

Bank | Forsikring | Pension

Alm
Brand

ALM. BRAND

Interim report the first quarter 2018

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Company information

Board of Directors

Jørgen Hesselbjerg Mikkelsen
Chairman

Jan Skytte Pedersen
Deputy Chairman

Ebbe Castella

Anette Eberhard

Per Viggo Hasling Frandsen

Karen Sofie Hansen-Hoeck

Flemming Fuglede Jørgensen

Boris Nørgaard Kjeldsen

Brian Egested

Helle Låsby Frederiksen

Claus Nexø Jensen

Susanne Larsen

Management Board

Søren Boe Mortensen
Chief Executive Officer

Auditors

Deloitte
Statsautoriseret Revisionspartnerselskab

Internal auditor

Poul-Erik Winther
Group Chief Auditor

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Group companies

Alm. Brand is a listed Danish financial services group focusing on the Danish market. The group carries on non-life insurance, life insurance and banking activities.

Alm. Brand A/S

Alm. Brand Forsikring

Alm. Brand Liv og Pension

Alm. Brand Bank

Alm. Brand Leasing

Denmark's
4th largest insurer

Non-life Insurance is the group's core business, exclusively targeting the Danish market with a special focus on private customers, small and medium-sized enterprises, property owners and administrators, agricultural customers and the public sector.

Life Insurance based
on *personal* advice

Life Insurance offers life insurance, pension savings and pension insurance with a particular focus on private individuals, owners and employees of small businesses, and farmers.

Helping customers
every day

Alm. Brand Bank has nation-wide coverage and is focused on providing banking products and services to private customers and small and medium-sized enterprises, bond, equity and currency trading and research and asset management services as well as leasing of cars to private and commercial customers.

Q1 PERFORMANCE

The Alm. Brand Group posted a pre-tax profit of DKK 223 million in Q1 2018, corresponding to a return on equity of 18% p.a. The performance was better than expected and highly satisfactory.

The Q1 performance reflects an improved underlying business in Non-life Insurance and a highly satisfactory performance in Life Insurance. However, financial market turmoil weighed on results in all of the group's business areas.

Non-life Insurance

Non-life Insurance produced a pre-tax profit of DKK 199 million, against DKK 236 million in Q1 2017. The performance was highly satisfactory and better than expected.

The combined ratio was 83.4 and was favourably affected by a lower level of weather-related and major claims expenses, a better-than-expected claims experience and positive run-off gains.

Gross premiums amounted to DKK 1,292 million in Q1 2018, up 2.0% year on year, which was overall in line with expectations. The commercial customer segment grew by 4.1%, while gross premiums in the private customer segment were in line with Q1 2017. Customer retention remained at a high level with an upward trend in both segments.

The expense ratio was 17.7 in Q1 2018, which was in line with expectations.

The investment result was a loss of DKK 15 million in Q1 2018 as a result of financial market developments.

Life Insurance

Life Insurance posted a pre-tax profit of DKK 26 million in Q1 2018, against DKK 34 million in Q1 2017, which performance was supported by a DKK 12 million one-off gain on the portfolio of life annuities without bonus entitlement. The performance was therefore highly satisfactory and better than expected.

Total pension contributions in Life Insurance increased by 42% year on year and were composed of an increase in regular premiums of 13% and an increase in single payments of 71%. The improved result was lifted in particular by a major influx of company pension schemes. Moreover, contributions to pension schemes, which are placed in Banking, rose by 17%.

Growth in pension contributions was satisfactory and in line with the group's aim of generating growth in regular premium payments in particular.

The bonus rate was 22.4% at 31 March 2018, marking a year-to-date decline of 1.2 percentage points, which was attributable

to financial market developments. The bonus rate remains highly satisfactory. The high bonus rate ensures that Alm. Brand Pension may continue to offer one of the industry's highest rates on policyholders' savings for guaranteed products.

Banking

The bank generated a total profit of DKK 13 million in Q1 2018 (Q1 2017: DKK 16 million profit). The turbulent investment market resulted in negative investment portfolio earnings and lower trading activity among the bank's investment customers. This was more than offset by a DKK 20 million reversal of impairment writedowns. The performance was not satisfactory.

The bank generally experienced an increase in the level of activity. Over the past 12 months, the number of Pluskunder has grown by 7%. At 31 March 2018, loans and advances amounted to DKK 2.8 billion. Lending declined relative to the same time last year, due to repayments and redemptions among existing customers and the effect of the implementation of IFRS 9. Moreover, new customers are generally seen to have a lower borrowing requirement. Lending to retail customers declined by a net amount of almost DKK 10 million relative to 31 March 2017.

The portfolio of mortgage loans arranged for Totalkredit continued to develop fa-

vourably, growing 17% year on year. At 31 March 2018, the portfolio totalled DKK 9.0 billion. This marks a substantial, positive trend in the conversion of bank loans to mortgage loans by both new and existing customers. In addition, Financial Markets experienced an increase in asset management mandates and customers, and IndexPlus grew to DKK 0.4 billion.

Change in presentation

Effective from 1 April 2018, the bank has taken over the majority of Saxo Privatbank A/S's activities. In the second half of 2017, the bank expanded its activities by adding a commercial customer division for small and medium-sized businesses. As the same time, the bank's winding-up portfolio has been strongly reduced, and the portfolio risk has been reduced accordingly. As a result, the bank's results will be presented as a combined bank from the first quarter of 2018 onwards and will therefore no longer be divided into forward-looking activities and winding-up activities. Comparative figures have been restated as shown in the relevant tables.

Other activities

Other business activities, consisting primarily of corporate expenses, performed in line with expectations. The Q1 performance was a pre-tax loss of DKK 15 million, against a loss of DKK 14 million in the same period of 2017.

CAPITALISATION

Alm. Brand's total capital relative to its capital target determines the distribution potential. The distribution by the group is aligned with planned activities, including investments, special risks or a shortfall in earnings.

The group's total capital after deduction of reservations made in connection with the acquisition of the majority of Saxo Privatbank A/S's activities and the VA premium was DKK 4,505 million at 31 March 2018, equivalent to an excess of DKK 194 million

Capitalisation

DKKm	Q1 2018	FY 2017
Total capital for the group	5,255	4,998
Reservation, Saxo	-680	-680
Reservation, VA premium	-70	-
Total capital for the group after deduction	4,505	4,318
Internal capital target for the group	4,311	4,279
Dividend distribution potential	194	39

relative to the group's capital target. The excess was up from DKK 39 million at 31 December 2017, mainly as a result of Q1 earnings.

In March 2018, EIOPA gave notice of a change to the method for calculation of the Danish volatility adjustment premium (the "VA premium") for the discounting of provisions. The change is expected to enter into force in the third quarter of 2018 at the latest. The industry is in close dialogue with the authorities regarding the changed methodology and the possibility of a phase-in arrangement. The consequences of the upcoming change are subject to major uncertainty as the contemplated methodology change has not yet been finally determined. The change could potentially have a significant impact on the value of technical provisions and the hedging thereof in both Non-life Insurance and Life Insurance. As a result, the group has made a DKK 70 million capital reservation to cover this uncertainty. The reservation is calculated on the basis of a methodology change in which the Danish VA premium is reduced to about 0%. Most of the effect of up to DKK 70 million originates from the derived value increase in provisions in Non-life Insurance. In addition, such a change will have an impact on the bonus potential in Life Insurance of up to DKK 300 million, equivalent to a decline in the bonus rate from around 22% to around 20%.

At the annual general meeting held on 30 April 2018, the shareholders adopted a total dividend payment of DKK 3.00 per share and the initiation of a share buy-back programme totalling up to DKK 200 million. In order to cover the distribution, an amount of DKK 677 million has been deducted from the group's total capital at 31 March 2018.

In January 2018, the Danish Financial Supervisory Authority announced an MREL add-on for Alm. Brand Bank of 5% of the risk-weighted exposures, corresponding to a capital charge of close to DKK 400 million.

The MREL add-on takes effect as from 1 January 2019. The expectation is still that at least 50% will be financed by way of senior debt (tier 3 capital), and the MREL add-on reservation thus remains DKK 200 million.

MAJOR EVENTS

Acquisition of the majority of Saxo Privatbank's activities

On 5 February 2018, Alm. Brand entered into an agreement to acquire the majority of the activities of Saxo Privatbank A/S with expected takeover on 1 April 2018, subject to approval by the Danish Financial Supervisory Authority and the Danish Competition and Consumer Authority. At the end of March 2018, Alm. Brand's acquisition of the majority of Saxo Privat-

bank A/S's activities was approved, and the takeover was completed as planned on 1 April 2018, at which date the group welcomed both the 17,500 new customers and the employees of Saxo Privatbank. The integration is progressing as planned, and it is expected that all customers will have been combined on one data centre platform by the end of 2018. In addition, the branches in the cities in which Alm. Brand already has a presence will have been combined by the end 2018.

The group still expects to realise synergies of DKK 75 million per year from 2019. Customer relationships taken over are assessed to represent a value of DKK 150-200 million, which amount will be capitalised and written down over a number of years. In addition, integration costs of approximately DKK 200 million are expected. The acquired activities will be recognised in the financial statements as from the second quarter of 2018.

Closing of share buyback programme

On 27 March 2018, Alm. Brand closed the DKK 300 million share buyback programme. The principal shareholder, Alm. Brand af 1792 fmba, participated proportionately in the buyback programme, thereby maintaining its ownership interest of just under 60%.

MAJOR EVENTS AFTER THE BALANCE SHEET DATE

Initiation of share buyback programme

Immediately after having received the Danish Financial Supervisory Authority's approval, Alm. Brand on 30 April 2018 initiated the share buyback programme totalling up to DKK 200 million, which was announced in connection with the release of the Annual Report 2017. The programme is expected to run until the end of March 2019.

The principal shareholder, Alm. Brand af 1792 fmba, will be participating proportionately in the programme, thereby maintaining its current ownership interest.

Annual general meeting of Alm. Brand A/S

Alm. Brand held its annual general meeting on 30 April 2018. At the general meeting, the shareholders approved the proposed payment of ordinary dividend of DKK 1.50 per share and extraordinary dividend of DKK 1.50 per share.

In addition, the shareholders approved a reduction of the company's share capital by 4,500,000 shares of DKK 10 each by cancellation of treasury shares. After the reduction, the company will have a share capital of DKK 1,610,000,000.

OUTLOOK

The guidance for FY2018 consolidated pre-tax profit is upgraded by DKK 50 million to DKK 500-600 million. The upgrade takes into account the uncertainty related to the level of the future VA premium, which may affect the profit by up to DKK 70 million. The guidance for the individual business areas has been prepared on the basis of the current VA premium.

Non-life Insurance

Based on the realised profit for the first quarter of 2018, the full-year profit of Non-life Insurance for 2018 is expected to increase by DKK 100 million to DKK 540 million.

Outlook

DKKm	2018
Expected consolidated profit	500-600
Non-life Insurance	540
Life Insurance	80
Banking	25
Other activities	-60

This expectation will be affected by a potential change in the VA premium.

The outlook is exclusive of the run-off result on claims for the rest of the year.

The guidance for the combined ratio is improved to 90, while the guidance for the expense ratio is also maintained at about 17.

Expectations of growth at the rate of 2% are maintained.

Life Insurance

The guidance for Life Insurance is lifted by DKK 10 million to a profit of DKK 80 million. The upgrade is due to a higher expense contribution.

Regular premiums are expected to continue to increase at a rate of about 8% in 2018.

Banking

The guidance for the bank's activities is maintained at a profit of DKK 25 million before tax.

For the period 1 April to 31 December 2018, the profit from the activities of Saxo Privatbank is expected to be DKK 0 million.

Net growth in lending was weaker than expected in Q1 2018, and on that basis the guidance for growth in lending to retail customers is lowered from 10-15% to 5-10% in 2018. To this should be added the portfolio from Saxo Privatbank.

Other activities

The guidance for other activities, comprising costs and interest related to the parent company, Alm. Brand A/S, is maintained at a loss of DKK 60 million before tax.

Combined ratio

90

Expected combined ratio
in Non-life Insurance.

Growth in Life Insurance

8%

Expected growth in regular
premiums in Life Insurance.

Growth in lending

5-10%

Expected growth in lending to
retail customers.

DISCLAIMER

The forecast is based on the interest rate and price levels that prevailed at 30 April 2018. All other forward-looking statements are based exclusively on the information available when this report was released. This announcement contains forward-looking statements regarding the company's expectations for future financial developments and results and other statements which are not historical facts.

Such forward-looking statements are based on various assumptions and expectations which reflect the company's current views and assumptions, but which are inherently subject to significant risks and uncertainties, including matters beyond the company's control.

Actual and future results and developments may differ materially from those contained or assumed in such statements. Matters which may affect the future development and results of the group as well as of the individual business areas include changes in economic conditions in the financial markets, legislative changes, changes in the competitive environment, in the reinsurance market and in the

property market, unforeseen events, such as extreme weather conditions or terrorist attacks, bad debts, major changes in the claims experience, unexpected outcomes of legal proceedings, etc.

The above-mentioned risk factors are not exhaustive. Investors and others who base their decisions on the information contained in this report should independently consider any uncertainties of significance to their decision.

This interim report has been translated from Danish into English. In the event of any discrepancy between the Danish-language version and the English-language version, the Danish-language version shall prevail.

Financial highlights and key ratios

	DKKm	Q1 2018	Q1 2017	FY 2017
GROUP	Income			
	Non-life Insurance	1,292	1,267	5,157
	Life Insurance	567	398	1,394
	Banking	165	165	731
	Investment etc.	131	151	491
	Total income	2,155	1,981	7,773
	Performance			
	Non-life Insurance	199	236	917
	Life Insurance	26	34	93
	Banking	13	16	67
	Other activities	-15	-14	-54
	Profit before tax	223	272	1,023
	Tax	-44	-58	-212
	Profit after tax	179	214	811
	Total provisions for insurance contracts	21,785	21,089	20,961
	Consolidated shareholders' equity	4,991	5,360	4,936
	Total assets	35,114	35,751	34,654
	Average no. of employees	1,664	1,557	1,602
	Return on equity before tax (%)	17.9	20.6	20.8
	Return on equity after tax (%)	14.4	16.2	16.5

	DKKm	Q1 2018	Q1 2017	FY 2017
FINANCIAL RATIOS	Earnings per share	1.1	1.3	5.0
	Diluted earnings per share	1.1	1.3	4.9
	Net asset value per share	31	32	30
	Share price, end of period	61.5	56.5	81.0
	Price/NAV	1.98	1.74	2.67
	Average no. of shares (in thousands)	159,164	162,817	161,438
	No. of shares at end of period, diluted (in thousands)	160,577	165,228	161,708
	Average no. of shares, diluted (in thousands)	161,172	165,595	163,840
	Dividend per share	0.0	0.0	1.5
	Dividend per share, extraordinary	0.0	0.0	1.5
	No. of shares bought back (in thousands)	1,132	1,160	4,768
	Avg. price of shares bought back, DKK	56.7	55.3	59.4

Non-life Insurance

Improved underlying business and highly satisfactory pre-tax profit of DKK 199 million.

Q1 PERFORMANCE

Non-life Insurance generated a pre-tax profit of DKK 199 million in Q1 2018 (Q1 2017: DKK 236 million), which was highly satisfactory and better than expected.

The technical result was DKK 214 million (Q1 2017: DKK 198 million), equivalent to a combined ratio of 83.4, which was also better than expected.

The Q1 2018 performance was favourably affected by the underlying business and by a low level of major claims and weather-related claims relative to the same period of last year. The performance was also lifted by run-off gains, which, however, as expected were at a lower level than in previous years. The investment result was negative, being affected by financial market developments. Net of run-off gains, the combined ratio was 87.9 in Q1 2018, against an expected normal level of 91-92.

The Q1 underlying combined ratio was 82.0, which was slightly above the expected target level of about 81-82. The underlying combined ratio improved by 1.1 percentage points year on year, which was mainly due to a better small claims experience.

The investment return after transfer to insurance activities was a loss of DKK 15 million in Q1 2018, against a gain of DKK 38 million in Q1 2017.

Premiums

Gross premiums totalled DKK 1,292 million in Q1 2018, against DKK 1,267 million in the same period of last year. This 2.0% increase was satisfactory and overall in line with expectations.

The retention rate remained high in both Commercial and Private lines, with a continued upward trend in Private lines in particular. The retention rate is now close to the highest level in the past ten years, which is the result of the group's strategic focus on providing supreme customer service.

Claims experience

The claims experience for Q1 2018 was 65.7%, against 66.8% in Q1 2017. Excluding run-off gains, the claims experience was 70.2% in Q1 2018, against 75.1% in Q1 2017. The claims experience was better than expected.

Weather-related claims

The winter passed without any storms in the first quarter and was generally characterised by very mild weather conditions, although with severe frost towards the end of the quarter. Accordingly, the number of weather-related claims in the first quarter was very low compared with expectations. Net of reinsurance, weather-related claims totalled DKK 11 million in Q1 2018 (Q1 2017: DKK 8 million). Weather-related claims affected the combined ratio by 0.9 of a percentage point in Q1 2018, which was significantly below the normal level of 3-4%.

Major claims

Net of reinsurance, major claims expenses totalled DKK 64 million in Q1 2018, against DKK 111 million in the same period of 2017. Major claims affected the combined ratio by 4.9 percentage points in Q1 2018, which was significantly better than the expected normal level of 7-8%. Both the number of major claims and the level of expenses for major claims were below the expected level.

Combined ratio

	Q1 2018	Q1 2017	FY 2017
Combined ratio, underlying business	82.0	83.1	81.3
Weather-related claims, net of reinsurance	0.9	0.6	1.5
Major claims, net of reinsurance	4.9	8.8	6.6
Reinstatement premium	0.0	0.0	0.0
Run-off result, claims	-4.5	-8.3	-5.3
Change in risk margin, run-off result and current year	0.1	0.2	0.3
Combined ratio	83.4	84.4	84.4

Underlying business

The underlying claims ratio was 64.3, which was slightly higher than anticipated. The reason for this was the slightly higher-than-expected level of claims paid on building insurance, travel insurance and motor insurance, whereas the level of the underlying claims ratio was affected by stronger-than-expected growth in Q1 in lines where the underlying claims ratio has a higher normal level than the portfolio in general.

Compared with the same period of last year, the underlying claims ratio was favourably affected by a generally improved small claims experience, improving the ratio by 1.2 percentage points. Overall, the performance of the underlying business was up by approximately DKK 15 million relative to Q1 2017, which period saw an extraordinarily high level.

Run-off result

The run-off result on claims net of reinsurance was a gain of DKK 58 million, against DKK 106 million in 2017. The 2018 run-off result was attributable to personal accident and motor insurances in Private lines and to workers' compensation insurance in Commercial lines. As expected, the level of run-off gains on workers' compensation insurance was lower than in previous years. In addition, the risk margin contrib-

uted a run-off gain of DKK 21 million in Q1 2018, as compared with DKK 20 million in Q1 2017.

Costs

Total costs amounted to DKK 229 million in Q1 2018, equivalent to an expense ratio of 17.7 (Q1 2017: 17.6). The level of expenses was in line with expectations for the quarter, being affected by strategic digitalisation investments.

Net reinsurance ratio

The net reinsurance ratio was 4.9 in Q1 2018, against 3.2 in the same period of 2017. Contrary to Q1 2017, no major reinsurance recoveries were recognised in Q1 2018 in respect of the major claims experience.

Discounting

From Q1 2017 to Q1 2018, the yield curve, which is used for discounting, declined gradually at the short end, from plus 0.12% to minus 0.08% p.a., while the 10-year yield was up slightly from 1.12% to 1.17%. Technical provisions are affected the most by the short-term yield due to the composition of expected premium payments and claims payouts. Overall, interest rate developments in Q1 2018 increased the combined ratio by 0.8 of a percentage point relative to the same period of 2017.

PRIVATE

The technical result was a profit of DKK 100 million in Q1 2018, which was DKK 25 million higher than in Q1 2017. The improvement was driven by lower expenses for major claims and a better risk result on health and personal accident insurances. The combined ratio was 84.7, which was highly satisfactory compared with expectations.

Relative to expectations, the result was favourably affected by a generally lower level of claims expenses for small claims, major claims and weather-related claims alike. Run-off gains and lower costs also had a favourable effect.

Gross premium income was DKK 655 million in Q1 2018, which was on a par with Q1 2017 and slightly below the expected level.

As Alm. Brand continues to experience a highly competitive market, the focus on customer retention is maintained through the use of targeted messages, which are perceived as topical and relevant for its customers.

The customer retention rate is still high, and the growing trend in customer retention continued in the first quarter. This is highly positive and should be seen against the backdrop of the activities implemented.

The claims experience excluding run-off gains was 70.0% (Q1 2017: 73.4%).

Private

	Q1 2018	Q1 2017	FY 2017
DKK m			
Gross premium income	655	655	2,644
Gross claims expenses	-410	-445	-1,726
Insurance operating expenses	-128	-124	-505
Profit/loss on reinsurance	-17	-11	-62
Technical result	100	75	351
Run-off result, claims	32	25	119
Run-off result, risk margin	10	10	24
Gross claims ratio	62.5	67.8	65.3
Net reinsurance ratio	2.6	1.7	2.4
Claims experience	65.1	69.5	67.7
Gross expense ratio	19.6	19.0	19.0
Combined ratio	84.7	88.5	86.7

Weather-related claims totalled DKK 3 million net of reinsurance, which was on a par with Q1 2017, affecting the combined ratio by 0.5 of a percentage point. Expenses for weather-related claims were thus very low in the first quarter of 2018.

Expenses for major claims were lower than expected in the first three months of the year. Claims expenses totalled DKK 6 million net of reinsurance (Q1 2017: DKK 19 million), affecting the combined ratio by 0.9 of a percentage point.

Overall, weather-related and major claims affected the combined ratio by 1.4 percentage points in Q1 2018, against 3.3 percentage points in Q1 2017. Overall, weather-related and major claims were significantly better than expected for Private lines, supported in particular by the mild winter.

The underlying expense ratio was 68.5 in Q1 2018, against 70.0 in the year-earlier period. The lower claims ratio was mainly driven by an improved risk result on health and personal accident insurances.

Run-off gains on claims net of reinsurance amounted to DKK 32 million in Q1 2018 (Q1 2017: DKK 25 million). The run-off result was attributable to gains on personal accident insurance and motor liability insurance. In addition, the risk margin contributed a run-off gain of DKK 10 million in Q1 2018, which was on a par with Q1 2017.

The Q1 expense ratio was 19.6, against 19.0 in Q1 2017. Expenses were slightly below the expected level, but higher than in 2017 due to strategy and digitalisation investments.

The net reinsurance ratio was 2.6 in 2018, against 1.7 in Q1 2017.

COMMERCIAL

The technical result was a profit of DKK 114 million in Q1 2017 (Q1 2017: DKK 123

million profit). Net of run-off gains, the result was a DKK 46 million improvement year on year. The combined ratio was 82.2, which was highly satisfactory compared with expectations.

Compared with expectations, the performance was favourably affected by a low level of expenses for weather-related claims and major claims as well as by run-off gains mainly on workers' compensation insurance.

Gross premium income amounted to DKK 637 million in Q1 2018, marking a year-on-year improvement of DKK 25 million or 4.1%. This improvement should be seen against the backdrop that Alm. Brand at 1 January 2018 lost a major commercial customer with total premiums of DKK 34 million following an EU tender. Almost half of the total increase in 2018 was attributable to Alm. Brand's acquisition of the insurance portfolio of Trafik G/S in September 2017.

The customer retention rate for Commercial lines remains high and was stable throughout the first quarter.

The claims experience excluding run-off gains was 70.4% (Q1 2017: 77.2%).

Weather-related claims totalled DKK 8 million net of reinsurance (Q1 2017: DKK

Commercial

DKKm	Q1 2018	Q1 2017	FY 2017
Gross premium income	637	612	2,513
Gross claims expenses	-376	-361	-1,538
Insurance operating expenses	-101	-98	-396
Profit/loss on reinsurance	-46	-30	-125
Technical result	114	123	454
Run-off result, claims	26	81	155
Run-off result, risk margin	11	10	24
Gross claims ratio	59.1	59.1	61.2
Net reinsurance ratio	7.3	4.7	4.9
Claims experience	66.4	63.8	66.1
Gross expense ratio	15.8	16.1	15.8
Combined ratio	82.2	79.9	81.9

5 million), which affected the combined ratio by 1.3 percentage points, against 0.8 of a percentage point last year. Expenses for weather-related claims in Commercial lines were very low in the first three months of the year, but slightly higher than in the same period of 2017.

Major claims totalled DKK 58 million net of reinsurance (Q1 2017: DKK 92 million)

and impacted the combined ratio by 9.0 percentage points, against 15.1 percentage points in 2017. Overall, the level of major claims expenses was significantly lower than expected, while the number of major claims was slightly higher than expected.

Overall, weather-related and major claims affected the combined ratio by 10.3 percentage points in Q1 2018, against 15.9 percentage points in Q1 2017. Compared with the expected level for the year as a whole, weather-related and major claims were lower than expected in the first quarter.

The underlying expense ratio was 59.9 in Q1 2018, against 60.7 in the year-earlier period.

Run-off gains on claims net of reinsurance amounted to DKK 26 million in Q1 2018 (Q1 2017: DKK 81 million). The Q1 2018 run-off result was largely attributable to gains on workers' compensation insurance, which, however, came out at a lower level than in previous years. In addition, the risk margin contributed a run-off gain of DKK 11 million in Q1 2018, as compared with DKK 10 million in Q1 2017.

The expense ratio declined to 15.8 in Q1 2018, from 16.1 in the same period of last year.

The net reinsurance ratio was 7.3 in Q1 2018 (Q1 2017: 4.7). Contrary to Q1 2017, no major reinsurance recoveries were recognised in Q1 2018 in respect of the major claims experience.

INVESTMENT RESULT

The investment result was a loss of DKK 15 million in Q1 2018, against a gain of DKK 38 million in the year-earlier period. The result was not satisfactory, being adversely affected by the financial turmoil prevailing in the first quarter.

Bonds produced a negative return due to the widening of the yield spread between Danish mortgage bonds and swap rates. Moreover, the Q1 2018 investment return was adversely affected by developments in the global equity markets. Hedging of provisions contributed favourably to the result.

The investment assets are distributed on Danish and international bonds, mortgage deeds and equities and a small portfolio of properties. The overall goal is to achieve a

satisfactory combination of return and low market risk. The financial risk is adjusted using derivative financial instruments.

The interest on technical provisions is calculated using the EIOPA yield curve plus a volatility adjustment (the “VA premium”).

CAPITALISATION

The solvency capital requirement of Alm. Brand Forsikring A/S was DKK 1,000 million at 31 March 2018, against DKK 1,024 million at 31 December 2017.

The total capital for coverage of the solvency capital requirement was DKK 3,043 million at 31 March 2018, an excess cover of DKK 2,043 million relative to the solvency capital requirement.

At 31 March 2018, shareholders' equity allocated to Non-life Insurance was DKK 2.1 billion.

MAJOR EVENTS

Launch of a new travel insurance product

Alm. Brand launched a new travel insurance product at the beginning of March 2018. The product is based on a modular structure, allowing customers greater freedom to tailor their travel insurance to suit their individual requirements and travel habits. One of the new features is the “Insecure destination” cover made for instances where the customer's destination is hit by a terrorist attack or a natural disaster, making the customer insecure about travelling. The travel insurance product was developed in collaboration with selected customer groups, and the development efforts were focused partly on being able to offer new covers which are perceived as relevant and easily available to the customers and partly on restoring the lack of profitability of the current product.

Investment return

DKKm	Q1 2018			Q1 2017		
	Investment assets	Return		Investment assets	Return	
Bonds etc.	8,542	-11	-0.1%	8,987	31	0.4%
Mortgage deeds etc.	1,063	4	0.3%	1,266	3	0.2%
Equities	184	-7	-3.7%	199	10	5.0%
Properties	13	0	2.3%	16	0	0.4%
Total return on investments	9,802	-14	-1.2%	10,468	44	0.4%
Administrative expenses related to investment activities		-7			-8	
Capital gains related to the discounting of technical provisions		9			9	
Interest on technical provisions		-3			-7	
Net investment return		-15			38	

Non-life Insurance

	DKKm	Q1 2018	Q1 2017	FY 2017
INCOME STATEMENT	Gross premium income	1,292	1,267	5,157
	Claims expenses	-786	-806	-3,264
	Insurance operating expenses	-229	-222	-901
	Profit/loss on reinsurance	-63	-41	-187
	Technical result	214	198	805
	Interest and dividends, etc.	42	49	188
	Capital gains	-56	-5	-23
	Administrative expenses related to investment activities	-7	-8	-33
	Return on and value adjustment of technical provisions	6	2	-20
	Investment return after return on and value adjustment of provisions	-15	38	112
	Profit before tax	199	236	917
	Tax	-41	-49	-196
	Profit after tax	158	187	721

	DKKm	Q1 2018	Q1 2017	FY 2017
BALANCE SHEET	Run-off result, claims	58	106	274
	Run-off result, risk margin	21	20	48
	Technical provisions	7,876	8,007	7,203
	Insurance assets	161	237	141
	Shareholders' equity	2,046	2,774	2,493
	Total assets	10,649	11,431	10,702
FINANCIAL RATIOS	Gross claims ratio	60.8	63.6	63.3
	Net reinsurance ratio	4.9	3.2	3.6
	Claims experience	65.7	66.8	66.9
	Gross expense ratio	17.7	17.6	17.5
	Combined ratio	83.4	84.4	84.4
	Combined ratio excluding run-off result *)	87.9	92.7	89.7
	Return on equity before tax (%)	31.1	35.3	38.5
	Return on equity after tax (%)	27.9	27.9	30.6

Key figures and ratios have been calculated in accordance with the Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds.

*) The run-off result is stated exclusive of the risk margin share

Life Insurance

Satisfactory pre-tax profit of DKK 26 million and strong growth of 42%.

Q1 PERFORMANCE

Life Insurance posted a pre-tax profit of DKK 26 million in Q1 2018 (Q1 2017: DKK 34 million). The Q1 performance was highly satisfactory, being supported by a DKK 12 million one-off gain on the portfolio of life annuities without bonus entitlement.

The profit was composed as follows:

- Expense and risk result of DKK 19 million
- Interest rate result of DKK 7 million
- Profit of DKK 2 million from the group life insurance business
- Profit of DKK 0 million from life annuities without bonus entitlement
- Negative return on investment allocated to equity of DKK 2 million

The bonus rate was 22.4% at 31 March 2018, which was a year-to-date decline of 1.2 percentage points. The decline was due to a higher interest rate level and declining equity markets as well as to the fact that Alm. Brand is offering the highest rate on policyholders' savings among the commercial life insurance providers in Denmark. The bonus rate was highly satisfactory,

ensuring that Alm. Brand Pension may continue to offer high and competitive rates on policyholders' savings.

Measured in terms of the volume of customer funds, AUM (assets under management) increased to DKK 13.9 billion at 31 March 2018, marking a year-on-year increase of 6.3%.

Pension contributions

Payments into guaranteed schemes

In Q1 2018, premiums totalled DKK 567 million (Q1 2017: DKK 398 million), a 42.4% improvement relative to Q1 2017.

This figure comprises an increase in regular premiums of 12.9% and an increase in single payments of 71.4%.

This improvement was due to fair growth in the corporate customer segment, which benefited from customers moving their entire portfolio to Alm. Brand Pension.

The development in contributions was highly satisfactory and in line with the group's growth ambitions.

Benefits paid

Total benefits paid amounted to DKK 328 million in Q1 2018, compared with DKK 278 million in the same period of 2017.

Risk result

Net of reinsurance, the risk result, which expresses the difference between risk premiums charged and actual claims expenses, was an income of DKK 16 million in Q1 2018, which was on a par with the same period of 2017. The result was highly satisfactory and among the best performances in the industry.

Costs

Acquisition costs and administrative expenses totalled DKK 25 million in Q1 2018, against DKK 26 million in Q1 2017, which was in line with expectations.

Expense result

Net of reinsurance, the expense result, which expresses the difference between expense loading and expenses incurred, was positive at DKK 3 million. The expense result improved relative to the year-earlier period, driven by a higher cost contribution. The result was satisfactory as it was achieved against the backdrop that Alm. Brand Pension has some of the industry's lowest costs for average rate products (see APR listed on the industry comparison portal, "Facts about pension").

Investment return on policyholders' funds

The return on investment assets belonging to policyholders (before pension returns tax) was a loss of DKK 63 million for Q1 2018, corresponding to a negative return of 0.4% (negative return of 1.5% p.a.), against a return of DKK 205 million in Q1 2017. Investment assets, which amounted to DKK 13.6 billion at 31 March 2018, are placed in bonds, equities and property.

The return on policyholders' investment assets was primarily affected by the general equity market turmoil. Overall, bonds produced a neutral return. The underlying bond performance was adversely affected by interest rate developments in the Danish fixed-income markets, while the portfolio was favourably affected by rate hikes in the USA. The property portfolio produced an expected return of 1.1% in the first quarter.

Investment return

	Investment assets	Return Q1	Return p.a.
DKKkm			
Bonds	10,120	0.0%	0.1%
Equities	2,262	-2.9%	-11.8%
Properties	1,255	1.1%	4.3%
Total	13,637	-0.4%	-1.5%

Total life insurance provisions increased by DKK 115 million in Q1 2018 to a total of DKK 13.5 billion. The increase was attributable to the decent net inflow of pension funds during the period.

Profit margin

The profit margin increased by DKK 16 million to total DKK 409 million at 31 March 2018, driven by the company's growth.

Industry-wide discussions with the Danish Financial Supervisory Authority are still ongoing about the accounting concept "profit margin" and the assumptions for calculation thereof. Alm. Brand Pension does not expect a final clarification to significantly change the company's capital position, which is very strong.

Bonus rate

The total bonus rate was 22.4% at 31 March 2018, a year-to-date decline of 1.2 percentage points. The bonus rate remains highly satisfactory.

New policyholders are placed in interest rate group 0, which had a bonus rate of 24.7% at 31 March 2018.

In interest rate groups 2 and 3, comprising customers with the highest guarantees, the bonus rate was around 15% in Q1 2018, which was highly satisfactory. These groups continue to pursue a prudent investment strategy based on a substantial share of bonds and financial instruments intended to strike a healthy balance between the groups' investments and liabilities.

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

CONTRIBUTIONS TO PENSION SCHEMES HELD WITH THE BANK

In addition to making payments into Alm. Brand Pension, customers have the option of making contributions to pension schemes with the bank. Total contributions in the bank amounted to DKK 303 million in Q1 2018, corresponding to an increase of 17% from DKK 260 million in Q1 2017. Of the total contributions made in the bank, DKK 118 million related to the

OpsparingsPlus product, in which contributions rose 72% year on year.

CAPITALISATION

The solvency capital requirement of Alm. Brand Liv og Pension A/S amounted to DKK 149 million at 31 March 2018, against DKK 149 million at the year-earlier date.

The total capital for coverage of the solvency capital requirement was DKK 1,029 million at 31 March 2018, an excess cover of DKK 880 million relative to the solvency capital requirement. The company's solvency capital requirement is very low as a result of the large bonus potentials at 31 March 2018.

Equity allocated to Life Insurance was DKK 575 million at 31 March 2018.

MAJOR EVENTS

Tax reform

The Danish government changed the rules for retirement savings with effect from the beginning of 2018. The changed rules meant a reduction in the possibility of making contributions to retirement savings until the last five years before retirement. Alm. Brand Pension has implemented the tax reform without any notable loss of business volume, in spite of the company's relatively large portfolio of retirement savings plans.

	U74*	Interest rate group 0	Interest rate group 1	Interest rate group 2	Interest rate group 3	Total
Technical rate of interest (% p.a.)		0.5-1.5	1.5-2.5	2.5-3.5	3.5-4.5	
Rate on policyholders' savings (% p.a.)		5.00	5.50	5.50	6.00	
Investment assets (DKKbn)	0.1	8.9	1.1	1.2	2.3	13.6
Bonus rate (%)		24.7	23.0	15.3	13.9	22.4
Return (% YTD annualised)		-2.3	-2.1	-0.3	0.3	-1.5
Distribution of investment assets (%)						
Bonds	100	68	70	82	86	73
Equities	0	21	20	7	3	16
Properties	0	11	10	8	6	9
Fixed-income derivatives	0	0	0	3	5	1

* Portfolios without bonus entitlement

Life Insurance

	DKKm	Q1 2018	Q1 2017	FY 2017
INCOME STATEMENT	Premiums	567	398	1,394
	Investment return after allocation of interest	-54	163	735
	Benefits paid	-328	-278	-1,032
	Total insurance operating expenses	-25	-26	-99
	Result of ceded business	-1	-1	-3
	Change in life insurance provisions	-115	-219	-871
	Change in profit margin	-16	-5	-31
	Technical result	28	32	93
	Return on investment allocated to equity	-2	2	0
	Profit before tax	26	34	93
	Tax	-6	-8	-16
	Profit after tax	20	26	77
Return requirement for shareholders' equity				
	Return on investment allocated to equity	-2	2	0
	Result of portfolios without bonus entitlement	0	12	14
	Gruppeliv	2	2	7
	Interest result	7	6	25
	Expense result	3	-5	-13
	Risk result	16	17	60
	Profit before tax	26	34	93

	DKKm	Q1 2018	Q1 2017	FY 2017
BALANCE SHEET	Total provisions for insurance contracts	13,910	13,082	13,758
	Total shareholders' equity	575	875	800
	Total assets	14,559	14,153	15,244
FINANCIAL RATIOS	Return on equity before tax (%)	13.0	15.8	11.2
	Return on equity after tax (%)	10.1	12.3	9.2
	Bonus rate (%)	22.4	21.4	23.6

Key figures and ratios have been calculated in accordance with the Executive Order on financial reporting for insurance companies and multi-employer occupational pension funds.

Banking

Total pre-tax profit of DKK 13 million and continued increase in activity in the bank.

Q1 PERFORMANCE

The bank generated a total profit of DKK 13 million in Q1 2018 (Q1 2017: DKK 16 million profit). The turbulent investment market resulted in negative investment portfolio earnings and lower trading activity among the bank's investment customers. This was more than offset by a DKK 20 million reversal of impairment writedowns. The performance was not satisfactory.

Effective from 1 April 2018, the bank has taken over the majority of Saxo Privatbank A/S's activities. In the second half of 2017, the bank expanded its activities by adding a commercial customer division for small and medium-sized businesses. As the same time, the bank's winding-up portfolio has been strongly reduced, and the risk associated with the portfolio has been reduced accordingly. As a result, the bank's results will be presented as a combined bank as from the first quarter of 2018 and will therefore no longer be divided into forward-looking activities and winding-up activities. Comparative figures have been restated as shown in the relevant tables.

Income

The bank's income amounted to DKK 123 million in Q1 2018, against DKK 131 million in Q1 2017.

Net interest and fee income, deriving from the bank's lending and winding-up portfolio, was DKK 65 million in Q1 2018, which was on a par with Q1 2017. The bank recorded satisfactory growth in Pluskunder, but nevertheless experienced an unchanged level of net interest and fee income. This was due to a higher level of repayments and a lower requirement for bank loans from new customers. In addition, price competition for the most attractive customers remains intense. A part of the decline in income from lending was offset by higher income from mortgage loans arranged for Totalkredit, which increased by 14%.

Trading income from Financial Markets was DKK 33 million in Q1 2018 (Q1 2017: DKK 42 million). The decline was due to a turbulent investment market, with customers showing greater trading activity reluctance in 2018 to date.

Leasing recorded income less depreciation of DKK 20 million in Q1 2018, against DKK 17 million in Q1 2017. Growth was characterised by hesitant leasing customers in the private customer segment due to the most recent registration fee change in autumn 2017, whereas the commercial customer segment was back to the same level as before the change in registration fee.

Other income amounted to DKK 5 million in Q1 2018, which was DKK 2 million less than in Q1 2017.

The bank's interest margin was 2.0% in Q1 2018, still being impacted by increased competition and lower coupon rates on the bank's bond portfolios. In Q1 2017, the interest margin was 2.5%.

Costs

Costs amounted to DKK 122 million in Q1 2018, compared with DKK 118 million in Q1 2017. The increase was in line with expectations and was driven by continued investments in the new strategy, which in the first quarter of 2018 comprised recruitment of new staff for the bank's branches and development of digital solutions to ensure good customer experiences for new and existing customers.

Investment portfolio earnings

Investment portfolio earnings amounted to a loss of DKK 8 million in Q1 2018, compared with an income of DKK 6 million in Q1 2017. The bank's own portfolio of bonds yielded a return of DKK 11 million in Q1 2017, whereas the return in Q1 2018 was marked by financial market turmoil, resulting in a negative return of DKK 2 million. The return on equities, primarily deriving from sector equities, was unchanged year on year.

Impairment writedowns

A DKK 20 million reversal of impairment writedowns was reported in Q1 2018, against impairment writedowns of DKK 3 million in Q1 2017. The reversed impairment writedowns primarily concerned a number of lending exposures which had previously been subject to impairment.

Impairment writedowns

DKKkm	Q1 2017	Q1 2018	Im- pairm. in % ^{a)}
Loans and advances			
Retail	-1	-4	0%
Winding-up portfolio			
Agriculture	0	-7	-5%
Commercial properties	-5	-10	-4%
Mortgage deeds	-3	-5	-3%
Loan impairment charges	-9	-26	-1%
Mortgage deed option agreement ^{b)}	12	6	
Total impairment writedowns	3	-20	

^{a)} Losses and writedowns as a percentage of the average portfolio in Q1 2018. The percentage is not comparable with the impairment ratio in the overview of financial ratios.

^{b)} The impairment writedowns include credit-related value adjustments of mortgage deeds.

Business volume

The bank generally experienced an increase in the level of activity, and over the past 12 months the number of Pluskunder has grown by 7%. At 31 March 2018, loans and advances amounted to DKK 2.8 billion. Lending has declined due to repayment and redemption by existing customers, and the effect of implementation of IFRS 9. Moreover, new customers are generally seen to have a lower borrowing requirement. Lending to retail customers declined by a net amount of almost DKK 10 million relative to 31 March 2017.

Credit exposure after writedowns

DKKkm	31 December 2017	31 March 2018	Share of portfolio in %
Loans and advances	3,117	2,841	
Winding-up portfolio			
Agriculture	159	135	25%
Commercial properties	257	244	45%
Mortgage deeds	165	164	30%
Total winding-up portfolio	581	543	100%
Mortgage deed option agreement	1,111	1,063	
Total credit exposure	4,809	4,447	

The portfolio of mortgage loans arranged for Totalkredit continued to develop favourably, amounting to DKK 9.0 billion at 31 March 2018, against DKK 7.7 billion a year earlier, equivalent to a year-on-year increase of 17%. This marks a substantial, positive trend from new customers and from existing customers converting bank loans. In addition, Financial Markets continued to experience an increase in asset management mandates and customers, and IndexPlus grew to DKK 0.4 billion.

The Leasing portfolio totalled DKK 1,006 million at 31 March 2018, distributed on approximately 9,000 cars, which was DKK 96 million, or 11%, more than at 31 March 2017. As Denmark's third-largest provider of private car leasing, the private customer segment still accounts for the largest share of the portfolio, reporting growth of 8%, whereas the commercial customer segment increased by 13% year on year.

Winding-up portfolio

Total loans and advances in the winding-up portfolio were reduced by DKK 38 million to DKK 543 million in Q1 2018. Adjusted for losses and writedowns, exposures to agricultural customers were reduced by DKK 31 million, exposures to commercial properties by DKK 23 million, and mortgage deed exposures by DKK 6 million. The total credit exposure in the winding-up portfolio developed in line with expectations.

Deposits

The bank had deposits of DKK 6.9 billion at 31 March 2018, which was DKK 0.5 billion less than at 31 March 2017.

At 31 March 2018, floating-rate deposits represented 98% of total deposits, against 91% at the year-earlier date.

Liquidity

At 31 March 2018, the bank had cash funds of DKK 4.2 billion and excess liquidity of DKK 3.2 billion, equivalent to an excess cover of 340% relative to the statutory requirement. The excess cover increased by DKK 0.5 billion in Q1 2018.

At 31 March 2018, the liquidity coverage ratio (LCR) was 479%.

Capitalisation

The bank's total capital was DKK 2.2 billion at 31 March 2018, and the solvency ratio was 29.3 for the group.

The significant excess coverage should be seen in the context of the DKK 450 million capital contribution which ensures the total capital for the acquisition of the majority of Saxo Privatbank A/S's activities.

Capital reservation for credit risk

The bank's total capital reservation for credit risk amounted to DKK 2,132 million at 31 March 2018, against DKK 2,137 million at 31 December 2017. The capital reservation equalled 35% of the credit exposure, which was on a level with 31 December 2017.

At 31 March 2018, accumulated write-downs amounted to DKK 1,586 million, against DKK 1,569 million at 31 December 2017.

Capitalisation

DKKm	Parent company	Group
Total capital	2,153	2,161
Risk exposure amount	6,926	7,389
Total capital ratio	31.1	29.3
Tier 1 capital ratio	28.6	26.9
Individual solvency need (%)	12.1	11.9
Excess cover (%)	19.0	17.4

Capital reservation for credit risk

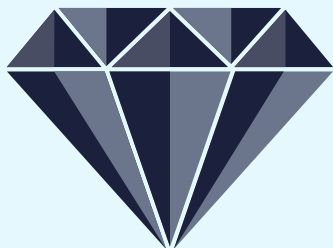
DKKm	31 Mar. 2018						31 Dec. 2017	
	Total as-sets	Credit expo-sure ^{a)}	Accumulated im-pairment write-downs ^{b)}	Required Total reserva-tion	Reservation/ credit exposure		Total reser-vation	Reservation/ credit expo-sure
Loans and advances	2,827	3,194	367	329	696	22%	634	20%
Winding-up portfolio	543	2,825	1,219	194	1,413	50%	1,480	50%
Total, excl. reverse transac-tions	3,370	6,019	1,586	523	2,109	35%	2,114	34%
Reverse transactions and in-tra-group transactions	14	14	–	23	23	164%	23	13%
Total, group	3,384	6,033	1,586	546	2,132	35%	2,137	34%

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

^{b)} Including value adjustments of mortgage deeds.

SUPERVISORY DIAMOND

At 31 March 2018, the bank was in compliance with all five threshold values of the Danish Financial Supervisory Authority's supervisory diamond as shown in the figure below:



Large exposures

Threshold value < 125%	31 March - 2018	17%	2017	22%
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Growth in lending

Threshold value < 20%	31 March - 2018	-8%	2017	1%
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Funding ratio

Threshold value < 1	31 March - 2018	0,46	2017	0,52
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Property exposure

Threshold value < 25%	31 March - 2018	7%	2017	7%
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Excess liquidity coverage

Threshold value > 50%	31 March - 2018	340%	2017	276%
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MAJOR EVENTS

Capital injection

On 28 March 2018, Alm. Brand A/S injected DKK 450 million into Alm. Brand Bank A/S as equity. The capital contribution ensures that the bank is sufficiently capitalised for the acquisition of the majority of Saxo Privatbank's activities.

MREL add-on

In January 2018, the Danish Financial Supervisory Authority announced an MREL add-on for Alm. Brand Bank of 5% of the risk-weighted exposures calculated at 31 December 2016, corresponding to a capital charge of close to DKK 400 million.

The MREL add-on takes effect as from 1 January 2019. The expectation is still that at least 50% will be financed by way of senior debt (tier 3 capital).

Acquisition of the majority of Saxo Privatbank A/S's activities

On 5 February 2018, Alm. Brand entered into an agreement to acquire the majority of the activities of Saxo Privatbank A/S with expected takeover on 1 April 2018, subject to approval by the Danish Financial Supervisory Authority and the Danish Competition and Consumer Authority. At the end of March 2018, Alm. Brand's acquisition of the activities of Saxo Privatbank A/S was approved, and the takeover was completed as planned on 1 April 2018, at which date the group welcomed both the 17,500 new customers and the employees of Saxo Privatbank.

The integration is progressing as planned, and it is expected that all customers will have been combined on one data centre platform by the end of 2018. In addition, the branches in the cities in which Alm. Brand already has a presence will have been combined by the end 2018.

Banking

	DKKm	Q1 2018	Q1 2017	FY 2017
INCOME STATEMENT	Net interest and fee income	65	65	251
	Trading income	33	42	167
	Leasing	20	17	70
	Other income	5	7	24
	Total income	123	131	512
	Costs	-122	-118	-476
	Core earnings	1	13	36
	Investment portfolio earnings	-8	6	20
	Profit/loss before impairment writedowns	-7	19	56
	Impairment writedowns	20	-3	11
	Profit before tax	13	16	67
	Tax	-1	-4	-13
	Profit after tax	12	12	54

Explanation of the above key ratios, which have been implemented as from Q1 2018

Net interest and fee income originates from lending to private customers, small and medium-sized businesses and from the winding-up portfolio. Further included is income from Non-life Insurance related to the administration of mortgage deeds.

Trading income consists of income from customers in Financial Markets, including brokerage and management fees.

Leasing consists of income from lease agreements with private and commercial customers. The income has been calculated on a net basis, i.e. after depreciation of the lease assets.

	DKKm	Q1 2018	Q1 2017	FY 2017
BALANCE SHEET	Loans and advances	2,841	3,038	3,117
	Winding-up portfolio	543	899	581
	Deposits	6,888	7,354	6,987
	Shareholders' equity	1,975	1,533	1,575
	Balance sheet	9,377	9,604	9,027
FINANCIAL RATIOS	Interest margin (%)	2.0	2.5	2.4
	Income/cost ratio	1.08	1.10	1.10
	Impairment ratio for the period	-0.4	0.1	-0.5
	Total capital ratio	29.3	21.3	22.5
	Return on equity before tax (%)	2.9	4.3	4.3
	Return on equity after tax (%)	2.6	3.1	3.5

Other income consists of other operating income, including rental income, proceeds from the sale of properties and an option premium for the hedging coverage of credit risk on mortgage deeds sold to Non-life Insurance.

Costs comprise remuneration for the Management Board and the Board of Directors and staff costs and other administrative expenses. Further included are amortisation and depreciation intangible assets and property plant and equipment which are not lease assets.

Investment portfolio earnings consist of the return on the own portfolio of bonds, sector equities and shares taken over for credit-defence purposes. Further included is the result of internal funding, interest paid on a subordinated loan, interest from money market placements, hedging of interest and currency positions in the banking group.

Impairment writedowns comprise credit losses from loans and advances and mortgage deeds as well as income from exposures previously written off.

Statement by the Board of Directors and the Management Board

The Board of Directors and the Management Board have today considered and approved the interim report of Alm. Brand A/S for the three months ended 31 March 2018.

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

In our opinion, the interim report gives a true and fair view of the group's and the parent company's assets, liabilities and financial position at 31 March 2018 and of the group's cash flows for the three months ended 31 March 2018.

In our opinion, the management's review contains a fair review of developments in the group's and the parent company's activities and financial position and fairly describes principal risks and uncertainties that may affect the group.

Management Board

Copenhagen, 17 May 2018

Søren Boe Mortensen
Chief Executive Officer

Board of Directors

Copenhagen, 17 May 2018

Jørgen Hesselbjerg Mikkelsen
Chairman

Jan Skytte Pedersen
Deputy Chairman

Ebbe Castella

Anette Eberhard

Per Viggo Hasling Frandsen

Karen Sofie Hansen-Hoeck

Flemming Fuglede Jørgensen

Boris Nørgaard Kjeldsen

Brian Egested

Helle Låsby Frederiksen

Claus Nexø Jensen

Susanne Larsen

Income statement

DKKmn	Group		
	Q1 2018	Q1 2017	FY 2017
Income			
Premium income	1,859	1,665	6,551
Interest income etc.	186	216	733
Fee income etc.	36	36	187
Other income from investment activities	-1	1	24
Income associates	0	0	0
Other income	75	63	278
Total income	2,155	1,981	7,773
Costs			
Claims incurred	-1,114	-1,084	-4,296
Interest expenses	-16	-25	-88
Other cost from investment activities	-17	-18	-62
Impairment of loans, advances and receivables, etc.	21	6	32
Acquisition and administrative costs	-413	-396	-1,617
Total costs	-1,539	-1,517	-6,031
Profit from business ceded	-64	-42	-190
Change in life insurance provisions	-115	-219	-878
Change in profit margin, Pension	-16	-5	-31
Exchange rate adjustments	-203	105	501
Tax on pension investment returns	5	-31	-121
Profit/loss before tax	223	272	1,023
Tax	-44	-58	-212
Profit/loss after tax	179	214	811
Earnings per share, DKK	1.1	1.3	5.0
Diluted earnings per share, DKK	1.1	1.3	4.9

Statement of comprehensive income

DKKmn	Group		
	Q1 2018	Q1 2017	FY 2017
Comprehensive income			
Profit for the period	179	214	811
<i>Items that may be recycled to profit or loss</i>	0	0	0
<i>Items that may not be recycled to profit or loss:</i>	0	0	0
Revaluation of owner-occupied properties	0	0	7
Transferred to collective bonus potential	0	0	-7
Tax on other comprehensive income	0	0	0
Total other comprehensive income	0	0	0
Comprehensive income	179	214	811
Proposed allocation of profit/loss:			
Share attributable to Alm. Brand	179	214	811
Comprehensive income	179	214	811

Balance sheet

DKKmn	Group		
	31 March 2018	31 March 2017	FY 2017
Assets			
Intangible assets	4	0	3
Owner-occupied properties	663	698	663
Deferred tax assets	75	178	63
Reinsurers' share of insurance contracts	174	250	163
Current tax assets	28	0	12
Other assets	2,339	2,220	1,814
Loans	4,447	5,204	4,631
Investment properties	608	904	610
Investment assets	26,081	25,342	26,195
Amounts due from credit institutions and central banks	822	742	320
Cash in hand and demand deposits	173	213	180
Total assets	35,414	35,751	34,654
Liabilities and equity			
Share capital	1,655	1,735	1,655
Reserves, retained profit etc.	2,856	2,794	2,801
Proposed dividend	480	831	480
Consolidated shareholders' equity	4,991	5,360	4,936
Subordinated debt	575	574	574
Provisions for insurance contracts	21,785	21,089	20,961
Other provisions	38	30	36
Current tax liabilities	0	6	0
Other liabilities	1,047	1,071	1,109
Deposits	6,648	7,077	6,706
Payables to credit institutions and central banks	330	544	332
Total liabilities and equity	35,414	35,751	34,654

- Note 1 Own shares
- Note 2 Contingent liabilities, guaranties and leasing
- Note 3 Fair value measurement of financial instruments
- Note 4 Accounting policies - Group
- Note 5 Financial highlights and key ratios

Statement of changes in equity

DKKmn	Share capital	Contingency funds	Other provisions	Retained profit	Proposed dividend	Consolidated equity
Shareholders' equity, 1 January 2017	1,735	182	1,215	1,237	831	5,200
Changes in equity Q1 2017:						
Profit/loss for the period				214		214
Total income	0	0	0	214	0	214
Share option scheme, exercise				10		10
Purchase and sale of treasury shares				-64		-64
Changes in equity	0	0	0	160	0	160
Shareholders' equity, 31 March 2017	1,735	182	1,215	1,397	831	5,360
Shareholders' equity at 1 January 2017	1,735	182	1,215	1,237	831	5,200
Changes in equity 2017:						
Profit/loss for the year				811	0	811
Revaluation of owner-occupied properties				7		7
Transferred to collective bonus potential				-7		-7
Total income	0	0	0	811	0	811
Cancellation of treasury shares	-80			80		
Proposed dividend				-480	480	0
Dividend distributed				18	-831	-813
Share option scheme, issuance				0		0
Share option scheme, exercise				25		25
Purchase and sale of treasury shares				-287		-287
Changes in equity	-80	0	0	167	-351	-264
Shareholders' equity, 31 December 2017	1,655	182	1,215	1,404	480	4,936
Shareholders' equity, 1 January 2018	1,655	182	1,215	1,404	480	4,936
Change in accounting policies				-62		-62
Adjusted shareholders' equity at 1 January 2018	1,655	182	1,215	1,342	480	4,874
Changes in equity Q1 2018:						
Profit/loss for the period				179		179
Total income	0	0	0	179	0	179
Share option scheme, exercise				17		17
Purchase and sale of treasury shares				-79		-79
Changes in equity	0	0	0	117	0	117
Shareholders' equity, 31 March 2018	1,655	182	1,215	1,459	480	4,991

Capital target

DKKm	Total capital 31 March 2018
Equity	4,991
Proposed distribution	-677
Intangible assets	-4
Tax asset	-32
Profit and risk margin	402
Tier 2 capital	575
Total capital of the group	5,255

DKKm	Capital target 31 March 2018
Non-life insurance (40% of gross premium income)	2,120
Pension (8% of life insurance provisions)	935
Banking (19% of risk weighted assets)	1,330
Reservation MREL add-on	200
Alm. Brand A/S add-on	26
Diversification effects	-300
Consolidated capital target	4,311
Reserved for financing of acquisition of Saxo Privatbank A/S	-680
Reserved for the VA-premium	-70
Excess relative to internal capital target	194

Cash flow statement

DKKmn				Group		
	Q1 2018	Q1 2017	FY 2017	Q1 2018	Q1 2017	FY 2017
Cash flows from operating activities						
Premiums received	2,554	2,289	6,437			
Claims paid	-1,224	-1,223	-4,283			
Interest receivable, dividends, etc.	174	242	726			
Interest payable	-3	-6	-22			
Payments concerning reinsurance	-96	-110	-159			
Fee income received	43	42	193			
Fee income paid	-6	-6	-6			
Expences paid	-398	-418	-1,986			
Tax on pension investment returns paid	-124	-74	-72			
Other ordinary income received	75	64	278			
Taxes paid/received	-23	-3	-60			
Cash flows from operating activities	972	797	1,046			
Change in investment placement						
Acquisition of intangible assets, furniture, equipment,	15	-52	-142			
Properties acquired or converted	1	1	584			
Sale/aquisition of equity investments	-47	56	120			
Sale/repayment of mortgage deeds and loans	127	-110	436			
Sale/aquisition of bonds	-455	-581	-842			
Change in investment placement (net)	-359	-686	156			
Change in financing						
Sale/purchase of treasury shares	-62	-54	-262			
Dividend distributed	0	0	-831			
Dividend received, treasury shares	0	0	18			
Subordinated debt	1	0	0			
Share issue	0	0	0			
Change in issued bonds	0	0	0			
Change in deposits	-57	124	-247			
Change in payables to credit institutions	-2	-150	-308			
Change in other liabilities	2	-1	5			
Change in financing	-118	-81	-1,625			
Net change in cash and cash equivalents	495	30	-423			
Cash and cash equivalents, beginning of period	500	923	923			
Cash and cash equivalents, end of period	995	953	500			

Segment reporting

DKKmn	Q1 2018					Group
	Non-life	Pension	Banking	Other	Elimi-nation	
Premium income	1,292	567	0	0		1,859
Interest income etc.	48	95	42	2	-1	186
Fee income etc.	0	0	48	0	-12	36
Other investment income	0	15	0	0	-16	-1
Other income	0	0	75	0		75
Total income	1,340	677	165	2	-29	2,155
Claims incurred	-786	-328	0	0		-1,114
Interest expenses	-9	-1	-4	-3	1	-16
Other investment expenses	-6	-9	0	-14	12	-17
Impairment of loans, advances and receivables, etc.	0	0	21	0		21
Acquisition and administrative expenses	-229	-25	-175	0	16	-413
Total expenses	-1,030	-363	-158	-17	29	-1,539
Result of business ceded	-63	-1	0	0		-64
Change in life insurance provisions	0	-115	0	0		-115
Change in profit margin, Pension	0	-16	0	0		-16
Exchange rate adjustments	-48	-161	6	0		-203
Tax on pension investment returns	0	5	0	0		5
Profit/loss before tax	199	26	13	-15	0	223
Tax	-41	-6	-1	4		-44
Profit/loss after tax	158	20	12	-11	0	179

Segment reporting

DKKmn						Q1 2017
	Non-life	Pension	Banking	Other	Elimi- nation	Group
Premium income	1,267	398	0	0		1,665
Interest income etc.	58	102	55	2	-1	216
Fee income etc.	0	0	47	0	-11	36
Other investment income	0	16	0	0	-15	1
Other income	0	0	63	0		63
Total income	1,325	516	165	2	-27	1,981
Claims incurred	-806	-278	0	0		-1,084
Interest expenses	-16	-1	-6	-3	1	-25
Other investment expenses	-8	-9	0	-12	11	-18
Impairment of loans, advances and receivables, etc.	0	0	6	0		6
Acquisition and administrative expenses	-222	-26	-163	0	15	-396
Total expenses	-1,052	-314	-163	-15	27	-1,517
Result of business ceded	-41	-1	0	0		-42
Change in life insurance provisions	0	-219	0	0		-219
Change in profit margin, Pension	0	-5	0	0		-5
Exchange rate adjustments	4	88	14	-1		105
Tax on pension investment returns	0	-31	0	0		-31
Profit/loss before tax	236	34	16	-14	0	272
Tax	-49	-8	-4	3		-58
Profit/loss after tax	187	26	12	-11	0	214

Notes

DKKm	Group		
	Q1 2018	Q1 2017	FY 2017
Note 1 Own shares			
Carrying amount, beginning of period	0	0	0
Value adjustments	-65	-54	-221
Acquired during the period	81	64	286
Sold during the period	-17	-10	-65
Carrying amount, end of period	0	0	0
Nominal value, beginning of period	59	100	100
Acquired during the period	11	12	48
Sold during the period	-6	-4	-9
Cancellation of treasury shares	0	0	-9
Nominal value, end of period	64	108	139
Holding number of shares ('000), beginning of period	5,915	10,034	10,034
Additions, number of shares	1,132	1,160	4,803
Disposals, number of shares	-580	-402	-922
Cancellation of treasury shares	0	0	0
Holding number of shares ('000), end of period	6,467	10,792	13,915
Percentage of share capital, end of period	3.9%	6.2%	3.6%
Note 2 Contingent liabilities, guaranties and leasing			
Guarantee commitments	1,629	1,616	1,712

	31 March 2018				31 december 2017			
	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
Note 3 Fair value measurement of financial instruments								
<u>Financial assets</u>								
Loans and advances	0	3,219	1,228	4,447	0	3,383	1,276	4,659
Bonds	24,292	36	9	24,337	23,203	787	8	23,998
Shares	1,560	99	85	1,744	1,583	114	81	1,778
Investment properties	0	0	608	608	0	0	610	610
Other assets	5	692	0	697	0	688	0	688
	0	0	0	0	0	0	2	2
Total financial assets	25,857	4,046	1,930	31,833	24,786	4,972	1,977	31,735
<u>Financial liabilities</u>								
Subordinated debt	0	0	575	575	0	0	574	574
Deposits	0	6,648	0	6,648	0	6,707	0	6,707
Other payables	0	402	0	402	0	415	0	415
Total financial liabilities	0	7,050	575	7,625	0	7,122	574	7,696

The fair value is the price obtained in a sale of an asset or paid for transferring a liability in an arm's length transaction at the time of measurement. The fair value may be identical to the net asset value if the net asset value is calculated on the basis of underlying assets and liabilities measured at fair value. There are three levels of fair value measurement:

Level 1 is based on quoted (unadjusted) prices in active markets.

Level 2 is used where no quoted price is available but where the use of another official price is deemed to best reflect the fair value.

Level 3 is used for financial assets and liabilities for which a quoted price or other official price is not available or is deemed not to reflect the fair value. Instead, measurement techniques and other observable market data are used to determine the fair value. In the cases in which observable prices based on market data are not available or are not deemed to be usable for the determination of fair value, recognised techniques, including discounted cash flows, and internal models and assumptions are used for the determination of fair value. The assumptions may include recent transactions involving comparable assets or liabilities, interest rates, exchange rates, volatility, credit spreads, etc. The bank's unlisted shares that are not measured at a redistribution price belong to this category.

The process for recognising fair values has been structured so that effective segregation of duties has been set up between the departments in the group that report, monitor and effect the transactions. Reconciliation procedures have been set up for the purpose of identifying material discrepancies across the various reports and source systems used.

Transfer between the categories of the fair value hierarchy is only effected in case of changes to available data for use in measurement. The portfolio is reviewed on an ongoing basis to identify any changes in available data and any other changes which may have prompted recategorisation. Due to a revaluation in 2018, the bank's subordinated loan of DKK 175 million has been reclassified from level 2 to level 3. There have been no changes to the data basis. Other than this, there were no transfers between categories in the fair value hierarchy in 2017 or 2018.

DKKm	31 March 2018				
	Loans and advances	Bonds	Shares	Investment properties	Subor-dinated debt
Development in level 3 financial instruments					
Carrying amount, beginning of period	1,276	10	81	610	574
Additions during the year	9	0	4	0	150
Disposals during the year	-49	-1	0	-1	-149
Realised value adjustments	-1	0	0	0	0
Unrealised value adjustments	-7	0	0	-1	0
Carrying amount, end of period	1,228	9	85	608	575
Value adjustments recognised in the income statement	-8	0	0	-1	0

DKKm	31 december 2017				
	Loans and advances	Bonds	Shares	Investment properties	Subor-dinated debt
Development in level 3 financial instruments					
Carrying amount, beginning of year	1,523	6	97	905	393
Additions during the year	11	2	9	1	175
Disposals during the year	-200	0	-1	-509	0
Value adjustments during the year				213	0
Realised value adjustments	2	0	0	0	0
Unrealised value adjustments	-60	0	-24	0	6
Carrying amount, year-end	1,276	8	81	610	574
Value adjustments recognised in the income statement	-58	0	-24	213	6

NOTE 4 ACCOUNTING POLICIES

The consolidated financial statements have been prepared in accordance with IAS 34 “Interim Financial Reporting” and with the requirements of the Danish Financial Business Act and NASDAQ Copenhagen A/S for interim reports of listed financial enterprises. The application of IAS 34 means that the report is limited relative to the presentation of a full annual report.

The interim report is unaudited.

Except for the implementation of IFRS 9, the accounting policies are unchanged from the policies applied in the annual report for 2017, to which reference is made.

The accounting policies of the parent company are described in connection with the parent company’s interim report. See separate section in this report.

Profit margin of Alm. Brand Liv og Pension

There is an ongoing dialogue between the industry and the Danish Financial Supervisory Authority about the profit margin calculation approach. The dialogue with the Danish Financial Supervisory Authority concerns the correlation between the company’s profit margin and bonus potentials.

This is a significant area as the profit margin is included in total capital and thus affects the company’s capital structure. As a result of Alm. Brand Liv og Pension’s favourable buffer situation, these discussions

have no impact on the size of the profit margin or the life insurance provisions.

Accordingly, the choice of method has no effect on the financial statements, but only affects the relationship between the individual and collective bonus potentials. The financial statements, including the income statement, the solvency statement and the balance sheet, will thus give a true and fair view irrespective of the outcome of the dialogue with the Danish Financial Supervisory Authority.

Change in accounting policies

IFRS 9, Financial instruments has been implemented with effect from 1 January 2018. IFRS 9, Financial instruments replaces IAS 39 and changes the classification and related measurement of financial assets and liabilities. IFRS 9 introduces a new approach to financial assets based on the company’s business model and the asset’s underlying cash flows. Based on Alm. Brand A/S’s business model and types of financial assets and liabilities, the implementation of IFRS 9 has only had an effect on impairment of financial assets measured at amortised cost (loans, advances guarantees).

With IFRS 9, the current impairment model based on incurred losses (the “incurred loss” model) will be replaced by an impairment model based on expected losses (the “expected loss” model). Under the new expected loss model, on initial recognition of a financial asset, a loss allowance will

be recognised in an amount equivalent to the 12-month expected credit losses (stage 1). In the event of a subsequent significant increase in credit risk since initial recognition, a loss allowance will be recognised in an amount equivalent to the lifetime expected credit losses of the asset (stage 2). Where it is established that the asset is credit-impaired (stage 3), a loss allowance is recognised at an amount equal to the lifetime expected credit losses of the asset, while interest income is recognised in the income statement using the effective interest method relative to the impairment loss.

In order to prevent an unintended effect on total capital, a 5-year transition scheme has been adopted in order that any adverse impact of the IFRS 9 impairment rules will

not take full effect on the total capital until after five years. Alm. Brand has decided to use the transition scheme.

In accordance with transitional provisions of IFRS 9, Alm. Brand A/S has not implemented the revised impairment model with retroactive effect. Accordingly, the accumulated effect of the change was recognised in equity at 1 January 2018, and comparative figures for 2017 have not been restated. The accounting effect is shown in the table below. The total effect as at 1 January 2018 net of the tax effect was a DKK 62 million reduction of shareholders’ equity.

NOTE 5 FINANCIAL HIGHLIGHTS AND KEY RATIOS

See the management’s review.

Change in accounting policies

	31 Dec. 2017		1 Jan. 2018
DKK m	Previous policies	Effect of change	New policies
Assets			
Loans and advances at amortised cost	3,533	-72	3,461
Liabilities and equity			
Provisions for losses on undrawn credit limits	2	3	5
Provisions for losses on guarantees	5	4	9
Provisions for deferred tax (liability)	-	-17	-17
Shareholders’ equity	4,936	-62	4,874

Income and comprehensive income statement

DKKkm	Note	Parent company		
		Q1 2018	Q1 2017	FY 2017
Income statement				
Income from group enterprises	2	190	225	852
Value adjustments, bonds		-1	-1	-5
Interest income and dividends etc.		2	2	7
Interest expenses		-3	-3	-12
Administrative expenses related to investment activities		-14	-12	-44
Profit/loss before tax		174	211	798
Tax		5	3	13
Profit/loss after tax		179	214	811
Comprehensive income				
Profit/loss for the period		179	214	811
Comprehensive income		179	214	811
Proposed allocation of loss:				
Proposed dividend		0	0	480
Retained earnings		179	214	331
Comprehensive income		179	214	811

Accounting policies

3

Balance sheet

DKKmn	Note	Parent company		
		31 March 2018	31 March 2017	FY 2017
Assets				
Investment in group enterprises	1	4,595	5,181	4,865
Total investments in group enterprises and associates		4,595	5,181	4,865
Equity investments		1	1	1
Bonds		522	397	288
Other loans and advances		2	2	2
Deposits with credit institutions		60	0	0
Cash in hand and balances at call		28	10	17
Total other financial investment assets		613	410	308
Total investment assets		5,208	5,591	5,173
Receiveables from group enterprises		12	0	0
Other receivables		52	37	53
Total receivables		64	37	53
Current tax assets		24	22	19
Deferred tax assets		3	9	0
Total other assets		27	31	19
Total prepayments		4	3	2
Total assets		5,303	5,662	5,247

Balance sheet

DKKm	Parent company		
	31 March 2018	31 March 2017	FY 2017
Liabilities and equity			
Share capital	1,655	1,735	1,655
Other provisions	1,215	1,215	1,215
Proposed dividend	480	831	480
Retained earnings	1,641	1,579	1,586
Total shareholders' equity	4,991	5,360	4,936
Subordinated debt	250	250	250
Subordinated debt	250	250	250
Deferred tax liabilities	40	40	36
Total provisions	40	40	36
Payables to group enterprises	17	3	20
Other payables	5	9	5
Total payables	22	12	25
Total liabilities and equity	5,303	5,662	5,247

Statement of changes in equity

DKK m	Share capital	Other provisions	Retained earnings	Proposed dividend	Shareholders' equity
Shareholders' equity at 1 January 2017	1,735	1,215	1,419	831	5,200
Changes in equity Q1 2017:					
Profit/loss for the period			214	0	214
Comprehensive income			214	0	214
Purchase and sale of treasury shares			-64		-64
Share option scheme, exercise			10		10
Changes in equity	0	0	160	0	160
Shareholders' equity at 31 March 2017	1,735	1,215	1,579	831	5,360
Shareholders' equity at 1 January 2017	1,735	1,215	1,419	831	5,200
Changes in equity 2017:					
Profit/loss for the year			811	0	811
Comprehensive income			811	0	811
Cancellation of treasury shares	-80		80		0
Proposed dividend			-480	480	0
Dividende distributed			18	-831	-813
Purchase and sale of treasury shares			-287		-287
Share option scheme, exercise			25		25
Changes in equity	-80	0	167	-351	-264
Shareholders' equity at 31 December 2017	1,655	1,215	1,586	480	4,936
Shareholders' equity at 1 January 2018	1,655	1,215	1,586	480	4,936
Change in accounting policies			-62		-62
Adjusted shareholders' equity at 1 January 2018	1,655	1,215	1,524	480	4,874
Changes in equity Q1 2018:					
Profit/loss for the period			179	0	179
Comprehensive income	0		179		179
Share option scheme, exercise			17		17
Purchase and sale of treasury shares			-79		-79
Changes in equity	0	0	117	0	117
Shareholders' equity at 31 March 2018	1,655	1,215	1,641	480	4,991

Notes

DKKm	31 March 2018	31 March 2017	FY 2017
Note 1 Investment in group enterprises			
Cost, beginning of period	8,491	8,491	8,491
Additions	450	0	0
Cost, end of period	8,941	8,491	8,491
Revaluation and impairment, beginning of period	-3,626	-3,535	-3,535
Change in accounting policies	-62	0	0
Dividend received	-850	0	-940
Profit/loss for the period	190	225	852
Other movements in capital	0	0	0
Revaluation and impairment of treasury shares in subsidiaries	2	0	-3
Revaluation and impairment, end of period	-4,346	-3,310	-3,626
Investment in group enterprises, end of period	4,595	5,181	4,865
Specification of carrying amount:			
Alm. Brand Bank A/S			
(DKK 1,021 million nominal value wholly owned)	1,975	1,533	1,572
Alm. Brand Forsikring A/S			
(DKK 1,032 million nominal value wholly owned)	2,620	3,648	3,293
Investment in group enterprises, end of period	4,595	5,181	4,865
	Q1 2018	Q1 2017	FY 2017
Note 2 Income from group enterprises			
Alm. Brand Bank A/S	12	12	54
Alm. Brand Forsikring A/S	178	213	798
Total income from group enterprises	190	225	852
The results are recognised in the following items:			
Income from group enterprises	190	225	852
Total income from group enterprises	190	225	852

NOTE 3 ACCOUNTING POLICIES PARENT COMPANY

The interim report has been prepared in accordance with the Danish Financial Business Act, including the Executive Order on financial reports for insurance companies and multi-employer occupational pension funds.

With respect to recognition and measurement, the accounting policies of the parent company are identical to those described for the group, with the exception that:

Investments in group enterprises are recognised and measured at the parent company's share of the group enterprises' net asset value on the balance sheet date.

The accounting policies are unchanged from the policies applied in the annual report for 2017.

The interim report is unaudited.