



MAJ
INVEST

HOLDING

ANNUAL REPORT
2015



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MANAGEMENT'S REVIEW

COMPANY INFORMATION

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BOARD OF DIRECTORS

Tommy Pedersen, Chairman
Hans Jensen
Morten Lund Madsen
Ruth Schade
Klaus Bentin (elected by staff)
Ken Bamberg Ernstsen (elected by staff)
Tomas Munksgard Hoff (elected by staff)

EXECUTIVE BOARD

Jeppe Christiansen
Erik Holm
Henrik Parkhøi



MAJ INVEST'S EXECUTIVE BOARD & CHAIRMAN OF THE BOARD - ERIK HOLM, MANAGING DIRECTOR; JEPPE CHRISTIANSEN, CEO; HENRIK PARKHØI, MANAGING DIRECTOR; TOMMY PEDERSEN, CHAIRMAN OF THE BOARD

FINANCIAL HIGHLIGHTS - GROUP

INCOME STATEMENT (PRINCIPAL ITEMS)

DKK thousand	2015	2014	2013	2012	2011
Total gross income	326,059	311,334	347,061	263,580	248,778
- Net interest and fee income	292,506	291,956	327,014	238,555	232,740
- Market value and currency translation adjustments	21,645	8,883	6,380	9,063	2,746
- Other operating income	11,908	10,495	13,667	15,961	13,292
Staff costs and administrative expenses	(211,862)	(175,615)	(158,004)	(175,752)	(208,544)
Net profit for the year	81,832	100,374	139,699	63,480	26,854

BALANCE SHEET

Shareholders' equity	358,411	507,191	450,014	260,166	211,945
Total assets	593,751	659,524	605,471	513,419	447,845

RATIOS AND KEY FIGURES

Return on equity before tax	24.8%	27.9%	52.2%	35.8%	17.4%
Return on equity after tax	18.9%	21.0%	39.3%	26.9%	12.9%
Cost/income ratio	1.49	1.75	2.15	1.47	1.17
Cost in per cent of income	67.0%	57.2%	46.5%	67.9%	85.4%
Tier 1 capital ratio	36.1%	43.8%	48.7%	37.3%	36.2%
Capital ratio	36.1%	43.8%	48.7%	48.5%	49.8%
Own funds in relation to minimum capital requirements	4.5	5.5	6.1	6.1	6.2

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 2015

Our business volume has continued to grow in 2015 with inflow of new client contracts and large growth in assets under management. Net profit for the year is satisfactory and better than expected. Some of the highlights are:

- Net profit for the year after tax was DKK 81.8 million against DKK 100.4 million in 2014, affected by considerable start-up costs in Maj Bank.
- Shareholders' equity totalled DKK 358.4 million at year-end 2015, and the return on equity after tax was 18.9 per cent in 2015.
- The group's own funds totalled DKK 346.4 million at year-end 2015. The group's capital ratio is 36.1 per cent, which is considerably higher than the statutory minimum requirement.
- Maj Invest Asset Management has experienced a boost in the number of clients. Assets under management increased by DKK 13 billion in 2015, equivalent to an increase of 44 per cent.
- With assets under management growing by 42 per cent, Investeringsforeningen Maj Invest (mutual fund) continued to gain market share. The fund Maj Invest Value Aktier (global value equities) received a Morningstar Fund Award, and in December 2015 the fund achieved a 10-year track record as one of the best global equity funds among the 700 funds with 10 years of performance that are analysed by Morningstar.
- Maj Invest Equity provided consultancy services in connection with the sale of companies, and also on investments in the companies Svendsen Sport A/S og DK-Foods A/S.
- Maj Invest Equity International provided consultancy services on an investment for an existing fund and also launched advisory services to two new private equity funds.
- Maj Invest Equity Southeast Asia II K/S with focus on investments in unlisted companies in Vietnam and Indonesia was launched with committed capital of USD 90 million.
- Maj Invest Financial Inclusion Fund II K/S, which focuses on investments in unlisted companies within financial infrastructure and the banking industry in Latin America, Asia and Africa, was launched with committed capital of USD 75 million.
- In July the group was authorised to operate the bank Maj Bank A/S. The bank focuses on savings and investment-related products for personal customers and extended its advisory services to the first clients in November.
- At year-end, the group entered into agreements on a net buyback of own shares equivalent to approximately 35 per cent of the share capital.

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. So far the group has had two core business activities, Asset Management and Private Equity; both primarily providing services to institutional investors and large clients. With the establishment of Maj Bank it is now possible to provide services to personal customers within the area of savings and investments. The plan is for Maj Bank's activities to develop into a new core business area complementing the existing business area Maj Invest Asset Management.

The group is represented in six countries. The development in group activities can be seen in the overview Milestones. Overviews are shown on the next page.

The group has two principal business areas: Maj Invest Asset Management and Maj Invest Equity. Together with Maj Bank, these two principal business areas offer a number of long-term investment products.

- Maj Invest Asset Management provides advisory services on asset allocation and asset management (listed securities). Our clients are institutional investors, Investeringsforeningen 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 management to wealthy clients, companies and funds.
- Maj Invest Investor Relations & Markets is responsible for stock exchange trading and prepares promotional products for financial institutions, as

well as supplies distributors with information on Investeringsforeningen Maj Invest and Maj Invest Funds, which is a mutual fund based in Luxembourg. The department provides services to clients in Denmark and abroad within the core business area Maj Invest Asset Management.

- 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 four funds with international activities. Two of the funds focus on investments in Vietnam and Southeast Asia, and the other two focus on investments in microfinance and financial infrastructure, and also microfinance institutions.

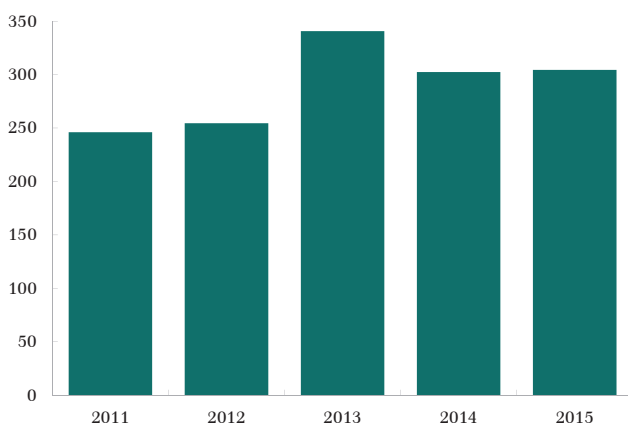
Furthermore, we also provide administrative and reporting services to companies with activities related to the group's business activities.

Total assets under management rose by 40 per cent in the period under review, at year-end constituting approximately DKK 50 billion. In 2015 the group employed an average of 99 employees.

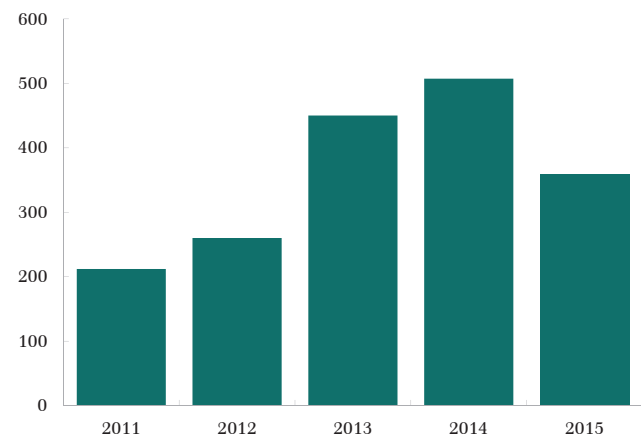
We are currently adapting the range of products and services we offer. As a part of the group's international strategy we continue to focus on an increase in the number of international clients in selected products. ■

NET INTEREST AND FEE INCOME, ETC.

DKK million

**DEVELOPMENT IN SHAREHOLDERS' EQUITY**

DKK million



Note: Shareholders' equity in 2015 after conditional share buyback.

MILESTONES

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

2012
Private equity fund EFIF established

2010
Private equity fund Danish Microfinance Partners established

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

2015
Maj Bank established.
Private equity funds Maj Invest Southeast Asia II and Maj Invest Financial Inclusion Fund II set up

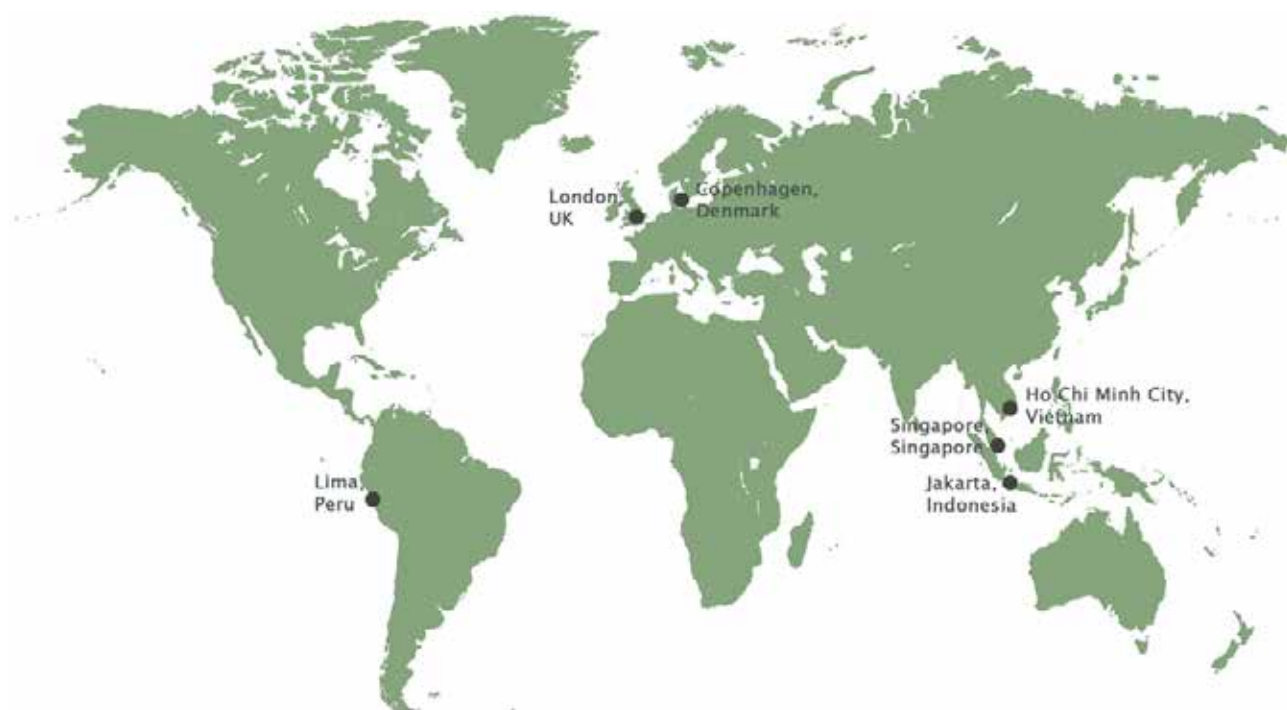
2013
The mutual fund Maj Invest Funds (Luxembourg) set up

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.

Maj Invest Funds, residing in Luxembourg and receiving advisory services from Maj Invest Asset Management, have welcomed more international investors. Total assets under management constituted DKK 1.9 billion at year-end 2015.

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

In 2015 Maj Invest Asset Management has seen large growth in both the inflow of client contracts and assets under management. Assets under management rose by DKK 13 billion in the period under review, equivalent to an increase of 44 per cent. At year-end, Maj Invest Asset Management's total assets under management constituted DKK 44 billion.

INVESTERINGSFORENINGEN MAJ INVEST (MUTUAL FUND)

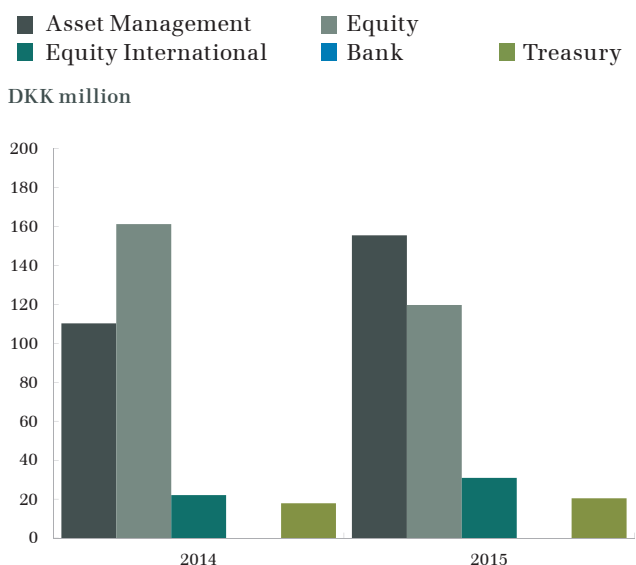
Maj Invest Asset Management acts as investment advi-

sor to Investeringsforeningen Maj Invest, Denmark's second largest independent mutual fund. Investeringsforeningen Maj Invest consists of twelve funds and has been offered to both private and professional investors for 10 years.

In 2015 the mutual fund fortified its position as an independent alternative to the banks' mutual funds by ensuring solid investment results. This together with net new sales increased the fund's assets by DKK 4.4 billion to DKK 14.7 billion.

With assets under management growing by 42 per cent, Investeringsforeningen Maj Invest gained market share as the total assets of the Danish retail market grew by 14 per cent, and the total market consisting of both the retail market and institutional investors increased by 23 per cent.

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



INTERNATIONAL CLASS

Measured in terms of return since launch at year-end 2005, the Maj Invest Pension fund ranks 13 out of 519 balanced funds offered in Europe within the Morningstar category Balanced EUR Moderate Risk - Global. Maj Invest Pension ranks 5 compared to the funds offered to private individuals in Denmark.

The fixed-income funds Maj Invest Danske Obligationer and Maj Invest Globale Obligationer rank 2 and 3, respectively, in their Morningstar categories in the period among all European mutual and other funds. Compared to funds offered to private individuals in Denmark, Maj Invest Globale Obligationer is taking the lead and Maj Invest Danske Obligationer ranks 2.

The global equity funds Maj Invest Value Aktier and Maj Invest Globale Aktier rank 6 and 53, respectively, in the same period among 709 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 Globale Aktier ranks 10.

Note: Return after costs in the period 1/1-2006 to 31/12-2015. Only funds with a track record covering the entire period are included. Source: Morningstar Direct.

From the perspective of the funds' Morningstar category, the six original funds have outperformed benchmarks for a 10-year period since the launch of the mutual fund at year-end 2005. Outperformance ranges between 14 percentage points in the fixed-income fund Danske Obligationer and 85 percentage points in the equity fund Value Aktier. Over a 5-year period, four of the six funds

have outperformed benchmarks. Morningstar® is an international investment research firm assessing returns and risks in mutual and other funds.

In 2015 Investeringsforeningen Maj Invest launched two new funds. The fund Maj Invest Value Aktier Akkumulerende was launched at the end of the first



WITH SIX ORIGINAL FUNDS LAUNCHED IN DECEMBER 2005 INVESTERINGSFORENINGEN MAJ INVEST CELEBRATED ITS 10-YEAR BIRTHDAY AT YEAR-END 2015

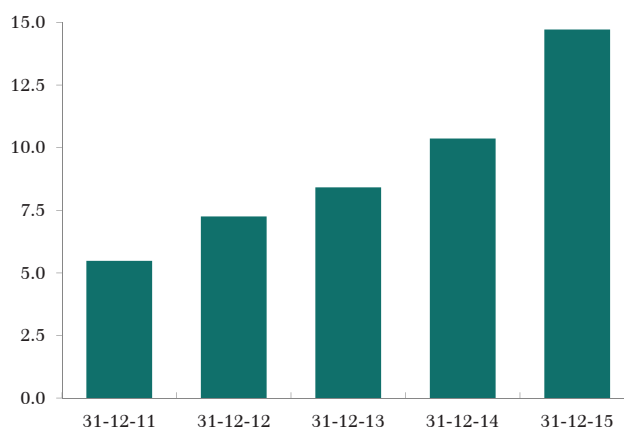
half year and is an affiliated fund to Maj Invest Value Aktier. Investors with a desire to invest in high-risk bonds are often offered funds focusing on either corporate or emerging markets bonds. The fund Maj Invest High Income Obligationer was launched end-October with the purpose of combining the two areas of investment. Thus, investors can invest in high-risk bonds without currently having to assess where to find the risk. Both new funds were successfully launched with satisfying assets and a satisfying number of investors.

In 2015 the independent investment research firm Morningstar awarded the fund Maj Invest Value Aktier (global value equities). The fund received a Morningstar Fund Award and won in the category for global equity funds. This is the third year in a row in which a Maj Invest fund has been awarded by Morningstar.

Six of Investeringsforeningen Maj Invest's funds have more than a three-year track record within their investment area and are thus rated by Morningstar. Because of its special investment area, the Maj Invest Kontra fund has no Morningstar category. At year-end the fund Danske Aktier achieved a three-star rating

DEVELOPMENT IN ASSETS

DKK billion



whereas the fund Globale Aktier achieved a four-star rating. The funds Value Aktier, Danske Obligationer, Globale Obligationer and Pension all achieved the highest rating of five stars. Five stars place the fund among the top ten per cent in its category in Europe.

INVESTERINGSFORENINGEN MAJ INVEST - RETURNS IN PER CENT					PERFORMANCE COMPARED TO MORNINGSTAR CATEGORY			
	Start date	Returns 2015	Returns since start	Performance compared to index	1 year	3 years	5 years	10 years
Danske Aktier	16 Dec. 2005	31.3	198.3	+26.7	-5.1	-17.0	-10.7	+17.4
Globale Aktier	16 Dec. 2005	10.1	89.5	+10.9	+1.1	-2.9	-3.5	+34.8
Value Aktier	16 Dec. 2005	14.9	139.6	+61.1	+5.9	+26.0	+42.7	+84.7
Value Aktier Akk.	29 Jun. 2015	-3.0	-3.0	-2.6	-	-	-	-
Emerging Markets	16 Dec. 2013	-11.3	-1.0	-6.8	-6.9	-	-	-
Global Sundhed	10 Nov. 2008	11.3	66.2	+15.4	-6.2	-	-	-
Danske Obligationer	16 Dec. 2005	1.4	53.8	+8.5	+2.1	+5.1	+5.9	+14.3
Globale Obligationer	16 Dec. 2005	3.0	59.1	+13.8	+2.1	+4.3	+11.7	+32.6
High Income Obl. ¹⁾	30 Oct. 2015	-0.3	-0.3	-2.4	-	-	-	-
Pension	16 Dec. 2005	5.9	71.9	-	+3.3	+8.0	+21.0	+50.2
Kontra ²⁾	11 Jun. 2006	1.9	69.7	-	-	-	-	-
Makro	22 Mar. 2013	5.8	23.1	-	+3.7	-	-	-

Notes:

1) Launched in 2015, and the 2015 return only includes part of the year.

2) The fund has no Morningstar category.

It is highly satisfactory that the mutual fund Maj Invest continues to be recognised for the results achieved. Morningstar's evaluation and rating show that the advisory services provided by Maj Invest Asset Management to *Investeringsforeningen Maj Invest* create stable results and label *Investeringsforeningen 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 *Investeringsforeningen Maj Invest* as the best mutual fund in Denmark at year-end 2015 when it comes to the average number of stars achieved. *Investeringsforeningen Maj Invest* was rated for the first time at year-end 2008, and for seven out of the eight years *Investeringsforeningen Maj Invest* has been the highest rated mutual fund on Morningstar's list at the end of the year.

MAJ INVEST FORMUEFORVALTNING

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 2015 Maj Invest Formueforvaltning once again experienced growth in both the number of clients and assets under management. Maj Invest Formueforvaltning also acquired a client portfolio from OMNI Fondsmæglerselskab A/S. This resulted in further growth in the second half year and also added very experienced staff to the area, highly in line with the consultancy profile characterising Maj Invest Formueforvaltning so far.

MAJ INVEST INVESTOR RELATIONS & MARKETS

Investor Relations handles group client relations in Denmark and abroad and is the hub from which we enter into distribution agreements and provide distributors with information about *Investeringsforeningen Maj Invest*.

Investor Relations takes active part in the expansion of the group's internationalisation strategy and has contributed to the Luxembourg-based mutual fund Maj Invest Funds gaining more international investors, thus reaching total assets under management of DKK 1.9 billion.

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

Maj Invest Markets offers professional advisory services building on many years of 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 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 international equities. As part of our service we also provide information about the various funds of *Investeringsforeningen Maj Invest* (mutual fund).

Maj Invest Markets is market maker for all funds of *Investeringsforeningen Maj Invest* (mutual fund).

MAJ INVEST EQUITY

Maj Invest Equity benefits from many years of experience, knowledge and a wide network of business executives from investments in small and medium-sized private equity companies in Denmark. The advisory services on investments in unlisted equities are primarily provided through consultancy arrangements with the private equity funds LD Equity 1, 2 and 3 and Maj Invest Equity 4 and via a consultancy mandate for large clients.

Maj Invest Equity's broad investment focus is based on long-term partnerships, strategic and operational

improvements, and sound business practice. The investment strategy differs from that of most other private equity funds in Denmark by also investing in minority interests, albeit minimum 35 per cent. Maj Invest Equity focuses on small and medium-sized enterprises with revenues between DKK 200 million and DKK 1 billion operating in industry, trade and services, particularly in sectors such as food, environment/energy, technology and brands. It is Maj Invest Equity's mission to make small companies grow through active partnership.

Maj Invest Equity has a large investment team with extensive experience within private equity investments. 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 partnership-oriented management and organisation. Maj Invest Equity has focus on an in-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.

As part of the Maj Invest group, Maj Invest Equity has adopted the UN's Principles for Responsible Investment (UN PRI).

Maj Invest Equity continues to experience a keen interest in portfolio companies. In the reporting period, Maj Invest Equity has acted as advisor in connection with the sale of two portfolio companies as well as provided advisory services to Maj Invest Equity 4 K/S on investments in Svendsen Sport A/S and an international associated company, both leading European suppliers of sport fishing tackle. Maj Invest Equity also acted as advisor in connection with the acquisition of



EMPLOYEES OF THE MAJ INVEST GROUP

DK-Foods A/S executed in 2016. The company is a leading manufacturer of pepperoni, chorizo, and salami, mainly to manufacturers of frozen and chilled pizzas. With its most recent investments, Maj Invest Equity 4 K/S has now invested in a total of eight companies.

The fund's objective is to make 1-2 further investments; after that Maj Invest Equity 4 will be fully invested. A number of exits from LD Equity 1, 2 and 3 are expected.

MAJ INVEST EQUITY INTERNATIONAL

We carry on our international activities under the name of Maj Invest Equity International. Our group acts as advisor to four private equity funds investing in companies 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 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.

Maj Invest Equity International 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 group has provided advisory services on the acquisition of Lingo E. Commerce JSC out of the portfolio company VMG by means of a recirculation facility. The fund is fully invested and therefore focus has been on further developing and providing advisory services on the sale of the remaining portfolio companies.



MAJ INVEST PROVIDES ADVISORY SERVICES TO INTERNATIONAL PRIVATE EQUITY FUNDS INVESTING IN COMPANIES IN VIETNAM, SOUTHEAST ASIA AND MICROFINANCE

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 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 has established a company in Singapore, which has set up a representative office in Indonesia. This company will provide consultancy to Fondsmæglerselskabet Maj Invest A/S. The fund's first closing commitments totalled USD 90 million.

Maj Invest Equity International also acts as advisor to Danish Microfinance Partners K/S. This fund invests 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.

The fund's investment period has ended, and the fund has made a total of six investments; two in India, three in Latin America, and one in Africa/China. The fund is in the process of making a seventh and final investment in Columbia.

In June a follow-up private equity fund, Maj Invest Financial Inclusion Fund II K/S, was established. The fund focuses on direct investments in the top segment of microfinance institutions in Latin America, Asia and Africa. The fund's first closing commitments totalled USD 75 million, and Maj Invest Equity International has provided advisory services on the fund's first investment in Diviso Grupo Financiero in Peru.

All outstanding shares in Maj Invest South America, S.A., which acts as an advisor to the group within microfinance, were taken over by the group in 2015.



MAJ BANK WELCOMED THE FIRST CLIENTS AT THE END OF 2015. THE BANK IS LOCATED AT DRONNINGENS TVÆRGADE IN THE HEART OF COPENHAGEN

MAJ BANK

On 16 July 2015 the Danish Financial Supervisory Authority authorised the group to operate a bank under the name of Maj Bank A/S. Maj Bank launched its advisory services to the first clients in November 2015 and is now ready to increase the number of clients as well as business volume.

Maj Bank focuses solely on clients' long-term savings and investments. The aim is to offer clients a non-complex and simple service. Simplicity is vital for creating an overview. And possessing the essential overview is a good place to start when it comes to long-term investments.

In our advisory services there is focus on long-term economic relationships and broad financial and economic knowledge of investment approaches and market considerations. Knowledge is shared with clients through the developed IT knowledge platform, Maj World. This knowledge sharing is Maj Bank's contribution to clients making their own investment decisions. Maj Bank will always recommend clients two different options – a Maj Invest product and a product carefully selected among the qualified providers in the market. The Maj World platform is open and transparent so the client as a third option can put together his own portfolio in accordance with his own opinion and estimates.

Maj Bank offers accounts and custody accounts for savings and investment purposes. Maj Bank does not offer loans, bank accounts, debit cards or payment services. Such services are not a part of Maj Bank's business idea. Thus, Maj Bank is a niche bank providing advisory services to clients as a supplement to their everyday bank connection.

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 re-

turns. 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 investments 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 19 to the financial statements includes information on the size of nonrealised performance-based management fees after reserve for bonus schemes and taxes, etc.

SALARY AND REMUNERATION POLICY AND PRACTICE

Once a year the board of directors revises the group'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 appears (in Danish) from the group's website on www.majinvest.com/om-maj-invest/information/juridisk-information.

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 Maj Bank A/S and a variety of management companies related to the group's activities in the Maj Invest Equity business area.

MANAGEMENT

The board of directors has seven 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 vice-chairman of the board, Peter Damgaard Jensen, resigned from the board in June at his own request. Morten Lund Madsen, who is CFO at PKA, joined the board subsequently. Morten Rask Nymark, one of the members elected by staff, resigned end-September as a consequence of him resigning from his position in the

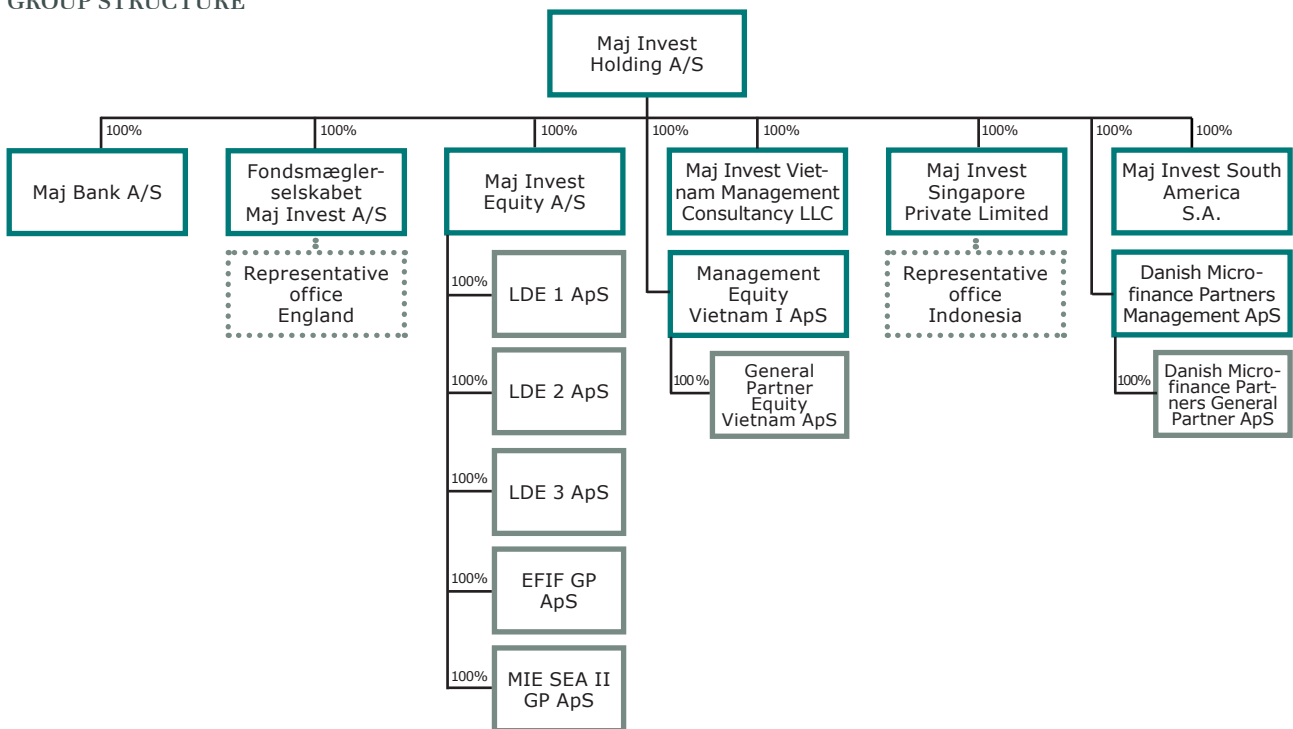
group. Morten Rask Nymark has been replaced by Tomas Munksgard Hoff. Board member Peter Korsholm resigned from the board in October and has not been replaced by another member. Thus, the board of directors has been reduced by one person in 2015.

At the beginning of 2015, Steffen Stæhr resigned from his position as CFO in the Maj Invest group. Consequently, the executive board consists of three people. These three 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".

GROUP STRUCTURE



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

In August 2015 the board of directors decided on a target figure of 40 per cent for the underrepresented gender among the directors elected by the general meeting. This is an increase compared with the previous target of 20 per cent. The target has been set with a three-year time scale, and at year-end 2015 the underrepresented gender represented 25 per cent of the board of directors.

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, and in 2015 a few employees were offered options in the company. To ensure that the risk aspects were sufficiently balanced, we only allowed these staff members to buy warrants if they bought a matching num-

ber of shares whereas the offer to buy options as a minimum required ownership of a corresponding 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.

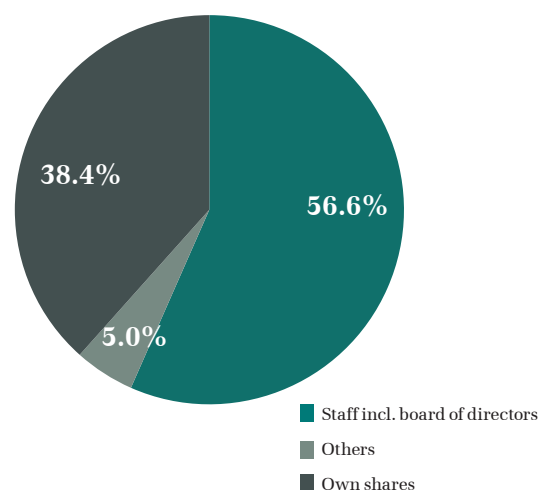
Staff members have bought shares as well as warrants and options at market values at the time they were offered, but these purchases do not represent an incentive programme.

In 2015 conditional agreements on the transfer of shares were entered into, and these agreements were formally approved by the Danish Financial Supervisory Authority in March 2016. The groups of shareholders in Maj Invest Holding A/S after these transfers are shown below.

KNOWLEDGE RESOURCES

The group's business activities are based on providing advisory services regarding trading and investing in listed securities and private equity. This puts exacting demands on the qualifications and specialist know-how of our staff.

DISTRIBUTION OF SHARES IN MAJ INVEST HOLDING A/S



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 foundation. 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, owner-

ship with both management and staff as shareholders boosts value creation.

In 2015 the group employed an average of 99 staff members, four more than in 2014. The staff increase is due to a continued favourable development in business activities, including the establishment of Maj Bank A/S.

RESEARCH AND DEVELOPMENT ACTIVITIES

The group has not had any research activities; however, the subsidiary Maj Bank A/S has developed the IT knowledge platform Maj World together with external suppliers. ■



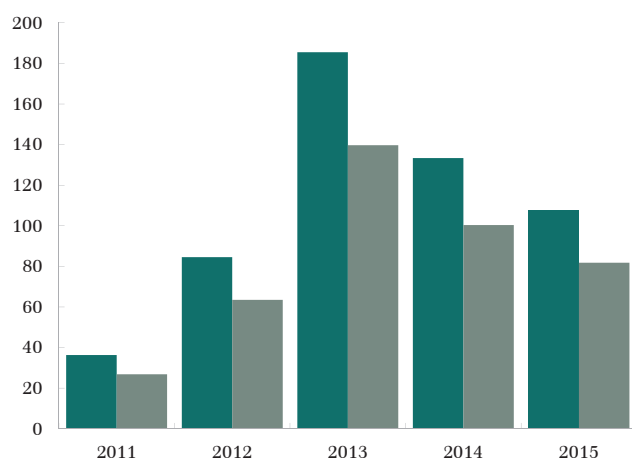
AT MAJ INVEST WE ARE FOND OF THE BIRCH TREE AS A SYMBOL. IT GROWS IN THE SAME WAY AS WE VIEW GROWTH - NATURALLY AND DEEPLY ROOTED IN THE GROUND. HOWEVER, THERE IS AN UPPER LIMIT TO EVERYTHING, WHICH IS IMPORTANT FOR ALL OF US TO REMEMBER. BUT LESS IS ALSO OKAY AS LONG AS YOU KEEP YOUR FEET ON THE GROUND

FINANCIAL REVIEW

TRENDS IN PROFIT

- Profit before tax
- Profit after tax

DKK million



Consolidated profit before tax amounted to DKK 107.5 million against DKK 133.3 million in 2014. Consolidated net profit after tax totalled DKK 81.8 million against DKK 100.4 million in 2014, resulting in an average return on equity of 18.9 per cent. This is considered satisfactory.

Consolidated profit is somewhat above the original forecast for 2015 announced when we published our annual report 2014. The announced expected profit for the year after tax was in the level DKK 45-65 million. These expectations included a decline in gross income. However, 2015 resulted in higher net fee income as a result of new clients, an increase in assets under management and performance-related fees. In addition, the market value and currency translation adjustments were at a somewhat higher level than expected.

MAJ INVEST HOLDING A/S

Net interest and fee income amounted to DKK 1.7 mil-

lion against DKK 2.9 million in 2014. The decline relates to the company's interest rates. The reason for the lower level of net interest income was a continued fall in interest rates in the period under review and a negative interest rate on bank deposits, combined with a lower surplus liquidity in 2015.

Market value and currency translation adjustments showed a gain of DKK 14.4 million against a loss of DKK -2.4 million in 2014. Equities contributed with a gain of DKK 13.7 million whereas bonds generated a loss of DKK 0.1 million. The company's foreign exchange positions contributed with a gain of DKK 0.8 million.

Other operating income, which primarily relates to the company's administration of private equity funds, showed an increase from DKK 9.7 million in 2014 to DKK 11.5 million in 2015. The increase can be attributed to the initiation of administrative tasks for two new funds in 2015.

Staff costs etc. rose by DKK 2.6 million, among other things as a consequence of the company employing two more people on average, and earned income and severance package for an executive no longer employed.

In 2015 administrative costs amounted to DKK 4.3 million, an increase of DKK 0.7 million compared with 2014 costs of DKK 3.6 million.

Results of interests in group enterprises amounted to DKK 78.4 million, which is a decline of DKK 28.3 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. Additionally, the launch of Maj Bank A/S resulted in a number of costs in 2015. See "Trends in significant subsidiaries" for more information on results in group enterprises.

Shareholders' equity totalled DKK 358.4 million at year-end 2015, which is DKK 148.8 million less than at year-end 2014. Net profit for the year of DKK 81.8 mil-

lion affects shareholders' equity, but with a negative effect from distributed dividend from prior financial year of DKK 44.4 million. The acquisition and sale of own shares have net reduced shareholders' equity with DKK 186.2 million. These share transfers were contingent on the formal approval from the Danish Financial Supervisory Authority, which was obtained in March 2016, and thus affect shareholders' equity negatively in these financial statements.

The parent's balance sheet amounted to DKK 469.9 million at year-end 2015 against DKK 531.1 million at year-end 2014.

TRENDS IN SIGNIFICANT SUBSIDIARIES

Fondsmæglerselskabet Maj Invest A/S and Maj Invest Equity A/S are the group enterprises where most of the activities take place; however, the establishment of Maj Bank A/S is starting to leave a mark on the group. The group's activities are mentioned on pages 9-16 in this annual report.

Fondsmæglerselskabet Maj Invest A/S' gross income was DKK 269.7 million, which is a decline of DKK 8.0 million. Half of this decline can be attributed to a decline in market value and currency translation adjustments. Costs rose 9.1 per cent to DKK 147.0 million. Profit after tax was DKK 93.8 million in 2015 against DKK 108.1 million in 2014. Shareholders' equity amounted to DKK 268.8 million at year-end 2015, and total assets amounted to DKK 370.3 million at year-end.

Maj Invest Equity A/S provides administrative and advisory services to a number of private equity funds. The company recorded a loss of DKK -1.4 million against a profit of DKK 0.4 million in 2014. The loss is due to some one-off costs amounting to DKK 2.7 million. Shareholders' equity was DKK 10.7 million at year-end 2015, and total assets amounted to DKK 29.2 million at year-end.

On 16 July 2015 Maj Bank A/S was authorised to operate a bank by the Danish Financial Supervisory Authority. Maj Bank provided advisory services to the first clients

in November 2015 and has therefore only had limited income in 2015. A net loss of DKK 14.6 million was included in Maj Invest Holding's annual accounts. Shareholders' equity was DKK 86.8 million, and total assets amounted to DKK 100.0 million at year-end.

In addition, the group has a number of companies related to the activities within the business areas Maj Invest Equity and Maj Invest Equity International. Results in these companies amounted to DKK 0.6 million, and total shareholders' equity amounted to DKK 2.1 million at year-end.

COMMENTS IN RESPECT OF SELECTED ITEMS IN THE CONSOLIDATED FINANCIAL STATEMENTS

Net interest income totalled DKK 3.4 million in 2015 against DKK 9.5 million the year before. The lower net interest income can, among other things, be attributed to a continued fall in interest rates, a negative interest rate on the group's bank deposits, and interest expenses in respect of a loan obtained in 2015, combined with a lower level of surplus liquidity than in 2014.

Net fee income totalled DKK 287.0 million, which is a modest increase of DKK 5.5 million compared with DKK 281.5 million in 2014. There has been variation in net fee income within the different business areas as Maj Invest Asset Management has experienced an increase whereas Maj Invest Equity has seen a lower level of net fee income in 2015 than in 2014.

In 2015 market value and currency translation adjustments represented a total gain of DKK 21.6 million against DKK 8.9 million in 2014. Especially equities etc. contributed to this development, generating a total capital gain of DKK 20.9 million. Bond holdings represented a capital loss of DKK 0.6 million, and our currency translation adjustments incl. hedging transactions contributed positively with DKK 1.3 million.

Staff costs and administrative expenses amounted to DKK 211.9 million in 2015 against DKK 175.6 million in the same period the year before. Payroll-related

costs increased by DKK 20.6 million to DKK 136.7 million; among other things as a consequence of the group employing more people on average, increasing costs with respect to provisions for bonus, and severance pay. In addition to this, 2015 saw an increase in the payroll tax payable under the Danish Financial Services Payroll Tax Act, both as a consequence of a higher level of payroll costs, but also as a consequence of an increase in the payroll tax rate of 0.8 percentage points.

Other administrative expenses rose by DKK 15.6 million due to a higher level of activity, among other things as a consequence of start-up costs in relation to Maj Bank.

Depreciation charges on intangible and tangible assets totalled DKK 4.5 million, which is a twofold increase from the 2014 level of DKK 2.3 million. Among other things, the increase relates to depreciation on the payment of a client portfolio and also an IT knowledge platform in Maj Bank.

Group profit before tax aggregated DKK 107.5 million in 2015 against DKK 133.3 million in the same period last year. Tax is estimated at DKK 25.7 million, equivalent to an effective tax rate of 23.7 per cent. Net profit for the year was DKK 81.8 million against DKK 100.4 million in 2014.

Total consolidated assets amounted to DKK 593.8 million. Due from credit institutions decreased by DKK 119.0 million at year-end 2015. The group's bond holdings accounted for DKK 189.5 million, down DKK 176.5 million, among other things as a consequence of the conditional buyback of own shares. Equities and investments in some of the private equity funds to which the group acts as advisor increased by DKK 18.9 million to DKK 109.3 million.

In 2015 the company obtained a loan of DKK 85 million to partly finance the buyback of own shares.

At year-end 2015 shareholders' equity amounted to DKK 358.4 million against DKK 507.2 million at year-end 2014. Acquisition and sale of own shares in 2015 affected shareholders' equity negatively with net DKK 186.2 million. Distributed dividend from prior financial year has affected shareholders' equity negatively

with DKK 44.4 million, and a consolidation of net profit for the year has affected shareholders' equity positively with DKK 81.8 million.

CAPITAL AND CAPITAL RATIOS

The group's own funds totalled DKK 346.4 million at year-end 2015 against DKK 404.3 million at year-end 2014. In note 25 of the financial statements there is a link between shareholders' equity and own funds.

The total capital ratio at group level was 36.1 per cent at year-end 2015. This represents a drop of 7.7 percentage points against year-end 2014. The decline is mainly to be seen in connection with the DKK 144.6 million reduction in the group's own funds, primarily as a consequence of the buyback of shares affecting our own funds negatively, but with a positive effect from consolidation of net profit for the year of DKK 81.8 million. Other items increased own funds by DKK 4.9 million.

Group risk exposures totalled DKK 960.0 million at year-end 2015 against DKK 922.3 million at year-end 2014. Credit risk exposures were DKK 284.9 million, market risk exposures were DKK 59.9 million, and operational risk items were DKK 615.2 million at year-end.

At year-end 2015 the parent company's own funds totalled DKK 358.3 million against DKK 406.7 million at year-end 2014. The capital ratio was 64.9 per cent against 79.8 per cent at year-end 2014. The decline is due to - as for the group - the decrease in own funds primarily as a consequence of the negative effect of the share buyback.

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 28 (Financial instruments and risks) and our website www.majinvest.com/om-maj-invest/information/kapitalforhold-og-risici, which discloses financial information on capital and risks in compliance with the Capital Requirements Regulation (CRR).

DISTRIBUTION OF PROFIT

The directors recommend that the general meeting approves that there will be no payment of dividend for the year, but that the entire net profit for the year of DKK 81.8 million is transferred to next year.

OUTLOOK FOR 2016

Generally, it is difficult to make 2016 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. During 2016 we expect to launch advisory services of a new private equity fund 5, which is to invest in Danish private equity. The date of launch and the size of this new fund affect the group's consolidated revenue and thus consolidated profit. Also, the development in the number of clients in Maj Bank will affect the group's consolidated revenue. The bank launched its client activities at year-end

2015. Focus in 2016 will be on building client relations and expanding business volume. As a result of this, the bank expects an increase in fee and commission income.

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, the group expects lower gross income for 2016 than realised for 2015.

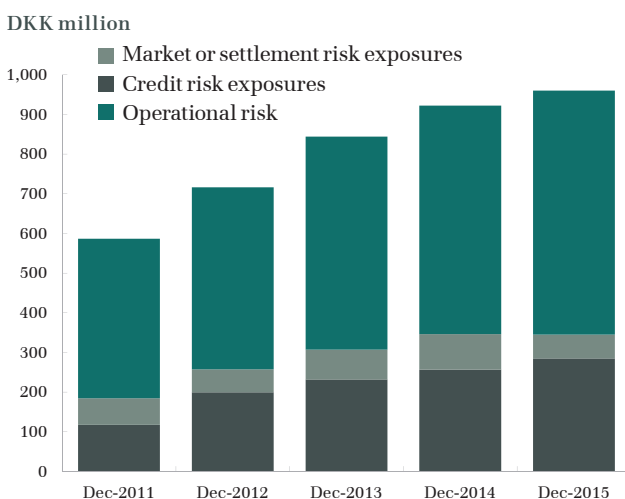
We expect 2016 costs to be on level with 2015 costs even though there will be variations in the different business areas. Thus, we expect a higher level of costs for our overseas activities and the expansion of this area whereas costs related to Maj Bank are expected to be at a lower level.

Overall, we forecast net profit after tax for 2016 to range between DKK 40 and 60 million, including performance-based fees.

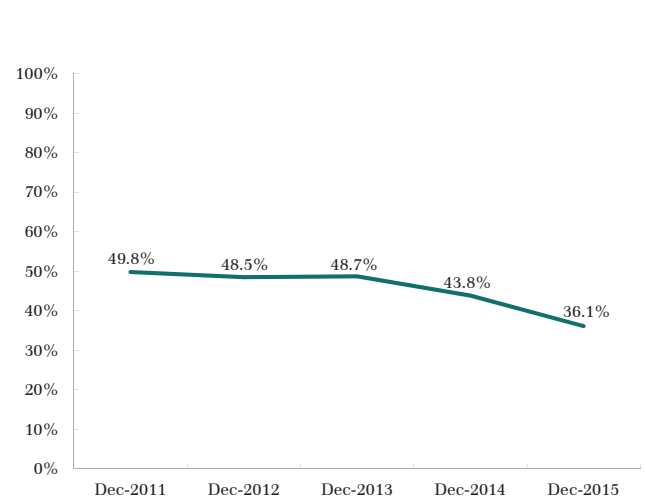
EVENTS AFTER THE BALANCE SHEET DATE

As expected, the Danish Financial Supervisory Authority gave its formal authorisation to the net buyback of own shares 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



TREND IN CAPITAL RATIO



THE FINANCIAL MARKETS

TREND IN 2015

In spite of increasingly obvious problems in traditional growth countries such as China, Russia and Brazil, market sentiment was characterised by optimism about the trend in the US and not least Europe up until late summer. However, US economic figures generally disappointed, first at the beginning of the year and - after some improvement in the second quarter - then again from late summer and the rest of the year. In Maj Invest's opinion, the real reason for the relatively weak US economic indicators is to be found in the inventory cycle. Considerable buildup of inventories in 2014 resulted in a significant, temporary boost in the industrial economic trend, which then disappointed at the beginning of 2015 when inventory buildup drew to a close.

Towards the end of the year a certain reduction of inventories was required, resulting in a renewed weakening of industrial sector activity. The market considered the renewed weakening a sign of the downturn in China and the countries producing raw materials now also curbing growth in Western industrial countries. In our view, this is a misconception. The downturn in China reflects the considerable loss of competitive power, and the problems of the countries producing raw materials reflect the massive plunge in commodity prices. Overall, none of this constitutes a problem for Western industrial countries, on the contrary. Markets also recovered towards the end of the year; however, at the beginning of 2016 the fear returned with renewed strength.

During 2015 the US S&P 500 index dropped by 0.7 per cent, equivalent to an increase of 10.8 per cent in Danish kroner, whereas the German DAX index increased by 9.6 per cent and the Danish C20 index rose 36.2 per cent. The trend involves large fluctuations during the year, for instance, the DAX index rose 26 per cent up until 10 April and then fell 24 per cent until 24 September. The so-called emerging markets equities performed poorly and Morgan Stanley's EM index fell 17.0 per cent during 2015, equivalent to a decrease of 7.3 per cent in Danish kroner.

At year-end 2015, the yield on a 10-year US government bond was 2.27 per cent, 10 basis points above the level at year-end 2014. The corresponding German and Danish yields were 0.63 per cent and 0.97 per cent, respectively, also slightly (9 and 12 basis points, respectively) above year-end 2014 levels. The yield spread between Germany and Spain was also largely unchanged (114 basis points against 107 basis points at year-end 2014), whereas the German yield spread to Italy fell from 135 basis points to 97 basis points.

OUTLOOK FOR THE FINANCIAL MARKETS IN 2016

The beginning of 2016 has been characterised by failing confidence in the durability of the economic upturn in the Western industrial countries and growing uncertainty in the financial markets, resulting in declining stock prices. Apparently, a major factor behind the growing uncertainty is the continued fall in oil prices as markets draw a

parallel to the collapse in the oil price in connection with the financial crisis. Whether falling oil prices is a negative or positive sign when it comes to economic growth generally depends on the reason for the fall; whether it is due to decreasing demand (negative) or increasing supply (positive). In Maj Invest's opinion, it is characteristic for the current financial market sentiment that the fall in oil prices is considered negative for economic growth in the industrial countries even though it mainly seems to be driven by an increasing oil supply. Thus, we believe that there is a fair chance of economic growth in the US and in Europe developing somewhat more favourable than currently feared by the market.

In our opinion, the fundamental economic recovery in the US and in Europe has not been weakened; on the contrary, it is gaining momentum. In the US, the decline in investments in the oil and gas industry will probably be somewhat smaller in 2016 than in 2015, and at the same time it is fair to assume that the negative growth contribution from inventory investments will soon be over. In Europe, the pick-up in debt-financed demand for consumer spending and investments means that the balance between supply and demand, and thus the growth potential of the economy, actually has been restored in early 2016. Thus, the upturn in Europe is considerably more broad-based and less likely to be strongly affected by the downturn in China than the market seems to think.

On the basis of current interest rate levels, it is our assessment that equity markets have not fully priced in companies' actual earning power. At the same time it is our opinion that the market is underestimating the potential in relation to the future tightening of US monetary policies, and at the same time we see a risk of a back-up in European bond yields. Thus, we also see a risk that potential equity price increases may be partly eroded by increasing bond yields in both the US and in Europe.

On the basis of current exchange rates, it is our assessment that the earnings potential in European companies relative to US companies appears higher than the relative pricing on equity markets reflects at present. ■



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, Switzerland
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 2015: DKK 150,000

At group level: DKK 525,000

■ HANS JENSEN

Vice chairman of the board of:

A/S Dansk Erhvervsinvestering

Directorships:

Fondsmæglerselskabet Maj Invest A/S
Maj Invest Equity A/S

Board member of:

Danmarks Nationalbank

Remuneration 2015: DKK 50,000

At group level: DKK 175,000

■ MORTEN LUND MADSEN

Directorships:

A/S Københavns Ejendomsselskab
Fondsmæglerselskabet Maj Invest A/S
Forstædernes Ejendomsaktieselskab

Director (not registered):

PKA A/S

Remuneration 2015: DKK 29,000

At group level: DKK 101,000

■ RUTH SCHADE

Directorships:

BG af 31. december 2010 A/S
Buskysminde A/S
Dansk Retursystem A/S
Danfrugt Skælskør 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
Vejrmøllegård ApS
Visbjerggården A/S

Managing Director (not registered):

Harboes Bryggeri A/S

Remuneration 2015: DKK 50,000

At group level: DKK 175,000

■ KLAUS BENTIN

Directorship:

Fondsmæglerselskabet Maj Invest A/S

Director's remuneration 2015 (normal salary paid to directors elected by staff not disclosed): DKK 50,000. At group level: DKK 175,000

■ KEN BAMBERG ERNSTSEN

Directorship:

Fondsmæglerselskabet Maj Invest A/S

Director's remuneration 2015 (normal salary paid to directors elected by staff not disclosed): DKK 50,000. At group level: DKK 175,000

■ TOMAS MUNKSGARD HOFF

Directorship:

Fondsmæglerselskabet Maj Invest A/S

Director's remuneration 2015 (normal salary paid to directors elected by staff not disclosed): DKK 13,000. At group level: DKK 44,000

Retired directors:

Peter Damgaard Jensen

Remuneration 2015: DKK 32,000

At group level: DKK 112,000

Peter Korsholm

Remuneration 2015: DKK 42,000

At group level: DKK 146,000

Morten Rask Nymark

Remuneration 2015: DKK 38,000

At group level: DKK 131,000

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 Bank A/S

Novo Nordisk A/S

Directorships:

JKLE Holding ApS

Kirkbi A/S

Maj Invest Equity A/S

Novo A/S

Symphogen A/S

CEO:

Det Kgl. Vajsenhus

EMLIKA ApS

Fondsmæglerselskabet Maj Invest A/S

Maj Invest Equity A/S

Other offices:

Danish Microfinance Partners K/S,

investment committee member

LD Invest Vietnam K/S,

investment committee member

Maj Invest Equity 4 K/S,

investment committee member

Maj Invest Equity Southeast Asia II K/S,

investment committee member

Maj Invest Equity Financial Inclusion Fund II K/S,

investment committee member

Salary 2015: DKK 2,770,000 including company car subsidy.

At group level: DKK 6,155,000 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
Maj Invest Equity A/S
Maj Invest Singapore Private Ltd.
MIE4 7 Datter ApS
Muuto Holding A/S with one subsidiary
Svendsen Sport A/S

Managing Director:

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

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
Maj Invest Equity Southeast Asia II K/S,
investment committee member

Salary 2015: DKK 1,243,000

At group level: DKK 4,972,000

■ HENRIK PARKHØI

Directorships:

Investeringsforvaltningsselskabet SEBinvest A/S
Maj Bank A/S
Maj Invest South America S.A.

Managing Director:

Fondsmæglerselskabet Maj Invest A/S

Salary 2015: DKK 991,000

At group level: DKK 3,964,000

Retired executives

Steffen Stæhr

Earned income and severance package for the entire period of notice up to and including February 2016: DKK 1,232,000.
Total income and severance package for the entire period of notice at group level up to and including February 2016: DKK 4,905,000.

FINANCIAL STATEMENTS

INCOME STATEMENT AND STATEMENT OF COMPREHENSIVE INCOME

DKK thousand	Notes	Group		Parent	
		2015	2014	2015	2014
Interest income	3	4,647	9,847	1,488	2,647
Interest expense	4	(1,214)	(339)	(497)	(0)
Net interest income		3,432	9,508	991	2,647
Dividend on equities etc.		2,115	949	728	238
Fee and commission income		372,425	327,675	-	-
Fee and commission expense		(85,466)	(46,176)	(47)	(23)
Net interest and fee income	6, 7	292,506	291,956	1,672	2,862
Market value and currency translation adjustments	5, 6, 7	21,645	8,883	14,399	(2,421)
Other operating income		11,908	10,495	11,464	9,678
Staff costs and administrative expenses	8	(211,862)	(175,615)	(21,618)	(18,272)
Depreciation, amortisation and impairment on intangible and tangible assets		(4,548)	(2,320)	(100)	(83)
Other operating costs		(1,120)	(70)	-	-
Loan impairment charges	9	(993)	-	(993)	-
Results of interests in associates and group enterprises		-	-	78,392	106,718
Profit before tax		107,536	133,329	83,216	98,482
Tax	10	(25,704)	(32,955)	(1,384)	1,892
Net profit for the year		81,832	100,374	81,832	100,374
Portion attributable to minority interests		-	(0)		
Other comprehensive income					
Translation of results of foreign entities		14	54	14	54
Other comprehensive income, total		14	54	14	54
Comprehensive income for the year, total		81,846	100,428	81,846	100,428

DISTRIBUTION OF PROFIT

For distribution			
Transferred from "Other reserves"		-	45,438
Net profit for the year		81,832	100,374
For distribution, total		81,832	145,812

Proposed distribution			
Proposed dividend		-	45,438
Provision for "Reserve for revaluation using the equity method"		78,392	106,718
Provision for equity under "Retained earnings"		3,440	(6,344)
Distributed amount, total		81,832	145,812

BALANCE SHEET

DKK thousand	Notes	Group		Parent	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
ASSETS					
Cash in hand and demand deposits					
with central banks		75,596	28	-	-
Due from credit institutions	11	119,035	137,800	15,952	22,152
Loans and receivables	12	866	915	866	915
Bonds at fair value	13	189,501	366,000	23,697	93,702
Equities etc. at fair value	14	109,309	90,452	55,331	50,048
Interests in group enterprises	15	-	-	368,691	354,488
Intangible assets	16	11,737	2,558	-	-
Other tangible assets	17	3,920	2,402	42	40
Current tax assets		12,961	14,125	-	5,353
Deferred tax assets		-	-	30	44
Other assets	18	57,898	37,453	4,485	3,619
Prepaid expenses		12,927	7,791	817	708
Total assets		593,751	659,524	469,911	531,069

BALANCE SHEET

DKK thousand	Notes	Group		Parent	
		31.12.2015	31.12.2014	31.12.2015	31.12.2014
LIABILITIES					
Debt					
Due to credit institutions	20	84,922	-	84,922	-
Deposits	21	10,019	-	-	-
Current tax liabilities		-	156	1,515	-
Other liabilities	22	113,531	95,074	23,808	20,976
Accrued income		8,381	21,737	1,255	2,944
Total debt		216,853	116,967	111,500	23,920
Provisions					
Provisions for deferred tax		1,487	250	-	-
Other provisions	23	17,000	35,116	-	-
Provisions, total		18,487	35,366	-	-
Shareholders' equity					
Share capital		45,438	45,438	45,438	45,438
Accumulated value adjustments					
Accumulated currency translation					
of foreign entities		26	12	26	12
Other reserves					
Net revaluation using the equity method		-	-	101,709	143,318
Other reserves		13,545	13,545	195,456	260,602
Retained earnings		299,402	402,716	15,782	12,341
Proposed dividend		-	45,438	-	45,438
Minority interests		-	42	-	-
Total shareholders' equity		358,411	507,191	358,411	507,149
Total liabilities		593,751	659,524	469,911	531,069

Notes not referred to: 1, 2, 19, 24, 25, 26, 27 and 28.

STATEMENT OF CAPITAL - GROUP

2015	Currency						
DKK thousand	Share capital	Other reserves	translation reserve	Retained earnings	Proposed dividend	Minority interests	Total
Shareholders' equity, year-end 2014	45,438	13,545	12	402,716	45,438	42	507,191
Net profit for the year	-	-	-	81,832	-	-	81,832
Other comprehensive income							
Translation of results of foreign entities	-	-	14	-	-	-	14
Other comprehensive income, total	-	-	14	-	-	-	14
Comprehensive income for the year, total	-	-	14	81,832	-	-	81,846
Transactions with owners							
Dividend 2014	-	-	-	-	(44,380)	-	(44,380)
Non-distributed dividend, own shares 2014	-	-	-	1,058	(1,058)	-	0
Issue of options	-	-	-	540	-	-	540
Acquisition of own shares	-	-	-	(214,290)	-	-	(214,290)
Sale of own shares	-	-	-	27,546	-	-	27,546
Disposal of minorities	-	-	-	-	-	(42)	(42)
Shareholders' equity, year-end 2015	45,438	13,545	26	299,402	-	-	358,411

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 - PARENT

2015	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 2014	45,438	143,318	260,602	12	12,341	45,438	507,149
Net profit for the year	-	78,392	-	-	3,440	-	81,832
Other comprehensive income							
Translation of results of foreign entities	-	-	-	14	-	-	14
Other comprehensive income, total	-	-	-	14	-	-	14
Comprehensive income for the year, total	-	78,392	-	14	3,440	-	81,846
Transactions with owners							
Extraordinary dividend from subsidiaries 2015	-	(52,500)	52,500	-	-	-	-
Expected dividend from subsidiaries*	-	(67,500)	67,500	-	-	-	-
Dividend 2014	-	-	-	-	-	(44,380)	(44,380)
Non-distributed dividend, own shares 2014	-	-	1,058	-	-	(1,058)	-
Issue of options	-	-	540	-	-	-	540
Acquisition of own shares	-	-	(214,290)	-	-	-	(214,290)
Sale of own shares	-	-	27,547	-	-	-	27,547
Shareholders' equity, year-end 2015	45,438	101,709	195,456	26	15,782	-	358,411

*Dividend will be approved at the annual general meeting in the spring 2016.

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	-	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

The company's share capital consists of 45,437,820 shares of DKK 1 (2014: 45,437,820).

At year-end 2015, the company had 3,636,100 outstanding warrants (year-end 2014: 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.

In April 2015 the company decided to issue 454,000 options entitling holders to subscribe for a share. The issued options may be exercised in two annual periods, first period in September 2017 and last period in September 2020.

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	
2015			
Own shares 1 January	1,301,175	1,301,175	2.8%
Acquisition of own shares	18,702,490	18,702,490	41.2%
Sale of own shares	(2,540,291)	(2,540,291)	(5.6%)
Own shares 31 December	17,463,374	17,463,374	38.4%

Own shares were acquired in connection with employees leaving our employment, and board members resigning from their position. Own shares were sold in connection with the recruitment of group staff and also in connection with a few employees exercising their warrants in the company. As part of an adjustment of the group's capital structure, conditional agreements on the transfer of shares were additionally entered into with large shareholders on the acquisition of their entire holding of shares in the company and a partial resale to a new shareholder. These transfer agreements were formally approved by the Danish Financial Supervisory Authority in March 2016. The net value of the annual acquisition and sale of own shares including the conditional agreements on the transfer of shares was DKK 186,744 thousand.

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.

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.

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.

NOTES

Note 1 cont.

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 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.

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.

NOTES

Note 1 cont.

Commissions and fees etc., which are an integral part of the effective interest rate, are recognised as part of amortised cost. Commissions and fees etc., which are considered an integral part of the effective interest rate, are accrued and recognised over the term to maturity.

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

Receivables from credit institutions and central banks

On initial recognition, receivables from credit institutions and central banks are recognised at their fair values and subsequently at amortised cost.

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.

Loans in respect of which there are objective indications of impairment are written down, if the book value exceeds the present value of any estimated future cash flows attaching to the loan.

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 fair values of interests in private equity funds are computed at the fair values of the underlying investments in compliance with the International Private Equity and Venture Capital Valuation Guidelines drawn up by the IPEV Board. The settlement date is used as the date of

NOTES

Note 1 cont.

recognition. Any change in value between the trade date and the settlement date is recognised as a financial asset or a financial liability.

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, computer software, and the value of an acquired client portfolio. 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
- Client portfolio	: 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.

NOTES

Note 1 cont.

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.

LIABILITIES

Deposits

Deposits include debts to private people and counterparties, not being credit institutions and central banks, including ordinary demand deposits and special deposits. On initial recognition, deposits are recognised at their fair values and subsequently at amortised cost.

Debts to credit institutions

On initial recognition, debts to credit institutions are measured at their fair values and subsequently at amortised cost.

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	2015	2014	2013	2012	2011
Net interest and fee income	292,506	291,956	327,014	238,555	232,740
Market value and currency translation adjustments	21,645	8,883	6,380	9,063	2,746
Staff costs and administrative expenses	(211,862)	(175,615)	(158,004)	(175,752)	(208,544)
Results of interests in associates and group enterprises	-	-	-	-	-
Net profit for the year	81,832	100,374	139,699	63,480	26,854

BALANCE SHEET

Shareholders' equity	358,411	507,191	450,014	260,166	211,945
Total assets	593,751	659,524	605,471	513,419	447,845

RATIOS AND KEY FIGURES

Return on equity before tax	24.8%	27.9%	52.2%	35.8%	17.4%
Return on equity after tax	18.9%	21.0%	39.3%	26.9%	12.9%
Cost/income ratio	1.49	1.75	2.15	1.47	1.17
Cost in % of income	67.0%	57.2%	46.5%	67.9%	85.4%
Tier 1 capital ratio	36.1%	43.8%	48.7%	37.3%	36.2%
Capital ratio	36.1%	43.8%	48.7%	48.5%	49.8%
Own funds in relation to minimum capital requirements	4.5	5.5	6.1	6.1	6.2

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	2015	2014	2013	2012	2011
Net interest and fee income	1,672	2,862	1,699	1,701	1,787
Market value and currency translation adjustments	14,399	(2,421)	(118)	3,588	739
Staff costs and administrative expenses	(21,618)	(18,272)	(13,127)	(10,929)	(12,252)
Results of interests in associates and group enterprises	78,392	106,718	137,773	57,461	27,043
Net profit for the year	81,832	100,374	139,697	63,479	26,851

BALANCE SHEET

Shareholders' equity	358,411	507,149	449,971	260,125	211,905
Total assets	469,911	531,069	471,642	286,192	224,126

RATIOS AND KEY FIGURES

Return on equity before tax	19.2%	20.6%	39.2%	27.7%	12.9%
Return on equity after tax	18.9%	21.0%	39.3%	26.9%	12.9%
Cost/income ratio	4.66	6.37	11.46	6.88	3.11
Cost in % of income	21.4%	15.7%	8.7%	14.5%	32.1%
Tier 1 capital ratio	64.9%	79.8%	90.8%	83.7%	88.0%
Capital ratio	64.9%	79.8%	90.8%	83.7%	88.0%
Own funds in relation to minimum capital requirements	8.1	10.0	11.3	10.5	11.0

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

NOTES

DKK thousand	Group		Parent	
	2015	2014	2015	2014
Note 3 Interest income				
Due from credit institutions	170	318	87	217
Bonds	4,433	9,164	1,403	2,380
Derivatives (foreign exchange contracts)	(276)	(114)	2	(41)
Other interest income	319	479	(4)	91
Total interest income	4,647	9,847	1,488	2,647
Note 4 Interest expense				
Credit institutions	(1,149)	(0)	(433)	(0)
Subordinated debt	-	(248)	-	-
Other interest expense	(65)	(91)	(64)	(0)
Total interest expense	(1,214)	(339)	(497)	(0)
Note 5 Market value and currency translation adjustments				
Bonds	(581)	1,598	(93)	744
Equities etc.	20,948	5,423	13,742	(4,440)
Currency	1,531	1,849	777	1,241
Derivatives	(254)	13	(26)	34
Total market value and currency translation adjustments	21,645	8,883	14,399	(2,421)
Note 6 Net interest, fee income and market value and currency translation adjustments by business area				
Net interest and fee income				
Asset Management	149,497	105,963	-	0
Equity	114,478	155,339	314	1
Equity International	23,974	17,698	-	(1)
Treasury	4,742	12,956	1,358	2,862
Maj Bank	(185)	-	-	-
Total net interest and fee income	292,506	291,956	1,672	2,862
Market value and currency translation adjustments				
Asset Management	5,901	4,200	-	-
Equity	-	15	-	15
Equity International	136	(11)	-	(15)
Treasury	15,608	4,679	14,399	(2,421)
Total market value and currency translation adjustments	21,645	8,883	14,399	(2,421)
Note 7 Geographical segmentation				
Net interest and fee income				
Denmark	281,633	281,417	1,061	1,841
Luxembourg	10,078	9,542	-	(0)
Other Europe	(357)	(68)	-	326
Asia	688	484	611	474
North America	464	581	-	221
Total net interest and fee income	292,506	291,956	1,672	2,862

NOTES

Note 7 cont.

DKK thousand	Group		Parent	
	2015	2014	2015	2014
Market value and currency translation adjustments				
Denmark	15,856	(1,730)	14,087	(4,359)
Luxembourg	-	(100)	-	(100)
Other Europe	(182)	660	-	-
Asia	2,918	1,441	312	526
North America	3,053	8,612	-	1,512
Total market value and currency translation adjustments	21,645	8,883	14,399	(2,421)

Note 8 Staff costs and administrative expenses

Directors:

Directors, fixed remuneration	(1,759)	(1,772)	(502)	(394)
Directors, variable remuneration	-	-	-	-
Total	(1,759)	(1,772)	(502)	(394)

Executive board:

Executive board, fixed remuneration*	(19,696)	(17,109)	(6,140)	(4,616)
Executive board, variable remuneration	(300)	(300)	(95)	(95)
Total	(19,996)	(17,409)	(6,235)	(4,711)

Other significant risk takers:

Risk takers, fixed remuneration	(22,246)	(16,633)	-	-
Risk takers, variable remuneration	(1,100)	(1,050)	-	-
Total	(23,346)	(17,683)	-	-

Staff costs:

Salaries	(72,590)	(64,903)	(9,642)	(8,780)
Pensions	(6,317)	(5,827)	(904)	(728)
Social security costs and payroll tax based on Financial Services Payroll Tax Act	(12,729)	(8,528)	(54)	(88)
Total	(91,636)	(79,258)	(10,600)	(9,596)

Other administrative expenses	(75,126)	(59,493)	(4,281)	(3,571)
Total staff costs and administrative expenses	(211,862)	(175,615)	(21,618)	(18,272)

Number of: Board of directors 7 (2014: 8), executive board 3 (2014: 4). Other significant risk takers group 18 (2014: 11), parent 1 (2014: 1).

*The amount in 2015 includes earned income and severance package for the entire period of notice for an executive no longer employed.

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.

2015	Jeppe Christiansen		Erik Holm		Henrik Parkhøi		Steffen Stæhr	
- = No commitment or not included	Perfor- mance	Carried interest	Perfor- mance	Carried interest	Perfor- mance	Carried interest	Perfor- mance	Carried interest
+ = Included in scheme	bonus		bonus		bonus		bonus	
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	-	-	-	-	-	-	-	-
Maj Invest Southeast Asia II K/S	-	+	-	+	-	-	-	-
Maj Invest Financial Inclusion Fund II K/S	-	+	-	+	-	+	-	-

2014	Jeppe Christiansen		Erik Holm		Henrik Parkhøi		Steffen Stæhr	
- = No commitment or not included	Perfor- mance	Carried interest	Perfor- mance	Carried interest	Perfor- mance	Carried interest	Perfor- mance	Carried interest
+ = Included in scheme	bonus		bonus		bonus		bonus	
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	-	-	-	-	-	-	-	-

	Group		Parent	
	2015	2014	2015	2014
Number of employees				
Average number of employees (full-time equivalent)	99	95	12	10

NOTES

Note 8 cont.

DKK thousand	Group		Parent	
	2015	2014	2015	2014
Auditors appointed by the general meeting, fees				
Statutory audit of financial statements	(547)	(574)	(102)	(106)
Other assurance services	(193)	(106)	(20)	-
Tax advisory services	(31)	(192)	0	(175)
Non-audit services	(221)	(350)	0	(2)
Total audit and non-audit fees	(992)	(1,222)	(122)	(283)
Note 9 Loan impairment charges				
Individual impairment charges for the year	(993)	-	(993)	-
Loan impairment charges, total	(993)	-	(993)	-
Note 10 Tax				
Tax on profit for the year	(24,739)	(33,098)	(1,629)	1,928
Adjustment of prior-year tax charges	273	37	258	(35)
Adjustment of deferred tax	(1,339)	78	(12)	4
Change in deferred tax due to tax rate adjustments	101	28	(2)	(5)
Total tax	(25,704)	(32,955)	(1,384)	1,892
Effective tax rate				
Current tax rate	23.5%	24.5%	23.5%	24.5%
Adjustment of non-taxable items	0.2%	0.1%	0.6%	0.1%
Adjustment of results of interests in associates and group enterprises	-	-	(22.1%)	(26.5%)
Adjustment of prior-year tax charges	0.1%	(0.0%)	(0.3%)	0.0%
Change in deferred tax due to tax rate adjustments	(0.1%)	(0.1%)	(0.0%)	(0.0%)
Tax rate adjustment regarding international subsidiaries	(0.0%)	0.1%	-	-
Total effective tax rate	23.7%	24.6%	1.7%	(1.9%)

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.

NOTES

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Note 11 Due from credit institutions				
Demand deposits	119,035	137,800	15,952	22,152
Due from credit institutions, total	119,035	137,800	15,952	22,152
Note 12 Loans				
By current maturity				
Over 3 months and up to 1 year	-	915	-	915
Over 1 year and up to 5 years	866	-	866	-
Total loans	866	915	866	915
Note 13 Bonds at fair value				
Other mortgage bonds	159,801	336,309	2,232	72,525
Other bonds	29,700	29,691	21,465	21,177
Bonds at fair value, total	189,501	366,000	23,697	93,702
At year-end 2015, the group had provided bonds at a market value of DKK 36.3 million (2014: DKK 40.0 million) in security of trading in derivatives and securities.				
Interest rate risk	1,809	2,441	1,431	443
Note 14 Equities etc. at fair value				
Equities/mutual funds listed				
at Nasdaq OMX Copenhagen A/S	26,527	24,457	13,892	15,414
Equities listed at other stock exchanges	37,163	31,339	-	-
Unlisted equities at fair value	45,619	34,656	41,439	34,634
Total equities etc. at fair value	109,309	90,452	55,331	50,048
Note 15 Interests in associates				
Total acquisition sum at 1 January	-	-	106,485	86,485
Additions	-	-	93,298	20,000
Total acquisition cost at 31 December	-	-	199,783	106,485
Revaluations at 1 January	-	-	248,003	216,231
Foreign currency translation	-	-	14	54
Profit for the year	-	-	78,392	106,718
Dividend	-	-	(157,500)	(75,000)
Revaluations at 31 December	-	-	168,908	248,003
Carrying amount 31 December	-	-	368,691	354,488
Carrying amount 1 January	-	-	354,488	302,716

NOTES

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Note 16 Intangible assets				
Total cost at 1 January	6,490	5,977	-	-
Additions	12,108	719	-	-
Disposals	(202)	(206)	-	-
Total acquisition sum at 31 December	18,397	6,490	-	-
Amortisation and impairment charges at 1 January	(3,932)	(3,320)	-	-
Amortisation charges for the year	(2,930)	(680)	-	-
Reversals of depreciation charges	202	68	-	-
Amortisation and impairment charges at 31 December	(6,660)	(3,932)	-	-
Carrying amount at 31 December	11,737	2,558	-	-
Carrying amount at 1 January	2,558	2,657	-	-
Note 17 Other tangible assets				
Total cost at 1 January	11,963	10,953	902	918
Additions	3,073	1,300	25	46
Disposals	(653)	(290)	0	(62)
Total cost at 31 December	14,383	11,963	927	902
Depreciation and impairment charges at 1 January	(9,561)	(8,178)	(862)	(838)
Depreciation charges for the year	(1,542)	(1,671)	(23)	(83)
Reversals of depreciation charges	640	288	0	59
Depreciation and impairment charges at 31 December	(10,463)	(9,561)	(885)	(862)
Carrying amount at 31 December	3,920	2,402	42	40
Carrying amount at 1 January	2,402	2,775	40	80
Note 18 Other assets				
Various debtors	47,448	31,006	3,310	1,012
Positive fair value of derivatives etc.	7,144	1,057	0	677
Interest due	1,847	4,285	262	1,052
Other assets	1,459	1,105	913	878
Other assets, total	57,898	37,453	4,485	3,619
Various debtors include accounts with group enterprises worth	-	-	3,215	619

NOTES

Note 19 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 2015, our performance-based fee/carried interest amounted to approx. DKK 159 million (at 31 December 2014: 214 million) after provisions.

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Note 20 Due to credit institutions				
By current maturity				
Between one and five years	84,922	-	84,922	-
Due to credit institutions, total	84,922	-	84,922	-
Note 21 Deposits				
By current maturity				
Demand deposits	4,659	-	-	-
Over five years	5,360	-	-	-
Deposits, total	10,019	-	-	-
By type of deposit				
Demand deposits	4,643	-	-	-
Special forms of deposits	5,376	-	-	-
Deposits, total	10,019	-	-	-
Note 22 Other liabilities				
Various creditors	46,205	38,799	4,018	1,473
Negative fair values of derivatives etc.	8,931	1,723	-	566
Accrued interest and commissions	248	1	225	-
Buyback obligation, own shares	15,000	15,000	15,000	15,000
Other liabilities	43,147	39,551	4,565	3,937
Other liabilities, total	113,531	95,074	23,808	20,976
Various creditors include accounts with group enterprises worth				
	-	-	-	840
Note 23 Other provisions				

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

NOTES

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Note 24 Contingent liabilities				
Guarantees etc.:				
Other guarantees (participation in the Danish Guarantee Fund for Depositors (Indskydergarantifonden))				
	537	382	-	-
Total guarantees etc.	537	382	-	-
Other contingent liabilities:				
Other liabilities (commitments to invest in capital funds)	63,416	29,608	62,969	29,578
Other contingent liabilities, total	63,416	29,608	62,969	29,578

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, Maj Invest Equity A/S and Maj Bank 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 2015 the jointly taxed entities have a current tax receivable of DKK 12,918 thousand (31 December 2014: tax receivable of DKK 14,120 thousand).

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.

Maj Bank A/S has entered a tenancy agreement for the premises Dronningens Tværgade 7, 1st floor, Copenhagen. The agreement is terminable at six months' notice by either party. The landlord cannot terminate the tenancy until 28 February 2020.

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

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
In year one	3,967	4,714	358	471
Between one and five years	-	3,600	-	360
Total	3,967	8,314	358	831

The group has entered into IT related obligations, which in the non-terminable period are:

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
In year one	964	470	-	-
Between one and five years	2,261	1,848	-	-
Total	3,225	2,318	-	-
Contingent liabilities, total	7,192	10,632	358	831

NOTES

DKK thousand	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Note 25 Own funds				
Shareholders' equity	358,411	507,191	358,411	507,149
Current profit for the year, not recognised	-	(100,374)	-	(100,374)
Total tier 1 capital before primary deductions	358,411	406,817	358,411	406,775
Primary deductions				
Proposed dividend	-	(45,438)	-	(45,438)
Proposed dividend, not recognised	-	45,438	-	45,438
Intangible assets	(11,737)	(2,558)	-	-
Deferred capitalised tax assets	-	-	(30)	(44)
Valuation based on prudence	(298)	-	(79)	-
Total common equity tier 1 capital after primary deductions	346,376	404,259	358,302	406,731
Total eligible capital	346,376	404,259	358,302	406,731

DKK thousand	Company activity	Equity interest	Shareholders' equity	Profit after tax
Note 26 Group overview				
Consolidated subsidiaries				
Fondsmæglerselskabet Maj Invest A/S, Copenhagen	Asset management company	100%	268,754	93,769
Maj Invest Equity A/S, Copenhagen	Alternative investment fund manager	100%	10,722	(1,422)
Danish Microfinance Partners Management ApS, Copenhagen	Private equity management	100%	95	2
Maj Bank A/S, Copenhagen	Bank	100%	86,762	(14,578)
Maj Invest Singapore Private Limited, Singapore	Consulting company	100%	(136)	(136)
Management Equity Vietnam I ApS, Copenhagen	Private equity management	100%	342	14
Maj Invest South America S.A., Lima, Peru	Consulting company	100%	870	43
Maj Invest Vietnam Management Consultancy LLC, Ho Chi Minh City, Vietnam	Consulting company	100%	1,282	700

Shareholders' equity and results are based on the companies' most recently approved annual reports. The equity and results of foreign subsidiaries are based on non-audited financial statements. The equity and results of Maj Bank A/S concern the reporting period from 1 January 2015 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 17.

NOTES

Note 26 cont.

DKK thousand	Revenue	Full-time staff	Profit before tax	Tax
Geographical breakdown of subsidiaries				
Denmark	307,859	91	101,973	24,188
Vietnam	48	3	814	114
Peru	77	1	46	3
Singapore	-	4	(136)	-

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

Note 27 Related parties and ownership

Other related parties

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. One member of the board of directors is the CFO of PKA A/S, which administers pension funds that are clients 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 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:

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
 Pensionskassen for Sygeplejersker og Lægeseekretærer, Hellerup
 Pensionskassen for Sundhedsfaglige, Hellerup
 Pensionskassen for Socialrådgivere, Socialpædagoger og Kontorpersonale, Hellerup

In 2015 the company entered into conditional agreements on the transfer of shares that awaited the formal approval from the Danish Financial Supervisory Authority. After these transfers the following shareholders hold minimum 5 per cent of the company capital or minimum 5 per cent of the voting rights:

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
 Henrik Parkhøi, Charlottenlund
 Lind Invest ApS, Århus

NOTES

Note 28 Financial instruments and risks

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, Maj Invest Equity A/S and Maj Bank A/S also by a number of business procedures. Moreover the directors of Fondsmæglerselskabet Maj Invest A/S, Maj Invest Equity A/S and Maj Bank 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, Maj Invest Equity A/S and Maj Bank 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 the subsidiary 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.

The board of directors of the subsidiaries Fondsmæglerselskabet Maj Invest A/S and Maj Bank A/S have drawn up liquidity plans (contingency and emergency plans) for any liquidity crises.

These liquidity plans 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 institutions 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 investments. Interest rate risks are modest compared with shareholders' equity and our own funds.

NOTES

Note 28 cont.

Interest rate risks	Group		Parent	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Interest rate risks (DKK thousand)	1,809	2,488	251	443
In % of year-end shareholders' equity	0.5%	0.5%	0.1%	0.1%
In % of year-end own funds	0.5%	0.6%	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 is 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 Fondsmæglerselskabet 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.

31.12.2015	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						
Mutual fund units in the trading portfolio	7,256	2.0%	2.1%	-	-	-
Listed equities outside the trading portfolio	56,434	15.7%	16.3%	13,892	3.9%	3.9%
Unlisted equities and mutual fund units	14,525	4.1%	4.2%	10,425	2.9%	2.9%
Holdings in private equity funds	31,094	8.7%	9.0%	31,014	8.7%	8.7%
Total equities etc. at fair value	109,309	30.5%	31.6%	55,331	15.4%	15.4%

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 28 cont.

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	
	31.12.2015	31.12.2014	31.12.2015	31.12.2014
Exchange rate risks (DKK thousand)*	2,785	4,214	2,593	1,832
In % of year-end shareholders' equity	0.8%	0.8%	0.7%	0.4%
In % of year-end own funds	0.8%	1.0%	0.7%	0.5%

*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.

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.

NOTES

Note 28 cont.

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 period 1 January 2015 - 31 December 2015.

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 2015 and of the results of the parent's and the group's activities for the 2015 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, 15 March 2016

EXECUTIVE BOARD

Jeppe Christiansen
CEO

Erik Holm
Managing Director

Henrik Parkhøj
Managing Director

BOARD OF DIRECTORS

Tommy Pedersen
Chairman

Hans Jensen

Morten Lund Madsen

Ruth Schade

Klaus Bentin

Ken Bamberg Ernstsen

Tomas Munksgard Hoff

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 2015. 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 2015 and of the results of the Group's and the parent company's operations for the financial year 1 January – 31 December 2015 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, 15 March 2016

ERNST & YOUNG

Godkendt Revisionspartnerselskab

CVR no. 30 70 02 28

Lars Rhod Søndergaard

State Authorised

Public Accountant

Ole Karstensen

State Authorised

Public Accountant

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