

Interim report - the first quarter

Alm Brand

2015

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Company information

BOARD OF DIRECTORS

Jørgen H. Mikkelsen, Chairman
 Boris N. Kjeldsen, Deputy Chairman
 Ebbe Castella
 Henrik Christensen
 Anette Eberhard
 Per V. H. Frandsen
 Karen Sofie Hansen-Hoeck
 Jan Skytte Pedersen
 Lars Christiansen
 Brian Egested
 Helle L. Frederiksen
 Susanne Larsen

EXECUTIVE BOARD

Søren Boe Mortensen, Chief Executive Officer

AUDITORS

Deloitte, Statsautoriseret Revisionspartnerselskab

INTERNAL AUDITOR

Poul-Erik Winther, Chief Auditor

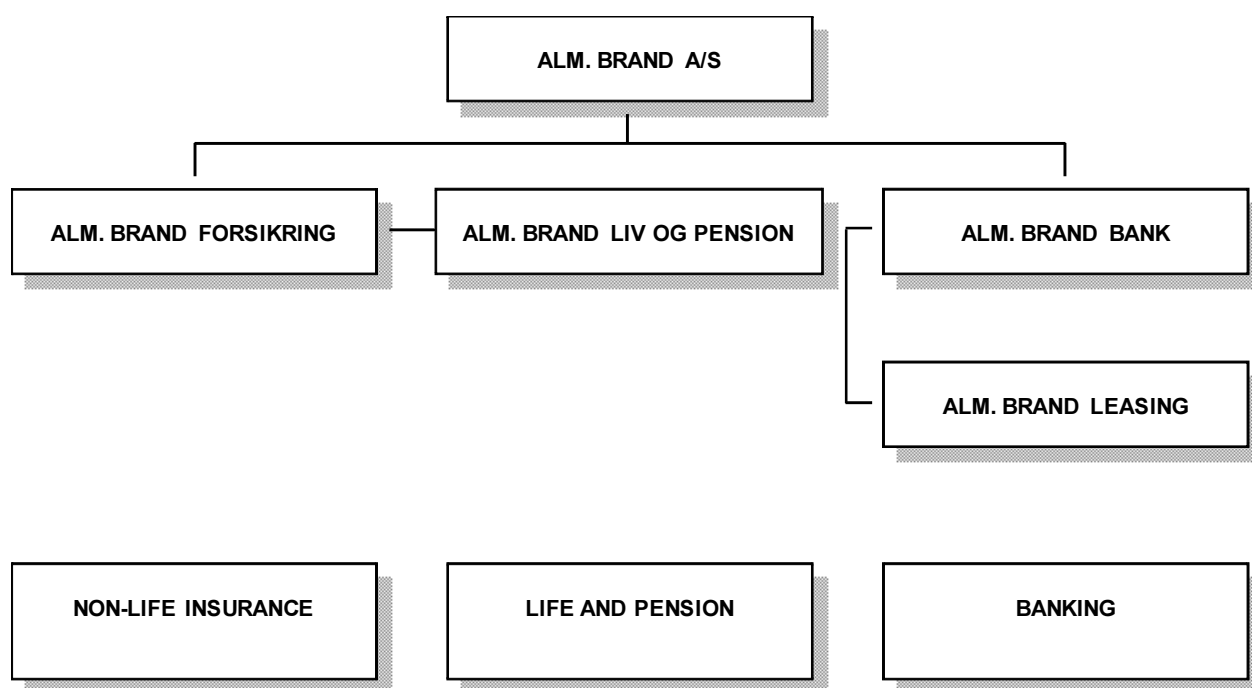
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GROUP STRUCTURE



Companies with negligible or discontinued activities are not included

Alm. Brand is a listed Danish financial services group focusing on the Danish market. The group carries on non-life insurance, life insurance and pension activities as well as banking activities and generates annual consolidated revenue of DKK 7 billion yearly.

Alm. Brand's vision "We take care of our customers" is the guiding principle for the experience customers should have when they interact with Alm. Brand.

The group's insurance and pension products cover private lines, agriculture as well as small and medium-sized businesses. The bank focuses primarily on the private customer market as well as on asset management and markets activities.

Alm. Brand is Denmark's fourth largest provider of non-life insurance products. The group's life insurance, pension and banking activities complement the services we provide to our non-life insurance customers.

This is a translation of the Danish first quarter report 2015. In case of any discrepancies the Danish version prevails.

Financial highlights and key ratios

| DKK m | Q1 2015 | Q1 2014 | Year 2014 |
|---|--------------|--------------|--------------|
| Income | | | |
| Non-life Insurance | 1,241 | 1,239 | 5,058 |
| Life and Pension | 424 | 390 | 1,243 |
| Banking | 131 | 151 | 602 |
| Investments | 201 | 171 | 735 |
| Total income | 1,997 | 1,951 | 7,638 |
| Profit excluding minorities | | | |
| Non-life Insurance | 257 | 132 | 651 |
| Life and Pension | 26 | 23 | 78 |
| Banking | 6 | 22 | 61 |
| Other activities | -13 | -14 | -53 |
| Profit/loss before tax, forward-looking activities | 276 | 163 | 737 |
| Banking, winding-up activities | -74 | -85 | -336 |
| Profit/loss before tax | 202 | 78 | 401 |
| Tax | -47 | -18 | -53 |
| Profit/loss after tax | 155 | 60 | 348 |
| Consolidated profit/loss | | | |
| Consolidated profit/loss before tax, Group | 202 | 87 | 409 |
| Tax | -47 | -18 | -53 |
| Consolidated profit/loss after tax | 155 | 69 | 356 |
| Provisions for insurance contracts | 20,839 | 19,902 | 19,449 |
| Shareholders' equity | 4,991 | 4,743 | 4,847 |
| Of which minority interests | 0 | 162 | 0 |
| Total assets | 38,193 | 39,427 | 39,118 |
| Return on equity before tax excluding minorities p.a. | 17% | 7% | 9% |
| Return on equity after tax excluding minorities p.a. | 13% | 5% | 7% |
| Dividend per share | 0.0 | 0.0 | 0.5 |
| Earnings per share | 0.9 | 0.3 | 2.0 |
| Diluted Earnings per share | 0.9 | 0.3 | 2.0 |
| Net assets value per share | 29 | 27 | 29 |
| Share price end of period | 45.3 | 26.4 | 32.7 |
| Share price/Net asset value | 1.54 | 0.98 | 1.14 |
| Number of shares end of period ('000) | 169,356 | 170,535 | 169,623 |
| Average number of shares ('000) | 169,484 | 170,537 | 170,194 |

The Alm. Brand Group

Performance

The group posted a pre-tax profit of DKK 202 million in Q1 2015, against a profit of DKK 78 million in Q1 2014, corresponding to a return on equity of 17% before tax. The performance was better than expected and highly satisfactory.

The group's forward-looking activities produced a profit of DKK 276 million. The performance was once again supported by strong non-life insurance results driven in particular by run-off gains and fewer major claims. Life and Pension also delivered strong results, while the bank's forward-looking activities were adversely affected by the historically low interest rate level.

The bank's winding-up activities posted a loss of DKK 74 million, which was in line with expectations.

Non-life Insurance

The DKK 257 million profit produced by the group's non-life insurance activities in the first quarter outperformed expectations.

In particular, the profit was lifted by run-off gains and fewer-than-expected expenses for major claims. In spite of the two storms that hit Denmark in January, weather-related claims were in line with expectations. The underlying business continues to perform well. The performance reflects the mild winter, which resulted in few motor insurance claims, and the lower number of burglaries reported in the first quarter.

Premium income was on a par with last year and in line with expectations and was thus characterised by intensified competition.

The investment return was slightly better than expected, supported in particular by the fall in short-term interest rates in the first quarter.

Life and Pension

Life and Pension generated profit of DKK 26 million, which was better than expected. Falling yields in the first quarter resulted in capital gains on the bond portfolio, and the improved results were thus mainly driven by a significantly better investment return on assets allocated to shareholders' equity.

Life and Pension continues to offer Denmark's highest rate on policyholders' savings to private customers, and this contributed to the strong growth seen in single payments and slight growth in regular payments. Investment schemes in the bank also generated strong growth, and pension contributions increased by a total of 14%.

The investment return remained satisfactory. Concurrently with the high rate offered on policyholders' savings, Life and Pension was again able to raise the bonus rate, which now stands at 11.5%.

Banking

The bank's forward-looking activities reported a pre-tax profit of DKK 6 million, against DKK 22 million in Q1 2014. The performance was adversely affected by a combination of the historically low level of interest rates and more excess liquidity.

The bank's forward-looking activities generally experienced an increase in the level of activity in the first quarter of the year. The number of full-service customers grew by 4% in Q1, and there was an increase in lending to the bank's private customers. Financial Markets and Leasing also saw an increase in customer numbers.

The bank lost DKK 74 million on its winding-up activities, against a loss of DKK 99 million in Q4 2014. The performance was supported by a stronger operating profit and fewer impairment writedowns.

Other business activities

Other business activities, consisting primarily of corporate expenses, performed in line with expectations. The Q1 performance was a pre-tax loss of DKK 13 million, against a loss of DKK 14 million in the same period of 2014.

Group

In Q1 2015, the group had an average of 1,544 employees, against 1,571 in the same period of 2014.

Consolidated revenue totalled DKK 2.0 billion in Q1 2015.

Earnings per share amounted to DKK 0.9, and the net asset value per share was DKK 29 at 31 March 2015 for a price/NAV ratio of 1.54.

Consolidated equity was DKK 5.0 billion at 31 March 2015, against DKK 4.8 billion at 31 December 2014.

Capitalisation

The group's total capital was DKK 4,915 million at 31 March 2015, corresponding to an excess of DKK 2,005 million relative to the group's statutory capital requirement. Total capital was reduced by dividends approved at the annual general meeting held on 27 April 2015.

The group's internal capital target was DKK 4,532 million. The capital target has been calculated to withstand a 1:200-year loss event.

| DKKm | |
|---|--------------|
| Total capital | 4,915 |
| Statutory capital requirement for the group | 2,910 |
| Excess relative to statutory capital requireme | 2,005 |
| Internal capital target of the group | 4,532 |
| Excess relative to internal capital target | 383 |

Major events after the balance sheet date

Profit upgrade on 23 April 2015

On 23 April 2015, Alm. Brand upgraded its consolidated profit forecast by DKK 100 million to DKK 300-400 million. The upgrade was due to run-off gains in Non-life Insurance. The company implemented a new model for workers' compensation insurance provisions in Q1 2015, which together with run-off gains on several other insurance provisions led to the recognition of a non-recurring run-off gain in the first quarter of 2015.

Annual general meeting of Alm. Brand A/S

Alm. Brand held its annual general meeting on 27 April 2015. The proposed dividend of DKK 0.50 per share was approved by the shareholders.

At the general meeting, Arne Nielsen resigned from the Board of Directors, and Anette Eberhard was elected to the Board of Directors instead.

Outlook

The guidance for consolidated profit before tax is raised by DKK 50 million relative to the profit forecast upgrade announced on 23 April 2015. Accordingly, the group expects to report consolidated pre-tax profit of DKK 350-450 million.

The profit before tax of the group's forward-looking activities is expected to be DKK 700-750 million. The guidance for the results of the bank's winding-up activities is maintained at a loss of DKK 300-350 million.

| DKKm | |
|----------------------------|----------------|
| Forecast | 350-450 |
| Forward-looking activities | 700-750 |
| <i>Non-life</i> | <i>650</i> |
| <i>Life and Pension</i> | <i>75</i> |
| <i>Banking</i> | <i>40</i> |
| <i>Other</i> | <i>-50</i> |
| Winding-up activities | -300 - -350 |

The outlook for the group assumes that the historically low level of interest rates is maintained for the rest of the year.

Non-life Insurance is expected to report a combined ratio of about 88 and an expense ratio of around 16%.

Disclaimer

The forecast is based on the interest rate and price levels prevailing in end of april 2015. 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.

Report – Non-life Insurance

| DKKm | Q1 2015 | Q1 2014 | Year 2014 |
|---|--------------|--------------|--------------|
| Gross premiums | 1,241 | 1,239 | 5,058 |
| Investment income on insurance business | -2 | 1 | 5 |
| Claims incurred | -723 | -1,094 | -3,579 |
| Underwriting management expenses | -202 | -209 | -787 |
| Profit from business ceded | -69 | 198 | 47 |
| Underwriting profit | 245 | 135 | 744 |
| Interest and dividends etc. | 62 | 53 | 202 |
| Capital gains/losses | -39 | -34 | -221 |
| Management expenses relating to investment business | -8 | -6 | -21 |
| Interest on technical provisions | -3 | -16 | -53 |
| Profit/loss on investments business after allocation of technical interest | 12 | -3 | -93 |
| Profit/loss before tax | 257 | 132 | 651 |
| Tax | -61 | -33 | -161 |
| Profit/loss for the year | 196 | 99 | 490 |
| Run-off gains/losses | 125 | 29 | 131 |
| Technical provisions | 8,397 | 8,555 | 7,571 |
| Insurance assets | 313 | 693 | 298 |
| Shareholders' equity | 2,620 | 2,033 | 2,423 |
| Total assets | 11,783 | 11,180 | 10,868 |
| Gross claims ratio | 58.2% | 88.3% | 70.8% |
| Net reinsurance ratio | 5.6% | -15.9% | -0.9% |
| Claims trend | 63.8% | 72.4% | 69.9% |
| Gross expense ratio | 16.3% | 16.8% | 15.6% |
| Combined ratio | 80.1% | 89.2% | 85.5% |
| Operating ratio | 80.2% | 89.1% | 85.3% |
| Return on equity before tax p.a. | 41% | 25% | 30% |
| Return on equity after tax p.a. | 31% | 19% | 22% |

Performance

The group's non-life insurance activities generated a pre-tax profit of DKK 257 million in Q1 2015, compared with a profit of DKK 132 million in Q1 2014.

The performance was highly satisfactory and better than expected. The performance equalled a return on equity of 41 % p.a. before tax.

Relative to expectations, the results were particularly affected by run-off gains and lower expenses for major claims.

The technical result was a profit of DKK 245 million, against DKK 135 million in Q1 2014.

Before run-off gains, the combined ratio was 90.2 in Q1 2015, as compared with 91.5 in the same period of 2014. Overall, the combined ratio was 80.1 in Q1 2015.

Compared with the first quarter of 2014, the performance was supported by run-off gains, lower reinsurance premiums, fewer major claims and an improved investment return.

The combined ratio of the underlying business was 81.5, against 81.1 in Q1 2014. The lower level of interest rates in Q1 2015 increased the combined ratio by 0.7 of a percentage point relative to the same period of 2014. Net of this factor, the combined ratio improved by 0.3 of a percentage point.

| | Q1 2015 | Q1 2014 | Year 2014 | Year 2013 |
|-------------------------------------|------------|------------|--------------|--------------|
| Combined Ratio, underlying business | 81.5 | 81.1 | 77.0 | 78.8 |
| Major claims | 5.1 | 5.7 | 5.8 | 7.2 |
| Weather-related claims | 3.6 | 1.1 | 4.2 | 3.7 |
| Run-off result | -10.1 | -2.3 | -2.6 | -4.1 |
| Reinstatement premiums | 0.0 | 3.6 | 1.1 | 1.8 |
| Combined Ratio | 80.1 | 89.2 | 85.5 | 87.4 |

The investment return after transfer to insurance activities was DKK 12 million, against a negative return of DKK 3 million in Q1 2014.

Premiums

Gross premiums amounted to DKK 1,241 million in Q1 2015, against DKK 1,239 million in Q1 2014, corresponding to an increase of 0.2%, which was in line with expectations.

Alm. Brand's strategy is to hold a market share of at least 10%, and preferably to increase it, without compromising profitability. The most recent figures indicate a market share of 10.1%.

Claims experience

The gross claims ratio was 58.2 in Q1 2015, against 88.3 in the year-earlier period. The difference was mainly due to run-off gains and fewer major claims than in 2014. The projected claims expenses from the storms that hit Denmark in the fourth quarter of 2013 were revised sharply upward in the first quarter of 2014, but weather conditions were otherwise very mild in the first quarter of 2014.

The claims experience (gross claims ratio plus net reinsurance ratio) was 63.8 in Q1 2015, against 72.4 in Q1 2014. Net of run-off, the claims experience was 73.9, against 71.1 in 2014.

The claims experience was adversely affected by the low level of interest rates and higher weather-related claims in 2015 than in 2014, but this was partly offset by an improved major claims experience.

Underlying business

The underlying business shows declining claims frequencies but also increasing average claims, particularly on building insurances. Overall, developments were in line with expectations. Compared with Q1 2014, the number of reported claims on the underlying business fell by 3.7%.

The number of reported burglaries was 19% lower in Q1 2015 than in Q1 2014. This marks the lowest number of reported burglaries in the first quarter of a year since 2007.

The mild weather and the lack of snow also meant fewer traffic accidents. The number of reported traffic accidents declined by 5% relative to the first quarter of 2014, which was also characterised by mild weather and very little snow.

Major claims and weather-related claims

Major claims expenses totalled DKK 63 million in Q1 2015, against DKK 70 million in Q1 2014. Especially in the commercial segment, the claims experience was significantly better than expected. The major claims ratio was 5.1, against 5.7 in 2014.

Weather-related claims totalled DKK 45 million in Q1 2015, against DKK 13 million in 2014. Denmark was hit by two storms in January, Dagmar and Egon. Claims payments related to these storms are expected to total about DKK 35 million. Expenses for major claims and weather-related claims amounted to a total of DKK 108 million or 8.7% of gross pre-

mium income, against DKK 83 million and 6.7%, respectively, in Q1 2014.

The expected level for the year is 11%, against previously 12%. The group applies its own internal model to estimate projected expenses for major claims and weather-related claims. The decline of 1% is the result of an annual updating of the model with new figures for the number of claims, damages and claims exposure.

Accordingly, major claims are expected to total about 7-8%, while weather-related claims are expected to be at the level of 3-4%. The underlying reason for the improvement is recent years' work with the building portfolio in the form of claims prevention measures, higher deductibles and stricter acceptance rules.

Discounting effect

Interest rates declined to a historically low level in the first quarter of 2015. Compared with the first quarter of 2014, the discounting of provisions thus increased the claims ratio by 0.7 of a percentage point.

Run-off result

The run-off result net of reinsurance amounted to a gain of DKK 125 million, against a gain of DKK 29 million in Q1 2014. The implementation of a new provisioning model for workers' compensation insurance resulted in a non-recurring run-off gain of DKK 60 million in Q1 2015. See "Major events" below for additional information.

In addition to workers' compensation insurance, small gains were recognised on almost all other lines.

Costs

The expense ratio was 16.3 in Q1 2015, against 16.8 in Q1 2014, which was slightly lower than expected.

Net reinsurance ratio

The net reinsurance ratio was 5.6 (expense) Q1 2015, against an income of 15.9 in 2014.

The income in 2014 was due to a sharp upward revision of expenses related to the two storms that hit Denmark in the fourth quarter of 2013. An expense of DKK 45 million to re-establish the reinsurance cover was offset against this income.

Net of prior-year run-off, the net reinsurance ratio was 5.3, against 5.5 in 2014.

Investment return

The total investment return amounted to DKK 12 million in Q1 2015, against a negative return of DKK 3 million in Q1 2014. The investment return before technical interest came to DKK 15 million, against DKK 13 million in 2014.

The investment assets are primarily placed in Danish bonds and Danish mortgage deeds. Most of the bonds are mortgage bonds. In addition, Non-life Insurance has a small exposure to global equities and a small proportion of strategic shares that support the business.

The ECB's lenient monetary policy and the appreciation of the Danish krone contributed to falling bond yields and strong equity market returns in the first quarter. The bond return was affected by the fact that callable mortgage bonds underperformed non-callable bonds as the prepayment risk rose in connection with the fall in interest rates. Both the global equity exposure and mortgage deeds generated fair returns in the reporting period.

The overall investment return for Non-life Insurance was adversely affected by the fact that the interest rate risk on liabilities was not fully hedged in the first quarter.

Private

The technical result excluding technical interest was a profit of DKK 89 million in Q1 2015, against a profit of DKK 66 million in 2014. The combined ratio was 86.3, against 90.0 in 2014. The performance was highly satisfactory.

Premium income fell by 1.0% year on year. The decline was mainly due to falling average premiums, especially on motor insurance, due to the more competitive markets. The retention rate in private lines remained high but declined slightly, also affected by mounting competition.

The gross claims ratio was 66.2, against 81.9 in Q1 2014, which was better than expected.

| PRIVATE | Q1 | Q1 | Year | Year |
|----------------------------------|--------------|--------------|--------------|--------------|
| DKKm | 2015 | 2014 | 2014 | 2013 |
| Gross premiums | 642 | 649 | 2,642 | 2,626 |
| Claims incurred | -425 | -531 | -1,805 | -1,845 |
| Underwriting management expenses | -109 | -117 | -459 | -467 |
| Profit/loss from business ceded | -19 | 65 | 23 | 38 |
| Underwriting profit* | 89 | 66 | 401 | 352 |
| Run-off gains/losses | 35 | 18 | 59 | 99 |
| Gross claims ratio | 66.2% | 81.9% | 68.3% | 70.2% |
| Net reinsurance ratio | 3.0% | -9.9% | -0.9% | -1.5% |
| Claims trend | 69.2% | 72.0% | 67.4% | 68.7% |
| Gross expense ratio | 17.1% | 18.0% | 17.4% | 17.8% |
| Combined Ratio | 86.3% | 90.0% | 84.8% | 86.5% |

*) Excluding technical interest

The claims experience was 69.2%, against 72.0% in 2014.

Net of reinsurance, total weather-related claims amounted to DKK 15 million in Q1 2015, against DKK 6 million in 2014.

Weather-related claims affected the Q1 combined ratio by 2.3 percentage points, against 0.9 of a percentage point in 2014.

The number of major claims increased relative to 2014. Claims expenses amounted to DKK 29 million in Q1 2015, against DKK 14 million in Q1 2014. Major claims affected the Q1 combined ratio by 4.6 percentage points, against 2.2 percentage points in 2014. Major claims were slightly higher than expected but within the fluctuation band to be expected for this claims category.

The claims ratio of the underlying business continues to develop favourably. The claims experience for motor and contents insurances is highly satisfactory, and the claims frequency on all other claims, except for travel insurance, continues to fall. As expected, the claims frequency on travel insurance increased by about 30% 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 for the first quarter of the year was 17.1, against 18.0 in 2014.

Net of reinsurance, the run-off result was a gain of DKK 35 million in Q1 2015, compared with DKK 18 million in Q1 2014. The run-off gain was mainly driven by building and contents insurances.

The net reinsurance ratio was 3.0 (expense) in Q1 2015, against a negative ratio of 9.9 (income) in 2014.

Commercial

The technical result excluding technical interest was a profit of DKK 158 million in Q1 2015, against a profit of DKK 68 million in 2014. The combined ratio was 73.5 in Q1 2015, against 88.5 in 2014. The performance was highly satisfactory.

In particular, the performance was affected by run-off gains and lower reinsurance premiums, while major claims and weather-related claims overall were on a par with the first quarter of 2014.

Gross premium income was DKK 599 million, against DKK 590 million in 2014, equivalent to an increase of 1.6%. The increase in premium income was driven in part by the premium increase implemented on building insurances and in part by moderate growth in other lines.

The gross claims ratio was 49.7 in Q1 2015, against 95.4 in the same period of 2014. The gross claims ratio was favourably affected by non-recurring run-off gains. Net of the effect of reinsurance (the net reinsurance ratio) and run-off result, the Q1 claims experience was 73.1% in 2015, against 74.8% in Q1 2014.

| COMMERCIAL | | | | |
|----------------------------------|--------------|--------------|--------------|--------------|
| | Q1 | Q1 | Year | Year |
| DKKm | 2015 | 2014 | 2014 | 2013 |
| Gross premiums | 599 | 590 | 2,416 | 2,405 |
| Claims incurred | -298 | -563 | -1,774 | -1,924 |
| Underwriting management expenses | -93 | -92 | -328 | -336 |
| Profit/loss from business ceded | -50 | 133 | 24 | 136 |
| Underwriting profit* | 158 | 68 | 338 | 281 |
| Run-off gains/losses | 90 | 11 | 72 | 108 |
| Gross claims ratio | 49.7% | 95.4% | 73.4% | 80.0% |
| Net reinsurance ratio | 8.4% | -22.5% | -1.0% | -5.6% |
| Claims trend | 58.1% | 72.9% | 72.4% | 74.4% |
| Gross expense ratio | 15.4% | 15.6% | 13.6% | 14.0% |
| Combined Ratio | 73.5% | 88.5% | 86.0% | 88.4% |

*) Excluding technical interest

Total weather-related claims amounted to DKK 30 million in Q1 2015, corresponding to a claims ratio of 5.0, against 1.1 in 2014. The increase in claims expenses was due to the storms Dagmar and Egon in January.

Major claims amounted to DKK 34 million, against DKK 56 million in 2014. The level of major claims was better than expected.

Overall, weather-related claims and major claims affected the combined ratio by 10.7 percentage points in Q1 2015, which was unchanged from the level in Q1 2014 but better than expected.

The run-off result net of reinsurance produced a gain of DKK 90 million, against DKK 11 million in 2014. The gains were mainly attributable to workers' compensation insurance. See "Major events" below for additional information.

The expense ratio was 15.4, against 15.6 in Q1 2014.

The net reinsurance ratio was 8.4 (expense) in Q1 2015, against minus 22.5 (income) in 2014. The income in 2014 was attributable to reinsurance recoveries related to the 2013 storms Allan and Bodil.

Capitalisation

The individual solvency need of Alm. Brand Forsikring A/S was DKK 1,284 million at 31 March 2015, against DKK 1,273 million at 31 December 2014.

Total capital calculated in accordance with the executive order on solvency and operating plans for insurance companies was DKK 2,515 million, which means that the company had ex-

cess cover relative to the individual solvency need of DKK 1,231 million.

The Solvency I requirement was DKK 820 million, which makes for a solvency ratio of 3.1 relative to the total capital calculated in accordance with the executive order on financial reports presented by insurance companies.

At 31 March 2015, shareholders' equity allocated to Non-life Insurance was DKK 2.6 billion.

Major events

New provisioning model for workers' compensation insurance

A new provisioning model for the calculation of claims provisions on workers' compensation insurance was implemented in the first quarter of 2015. The new model will improve cash flow management and thus also the index and interest rate risk.

The implementation of the new model has provided a slightly lower provisioning level for prior-year claims than previously estimated. This resulted in the recognition of non-recurring run-off gains in the amount of DKK 60 million in Q1 2015.

Solvency II

In the first quarter of 2015, the European Insurance and Occupational Pensions Authority (EIOPA) published the yield curve structure to be introduced in connection with the transition to Solvency II. The upcoming curve is below the existing Danish curve. However, the solvency regime will also introduce the option of including an allowance to the yield curve, the so-called Volatility Adjustment (VA), which Non-life Insurance expects to apply. This allowance will make the yield curve more similar to the curve applied by the group today.

Non-life Insurance does not expect the introduction of the new yield curve to give rise to any significant changes to provisioning levels or capital need.

Outlook

The guidance for Non-life Insurance's profit before tax is raised by an additional DKK 50 million relative to the DKK 100 million upgrade announced on 23 April 2015. Profit before tax is expected to be at the level of DKK 650 million, corresponding to a combined ratio of around 88 and an expense ratio of about 16%.

Premium income is expected to be unchanged in 2015 relative to 2014.

Report – Life and Pension

| DKKm | Q1 2015 | Q1 2014 | Year 2014 |
|--|---------------|---------------|---------------|
| Premiums | 424 | 390 | 1,243 |
| Claims incurred | -276 | -355 | -1,185 |
| Investment return after allocation of interest | 461 | 301 | 945 |
| Total underwriting management expenses | -22 | -21 | -84 |
| Profit/loss from business ceded | -2 | -3 | -4 |
| Change in life insurance provisions | -391 | -185 | -722 |
| Change in collective bonus potential | -174 | -95 | -85 |
| Government Tax on unallocated funds | -1 | -10 | -32 |
| Underwriting profit/loss | 19 | 22 | 76 |
| Return on investments allocated to equity | 7 | 1 | 2 |
| Profit/loss before tax | 26 | 23 | 78 |
| Tax | -6 | -6 | -21 |
| Profit/loss after tax | 20 | 17 | 57 |
| Return requirement for shareholders' equity | | | |
| Return on investments allocated to equity | 7 | 1 | 2 |
| Result of portfolios without bonus entitlement | 1 | -1 | -3 |
| Group life | 4 | 0 | 0 |
| Interest result | 4 | 4 | 16 |
| Expense result | -2 | 1 | -2 |
| Risk result | 13 | 15 | 64 |
| Transferred to/from the shadow account | -1 | 3 | 0 |
| Profit/loss before tax *) | 26 | 23 | 77 |
| Total technical provisions | 12,442 | 11,346 | 11,878 |
| Shareholders' equity | 838 | 778 | 818 |
| Total assets | 14,222 | 13,101 | 13,976 |
| Return on equity before tax p.a. | 13% | 9% | 9% |
| Return on equity after tax p.a. | 10% | 7% | 7% |
| Bonus rate | 11.5% | 10.2% | 9.8% |

*) 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.

Investment return on policyholders funds in Life and Pension Q1 2015

**Return
ratio**

| | |
|-------------------------|-------------|
| Interest-bearing assets | 2.7% |
| Shares | 13.1% |
| Property | 0.5% |
| Total | 4.3% |

Performance

Life and Pension reported pre-tax profit of DKK 26 million in Q1 2015, against DKK 23 million in Q1 2014.

The performance was highly satisfactory and equalled a return on equity of 13% p.a. before tax.

The profit was composed as follows:

- Expense and risk result of DKK 11 million
- Interest rate result of DKK 4 million
- Profit of DKK 4 million from the group life insurance business

- Profit of DKK 1 million from annuities without bonus entitlement
- Investment return on assets allocated to shareholders' equity of DKK 7 million.

In Q1 2015, Life and Pension increased the collective bonus by DKK 174 million, corresponding to a bonus rate of 11.5% at 31 March 2015. As a result, Life and Pension is better able to continue to offer high and competitive rates on policyholders' savings for the benefit of its customers.

Return on equity principles

The return on equity principles have been revised in 2015 relative to 2014 to the effect that the profit before tax of the group life insurance business is now fully included, whereas that previously only applied to the expense and risk result.

Premiums*Payments into guaranteed schemes*

Premiums totalled DKK 424 million in Q1 2015, against DKK 390 million in the same period of 2014, an increase of 8.6%.

These figures cover a slight increase in regular premiums of 1.7% and an increase in single payments of 14.8% relative to the first quarter of 2014.

The increase in single payments should be seen in light of the fact that Life and Pension is currently offering Denmark's highest rate on policyholders' savings to private customers.

Most of the company's capital pensions have now been converted into retirement pension schemes or other pension types. As a result, regular premiums are almost no longer affected by the recent tax reform which abolished the tax deductibility of payments into capital pension schemes.

Payments into market schemes

In addition to payments in Alm. Brand Liv og Pension, customers have the option of paying into market-based investment schemes with the bank.

Payments into these schemes amounted to DKK 105 million in Q1 2015, against DKK 75 million in the same period of last year. This corresponds to an increase of 40.1%.

Total pension contributions

Total payments into pension schemes, including investment schemes through the bank, amounted to DKK 529 million in Q1 2015, which was an increase of 13.7% relative to Q1 2014.

Benefits paid

Benefits paid amounted to DKK 276 million in Q1 2015, compared with DKK 355 million in the same period of 2014. Most of the reduction was attributable to the phasing out of the effects of the tax reform, but the reduction in benefits paid also reflects a higher degree of customer loyalty.

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.

Risk result

Net of reinsurance, the risk result, which expresses the difference between risk premiums and actual claims expenses, was an income of DKK 13 million in Q1 2015, against DKK 15 million in Q1 2014. This corresponds to an unchanged level as the group life insurance business last year contributed approximately DKK 1 million to this item but is now recognised in its entirety in a separate line item.

An amount of DKK 1 million was transferred to the shadow account of a risk group in the first quarter.

Costs

Acquisition costs and administrative expenses were largely unchanged at DKK 22 million in Q1 2015, against DKK 21 million for the same period of 2014.

Total costs for the first quarter of 2015 were slightly lower than expected, which was mainly due to a smaller-than-expected inflow of regular premiums.

Expense result

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was negative at DKK 2 million for the three months ended 31 March 2015. The expense result was in line with expectations and should be seen in light of the fact that Alm. Brand Liv og Pension's average rate products are among the cheapest on the market.

Investment return on policyholders' funds

The return on investment assets belonging to policyholders was DKK 556 million for Q1 2015, corresponding to a return of 4.3% (17.8% p.a.), against a return of DKK 375 million in Q1 2014.

The Q1 return was favourably affected by declining interest rates, which produced capital gains on bonds and interest hedging arrangements, and a very strong Q1 performance by European equities.

The return was calculated before tax on pension returns but after investment costs. Relative to the benchmark performance, the return on policyholders' investment assets was highly satisfactory.

Total investment assets amounted to DKK 13.1 billion at 31 March 2015. The investment assets are placed in bonds, equities and property.

Bonds

Bonds make up a total of 72% of the overall portfolio of policyholders' funds. The return was 2.7% in Q1 2015 (10.8% p.a.).

Equities

Equities make up a total of 16% of the overall portfolio of policyholders' funds. The return was 13.1% in Q1 2015 (52.4% p.a.).

Property

Property represents in aggregate 12% of the portfolio of policyholders' funds. The return on the portfolio of properties was 0.5% in Q1 2014 (2.0% p.a.). The return was below the budgeted level due to a negative return on the portfolio of property stocks.

Financial instruments

Financial instruments used to partially hedge insurance liabilities made a positive contribution to the return due to the lower level of interest rates.

Life insurance provisions

Total life insurance provisions increased by DKK 391 million to DKK 11.3 billion in Q1 2015. The increase was due to accrued interest and a declining discount rate as well as to a fair net inflow of pension funds during the period.

Collective bonus potential

In Q1 2015, the collective bonus potential increased by DKK 174 million excluding provisions for government taxes to DKK 1,084 million, corresponding to an average bonus rate of 11.5%. The bonus rate was highly satisfactory.

New policyholders are placed in interest rate group 0, which had a bonus rate of 13.8% at 31 March 2015.

In interest rate group 3, which comprises customers with a high guarantee rate, the bonus rate increased from 3.3% to 4.6% in Q1 2015. The favourable bonus rate trend was highly satisfactory. This group continues to pursue a prudent investment policy based on a substantial share of bonds and financial instruments with a view to striking a healthy balance between the group's investments and obligations.

The table below shows the current rate on policyholders' savings, bonus rate, return and breakdown of policyholders' investment assets on the four interest rate groups into which the portfolio of policies with bonus entitlement is divided.

| | 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 (% p.a.) | | 4.00 | 5.00 | 5.00 | 6.00 | |
| Investment assets (DKKbn) | 0.1 | 5.9 | 1.9 | 1.4 | 3.8 | 13.1 |
| Bonus rate (%) | | 13.8 | 18.6 | 6.8 | 4.6 | 11.5 |
| Return (% ytd) | | 4.6 | 5.2 | 3.0 | 3.4 | 4.3 |
| Bonds | 100% | 58% | 51% | 74% | 78% | 65% |
| Equities | 0% | 26% | 21% | 9% | 4% | 16% |
| Properties | 0% | 16% | 13% | 10% | 8% | 12% |
| Interest rate derivatives | 0% | 0% | 15% | 7% | 10% | 7% |

*Portfolios without bonus entitlement

Capitalisation

The total capital of Alm. Brand Liv og Pension A/S amounted to DKK 1,003 million at 31 March 2015, of which DKK 120 million was tier 2 capital.

The company's Solvency I requirement was DKK 492 million. Accordingly, the company had excess liquidity of DKK 511 million, corresponding to a solvency coverage ratio of 204% over the solvency requirement. The individual solvency need was calculated at DKK 213 million, against DKK 360 million at 31 December 2014. However, this decline was due to the fact that the Danish FSA, in its transitional rules effective from 1 January 2015, introduced a more lenient interest rate stress in the solvency calculations to align them with the Solvency II rules. All other things being equal, this has reduced the solvency need compared to the previous calculation method.

Equity allocated to life insurance was DKK 838 million at 31 March 2015.

Major events

Solvency II

In the first quarter of 2015, the European Insurance and Occupational Pensions Authority (EIOPA) published the yield

curve structure to be introduced in connection with the transition to Solvency II. The upcoming curve is below the existing Danish curve. However, the solvency regime will also introduce the possibility of including an allowance to the yield curve, the so-called Volatility Adjustment (VA), which Life and Pension expects to apply. This allowance will make the yield curve more similar to the curve applied today.

Life and Pension does not expect the introduction of the new yield curve to give rise to any significant changes to the solvency need.

Outlook

The guidance for a full-year profit of DKK 75 million before tax is maintained.

The company expects to be able to book risk allowance for all contribution groups in 2015. However, the results of the interest rate groups will depend entirely on developments in the financial markets.

Report – Banking

| DKKm | GROUP | | |
|--|---------------|---------------|---------------|
| | Q1 2015 | Q1 2014 | Year 2014 |
| FORWARD-LOOKING ACTIVITIES: | | | |
| Net interest and fee income, Private | 57 | 43 | 182 |
| Trading income (excl. value adjustments) | 40 | 54 | 212 |
| Other income | 41 | 29 | 137 |
| Total income | 138 | 126 | 531 |
| Expenses | -92 | -86 | -344 |
| Amortisation | -28 | -17 | -91 |
| Core earnings | 18 | 23 | 96 |
| Value adjustments | -6 | 10 | -31 |
| Profit/loss from investments | 0 | 0 | 17 |
| Alm. Brand Formue (the bank's ownership interest) | 0 | -4 | -4 |
| Profit/loss before impairment writedowns | 12 | 29 | 78 |
| Writedowns | -6 | -7 | -17 |
| Profit/loss before tax, forward-looking activities | 6 | 22 | 61 |
| <i>Of which discontinued activities</i> | <i>0</i> | <i>0</i> | <i>17</i> |
| WINDING-UP ACTIVITIES: | | | |
| Loss before impairment writedowns | -11 | -22 | -76 |
| Writedowns | -63 | -63 | -260 |
| Loss before tax, winding-up activities | -74 | -85 | -336 |
| Total profit/loss before tax and minority interests | -68 | -63 | -275 |
| Tax | 16 | 17 | 116 |
| Profit/loss after tax and before minority interests | -52 | -46 | -159 |
| Share attributable to minority interests | 0 | 11 | 11 |
| Consolidated profit/loss after tax | -52 | -35 | -148 |
| Loans and advances, forward-looking activities | 2,588 | 2,554 | 2,585 |
| Loans and advances, winding-up activities | 1,888 | 4,529 | 2,069 |
| Deposits | 9,274 | 10,341 | 11,076 |
| Shareholders' equity | 1,692 | 2,061 | 1,744 |
| Share attributable to minority interests | 0 | 205 | 0 |
| Balance | 12,289 | 15,303 | 14,411 |
| Interest margin | 1.8% | 1.6% | 1.7% |
| Income/cost ratio | 0.64 | 0.62 | 0.56 |
| Impairment ratio | 0.8 | 0.5 | 2.1 |
| Solvency ratio | 18.3 | 21.6 | 17.8 |
| Return on equity before tax | -16% | -12% | -17% |
| Return on equity after tax | -12% | -5% | -10% |

Performance

The bank incurred a loss before tax of DKK 68 million in Q1 2015, against a loss of DKK 113 million in Q4 2014. The performance was not satisfactory.

The loss was composed of a profit of DKK 6 million on forward-looking activities and a loss of DKK 74 million on winding-up activities.

The bank's total impairment writedowns amounted to DKK 69 million, of which DKK 63 million was attributable to winding-up activities.

The interest margin for the banking group was 1.8% in Q1 2015, compared with 1.6% in Q1 2014.

Forward-looking activities

The bank's forward-looking activities produced a pre-tax profit of DKK 6 million in Q1 2015, against a loss of DKK 14 million in Q4 2014.

The profit was less than expected and affected by the historically low level of interest rates. The profit was also adversely affected by the fact that the bank had significant excess liquidity in the first quarter of 2015. The liquidity is placed in short-

term money market products at very low or negative interest rates, as the liquidity will be used to repay fixed-term deposits expiring in 2015.

Core earnings amounted to DKK 18 million in Q1 2015, against DKK 24 million in Q4 2014. The lower result in trading income was due to the liquidity being placed in short-term money market products.

The bank's forward-looking activities generally experienced an increase in the level of activity in the first quarter of the year. The number of full-service customers grew by 4% in Q1, and lending to the bank's private customers increased. As expected, Financial Markets and Leasing also saw an increase in the number of customers.

Income

The bank's income from forward-looking activities amounted to DKK 138 million in Q1 2015, against DKK 126 million in Q1 2014.

Net interest and fee income from the bank's private customers was DKK 57 million in Q1 2015, which was DKK 11 million higher than in Q4 2014. The increase was primarily related to greater activity among private customers, including remortgaging activities, and a lower interest rate paid to customers on floating-rate deposits.

Trading income excluding value adjustments was DKK 40 million in Q1 2015, against DKK 52 million in Q4 2014.

Other income, which primarily covers leasing activities, amounted to DKK 41 million, which was on a par with Q4 2014.

Costs

Costs were in line with expectations and amounted to DKK 92 million in Q1 2015, against DKK 86 million in Q4 2014.

Value adjustments

Value adjustments produced a capital loss of DKK 6 million in Q1 2015, against a capital loss of DKK 38 million in Q4 2014.

Interest-related value adjustments produced a loss of DKK 5 million in Q1 2015, against a loss of DKK 42 million in Q4 2014. The bank's bond portfolio generated a return of 1.9% p.a. in Q1 2015, which was satisfactory in light of the general market performance.

Equity-related value adjustments produced a capital gain around DKK 3 million in Q1 2015, which was unchanged from Q4 2014.

Currency-related value adjustments amounted to a loss of DKK 4 million in Q1 2015, against DKK 0 million in Q4 2014. The loss related primarily to market volatility surrounding the Swiss franc.

Impairment writedowns

Impairment writedowns on the bank's forward-looking activities amounted to an expense of DKK 6 million in Q1 2015,

which was unchanged from Q4 2014. The level of impairment writedowns was in line with expectations.

Business activities

Private

The bank incurred a pre-tax loss of DKK 2 million in Q1 2015, compared with a loss of DKK 6 million in Q4 2014. The improvement was mainly driven by higher income, supported by remortgaging activities, sales of investment products and increased lending.

| PRIVATE DKKm | Q1 2015 | Q4 2014 |
|---|--------------------|--------------------|
| Income | 57 | 46 |
| Expenses | -53 | -52 |
| Profit/loss before impairment writedowns | 4 | -6 |
| Impairment writedowns | -6 | 0 |
| Profit/loss before tax | -2 | -6 |

The positive trend from 2014 also continued in the portfolio of Totalcredit loans for which the bank acted as intermediary. The portfolio grew by more than DKK 380 million in Q1 2015 to DKK 5.6 billion.

The bank's loans and advances to private customers increased once again in the first quarter. Lending to private customers increased by DKK 30 million. In the first quarter, the bank experienced an inflow of new customers and an increase in the number of full-service customers.

Impairment writedowns amounted to DKK 6 million in Q1, equivalent to 0.2% of the average portfolio, which was in line with expectations.

Financial Markets

Financial Markets generated pre-tax profit of DKK 18 million in Q1 2015, against DKK 4 million in Q4 2014. The increase was due to an increased customer inflow and a better return in Markets.

| FINANCIAL MARKETS DKKm | Q1 2015 | Q4 2014 |
|---|--------------------|--------------------|
| Income | 40 | 38 |
| Expenses | -26 | -23 |
| Core earnings | 14 | 15 |
| Value adjustments | 4 | -11 |
| Profit/loss before impairment writedowns | 18 | 4 |
| Impairment writedowns | 0 | 0 |
| Profit/loss before tax | 18 | 4 |

A new VIP online banking concept has been introduced for customers with deposits in excess of DKK 200,000. Customers can subscribe to receive research reports and notes on financial statements on a regular basis. Customers can also receive recommendations and guidance from an adviser in Markets and participate in various investment events.

In addition, Financial Markets has once again won new mandates, and assets under management grew by more than DKK 300 million.

Leasing

The pre-tax profit was DKK 3 million in Q1 2015, which was an improvement of DKK 1 million relative to Q4 2014.

| LEASING DKKm | Q1 2015 | Q4 2014 |
|-------------------------------|------------|------------|
| Income | 40 | 41 |
| Expenses | -9 | -9 |
| Depreciation and amortisation | -28 | -30 |
| Profit/loss before tax | 3 | 2 |

The number of leased cars continues to grow, and the portfolio increased by DKK 50 million in Q1 2015. The decline in income, depreciation and amortisation was related to non-recurring items in Q4 2014.

Other

Other activities, consisting primarily of Treasury, reported a pre-tax loss of DKK 13 million in Q1 2015, compared with a loss of DKK 15 million in Q4 2014.

| OTHER ACTIVITIES DKKm | Q1 2015 | Q4 2014 |
|-------------------------------|------------|------------|
| Income | 1 | 15 |
| Expenses | -4 | -2 |
| Core earnings | -3 | 13 |
| Value adjustments | -10 | -27 |
| Profit/loss before tax | -13 | -14 |

The Q1 results were adversely affected by the combination of the low level of interest rates and significant excess liquidity. A substantial share of the bank's fixed term deposits expire in 2015, and the excess liquidity is expected to be reduced accordingly.

Winding-up activities

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

The performance was a loss of DKK 74 million in Q1 2015, against a loss of DKK 99 million in Q4 2014.

Impairment writedowns amounted to DKK 63 million in Q1 2015, compared with DKK 81 million in Q4 2014.

Before impairment writedowns, the winding-up activities reported a loss of DKK 11 million in Q1 2015, which was an improvement of DKK 7 million relative to Q4 2014. Among other things, the improvement was due to income from an option agreement relating to mortgage deeds, which, however, was offset by impairment writedowns of DKK 12 million in the first quarter.

| DKKm | Credit exposure | | | Losses and writedowns | | |
|---|-----------------|--------------|-------------------------------|-----------------------|------------|----------------------------------|
| | 2014 | Q1 2015 | Share of portfolio in % | 2014 | Q1 2015 | Impairment in % ^{a)} |
| Agriculture | 668 | 601 | 31.8 | 115 | 57 | 9.0 |
| Commercial | 1,094 | 1,002 | 53.0 | 8 | -12 | -1.1 |
| Mortgage deeds | 307 | 286 | 15.1 | 136 | 6 | 2.0 |
| Total loans and advances | 2,069 | 1,889 | 100.0 | 259 | 51 | 2.6 |
| Mortgage deeds option agreement ^{b)} | 1,874 | 1,843 | | 1 | 12 | 0.6 |
| Winding-up activities | 3,943 | 3,732 | | 260 | 63 | 1.6 |

a) Losses and write-downs as a percentage of the average portfolio in Q1 2015. The percentage is not comparable with the impairment ratio in the overview of financial ratios

b) Impairment writedowns include credit-related value adjustments of mortgage deeds

The total credit exposure of the winding-up portfolio declined by DKK 211 million to DKK 3,732 million in Q1 2015. Adjusted for losses and writedowns, loans and advances were reduced by DKK 129 million, which was more than the expected level.

Agriculture

The agricultural portfolio amounted to DKK 601 million at 31 March 2015. Excluding impairment writedowns, the portfolio was reduced by DKK 10 million. This reduction was mainly related to farms which were closed down earlier and have now been finalised.

The agricultural sector remains under pressure from the low level of pork prices, among other things caused by the Russian trade embargo. Milk settlement prices also remain low.

Impairment writedowns amounted to DKK 57 million in Q1 2015, which was in line with expectations. The level reflects the continuing difficult conditions in the agricultural sector.

Commercial

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

Impairment writedowns of DKK 12 million were reversed in the first quarter. The reversal was related to loans and advances repaid and to a number of customers' improved operations.

The total portfolio amounted to DKK 1,002 million at 31 March 2015. Excluding impairment writedowns, the portfolio was reduced by DKK 104 million in Q1 2015. The reduction was primarily related to a few large exposures.

Mortgage deeds

The segment comprises the bank's own portfolio of private and commercial mortgage deeds and a mortgage deed exposure through a option agreement with Alm. Brand Forsikring. The own portfolio consists primarily of delinquent mortgage deeds.

The own portfolio amounted to DKK 286 million and was reduced in Q1 2015 by DKK 15 million adjusted for losses and writedowns. Impairment writedowns on the own portfolio amounted to DKK 6 million in Q1 2015.

The credit exposure amounted to DKK 1,843 million at 31 March 2015. Credit-related capital losses on the option agreement amounted to DKK 12 million in the first quarter.

Balance sheet

Loans and advances

The bank's loans and advances totalled DKK 4.5 billion at 31 March 2015, against DKK 4.7 billion at 31 December 2014, corresponding to a decline of DKK 0.2 billion.

Excluding intra-group lending, loans and advances in Q1 2015 increased by DKK 15 million for the forward-looking activities, while loans and advances in the winding-up portfolio declined by DKK 211 million.

Deposits

The bank had deposits of DKK 9.3 billion at 31 March 2015, against DKK 11.1 billion at 31 December 2014. The decline was due to the expiry of a substantial part of the bank's fixed-rate deposits in Q1 2015.

At 31 March 2015, floating-rate deposits represented 64% of total deposits, against 43% at 31 December 2014. The bank's strategy is to reduce fixed-rate deposits further in 2015.

Liquidity

At 31 March 2015, the bank had cash funds of DKK 5.2 billion and excess liquidity of DKK 4.0 billion, equivalent to an excess cover of 307% relative to the statutory requirement.

The excess cover was reduced by approximately DKK 0.9 billion in Q1 2015 and will be reduced further in 2015.

Capitalisation

The bank's equity stood at DKK 1.7 billion at 31 March 2015. The total capital amounted to DKK 1.6 billion, and the total risk exposure was DKK 8.2 billion at 31 March 2015.

Accordingly, the total capital ratio was 19.9, and the tier 1 capital ratio was 19.4. The bank's individual solvency need was calculated at 13.9%, which means that the total capital ratio exceeded the individual solvency need by 6.0 percentage points.

The total capital of the banking group amounted to DKK 1.5 billion, and the total risk exposure was DKK 8.3 billion at 31 March 2015.

Accordingly, the banking group had a total capital ratio of 18.3, and a tier 1 capital ratio of 18.3. The banking group's individual solvency need was calculated at 13.6%, which means that the total capital ratio exceeded the individual solvency need by 4.7 percentage points.

Capital reservation for credit risk

The banking group's total capital reservation for credit risk amounted to DKK 3,082 million at 31 March 2015, against DKK 3,239 million at 31 December 2014.

The capital reservation equalled 36% of the credit exposure, which was on a par with the level at 31 December 2014.

The capital reservation for the forward-looking portfolio represented 21% of gross loans and advances, and the capital reservation for the winding-up portfolio represented 44% of the credit exposure.

At 31 March 2015, accumulated writedowns amounted to DKK 1,430 million, against DKK 1,458 million at 31 December 2014. Accumulated writedowns broke down as follows at 31 March 2015: DKK 277 million on the forward-looking portfolio and DKK 1,153 million on the winding-up portfolio. To this should be added credit-related value adjustments of mortgage deeds of DKK 728 million.

| CAPITAL RESERVATION | 31.03.2015 | | | | | | 31.12.2014 | | |
|--|------------|--------------|-------------------------------|--|------------------|-------------------|------------------------------|-------------------|------------------------------|
| | DKKmm | Total assets | Credit exposure ^{a)} | Acc. impairment Writedowns ^{b)} | Required capital | Total reservation | Reservation/ credit exposure | Total reservation | Reservation/ credit exposure |
| Forward-looking portfolio | | 2,555 | 2,832 | 277 | 330 | 607 | 21% | 583 | 21% |
| Winding-up portfolio | | 1,889 | 5,613 | 1,881 | 584 | 2,465 | 44% | 2,648 | 45% |
| Total - excl. reverse transactions | | 4,444 | 8,445 | 2,158 | 914 | 3,072 | 36% | 3,231 | 37% |
| Reverse transactions including intercompany transactions | | 33 | 33 | - | 10 | 10 | 32% | 8 | 18% |
| Total group | | 4,477 | 8,478 | 2,158 | 924 | 3,082 | 36% | 3,239 | 37% |

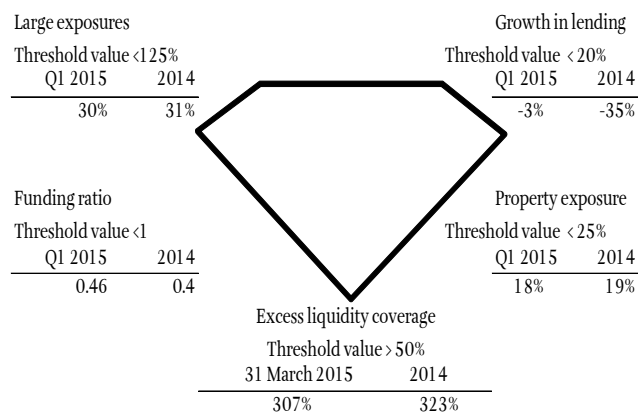
a) Gross lending, residual debt on mortgage deeds and credit exposure through the option agreement with Alm. Brand Forsikring.

b) Including value adjustments of mortgage deeds.

Supervisory diamond

At 31 March 2015, the bank was in compliance with all five threshold values of the Danish FSA's supervisory diamond as shown in the figure below:

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



Major events

Events in Q1 2015

Increase of current account limit

The limit of Alm. Brand Bank's current account with Danmarks Nationalbank was increased from DKK 250 million to DKK 650 million in March. The increase means that more of the bank's excess liquidity can be placed as deposits with Danmarks Nationalbank at 0% interest rather than in the money market, which currently has negative interest.

Outlook

The full-year guidance for the forward-looking activities is maintained at a profit of DKK 40 million in 2015 after impairment writedowns, which are expected to amount to approximately DKK 20 million.

The bank maintains its guidance for a pre-tax loss of DKK 300-350 million from its winding-up activities.

The guidance for the reduction of the bank's winding-up portfolio excluding losses and writedowns of around DKK 200 million in 2015 is maintained.

Statement by the Management Board and the Board of Directors

The Board of Directors and the Management Board have today considered and adopted the interim report of Alm. Brand A/S for the three months ended 31 March 2015.

The consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” as adopted by the EU, and the interim financial statements of the parent company have been prepared in accordance with the Danish Financial Business Act. In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for listed financial enterprises.

In our opinion, the accounting policies applied are appropriate, and the interim report gives a true and fair view of the group’s and the parent company’s assets, liabilities and financial position at 31 March 2015 and of the results of the group’s and the parent company’s operations and the group’s cash flows for the three months ended 31 March 2015.

The Management’s review also gives a true and fair view of developments in the activities and financial position of the group and a true and fair description of significant risk and uncertainty factors that may affect the group.

MANAGEMENT BOARD

Copenhagen, 12 May 2015

Søren Boe Mortensen
Chief Executive Officer

BOARD OF DIRECTORS

Copenhagen, 12 May 2015

Jørgen H. Mikkelsen
Chairman

Boris N. Kjeldsen
Deputy Chairman

Ebbe Castella

Henrik Christensen

Anette Eberhard

Per V. H. Frandsen

Karen Sofie Hansen-Hoeck

Jan Skytte Pedersen

Lars Christiansen

Brian Egested

Helle L. Frederiksen

Susanne Larsen

Balance sheet

| DKKm | Group | | |
|--|------------------|------------------|---------------|
| | 31 March 2015 | 31 March 2014 | Year 2014 |
| Assets | | | |
| Owner-occupied properties | 976 | 1,058 | 1,053 |
| Deferred tax assets | 509 | 550 | 526 |
| Participating interests in joint ventures | 43 | 45 | 44 |
| Reinsurers' share of insurance contracts | 329 | 714 | 322 |
| Current tax assets | 0 | 0 | 9 |
| Other assets | 2,277 | 1,219 | 2,493 |
| Loans | 6,319 | 7,082 | 6,528 |
| Investment properties | 637 | 568 | 542 |
| Investment assets | 25,954 | 26,557 | 26,400 |
| Amounts due from credit institutions and central banks | 655 | 1,249 | 952 |
| Cash in hand and demand deposits | 494 | 181 | 249 |
| Discontinued activities | 0 | 204 | 0 |
| Total assets | 38,193 | 39,427 | 39,118 |
| Liabilities and equity | | | |
| Share capital | 1,735 | 1,735 | 1,735 |
| Reserves, retained profit etc. | 3,169 | 2,846 | 3,025 |
| Proposed dividend | 87 | 0 | 87 |
| Minority interests | 0 | 162 | 0 |
| Consolidated shareholders' equity | 4,991 | 4,743 | 4,847 |
| Subordinated debt | 574 | 874 | 574 |
| Provisions for insurance contracts | 20,839 | 19,902 | 19,449 |
| Other provisions | 37 | 35 | 37 |
| Deferred tax liabilities | 40 | 40 | 40 |
| Issued bonds | 5 | 21 | 21 |
| Current tax liabilities | 18 | 54 | 0 |
| Other liabilities | 1,211 | 1,389 | 1,321 |
| Deposits | 8,995 | 10,210 | 10,857 |
| Payables to credit institutions and central banks | 1,483 | 2,159 | 1,972 |
| Total liabilities and equity | 38,193 | 39,427 | 39,118 |

- Note 1 Own shares
 Note 2 Contingent liabilities, guaranties and leasing
 Note 3 Accounting policies - Group
 Note 4 Financial highlights and key ratios

Income statement

| DKKm | Group | | |
|--|---------------|---------------|---------------|
| | Q1 2015 | Q1 2014 | Year 2014 |
| Income | | | |
| Premium income | 1,665 | 1,629 | 6,301 |
| Interest income etc. | 258 | 264 | 1,076 |
| Fee income etc. | 33 | 25 | 114 |
| Other income from investment activities | -3 | -4 | 1 |
| Income associates | 0 | 2 | 4 |
| Other income | 44 | 35 | 142 |
| Total income | 1,997 | 1,951 | 7,638 |
| Costs | | | |
| Claims incurred | -999 | -1,449 | -4,764 |
| Interest expenses | -53 | -81 | -306 |
| Other cost from investment activities | -16 | -17 | -57 |
| Impairment of loans, advances and receivables, etc. | -51 | -42 | -141 |
| Acquisition and administrative costs | -349 | -339 | -1,343 |
| Total costs | -1,468 | -1,928 | -6,611 |
| Profit from business ceded | -71 | 195 | 43 |
| Change in life insurance provisions | -391 | -185 | -722 |
| Change in collective bonus potential | -174 | -105 | -102 |
| Exchange rate adjustments | 399 | 206 | 306 |
| Tax on pension investment returns | -90 | -59 | -171 |
| Profit/loss before tax, continuing activities | 202 | 75 | 381 |
| Tax, continuing activities | -47 | -18 | -53 |
| Profit/loss after tax, continuing activities | 155 | 57 | 328 |
| Profit on discontinued activities | 0 | 12 | 28 |
| Profit/loss after tax | 155 | 69 | 356 |
| The profit/loss before tax is allocated as follows: | | | |
| Share attributable to Alm. Brand | 202 | 78 | 401 |
| Share attributable to minority shareholders | 0 | 9 | 8 |
| Profit/loss before tax | 202 | 87 | 409 |
| The profit/loss after tax is allocated as follows: | | | |
| Share attributable to Alm. Brand | 155 | 60 | 348 |
| Share attributable to minority shareholders | 0 | 9 | 8 |
| Profit/loss after tax | 155 | 69 | 356 |
| Earnings per share, DKK | 0.9 | 0.3 | 2.0 |
| Diluted earnings per share, DKK | 0.9 | 0.3 | 2.0 |
| Comprehensive income | | | |
| Profit for the period | 155 | 69 | 356 |
| <i>Items that may be recycled to profit or loss</i> | <i>0</i> | <i>0</i> | <i>0</i> |
| <i>Items that may not be recycled to profit or loss:</i> | | | |
| Revaluation of owner-occupied properties | 0 | 0 | 15 |
| Transferred to collective bonus potential | 0 | 0 | -15 |
| Tax on other comprehensive income | 0 | 0 | 0 |
| Total other comprehensive income | 0 | 0 | 0 |
| Comprehensive income | 155 | 69 | 356 |
| Proposed allocation of profit/loss: | | | |
| Proposed dividend | 0 | 0 | 87 |
| Share attributable to Alm. Brand | 155 | 60 | 261 |
| Share attributable to minority shareholders | 0 | 9 | 8 |
| Comprehensive income | 155 | 69 | 356 |

Statement of changes in equity

| DKK ^m | Share capital | Contin- gency funds | Other provi- sions | Retained profit | Proposed dividend | Share- holders' equity | Minority interests | Consoli- dated equity |
|--|---------------|---------------------------|--------------------------|--------------------|----------------------|------------------------------|-----------------------|-----------------------------|
| Shareholders equity, 1 January 2014 | 1,735 | 182 | 1,215 | 1,391 | 0 | 4,523 | 153 | 4,676 |
| Changes in equity Q1 2014: | | | | | | | | |
| Profit/loss for the period | | | | 60 | 0 | 60 | 9 | 69 |
| Total income | 0 | 0 | 0 | 60 | | 60 | 9 | 69 |
| Purchase and sale of treasury shares | | | | -3 | | -3 | | -3 |
| Purchase and sale of treasury shares in subsidiaries | | | | 0 | | 0 | | 0 |
| Share option scheme | | | | 1 | | 1 | | 1 |
| Change in share attributable to minority interest | | | | 0 | | 0 | | 0 |
| Changes in equity | 0 | 0 | 0 | 58 | | 58 | 9 | 67 |
| Shareholders equity, 31 March 2014 | 1,735 | 182 | 1,215 | 1,449 | 0 | 4,581 | 162 | 4,743 |
| Shareholders equity, 1 January 2014 | 1,735 | 182 | 1,215 | 1,391 | 0 | 4,523 | 153 | 4,676 |
| Changes in equity 2014: | | | | | | | | |
| Profit/loss for the year | | | | 348 | 0 | 348 | 8 | 356 |
| 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 |
| Total 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 interest | | | | 0 | | 0 | -161 | -161 |
| Changes in equity | 0 | 0 | 0 | 237 | 87 | 324 | -153 | 171 |
| Shareholders equity, 31 December 2014 | 1,735 | 182 | 1,215 | 1,628 | 87 | 4,847 | 0 | 4,847 |
| Shareholders equity, 1 January 2015 | 1,735 | 182 | 1,215 | 1,628 | 87 | 4,847 | 0 | 4,847 |
| Changes in equity Q1 2015: | | | | | | | | |
| Profit/loss for the period | | | | 155 | | 155 | 0 | 155 |
| Total income | 0 | 0 | 0 | 155 | 0 | 155 | 0 | 155 |
| Purchase and sale of treasury shares | | | | -12 | | -12 | | -12 |
| Share option scheme | | | | 1 | | 1 | | 1 |
| Changes in equity | 0 | 0 | 0 | 144 | 0 | 144 | 0 | 144 |
| Shareholders equity, 31 March 2015 | 1,735 | 182 | 1,215 | 1,772 | 87 | 4,991 | 0 | 4,991 |

Capital target

| DKKm | Total capital 31 March 2015 |
|---|---|
| Equity *) | 4,906 |
| Tax asset | -509 |
| Tier 2 capital | 518 |
| Total Capital for the Group | 4,915 |
| *) reduced by dividend payment approved at the general meeting held on 27 April 2015 | |
| DKKm | Capital target 31 March 2015 |
| Non-life insurance (40% of gross premium income) | 2,028 |
| Life and Pension (8.25% of life insurance provisions) | 933 |
| Banking (16.6% of risk weighted assets) * | 1,384 |
| Alm. Brand A/S buffer, winding-up portfolio (13% of net lending) | 487 |
| Diversification effects | -300 |
| Consolidated capital target | 4,532 |
| *) Calculated as the individual solvency need plus 3 percentage point but not less than 16% | |
| Statutory capital requirement for the group at 31 March 2015 | 2,910 |
| Excess relative to statutory capital requirement | 2,005 |
| Excess relative to internal capital target | 383 |

Cash flow statement

| DKKm | Group | | |
|---|---------------|---------------|---------------|
| | Q1 2015 | Q1 2014 | Year 2014 |
| Cash flows from operating activities | | | |
| Premiums received | 2,614 | 2,367 | 6,213 |
| Claims paid | -1,139 | -1,473 | -5,102 |
| Interest receivable, dividends, etc. | 249 | 649 | 1,373 |
| Interest payable | -36 | -61 | -216 |
| Payments concerning reinsurance | -101 | 103 | 285 |
| Fee income received | 37 | 29 | 90 |
| Fee income paid | -5 | -6 | -17 |
| Expences paid | -474 | -499 | -1,901 |
| Tax on pension investment returns paid | -167 | -48 | -49 |
| Other ordinary income received | 44 | 34 | 142 |
| Taxes paid/received | -3 | 0 | -73 |
| Cash flows from operating activities | 1,019 | 1,095 | 745 |
| Change in investment placement | | | |
| Acquisition of intangible assets, furniture, equipment, etc. | -50 | -35 | -208 |
| Properties acquired or converted | -18 | -139 | -140 |
| Sale/aquisition of equity investments | 150 | 175 | 376 |
| Sale/repayment of mortgage deeds and loans | 178 | 257 | 852 |
| Sale/aquisition of bonds | 1,096 | 473 | -18 |
| Change in investment placement (net) | 1,356 | 731 | 862 |
| Change in financing | | | |
| Sale/purchase of treasury shares | -12 | -3 | -28 |
| Sale/acquisition of subsidiaries (change in minority interests) | 0 | 0 | -153 |
| Subordinated debt | 0 | -228 | -527 |
| Share issue | 1 | 1 | 5 |
| Change in issued bonds | -16 | -10 | -10 |
| Change in deposits | -1,909 | -643 | 4 |
| Change in payables to credit institutions | -490 | -550 | -736 |
| Change in other liabilities | 0 | 3 | 5 |
| Change in financing | -2,426 | -1,430 | -1,440 |
| Net change in cash and cash equivalents | -51 | 396 | 167 |
| Cash and cash equivalents, beginning of period | 1,200 | 1,034 | 1,034 |
| Cash and cash equivalents, end of period | 1,149 | 1,430 | 1,201 |

Segment reporting

Q1 2015

| DKKm | Non-life | Life | Bank | Other | Elimi- nation | Group |
|---|--------------|-------------|-------------|------------|------------------|---------------|
| Premium income | 1,241 | 424 | 0 | 0 | | 1,665 |
| Interest income etc. | 71 | 101 | 87 | 0 | -1 | 258 |
| Fee income etc. | 0 | 0 | 44 | 0 | -11 | 33 |
| Other investment income | 0 | 13 | 0 | 0 | -16 | -3 |
| Income associates | 0 | 0 | 0 | 0 | 0 | 0 |
| Other income | 0 | 0 | 44 | 0 | | 44 |
| Total income | 1,312 | 538 | 175 | 0 | -28 | 1,997 |
| Claims incurred | -723 | -276 | 0 | 0 | | -999 |
| Interest expenses | -14 | -1 | -36 | -3 | 1 | -53 |
| Other investment expenses | -8 | -9 | 0 | -10 | 11 | -16 |
| Provisions for bad and doubtful debts | 0 | 0 | -51 | 0 | | -51 |
| Acquisition and administrative expenses | -202 | -22 | -141 | 0 | 16 | -349 |
| Total expenses | -947 | -308 | -228 | -13 | 28 | -1,468 |
| Result of business ceded | -69 | -2 | 0 | 0 | | -71 |
| Change in life insurance provisions | 0 | -391 | 0 | 0 | | -391 |
| Change in collective bonus potential | 0 | -174 | 0 | 0 | | -174 |
| Exchange rate adjustments | -39 | 453 | -15 | 0 | | 399 |
| Tax on pension investment returns | 0 | -90 | 0 | 0 | | -90 |
| Profit/loss before tax | 257 | 26 | -68 | -13 | 0 | 202 |
| Tax | -61 | -6 | 17 | 3 | | -47 |
| Profit/loss after tax | 196 | 20 | -51 | -10 | 0 | 155 |

Q1 2014

| | | | | | | |
|--|---------------|-------------|-------------|------------|------------|---------------|
| Premium income | 1,239 | 390 | 0 | 0 | | 1,629 |
| Interest income etc. | 54 | 91 | 119 | 0 | 0 | 264 |
| Fee income etc. | 0 | 0 | 32 | 0 | -7 | 25 |
| Other investment income | 0 | 14 | 0 | 0 | -18 | -4 |
| Income associates | 0 | 3 | 2 | 0 | -3 | 2 |
| Other income | 0 | 0 | 35 | 0 | | 35 |
| Total income | 1,293 | 498 | 188 | 0 | -28 | 1,951 |
| Claims incurred | -1,094 | -355 | 0 | 0 | | -1,449 |
| Interest expenses | -16 | -1 | -61 | -3 | 0 | -81 |
| Other investment expenses | -6 | -7 | 0 | -11 | 7 | -17 |
| Provisions for bad and doubtful debts | 0 | 0 | -42 | 0 | | -42 |
| Acquisition and administrative expenses | -209 | -21 | -127 | 0 | 18 | -339 |
| Total expenses | -1,325 | -384 | -230 | -14 | 25 | -1,928 |
| Result of business ceded | 198 | -3 | 0 | 0 | | 195 |
| Change in life insurance provisions | 0 | -185 | 0 | 0 | | -185 |
| Change in collective bonus potential | 0 | -105 | 0 | 0 | | -105 |
| Exchange rate adjustments | -34 | 261 | -21 | 0 | | 206 |
| Tax on pension investment returns | 0 | -59 | 0 | 0 | | -59 |
| Profit/loss before tax, continuing activities | 132 | 23 | -63 | -14 | -3 | 75 |
| Tax, continuing activities | -33 | -6 | 17 | 4 | | -18 |
| Profit/loss after tax, continuing activities | 99 | 17 | -46 | -10 | -3 | 57 |
| Profit on discontinued activities | | | 12 | | | 12 |
| Profit/loss after tax | 99 | 17 | -34 | -10 | -3 | 69 |

Notes

| DKKm | Group | | |
|--|--------------|--------------|--------------|
| | Q1 2015 | Q1 2014 | Year 2014 |
| Note 1 Own Shares | | | |
| Carrying amount, beginning of year | 0 | 0 | 0 |
| Value adjustments | -12 | -3 | -28 |
| Acquired during the period | 12 | 3 | 28 |
| Sold during the period | 0 | 0 | 0 |
| Carrying amount, end of period | 0 | 0 | 0 |
| Nominal value, beginning of year | 38 | 28 | 28 |
| Acquired during the period | 3 | 2 | 10 |
| Sold during the period | 0 | 0 | 0 |
| Nominal value, end of period | 41 | 30 | 38 |
| Holding number of shares (1,000), beginning of year | 3,838 | 2,845 | 2,845 |
| Additions, number of shares | 307 | 120 | 993 |
| Disposals, number of shares | 0 | 0 | 0 |
| Holding number of shares (1,000), end of period | 4,145 | 2,965 | 3,838 |
| Percentage of share capital, end of period | 2.4% | 1.7% | 2.2% |

Note 2 Contingent liabilities, guaranties and leasing

| | | | |
|------------------------------|--------------|--------------|--------------|
| Guarantee commitments | 1,236 | 1,128 | 1,235 |
|------------------------------|--------------|--------------|--------------|

Note 3 Accounting policies - Group

The consolidated interim report has been prepared in compliance with IAS 34 "Interim Financial Reporting" and the requirements of the Danish Financial Business Act and NASDAQ OMX Copenhagen A/S applying to interim financial reporting of Danish listed financial enterprises. The application of IAS 34 means that the report is limited relative to the presentation of a full annual report.

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 profession-specific pension funds.

The accounting policies applied for the consolidated financial statements are unchanged from the policies applied for the Annual Report 2014.

The accounting policies of the parent company are described in connection with the parent company's interim report, as detailed in a separate section of this report.

The interim report for the three months ended 31 March 2015 is unaudited.

Note 4 Financial highlights and key ratios

Referring to management's report.

Balance sheet

| DKKm | Note | Parent company | | |
|--|------|------------------|------------------|--------------|
| | | 31 March 2015 | 31 March 2014 | Year 2014 |
| Assets | | | | |
| Investment in group enterprises | 1 | 5,149 | 4,668 | 4,984 |
| Total investments in group enterprises and associates | | 5,149 | 4,668 | 4,984 |
| Equity investments | | 0 | 1 | 0 |
| Other loans and advances | | 2 | 2 | 2 |
| Deposits with credit institutions | | 25 | 170 | 95 |
| Cash in hand and balances at call | | 9 | 12 | 0 |
| Total other financial investment assets | | 36 | 185 | 97 |
| Total investment assets | | 5,185 | 4,853 | 5,081 |
| Receiveables from group enterprises | | 13 | 0 | 0 |
| Other receivables | | 35 | 37 | 48 |
| Total receivables | | 48 | 37 | 48 |
| Current tax assets | | 49 | 13 | 43 |
| Deferred tax assets | | 15 | 12 | 15 |
| Total other assets | | 64 | 25 | 58 |
| Total assets | | 5,297 | 4,915 | 5,187 |
| Liabilities and equity | | | | |
| Share capital | | 1,735 | 1,735 | 1,735 |
| Other provisions | | 1,215 | 1,215 | 1,210 |
| Proposed dividend | | 87 | 0 | 87 |
| Retained earnings | | 1,954 | 1,631 | 1,815 |
| Total shareholders' equity | | 4,991 | 4,581 | 4,847 |
| Subordinated debt | | 250 | 250 | 250 |
| Subordinated debt | | 250 | 250 | 250 |
| Deferred tax liabilities | | 40 | 40 | 40 |
| Total provisions | | 40 | 40 | 40 |
| Payables to group enterprises | | 1 | 5 | 19 |
| Issued bonds | | 5 | 21 | 21 |
| Other payables | | 10 | 18 | 10 |
| Total payables | | 16 | 44 | 50 |
| Total liabilities and equity | | 5,297 | 4,915 | 5,187 |

Income statement

| DKKm | Note | Parent company | | |
|--|------|----------------|------------|--------------|
| | | Q1 2015 | Q1 2014 | Year 2014 |
| Income statement | | | | |
| Income from group enterprises | 2 | 165 | 70 | 388 |
| Interest expenses | | -3 | -3 | -14 |
| Administrative expenses related to investment activities | | -10 | -11 | -39 |
| Profit/loss before tax | | 152 | 56 | 335 |
| Tax | | 3 | 4 | 13 |
| Profit/loss for the year | | 155 | 60 | 348 |
| Proposed allocation of loss: | | | | |
| Proposed dividend | | 0 | 0 | 87 |
| Retained earnings | | 155 | 60 | 261 |
| Profit/loss for the year | | 155 | 60 | 348 |
| Comprehensive income | | | | |
| Profit/loss for the year | | 155 | 60 | 348 |
| Comprehensive income | | 155 | 60 | 348 |
| Proposed allocation of loss: | | | | |
| Proposed dividend | | 0 | 0 | 87 |
| Retained earnings | | 155 | 60 | 261 |
| Comprehensive income | | 155 | 60 | 348 |

Accounting policies

3

Statement of changes in equity

| DKKkm | Share capital | Other provisions | Retained earnings | Proposed dividend | Shareholders' equity |
|--|---------------|------------------|-------------------|-------------------|----------------------|
| Shareholders' equity at 1 January 2014 | 1,735 | 1,215 | 1,573 | 0 | 4,523 |
| Changes in equity Q1 2014: | | | | | |
| Profit/loss for the year | | | 60 | 0 | 60 |
| Comprehensive income | | | 60 | 0 | 60 |
| Purchase and sale of treasury shares | | | -3 | | -3 |
| Purchase and sale of treasury shares in subsidiaries | | | 0 | | 0 |
| Share option scheme | | | 1 | | 1 |
| Changes in equity | 0 | 0 | 58 | 0 | 58 |
| Shareholders' equity at 31 March 2014 | 1,735 | 1,215 | 1,631 | 0 | 4,581 |
| Shareholders' equity at 1 January 2014 | 1,735 | 1,215 | 1,573 | 0 | 4,523 |
| Changes in 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 |
| Changes in equity | 0 | 0 | 237 | 87 | 324 |
| Shareholders' equity at 31 December 2014 | 1,735 | 1,215 | 1,810 | 87 | 4,847 |
| Shareholders' equity at 1 January 2015 | 1,735 | 1,215 | 1,810 | 87 | 4,847 |
| Changes in equity Q1 2015: | | | | | |
| Profit/loss for the year | | | 155 | 0 | 155 |
| Comprehensive income | | | 155 | | 155 |
| Purchase and sale of treasury shares | | | -12 | | -12 |
| Share option scheme | | | 1 | | 1 |
| Tax on changes recognised in equity | | | 0 | | 0 |
| Changes in equity | 0 | 0 | 144 | 0 | 144 |
| Shareholders' equity at 31 March 2015 | 1,735 | 1,215 | 1,954 | 87 | 4,991 |

Notes

| DKKm | Q1 2015 | Q1 2014 | Year 2014 |
|--|--------------|--------------|--------------|
| Note Investment in group enterprises | | | |
| Cost beginning of year | 8,790 | 8,491 | 8,491 |
| Additions | 0 | 400 | 400 |
| Disposals | 0 | 0 | -101 |
| Cost, year-end | 8,790 | 8,891 | 8,790 |
| Revaluation and impairment beginning of year | -3,806 | -3,792 | -3,793 |
| Dividend received | 0 | -500 | -500 |
| Profit/loss for the period | 165 | 70 | 388 |
| Reversal of impairment, cessation | 0 | 0 | 100 |
| Revaluation and impairment of treasury shares in subsidiaries | 0 | -1 | -1 |
| Revaluation and impairment, year-end | -3,641 | -4,223 | -3,806 |
| Investment in group enterprises, year-end | 5,149 | 4,668 | 4,984 |
| Specification of carrying amount: | | | |
| Alm. Brand Bank A/S (DKK 1,021 million nominal value wholly owned) | 1,691 | 1,857 | 1,743 |
| Alm. Brand Forsikring A/S (DKK 1,032 million nominal value wholly owned) | 3,458 | 2,810 | 3,241 |
| Asgaard Finans A/S (liquidated on 30 December 2014) | 0 | 1 | 0 |
| Investment in group enterprises, year-end | 5,149 | 4,668 | 4,984 |
| Note Income from group enterprises | | | |
| Alm. Brand Bank A/S | -52 | -46 | -159 |
| Alm. Brand Forsikring A/S | 217 | 116 | 547 |
| Asgaard Finans A/S (liquidated on 30 December 2014) | 0 | 0 | 0 |
| Total income from group enterprises | 165 | 70 | 388 |
| <i>The results are recognised in the following items:</i> | | | |
| Income from group enterprises | 165 | 70 | 388 |
| Total income from group enterprises | 165 | 70 | 388 |

Note 3 Accounting policies parent company

The interim report is presented in compliance with the Danish Financial Business Act, including the Executive Order on financial reports presented by insurance companies and profession-specific pension funds.

In addition, the interim report has been presented in accordance with additional Danish disclosure requirements for the interim reports of listed financial enterprises.

The accounting policies of the parent company on the recognition and measurement are in accordance with the accounting policies of the group, except for the following point:

Investments in subsidiaries are recognised and measured at the parent company's share of the subsidiaries' net asset value at the balance sheet date. The value of Pensionskassen under Alm. Brand A/S is not recognised in the balance sheet but is exclusively disclosed as a contingent liability.

The accounting policies are unchanged from the policies applied in the Annual Report 2014.

The interim report for the three months ended 31 March 2015 is unaudited.