



MAJ
INVEST

HOLDING

ANNUAL REPORT
2014



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MANAGEMENT'S REVIEW

COMPANY INFORMATION

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AUDITORS

Ernst & Young P/S

BOARD OF DIRECTORS

Tommy Pedersen, Chairman
Peter Damgaard Jensen, Vice Chairman
Hans Jensen
Peter Korsholm
Ruth Schade
Klaus Bentin (elected by staff)
Ken Bamberg Ernstsén (elected by staff)
Morten Rask Nymark (elected by staff)

EXECUTIVE BOARD

Jeppe Christiansen
Erik Holm
Henrik Parkhøi
Steffen Stæhr



MAJ INVEST'S EXECUTIVE BOARD - STEFFEN STÆHR, CFO; JEPPE CHRISTIANSEN, CEO; HENRIK PARKHØI, MANAGING DIRECTOR; ERIK HOLM, MANAGING DIRECTOR

FINANCIAL HIGHLIGHTS - GROUP

INCOME STATEMENT (PRINCIPAL ITEMS)

DKK thousand	2014	2013	2012	2011	2010
Total gross income	311,334	347,061	263,580	248,778	222,021
- Net interest and fee income	291,956	327,014	238,555	232,740	205,848
- Market value and currency translation adjustments	8,883	6,380	9,063	2,746	3,000
- Other operating income	10,495	13,667	15,961	13,292	13,173
Staff costs and administrative expenses	(175,615)	(158,004)	(175,752)	(208,544)	(177,375)
Net profit for the year	100,374	139,699	63,480	26,854	31,535

BALANCE SHEET

Shareholders' equity	507,191	450,014	260,166	211,945	204,965
Total assets	659,524	605,471	513,419	447,845	445,868

RATIOS AND KEY FIGURES

Return on equity before tax	27.9%	52.2%	35.8%	17.4%	22.1%
Return on equity after tax	21.0%	39.3%	26.9%	12.9%	16.6%
Cost/income ratio	1.75	2.15	1.47	1.17	1.23
Cost in per cent of income	57.2%	46.5%	67.9%	85.4%	81.0%
Tier 1 capital ratio	43.8%	48.7%	37.3%	36.2%	41.2%
Capital ratio	43.8%	48.7%	48.5%	49.8%	56.8%
Own funds in relation to minimum capital requirements	5.48	6.09	6.06	6.23	7.10

Ratios and key figures are drawn up in compliance with the definitions of the Danish Financial Supervisory Authority (FSA).

HIGHLIGHTS AND MAJOR EVENTS

FINANCIAL YEAR 2014

Our business volume has continued to grow in 2014 with increasing focus on the internationalisation strategy defined earlier. Net profit for the year was on a level with our estimate and is satisfactory. Some of the highlights are:

- Net profit for the year after tax was DKK 100.4 million in 2014 against DKK 139.7 million in 2013.
- With an average rate of return on equity of 21.0 per cent, shareholders' equity was DKK 507 million at year-end 2014.
- The group's own funds totalled DKK 404.3 million at year-end 2014. With a capital ratio of 43.8 per cent this is considerably higher than the statutory minimum requirement, and the group continues to be very financially solid.
- In early 2014 the group opened a representative office in London with the purpose of selling the group's products to international clients.
- In the reporting period, the group also set up in Singapore, Indonesia and Peru and is now represented in six countries in total.
- Maj Invest Asset Management has experienced a boost in the number of clients in all client segments.
- Several of Maj Invest Asset Management's products have showed high performance, also in an international perspective.
- Investeringsforeningen Maj Invest (mutual fund) stayed on the growth track of previous years and is now past DKK 10 billion in assets.
- Maj Invest Equity provided consultancy services in connection with the sale of three companies and Maj Invest Equity 4 K/S' investments in the chain of dental clinics Godt Smil, the design company Muuto and ProLøn.
- Maj Invest Equity A/S has obtained alternative investment fund manager approval from the Danish Financial Supervisory Authority.
- Maj Invest Equity International provided advisory services on an investment for the micro-finance fund and the sale of a portfolio company for the Vietnam fund.

CORPORATE DEVELOPMENT SINCE OUR START IN 2005

Since setting up business in May 2005, the group has developed favourably in terms of both business volume and number of clients. The group has two core business activities, asset management and private equity. With the opening of a representative office in London, the group continues to see a rise in the level of activity with enhanced focus on international activities. The representative office has been set up with the purpose of selling the group's products to international clients. In addition, the group has set up in Singapore, Indonesia and Peru to support Maj Invest Equity International's activities. With its recent establishments, the group is now represented in six countries.

The development in our activities can be seen in Milestones on the next page.

The group has two principal business areas: Maj Invest Asset Management and Maj Invest Equity, whose products supplement each other.

■ Maj Invest Asset Management provides advisory services on asset allocation and asset management (listed securities). Our clients are institutional investors, Investeringforeningen Maj Invest (mutual fund) in Denmark, and the mutual fund Maj Invest Funds in Luxembourg.

■ Maj Invest Formueforvaltning (wealth management) provides advisory services on wealth ma-

agement to wealthy clients, companies and funds.

■ Maj Invest Investor Relations & Markets is responsible for stock exchange trading and handles group client relations. The department also supplies distributors with information on Investeringforeningen Maj Invest and prepares promotional products for financial institutions.

■ Maj Invest Equity provides investment advisory services to private equity funds investing in unlisted equities in Denmark and abroad. In Denmark we extend our services to four funds and provide discretionary investment advisory services in respect of portfolios of unlisted equities.

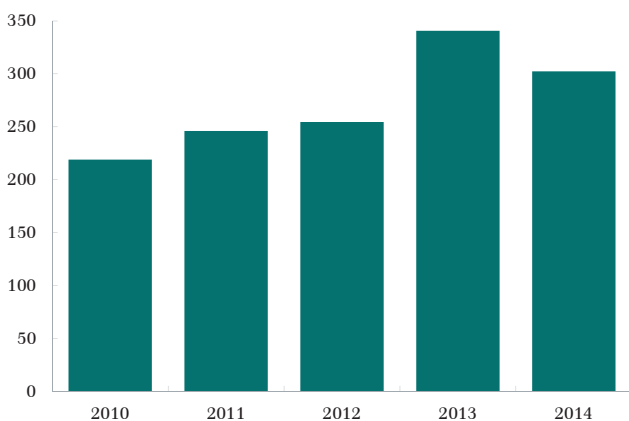
■ Maj Invest Equity International provides investment advisory services to three funds that carry out activities in Vietnam and Southeast Asia as well as within microfinance.

Total assets under management constituted approximately DKK 35 billion at year-end. In 2014 the group employed an average of 95 employees.

We are currently adapting the range of products and services we offer, and as a part of the group's international strategy we focus on selling selected products to international clients. ■

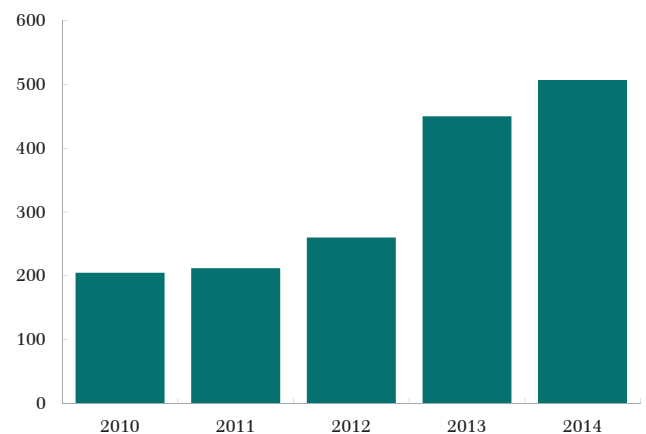
NET INTEREST AND FEE INCOME, ETC.

DKK million



DEVELOPMENT IN SHAREHOLDERS' EQUITY

DKK million



MILESTONES

2014
Company in Singapore and representative offices in London and Jakarta established. Maj Invest South America, Peru established

2012
Equity fund sinAI and private equity fund EFIF established

2010
Private equity fund Danish Microfinance Partners set up

2008
Investeringsforeningen Maj Invest (mutual fund) receives first Morningstar® rating

2006
Private equity fund LD Equity 1 and Markets set up

20 May 2005
Permit received from the Danish FSA. Fondsmæglerselskabet Maj Invest A/S established

2013
The mutual fund Maj Invest Funds (Luxembourg) is set up

2011
Private equity fund Maj Invest Equity 4 set up

2009
Wealth Management and private equity fund LD Invest Vietnam established

2007
Activities taken over from Dansk Erhvervsinvestering, and private equity fund LD Equity 3 set up

2005
Private equity fund LD Equity 2 and Investeringsforeningen Maj Invest (mutual fund) set up



DEVELOPMENT IN BUSINESS AREAS

INVESTMENT PHILOSOPHY

We focus on long-term value creation for our clients, because the short-term development is driven by unpredictable factors.

MAJ INVEST ASSET MANAGEMENT

Maj Invest Asset Management offers services encompassing advice on portfolio and investment decisions and asset management of listed products extended to large professional clients and institutional investors.

Our advisory function builds on a long-term strategy based on analyses of structural conditions and scenarios in global financial markets. The key concepts of our strategy are risk diversification and risk analysis, as expressed in our analyses of trends and themes in the financial markets.

The products offered by Maj Invest Asset Management have generally performed well compared with benchmarks and also shown noteworthy results in an international perspective.

At year-end 2013 Maj Invest Asset Management launched investment advisory services in emerging markets equities through a mutual fund residing in Luxembourg, and at year-end 2014 Maj Invest Asset Management further launched investment advisory services in value equities in the same Luxembourg-based mutual fund. This combined with a high performance compared with benchmarks has resulted in an increase in assets under management. Thus, assets under management in global value equities increased by 32 per cent in all client segments whereas assets under management in emerging markets equities rose by 39 per cent in all client segments.

Together with investors it was decided to close the long-short equity fund sinAI, which was based on neural net-

work technology, in the first half of 2014. The decision was made as a result of returns not living up to expectations.

In the period under review, Maj Invest Asset Management has seen a fair increase in the number of new clients. However, total assets under management fell DKK 4 billion to DKK 30 billion in the reporting period. This decline in assets under management can be attributed to the fact that Maj Invest Asset Management did not win a large fixed-income mandate already under management. Isolated, this has resulted in a decline in assets under management of DKK 10 billion compared with last year. Disregarding this, assets under management rose by 25 per cent in 2014.

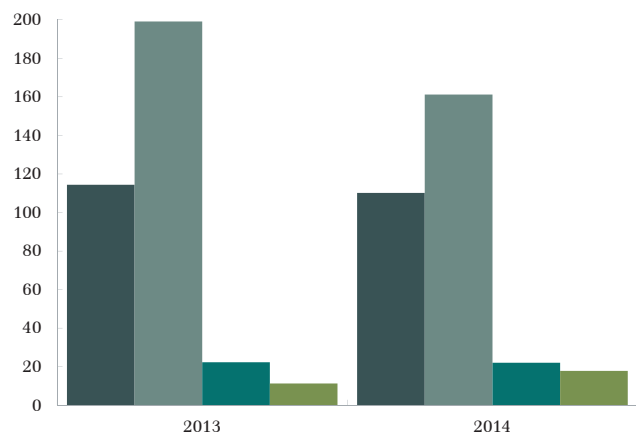
INVESTERINGSFORENINGEN MAJ INVEST (MUTUAL FUND)

Maj Invest Asset Management acts as investment advisor to Investeringsforeningen Maj Invest, Denmark's second largest independent mutual fund. Investeringsforeningen Maj Invest consists of eleven funds.

NET INTEREST AND FEE INCOME, MARKET VALUE AND CURRENCY TRANSLATION ADJUSTMENTS AND OTHER OPERATING INCOME

■ Asset Management ■ Equity
■ Equity International ■ Treasury

DKK million



INTERNATIONAL CLASS

Measured in terms of return since launch at year-end 2005, the Maj Invest Pension fund ranks 20 out of 517 balanced funds offered in Europe within the Morningstar category Balanced EUR Moderate Risk - Global. Maj Invest Pension ranks third compared to the funds offered to private individuals in Denmark.

The fixed-income funds Maj Invest Danske Obligationer and Maj Invest Obligationer rank 4 and 7, respectively in their Morningstar categories on a nine-year basis among all European mutual and other funds. Compared to funds offered to private individuals in Denmark, Maj Invest Obligationer is taking the lead.

The global equity funds Value Aktier and Aktier rank 8 and 49, respectively, in the same period among 744 mutual and other funds in Europe in the category Global Large-Cap Blend. Compared to the funds offered to private individuals in Denmark, Maj Invest Value Aktier is taking the lead in the category whereas Maj Invest Aktier ranks 5.

Note: Return after costs in the period 1/1-2006 to 31/12-2014. Only funds with a track record covering the entire period are included. Source: Morningstar Direct.

In 2014 the mutual fund fortified its position as an independent alternative to the banks' mutual funds by ensuring sound investment results. This together with net new sales increased the fund's assets by DKK 2.0 billion to DKK 10.4 billion.

With assets under management growing by 23 per cent, Investeringsforeningen Maj Invest gained mar-

ket share in the Danish retail market, which grew by 14 per cent.

From the perspective of the funds' Morningstar Kategori™, the actively managed funds with a long track record have outperformed benchmarks since the launch of the mutual fund. Morningstar® is an international



MAJ INVEST ASSET MANAGEMENT - KURT KARA, HEAD OF EQUITIES, VALUE EQUITIES; PASCAL PIERRE LASNIER, HEAD OF EQUITIES, EMERGING MARKETS; HENRIK EKMAN, HEAD OF EQUITIES, GLOBAL & DANISH EQUITIES; KELD HENRIKSEN, HEAD OF EQUITIES, DANISH EQUITIES; PETER MOSBÆK, CIO, HEAD OF FIXED INCOME; ARVID STENTOFT JAKOBSEN, CHIEF ECONOMIST

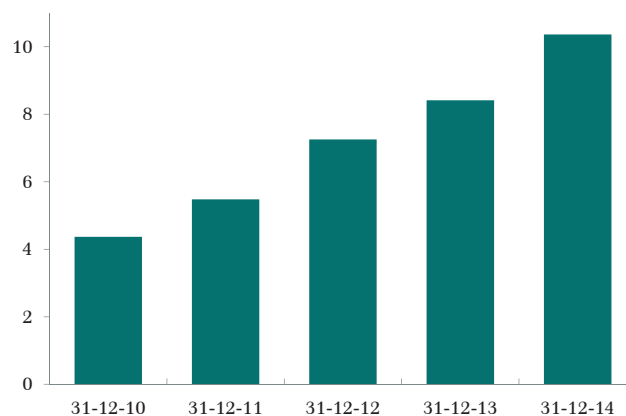
investment research firm assessing returns and risks in mutual and other funds.

At year-end 2013 *Investeringsforeningen Maj Invest* launched the *Maj Invest Emerging Markets* fund. While many competing products focus on large countries such as Brazil and China, our emerging markets fund also looks at opportunities for the next generation of emerging markets countries, including Indonesia, Vietnam and Mexico. The philosophy of the fund is to make selective investments in quality companies expected to generate both earnings and growth, and which carry out business activities in favourable macroeconomic climates. In 2014 the fund welcomed 3,600 new investors and increased assets to DKK 500 million as a result of a great interest from both distributors and independent investors.

On 12 March 2014 the independent investment research firm Morningstar awarded the *Maj Invest Danske Obligationer* fund (Danish bonds). The fund received a Morningstar Fund Award and won in the

DEVELOPMENT IN ASSETS

DKK billion



category "Bedste Danske Obligationer" (best Danish bonds). This is the third time that the *Danske Obligationer* fund is awarded by Morningstar, also winning in 2011 and 2013.

INVESTERINGSFORENINGEN MAJ INVEST - RETURNS IN PER CENT							SINCE ESTABLISHMENT ¹⁾ (P.A.)		
	2009	2010	2011	2012	2013	2014	Returns	Performance compared to index	Performance compared to Morningstar
Danske Aktier	47.4	26.1	-19.8	26.1	35.7	15.3	9.5	+1.1	+1.2
Europa Aktier	25.9	7.6	-6.1	15.6	15.8	6.5	0.8	-0.1	+1.0
Aktier	30.1	24.4	-4.7	8.3	20.3	8.6	6.2	+0.8	+2.3
Value Aktier	42.3	25.5	0.6	12.0	19.0	26.3	8.5	+3.0	+4.7
Emerging Markets ²⁾	-	-	-	-	-	9.7	10.6	-1.2	-0.7
Global Sundhed ³⁾	41.4	5.5	-16.1	13.9	26.5	23.9	24.4	+6.1	-3.9
Danske Obligationer	6.3	5.6	6.6	5.9	3.0	4.8	4.7	+0.5	+0.9
Obligationer	9.8	6.4	3.9	10.5	0.2	6.9	4.9	+0.7	+2.4
Pension	12.6	13.3	1.4	10.5	8.5	7.4	5.5	-	+3.7
Kontra	8.6	12.3	7.3	-0.3	-6.8	9.0	6.2	-	-
Makro ⁴⁾	-	-	-	-	2.4	13.6	8.9	-	+4.3

Notes: Performance since establishment is shown in relation to the comparison index of the individual fund. The Pension, Kontra and Makro funds do not have an official comparison index. Performance in relation to Morningstar Kategori™ is calculated based on the comparable category of (and data from) Morningstar®, which includes comparable funds in Europe. Performance in relation to Morningstar Kategori™ is calculated on a month-by-month basis since launch and until 31 December 2014.

1) Per annum since the launch of the individual funds.

2) Launched 16 December 2013.

3) Performance compared to Morningstar Kategori™ since the portfolio's shift to current investment focus on 28 February 2013.

4) Returns in 2013 concern the period from 22 March 2013 to 31 December 2013.

Seven of Investeringforeningen Maj Invest's funds have more than a three-year track record within their investment area and are thus rated by Morningstar. At year-end the Danske Aktier fund achieved a two-star rating whereas the funds Europa Aktier and Aktier both achieved a three-star rating. The fixed-income fund Danske Obligationer achieved a four-star rating whereas the funds Value Aktier, Obligationer and Pension all achieved five-star ratings. Five stars place the fund among the top ten per cent in its category in Europe. The remaining four funds have not been rated as they have either changed category or have been launched within the last three years and are thus not rated.

Morningstar's evaluation and rating show that the advisory services provided by Maj Invest Asset Management to Investeringforeningen Maj Invest create stable results and label Investeringforeningen Maj Invest's funds as quality products matching competitive products.

The objective is for each fund to offer high quality and achieve good results. Overall, the rating places Investeringforeningen Maj Invest as the best mutual fund in Denmark at year-end 2014 when it comes to the average number of stars achieved.

MAJ INVEST FORMUEFORVALTNING (WEALTH MANAGEMENT)

Maj Invest Formueforvaltning provides wealthy clients with advisory services concerning asset allocation and asset management of listed securities and funds. The key concepts are a stringent investment process with solid focus on risk management and long-term asset savings for clients.

Maj Invest Formueforvaltning supplements other corporate activities and draws on both the group's asset management and analytical skills when advising clients.

In 2014 our wealth management business developed favourably once again in terms of the number of clients as well as assets under management.

As a result of healthy returns as well as influx of clients and expansion of the business volume with existing clients, the performance-based fees were also in 2014 on a satisfying level.

The upturn is expected to continue over the years to come.

MAJ INVEST INVESTOR RELATIONS & MARKETS

Investor Relations handles group client relations by being the communication link between clients and investment staff. The department is the hub from which we enter into distribution agreements and provide distributors with information about Investeringforeningen Maj Invest.

The department provides services to existing group clients and also focuses on outreaching sales work in relation to potential new clients. This has resulted in a cumulative inflow of new client contracts in the period under review.

Investor Relations has been the hub from which the expansion of the Luxembourg-based mutual fund Maj Invest Funds has taken place in 2014, enabling investments in global value equities in addition to emerging markets equities.

Maj Invest Markets trades in both Danish and foreign equities. Our Markets department provides services to professional investors and is an authorised Nasdaq OMX Nordic stock exchange trader.

Maj Invest Markets offers professional advisory services building on many years' experience in investment consultancy and securities trading with a competitive price structure. We offer professional advice about equity investments based on the client's profile and requirements and underpinned by comprehensive analyses, superior professional qualifications and a high degree of service. We attach great importance to long-term client relations, making it our mission to collaborate with and create value for our clients.

Our clients have access to information and other advisory material regarding developments in the financial markets. Our arrangements with large international investment banks also enable Maj Invest Markets to offer advisory services on and trade in foreign equities. As part of our service we also provide information about the various funds of Investeringsforeningen Maj Invest (mutual fund).

Maj Invest Markets' market-making activities have grown in recent years. In addition to being a market maker for all funds of Investeringsforeningen Maj Invest (mutual fund), Maj Invest Markets is a market maker in respect of the equities of listed companies.

MAJ INVEST EQUITY

Maj Invest Equity provides advisory services on investments in unlisted equities, primarily through consultancy arrangements with our private equity funds LD Equity 1, 2 and 3 and Maj Invest Equity 4 and via a consultancy mandate for large clients.

In the four private equity funds, Maj Invest Equity invests in unlisted Danish companies (private equity), and the investment strategy differs from that of most other private equity funds in Denmark by also investing in minority interests, albeit minimum 30 per cent. Maj Invest Equity focuses on small and medium-sized enterprises with revenues between DKK 100 million and DKK 1 billion (with emphasis on DKK 200-700 million) operating in industry, trade and services, particularly in sectors such as food, health, environment, energy and technology.

Investments are based on a number of criteria centred on enabling Maj Invest Equity to help create value. Investments are typically made in companies in which the existing group of owners wishes to net a profit and take the company to the next level in cooperation with a dynamic partner. Basically, this demands a considerable potential for operational and industrial value creation with a strong management and organisation also geared for change. Maj Invest Equity has focus on an in-



MAJ INVEST EQUITY - NIELS TOFT, PARTNER; NIELS RETBØLL, PARTNER; ERIK HOLM, MANAGING PARTNER; JAN HOVE SØRENSEN, PARTNER; MAD S ANDERSEN, PARTNER; PER HØHOLT, PARTNER

depth adaptation of expectations with investment partners through a discussion of transparent plans, ambitions and objectives, as well as plans for actions after the investment has been made. Enterprises must be focused on competences creating a competitive edge in the market, and management and owners must agree on a solid and carefully considered strategy and business plan. Partnership is key to collaboration with other shareholders, management and business partners.

Maj Invest Equity has seen a keen interest in portfolio companies and has experienced a large deal flow. In the reporting period, Maj Invest Equity has acted as advisor in connection with the sale of three portfolio companies as well as provided advisory services to Maj Invest Equity 4 K/S on investments in the chain of dental clinics Godt Smil, the design company Muuto and ProLøn, which provides solutions on wage administration. Following the acquisition of these portfolio companies, Maj Invest Equity 4 K/S' portfolio now comprises six companies.

In 2015 continued expansion of the number of portfolio companies in Maj Invest Equity 4 is expected as well as a number of exits from LD Equity 1, 2 and 3.

In 2014 the subsidiary Maj Invest Equity A/S, in which part of the private equity activities take place, obtained approval from the Danish Financial Supervisory Authority (FSA) pursuant to the Act on Alternative Investment Fund Managers and is now subject to the FSA's regulation and supervision.

MAJ INVEST EQUITY INTERNATIONAL

We carry on our international activities under the name of Maj Invest Equity International. Our group acts as advisor to three private equity funds investing in Vietnam, Southeast Asia and within microfinancing.

The experience and expertise gained throughout the years from advisory services on private equity investments in Denmark have also been used internationally. Thus, the investment process is very similar to



MAJ INVEST EQUITY INTERNATIONAL - JOAQUIN COSTA, PARTNER; KASPER SVARRER, PARTNER; THOMAS RIIS, INVESTMENT MANAGER; JAKOB VESTERGAARD, CORPORATE ATTORNEY; TORBEN KJÆR, PARTNER; MARIANNE SETTNES, GENERAL COUNSEL, HEAD OF LEGAL & COMPLIANCE

NEW STRUCTURE REGARDING POTENTIAL INVESTMENTS IN ENERGY AND FERTILIZER PLANTS

In 2012 Maj Invest Equity International established The Energy and Fertilizer Investment Fund K/S together with Danish pension funds with the purpose of investing in energy and fertilizer plants. Locating the right investments has proven to be a longer process than expected. As a consequence it was decided to close the fund at year-end 2014.

We will carry on with the investment concept in a discretionary form as a result of investors showing a continued interest in this type of investment and an interesting deal flow.

the strategy applied in connection with the acquisition and sale of Danish companies and also the value creation process in the holding period. By supplementing these competences with local knowledge, each fund obtains strong competitive power. In addition to Denmark, the group's international private equity activities are also represented in Vietnam, Singapore, Indonesia and Peru.

Our group acts as advisor to LD Invest Vietnam K/S on investments in companies in Vietnam. An attractive and varied portfolio of investments in Vietnamese companies with activities in production, service industries, education and IT has been created. For the majority of investments, value creation is based on growing Vietnamese purchasing power, and for the remaining it is based on exports to international markets. The fund is already fully invested and therefore focus in 2014 has been on further developing and providing advisory services on the sale of portfolio companies. Hence, in 2014 the group provided advisory services on the first sale of a portfolio company in the fund.

The group's subsidiary Maj Invest Vietnam Management Consultancy LLC provides consultancy to Fondsmæglerselskabet Maj Invest A/S concerning private equity investments in Vietnam. The office consists of four permanent staff members with a large network and profound knowledge of the Vietnamese business environment.

In January 2015 a follow-up private equity fund, Maj Invest Equity Southeast Asia II K/S, was established.

The fund will focus on further investments in Vietnam and Indonesia as continued economic growth and attractive investment opportunities are expected in these regions. In this context, the group opened a company in Singapore in 2014, which has set up a representative office in Indonesia. The fund's first closing commitments total USD 90 million.

The group also acts as advisor to Danish Microfinance Partners K/S. This fund invests directly or indirectly in microfinance institutions in Latin America, Asia and Africa. Normally, microfinance institutions are banks offering financial services to a group of clients with no access to the financial services offered by traditional commercial banks. Typical services include savings, insurance and small loans with short maturity. Loans are granted to groups or individual clients.

Our microfinance fund has made a total of six investments; two in India, three in Latin America, and one in Africa/China. In 2014 the fund acquired further shares in one of the portfolio companies.

The fund is expected to get further investment opportunities in 2015, with Latin America being the focus of special attention. In this context, we established Maj Invest South America S.A. in Peru in 2014, and the purpose of the office is to provide consultancy services to the group on microfinance investments.

PERFORMANCE-BASED MANAGEMENT FEE AND BONUS SCHEME IN OUR PRIVATE EQUITY FUNDS

As is customary in our sector, the group and our clients, including investors in the private equity funds,

have made agreements regarding performance-based management fees/carried interest. Under these schemes Fondsmæglerselskabet Maj Invest A/S - and in the new private equity funds Maj Invest Equity A/S - can, upon agreement, typically receive a performance-based management fee/carried interest in addition to the fixed fee if the individual fund generates excess returns. The fee is usually 20 per cent or higher of that part of the investment return that exceeds an agreed hurdle rate of 8 per cent or higher in average annual return over the total life of the fund or contract.

As part of the fund agreements, Fondsmæglerselskabet Maj Invest A/S has in the early established funds undertaken to use typically 50 per cent of the performance-based management fees on an incentive scheme intended for Maj Invest Equity staff involved in such investments. Fund agreements in the new funds stipulate that Maj Invest Equity staff involved in such in-

vestments will receive minimum 50 per cent of the performance-based management fees/carried interest to distribute among them. The time of payment of such fees from the funds to the group varies. Maj Invest Equity staff cannot receive payment from these schemes until certain predefined yield targets have been reached, which is often relatively late in the life of the individual fund.

The size of any performance-based management fees/carried interest is finally calculated when the individual fund is closed. Thus the fund may be adjusted upwards or downwards throughout its life, depending on the investment returns. As the group cannot be certain to receive any performance-based management fees/carried interest, such fees are recognised as contingent assets. Note 18 to the financial statements includes information on the size of nonrealised performance-based management fees after reserve for bonus schemes and taxes, etc.



AT MAJ INVEST WE ARE FOND OF THE BIRCH TREE AS A SYMBOL. IT GROWS IN THE SAME WAY AS WE VIEW GROWTH - NATURALLY AND DEEPLY ROOTED IN THE GROUND. HOWEVER, THERE IS AN UPPER LIMIT TO EVERYTHING WHICH IS IMPORTANT FOR ALL OF US TO REMEMBER. BUT LESS IS ALSO OKAY AS LONG AS YOU KEEP YOUR FEET ON THE GROUND.

SALARY AND REMUNERATION POLICY AND PRACTICE

Once a year the board of directors revises the company's salary and remuneration policy and practice. The board of directors has decided not to appoint a remuneration committee due to the group's size.

The salary and remuneration policy is discussed annually on the basis of a draft made by the CEO, coordinated with the Head of Legal & Compliance and after further instructions from the chairman of the board or the chairmanship. Salary and remuneration practices for the executive board are determined by the chairmanship following a recommendation from the CEO. In all other respects salary and remuneration practices are determined by the executive board and supervised by the chairmanship. The chairman of the board and the Head of Legal & Compliance have asked for legal advice from external advisors on issues relating to salary and remuneration practices whenever needed.

The board of directors receives a fixed remuneration and no variable remuneration or other non-cash benefits.

For the executive board and other employees whose activities have a material influence on the group's risk profile, fixed remunerations reflecting responsibility, qualifications and effort have been agreed. Any variable remuneration falls under a minimum amount of DKK 100,000 and is based on an assessment of the particular person's results, the results of that person's department and the results of the company.

In accordance with the salary and remuneration policies any variable remuneration may amount to up to 50 per cent of the fixed remuneration. This option, however, has not yet become a reality in practice. In addition, contracts include pension schemes with a monthly pension payment of up to 10 per cent of the monthly gross salary. In addition, other benefits are comprised by the agreements such as phone subscription, insurance etc., severance pay of up to two years' pay etc. and competition clauses that may trigger payment if an employee leaves the company.

Before 1 January 2011 some executive board members had contracts involving performance bonus and/or incentive schemes related to performance in specific private equity funds and to specific investment commitments in the same funds.

For a few directors, the executive board and other staff whose activities significantly influence the company's risk profile, a scheme concerning the acquisition of shares in Maj Invest Holding A/S has been set up together with individual schemes concerning the acquisition of warrants in Maj Invest Holding A/S.

Note 8 to the financial statements provides further information on the remunerations and salaries of the board of directors, the executive board and staff whose activities significantly influence the company's risk profile by fixed and variable remuneration. ■

MANAGEMENT AND OWNERSHIP

Maj Invest Holding A/S is the parent of the Maj Invest group. Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S carry out a sizeable portion of our activities. The Maj Invest group also consists of a variety of management companies related to the group’s activities in the Maj Invest Equity business area.

MANAGEMENT

The board of directors has eight members, three of whom are elected by our staff. The boards of directors of Maj Invest Holding A/S and Fondsmæglerselskabet Maj Invest A/S are identical.

The executive board consists of four people: our CEO, our CFO and two managing directors. These four hold the same positions in Fondsmæglerselskabet Maj Invest A/S and the executive boards of the two companies are therefore identical.

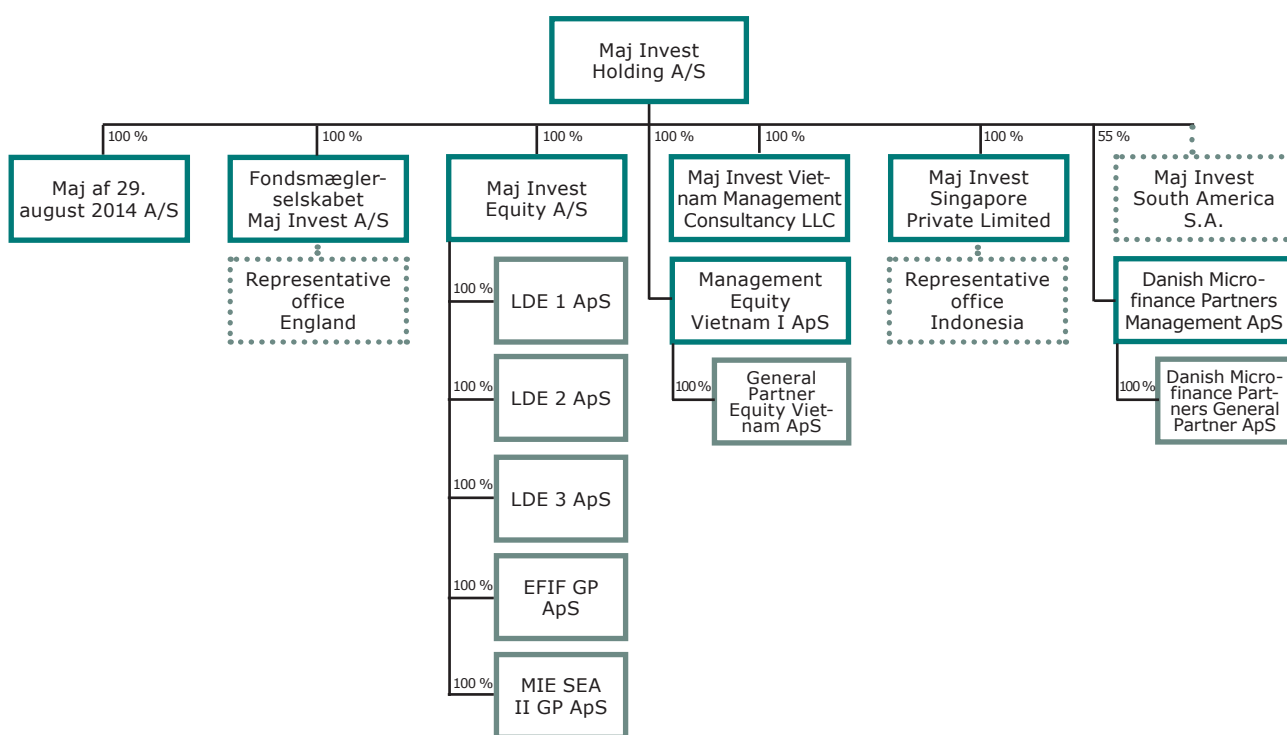
In Maj Invest Equity A/S the board of directors and the executive board consist of individuals from Maj Invest Holding A/S’ executive board and board of directors.

Directorships and executive functions of the board of directors and our executive board appear in the chapter headed “Executive functions and directorships”.

On the group’s website, www.majinvest.com, there is a more detailed description of the group’s legal, management and organisational structure.

The board of directors has decided on a 2017 target figure of 20 per cent for the underrepresented gender among the directors elected by the general meeting. The target has been set with a four-year time scale, and at year-end 2014 the board of directors was represented by 20 per cent women as at year-end 2013.

GROUP CHART



The Maj Invest Equity General Partner fund, which is a general partner of Maj Invest Equity 4 K/S, is not included in the group because it is a commercial foundation.

The board of directors of Fondsmæglerselskabet Maj Invest A/S has prepared a policy aiming at increasing representation of the underrepresented gender at other management levels and moreover to encourage diversity. The objective is to continue filling executive positions on the basis of the needed qualifications, but also to encourage diversity where possible. Our long-term goal is to have the company reflect the surroundings and especially our clients in terms of gender, but also in terms of for example nationality and ethnicity. This reflection of our surroundings is positive for the company in terms of being an attractive choice for clients as well as present and future employees in order for the company to reach its commercial objectives.

OWNERSHIP

Corporate employees have currently received an offer to buy shares in Maj Invest Holding A/S. This offer to employees should be viewed as an element in furthering shareholders' common interest as well as in retaining the competencies and qualifications held in our organisation and thus reinforcing staff commitment in a competitive financial group. Our employees now constitute the largest group of shareholders in the company.

In 2011 a group of executive officers and staff were also offered warrants in Maj Invest Holding A/S. To ensure that the risk aspects were sufficiently balanced, we only allowed these staff members to buy warrants if they bought a matching number of shares. This scheme is a retention scheme aimed at creating a shared sphere of interest between the groups of shareholders. We also believe that this scheme promotes a commitment to building a competitive financial group.

Staff members have bought both shares and warrants at market values at the time they were offered, but these purchases do not represent an incentive programme.

At year-end 2014 Maj Invest Holding A/S' shares were held by the groups of shareholders shown below.

KNOWLEDGE RESOURCES

The group's business activities are based on providing

advisory services regarding trading and investing in listed securities and unlisted equity. This puts exacting demands on the qualifications and specialist know-how of our staff.

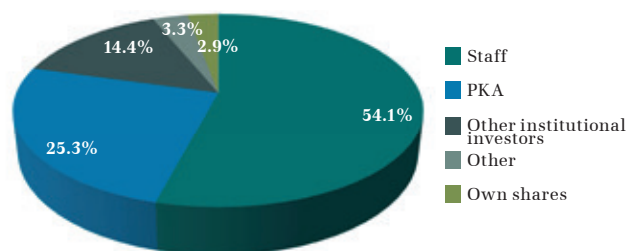
We continuously strive to attract and retain staff with broad experience and professional skills and focus on developing staff competencies. We need this strategy to continue generating excellent results and extend our business basis. A very high share of our staff has expertise in special investment areas.

We have taken various initiatives aimed at making us an attractive workplace and to give our staff competitive salaries consisting of a fixed salary and a bonus scheme calculated on the basis of results achieved on behalf of our clients.

We are convinced that competitive remuneration is a must for attracting and retaining competitive executive officers and staff. An incentive-based remuneration or retention scheme can help promote business development that benefits our company. In our opinion ownership with both management and staff as shareholders boosts value creation.

In 2014 the group employed an average of 95 staff members, three more than in 2013. The staff increase is due to a continued favourable development in business activities, including the setting-up internationally. ■

DISTRIBUTION OF SHARES IN MAJ INVEST HOLDING A/S

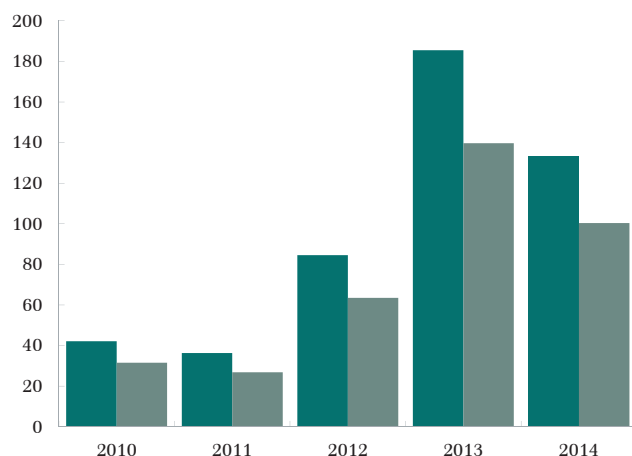


FINANCIAL REVIEW

TRENDS IN PROFIT

- Profit before tax
- Profit after tax

DKK million



Consolidated profit before tax amounted to DKK 133.3 million against DKK 185.5 million in 2013. Consolidated net profit after tax totalled DKK 100.4 million against DKK 139.7 million in 2013, resulting in an average return on equity of 21.0 percent. This is considered satisfactory.

Consolidated profit is on level with the original forecast for 2014 announced when we published our annual report 2013, but lower than the upgraded forecast announced when we published our interim statements. The main reason for the upgraded net profit for the year not being realised is lower earnings than expected on performance-based agreements in the second half of the year.

MAJ INVEST HOLDING A/S

Net interest and fee income amounted to DKK 2.9 million against DKK 1.7 million in 2013. The increase relates to the company's bond holdings.

Market value and currency translation adjustments showed a loss of DKK -2.4 million. Equities generated a loss of DKK -4.4 million whereas bonds provided a gain of DKK 0.7 million. The company's foreign exchange positions contributed with a gain of DKK 1.3 million. In 2013 total market value and currency translation adjustments were DKK -0.1 million.

Other operating income, which primarily relates to the company's administration and reporting of private equity funds, showed a decline from DKK 13.3 million in 2013 to DKK 9.7 million in 2014. This is due to a change in the basis of calculation of fees typically five years after establishment of the private equity funds. In addition to this, 2013 included a fee of DKK 1.9 million regarding other one-off services.

Staff costs etc. rose by DKK 4.5 million of which DKK 3.0 million relates to an increase in the company's portion of total costs related to the group executive board compared to earlier years, and the fact that at the general meeting in April it was decided to pay remuneration to the board of directors. This is the first time that the board of directors has received remuneration.

In 2014 administrative costs amounted to DKK 3.6 million against DKK 3.0 million in 2013. The increase can be attributed to a higher activity level in connection with the expansion of the group's strategy and business volume, among other things.

Results of interests in group enterprises amounted to DKK 106.7 million, which is a decline of DKK -31.1 million compared to last year. Most of the results of interests in group enterprises and the development in the results can be attributed to Fondsmæglerselskabet Maj Invest A/S. See "Trends in significant subsidiaries" on the next page for further details.

Shareholders' equity went up by DKK 57.2 million in 2014 with net profit for the year accounting for DKK 100.4 million, but with a negative effect from distri-

buted dividend from prior financial year of DKK 44.0 million. The acquisition and sale of own shares have increased shareholders' equity by net DKK 0.8 million.

The parent's balance sheet amounted to DKK 531.1 million at year-end 2014 against DKK 471.6 million at year-end 2013. A large portion of this development is due to interests in group enterprises.

TRENDS IN SIGNIFICANT SUBSIDIARIES

Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S are the group enterprises where most of the activities mentioned on pages 9-15 in this annual report take place.

Fondsmæglerselskabet Maj Invest A/S' gross income for 2014 was DKK 277.7 million, which is a decline of DKK 37.8 million. This decline can mainly be attributed to a lower level of performance-related fees. Costs rose 1.2 per cent to DKK 134.7 million. Profit after tax was DKK 108.1 million in 2014 against DKK 136.8 million in 2013. Shareholders' equity amounted to DKK 332.5 million at year-end 2014, and total assets amounted to DKK 445.1 million.

Maj Invest Equity A/S provides administrative and advisory services to a number of private equity funds. The company recorded a profit of DKK 0.4 million in 2014 (2013: DKK 1.0 million). As a consequence of the alternative investment fund manager approval obtained in 2014, the company has increased its capital by DKK 9.5 million. Shareholders' equity was DKK 12.1 million at year-end 2014 (2013: DKK 2.2 million).

Maj Invest Vietnam Management Consultancy LLC resides in Vietnam and acts as a consultant to Fondsmæglerselskabet Maj Invest A/S concerning some of the private equity investment activities in Vietnam. The company recorded a loss of DKK -0.3 million, which is at the same level as in 2013. Shareholders' equity was DKK 0.5 million at year-end 2014 (2013: DKK 0.8 million).

Maj af 29. august 2014 A/S was established in 2014. As a consequence the company has not presented annual accounts. Based on internal financial statements the company recorded a loss of DKK -1.6 million in 2014, and shareholders' equity totalled DKK 8.9 million at year-end 2014.

COMMENTS IN RESPECT OF SELECTED ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

Net interest income totalled DKK 9.5 million in 2014 against DKK 7.1 million the year before. In 2013 subordinated debt costs amounted to DKK 3.1 million against DKK 0.2 million in 2014. In 2013 as well as in 2014 subordinated debt was redeemed before maturity.

Net fee income totalled DKK 281.5 million, which is a decline of DKK 37.2 million against DKK 318.7 million in 2013. The decline in net fee income is partly linked to a lower level of performance-related fees. 2013 also included some one-off fees related to pre-closing and final closing of private equity funds to which the group acts as advisor.

In 2013 market value and currency translation adjustments represented a total gain of DKK 8.9 million against DKK 6.4 million in 2013. Bond holdings represented a capital gain of DKK 1.6 million, equities generated a capital gain of DKK 5.4 million, and our currency translation adjustments contributed with DKK 1.9 million.

Staff costs and administrative expenses amounted to DKK 175.6 million in 2014 against DKK 158.0 million in the same period the year before. Payroll-related costs increased by DKK 6.0 million to DKK 116.1 million as a consequence of the group employing more people in 2014 than in 2013, among other things.

Other administrative expenses rose by DKK 12.7 million due to a higher level of activity, including costs in relation to the establishments in four new countries in

connection with the expansion of the company's international activities, but also due to group business development costs.

Depreciation charges on intangible and tangible assets totalled DKK -2.3 million, which is down DKK 1.0 million from the 2013 level of DKK -3.3 million.

Group profit before tax aggregated DKK 133.3 million in 2014 against DKK 185.5 million in the same period last year. Tax is estimated at DKK 33.0 million, equivalent to an effective tax rate of 24.6 per cent. Net profit for the year was DKK 100.4 million against DKK 139.7 million in 2013.

Total consolidated assets amounted to DKK 659.5 million. Due from credit institutions rose by DKK 32.4 million to DKK 137.8 million at year-end 2014. The group's bond holdings accounted for DKK 366.0 million, which is at the same level as the year before. Equities and investments in some of the private equity funds to which the group acts as advisor increased by DKK 10.7 million to DKK 90.5 million, primarily due to holdings of shares in international subsidiaries.

At year-end 2014 shareholders' equity amounted to DKK 507.2 million against DKK 450.0 million at year-end 2013. The rise in shareholders' equity of DKK 57.2 million is attributable to a DKK 100.4 million consolidation of net profit for the year. Shareholders' equity was negatively affected by the dividend of DKK 44.0 million distributed in April. Acquisition and sale of own shares in 2014 affected shareholders' equity positively with net DKK 0.8 million.

CAPITAL AND CAPITAL RATIOS

The implementation of the Capital Requirements Directive (CRD IV) only had limited effect on our own funds (capital base) and capital ratio.

Under the new directive, 20 per cent of the group's additional tier 1 capital, equivalent to DKK 2 million, was excluded from own funds. This combined with an already high level of capital and strong liquidity resul-

ted in a redemption before maturity of the additional tier 1 capital in December 2014, authorised by the FSA.

The group's own funds totalled DKK 404.3 million at year-end 2014 against DKK 411.2 at year-end 2013. In note 23 of the financial statements there is a link between shareholders' equity and own funds.

The total capital ratio at group level was 43.8 per cent at year-end 2014. This represents a drop of 4.9 percentage points against year-end 2013, which is mainly to be seen in connection with an increase in group risk exposures (risk-weighted items) from DKK 844.0 million at year-end 2013 to DKK 922.3 million at year-end 2014. The fall is due to an increased level of activity. Thus, credit risk exposures rose by DKK 25.5 million to DKK 256.8 million, market risk exposures increased by DKK 14.7 million to DKK 89.3 million, and operational risk items rose by DKK 39.1 million to DKK 576.2 million.

At year-end 2014 the parent company's own funds totalled DKK 406.7 million against DKK 404.5 million at year-end 2013. The capital ratio was 79.8 per cent against 90.8 per cent at year-end 2013. The decline is due to an increase in total risk exposures as a consequence of a higher activity level.

The group as well as parent company both have own funds, which are considerably higher than the minimum requirements set by the board of directors.

The trend in the group's risk exposures and capital ratio appears from the next page.

CORPORATE RISKS

As a financial business the group undertakes various risks relating to credit, market, liquidity and operations. Risk management is a crucial activity given the full attention of management because uncontrolled development of such risks could adversely impact consolidated profit and the level of capital.

For a detailed description of corporate risks we refer to note 26 (Financial instruments and risks) and our website, www.majinvest.com, which discloses financial information in compliance with the Capital Requirements Regulation (CRR).

DISTRIBUTION OF PROFIT

The directors recommend that the general meeting approves payment of dividend of DKK 1 per share of DKK 1, equivalent to DKK 45.4 million for the financial year 2014. Furthermore it is recommended to transfer the remaining DKK 54.9 million to next year.

OUTLOOK FOR 2015

The effect of recent years' expansion of our international activities is expected to be reflected in an increase in revenue from abroad. During 2015 we expect to launch advisory services to a new microfinancing fund. The date of establishment and the size of a new microfinancing fund will affect the group's revenues and thus earnings.

We expect 2015 costs to be at a somewhat higher level than in 2014 due to an expansion of our business volume over the year and expected establishment of a third group business area in 2015. However, only

modest revenues are expected in this area in 2015. The costs for development of a new business area are uncertain and difficult to forecast, and this is also the case when it comes to the date of actual launch. This will impact consolidated profit.

Generally, it is difficult to make 2015 forecasts as a sizeable portion of group revenues are variable. Group revenues depend more and more on total assets under management. The trend in the financial markets, the returns generated on behalf of clients, and the development in the number of clients all affect the group's consolidated revenue and thus consolidated profit.

The level of performance-based fees is also uncertain and difficult to forecast, and lower-than-estimated fees will impact the forecasted consolidated profit.

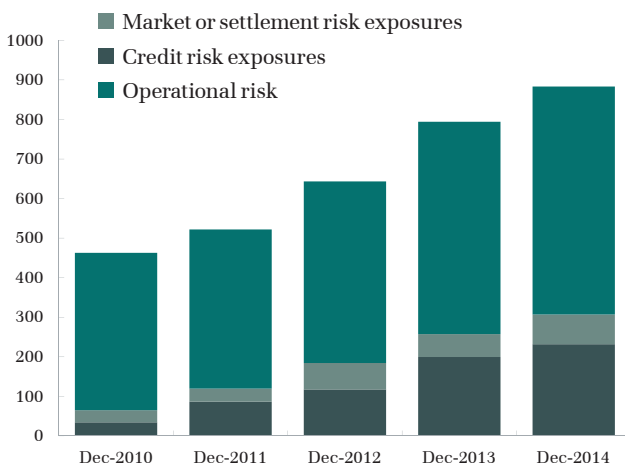
Overall, we forecast net profit after tax for 2015 to range between DKK 45 and 65 million, including performance-based fees.

EVENTS AFTER THE BALANCE SHEET DATE

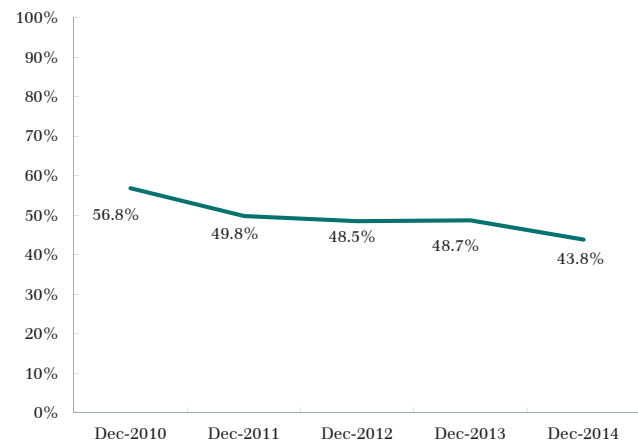
No events after the balance sheet date and until the signing of the annual report are thought to materially affect the assessment of the annual report. ■

TREND IN RISK EXPOSURES

DKK million



TREND IN CAPITAL RATIO



THE FINANCIAL MARKETS

TREND IN 2014

In the USA, key economic indicators in early 2014 were disappointing, partly as a result of unusually severe winter weather, but the setback was quickly replaced by renewed progress. However, to investors this progress was for periods of time overshadowed by the uncertainty surrounding China's and Europe's growth prospects and any consequences such economic downturn would have on US growth.

In addition, there were further elements of uncertainty in the form of the Federal Reserve Bank's phasing out of QE (the central bank's large-scale bond-buying programme), geopolitical concerns and also for a period the US media's very strong exposure of the ebola epidemic. Of course, investors' fears are real; however, in Maj Invest's opinion they are also often overstated.

The slowdown in China reflects a significant loss of competitive power, eroding China's ability to export the country out of its structural savings surplus. This does not represent a challenge to Western industrialised countries; on the contrary, it helps support growth in Western countries.

We see the downturn in Europe as temporary, arising as a consequence of failing sales in export markets, but here the downturn is now a closed chapter. Economic trends in the home market industry, including the

domestic subcontractors of export industry, typically lag a couple of months behind compared to the economic trend in export, and they still suffer from the aftermath. The European Central Bank's (ECB) response to this weakened economic climate was a QE programme involving the acquisition of certain types of private debt; however, from March 2015 the ECB will expand the programme to include the acquisition of government debt. This decision was made in January 2015.

It is fair to assume that one of the ECB's primary objectives with the initiative has been to weaken the euro, and in this light the programme can so far be considered a success. Measured vis-à-vis Danish kroner, the US dollar rose 13.4 per cent in 2014. Towards the end of the year, the oil price fell significantly to USD 55 a barrel at year-end from slightly above USD 100 in the period up to mid-August.

The US equity index S&P 500 rose 11.4 per cent (26.3 per cent in DKK) during 2014, while the German DAX index rose 2.7 per cent, and the Danish C20 index rose 21.0 per cent.

After a large relative downturn in 2013, the so-called emerging markets equities performed slightly better in 2014, even though Morgan Stanley's emerging markets index still fell 4.6 per cent throughout 2014. In DKK this corresponds to an increase of 8.2 per cent.

At year-end 2014, the yield on a 10-year US government bond was 2.17 per cent, which was 0.86 percentage points below the level at year-end 2013. The corresponding German yield was 0.54 per cent; 1.39 percentage points below the year-end 2013 level. At the same time the yield spreads between Germany and countries such as Spain and Italy were 1.15 and 0.85 percentage points lower than at the start of the year, respectively.

OUTLOOK FOR THE FINANCIAL MARKETS IN 2015

In our opinion, there is still a risk that the confrontation between Russia and the West over Ukraine will escalate. In addition, there is some uncertainty as to the short-term trend in US key economic indicators. At present a considerable build-up of inventories is taking place, and if this trend suddenly stops, important key indicators will disappoint for a period of time.

Basically we believe that general economic progress will continue and gradually gain strength. Overall, the considerable drop in oil prices will overall contribute to this trend, in our opinion.

Especially when it comes to Europe there is a good chance that the economy will develop favourably relative to investors' current expectations. Banks are now less aggressive in terms of reducing their balance sheets, resulting in a general pick-up in domestic demand.

In the USA, there is a risk of increasing upward pressure on wages. It is a widespread belief that the large drop in the unemployment rate exaggerates the actual tightening of the labour market, but other indicators also show signs of incipient upward pressure on wages.

The market is expecting a very slow normalisation of the monetary policy rates in the USA. If the market at some point starts expecting a more rapid normalisation, it may cause interest rates to rise considerably.

However, there is room for patience on the part of the central bank in light of the disinflationary effect of the drop in oil prices. Europe is facing a risk of considerable interest rate increases if the economy shows positive signs.

Potential interest rate increases may also lead to increased volatility in equity markets. However, at the same time it is our assessment that the actual pricing of the equity market continues to leave room for a general pick-up in prices. ■



MAJ
INVEST

MAJ INVEST

TAXI

GAMMELTØY 8

EXECUTIVE FUNCTIONS AND DIRECTORSHIPS

Executive functions and directorships in other commercial enterprises

BOARD OF DIRECTORS

■ TOMMY PEDERSEN, CHAIRMAN

Chairman of the boards of:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Rungsted Sundpark A/S
Skodsborg Sundpark A/S

Vice chairman of the boards of:

Bodum Holding AG, Schweiz
Bodum Land A/S
Løvenholm Fonden
Peter Bodum A/S

Directorships:

Jeudan A/S
Kurhotel Skodsborg A/S
Nykredit Forsikring A/S
Pharmacosmos Holding A/S with two subsidiaries
Scandinavian Tobacco Group A/S
SG Finans A/S, Norway
Skandinavisk Holding A/S with one subsidiary
Skodsborg Sundhedscenter A/S
Tivoli A/S

CEO:

Augustinus Fonden
CAF Invest A/S
Chr. Augustinus Fabrikker Aktieselskab

Managing Director:

TP Advisers ApS

Remuneration 2014: DKK 113,000

At group level: DKK 506,000

■ PETER DAMGAARD JENSEN, VICE CHAIRMAN

Chairman of the boards of:

A/S Københavns Ejendomsselskab
Forstædernes Ejendomsaktieselskab
PKA AIP A/S
PKA Alternative Investment ApS
PKA Skejby Komplementar ApS
PKA Skejby P/S
PKA+ Pension Forsikringsselskab A/S

Vice chairman of the boards of:

Fondsmæglerselskabet Maj Invest A/S
Forca A/S

Directorships:

Axcel Industriinvestor A/S
Axcel Management A/S

CEO:

Ejendomsaktieselskabet Dronningegården
Pension funds administered by PKA A/S
(three pension funds) with three subsidiaries
PKA A/S

Managing Director:

Danish Microfinance Partners Management ApS

Remuneration 2014: DKK 56,000

At group level: DKK 253,000

■ HANS JENSEN

Vice chairman of the board of:

A/S Dansk Erhvervsinvestering

Directorships:

Arken Kunstmuseum
Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Playa Atlantico SA
Refshaleøens Ejendomsselskab A/S with one subsidiary

Board member of:
Danmarks Nationalbank

Remuneration 2014: DKK 38,000
At group level: DKK 169,000

■ PETER KORSHOLM

Chairman of the boards of:
Lion Danmark I ApS
Lion Danmark II ApS
Lomax A/S

Vice chairman of the board of:
DSV Miljø Holding A/S with directorships
in 23 subsidiaries

Directorships:
A/S United shipping & Trading Company
Bunker Holding A/S
Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S
Uni-Tankers A/S

Remuneration 2014: DKK 38,000
At group level: DKK 169,000

■ RUTH SCHADE

Directorships:
Buskysminde A/S
Copenhagen Designbyg A/S
Danfrugt Skælskør A/S
Dansk Retursystem A/S
Fondsmæglerselskabet Maj Invest A/S
Harboe Ejendomme A/S
Keldernæs A/S
Lundegård A/S
Maj Invest Equity A/S
Rugbjerggård A/S
Skælskør Bryghus A/S
Visbjerggården A/S

Managing Director (not registered):
Harboes Bryggeri A/S

Remuneration 2014: DKK 38,000
At group level: DKK 169,000

■ KLAUS BENTIN

Directorship:
Fondsmæglerselskabet Maj Invest A/S

Director's remuneration 2014 (normal salary paid to directors elected by staff not disclosed): DKK 38,000. At group level: DKK 169,000.

■ KEN BAMBERG ERNSTSEN

Directorship:
Fondsmæglerselskabet Maj Invest A/S

Director's remuneration 2014 (normal salary paid to directors elected by staff not disclosed): DKK 38,000. At group level: DKK 169,000.

■ MORTEN RASK NYMARK

Directorship:
Fondsmæglerselskabet Maj Invest A/S

Director's remuneration 2014 (normal salary paid to directors elected by staff not disclosed): DKK 38,000. At group level: DKK 169,000.

As regards executive board members' directorships, please refer to section 80 (1) of the Danish Financial Business Act.

EXECUTIVE BOARD

■ JEPPE CHRISTIANSEN

Vice chairman of the boards of:
Haldor Topsøe A/S
Maj af 29. august 2014 A/S
Novo Nordisk A/S

Directorships:
Kirkbi A/S
Maj Invest Equity A/S
Novo A/S
Symphogen A/S

CEO:

Danish Microfinance Partners Management ApS
 EMLIKA ApS
 Fondsmæglerselskabet Maj Invest A/S
 Maj Invest Equity A/S

Other offices:

Danish Microfinance Partners K/S,
 investment committee member
 LD Equity 1 K/S, investment committee member
 LD Equity 2 K/S, investment committee member
 LD Equity 3 K/S, investment committee member
 LD Invest Vietnam K/S, investment committee
 member
 Maj Invest Equity 4 K/S, investment committee
 member

Salary 2014: DKK 2,374,000 including company car subsidy.
 At group level: DKK 5,921,000 including company car subsidy.

■ ERIK HOLM

Chairman of the boards of:

KK-Group A/S
 Sticks'n'Sushi Holding A/S with one subsidiary
 Vega Sea A/S
 Vernal A/S

Vice chairman of the boards of:

Arvid Nilssons Fond
 SP Group A/S
 SP Moulding A/S

Directorships:

AO Invest A/S
 Brødrene A. & O. Johansen A/S
 Fonden Maj Invest Equity General Partner
 Lilleheden A/S
 Maj Invest Equity A/S
 Muuto Holding A/S with one subsidiary
 Palsgaard Gruppen A/S
 PLUS A/S

Managing Director:

Erik Holm Holding ApS
 Fondsmæglerselskabet Maj Invest A/S
 Interbuild ApS
 LDE Holding 24 ApS (KK-Group)
 Maj Invest Equity A/S

Other offices:

LD Equity 1 K/S, investment committee member
 LD Equity 2 K/S, investment committee member
 LD Equity 3 K/S, investment committee member
 LD Invest Vietnam K/S, investment committee
 member
 Maj Invest Equity 4 K/S, investment committee
 member

Salary 2014: DKK 935,000. At group level: DKK 4,825,000.

■ HENRIK PARKHØI

Managing Director:

Fondsmæglerselskabet Maj Invest A/S

Directorships:

Investeringsforvaltningsselskabet SEBinvest A/S
 Maj af 29. august 2014 A/S

Salary 2014: DKK 766,000. At group level: DKK 4,113,000.

■ STEFFEN STÆHR

Chairman of the boards of:

4Labels A/S
 Maj Invest Vietnam Management Consultancy
 Limited Liability Company

Directorships:

Fonden Maj Invest Equity General Partner
 Maj Invest Equity A/S
 Maj Invest Singapore Private Limited
 Maj Invest South America S.A.
 Risskov Autoferien AG, Schweiz
 Risskov Travel Partner A/S

Managing Director:

Danish Microfinance Partners General Partner ApS
 DMP Holding 1 ApS
 EFIF GP ApS
 Fondsmæglerselskabet Maj Invest A/S
 General Partner Equity Vietnam ApS
 Maj Invest Equity A/S
 Management Equity Vietnam ApS

Salary 2014: DKK 637,000. At group level: DKK 2,550,000.

FINANCIAL STATEMENTS

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK thousand	Notes	Group		Parent	
		2014	2013	2014	2013
Interest income	3	9,847	10,461	2,647	1,430
Interest expense	4	(339)	(3,385)	(0)	(0)
Net interest income		9,508	7,076	2,647	1,430
Dividend on equities etc.		949	1,221	238	296
Fee and commission income		327,675	358,376	-	-
Fee and commission expense		(46,176)	(39,659)	(23)	(27)
Net interest and fee income	6, 7	291,956	327,014	2,862	1,699
Market value and currency translation adjustments	5, 6, 7	8,883	6,380	(2,421)	(118)
Other operating income		10,495	13,667	9,678	13,318
Staff costs and administrative expenses	8	(175,615)	(158,004)	(18,272)	(13,127)
Depreciation, amortisation and impairment on intangible and tangible assets		(2,320)	(3,266)	(83)	(200)
Other operating costs		(70)	(279)	-	-
Results of interests in associates and group enterprises		-	-	106,718	137,773
Profit before tax		133,329	185,512	98,482	139,345
Tax	9	(32,955)	(45,813)	1,892	352
Net profit for the year		100,374	139,699	100,374	139,697
Portion attributable to minority interests		(0)	1		
Other comprehensive income					
Translation of results of foreign entities		54	(45)	54	(45)
Adjustment of other comprehensive income, prior years		-	-	-	-
Adjustment of subsidiary		-	5	-	5
Tax on other comprehensive income		-	-	-	-
Other comprehensive income, total		54	(40)	54	(40)
Comprehensive income for the year, total		100,428	139,659	100,428	139,657

DISTRIBUTION OF PROFIT

For distribution			
Transferred from "Other reserves"		45,438	45,438
Net profit for the year		100,374	139,697
For distribution, total		145,812	185,135
Proposed distribution			
Proposed dividend		45,438	45,438
Provision for "Reserve for revaluation using the equity method"		106,718	138,125
Provision for equity under "Retained earnings"		(6,344)	1,572
Distributed amount, total		145,812	185,135

BALANCE SHEET

DKK thousand	Notes	Group		Parent	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
ASSETS					
Cash in hand		28	30	-	-
Due from credit institutions	10	137,800	105,439	22,152	30,532
Loans and receivables	11	915	-	915	-
Bonds at fair value	12	366,000	366,741	93,702	85,838
Equities etc. at fair value	13	90,452	79,778	50,048	49,279
Interest in group enterprises	14	-	-	354,488	302,716
Intangible assets	15	2,558	2,657	-	-
Other tangible assets	16	2,402	2,775	40	80
Current tax assets		14,125	-	5,353	694
Deferred tax assets		-	-	44	45
Other assets	17	37,453	42,096	3,619	2,048
Prepaid expenses		7,791	5,955	708	410
Total assets		659,524	605,471	531,069	471,642

BALANCE SHEET

DKK thousand	Notes	Group		Parent	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
LIABILITIES					
Debt					
Current tax liabilities		156	4,544	-	-
Other liabilities	19	95,074	78,500	20,976	19,384
Accrued income		21,737	21,824	2,944	2,286
Total debt		116,967	104,868	23,920	21,670
Provisions					
Provisions for deferred tax		250	356	-	-
Other provisions	20	35,116	40,233	-	-
Provisions, total		35,366	40,589	-	-
Subordinated debt					
Subordinated debt	21	-	10,000	-	-
Subordinated debt, total		-	10,000	-	-
Shareholders' equity					
Share capital		45,438	45,438	45,438	45,438
Accumulated value adjustments					
Accumulated currency translation of foreign entities		12	(42)	12	(42)
Other reserves					
Net revaluation using the equity method		-	-	143,318	141,600
Other reserves		13,545	11,358	260,602	198,853
Retained earnings		402,716	347,780	12,341	18,685
Proposed dividend		45,438	45,438	45,438	45,438
Minority interests		42	42	-	-
Total shareholders' equity		507,191	450,014	507,149	449,972
Total liabilities		659,524	605,471	531,069	471,642

Notes not referred to: 1, 2, 18, 22, 23, 24, 25 and 26.

STATEMENT OF CAPITAL - GROUP

2014	Currency						
DKK thousand	Share capital	Other reserves	translation reserve	Retained earnings	Proposed dividend	Minority interests	Total
Shareholders' equity							
year-end 2013	45,438	11,358	(42)	347,780	45,438	42	450,014
Net profit for the year	-	-	-	100,374	-	(0)	100,374
Other comprehensive income							
Translation of results of foreign entities	-	-	54	-	-	-	54
Other comprehensive income, total	-	-	54	-	-	-	54
Comprehensive income for the year, total	-	-	54	100,374	-	(0)	100,428
Proposed dividend	-	-	-	(45,438)	45,438	-	-
Transactions with owners							
Dividend 2013	-	-	-	-	(43,984)	-	(43,984)
Non-distributed dividend, own shares 2013	-	1,454	-	-	(1,454)	-	-
Acquisition of own shares	-	(4,811)	-	-	-	-	(4,811)
Sale of own shares	-	5,544	-	-	-	-	5,544
Shareholders' equity, year-end 2014	45,438	13,545	12	402,716	45,438	42	507,191

STATEMENT OF CAPITAL - GROUP

2013	Currency						
DKK thousand	Share capital	Other reserves	translation reserve	Retained earnings	Proposed dividend	Minority interests	Total
Shareholders' equity							
year-end 2012	45,438	6,602	3	208,082	-	41	260,166
Net profit for the year	-	-	-	139,698	-	1	139,699
Other comprehensive income							
Translation of results of foreign entities	-	-	(45)	-	-	-	(45)
Adjustment of subsidiary	-	5	-	-	-	-	5
Other comprehensive income, total	-	5	(45)	-	-	-	(40)
Comprehensive income for the year, total	-	5	(45)	139,698	-	1	139,659
Proposed dividend	-	(45,438)	-	-	45,438	-	-
Transactions with owners							
Extraordinary dividend distributed, 2013	-	(11,359)	-	-	-	-	(11,359)
Non-distributed dividend, own shares 2013	-	1,951	-	-	-	-	1,951
Acquisition of own shares	-	(883)	-	-	-	-	(883)
Sale of own shares	-	60,481	-	-	-	-	60,481
Shareholders' equity, year-end 2013	45,438	11,358	(42)	347,780	45,438	42	450,014

STATEMENT OF CAPITAL - PARENT

2014	Reserve for net revalua- tion using		Currency		Retained earnings	Proposed dividend	Total
DKK thousand	Share capital	equity method	Other reserves	translation reserve			
Shareholders' equity year-end 2013	45,438	141,600	198,853	(42)	18,685	45,438	449,972
Net profit for the year	-	106,718	-	-	(6,344)	-	100,374
Other comprehensive income							
Translation of results of foreign entities	-	-	-	54	-	-	54
Other comprehensive income, total	-	-	-	54	-	-	54
Comprehensive income for the year, total	-	106,718	-	54	(6,344)	-	100,428
Expected dividend from subsidiaries*	-	(105,000)	105,000	-	-	-	-
Proposed dividend	-	-	(45,438)	-	-	45,438	-
Transactions with owners							
Dividend 2013	-	-	-	-	-	(43,984)	(43,984)
Non-distributed dividend, own shares 2013	-	-	1,454	-	-	(1,454)	-
Acquisition of own shares	-	-	(4,811)	-	-	-	(4,811)
Sale of own shares	-	-	5,544	-	-	-	5,544
Shareholders' equity, year-end 2014	45,438	143,318	260,602	12	12,341	45,438	507,149

*Dividend will be approved at the annual general meeting in the spring 2015.

STATEMENT OF CAPITAL - PARENT

2013	Reserve for net revalua- tion using		Currency		Retained earnings	Proposed dividend	Total
DKK thousand	Share capital	equity method	Other reserves	translation reserve			
Shareholders' equity year-end 2012	45,438	78,470	119,101	3	17,113	-	260,125
Net profit for the year	-	138,125	-	-	1,572	-	139,697
Other comprehensive income							
Translation of results of foreign entities	-	-	-	(45)	-	-	(45)
Adjustment of subsidiary	-	5	-	-	-	-	5
Other comprehensive income, total	-	5	-	(45)	-	-	(40)
Comprehensive income for the year	-	138,130	-	(45)	1,572	-	139,657
Expected dividend from subsidiaries*	-	(75,000)	75,000	-	-	-	-
Proposed dividend	-	-	(45,438)	-	-	45,438	-
Transactions with owners							
Distributed extraordinary dividend 2013	-	-	(11,359)	-	-	-	(11,359)
Non-distributed dividend, own shares 2013	-	-	1,951	-	-	-	1,951
Acquisition of own shares	-	-	(883)	-	-	-	(883)
Sale of own shares	-	-	60,481	-	-	-	60,481
Shareholders' equity, year-end 2013	45,438	141,600	198,853	(42)	18,685	45,438	449,972

*Dividend was approved at the annual general meeting in the spring 2014.

STATEMENT OF CAPITAL - PARENT

The company's share capital consists of 45,437,820 shares of DKK 1 (2013: 45,437,820).

At year-end 2014, the company had 3,863,500 outstanding warrants (2013: 3,863,500) entitling holders to acquire a share either through the company's holding of own shares or through the issue of new shares. Issued warrants may be exercised in two annual periods, first period in September 2013 and last period in September 2016. The strike price of the issued warrants is the fair value of the underlying assets at the time of issue with the addition of the official discount rate computed on a month-by-month basis.

Own shares	Shares		In per cent of capital
	Number	Nom. value	
2014			
Own shares 1 January	1,365,375	1,365,375	3.0%
Acquisition of own shares	416,800	416,800	0.9%
Sale of own shares	(481,000)	(481,000)	(1.1%)
Own shares 31 December	1,301,175	1,301,175	2.8%

Own shares were acquired in connection with employees leaving our employment. Own shares were sold in connection with the recruitment of staff. The net value of the annual acquisition and sale of own shares was DKK 733,000.

Own shares	Shares		In per cent of capital
	Number	Nom. value	
2013			
Own shares 1 January	7,813,530	7,813,530	17.2%
Acquisition of own shares	98,660	98,660	0.2%
Sale of own shares	(6,546,815)	(6,546,815)	(14.4%)
Own shares 31 December	1,365,375	1,365,375	3.0%

Own shares were acquired in connection with employees leaving our employment. Own shares were sold in connection with the recruitment of staff and an extraordinary offer made to corporate employees and a few large shareholders. Own shares were also sold in connection with a few employees exercising their warrants in the company. The net value of the annual acquisition and sale of own shares was DKK 59,597,000.

NOTES

Note 1 Accounting principles

GENERAL

The annual report, which comprises the group and its parent Maj Invest Holding A/S, has been prepared in compliance with the Danish Financial Business Act including the Executive Order on Financial Reporting by Credit Institutions and Investment Companies etc. and the guidelines issued by the Danish Financial Supervisory Authority.

Our accounting policies are the same as last year.

Consolidation

The consolidated financial statements comprise the parent Maj Invest Holding A/S and the entities, in which the parent directly or indirectly holds more than 50% of the voting rights, or in which the parent has a controlling interest through its holdings of shares or in some other manner.

The consolidated financial statements are prepared by aggregating uniform income, costs, assets and liabilities. Intra-group income and expenses, accounts and intra-group profit or loss arising from transactions between consolidated entities are eliminated.

The financial statements included in the consolidated financial statements have been prepared in compliance with the group's accounting policies.

The parent's interests in consolidated subsidiaries are eliminated against the parent's share of the particular subsidiary's equity value.

Recognition and measurement

All income and expenses relating to the reporting period are recognised in the income statement regardless of time of payment.

Assets are recognised in the balance sheet, if, in all probability, future economic benefits will flow to the company, and the values of such assets can be measured reliably.

Liabilities are recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the company, and the values of such liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at cost. Measurement of assets and liabilities after initial recognition is made as described below for each accounting item.

Recognition and measurement of assets and liabilities have taken into account any information available after the balance sheet date but before the presentation of the annual report, either affirming or not affirming conditions existing on the balance sheet date.

Foreign currency

Transactions in foreign currency are translated into Danish kroner at the exchange rates prevailing on the transaction date.

Monetary items in currencies other than Danish kroner are translated into Danish kroner at the closing rates of the particular currencies on the balance sheet date.

NOTES

Note 1 cont.

Non-monetary items in currencies other than Danish kroner recognised at cost are translated into Danish kroner at the exchange rates on the transaction date.

Non-monetary items in currencies other than Danish kroner recognised at fair value are translated into Danish kroner at the closing rates on the balance sheet date.

Any foreign currency translation adjustments are recognised in the income statement. Any foreign currency translation adjustments relating to foreign entities are recognised in other comprehensive income.

Derivatives

On initial recognition, derivatives are recognised at cost in the balance sheet and subsequently measured at fair value. Any changes in the fair values of derivatives are recognised currently in the income statement.

Intra-group transactions

Securities are traded and consultancy fees charged at market prices. Other intra-group services are settled on a cost-covered basis.

Translation of results of foreign entities

The profits or losses of foreign associates or subsidiaries are translated at the rates on the transaction date or corresponding average rates.

Balance sheet items are translated at the rates on the balance sheet date. Any foreign currency translation adjustments arising from the translation of equity at the beginning of the year and any currency translation adjustments arising from the translation into Danish kroner (DKK) of profits or losses of foreign entities' functional rates are recognised directly in other comprehensive income.

Tax

Tax on the year's results consisting of current tax and deferred tax for the reporting period is recognised in the income statement with the portion that is attributable to the results for the year and directly via equity with the portion that is attributable to equity transactions. Any changes in deferred tax due to tax rate adjustments are recognised in the income statement.

Provisions are made for both current and deferred taxes for the period under review in respect of the jointly taxed consolidated entities. The company is jointly taxed with all its subsidiaries residing in Denmark. The tax effect of joint taxation is allocated to profit or loss in the consolidated entities in proportion to their taxable incomes. The jointly taxed entities are included in the Danish tax prepayment scheme.

Provisions for deferred tax on any temporary differences between the tax base of assets and liabilities and their carrying amounts are measured using the balance-sheet liability method. If a temporary difference is negative, a deferred tax asset will be recognised if, in all probability, it can be applied to reduce any future tax liability.

Any deferred tax is measured in compliance with current tax rules and at the tax rate likely to be applicable once any temporary differences have been eliminated. Any deferred tax assets or liabilities are presented after offsetting in the same legal entity.

NOTES

Note 1 cont.

INCOME STATEMENT

Interest, dividends, fees and commissions

Interest, fees and commissions are accrued and recorded in the period they are earned and recognised in the income statement at the amounts relevant to the period under review.

Dividends are recognised in the income statement at the time of declaration or on the distribution of interim dividends.

Performance-related investment management fees/carried interest are recorded as income at the time when the company will be entitled to such fees. Until entitlement, such fees are mentioned under "Contingent assets".

Fees and commissions received will include income from services vis-à-vis clients.

Market value adjustments

Any differences between the fair values and the carrying amounts of securities are recognised as market value adjustments.

Other operating income

Other operating income includes items of a nature secondary to the company's core activity, including fees from entities for which we carry out administrative tasks. Other operating income is accrued when earned and recognised in the income statement at the amounts relevant to the period under review.

Staff costs and administrative expenses

Staff costs and administrative expenses include salaries and pensions, rent, computer software, legal and audit fees, and any other administrative expenses.

Results of interests in associates and group enterprises

The proportionate shares of net profits or losses for the reporting period in associates and group enterprises are recognised as results of interests in associates and group enterprises.

BALANCE SHEET

ASSETS

Loans and receivables

Loans and receivables are recognised at amortised cost. Loans and receivables are not held for trading purposes and only include loans where the borrower has no contractual right to repay the loan with tradable bonds issued by the company.

Securities

Securities are recognised at their fair values. The fair values of listed securities are their closing rates on the balance sheet date. The fair values of listed bonds are their present values. The fair values of unlisted investments are the transaction prices that would result from a trade between independent parties. The settlement date is used as the date of recognition. Any change in value between the trade date and the settlement date is recognised as a financial asset or a financial liability.

NOTES

Note 1 cont.

Interests in associates and group enterprises

Interests in associates and group enterprises are recognised and measured using the equity method. The proportionate interests in the equity values of associates or group enterprises computed on the basis of the fair values of identifiable net assets at the time of acquisition are recognised in "Interests in associates and group enterprises".

Through the distribution of profit, the total net revaluation of interests in associates and group enterprises is transferred to the reserve fund for net revaluation using the equity method and recognised in statutory equity reserves. Reserves are reduced by payments of dividends to the parent and adjusted for other movements in the equity capital of subsidiaries.

On the translation of the results of foreign entities, any foreign currency translation adjustments are recognised in other comprehensive income.

Intangible assets

Our intangible assets consist of a trading system, a portfolio management system and computer software. Intangible assets are measured at cost with the deduction of any amortisation or impairment losses. These assets are amortised on a straight-line basis over their estimated useful lives or over the relevant contractual periods:

- Trading system	: 60-90 months
- Software and portfolio management system	: 24-36 months

Other tangible assets

Other tangible assets are measured at cost with the deduction of any depreciation or impairment losses. These assets are depreciated on a straight-line basis over their estimated useful lives:

- Computer equipment	: 36 months
- Furniture, fixtures and equipment	: 36 months

Recoverable amounts

The carrying amounts of intangible assets and other tangible assets are reviewed annually to determine whether there is an indication for impairment in addition to any depreciation or amortisation charges. If so, an impairment test will determine whether the recoverable amount is lower than the carrying amount, and the asset will subsequently be recorded at the lower recoverable amount. The recoverable amount of an asset is calculated as the higher of its net selling price or its value in use.

Other assets

Income falling due after year-end and any interest receivable will be recognised in other assets. Any significant amounts receivable and falling due more than 12 months after the period in which they were earned are discounted at their present values on the balance sheet date. The discounting rate used matches the market rate of return of the particular amounts receivable.

Any positive fair values of derivatives including spot transactions are recognised in other assets.

Prepaid expenses

Prepaid expenses incurred on or before the balance sheet date, but concerning subsequent reporting periods are recorded as prepayments. Prepaid expenses are measured at cost.

NOTES

Note 1 cont.

LIABILITIES

Other liabilities

Other liabilities are measured at their net realisable values.

Expenses falling due after year-end and any interest payable are recorded in other liabilities. Any negative fair values of derivatives including spot transactions are recognised in other liabilities.

Accrued income

Income received on or before the balance sheet date, but concerning subsequent reporting periods are recorded as accrued income. Accrued income is measured at cost.

Provisions

A provision is a liability that is uncertain in terms of amount or timing. A provision is recognised in the balance sheet, if, in all probability, future economic benefits will flow out of the company, and the value of such provision can be reliably measured.

The values of any future liabilities are measured at their present values to the extent that the discounting of such liabilities is of significance to the measurement of the size of the particular provision. The discount rate used matches the market rate of return in respect of the liability in question.

Shareholders' equity

Premiums in respect of issued options or warrants and any redemption of options or warrants in respect of corporate shares are recognised in other reserves as movements in equity.

Any obligation to buy back shares in the event of an employee leaving the company's employment is deducted from equity and recorded as debt in other liabilities. The debt is computed at the amount of shares that the company is obliged to buy back in compliance with the shareholders' agreement duly considering the capital requirements of the group and the company.

Any purchases or sale of own shares are recognised directly at the transaction value and recognised as a change directly in equity via "Other reserves".

Any proposed dividends are recognised as a liability at the time of adoption at the annual general meeting (time of declaration). Dividends to be paid for the period under review will be recorded as a separate item in shareholders' equity.

NOTES

Note 2 Financial highlights - group (5-year overview)

INCOME STATEMENT

DKK thousand	2014	2013	2012	2011	2010
Net interest and fee income	291,956	327,014	238,555	232,740	205,848
Market value and currency translation adjustments	8,883	6,380	9,063	2,746	3,000
Staff costs and administrative expenses	(175,615)	(158,004)	(175,752)	(208,544)	(177,375)
Results of interests in associates and group enterprises	-	-	-	-	21
Net profit for the year	100,374	139,699	63,480	26,854	31,535

BALANCE SHEET

Shareholders' equity	507,191	450,014	260,166	211,945	204,965
Total assets	659,524	605,471	513,419	447,845	445,868

RATIOS AND KEY FIGURES

Return on equity before tax	27.9%	52.2%	35.8%	17.4%	22.1%
Return on equity after tax	21.0%	39.3%	26.9%	12.9%	16.6%
Cost/income ratio	1.75	2.15	1.47	1.17	1.23
Cost in % of income	57.2%	46.5%	67.9%	85.4%	81.0%
Tier 1 capital ratio	43.8%	48.7%	37.3%	36.2%	41.2%
Capital ratio	43.8%	48.7%	48.5%	49.8%	56.8%
Own funds in relation to minimum capital requirements	5.48	6.09	6.06	6.23	7.10

Ratios and key figures were drawn up in accordance with the Danish FSA's definitions.

NOTES

Note 2 Financial highlights - parent (5-year overview)

INCOME STATEMENT

DKK thousand	2014	2013	2012	2011	2010
Net interest and fee income	2,862	1,699	1,701	1,787	750
Market value and currency translation adjustments	(2,421)	(118)	3,588	739	(116)
Staff costs and administrative expenses	(18,272)	(13,127)	(10,929)	(12,252)	(10,039)
Results of interests in associates and group enterprises	106,718	137,773	57,461	27,043	30,171
Net profit for the year	100,374	139,697	63,479	26,851	31,535

BALANCE SHEET

Shareholders' equity	507,149	449,971	260,125	211,905	204,928
Total assets	531,069	471,642	286,192	224,126	214,888

RATIOS AND KEY FIGURES

Return on equity before tax	20.6%	39.2%	27.7%	12.9%	16.8%
Return on equity after tax	21.0%	39.3%	26.9%	12.9%	16.6%
Cost/income ratio	6.37	11.46	6.88	3.11	4.17
Cost in % of income	15.7%	8.7%	14.5%	32.1%	24.0%
Tier 1 capital ratio	79.8%	90.8%	83.7%	88.0%	107.5%
Capital ratio	79.8%	90.8%	83.7%	88.0%	107.5%
Own funds in relation to minimum capital requirements	9.97	11.35	10.46	11.00	13.44

Ratios and key figures were drawn up in accordance with the Danish FSA's definitions.

NOTES

DKK thousand	Group		Parent	
	2014	2013	2014	2013
Note 3 Interest income				
Due from credit institutions	318	310	217	247
Bonds	9,164	10,067	2,380	1,216
Derivatives (foreign exchange contracts)	(114)	(196)	(41)	(56)
Other interest income	479	280	91	23
Total interest income	9,847	10,461	2,647	1,430
Note 4 Interest expense				
Credit institutions	(0)	(12)	(0)	-
Subordinated debt	(248)	(3,143)	-	-
Other interest expense	(91)	(230)	(0)	(0)
Total interest expense	(339)	(3,385)	(0)	(0)
Note 5 Market value and currency translation adjustments				
Bonds	1,598	(2,385)	744	(242)
Equities etc.	5,423	11,554	(4,440)	2,210
Currency	1,849	(2,461)	1,241	(2,064)
Derivatives	13	(328)	34	(22)
Total market value and currency translation adjustments	8,883	6,380	(2,421)	(118)
Note 6 Net interest, fee income and market value and currency translation adjustments by business area				
Net interest and fee income				
Asset Management	105,963	107,895	0	(0)
Equity	155,339	190,512	1	114
Equity International	17,698	19,678	(1)	-
Treasury	12,956	8,929	2,862	1,585
Total net interest and fee income	291,956	327,014	2,862	1,699
Market value and currency translation adjustments				
Asset Management	4,200	4,646	-	2
Equity	15	(267)	15	(267)
Equity International	(11)	74	(15)	48
Treasury	4,679	1,927	(2,421)	99
Total market value and currency translation adjustments	8,883	6,380	(2,421)	(118)
Note 7 Geographical segmentation				
Net interest and fee income				
Denmark	281,417	319,881	1,841	949
Luxembourg	9,542	5,769	(0)	69
Other Europe	(68)	921	326	444
Asia	484	235	474	237
North America	581	208	221	-
Total net interest and fee income	291,956	327,014	2,862	1,699

NOTES

Note 7 cont.

DKK thousand	Group		Parent	
	2014	2013	2014	2013
Market value and currency translation adjustments				
Denmark	(1,730)	712	(4,359)	(3,178)
Luxembourg	(100)	113	(100)	113
Other Europe	660	(941)	-	(890)
Asia	1,441	3,863	526	3,837
North America	8,612	2,633	1,512	-
Total market value and currency translation adjustments	8,883	6,380	(2,421)	(118)

Note 8 Staff costs and administrative expenses

Directors:

Directors, fixed remuneration	(1,772)	(1,575)	(394)	-
Directors, variable remuneration	-	-	-	-
Total	(1,772)	(1,575)	(394)	-

Executive board:

Executive board, fixed remuneration	(17,109)	(16,797)	(4,616)	(2,114)
Executive board, variable remuneration	(300)	-	(95)	-
Total	(17,409)	(16,797)	(4,711)	(2,114)

Other significant risk takers:

Risk takers, fixed remuneration	(16,633)	(2,875)	-	-
Risk takers, variable remuneration	(1,050)	(235)	-	-
Total	(17,683)	(3,110)	-	-

Staff costs:

Salaries	(64,903)	(74,391)	(8,780)	(7,353)
Pensions	(5,827)	(6,498)	(728)	(613)
Social security costs and payroll tax based on Financial Services Payroll Tax Act	(8,528)	(8,795)	(88)	(73)
Total	(79,258)	(89,684)	(9,596)	(8,039)

Other administrative expenses	(59,493)	(46,838)	(3,571)	(2,974)
Total staff costs and administrative expenses	(175,615)	(158,004)	(18,272)	(13,127)

One managing director had a free company car until May 2013.

Number of: Board of directors 8 (2013: 8), executive board 4 (2013: 4). Other significant risk takers group 11 (2013: 3), parent 1 (2013:1).

In the parent, the number of employees whose activities have a material influence on the group's risk profile (risk takers) is one person, and disclosing other significant risk takers' remunerations would involve the disclosure of this particular person's individual remuneration. Consequently, such remuneration has not been disclosed for the parent.

NOTES

Note 8 cont.

Executive board members' investment commitment/employment contracts involving performance bonus or carried interest.

2014	Jeppe Christiansen		Erik Holm		Henrik Parkhøi		Steffen Stæhr	
- = No commitment or not included	Perfor-	Carried	Perfor-	Carried	Perfor-	Carried	Perfor-	Carried
+ = Included in scheme	mance- bonus	interest	mance- bonus	interest	mance- bonus	interest	mance- bonus	interest
LD Equity 1 K/S	-	-	-	-	-	-	-	-
LD Equity 2 K/S	+	-	+	-	-	-	+	-
LD Equity 3 K/S	+	-	+	-	+	-	+	-
Maj Invest Equity 4 K/S	-	+	-	+	-	-	-	+
LD Invest Vietnam K/S	-	+	-	+	-	+	-	+
Danish Microfinance Partners K/S	-	-	-	-	-	-	-	-

2013	Jeppe Christiansen		Erik Holm		Henrik Parkhøi		Steffen Stæhr	
- = No commitment or not included	Perfor-	Carried	Perfor-	Carried	Perfor-	Carried	Perfor-	Carried
+ = Included in scheme	mance- bonus	interest	mance- bonus	interest	mance- bonus	interest	mance- bonus	interest
LD Equity 1 K/S	-	-	-	-	-	-	-	-
LD Equity 2 K/S	+	-	+	-	-	-	+	-
LD Equity 3 K/S	+	-	+	-	+	-	+	-
Maj Invest Equity 4 K/S	-	+	-	+	-	-	-	+
LD Invest Vietnam K/S	-	+	-	+	-	+	-	+
Danish Microfinance Partners K/S	-	-	-	-	-	-	-	-
The Energy and Fertilizer Investment Fund K/S	-	+	-	+	-	-	-	+

	Group		Parent	
	2014	2013	2014	2013
Number of employees				
Average number of employees (full-time equivalent)	95	92	10	9

NOTES

Note 8 cont.

DKK thousand	Group		Parent	
	2014	2013	2014	2013
Auditors appointed by the general meeting, fees				
Statutory audit of financial statements	(574)	(532)	(106)	(99)
Other assurance services	(106)	(45)	-	-
Tax advisory services	(192)	(201)	(175)	(130)
Non-audit services	(350)	(91)	(2)	(18)
Total audit and non-audit fees	(1,222)	(869)	(283)	(247)

Note 9 Tax

Tax on profit for the year	(33,098)	(46,085)	1,928	401
Adjustment of prior-year tax charges	37	(51)	(35)	(69)
Adjustment of deferred tax	78	274	4	26
Change in deferred tax due to tax rate adjustments	28	49	(5)	(6)
Total tax	(32,955)	(45,813)	1,892	352

Effective tax rate

Current tax rate	24.5%	25.0%	24.5%	25.0%
Adjustment of non-taxable items	0.1%	(0.3%)	0.1%	(0.6%)
Adjustment of results of interests in associates and group enterprises	-	-	(26.5%)	(24.7%)
Adjustment of prior-year tax charges	(0.0%)	0.0%	0.0%	0.0%
Change in deferred tax due to tax rate adjustments	(0.1%)	(0.0%)	(0.0%)	0.0%
Tax rate adjustment regarding international subsidiaries	0.1%	-	-	-
Total effective tax rate	24.6%	24.7%	(1.9%)	(0.3%)

Deferred tax relates to intangible and other tangible assets. There is no provision for deferred tax in respect of interests in associates and group enterprises.

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note 10 Due from credit institutions				
Demand deposits	137,800	105,439	22,152	30,532
Due from credit institutions, total	137,800	105,439	22,152	30,532

NOTES

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note 11 Loans and receivables				
Over 3 months and up to 1 year	915	-	915	-
Total loans and receivables	915	-	915	-
Note 12 Bonds at fair value				
Other mortgage bonds	336,309	329,969	72,525	64,748
Government bonds	-	-	-	-
Other bonds	29,691	36,772	21,177	21,090
Bonds at fair value, total	366,000	366,741	93,702	85,838
At year-end 2014, the group had provided bonds at a market value of DKK 40.0 million (2013: 40.7 million) in security of trading in derivatives and securities.				
Interest rate risk	2,441	3,243	443	427
Note 13 Equities etc. at fair value				
Equities/mutual funds listed				
at Nasdaq OMX Copenhagen A/S	24,457	24,767	15,414	17,403
Equities listed at other stock exchanges	31,339	23,126	-	-
Unlisted equities at fair value	34,656	31,885	34,634	31,876
Total equities etc. at fair value	90,452	79,778	50,048	49,279
Note 14 Interests in associates				
Total acquisition sum at 1 January	-	-	86,485	86,485
Additions	-	-	20,000	-
Total acquisition cost at 31 December	-	-	106,485	86,485
Revaluations at 1 January	-	-	216,231	108,495
Foreign currency translation	-	-	54	(43)
Profit for the year	-	-	106,718	137,774
Dividend	-	-	(75,000)	(30,000)
Other movements in capital	-	-	-	5
Revaluations at 31 December	-	-	248,003	216,231
Carrying amount 31 December	-	-	354,488	302,716
Carrying amount 1 January	-	-	302,716	194,980

NOTES

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note 15 Intangible assets				
Total cost at 1 January	5,977	5,942	-	354
Additions	719	499	-	-
Disposals	(206)	(464)	-	(354)
Total acquisition sum at 31 December	6,490	5,977	-	0
Amortisation and impairment charges at 1 January	(3,320)	(3,128)	-	(354)
Amortisation charges for the year	(680)	(656)	-	-
Impairment charges for the year	68	464	-	354
Amortisation and impairment charges at 31 December	(3,932)	(3,320)	-	0
Carrying amount at 1 January	2,558	2,657	-	0
Carrying amount at 1 January	2,657	2,814	-	-
Note 16 Other tangible assets				
Total cost at 1 January	10,953	11,202	918	918
Additions	1,300	1,149	46	-
Disposals	(290)	(1,398)	(62)	-
Total cost at 31 December	11,963	10,953	902	918
Depreciation and impairment charges at 1 January	(8,178)	(6,565)	(838)	(638)
Depreciation charges for the year	(1,671)	(2,609)	(83)	(200)
Reversals of depreciation charges	288	996	59	-
Depreciation and impairment charges at 31 December	(9,561)	(8,178)	(862)	(838)
Carrying amount at 31 December	2,402	2,775	40	80
Carrying amount at 1 January	2,775	4,637	80	280
Note 17 Other assets				
Various debtors	31,006	34,811	1,012	-
Positive fair value of derivatives etc.	1,057	865	677	249
Interest due	4,285	4,569	1,052	862
Other assets	1,105	1,851	878	937
Other assets, total	37,453	42,096	3,619	2,048
Various debtors include accounts with group enterprises worth	144	-	619	-

NOTES

Note 18 Contingent assets

Fondsmæglerselskabet Maj Invest A/S has made a number of investment management agreements involving payment of a performance-based management fee/carried interest. This means that if a return exceeds an agreed level, Fondsmæglerselskabet Maj Invest A/S will earn a share of such return by way of a performance-based management fee/carried interest. Such fees are typically computed on a quarterly basis and may also fall due for quarterly payment. However, the payment of such fees cannot exceed the fee to which Fondsmæglerselskabet Maj Invest A/S is certain to be entitled.

At 31 December 2014, our performance-based fee/carried interest amounted to approx. DKK 214 million (at 31 December 2013: approx. DKK 291 million) after provisions.

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note 19 Other liabilities				
Various creditors	38,799	19,444	1,473	1,040
Negative fair values of derivatives etc.	1,723	149	566	-
Accrued interest and commissions	1	233	-	-
Buyback obligation, own shares	15,000	15,000	15,000	15,000
Other liabilities	39,551	43,674	3,937	3,344
Other liabilities, total	95,074	78,500	20,976	19,384
Various creditors include accounts with group enterprises worth				
	660	-	840	4

Note 20 Other provisions

Other provisions concern bonuses relating to performance-based management fees/carried interest recognised in the income statement.

Note 21 Subordinated debt

Additional tier 1 capital:

Bullet loan at variable rate of interest in DKK -

non-amortisable (raised 13.11.2006) (A)	-	10,000	-	-
Total additional tier 1 capital	-	10,000	-	-
Total subordinated debt	-	10,000	-	-

In 2014 the company redeemed additional tier 1 capital of DKK 10 million before maturity. Interest expenses for 2014 amounted to DKK 248,000 (2013: 257,000).

In 2013 the company redeemed tier 2 capital before maturity with interest expenses amounting to DKK 2,886,000 in 2013.

NOTES

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note 22 Contingent liabilities				
Guarantees etc.:				
Other guarantees (participation in the Danish Guarantee Fund for Depositors (Indskydergarantifonden))				
	382	396	-	-
Total guarantees etc,	382	396	-	-
Other contingent liabilities:				
Other liabilities (commitments to invest in capital funds)	29,608	48,949	29,578	48,861
Contingent liabilities, total	29,608	48,949	29,578	48,861

The company is jointly registered concerning vat and payroll tax payable under the Danish Financial Services Payroll Tax Act with Fondsmæglerselskabet Maj Invest A/S and jointly liable for any payments in respect thereof. The company is also jointly taxable with all group entities residing in Denmark. Being the administration company, we are jointly and severally liable with the other entities in the joint taxation scheme in respect of Danish corporation tax and withholding taxes on dividends, interest income and royalties For 2014 the jointly taxed entities have a current tax receivable of DKK 14,120,000 (31 December 2013: tax liability of DKK 4,565,000).

The company has entered a tenancy agreement (effective from 1 April 2011) for the premises Gammeltorv 18. The agreement is terminable at six months' notice by either party, although the company cannot terminate it before 1 October 2016. The landlord cannot terminate the tenancy until 1 October 2021.

The total rent obligation in the non-terminable period is:

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
In year one	4,714	4,622	471	462
Between one and five years	3,600	8,361	360	836
Total	8,314	12,983	831	1,298

The Group has renewed the agreement concerning a securities trading system, The new agreement runs until 30 September 2019,

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
In year one	470	457	-	-
Between one and five years	1,848	1,920	-	-
After five years	-	378	-	-
Total	2,318	2,755	-	-
Contingent liabilities, total	10,632	15,738	831	1,298

NOTES

DKK thousand	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Note 23 Own funds				
Shareholders' equity	507,191	450,014	507,149	449,971
Current profit for the year, not recognised	(100,374)	-	(100,374)	-
Total tier 1 capital before primary deductions	406,817	450,014	406,775	449,971
Primary deductions				
Proposed dividend	(45,438)	(45,438)	(45,438)	(45,438)
Proposed dividend, not recognised	45,438	-	45,438	-
Intangible assets	(2,558)	(2,657)	0	-
Deferred capitalised tax assets	-	-	(44)	(45)
Total common equity tier 1 capital after primary deductions	404,259	401,919	406,731	404,488
Additional tier 1 capital	-	10,000	-	-
Total tier 1 capital capital after primary deductions	404,259	411,919	406,731	404,488
Other deductions in tier 1 capital	-	(758)	-	-
Total tier 1 capital capital after other deductions	404,259	411,161	406,731	404,488
Total eligible capital	404,259	411,161	406,731	404,488

DKK thousand	Company activity	Equity interest	Shareholders' equity	Profit after tax
Note 24 Group overview				
Consolidated subsidiaries				
Fondsmæglerselskabet Maj Invest A/S, Copenhagen	Asset management company	100%	332,484	108,091
Maj Invest Equity A/S, Copenhagen	Alternative investment fund manager	100%	12,144	450
Danish Microfinance Partners Management ApS, Copenhagen	Private equity management	55%	93	(0)
Maj af 29. august 2014 A/S, Copenhagen	Project company	100%	8,941	(1,559)
Maj Invest Singapore Private Limited, Singapore	Consulting company	100%	-	-
Management Equity Vietnam I ApS, Copenhagen	Private equity management	100%	328	13
Maj Invest Vietnam Management Consultancy LLC, Ho Chi Minh City, Vietnam	Consulting company	100%	540	(276)

NOTES

Note 24 cont.

Shareholders' equity and results are based on the companies' most recently approved annual reports. The equity and results of Maj Invest Vietnam Management Consultancy LLC are based on non-audited financial statements. Maj af 29. august 2014 is based on non-audited financial statements as the first financial reporting period is from 10 September 2014 to 31 December 2015. Subsidiaries of consolidated subsidiaries are not included in the group overview but their results are included in the results of the consolidated subsidiaries, cf. the Danish Executive Order on the Preparation of Financial Statements.

For a full group overview, please see the group chart in the management's review on page 18.

DKK thousand	Revenue	Full-time staff	Profit before tax	Tax
Geographic breakdown of subsidiaries				
Denmark	300,470	79	141,511	34,517
Vietnam	675	4	16	292
Singapore	-	1	-	-

No group enterprises have received subsidies in the financial reporting period.

Note 25 Related parties and ownership

Other related parties

The group's related parties include the members of our board of directors and our executive board and their related family members. Related parties also comprise companies in which the persons mentioned above hold significant interests. The chairman of the board of directors is the CEO of Chr. Augustinus Fabrikker Aktieselskab, which is a client of Fondsmæglerselskabet Maj Invest A/S. All services are settled on an arm's-length basis. The vice chairman is the CEO of PKA A/S, which administers pension funds and which is a shareholder of Maj Invest Holding A/S, and a client of Fondsmæglerselskabet Maj Invest A/S. Agreements have been made for providing investment consultancy services etc. on an arm's-length basis.

The group has not raised any loans or provided any security, collateral or guarantees on behalf of executive board members, directors or their related family members, or companies in which they hold significant interests.

The chairman of the board, member of the board Peter Korsholm and the three directors elected by staff own shares in Maj Invest Holding A/S. The executive board and/or companies in which executive board members hold significant interests own shares and warrants in Maj Invest Holding A/S.

Ownership

In compliance with the Danish Companies Act, sections 55 and 56, the following shareholders have been entered in the company's register of shareholders as holding minimum 5 per cent of the company capital or minimum 5 per cent of the voting rights of the company capital (not adjusted for own shares):

Jeppe Christiansen and Emlika ApS, which is owned by Jeppe Christiansen, both Virum
Erik Holm and Erik Holm Holding ApS, which is owned by Erik Holm, both Hellerup
Realdania, Copenhagen

NOTES

Note 26 Financial instruments and risks

Pensionskassen for Sygeplejersker og Lægeseekretærer, Hellerup

Pensionskassen for Sundhedsfaglige, Hellerup

Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale, Hellerup

Objectives and risk policies

The board of directors has provided guidelines in respect of the types of risk that the group may be exposed to. These guidelines include identification, management, control and reporting of risks. The guidelines are supported by a number of routines and in the subsidiaries Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S also by a number of business procedures. Moreover the directors of Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S have in addition formulated corporate policies relevant to the companies relating to market risks, liquidity, credit, insurance cover of risks, and operational risks. Together with the corporate policies established by the subsidiaries Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S the guidelines and procedures constitute the group's risk policy. Our risk policy includes a decentralised function identifying risks at various levels in the group enabling a current assessment of any consequences as well as ensuring that the group's capital and capital ratio requirements always comply with statutory requirements and identified risks.

To ensure efficient management of our risk policy, we have segregated the function in charge of business and the function responsible for managing and monitoring the various types of risk.

Market and liquidity risks

The group's market risks are related to our activities in Markets in Fondsmæglerselskabet Maj Invest A/S and to the group's surplus liquidity investments.

The directors have set up a general framework in respect of market risks.

The framework for investing consolidated liquidity is wide in areas where the risk is considered small and narrow in less liquid areas of investment and/or investments involving larger credit risks. The framework is used in combination with the positive lists drawn up by the directors as regards approved financial institutions and countries. Exposures outside these positive lists have a higher risk weighting and a lower investment frame than do exposures on the positive lists. This helps reduce the market risks and ensure that we have liquid assets in the form of a large holding of securities that are easily realisable.

Liquidity risks

The group's liquidity must always be sufficient. We have a framework determining the portion of consolidated liquidity that may be placed in fixed-term deposits and the maximum term.

Although our liquidity risk is considered insignificant due to our generally very large surplus liquidity, the directors of Fondsmæglerselskabet Maj Invest A/S have drawn up a liquidity plan (emergency plan) for any liquidity crises. This plan may also be applied at group level.

Interest rate risk

This risk is a result of the investments of consolidated surplus liquidity in the form of deposits in financial service in-

NOTES

Note 26 cont.

stitutions and bond markets. The directors have set up a maximum framework in respect of our interest rate risk on bond portfolios and a total interest rate risk for the group as a whole. A very large portion of our investments are short-term investment. Interest rate risks are modest compared with shareholders' equity and our own funds.

Interest rate risks	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Interest rate risks (DKK thousand)	2,488	3,242	443	427
In % of year-end shareholders' equity	0.5%	0.7%	0.1%	0.1%
In % of year-end own funds	0.6%	0.8%	0.1%	0.1%

In the current management and monitoring of interest rate risks, we use a duration model based on the Danish FSA's guidelines.

Equity risks

The framework in respect of equity risks are limited by positions in single equities, types of equities including mutual funds and a total limit on equity exposures.

The widest framework is in listed equities and mutual funds to take into account our activities in Markets in Fonds-mæglerselskabet Maj Invest A/S.

Via separate investment frameworks, the group can also invest in private equity products for which the group acts as investment advisor. This provides investors with a high degree of corporate commitment concerning the products we offer. The group's holdings of interests in listed Danish equities and mutual funds, foreign equities and mutual funds as well as unlisted investments are seen below.

31.12.2014	Group			Parent		
	DKK thousand	In % of year-end equity	In % of year-end own funds	DKK thousand	In % of year-end equity	In % of year-end own funds
Equities etc. at fair value						
Listed equities in the trading portfolio	66	0.0%	0.0%	-	-	-
Mutual fund units in the trading portfolio	3,780	0.7%	0.9%	-	-	-
Listed equities outside the trading portfolio	51,950	10.2%	12.9%	15,415	3.0%	3.8%
Unlisted equities and mutual fund units	11,771	2.3%	2.9%	11,771	2.3%	2.9%
Holdings in private equity funds	22,885	4.5%	5.7%	22,863	4.5%	5.6%
Total equities etc. at fair value	90,452	17.8%	22.4%	50,048	9.9%	12.3%

NOTES

Note 26 cont.

31.12.2013	Group			Parent		
	DKK thousand	In % of year-end equity	In % of year-end own funds	DKK thousand	In % of year-end equity	In % of year-end own funds
Equities etc. at fair value						
Listed equities in the trading portfolio	88	0.0%	0.0%	-	-	-
Mutual fund units in the trading portfolio	7,276	1.6%	1.8%	-	-	-
Listed equities outside the trading portfolio	40,529	9.0%	9.9%	17,403	3.9%	4.3%
Unlisted equities and mutual fund units	21,423	4.8%	5.2%	21,423	4.8%	5.3%
Holdings in private equity funds	10,462	2.3%	2.5%	10,453	2.3%	2.6%
Total equities etc. at fair value	79,778	17.7%	19.4%	49,279	11.0%	12.2%

Currency risk

Currency risks relate to our liquidity investments in securities and increasingly to the group's activities abroad as a consequence of the international strategy defined with a view to selling selected products to international clients.

Forward exchange contracts are used for hedging of certain positions.

We have a moderate framework for unhedged foreign exchange positions, and a framework for currency positions combined with foreign exchange hedging. This provides an upper limit for currency positions even if risks are hedged.

As a result of the Danish fixed rate policy vis-a-vis the euro, we do not have any framework as regards the euro.

The group's currency risk is limited and shown in the table below.

Exchange rate risks	Group		Parent	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Exchange rate risks (DKK thousand)*	4,214	3,019	1,832	2,363
In % of year-end shareholders' equity	0.8%	0.7%	0.4%	0.5%
In % of year-end own funds	1.0%	0.7%	0.5%	0.6%

*Change of 2.25% for EUR and 12% for other currencies.

Counterparty risk

The corporate securities brokers in Fondsmæglerselskabet Maj Invest A/S trade daily on behalf of our clients and for our own portfolios. Our counterparties are therefore other securities brokers or market participants and/or clients. Transactions in Markets are exclusively spot transactions. Trade in listed derivatives is limited and exclusively for our own portfolios.

NOTES

Note 26 cont.

Credit risk

The group's credit risks concern receivables from clients and market and liquidity-related transactions. Our credit risks are subject to a framework given by the board of directors. The size of our credit risk framework is lower than the framework allowed by law both as regards individual transactions and the group's overall credit exposure.

Our clients are institutional investors and financially solid clients. Many of our clients pay in advance and clients that do not, are regulated by fixed and short intervals. Our credit risk in respect of clients is considered insignificant.

The framework for the group's market and liquidity-related transactions is set up so that it is wider where the risk is considered smallest and narrower for less liquid investments and/or investments involving higher credit risk. The directors have drawn up positive lists of approved financial institutions and countries for investment in money and bond markets. The framework is restricted in respect of exposures with financial counterparties that are not on the positive lists.

Reporting and monitoring of risks

The group's financial positions are recorded in a trading system for activities in Markets in Fondsmæglerselskabet Maj Invest A/S and a standard portfolio system for our own positions not related to our trading activities in Markets.

We have invested substantial resources in computer systems for the management and identification of risks in order to currently monitor and control such risks.

Accounting & Risk Management and Middle Office have online access to our trading system and are able to see all transactions and positions in the system. The trading and finance systems are integrated, the latter being responsible for bookkeeping of transactions.

Middle Office administers a portfolio management system, which includes transactions and positions in respect of our own portfolio activities not associated with Markets.

Control, reconciliation and bookkeeping are made on a day-to-day basis in both computer systems and checked against the company's finance system. Transactions are recorded and reconciled to the settled transactions and the group's custody accounts in external banks and bank accounts.

We also regularly check the prices of positions which the group has with external parties such as depository banks, stock exchanges or similar institutions.

Based on the risk management module of our trading system and withdrawals from accounts and custody accounts, a daily report is prepared showing earnings, positions, risks and utilisation of lines concerning the Markets activities of Fondsmæglerselskabet Maj Invest A/S. This report is submitted to Markets and the executive board of Fondsmæglerselskabet Maj Invest A/S.

Middle Office delivers currently reconciled data from the portfolio management system to Accounting & Risk Management, which monitors the corporate investment framework.

On the basis of data from the trading system, the portfolio management system and extracts from our finance system, Accounting & Risk Management currently reports to the executive board on the overall market, credit risks and liquidity. Directors receive reports once every three months.

STATEMENTS

STATEMENT BY MANAGEMENT

The board of directors and the executive board have today considered and approved the annual report for Maj Invest Holding A/S for the year ended 31 December 2014.

The board of directors and the executive board hereby declare that we are of the opinion that:

- The consolidated financial statements have been prepared in accordance with the Danish Financial Business Act and the company's articles of association.
- The financial statements give a true and fair view of the group's and the parent's assets, liabilities and financial position at 31 December 2014 and of the results of the parent's and the group's activities for the 2014 financial year.
- The management's review includes a fair report of developments in the parent's and the group's activities and financial position and describes the significant risks and any uncertainty factors that may affect the parent or the group.

The annual report will be submitted to the general meeting for approval.

Copenhagen, 25 February 2015

EXECUTIVE BOARD

Jeppe Christiansen
CEO

Erik Holm
Managing Director

Henrik Parkhøj
Managing Director

Steffen Stæhr
CFO

BOARD OF DIRECTORS

Tommy Pedersen
Chairman

Peter Damgaard Jensen
Vice Chairman

Hans Jensen

Peter Korsholm

Ruth Schade

Klaus Bentin

Ken Bamberg Ernstsén

Morten Rask Nymark

INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF MAJ INVEST HOLDING A/S

INDEPENDENT AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

We have audited the consolidated financial statements and the parent company financial statements of Maj Invest Holding A/S for the financial year 1 January – 31 December 2014. The consolidated financial statements and the parent company financial statements comprise income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes for the Group as well as for the parent company. The consolidated financial statements and the parent company financial statements are prepared in accordance with the Danish Financial Business Act.

MANAGEMENT'S RESPONSIBILITY FOR THE CONSOLIDATED FINANCIAL STATEMENTS AND THE PARENT COMPANY FINANCIAL STATEMENTS

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial Business Act and for such internal control that Management determines is necessary to enable the preparation of consolidated financial statements and parent company financial statements that are free from material misstatement, whether due to fraud or error.

AUDITORS' RESPONSIBILITY

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements and the parent company financial statements. The procedures selected depend on the auditors' 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 auditors consider internal control relevant to the Company's preparation of consolidated financial statements and parent company financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion

on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the consolidated financial statements and the parent company financial statements.

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

Our audit has not resulted in any qualification.

OPINION

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

STATEMENT ON THE MANAGEMENT'S REVIEW

Pursuant to the Danish Financial Business Act, we have read the Management's review. We have not performed any further procedures in addition to the audit of the consolidated financial statements and the parent company financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the consolidated financial statements and the parent company financial statements.

Copenhagen, 25 February 2015

Ernst & Young
Godkendt Revisionspartnerselskab

Lars Rhod Søndergaard
State Authorised
Public Accountant

Ole Karstensen
State Authorised
Public Accountant

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