. Insurers are accepting lower prices than they did previously in order to attract new customers. There is a general trend that international insurers are increasingly focusing on the Danish commercial insurance market, making the market more competitive.

In recent years, the major insurance brokers have focused increasingly on offering standardised insurance terms, making the insurance premium the key competitive parameter for customers in this segment. This trend may result in a shift of market shares over the next few years. Alm. Brand does not want to compromise on profitability or the company's insurance terms to counter this trend.

Agriculture

Alm. Brand is a leading insurance provider to Danish agriculture with an estimated market share of about 30%.

The trend towards larger but fewer farms is continuing. The number of farms is currently under 39,000, declining by approximately 1,000 farms per year in recent years. Instead, individual farms are bigger, employ fewer workers and use bigger and more automated machinery.

For a number of years, Alm. Brand has worked with individual farmers concerning claims prevention, conducting, among other things, electrical and thermographic surveys of farm buildings with a view to reducing potential fire hazards. Vacant buildings are converted from replacement-cost insurance to fixed-sum insurance, which for the customer means lower damages but also lower premiums because of the lower risk.

STRATEGY

Customers

Non-life Insurance's objectives are to develop, advise on, sell and manage profitable, high-quality insurance solutions, thereby safeguarding and taking care of its customers. This will be achieved by providing supreme customer service, by supporting our customers in their everyday lives and by promoting proper and reasonable conduct in terms of price, flexibility and, not least, coverage.

Through the group website, Alm. Brand in 2014 launched a number of new digital solutions providing ease of use for the customers. For private customers, Alm. Brand launched a number of private insurance products, and for commercial and agricultural customers the group launched the portal Mit overblik, providing a simple overview of the customer's insurance covers and tracking progress on any claims reported. Alm. Brand continues to develop its digital solutions and will continually ensure that they support customers' needs in terms of service and dialogue with their insurance company.

The target group in the private customer segment is customers who are resident in Denmark and who need a broad range of insurance products.

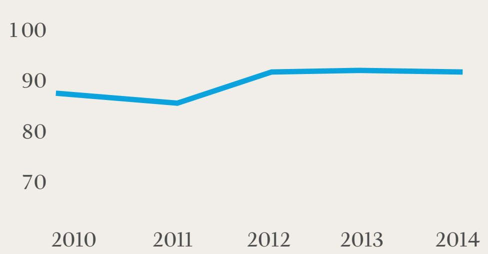
The commercial customer segment serves small and medium-sized enterprises, property owners and administrators, agricultural businesses and the public sector as its primary target groups.

Alm. Brand aims for its customers to place as much of their business as possible with the company and for all customers to remain loyal and satisfied. Retaining loyal and satisfied customers is therefore a key focal area for Alm. Brand in maintaining its market position. For several years, Alm. Brand has systematically measured customer satisfaction by means of the Net Promoter Score method (NPS). The results show that the various initiatives taken have had the intended effect and that customer satisfaction has increased markedly over the past two years.

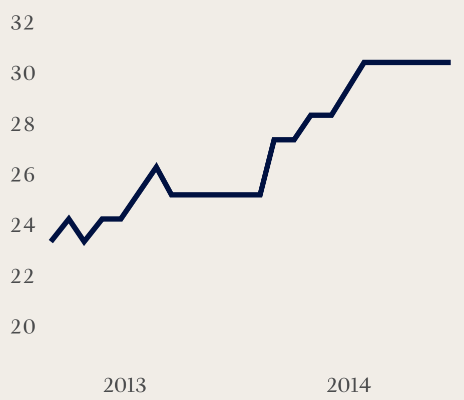
As one of the initiatives in this strategy, Alm. Brand further intensified its focus on maintaining an active dialogue between the group and its customers in 2014. The aim is to ensure that customers get supreme service and claims processing, thereby increasing customer loyalty.

Alm. Brand saw the number of complaints filed with the Insurance Complaints Board decline even further in 2014 to the lowest level in more than 10 years.

Customer retention rate, Private



Net Promoter Score (NPS)



Booklet cover for Alm. Brand Equestrian Insurance

Product development

Alm. Brand is continuously working to develop new products and adjust existing products in order to offer its customers special benefits.

Monthly payments

In November 2014, Alm. Brand introduced an option allowing customers to choose monthly payments for most of their insurances. This allows customers to improve their cash flow by splitting up their insurance premiums into 12 instalments as opposed to previously when they could only pay in two or four instalments.

New contents insurance

Alm. Brand revised its household comprehensive insurance in the third quarter. As part of the revision, the name of the product was changed to “Contents Insurance” in order to emphasise that the insurance covers home contents and not personal injury to members of a household and that it covers both families and single people.

The product was also expanded to include identity protection as a permanent insurance cover. As identity theft often starts with and develops from card theft (payment cards etc.), easy access to a card blocking function has been added to the cover through the customer’s digital overview at almbrand.dk.

In connection with the new contents insurance, Alm. Brand also introduced greater price differentiation based on the customer’s home, making the customer’s precise address a more important factor in determining the price payable by the customer. Alm. Brand also introduced other pricing parameters, which combine with the geographical location to establish the optimal price for the customers from a risk perspective. This project has generally made Alm. Brand more competitive, particularly in the flats segment.

Travel insurance cover expanded

The Danish public travel health insurance scheme was abolished with effect from 1 August 2014. In response, Alm. Brand expanded the coverage on private travel insurances to ensure that customers get the same coverage as before the public travel health insurance scheme was abolished.

New online banking insurance (including identity protection)

In March 2014, Alm. Brand introduced a new insurance product covering theft from online bank accounts for its commercial and agricultural customers. The insurance covers direct financial losses on online bank accounts, no matter where in the world the theft is discovered. The coverage of direct financial loss is combined with a service ensuring that customers get advice on what preventive measures they should take.

In addition, Alm. Brand has introduced an optional cover to the online banking insurance that provides cover for businesses falling victim to identity theft. The purpose of identity protection is to prevent, discover and limit losses in the event of identity theft.

New claims prevention initiative for oil and manure storage tanks

In collaboration with a leading Danish security systems provider, Alm. Brand offers installation of a sensor triggering an alarm in the event of seepage from oil and manure storage tanks. The new oil and manure storage tank sensors are offered to Alm. Brand’s agricultural customers at a very attractive price as yet another element in Alm. Brand’s claims prevention measures.

Strategic goals for 2013-2016

Alm. Brand stands today as one of Denmark’s most efficient and profitable non-life insurers. We intend to maintain and further strengthen this position. To this end, we defined a new strategy in 2012, which builds on the results already accomplished.

Non-life Insurance will be working according to the following strategic goals in the period to 2016:

- A return on equity of 20% plus the money market rate
- A maximum combined ratio of 92
- Maintaining a market share of at least 10%
- Annual efficiency enhancement of 2.5%

A return on equity of 20% plus the money market rate
Non-life Insurance generated a return on equity of 30% in 2014 – significantly above the target.

A maximum combined ratio of 92
The total combined ratio declined to 85.5 in 2014, marking a highly satisfactory performance relative to the target of a combined ratio of 92. The underlying combined ratio was further improved to 77.0 in 2014 from 78.8 in 2013. The target for the underlying combined ratio is approximately 80.

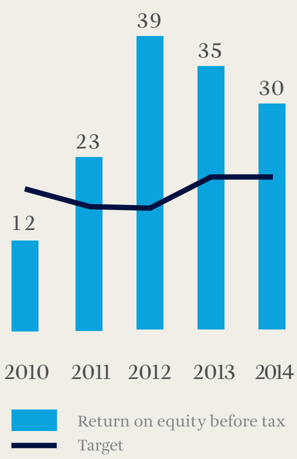
Our efforts to ensure profitability continue. Alm. Brand has a relatively large portfolio of building insurances in the commercial and agricultural markets, which are showing less than satisfactory profitability. In 2014, efforts were made to transfer a part of these customers to a new building insurance product, which in addition to new terms also introduced higher prices and higher deductibles. Earnings on building insurance remain low relative to the risk and allocated capital, and the focus on improving profitability on the building insurance products will continue in 2015. The goal is for each individual customer group and product to generate a fair profit.

Maintaining a market share of at least 10%
Alm. Brand wants to maintain – and preferably increase – its share of the Danish non-life insurance market. Alm. Brand's market share declined slightly in 2014 to stand at 10.2%. The decline was due in particular to the market growth seen in health insurance products, which are offered through a third party provider. In this segment, the market share declined by 0.5 of a percentage point to 5.5%.

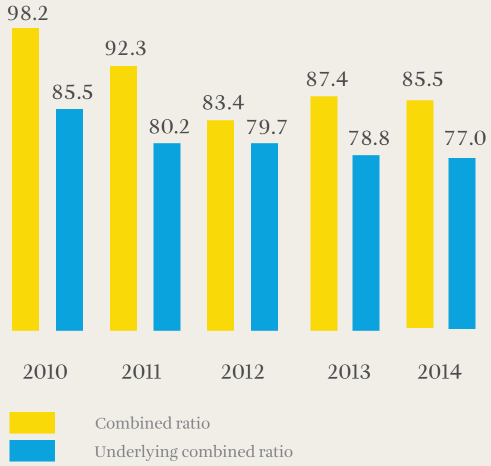
In the commercial customer segment, the market share increased by 0.1 of a percentage point to 12.5%, while the private customer market share declined by 0.1 of a percentage point to 10.3%. In the motor insurance segment, which has seen competition intensify in recent years, Alm. Brand maintained its market share of 11.1%.

An important element in Alm. Brand's efforts to maintain or increase its market share is to further improve the customer experience with a view to increasing the average customer lifetime. Alm. Brand is open to strategic partnerships that can widen access to new segments and increase the duration of customer relationships.

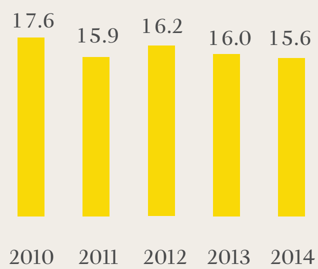
Return on equity (%)



Combined ratio



Gross claims ratio (%)



Annual efficiency enhancement of 2.5%
Our target is to enhance efficiency by 2.5% annually until end-2016, which would equal an expense ratio of around 15.

However, due to intensified competition, premium income did not increase as expected in 2014, and this trend seems likely to continue in the coming years. The combination of weaker growth and a surge in payroll tax is affecting the expense ratio, and the expectation for 2016 is consequently for an expense ratio of around 16.

However, Alm. Brand will continue to pursue the goal of ensuring additional efficiency enhancements, and the group will be focused particularly on digitalisation of all customer interface processes and optimising all other processes.

The aim is to develop solutions that make it easier and quicker for customers to purchase insurances and to use self-service options if they want to, either online or by using Alm. Brand's new app, which was launched for private customers in 2014. The digitalisation efforts will support Alm. Brand in continuing to offer competitive prices while maintaining a high level of quality and accessibility. At the same time, Alm. Brand will improve its service in general and the personal service options available for customers who prefer this.

As part of the strategy, Alm. Brand in 2014 began digitalising communications and documentation in customer interface processes in Non-life Insurance. The digitalisation project generates a significant efficiency enhancement as all written communications and documentation are accessed digitally in one system that spans the underlying administrative systems. This provides both the customer and the person serving the customer with a complete case history, ensuring a much more efficient dialogue and a better customer experience. The system is being implemented throughout the organisation and is expected to be fully implemented by end-2015.

Performance
The group's non-life insurance activities generated pre-tax profit of DKK 651 million in 2014, as compared with DKK 763 million in 2013. The performance was highly satisfactory and better than expected, equalling a return on equity of 30% before tax, compared with 35% in 2013.

The profit for the year should be seen in light of the negative investment return of DKK 93 million, as compared with a positive return of DKK 121 million in 2013. The investment return was not satisfactory.

The technical result was a profit of DKK 744 million, against DKK 642 million in 2013. The performance was mainly driven by an improved underlying business and significantly fewer major claims than expected and also by fewer run-off gains than in 2013.

The combined ratio was 85.5, against 87.4 in 2013. The underlying business continued to develop favourably, reporting a combined ratio of 77.0, against 78.8 in 2013. This performance was slightly better than expected, as the target combined ratio of the underlying business is approximately 79-80.

	2014	2013	2012	2011
Combined ratio, underlying business	77.0	78.8	79.7	80.2
Weather-related claims	4.2	3.7	2.1	6.9
Major claims	5.8	7.2	6.2	6.8
Reinstatement premiums	1.1	1.8	0.2	1.6
Run-off result	– 2.6	– 4.1	– 4.9	– 3.2
Combined ratio	85.5	87.4	83.3	92.3

Premiums
Gross premiums totalled DKK 5,058 million, against DKK 5,031 million in 2013, equivalent to an increase of 0.5%, which was slightly less than expected at the beginning of 2014. The weaker premium growth was due to intensified competition, particularly on motor insurances. However, the retention rate remains high in the private customer segment. The rewriting of building insurances in the commercial customer segment had an adverse effect on customer cessation, especially among the customers facing the largest premium increases.

	DKKm	2014	2013	2012	2011	2010
Income statement	Gross premiums	5,058	5,031	4,866	4,772	4,762
	Technical interest	5	9	13	40	33
	Claims expenses	– 3,579	– 3,769	– 3,180	– 3,845	– 3,702
	Insurance operating expenses	– 787	– 803	– 790	– 763	– 839
	Reinsurance profit/loss	47	174	– 86	207	– 136
	Technical result	**744**	**642**	**823**	**411**	**118**
	Interest and dividends, etc.	202	233	245	262	283
	Capital gains and losses	– 221	– 24	– 106	– 28	– 22
	Investment management expences	– 21	– 22	– 23	– 18	– 19
	Return on technical provisions	– 53	– 66	– 86	– 167	– 155
	Return on investment after technical interest	**– 93**	**121**	**30**	**49**	**87**
	Other ordinary items	0	0	0	0	2
	Profit before tax	**651**	**763**	**853**	**460**	**207**
	Tax	– 161	– 221	– 214	– 116	– 51
	Profit after tax	**490**	**542**	**639**	**344**	**156**
Balance sheet	Run-off gains/losses	131	207	235	153	139
	Total provisions for insurance contracts	7,571	7,553	7,215	7,368	6,920
	Insurance assets	298	608	143	336	163
	Total shareholders' equity	2,423	2,184	2,441	2,152	1,808
	Total assets	10,868	10,661	10,579	10,348	9,383
Key ratios	Gross claims ratio	70.8%	74.9%	65.4%	80.6%	77.8%
	Net reinsurance ratio	– 0.9%	– 3.5%	1.7%	– 4.3%	2.8%
	Claims trend	69.9%	71.4%	67.1%	76.3%	80.6%
	Gross expense ratio	15.6%	16.0%	16.2%	16.0%	17.6%
	Combined ratio	85.5%	87.4%	83.3%	92.3%	98.2%
	Operating ratio	85.3%	87.3%	83.1%	91.5%	97.6%
	Relative run-off result	2.5%	4.3%	4.4%	3.3%	3.3%
	Return on equity before tax	29.5%	35.0%	38.7%	23.2%	11.9%
	Return on equity after tax	22.2%	24.9%	29.0%	17.4%	9.0%
	Solvency coverage*	2.8	2.7	2.8	2.6	2.7

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by insurance companies and profession-specific pension funds.

* The solvency coverage is for Alm. Brand Forsikring A/S, and the total capital is reduced by the amount of proposed or distributed dividends.

Claims experience

The gross claims ratio was 70.8 in 2014, against 74.9 in 2013, and total gross claims amounted to DKK 3,579 million, against DKK 3,769 million last year. The 2013 figures were severely impacted by the two storms in October and December 2013. Overall, weather-related and major claims in 2014 affected the combined ratio net of reinsurance favourably by 0.9 of a percentage point relative to 2013.

Net of the reinsurance result, the claims experience was 69.9% in 2014, against 71.4% in 2013.

Weather-related claims

Denmark was hit by two major cloudbursts in 2014: one in the western and central parts of Jutland on 23 May 2014 and one in Greater Copenhagen on 31 August. Overall, Alm. Brand expects gross claims expenses from the two cloudbursts to the tune of DKK 150 million. Accordingly, the two cloudbursts will not be nearly as expensive as the one that hit Greater Copenhagen in July 2011.

Net of reinsurance, weather-related claims totalled DKK 210 million in 2014, against DKK 187 million in 2013. Weather-related claims affected the combined ratio by 4.2 percentage points, against 3.7 percentage points in 2013. The expected normal level would be around 4%. In terms of weather-related claims, 2014 was thus more expensive than 2013. This was due to the two cloudbursts in May and August as well as to a number of small cloudbursts and claims caused by lightning strikes, which in terms of both number and scope exceeded the 2013 level.

Major claims

Net of reinsurance, major claims totalled DKK 292 million in 2014, against DKK 364 million in 2013. Major claims affected the combined ratio by 5.8 percentage points, against 7.2 percentage points in 2013. The 2014 performance was exceptionally strong, considering the expected normal level of just over 8%.

Underlying business

The underlying business continues to develop favourably as a result of ongoing efforts to improve the price/risk relationship. The number of reported claims was almost 5% lower than in 2013, and the claims frequency was lower on most products in 2014, especially theft and motor claims. This was due to a general decline in the number of burglaries and traffic accidents in Denmark as well as to the fact that Alm. Brand has tightened its underwriting policy, introduced higher deductibles and advised customers on claims mitigation measures.

Discounting effect

Throughout 2014 and in the second half of the year in particular, the rate of interest used for discounting provisions declined further relative to the 2013 level. However, seen over the year as a whole, this only resulted in an increase 0.1 of a percentage point in the claims ratio relative to last year.

Run-off result

Run-off gains net of reinsurance totalled DKK 131 million, against DKK 207 million in 2013. Run-off gains mainly come from personal injury and liability claims.

In the first quarter of 2014, Alm. Brand adjusted upwards the expected level of expenses related to the 2013 storms Allan and Bodil. Although both adjustments were fully covered by the company's reinsurance programme, they resulted in a reinstatement premium of about DKK 50 million.

Costs

Total costs amounted to DKK 787 million in 2014, against DKK 803 million in 2013. The expense ratio was 15.6, against 16.0 in 2013. Both acquisition costs and administrative expenses were lower than expected at the beginning of the year. However, the lower acquisition costs reflected that sales were lower than expected for 2014.

Net reinsurance ratio

The net reinsurance ratio for the year was negative at 0.9, against a negative ratio of 3.5 in 2013 (income). The net income for the year was driven by a significant upwards adjustment in the first quarter of the expected level of claims related to the Allan and Bodil storms in autumn 2013. Net of run-off on prior-year claims, the net reinsurance ratio was 4.0.

Investment return
The investment return after transfer to insurance activities was negative at DKK 93 million, against a positive return of DKK 121 million in 2013.

Alm. Brand's risk profile was exposed to rising interest rates during the reporting period, and the lower investment return was mainly due to significant interest rate declines in 2014. The Danish 10-year government bond yield fell by more than 50%, declining by about 1.2 percentage point over the year. The loss was also attributable to a part of the assets being placed in high-yield bonds and to value adjustment losses as a result of the bond maturity effect. In addition, a significant part of the bond portfolio was placed in mortgage bonds, for which the risk premium to government bonds grew in the fourth quarter of 2014, resulting in capital losses.

The interest rate risk on the assets is partly adjusted to the interest rate risk on the liabilities. At 31 December 2014, the net interest rate risk in the event of a 1 percentage point interest rate decline amounted to a loss of DKK 84 million. A significant part of the negative interest rate risk derived from differences in the duration of the cash flow from claims provisions on workers' compensation insurance and the related investment activities. Alm. Brand expects to implement a new model for these provisions in the first half of 2015. This model is expected to reduce the duration of the cash flow on the provisions.

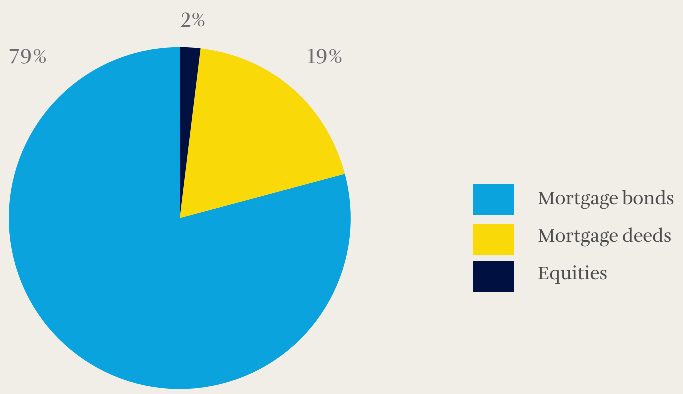
In 2014, the asset portfolio was diversified on several asset types with a view to achieving a higher long-term return. In mid-2014, the exposure towards global equities was increased, and at the end of the year Alm. Brand Forsikring purchased most of Alm. Brand Bank's portfolio of non-delinquent mortgage deeds.

The mortgage deed transaction comprises an option agreement protecting Alm. Brand Forsikring against credit losses. This means that the non-life insurance company can sell mortgage deeds back to the bank if the mortgage deed debtors default on their payment obligations. This means that the bank retains the credit risk, whereas Alm. Brand Forsikring only assumes the market risk associated with investing in the mortgage deeds.

The investment assets are predominantly placed in Danish interest-bearing assets with an overweight of mortgage bonds. In addition, Non-life Insurance holds a limited number of strategic equities that support the business. Asset allocation of Non-life Insurance as a percentage of total market value at 31 December 2014.

The effect of the trend in the workers' compensation index on provisions is hedged by way of inflation swaps. The hedging activities produced a minor loss in 2014.

Distribution, investment assets



Light box poster for Alm. Brand Forsikring branches

Private

The technical result excluding technical interest was a profit of DKK 401 million in 2014, against a profit of DKK 352 million in 2013. The combined ratio was 84.8, against 86.5 in 2013. The performance was highly satisfactory.

Premium income for the full year 2014 increased by 0.6% to DKK 2,642 million, which was in line with expectations.

The customer retention rate remained high in 2014 but was on a slightly declining trend due to stronger competition. The weak growth was due in particular to intensified competition on motor insurance.

The gross claims ratio was 68.3, against 70.2 in 2013, which was better than expected.

Private

DKKm	2014	2013
Gross premium income	2,642	2,626
Gross claims expenses	– 1,805	– 1,845
Insurance operating expenses	– 459	– 467
Profit/loss on reinsurance	23	38
Technical result*)	401	352
Run-off result	59	99
Gross claims ratio	68.3%	70.2%
Net reinsurance ratio	– 0.9%	– 1.5%
Claims trend	67.4%	68.7%
Gross expense ratio	17.4%	17.8%
Combined ratio	84.8%	86.5%

*) Excluding technical interest

The claims experience was 67.4%, against 68.7% in 2013.

Net of reinsurance, total weather-related claims amounted to DKK 59 million, against DKK 52 million in 2013. Weather-related claims affected the 2014 combined ratio by 2.2 percentage points, which was on a par with 2013.

The number of major claims increased relative to 2013, but claims expenses net of reinsurance declined to DKK 59 million from DKK 85 million in 2013, affecting the combined ratio positively by 1 percentage point. Overall, major claims expenses were significantly below the level expected at the beginning of the year.

The claims ratio of the underlying business continues to develop favourably. The claims experience in motor insurance lines was highly satisfactory, and the claims frequency continues to decline in most other lines. However, the claims frequency on travel insurance increased after the Danish public travel health insurance scheme was abolished with effect from 31 August 2014. Alm. Brand opted to expand the cover free of charge to ensure that customers get the same coverage as before.

The expense ratio was 17.4, against 17.8 in 2013.

The run-off result net of reinsurance produced a gain of DKK 59 million, against DKK 99 million in 2013. The run-off gain was mainly driven by personal injury and liability claims.

The net reinsurance ratio was negative at 0.9 in 2014, against a negative ratio of 1.5 in 2013 (income).

Commercial

The technical result excluding technical interest was a profit of DKK 338 million, against a profit of DKK 281 million in 2013. The combined ratio was 86.0, against 88.4 in 2013. The performance was highly satisfactory.

The performance was lifted by a sustained improvement of the underlying business and a strong major claims experience.

Gross premium income was DKK 2,416 million, against DKK 2,405 million in 2013, equivalent to an increase of 0.5%, which was slightly less than expected. The rewriting of building insurances resulted in higher than expected cessation among commercial customers. However, cessation was primarily seen among customers whose claims history had triggered the biggest premium increases. On the other hand, the average premium on building insurances increased as expected. In spite of the higher customer cessation rate, Alm. Brand is estimated to have maintained its market share.

The gross claims ratio was 73.4, against 80.0 in 2013, when the claims ratio was strongly impacted by two autumn storms. Net of the effect of reinsurance (the net reinsurance ratio), the claims experience was 72.4% in 2014, against 74.4% in 2013.

Commercial

DKKm	2014	2013
Gross premium income	2,416	2,405
Gross claims expenses	– 1,774	– 1,924
Insurance operating expenses	– 328	– 336
Profit/loss on reinsurance	24	136
Technical result*)	338	281
Run-off result	72	108
Gross claims ratio	73.4%	80.0%
Net reinsurance ratio	– 1.0%	– 5.6%
Claims trend	72.4%	74.4%
Gross expense ratio	13.6%	14.0%
Combined ratio	86.0%	88.4%

*) Excluding technical interest

Net of reinsurance, total weather-related claims amounted to DKK 151 million in 2014, corresponding to a claims ratio of 6.2, against 5.7 in 2013.

Net of reinsurance, major claims totalled DKK 233 million, against DKK 280 million in 2013. Overall, major claims expenses were significantly below the level expected at the beginning of the year.

The results for building insurances for commercial and agricultural customers still failed to meet the group's profitability targets, although improvements were seen in the underlying business in 2014. As a result, Alm. Brand rewrote some of these customers to new terms in combination with higher deductibles and premium increases in 2014. With due consideration for the more competitive market, this work will continue until the portfolio provides a satisfactory performance.

The run-off result net of reinsurance produced a gain of DKK 72 million, against DKK 108 million in 2013. The run-off gains were mainly attributable to workers' compensation and liability insurance, which are generally long-tail lines.

The expense ratio was 13.6, against 14.0 in 2013. The expense ratio was slightly better than expected.

The net reinsurance ratio for the year was negative at 1.0, against a negative ratio of 5.6 in 2013 (income).

Major events

Purchase of mortgage deeds from Alm. Brand Bank A/S

On 11 December 2014, Alm. Brand Forsikring A/S completed an acquisition of mortgage deeds from Alm. Brand Bank for a total amount of DKK 1.9 billion. The acquisition optimises the investment portfolio, and the Non-life Insurance investment result is expected to improve by DKK 20 million in 2015.

The transaction comprises an option agreement protecting Alm. Brand Forsikring A/S against future credit losses, and the company consequently only assumes the market risk associated with investing in the mortgage deeds.

Outlook

Non-life operations are expected to generate total pre-tax profit to the tune of DKK 500 million in 2015, corresponding to a combined ratio of around 90-91.

The expense ratio is expected to be at the level of 16%. Premium income is expected to be unchanged in 2015 relative to 2014.

The increased turmoil in financial markets in 2015 and the negative Danish interest rates significantly increase uncertainty related to the expected results. The outlook is based on an assumption that the situation of negative interest rates in Denmark will be of limited duration.

Light box poster for Alm. Brand Forsikring branches

Life and Pension

Life and Pension comprises life insurance, pension savings on guaranteed products and pension insurance. In terms of the value proposition to our customers, Pension also comprises market rate pension savings provided by the bank.

The results of the market rate pension schemes are recognised in the financial statements of the bank.

Pension is focused on individual pension schemes and on small and medium-sized corporate schemes. Target groups are private individuals, owners and employees of small businesses and farmers, all of whom are offered a pension concept tailored to their specific needs. The group has opted not to offer labour market pensions proper.

The number of insurance agreements in Life and Pension totals just over 90,000, of which 60,000 are agreements with regular premium payments.

Measured in terms of regular payments, Life and Pension has the following market shares:

• Individual retirement and capital pension schemes	6%
• Private instalment pension schemes	3%
• Insurances with regular disbursements	5%
• Employer schemes	<1%

Organisation and sales

Products are distributed through the group's own distribution network. The life insurance company has opted not to conduct sales through brokers, primarily because the company's target group lies outside the customer segment typically represented by the brokers.

Insurance agents and pension consultants
Insurance agents and pension consultants cooperate closely on sales of pension solutions for private, commercial and agricultural customers. Both insurance agents and consultants call on the individual customers. Typically, insurance agents will establish the contact and handle simple pension solutions, while the consultants focus on complex schemes. The company has increased the number of pension consultants over the past couple of years, which has been a key factor in the growth in pension sales. At 31 December 2014, the total number of pension consultants was 22.

Branches
The branch-based pension advisers typically serve customers affiliated with their own branch and work closely with the bank advisers, who typically have overall customer responsibility and are the primary contact to customers.

Customer service centre
Customer service is supported by a centralised service centre whose staff are trained to answer questions of a more technical nature.

Market

The pension market consists of three types of schemes:

- Unrestricted individual schemes paid either by employers or by private individuals
- Mandatory or voluntary corporate schemes under which employees are covered by a pension agreement between their employer and a pension provider
- Labour market-related schemes for which membership of a particular pension company or pension fund is mandatory

Our *high* rate on policyholders' savings and low fees will SUPPORT the company's growth strategy.

Mikael Sundby,
Managing Director, Life and Pension

Financial result for *Q4*

- Profit before tax: DKK 8 million (2013: DKK 15 million)
- Total payments into pension schemes increased by 29.1%
- Risk result: DKK 11 million (2013: DKK 10 million)
- Expense result: DKK 2 million loss (2013: DKK 1 million loss)
- Investment return on policyholders' funds: 6.1% p.a.
- Average bonus rate declined from 10.7% to 9.8%

Premiums

Payments into guaranteed schemes

Premium income in Life and Pension's guaranteed schemes totalled DKK 364 million, against DKK 273 million in 2013, equivalent to an increase of 33.3%.

Payments into market schemes

Payments into investment schemes managed by the bank totalled DKK 121 million, against DKK 102 million in 2013, equivalent to an increase of 18.6%.

Total pension payments

Total pension payments amounted to DKK 485 million, against DKK 375 million in 2013, equivalent to an increase of 29.3%.

Benefits paid

Benefits paid amounted to DKK 322 million, against DKK 537 million in 2013. The decline was due to an extraordinarily large government tax payment in 2013, when the company completed most of the transfer of capital pension schemes to retirement pension schemes.

DKK 8m

Profit before tax (2013: DKK 15m)

29.1%

Total payments into pension schemes increased by 29.1%

DKK 11m

Risk result (2013: DKK 10m)

DKK 2m loss

Expense result (2013: DKK 0m)

The product range comprises insurance covers and various types of savings. The main types of insurance are death cover, disability cover, critical illness cover and hospital insurance, whereas savings comprise retirement pension, instalment pension and annuity schemes.

The vast majority of the market is based on the principle of tax deductibility at the time of payment and taxation at the time of disbursement. In recent years, tax deductibility has been significantly reduced. In 2014, annuity pension schemes were fully deductible, while instalment pension schemes were subject to a tax deductibility cap of DKK 50,900, and capital pension schemes ceased to be tax deductible. In 2014, pension savers could pay up to DKK 28,100 into their retirement pension scheme, and while such payments are not tax deductible, disbursements are tax-free.

Pension savings schemes may be established with life insurance companies, pension funds or banks (retirement and instalment pension schemes) and may be based on one of two main principles:

- The average rate principle, implying that policyholders form part of an investment community. The customers of each group (interest rate group) receive the same rate of return, and the return is distributed and equalised over time by fixing a rate on policyholders' savings. These schemes are based on guaranteed benefits.
- The market rate principle, implying that each individual customer receives the current market return on his or her savings.

Companies offering average rate schemes are subject to rules stipulating how large a share of profits may accrue to the company, the so-called contribution principle. Over time, any profit in excess of this amount accrue to the customers in the form of bonus allotments.

On the other hand, savings in banks and in the so-called market rate products (unit linked schemes, life cycle schemes, etc.) with insurance companies and pension funds are based on the market rate principle. Customers may either hold the securities themselves or hold individual shares in the funds in which the company invests.

Strategy

Pension is working to expand its position as an attractive pension provider focused on providing personal advice to customers, giving them an understanding of and the freedom to choose across traditional lines separating the banking and insurance industries.

Pension savings can be tailored completely to individual customer needs and requirements and may be placed with the life insurance company or with the bank.

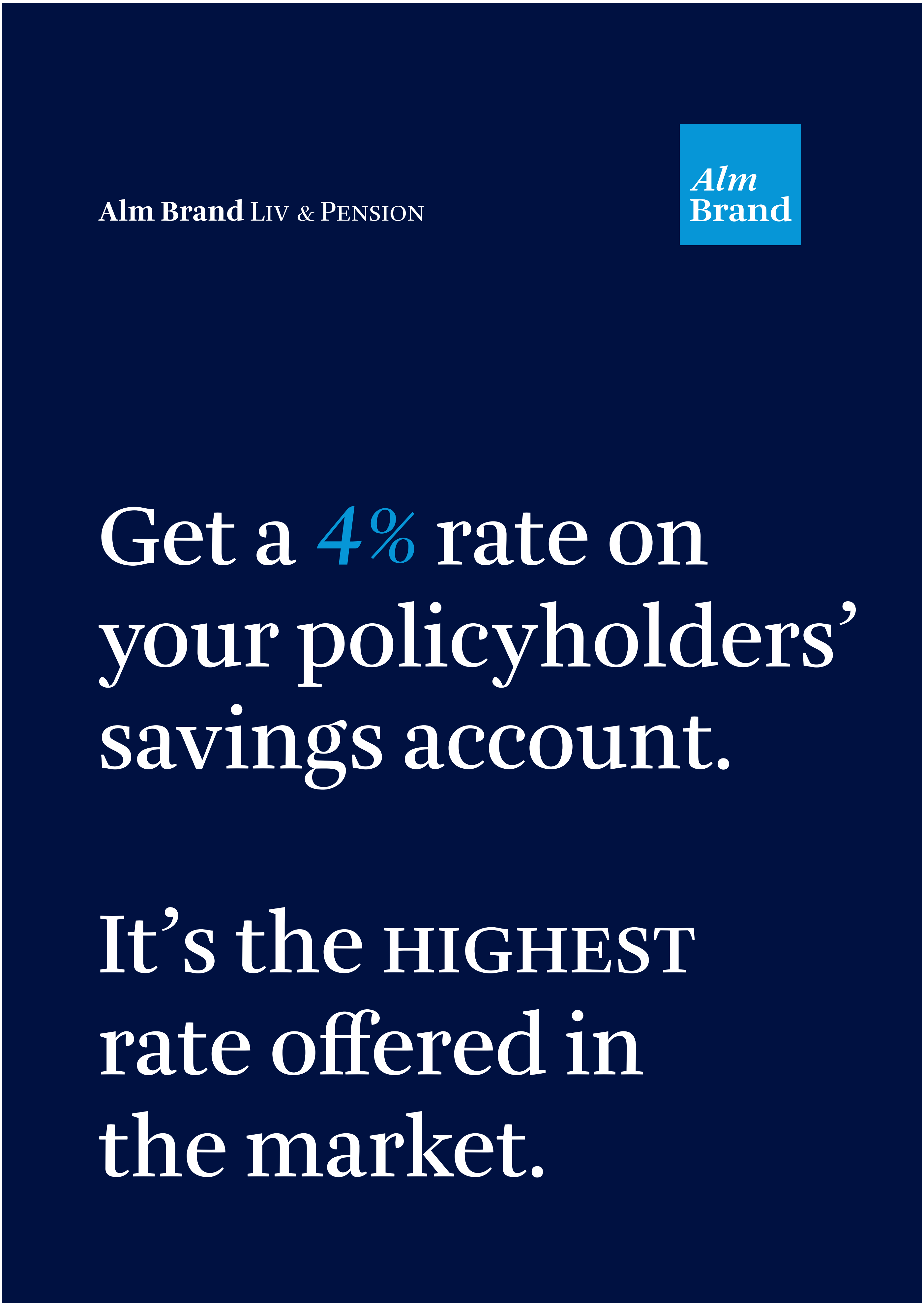
In recent years, a number of pension companies have increasingly urged their customers to convert existing schemes into market rate products, which typically eases the company's provisioning requirement. However, there is still believed to be a market for and customer needs which are best covered by the average rate product with guaranteed benefits. Consequently, Alm. Brand Liv og Pension continues to pursue its strategy of offering average rate products in order to best accommodate customer needs. Supported by the company's strong capitalisation and substantial investment buffers, average rate products are still as profitable as market rate products.

Products

The life insurance company offers all main types of insurance cover and savings, and the product offering is reviewed on an ongoing basis. Guarantees for schemes are determined in accordance with the Danish FSA's guidelines on the provision of guarantees. New agreements are based on a rate of 0.5%.

The bank offers securities custody accounts in which the individual customer holds the securities directly. Most savings are conducted through the Alm. Brand Investment Scheme, allowing customers to design investments to their personal needs and preferred risk profile. Customers may choose either to let Alm. Brand handle the investments or to make all or part of the investments themselves.

All products offered by the bank are based on the market rate principle.



Exhibition banner for Alm. Brand Liv og Pension

Return on equity principles

The Executive Order on the contribution principle issued by the Danish FSA lays down the guidelines for return on equity. This is the return achievable on invested capital.

The return on equity is composed of the direct return on assets allocated to equity plus a risk allowance.

Customers have been divided into a number of contribution groups based on rate of interest, insurance risk and expenses. The risk allowance on shareholders' equity is calculated separately for each group. Similarly, any shadow account, collective bonus potential, transfer and surrender charge, etc. will be determined separately for each contribution group.

The risk allowance for 2014 has been determined as follows:

- Interest rate groups: 0.15% of average life insurance provisions net of reinsurance exclusive of collective bonus potential and any use of the bonus potential on paid-up policies
- Insurance risk groups: 100% of the risk result net of reinsurance after bonuses
- Expense groups: 100% of the expense result net of reinsurance after bonuses

The risk allowance is calculated exclusively on the basis of the portfolio of policies with bonus entitlement. For policies without bonus entitlement, including life-long annuities without bonus entitlement, the result – which might be positive or negative – is fully allocated to equity.

The Danish FSA lays down guidelines for when the risk allowance may be included in the profit/loss for a specific financial year. Whether the risk allowance for a contribution group can be recognised as income depends on the profit/loss reported for the group. In simplified terms, the allocation of the risk allowance of the interest rate groups requires the investment return and the release of excess provisions – positive or negative – to be higher than the average rate of interest on which the guaranteed benefits provided to customers of the specific interest rate group are based.

If the return achieved in a contribution group does not allow for recognition of the risk allowance, the return on equity shortfall is taken to a "shadow account". The shadow account may be regarded as a receivable, which is transferred to shareholders' equity as and when made possible by the financial results achieved in subsequent years.

The risk allowance for 2015 has been determined as follows:

- Interest rate groups: 0.15% of average life insurance provisions net of reinsurance exclusive of collective bonus potential and any use of the bonus potential on paid-up policies
- Insurance risk groups: 100% of the risk result net of reinsurance after bonuses
- Expense groups: 100% of the expense result net of reinsurance after bonuses
- The result of Forenede Gruppeliv including commission payments

For 2015, the result of Forenede Gruppeliv is shown to be fully recognised in the final bullet, whereas previously a part of the result was recognised in the expense and risk result.

Business partners
In some cases, for competitive or financial reasons, the company uses business partners instead of offering the product/service in-house.

Investment strategy
Assets allocated to equity
The direct return on equity is achieved by investing assets allocated to equity. These assets are generally invested in short-term, interest-bearing instruments.

Policyholders' funds in guaranteed schemes
Investment of customer pension funds takes account of the nature of the products and the guaranteed benefits provided. Funds are invested mainly in bonds, equities and real property. A small portion is placed in credit bonds and emerging market bonds. In addition, funds are invested in derivative financial instruments. For example, swaps and swaptions are used to adequately balance the risks on investments with liabilities.

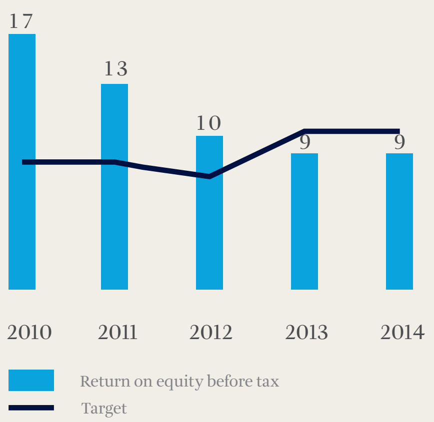
Division of the guaranteed portfolio
As from 2011, customers with average rate products have been divided into a number of interest rate groups according to the rate of interest on which the individual customer's guaranteed benefits are based. The distribution of investments depends on the interest rate group and is determined for the purpose of generating the highest possible return, taking into account the liabilities and the related capital tied up and bearing in mind that the product is principally aimed at customers with low risk tolerance.

Regardless of variations in the investment return, the aim is to fix a rate on policyholders' savings that does not fluctuate substantially from one year to the next. The rate on policyholders' savings is fixed separately for each interest rate group at the beginning of the year. However, Alm. Brand Liv og Pension may, if deemed necessary, change the announced rate on policyholders' savings during the period.

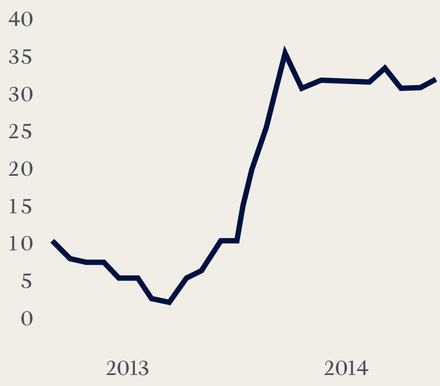
Strategic goals for 2013-2016
Target: Improved customer experience
In line with the overall group strategy, a very big focus for Pension over the next couple of years will be to improve the customer experience in order to ensure satisfied and loyal customers.

Customer satisfaction with the service received by telephone continued to be a key focus area in 2014. For several years, Alm. Brand has systematically measured customer satisfaction by means of the Net Promoter Score method (NPS). The data are showing a very positive trend, and the results for the most recent period were better than expected.

Return on equity (%)



Net Promoter Score (NPS)



Target: 12% growth in regular payments over and above the rate of inflation

The group's strategy is to achieve an increase in pension payments to Life and Pension as well as to market rate schemes provided by the bank. The bank aims to mainly achieve the increase from the Alm. Brand Investment Scheme.

The target was for the portfolio of regular payments to Life and Pension to increase by 12%. However, the tax reform had a significant adverse impact on regular premium payments in both 2013 and 2014. As a result, the target is adjusted to an increase of 8% over and above the rate of inflation for the period 2013-2016.

In the period 2013-2014, regular premiums grew by 2.3%. Growth fell slightly short of expectations when adjusted for the effect of the tax reform. A strategic restructuring of the sales organisation was completed in 2014 with a view to ensuring greater focus on getting new, regular premium customers.

In 2014, Life and Pension's rate on policyholders' savings was between 4.00% and 6.00%, which was among the highest rates offered in the Danish market. The rate on policyholders' savings has been raised by 0.50% for a single interest rate group and is unchanged for the other groups in 2015 and so is still among the highest rates offered in the Danish market. The rates on policyholders' savings are generally applicable for the whole of 2015 but can be changed during the year.

The high rate on policyholders' savings and the attractive fee structure will support the company's growth strategy. Moreover, it is expected to reduce the volume of transfers/surrenders, which will contribute to preserving the portfolio.

Target: Return on equity of 10% plus the money market rate

The aim is for Life and Pension to generate a return on equity of 10% plus the money market rate by 2016. This is to be accomplished by continuing the strong performance record of Life and Pension as well as by reducing the capital expenditure.

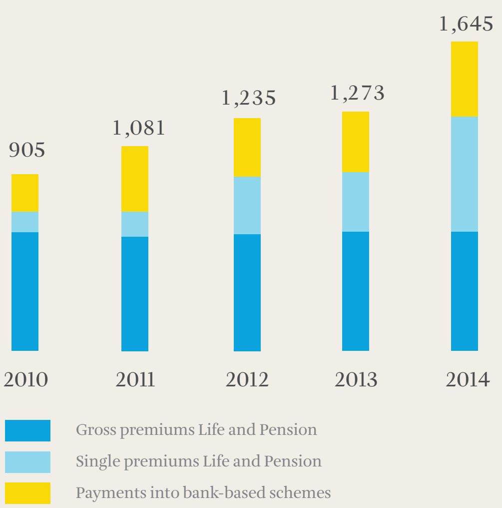
Life and Pension generated a return on equity of 9% in 2014, which was in line with expectations.

Performance

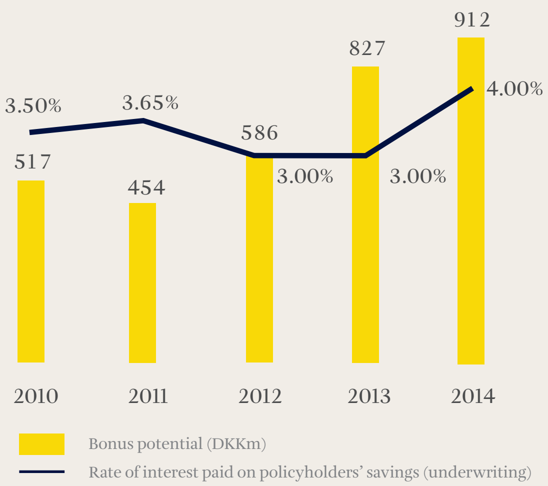
Life and Pension achieved total pre-tax profit of DKK 78 million in 2014, against DKK 86 million in 2013.

The profit was composed of an expense and risk result of DKK 62 million, an interest rate result of DKK 16 million and a result on annuities without bonus entitlement of minus DKK 3 million and, lastly, an investment return on assets allocated to equity of DKK 2 million.

Total payments, Pension (DKKm)



Bonus potential



The full risk allowance was booked to equity for all contribution groups in 2014. The shadow account balance remains unchanged at DKK 12 million.

The profit for the year equals a return on equity of 9%, which was unchanged relative to 2013.

The profit for the year was satisfactory for the year as a whole, although the final quarter came out slightly below expectations, being impacted by a lower than expected return on assets allocated to equity and by the Danish FSA's life expectancy benchmark, both of which drove the company's performance below the expected level.

It was satisfactory to note that the collective bonus potential increased by DKK 85 million to DKK 912 million at 31 December 2014, equivalent to an average bonus rate of 9.8%.

Premiums

Payments into guaranteed schemes

Premium income in the life insurance company's guaranteed schemes totalled DKK 1,243 million, against DKK 928 million in 2013, equivalent to an increase of 34.0%. The increase was mainly attributable to single payments from a growing number of new customers who have transferred their existing pension savings from other pension providers to Alm. Brand. Single payments hence increased by 102.3% from DKK 302 million in 2013 to DKK 611 million in 2014.

Regular premium payments were up by 1.0% from DKK 626 million in 2013 to DKK 632 million in 2014.

As a result of the tax reform in Denmark in 2012, capital pension schemes are no longer eligible for tax deduction effective from 2013. Overall, the tax reform had an estimated negative effect on regular premium payments of DKK 25-30 million in 2013 and a further amount of about DKK 10 million in 2014.

The effect of the tax reform in 2015 is expected to be very limited.

Payments into market rate schemes

Payments into market rate schemes in the bank (investment schemes) totalled DKK 402 million, against DKK 345 million in 2013, equivalent to an increase of 16.5%. The increase was highly satisfactory.

Total pension contributions

The total amount of pension contributions, including investment schemes with the bank and premium income in the life insurance company, was DKK 1,645 million, compared to DKK 1,273 million in 2013, corresponding to an increase of 29.2%.

The development in total pension contributions was satisfactory and better than expected considering the negative effects of the tax reform.

Benefits paid

Including the government tax, benefits paid totalled DKK 1,185 million, against DKK 2,239 million in 2013.

In connection with the tax reform introduced in 2012, capital pension customers were given the option of settling the tax due on their schemes at a rate of 37.3% instead of the standard rate of 40%. This option has subsequently been extended to apply in 2014 and 2015 as well. In 2013, many customers opted to accept this offer as recommended, resulting in a total government tax payment of DKK 962 million. In 2014, more customers opted to accept the offer, triggering a government tax payment of DKK 172 million on behalf of customers.

The effect of the tax reform in 2015 is expected to be very limited.

Risk result

The risk result, which expresses the difference between risk premiums and claims expenses, was DKK 64 million in 2014, against DKK 71 million in 2013. The overall risk result was highly satisfactory.

Costs

Acquisition costs and administrative expenses totalled DKK 84 million in 2014, against DKK 81 million in 2013. The decline was attributable to higher acquisition costs and should thus be seen in light of the company's growth strategy.

	DKKm	2014	2013	2012	2011	2010
Income statement	Premiums	1,243	928	903	724	719
	Investment return after allocation of interest	945	253	856	856	786
	Insurance benefits	– 1,185	– 2,239	– 973	– 1,057	– 1,056
	Insurance operating expences	– 84	– 81	– 79	– 70	– 73
	Reinsurance result	– 4	– 3	3	1	2
	Change in life insurance provisions	– 722	1,650	– 495	– 401	65
	Change in collective bonus potential	– 85	– 240	– 137	63	– 292
	Government tax on unallocated funds	– 32	– 185	–	–	–
	Technical result	**76**	**83**	**78**	**116**	**151**
	Return on investment allocated to equity	2	3	12	21	30
	Profit before tax	**76**	**86**	**90**	**137**	**181**
	Tax	– 21	– 21	– 19	– 32	– 50
	Profit after tax	**57**	**65**	**71**	**105**	**131**
	Return on investment allocated to equity					
	Return on investment allocated to equity	2	3	12	21	30
	Result of portfolios without bonus entitlement	– 3	0	– 9	24	13
	Interest result	16	11	11	11	–
	Expense result	– 2	3	3	16	15
	Risk result	64	71	78	70	66
	Transferred to/from the shadow account	0	– 2	– 5	– 5	57
	Profit before tax)**	**77**	**86**	**90**	**137**	**181**
Balance sheet	Total provisions for insurance contracts	11,878	11,074	12,463	11,829	11,493
	Total shareholders' equity	818	1.011	946	1.026	1.122
	Total assets	13,976	12,993	14,366	13,624	13,131
Key ratios	Return before tax on pension returns	9.2%	2.3%	7.9%	8.3%	7.5%
	Return on customer funds before tax on pension returns	10.0%	2.5%	8.5%	9.0%	8.1%
	Return on equity funds before tax on pension returns	0.2%	1.2%	1.3%	2.2%	2.9%
	Expense ratio on premiums	6.7%	8.7%	8.7%	9.7%	10.1%
	Expense ratio on provisions	0.9%	0.8%	0.8%	0.7%	0.7%
	Expenses per individual insured (rounded to nearest DKK)	1.096	1.026	961	820	811
	Expense result	– 0.1%	0.0%	0.0%	0.1%	0.1%
	Insurance risk result	0.8%	0.7%	0.7%	0.9%	0.5%
	Bonus rate	9.8%	9.2%	5.8%	4.5%	5.1%
	Equity reserves	10.6%	13.0%	10.6%	12.0%	12.7%
	Excess coverage ratio (Solvency I)*	4.9%	5.3%	5.6%	5.1%	6.0%
	Solvency coverage (Solvency I)*	197%	210%	211%	202%	227%
	Return on equity before tax	9.2%	8.8%	9.7%	13.3%	16.6%
	Return on equity after tax	6.8%	6.7%	7.6%	10.1%	12.0%
	Return on customer funds after deduction of expenses before tax	9.6%	1.1%	6.9%	6.9%	7.3%
	Return on subordinated loan capital before tax	– 1.7%	– 1.7%	– 2.2%	– 2.7%	– 2.2%

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by insurance companies and profession-specific pension funds.

*The total capital is reduced by the amount of proposed dividends.

**Profit before tax of the parent company Alm. Brand Liv og Pension A/S, which includes post-tax return on investment in the EMD Local Currency investment fund.

Expense result
The expense result, which expresses the difference between expense loading and expenses incurred, amounted to a loss of DKK 2 million, against a profit of DKK 3 million in 2013. The lower expense result was caused by the combination of fewer expense contributions due to a numerical reduction of the portfolio and a few cases of reduced fees. The expense ratio (expenses as a percentage of gross premium income) was 6.7, against 8.7 the year before. The expense per individual insured was DKK 1,096, compared with DKK 1,026 in 2013. The expense result was satisfactory.

Reinsurance
The reinsurance result amounted to a DKK 4 million loss.

Investment return on assets allocated to equity
The return on investment assets allocated to equity was DKK 2 million, against a return of DKK 3 million in 2013, corresponding to a return of 0.2%.

Assets allocated to equity are primarily invested in ultra-short bonds. The return was not satisfactory, being adversely affected by the very low level of interest rates and other factors.

Investment return on policyholders' funds
Total investment assets belonging to policyholders amounted to DKK 12.5 billion at 31 December 2014. The investment assets are placed in bonds, equities and property.

The return on investment assets belonging to policyholders was DKK 1,162 million, against a return of DKK 302 million in 2013.

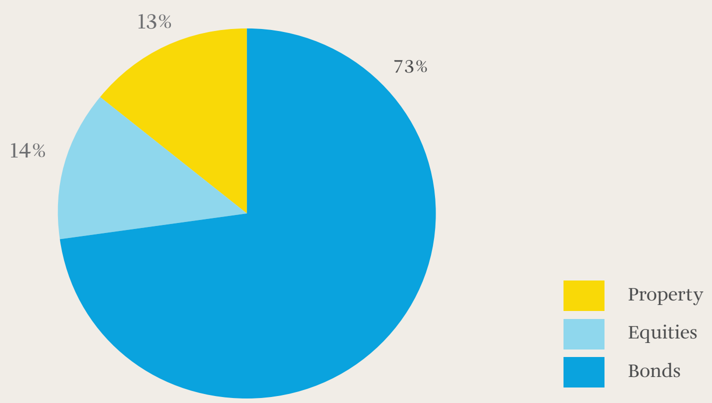
Lower interest rates contributed strongly to improving the return for the year through large capital gains on bonds and interest hedging arrangements. As the interest rate decline also resulted in a significant increase in liabilities, the return was not entirely satisfactory.

The return was calculated before tax on pension returns but after investment costs.

Payment of tax due to the tax reform was effected by the sale of mortgage bonds, causing the proportion of mortgage bonds relative to total investment assets to decline in 2013.

Bonds
At 31 December 2014, bonds made up a total of 73% of the overall portfolio of policyholders' funds. The return was 11.8% in 2014.

Distribution, investment assets



The satisfactory bond return was achieved on the basis of gains on all bond types, but in particular government, credit and index-linked bonds performed strongly on the back of the major interest rate declines in 2014.

Derivative financial instruments used for partial hedging of insurance liabilities made a positive contribution to the return due to the falling level of interest rates.

Equities

At 31 December 2014, equities made up a total of 14% of the overall portfolio of policyholders' funds. The return was 6.1% in 2014.

The return on equities was lifted by favourable developments in the financial markets, but was not entirely satisfactory as particularly Nordic equities underperformed.

Property

At 31 December 2014, property made up a total of 13% of the portfolio of policyholders' funds. The return of 2.8% in 2014 was below budget and due to a negative value adjustment of properties in the course of 2014.

Life insurance provisions

Life insurance provisions are calculated using a market value principle that applies an expected cash flow discounted by the yield curve published by the Danish FSA for discounting provisions. The 10-year yield was at 0.99% at 31 December 2014, against 2.24% at 31 December 2013.

Total provisions increased by DKK 722 million, mainly due to the lower yields.

In addition to the government tax paid in 2014, a provision of DKK 32 million was made for extraordinary tax. The amount falls due in May 2015 and is attributable to tax on unallocated reserves for customers who have exercised the option of settling tax on their capital pension scheme.

Collective bonus potential

The collective bonus potential increased by DKK 85 million in 2014 to stand at DKK 912 million at 31 December 2014, equivalent to a bonus rate of 9.8%, against 9.2% at 31 December 2013.

The collective bonus potential is calculated separately for each contribution group.

The bonus rate of the individual interest rate groups was highly satisfactory.

	U74*	Interest rate group				Total
		0	1	2	3	
Technical rate of interest (% p.a.)		0.5-1.5	1.5-2.5	2.5-3.5	3.5-4,5	
Rate on policyholders' savings 2014 (% p.a.)		4.00	4.50	5.00	6.00	
Rate on policyholders' savings 2015 (% p.a.)		4.00	5.00	5.00	6.00	
Investment assets (DKKbn)	0.1	4.8	1.9	1.2	4.4	12.5
Bonus rate (%)		11.6	19.3	7.6	3.3	9.8
Return (%)		5.4	13.7	8.0	11.0	10.0
Bonds	100%	59%	53%	77%	78%	67%
Equities	0%	24%	20%	8%	3%	14%
Property	0%	17%	14%	11%	9%	13%
Fixed-income derivatives	0%	0%	13%	4%	10%	6%

*Portfolios without bonus entitlement

Exhibition banner for Alm. Brand Liv og Pension

Major events

Interest rate level

Interest rates dropped to an all-time low in 2014. The yield curve of the Danish FSA declined by around 130 basis points at the long end, which must be considered quite dramatic in light of the fact that, from a historical perspective, interest rates were already very low at the beginning of the year.

Throughout 2014, Alm. Brand Liv og Pension maintained its overall investment strategy and was even in a position to improve the bonus rate. Because of the company's strong financial position, the individual solvency need was comfortably below the minimum solvency requirement throughout the reporting period.

Solvency and provisioning principles

The Danish FSA had planned to introduce new solvency rules with effect from 1 January 2015. However, in mid-2014, it became clear that the process would be delayed, and the introduction was therefore postponed until 1 January 2016.

The new solvency rules comprise new and more demanding asset stress tests but also a change to the calculation of provisions that will improve the companies' financial buffers. These changes can already be applied in the calculation of the solvency requirement, but there are also more simple transitional rules that can be applied until and including 2015.

Specifically, the change in the calculation of provisions implies that the calculation must take the customers' expected surrender and paid-up policy behaviour into account in the cash flows underlying the provisions. This makes the calculation setup somewhat more complex.

A major effort is currently being undertaken to similarly adjust the Danish accounting rules in order to align the provisioning principles therein with the principles of the solvency rules. The accounting rules will be amended with effect from 1 January 2016.

In order to prepare for the amended rules, Alm. Brand Liv og Pension in autumn 2013 engaged with IT provider Schantz with a view to developing a calculation setup capable of including surrender and paid-up policy behaviour in the calculation of provisions. As a result of this collaboration, Alm. Brand Liv og Pension was one of the first companies in Denmark to transition to the new solvency principles when they were implemented at the beginning of 2014.

This also means that Alm. Brand Liv og Pension is comfortable facing the accounting and solvency changes scheduled for implementation in 2016 as the company has already implemented most of the calculation setup.

New life expectancy benchmark

The Danish FSA in 2014 announced a new benchmark for remaining life expectancy, which is used for the calculation of life insurance provisions.

Life and Pension implemented the new benchmark with effect from 31 December 2014. For portfolios with bonus entitlement, the implementation of the new benchmark resulted in a DKK 14 million increase of provisions, the amount being financed by the collective bonus potential. For portfolios without bonus entitlement, the provision increased by DKK 2 million, which was financed through equity.

Outlook

The company expects to generate pre-tax profit to the tune of DKK 75 million in 2015. The return on investment assets allocated to equity is not expected to contribute to the profit due to the current very low level of short-term bond yields.

Growth in regular premiums is expected to be at the level of 4% in 2015.

Whether the full risk allowance can be booked depends on the results of the individual contribution groups. The company expects to be able to book a risk allowance for all contribution groups in 2015.

The results of the interest rate groups will depend on developments in the financial markets but will only contribute about 20% of the total expected results.

The increased turmoil in financial markets in 2015 and the negative Danish interest rates make the expected results subject to significant uncertainty. The outlook is based on an assumption that the situation of negative interest rates in Denmark will be of limited duration.

Banking

Alm. Brand Bank's activities are divided into forward-looking activities and winding-up activities.

The forward-looking bank is a nation-wide bank with just over 50,000 private customers measured in terms of households. The bank offers products that meet private customer financial needs and also offers car leasing to private and commercial customers. The bank's forward-looking activities also include Financial Markets, which comprises bond, equity and currency trading and research (Markets) and asset management services (Asset Management).

The bank's winding-up activities are composed of agricultural, commercial and mortgage deed exposures.

Car leasing distribution takes place directly to private customers through the website almbrandleasing.dk and through partnerships with car importers and car dealers all over Denmark. Distribution to the commercial segment takes place through in-house consultants.

In addition, the bank has winding-up activities, which are composed of agricultural, commercial and mortgage deed exposures. The bank is strongly focused on minimising losses when winding up discontinued business areas.

The winding-up portfolio is handled by some 25 employees. The winding-up activities have been centralised at the head office.

Organisation and sales

The bank's 50,000 customers are served by close to 90 banking, investment and pension advisers distributed on 11 branches. In addition, just over 40 employees based at the bank's head office are involved with customer management and development of the private customer business. Financial Markets has some 45 employees, while Leasing has about 25.

The bank's branches offer customers a full-service concept, including advisory services and sales of a full range of banking products targeting the private customer segment. The bank also offers investment advice, and each branch has designated pension advisers. It is a key priority for the bank to offer competent, personalised advisory services to each individual customer.

Through Asset Management and Markets, the bank offers more complex investment solutions for customers requiring such services.

Banking customers are also served through a centralised customer service centre, which advises customers on all regular banking products and handles customer enquiries. If necessary, customers are referred to their personal advisers.

Market

Private

Private consumer confidence seemed to increase slightly in 2014 relative to 2013. Generally, private customers continue to focus strongly on reducing their bank debt and increasing their savings.

Conditions in the housing market were better in 2014 than they had been for a long time. The volatility previously characterising the housing market has diminished considerably. Particularly in the Greater Copenhagen area and in a few major towns and cities, the market seems to have regained a fair amount of robustness, in terms of both marketability and higher prices. However, there are still areas with virtually no marketability. The geographical differences in the housing market increased in 2014, and this trend is believed to continue. Housing market developments are obviously of key importance to private banking customers, who must take them into consideration when making decisions involving their personal finances. This is where the bank's customer advisers are well positioned to advise and guide customers and help ensure financial security for them.

We want our customers to *perceive* our bank as one of the best providers of service and advice and as offering the best prices in the industry.

Kim Bai Wadstrøm,
Managing Director, Banking

Financial results for *Q4*

- Loss before tax and excluding minority interests: DKK 113 million (2013: DKK 104 million loss)
- Forward-looking activities: DKK 14 million loss (2013: DKK 20 million loss)
  - Winding-up activities: DKK 99 million loss (2013: DKK 84 million loss)
  - Loss before impairment writedowns: DKK 34 million (2013: DKK 6 million loss)
- Losses and writedowns: DKK 81 million (2013: DKK 98 million)
- Interest margin for the banking group: 1.7% (2013: 1.6%)

Forward-looking activities
The forward-looking activities posted a loss before impairment writedowns of DKK 14 million, against a profit of DKK 24 million in Q4 2013. The decline was mainly attributable to negative value adjustments.

Income
The bank's income from forward-looking activities fell by DKK 10 million to DKK 140 million, against DKK 150 million in 2013. The decline was due to lower trading income in Financial Markets, which was partly offset by higher income from leasing activities.

Core earnings
Core earnings were down by DKK 6 million to DKK 24 million from 30 million in Q4 2013.

Value adjustments
Value adjustments produced a loss of DKK 38 million, against a loss of DKK 2 million in Q4 2013. This development was mainly due to capital losses on the portfolio of mortgage bonds as a result of a higher risk premium relative to government bonds.

Impairment writedowns
Impairment writedowns amounted to DKK 0 million, against DKK 44 million in Q4 2013.

Winding-up activities
The bank's winding-up activities posted a pre-tax loss of DKK 99 million, against a loss of DKK 84 million in Q4 2013. Writedowns amounted to DKK 81 million, against DKK 54 million in Q4 2013.

DKK 113m loss

Loss before tax and minority interests (2013: DKK 104m loss)

DKK 34m loss

Loss before impairment writedowns (2013: DKK 6m loss)

The bank has generally experienced a growing appetite for investment among private customers, which in 2014 resulted in an increase in the volume of business with private customers in the investment area.

Improvements in the housing market and mounting activity among private consumers intensified competition for the attractive customers considerably in the second half of 2014. This has generally depressed lending rates, especially on property financing. There is nothing to indicate that the competitive situation will change significantly in 2015.

Financial Markets
2014 was a volatile year in the financial markets. Although equities ended the year in positive territory, investors had to endure three turbulent periods, each with market drops of almost 10%. Although Danish yields generally ended the year at a new record low, the mortgage credit market went through a couple of rough periods of surging yields. Expectations are not for a much calmer year in the financial markets in 2015.

Savings ratios have generally risen in the wake of the financial crisis, and combined with growing financial volatility this places the advisory and asset management services of Financial Markets in a very important position.

In 2014, Financial Markets reported growth in its Markets customer base and an increase in assets under management from external customers in Asset Management. However, growth is being achieved in an environment of ever-growing price competition.

Leasing
The private car leasing market experienced strong growth in 2014. The overall market increased and, at the same time, the number of active players grew in 2014. Small and mid-sized cars remain the most sought after private lease cars.

The commercial car leasing market was largely unchanged relative to 2013.

Strategy

The bank's strategy is to support the Alm. Brand Group's aim of offering selected customer segments comprehensive financial solutions across insurance, pension and banking.

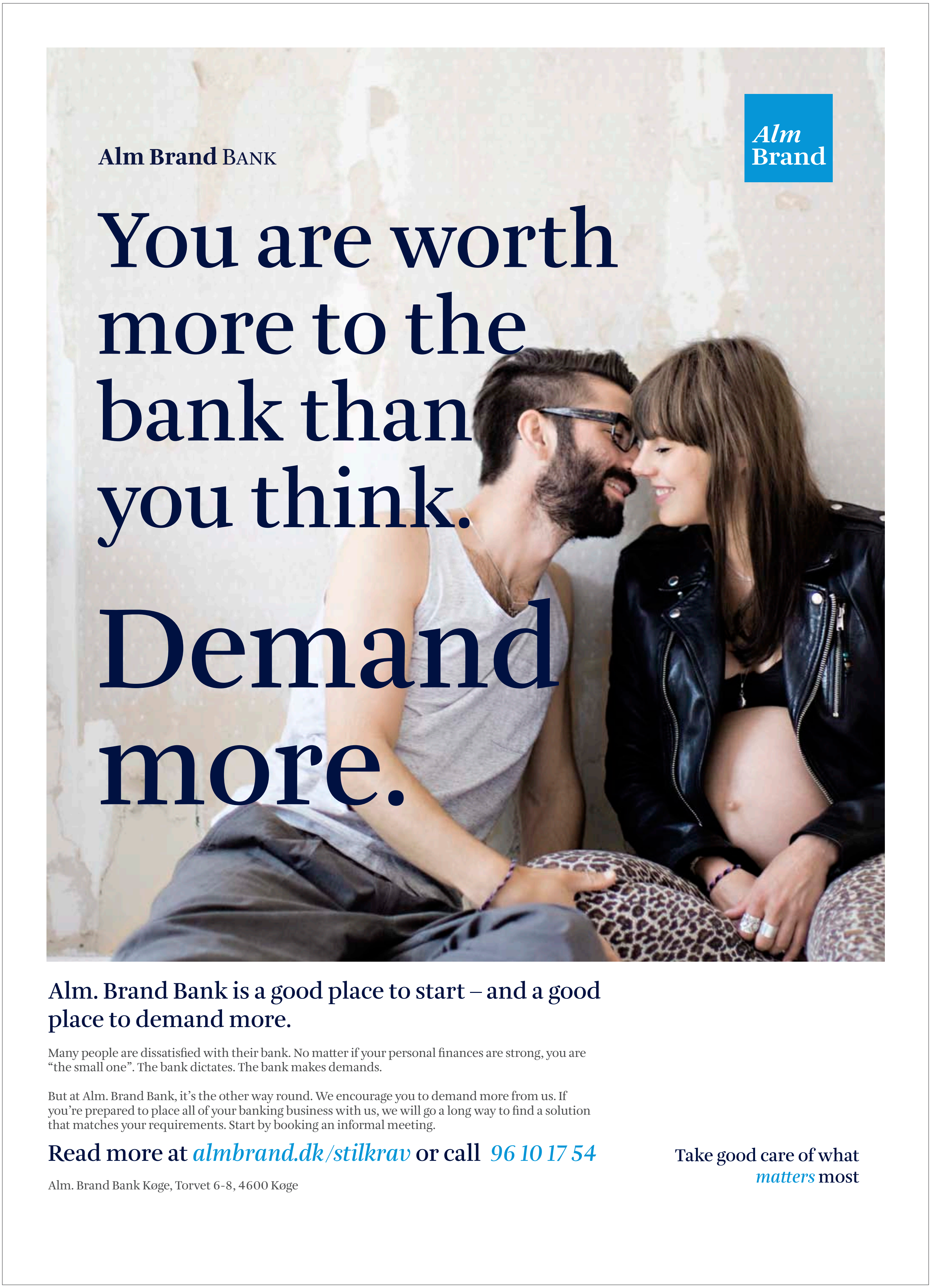
The bank's strategy is focused on three segments:

- Private customers
- Financial Markets
- Leasing

Alm. Brand Bank wants to be the main banker of its customers. The bank targets customers who own their own homes or live in cooperative housing and customers with a major requirement for investment and pension advisory services. The goal is to help customers be in control of their day-to-day finances, and the solution is to provide uncomplicated and simple banking solutions. At Alm. Brand Bank, solutions have been structured with a view to ensuring a good balance between a customer's financial resources and risk appetite. The private customer area collaborates closely with Financial Markets on investment and asset management services.

Financial Markets serves financial and institutional customers and private customers who require investment advice or investment management services. The strategy is built around a focus on actual assets where the bank's advisory services can make a difference for the customers. Maintaining customer/adviser relationships built on mutual, personal respect and trust is a big priority.

In the leasing area, the bank is committed to becoming the preferred leasing company among Danish consumers. The strategy is to offer attractive lease solutions to the Danish business sector and private individuals. Focus is on flexibility and being receptive to customer requests, while providing exceptionally good service and professional advice.



Advertisement for Alm. Brand Bank's "Demand More" campaign

We want our customers to perceive Alm. Brand Bank as one of the best providers of service and advice and as offering the best prices in the industry. Customers should be offered financially attractive and value-creating solutions supporting long-term customer relationships. The aim is to have simple and uncomplicated procedures and offer high-quality advisory services as and when required.

Customer satisfaction is measured systematically by means of the Net Promoter Score method (NPS), and in 2014 alone, the customer satisfaction score improved from 30 to 40.

Strategic goals for 2013-2016
The bank has defined a number of goals for improving earnings so that it can deliver satisfactory results in future.

Target: Doubling the number of customers with preferred customer status (Pluskunder)
We aim to achieve this target by focusing on both existing and prospective customers, not least in relation to people who are customers elsewhere in the Alm. Brand Group. The target must be achievable within the existing cost structure and should hence not require any significant additional investment.

The number of Pluskunder was successfully increased by 10% in 2014. Pluskunder are customers who have chosen Alm. Brand Bank as their main banker, and who have a business volume of at least DKK 150,000. However, competition for the attractive banking customers is fierce, and as a result the inflow of new Pluskunder was achieved partly by way of added sales to existing part-service customers who were thereby converted into full-service customers.

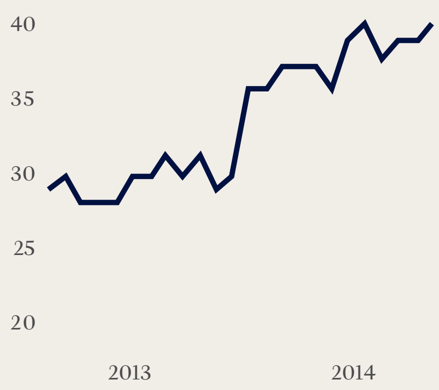
Target: Income/cost ratio of more than 1.1 by 2016
The income/cost ratio was 0.56 in 2014, against 0.38 in 2013, being affected by large impairment writedowns. The improvement to be achieved by 2016 will be driven by higher core earnings from forward-looking activities and by a reduction of impairment writedowns and funding costs.

Target: Increasing the interest margin by more than 1 percentage point by 2016
The goal is for the group's interest margin to reach at least 2.4% by 2016. In 2014, the interest margin was 1.7%, which was 0.1 of a percentage point higher than in 2013. Improvements towards 2016 will be driven mainly by reducing funding costs and by winding up or raising interest rates on the loans and advances in the winding-up portfolio carrying the lowest rate of interest.

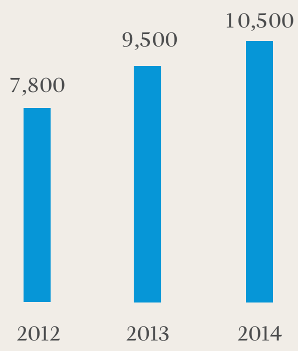
Target: Reducing the winding-up portfolio by 10% annually
Excluding the sale of non-delinquent mortgage deeds in 2014, the bank succeeded in reducing the winding-up portfolio excluding writedowns by DKK 561 million, corresponding to 12% of the portfolio at 1 January 2014. In 2013, the portfolio was reduced by 11%. The reduction of the winding-up portfolio is generally progressing slightly better than expected.

Target: Profit in 2016
The bank aims to generate an overall profit in 2016 and a return on equity in the forward-looking activities of 10% plus the money market rate.

Net Promoter Score (NPS)



No. of Pluskunder



	DKKm	Group 2014	2013	2012	2011
Income statement	**Forward-looking activities:**				
	Net interest and fee income, Private	182	179	177	172
	Trading income (excl. value adjustments)	212	240	172	224
	Other income	137	89	63	55
	Total income	**531**	**508**	**412**	**451**
	Expenses	–344	–368	–364	–368
	Amortisation	–91	–52	–33	–18
	Core earnings	**96**	**88**	**15**	**65**
	Value adjustments	–31	–33	3	–96
	Profit/loss from investments	17	–2	–6	0
	Alm. Brand Formue (the bank's ownership interest)	–4	–25	–2	–28
	Profit/loss before impairment writedowns	**78**	**28**	**10**	**–59**
	Writedowns	–17	–118	–57	–105
	Profit/loss before tax, forward-looking activities	**61**	**–90**	**–47**	**–164**
	Of which discontinued activities	*17*	*-6*	*13*	*-8*
	Winding-up activities:				
	Profit/loss before impairment writedowns	–76	–123	–49	–101
	Writedowns	–260	–256	–423	–889
	Profit/loss before tax, winding-up activities	**–336**	**–379**	**–472**	**–990**
	Total profit/loss before tax and minority interests	**–275**	**–469**	**–519**	**–1.154**
	Tax	116	77	128	236
	Profit/loss after tax and before minority interests	**–159**	**–392**	**–391**	**–918**
	Minority interests	11	26	39	–32
	Consolidated profit/loss after tax	**–148**	**–366**	**–352**	**–950**
Balance sheet	Loans and advances, forward-looking activities	2,585	2,568	2,754	3,158
	Loans and advances, winding-up activities	2,069	4,772	5,642	7,059
	Deposits	11,076	10,936	11,325	7,995
	Shareholders' equity	1,744	1,696	1,169	1,234
	Share attributable to minority interests	0	193	173	141
	Total assets	14,411	16,296	17,903	21,393
Key ratios	Average no. of employees (full-time equivalents)	258	263	275	286
	Interest margin	1.7%	1.6%	1.4%	1.6%
	Income / cost ratio	0.56	0.38	0.42	0.08
	Impairment ratio	2.1%	2.1%	2.8%	6.0%
	Total capital ratio	17.8%	18.4%	18.5%	16.8%
	Return on equity before tax	–17.3%	–33.8%	–41.6%	–94.5%
	Return on equity after tax	–10.0%	–27.9%	–30.6%	–75.8%

In 2014, the bank reported a loss of DKK 275 million, of which winding-up activities contributed a loss of DKK 336 million. Improvements towards 2016 will be derived mainly from the winding-up activities.

The return on equity in the bank's forward-looking activities came to 9% in 2014, which was close to the target defined for 2016.

Performance

The bank incurred a loss before tax and excluding minority interests of DKK 275 million, against a loss of DKK 469 million in 2013.

The forward-looking activities generated a profit of DKK 61 million, which was slightly below the expected level but still satisfactory.

Winding-up activities produced a loss of DKK 336 million, which was not satisfactory but within the expected range.

Before writedowns, the bank posted a profit of DKK 2 million, marking an improvement of DKK 97 million on 2013.

Total writedowns in the bank amounted to DKK 277 million, against DKK 374 million in 2013. DKK 260 million of the writedowns made in 2014 was attributable to winding-up activities.

The banking group's interest margin was 1.7% in 2014, up 0.1 of a percentage point on 2013.

The DKK 1.9 billion sale of non-delinquent mortgage deeds to Alm. Brand Forsikring A/S in December 2014 reduced the bank's funding requirements by approximately DKK 2.3 billion.

In addition, the bank repaid the remaining DKK 226 million of state-funded additional tier 1 capital and redeemed DKK 300 million of tier 2 capital.

Forward-looking activities

The pre-tax results improved by DKK 151 million relative to 2013 to a profit of DKK 61 million. The improvement was driven by an increase in profit before impairment writedowns and a decline in impairment writedowns.

Impairment writedowns amounted to DKK 17 million, against DKK 118 million in 2013. Impairment writedowns normalised in 2014, representing 0.7% of the average portfolio.

Before impairment writedowns, the bank posted a profit of DKK 78 million, marking an improvement of DKK 50 million on 2013. The improvement was driven by an increase in the effect on profit from the ownership of the former Alm. Brand Formue A/S as well as by higher core earnings.

Core earnings for 2014 were a profit of DKK 96 million, against a profit of DKK 88 million in 2013. The improvement was driven by higher income from the leasing portfolio and by lower costs. On the other hand, a decline in trading income adversely affected core earnings.

Income

The bank generated income of DKK 531 million in 2014, an increase of DKK 23 million or 5% relative to 2013. The increase was driven by other income, which primarily cover the bank's leasing activities.

Net fee and commission income from the bank's private customers was DKK 182 million, against DKK 179 million in 2013. Although only a slight improvement, the second half of 2014 saw an increase in demand for lending from private customers, which only got to have a limited effect on net interest and fee income in 2014.

Trading income excluding value adjustments fell by DKK 28 million to DKK 212 million from DKK 240 million in 2013. The decline was mainly due to fees in 2013 being lifted by a strong performance by the bank's asset management activities.

Other income, which primarily covers leasing activities, rose by 54% to DKK 137 million relative to 2013. The favourable trends seen in 2013 continued in 2014, generating fair portfolio growth supported by orders for close to 20% more cars than in 2013.

The growth in operating leases triggered a DKK 39 million increase in the bank's depreciation charges to DKK 91 million from DKK 52 million in 2013.

Costs
Costs amounted to DKK 344 million in 2014, which was 7% or DKK 24 million lower than in 2013. Costs were composed of staff costs and administrative expenses of DKK 334 million, against DKK 354 million in 2013, and other operating expenses, primarily to the Danish Guarantee Fund for Depositors and Investors, of DKK 10 million, against DKK 14 million in 2013.

Value adjustments
Value adjustments were negative at DKK 31 million in 2014, against DKK 33 million in 2013.

Interest-related value adjustments amounted to a loss of DKK 57 million, against a loss of DKK 40 million in 2013. The loss was related to the bank's bond portfolio, a part of which was placed in high-yield bonds, and to value adjustment losses resulting from the bond maturity effect. In addition, a significant part of this bond portfolio was placed in mortgage bonds, for which the risk premium to government bonds grew in the fourth quarter of 2014, resulting in capital losses for the bank. The bank's bond portfolio generated a return of 1.2% in 2014, compared with 1.7% in 2013. The 2014 return was satisfactory in light of the general market performance.

Equity-related value adjustments produced a gain of DKK 14 million in 2014, against a gain of DKK 9 million in 2013.

Currency-related value adjustments produced a gain of DKK 12 million in 2014, against a loss of DKK 2 million in 2013.

Impairment writedowns
Impairment writedowns on the bank's forward-looking activities amounted to an expense of DKK 17 million, against an expense of DKK 118 million in 2013. Impairment writedowns were impacted by an extraordinary credit review in 2013 and returned to a normal level in 2014.

Business activities
Private
Private customer activities reported a loss of DKK 40 million, against a loss of DKK 155 million in 2013. The DKK 115 million improvement was primarily driven by a significant decline in impairment writedowns as well as by lower costs.

Private

DKKm	2014	2013
Income	182	180
Expenses	– 204	– 215
Core earnings	**– 22**	**– 35**
Impairment writedowns	– 18	– 120
Profit/loss before tax	**– 40**	**– 155**

The number of Pluskunder, who use Alm. Brand Bank as their main banker, increased by 10% in 2014, continuing the strong trend from 2013. Moreover, average earnings from the bank's Pluskunder increased by 6% in 2014 relative to 2013.

The bank reversed the downward trend in the private segment lending portfolio in 2014 after several years of decline. Total loans and advances to private customers increased by DKK 108 million to a total of DKK 2.4 billion at 31 December 2014. The increase was composed of a gross increase in lending and a decline in existing customers' loan repayments.

Moreover, the portfolio of Totalkredit loans for which the bank acted as intermediary grew significantly, gaining just over 24%, or more than DKK 1 billion, to stand at DKK 5.2 billion at 31 December 2014.

The pensions area developed satisfactorily in 2014 as the bank succeeded in growing its total pension assets by just over 5%. Assets in the bank's portfolio management product – Investment Scheme – grew by more than 17% alone.

Financial Markets

Financial Markets reported a pre-tax profit of DKK 47 million, against DKK 87 million in 2013. The performance was due to declining income from e.g. asset management activities, which performed strongly in 2013.

In addition, the financial market turmoil caused income to decline, among other things because of a lower level of trading activity.

A DKK 12 million decline in costs to DKK 93 million only to a minor degree offset the fall in income, causing core earnings to drop from DKK 99 million in 2013 to DKK 53 million in 2014.

Financial Markets

DKKm	2014	2013
Income	146	204
Expenses	–93	–105
Core earnings	**53**	**99**
Value adjustments	–7	–15
Profit/loss from investments	0	1
Profit/loss before impairment writedowns	**46**	**85**
Impairment writedowns	1	2
Profit/loss before tax	**47**	**87**

Financial Markets is experiencing continued growth in its Markets customer base and an increase in assets under management from external funds in Asset Management. Asset Management has approximately DKK 30 billion under management, of which external funds represent more than DKK 8 billion. The external funds under management increased by more than DKK 1 billion in 2014, and the aim is to maintain this growth rate in the years ahead.

Leasing

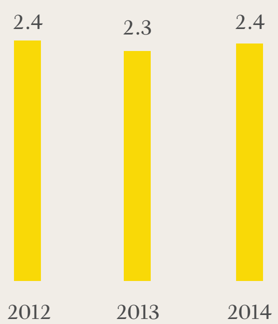
Leasing activities generated pre-tax profit of DKK 4 million, which was a DKK 3 million improvement on 2013.

Leasing

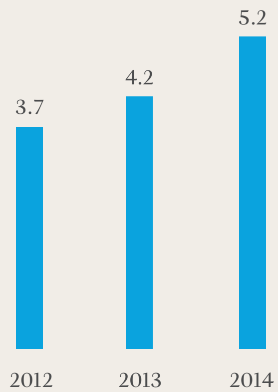
DKKm	2014	2013
Income	136	86
Expenses	–41	–33
Depreciation and amortisation	–91	–52
Profit/loss before tax	**4**	**1**

The portfolio of leasing activities grew by DKK 189 million in 2014, and close to 20% more cars were ordered than in 2013. The favourable portfolio performance was driven by new leases to both private and commercial customers. Total leasing activities amounted to DKK 509 million at 31 December 2014, against DKK 320 million at 31 December 2013.

Portfolio Private (DKKbn)



Portfolio Totalkredit (DKKbn)



As a result of the portfolio growth, income increased by DKK 50 million to DKK 136 million compared with 2013. Income was lifted by non-recurring service income, which was partly offset by an increase in costs of DKK 8 million relative to 2013. The higher level of costs was primarily due to expenses for a new IT system.

Depreciation increased by DKK 39 million to DKK 91 million in 2014 due to the larger portfolio.

Other

Other activities comprise the bank's Treasury function and the ownership interest in the former Alm. Brand Formue A/S. Other activities reported a pre-tax profit of DKK 50 million, against a loss of DKK 23 million in 2013.

The improved performance was driven by a DKK 29 million increase in income, which was mainly attributable to the bank's funding structure. The 2014 performance was further lifted by a DKK 17 million adjustment for accounting purposes in connection with the solvent liquidation of Alm. Brand Formue.

Other

DKKm	2014	2013
Income	67	38
Expenses	–6	–15
Core earnings	**61**	**23**
Value adjustments	–24	–18
Profit/loss from investments	17	–3
Alm. Brand Formue (the bank's ownership interest)	–4	–25
Profit/loss before tax	**50**	**–23**

Winding-up activities

The bank's winding-up activities are primarily composed of agricultural, commercial and mortgage deed exposures. Market developments in the individual segments varied greatly in 2014.

In the agricultural segment, dairy and pig farmers faced difficult conditions and declining earnings in 2014. The Russian import ban due to the crisis in Ukraine and the substantial decline in China's dairy product imports contributed to supply and demand imbalances, which resulted in lower pork and milk settlement prices.

In the commercial segment, a certain general pressure on rent levels remains, although positive trends are seen in the rents achievable on prime location property. Moreover, 2014 was characterised by rising selling prices on prime location property in major towns and cities.

Developments in the mortgage deed segment generally track developments in the housing market, which in 2014 was characterised by greater marketability and higher prices in the Greater Copenhagen area and a few major towns and cities. On the other hand, there are also areas in Denmark where listings hardly attract any buyers at all. The number of forced sales dropped in 2014, and a decline was also seen in delinquencies on both private and commercial mortgage deeds.

In 2014, the bank's winding-up activities incurred a loss of DKK 336 million, against a loss of DKK 379 million in 2013. Although within the most recently guided range for a loss of DKK 325-375 million, the performance was not satisfactory.

The winding-up activities are subject to substantial impairment writedowns, totalling DKK 260 million in 2014, against DKK 256 million in 2013. Before impairment writedowns, the winding-up activities reported a loss of DKK 76 million, which was an improvement of DKK 47 million relative to 2013.

Total loans and advances in the winding-up portfolio declined by DKK 2.7 billion to DKK 2.1 billion in 2014, representing 45% of the bank's overall lending portfolio. Adjusted for the sale of mortgage deeds to Alm. Brand Forsikring and losses and writedowns, the lending portfolio was reduced by close to DKK 0.6 billion, which was better than expected.

Agriculture
Agricultural exposures have been a part of the bank's winding-up portfolio since 2010. Over the past few years, the bank has made targeted efforts to reduce the credit exposure in this segment, which has had the natural effect of causing the credit quality of the remaining portfolio to gradually deteriorate.

The bank's agricultural customers generally have a high level of debt, and a number of exposures are characterised by strained liquidity. The current situation of low pork and milk settlement prices contributes to further deteriorating conditions.

At 31 December 2014, the bank had close to 80 agricultural customers, breaking down into roughly 45% pig farming, roughly 45% dairy farming and roughly 10% arable farming. The bank's gross lending to the agricultural segment totalled DKK 1,323 million at 31 December 2014. At 31 December 2014, the carrying amount of these loans and advances was DKK 668 million, and accumulated impairment writedowns hence totalled DKK 655 million.

The portfolio was reduced by DKK 152 million in 2014 to stand at DKK 668 million at 31 December 2014. Less losses and writedowns, the agricultural lending portfolio declined by DKK 37 million.

Impairment writedowns amounted to DKK 115 million in 2014, being affected by an increase in collective impairment charges of DKK 80 million made by the bank in the fourth quarter. The higher amount of collective impairment charges was attributable to declining pork and milk settlement prices. Total collective impairment charges related to the agricultural segment was DKK 114 million.

The bank had already factored in the deteriorated market conditions in its most recent guidance for 2014.

Commercial
The portfolio consists of lending to fund investment properties, lending to businesses and property development projects.

The total portfolio declined by DKK 361 million in 2014 to stand at DKK 1,094 million at 31 December 2014. Losses and writedowns amounted to DKK 8 million, being favourably affected by reversed impairment writedowns on a number of exposures in the fourth quarter of 2014.

Mortgage deeds
The segment comprises the bank's own portfolio of private and commercial mortgage deeds and mortgage deed exposure through an option agreement with Alm. Brand Forsikring. After the sale of mortgage deeds, the own portfolio amounted to DKK 307 million at 31 December 2014, while the mortgage deed exposure through the option agreement totalled DKK 1.9 billion at 31 December 2014.

Credit-related writedowns on mortgage deeds amounted to DKK 137 million in 2014, of which DKK 95 million was related to private mortgage deeds and DKK 42 million to commercial mortgage deeds.

Compared with the banking sector in general, the bank has fairly high exposure to mortgage deeds relative to the overall credit exposure.

	Lending year-end			Total losses and writedowns				Total	
DKKm	**2013**	**2014**	**Share of portfolio %**	**Q1**	**Q2**	**Q3**	**Q4**	**2014**	**Loss ratio %[a)]**
Agriculture	820	668	11.2	11	18	15	72	115	15.5
Commercial	1,455	1,094	14.2	25	0	10	–27	8	0.6
Mortgage deeds [b)]	2,497	307	34.0	27	42	31	36	136	9.7
Loans	**4,772**	**2,069**	**45**	**63**	**60**	**56**	**80**	**259**	**7.6**
Credit exposure through option agreement on mortgage deeds [b)]	-	1,874	-	-	-	-	1	1	0.1
Winding-up activities	**4,772**	**3,943**	**-**	**63**	**60**	**56**	**81**	**260**	**6.0**

a) Losses and writedowns as a percentage of the average portfolio in 2014. The percentage is not comparable with the impairment ratio in the bank's financial highlights and key ratios.
b) The impairment writedowns include credit-related value adjustments of mortgage deeds.

Balance sheet

Loans and advances

The bank's loans and advances totalled DKK 4.7 billion at 31 December 2014, against DKK 7.3 billion at 31 December 2013, corresponding to a decline of DKK 2.6 billion. The sale of the mortgage deed portfolio represented DKK 1.9 billion of this amount.

Excluding intra-group lending and writedowns, loans and advances increased by DKK 126 million for the forward-looking activities and declined by DKK 561 million for the winding-up activities, excluding the sale of the mortgage deed portfolio.

Deposits

The bank had deposits of DKK 11.1 billion at 31 December 2014, against DKK 10.9 billion at the year-earlier date.

The bank is still experiencing a shift in deposits from high-interest fixed-rate deposits to lower-interest floating-rate deposits. Floating-rate deposits increased by just over 10% in 2014.

It is part of the bank's strategy to significantly reduce the volume of fixed-rate deposits in 2015, which will have a positive effect on the bank's interest margin.

Liquidity

At 31 December 2014, the bank had cash funds of DKK 6.4 billion and excess liquidity of DKK 4.9 billion, equivalent to an excess coverage of 323% relative to the statutory requirement. Adjusted for the proceeds from the mortgage deed transaction, the bank's excess liquidity coverage remained unchanged in nominal terms compared with 31 December 2013.

Management monitors the bank's liquidity closely, and the excess liquidity coverage will be reduced significantly in 2015.

Capital reservation for credit risk

The banking group's total capital reservation for credit risk increased by DKK 90 million in 2014 to stand at DKK 3,239 million at 31 December 2014, against DKK 3,149 million at 31 December 2013.

The capital reservation equalled 37% of the credit exposure at 31 December 2014, which was an increase of 4 percentage points relative to 31 December 2013.

Deposits / lending (DKKm)

The capital reservation on the forward-looking portfolio accounted for 21% of the credit exposure, and the capital reservation on the winding-up portfolio represented 45% of the credit exposure. The higher capital reservation was, among other things, attributable to an increase in the reservation on the mortgage deed exposure and the agricultural portfolio.

Of the banking group's total capital reservation at 31 December 2014, accumulated impairment writedowns amounted to DKK 1,458 million, compared with DKK 1,454 million at 31 December 2013. Accumulated impairment writedowns broke down as follows at 31 December 2014: DKK 266 million on the forward-looking portfolio and DKK 1,192 million on the winding-up portfolio. To this should be added DKK 806 million in fair value adjustments of mortgage deeds.

Supervisory Diamond

At 31 December 2014, the bank was in compliance with all five threshold values of the Danish FSA's Supervisory Diamond.

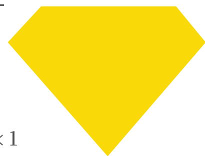
The changes to the bank's Supervisory Diamond values are in line with expectations.

Large exposures
Threshold value < 125%

2014	2013
31%	32%

Growth in lending
Threshold value < 20%

2014	2013
–35%	–11%



Funding ratio
Threshold value < 1

2014	2013
0,40	0,57

Property exposure
Threshold value < 25%

2014	2013
19%	15%

Excess liquidity coverage
Threshold value > 50%

2014	2013
323%	202%

Major events

Capital injection and repayment of state-funded additional tier 1 capital

On 27 February 2014, Alm. Brand A/S injected DKK 400 million into Alm. Brand Bank A/S as equity. The capital injection was used to repay the remaining DKK 226 million of state-funded additional tier 1 capital. A part of the capital injection was used to offset the effect of the new capital adequacy rules, which entered into force on 1 January 2014.

Capital reservation for credtit risk

				31.12.2014			31.12.2013	
DKKm	Credit exposure[a)]	Total assets	Accumulated impairment writedowns[b)]	Required capital	Total reservation	Reservation/ Credit exposure	Total reservation	Reservation/ Credit exposure
Forward-looking portfolio	2,806	2,540	266	317	583	21%	500	18%
Winding-up portfolio	5,941	2,069	1,998	650	2,648	45%	2,625	39%
Total - excl. reverse transactions	**8,747**	**4,609**	**2,264**	**967**	**3.231**	**37%**	**3,125**	**33%**
Reverse transactions and intra-group transactions	45	45	–	8	8	18%	24	18%
Total group	**8,792**	**4,654**	**2,264**	**975**	**3,239**	**37%**	**3,149**	**33%**

a) Gross lending, residual debt on mortgage deeds and credit exposure through the option agreement with Alm. Brand Forsikring.
b) Including value adjustments of mortgage deeds

Repayment of tier 2 capital
On 9 May 2014 and 3 June 2014, the bank repaid DKK 100 million and DKK 200 million, respectively, of tier 2 capital. The repayments did not affect the bank's capitalisation, as the loans were no longer eligible for inclusion in the bank's total capital under CRD IV.

Alm. Brand Formue
At an extraordinary general meeting of the subsidiary Alm. Brand Formue A/S held on 18 March 2014, it was resolved to complete a solvent liquidation of the company. On 12 September 2014, the liquidation proceeds were distributed to the company's shareholders, and the liquidation process was finalised.

Sale of mortgage deeds to Alm. Brand Forsikring
On 11 December 2014, Alm. Brand Bank completed a transaction whereby it sold non-delinquent mortgage deeds to Alm. Brand Forsikring for an amount of DKK 1.9 billion. The transaction will significantly reduce the bank's funding requirements.

The transaction contains an option agreement to protect Alm. Brand Forsikring against future credit losses. This means that the bank retains the credit risk, whereas Non-life Insurance only assumes the market risk associated with investing in the mortgage deeds. The parties have concluded a management agreement according to which the bank will be responsible for handling the mortgage deeds.

Outlook
The forward-looking activities are expected to generate pre-tax profit of around DKK 40 million in 2015 after impairment writedowns, which are expected to amount to approximately DKK 20 million.

The winding-up activities are expected to report a pre-tax loss to the tune of DKK 300-350 million, and it is expected that sustained adverse developments in agricultural settlement prices will continue to have a negative effect on the results.

The bank's winding-up portfolio is expected to be reduced by about DKK 200 million excluding write-downs in 2015.

The increased turmoil in financial markets in 2015 and the negative Danish interest rates significantly increase the uncertainty related to the expected results. The outlook is based on an assumption that the situation of negative interest rates in Denmark will be of limited duration. Moreover, the guidance for the winding-up activities in particular is subject to uncertainty, and the actual performance will depend on economic developments, market conditions in general and other factors.

Light box poster for Alm. Brand Bank branches

Customers

Alm. Brand believes that the combination of providing supreme service and having the most satisfied customers is key to future success. The group therefore in 2012 launched the strategy CUSTOMERS FIRST, which is focused on ensuring that we have very satisfied and loyal customers by offering high quality, professional skills and accessibility, good products at the right price and superior customer service.

Alm. Brand has generally allocated distribution and customer service responsibilities to five regional organisations, each being responsible for sales and service targeting the local customer segment. This ensures that Alm. Brand's employees have detailed knowledge of customers and local matters as well as the support of specialists in centralised staff functions working across the regions, all to ensure that customers receive optimal service.

The sales organisation of each individual region is divided according to business area with focus on cross sales and referrals between the individual sales channels. Physical locations are also shared to a significant extent.

In addition, the broker department, Financial Markets and Leasing each have independent distribution responsibilities.

The strategy and the related targets apply until the end of 2016.

Strategic focus areas in 2014

In 2014, we focused our strategic efforts on three areas targeting an improved customer experience:

- Supreme customer service
- Digitalisation
- Marketing and branding

Supreme customer service

Our ambition is to provide supreme customer service in all contexts. In order to focus efforts and achieve results, we established an organisational entity in 2013 to support, inspire and challenge all group entities to improve customer service. All employees are required to complete and be certified to a service training programme. Some 360 employees, including managers, completed the programme in 2014. By the end of 2015 and early 2016, all employees will have completed the training programme and received their certification.

Service targets have been defined for all employees, both in sales and service channels and internal functions. Experience from the first couple of years has been good, and we have achieved a number of documented and significant improvements in the service provided to the customers.

Light box poster for Alm. Brand Bank branches

Customer perception of Alm. Brand and the service received is measured by way of NPS (Net Promoter Score), and the measurement is made when a customer has had a specific experience with Alm. Brand. The target for the entire strategy period (from 2013 until the end of 2016) is to improve the score by 10 points. In 2013, the score was improved by an average of five points, and in 2014 the total improvement reached 10 points, meaning that the group now has an NPS of 31.

The commitment and dedication of our employees to implementing the strategy for the benefit of our customers has exceeded both our expectations and our targets.

Digitalisation

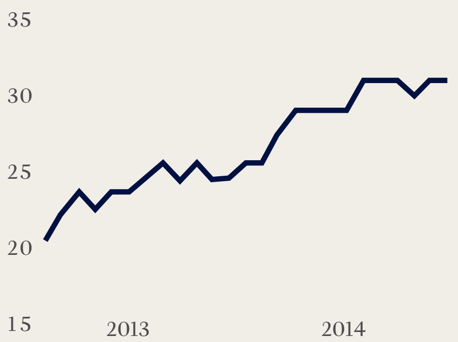
One of the means to providing supreme customer service is efficient system-supporting processing. In recent years, Alm. Brand has significantly expanded its sales and service activities through electronic media.

Customers increasingly demand more self-service options, and we aim to have more than one third of all customer interface processes digitalised by the end of 2016.

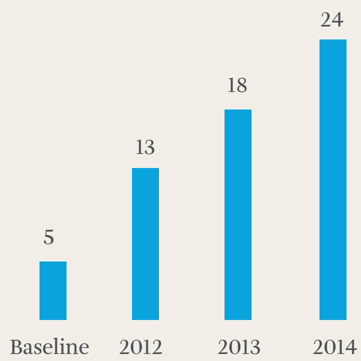
One of the means to achieving this will be by enabling customers to purchase all main products and make changes to their existing products online without involving any Alm. Brand staff. If requested by our customers, we can in certain cases offer end-to-end digital claims processing. We will also offer our customers a full digital overview of all their facilities and agreements with Alm. Brand. The digital processes ensure faster and simpler customer service, while improving quality at the same time.

Most of the customers' digital contact takes place through the group's website, where customers can find a variety of information about Alm. Brand in general and the group's products in particular. The number of customers engaging with us online when they want to purchase insurance or need service increased by just over 12% in 2014. Alm. Brand also offers a concept through which customers may receive and approve their policies electronically, making business procedures significantly easier for the customers as well as for Alm. Brand.

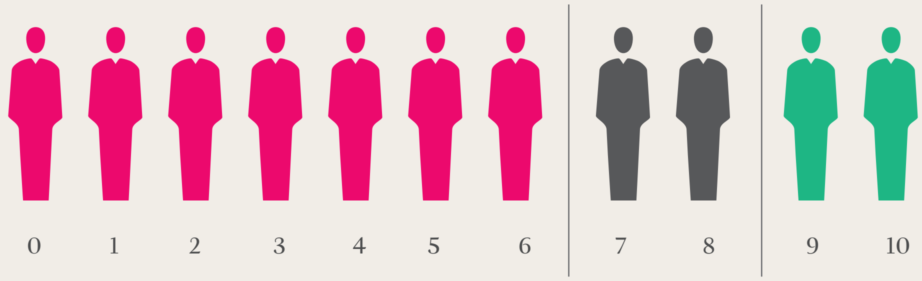
Net Promoter Score (NPS)



Digitalisation rate (%)



NPS explanation



Net Promoter Score (NPS) = **% Promoters** − **% Detractors**

Examples of NPS calculation

35% Detractors

30% Passives

35% Promoters

NPS: 35% - 35% = ***0***

30% Detractors

20% Passives

50% Promoters

NPS: 50% - 30% = ***20***

In addition to information, service and sales through electronic media, we interact with our customers and other stakeholders through social media such as Facebook, Trust Pilot and LinkedIn.

In order to ensure satisfactory progress in the group's digital services, we regularly calculate a digitalisation rate. The digitalisation rate reflects the degree to which customers have adopted our digital self-service options. At 31 December 2014, the digitalisation rate was 24%, relative to a baseline value of 5% in 2012. The development is therefore satisfactory relative to the target of achieving a digitalisation rate of 33% by 2016.

Mit Kundeoverblik

Through the website, private customers can log onto their own, personalised page using their NemID. This page provides the customer with an overview of all arrangements he or she has with Alm. Brand, including insurance agreements with policies, pension agreements or banking products. In 2014, just over 150,000 customers made use of this option. This marks an increase of 10% relative to 2013.

In February 2014, our commercial and agricultural customers were also given access to Mit Kundeoverblik.

Non-life Insurance

In the non-life insurance business, a new system for digitalisation of customer communication was developed in 2014. The new system provides simpler, quicker and much more efficient handling of documents, e-mails, text messages, etc. The first departments began using the system in autumn 2014, and in the upcoming period it will be rolled out to all relevant areas. When fully implemented, the system will provide significant customer experience and efficiency enhancements.

Customers can also report their claims online. More and more customers prefer this option, not least after major claims events when telephone service response times can be quite long.

As from December 2014, private customers have been able to take out non-life insurance policies online. We nevertheless believe that most customers will continue to prefer personal contact when taking out insurance, and we therefore expect the volume of new business written entirely self-serviced to be moderate in 2015. In the longer term, online solutions may come to play an important role.

In November, we launched a new insurance app. The app provides a guide that could be a great help to customers and non-customers on travels, in the event of traffic accidents, windstorms/cloudbursts, identity theft, etc. For Alm. Brand customers, the app provides an overview of non-life insurances, enabling them to check covers on their smartphones if an incident occurs while they are away from home.

Alm. Brand also offers a claims prevention text messaging service, notifying the group's insurance customers about extreme weather conditions.

Banking
In terms of self-service, we launched a new and even more user-friendly online banking solution for our banking customers in 2014, which together with our mobile banking solution provides easy and efficient access to information, payments, investments, etc.

Using the smartphone app Mobilbank, customers can track securities prices and trade securities directly. Moreover, customers can access their accounts, make transfers, etc.

In 2014, the bank recorded a net inflow of more than 4,000 active Mobilbank users. The bank thus had close to 13,000 active users at 31 December 2014.

Marketing and branding
As part of the basis for the strategy towards 2016, a positioning analysis of Alm. Brand has been prepared in order to get an updated picture of the company's market position. This analysis showed that Alm. Brand's hallmarks include proper conduct, history and stability. Alm. Brand wants to promote these features even more in future. However, Alm. Brand was also perceived by some as being not quite in keeping with the times.

Alm. Brand has improved its customer service and customer experience significantly in recent years. Against this background, and keeping in mind the market position analysis conducted, the group wants to signal this change even more clearly to the market.

In addition to launching the CUSTOMERS FIRST strategy, the group has redefined its identity, called "Alm. Brand for the customers – since 1792", which expresses in words the qualities that set Alm. Brand apart from the competition and makes it clear what customers can expect from Alm. Brand.

In order to communicate these positive changes in Alm. Brand, the group has introduced a new logo, typeface as well as colour and image style. The new visual look, which we call "Klædt på til kunden", is intended to showcase Alm. Brand as a modern, open and service-minded company, while emphasising proper financial conduct and honouring our legacy dating back to 1792.

Lastly, the group launched a new marketing campaign at the beginning of 2014 under the slogan "Take good care of what matters most". The campaign was divided into two parts. The first part is an advertising campaign with images of everyday life situations that encourage customers to enjoy life and what matters most to them, while Alm. Brand helps them take care of what matters most to them. In the second part, Alm. Brand engages in the public debate by, for instance through TV commercials, social media and the press, encouraging the people of Denmark to participate in a debate about what values we want our society to build on.

The campaign messages match Alm. Brand's activities, as financial agreements require all parties to keep their promises and to be honest. One of the purposes is to highlight that it is not acceptable to add a little extra on the claims notification form so those who are honest are not made to pay for those who are not.

Human resources

Alm. Brand wants its employees to be committed and to seek influence and assume responsibility for the planning and performance of their own job. Moreover, Alm. Brand wants resourceful managers who are focused on continuous business, employee and personal development. The group aims to stand out from the competition in the eyes of the customers by helping each individual employee to develop professionally and to focus on providing supreme customer service.

Higher job satisfaction

High job satisfaction is key in being able to provide optimal customer service. High job satisfaction is reflected in how much energy the employees invest in the company and the extent to which their motivation translates into efficient, business-oriented action and is used to provide optimal customer service.

One of the aims of the group's strategy, CUSTOMERS FIRST, is therefore to consolidate and expand the solid foundation developed for the job satisfaction of each individual employee.

Over a number of years, the company has used a scoring tool, which, based on a wide variety of parameters, expresses job satisfaction as an index figure on a scale of 0 to 100. The January 2015 survey showed that job satisfaction has increased to 79, which is at the upper end of the category "high job satisfaction". For the current strategy period, running until end-2016, we have defined a job satisfaction target of 78.

Compared with most other major companies in the financial sector, Alm. Brand scores high. The aim is to maintain the high job satisfaction rate among the group's most satisfied employees, while seeking to increase job satisfaction in areas scoring at the lower end of the index. The January 2015 survey result was highly satisfactory, and the main focus of the future efforts will be to maintain the high performance.

Job satisfaction is measured twice annually. One of the surveys is more comprehensive, comprising a number of questions related to management, corporate culture, image, development and commitment. The other survey is a smaller-scale, follow-up survey.

Executing leadership

Competent management is crucial to employee welfare, job satisfaction and, not least, the group's financial results.

The group's management development programme is based on a management competency model with 12 management skills to ensure that all managers work from the same solid platform, supporting the group's strategy and the requirements of each individual manager for specific management skills. The structure is based on a number of mandatory initiatives as well as a number of more specific elements tailored specifically to the individual manager's requirements. A separate programme has been developed to prepare new managers to take on their management role. This programme was run for the first time in 2014.

In 2014, we completed the training and certification of all managers in the customer service aspects of the group's strategy, equipping the managers to help their employees provide supreme customer service.

Corporate values tailored to our customers

For years, our corporate values have provided a solid platform for the views and conduct applied by our employees internally and externally, and they have now come to truly permeate Alm. Brand.

Ordinary common sense

We identify with the customer
We keep our promises
We manage rules using common sense

Mutual respect

We listen to our customers
We respect our customers' experiences
We draw on each other's knowledge and experience

Holism and proximity

We care for our customers
We take a holistic approach to the customer's situation
We are accessible

Will to succeed

We set ambitious and realistic goals
We develop professionally and personally
We create results together

The Alm. Brand Academy

The Alm. Brand Academy is the anchor point of the group's development of employee and management skills. The range and complexity of financial products has grown significantly in recent years and the legislative framework is constantly changing. This puts pressure on the group's employees to continuously develop their skills to be able to provide customers with the best possible service and advice.

The group invests considerable resources in in-house training of new and existing employees. The Alm. Brand Academy is intended to consolidate the opportunities for training in the group in order to build a visible platform for the group's training initiatives and to act as a showcase for the opportunities for development and training available to each individual employee.

In 2014, we launched a training programme for all employees in the customer service aspects of the new strategy. This training programme will continue until mid-2016.

Remuneration policy

Board of Directors

Board members of Alm. Brand A/S receive a fixed annual remuneration reflecting the scope of the board work and the responsibility related to serving on the board.

Chairman	700,000
Deputy Chairman	450,000
Ordinary board member	250,000
Separate remuneration to members of the boards of directors of:	
Alm. Brand Forsikring A/S	40,000
Alm. Brand Liv og Pension A/S	40,000
Alm. Brand Bank A/S	160,000
Separate remuneration to members of the audit committee:	
Chairman	80,000
Member	40,000

The total remuneration of the individual board members is shown in note 30 to the financial statements.

In accordance with the group's remuneration policy, board members are not remunerated by way of incentive plans.

Management Board

The members of the Management Board of Alm. Brand A/S are remunerated by way of a salary which is intended to be competitive with the remuneration of other, comparable positions in the financial sector. In addition to this salary, the company provides a pension contribution, and the remuneration also includes a company car, paid telephone subscription and other customary salary substitutes. As a fixed part of the fixed salary, a share option scheme for the Management Board was set up in 2012 in accordance with the group's remuneration policy. The remuneration of the Management Board is adjusted every two years.

The members of the Management Board received remuneration in the amount of DKK 8.3 million in 2014. The remuneration includes the value of share options.

As part of the fixed salary, the Management Board received a total of 213,248 share options in 2014, representing an aggregate value of DKK 777,012 at the date of grant, of which DKK 384,770 was related to the 2013 financial year. In addition, share options in the amount of DKK 399,713 vested in the second half of the year. In accordance with the guidelines, options will be granted in March and September, respectively. No cash bonuses were paid to the Management Board in 2014.

Information on the remuneration policy is available at almbrand.dk/corporategovernance.

Other executives and specialists
In accordance with the group's remuneration policy, a share option scheme was set up in 2012 for the group's management team (ABKO) as a fixed part of the salary. Effective 1 April 2014, the scheme was extended to comprise the management of Alm. Brand Bank A/S.

For a number of years, the group has had a bonus scheme with both common and individual benchmarks for the group's other managers and specialists. The scheme covers up to 200 individuals and forms an integral part of the general salary adjustment for this group of employees.

In addition, a bonus scheme exists for the customer service centres, which is aimed at improving sales and service to private customers.

In 2013, the group complied with the remuneration policy described in the 2013 financial statements, and in 2014 it complied with the remuneration policy described above.

Share option scheme
At the general meeting held on 30 April 2014, the shareholders approved the continuation of the share option scheme for senior executives.

The following applies to the scheme:

- The remuneration programme involves the granting of share options as a fixed-salary component and cannot exceed 13% of the fixed salary.
- Individuals eligible under the remuneration scheme are the members of the group's management team (ABKO). At 31 December 2014, 19 individuals were comprised by the programme.
- Because this is a fixed-salary scheme, the granting of options is not subject to any targets or principles.
- The share options are granted on the eighth trading day after release of half-year and full-year financial statements, respectively.
- The exercise price is calculated as a simple average of the average price of a share in Alm. Brand A/S on the fifth, sixth and seventh trading day after release of the above-mentioned half-year and full-year financial statements plus a 10% premium.
- Calculated as 13% of two years' salary of the eligible individuals, the market value of the share-based remuneration represents DKK 10 million.
- The options granted vest at the date of grant. The options may be exercised 36 months after the date of grant at the earliest and must be exercised not later than 50 months after the date of grant.

Share options were granted on two occasions in 2014. The first grant was after the release of the 2013 financial statements on 11 March 2014 when a total of 604,472 share options were granted at an exercise price of DKK 29.16 per share. The second grant was after the release of the H1 financial statements for 2014 when, on 2 September 2014, 577,021 share options were granted at an exercise price of DKK 34.78 per share.

The share-option scheme will continue in its present form until 31 March 2016, after which it will continue as a scheme based on variable remuneration in accordance with section 77a of the Danish Financial Business Act.

See note 30 to the financial statements for additional information on the options granted

Corporate governance

Alm. Brand is subject to the recommendations prepared by the Committee on Corporate Governance, which are publicly available at corporategovernance.dk.

On an annual basis, the Board of Directors of Alm. Brand A/S considers all recommendations on corporate governance applying the "comply or explain" principle.

The Board of Directors believes that corporate governance should be based on a holistic approach that considers the relations and interaction with all stakeholders. Alm. Brand strives to obtain maximum transparency and openness and thus agrees with the basic principles of the corporate governance recommendations. This is reflected in the company's management approach, which generally complies with the recommendations on corporate governance. A detailed review of Alm. Brand's position on each recommendation is provided on the website almbrand.dk/corporategovernance.

The few areas in which Alm. Brand does not comply with the recommendations are discussed below. The main elements of the internal control and risk management systems in relation to the financial reporting process and the composition of the group's governing bodies are also described below.

Explanation of non-compliance with corporate governance recommendations

Takeover bids

The committee recommends that the company set up contingency procedures in the event of takeover bids. Alm. Brand has not set up contingency procedures, as it believes that takeover bids are not realistic given the current ownership structure.

Composition and organisation of the Board of Directors

The committee recommends that the company's articles of association stipulate a retirement age for members of the Board of Directors. For a number of years, the rules of procedure of the Board of Directors have stipulated a retirement age of 70 years for individual board members. As a result, it has been deemed unnecessary to also fix a retirement age in the articles of association.

As regards recruitment and election of board members, the committee recommends that at least half of the board members elected by the shareholders at the annual general meeting should be independent.

Alm. Brand af 1792 fmba holds almost 60% of the share capital of Alm. Brand A/S, and five of the currently eight board members elected by the shareholders are nominated by the principal shareholder. Management believes that the principal shareholder and the other shareholders have identical interests in the company.

The remaining board members elected by the shareholders have no affiliation with the principal shareholder.

The five board members nominated by the principal shareholder are also members of the board of Alm. Brand af 1792 fmba. These members have been elected from among the members of the board of representatives of Alm. Brand af 1792 fmba in accordance with the association's rules.

No information is provided about the recommended candidates' background, qualifications and the criteria for recruitment ahead of the annual general meeting. Information about, for instance, the board members' other executive positions and directorships as well as their special qualifications is provided in the financial statements. As regards new candidates, information on other executive positions and directorships, etc. is also provided in the complete proposals sent out prior to the annual general meeting.

The Board of Directors has set up two board committees (the audit committee and the remuneration committee). The Chairman and the Deputy Chairman of the Board of Directors, who are not considered to be independent (see above), are members of these committees. The majority of the committee members are thus not independent. The Board of Directors has chosen this structure in order to ensure a strong focus on the work of the committees.

Since five of the currently eight members of the Board of Directors are nominated by the principal shareholder, the Board of Directors has not found it necessary to set up a nomination committee. When electing and nominating the independent candidates, Alm. Brand complies with the recommendation to take into consideration the need for integration of new talent and diversity in relation to age, international experience and gender, and the Board of Directors also obtains external assistance when electing the independent candidates.

Remuneration of the Board of Directors and the Management Board

The committee recommends that agreements on termination payments should not amount to more than two years' annual remuneration. The Board of Directors has not at this stage found it necessary to amend the Management Board's current severance scheme, which prescribes a severance payment equivalent to three years' remuneration and a mutual notice of termination of 12 months. The remuneration policy comprises a cap on severance payment equivalent to two years' salary for agreements entered into or renegotiated with effect from 1 January 2011.

The committee recommends that the remuneration of the Board of Directors for the current financial year is approved by the shareholders in general meeting. The Board of Directors believes that it is sufficient that the shareholders approve the remuneration paid to the Board of Directors in respect of the past financial year when approving the financial statements and that the Chairman of the Board of Directors explains the expected remuneration payable to the Board of Directors for the current financial year.

The Board of Directors believes that overall Alm. Brand complies with the corporate governance criteria and that these few exceptions do not constitute a disadvantage or are contrary to the interests of the shareholders or other stakeholders.

Financial reporting process

The primary responsibility for Alm. Brand's risk management and control organisation in relation to the financial reporting process rests with the Board of Directors and the Management Board, including compliance with applicable legislation and other financial reporting regulations.

Control environment

The Board of Directors has defined a working plan ensuring that the Board of Directors reviews, at least once a year, the group's:

- Organisation
- Plans and budgets
- Risk of fraud
- In-house rules and guidelines

The Board of Directors and the Management Board are responsible for establishing and approving general policies, procedures and controls in key areas in relation to the financial reporting process. The audit committee supports the Board of Directors in this work. On an ongoing basis, the Management Board monitors compliance with relevant legislation and other financial reporting regulations and provisions and reports its findings to the Board of Directors.

The group's internal audit department reports directly to the Board of Directors and in compliance with the audit plan presented by the internal audit department and adopted by the Board of Directors. The internal audit department performs sample audits of business procedures and internal controls in critical audit areas, including the financial statements and the financial reporting.

Risk assessment

The working plan of the Board of Directors ensures that the Board of Directors and the Management Board at least once a year perform an overall assessment of risks in relation to the financial reporting process. In this connection, the Board of Directors specifically assesses the group's organisation with respect to:

- Risk measurement and risk management
- Financial reporting and budget organisation
- Internal controls
- Rules on powers of procuration
- Segregation of functions or compensatory measures
- IT organisation and IT security

As part of the risk assessment, the Board of Directors considers the risk of fraud on an annual basis. This work includes:

- A discussion of management's potential incentive/motive for committing fraudulent financial reporting or other types of fraud
- A discussion of management reporting with a view to preventing/identifying and responding to fraudulent financial reporting

The audit committee set up supports the Board of Directors in these assessments.

Risk management and the financial reporting process

Day-to-day risk management is handled at segment level on the basis of risk limits defined by the Management Board and approved by the Board of Directors.

Risk management is coordinated by a cross-organisational risk committee consisting of the Management Board and the persons in charge of the actuarial department, the credit secretariat, the sales organisation, the finance department and the risk management department as well as the persons in charge of Non-life Insurance, Life and Pension and Banking.

The finance department is responsible for preparing full-year and interim financial statements. The key financial reporting contributors are the non-life and life insurance actuarial departments, which are responsible for calculating technical provisions, and the risk management department, which is responsible for calculating the group's financial assets and liabilities. In addition, the credit secretariat is an important contributor with respect to the accounting treatment of the bank's loans and advances.

The report is prepared by the Investor Relations department on the basis of information from a number of departments, including the Finance department and the individual business areas.

For a more detailed review of the risks facing the group, see note 53 Risk management and note 54 Significant accounting estimates, assumptions and uncertainties.

Governing bodies

In compliance with Danish legislation, Alm. Brand A/S and the group's subsidiaries (except for a few single-purpose property companies) have a two-tier management system with a board of directors and a management board. A detailed presentation of the members of the Board of Directors and the Management Board of Alm. Brand A/S is provided in "Directorships and special qualifications" below. The responsibilities and tasks of the Board of Directors and the Management Board are defined in the rules of procedure for the Board of Directors.

The Board of Directors consists of eight members elected by the shareholders in general meeting and four members elected by the employees. The 12 board members comprise nine men and three women. The age, seniority, other directorships and special qualifications of the board members are set forth in the list of directorships at the end of the financial statements. Ebbe Castella, Karen Sofie Hansen-Hoeck and Arne Nielsen are considered to be independent, as they do not also serve on the board of the company's principal shareholder.

At Alm. Brand A/S's annual general meeting to be held on 27 April 2015, Arne Nielsen will resign from the Board of Directors. The Board of Directors nominates Anette Eberhard, Director, as a new independent member. The Board of Directors will subsequently be composed of eight men and four women.

When nominating new members for the Board of Directors, the Board of Directors emphasises that as a whole the following qualifications are represented: general management experience, experience from the Alm. Brand Group's customer segments, experience in auditing and accounting matters, particularly in relation to membership of the audit committee, and insight into financial, legal and economic matters.

The Board of Directors reviews its overall qualifications and work procedures once a year. The Chairman of the Board of Directors is responsible for the review. The results of the review will form part of the work of the Board of Directors going forward.

The Board of Directors held nine meetings in 2014.

For additional information on the group's management and organisational structures, see: almbrand.dk/abdk/OmAlmBrand/Omkoncernen/index.htm.

Audit committee

The boards of directors of Alm. Brand A/S, Alm. Brand Forsikring A/S, Forsikringsselskabet Alm. Brand Liv og Pension A/S and Alm. Brand Bank A/S have each set up an audit committee.

The audit committees of all these companies consist of three board members:

- Arne Nielsen (Chairman)
- Jørgen H. Mikkelsen
- Boris N. Kjeldsen

The Board of Directors deems that Arne Nielsen meets the requirements for independence and qualifications within accounting and auditing as defined in section 31 of the Danish Auditors' Act. Arne Nielsen has many years of experience as a state-authorised public accountant of financial and other businesses.

The audit committees support the boards of directors in their work with and supervision of:

- The financial reporting process, including checking the accuracy of financial information disclosed in full-year and interim financial statements, and ensuring that accounting policies are relevant and have been consistently applied
- Internal control and risk management, including reviewing and assessing management's guidelines at least once a year with a view to identifying, monitoring and managing the most important risks. The audit committees also assess and review internal control and risk management systems
- Internal and external audit, including reviewing and discussing the results of the work of the internal and external auditors and the auditors' observations and conclusions and verifying the independence of the external auditors, including in particular the provision of additional services. The committees supervise management's follow-up on the recommendations to management reported by the internal and external auditors

The audit committees held four meetings in 2014. The audit committees report to the boards of directors on a current basis. Audit committee meetings are attended by the audit committee members as well as by the Group Chief Auditor and the independent auditors. In addition, the audit committees may convene others to participate in the consideration of specific agenda items.

Remuneration committee

The boards of directors of Alm. Brand A/S and Alm. Brand Forsikring A/S have each set up a remuneration committee.

The remuneration committees consist of the following board members:

Alm. Brand A/S:
- Jørgen H. Mikkelsen (Chairman)
- Boris N. Kjeldsen
- Arne Nielsen
- Susanne Larsen (employee-elected board member)

Alm. Brand Forsikring A/S:
- Jørgen H. Mikkelsen (Chairman)
- Boris N. Kjeldsen
- Søren Boe Mortensen
- Arne Nielsen

The remuneration committees support the boards of directors in their work in relation to the remuneration policy for the Board of Directors, Management Board and other significant risk takers.

The remuneration committees each held two meetings in 2014.

Capitalisation

Having adequate and satisfactory capital resources is a fundamental prerequisite for Alm. Brand's ability to assume risks on behalf of its customers. We take various types of calculated risk in support of the group's long-term business objectives. The group's risks are described in detail in note 53 Risk management and note 54 Significant accounting estimates, assumptions and uncertainties.

The boards of directors of Alm. Brand's subsidiaries are responsible for identifying and quantifying the principal risks. The statutory solvency requirement ensures that the companies are adequately capitalised to absorb adverse events over the next 12 months without compromising outstanding customer accounts.

The group's subsidiaries have defined capital targets that provide an additional buffer relative to the solvency capital requirements. At 30 June 2014, a buffer was included in the group's capital target specifically related to the extraordinary risk associated with the winding-up bank. With this adjustment, management believes that the capital target adequately reflects the group's risks and the current statutory requirements.

The Management Board is responsible for ensuring that instructions from the Board of Directors are implemented in each individual company and for ensuring that the respective boards of directors are informed about significant changes in the assumptions underlying the capital requirement or the amount thereof.

The capital and risk management is described in detail in the group's Risk and Capital Management Report for 2014 available at almbrand.dk/risiko.

Total capital

The group's total capital of DKK 4,843 million consists of shareholders' equity and tier 2 capital. The tier 2 capital consists of both additional tier 1 capital and subordinated capital.

The tier 2 capital share of total capital was significantly reduced in 2014. The bank repaid the remaining part of the state-funded additional tier 1 capital, and the new capital adequacy rules (CRD IV) reduced the value of tier 2 capital in the calculation.

At 31 December 2014, the tier 2 capital amounted to DKK 522 million and was composed as follows:

Subordinated debt

DKKm	Amount (gross)	Amount included in total capital
Additional tier 1 capital (Bank)	175	123
Subordinated capital (Alm. Brand A/S)	250	250
Subordinated capital (Non-life Insurance)	149	149
Total	**574**	**522**

Individual solvency need

The individual solvency need is calculated for all of the group's companies subject to supervision. Responsibility for calculating the individual solvency need for each individual subsidiary rests with the relevant subsidiary, while overall modelling responsibility rests with the group Risk Management department. This approach ensures that risks are assessed by the department in which the relevant expertise is available. The Risk Management department supports this process in all subsidiaries by calculating the market risk of the assets and subsequently by consolidating the individual solvency needs of the subsidiaries at group level.

The sale of mortgage deeds from the bank to Non-life Insurance will improve earnings without any increase in risk.

Anne Mette Barfod,
Chief Financial Officer

The overall solvency need for Alm. Brand is calculated as the sum of the solvency needs of the individual subsidiaries. The solvency need for the group is calculated at DKK 2,940 million, representing an excess coverage relative to the statutory requirement of DKK 1,903 million at 31 December 2014.

Insurance activities
Alm. Brand Forsikring A/S has developed a partial internal capital model, which as from end-2012 has been used to calculate the individual solvency need through input for the calculations of "premium and reserve risk" and "natural disaster risk". The partial internal capital model is designed to reflect the business structure and reinsurance cover and is based on the company's own data. The model covers all lines except workers' compensation and personal accident, and it is designed to most accurately reflect the risk exposure.

The company has been in ongoing discussions with the Danish FSA about the model and expects the model to receive final Solvency II approval when the directive enters into force. With effect from 1 January 2014, the company stopped using a company-aligned QIS calculation approach and began using the internal model in combination with a standard formula for solvency calculation, as specified in the Danish FSA's Executive Order on solvency and operating plans of 3 December 2013, for other risks.

At 31 December 2014, the individual solvency need of Alm. Brand Forsikring A/S was DKK 1,255 million, and the Solvency I requirement was DKK 803 million. The total capital was DKK 2,313 million, which means that the company had an excess relative to the solvency coverage of DKK 1,058 million. Relative to the Solvency I requirement, the solvency coverage was 2.8. The total capital has been reduced by a proposed dividend payment of DKK 400 million.

In 2014, Alm. Brand Liv og Pension A/S transitioned to using the industry-developed model for life expectancy risk, which complies with the Solvency II principles. The calculation of the solvency need recognises surrender and paid-up policy intensities in provisions. The intention is to ensure that investment buffers in provisions provide a more correct reflection so that e.g. customers with bonus potential who expect to surrender their schemes or convert their policy into a paid-up policy do not give rise to the same investment buffers. And conversely that in relation to the high guarantees, no provisions are made for liabilities that lapse because they are surrendered or converted into paid-up policies.

At 31 December 2014, the individual solvency need was DKK 360 million, and the Solvency I requirement was DKK 472 million. The total capital was DKK 930 million, which means that the company had excess coverage relative to the statutory requirement of DKK 458 million, corresponding to a solvency coverage of 197%. The total capital has been reduced by a proposed dividend payment of DKK 50 million.

Implementation of Solvency II

The implementation of the Solvency II Directive has been postponed until the beginning of 2016. As a result, the Danish FSA has published a new Executive Order on solvency and operating plans for insurance companies. This executive order sets out the calculation method to be applied in calculating the solvency need until Solvency II comes into force. For the past few years, Alm. Brand has been preparing to meet all the requirements expected under Solvency II. The industry is in ongoing discussions with the Danish FSA about Solvency II. Judging from the calculation assumptions presently known, it is expected that the Solvency II requirement for the group overall will not be significantly different from the current individual solvency requirement.

A new yield curve will be introduced in connection with the implementation of Solvency II effective 1 January 2016. This constitutes a risk factor as the new yield curve is not yet known. The yield curve will be used for discounting provisions and will consequently have a direct effect on the excess relative to the capital requirement. The upcoming Solvency II yield curve may be lower than the existing discount curve of the Danish FSA and thus serve to increase insurance companies' provisions.

Banking activities

On 1 January 2013, Alm. Brand Bank A/S transitioned to using the Danish FSA's 8+ method for calculating the adequate total capital. The calculation according to the 8+ method is based on 8% of the total risk exposure amount plus a Pillar 2 margin for risks not assessed to be covered by the Pillar 1 requirement.

In the credit area, the guidelines specify methods for calculating Pillar 2 margins for exposures representing more than 2% of the total capital and for credit risk concentration on industries and individual exposures, respectively. Moreover, there is a requirement that a Pillar 2 margin is calculated according to a non-specified method on weak exposures representing less than 2% of total capital.

In addition to the specified margins in the credit area, the bank reserves a Pillar 2 margin on agricultural and corporate exposures, on mortgage deeds as well as on the private customer portfolio.

The calculation of adequate total capital in the market risk area is in line with the Danish FSA's 8+ method as described in the guidelines. Risks related to properties are calculated in the bank under the credit risk area.

In addition, the bank reserves capital for operational risks and earnings risks. The calculation of operational risk is based on the basic indicator method, which calculates the operational risk as 15% of the average net interest income and non-interest-related net income for the past three years. The earnings risk is calculated according to the 8+ method, which requires that capital is reserved if core earnings represent less than 1% of loans and advances.

At 31 December 2014, the bank's total capital amounted to DKK 1.6 billion, and shareholders' equity amounted to DKK 1.7 billion. The total risk exposure amount was DKK 8.5 billion, and accordingly the total capital ratio was DKK 19.3, and the tier 1 capital ratio was 19.3. The bank's individual solvency need was calculated at 14.4%, which means that its total capital ratio exceeded the individual solvency need by 4.9 percentage points.

The banking group's total capital amounted to DKK 1.5 billion, and shareholders' equity amounted to DKK 1.7 billion. The banking group's total risk exposure amount was DKK 8.7 billion at 31 December 2014. This made for a total capital ratio of 17.8 and a tier 1 capital ratio of 17.8. The banking group's individual solvency need was calculated at 14.0%, which means that the total capital ratio exceeded the individual solvency need by 3.8 percentage points.

Capital target

Alm. Brand aims to consistently maintain a solid and adequate total capital so that we can always take care of the group's customers.

The capital target results in a capital requirement which is substantially higher than the statutory minimum capital requirements. The capital target reflects management's intention for the group's capital resources to be sufficiently robust to be able to absorb certain external events. Such external events could be situations involving extreme weather conditions or changes in the economic climate having a material adverse effect on the bank's loans and advances.

Furthermore, management aims for the group to be sufficiently robust to be able to absorb large structural declines in equity prices and fluctuating interest rates which may affect Life and Pension to a significant degree or which may affect the group's other insurance activities.

At 30 June 2014, a buffer was included in the capital target specifically related to the extraordinary risk associated with the winding-up bank. The buffer was calculated at 13% of the winding-up bank's loans and advances. In December 2014, the bank sold mortgage deeds for an amount of DKK 1.9 billion to Non-life Insurance. However, the credit risk remains unchanged, and the buffer is thus calculated on the basis of the group's total mortgage deed exposure including the value of the mortgage deeds purchased by Non-life Insurance.

The internal capital target calculated at 31 December 2014 was DKK 4,632 million, corresponding to an excess coverage for the group of DKK 211 million, against DKK 906 million at 31 December 2013. The decline was due to the effect of new capital adequacy rules and to the repayment of state-funded additional tier 1 capital as well as the establishment of the above-mentioned buffer regarding the winding-up bank.

DKKm	Capital target at 31 December 2014
Non-life Insurance (40% of gross premiums)	2,023
Life and Pension (8.50% of life insurance provisions)	928
Banking (17.4% of total risk exposure amount) *)	1,475
Alm. Brand A/S buffer, winding-up portfolio (13% of net lending)	506
Diversification effect	- 300
Total capital target	**4,632**

*) Calculated as the individual solvency need plus 3 percentage points but not less than 16%

DKKm	Total capital at 31 December 2014
Equity	4,847
Tax asset	- 526
Tier 2 capital	522
Total capital for the group	**4,843**

Statutory capital requirement year-end 2014	**2,940**
Excess relative to statutory requirement	**1,903**
Excess relative to internal capital target	**211**
Proposed dividend	**87**

Principles for *determination of the capital target*

Non-life Insurance and Life and Pension
The capital targets of Non-life Insurance and Life and Pension are calculated on the basis of the expected level of Solvency Capital Requirements (SCR) under the Solvency II rules with the addition of a risk buffer calculated on the basis of a wish to ensure sufficient excess capital.

In order to make the capital target operational for the day-to-day management and transparent to the company's shareholders, the calculated capital target of Non-life Insurance has been translated into a fixed percentage of gross premiums.

Alm. Brand Forsikring A/S will apply an internal capital model to calculate certain input for the estimate of individual solvency. The solvency requirement is lower when applying input from the internal capital model than when applying the standardised model, as the internal model is based on Alm. Brand's actual risk profile.

The capital target of Non-life Insurance is calculated as 40% of gross premiums. As a result of the capital buffer, Non-life Insurance has, in addition to the prudence already comprised in the rules for calculating the solvency need, calculated capital excess coverage sufficient to withstand a 1:200-year loss event.

As for Life and Pension, the capital target is translated into a fixed percentage of life insurance provisions.

The capital target of Life and Pension was 8.50% of life insurance provisions at 31 December 2014. The capital target was lowered to 8.25% at 1 January 2015. Focus is on risk in the form of the volatility of provisions rather than calculating the capital target based on premium levels. In step with outflow on the portfolio's high guarantees and inflow of new insurances on low guarantees, the risk on the company's portfolio will diminish. The capital target of Life and Pension will therefore be adjusted, lowering it to 8% in 2016 by way of a gradual reduction of 0.25 of a percentage point per year.

The capital target of Life and Pension is considerably higher than the solvency need but has been fixed so as to ensure the desired excess relative to the solvency need under a number of specific stress scenarios. This means that Life and Pension will be able to withstand interest rate fluctuations without customer returns being unduly reduced through forced sales or an unnecessary and expensive hedging strategy.

Alm. Brand Bank
The capital target of Alm. Brand Bank is calculated on the basis of management's wish to consistently maintain excess capital adequacy relative to the individual solvency need or relative to the statutory minimum requirement if the statutory minimum requirement proves higher than the individual solvency need defined. In addition, the capital target has been determined so as to take into account the Basel III rules under CRD IV / CRR. The capital target can be met through a combination of several capital components such as shareholders' equity, additional tier 1 capital and subordinated capital.

CRD IV / CRR entails a requirement for a minimum capital of 8% of the total risk exposure amount, a capital conservation buffer of 2.5% and a counter-cyclical buffer of up to 2.5% to protect against future cyclical downturns. CRD IV / CRR will be implemented gradually in the period until 2019 when the rules must be fully implemented, and the statutory minimum requirement may hence total up to 13% in 2019.

As a result, Alm. Brand Bank has adjusted the capital target to the effect that it is now calculated on the basis of the greater of the individual solvency need and the statutory minimum requirement of 13%. To this will be added an excess coverage of 3 percentage points to the effect that the capital target will always constitute at least 16% of the total risk exposure amount.

The Alm. Brand Group
The bank's capital targets do not fully include the risk associated with the bank's loans in the winding-up portfolio.

In order to quantify the uncertainty in the winding-up bank, a buffer has been introduced on top of the existing capital target. The capital target of Alm. Brand A/S has been increased by a buffer of 13% of the winding-up loans booked as well as the carrying amount of the mortgage deeds for which the bank has a buyback obligation towards Alm. Brand Forsikring.

Shareholder information

All activities aimed at shareholders are coordinated by our Investor Relations department. The aim is to ensure relevant, precise and timely information to the market with a view to generating interest, regular trading and a fair pricing of Alm. Brand's shares. The Investor Relations department strives to have a profound insight into the group and its affairs, ensuring that questions from analysts and investors can be answered quickly and competently. The aim is for Alm. Brand to be perceived as reliable, accessible and professional by equity market stakeholders and to ensure that such stakeholders are given correct information about the company's financial position as well as the risks faced by and opportunities available to the company.

The Investor Relations department communicates via:

- Meetings held with investors, analysts, etc.
- Regular roadshows
- Attendance at conferences, seminars, etc.
- The corporate website with investor-relevant information and downloadable financial statements, presentations, etc.
- Distribution of a shareholder magazine in Danish for our registered shareholders
- Webcasts and conference calls in connection with the release of our full-year and interim financial reports

Activities

The Management Board gives priority to meeting with the company's investors and analysts in connection with the release of financial statements and interim financial statements and by hosting various conferences and seminars. In connection with the release of financial statements, management and the Investor Relations department go on roadshows. In 2014, they held roadshows in the Nordics, the UK, the United States and a number of central European countries. In addition, we addressed professional and private investors in Denmark and internationally by holding a number of one-on-one meetings and presentations to large and small audiences. During the rest of the year, the Investor Relations department handles enquiries from investors and analysts.

Alm. Brand has a relatively large proportion of private shareholders. In 2014, the Investor Relations department met with private shareholders in Aarhus and Copenhagen at investor events arranged by the Danish Shareholders Association. These efforts will continue in the years ahead.

Investor presentations used in connection with roadshows, conferences, seminars, etc. are available from the company's website. Moreover, presentations of the company's full-year and interim financial statements are webcast.

Analyst coverage

Carnegie Bank and Danske Bank provide analyst coverage of Alm. Brand. It remains difficult for small-cap and mid-cap shares to get analyst coverage, and this trend also affects Alm. Brand.

Contact details for the analysts are available from Alm. Brand's website. The analysts' recommendations and price targets are also published on the website.

Share price performance

The share price continued to increase in 2014. The shares started the year at a price of DKK 24.20 and ended the year at a price of DKK 32.70. The share price was thus up by 35.1% in 2014. The highest price quoted in 2014 was DKK 34.00.

Recording an increase of 35.1% in 2014, Alm. Brand's shares once again outperformed the market in general, as the OMX C20 CAP index gained 18%.

The average daily turnover continued the positive trend seen in 2013. Reporting average daily turnover of more than DKK 6.8 million, the daily turnover was approximately DKK 1.6 million ahead of 2013.

Financial ratios

- Price/NAV at 31 December 2014: 1.14 (2013: 0.91)
- Average daily turnover 2014: DKK 6.8 million (2013: DKK 5.2 million)
- Market capitalisation at 31 December 2014: DKK 5.7 billion (2013: DKK 4.2 billion)

The Alm. Brand share is a component of the NASDAQ's Mid Cap index.

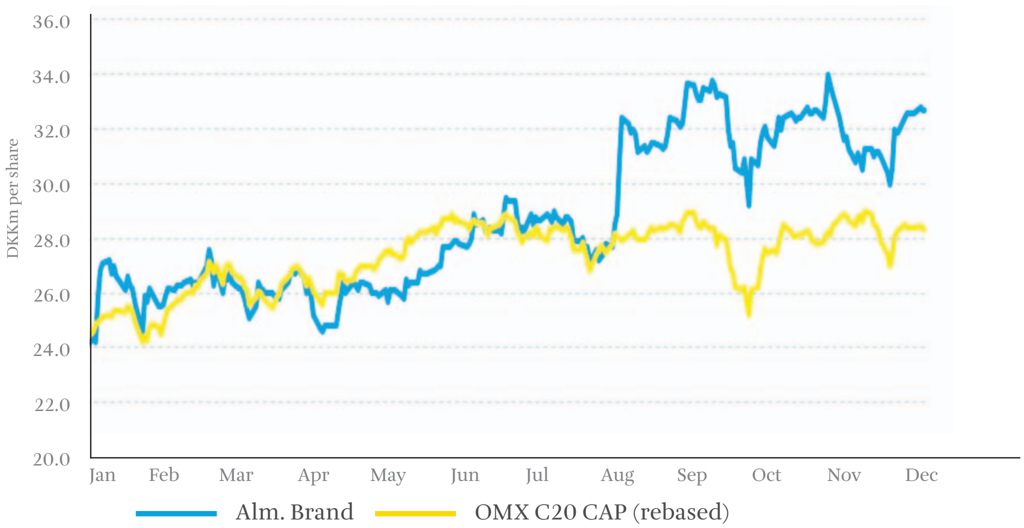
The figure below shows the performance of Alm. Brand's shares in 2014 compared to the performance of the OMX C20 CAP index.

Alm. Brand's shares

The nominal value of the company's share capital is DKK 1,735 million, divided into 173,500,000 shares of DKK 10 each. Each share carries one vote. In 2014, Alm. Brand purchased own shares to cover the group's share option scheme. At 31 December 2014, the number of shares adjusted for shares held in treasury was 169,662,649.

The securities identification code of Alm. Brand A/S shares is DK001525034-4 (ALMB).

Perfomance of the Alm. Brand's shares in 2014 relative to perfomance of the OMX C20 index



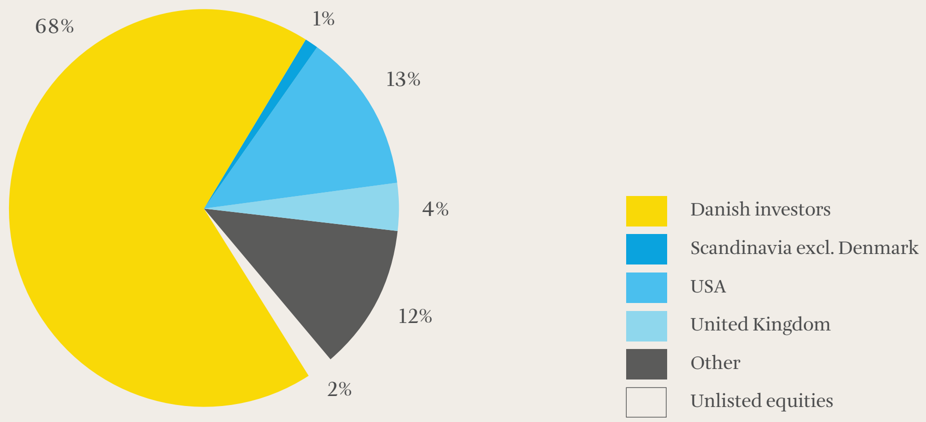
Ownership

Excluding treasury shares, 164,229,927 of the company's shares were registered shares at 31 December 2014. Alm. Brand A/S is a subsidiary of the limited liability association Alm. Brand af 1792 fmba, and with an ownership interest of 59.4% the association was the only shareholder to report an ownership interest of more than 5%.

The registered shareholders represented 96.8% of the share capital at 31 December 2014. Alm. Brand is predominantly owned by Danish shareholders. 68% of the free float (excluding the principal shareholder) was held by Danish shareholders, which was just over 4 percentage points less than at 31 December 2013. The proportion of non-Danish shareholders, particularly US shareholders, increased correspondingly in 2014. Alm. Brand generally saw strong interest from US and European investors.

37% of the free float was held by private shareholders, marking a increase of 1 percentage point relative to 31 December 2013. The proportion of institutional investors declined correspondingly, representing a free float ownership of approximately 55% at 31 December 2014.

Geographical breakdown excluding Alm. Brand af 1792 fmba



Management's shareholdings

In 2014, the Board of Directors' and the Management Board's shareholdings in Alm. Brand A/S were as follows:

	No. of shares held at 1 Jan 2014		No. of shares held 31 Dec 2014	
	Personally	Related parties	Personally	Related parties
Board of Directors				
Jørgen H. Mikkelsen, Chairman	125,369	116,439	130,369	131,439
Boris N. Kjeldsen, Deputy Chairman	5,480	0	8,651	0
Arne Nielsen	5,900	14,100	10,400	14,100
Ebbe Castella	1,000	0	2,000	0
Helle Låsby Frederiksen	2,400	0	2,400	0
Brian Egested	110	0	110	0
Jan Skytte Pedersen	12,000	75,000	12,000	75,000
Henrik Christensen	0	12.750	0	12,750
Karen Sofie Hansen-Hoeck	0	0	0	0
Lars Christiansen	277	0	277	0
Per V. Frandsen	21,000	0	31,000	0
Susanne Larsen	10,548	0	10,548	0
Management Board				
Søren Boe Mortensen	34,697	1,173	34,697	1,173

In aggregate, the Management Board was awarded share options entitling the holders to acquire up to 590,468 shares.

Dividend policy

Alm. Brand's total capital relative to its capital target determines the dividend distribution potential. In an ordinary year, the group's results will lead to an accumulation of capital in excess of its capital target.

The capital requirement and consequently the dividend distribution potential is aligned with the planned activities, including investments, special risks or a shortfall in earnings.

Alm. Brand distributes dividends by way of cash dividend payments.

In 2013 and 2014, a part of the accumulated capital was used to repay state-funded additional tier 1 capital and to prepare for new capital adequacy rules (CRD IV). The capital target was adjusted at 30 June 2014 to make allowance for the extraordinary risk associated with the bank's winding-up activities.

At 31 December 2014, the group had excess coverage of DKK 211 million. Developments in the financial markets and uncertainty about the implementation of Solvency II limits the distribution potential. The Board of Directors proposes a dividend of DKK 0.50 per share, corresponding to a total dividend distribution of DKK 87 million. The dividend payment equals a pay-out ratio of 24.9%.

Annual general meeting

The annual general meeting of Alm. Brand A/S will be held at 11.00 a.m. on Monday, 27 April 2015 at the Tivoli Hotel og Congress Center, Arni Magnussons Gade 2-4, 1577 Copenhagen V.

Company announcements published in 2014

27.02.2014	Annual Report 2013
11.03.2014	Issue of options
20.03.2014	Repayment of state-funded additional tier 1 capital
04.04.2014	Notice of annual general meeting
30.04.2014	Result of annual general meeting held on 30 April 2014
30.04.2014	Extension of share-based compensation programme
21.05.2014	Interim report Q1 2014
21.08.2014	Interim report H1 2014
02.09.2014	Issue of options
15.10.2014	Financial calendar 2015
20.11.2014	Interim report Q3 2014
05.12.2014	Sale of mortgage deeds from Alm. Brand Bank A/S to Alm. Brand Forsikring A/S

Reports on trading

27.02.2014	Report on trading in Alm. Brand shares
11.03.2014	Report on trading in Alm. Brand shares
21.08.2014	Report on trading in Alm. Brand shares
21.08.2014	Report on trading in Alm. Brand shares
02.09.2014	Report on trading in Alm. Brand shares
04.09.2014	Report on trading in Alm. Brand shares
15.12.2014	Report on trading in Alm. Brand shares

Financial calendar 2015

25.02.2015	Release of Annual Report 2014
27.04.2015	Annual general meeting
12.05.2015	Release of interim report Q1 2015
20.08.2015	Release of interim report H1 2015
11.11.2015	Release of interim report Q3 2015

CSR – or just ordinary *common sense*

Our vision is that "We take care of our customers". "Taking care of" applies not only to customer relationships but also to employee relationships, environmental and climate matters and to matters concerning society in general.

Alm. Brand seeks to conduct its business in a responsible and sustainable manner. However, the group's business and interaction with the surrounding society do not immediately involve weighty environmental issues or important human rights challenges that make special demands on Alm. Brand's social responsibility.

Since 2009, Alm. Brand has prepared a formal report on its corporate social responsibility (CSR) efforts. As part of these efforts, Alm. Brand has defined specific goals for its future work and established systematic monitoring of its CSR performance and results.

Follow-up on targets set for 2014

Climate and energy reporting

Strengthening the group's climate and energy control and climate reporting. In 2014, the group prepared its first unaudited statement on climate performance for the group's properties and offices. The climate and energy reporting is structured according to recognised conventions and can be used for reporting according to Global Compact (COP report), CDP and Energy Index Denmark.

Project FOOT

Reducing total consumption of printed material by 5% in 2014. We reached this goal: the consumption of printed material was reduced by close to 17% relative to 2013, driven by the progress made in digitalising customer interface processes. The paper consumption was reduced by 3.2 million sheets, lowering carbon emissions by 18.2 tonnes.

Reducing total power consumption by 1% in 2014. We reached this goal as well, recording a reduction of almost 3%. The group's electricity consumption was reduced by 64,400 kWh, equivalent to a carbon emission reduction of 24.5 tonnes.

Focusing on physical activity and exercise at work. We completed a variety of nudging initiatives intended to increase the level of physical activity during the workday. We also distributed about 300 elastic bands to our departments to be used for brief exercise breaks. We completed a local trial combining work with walking on a treadmill and a "Health Camp", which is an intensive health improvement programme designed to kick-start good, spare time exercising habits.

Gender equality

Supporting target figures for the underrepresented gender and the implementation of the group policy for this area. The group's human resource partners have in their ongoing dialogue with the operational entities challenged managers to ensure gender equality in recruitment and to ask women in particular about their interest in a management position during the annual staff performance review. The development of an induction programme for new managers has been replaced with a screening and clarification process involving interviews and tests. The development of the induction programme for new managers has been postponed to 2015. This also applies to communications initiatives aimed at increasing the number of women in management positions.

Implementation of CSR policy

Formulating and implementing an overall CSR policy that applies to all of the group's business areas and activities. The work to formulate and implement the policy is ongoing.

Social responsibility

Alm. Brand seeks to take care of its customers by offering high-quality products and services that provide help in the case of injury or damage as well as management and advice concerning monetary and lending issues and savings products.

Alm. Brand provides its employees with a wide variety of options of a social, health and practical nature. Alm. Brand makes high professional and social demands on its employees but always takes into account all aspects of an employee's life. This creates the most sustainable solution for both parties.

Alm. Brand makes no distinction between its customers or employees with respect to gender, colour, social affiliation or political or religious conviction.

Customers

Alm. Brand's role as an insurance company is to replace what has been lost or restore what has been damaged in case a customer has incurred a covered claim. In the case of claims resulting from a sudden, acute traumatic incident, including fire, robbery, assault or traffic accidents, Alm. Brand offers psychological counselling to any of its Pluskunder and Dobbeltkunder in need of crisis therapy. In 2014, 364 policyholders applied for crisis therapy, as compared with 439 in 2013.

Customers are offered competitive financial products, including savings and pension products. Alm. Brand focuses on providing advice based on each customer's individual situation.

Employees

The group's health policy is intended to promote health and well-being on the job and in the employees' spare time. Accordingly, the group offers financial support for a number of sporting activities as well as canteen and fruit services.

Alm. Brand also emphasises a healthy working environment and offers consultancy services from physiotherapists and architects and has a special service desk available to prevent and relieve physical problems. The group has appointed a working environment manager who regularly follows up on the organisation's working environment.

In 2014, some 150 ergonomic consultations were held for the purpose of preventing and relieving musculoskeletal problems. Based on knowledge from the consultations, a new and ergonomically superior office chair model will be purchased in future to replace old, worn-out office chairs.

Over the past three years, the Danish Working Environment Authority has conducted four annual control visits at Alm. Brand, without such visits giving rise to any remarks. Each year, the group has received four green smileys.

The group's sickness policy is intended to ensure that employees have a good working life with a low sickness absenteeism and high well-being. For example, the group conducts sickness absence interviews, provides information about stress prevention and stress management for managers and offers health insurance for all employees.

Sickness absence is calculated as own sickness less long-term sickness and child sickness. Alm. Brand's target is to reduce the average number of sick days by one day to 4.84 days of absence by 2016. In 2014, the average absence per employee fell for the second consecutive year to 5.25 days from an average of 5.72 days in 2013.

Effective from 2014, all pregnant employees will be offered a working environment consultancy session by the group's working environment manager and physiotherapist. Mothers to be can get advice about workplace ergonomics, relief and rest, and they can borrow a special chair that reduces the additional strain.

The group engages regularly with municipalities and job centres, accepts people in work test programmes and is generally open to offering flex jobs and scale-down jobs for people with impaired working ability. In 2014, Alm. Brand had 19 employees in flex jobs or wage subsidy jobs, against 18 in 2013.

Each year, the group accepts post-secondary school students for work experience programmes. Alm. Brand had five trainee bachelors in finance in 2014, which was unchanged from 2013.

Alm. Brand's senior-age policy ensures that employees have the opportunity to plan their senior working life with the group well in advance. In addition to extra holidays, employees may choose to work fewer hours and adapt their working hours to their individual needs. In 2014, the senior-age scheme comprised 20 employees, against 19 employees in 2013.

New mothers and fathers are entitled to full pay during maternity/paternity and parental leave periods. Moreover, all employees are entitled to five care days in addition to the statutory five weeks holiday.

Gender equality

At the beginning of 2013, the Danish parliament adopted an act intended to ensure a more equal distribution of men and women in management positions. Last year, Alm. Brand therefore adopted a group policy for this area.

Pursuant to the act, a gender is underrepresented if it has a representation of less than 40%. At 1 January 2014, the distribution between men and women on the Board of Directors of Alm. Brand A/S was 87% men to 13% women, equivalent to seven men and one woman, as employee representatives are not counted according to the act. Alm. Brand A/S has defined a gender distribution target for the Board of Directors of 75%/25% by spring 2017.

The distribution between men and women at the group's other management levels was 128 men to 41 women, equivalent to 76%/24%, at 1 January 2014. In order to ensure that the female gender is not underrepresented, the number of women in management positions must be increased by 27 if the total number of management positions remains unchanged.

Alm. Brand has planned a number of initiatives to achieve this target and to support the implementation of the group policy. In 2013, the group's Human Resources department reviewed Alm. Brand's job advertisements with a view to ensuring unbiased language usage, thereby encouraging both male and female applicants to apply for the jobs in question. In addition, Alm. Brand has planned further initiatives and targets for 2015, including within employer branding, recruitment, induction programmes for new managers/talent spotting and in-house activities and communications.

Environmental and climate responsibility

Alm. Brand seeks to take care of the environment and the climate. The group therefore works towards reducing its pollution footprint on the environment and the climate. For many years, the environmental and climate efforts have been based on ordinary common sense rather than formalised and written environmental and climate policies.

Heating, cooling and power consumption

The group focuses on individual climate control in office areas and at building level. Today, Alm. Brand monitors and controls heating, cooling and ventilation in most properties and in leased premised that have their own climate control system.

In 2014, we replaced heating system and hot water circulation pumps in 10 locations and replaced the heating automation system with a model allowing remote monitoring in 17 locations. In the heating stations at Midtermolen 1, 3 and 5, main pumps for the heating system were replaced with new and more energy-efficient pumps.

At Midtermolen 1 and 3, we installed new LED lighting in connection with refurbishment for a new tenant. Moreover, we installed new, energy-efficient window panes with built-in solar protection in half a storey. We plan to gradually continue with the installation in the rest of the building.

In connection with conversions or newbuilding, we generally transition to using energy-efficient installations and materials, thereby reducing our energy consumption for building operations. In addition, Alm. Brand is focused on space/use optimisation to avoid superfluous space and unnecessary energy consumption.

The new, more energy efficient facade with integrated solar panels at the group's head office was commissioned at the turn of the year. The new facade provides thermal insulation and reduces the cooling requirement by around 20,000 kWh per year. The solar panels, which are integrated in the facade, are designed for an annual power production of approximately 32,000 kWh. In 2014, the solar panels produced 27,400 kWh, equivalent to 3.3% of the power consumption at the group's head office.

Unwanted and environmentally harmful substances (such as CFC) will gradually be eliminated from all existing cooling systems and replaced with natural refrigerants as this becomes technically and financially feasible. In future, Alm. Brand will focus on water-borne cooling systems and remote cooling options for the group's properties. Currently, more than 75% of the overall cooling base is non-CFC. For example, a new external server room was commissioned in Copenhagen in 2013. In the new server room, conventional refrigerants (CFC etc.) were replaced primarily by water cooling.

For several years, the group has phased in energy-saving electrical products, including light bulbs, thin clients instead of desktops, flat screens, printers, etc. Alm. Brand is also in the process of phasing in intelligent light control by means of motion and daylight sensors and automatic on/off functions. Light control systems have been installed in 60% of the total floor space.

The group's overall energy consumption (power and heat) for office areas and building operations for the past three years was as follows:

Consumption per employee

(kWh/employee)	Actual 2012	Actual 2013	Target 2014	Actual 2014
Power consumption, including servers	1,910	1,831	1,812	1,784
Heat consumption[1)]	2,872	2,538		2,168

[1)]Heat consumption is calculated as the actual consumption and is not climate adjusted, i.e. degree day adjusted. As 2014 was a very warm year, the heat consumption was low.

Since 2009, the group has participated in the World Wide Fund for Nature's annual, global turn-off-the-light event Earth Hour by turning off the light at the group's offices as well as turning off a large advertising sign in Rådhuspladsen in Copenhagen.

Water, paper, cleaning and waste

Water-saving fittings are gradually being installed in all properties where such installation is possible. The group currently does not have a precise measuring tool to document changes in water consumption across all group locations and does not for the time being allocate resources to document water consumption.

Over the past five years, the group has replaced a large part of its paper consumption by electronic solutions, including statements of account, pay slips and invoices as well as the use of NemKonto for claims payments.

In recent years, Alm. Brand has accelerated the process to achieve minimal paper consumption. The insurance company no longer sends out a full set of insurance terms to customers that have merely changed their coverage. Full sets of insurance terms will only be distributed if the insurance terms have been amended.

Through the group's online branch at almbrand.dk, the insurance company now also sends out digital insurance offers and digital policies, and customers can also accept offers online.

The group also works with paperless office solutions. This means that case files and letters are scanned in order to reduce paper consumption and enhance customer service. When in contact with both new and existing customers, the group requests to receive the customer's e-mail address in order that as much communication as possible can take place via e-mail.

As part of the group's strategy, CUSTOMERS FIRST, which was launched in 2012, the group has had a target of achieving full digitalisation of 33% of all customer interface processes by 2016. Digitalisation also contributes to the CSR target because it reduces the group's paper consumption, for example by getting more customers to sign up to receive electronic mail. The customers receive an e-mail when insurance documents are sent to their personalised page Mit kundeoverblik at almbrand.dk, instead of sending the insurance papers by regular mail.

Alm. Brand had a "digitalisation rate" of around 24% in 2014, up from around 6% at the beginning of 2012.

In 2014, Alm. Brand implemented the digital solution Mit kundeoverblik for commercial and agricultural customers. Through a self-service platform and use of NemID, customers can get a real-time overview of their insurance portfolio with Alm. Brand. They can also order additional, cancel or change insurances, covers, sums insured and deductibles. Mit kundeoverblik can also be set up to provide information about relevant insurances and covers which the customers do not have already.

By the end of 2015, some 20,000 commercial and agricultural customers are expected to be active users of E/L Mit kundeoverblik. The solution will allow more of the group's communications with commercial and agricultural customers to be digitalised. This will save paper and produce savings from not having letters physically distributed. The group expects to save more than 1 million sheets of paper annually by distributing policies digitally instead of physically.

The group has recorded its consumption of printed material since 2012. As part of Project FOOT, a target was defined for 2014 to reduce the group's total consumption of printed material by 5%. This target was achieved by a wide margin, as the total reduction in 2014 was 16%, mainly driven by the ongoing digitalisation of customer interface processes. The goal is for the group to continue to reduce its overall consumption of printed material.

Group

	Consumption 2012	Consumption 2013	Target 2014	Consumption 2014
Print (million prints)	20.8	19.5	18.5	16.3

Most of Alm. Brand's marketing material, for example brochures and magazines, which are produced externally, are printed on paper which is both Swan-labelled (i.e. paper with minimum environmental and health impact relative to comparable paper products) and FCS-labelled (i.e. paper made from sustainable timber).

Since 2011, the group has been sharpening its focus on point-of-use sorting of paper, cardboard, bottles and construction waste, and household waste from our canteens is collected and used for biomass. In 2014, the group introduced point-of-use sorting of food waste at the head office staff canteen where more than 600 employees eat daily. Using two waste containers, one for organic waste and one for non-organic waste, and a bio-suction system, 90% of the canteen waste is now recycled into biomass. Similarly, low-energy light bulbs and fluorescent tubes are collected for recycling because of their mercury content, and used batteries are collected for safe disposal.

Since 2011, the group has been point-of-use sorting electronics waste distributed on three groups: cable waste, IT/PC electronic waste and other electronic waste. Alm. Brand currently does not have a precise measuring tool to document the change in waste consumption across all group locations.

All detergents used in the group are either Swan-labelled or labelled according to a similar scheme.

Carbon emission

The group aims to reduce its carbon emissions, and the initiatives launched to achieve this include company bicycles, commuter schemes and increased use of video conferences. However, the group does not currently have an overall view of its carbon emissions.

The group's car policy comprises an incentive for employees with a company car to accept responsibility for eco-friendly driving. Since its implementation in 2009, the car policy has contributed to employees choosing a more eco-friendly car when replacing their company car. Due to the implementation of the environmental policy, the group's car fleet has been significantly upgraded in recent years. Today, about 80% of the cars are environment class A++, A+, A or B cars.

The group has introduced a number of carbon reducing solutions to its insurance customers. For instance, customers who have a small car or low mileage will get a cheaper motor insurance. In addition, the group offers free cover for geothermal or solar heating systems over the customer's building insurance.

Alm. Brand Leasing provides advice to private customers regarding the environmental classification and carbon emissions of lease cars and provides solutions for commercial customers which comply with their corporate rules and carbon emission targets. Customers may also use the website to search for cars with the maximum carbon emission desired and see the environmental classification of each lease car. In 2014, more than 88% of all new lease cars for private customers were environment class A++, A+ or A cars.

Commercial customers expect a high level of advice about the choice of cars for their car fleet, and they have become significantly more conscious about environmental impacts. Alm. Brand Leasing's advisory services to these customers therefore always comprises elements of how the company can reduce its carbon footprint by choosing the right cars for its car fleet and at the same time get an optimum solution to its transportation needs.

Project FOOT
At the end of 2011, the group launched Project FOOT, the aim of which is to improve the indoor climate and the working environment for the employees, to lower electricity and heating expenses and to reduce the group's environmental footprint. Project FOOT links health, safety and environment efforts with CSR and is implemented by the compulsory occupational health and safety organisation, which is responsible for driving local behaviour change processes.

In 2011, Alm. Brand's occupational health and safety representatives were trained to be "CSR ambassadors", and they have since received regular training in communicating the message. Since 2012, Project FOOT has contributed to reducing the group's power consumption and consumption of printing paper.

In 2014, Project FOOT focused on physical activity and exercise at work. Different nudging initiatives were introduced to get more people to take the stairs rather than the lift and to use short waiting breaks at the printer or photocopier to stretch muscles and limbs. The purpose is to prevent or reduce the risk of work-related injuries due to increasingly sedentary work.

In 2014, the working environment manager distributed some 300 elastic bands to departments with a high level of sedentary work, which have introduced short, daily exercise breaks to prevent ailments. The working environment groups have also been working proactively to use variable office furniture settings in an effort to reduce musculoskeletal strain.

The regional office in Aalborg has completed a trial period of combining work and treadmill exercise. The results were so positive that two more treadmills were purchased for the office's employees at the beginning of 2015.

Last year, the working environment manager arranged a Health Camp together with Alm. Brand's athletic association. This was an intensive health course intended to help employees put their health intentions into practice. 20 employees participated in Copenhagen, and a similar course is planned for Aarhus in 2015.

Corporate social responsibility
Alm. Brand has carried on insurance business since its inception in 1792 by taking over risk from its customers and ensuring payment of compensation in the case of injury or damage. The group is focused on operating all its activities in a socially responsible manner but does not have a formalised and written general social responsibility policy, including with respect to human rights. However, the group has separate policies in relation to gifts, corporate governance and insurance fraud.

Customers
In 2014, expenses for windstorm, fire, water damage and theft claims in private, commercial and agricultural lines accounted for just under 40% of the group's total gross claims expenses. It is Alm. Brand's objective to take care of customers in such situations, but some things cannot be replaced. The claims that take the hardest toll on customers psychologically are theft, fire and water damage claims. That is why Alm. Brand goes a long way to educate its customers on how to minimise the risk of loss.

As part of a number of claims-preventing initiatives aimed at private building insurance customers, Alm. Brand has offered installation of burglar alarms free of charge since 2013. In addition, the customers may purchase water damage detectors and anti-theft window and door locks at very favourable prices. Since 2003, about 1,600 private insurance customers have accepted the offer of having a burglar alarm installed.

In 2014, the group continued the claims-preventing initiatives directed at agricultural customers which were launched in 2013. Over the next couple of years, Alm. Brand, in association with Kemp & Lauritzen, will offer more than 6,200 agricultural customers a thermographic survey of their buildings free of charge for the purpose of reducing the number of farm fires caused by electrical faults. A thermographic survey involves infrared scanning with a thermal imaging camera to detect potential overload hazards in a farm's electrical systems. In 2014 alone, 600 agricultural customers benefited from Alm. Brand's claims-preventing initiatives.

Take
good
care of [your best friend]

your classic love

your good health

the good holiday mood

relations with your neighbours

etc., etc.

Campaign “Take good care of what matters most”

“Take good care of what matters most”

At the beginning of 2014, the group launched a new, nationwide attitude campaign under the slogan “Take good care of what matters most”. Through press activities, TV commercials, advertisements and website and social media activities, Alm. Brand invited the people of Denmark to join a debate about our common values, including honesty and decency, and the development of moral values in society in general. The campaign challenged people’s attitude to bicycle theft and the handling of stolen goods.

A subsequent survey of 600 Danish TV commercial viewers showed that the commercials had triggered self-reflection among the viewers. Accordingly, one in three viewers stated that the commercials caused them to reflect on their own behaviour and the effect on the moral values of society. More than one in ten viewers stated that they had discussed the commercials with family, friends or colleagues. Almost one in four viewers stated that they found it very relevant for Alm. Brand to engage in the public debate.

Insurance fraud

Alm. Brand seeks to uphold the principle of solidarity on which the insurance system rests. This involves combating insurance fraud for the benefit of law-abiding customers. In 2013, Alm. Brand’s claims assessors revealed insurance fraud in a total amount of DKK 38 million. In 2014, this figure had risen to DKK 42 million.

Ethical investments

The group adopted a new policy on socially responsible investments in 2014. It replaced the group’s policy on ethical investments from 2010. Just like the previous policy, the new policy applies to all group companies and activities. The policy provides that the group’s investments must ensure the highest possible long-term return, while taking account of risk and a number of ethical, social and environmental issues.

For example, the policy stipulates that no investments may be made in companies manufacturing or selling weapons prohibited under conventions, including cluster munitions and anti-personnel mines.

Also not permitted are investments in stocks and bonds issued by companies that have repeatedly and knowingly violated laws in the countries in which they operate. The companies in which investments are made must as a minimum comply with the UN Global Compact principles regarding human and labour rights, the environment and anti-corruption.

Moreover, the policy only permits investments in bonds issued by sovereigns practising good government based on respect for human and labour rights and focused on sustainable growth in society. Excluded from investment are countries targeted by sanctions officially adopted by Denmark. The group also excludes countries which are seriously violating international conventions adopted by Denmark.

Conflicts of interest

In 2009, the group implemented a policy for receipt of gifts, participation at functions and similar events which applies to all group employees. This policy is intended to prevent suspicion of a conflict of interests. Accordingly, all employees have an obligation to report gifts and functions in excess of a certain amount.

Designated managers and employees are regularly informed about the existing rules in this area and new employees are informed about the rules as part of their introductory course. The current policy is also a component of the staff manual and in the group’s system of business procedures.

In 2014, the group’s compliance officer received seven reports from employees relating to the gift policy, compared with four reports in 2013. The reports did not give rise to any comments.

Whistleblower scheme

In 2014, the group set up a whistleblower scheme as part of the implementation of new legislation. Employees can use the whistleblower scheme to anonymously report violations or suspected violations of financial legislation committed by employees or board members of Alm. Brand's companies. Responsibility for the whistleblower scheme rests with the Compliance department. No reports were received in 2014.

Sponsorships

As a corollary of Alm. Brand's local presence through branches, sales centres and insurance agents, the group takes responsibility for the development of local business and local community organisations. Alm. Brand therefore supports numerous local sports clubs, including football club AGF and handball club Bjerringbro-Silkeborg, both playing in the top Danish leagues and both having attractive sponsor networks, as well as other local causes through sponsorships.

In 2013, the bank signed a four-year partner agreement with the Danish Swimming Union. Under the partner agreement, which builds on a quid pro quo principle, the local swimming clubs will pave the way for new Pluskunder in the bank among the clubs' members in return for receiving a variable amount for each customer agreement signed. The Danish Swimming Union also receives a fixed annual amount for its elite swimmers as part of the agreement.

Donations

Through Alm. Brand's branches and sales centres, Alm. Brand Fond has distributed 4,500 so-called 112 fire extinguishers free of charge to Danish households. This fire extinguisher, which is the size of a hair spray can, is particularly suited to extinguish small fires, for instance in a home. Another benefit of the spray is that it does not damage electrical devices, televisions etc. like conventional fire extinguishers do.

As part of the "Take good care of what matters most" campaign, Alm. Brand recruited 1,500 cyclists to a nationwide bicycle experiment to be carried out in 2015. The cyclists will be testing whether a strong chain lock can stop or reduce the risk of bike theft. When the experiment is finished, the test persons get to keep the bicycle lock.

Interest in the experiment was overwhelming, and almost 30,000 people applied to become a test person. Those who were not chosen to participate in the experiment could vote for a donation from Alm. Brand to a project preventing bike theft. The winner was a project in the Municipality of Furesø, which received a donation of DKK 285,000 to establish wire lock bicycle stands at Hareskov Station.

Just like in 2013, the branch office in Lyngby in 2014 organised a fund-raising among its customers and employees for the benefit of the "Support for the Breasts" campaign. This time, the fund-raising resulted in a donation of about DKK 5,000 for the fight against breast cancer, which each year affects almost 5,000 women, typically over 50, and causes around 1,200 deaths each year.

In 2011, Alm. Brand concluded an agreement with the company Baisikeli to buy stolen bicycles received by Alm. Brand in future. Baisikeli's objective is to create a sustainable bicycle industry in Africa. Half of the bicycles from Alm. Brand will be shipped to Mozambique and the other half will be sold in Denmark to fund Baisikeli's activities. Alm. Brand sold 352 bicycles to Baisikeli in 2013, the number decreasing to 299 in 2014.

The Mobile Blood Bank

Each day, Alm. Brand helps policyholders who have been exposed to sickness or accident to return to life and their everyday routines. The group's employees also contribute on an individual basis by donating blood to the Mobile Blood Bank twice a year. From 2003 to 2014, Alm. Brand's employees donated 1,880 portions of blood. In 2014, employees donated 224 portions of blood.

Taking good care means we support swimming in Denmark

Alm. Brand Bank wants to contribute to and be involved the community. We want to take good care of what matters most. And something that matters a lot in Danish society are the many local sport clubs. That is why we have formed a partnership with the Danish Swimming Federation. As a partner of the Danish Swimming Federation, we support the Danish national team and local swimming clubs all over Denmark.

"The partnership with Alm. Brand Bank means financial support, not only for the national team but also for the local clubs. This is a fresh new take on traditional sponsorship. The support for the local clubs means a lot to me, and I am now a customer of Alm. Brand Bank's branch in Lyngby."

JEANETTE OTTESEN

Page in brochure for Alm. Brand Bank

Knowledge transfer for the benefit of society

Alm. Brand is represented in a number of different professional committees in the insurance and other industries. In these fora, the group's experts share their knowledge about subjects of relevance to policyholders specifically and citizens of society in general. These experts include:

- The Director of Commercial Insurance of Non-life Insurance, who is deputy chairman of the board of the Danish Terrorism Insurance Pool for Non-life Insurance. This board manages a terrorism insurance scheme for non-life insurers in Denmark covering NBCR terrorism risk (i.e. chemical and biological terrorism claims affecting policyholders). As a consequence of this directorship, the Head of Commercial Insurance holds a position as alternate of the Danish Terrorism Insurance Council, which manages state-guaranteed assistance in the event of a terrorist attack on Denmark.
- The Head of Insurance Fraud of Non-life Insurance is a member of the Insurance Fraud Committee of the Danish Insurance Association. The committee exchanges knowledge and experience regarding the combating of insurance fraud and the framework for such efforts. Moreover, the Head of Insurance Fraud joined the Liaison Committee Police & Insurance of the Danish Insurance Association in 2013.
- The Director of Private Insurance of Non-life Insurance is a member of a working group under the Danish Insurance Association. The objective of this working group is to establish awareness of and communicate the industry's knowledge about precipitation claims, special risk areas and claims mitigation measures to authorities and Danish municipalities in particular. This is done in response to recent years' extreme weather conditions (including cloudbursts) and resulting insurance claims.

Initiatives for 2015

- Formulation and implementation of an overall CSR policy that will apply to all of the group's business areas and activities
- The group's 2015 target for reducing power and paper consumption will be agreed with the working environment representatives at the FOOT Camp in February
- Alm. Brand will perform the statutory energy audit pursuant to Article 8 of the Directive of the European Parliament and of the Council on energy efficiency. Alm. Brand is very well prepared to conduct this audit based on its detailed energy data recordings and previous reviews of buildings aimed at identifying energy efficiencies
- The group will prepare an unaudited statement on climate performance for 2014, which will subsequently be made available at almbrand.dk
- Establishment of a screening or clarification process involving interviews and tests directed at male and female employees with leadership ambitions and potential
- Publication of articles in the employee magazine about the working life and experience of men and women in management positions

Statement by the Management Board and the Board of Directors

The Board of Directors and the Management Board have today considered and approved the annual report of Alm. Brand A/S for the period 1 January to 31 December 2014.

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies. The parent company financial statements have been prepared in accordance with the Danish Financial Business Act. The management's review has been prepared in accordance with the Danish Financial Business Act.

In our opinion, the consolidated financial statements and parent company financial statements give a true and fair view of the group's and the parent company's financial position at 31 December 2014 as well as of the results of their operations and the group´s cash flows for the financial year 1 January to 31 December 2014.

In our opinion, the management's review contains a fair review of developments in the group's and the parent company's activities and financial position 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 adoption at the annual general meeting.

Management Board
Copenhagen, 25 February 2015

Søren Boe Mortensen
Chief Executive Officer

Board of Directors
Copenhagen, 25 February 2015

Jørgen Hesselbjerg Mikkelsen
Chairman

Boris Nørgaard Kjeldsen
Deputy Chairman

Ebbe Castella

Henrik Christensen

Per Viggo Hasling Frandsen

Karen Sofie Hansen-Hoeck

Arne Nielsen

Jan Skytte Pedersen

Lars Christiansen

Brian Egested

Helle Låsby Frederiksen

Susanne Larsen

Auditors' report

Internal Auditor´s report

Endorsement on the consolidated financial statements and the parent company financial statements
We have audited the consolidated financial statements and parent financial statements of Alm. Brand A/S for the financial year 1 January to 31 December 2014, which comprise the income and comprehensive income statement, balance sheet, statement of changes in equity, segment reporting for balance sheet and income statement and notes, including the accounting policies, for the Group and the Parent, as well as the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies. The parent financial statements are prepared in accordance with the Danish Financial Business Act.

Management is responsible for the consolidated financial statements and the parent company financial statements. Our responsibility is to express an opinion on the consolidated financial statements and the parent company financial statements.

Basis of opinion
We conducted our audit on the basis of the Executive Order of the Danish Financial Supervisory Authority on auditing financial enterprises and financial groups and in accordance with international auditing standards. This requires that we plan and perform our audit to obtain reasonable assurance as to whether the consolidated financial statements and the parent company financial statements are free from material misstatement.

We participated in auditing the critical audit areas.

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 judgement, 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 preparation of consolidated financial statements and parent company financial statements that give a true and fair view. The purpose of this is to design procedures that are appropriate in the circumstances but not to express 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.

Our audit did not result in any qualification.

Opinion
In our opinion, the consolidated financial statements give a true and fair view of the group's assets, liabilities and financial position at 31 December 2013 and of the results of the group's operations and cash flows for the financial year 1 January to 31 December 2013 in accordance with the International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial enterprises.

Furthermore, in our opinion the parent company financial statements give a true and fair view of the parent company's assets, liabilities and financial position at 31 December 2014 and of the results of the parent company's operations for the financial year 1 January to 31 December 2014 in accordance with the Danish Financial Business Act.

Statement on the management's review
We have read the management's review as required by the Danish Financial Business Act. We performed no other work in addition to the conducted audit of the consolidated financial statements and the parent company financial statements.

On this basis, we believe that the information in the management's review is in accordance with the consolidated financial statements and the parent company financial statements.

Copenhagen, 25 February 2015

Poul-Erik Winther
Group Chief Auditor

Independent auditors report

To the shareholders of Alm. Brand A/S

Report on the consolidated financial statements and parent financial statements

We have audited the consolidated financial statements and parent financial statements of Alm. Brand A/S for the financial year 1 January to 31 December 2014, which comprise the income and comprehensive income statement, balance sheet, statement of changes in equity, segment reporting for balance sheet and income statement and notes, including the accounting policies, for the Group and the Parent, as well as the cash flow statement of the Group. The consolidated financial statements are prepared in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies. The parent financial statements are prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the consolidated financial statements and parent financial statements

Management is responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies, and for the preparation of parent financial statements that give a true and fair view in accordance with the Danish Financial Statements Act, and for such internal control as Management determines is necessary to enable the preparation of consolidated financial statements and parent financial statements that 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 parent 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 about whether the consolidated financial statements and parent financial statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and parent financial statements. The audit procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the consolidated financial statements and parent financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of consolidated financial statements and parent 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 entity'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 the overall presentation of the consolidated financial statements and parent financial statements.

We 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 consolidated financial statements give a true and fair view of the Group's financial position at 31 December 2014 and of the results of its operations and cash flows for the financial year 1 January to 31 December 2014 in accordance with International Financial Reporting Standards as adopted by the EU and Danish disclosure requirements for listed financial companies.

In our opinion, the parent financial statements give a true and fair view of the Parent's financial position at 31 December 2014 and of the results of its operations for the financial year 1 January to 31 December 2014 in accordance with the Danish Financial Business Act.

Statement on the management commentary

Pursuant to the Danish Financial Business Act, we have read the management commentary. We have not performed any further procedures in addition to the audit of the consolidated financial statements and parent financial statements.

On this basis, it is our opinion that the information provided in the management commentary is con sistent with the consolidated financial statements and parent financial statements.

Copenhagen, 25 February 2015

Deloitte
Statsautoriseret Revisionspartnerselskab

Henrik Wellejus	**Kasper Bruhn Udam**
State-authorized public accountant	State-authorized public accountant

Financial statements, group

Balance sheet

DKKm	Note	Group 2014	Group 2013
Assets			
Intangible assets	1	0	0
Owner-occupied properties	2	1,053	1,058
Deferred tax assets	3	526	556
Investments in associates	4	44	42
Reinsurers' share of insurance contracts	5	322	631
Current tax assets	6	9	0
Other assets	7	2,493	1,856
Loans and advances	8	6,528	7,340
Investment properties	9	542	428
Investment assets	10	26,400	26,635
Balances due from credit institutions and central banks	11	952	671
Cash in hand and balances at call		249	363
Total assets		**39,118**	**39,580**
Liabilities and equity			
Share capital		1,735	1,735
Reserves, retained earnings, etc.		3,025	2,788
Proposed dividend		87	0
Minority interests		0	153
Consolidated shareholders' equity	12	**4,847**	**4,676**
Subordinated debt	13	574	1,100
Provisions for insurance contracts	14	19,449	18,627
Other provisions	15	37	32
Deferred tax liabilities	16	40	40
Issued bonds	17	21	31
Current tax liabilities	6	0	40
Other liabilities	18	1,321	1,472
Deposits	19	10,857	10,853
Payables to credit institutions and central banks	20	1,972	2,709
Total liabilities and equity		**39,118**	**39,580**

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Income and comprehensive income statement

DKKm	Note	Group 2014	Group 2013
Income statement			
Income			
Premium income	21	6,301	5,959
Interest income, etc.	22	1,076	1,172
Fee income, etc.	23	114	114
Other income from investment activities	24	1	-4
Profit/loss from investments in associates	25	4	2
Other income	26	142	77
Total income		**7,638**	**7,320**
Costs			
Claims expenses	27	-4,764	-6,008
Interest expenses	28	-306	-387
Other expenses from investment activities		-57	-32
Impairment of loans, advances and receivables, etc.	29	-141	-196
Acquisition costs and administrative expenses	30	-1,343	-1,336
Total costs		**-6,611**	**-7,959**
Profit/loss from business ceded	31	43	171
Change in life insurance provisions	32	-722	1,650
Change in collective bonus potential		-102	-429
Value adjustments	33	306	-352
Tax on pension investment returns	34	-171	-49
Profit/loss before tax, forward-looking activities		**381**	**352**
Tax, forward-looking activities	35	-53	-158
Profit/loss after tax, forward-looking activities		**328**	**194**
Profit/loss on discontinued activities		28	19
Profit after tax		**356**	**213**
The profit/loss before tax is allocated as follows:			
Share attributable to Alm. Brand		401	352
Share attributable to minority interests	36	8	20
The profit/loss before tax allocated		**409**	**372**
The profit/loss after tax is allocated as follows:			
Share attributable to Alm. Brand		348	193
Share attributable to minority interests	36	8	20
The profit/loss after tax allocated		**356**	**213**
Earnings per share, DKK		2.0	1.1
Diluted earnings per share, DKK		2.0	1.1
Comprehensive income			
Profit/loss for the year		356	213
Items that are or may be reclassified subsequently to profit or loss		0	0
Items that will not be reclassified to profit or loss:			
Revaluation of owner-occupied properties		15	-4
Transferred to collective bonus potential		-15	4
Tax on other comprehensive income		0	0
Total other comprehensive income		**0**	**0**
Total comprehensive income		**356**	**213**
Proposed allocation of profit/loss:			
Proposed dividend		87	0
Share attributable to Alm. Brand		261	193
Share attributable to minority shareholders		8	20
Total comprehensive income		**356**	**213**
Technical result, Non-life Insurance	37		
Realised result, Life and Pension	38		
Segment reporting, Non-life Insurance	39		
Segment reporting, Banking	40		

Statement of changes in equity

DKKm	Share capital	Contin-gency funds	Other provi-sions	Retai-ned profit	Propo-sed di-vidend	Share-holders' equity	Mino-rity interest	Consoli-dated share-holders' equity
Shareholders' equity at 1 January 2013	**1,735**	**182**	**1,215**	**1,231**	**0**	**4,363**	**137**	**4,500**
Changes in shareholders' equity 2013:								
Profit/loss for the year				193	0	193	20	213
Reversed revaluation of owner-occupied properties				-4		-4		-4
Transferred to collective bonus potential				4		4		4
Tax on changes recognised in equity				0		0		0
Comprehensive income	0	0	0	193	0	193	20	213
Share option scheme				4		4		4
Purchase and sale of treasury shares				-42		-42		-42
Purchase and sale of treasury shares in subsidiaries				-1		-1	-4	-5
Adjustment of tax relating to contingency funds (25% - 22%)				6		6		6
Tax on changes recognised in equity				0		0		0
Change in share attributable to minority interests				0		0	0	0
Changes in shareholders' equity	**0**	**0**	**0**	**160**	**0**	**160**	**16**	**176**
Shareholders' equity at 31 December 2013	**1,735**	**182**	**1,215**	**1,391**	**0**	**4,523**	**153**	**4,676**
Shareholders' equity at 1 January 2014	**1,735**	**182**	**1,215**	**1,391**	**0**	**4,523**	**153**	**4,676**
Changes in shareholders' equity 2014:								
Profit/loss for the year				348	0	348	8	356
Reversed revaluation of owner-occupied properties				15		15		15
Transferred to collective bonus potential				-15		-15		-15
Tax on changes recognised in equity				0		0		0
Comprehensive income	0	0	0	348	0	348	8	356
Proposed dividend				-87	87	0		0
Share option scheme				5		5		5
Purchase and sale of treasury shares				-28		-28		-28
Purchase and sale of treasury shares in subsidiaries				-1		-1	0	-1
Tax on changes recognised in equity				0		0		0
Change in share attributable to minority interests				0		0	-161	-161
Changes in shareholders' equity	**0**	**0**	**0**	**237**	**87**	**324**	**-153**	**171**
Shareholders' equity at 31 December 2014	**1,735**	**182**	**1,215**	**1,628**	**87**	**4,847**	**0**	**4,847**

The contingency funds are allocated from untaxed funds and are required, according to the articles of association, to be used for the benefit of policy-holders. A deferred tax provision has been made for the contingency funds.

Cash flow statement

	Group	
DKKm	**2014**	**2013**
Cash flows from operating activities		
Premiums received	6,213	5,901
Claims paid	-5,102	-5,671
Interest, dividends, etc. received	1,373	1,207
Interest paid	-216	-321
Payments concerning reinsurance	285	-204
Fee income received	90	138
Fee income paid	-17	-27
Expenses paid	-1,901	-1,339
Tax on pension investment returns paid	-49	-153
Other ordinary income received	142	77
Taxes paid/received	-73	-10
Cash flows from operating activities	**745**	**-402**
Change in investment placement (net)		
Acquisition of intangible assets, furniture, equipment, etc.	-208	-135
Properties acquired or converted	-140	-35
Sale/acquisition of equity investments	376	233
Sale/repayment of mortgage deeds and loans	852	1,175
Sale/purchase of bonds	-18	1,637
Change in investment placement (net)	**862**	**2,875**
Change in financing		
Sale/purchase of treasury shares and cost related to share issue	-28	-42
Sale/acquisition of subsidiaries (change in minority interests)	-153	-1
Subordinated debt	-527	-730
Share issue	5	4
Change in issued bonds	-10	-2,000
Change in deposits	4	-387
Change in payables to credit institutions	-736	528
Change in other liabilities	5	4
Change in financing	**-1,440**	**-2,624**
Change in cash and cash equivalents	**167**	**-151**
Cash and cash equivalents beginning of year	1,034	1,185
Cash and cash equivalents, year end	**1,201**	**1,034**
Cash and cash equivalents comprise the following items:		
Cash at bank and in hand	249	363
Amounts due from credit institutions and central bank, see note 11	157	433
Amounts due from credit institutions and central bank, see note 11	795	238
	1,201	1,034

Segment reporting, balance sheet

DKKm	Note	Non-life	Life	Banking	Other	Elimi-nation	Total
							2014
Assets							
Intangible assets	1	0	0	0	0		0
Owner-occupied properties	2	0	0	0	0	1,053	1,053
Deferred tax assets	3	219	0	300	15	-8	526
Investments in associates	4	0	0	44	0		44
Reinsurers' share of insurance contracts	5	298	24	0	0		322
Current tax assets	6	0	0	150	43	-184	9
Other assets	7	742	1,190	711	46	-196	2,493
Loans and advances	8	1,874	0	4,654	0		6,528
Investment properties	9	18	1,417	160	0	-1,053	542
Investment assets	10	7,671	11,291	7,437	2	-1	26,400
Balances due from credit institutions and central banks	11	0	100	757	95		952
Cash in hand and balances at call		46	224	198	0	-219	249
Total assets		**10,868**	**14,246**	**14,411**	**201**	**-608**	**39,118**
Liabilities and equity							
Share capital		0	0	0	1,735		1,735
Reserves, retained earnings, etc.		2,023	768	1,744	-1,960	450	3,025
Proposed dividend		400	50		87	-450	87
Minority interests		0	0	0	0		0
Consolidated shareholders' equity	12	**2,423**	**818**	**1,744**	**-138**	**0**	**4,847**
Subordinated debt	13	149	120	175	250	-120	574
Provisions for insurance contracts	14	7,571	11,878	0	0		19,449
Other provisions	15	24	0	13	0		37
Deferred tax liabilities	16	0	8	0	40	-8	40
Issued bonds	17	0	0	0	21		21
Current tax liabilities	6	166	18	0	0	-184	0
Other liabilities	18	526	640	204	28	-77	1,321
Deposits	19	0	0	11,076	0	-219	10,857
Payables to credit institutions and central banks	20	9	764	1,199	0		1,972
Total liabilities and equity		**10,868**	**14,246**	**14,411**	**201**	**-608**	**39,118**
							2013
Assets							
Intangible assets	1	0	0	0	0		0
Owner-occupied properties	2	0	0	0	0	1,058	1,058
Deferred tax assets	3	214	0	336	14	-8	556
Investments in associates	4	0	40	42	0	-40	42
Reinsurers' share of insurance contracts	5	608	23	0	0		631
Current tax assets	6	0	0	166	9	-175	0
Other assets	7	598	506	880	79	-207	1,856
Loans and advances	8	0	0	7,340	0		7,340
Investment properties	9	16	1,433	37	0	-1,058	428
Investment assets	10	9,220	10,850	6,562	3		26,635
Balances due from credit institutions and central banks	11	0	0	611	60	0	671
Cash in hand and balances at call		5	141	323	11	-117	363
Total assets		**10,661**	**12,993**	**16,297**	**176**	**-547**	**39,580**
Liabilities and equity							
Share capital		0	0	0	1,735		1,735
Reserves, retained earnings, etc.		2,184	761	1,503	-1,910	250	2,788
Proposed dividend		0	250		0	-250	0
Minority interests		0	0	193	0	-40	153
Consolidated shareholders' equity	12	**2,184**	**1,011**	**1,696**	**-175**	**-40**	**4,676**
Subordinated debt	13	149	120	701	250	-120	1,100
Provisions for insurance contracts	14	7,553	11,074	0	0		18,627
Other provisions	15	22	0	10	0		32
Deferred tax liabilities	16	0	8	0	40	-8	40
Issued bonds	17	0	0	0	31		31
Current tax liabilities	6	198	17	0	0	-175	40
Other liabilities	18	402	404	757	30	-121	1,472
Deposits	19	0	0	10,936	0	-83	10,853
Payables to credit institutions and central banks	20	153	359	2,197	0	0	2,709
Total liabilities and equity		**10,661**	**12,993**	**16,297**	**176**	**-547**	**39,580**

Segment reporting, income statement

DKKm	Note	Non-life	Life	Banking	Other	Elimi-nation	Total
							2014
Income							
Premiums	21	5,058	1,243	0	0		6,301
Interest income, etc.	22	229	399	450	0	-2	1,076
Fee income, etc.	23	0	0	152	0	-38	114
Other income from investment activities	24	0	50	-1	0	-48	1
Profit/loss from investments in associates	25	0	3	4	0	-3	4
Other income	26	0	0	142	0		142
Total income		**5,287**	**1,695**	**747**	**0**	**-91**	**7,638**
Costs							
Claims expenses	27	-3,579	-1,185	0	0		-4,764
Interest expenses	28	-75	-3	-216	-14	2	-306
Other expenses from investment activities		-21	-35	0	-39	38	-57
Impairment of loans, advances and receivables, etc.	29	0	0	-141	0		-141
Acquisition costs and administrative expenses	30	-787	-84	-520	0	48	-1,343
Total costs		**-4,462**	**-1,307**	**-877**	**-53**	**88**	**-6,611**
Profit/loss from business ceded	31	47	-4	0	0		43
Change in life insurance provisions	32	0	-722	0	0		-722
Change in collective bonus potential		0	-117	0	0	15	-102
Value adjustments	33	-221	704	-162	0	-15	306
Tax on pension investment returns	34	0	-171	0	0		-171
Profit/loss before tax, forward-looking activities		**651**	**78**	**-292**	**-53**	**-3**	**381**
Tax, forward-looking activities	35	-161	-21	116	13		-53
Profit/loss after tax, forward-looking activities		**490**	**57**	**-176**	**-40**	**-3**	**328**
Profit/loss on discontinued activities				28			28
Profit/loss after tax		**490**	**57**	**-148**	**-40**	**-3**	**356**
							2013
Income							
Premiums	21	5,031	928	0	0		5,959
Interest income, etc.	22	236	399	539	0	-2	1,172
Fee income, etc.	23	0	0	175	0	-61	114
Other income from investment activities	24	1	64	-8	0	-61	-4
Profit from investments in joint ventures	25	0	5	2	0	-5	2
Other income	26	0	0	77	0		77
Total income		**5,268**	**1,396**	**785**	**0**	**-129**	**7,320**
Costs							
Claims expenses	27	-3,769	-2,239	0	0		-6,008
Interest expenses	28	-61	-3	-313	-12	2	-387
Other expenses from investment activities		-22	-55	0	-13	58	-32
Impairment of loans, advances and receivables, etc.	29	0	0	-196	0		-196
Acquisition costs and administrative expenses	30	-803	-81	-513	0	61	-1,336
Total costs		**-4,655**	**-2,378**	**-1,022**	**-25**	**121**	**-7,959**
Profit/loss from business ceded	31	174	-3	0	0		171
Change in life insurance provisions	32	0	1,650	0	0		1,650
Change in collective bonus potential		0	-425	0	0	-4	-429
Value adjustments	33	-24	-105	-227	0	4	-352
Tax on pension investment returns	34	0	-49	0	0		-49
Profit/loss before tax, forward-looking activities		**763**	**86**	**-464**	**-25**	**-8**	**352**
Tax, forward-looking activities	35	-221	-21	79	5		-158
Profit/loss after tax, forward-looking activities		**542**	**65**	**-385**	**-20**	**-8**	**194**
Profit/loss on discontinued activities				19			19
Profit/loss after tax		**542**	**65**	**-366**	**-20**	**-8**	**213**

Overview of notes

NOTES WITH REFERENCE

NOTES WITHOUT REFERENCE

Notes

					2014					2013
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Note 1 Intangible assets										
Software	0				0	0				0
Intangible assets, year-end	**0**				**0**	**0**				**0**
Software										
Cost beginning of year	323				323	323				323
Cost, year-end	323				323	323				323
Accumulated amortisation and impairment, beginning of year	-323				-323	-323				-323
Accumulated amortisation and impairment, year-end	-323				-323	-323				-323
Software, year-end	0				0	0				0

There were no changes in intangible assets in 2014.

	2014	2013
Note 2 Owner-occupied properties		
Cost beginning of year	1,084	1,085
Additions during the year	8	0
Disposals during the year	0	-1
Cost, year-end	1,092	1,084
Accumulated revaluations beginning of year	52	56
Revaluations during the year	20	1
Reversal of prior year revaluation through shareholders' equity	-5	-5
Accumulated revaluations, year-end	67	52
Accumulated depreciation and impairment, beginning of year	-78	-82
Impairment for the year	-29	-6
Reversal of prior year impairment through the income statement	1	10
Accumulated depreciation and impairment, year end	-106	-78
Owner-occupied properties, year-end	**1,053**	**1,058**
Restated value beginning of year	1,058	1,059
Additions during the year	8	0
Disposals during the year	0	-1
Value adjustment recognised through the income statement	-28	4
Value adjustment recognised through shareholders' equity	15	-4
Restated value, year-end	1,053	1,058
Average return, office property	5.89%	5.98%

The group's owner-occopied properties are classified as investment properties in the life group, so the reclassification has only been made in the consolidated balance sheet.

The fair value of domicile properties is calculated according to the yield method on the basis of the operating return on the individual property and a return requirement linked to the individual property which reflects the transactions taking place in the property market in the period up to the date of valuation. The resulting fair value is adjusted for deposits, rent above/below market rent, rent on vacant premises and deferred maintenance works and necessary refurbishment expenses.

The methods applied in the calculation of fair values in the current year are unchanged.
The profit for the period includes an unrealised loss of DKK 28 million in value adjustments.

The most important non-observable inputs used in the fair value calculation are:
Required rate of return 5.89%
Rent per m^2 DKK 1,090

An increase in the required rate of return would result in a decline in the fair value of the properties, while an increase in rent per square metre relative to the assumptions applied would result in an increase in the fair value of the properties. A general increase in rent per square metre in the areas in which the group's investment properties are located would, all other things being equal, result in a slight decline in the return requirement.

DKKm	2014 Non-life	Life	Banking	Other	Total	2013 Non-life	Life	Banking	Other	Total
Note 3 Deferred tax assets										
Deferred tax assets beginning of year	214	-8	336	14	556	237	-9	420	17	665
Prior-year adjustment	0	0	-1	1	0	0	0	-1	0	-1
Change for the year	5	0	-35	0	-30	-23	1	-83	-3	-108
Deferred tax assets, year-end	**219**	**-8**	**300**	**15**	**526**	**214**	**-8**	**336**	**14**	**556**
Deferred tax on intangible assets, etc.	122	0	2	5	129	118	0	2	6	126
Deferred tax on real estate	0	-9	11	0	2	0	-9	2	0	-7
Deferred tax on goodwill	69	1	0	0	70	69	1	0	0	70
Deferred tax on lease assets	0	0	85	0	85	0	0	133	0	133
Deferred tax on provisions	28	0	7	2	37	27	0	7	2	36
Deferred tax on losses carried forward	0	0	195	8	203	0	0	192	6	198
Deferred tax assets, year-end	**219**	**-8**	**300**	**15**	**526**	**214**	**-8**	**336**	**14**	**556**

Deferred tax has been capitalised taking into account future earnings and the potential for utilisation. The group had total tax assets of some DKK 535 million at 31 December 2014, of which DKK 526 million has been capitalised.

DKKm	2014 Non-life	Life	Banking	Other	Total	2013 Non-life	Life	Banking	Other	Total
Note 4 Investments in associates										
Investments in associates										
Cost beginning of year		45	39		39		45	39		39
Additions		0	0		0		0	0		0
Disposals		-45	0		0		0	0		0
Cost, year-end		0	39		39		45	39		39
Revaluations and impairment beginning of year		-5	3		3		-9	5		5
Dividends		2	-2		-2		-1	-4		-4
Profit/loss for the year		3	4		4		5	2		2
Revaluations and impairment, year-end		0	5		5		-5	3		3
Investment in associates, year-end		**0**	**44**		**44**		**40**	**42**		**42**

Investments in associates comprise Nordic Corporate Investments A/S and Cibor Invest A/S. Alm. Brand's ownership interest totalled 25% in Nordic Corporate Investment A/S and 33% in Cibor Invest A/S. Hirlap Finans ApS was liquidated in 2014. Alm. Brand Formue A/S, which was partly owned by the sister company Alm. Brand Liv og Pension A/S, was liquidated in 2014.

Key figures of associates	2014 Net income	Total assets	Total liabi-lities	2013 Net income	Total assets	Total liabi-lities
Nordic Coorporate Investmensts A/S	12	156	26	14	155	26
Cibor Invest A/S	2	167	114	1	163	110
Hirlap Finans ApS	0	-	-	0	0	1

The individual associates are not regarded as material to the group. The associates are entitled without limitation to transfer funds to the company's investors by way of dividends etc.

DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Note 5 Reinsurers' share of insurance contracts										
Reinsurers' share of life insurance provisions	0	21			21	0	21			21
Reinsurers' share of premium provisions	7	0			7	7	0			7
Reinsurers' share of claims provisions	291	3			294	601	2			603
Reinsurers' share of insurance	**298**	**24**			**322**	**608**	**23**			**631**

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Reinsurers' share of life insurance provisions										
Beginning of year		21			21		19			19
Change for the year		0			0		2			2
Reinsurers' share of life insurance provision		21			21		21			21
Reinsurers' share of premium provisions										
Beginning of year	7	0			7	8	0			8
Premiums ceded	-353	0			-353	-386	0			-386
Payments to reinsurers	353	0			353	385	0			385
Discounting	0	0			0	0	0			0
Year-end	7	0			7	7				7
Reinsurers' share of claims provisions										
Beginning of year	601	2			603	135	2			137
Claims ceded	394	-10			384	552	-14			538
Payments received from reinsurers	-704	11			-693	-86	14			-72
Discounting	0	0			0	0	0			0
Year-end	291	3			294	601	2			603

Alm. Brand is automatically notified about any changes to the security rating of reinsurance companies and their financial figures. This provides an overview of thereinsurance market and allows the group to identify potential financial difficulties (run-off) in any of the companies with which it collaborates.

If the security rating of a reinsurer is downgraded to below the level prevailing at the signing of the contract, Alm. Brand has a contractual right to terminate the contract. Any commutation proposals/agreements at less than 100% of the claims provisions are registered, and any disputes that the group might have with its reinsurers are taken into consideration.

Based on the above, at the balance sheet date, the group assesses whether there are any doubtful receivables from reinsurers. If that is the case, an impairment loss is recognised. Alm. Brand has no significant concentrations of credit risks on reinsurers.

Reinsurance is calculated on the basis of gross claims incurred based on the given retention rates. See the section on risk for a more detailed description of retention rates. The sensitivity of reinsurance to changes in assumptions is similar to that for gross claims expenses.

There is a direct correlation between reinsurance and gross provisions, so the level of the reinsurance provisions is considered to be adequate at all times.

Note 6 Current tax assets	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Current tax assets beginning of year	-198	-17	166	9	-40	-280	-19	286	17	4
Prior-year tax adjustment	0	0	3	-2	1	0	0	0	0	0
Tax paid/received in respect of prior years	198	17	-169	-7	39	280	19	-286	-17	-4
Tax paid during the year	0	2	1	30	33	0	5	3	0	8
Estimated tax on profit/loss for the year	-166	-20	149	13	-24	-198	-22	163	9	-48
Current tax assets, year-end	**-166**	**-18**	**150**	**43**	**9**	**-198**	**-17**	**166**	**9**	**-40**

Note 7 Other assets	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Receivables from policyholders	104	23	0	0	127	104	34	0	0	138
Receivables from insurance brokers	10	0	0	0	10	18	0	0	0	18
Receivables from insurance companies	39	0	0	0	39	0	0	0	0	0
Receivables from subsidiaries	165	0	0	0	1	142	0	0	32	-1
Other receivables	49	32	0	38	87	43	20	0	38	69
Positive market value of derivatives	166	1,003	27	0	1,196	152	307	180	0	639
Furniture and equipment, computers, cars, etc.	6	0	510	0	516	5	0	301	0	306
Other assets	114	0	54	0	168	0	0	73	0	73
Pensionskassen under Alm. Brand A/S	0	0	0	8	8	0	0	0	9	9
Assets temporarily acquired	0	0	30	0	30	0	0	205	0	205
Interest receivable	75	110	83	0	268	117	125	115	0	357
Prepayments	14	22	7	0	43	17	20	6	0	43
Other assets, year-end	**742**	**1,190**	**711**	**46**	**2,493**	**598**	**506**	**880**	**79**	**1,856**

DKKm	Non-life	Life	Banking	Other	Total 2014	Non-life	Life	Banking	Other	Total 2013
Furniture and equipment, computers, cars, etc.										
Cost beginning of year	97		390		487	111		207		318
Additions during the year	5		342		347	0		212		212
Disposals during the year	-2		-53		-55	-14		-29		-43
Cost, year-end	100		679		779	97		390		487
Accumulated depreciation and impairment, beginning of year	-92		-86		-178	-98		-49		-147
Depreciation for the year	-3		-91		-94	-4		-51		-55
Impairment	0		0		0	0		-1		-1
Depreciation on disposals	1		17		18	10		15		25
Accumulated depreciation and impairment, year-end	-94		-160		-254	-92		-86		-178
Other balances regarding operating leases			-9		-9			-3		-3
Furniture and equipment, computers, cars, etc., year-end	6		510		516	5		301		306
Future minimum lease payments for assets held under operating leases										
Term of 1 year or less			24		24			5		5
Term of 1-5 years			275		275			121		121
Term of 5 years or more			5		5			1		1
Total			304		304			127		127

Alm. Brand has hedged its pension commitments in Pensionskassen under Alm. Brand A/S

DKKm	2014	2013
Present value of commitment beginning of year	-120	-134
Interest expenses	-1	-1
Benefits paid	10	12
Actuarial gains/losses from financial assumptions	-2	-3
Actuarial gains/losses from demographic assumptions	2	3
Actuarial gains/losses from experience adjustments	-9	3
Present value of commitment year-end	-120	-120
Fair value of plan assets beginning of year	129	140
Return on plan assets	1	1
Return on assets (excluding amounts recognised in net interest expenses)	8	-3
Benefits paid	-10	-11
Extraordinary income	0	2
Fair value of plan assets year-end	128	129
Present value of commitment	-120	-120
Fair value of plan assets	128	129
Net asset recognised in the balance sheet	8	9
Net interest income	0	0
Extraordinary income	0	2
Costs recognised in the income statement	0	2
Remeasurement of defined benefit pension plans		
Return on plan assets excluding amounts recognised in net interest expenses		
Actuarial gains/losses from financial assumptions	8	-3
Actuarial gains/losses from demographic assumptions	-2	-3
Actuarial gains/losses from experience adjustments	2	3
Recognise in other comprehensive income	-9	3
Recognise in comprehensive income statement	-1	0
Recognise in income and comprehensive income statement	-1	2

The plan assets are exclusively comprised of cash and cash equivalents (less than DKK 1 million) and bonds valued at the official market price.

	2014	2013
The pension obligations are calculated on the basis of the following actuarial assumptions		
Discount rate, beginning of year	1.00%	0.51%
Expected rate of inflation	2.00%	2.00%
*Average remaining life expectancy in years for pension benefit recipients**		
Male	8.8	8.7
Female	11.6	11.0

*) Based on the Danish FSA's updated mortality benchmark

The pension fund is a defined benefit disbursement-only fund. There are no contribution-paying members, which means that the members are either retired themselves or retired spouses. All payments are regular life benefits originally determined as a percentage of the members' pensionable salary. The benefits are adjusted twice annually. The adjustment rate is determined as the development in the net price index less 1% p.a.

The pension fund is managed by Alm. Brand A/S, which pays all costs related thereto. Auditing expenses and regulatory fees and taxes are paid by the pension fund. Alm. Brand A/S has undertaken to pay pension contribution determined by the pension fund's chief actuary and any extraordinary contributions required by the Danish FSA. Alm. Brand af 1792 fmba has undertaken to indemnify the Alm. Brand A/S for any and all costs the company may incur from time to time in respect of these obligations. The pension fund is managed by a board of directors comprised of eight members, half of whom are elected by an among the voting members of the pension fund.

The pension fund is exposed to risks such as life expectancy risk, interest rate risk and inflation risk.

The calculation of the pension obligations is based on life expectancy. If this life expectancy changes, the value of the pension obligations will increase or decline depending on whether the life expectancy rises or falls. If the actual lifetime exceeds the life expectancy, the pension fund will incur an expense. Conversely, a shorter actual lifetime will result in income for the pension fund.

The obligations of the pension fund are calculated on the basis of expected benefits discounted by an interest rate published by the Danish FSA (the 10-year spot on the discount curve) with correction for the rules applicable on benefit adjustment. An interest rate change will affect the value of both assets and liabilities. The diffefence in this effect equals the interest rate risk.

The benefits are adjusted by the development in the net price index less 1 percentage point. Provisions are calculated on the basis of an expected annual increase in the net price index of 2%. If the expected future development in the net price index changes, the value of pension provisions will change as well. If the actual adjustment exceeds the expected adjustment, the pension fund will incur an expense. Conversely, a lower adjustment rate will equal an income.

The actuarial assumptions underlying the determination of the pension obligation comprise discount rate, expected rate of inflation and life expectancies. The sensitivity analysis below has been calculated on the basis of probable changes in the respective assumptions existing at the balance sheet date, while all other variables are maintained.

If the discount rate is 100 bps higher (lower), the pension obligations will decline by DKK 8 million (increase by DKK 9 million).
If the rate of inflation is 1 percentage point higher (lower), the pension obligations will increase by DKK 9 million (fall by DKK 8 million).
If the average remaining lifetime declines (increases) by 0.4 of a year for both men and women, the pension obligation will decline by DKK 5 million (increase by DKK 5 million).

The sensitivity analysis does not necessarily reflect the actual change in the obligations, as it is unlikely that changes in one assumption will occur isolated from changes in other assumptions. The present value of the pension obligations in the above sensitivity analysis is calculated in the same way as the calculation of the pension obligations recognised in the balance sheet.

The method used for the sensitivity analysis and the assumptions included therein are unchanged from prior years.

As the pension fund is a disbursement-only pension fund, no contributions are expected to be made to the scheme next year.
The average weighted duration of the pension obligations at 31 December 2014 was 7.5 years (2013: 7.3 years).

					2014					2013
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Note 8 Loans and advances										
Loans and advances at fair value	1,874		307		2,181			2,497		2,497
Loans and advances at amortised cost	0		4,347		4,347			4,843		4,843
Loans and advances, year-end	**1,874**		**4,654**		**6,528**			**7,340**		**7,340**
Loans and advances at fair value										
Mortgage deeds	1,874		307		2,181			2,497		2,497
Loans and advances at fair value, year-end	1,874		307		2,181			2,497		2,497

Of the year's total negative fair value adjustment of mortgage deeds of DKK 62 million (2013: negative adjustment of DKK 246 million), a negative amount of DKK 135 million was due to credit losses (2013: negative amount of DKK 177 million).

					2014					2013
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Loans and advances at amortised cost										
Loans			5,746		5,746			6,236		6,236
Leases			48		48			52		52
Total before impairment etc.			5,794		5,794			6,288		6,288
Impairment etc.			-1,447		-1,447			-1,445		-1,445
Loans and advances at amortised cost, year-end			4,347		4,347			4,843		4,843
Gross investment in finance leases										
Term of less than one year			28		28			30		30
Term of between one and five years			22		22			24		24
Term of more than five years			1		1			1		1
			51		51			55		55
Unearned financial income			-3		-3			-3		-3
Net investment in finance leases, year-end			48		48			52		52
Net investment in finance leases										
Term of less than one year			28		28			30		30
Term of between one and five years			20		20			22		22
Term of more than five years			0		0			0		0
Net investment in finance leases, year-end			48		48			52		52
Of this, any unguaranteed residual value			-		-			-		-
Impairment of finance leases			-1		-1			0		0
Value of loans and advances for which there is an objective evidence of impairment										
Individual assessment										
Loans and advances before impairment			2,040		2,040			2,093		2,093
Impairment, etc.			-1,293		-1,293			-1,328		-1,328
Individual assessment, year-end			747		747			765		765
Group assessment										
Loans and advances before impairment			3,060		3,060			3,727		3,727
Impairment, etc.			-153		-153			-118		-118
Group assessment, year-end			2,907		2,907			3,609		3,609
Loans and advances after impairment, year-end			3,654		3,654			4,374		4,374

Note 9 Investment properties

					2014					2013
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Carrying amount beginning of year	16	1,433	37		428	16	1,436	0		393
Additions during the year	0	11	135		138	0	10	48		58
Disposals during the year	0	-8	-6		-14	0	-11	-7		-17
Value adjustments	2	-19	-6		-10	0	-2	-4		-6
Investment properties, year-end	**18**	**1,417**	**160**		**542**	**16**	**1,433**	**37**		**428**
Average return, office property	6.87%	6.01%			6.33%	6.73%	6.05%			6.33%
Average return, residential property		6.00%			6.00%		5.89%			6.00%
Total average return	6.87%	6.01%			6.30%	6.73%	6.04%			6.30%

Some of the life group's investment properties are used by the group as owner-occupied properties, so the properties are classified as owner-occupied properties in the consolidated balance sheet. See note 2.

Investment properties Non-life and Life and Pension

The fair value of investment properties is calculated according to the yield method on the basis of the operating return on the individual property and a return requirement linked to the individual property which reflects the transactions taking place in the property market in the period up to the date of valuation. The resulting fair value is adjusted for deposits, rent above/below market rent, rent on vacant premises and deferred maintenance works and necessary refurbishment expenses.

The methods applied in the calculation of fair values in the current year are unchanged.
The profit for the period includes an unrealised loss of DKK 7 million in Other income from investment activities.

The most important non-observable inputs used in the fair value calculation are:
Required rate of return 6.87%
Rent per m^2 1,269 DKK

An increase in the return requirement would result in a decline in the fair value of the properties, while an increase in rent per square metre relative to the assumptions applied would result in an increase in the fair value of the properties. A general increase in rent per square metre in the areas in which the group's investment properties are located would, all other things being equal, result in a slight decline in the return requirement.

Investment properties Banking
Investment property comprises single-family houses and rental property which are not expected to be sold within 12 months. Single-family houses are measured on the basis of valuations received from external appraisers. Rental property is measured on the basis of a cash flow model that takes into account a return requirement which is dependent on location, financial strength of tenants, lease terms and use etc. Rental property is supplemented by valuations received from external appraisers if the property is deemed to be difficult to sell.
If the valuation of single-family houses are lowered by 15%, and the required rate of return on rental property is increased by 1 percentage point, the fair value would change by DKK 21.3 million.

	2014					2013				
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Note 10 Investment assets										
Government bonds	0	2,793	23	0	2,816	70	2,110	149	0	2,329
Mortgage bonds	7,508	6,993	7,091	0	21,592	8,801	7,367	5,657	0	21,825
Other fixed-rate instruments	53	342	87	0	482	241	373	150	0	764
Other floating-rate instruments	101	83	0	2	186	100	27	0	2	129
Listed shares	0	861	83	0	944	0	763	403	0	1,166
Unlisted shares	8	212	153	0	373	8	207	203	1	419
Other	1	7	0	0	7	0	3	0	0	3
Investment assets, year-end	**7,671**	**11,291**	**7,437**	**2**	**26,400**	**9,220**	**10,850**	**6,562**	**3**	**26,635**

The group's holding of listed and unlisted shares had a market value of DKK 1,317 milion at 31 December 2014 (2013: DKK 1,585 million). A significant part of the group's equity exposure is achieved through the use of derivatives such as options and futures. The aggregate equity exposure, including derivatives, was DKK 2,570 million at 31 December 2013 (2013: DKK 2,347 million). The bank's portfolio of financial instruments is recognised under other assets and other liabilities. Please refer to the bank's annual report for further details on the positions.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Note 11 Balances due from credit institutions and central banks										
Balances at notice with central banks	0	0	0	0	0	0	0	0	0	0
Balances due from credit institutions	0	100	757	95	952	0	0	611	60	671
Balances due from credit institutions and central banks, year-end	**0**	**100**	**757**	**95**	**952**	**0**	**0**	**611**	**60**	**671**
By term to maturity:										
Balances at call	0	0	157	0	157	0	0	433	0	433
Up to and including 3 months	0	100	600	95	795	0	0	178	60	238
Over 3 months and up to and including 1 year	0	0	0	0	0	0	0	0	0	0
Year-end	0	100	757	95	952	0	0	611	60	671
Receivables in connection with genuine purchase and resale transactions:										
Due from credit institutions and central banks			0		0			178		178
Other debtors			0		0			0		0
Year-end			0		0			178		178

DKKm	2014	2013
Note 12 Consolidated shareholders' equity		
Share capital, year-end	**1,735**	**1,735**

The share capital consists of 173,500,000 shares of DKK 10 each and has been fully paid up.

The following shareholder has announced that it holds more than 5% of the share capital:
Alm. Brand af 1792 fmba, Midtermolen 7, 2100 Copenhagen Ø

DKKm	2014	2013	2012	2011	2010
Share capital beginning of year	1,735	1,735	1,735	1,735	1,388
Reduction of capital on 11 November 2010	0	0	0	0	-1,215
Share issue on 30 December 2010	0	0	0	0	1,562
Share capital, year-end	1,735	1,735	1,735	1,735	1,735

Reference is made to the statement of changes in equity.

DKKm	2014	2013
Solvency		
Tier 1 capital after deductions	3,712	4,054
Total capital after deductions	3,391	3,746
Weighted items subject to credit risks	8,934	9,368
Weighted items subject to market risks	1,413	2,154
Weighted items subject to operational risks	619	451
Total weighted items	10,966	11,973
Tier 1 capital after deductions as a percentage of total weighted items	33.9%	33.9%
Solvency ratio	31.0%	31.3%

The total capital is calculated in accordance with the FICOD II rules.

	2014	2013
No. of shares		
Reconciliation of the no. of shares (1,000)		
Issued shares beginning of year	173,500	173,500
Treasury shares beginning of year	-2,845	-710
No. of shares beginning of year	170,655	172,790
Shares acquired/sold during the year	-993	-2,135
Issued shares year end	173,500	173,500
Treasury shares year end	-3,838	-2,845
No. of shares at year end	169,662	170,655
Treasury shares		
Carrying amount beginning of year	0	0
Value adjustment	-28	-42
Acquired during the year	28	42
Treasury shares, year-end	0	0
Nominal value beginning of year	28	7
Acquired during the year	10	21
Nominal value, year-end	38	28
Holding (1,000) beginning of year	2,845	710
Acquired during the year	993	2,135
Holding (1,000), year-end	3,838	2,845
Percentage of share capital, year-end	2.2%	1.6%

	2014					2013				
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Note 13 Subordinated debt										
Subordinated loan capital										
Floating rate bullet loans maturing 2014.05.09	0	0	0	0	0	0	0	100	0	100
Floating rate bullet loans maturing 2015.12.03	0	0	0	0	0	0	0	200	0	200
Floating rate bullet loans maturing 2020.03.15	0	120	0	0	0	0	120	0	0	0
Floating rate bullet loans maturing 2020.03.15	149	0	0	0	149	149	0	0	0	149
Floating rate bullet loans maturing 2024.04.01	0	0	0	250	250	0	0	0	250	250
Subordinated loan capital, year-end	149	120	0	250	399	149	120	300	250	699
Hybrid loan capital										
Fixed rate bullet loans in DKK with indefinite terms			175		175			175		175
State-funded capital injection, bullet loan i DKK with an indefinite term			0		0			226		226
Hybrid loan capital, year-end			175		175			401		401
Hedging of interest rate risk at fair value					0			0		0
Subordinated debt, year-end	**149**	**120**	**175**	**250**	**574**	**149**	**120**	**701**	**250**	**1,100**
Interest on subordinated debt	2	2	19	13	34	2	2	71	11	84
Of which amortisation of costs incurred on raising	0	0	0	0	0	0	0	1	0	1
Extraordinary instalments	0	0	426	0	426	0	0	630	0	630
Costs incurred in connection with the raising of the subordinated debt	0	0	0	0	0	0	0	0	0	0

The subordinated loan capital in the non-life insurance segment carries interest at a floating rate of three-month EURIBOR plus 1.80 basis points. The subordinated loan capital in the life insurance segment carries interest at a floating rate of three-month EURIBOR plus 1.80 basis points.

The hybrid loan capital of DKK 175 million was issued on 12 October 2006 and is subject to a rate of interest for the first ten-year term of 5.855%. Subsequently, the capital certificates cary interest at 3M CIBOR plus 2.70 percentage points. As a part of the risk management efforts, the fair value of the hybrid Tier 1 capital is hedged by way of derivate financial instruments.

The state-funded capital injection in the form of hybrid Tier 1 capital was issued on 24 September 2009 at an interest rate of 11.01%. The remaining DKK 226 million was repaid in 2014, and the state-funded additional tier 1 capital has now been fully repaid.

The subordinate loan capital in the segment Other carries a floating rate of interest of 3M CIBOR plus 5.0 percentage points.

In connection with the calculation of the total capital, DKK 574 million of the group's subordinated capital of DKK 522 million was recognised in accordance with the applicable rules.

	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Note 14 Provisions for insurance contracts										
Unearned premium provisions	1,858	0			1,858	1,858				1,858
Life insurance provisions	0	10,920			10,920	0				0
Outstanding claims provisions	5,713	46			5,759	5,695				5,695
Collective bonus potential	0	912			912	0				0
Provisions for insurance contracts,										0
year-end	**7,571**	**11,878**			**19,449**	**7,553**				**7,553**
Unearned premium provisions										
Beginning of year	1,858				1,858	1,877				1,877
Premiums received	5,035				5,035	5,019				5,019
Premuims recognised as income	-5,056				-5,056	-5,033				-5,033
Discounting, all years	1				1	3				3
Value adjustment, all years	20				20	-8				-8
Unearned premium provisions, year-end	1,858				1,858	1,858				1,858

DKKm	2014	2013
Life insurance provisions		
Life insurance provisions, end of preceding year	10,198	11,832
Change in the use of bonus potential on paid-up policies, beginning of year	0	0
Life insurance provisions beginning of year	10,198	11,832
Accumulated value adjustments, end of preceding year	-1,201	-1,661
Change in the use of bonus potential on paid-up policies, beginning of year	0	0
Accumulated value adjustments beginning of year	-1,201	-1,661
Retrospective provisions, end of preceding year	8,997	10,171
Opening adjustment due to contribution move etc.	1	0
Retrospective provisions beginning of year	8,998	10,171
Adjustment negative bonus	0	0
Change in share of provisions in Forenede Gruppeliv	-7	11
Gross premiums	1,243	928
PAL compensation (gross)	0	0
Interest	354	270
Resetting negative bonus	14	14
Claims and benefits	-1,186	-2,240
Expense supplement after addition of expense bonus	-76	-81
PAL cost	0	0
Risk gain after addition of risk bonus	-71	-71
Change as a result of changes in the level of interest rates	0	0
Other changes	-1	-5
Retrospective provisions, year-end	9,268	8,997
Accumulated value adjustments, year-end	1,652	1,201
Life insurance provisions, year-end	10,920	10,198
Guaranteed benefits	9,289	8,244
Bonus potential on future premiums	1,209	1,216
Bonus potential on paid-up policy benefits	422	738
Life insurance provisions, year-end	10,920	10,198

DKKm 2014	Garanteed benefits	Bonus potential on future premiums	Bonus potential on paid-up policy benefits	Total
Life insurance provisions per basis				
Interest rate group 0	2,606	1,167	382	4,155
Interest rate group 1	1,528	25	22	1,575
Interest rate group 2	1,062	11	14	1,087
Interest rate group 3	3,971	6	4	3,981
Portfolios with bonus entitlement, year-end	9,167	1,209	422	10,798
Interest rate group L66/U74	122	0	0	122
Portfolios without bonus entitlement, year-end	122	0	0	122
Life insurance provisions year-end	9,289	1,209	422	10,920

DKKm 2013				
Life insurance provisions per basis				
Interest rate group 0	1,551	1,144	602	3,297
Interest rate group 1	1,484	43	92	1,619
Interest rate group 2	1,047	18	29	1,094
Interest rate group 3	4,036	11	15	4,062
Portfolios with bonus entitlement year-end	8,118	1,216	738	10,072
				0
Interest rate group L66/U74	126	0	0	126
Portfolios without bonus entitlement year-end	126	0	0	126
Life insurance provisions, year-end	8,244	1,216	738	10,198

Provisions in Alm. Brand Liv og Pension A/S are stated at market value based on an expected cash flow discounted using the Government bond-adjusted yieldcurve published by the Danish Financial Supervisory Authority.

Guaranteed benefits include a supplement pursuant to sections 66(5) of the executive order on the presentation of financial reports by insurance companies, to the effect that the minimum value provided is equal to the guaranteed surrender value.

DKKm	2014	2013
The supplement has been calculated taking into account the probability of surrender and totals	157	71
Without taking into account the probability of surrender, the supplement amounts to	157	71
When calculating life insurance provisions at market value, a risk premium has been included, which amounts to	12.00%	12.00%

DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Outstanding claims provisions										
Beginning of year	5,695	49			5,744	5,338	45			5,383
Claims paid regarding current year	-1,807	-1,188			-2,995	-1,923	-2,239			-4,162
Claims paid regarding previous years	-2,025	0			-2,025	-1,354	0			-1,354
Change in claims regarding current year	3,403	1,185			4,588	3,977	2,239			6,216
Change in claims regarding previous years	176	0			176	-208	0			-208
Discounting	47	0			47	55	0			55
Value adjustment, all years	308	0			308	-142	0			-142
Hedging of inflation risk	-84	0			-84	-48	0			-48
Change in share of provisions in Forenede Gruppeliv	0	0			0	0	4			4
Outstanding claims provisions, year-end	5,713	46			5,759	5,695	49			5,744

The determination of expected future inflation is explained in the accounting policies. For provisions for workers' compensation the inflation factor applied for 2014 is 2.78%.

DKKm	2009	2010	2011	2012	2013	2014	Total
Run-off triangle, gross							
Estimated accumulated claims							
Year-end	3,756	3,887	4,126	3,268	4,004	3,433	
1 year later	3,737	3,810	4,271	3,152	4,285		
2 years later	3,777	3,867	4,280	3,158			
3 years later	3,784	3,818	4,301				
4 years later	3,750	3,830					
5 years later	3,762						
	3,762	3,830	4,301	3,158	4,285	3,433	22,769
Paid to date	-3,393	-3,414	-3,823	-2,667	-3,371	-1,803	-18,471
Provisions before discounting effect, year-end	369	416	478	491	914	1,630	4,298
Discounting effect	0	-1	-1	-2	-4	-5	-13
Accumulated value change, health and personal accident insurance	6	7	5	5	8	10	41
	375	422	482	494	918	1,635	4,326
Provisions from 2008 and prior years							1,387
Gross outstanding claims provisions, year-end							5,713

DKKm	2009	2010	2011	2012	2013	2014	Total
Run-off triangle, net of reinsurance							
Estimated accumulated claims							
Year-end	3,703	3,810	3,558	3,246	3,467	3,362	
1 year later	3,680	3,768	3,542	3,120	3,442		
2 years later	3,712	3,817	3,556	3,114			
3 years later	3,722	3,773	3,575				
4 years later	3,690	3,793					
5 years later	3,718						
	3,718	3,793	3,575	3,114	3,442	3,362	21,004
Paid to date	-3,380	-3,380	-3,109	-2,639	-2,697	-1,801	-17,006
Provisions before discounting effect, year-end	338	413	466	475	745	1,561	3,998
Discounting effect	1	-1	-1	-2	-4	-5	-12
Accumulated value change, health and personal accident insurance	7	8	4	3	7	9	38
	346	420	469	476	748	1,565	4,024
Provisions from 2008 and prior years							1,399
Outstanding claims provisions year-end, net of reinsurance							5,423

The table indicates the historical development of the assessed final liability (the sum of payments and provisions) for each claim year from 2009 to 2014. The stated liabilities were calculated excluding discounting, thus eliminating fluctuations due to changes in discount rates and discounting methods. Worker's compensation and health and personal accident insurance are, however, calculated including discounting. The development is presented gross as well as net of reinsurance.

	2014					2013				
DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Undiscounted expected cash flows										
Life insurance provisions										
Cash flow 1 year or less		248			248		249			249
Cash flow 1-5 years		1,260			1,260		1,239			1,239
Cash flow 5 years or more		10,978			10,978		11,095			11,095
Gross claims provisions										
Cash flow 1 year or less	1,926	46			1,972	2,120	49			2,169
Cash flow 1-5 years	1,536	0			1,536	1,670	0			1,670
Cash flow 5 years or more	1,386	0			1,386	1,453	0			1,453
Collective bonus potential										
Beginning of year		827			827		586			586
Provisions for the year through profit or loss		117			121		425			429
Contribution group move, beginning of year		0			0		1			1
Transferred from revaluation reserves from equity		0			-4		0			-4
Accelerated taxation of unallocated provisions		-32			-32		-185			-185
Collective bonus potential, year end		912			912		827			827

DKKm						2014
	Yield group 0	Yield group 1	Yield group 2	Yield group 3	Risk groups	Total
Collective bonus potential per interest rate group						
Beginning of year	419	234	90	73	11	827
Change relative to beginning of year*	35	-23	-9	-3	0	0
Beginning of year	454	211	81	70	11	827
Change in collective bonus	29	60	-7	35		117
Accelerated taxation of unallocated provisions	-10	-5	-3	-14	0	-32
Provisions during the year	19	55	-10	21	0	85
Collective bonus potential, year end	473	266	71	91	11	912

DKKm						2013
	Yield group 0	Yield group 1	Yield group 2	Yield group 3	Risk groups	Total
Collective bonus potential per interest rate group						
Beginning of year	273	201	73	30	10	587
Change relative to beginning of year*	32	-19	-12	-1	0	0
Beginning of year	305	182	61	29	10	587
Change in collective bonus	141	80	58	145	1	425
Accelerated taxation of unallocated provisions	-27	-28	-29	-101	0	-185
Provisions during the year	114	52	29	44	1	240
Collective bonus potential, year end	419	234	90	73	11	827

* Moves between contribution groups and change in bonus potential used on paid-up policies

DKKm	2014	2013
Bonus rate per interest rate group		
Interest rate group 0	11.6%	12.8%
Interest rate group 1	19.3%	15.3%
Interest rate group 2	7.6%	8.9%
Interest rate group 3	3.3%	2.4%

Calculation of claims provisions

For all lines except workers' compensation, the future inflation rate is estimated and recognised implicitly in the provison models. The future inflation rate forecast used in the calculation of provisions in relation to workers' compensation consists of an inflation element and a real wage element.

The cash flow regarding payment of provisions for the past ten claims years is estimated for all lines and discounted using the government bond-adjusted yield curve of the Danish Financial Supervisory Authority. In workers' compensation, provisions relating to claims years more than ten years back are also discounted.

Sensitivity of provisions

Social inflation may have a great impact on our results and the size of outstanding claims provisions. Social inflation can be a tendency for the courts to increase claims payments, changed case handling procedures with the public authorities which lead to higher claims and legislative changes that affect benefit levels, also with retroactive effect.

Social inflaion has a particular impact on claims levels within workers' compensation, vehicle and liability insurance. When discounted provisions are made, expectations of the future inflation and discount rates on long-tail business are sensitive to changes.

Adequacy of provisions

The outstanding claims provisions are calculated using actuarial methods and with due consideration to avoiding run-off losses and run-off gains. At the time they are calculated, the provisions represent the best estimate of future claims expenses in respect of the current and earlier claims years. The outstanding claims provisions are recalculated every month, which means that the level is considered adequate at all times.

					2014					2013
DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Note 15 Other provisions										
Provisions for jubilees, severance payments, etc.	24		2		26	22		2		24
Provisions for losses on guarantees	0		11		11	0		8		8
Other provisions, year-end	**24**		**13**		**37**	**22**		**10**		**32**
Provisions for jubilees, severance payment, etc., beginning of year	22		2		24	19		2		21
New and adjusted provisions	10		0		10	5		0		5
Net provisions recognised during the year	-3		0		-3	-1		0		-1
Reversed provisions during the year	-7		0		-7	-1		0		-1
Discounting effect	2		0		2	0		0		0
Provisions for jubilees, severance payment, etc., year-end	24		2		26	22		2		24
Provisions for losses on guarantees beginning of year			8		8			7		7
Provisions for the year			6		6			4		4
Reversed provisions for the year			-3		-3			-3		-3
Provisions for losses on guarantees, year-end			11		11			8		8

The provision for anniversaries, severance of service, etc. has been calculated using an estimated likelihood of disbursement.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Note 16 Deferred tax liabilities										
Deferred tax on contingency funds		8		40	40		8		40	40
Deferred tax liabilities, year-end		**8**		**40**	**40**		**8**		**40**	**40**

The company is liable to pay a possible tax amount in Denmark in respect of recaptured losses in foreign entities. The liability amounts to a maximum of DKK 316 million.

In connection with the filing of the tax return for 2014 in mid-2015, the group is expected to exit the international joint taxation scheme, and the obligation will then lapse.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Note 17 Issued bonds										
Employee bonds			0	21	21			0	31	31
Issued bonds, year-end			**0**	**21**	**21**			**0**	**31**	**31**
Note 18 Other liabilities										
Payables to policyholders	7	0	0	0	7	9	0	0	0	9
Payables related to direct insurance	1	10	0	0	11	0	13	0	0	13
Payables related to reinsurance	23	6	0	0	29	86	11	0	0	97
Payables to subsidiaries	0	8	28	18	9	33	32	22	12	12
Repo/reverse transactions,	0	0	0	0	0	0	0	177	0	177
negative values	244	269	38	0	551	0	6	234	0	240
Negative market value of derivatives										
Liabilities temporarily acquired	0	0	1	0	1	0	0	166	0	166
Other payables	249	347	137	10	711	272	342	157	18	755
Deferred income	2	0	0	0	2	2	0	1	0	3
Other liabilities, year-end	**526**	**640**	**204**	**28**	**1,321**	**402**	**404**	**757**	**30**	**1,472**
Note 19 Deposits										
Deposits at call			4,504		4,287			4,030		3,956
At notice			5,394		5,394			5,643		5,643
Time deposits			0		-2			0		-9
Special categories of deposits			1,178		1,178			1,263		1,263
Deposits, year-end			**11,076**		**10,857**			**10,936**		**10,853**
Note 20 Payables to credit institutions and central banks										
Central banks	0	0	1,003		1,003	0	0	1,003		1,003
Credit institutions	9	764	196		969	153	359	1,194		1,706
Payables to credit institutions and central banks, year-end	**9**	**764**	**1,199**		**1,972**	**153**	**359**	**2,197**		**2,709**
By term to maturity:										
Due on demand	9	764	102	0	875	153	359	103	0	615
Up to and including 3 months	0	0	2	0	2	0	0	772	0	772
Over 3 months and up to and including 1 year	0	0	1,004	0	1,004	0	0	317	0	317
Over 1 year and up to and including 5 year	0	0	18	0	18	0	0	1,003	0	1,003
Over 5 years	0	0	73	0	73	0	0	2	0	2
Year-end	9	764	1,199	0	1,972	153	359	2,197	0	2,709
Debt arising from genuine purchase and resale transactions:										
Due from credit institutions and central banks			0		0			772		772
Other payables			0		0			0		0
Year-end			0		0			772		772

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Note 21 Premium income										
Gross premium	5,034	1,243			6,277	5,018	928			5,946
Change in unearned premium provisions	24	0			24	13	0			13
Total premium income	**5,058**	**1,243**			**6,301**	**5,031**	**928**			**5,959**
Direct insurance is exclusively written in Denmark										
Premium income, life insurance										
Regular premiums		632			632		626			626
Single premiums		611			611		302			302
Total premium income, life insurance		1,243			1,243		928			928
Individually written insurance		624			624		453			453
Insurance written in employment relationship		416			416		277			277
Group life schemes		203			203		198			198
Total premium income, life insurance		1,243			1,243		928			928
Number of policies (1,000)										
Individually written insurance		61			61		63			63
Insurance written in employment relationship		7			7		7			7
Group life schemes		67			67		72			72

All policies written include a bonus arrangement. The life insurance company only writes direct Danish insurance.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Note 22 Interest income, etc.										
Equity investments	1	22	0	0	23	1	23	0	0	24
Bonds	180	309	102	0	591	194	313	134	0	641
Loans secured by mortgages	6	0	137	0	143	0	0	175	0	175
Other loans	0	0	241	0	241	0	0	266	0	266
Deposits in credit institutions	0	0	1	0	1	0	0	1	0	1
Other investment assets	42	68	-31	0	77	41	63	-37	0	65
Total interest income, etc.	**229**	**399**	**450**	**0**	**1,076**	**236**	**399**	**539**	**0**	**1,172**
Interest income in connection with genuine purchase and resale transactions:										
Due from credit institutions and central banks			0		0			0		0
Other debtors			0		0			0		0
Note 23 Fee income, etc.										
Securities trading and deposits			125		87			145		84
Payment transfers			4		4			4		4
Commission fees			3		3			6		6
Other fees and commissions			42		42			40		40
Dividends			1		1			7		7
Fees paid			-23		-23			-27		-27
Total fee income, etc.			**152**		**114**			**175**		**114**
Note 24 Other income from investment activities										
Rental income	2	102	2		33	2	128	1		45
Operation and maintenance - occupied leases	-2	-29	-1		-7	-1	-49	-1		-26
Operation and maintenance - vacant leases	0	-23	-2		-25	0	-15	-8		-23
Total other income from investment activities	**0**	**50**	**-1**		**1**	**1**	**64**	**-8**		**-4**
Note 25 Profit/loss from investments in associates										
Total Profit/loss from investments in associates		**3**	**4**		**4**		**5**	**2**		**2**

Profit/loss from investments in associates comprises the group's share of the profit in Nordic Corporate Investments A/S and Cibor Invest A/S. Alm. Brand Liv og Pension A/S's share of the sister company Alm. Brand Formue A/S is recognised under investments in associates. The share is eliminated at group level. Alm. Brand Formue A/S was liquidated in 2014.

	2014					2013				
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Note 26 Other income										
Other			142		142			77		77
Total other income			**142**		**142**			**77**		**77**
Note 27 Claims expenses										
Claims paid	-3,829	-1,188			-5,017	-3,277	-2,239			-5,516
Change in outstanding claims provisions	250	3			253	-492	0			-492
Total claims expenses	**-3,579**	**-1,185**			**-4,764**	**-3,769**	**-2,239**			**-6,008**
Run-off result, gross	-174				-174	207				207
Run-off result, ceded business	305				305	0				0
Run-off result, net	131				131	207				207

The run-off result includes value adjustment of inflation swaps used to hedge inflation risk related to workers' compensation.

Claims and benefits paid, life insurance										
Insurance sums on death		-77			-77		-87			-87
Insurance sums on critical illness		-21			-21		-21			-21
Insurance sums on disability		-8			-8		-7			-7
Insurance sums on expiry		-172			-172		-353			-353
Pension and annuity benefits		-309			-309		-307			-307
Surrenders		-482			-482		-1,334			-1,334
Cash bonus payments		-119			-119		-130			-130
Total claims and benefits, life insurance		-1,188			-1,188		-2,239			-2,239
Note 28 Interest expenses										
Credit institutions and central banks	0	0	-1	0	-1	0	0	-3	0	-3
Deposits and other payables	0	0	-195	0	-195	0	0	-227	0	-227
Issued bonds	0	0	0	-1	-1	0	0	-11	-1	-12
Subordinated debt	-2	-2	-19	-13	-34	-2	-2	-71	-11	-84
Other interest expenses	-25	-1	-1	0	-27	-2	-1	-1	0	-4
Discounting insurance contracts	-48	0	0	0	-48	-57	0	0	0	-57
Total interest expenses	**-75**	**-3**	**-216**	**-14**	**-306**	**-61**	**-3**	**-313**	**-12**	**-387**
Interest expenses arising from genuine purchase and resale transactions:										
Debt to credit institutions and central banks			0		0			0		0
Deposits and other payables			0		0			0		0
Note 29 Impairment of loans, advances and receivables, etc.										
Individual assessment:										
Impairment and value adjustments, respectively, during the year			-331		-331			-333		-333
Reversal of impairment in previous years			205		205			121		121
Total individual assessment			-126		-126			-212		-212
Group assessment:										
Impairment and value adjustments, respectively, during the year			-118		-118			-51		-51
Reversal of impairment in previous years			83		83			63		63
Total group assessment			-35		-35			12		12
Losses not previously provided for			-26		-26			-37		-37
Bad debts recovered			46		46			41		41
Other losses and provisions			0		0			0		0
Total impairment of loans, advances and receivables, etc.			**-141**		**-141**			**-196**		**-196**

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Note 30 Acquisition costs and administrative expenses										
Acquisition commission, etc.	-145	-3	0	0	-148	-144	-3	0	0	-147
Other acquisition costs	-407	-45	0	0	-452	-405	-40	0	0	-445
Administrative expenses	-235	-36	-520	0	-743	-254	-38	-513	0	-744
Total acquisition costs and administrative expenses	**-787**	**-84**	**-520**	**0**	**-1,343**	**-803**	**-81**	**-513**	**0**	**-1,336**
Salaries and wages					948					928
Pension					140					136
Payroll tax, etc.					122					112
Share-based payment					5					4
Total salaries and wages, pension, etc.					1,215					1,180

Part of the payroll expenses for the year have been allocated as claims handling costs and are therefore included under claims incurred.

	2014	2013
Average number of employees	1,590	1,585
Remuneration to the Management Board and Board of Directors (DKK '000)		
Salaries and wages	5,751	5,518
Pension plans	1,728	1,650
Share-based payment	792	770
Total remuneration to the Management Board	8,271	7,938
Directors' fees	4,686	3,428
Total remuneration to the Management Board and Board of Directors	12,957	11,366
Alm. Brand group remuneration to the Board of Directors (DKK '000)		
Jørgen Hesselbjerg Mikkelsen (Chairman)	980	800
Boris Nørgaard Kjeldsen (Deputy Chairman)	730	600
Jan Skytte Pedersen	490	375
Henrik Christensen	270	200
Arne Nielsen	570	400
Per Viggo Hasling Frandsen	250	200
Ebbe Castella	410	243
Karen Sofie Hansen-Hoeck	250	137
Helle Låsby Frederiksen (employee representative)	250	200
Lars Christiansen (employee representative	250	137
Brian Egested (employee representative, joined in 2014)	170	0
Susanne Larsen (employee representative)	250	200
Henning Kaffka (retired in 2014)	81	200
Per Dahlbom (retired in 2013)	0	67
Total remuneration to the Board of Directors	4,951	3,759
No. of members of the Management Board	1	1
No. of members of the Board of Directors	12	12

Remuneration to key management persons includes remuneration to Chief Executive Officer Søren Boe Mortensen.

In Alm. Brand, all employees, including the Management Board member, are entitled to a defined contribution pension plan. The group's expenses in relation to the Management Board's pension plans are shown in the note above.

The Management Board members and Alm. Brand A/S are subject to a mutual notice of termination of 12 months. Furthermore, Management Board members are entitled to severance pay equal to 36 months' remuneration in the event of termination on the part of Alm. Brand A/S.

The remuneration of the Board of Directors includes remuneration for audit committee participation. As chairman of the audit committee, Arne Nielsen receives DKK 80,000, and Jørgen Hesselbjerg Mikkelsen and Boris Nørgaard Kjeldsen each receive DKK 40,000.

Remuneration to key employees (DKK '000)	2014	2013
Salaries	22,970	17,626
Pension plans	4,439	3,946
Share-based payment	2,314	1,995
Total remuneration to key employees	29,723	23,567

In accordance with IAS 24, key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the group.

Remuneration for 2014 includes severance payment for a key employee.

DKKm	2014	2013
Remuneration to risk takers (DKK '000)		
Fixed salary	29,147	31,007
Pension	3,633	3,811
Variable salary	100	50
Share-based payment	1,002	806
Total remuneration to risk takers	33,882	35,674
Number of risk takers	26	28

Risk takers are those persons who, in accordance with the Danish Executive Order on remuneration policy and public disclosure of salaries, have a material influence on the company's risk profile.

Remuneration to risk takers includes salary etc. in connection with severance.

A one-off fee has been paid to risk takers, but no bonus has been disbursed.

Share-based payment
A share option scheme has been established for the senior executives of the Alm. Brand Group, with the exception of the management of Alm. Brand Bank A/S. The scheme, which can only be exercised by purchasing the relevant shares (equity-based scheme), entitles the holders to purchase a number of shares in Alm. Brand A/S at a pre-determined price. The options granted vest at the date of grant. The options will lapse if they remain unexercised 50 months after the date of grant.

The share option scheme forms part of the fixed salary and cannot exceed 13% thereof. The share option programme will continue in its present form until 31 March 2016. The exercise price is calculated as a simple average of the market price of Alm. Brand A/S on the fifth, sixth and seventh trading day after release of annual reports or half-year interim reports plus a 10% premium.

Breakdown of outstanding share options:

	Number of share options held	Exercise price	Fair value at date of grant	Expiry date
Granted on 4 September 2012	328,130	15.39	3.01	04.11.16
Granted on 8 march 2013	922,610	20.06	2.28	08.05.17
Granted on 3 september 2013	906,705	20.42	2.32	03.11.17
Granted on 11 march 2014	604,472	29.16	3.48	11.05.18
Granted on 2 september 2014	577,021	34.78	3.82	02.11.18

The weighted average remaining contractual term is three years, five months and twenty-eight days.

The company bought 3,837,351 shares in connection with the option scheme.

In 2014, share options were granted on 11 March and 2 September, respectively. The estimated fair value was DKK 3.48 and DKK 3.82 per option, respectively. The estimated fair value at the date of grant has been calculated by applying the Black & Scholes model for measuring options. The valuation is based on the following assumptions:

	2014		2013		2012
	11.03.14	02.09.14	08.03.13	03.09.13	04.09.12
Share price at the date of grant (DKK per share)	26.51	31.62	18.24	18.56	13.99
Exercise prise (DKK per share)	29.16	34.78	20.06	20.42	15.39
Expected volatility (%)	23.56	22.59	22.71	26.48	35.87
Risk-free rate of interest (%)	0.62	0.30	0.60	0.89	0.60
Expected dividend yield (%)	0.00	0.00	0.00	0.00	0.00
Term to maturity (number of years)	3	3	3	3	3

The expected volatility is calculated based on the historical volatility of the price of the parent company's shares seen over the past twelve months. Term to maturity is calculated based on the earliest possible exercise of the share option.

Share-based payment recognised in the income statement attributable to equity-based scheme	5

DKK 3 million of this amount concerns the period 1 July 2014 to 31 December 2014. The grant for this period will take place in March 2015.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Audit fees (DKK '000)										
Deloitte - Audit	937	549	994	507	2,987	1,117	567	1,197	625	3,506
Deloitte - Other assurance engagements	41	107	183	0	331	93	121	575	0	789
Deloitte - Tax consultancy	0	0	0	427	427	0	0	9	551	560
Deloitte - Non-audit services	500	0	103	297	900	695	22	344	284	1,345
Total audit fees	1,478	656	1,280	1,231	4,645	1,905	710	2,125	1,460	6,200

Note 31 Profit/loss from business ceded

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Reinsurance premiums ceded	-353	-21			-374	-387	-22			-409
Reinsurers' share received	702	11			713	87	14			101
Change in reinsurers' share of insurance contracts	-310	0			-310	466	2			468
Commissions and profit shares from reinsurance companies	8	6			14	8	3			11
Total loss from business ceded	**47**	**-4**			**43**	**174**	**-3**			**171**

Note 32 Change in life insurance provisions

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Guaranteed benefits		-1,047			-1,047		2,142			2,142
Bonus potential on future premiums		8			8		-285			-285
Bonus potential on paid-up policies		318			318		-223			-223
Change in share of provisions in Forenede Gruppeliv		-1			-1		16			16
Total change in life insurance provisions		**-722**			**-722**		**1,650**			**1,650**

Note 33 Value adjustments

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Investment assets										
Equity investments	5	103	18	0	126	1	384	20	0	405
Unit trust units	0	0	3	0	3	0	1	-2	0	-1
Bonds	-1	228	-40	0	187	-116	-304	-45	0	-465
Shares in collective investments	0	0	0	0	0	0	0	0	0	0
Loans secured by mortgages	0	0	-61	0	-61	0	0	-246	0	-246
Other investment assets	105	390	-86	0	409	-58	-182	58	0	-182
Exchange rate adjustments	0	0	10	0	10	0	0	-8	0	-8
	109	721	-156	0	674	-173	-101	-223	0	-497
Land and buildings										
Investment properties	0	-17	-6	0	-10	-1	-4	-4	0	-9
Owner-occupied properties	0	0	0	0	-28	0	0	0	0	4
	109	704	-162	0	636	-174	-105	-227	0	-502
Discounting insurance contracts	-330	0	0	0	-330	150	0	0	0	150
Total value adjustments	**-221**	**704**	**-162**	**0**	**306**	**-24**	**-105**	**-227**	**0**	**-352**

Change in fair values based on valuation models and recognised in the income statement

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Mortgage deeds	0	0	74	0	74	0	0	-69	0	-69
Unlisted shares	0	6	11	0	17	2	0	14	0	16
Investment properties	0	-17	-6	0	-10	-1	-4	-4	0	-9
Owner-occupied properties	0	0	0	0	-28	0	0	0	0	4
Total change in fair values	0	-11	79	0	53	1	-4	-59	0	-58

The group’s counterparties are primarily financial institutions with a high credit rating with which the bank exchanges collateral security on a daily basis. Accordingly, the group finds that a credit adjustment does not give rise to any notably different valuation.

Note 34 Tax on pension investment returns

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Tax on pension investment returns regarding prior years		2			2		-3			-3
Tax on pension investment returns regarding current year		-173			-173		-46			-46
Total tax on pension investment returns		**-171**			**-171**		**-49**			**-49**

	2014					2013				
DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Note 35 Tax, forward-looking activities										
Estimated tax on profit/loss for the year	-166	-20	149	13	-24	-198	-22	163	9	-48
Adjustment of tax relating to prior years	0	0	2	0	2	0	0	-1	-1	-2
Final withholding tax paid	0	-1	0	0	-1	0	0	0	0	0
Adjustment of deferred tax relating to prior years	5	0	-35	0	-30	-23	1	-83	-3	-108
Total tax	**-161**	**-21**	**116**	**13**	**-53**	**-221**	**-21**	**79**	**5**	**-158**
Effective tax rate:										
Current tax rate	24.5%	24.5%	24.5%	24.5%	24.5%	25.0%	25.0%	25.0%	25.0%	25.0%
Adjustment of deferred tax relating to prior years	0.0%	0.0%	0.0%	-3.7%	-0.2%	0.0%	0.0%	0.2%	-0.1%	0.2%
Adjustment of tax relating to prior years	0.0%	0.5%	0.6%	3.7%	-0.1%	0.0%	-0.3%	0.0%	0.1%	0.0%
Capitalisation of tax losses from previous years	0.0%	0.0%	15.1%	0.0%	-11.0%	0.0%	0.0%	0.0%	0.0%	0.0%
Tax adjustment	0.2%	1.8%	-0.4%	-0.4%	0.0%	3.9%	-0.9%	-7.3%	-5.0%	20.2%
Total effective tax rate	24.7%	26.8%	39.8%	24.1%	13.2%	29.0%	23.9%	17.5%	20.5%	45.4%
Note 36 Share attributable to minority interests										
Share of profit/loss before tax attributable to minority interests										
Alm. Brand Formue A/S			11		8			25		20
Total share of profit/loss before tax attributable to minority interests			**11**		**8**			**25**		**20**
Share of profit/loss after tax attributable to minority interests										
Alm. Brand Formue A/S			11		8			25		20
Total share of profit/loss after tax attributable to minority interests			**11**		**8**			**25**		**20**

Note 37 Technical result, Non-life Insurance

DKKm	Health and accident insurance	Workers' compen-sation insurance	Vehicle insurance, liability	Vehicle insurance, loss or damage	Fire & property insurance, private	Fire & property insurance, com-mercial	Liability insurance	Other direct insurance	2014 Total
Gross premiums	592	312	503	860	1,150	1,305	100	212	5,034
Gross premium income	594	307	511	862	1,162	1,296	99	227	5,058
Gross claims expenses	-292	-178	-463	-430	-885	-1,148	-22	-161	-3,579
Gross operating expenses	-94	-49	-78	-134	-179	-204	-16	-33	-787
Profit/loss from business ceded	-5	-3	-2	0	29	28	0	0	47
Investment return on insurance business	0	1	1	1	1	1	0	0	5
Total technical result	**203**	**78**	**-31**	**299**	**128**	**-27**	**61**	**33**	**744**
No. of claims	11,270	2,820	14,789	43,130	69,087	22,484	1,778	23,414	188,772
Frequency of claims	0.036	0.098	0.040	0.139	0.168	0.186	0.038	0.103	0.103
Average damages paid for claims incurred, DKK '000	27	82	28	10	12	42	19	7	18

DKKm	Health and accident insurance	Workers' compen-sation insurance	Vehicle insurance, liability	Vehicle insurance, loss or damage	Fire & property insurance, private	Fire & property insurance, com-mercial	Liability insurance	Other direct insurance	2013 Total
Gross premiums	580	315	520	858	1,155	1,283	97	210	5,018
Gross premium income	580	314	527	852	1,142	1,279	97	240	5,031
Gross claims expenses	-358	-160	-437	-441	-892	-1,316	-18	-147	-3,769
Gross operating expenses	-94	-51	-83	-137	-184	-205	-16	-33	-803
Profit/loss from business ceded	-7	-3	-2	0	48	139	-1	0	174
Investment return on insurance business	1	1	1	2	2	2	0	0	9
Total technical result	**122**	**101**	**6**	**276**	**116**	**-101**	**62**	**60**	**642**
Numbers of claims	12,769	3,080	15,253	46,406	94,463	40,853	1,974	23,626	238,424
Frequency of claims	0.041	0.108	0.041	0.150	0.226	0.333	0.042	0.104	0.104
Average damages paid for claims incurred, DKK '000	25	77	29	10	10	32	26	7	17

Direct insurance is written only in Denmark

DKKm	**2014**	**2013**
Note 38 Realised result, Life and Pension		
Technical result of life and pension activities	74	83
Transfer of investment return	49	1
Tax on pension investment return	171	49
Change in collective bonus potential	117	425
Settlement of tax on accumulated value adjustments	-15	-122
Change in bonus potential on paid-up policies	0	0
Result of portfolios without bonus entitlement	3	0
Addition of bonus	194	75
Return equity deposit	-2	-3
Health and accident insurance deposits	-57	4
Realised result	534	512
Return requirement for shareholders' equity		
Unconditional shares:		
Actual investment return before tax on pension investment return	2	3
Result of portfolios without bonus entitlement	-3	0
Result of health and accident insurance	10	32
Total unconditional shares	9	35
Conditional shares:		
Risk premium of 0.1% of the average life insurance provisions	16	11
100% of expense result, net of reinsurance	-2	3
100% of risk result, net of reinsurance	63	71
Total conditional shares	77	85
Profit/loss for the year before tax	86	120
Transferred to shadow account	0	-2
Profit/loss for the year before tax including health and accident insurance	86	118
Profit/loss for the year before tax excluding health and accident insurance	78	86

Return on equity principles
The Executive Order on the Contribution Principle issued by the Danish Financial Supervisory Authority lays down the guidelines for return on equi

The return on equity principles applied in 2014 are unchanged from 2013.

The return on equity is composed of the direct return on shareholders' equity funds and a risk premium.

Customers have been divided into a number of contribution groups based on rate of interest, insurance risk and expenses. The risk premium on shareholders' equity is calculated separately for each group. Similarly, any shadow account, collective bonus potential, transfer and surrender separately for charge, etc. will be determined each contribution group.

The risk premium for 2014 has been determined as follows:
- Interest rate groups: 0.15% of average life insurance provisions net of reinsurance exclusive of collective bonus potential and any use of the bonus potential on paid-up policies
- Insurance risk groups: 100% of the risk result net of reinsurance after bonuses
- Expense groups: 100% of the expense result net of reinsurance after bonuses

The risk premium is calculated exclusively on the basis of the portfolio of policies with bonus entitlement. For policies without bonus entitlement, including life-long annuities without bonus entitlement, the result, positive or negative, is fully allocated to equity.

The Danish Financial Supervisory Authority lays down guidelines on when the risk premium may be included in the profit/loss for a specific financial year. Whether the risk premium for a contribution group can be recognised as income depends on the profit/loss reported for the group.
The allocation of risk premium to interest rate groups is hence conditional on the investment return (including any changes in additional provisions to cover guaranteed benefits) being higher than the average rate of interest on which the guaranteed benefits provided to customers of the specific interest rate group are based.

If the results achieved in a contribution group do not allow for recognition of the risk premium, the return on equity shortfall is taken to a "shadow account". The shadow account may be regarded as a receivable, which is transferred to shareholders' equity as and when made possible by the financial results achieved in subsequent years.

Note 39 Segment reporting, Non-life Insurance

			2014			**2013**
DKKm	**Private**	**Commercial**	**Total**	**Private**	**Commercial**	**Total**
Gross premium income	2,642	2,416	5,058	2,626	2,405	5,031
Gross claims expenses	-1,805	-1,774	-3,579	-1,845	-1,924	-3,769
Operating expenses relating to insurance activities	-459	-328	-787	-467	-336	-803
Reinsurance profit/loss	23	24	47	38	136	174
Technical result excluding technical interest	401	338	739	352	281	633
Run-off result	59	72	131	99	108	207
Gross claims ratio	68.3%	73.4%	70.8%	70.2%	80.0%	74.9%
Net reinsurance ratio	-0.9%	-1.0%	-0.9%	-1.5%	-5.6%	-3.5%
Claims trend	67.4%	72.4%	69.9%	68.7%	74.4%	71.4%
Gross expense ratio	17.4%	13.6%	15.6%	17.8%	14.0%	16.0%
Combined ratio	84.8%	86.0%	85.5%	86.5%	88.4%	87.4%

Non-life Insurance is divided into Private and Commercial. Private comprises the group's sales of insurances to private households through own sales channels and the group's health and personal accident activities, which for legal purposes are placed in Alm. Brand Liv og Pension. Commercial comprises the group's sales to agricultural and commercial customers through own sales channels and partnerships. The management reporting related to Private and Commercial consists exclusively of reporting of the technical result.

Transactions between the segments are settled on market terms. The recognition and measurement criteria are consistent with the group's accounting policies. The line items used are consistent with the financial highlights in the management's review and as described in Accounting policies.

See the management's review for a more detailed description of the segments and the organisational basis.

DKKm									2014

Note 40 Segment reporting, Banking

	Private	Leasing	Financial Markets	Other	Continuing activities Before Win-ding-up	Win-ding-up activi-ties	Contin-uing activi-ties	Discon-tinued activi-ties	Total
Net interest and fee income	182	0	0	0	182	-11	171	0	171
Trading income (excl. value adjustments)	0	0	143	65	208	0	208	4	212
Other income	0	136	1	0	137	5	142	0	142
Total income	182	136	144	65	527	-6	521	4	525
Costs	-204	-41	-93	-6	-344	-88	-432	0	-432
Depreciation and amortisation	0	-91	0	0	-91	0	-91	0	-91
Core earnings	-22	4	51	59	92	-94	-2	4	2
Value adjustments	1	0	-8	-24	-31	3	-28	3	-25
Profit/loss from investments	0	0	0	0	0	15	15	21	36
Profit/loss before impairment writedowns	-21	4	43	35	61	-76	-15	28	13
Writedowns and credit-related value adjustments	-19	1	1	0	-17	-260	-277	0	-277
Profit/loss before tax	-40	5	44	35	44	-336	-292	28	-264
Loans and advances	2,401	47	92	45	2,585	2,069	4,654	0	4,654
Bonds	0	0	3,997	3,204	7,201	0	7,201	0	7,201
Lease assets	0	509	0	0	509	0	509	0	509
Other assets	5	149	81	1,640	1,875	172	2,047	0	2,047
Total assets	2,406	705	4,170	4,889	12,170	2,241	14,411	0	14,411

DKKm									2013
Net interest and fee income	179	0	0	0	179	-17	162	0	162
Trading income (excl. value adjustments)	0	0	197	24	221	0	221	30	251
Other income	1	86	1	0	88	3	91	0	91
Total income	180	86	198	24	488	-14	474	30	504
Costs	-215	-33	-105	-16	-369	-96	-465	-3	-468
Depreciation and amortisation	0	-52	0	0	-52	0	-52	0	-52
Core earnings	-35	1	93	8	67	-110	-43	27	-16
Value adjustments	0	0	-15	-18	-33	-15	-48	-8	-56
Profit/loss from investments	0	0	1	-2	-1	2	1	0	1
Profit/loss before impairment writedowns	-35	1	79	-12	33	-123	-90	19	-71
Writedowns and credit-related value adjustments	-120	0	2	0	-118	-256	-374	0	-374
Profit/loss before tax	-155	1	81	-12	-85	-379	-464	19	-445
Loans and advances	2,293	52	138	137	2,620	4,719	7,339	0	7,339
Bonds	0	0	2,407	2,826	5,233	0	5,233	723	5,956
Lease assets	0	320	0	0	320	0	320	0	320
Other assets	5	143	56	1,739	1,943	398	2,341	341	2,682
Total assets	2,298	515	2,601	4,702	10,116	5,117	15,233	1,064	16,297

General:
The segment financial statements are in accordance with the bank's internal reporting. All activities are located in Denmark. Assets are placed in the business areas to which they are related in terms of operations. All funding is channelled to the bank's treasury function, which is included in the segment other, and which is responsible for the bank's funding and liquidity. Transactions between the segments are settled on market terms. The recognition and measurement criteria are consistent with the group's accounting policies. The line items used are consistent with the financial highlights in the management's review and as described in Accounting policies.

Business areas:
The segment financial statements are segmented according to the bank's business areas and have generally been divided into continuing activities and winding-up activities. Continuing activities form part of the bank's future strategy and represent areas in which the bank wants to expand its business volume. Winding-up activities comprise exposures which do not form part of the future strategy and represent an area in which the bank, in a responsible and financially appropriate manner, aims to reduce its exposure. The individual business areas are described below.

DKKm	2014	2013

Private:
Provides advisory services and sells financial products to the bank's private customers, both through branch offices in 11 major Danish towns and cities and online. Drawing on the full range of segment capabilities, Private offers optimum solutions, including in connection with wealth management and investment.

Leasing:
Offers operating leases of passenger and commercial vehicles with related car fleet management for businesses. The segment also offers operating leases of passenger cars to private individuals. The business area is anchored in Alm. Brand Leasing A/S, which is a subsidiary of the bank.

Financial Markets:
Comprises Markets and Asset Management. The Markets department handles all of the bank's financial market activities, providing advisory services on and performs securities and currency transactions. In addition, Markets prepares research reports on developments in fixed income, equity and foreign exchange markets. Asset Management has assets under management for both institutional and private investors.

Other:
Comprises the bank's Treasury function, which is responsible for the bank's composition of funding and liquidity management, including the bank's own portfolio. All funding procured by the bank's other business areas is channelled to Treasury, which is responsible for allocation and settlement to the individual business areas. Funding is allocated at a price equivalent to the actual cost of procuring the funding plus a spread to cover administrative expenses and any risks.

Winding-up:
Is the only business area under Winding-up Activities and comprises exposures to small and medium-sized commercial customers, agricultural customers, property development projects, mortgage deeds and a portfolio of car finance contracts. Efforts are made to gradually reduce these exposures, a process which is expected to extend over a number of years.

Note 41 Contingent liabilities, guarantees and lease agreements

Guarantee commitments	1,235	1,150

The group's companies have made lease and rental agreements for computer equipment and premises with total annual payments of DKK 64 million allocated over a five-year period.

As part of its ordinary banking operations, Alm. Brand Bank has a number of contingent liabilities, which in accordance with IFRS are not recognised in the balance sheet. Financial guarantees and loss guarantees in respect of mortgage loans were mainly provided in connection with the business partnership agreements with Totalkredit, DLR Kredit and BRF Kredit, and other contingent liabilities include guarantees provided to the Private Contingency Association and the Danish Guarantee Fund for Depositors and Investors. Alm. Brand Bank has off-balance sheet guarantee commitments in the form of finance gurarantees, loss guarantees in respect of mortgage loans, etc. totalling DKK 0.7 billion.

Alm. Brand Ejendomsinvest A/S, Copenhagen, has incurred a VAT adjustment liability of DKK 9 million relating to property.

Forsikringsselskabet Alm. Brand Liv og Pension A/S, Copenhagen, has a VAT adjustment obligation in respect of properties totalling DKK 2 million.

Alm. Brand A/S has provided a guarantee to ILU (Institute of London Underwriters) covering contracts written on behalf of the Copenhagen Reinsurance Company (U.K.) Ltd. (Cop. Re UK Ltd.), Copenhagen Re's UK subsidiary. The guarantee covers insurance contracts relating to Marine Aviation and Transport (MAT) written through ILU in the period from 3 April 1989 to 1 July 1997. In connection with the divestment of the Copenhagen Re Group in 2009, the buyer has undertaken to indemnify Alm. Brand A/S against the guarantee commitments.

Alm. Brand A/S has issued a guarantee commitment in respect of Pensionskassen under Alm. Brand af 1792 (Winding-up pension fund). Alm. Brand A/S has issued a commitment to pay any such ordinary and extraordinary contributions as may be determined in the pension scheme regulations or as agreed with the Danish Financial Supervisory Authority. Alm. Brand af 1792 fmba has undertaken to indemnify the Alm. Brand A/S for any and all costs the company may incur from time to time in respect of these obligations.

Alm. Brand A/S is jointly and severally liable with the other jointly taxed and jointly registered group companies for the total tax liability.

For Danish tax purposes, the company is taxed jointly with Alm. Brand A/S as administration company. As from 1 July 2012, the company is therefore jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends on behalf of the jointly taxed companies.

Being an active financial services group, the Group is a party to a number of lawsuits. The cases are reviewed on an ongoing basis, and the necessary provisions are made. Management believes that these cases will not inflict further losses on the Group.

	2014					2013				
DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Note 42 Collateral security										
Carrying amounts of assets provided as collateral security for technical provisions										
Cash	0	265			265	0	285			285
Bonds	7,193	10,271			17,464	7,272	10,088			17,360
Equity investments and units in unit trusts	0	861			861	0	969			969
Shares in collective investments	78	0			78	0	0			0
Interest receivable	42	67			109	41	89			130
Properties, mortgage deeds	0	62			62	0	71			71
Investments in subsidiaries	0	1,320			0	0	316			0
Collateral security, year-end	7,313	12,846			18,839	7,313	11,818			18,815

Monetary-policy counterparties with the Danish Central Bank can obtain credit only against security through the mortgaging of approved securities.

As part of its current operations, the bank provided collateral security to Danmarks Nationalbank and Clearstream in the form of bonds representing a nominal value of DKK 1,875 million (2013: DKK 1,429 million). In 2013, loans representing a loan value of DKK 478 million were provided as collateral security, but this facility lapsed on 1 July 2014.

As collateral for positive and negative fair values of derivative financial instruments, respectively, cash in the amount of DKK 121 million was received and cash in the amount of DKK 879 million was paid at 31 December 2014 (2013: DKK 1 million and DKK 852 million).

In repo transactions (sale of securities which the group agrees to repurchase at a later date), the securities remain in the balance sheet, and the consideration received is recognised under payables. Securities in repo transactions are treated as assets placed as collateral for obligations. The counterparty is entitled to sell or remortgage the securities received.

In reverse transactions (purchase of securities that the group agrees to resell at a later date), the group is entitled to sell or remortgage the securities. The securities are not recognised in the balance sheet, and the consideration paid is recognised under receivables.

Assets received as collateral in connection with reverse transactions may be resold to third parties. If this is the case, a negative portfolio may arise due to the accounting rules. This is recognised under “Other liabilities”.

	2014 Banking	2013 Banking
Assets sold as part of repo transactions:		
Bonds at fair value	0	759
Assets bought as part of reverse transactions:		
Bonds at fair value	0	177

Note 43 Related parties

The Alm. Brand A/S Group considers the following to be related parties:

- Alm. Brand af 1792 fmba (parent company)
- Alm. Brand Formue A/S (not a wholly-owned subsidiary, liquidated at 4 September 2014)
- Nordic Corporate Investment A/S (associate)
- Cibor Invest A/S (associate)
- The Management Board and Board of Directors of Alm. Brand Group
- Key employees

Related parties also include related family members of the Management Board, Board of Directors and key employees as well as companies in which these persons have significant interests.

The Alm. Brand Group handles administrative tasks for Alm. Brand af 1792 fmba.

An arm’s length agreement has been signed on interest accruing on intra-group accounts between the group companies.

Alm. Brand af 1792 fmba has acquired additional tier 1 capital issued in Alm. Brand Bank A/S.

Alm. Brand af 1792 fmba has contributed subordinated loan capital to Alm. Brand A/S. The previous loan for DKK 250 million was repaid in 2014 and replaced by a new subordinated loan with the same principal.

An overview of subsidiaries and associates, etc. is provided in the corporate overview.

The Alm. Brand Group has intra-group functions that solve joint administrative tasks for group companies. Alm. Brand Bank A/S is the Alm. Brand group's primary banker. This involves the conclusion of a number of agreements between the bank and the other group companies, and there is a regular flow of transactions between the bank and the rest of the group. The Alm. Brand has signed an asset management agreement with Alm. Brand Bank A/S, as a result of which a substantial part of the group's assets are managed by the bank, and a substantial part of the group's trading in securities is conducted through Alm. Brand Bank at market value.

On 11 December 2014, Alm. Brand Bank sold non-delinquent mortgage deeds with a total carrying amount of DKK 1.9 billion to Alm. Brand Forsikring. The transaction comprises an option agreement implying that Alm. Brand Forsikring can resell mortgage deeds to the bank if a debtor defaults on his payment obligations. This means that Alm. Brand Bank retains the underlying credit risk for the mortgage deeds, whereas market risks are transferred to Alm. Brand Forsikring, including the risk of interest rate changes and prepayments. The mortgage deeds are no longer recognised in the bank's balance sheet as significant risks and rewards have been transferred to Alm. Brand Forsikring.

Alm. Brand Bank and Alm. Brand Forsikring have entered into a management agreement on the handling of the portfolio of mortgage deeds. In 2014, the bank received management fees of DKK 0.6 million and an option premium of DKK 2 million. The option has a market value of DKK 1.4 million per 31 december 2014.

Reinsurance cover for the Alm. Brand Group is taken out on a group-wide basis.

Forming part of its general investment activities, the Company's subsidiary Alm. Brand Liv og Pension has acquired a minority in Dades A/S of a market value just under DKK 209 million, corresponding to an ownership interest below 5%. The CEO of Dades A/S is deputy chairman of the Company and a member of the board of directors of Alm. Brand Liv og Pension. The investment is comprised by section 78 of the Danish Financial Business Act and has been approved and is monitored by the board of directors of Alm. Brand Liv og Pension.

In addition, the Company has entered into a general management agreement with Datea A/S, a company wholly owned by Dades A/S, in which Boris Nørgaard Kjeldsen is chairman of the board of directors. In accordance with the agreement, Datea A/S manages properties owned by the Company's subsidiaries, including administration, accounting and reporting, rentals, supervision and technical assistance. The annual fee paid to the com pany is in the region of DKK 2 million. Management believes that the overall administration agreement was made on an arm's length basis.

Reference is made to the note concerning acquisition costs and administrative expenses, which sets out further details on remuneration paid to the group's Board of Directors, Management Board and other senior executives.

In addition to the remuneration paid to members of the Board of Directors, Management Board, etc. in the financial year, the following transactions took place between the Alm. Brand Group and the related parties:

DKKm					**2014**
	Alm. Brand af 1792 fmba	**Alm. Brand subsidiaries (not wholly owned)**	**Key employees**	**Management Board and Board of Directors of A/S**	**Companies controlled by members of the Board of Directors**
Sale of services	364	2	2	3	1
Purchase of services	348	1	0	0	0
Interest and fee income	0	4	0	0	0
Interest and fee expenses	17	0	1	1	0
Receivables	0	0	1	2	1
Debt	335	0	29	41	0
Collateral	0	0	1	1	0
Interest rates			2,33-8,5%	2,33-8,5%	5.28%

					2013
	Alm. Brand af 1792 fmba	Alm. Brand subsidiaries (not wholly owned)	Key employees	Management Board and Board of Directors of A/S	Companies controlled by members of the Board of Directors
Sale of services	66	1,271	1	5	1
Purchase of services	66	1,399	0	0	0
Interest and fee income	0	20	0	0	0
Interest and fee expenses	15	0	1	1	0
Receivables	0	403	2	1	1
Debt	312	0	32	46	0
Collateral	0	0	2	1	0
Interest rates			1,7-8,5%	1,7-8,5%	5.26%

The buying and selling of services comprising insurance services and the provision of bank products in the form of loans, guarantees, credits and buying/selling of mortgage deeds etc. is made on an arm's length basis. Board members elected by the employees, however, obtain the usual staff terms. Payables comprise deposits with the bank, pension deposits in banking and life insurance etc. No losses or impairment charges were recognised on related party transactions in the financial year or the previous financial year.

Note 44 Classification of financial instruments

DKKm	2014 Fair value	2014 Amortised cost	2014 Total	2013 Fair value	2013 Amortised cost	2013 Total
Financial assets, fair value						
Government bonds	2,816	0	2,816	2,329	0	2,329
Mortgage bonds	21,592	0	21,592	21,825	0	21,825
Other fixed-rate instruments	482	0	482	764	0	764
Other floating-rate instruments	186	0	186	129	0	129
Listed shares	944	0	944	1,166	0	1,166
Unlisted shares	373	0	373	419	0	419
Investment properties	542	0	542	428	0	428
Other investment assets	7	0	7	3	0	3
Receivables from policyholders						
Receivables from insurance brokers	0	127	127	0	138	138
Receivables from insurance brokers	0	10	10	0	18	18
Receivables from insurance companies	0	39	39	0	0	0
Other receivables	0	87	87	0	69	69
Positive market value of derivative financial instruments	1,196	0	1,196	639	0	639
Other assets	0	168	168	0	73	73
Pensionskassen under Alm. Brand A/S	0	8	8	0	9	9
Assets temporarily acquired	30	0	30	205	0	205
Interest receivable	268	0	268	357	0	357
Prepayments	0	43	43	0	43	43
Balances due from credit institutions and central banks	0	952	952	0	671	671
Cash in hand and demand deposits	0	249	249	0	363	363
Loans and advances	2,181	4,347	6,528	2,497	4,843	7,340
Financial assets, year-end	30,617	6,030	36,647	30,761	6,227	36,988
Financial liabilities						
Subordinated debt	0	574	574	0	1,100	1,100
Issued bonds	0	21	21	0	31	31
Payables to policyholders	0	7	7	0	9	9
Payables related to direct insurance	0	11	11	0	13	13
Payables related to reinsurance	0	29	29	0	97	97
Payables to subsidiaries	0	9	9	0	12	12
Negative market value of derivative financial instruments	551	0	551	240	0	240
Liabilities temporarily acquired	1	0	1	166	0	166
Other payables	35	676	711	39	716	755
Deferred income	0	2	2	0	3	3
Deposits	0	10,857	10,857	0	10,853	10,853
Payables to credit institutions and central banks	0	1,972	1,972	0	2,709	2,709
Financial liabilities, year-end	587	14,158	14,745	445	15,543	15,988

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Fair value measurement of financial instruments										
Level 1										
Financial assets										
Loans and advances	0	0	0	0	0	0	0	0	0	0
Bonds	7,609	9,383	7,201	0	24,193	9,158	9,127	5,956	0	24,241
Shares	0	861	83	0	944	0	763	403	0	1,166
Other assets	0	0	0	0	0	0	0	0	0	0
Total financial assets	7,609	10,244	7,284	0	25,137	9,158	9,890	6,359	0	25,407
Financial liabilities										
Other payables	0	0	0	0	0	0	0	0	0	0
Total financial liabilities	0	0	0	0	0	0	0	0	0	0
Level 2										
Financial assets										
Loans and advances	0	0	0	0	0	0	0	0	0	0
Bonds	0	702	0	2	704	0	625	0	2	627
Shares	0	0	138	0	138	0	0	189	0	189
Other assets	242	1,120	110	0	1,471	269	435	295	0	999
Total financial assets	242	1,822	248	2	2,313	269	1,060	484	2	1,815
Financial liabilities										
Liabilities temporarily acquired	0	0	1	0	1	0	0	166	0	166
Other payables	244	269	73	0	586	0	6	273	0	279
Total financial liabilities	244	269	74	0	587	0	6	439	0	445
Level 3										
Financial assets										
Loans and advances	1,874	0	307	0	2,181	0	0	2,497	0	2,497
Bonds	53	126	0	0	179	54	125	0	0	179
Shares	8	212	15	0	235	8	207	14	1	230
Investment properties	18	1,417	160	0	542	16	1,433	37	0	428
Assets temporarily acquired	0	0	30	0	30	0	0	205	0	205
Total financial assets	1,953	1,755	512	0	3,167	78	1,765	2,753	1	3,539
Financial liabilities										
Other payables	0	0	1	0	1	0	0	0	0	0
Total financial liabilities	0	0	1	0	1	0	0	0	0	0

There are three levels of fair value measurement:
Level 1 is based on quoted (unadjusted) prices in active markets.
Level 2 comprises financial instruments whose valuation is based on directly or indirectly observable input for the instrument.
Level 3 comprises financial instruments for which the input is not based on directly observable market data.

There were no transfers between categories in the fair value hierarchy in 2013 or 2014.

Loans, advances and other receivables at fair value comprises mortgage deeds measured using a valuation model which estimates the present value of expected future cash flows. The valuation is based in part on observable market data (interest rates) and in part on expected future redemption and loss rates. Measurement at fair value is based on a swap yield curve plus 50 basis points and expected repayment rates between 0 % and -9%, depending on the remaining term to maturity, and expected loss rates in the 0.75%-4.25% range, depending on property type and loan-to-value ratios. If the average expected repayment rate is increased by 1 percentage point and the expected loss rates are increased by 0.5 of a percentage point, the fair value under the market value model would change by DKK 560,000. See note 55 for additional information.

Shares, etc. comprises listed shares valued at quoted prices and unlisted shares for which the input is not based on directly observable market data.

Shares, etc. comprises listed shares valued at quoted prices and unlisted shares for which the input is not based on directly observable market data. The bank's unlisted shares consist of sector-owned companies and shares received for credit-defence purposes. For unlisted shares in sector-owned companies where the shares are redistributed, such redistribution is considered to represent the primary market for the shares. The fair value is determined as the redistribution price, and the shares are recognised as level 2 assets. For other unlisted shares in sector-owned companies and shares received for credit-defence purposes where no observable input is available, the valuation is based on an estimate which builds on information from the companies' financial statements, experience from transactions involving shares in the companies in question as well as input from qualified third parties.

Assets temporarily acquired comprise single-family houses and rental property expected to be sold within the next 12 months. Assets in temporary possession are valued according to the same methods as investment property or at cost where this is lower. If the valuation of single-family houses is lowered by 15%, and the required rate of return on rental property is increased by 1 percentage point, the fair value would change by DKK 3.1 million.

Other assets comprises interest receivable at DKK 83 million and positive values of derivative financial instruments at DKK 27 million. Interest rates are measured on the basis of normal principles of accrual. Derivative financial instruments are valued on the basis of listed prices from an active market and using generally accepted valuation models with observable data, including yield curves, volatilities and equity indices.

Liabilities temporarily acquired comprise prior-ranking loans on properties in temporary possession. This is primarily debt to mortgage credit institutions.

Other liabilities comprises interest payable and negative values of derivative financial instruments. Interest rates are measured on the basis of normal principles of accrual. Derivative financial instruments are valued on the basis of listed prices from an active market and using generally accepted valuation models with observable data, including yield curves, volatilities and equity indices.

For additional information about investment properties, see note 9 Investment properties.

					2014					2013
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Development in level 3 financial instruments										
Loans and advances										
Carrying amount beginning of year	0	0	2,497	0	2,497	0	0	2,930	0	2,930
Additions during the year	1,883	0	0	0	1,883	0	0	35	0	35
Disposals during the year	-6	0	-2,129	0	-2,135	0	0	-222	0	-222
Realised value adjustments	0	0	-135	0	-135	0	0	-177	0	-177
Unrealised value adjustments	-3	0	74	0	71	0	0	-69	0	-69
Carrying amount, year end	1,874	0	307	0	2,181	0	0	2,497	0	2,497
Value adjustments are recognised in the income statement	0	0	-61	0	-64	0	0	-246	0	-246
Bonds										
Carrying amount beginning of year	54	125	0	0	179	53	149	0	0	202
Additions during the year	0	2	0	0	2	0	2	0	0	2
Disposals during the year	0	0	0	0	0	0	-26	0	0	-26
Realised value adjustments	0	0	0	0	0	0	0	0	0	0
Unrealised value adjustments	-1	-1	0	0	-2	1	0	0	0	1
Carrying amount, year end	53	126	0	0	179	54	125	0	0	179
Value adjustments are recognised in the income statement	-1	-1			-2	1	0			1
Shares										
Carrying amount beginning of year	8	207	14	1	230	9	209	11	1	230
Additions during the year	0	1	0	0	1	0	1	0	0	1
Disposals during the year	0	0	0	-1	-1	0	0	-1	0	-1
Realised value adjustments	0	0	0	0	0	0	0	0	0	0
Unrealised value adjustments	0	4	1	0	5	-1	-3	4	0	0
Carrying amount, year end	8	212	15	0	235	8	207	14	1	230
Value adjustments are recognised in the income statement	0	4	1	0	5	-1	-3	4	0	0

DKKm	Non-life	Life	Banking	Other	Total 2014	Non-life	Life	Banking	Other	Total 2013
Assets temporarily acquired										
Carrying amount beginning of year	0	0	205	0	205	0	0	136	0	136
Additions during the year	0	0	3	0	3	0	0	138	0	138
Disposals during the year	0	0	-174	0	-174	0	0	-62	0	-62
Realised value adjustments	0	0	0	0	0	0	0	0	0	0
Unrealised value adjustments	0	0	-4	0	-4	0	0	-7	0	-7
Carrying amount, year end	0	0	30	0	30	0	0	205	0	205
Value adjustments are recognised in the income statement	0	0	-4	0	-4	0	0	-7	0	-7
Other liabilities										
Carrying amount beginning of year	0	0	0	0	0	0	0	0	0	0
Additions during the year	0	0	1	0	1	0	0	0	0	0
Disposals during the year	0	0	0	0	0	0	0	0	0	0
Realised value adjustments	0	0	0	0	0	0	0	0	0	0
Unrealised value adjustments	0	0	0	0	0	0	0	0	0	0
Carrying amount, year end	0	0	1	0	1	0	0	0	0	0
Value adjustments are recognised in the income statement	0	0	0	0	0	0	0	0	0	0

See note 9 for a specification from 1 January to 31 December of the investment properties.
Value adjustments are recognised in the income statement under value adjustments.

Rating of bonds	Non-life	Life	Banking	Other	Total 2014	Non-life	Life	Banking	Other	Total 2013
Rated AAA	7,043	8,785	6,750	0	22,578	7,934	8,855	5,274	0	22,063
Rated AA- to AA+	566	419	20	0	1,005	1,038	308	17	0	1,363
Rated A- to A+	0	372	122	0	494	188	260	109	0	557
Others	53	635	309	2	999	52	454	556	2	1,064
Bonds at fair value, year-end	7,662	10,211	7,201	2	25,076	9,212	9,877	5,956	2	25,047

Note 45 Return on financial instruments

DKKm	Fair value 2014	Assets at amortised cost 2014	Debt at amortised cost 2014	Total 2014	Fair value 2013	Assets at amortised cost 2013	Debt at amortised cost 2013	Total 2013
Interest income, etc.	817	259	0	1,076	903	269	0	1,172
Fee income etc. management	42	0	0	42	42	0	0	42
Fee income etc. other	39	33	0	72	35	37	0	72
Other income	-2	144	0	142	-1	78	0	77
Total income	896	436	0	1,332	979	384	0	1,363
Interest expenses	-90	0	-216	-306	-74	0	-313	-387
Value adjustments excluding credit losses on mortgage deeds	443	0	0	443	-175	0	0	-175
Credit losses on mortgage deeds	-137	0	0	-137	-177	0	0	-177
Impairment of loans, advances and receivables, etc.	0	-141	0	-141	0	-196	0	-196
Profit/loss before tax	1,112	295	-216	1,191	553	188	-313	428

DKKm	2014		2013	
Note 46 Fair value of financial instruments	**Fair value**	**Recog-nised amount**	**Fair value**	**Recog-nised amount**
Financial assets, fair value				
Government bonds	2,816	2,816	2,329	2,329
Mortgage bonds	21,592	21,592	21,825	21,825
Other fixed-rate instruments	482	482	764	764
Other floating-rate instruments	186	186	129	129
Listed shares	944	944	1,166	1,166
Unlisted shares	373	373	419	419
Investment properties	542	542	428	428
Other investment assets	7	7	3	3
Loans and receivables				
Receivables from policyholders	127	127	138	138
Receivables from insurance brokers	10	10	18	18
Receivables from insurance companies	39	39	0	0
Other receivables	87	87	69	69
Positive market value of derivative financial instruments	1,196	1,196	639	639
Other assets	168	168	73	73
Pensionskassen under Alm. Brand A/S	8	8	9	9
Assets temporarily acquired	30	30	205	205
Interest receivable	268	268	357	357
Prepayments	43	43	43	43
Balances due from credit institutions and central banks	952	952	671	671
Cash in hand and demand deposits	249	249	363	363
Loans and advances	6,571	6,528	7,346	7,340
Fair value of financial assets, year-end	36,690	36,647	36,994	36,988
Financial liabilities at fair value through profit or loss				
Subordinated debt	574	574	1,100	1,100
Issued bonds	21	21	31	31
Reinsurance deposits	0	0	0	0
Payables to policyholders	7	7	9	9
Payables related to direct insurance	11	11	13	13
Payables related to reinsurance	29	29	97	97
Payables to subsidiaries	9	9	12	12
Negative market value of derivative financial instruments	551	551	240	240
Other payables	711	711	755	755
Deferred income	2	2	3	3
Deposits	11,039	10,857	11,035	10,853
Payables to credit institutions and central banks	1,972	1,972	2,709	2,709
Fair value og financial liabilities, year-end	14,926	14,744	16,004	15,822

Cash in hand and balances at call with central banks are relatively short term, and recognised amounts at amortised cost are assumed to equal fair values.

Balances with credit institutions are recognised at amortised cost. The difference between the recognised value and fair value is assumed to be the interest rate-dependent value adjustment, calculated by comparing current market rates with the market rates applying when the balances were established.

Loans, advances and receivables at fair value, bonds at fair value, shares etc. and derivatives are measured at fair value in the financial statements so that recognised values equal fair values.

The difference between the fair value and the recognised value of Loans, advances and receivables at amortised cost is assumed to equal the interest rate-dependent value adjustment, calculated by comparing current market rates with the market rates applying when the loans were established. Changes in the credit quality are not taken into account as these are assumed to be included in impairment on loans for recognised values as well as fair values.

The fair value of deposits and other payables is assumed to equal the interest rate level-dependent value adjustment calculated by comparing current market rates with the market rates prevailing when the deposits were established.

Issued bonds and subordinated debt are measured at amortised cost. The difference between this and fair value is assumed to be the interest rate-dependent value adjustment, calculated by comparing current market rates with the market rates applying when the issues were made. Changes in fair values due to changes in the bank's own credit rating are not taken into account.

Fair value adjustments of financial assets and liabilities represent a total unrecognised unrealised gain of DKK 156 million at the end of 2014 and are attributable to higher interest rates on the underlying assets and liabilities relative to the level of interest rates at year-end. This adjustment was mainly attributable to Subordinated debt.

In the accounting policies, the calculation of fair values is described further for items recognised at fair value.

DKKm			2014			2013
	Derivater	Repo agree-ments	I alt	Derivater	Repo agree-ments	I alt
Note 47 Offsetting						
Financial assets						
Recognised assets, gross	1,196	0	1,196	766	178	944
Liabilities offset in the balance sheet	0	0	0	-61	0	-61
Financial assets stated at net amounts in the balance sheet	1,196	0	1,196	705	178	883
Related amounts which have not been offset in the balance sheet						
Financial instruments	-408	0	-408	-3	0	-3
Financial collateral	-784	0	-784	-678	-175	-853
Net amounts	4	0	4	24	3	27
Financial liabilities						
Recognised liabilities, gross	551	0	551	339	772	1,111
Assets offset in the balance sheet	0	0	0	-61	0	-61
Financial liabilities stated at net amounts in the balance sheet	551	0	551	278	772	1,050
Related amounts which have not been offset in the balance sheet						
Financial instruments	-408	0	-408	-3	0	-3
Financial collateral	-143	0	-143	-678	-175	-853
Net amounts	0	0	0	-403	597	194

Derivative financial instruments are recognised in the balance sheet at fair value. Positive fair values are included in “Other assets”, while negative fair values are included in “Other liabilities”. Financial instruments in the balance sheet are comprised by framework agreements for netting or other agreements. Assets and liabilities are offset when Alm. Brand and the counterparty have a legally enforceable right to offset the recognised amounts and subsequently realise the assets and settle the liability simultaneously. Alm. Brand uses master netting agreements, which entitle the group to offset amounts when a counterparty is in default as the exposure to the counterparty in such a case would be reduced because of collateral security received. Collateral security reduces the exposure if a counterparty is in default, but it does not meet the criteria for offsetting in accordance with IFRS.

					2014					2013
DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Note 48 Financial instruments by term to maturity										
Bonds										
Expiry within 1 year	1,380	409	3,248	0	5,037	3,360	1,504	2,588	0	7,452
Expiry between 1 year and 5 years	4,314	2,190	1,709	0	8,213	4,353	1,552	1,256	0	7,161
Expiry after more than 5 years	1,968	7,612	2,244	2	11,826	1,499	6,821	2,112	2	10,434
Bonds, year-end	7,662	10,211	7,201	2	25,076	9,212	9,877	5,956	2	25,047
Cash in hand and balances at call										
Expiry within 1 year	46	224	198	0	249	5	141	323	11	363
Expiry between 1 year and 5 years	0	0	0	0	0	0	0	0	0	0
Expiry after more than 5 years	0	0	0	0	0	0	0	0	0	0
Cash in hand and balances at call, year-end	46	224	198	0	249	5	141	323	11	363

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Loans, advances and receivables										
Expiry within 1 year	218	123	2,410	95	2,846	122	34	2,789	60	3,005
Expiry between 1 year and 5 years	313	0	727	0	1,040	0	0	960	0	960
Expiry after more than 5 years	1,496	0	2,274	0	3,770	0	0	4,202	0	4,202
Loans, advances and receivables, year-end	2,027	123	5,411	95	7,656	122	34	7,951	60	8,167
Deposits and payables to credit institutions and central banks										
Expiry within 1 year	40	780	11,177	0	11,780	248	383	11,030	0	11,587
Expiry between 1 year and 5 years	0	0	175	0	173	0	0	1,195	0	1,186
Expiry after more than 5 years	0	0	923	0	923	0	0	908	0	908
Deposits and payables to credit institutions and central banks, year-end	40	780	12,275	0	12,876	248	383	13,133	0	13,681
Issued bonds										
Expiry within 1 year			0	16	16			0	10	10
Expiry between 1 year and 5 years			0	5	5			0	21	21
Issued bonds, year-end			0	21	21			0	31	31
Guarantees										
Expiry within 1 year			200		200			104		104
Expiry between 1 year and 5 years			90		90			7		7
Expiry after more than 5 years			439		439			542		542
Guarantees, year-end			729		729			653		653
Financial liabilities										
Expiry within 1 year	244	269	64	0	577	0	6	211	0	217
Expiry between 1 year and 5 years	0	0	6	0	6	0	0	38	0	38
Expiry after more than 5 years	0	0	3	0	3	0	0	24	0	24
Financial liabilities, year-end	244	269	73	0	586	0	6	273	0	279

The actual expiry dates may deviate from the contractual expiry dates as the issuers of the specific instruments may be entitled to repurchase the instrument before it expires. See note 14, which includes the expected cash flow for the group's claims and life insurance provisions.

Note 49 Credit risk

Credit risk by type of financial asset	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Government bonds	0	2,793	23	0	2,816	70	2,110	149	0	2,329
Mortgage bonds	7,508	6,993	7,091	0	21,592	8,801	7,367	5,657	0	21,825
Other fixed-rate instruments	53	342	87	0	482	241	373	150	0	764
Other floating-rate instruments	101	83	0	2	186	100	27	0	2	129
Other investment assets	1	7	0	0	7	0	3	0	0	3
Reinsurance deposits	298	24	0	0	322	608	23	0	0	631
Receivables from policyholders	104	23	0	0	127	104	34	0	0	138
Receivables from insurance brokers	10	0	0	0	10	18	0	0	0	18
Receivables from insurance companies	39	0	0	0	39	0	0	0	0	0
Other receivables	49	32	0	38	87	43	20	0	38	69
Positive market value of derivative financial instruments	166	1,003	27	0	1,196	152	307	180	0	639
Other assets	114	0	54	0	168	0	0	73	0	73
Interest receivable	75	110	83	0	268	117	125	115	0	357
Balances due from credit institutions and central banks	0	100	757	95	952	0	0	611	60	671
Cash in hand and demand deposits	46	224	198	0	249	5	141	323	11	363
Loans and advances	1,874	0	4,654	0	6,528	0	0	7,340	0	7,340
Maximum credit risk	10,438	11,734	12,974	135	35,029	10,259	10,530	14,598	111	35,349

	2014					2013				
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**

The group's exposure to credit risk primarily involves financial receivables such as mortgage deeds and other loans and advances as well as credit risk on the portfolio of credit bonds. The portfolio of credit bonds in the life insurance company forms part of customer investment assets. 97% of the portfolio of credit bonds carries an Investment Grade-rated (BBB and higher). Overdue receivables in the non-life company are written off after nine months.

Total receivables written down in connection with insurance operations:

DKKm	Non-life	Life	Banking	Other	Total	Non-life	Life	Banking	Other	Total
Impairment beginning of year	78				78	86				86
Impairment during the year and reversal of impairment	1				1	-8				-8
Impairment, year-end	79				79	78				78
Loans and guarantees distributed by sector and industry										
Public authorities			0.0%		0.0%			0.0%		0.0%
Business sectors:										
Agriculture, hunting, forestry and fishery			10.7%		10.7%			9.3%		9.3%
Manufacturing and raw materials extraction			0.1%		0.1%			0.1%		0.1%
Energy supplies			0.3%		0.3%			0.2%		0.2%
Construction			0.0%		0.0%			0.1%		0.1%
Trade			0.3%		0.3%			0.2%		0.2%
Transport, restaurant and hotel industry			0.0%		0.0%			0.1%		0.1%
Information and communications			0.0%		0.0%			0.0%		0.0%
Credit and financing and insurance			16.2%		16.2%			15.6%		15.6%
Property administration and trading, business services			18.5%		18.5%			14.9%		14.9%
Other business			3.2%		3.2%			7.9%		7.9%
Business total			49.3%		49.3%			48.4%		48.4%
Private customers			50.7%		50.7%			51.6%		51.6%
Total			100.0%		100.0%			100.0%		100.0%
Impairment										
Individual assessment										
Impairment beginning of year			1,336		1,336			1,427		1,427
Impairment during the year			331		331			333		333
Reversal of impairment			-205		-205			-121		-121
Loss (written off)			-158		-158			-303		-303
Impairment individual assessment, year-end			1,304		1,304			1,336		1,336
Group assessment										
Impairment beginning of year			118		118			129		129
Impairment during the year			118		118			51		51
Reversal of impairment			-83		-83			-62		-62
Impairment group assessment, year-end			153		153			118		118
Total impairment			1,457		1,457			1,454		1,454
Interest income relating to loans, advances and receivables, etc. written down			34		34			32		32
Reasons for individual impairment writedowns										
Loans, advances and other receivables before impairment										
Estate administration			245		245			234		234
Debt collection			77		77			85		85
Uncollectible claims			1,736		1,736			1,787		1,787
Total			2,058		2,058			2,106		2,106
Impairment, etc.										
Estate administration			205		205			229		229
Debt collection			67		67			73		73
Uncollectible claims			1,032		1,032			1,034		1,034
Total			1,304		1,304			1,336		1,336
Loans, advances and other receivables after impairment			754		754			770		770
Value of security for loans found to be impaired based on individual assessments			935		935			843		843

	2014					2013				
DKKm	**Non-life**	**Life**	**Banking**	**Other**	**Total**	**Non-life**	**Life**	**Banking**	**Other**	**Total**
Description of security										
Value of security										
Real property, private			73		73			59		59
Real property, commercial			788		788			734		734
Cash, deposits and highly marketable securities			9		9			6		6
Cars			1		1			2		2
Other security			64		64			42		42
Value of security, year-end			935		935			843		843

Collateral security is valued on the following basis:
Real property; Estate agent valuation, reasoned internal assessment or public assessment considering type of property, location, condition and estimated marketability. Cash and cash equivalents; Official price where available and otherwise the transaction price obtainable in a transaction between independent parties.
Goods, cars; Assessment from BilpriserPro considering type, model and age.
Personal property, other collateral; based on individual assessments.

The collateral security stated is unstressed. In the calculation of impairment writedowns on agricultural and property exposures in financial difficulty, the value of collateral security is calculated on the basis of realisable value upon a sale within six months.

Realised security, including conditions										
Value of realised security										
Real property, private			5		5			11		11
Real property, commercial			0		0			132		132
Current-asset investments			0		0			35		35
Cars			2		2			5		5
Total value of realised security			7		7			183		183

Forced realisation of collateral becomes necessary if the bank cannot induce the creditor or the provider of collateral security to enter into a voluntary agreement on realisation. The bank always seeks to maximise the value of collateral by way of forced realisation. Before forced realisation of collateral is initiated, the debtor and/orthe provider of collateral will receive typically eight days' notice, however, shorter notice may be given in case of an obvious risk of imminent impairment of the value of the collateral.

Loans, advances and other receivables, etc. in arrears										
How much in arrears										
Up to three months			5		5			9		9
Three to six months			8		8			0		0
Six to twelve months			1		1			1		1
More than twelve months			1		1			1		1
Arrears year-end			15		15			11		11
Value of collateral security for loans in arrears			339		339			561		561
Description of security										
Value of security										
Real property, private			114		114			69		69
Real property, commercial			174		174			409		409
Cash and marketable securities			32		32			19		19
Cars			4		4			5		5
Other security			15		15			59		59
Value of security, year-end			339		339			561		561
Total value of security at the balance sheet date			4,079		4,079			5,792		5,792

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Description of security										
Value of security										
Real property, private			1,860		1,860			2,554		2,554
Real property, commercial			1,948		1,948			2,773		2,773
Cash and marketable securities			83		83			187		187
Cars			52		52			108		108
Other security			136		136			170		170
Value of security, year-end			4,079		4,079			5,792		5,792

Under the total credit exposure, DKK 1.9 billion concerns a loss option to cover mortgage deeds in Alm. Brand Forsikring, whereas the associated collateral in real property is not included.

Credit quality

The credit quality is quantified on the basis of the credit quality categories of the Danish Financial Supervisory Authority, according to which loans and advances with normal credit quality are categorised in 2a and 3, loans and advances with certain indications of weakness are categorised in 2b, loans and advances with substantial weaknesses are categorised in 2c and loans and advances with an objective evidence of impairment are categorised in category 1.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Loans, advances and other receivables at fair value – by credit quality category										
Loans and advances with normal credit quality	1,341		82		1,423			1,471		1,471
Loans and advances with certain indications of weakness	105		2		107			169		169
Loans and advances with substantial weaknesses	194		44		238			281		281
Loans that are neither due nor impaired	1,640		128		1,768			1,921		1,921
Loans and advances with an objective evidence of impairment	2		985		987			1,323		1,323
Total residual debt before value adjustment etc.	1,642		1,113		2,755			3,244		3,244
Value adjustments etc.	232		-806		-574			-747		-747
Loans, advances and other receivables at fair value, year-end	1,874		307		2,181			2,497		2,497

Of value adjustments etc. of DKK 574 million, (2013: DKK 747 million) DKK 824 million (2013: DKK 926 Million) was attributable to credit-related value adjustments at 31 December 2014.

DKKm	2014 Non-life	2014 Life	2014 Banking	2014 Other	2014 Total	2013 Non-life	2013 Life	2013 Banking	2013 Other	2013 Total
Loans, advances and other receivables at amortised cost – by credit quality category										
Loans and advances with normal credit quality			1,636		1,636			1,897		1,897
Loans and advances with certain indications of weakness			1,159		1,159			1,296		1,296
Loans and advances with substantial weaknesses			524		524			710		710
Loans that are neither due nor impaired			3,319		3,319			3,903		3,903
Loans and advances with an objective evidence of impairment			2,475		2,475			2,386		2,386
Total residual debt before value adjustment etc.			5,794		5,794			6,289		6,289
Value adjustments etc.			-1,447		-1,447			-1,446		-1,446
Loans, advances and other receivables at amortised cost, year-end			4,347		4,347			4,843		4,843
Guarantee debtors – by credit quality category										
Guarantee debtors with normal credit quality			449		449			365		365
Guarantee debtors with certain indications of weakness			127		127			138		138
Guarantee debtors with substantial weaknesses			34		34			29		29
Guarantee debtors that are neither due nor impaired			610		610			532		532
Guarantee debtors with an objective indication of impairment			130		130			130		130
Total guarantee debtors before provisions etc.			740		740			662		662
Provisions etc.			-10		-10			-8		-8
Guarantee debtors, year-end			730		730			654		654

DKKm	2014	2013
Note 50 Market risk		
Currency risk		
Foreign currency positions:		
Long positions	12,352	13,857
Short positions	-10,075	-11,580
Net positions	2,277	2,277
Foreign currency positions distributed on the five largest net positions:		
EUR	1,287	1,612
CHF	339	317
SEK	63	35
USD	62	34
GBP	62	34
Other	464	245
Total foreign currency positions	2,277	2,277
Interest rate risk		
Total interest rate risk calculated according to the group's interna	1,333	1,244

The internal calculation approach is used for the management of day-to-day risk. The calculation approach applies modified option-adjusted durations for the calculation of interest rate risk in the event of a 1 percentage point increase in interest rates. Interest rate risk is measured as the expected loss on interest rate positions that would result from an immediate upwards or downwards change in all interest rates by 1 percentage point. The interest rate risk is calculated for each currency.

	2014					
DKKm	Non-life	Life shareholders' equity	Banking	Other	Total	% of holders' equity
Note 51 Sensitivity information						
Sensitivity information, group						
Risk on shareholders' equity in case of specific events:						
Interest rate increase of 1 percentage point	1	-14	-55	0	-68	-1.4%
Interest rate fall of 1 percentage point	-84	-13	48	0	-49	-1.0%
Share price fall of 12%	-14	0	-30	0	-44	-0.9%
Fall in property prices of 8%	-1	0	-2	0	-3	-0.1%
Maximum exchange rate loss of 99.5% probability of 10 days	0	0	2	0	2	0.0%
Loss on counterparties of 8%	-3	0	0	0	-3	-0.1%
Loss on credit of 8%	-58	-6	-46	0	-110	-2.3%
Caststrophe events:						
- one "100-year event"	-234	0	0	0	-234	-4.8%
- two "100-year events"	-368	0	0	0	-368	-7.6%

*) Interest rate sensitivities for the bank concern balance sheet items included in the interest rate risk for accounting purposes. The bank's interest rate risk for accounting purposes in the event of a 1 percentage point change in interest rates amounted to DKK 58 million at 31 December 2014 (calculated on the basis of modified option-adjusted durations). The bank's property risk concerns properties held directly. The banking group's sensitivity to equity price declines is stated inclusive of share options in associates. The table lists the most important risks to which the Alm. Brand Group is exposed. The order of the risk factors is not an indication of the size or importance of each risk factor. The risk factors relating to the life group's shareholders' equity do not include risks related to securities owned by the policyholders.

Note 53, Risk management, contains a description of the risks assumed by the group.

Sensitivity information, life company

DKKm	Minimum effect on total capital	Maximum effect on collective bonus potential	Maximum effect on bonus potential on paid-up policies benefits before change in applied bonus potential on paid-up policies	Maximum effect on applied bonus potential on paid-up policies
Event:				
Interest rate increase of 1 percentage point	-6	-30	275	0
Interest rate fall of 1 percentage point	-3	-139	-214	0
Share price fall of 12%	0	-219	0	0
Fall in property prices of 8%	0	-101	0	0
Exchange rate risk (VaR 99.5%)	0	-47	0	0
Loss on counterparties of 8%	-13	-123	0	0
Fall in mortality intensity of 10%	-47	0	1	0
Increase in mortality intensity of 10%	44	0	-1	0
Increase in disability intensity of 10%	-28	0	-8	0

	2014	2013	2012	2011	2010
Note 52 Key ratios for the banking group					
Solvency ratio	17.8%	18.4%	18.5%	16.8%	18.8%
Tier 1 ratio	17.8%	17.7%	13.9%	11.0%	16.2%
Return on equity before tax	-16.3%	-33.8%	-41.6%	-94.5%	-67.2%
Return on equity after tax	-9.4%	-27.9%	-30.6%	-75.8%	-50.0%
Income/cost ratio	0.56	0.38	0.42	0.08	0.31
Interest rate risk	2.0%	3.4%	1.5%	-0.9%	1.1%
Foreign exchange position	3.6%	21.3%	7.1%	5.3%	4.6%
Foreign exchange risk	0.0%	0.2%	0.1%	0.2%	0.1%
Loans and advances as a percentage of deposits	55.1%	80.3%	87.8%	148.0%	160.2%
Gearing of loans and advances	2.7	4.3	7.2	8.3	7.1
Annual growth in lending	-36.6%	-12.6%	-17.8%	-18.2%	-15.8%
Excess cover relative to statutory liquidity requirement	204.5%	201.6%	248.7%	319.6%	256.8%
Total amount of large exposures	58.5%	63.0%	60.9%	68.0%	69.1%
Impairment ratio for the year	2.1%	2.1%	2.8%	6.0%	4.3%
Return on capital employed	-1.0%	-2.2%	-2.3%	-4.4%	-2.5%

Financial highlights and key ratios have been calculated in accordance with the Executive Order on the presentation of financial reports by credit institutions and investment companies etc.

NOTE 53 Risk management

As a group, Alm. Brand assumes a number of risks, including the highly different risks associated with operating its various business areas and the more uniform financial risks related to managing its liquidity and investment strategy.

Managing the group's risk exposure is a key management priority because uncontrolled developments in different risks may have a substantial impact on financial performance and solvency and, by extension, on the future business potential.

The purpose of Alm. Brand's risk management function is to ensure ongoing, proactive risk management in day-to-day activities based on common sense. The risk management function therefore has an obligation to ensure that the necessary reporting is available in order for the business to make sound and informed decisions. Alm. Brand has three independent business areas. This means that reporting and sparring must be aligned to the specific business areas in order to make risk management relevant for the business and, hence, for the customers. The decentralised entities in Alm. Brand's risk management system include the non-life insurance actuarial department dealing with non-life insurance risks, the life insurance actuarial department dealing with life insurance risks, the credit secretariat dealing with the bank's credit risks, a special committee dealing with IT-related risks and a group risk management function dealing with market risks and capital management. In other words, the structure of risk management is decentralised with respect to the principal business risks, while the overall risk management is of course followed up at group level.

The board of directors of each individual subsidiary defines and approves the overall policy for the company's acceptance of risks, and the board of directors also determines the overall limits for such risks and the required reporting. On this basis, the individual management boards determine each subsidiary's operational risk management. Note 51 Sensitivity information shows the principal risk concentrations and their impact on the group.

The statutory audit committee supports the board of directors, among others, in the risk and capital management work. The audit committee is composed of three members of the board of directors of the relevant group company.

The group's central risk forum is a group risk committee, the objective of which is to ensure coordination and uniformity in the group companies with respect to accepting, calculating and reporting risk. In addition, a group investment committee ensures that the group's investments and market risks are within the limits defined by the board of directors and the policies of the individual companies.

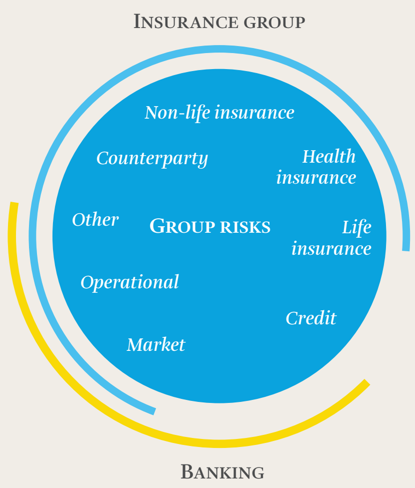
The group compliance function assists management in ensuring that the companies' methods and procedures are adequate to ensure compliance with the legislation and rules in force from time to time. The internal audit department oversees the companies' administrative and financial reporting procedures, the group's control procedures and compliance with management's policies and guidelines.

In addition, a forum for operational risk collates information about operational events in Alm. Brand Forsikring and Alm. Brand Bank. Participating in this forum are Risk Management, Compliance and Internal Audit. Moreover, the group has set up an approval committee for financial products. This committee is responsible for ensuring that business procedures, processing routines, etc. are in place before new products or activities are implemented, thereby helping to mitigate operational risk.

Risk factors

We take various types of calculated risk in support of the group's long-term business objectives. The content and size of risks encountered in the various business areas differ considerably, but generally risk parameters for the group can be illustrated as shown in the figure below.

Risk factors



NOTE 53 Risk management - continued

The risk scenarios of the group's three business areas, Non-life Insurance, Life and Pension and Banking, are described in detail below.

Non-life insurance

In all significant areas, Alm. Brand has considered what the desired risk profile of Non-life Insurance is. Business procedures and controls in that respect have been designed and reports are submitted to the board of directors and management board of Alm. Brand Forsikring A/S on a regular basis.

Non-life insurance risks

The primary risks are premium risks (the risk of claims expenses and costs exceeding premium income), claims provision risks (the risk of provisions being too low relative to the ultimate cost of the loss) and catastrophe risks (the cost of extreme events).

Rules governing acceptance and writing of new business at customer and product level reduce premium risks. Written risks are assessed for the possibility that several policies can be affected by the same loss event (accumulation). Moreover, each salesperson has been given instructions as to what risks can be accepted. In addition, premium risks are reduced through the use of reinsurance and by frequently monitoring trends in tariff parameters.

The most important reasons for claims provision risks are model and calculation uncertainties as to claims provisions and claims inflation. The amount of run-off gains and losses is also evaluated in the annual actuarial report relative to the expectations from the company's partial internal model. This check contributes to providing a true and fair view of the risk of run-off losses.

Catastrophe risk is covered through reinsurance. The purpose of the reinsurance programme is to ensure that a single loss event or a random accumulation of large losses does not lead to an unacceptable loss of capital and, moreover, the purpose is to reduce the size of fluctuations in technical results.

The largest single risks in Non-life Insurance are natural disasters and terrorist attacks. The company's risk associated with natural disasters is assessed using the partial internal model and a number of scenarios based on portfolio exposure and on a calculated probability. Both show that the current reinsurance programme will provide cover at least for losses resulting from a 1:200-year storm.

For 2015, Non-life Insurance has bought catastrophe reinsurance up to DKK 4.3 billion with retention of DKK 75 million. The reinsurance programme covers fire claims up to DKK 500 million with retention of DKK 30 million and personal injury on accident and workers' compensation claims up to DKK 800 million with retention of DKK 20 million. Moreover, the company has taken out frequency cover on major fire claims covering large losses between DKK 5 million and DKK 30 million. However, the cover will not take effect until Alm. Brand has incurred claims in the amount of at least DKK 150 million in this range.

Alm. Brand has also purchased reinsurance cover for accumulated "medium-size" precipitation claims (cloudburst, snow load, etc.) and windstorm claims. Precipitation claims between DKK 7.5 million and DKK 75 million are accumulated, and the cover is triggered when total claims payments exceed DKK 100 million. For windstorms, claims events between DKK 10 million and DKK 75 million are accumulated, and the cover is similarly triggered when total claims payments in this interval exceed DKK 100 million.

The lines motor insurance (comprehensive and liability) and professional liability insurance in general are covered by separate reinsurance programmes with retention of DKK 20 million each.

The risk of a terrorist attack is not always comprised by the insured risks. In cases in which Alm. Brand covers this type of event, the company's risk is covered by one of the following two options: First of all, the so-called terrorism pool and the government guarantee scheme covers claims involving nuclear, biological or chemical claims events. Secondly, Alm. Brand through own programmes has coverage directed at claims in connection with terrorist attacks due to other ("conventional") causes and any spill-over from the terrorism pool. In addition, Alm. Brand has taken out specific coverage on selected buildings relative to conventional terrorist attacks.

Health insurance risks

Health insurance risk arises as a result of coverage provided by the insurance group under workers' compensation and personal accident policies. These policies all give rise to both premium, claims provision and catastrophe risks, as described in the section on non-life insurance risks.

NOTE 53 Risk management - continued

Particularly workers' compensation insurance is affected by legislative amendments and changed legal practice as well as by social inflation. Social inflation means that claims expenses increase due to developments in social and economic factors. Such factors have a tendency to drive up the number of insurance-covered claims and average claims expenses. These external risk factors arise due to trends in society and are difficult to predict, thereby making it difficult to price health insurance risks correctly.

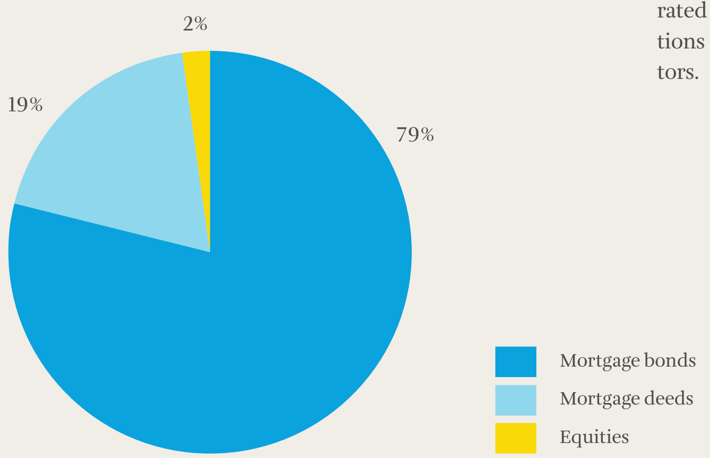
Because workers' compensation insurance is of a longer-tail nature and because the legislative framework is more complicated, the potential impact of risk factors on the results of workers' compensation lines is greater compared with personal accident lines.

Market risk

The management of market risk is intended to ensure achievement of an optimum return without putting the total capital of Alm. Brand Forsikring at risk of significant deterioration due to financial market developments or financial difficulties of individual issuers.

The asset allocation of Alm. Brand Forsikring at 31 December 2014 reflects a focus on stable returns and low investment risk. The investment assets of Alm. Brand Forsikring are predominantly placed in interest-bearing assets, most of which are Danish mortgage bonds with a high credit rating. The average duration is between two and three years.

The interest rate risk on assets and liabilities is monitored on an ongoing basis. Interest rate swaps are used to adjust the interest rate risk on the assets. However, in 2014 the risk profile was exposed to rising interest rates, because the assets generally had lower interest rate sensitivity than the liabilities.



In late 2014, Alm. Brand Forsikring acquired the majority of Alm. Brand Bank's portfolio of mortgage deeds. The transaction contains an option agreement to protect Alm. Brand Forsikring against future credit losses. This means that Alm. Brand Forsikring can deliver back mortgage deeds to the bank if the mortgage deed debtors default on their payment obligations. This means that the bank retains the credit risk, whereas Alm. Brand Forsikring only assumes the market risk associated with investing in the mortgage deeds.

About 2% of the portfolio is placed in equities, and less than 1% of the assets are placed in unlisted equities, primarily in the form of strategic sector equities. Sector equities are held for the purpose of supporting the insurance activities. In mid-2014, Alm. Brand Forsikring established a global equity mandate in order to further diversify the asset composition.

The currency risk of Alm. Brand Forsikring is related partly to a limited exposure to bonds denominated in foreign currency and partly to positive market values of derivative fixed-income instruments denominated in foreign currency.

Counterparty risk

Counterparty risk arises when a counterparty in a financial agreement fails to meet its obligations. Counterparty risk is broken down into two types in the solvency calculation. Type 1 counterparty risk covers exposure to large financial enterprises, for instance due to reinsurance agreements or financial contracts. Type 2 counterparty risk covers the risk that ordinary insurance customers fail to pay what they owe to Alm. Brand Forsikring.

Type 1 counterparty risk related to reinsurance arises for example if Non-life Insurance's reinsurers go into insolvent liquidation, resulting in a partial loss of receivables and in new coverage of the business having to be purchased. In order to minimise the risk related to each reinsurer, reinsurers must be rated at least A- with Standard & Poor's or A.M. Best. Deviations from this rating must be approved by the board of directors.

NOTE 53 Risk management - continued

Financial counterparties are most often credit institutions in which case the receivable arises in a bilateral derivative agreement or, for instance, by depositing cash funds in a bank account, which creates a type 1 counterparty risk. Placement limits contain restrictions as to the companies' maximum receivable from specific credit institutions.

Alm. Brand Forsikring limits counterparty risks in connection with derivative agreements by entering into margin agreements and netting with the counterparties. Margin agreements ensure that collateral is provided when the exposure exceeds a certain level. Netting is described in the ISDA Master Agreements and means that gains and losses on derivative financial instruments may be offset if a counterparty breaches its obligations. Agreements on derivative financial instruments of a longer-term nature can only be concluded if they also have a netting agreement with collateral provided. If deemed expedient, deviations from this general rule may in rare circumstances be accepted subject to management consent.

In addition, Alm. Brand Forsikring has type 1 counterparty risk on Alm. Brand Bank. This is due to Alm. Brand Forsikring's option to sell back delinquent mortgage deeds to Alm. Brand Bank. The capital strength of Alm. Brand Bank is monitored on an ongoing basis to ensure that Alm. Brand Bank can honour any claims from Alm. Brand Forsikring arising due to delinquent mortgage deeds.

Receivables from policyholders in Non-life Insurance arise on an ongoing basis and an allowance is made in that respect in the solvency requirement as type 2 counterparty risk.

Other risks
Weather-related events put Non-life Insurance's liquidity the most under pressure. However, liquidity risk is limited because the companies' premiums are pre-paid. Moreover, the possibility of procuring liquidity by realising assets is very significant.

Life and pension

Life insurance risks
Biometric risks include mortality, life expectancy and disability. The risk of disability and death is restricted by guidelines for how large a risk the company may accept. It is currently standard policy with Alm. Brand Liv og Pension A/S to only write risk coverage subject to the customer providing individual health information. Moreover, risks are limited through a reinsurance programme which mitigates the effects of losses incurred on large customers. The reinsurance programme also comprises catastrophe cover in the event of several customers/lives being hit by the same event.

To cover any future fluctuations in mortality or disability rates, a risk premium is added to market value provisions, which is calculated by increasing the risk intensities for mortality and disability by 12% or lowering the mortality intensities by 12% for insurance types dependent on rising life expectancy. The market value parameters for use in the calculation of market value provisions are assessed at least once a year.

Alm. Brand Liv og Pension's breakdown into contribution groups means that generally there is no collective bonus potential in the contribution groups for mortality, life expectancy and disability, respectively. This generally means that losses incurred in these groups will be paid through equity. However, the overall buffers may be applied through the use of negative bonus, thereby limiting the risk to the reaction rate of bonus rate adjustments.

Alm. Brand Liv og Pension has a relatively small exposure to life expectancy, as the portfolio is predominantly composed of capital, retirement and instalment pension schemes. Alm. Brand uses the Danish FSA's benchmark for life expectancy assumptions for the calculation of provisions and the industry standard described by the Danish Society of Actuaries for the assessment of life expectancy risk.

Health insurance risks
New health and personal accident business in Alm. Brand Liv og Pension is written outside the framework of guaranteed interest, ensuring that the customers receive a sharper but also more flexible insurance price. These policies give rise to both premium, claims provision and catastrophe risks but are also affected by legislative amendments and changed legal practice as well as by social inflation. Social inflation means that claims expenses increase due to developments in social and economic factors. Premium risk is limited to one year due to the possibility of a quick change of price

Market risk
Alm. Brand Liv og Pension's insurance portfolio is divided into four interest rate contribution groups characterised by the different guarantee levels on which the insurances are based. The interest rate decline in 2014 has had an adverse impact on the investment buffers in some of the interest rate contribution groups. The reason is that it has become more difficult to continually achieve a satisfactory investment return relative to the guarantee levels. The investment strategies of the individual interest rate contribution groups are carefully designed to match the investment buffers of each individual group. This means that the highest interest rate contribution group has a relatively small share of higher-risk assets relative to provisions.

NOTE 53 Risk management - continued

Alm. Brand Liv og Pension has introduced the principle that the full amount of any surplus on the policies' interest rate, risk or expense results must be used to lower the future required rate of return on the insurances. This gradually reduces the guarantees for the interest rate groups and has the effect that, over time, they will be moved to interest rate groups with lower guarantees.

No new business is written in the highest group, which predominantly consists of insurances under disbursement or close to retirement. As a result, the portfolio is gradually reduced. At 31 December 2014, the portfolio amounted to just under DKK 4 billion.

At least once each month and otherwise as needed, Alm. Brand Liv og Pension carries out sensitivity analyses on the expected profit for the year and on the individual solvency need according to a selection of financial scenarios (combinations of a rise or fall in interest rates, decline in equities and a widening of the credit spread (OAS)).

The asset allocation of Alm. Brand Liv og Pension at 31 December 2014 was widely diversified across a number of asset classes. The risk appetite is calculated relative to the total assets and allocated to each portfolio according to size. Risk tolerance can thereby be measured regardless of the guarantees issued in each interest rate contribution group. This has the consequence that groups with large investment buffers will have more higher-risk assets than groups with low investment buffers, as the overall risk exposure for shareholders' equity must be identical.

Derivatives are used to adjust the interest rate risk of the individual contribution groups in order to achieve the desired risk profile between assets and liabilities for each interest rate contribution group. The greatest interest risk arises in the event of a sudden and severe interest rate fall, giving the company no time to adjust its hedging activities. The duration of provisions increases with the decline in interest rates.

Equity exposure is only accepted on investment equities for policyholders' funds, and the exposure is accepted on the basis of a global investment universe. In addition, Alm. Brand Liv og Pension holds a limited number of unlisted equities, primarily in the form of strategic sector equities. These equities are held for the purpose of supporting the business activities.

Property exposure is accepted only for policyholders' funds. Most of the property investments are in owner-occupied properties, but direct investments are also made in property sector equities and office property. The risk profile when buying and selling property is focused on obtaining a high degree of security and stable returns on a long-term horizon.

Alm. Brand Liv og Pension pursues a proactive currency strategy, which means that foreign equity and bond positions are not currency hedged unless deemed expedient.

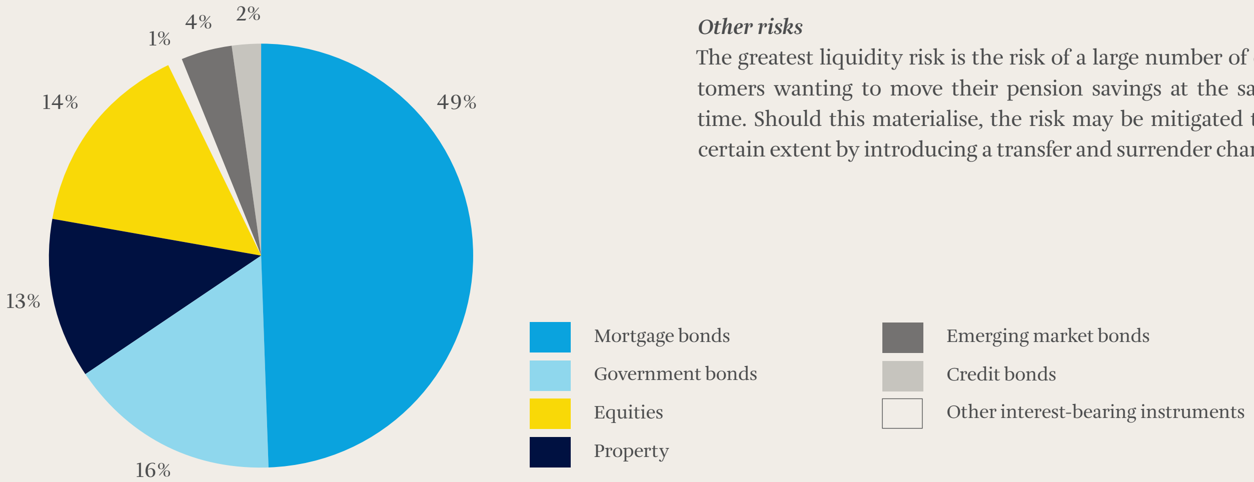
Counterparty risk

Counterparty risk often arises due to a receivable in connection with a bilateral derivative agreement or, for instance, by depositing cash funds in a bank account with a credit institution. Placement limits contain restrictions as to how large an exposure a company may have with specific credit institutions.

Counterparty risks in connection with derivative agreements are limited by entering into margin agreements and netting with the relevant counterparties. This ensures that collateral is provided as and when receivables exceed a certain level, and gains and losses on derivative financial instruments may be offset if the counterparty breaches its obligations. Deviations from this general rule may be accepted only in rare circumstances subject to management consent if deemed expedient.

Other risks

The greatest liquidity risk is the risk of a large number of customers wanting to move their pension savings at the same time. Should this materialise, the risk may be mitigated to a certain extent by introducing a transfer and surrender charge.



NOTE 53 Risk management - continued

Banking

The bank's forward-looking activities offer products that meet private customer financial needs. Moreover, the bank has activities within leasing, bond, equity and currency trading as well as research (Financial Markets) and asset management (Asset Management). This is reflected in the types of risk accepted by the bank.

Credit risk

Credit risk is the risk of incurring a financial loss due to default on counterparties' payment obligations. Credit risk includes losses/impairment writedowns on loans, guarantees, derivatives, etc., concentration risk on customer types, exposure types, collateral types, etc., a general change in credit quality due to changes in legislation, economic conditions, market practices and conditions, etc.

The bank's future lending strategy is directed at private customers. As a result, Alm. Brand Bank mainly grants loans to private customers, investment credit facilities in Financial Markets and leasing in the subsidiary Alm. Brand Leasing. The bank still holds mortgage deeds and credit exposures with commercial and agricultural customers as counterparties, but this part of the business will be phased out in the years ahead. The mortgage deed portfolio was strongly reduced in connection with the sale of most of the mortgage deeds to Alm. Brand Forsikring A/S. The related option agreement means that the bank retains the credit risk attaching to the original portfolio.

Once a year, the bank's board of directors reviews and approves the credit policy and the associated guidelines describing the rules governing the bank's loan granting, provision of guarantees and other credit risks. The guidelines contain specific limits for the individual products offered by the bank and the customer segments buying the bank's credit products.

The bank's credit rating of private customers seeking loans is based on a review of the customers' overall financial situation, including disposable amount, assets and level of debt. Secondarily, the bank uses credit scoring models which have been developed over a number of years. The models are still being developed and improved on the basis of recent experience and changes in market conditions.

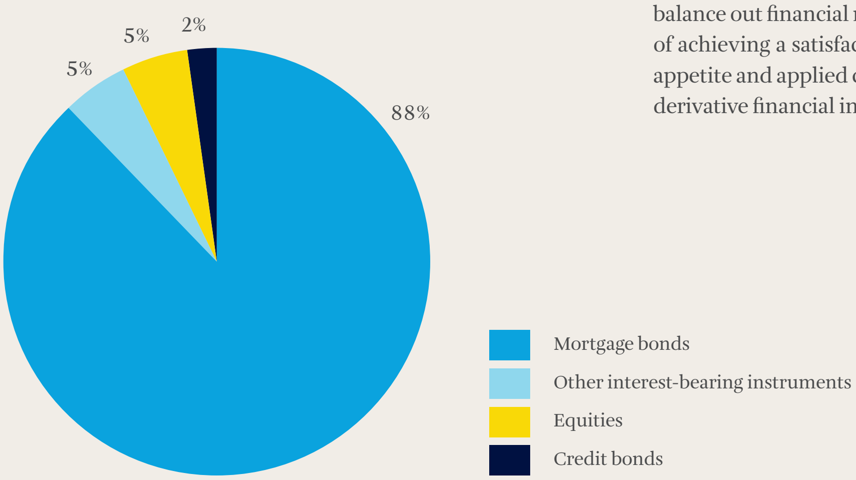
Alm. Brand Bank uses an authorisation control system for private customers. In combination with the bank's credit application and approval system, this system ensures that the approvals made by individual managers and employees are consistent with their lines. The system also supports regular collection of financial information on individual customers. This information is included in the overall decision-making basis for credit segmentation of the customer.

In the winding-up portfolio, loans are granted only for credit-defence purposes when this is deemed to minimise the bank's risk of loss.

As part of the control environment, an independent credit control function has been established, which has been charged with the task of making spot checks to identify any potential process shortcomings.

Market risk

The bank regularly takes positions in the financial markets for the account of customers as well as for its own account. The financial positions may involve different types of market risk. Active risk management is applied across the bank in order to balance out financial risks on assets and liabilities with the aim of achieving a satisfactory return that matches the bank's risk appetite and applied capital. The bank's risk management uses derivative financial instruments to adjust the market risk.



NOTE 53 Risk management - continued

Interest rate risk
The asset allocation of Alm. Brand Bank did not change significantly in 2014, and mortgage bonds still represent the majority of the investment assets. Spread risk is mitigated by means of rating-defined limits for investments in bonds

The board of directors of Alm. Brand Bank has defined limits for interest rate risk within and outside the trading portfolio. The bank's interest rate risk in the trading portfolio is derived from the portfolio of bonds and other financial instruments and from trading on behalf of customers. Most of the bank's interest rate exposure is to Danish kroner. The bank seeks to minimise interest rate risk in currencies other than DKK and EUR. The bank's interest rate risk outside the trading portfolio is derived exclusively from the portfolio of mortgage deeds.

In the event of a 1 percentage point increase in interest rates on the total interest-bearing portfolio, the banking group's equity and results will be adversely affected by DKK 55 million.

Currency risk
The banking group's daily currency risk is calculated and managed on the basis of the greater of the sum of receivables and the sum of payables denominated in foreign currency translated into Danish kroner. This corresponds to exchange rate indicator 1. See note 34.

The bank's loans are primarily denominated in Danish kroner and are therefore not subject to currency risk to any significant extent. The investment strategy stipulates that the bank may hold active positions in foreign currency within given limits. An active position means that it is possible to purchase foreign currency without having any obligation to do so and may sell foreign currencies which are not part of the portfolio. Derivative financial instruments are used to manage currency risk.

Equity risk
Equities in the trading portfolio, amounting to DKK 20 million, are held with a view to trading on behalf of customers or as part of the bank's investment portfolio. The bank's trading portfolio consists of positions in listed Nordic equities and unit trust certificates held with a view to supporting the bank's markets and asset management functions.

The bank's portfolio of equities outside the trading portfolio comprises equities taken over for credit-defence purposes. The portfolio also comprises sector equities intended to support the bank's operations. Participation in sector companies is deemed necessary, and the bank does not expect to sell these equities, which are therefore recognised outside the trading portfolio. Most of the sector equities are unlisted.

In the event of a 12% decline on the total portfolio of equities within and outside the trading portfolio, the banking group's equity and results will be adversely affected by DKK 30 million.

Property risk
The bank does not want to hold properties but has in recent years taken over single-family houses and rental property for credit-defence purposes. The exposure to properties is assessed to be limited relative to the bank's total assets, and the bank seeks to reduce the exposure on an ongoing basis. A 1 percentage point increase in the return requirement on rental property and a 15% reduction of the valuation of single-family houses would impact the banking group's equity and financial results adversely by DKK 24 million.

Counterparty risk
The bank's financial counterparties arise mainly through placement of cash funds with other banks and bilateral derivative agreements. Based on an individual assessment, exposure limits are defined for each counterparty.

The bank reduces its exposure by means of margin agreements and netting with the relevant counterparties. Margin agreements ensure that a counterparty provides collateral when the exposure exceeds a certain level. The way in which this collateral is managed is described in detail in a framework agreement or in the form of an ISDA Credit Support Annex to an ISDA Master Agreement. Netting is also described in the framework agreements or in the ISDA Master Agreements and means that gains and losses on derivative financial instruments may be offset if the counterparty breaches its obligations.

Other risks
The banking group aims to ensure that liquidity is at all times sufficient to support its future operations and comply with the statutory requirements, including the guideposts of the Danish FSA's Supervisory Diamond. Compliance with the bank's liquidity target is ensured through the internally defined limits for the composition of funding, including funding sources and their repayment structure as well as requirements for the size of the bank's liquidity reserve. The bank determines its liquidity management on the basis of a prudent risk profile. The bank manages and monitors liquidity on a day-to-day basis based on short-term and long-term liquidity requirements.

NOTE 53 Risk management - continued

The short-term liquidity management is intended to ensure that Alm. Brand Bank complies with the statutory requirements at all times. This is achieved partly by neutralising imminent liquidity effects, thereby maintaining liquidity within the limits defined by the board of directors, and partly by securing financial resources in the form of certificates of deposit and undrawn money market lines with major market players. The bank has also established a set-up for repo transactions and the possibility of selling the cash portfolio.

The long-term liquidity management is intended to ensure that Alm. Brand Bank does not find itself in a situation where the cost of funding the bank's operations becomes disproportionately high. Deposits are the primary funding source. Consequently, the financial liabilities have a longer average duration than the assets. See note 46. This liquidity profile should be seen in light of bank's ongoing reduction of lending in the winding-up segment. This reduces the longer liabilities, whereby it is an advantage to be able to adjust funding relatively quickly.

A significant part of the bank's external funding will expire at the beginning of 2015 when a substantial share of the fixed-rate agreements expire. The bank sold most of the mortgage deed portfolio to Alm. Brand Forsikring A/S in late 2014. The mortgage deed sale lowers the bank's funding requirements and is used to reduce the external funding.

The new liquidity ratio (Liquidity Coverage Ratio) will be introduced with effect from 1 October 2015. This ratio shows the degree to which the bank is able to cover its cash outflows over the next 30 days without access to market funding. The rules will be fully implemented in 2018 by which time the bank must have a coverage of 100%. Alm. Brand Bank will continuously comply with the regulatory requirements for liquidity coverage.

Other risks facing the group

The Alm. Brand Group's operational risks, i.e. costs associated with operational errors, are assessed on an ongoing basis. The group has a number of control procedures in the form of work routines, business procedures and reconciliation processes, performed locally and centrally throughout the organisation. The extent of control measures is balanced against the expenses they involve. Security measures are assessed relative to potential threats and their assessed probability of occurrence as well as the potential business consequences, should such threats materialise.

Reputational risks are costs associated with having a poor public reputation. This affects the group's ability to maintain and develop its business volume. A reputation arises through media coverage of the group or incidents in relation to the group, for instance in news media and/or on social media. The group has drawn up media contingency plans to handle any incidents that could lead to unfavourable media coverage.

The group is making a proactive effort to reduce the number of potential events that could give rise to poor reputation. For example, a customer ambassador has been appointed in Non-life Insurance. The group wishes to reduce the number of complaints filed with the Insurance Complaints Board, and even though the insurance company has a track record of winning most of the complaints filed, every complaint is one too many because it means that the group has a dissatisfied customer. The customer ambassador looks at a case from the customer's point of view and is responsible for ensuring that the customers' views are heard. This is done to promote a good dialogue between the group and its customers. Often a disagreement arises because the customer does not understand why his or her claim is not covered. The complaints are subsequently analysed, enabling the group to develop its insurance products and to become better at explaining its insurance terms.

Strategic risks have an adverse effect on earnings or capital requirements. They arise due to inexpedient business decisions, insufficient implementation of business initiatives or slow response to the challenges facing the group.

Strategic risks cannot be avoided but they can be limited by maintaining high professional standards, openness and willingness to change in the organisation. Alm. Brand's strategy has been prepared by the group management on the basis of a structured process and in cooperation with each group subsidiary's board of directors, management board and managerial groups.

The group's risk profile and risk management are described in detail at almbrand.dk/abdk/OmAlmBrand/Investor/Risiko-ogkapitalstyring/index.htm.

NOTE 54 Significant accounting estimates, assumptions and uncertainties

The preparation of the consolidated and parent company financial statements involves the use of accounting estimates. Such estimates are made by the company's management in accordance with the accounting policies and on the basis of historical experience and assumptions, which management considers prudent and realistic but which are inherently uncertain and unpredictable.

The most significant estimates are related to the calculation of fair values of unlisted financial instruments, measurement of deferred tax assets and loans, advances and receivables as well as provision for losses on guarantees. In addition, significant estimates are involved in the valuation of mortgage deeds and liabilities under insurance contracts.

This note should be read in conjunction with note 44, which contains information about the determination of fair value.

Financial instruments
Significant estimates are not used for the valuation of financial instruments where the valuation is based on prices quoted in an active market or on generally accepted valuation models employing observable market data.

Valuations of financial instruments that are only to a limited extent based on observable market data are subject to estimates. This applies for example to unlisted shares and certain bonds for which an active market does not exist. For securities that are not listed on a stock exchange, or for which no price is quoted that reflects the fair value of the instrument, the fair value is determined using a model calculation. The valuation models include the discounting of the instrument cash flow using an appropriate market rate. The valuation of unlisted shares is based on information from the companies' financial statements, experience from transactions involving shares in the companies in question as well as input from qualified third parties.

Deferred tax
Deferred tax is recognised to the extent management deems that the asset can be utilised over the next couple of years, which includes an estimate of the group's expected future earnings. 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 subsequent financial years.

Valuation of mortgage deed portfolios
The mortgage deed portfolios are valued partly on the basis of non-observable input and are therefore to some extent subject to estimates. The calculation of the fair value of mortgage deeds is based on models which include parameters such as expected prepayments, loss rates and interest rate level.

Non-delinquent mortgage deeds are valued on the basis of the number of assumptions relating to required rate of return, expected credit losses and repayments – assumptions basically concerning what a mortgage deed could trade for between two independent parties. The model will revalue the mortgage deed if the mortgage deed coupon is higher than the discount rate. Such revaluation is sensitive to the model assumptions.

The repayment rates are updated on an ongoing basis to reflect the development in realised repayments.

Delinquent mortgage deeds are valued with due consideration for the risk of default and the loss incurred in the event of default. Any unsecured part is written down, and the amount depends, among other things, on how long the mortgage deed has been delinquent. However, the unsecured part must be written down to zero after the mortgage deed has been delinquent for a period of 180 days. In the calculation of any unsecured part, the valuation of property values builds on a significant estimate, which is made on the basis of an individual external valuation for large properties and the official property valuation for other properties.

NOTE 54 Significant accounting estimates, assumptions and uncertainties - continued

Non-life insurance
Liabilities under insurance contracts are measured based on a number of actuarial calculations, applying, among other things, assumptions about a number of variables. The liabilities are furthermore affected by the discount rate.

Provisions for workers' compensation were affected by the act on a reform of flex jobs and incapacity pension, which came into force on 1 January 2013. The act entails that persons who have suffered an occupational injury and have been awarded a flex job due to that injury will receive a lower income from their flex job in future. The loss of income will instead be compensated by their workers' compensation insurance in order that the injured person may retain the same level of income before and after the introduction of the act. Extra compensation is conditional on the injured person being employed in the flex job after commencement of the act. This means that persons employed in flex jobs before 1 January 2013 will not be covered by the act.

Moreover, an expert committee has been set up to consider a revision of the Danish Act on Industrial Injuries, among other things prompted by the amended flex job rules. The outcome of this work is uncertain as are the claims expenses resulting from a revision of the act.

In addition, the attorney to the Danish government (Kammeradvokaten) is investigating the case processing of the National Labour Market Authority based on criticism raised by a former employee regarding the workload of the examiners and the resulting poor case processing. It is still too early to assess the full consequences of these investigations.

Finally, the European Court of Justice passed a ruling in December 2014 regarding the calculation of capitalisation factors. The ruling provides that it is against the Directive on the principle of equal treatment between men and women to use gender-determined life expectancies in the calculation of capitalisation factors. As the Danish workers' compensation insurance applies gender-determined life expectancies in the calculation of capitalisation factors, we should expect to have to change the principles for calculating capitalisation factors. It remains uncertain whether the ruling will affect the level of provisions.

Alm. Brand has made an additional reserve in respect of the uncertainty deriving from these factors.

Life and Pension
Liabilities under insurance contracts are measured based on a number of actuarial calculations, applying, among other things, assumptions about a number of variables. The liabilities are furthermore affected by the discount rate.

Alm. Brand Liv og Pension is focused on hedging the guaranteed benefits provided, applying derivative financial instruments to ensure that interest rate exposures on assets and liabilities are aligned. Changes in the value of investment assets resulting from changes in interest rates are therefore partly offset by corresponding changes in the value of the technical provisions and the collective bonus potential. However, shareholders' equity may be significantly affected if the average return generated over the life of the insurances fails to cover the guaranteed benefits.

Properties
In connection with the valuation of properties, a fair value is calculated on the basis of market-based rental income and operating expenses relative to the required rate of return of the individual properties. The valuation takes into account the type, location, state of repair, vacancy rate, etc. of the property.

NOTE 54 Significant accounting estimates, assumptions and uncertainties - continued

Banking

Impairment losses on loans and advances and provision for losses on guarantees

In respect of impairment of loans, advances and other receivables and provision for losses on guarantees, significant estimates have been applied in quantifying the risk that not all future payments may be received, including estimates related to determining whether a customer should be marked for objective evidence of impairment. If it can be determined that not all future payments will be received, the determination of the amount of the expected payments, including realisation values of any collateral and expected dividend payments from estates, involves significant estimates.

Continuing adverse and unforeseen economic developments may affect the payment ability of individual customers. For instance, major interest rate changes, failure to let premises and changes in settlement prices for agricultural products may affect the customers' ability to pay and the value of the collateral security on which the calculation of the bank's collateral security is based. In particular, lending for activities within financing of real property and agriculture may be adversely affected.

Collective impairment charges are made on the basis of a model developed by the Association of Local Banks in Den-mark. If the model does not sufficiently take into account all matters regarding the bank's loan portfolio, it will be supplemented by a management estimate, including for macroeconomic fact¬ors that may adversely affect agriculture.

In addition, changes are regularly made to the rules that form the basis of the calculation of impairment writedown and provisioning requirement in the bank. Changes that are subsequently introduced may trigger higher impairment writedowns on the bank's loans and provisions, regardless of the fact that no events would seem to have occurred in relation to the customers' ability to pay or collateral that would warrant such higher impairment writedowns.

Sensitivity information

We take various types of calculated risk in support of the long-term business objectives. The most important business risks and financial risks are listed in the table below.

The individual risks are described in note 53, Risk management, on pages 157 to 164.

DKKm	Non-life	Banking	Life equity	Other	Total	% of shareholder's equity
Sensitivity information, group						
Risk on shareholders' equity in case of specific events:						
Interest rate increase of 1 percentage point	1	–14	–55	0	–68	–1.4%
Interest rate fall of 1 percentage point	–84	–13	48	0	–49	–1.0%
Equity price fall of 12%	–14	0	–30	0	–44	–0.9%
Fall in property prices of 8%	–1	0	–2	0	–3	–0.1%
Maximum exchange rate loss of 99.5% probability of 10 days	0	0	2	0	2	0.0%
Loss on counterparties of 8%	–3	0	0	0	–3	–0.1%
Loss on credit of 8%	–58	–6	–46	0	–110	–2.3%
Catastrophic events:						
- one "100-year event"	–234	0	0	0	–234	–4.8%
- two "100-year events"	–368	0	0	0	–368	–7.6%

The bank's interest rate risk for accounting purposes in case of an interest rate movement of 1 of a percentage point totalled DKK 58 million at 31 December 2014.
The bank's property risk concerns properties held directly.

NOTE 55 Accounting policies

General

The consolidated financial statements have been prepared in accordance with the International Financial Reporting Standards as approved by the EU. The parent company financial statements have been prepared in accordance with the provisions of the Danish Financial Business Act, including the executive order on financial reports presented by insurance companies and lateral pension funds. In addition, the consolidated financial statements have been presented in accordance with additional Danish disclosure requirements for listed financial enterprises.

Additional Danish disclosure requirements for annual financial statements are for the group set out in the Danish Statutory Order on Adoption of IFRS for financial enterprises issued pursuant to the Danish Financial Business Act and by NASDAQ OMX Copenhagen A/S. For the parent company, the disclosure requirements are defined in the Danish Financial Business Act and by NASDAQ OMX Copenhagen A/S.

The annual financial statements are presented in Danish kroner (DKK), which is considered the primary currency of the group's activities and the functional currency of the parent company.

The accounting policies applied in the consolidated financial statements are described in the following. The accounting policies of the parent company are described in connection with the parent company's financial statements.

The subsidiary Alm. Brand Formue A/S entered into solvent liquidation in March 2014, and liquidation of the company was finalised in the third quarter of 2014. In compliance with IFRS 5, the income statement includes a separate line item called discontinued activities. This item comprises the results of Alm. Brand Formue, the results of equity risk hedging in the company, the bank's trading income relating to Alm. Brand Formue and interest on loans provided to Alm. Brand Formue. Comparative figures in the income statement have been restated to reflect the above.

The accounting policies are otherwise consistent with the policies applied in the 2013 Annual Report.

In order to provide a better overview and reduce the number of note dis¬closures, the amount and qualitative infor¬mation of which are insignificant, certain disclosures have been omitted.

Implementation of new and amended standards and interpretations

The Annual Report 2014 is presented in accordance with the new and amended standards (IFRS/IAS) and interpretations (IFRIC) which apply for financial years starting on or after 1 January 2014.

The implementation of new and amended standards and interpretations did not have any effect on the profit for the year, other comprehensive income, total assets or shareholders' equity and thus only resulted in changes to the presentation and an increase in the scope of note disclosures.

Standards and interpretations not yet in force

At the date of publication of these annual financial statements, the following new or amended standards and interpretations have not yet entered into force and/or been adopted for use in the EU and are therefore not included in these financial statements. Standards expected to have a material effect include:

IFRS 9, Financial Instruments (July 2014): IFRS 9 concerns the accounting treatment of financial assets and liabilities in relation to classification and measurement.

IFRS 9 changes the classification of financial assets to the effect that classification depends on (i) the entity's business model for managing the asset and (ii) the cash flows generated by the asset.

Following the implementation of IFRS 9, financial assets must be classified as belonging to one of the following four categories:

1. Amortised cost
2. Fair value through profit or loss (FVTPL)
3. Fair value through other comprehensive income (FVTOCI) (liabilities)
4. Fair value through other comprehensive income (FVTOCI) (equity instruments)

The majority of the provisions of IAS 39 on recognition and measurement of financial liabilities are unchanged in IFRS 9.

The derecognition provisions of IAS 39 are unchanged in IFRS 9.

NOTE 55 Accounting policies - continued

IFRS 9 significantly changes provisions concerning hedge accounting relative to IAS 39. Among other things, the changes allow for a more accurate description of risk management activities in the financial statements as the changes will provide greater alignment between the financial effect of the hedging activities and the accounting presentation thereof.

The provisions of IFRS 9 concerning impairment of financial assets are based on an expected loss model as opposed to the current rules of IAS 39, which are based on the incurred loss model.

Under IFRS 9, impairment of financial assets must be calculated on a regular basis from initial recognition at an amount equal to:

- Lifetime expected losses weighted by the probability that the borrower defaults within the next 12 months; or
- Lifetime expected losses when the financial asset's credit risk has significantly increased since initial recognition of the asset

IFRS 9 also increases the disclosure requirements by means of consequential amendments to IFRS 7, for instance concerning hedge accounting, credit risk and calculation of provisions for bad debts. The standard comes into force for financial years starting on or after 1 January 2018. The standard has not yet been adopted for use in the EU.

Management believes that, except for the implementation of IFRS 9, the effect of which has not been investigated in connection with the preparation of the annual report, the implementation of new and amended standards will only have a minor impact on the annual report.

Basis of consolidation

The consolidated financial statements comprise the parent company and subsidiaries in which the parent company holds the majority of the voting rights or otherwise holds a controlling interest. Companies in which the group holds between 20% and 50% of the voting rights or otherwise exercises a significant but not a controlling influence are considered associates.

The consolidated financial statements have been prepared by consolidating items of a uniform nature in the income statements and balance sheets of each company. Intercompany income, expenses, intra-group accounts, shareholdings and gains and losses on transactions between the consolidated enterprises are eliminated.

Properties owned by subsidiaries and used by the group are reclassified from investment property to owner-occupied property.

The financial statements of subsidiary undertakings that present annual reports under other jurisdictions have been restated to the accounting policies applied by the group.

In the preparation of the consolidated financial statements, accounting items of subsidiaries are fully recognised, regardless of the percentage of ownership. The proportionate shares of the results and equity of subsidiary undertakings attributable to minority interests are recognised as separate items in the income statement and the balance sheet. Intra-group services are settled on market terms or on a cost recovery basis. Intra-group accounts carry interest on market terms. Intra-group transactions in securities and other assets are settled at market prices.

The consolidated financial statements of Alm. Brand A/S are included in the consolidated financial statements of Alm. Brand af 1792 fmba, Copenhagen.

Foreign currency

Assets and liabilities denominated in foreign currency are recognised at the rate of exchange published by Danmarks Nationalbank at the balance sheet date. Income and expenses denominated in foreign currency are recognised at the rates of exchange ruling at the transaction date. Exchange gains and losses are recognised in the income statement.

General recognition and measurement policies

Assets are recognised in the balance sheet when, due to a previous event, it is probable that future economic benefits will flow to the group and the value of the asset can be reliably measured. Liabilities are recognised in the balance sheet when, due to a previous event, it is probable that future economic benefits will flow from the group and the value of the liability can be reliably measured.

NOTE 55 Accounting policies - continued

On initial recognition, assets and liabilities are measured at fair value. Subsequently, assets and liabilities are measured as described below in respect of each individual item.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to the financial year. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described in the accounting policies.

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

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

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

Balance sheet

Intangible assets

Software

Software is measured at the lower of cost less accumulated amortisation and impairment and the recoverable amount. Software is amortised on a straight-line basis over an expected useful life not exceeding five years.

In determining cost, all costs directly attributable to the development of the software and that will probably generate economic benefits for the group are recognised. All other costs are expensed as incurred. Amortisation and impairment are recognised as administrative expenses.

Land and buildings

Land and buildings owned by the group are classified as either investment properties or owner-occupied properties. Owner-occupied properties comprise properties which Alm. Brand generally uses for administrative purposes. Other properties are classified as investment properties.

The fair value of land and buildings is assessed on an annual basis. An external appraiser may be engaged where necessary.

Investment properties

Investment properties are measured at a fair value calculated in accordance with the guidelines issued by the Danish Financial Supervisory Authority. The fair value is calculated on the basis of the yield method, which involves a valuation of each individual property on the basis of an expected normal operating budget and a rate of return. The calculated value is adjusted for short-term circumstances which change the earnings of the property. The adjusted calculated value corresponds to the fair value.

Adjustments of the value of investment properties are recognised in the income statement in the financial year when the change occurred.

Owner-occupied properties

Owner-occupied properties are measured at a revalued amount corresponding to the fair value at the revaluation date less accumulated depreciation and value adjustments. The fair value is calculated on the basis of the Danish Financial Supervisory Authority's guidelines on the yield method, which involves the measurement of each individual property on the basis of an expected normal operating budget and a rate of return. The calculated value is adjusted for short-term circumstances which change the earnings of the property. The adjusted calculated value corresponds to the fair value.

Owner-occupied properties are depreciated on a straight-line basis over the expected useful lives of the properties, which are estimated to be 60 years. Depreciation is calculated with due consideration to the expected residual value and is recognised in the income statement under administrative expenses.

NOTE 55 Accounting policies - continued

Revaluations with the addition or deduction of the tax effect, including properties classified as owner-occupied properties, are made through other comprehensive income and tied in revaluation reserves. If a revaluation can no longer be maintained, it is reversed. Writedowns that do not offset previous revaluations are made in the income statement.

The part of the revaluations that can be attributed to insurance contracts with bonus entitlement is subsequently transferred to collective bonus potential in accordance with the contribution rules filed.

The yield method

The operating budget recognises rental income from full letting, as any rent for vacant premises or other lack of rental income is offset against the estimated value. Accordingly, the operating budget recognises normal maintenance of the property. Any major anticipated renovation work, restoration work or repair is offset against the estimated value.

The rate of return is determined based on current market conditions for the type of property taking into account the state of repair, location, use, leases etc.

Investments in associates

Investments in associates are recognised and measured in the consolidated financial statements according to the equity method, which means that the investments are measured at the group’s proportionate share of the company’s net asset value at the balance sheet date, calculated according to the group’s accounting policies.

Reinsurers’ share from insurance contracts

The reinsurers’ share of the technical provisions is calculated as the amounts expected to be received from reinsurance companies under the applicable reinsurance contracts.

The group regularly assesses its reinsurance assets for impairment. If there is a clear indication of impairment, the carrying amount of the asset is written down.

Other assets

Other assets comprise various receivables and prepayments. The item also comprises positive fair value of spot transactions and derivative financial instruments, operating equipment and assets taken over temporarily.

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

The issued loss option for coverage of credit losses on mortgage deeds sold to Alm. Brand Forsikring A/S in December 2014 is valued using the credit model, which is also used for the valuation of the bank’s other delinquent mortgage deeds. The received option premium is included in value adjustments and recognised on an ongoing basis.

Assets held temporarily comprises properties and cars only temporarily in the group’s possession and awaiting sale within 12 months and where a sale is very probable. The item is measured at the lower of the carrying amount and the fair value less expected costs to sell.

Prepayments comprises expenses incurred prior to the balance sheet date but which relate to a subsequent accounting period.

Operating equipment

Operating equipment is measured at cost less accumulated depreciation and impairment. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets taking into account the expected residual value. The expected useful lives are assessed to be:

Cars	5 years
Furniture and equipment	3-5 years
Computers	3-5 years

Cost comprises acquisition cost and directly attributable costs.

NOTE 55 Accounting policies - continued

Leasehold improvements are capitalised and amortised over their estimated useful lives, up to five years, taking into account the expected residual value.

Investment assets

Investment assets comprise financial assets measured at fair value. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments on initial recognition and re-evaluates this at every reporting date.

Investment assets are measured at fair value on initial and subsequent recognition. The determination of fair value and the classification of value adjustments of financial instruments in the financial statements depend on whether the fair value can be reliably measured. Generally, the group's financial instruments form part of the trading portfolio, however, not unlisted shares and parts of the portfolio of mortgage deeds designated at fair value.

Listed financial assets are measured at fair value based on the closing price at the balance sheet date, or, in the absence of a closing price, another public price deemed to be most similar thereto.

For the majority of the unlisted shares, it is assessed that the fair values can be measured sufficiently reliably using recognised valuation methods. These assets are on this basis measured at fair value and value adjustments are taken to the income statement. The unlisted shares for which it is assessed that the fair value cannot be determined sufficiently reliably are measured at cost less any impairment. For unlisted assets that are managed by external fund managers, these calculate an estimated market value based on the estimated present value of expected future cash flows.

The measurement of financial instruments at fair value is consistent with the group's internal risk management, which is based on market exposure of assets and liabilities subject to risk.

Financial assets are recognised or derecognised at the settlement date.

Realised and unrealised gains and losses arising from changes in the fair value of the financial assets at fair value through income are included in the income statement in the period in which they arise.

Securities sold under agreements to repurchase at a later date (repo transactions) remain in the balance sheet. Amounts received are included as amounts owed to the purchaser and are subject to interest at the agreed rate. Measurement of securities is unchanged, and both value adjustments and interest etc. are recognised in the income statement. Securities purchased under agreements to resell at a later date (reverse transactions) are not recognised in the balance sheet. Amounts paid are recognised as a receivable and are subject to interest at the agreed rate.

Derivative financial instruments

Derivatives are measured at fair value on initial recognition. Subsequently, derivatives are measured at fair value at the balance sheet date. Changes in fair value are recognised in the income statement as financial income or expenses.

Loans, advances and receivables, including mortgage deeds

Mortgage deeds are measured at fair value on initial and subsequent recognition. In the bank, mortgage deeds are included in Loans, advances and other receivables. The calculation of the fair value of mortgage deeds is based on models which include parameters such as expected prepayments, loss rates and interest rate level.

The mortgage deed portfolios are valued partly on the basis of non-observable input and are therefore to some extent subject to estimates. The calculation of the fair value of mortgage deeds is based on models which include parameters such as expected prepayments, loss rates and interest rate level.

Non-delinquent mortgage deeds are measured on the basis of the number of assumptions relating to required rate of return, expected credit losses and repayments – assumptions basically concerning what a mortgage deed could trade for between two independent parties. The model will revalue the mortgage deed if the mortgage deed coupon is higher than the discount rate. Such revaluation is sensitive to the model assumptions.

NOTE 55 Accounting policies - continued

The repayment rates are updated on an ongoing basis to reflect the development in realised repayments.

Delinquent mortgage deeds are valued with due consideration for the risk of default and the loss incurred in the event of default. Any unsecured part is written down, and the amount depends, among other things, on how long the mortgage deed has been delinquent. However, the unsecured part must be written down to zero after the mortgage deed has been delinquent for a period of 180 days. In the calculation of any unsecured part, the valuation of property values builds on a significant estimate, which is made on the basis of an individual external valuation for large properties and the official property valuation for other properties.

Other loans and advances and other receivables are measured at amortised cost. On initial recognition, the portfolio is measured at fair value plus transaction costs less fees and commissions received that are directly related to the acquisition or issue of the financial instrument. On subsequent recognition, such loans, advances and other receivables will be adjusted to amortised cost on a current basis.

An ongoing evaluation takes place to detect any objective evidence of impairment of the company's loans, advances and other receivables determined at amortised cost. If there is any objective evidence of impairment, the need to write down the loan, advance or receivable is assessed. Any impairment losses are calculated based on the difference between the carrying amount before the impairment and the present value of expected future payments from the loan, advance or receivable if it is deemed that the debtor is able to make payments in addition to cash flows from the assets provided as collateral for the loan. However, a realisation principle is used if the debtor is not deemed to be able to make payments in addition to cash flows from the assets provided as collateral for the loan.

Collective impairment charges
Loans, advances and receivables that are not written down individually are subject to a collective assessment of whether there is any indication of impairment for the group as a whole. A collective assessment involves groups of loans, advances and receivables with uniform credit risk characteristics.

The collective assessment is based on a segmentation model developed by the Association of Local Banks in Denmark, which is responsible for the ongoing maintenance and development of the model. The segmentation model determines the correlation in the individual groups between actual losses and a number of significant explanatory macroeconomic variables by way of a linear regression analysis. The explanatory macroeconomic variables include unemployment, house prices, interest rates, number of bankruptcies/forced sales, etc.

The macroeconomic segmentation model is generally calculated on the basis of loss data for the entire banking sector. The bank has therefore assessed whether the model estimates need to be adapted to the bank's portfolio of loans and advances.

This assessment has entailed an adjustment of the model estimates to the bank's own circumstances, and these adjusted estimates form the basis of the calculation of collective impairment charges. An estimate has been calculated for each individual group of loans, advances and receivables, which expresses the percentage impairment of the specific group of loans, advances and receivables at the balance sheet date. The individual loans and advances' impact on the group impairment is calculated by comparing the original risk of loss of the individual loans and advances with the risk of loss of the loans and advances at the beginning of the current reporting period. The impairment is calculated as the difference between the carrying amount and the discounted value of the expected future payments.

The model-based calculation of collective impairment charges is supplemented by a management estimate where management finds that there are factors which the model does not sufficiently take into account.

The management estimate hence reflects the effect of expectations for the development in credit risk in selected segments.

Balances due from credit institutions
Balances due from credit institutions are measured at fair value on initial recognition and subsequently at amortised cost and comprise all receivables from credit institutions and central banks, including receivables in connection with genuine purchase and resale transactions.

NOTE 55 Accounting policies - continued

Cash in hand and balances at call
Cash in hand and balances at call are measured at fair value on initial recognition and subsequently at amortised cost.

Contingency funds
The contingency funds can only be used for the benefit of policyholders. Contingency fund 2 is moreover subject to the restriction that it can only be used when permission has been obtained from the Danish Financial Supervisory Authority.

Deferred tax has been provided on the group's contingency funds.

Dividends
Dividends are recognised as a liability in the financial statements at the time of adoption by the shareholders at the annual general meeting. Proposed dividends in respect of the financial year are stated as a separate line item in the notes relating to shareholders' equity.

Treasury shares
Purchases and sales of treasury shares are recognised as a change in shareholders' equity under other reserves.

Share options
The fair value at the time of grant is recognised as a staff cost in the income statement and set off against equity. The fair value is measured using the Black & Scholes model and otherwise in accordance with IFRS 2 on share-based payment.

The options are settled by means of treasury shares. When the options are exercised, the strike price received is taken to equity.

Subordinated debt
Subordinated debt comprises liabilities which, in the case of liquidation or bankruptcy and pursuant to the loan conditions, cannot be settled until any other creditor claims have been honoured. Subordinated debt is recognised at fair value, equalling the payment received less directly attributable costs incurred. Subsequently, subordinated debt is measured at amortised cost using the effective interest method.

Issued bonds at amortised cost
Issued bonds at amortised cost are recognised at fair value, equalling the payment received less directly attributable costs incurred. Subsequently, issued bonds are measured at amortised cost using the effective interest method.

Provisions for insurance contracts
Unearned premium provisions and outstanding claims provisions are measured at their discounted value if such discounting materially affects the size of the provisions. The discount rate applied is the government bond-adjusted and maturity-dependent discount rate announced by the Danish Financial Supervisory Authority for the duration in question.

Unearned premium provisions
Unearned premium provisions are measured as the best estimate of future claims for the part of the insurance period not yet run off, including all direct and indirect administrative and claims-handling expenses. Unearned premium provisions will, however, as a minimum correspond to an accrual of the premiums collected. Unearned premium provisions on change of ownership policies are discounted.

Unearned premium provisions relating to health and personal accident insurance are made up according to market value principles. They are calculated as the difference between the present value of the company's liabilities in respect of health and personal accident policies and the present value of the premiums to be paid by policyholders in the future using a best estimate of insurance risk, costs incurred in managing insurance and claims handling and the rate of return obtainable in the market. The provisions are calculated based on an assumption of a lower mortality and disability than in the company's calculation basis for new contracts. The reduction is estimated based on the company's historical claims ratios on mortality and disability, respectively, and costs relative to the assumptions in the calculation basis for new contracts. The actuary regularly assesses whether the assumptions used to determine the market value calculation basis still apply to the company's portfolio.

Life insurance provisions
Life insurance provisions are calculated at market value based on an expected cash flow discounted using the government bond-adjusted yield curve announced by the Danish Financial Supervisory Authority. The market value expectations include a risk premium, corresponding to the risk of fluctuations in the amount and time of payment of guaranteed benefits. The actuary regularly assesses whether the assumptions used to determine the market value calculation basis still apply to the company's portfolio.

NOTE 55 Accounting policies - continued

The expected future insurance benefits are estimated based on projections of mortality and disability. These are estimated based on the company's historical claims ratios on mortality and disability, respectively, and actual costs relative to the assumptions in the calculation basis for new contracts.

Life insurance provisions are divided into provisions for guaranteed benefits bonus potential on future premiums and bonus potential on paid-up policy benefits.

Life insurance provisions are calculated at market value, based on individual calculations for each policy. Also, bonuses earned but not yet added to the individual policies are added to the provisions. For amounts exempt from tax on pension returns, a discount rate without deduction of tax on pension returns is used.

The provisions are generally calculated based on an assumption of a lower mortality and disability than in the company's calculation basis for new contracts. The reduction is estimated on the basis of an empirical analysis of the company's insurance portfolio.

Provisions for the guaranteed benefits comprise obligations to pay benefits guaranteed to the policyholder. Provisions for guaranteed benefits are calculated as the difference between the present value of the benefits guaranteed by the insurance policy and the present value of the expected future insurance administration costs less the present value of the agreed future premiums. The provision includes an estimated amount in cover of future benefits resulting from already incurred claims and an estimated amount for claims incurred but not reported. The guaranteed benefits are calculated with the addition of a premium, ensuring that as a minimum a value corresponding to the guaranteed surrender value is provided.

The bonus potential on future premiums comprises obligations to pay a bonus concerning premiums agreed but not yet due. For the portfolio of insurance with bonus entitlement, the bonus potential on future premiums is calculated as the difference between the value of the guaranteed paid-up policy benefits and the value of guaranteed benefits. Guaranteed paid-up policy benefits are benefits guaranteed under the insurance if the policy is converted into a paid-up policy. The value of the guaranteed paid-up policy benefits is calculated as the present value of the guaranteed paid-up policy benefits plus the present value of the expected future administrative costs associated with the paid-up policies. Whether the bonus potential on future premiums is to be strengthened is determined individually for each calculation basis.

The bonus potential on paid-up policies includes obligations to pay bonuses concerning premiums etc. already due. The bonus potential on paid-up policies is calculated as the value of policyholders' savings less provisions for guaranteed benefits and the bonus potential on future premiums. Whether the bonus potential on future premiums is to be strengthened is determined individually for each policy.

Outstanding claims provisions

Outstanding claims provisions comprise the amounts provided at the end of the year against claims reported but not settled as well as amounts for claims incurred but not reported. They are generally estimated using statistical methods based on the payment history and the development in case reserves. For workers' compensation, a separate model has been introduced which is mainly based on rulings and case officer assessments of individual claims. Furthermore, the company makes a provision for future revisions of settled and unsettled claims and a provision for reopened and future delayed claims. Other factors affecting the necessary level of outstanding claims provisions include changes in legal practice, internal processes, inflation and singular, extreme claims.

The outstanding claims provisions also include amounts to cover direct and indirect costs considered necessary in connection with settling the claims obligations. The estimate of the provision is based on the direct and indirect costs incurred during a normal claims year on the establishment of new claims and the processing and settlement of old claims. Included in the calculations is the ratio of claims paid and the outstanding claims provisions at year end, including claims incurred but not reported.

The cash flow regarding payment of provisions for the past ten claims years is estimated for all lines and discounted using the new government bond-adjusted yield curve of the Danish Financial Supervisory Authority. In workers' compensation, provisions relating to claims years more than ten years back are also discounted.

For all lines except workers' compensation, the future inflation rate is estimated and recognised implicitly in the provision models. The future inflation rate forecast used in the calculation of provisions in relation to workers' compensation consists of an inflation element and a real wage element.

NOTE 55 Accounting policies - continued

Several assumptions and estimates underlying the calculation of the provisions for claims are mutually dependent. However, the most important interdependence is that between the assumption of inflation and interest rates, although the effect of changes in the inflation rate assumption will not affect the calculation of the outstanding claims provisions as effectively as changes to the discount rate.

Provisions for claims relating to health and personal accident insurance are calculated at the present value of expected future payments. The outstanding claims provisions relating to health and personal accident insurance also include amounts to cover direct and indirect costs considered necessary in connection with settling the claims obligations. For reported claims, an individual assessment is made of the date of payment. The costs are estimated on the basis of the average duration of established claims payments and an assessment of the annual costs incurred in handling claims.

The provisions for current disablement benefits are determined individually, and an assessment of the duration of the benefits is made for each policy. To the determined provision is added a premium reflecting the risk of an extension of the expected duration, for example as a result of new health information. The premium is assessed regularly based on empirical experience.

Collective bonus potential

Collective bonus potential comprises obligations to pay a bonus in addition to the bonus amounts added to the life insurance provisions. The amount is not allocated to individual policyholders.

Liability adequacy test

The outstanding claims provisions are calculated according to actuarial methods and with a view to avoiding run-off losses as well as run-off gains. At the calculation date, the provisions thus represent the best estimate of future claims for the current and previous claims years. The outstanding claims provisions are calculated on a monthly basis, and the level is therefore assessed to be adequate at all times.

The provision will be discounted if such discounting has a material impact on the size of the liability.

Long-term employee obligations

Provisions for pensions and similar obligations comprise jubilee benefits etc. to employees, notwithstanding that the future benefit is subject to the individual being employed by the company at the time of payment of the benefit. The value of the future benefits is recognised as the present value of the benefits expected to be paid based on a best estimate.

Current costs in respect of pensions etc. for the group's employees are treated as defined contribution plans. For defined contribution plans, the group pays fixed contributions and has no obligation to pay any further contributions. The obligations are fully funded.

Other financial liabilities

On initial recognition, other financial liabilities are measured at fair value less transaction costs. The liabilities are subsequently measured at amortised cost.

Deposits with ceding companies comprise amounts received which are kept to cover the insurance liabilities of other insurance companies towards the group's reinsurance companies.

Deposits for financial reinsurance comprise premiums received less deductions for claims paid equivalent to the company's liabilities pursuant to contracts made.

Deposits

Deposits are recognised at amortised cost and comprise all deposits, including obligations in connection with genuine sale and repurchase transactions with counterparties which are not credit institutions or central banks and customers' receivable margins in connection with futures and option transactions if the customer is not a credit institution.

Payables to credit institutions and central banks

Payables to credit institutions and central banks are measured at amortised cost and comprise, among other things, obligations in connection with genuine sale and repurchase transactions with counterparties which are credit institutions or central banks and receivable margins in connection with futures and option transactions if the customer is a credit institution.

NOTE 55 Accounting policies - continued

Income statement

Premium income

Gross premiums comprise premiums due relating to insurance and contracts where the risk period commenced before the end of the financial year.

Premium income, net of reinsurance, is the gross premiums for the year adjusted for movements in unearned premium provisions and less reinsurers' share. The part of the change in unearned premium provisions which can be ascribed to discounting is transferred to interest expenses, etc. The part of the change in unearned premium provisions which can be ascribed to a change in the discount rate applied after inflation is transferred to market value adjustments.

Premiums relating to life insurance comprise premiums due during the year and single premiums less labour market contribution.

Interest income, etc.

Interest income and dividends, etc. includes dividends received and interest earned during the financial year.

The item also includes interest-like fees and commissions that are an integral part of the effective rate of interest on financial assets measured at amortised cost. Finally, the item recognises the part of the change in unearned premium provisions and outstanding claims provisions that can be ascribed to discounting.

Fee income, etc.

Fees, etc. are accrued over the lifetime of the transactions and recognised in the income statement at the amounts relating to the accounting period.

Other income from investment activities

The item includes the operating profit on investment property after deduction of related administrative expenses.

Other income

Income derived from activities that cannot be ascribed to the group's principal activities is recognised under other income.

Claims incurred

Claims incurred include claims paid during the insurance year adjusted for movements in claims provisions corresponding to known and anticipated claims relating to the year.

Amounts to cover expenses for surveying and assessment and other direct or indirect staff administration costs, etc. associated with claims handling are included in the item. In addition, the item includes run-off results regarding previous years.

The group's indirect costs relating to the handling of claims are distributed between claims expenses and administrative expenses using allocation keys based on estimated resource application.

The part of the change in outstanding claims provisions which can be ascribed to discounting is transferred to interest expenses, etc. The part of the change in outstanding claims provisions which can be ascribed to a change in the discount rate applied after inflation is transferred to market value adjustments.

Alm. Brand has entered into swap agreements to partially hedge provisions for workers' compensation against changes in the future wage index, assuming a continued stable growth in the real value of claims paid. The value adjustment of these swaps is included in claims incurred.

Claims and benefits relating to life insurance comprise benefits due during the year, amounts paid for repurchases and bonus amounts paid in cash.

Other expenses from investment activities

The item includes amounts associated with the management of investment assets. Brokerage and commission relating to the purchase and sale of securities is recognised under market value adjustments.

Impairment of loans, advances and receivables, etc.

Impairment of loans, advances and receivables comprises impairment of loans, advances and receivables on which there is an objective evidence of impairment and provisions for guarantees. The item also includes value adjustment of assets temporarily acquired in connection with closing commitments.

NOTE 55 Accounting policies - continued

Acquisition costs and administrative expenses
The part of the insurance operation expenses that can be ascribed to acquisition and renewal of the insurance portfolio is recognised under acquisition costs. Acquisition costs are generally charged to the income statement when the insurance takes effect.

Administrative expenses comprise expenses related to managing the company's activities. Administrative expenses are accrued to match the financial year.

Operating expenses relating to owner-occupied properties are recognised in the consolidated income statement under administrative expenses. Rent concerning the company's owner-occupied properties is not recognised in the consolidated income statement, but the expense is included in the individual segment financial statements.

Other expenses
Expenses associated with activities that cannot be ascribed to the company's principal activities are recognised under other expenses.

Result of ceded business
For reinsurance contracts containing a combination of financial terms and traditional terms with transfer of risk, the risk premium is recognised on an accruals basis under premium income. The accrual is based on the value of the contracts at the end of the year. Realised losses relating to these contracts are included in claims after adjustment for movements in financial deposits.

Reinsurance premiums ceded and reinsurers' share received are accrued and recognised in the income statement according to the same principles as those applied for the corresponding items under the gross business.

Changes in ceded business attributable to discounting are transferred to interest expenses etc. while changes attributable to changes in the discount rate applied are transferred to value adjustments.

Value adjustments
Value adjustments include all realised and unrealised gains and losses on investment assets, except for value adjustment of subsidiary and associated undertakings and revaluations of owner-occupied properties. The item also includes the discounting effect of insurance contracts.

Tax on pension returns
Tax on pension returns includes the tax levied on returns relating to the group's life insurance activities, notwithstanding whether the tax is payable now or at a later date.

Current and deferred tax
All companies in the group are jointly taxed.

Tax includes tax for the year, comprising income tax payable for the year, movements in deferred tax and prior-year adjustments. Changes in deferred tax resulting from changes in tax rates are also recognised in this item.

Current tax assets and liabilities are recognised in the balance sheet at the amount that can be calculated on the basis of the expected taxable income for the year adjusted for prior years' tax losses carried forward.

Deferred tax is recognised according to the balance sheet liability method on all temporary differences between the carrying amount and tax base of assets and liabilities. Deferred tax is measured on the basis of the tax regulations and tax 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.

Deferred tax assets, including the tax base of tax losses carried forward, are measured at the amount at which they are expected to be realised, either as a set-off against tax on future income or as a set-off against deferred tax liabilities. At each balance sheet date, it is reassessed whether it is likely that there will be sufficient future taxable income for the deferred tax asset to be utilised.

NOTE 55 Accounting policies - continued

Segment information

The business segments Non-life Insurance, Life Insurance and Banking are the group's primary segments. No geographical segment information is provided as the group's activities are predominantly focused on the Danish market.

Non-life Insurance is divided into Private and Commercial. Private comprises the group's sales of insurances to private households through own sales channels and the group's health and personal accident activities, which for legal purposes are placed in Alm. Brand Liv og Pension. Commercial comprises the group's sales to agricultural and commercial customers through own sales channels and partnerships. The management reporting related to Private and Commercial consists exclusively of reporting of the technical result.

Banking is divided into Private, Leasing, Financial Markets, Other (collectively referred to as the forward-looking bank) and Winding-up Activities. The forward-looking activities form part of the bank's strategy and represent areas in which the bank wants to expand its business volume. Winding-up Activities do not form part of the bank's strategy and represent an area in which the bank, in a responsible and financially appropriate manner, aims to reduce its exposure.

The segment information follows the group's internal reporting structure, reflecting a risk allocation on relevant business areas. Recognition and measurement in the segment reporting are in accordance with the group's accounting policies.

More detailed information about the individual segments is provided in the management's review.

Cash flow statement

The cash flow statement is presented using the direct method and shows cash flows from operating, investing and financing activities as well as the group's cash and cash equivalents at the beginning and the end of the financial year.

Cash flows from operating activities include the items of the income statement adjusted for operating items of a non-cash nature. Realised gains and losses on the sale of tangible assets or investment assets are included in cash flows from investing activities.

Cash flows from investing activities include changes in intragroup accounts and net additions of investment assets, including realised gains and losses on the sale of such assets.

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

Cash and cash equivalents comprise cash and demand deposits.

Disclaimer

The forecast is based on the interest rate and price levels prevailing year-end 2014. All other forward-looking statements are based exclusively on the information available when this report was released. This announcement contains forward-looking statements regarding the company's expectations for future financial developments and results and other statements which are not historical facts. Such forward-looking statements are based on various assumptions and expectations which reflect the company's current views and assumptions, but which are inherently subject to significant risks and uncertainties, including matters beyond the company's control. Actual and future results and developments may differ materially from those contained or assumed in such statements. Matters which may affect the future development and results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the property market, unforeseen events, such as extreme weather conditions or terrorist attacks, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This annual report has been translated from Danish into English. In the event of any discrepancy between the Danish-language version and the English-language version, the Danish-language version shall prevail.

Financial statements, Parent Company

Balance sheet

DKKm	Note	Parent company 2014	Parent company 2013
Assets			
Investment in group enterprises	1	4,984	4,698
Total investments in group enterprises and associates		**4,984**	**4,698**
Equity investments		0	1
Other loans and advances		2	2
Deposits with credit institutions	2	95	60
Cash in hand and balances at call	3	0	11
Total other financial investment assets		**97**	**74**
Total investment assets		**5,081**	**4,772**
Receiveables from group enterprises		0	14
Other receivables	4	48	66
Total receivables		**48**	**80**
Current tax assets	5	43	9
Deferred tax assets	6	15	13
Total other assets		**58**	**22**
Total assets		**5,187**	**4,874**
Liabilities and equity			
Share capital		1,735	1,735
Other provisions		1,210	1,215
Proposed dividend		87	0
Retained earnings		1,815	1,573
Total shareholders' equity	7	**4,847**	**4,523**
Subordinated debt		250	250
Subordinated debt	8	**250**	**250**
Deferred tax liabilities	9	40	40
Total provisions		**40**	**40**
Payables to group enterprises		19	12
Issued bonds		21	31
Other payables		10	18
Total payables		**50**	**61**
Total liabilities and equity		**5,187**	**4,874**

Contingent liabilities, guarantees and lease agreements	10
Staff costs	11
Auditors' fees	12
Related parties	13

Income and comprehensive income statement

DKKm	Note	Parent company 2014	Parent company 2013
Income statement			
Income from group enterprises	14	388	216
Interest expenses	15	-14	-12
Administrative expenses related to investment activities	16	-39	-16
Total return on investments		**335**	**188**
Profit/loss before tax		**335**	**188**
Tax	17	13	5
Profit/loss for the year		**348**	**193**
Proposed allocation of loss:			
Proposed dividend		87	0
Retained earnings		261	193
Profit/loss for the year		**348**	**193**
Comprehensive income			
Profit/loss for the year		348	193
Comprehensive income		**348**	**193**
Proposed allocation of loss:			
Proposed dividend		87	0
Retained earnings		261	193
Comprehensive income		**348**	**193**
Accounting policies	18		

Statement of changes in equity

DKKm	Share capital	Other provisions	Retained earnings	Proposed dividend	Shareholders' equity
Shareholders' equity at 1 January 2013	**1,735**	**1,215**	**1,413**	**0**	**4,363**
Changes in shareholders' equity 2013:					
Profit/loss for the year			193	0	193
Comprehensive income			193	0	193
Purchase and sale of treasury shares			-42		-42
Purchase and sale of treasury shares in subsidiaries			-1		-1
Share option scheme			4		4
Adjustment of tax relating to contingency funds (25% - 22%)			6		6
Tax on changes recognised in equity			0		0
Changes in shareholders' equity			**160**	**0**	**160**
Shareholders' equity at 31 December 2013	**1,735**	**1,215**	**1,573**	**0**	**4,523**
Shareholders' equity at 1 January 2014	**1,735**	**1,215**	**1,573**	**0**	**4,523**
Changes in shareholders' equity 2014:					
Profit/loss for the year			348	0	348
Comprehensive income			348	0	348
Proposed dividend			-87	87	0
Purchase and sale of treasury shares			-28		-28
Purchase and sale of treasury shares in subsidiaries			-1		-1
Share option scheme			5		5
Tax on changes recognised in equity			0		0
Changes in shareholders' equity			**237**	**87**	**324**
Shareholders' equity at 31 December 2014	**1,735**	**1,215**	**1,810**	**87**	**4,847**

Notes

DKKm	2014	2013
Note 1 Investment in group enterprises		
Cost beginning of year	8,491	7,591
Additions during the year	400	900
Disposals	-101	0
Cost, year-end	8,790	8,491
Revaluation and impairment beginning of year	-3,793	-3,208
Dividend received	-500	-800
Profit/loss for the year	388	216
Reversal of impairment, cessation	100	0
Revaluation and impairment of treasury shares in subsidiaries	-1	-1
Revaluation and impairment, year-end	-3,806	-3,793
Investment in group enterprises, year-end	**4,984**	**4,698**
Specification of carrying amount:		
Alm. Brand Bank A/S		
(DKK 1,021 million nominal value wholly owned)	1,743	1,502
Alm. Brand Forsikring A/S		
(DKK 1,032 million nominal value wholly owned)	3,241	3,195
Asgaard Finans A/S (liquidated on 30 December 2014)		
(DKK 101 million nominal value wholly owned)	0	1
Investment in group enterprises, year-end	4,984	4,698

Note 2 Deposits with credit institutions		
Fixed-term deposits, eksternal banks	95	60
Deposits with credit institutions, year-end	**95**	**60**

Note 3 Cash in hand and balances at call		
Deposits held at call, Alm. Brand Bank	-1	3
Escrow account, Alm. Brand Bank	1	8
Cash at hand and balances at call, year-end	**0**	**11**

Note 4 Other receivables		
Miscellaneous debtors	5	21
Rentdeposit	36	36
Pensionskassen under alm. Brand A/S	7	9
Other receivables, year-end	**48**	**66**

Note 5 Current tax assets		
Current tax assets beginning of year	9	17
Prior-year tax adjustment	-2	0
Tax paid in respect of prior years	-7	-17
Tax paid during the year	30	0
Tax on profit/loss for the year	13	9
Current tax assets, year-end	**43**	**9**

Note 6 Deferred tax assets		
Deferred tax assets beginning of year	13	17
Prior-year tax adjustment	2	0
Change for the year	0	-4
Deferred tax assets, year-end	**15**	**13**
Deferred tax on equipment	5	5
Deferred tax on provisions	2	2
Deferred tax on losses carried forward	8	6
Deferred tax assets, year-end	15	13

DKKm	2014	2013
Note 7 Shareholders' equity		
Share capital beginning of year	1,735	1,735
Share capital, year-end	**1,735**	**1,735**

The share capital consists of 173,500,000 shares of DKK 10 each and has been fully paid up.

DKKm	2014	2013	2012	2011	2010
Share capital beginning of year	1,735	1,735	1,735	1,735	1,388
Reduction of capital on 11 November 2010	0	0	0	0	-1,215
Share issue on 30 December 2010	0	0	0	0	1,562
Share capital, year end	1,735	1,735	1,735	1,735	1,735

Reference is made to the statement of changes in equity.

DKKm	2014	2013
Solvency		
Tier 1 capital after deductions	3,889	3,892
Total capital after decuctions	3,569	3,524
Weighted assets subject to market risks, etc.	3,913	3,972
Total weighted assets	3,913	3,972
Tier 1 capital after deductions as a percentage of total weighted items	99.4%	98.0%
Solvency ratio	91.2%	88.7%

The total capital is calculated in accordance with the FICOD II rules.

No. of shares		
Reconciliation of the no. of shares (1,000)		
Issued shares beginning of year	173,500	173,500
Treasury shares beginning of year	-2,845	-710
No. of shares beginning of year	170,655	172,790
Shares acquired/sold during the year	-962	-2,135
Issued shares, year-end	173,500	173,500
Treasury shares, year-end	-3,807	-2,845
No. of shares at year-end	169,693	170,655
Treasury shares		
Carrying amount beginning of year	0	0
Value adjustment	-28	-42
Acquired during the year	28	42
Carrying amount year-end	0	0
Nominal value beginning of year	28	7
Acquired during the year	10	21
Nominal value, year-end	38	28
Holding (1,000) beginning of year	2,845	710
Acquired during the year	962	2,135
Holding (1,0000), year-end	3,807	2,845
Percentage of share capital	2.2%	1.6%

DKKm	2014	2013
Note 8 Subordinated debt		
Floating rate bullet loans maturing 1 April 2024	250	250
Subordinated debt, year-end	**250**	**250**
Interest on subordinated debt	13	11
Costs incurred in connection with the raising of the subordinated debt	0	0

The subordinate loan capital carries a floating rate of interest of 3M CIBOR plus 5.0 percentage points.
The subordinated loan capital is eligible for recognition in full in the calculation of total capital.

Note 9 Deferred tax liabilities		
Deferred tax on contingency funds in group enterprises	40	40
Deferred tax, year-end	**40**	**40**

The company is liable to pay a possible tax amount in Denmark in respect of recaptured losses in foreign entities. The liability amounts to a maximum of DKK 316 million.

In connection with the filing of the tax return for 2014 in mid-2015, the group is expected to exit the international joint taxation scheme, and the obligation will then lapse.

Note 10 Contingent liabilities, guarantees and lease agreements		
Guarantee commitments	547	581

Alm. Brand A/S has provided a guarantee to ILU (Institute of London Underwriters) covering contracts written on behalf of the Copenhagen Reinsurance Company (U.K.) Ltd. (Cop. Re UK Ltd.), Copenhagen Re's UK subsidiary. The guarantee covers insurance contracts relating to Marine Aviation and Transport (MAT) writtenthrough ILU in the period from 3 April 1989 to 1 July 1997. In connection with the divestment of the Copenhagen Re Group in 2009, the buyer has undertaken toindemnify Alm. Brand A/S against the guarantee commitments.

Alm. Brand A/S has issued a guarantee commitment in respect of Pensionskassen under Alm. Brand af 1792 (Winding-up pension fund). Alm. Brand A/S has issued a commitment to pay any such ordinary and extraordinary contributions as may be determined in the pension scheme regulations or as agreed with the Danish Financial Supervisory Authority. Alm. Brand af 1792 fmba has undertaken to indemnify the Alm. Brand A/S for any and all costs the company may incur from time to time in respect of these obligations.

Alm. Brand A/S has made rental agreements for premises with total annual payments of DKK 94 million allocated over a five-year period.

Alm. Brand A/S is jointly and severally liable with the other jointly taxed and jointly registered group companies for the total tax liability.

For Danish tax purposes, the company is taxed jointly with Alm. Brand A/S as administration company. As from 1 July 2012, the company is therefore jointly and severally liable with the other jointly taxed companies for any obligation to withhold tax on interest, royalties and dividends on behalf of the jointly taxed companies.

Note 11 Staff costs		
Salaries and wages	13	12
Pension	2	2
Share-based payment	1	1
Total salaries and wages, pension, etc.	16	15
Average number of employees	3	3

DKKm	2014	2014	2013	2013
	Parent company	**Alm. Brand Group**	**Parent company**	**Alm. Brand Group**
Remuneration to the Management Board and Board of Directors (DKK '000)				
Salaries and wages	5,751	5,751	5,518	5,518
Pension plans	1,728	1,728	1,650	1,650
Share-based payment	792	792	770	770
Total remuneration to the Management Board	8,271	8,271	7,938	7,938
Directors' fees	3,546	3,546	2,688	2,688
Total remuneration to the Management Board and Board of Directors	11,817	11,817	10,626	10,626
Alm. Brand group remuneration to the Board of Directors (DKK '000)				
Jørgen Hesselbjerg Mikkelsen (Chairman)	670	980	545	800
Boris Nørgaard Kjeldsen (Deputy Chairman)	445	730	365	600
Jan Skytte Pedersen	225	490	162	375
Henrik Christensen	225	270	180	200
Arne Nielsen	330	570	225	400
Per Viggo Hasling Frandsen	225	250	180	200
Ebbe Castella	250	410	137	243
Karen Sofie Hansen-Hoeck	250	250	137	137
Helle Låsby Frederiksen (employee representative)	225	250	180	200
Lars Christiansen (employee representative)	225	250	137	137
Brian Egested (employee representative, joined in 2014)	151	170	0	0
Susanne Larsen (employee representative)	250	250	200	200
Henning Kaffka (retired in 2014)	75	81	180	200
Per Dahlbom (retired in 2013)	0	0	60	67
Total remuneration to the Board of Directors	3,546	4,951	2,688	3,759
No. of members of the Management Board	1	0	1	0
No. of members of the Board of Directors	12	0	12	0

Remuneration to the members of the Management Board comprises remuneration to Chief Executive Officer Søren Boe Mortensen.

Alm. Brand has decided to provide all employees of the group, including the Management Board, with defined contribution pension plans. The group's expenses in relation to the Management Board's pension plans are shown in the above note.

The notice of termination between Alm. Brand and the Management Board is 12 months for either party. If a member of the Management Board is given notice by Alm. Brand, he is entitled to a severance payment equalling 36 months' salary.

The remuneration of the Board of Directors includes remuneration for audit committee participation. As chairman of the audit committee, Arne Nielsen receives DKK 80,000, and Jørgen Hesselbjerg Mikkelsen and Boris Nørgaard Kjeldsen each receive DKK 40,000.

Remuneration to risk takers (DKK '000)		
Fixed salary	29,147	31,007
Pension	3,633	3,811
Variable salary	100	50
Share-based payment	1,002	806
Total remuneration to risk takers	33,882	35,674
Number of risk takers	26	28

Risk takers are those persons who, in accordance with the Danish Executive Order on remuneration policy and public disclosure of salaries, have a material influence on the company's risk profile.

Remuneration to risk takers includes salary etc. in connection with severance.

A one-off fee has been paid to risk takers, but no bonus has been disbursed.

DKKm	2014	2013

Share-based payment
A share option scheme has been established for the senior executives of the Alm. Brand Group, with the exception of the management of Alm. Brand Bank A/S. The scheme, which can only be exercised by purchasing the relevant shares (equity-based scheme), entitles the holders to purchase a number of shares in Alm. Brand A/S at a pre-determined price. The options granted vest at the date of grant. The options will lapse if they remain unexercised 50 months after the date of grant.

The share option scheme forms part of the fixed salary and cannot exceed 13% thereof. The share option programme will continue in its present form until 31 March 2016. The exercise price is calculated as a simple average of the market price of Alm. Brand A/S on the fifth, sixth and seventh trading day after release of annual reports or half-year interim reports plus a 10% premium.

Note 12 Audit fees

	2014	2013
Deloitte (DKK '000):		
Audit	507	625
Tax consultancy	427	551
Non-audit services	297	284
Total audit fees	1,231	1,460

Note 13 Related parties
Related parties comprise:
- Members of the company's Management Board and Board of Directors and their related family members
- Companies controlled by members of the Management Board of Board of Directors
- Other companies in the Alm. Brand Group
- Alm. Brand af 1792 fmba, which exercises a controlling influence on the company

Related party transactions:

The Alm. Brand Group has intra-group functions that solve joint administrative tasks for group companies. Alm. Brand Bank A/S is the Alm. Brand group's primary banker. This involves the conclusion of a number of agreements between the bank and the other group companies, and there is a regular flow of transactions between the bank and the rest of the group. The Alm. Brand has signed an asset management agreement with Alm. Brand Bank A/S, as a result of which a substantial part of the group's assets are managed by the bank, and a substantial part of the group's trading in securities is conducted through Alm. Brand Bank at market value.

A total dividend amount of DKK 500 million was received from Alm. Brand Forsikring A/S in 2014.

Alm. Brand A/S made a capital injection of DKK 400 million into Alm. Brand Bank A/S in 2014.

Alm. Brand af 1792 fmba has contributed subordinated loan capital to Alm. Brand A/S. The previous loan for DKK 250 million was repaid in 2014 and replaced by a new subordinated loan with the same principal.

All agreements and transactions are made on an arm’s length basis or, where there is no specific market, on a cost-recovery basis.

An arm’s length agreement has been signed on interest accruing on intra-group accounts between the group companies.

Reinsurance cover for the Alm. Brand Group is taken out on a group-wide basis.

Note 14 Income from group enterprises

	2014	2013
Alm. Brand Bank A/S	-159	-392
Alm. Brand Forsikring A/S	547	608
Asgaard Finans A/S (liquidated on 30 December 2014)	0	0
Total income from group enterprises	**388**	**216**
The results are recognised in the following items:		
Income from group enterprises	388	216
Total income from group enterprises	388	216

DKKm	2014	2013
Note 15 Interest expenses		
Interest expenses, group enterprises	-13	-15
Other interest expenses	-1	3
Total interest expenses	**-14**	**-12**

DKKm	2014	2013
Note 16 Administrative expenses related to investment activities		
Cost, group enterprises	-1	-1
Other costs	-38	-15
Total administrative expenses related to investment activities	**-39**	**-16**

DKKm	2014	2013
Note 17 Tax		
Estimated tax on profit/loss for the year	13	9
Prior-year adjustment	0	0
Total tax	**13**	**5**
Effective tax rate		
Current tax rate	24.5%	25.0%
Tax on profit/loss of jointly taxed foreign enterprises	0.0%	0.0%
Adjustment of tax relating to prior years	3.7%	-0.1%
Tax adjustments	-0.4%	-6.3%
Total effective tax rate	24.1%	18.7%

Note 18 Accounting policies

Generally

The annual report is presented in compliance with the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and lateral pension funds. In addition, the annual report has been presented in accordance with additional Danish disclosure requirements for the annual reports of listed financial enterprises.

The consolidated financial statements of Alm. Brand A/S are prepared in accordance with the International Financial Reporting Standards as approved by the EU. With respect to recognition and measurement, the accounting policies of the parent company Alm. Brand A/S are identical to those described for the group, with the exception that:

Investments in subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value on the balance sheet date.

The accounting policies are unchanged form the policies applied in the Annual Report 2013.

Financial ratios

$$\text{Return on equity before tax} = \frac{\text{Profit before tax x 100}}{\text{Average shareholders' equity}}$$

$$\text{Return on equity after tax} = \frac{\text{Profit for the year x 100}}{\text{Average shareholders' equity}}$$

In the calculation of return on equity, consideration is made for capital increases in the year and any other equity entries to the effect that such changes are included on a pro rata basis.

Financial ratios, Alm. Brand A/S, parent company

$$\text{Net asset value per share} = \frac{\text{Shareholders' equity x 100}}{\text{No. of shares at year-end}}$$

$$\text{Earnings per share} = \frac{\text{Profit for the year after tax x 100}}{\text{Average no. of shares}}$$

In the determination of the average number of shares, any stock options and warrants are taken into consideration.

$$\text{Diluted earnings per share} = \frac{\text{Profit for the year after tax x 100}}{\text{Average no. of shares}}$$

$$\text{Price/NAV} = \frac{\text{Share price}}{\text{Net asset value per share}}$$

Financial ratios, Non-life Insurance

Key ratios have been calculated in accordance with the Executive Order on financial reports presented by insurance companies and profession-specific pension funds:

$$\text{Gross claims ratio} = \frac{\text{Gross claims incurred x 100}}{\text{Gross premium income}}$$

$$\text{Gross expense ratio} = \frac{\text{Insurance operating expenses x 100}}{\text{Gross premium income}}$$

$$\text{Net reinsurance ratio} = \frac{\text{Profit/loss on reinsurance x 100}}{\text{Gross premium income}}$$

$$\text{Combined ratio} = \frac{\text{(Gross claims expenses + Insurance operating expenses + Profit/loss on reinsurance) x 100}}{\text{Gross premium income}}$$

$$\text{Operating ratio} = \frac{\text{(Gross claims expenses + Insurance operating expenses + Profit/loss on reinsurance) x 100}}{\text{Gross premium income + Technical interest}}$$

Gross premiums is regulated for bonus and premium discounts

Key ratios have been calculated in accordance with the Executive Order on financial reports presented by credit institutions and investment companies, etc,:

Financial ratios, Life and Pension

Key ratios have been calculated in accordance with the Executive Order on financial reports presented by insurance companies and profession-specific pension funds.

Financial ratios, banking

$$\text{Interest margin} = \frac{\text{Interest receivable}}{\text{Average interest-bearing assets}} - \frac{\text{Interest payable}}{\text{average interest-bearing liabilities}}$$

$$\text{Impairment ratio for the year} = \frac{\text{Impairment for the year x 100}}{\text{Loans and advances + guarantees + impairment}}$$

$$\text{Income/cost ratio} = \frac{\text{Income}}{\text{Costs}}$$

Directorships and special qualifications

Board of Directors

Directorships

Farm owner
Jørgen Hesselbjerg Mikkelsen
Chairman
Born 1954
Member of the Board of Directors since 1994

Chairman of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand Bank A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Member of the Boards of Directors of:
Forsikringsselskabet Alm. Brand Liv og Pension A/S
Alm. Brand Forsikring A/S

Directorships outside the Alm. Brand Group

Chairman of the Boards of Directors of:
Danish Agro A.m.b.a
Danish Agro Byggecenter A/S
Danish Agro Shoppen A/S
Danish Agro Finance A/S
Tømrermester Søren Gliese-Mikkelsen A/S

Member of the Boards of Directors of:
DPL Invest A/S (Investeringsselskabet for Dansk Primær Landbrug)
Hesselbjerg Agro A/S
Vilomix International Holding A/S
DAVA International Holding A/S
Dan Agro Holding A/S
Landbrug & Fødevarer f.m.b.a.

Managing Director of:
J.H.M. Holding 2010 ApS

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Experience in audit and accounting matters (particularly in relation to membership of the audit commitee)
Insight into financial matters
Insight into economic matters

Directorships

Managing Director
Boris Nørgaard Kjeldsen
Deputy chairman
Born 1959
Member of the Board of Directors since 2003

Deputy chairman of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand Bank A/S
Alm. Brand Fond
Alm. Brand af 1792 fmba

Member of the Boards of Directors of:
Forsikringsselskabet Alm. Brand Liv og Pension A/S
Alm. Brand Forsikring A/S

Directorships outside the Alm. Brand Group

Chairman of the Boards of Directors of:
Breinholt Consulting A/S
Breinholt Invest A/S
DATEA A/S
Kemp & Lauritzen A/S

Member of the Boards of Directors of:
Benny Johansen & Sønner A/S
DAVISTA Komplementarselskab A/S
DAVISTA K/S
Ejendomsforeningen Danmark (deputy chairman)

Managing Director of:
DADES A/S (managing director)
DAVISTA Komplementarselskab A/S
DAVISTA K/S

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Experience in audit and accounting matters (particularly in relation to membership of the audit commitee)
Insight into financial matters
Insight into legal matters
Insight into economic matters

Directorships

Manager
Jan Skytte Pedersen
Born 1956
Member of the Board of Directors since 2010

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand af 1792 fmba
Alm. Brand Fond
Alm. Brand Forsikring A/S
Alm. Brand Bank A/S
Forsikringsselskabet Alm. Brand Liv og Pension A/S

Directorships outside the Alm. Brand Group

Chairman of the Boards of Directors of:
EnergiMidt Handel A/S

Member of the Boards of Directors of:
Herm. Rasmussen A/S Holding
Herm. Rasmussen A/S
Herm. Rasmussen A/S Malerforretning
Herm. Rasmussen A/S Erhvervsejendomme
K/S Papirfabrikken
Malerfirmaet Fr. Nielsen og Søn, Skanderborg, Aktieselskab
Ringvejens Autolakereri A/S
Silkeborg IF Invest A/S
Den Selvejende Institution Silkeborg Fodbold College
Michael Sørensens Stiftelse
EnergiMidt Infrastruktur A/S
EnergiMidt A/S (deputy chairman)
EnergiMidt Fiberbredbånd A/S (deputy chairman)
Energimidt Holding A.M.B.A. (deputy chairman)

Managing Director of:
Herm. Rasmussen A/S Holding
Herm. Rasmussen A/S
Herm. Rasmussen A/S Malerforretning
Herm. Rasmussen A/S Erhvervsejendomme
Ringvejens Autolakereri A/S
Malerfirmaet Fr. Nielsen og Søn, Skanderborg, Aktieselskab

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Insight into financial matters
Insight into economic matters

Directorship

Attorney
Henrik Christensen
Born 1950
Member of the Board of Directors since 2010

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand af 1792 fmba
Alm. Brand Fond
Alm. Brand Forsikring A/S
Forsikringsselskabet Alm. Brand Liv og Pension A/S

Directorships outside the Alm. Brand Group

Chairman of the Boards of Directors of:
H. Klindt Petersen A/S
Hjallerup Træ og Spærfabrik A/S
O.J. Malerentreprise A/S
T.E. Gruppen A/S
Torben Enggaard Holding A/S
Anelin A/S
Restaurationsselskabet af 1.11.1996 ApS
Rosenkrantz A/S

Member of the Boards of Directors of:
Boulevarden 1 Invest ApS
Larsen & Sørensen Holding A/S
Musikhuset Jomfru Ane Gade ApS

Managing Director of:
Advokatanpartsselskabet Henrik Christensen
Boulaw 8 ApS
VGH Nr. 277 ApS

Partner:
Fortuna I/S

Liquidator:
Ejendomsselskabet Højen ApS

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Insight into legal matters
Insight into economic matters

Directorships

State-authorised public accountant
Arne Nielsen
Born 1944
Member of the Board of Directors since 2009

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand Bank A/S
Forsikringsselskabet Alm. Brand Liv og Pension A/S
Alm. Brand Forsikring A/S

Directorships outside the Alm. Brand Group

Managing Director of:
Cartofico Lejlighed 4 P/S

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Experience in audit and accounting matters
(particularly in relation to membership of the audit commitee)
Insight into financial matters
Insight into economic matters
Insight into legal matters

Directorships

Estate owner
Per Viggo Hasling Frandsen
Born 1952
Member of the Board of Directors since 2009

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand af 1792 fmba
Alm. Brand Fond

Directorships outside the Alm. Brand Group

Chairman of the Boards of Directors of:
"Sia" Per Frandsen Latvia

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Insight into financial matters
Insight into economic matters

Directorships

Cand.polit.
Ebbe Castella
Born 1950
Member of the Board of Directors since 2013

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand Bank A/S

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Insight into financial matters
Insight into economic matters

Directorships

Managing Director
Karen Sofie Hansen-Hoeck
Born 1965
Member of the Board of Directors since 2013

Member of the Boards of Directors of:
Alm. Brand A/S

Directorships outside the Alm. Brand Group

Member of the Boards of Directors of:
Mup Ejendomme A/S
Green Food Holding A/S
Sirius Company A/S
Good Food Group A/S
Mup Turkey A/S
Danske Spil A/S
Alfred Pedersen & Søn ApS
Softline A/S
Fairtrade Mærket Danmark Fonden

Chairman of the Boards of Directors of:
Fooducer A/S
Madkulturen (institute under the auspices of the Danish Ministry of Food)

Managing Director of:
Fooducer ApS
Retail Network ApS

Special qualifications

General management experience
Experience from the Alm. Brand Group's customer segments
Experience in audit and accounting matters
Insight into financial matters
Insight into economic matters
Insight into legal matters

DIRECTORSHIPS

Staff association chairman
Helle Låsby Frederiksen
Employee representative
Born 1962
Member of the Board of Directors since 2010

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand af 1792 fmba
Alm. Brand Fond

Chairman of the Board of Directors of:
The staff association of Alm. Brand Forsikring A/S

SPECIAL QUALIFICATIONS

Experience from the Alm. Brand Group's customer segments

DIRECTORSHIPS

Commercial insurance agent
Lars Christiansen
Employee representative
Born 1971
Member of the Board of Directors since 2013

Member of the Boards of Directors of:
Alm. Brand af 1792 fmba
Alm. Brand Fond
Alm. Brand A/S

SPECIAL QUALIFICATIONS

Experience from the Alm. Brand Group's customer segments

DIRECTORSHIPS

Financial adviser
Susanne Larsen
Employee representative
Born 1964
Member of the Board of Directors since 2006

Member of the Boards of Directors of:
Alm. Brand A/S

SPECIAL QUALIFICATIONS

Experience from the Alm. Brand Group's customer segments
Insight into financial matters

DIRECTORSHIPS

Head of department
Brian Egested
Employee representative
Born 1969
Member of the Board of Directors since 2014

Member of the Boards of Directors of:
Alm. Brand A/S
Alm. Brand af 1792 fmba
Alm. Brand Fond

SPECIAL QUALIFICATIONS

Experience from the Alm. Brand Group's customer segments

Management Board

Directorships

Chief Executive Officer

Søren Boe Mortensen
Born 1955
Joined Alm. Brand in 1987
Member of the Management Board since 1998
Chief Executive Officer since December 2001

Chief Executive Officer of:
Alm. Brand A/S
Alm. Brand af 1792 fmba

Chairman of the Boards of Directors of:
Alm. Brand Forsikring A/S
Alm. Brand Præmieservice A/S
Alm. Brand Ejendomsinvest A/S
Forsikringsselskabet Alm. Brand Liv og Pension A/S

Member of the Board of Directors of:
Alm. Brand Bank A/S

Chairman appointed by the Management Board of:
Pensionskassen under Alm. Brand A/S

Directorships outside the Alm. Brand Group

Chairman of the Board of Directors of:
Forsikringsakademiet A/S

Member of the Board of Directors of:
Forsikring & Pension

Group companies

DKKm		Profit/loss for the year	Shareholders' equity at year-end	Ownership interest
PARENT COMPANY				
Alm. Brand A/S, Copenhagen	Holding	348	4,847	
NON-LIFE INSURANCE				
Alm. Brand Forsikring A/S, Copenhagen	Insurance	547	3,241	100%
LIFE AND PENSION				
Forsikringsselskabet Alm. Brand Liv og Pension A/S, Copenhagen	Insurance	64	862	100%
Alm. Brand Ejendomsinvest A/S, Copenhagen	Real property	56	1,395	100%
BANKING AND FINANCE				
Alm. Brand Bank A/S, Copenhagen	Banking	– 159	1,744	100%
Alm. Brand Leasing A/S, Copenhagen	Car finance and leasing	9	74	100%

The Alm. Brand Bank Group also consists of three wholly-owned property companies. These four companies owned by Alm. Brand Bank were established in connection with the take-over of a number of properties held temporarily.

OTHER ACTIVITIES				
Alm. Brand Præmieservice A/S, Copenhagen	Financing	0	1	100%
ASSOCIATED COMPANIES				
Nordic Corporate Investments A/S	Investment	8	130	25%
Cibor Invest	Investment	1	53	33%

"Ownership interest" indicates Alm. Brand A/S' direct or indirect ownership interests.


Alm Brand
Alm Brand

Since 1792

Alm. Brand A/S / Midtermolen 7 / 2100 Copenhagen Ø / Company reg. (CVR) no. CVR-nr. 77 33 35 17