

Ahpla ApS
CVR-No. 28 86 59 61

Annual Report for 2014

The Annual Report has been presented
and approved at the Annual General
Meeting of the Company
on 29 / 5 2015

Leif Corinth-Hansen
(Chairman)

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Company Information

The Company

Ahpla ApS
c/o Harbour House
Sundkrogsgade 21
DK-2100 København Ø

Telephone: +45 70 25 25 95

Fax: +45 70 26 25 95

Registration No.: 28 86 59 61

Established: 1 July 2005

Financial year: 1 January - 31 December

Board of Directors

Leif Corinth-Hansen
Anne Helge
Bo Lundqvist
Claus Kongsted Nielsen

Board of Executives

Bo Lundqvist

Auditor

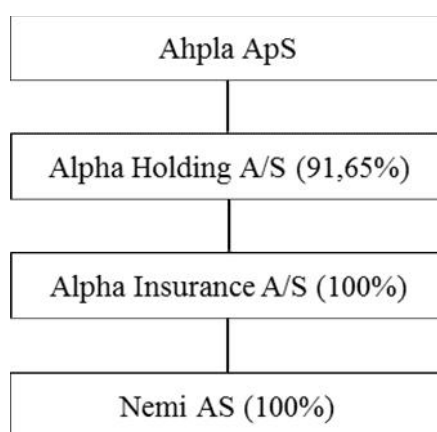
AP | Statsautoriserede Revisorer P/S
Member of Moore Stephens International
Nørre Farimagsgade 11
1364 København K

Management's Report

Main activity

Ahpla ApS is a holding and investment company. The Ahpla Group consists of Ahpla ApS, Alpha Holding A/S, Alpha Insurance A/S, Nemi Forsikring AS (Norway). Additionally the Group has a branch office in Norway.

The group structure of the Ahpla Group consists of the following entities:



The year's result and development of the company

The financial year 2014 resulted in a loss for the Ahpla Group of DKK -20.2 million against a profit of DKK 57.2 million in 2013. The technical result was DKK 3.9 million in 2014 against DKK 67.2 million compared to 2013.

Return on investments for 2014 was DKK -33.7 million against DKK 4.0 million in 2013.

The net profit for the year 2014 of DKK -22.5 million is not satisfactory.

Dividend

The Board of Directors proposes no dividends for 2014.

Insurance activities Group

In 2014, the gross premium income decreased by DKK 4.4 million (-0.2%) to DKK 1,983.8 million. Insurance premiums ceded increased in 2014 by 3.0%, which resulted in premium income for own account decreasing from DKK 1,096.5 million in 2013 to DKK 1,065.8 million in 2014, a decrease of DKK 30.8 million.

Gross claims amounted to DKK 1,350.8 million in 2014 compared to DKK 1,178.4 million in 2013. Recoveries from reinsurers increased by DKK 41.0 million (6.6%) compared with 2013. Costs of claims net of reinsurance increased by DKK 131.4 million.

The insurance operating cost decreased by DKK 92.9 million compared to 2013. In 2014, the insurance operating costs amounted to DKK 379.7 million compared to DKK 472.6 million in 2013.

The combined ratio has increased to 100.1 in 2014 from 97.2 in 2013. The increased combined ratio stems from an increased gross claim ratio of 67.9 compared to 59.4 in 2013 and a decrease in the expense ratio from 35.8 in 2013 to 30.2 in 2014.

Management's Report

Development in subsidiary companies

Alpha Holding A/S

The result of Alpha Holding A/S is a loss of DKK 19.1 million in 2014 compared to a profit of DKK 70.8 million in 2013.

Alpha Insurance A/S

Alpha Insurance A/S has license to write almost all classes of general insurance business in most western European countries.

The Alpha Insurance Group consists of Alpha Insurance A/S, Nemi Forsikring AS (Norway). Additionally, in 2014, the Group had a branch office in Norway.

The gross premium income of Alpha Insurance Group amounts to DKK 1,983.8 million in 2014 compared with DKK 1,988.2 million for the same period last year. The technical result amounts to DKK 3.9 million against DKK million 67.2 in 2013. The year's result is a loss of DKK -11.2 million against DKK 83.8 million in 2013.

Nemi Forsikring AS

Nemi Forsikring AS is a Norwegian general insurance company, which provides commercial and private insurance policies in Norway.

The result of Nemi Forsikring AS is a loss of DKK 18.3 million in 2014 compared to a profit of DKK 33.8 million in 2013.

Cosa Försäkrings AB in liquidation

The portfolio in Cosa Försäkrings AB in liquidation has been in run off since 1999. The only activity in the company is the administration of this portfolio. The recognition of Cosa Försäkrings AB in liquidation in the annual report was reevaluated in 2014. Alpha Insurance A/S continues to own 100% of the shares, however since Cosa Försäkrings AB is in liquidation, the prerequisite for consolidation is no longer in place and Cosa is therefore recognized under "Other" in the annual report.

Branch office

The Norwegian branch office had a profit at DKK 12.0 million in 2014.

Investment business

The group's investment business consists of investment in subsidiary companies and associated companies as well as investment in other financial assets.

The Alpha Group operates with a careful investment strategy and investments are mainly made in state bonds. In 2014, the return of investments after insurance technical interest was a loss of DKK 35.4 million against a loss of DKK 6.0 million i 2013.

Unusual circumstances

The annual report is not affected by unusual circumstances.

Management's Report

Events after the balance sheet date

No events have occurred after the balance sheet date to this date, which would influence the evaluation of this annual report.

Expectation for 2015

The Alpha Group expects a positive development of the Groups activity level, with a consequent increase in premium income, as well as a satisfactory insurance result for 2015.

Risk Management

Management and minimizing of business risks is an important and fundamental part of how the company conducts its business and the company's Board of Directors sets the overall risk policy. The company's management and minimizing of business risks is divided into the following general categories:

- Financial Risk
- Insurance Risk
- Market Risk
- Credit Risk
- Operational Risk

Financial Risk

The company's target is to maintain adequate capital to absorb the risks that arise from the company's operations. The company has no interest in accumulating capital in excess of what is required for operations and for natural growth, as this would be an inefficient way of hedging risk.

It is the company's policy to hedge against risks arising from the company's activities or to limit such risks to a level that allows the company to maintain normal operations and implement its planned measures even in the case of highly unfavourable developments.

The Board of Directors determines the overall risk policies and limits.

Insurance Risk

The insurance risks assumed include the acceptance and follow-up of policies, claims handling, reserving risk and reinsurance risk. The company assesses insurance risk based on statistical risk type analyses, which are incorporated in pricing. To limit the risk the company has established necessary and relevant procedures for all major business processes and implements follow-ups and control hereof. The financial statement is influenced by estimates that affect assets, debt, and the result for the period and future periods. The estimates are most important for premium and claims provisions, especially for the branches with long tail business such as Workmens Compensation Insurance.

The size of the claims reserves to cover future payment of losses that have occurred is determined both through individual assessment of each claim and actuarial calculations.

An important part of the company's risk management is the use of reinsurance. In order to have sufficient protection against natural disaster risks, this exposure is measured constantly. The company's retention is limited to a maximum of 10% of its capital.

Management's Report

Market Risk

Market risk represents the risk of losses due to changes in the market value of the company's assets and liabilities, as a result of changes in market conditions. Market risk includes among other elements, changes in interest rates, equities and currencies.

The limits for these financial risks are fixed by the Financial Supervisory Board. In practice, the Company handles the investment portfolio, both in relation to the liquidity as well as the long term investments. There are established policies and procedures for the maximum investment risk and there is monthly reporting to the Board of Directors and the Management.

Credit risk

Credit risk is the risk of losses caused by one or more counter-parties' breach of their payment obligations.

The company is exposed to credit risk in both its insurance and investment business. Within insurance, the reinsurance companies' ability to pay is the most important risk factor. This risk is minimized by the purchase of reinsurance cover from reinsurance companies with a minimum rating of A- (S&P), or by the retention of deposits equal to the premium provisions and claims provisions.

To limit the risk in the investment business the investments are made in bonds and shares with high credit ratings, which is also the case for deposits with credit institutions.

Operational risk

Operational risk is the risk of incurring a loss due to insufficient or faulty procedures or human or systematic errors. Operational risk includes the risk of breakdowns in the IT systems.

In practice, this work is organized through a structure of policies, procedures and guidelines that cover the various aspects of the company's operations.

For all main areas, there are established policies and procedures, which are frequently controlled and changed if necessary.

The Company's business continuity plan and IT safety plan have been approved by the Financial Supervisory Authority and reviewed by the Company's auditors.

The Board of Directors have decided that the entire Board of Directors will be members of the Accounting Committee.

In compliance with Section 31 in the Accountants Act, it is decided that the Board of Directors will take care of the business in the Audit Committee.

Management's Report

Board of Directors organization

Every year the Board of Directors evaluates their work and qualifications to ensure that all members of the Board of Directors are sufficiently competent and skilled. The Board of Directors is specially focused on qualifications for: management experience, economic experience, insurance experience, accounting experience, finance experience, experience of Mergers and Acquisitions and international experience. For diversity the Board of Directors has decided on the strategy that 10 % of the members of the Board of Directors should be women within a period of 4 years.

Wage policy

The Board of Directors decides the wage policy for Alpha Group. The Group only uses fixed salaries. Extraordinary efforts can be paid by one-off fees or bonuses. If a member of the Board, the CEO or another person receives a one-off fee, this fee will be settled according to the financial act § 77a. The Board of Directors decides the wage policy once a year.

Employees training and knowledge

The Alpha Group aims to ensure that the management of the organization is based on a framework which includes the deep rooting of common values, a common business understanding and the shared responsibility for creating value for customers by differentiating itself from competitors through the development of individual employees.

The Group aims to be a dynamic environment where each employee is committed, seeks influence and assumes independent responsibility for the organization and execution of his or her duties. In developing our business, it is essential that we are able to attract and retain qualified employees.

Financial Highlights, Group

DKK Million	2014	2013	2012	2011	2010
Gross premium income	1.984	1.988	1.907	1.577	970
Gross claims incurred	-1.351	-1.178	-1.198	-1.051	-479
Bonus and premium discounts	6	-6	-19	-3	-
Total insurance operating, costs, net of reinsurance	-380	-473	-401	-175	-241
Result of ceded business	-39	-39	-42	-64	-99
Insurance technical result	4	67	33	-2	-4
Result on investments after insurance technical interest	-42	-16	-30	12	-41
Net profit for the year	-20	57	-	-	-58
Run-off result	-91	47	-40	-17	-20
Total insurance technical provisions	2.028	2.128	2.323	2.145	1.956
Total insurance assets	1.174	973	903	831	828
Total equity	145	159	148	137	147
Total assets	3.100	3.068	3.171	2.938	2.712
Key figures:					
Gross claims ratio	67,9%	59,4%	63,0%	66,6%	49,4%
Expense ratio	30,2%	35,8%	33,2%	30,8%	40,6%
Combined ratio	100,1%	97,2%	98,4%	101,6%	100,2%
Operating ratio	99,8%	96,6%	98,2%	100,1%	100,5%
Relative run off results	-10,8%	4,5%	-4,1%	1,9%	-3,0%
Return on equity in percent	-13,2%	37,1%	0,1%	0,3%	-33,1%

Definition

Gross claim ratio

$(\text{Gross claims paid} / \text{Gross premium income}) * 100$

Expense ratio

$(\text{Total insurance operating costs} / \text{Gross premium income}) * 100$

Reinsurance ratio

$(\text{Result of ceded business} / \text{Gross premium income}) * 100$

Combined ratio

$(\text{Gross claims ratio} + \text{Expense ratio} + \text{Reinsurance ratio})$

Operation ratio

$(\text{Combined ratio where premium income is added to the allocated return on investments})$

Relative run-off results

$(\text{Run-off results compared to reserves as at the beginning of the run off})$

Return on equity

$(\text{Results for the year} / \text{the average equity}) * 100$

Statement by the Board of Directors and the Executive Board

The Board of Directors and the Executive Board have today discussed and approved the annual report of Ahpla ApS for the financial year 1 January – 31 December 2014.

The annual report has been prepared in accordance with the Danish Financial Statements Act.

It is our opinion that 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 assets, liabilities and financial position at 31 December 2014 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2014.

In our opinion, the Management's review includes a fair review of the development in the Group's and the Parent Company's operations and financial matters, the results for the year and the Group's and the Parent Company's financial position.

We recommend that the annual report be approved at the annual general meeting.

Copenhagen, 29 May 2015

Board of Executives

Bo Lundqvist

Board of Directors

Leif Corinth-Hansen
(Chairman)

Anne Helge

Bo Lundqvist

Claus Kongsted Nielsen

Independent Auditors' Report

To the shareholders of Ahpla ApS

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 Ahpla ApS for the financial year 1 January – 31 December 2014. The consolidated financial statements and parent company financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent Company and a cash flow statement for the Group. The consolidated financial statements and parent company financial statements are prepared in accordance with the Danish Financial Statements 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 Statements 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 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 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 consolidated financial statements and 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.

Independent Auditors' Report

Opinion

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

Statement on the Management's review

Pursuant to the Danish Financial Statements 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, 29 May 2015

AP | Statsautoriserede Revisor

Statsautoriseret Revisionspartnerselskab

Member of Moore Stephens International

Mads Thomsen

State Authorized Public Accountant

Income Statement for 1 January - 31 December

Parent company			Group		
2013	2014		2014	2013	
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)	
-	-	1,4	Gross premiums	1.980.761	1.993.487
-	-		Insurance premiums ceded	-1.029.576	-934.055
-	-		Change in premium reserve	3.038	-5.276
-	-		Change in reinsurer's share of premium provisions	111.528	42.369
-	-		Premium income, net of reinsurance	1.065.751	1.096.525
-	-	2	Insurance technical interest	5.249	11.386
-	-		Gross claims paid	-1.155.310	-1.226.630
-	-		Reinsurance cover received	481.512	542.675
-	-		Change in gross claims provisions	-195.529	48.203
-	-		Change in reinsurers' share of claims provisions	175.627	73.494
-	-		Cost of claims, net of reinsurance	-693.700	-562.258
-	-		Bonus and premium discounts	6.350	-5.823
-	-		Acquisition costs	-433.368	-534.923
-	-	5	Administrative expenses	-168.064	-173.743
-	-		Reinsurance commissions and profit participations with reinsurers	221.718	236.022
-	-	4	Insurance operating costs, net of reinsurance	-379.714	-472.644
-	-		Insurance technical result	3.936	67.186

Income Statement for 1 January - 31 December

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
64.916	-17.540		-	-
		Income from participating interests in affiliated companies		
-	-		1.004	1.423
		Income from participating interests in associated companies		
8.425	10.157		12.518	40.710
		Interest income and dividend etc.		
-	-	6	-21.076	-15.880
		Currency and marketable securities adjustments		
-18.652	-16.486		-23.883	-19.155
		Interest expenses		
-	-		-2.228	-3.063
		Administrative expenses related to investment activities		
54.689	-23.869	Return on investments	-33.665	4.035
-	-	2	-8.069	-20.225
		Transfer to insurance technical interest		
54.689	-23.869	Return on investments after insurance technical interest	-41.734	-16.190
-92	-199		-1.309	-1.276
		Other income/expenses		
54.597	-24.068	Net profit before tax	-39.107	49.720
2.580	3.829	7	17.270	13.371
		Tax		
57.177	-20.239	Net profit for the year	-21.837	63.091
		Minority interest's share of profit	1.598	-5.914
		Ahpla ApS' share of profit	-20.239	57.177
		<i>Proposed distribution of net results</i>		
64.916	-17.540			
		Reserve equity method		
-7.739	-2.699			
		Retained earnings		
57.177	-20.239	Distributed, total		

Total income for 1 January - 31 December

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
57.177	-20.239	Net profit for the year	-20.239	57.177
-24.212	-17.488	Currency adjustments in affiliated companies abroad	-17.488	-24.212
-2.710	-	Other equity adjustments in affiliated companies	-	-2.710
<u>-26.922</u>	<u>-17.488</u>	Other total income	<u>-17.488</u>	<u>-26.922</u>
<u>30.255</u>	<u>-37.727</u>	Total income for the year	<u>-37.727</u>	<u>30.255</u>

Balance Sheet as at 31 December

Assets

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
-	-	Software	22.752	13.660
-	-	8 Intangible assets, total	22.752	13.660
-	-	Office equipment etc.	3.175	3.241
-	-	9 Tangible assets, total	3.175	3.241
255.440	216.235	10 Interest in affiliated companies	-	-
-	-	11 Interest in associated companies	1.298	1.694
-	-	Loan to associated companies	-	520
255.440	216.235	Interest in affiliated and associated companies, total	1.298	2.214
-	-	Units in investment associations	23.554	24.494
-	-	Bonds	855.306	1.185.811
138	-	Banks	105.247	104.407
-	-	Other	11.782	587
138	-	Other financial investments assets, total	995.889	1.315.299
255.578	216.235	Investments assets, total	997.187	1.317.513
-	-	Reinsurers share of premium provisions	323.644	259.616
-	-	16 Reinsurers share of claims provisions	849.946	712.906
-	-	Reinsurers share of provisions for insurance contracts, total	1.173.590	972.522

Balance Sheet as at 31 December

Assets

Parent company			Group	
2013	2014	Note	2014	2013
(DKK '000)	(DKK '000)		(DKK '000)	(DKK '000)
-	-			
		Amounts receivables from policy holders	564.158	424.390
-	-	Amounts receivables from intermediaries	13.908	13.504
<u>-</u>	<u>-</u>	Amounts receivables from direct insurance, total	<u>578.066</u>	<u>437.894</u>
-	-	Amounts receivables from insurance undertaking	152.292	165.073
95.371	6.001	Amounts receivables from affiliated companies	-	-
-	-	Other amounts receivables	83.612	44.503
<u>95.371</u>	<u>6.001</u>	Amounts receivables	<u>235.904</u>	<u>209.576</u>
<u>95.371</u>	<u>6.001</u>	Amounts receivables, total	<u>1.987.560</u>	<u>1.619.992</u>
-	-	Receivable company tax	761	8.072
-	-	Current tax	122	-
3.049	1.725	7 Deferred tax asset	47.916	38.008
-	-	Cash and bank deposits	9	1.405
-	-	Other assets	4.866	5.236
<u>3.049</u>	<u>1.725</u>	Other assets, total	<u>53.673</u>	<u>52.721</u>
-	-	Accrued interest income	7.817	15.649
-	-	Other prepayments	27.573	44.796
<u>-</u>	<u>-</u>	Prepayments and accrued income, total	<u>35.390</u>	<u>60.445</u>
<u>353.998</u>	<u>223.961</u>	Total assets	<u>3.099.737</u>	<u>3.067.572</u>

Balance Sheet as at 31 December**Liabilities and equity**

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
125	250	Share capital	250	125
210.435	171.230	Reserve equity method	-	-
<u>-51.785</u>	<u>-26.609</u>	Retained earnings	<u>144.621</u>	<u>158.650</u>
<u>158.775</u>	<u>144.871</u>	Equity, before minority interest	<u>144.871</u>	<u>158.775</u>
<u>-</u>	<u>-</u>	12 Minority interest	<u>19.700</u>	<u>23.273</u>
<u>158.775</u>	<u>144.871</u>	Equity, total	<u>164.571</u>	<u>182.048</u>
<u>-</u>	<u>-</u>	13 Subordinated loan capital	<u>282.196</u>	<u>37.186</u>
-	-	Premium provisions, gross	528.967	571.605
<u>-</u>	<u>-</u>	15 Claims provisions, gross	<u>1.498.696</u>	<u>1.556.297</u>
<u>-</u>	<u>-</u>	Technical provisions, total	<u>2.027.663</u>	<u>2.127.902</u>
-	-	7 Deferred tax liability	4.004	-
-	-	Pension obligations	1.243	1.121
<u>-</u>	<u>-</u>	Other provisions	<u>24.900</u>	<u>960</u>
<u>-</u>	<u>-</u>	Provisions	<u>30.147</u>	<u>2.081</u>
<u>-</u>	<u>-</u>	Reinsurance deposits	<u>34.320</u>	<u>134.516</u>

Balance Sheet as at 31 December**Liabilities and equity**

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
-	-	Amounts payables in connection with direct insurance	93.587	135.523
-	-	Amounts payables in connection with reinsurance	258.406	104.286
166.969	47.649	Amounts payables to credit institutions	72.286	191.176
12.864	18.282	Amounts payables to affiliated companies	-	-
15.350	13.120	Payable company tax	13.120	34.641
40	39	Other payables	90.524	102.950
195.223	79.090	Liabilities other than provisions, total	527.923	568.576
-	-	Accruals and deferred income	32.916	15.263
353.998	223.961	Liabilities and equity, total	3.099.737	3.067.572

14 Information on staff and remuneration

17 Contingent liabilities etc.

18 Related parties, etc.

Equity

(DKK '000) Parent company	Share capital	Reserve equity method	Proposed dividend	Retained earnings	Total
Equity 1 January 2013	125	128.449	-	18.932	147.506
Currency adjustments in affiliated companies	-	-24.212	-	-	-24.212
Distribution of profit	-	64.916	-	-7.739	57.177
Other equity adjustments in affiliated companies	-	-2.710	-	-	-2.710
Total income for the year 2013	-	37.994	-	-7.739	30.255
Adjustment of equity	-	-	-	-12.724	-12.724
Extraordinary dividende	-	-24.746	-	24.746	-
Increase of capital/Group contribution	-	68.738	-	-75.000	-6.262
Equity 31 December 2013	125	210.435	-	-51.785	158.775
Currency adjustments in affiliated companies	-	-17.488	-	-	-17.488
Distribution of profit	-	-17.540	-	-2.699	-20.239
Total income for the period	-	-35.028	-	-2.699	-37.727
Holding of subsidiary own shares	-	-4.177	-	-	-4.177
Increase of capital	125	-	-	27.875	28.000
Equity 31 December 2014	250	171.230	-	-26.609	144.871

Amount of one share DKK 1. Total shares 250.000

(DKK '000) Group	Share capital	Reserve equity method	Proposed dividend	Retained earnings	Total
Equity 1 January 2013	125	-	-	147.381	147.506
Currency adjustments in affiliated companies	-	-	-	-24.212	-24.212
Distribution of profit	-	-	-	57.177	57.177
Other equity adjustments in affiliated companies	-	-	-	-2.710	-2.710
Total income for the year 2013	-	-	-	30.255	30.255
Adjustment of equity	-	-	-	-12.724	-12.724
Increase of capital/Group contribution	-	-	-	-6.262	-6.262
Equity 31 December 2013	125	-	-	158.650	158.775
Currency adjustments in affiliated companies	-	-	-	-17.488	-17.488
Distribution of profit	-	-	-	-20.239	-20.239
Total income for the period	-	-	-	-37.727	-37.727
Holding of subsidiary own shares	-	-	-	-4.177	-4.177
Increase of capital	125	-	-	27.875	28.000
Equity 31 December 2014	250	-	-	144.621	144.871

Cash flow, Group

	2014 (DKK '000)	2013 (DKK '000)
Cash flows		
Premiums paid	1.714.156	2.007.261
Claims paid	-1.548.300	-1.384.630
Ceded business	-206.985	-298.931
Costs	-373.339	-459.077
Change in other receivables and other payables	-27.104	19.164
Cash flows from insurance technical result	-441.572	-116.213
Interest income and dividends	20.350	46.946
Interest expenses	-26.111	-22.113
Tax and fees	0	0
Other income and expenses	-1.309	-1.276
Cash flow, total	-448.642	-92.656
Investments		
Purchase/sale of intangible assets (net)	-14.997	-10.703
Purchase/sale of tangible assets (net)	-1.414	-830
Purchase/sale of participating interests and investment funds (net)	-11.195	4.503
Purchase/sale of bonds (net)	319.647	87.570
Loan to associated companies	520	0
Dividends received from associated companies	1.400	650
Deposits in credit institutions	-835	-45.403
Investments, total	293.126	35.787
Funding		
Increase of capital	28.000	0
Subordinated loan capital	245.010	-2.881
Paid dividends	0	0
Change in debt to credit institutions	-118.890	26.600
Funding, total	154.120	23.719
Change in cash	-1.396	-33.150
Cash 1 January	1.405	34.555
Cash 31 December	9	1.405

Notes

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)		(DKK '000)	(DKK '000)
		Note 1 - Gross premiums		
		<i>Geographical division of gross premiums:</i>		
-	-	Denmark	342.761	353.770
-	-	Other EU countries	1.020.853	1.002.407
-	-	Other countries	617.147	637.310
-	-		1.980.761	1.993.487
		Note 2 - Insurance technical interest		
-	-	Discounting of claims provisions	-2.820	-8.839
-	-	Transferred from investment income	8.069	20.225
-	-		5.249	11.386
		Note 3 - Claims		
-	-	Gross run-off results	-167.410	4.549
-	-	Run-off results at own account	-90.613	46.865

Notes

Note 3 - Claims, continued

	Number of claims	Average claims	Claims rate
<i>The development in claims can be specified as follows (Group):</i>			
Sickness and accident insurance	2.750	7.430	11,3%
Workers compensation insurance	3.521	46.862	40,0%
Motor liability insurance	7.790	37.506	20,7%
Motor own damage insurance	22.234	18.624	36,7%
Marine, aviation and goods insurance	221	N/A	N/A
Fire and contents insurance (domestic)	6.929	24.418	4,7%
Fire and contents insurance (commercial)	5.346	14.995	3,6%
Liability insurance	3.193	49.495	24,4%
Credit and surety insurance	85	173.903	3,5%
Legal expenses insurance	3.616	1.506	2,0%
Tourist assistance insurance	42	25	0,0%
Other direct insurance and proportional reinsurance	2.999	14.878	1,5%

Note 4 - Specifications on Insurance classes

Group	Sickness and accident insurance		Workers compensation insurance		Motor liability insurance		Motor own damage insurance		Marine, aviation and goods insurance		Fire and contents, domestic insurance	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
DKK million												
Gross premiums	36,4	41,5	213,5	250,9	335,9	312,2	461,3	416,9	1,7	27,6	230,8	239,8
Gross premium income	37,7	43,0	222,4	273,2	323,1	309,9	441,0	414,1	4,4	28,6	230,7	235,0
Gross claims incurred	-20,4	-19,2	-165,0	-226,7	-292,2	-229,6	-406,1	-292,6	5,0	-2,7	-169,2	-236,3
Insurance operating costs	-9,3	-1,8	-14,4	-48,5	-12,0	-25,5	-23,6	-33,4	4,1	-0,9	27,2	-3,6
Profit of ceded business	-0,9	4,9	-33,6	17,4	20,3	-14,9	33,4	-26,8	-7,7	-14,4	6,0	53,8
Technical interest f.o.a.	0,0	0,0	0,0	0,1	0,1	5,1	0,1	0,0	0,0	0,0	0,0	0,0
Insurance technical result	-3,4	26,2	-15,9	12,9	-22,3	10,8	-38,4	10,0	6,1	2,6	50,1	16,3

Notes

Group DKK million	Fire and contents, commercial insurance		Liability insurance		Credit and surety insurance		Legal expenses insurance		Other direct insurance and proportional reinsurance		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Gross premiums	205,8	121,2	206,1	262,2	32,2	10,7	179,9	241,7	77,2	68,7	1.980,7	1.993,4
Gross premium income	208,5	128,8	232,9	238,4	33,7	5,3	178,8	242,0	70,5	69,7	1.983,8	1.988,1
Gross claims incurred	-80,2	-88,9	-158,1	-39,7	-14,7	-8,0	-5,4	-0,8	-44,6	-33,9	-1.350,8	-1.178,4
Insurance operating costs	-39,8	-34,3	-19,1	-6,2	-4,1	-2,5	-167,1	-219,4	-121,6	-96,6	-379,7	-472,7
Profit of ceded business	-13,2	1,4	-19,6	-84,2	-8,6	7,2	-4,8	-7,3	-10,7	23,5	-39,4	-39,4
Technical interest f.o.a.	0,0	0,0	0,0	0,1	0,0	0,0	0,0	0,0	5,0	6,1	5,3	11,4
Insurance technical result	64,4	-0,7	5,6	23,8	6,6	0,9	9,4	17,1	-58,4	-52,7	3,9	67,2

Parent company		Note 5 - Administrative expenses	Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
		<i>Audit fee:</i>		
84	139	AP Statsautoriserede Revisorer, member of Moore Stephens International	139	1.586
-	-	KPMG P/S	1.417	-
-	-	Others	560	849
84	139	Total	2.116	2.435
		<i>Fee for other assurance services:</i>		
-	-	AP Statsautoriserede Revisorer, member of Moore Stephens	-	174
-	-	KPMG P/S	281	-
-	-	Total	281	174
		Note 6 - Currency and marketable securities adjustments		
-	-	Gains and losses as a result of changes in the interest rate used for discounting of claims provision	-10.735	13.564
-	-	Shares	354	17
-	-	Units in investment associations	-940	-4.206
-	-	Bonds	-10.858	-31.092
-	-	Currency adjustments	1.103	5.837
-	-		-21.076	-15.880

Notes

Parent company		Note 7 - Tax on net results	Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
-	-	Current tax	-	18.547
-	-2.230	Tax regarding joint taxation	-2.230	-
-	-	Adjustment concerning previous years	-3.998	-887
-	-	Adjustment of deferred tax, previous years	-8.643	-19.479
-2.580	-1.599	Change in deferred tax	-2.399	-11.552
-2.580	-3.829		-17.270	-13.371
<i>Tax on net results can be specified as follows:</i>				
13.649	-5.897	Calculated 24,5% tax on net profit before tax	-9.581	12.430
-	-2.230	Tax regarding joint taxation	-2.230	-
-	-	Adjustment concerning, previous years	-1.800	-887
-	-	Adjustment of deferred tax, previous years	-8.643	-19.479
-	-	Difference between foreign and Danish tax	-	-603
-16.229	4.297	Non-deductible income and expenses	5.049	-4.832
-	-	Effect of change in tax rate	-64	-
-2.580	-3.829		-17.270	-13.371
4,7%	-15,9%	Effective tax rate	-44,2%	-26,9%

Deferred tax can be specified as follows:

Parent company		Adjustment of the year (DKK '000)	31/12 2014 (DKK '000)
Deferred tax	1/1 2014 (DKK '000)		
Tax loss carried forward	-3.049	1.324	-1.725
	-3.049	1.324	-1.725
<i>Recognized as:</i>			
Deferred tax asset			-1.725
Current tax included in the joint taxation			-
Deferred tax liability			-
			-1.725

Notes

Note 7 - Tax on net results, continued

Group

Deferred tax	1/1 2014 (DKK '000)	Adjustment of the year (DKK '000)	31/12 2014 (DKK '000)
Equipment etc.	-104	-47	-151
Leased office equipment	1	-1	0
Software	467	1	468
Amounts receivables from policy holders	-301	4.377	4.076
Tax loss carried forward	-55.390	6.324	-49.066
Others	9.247	-9.247	0
	-46.080	1.407	-44.673

Recognized as:

Deferred tax asset	-47.916
Current tax included in joint taxation	-761
Deferred tax liability	4.004
	-44.673

Parent company			Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
Software		Note 8 - Intangible assets	Software	
-	-	Cost at 1 January 2014	48.077	76.973
-	-	Currency adjustment on opening balance sheet	-3.214	-5.972
-	-	Additions	17.471	12.474
-	-	Disposals	-2.474	-35.398
-	-	Cost at 31 December 2014	59.860	48.077
-	-	Depreciation at 1 January 2014	34.417	60.538
-	-	Currency adjustment on opening balance sheet	-2.401	-4.582
-	-	Depreciation for the year	5.092	12.088
-	-	Depreciation in disposed assets	-	-33.627
-	-	Depreciation at 31 December 2014	37.108	34.417
-	-	Net asset value at 31 December 2014	22.752	13.660

Notes

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)		(DKK '000)	(DKK '000)
Office equipment		Note 9 - Tangible assets	Office equipment	
-	-	Cost at 1 January 2014	20.029	22.007
-	-	Currency adjustment on opening balance sheet	-1.127	-2.319
-	-	Additions	2.001	830
-	-	Disposals	-1.709	-489
-	-	Cost at 31 December 2014	19.194	20.029
-	-	Depreciation at 1 January 2014	16.788	17.572
-	-	Currency adjustment on opening balance sheet	-930	-1.880
-	-	Depreciation for the year	1.283	1.584
-	-	Depreciation on disposed assets	-1.122	-488
-	-	Depreciation at 31 December 2014	16.019	16.788
-	-	Net asset value at 31 December 2014	3.175	3.241
		Note 10 - Interest in affiliated companies		
45.005	45.005	Cost at 1 January 2014	-	-
45.005	45.005	Cost at 31 December 2014	-	-
128.449	210.435	Adjustments at 1 January 2014	-	-
-24.212	-17.488	Currency adjustment of the opening equity in affiliated company	-	-
-	-4.177	Holding of subsidiary own shares	-	-
-2.710	-	Other adjustment of the opening equity in affiliated company	-	-
64.916	-17.540	Net profit for the year	-	-
68.738	-	Group contribution	-	-
-24.746	-	Paid dividend	-	-
210.435	171.230	Adjustments at 31 December 2014	-	-
255.440	216.235	Net asset value at 31 December 2014	-	-

Notes

Note 10 - Interest in affiliated

	Alpha Holding A/S
Registered Office	Copenhagen
Equity interest	91,65%
Share of net profit for the year	-17.540
Share of equity	216.235

Parent company		Note 11 - Interest in associated companies	Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
-	-	Cost at 1 January 2014	281	281
-	-	Cost at 31 December 2014	281	281
-	-	Adjustments at 1 January 2014	1.413	640
-	-	Net profit for the year	1.004	1.423
-	-	Distributed dividend	-1.400	-650
-	-	Adjustments at 31 December 2014	1.017	1.413
-	-	Net asset value at 31 december 2014	1.298	1.694

	Alpha Sales Group A/S
Registered Office	Copenhagen
Equity interest	25%
Share of net profit for the year	1.004
Share of equity	1.298

Parent company		Note 12 - Minority interests	Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
-	-	Minority interests at 1 January	23.273	15.803
-	-	Share of group contribution	-	6.263
-	-	Share of equity adjustments	-1.594	-2.453
-	-	Share of profit	-1.598	5.915
-	-	Share of subsidiary own shares	-381	-
-	-	Share of paid dividend	-	-2.255
-	-		19.700	23.273

Notes

Note 13 - Subordinated loan capital

The subordinated loan capital, in the group, is DKK 282 million. One loan of DKK 40 million where the interest rate for the loan is 6% pro anno. The subordinated loan is free of amortization until 31 December 2017. At this time the terms for repayment will be settled.

Second loan of DKK 93 million. The interest rate for the loan is 7% pro anno. The subordinated loan is free of amortization until 31 October 2020. At this time the terms for repayment will be settled.

Third loan of DKK 149 million. The interest rate for the loan is 9% pro anno plus the Euribor 3 months rate. The subordinated loan is free of amortization until 31 December 2024. At this time the terms for repayment will be settled.

The loan respects payment to all other creditors in the group before the loan will be settled.

Parent company			Group	
2013	2014		2014	2013
(DKK '000)	(DKK '000)		(DKK '000)	(DKK '000)
		Note 14 - Information on staff and remuneration		
		<i>Total staff costs comprise:</i>		
-	-	Wages and salaries	72.448	48.157
-	-	Pension plans	4.530	2.923
-	-	Expenses to social security and other staff costs	13.146	6.978
-	-		90.124	58.058
-	-			
-	-	Risk taker	6.271	7.575
-	-	Board of Executives	6.384	7.261
-	-	Board of Directors	4.157	3.662
-	-		16.812	18.498
1	1	Members of the Executive Board	1	1
4	4	Members of the Board	5	5
0	0	Average number of employees	96	73

The Group primarily uses fixed salaries and has not paid one-off fees or bonuses in 2014. The Chief Executive Officer and risk taker each received a bonus of DKK 2 million in 2013. Alpha Group has identified the Chief Executive Office in Alpha Insurance as the Risk taker. The Risk taker signs on all risks.

Notes

Parent company			Group	
Insurance year through 2013 (DKK '000)	Insurance year 2014 (DKK '000)		Insurance year 2014 (DKK '000)	Insurance year through 2013 (DKK '000)
Note 15 - Claims provisions, gross				
-	-	1 January	-	1.556.297
-	-	Disposals	-	-259.418
-	-	Gross claims incurred	1.029.995	320.845
-	-	Claims paid	-510.924	-644.387
-	-	Currency adjustments	-8.945	15.233
-	-	31 December	510.126	988.570
Insurance year through 2013 (DKK '000)	Insurance year 2014 (DKK '000)		Insurance year 2014 (DKK '000)	Insurance year through 2013 (DKK '000)
Note 16 - Reinsurers share of claims provisions				
-	-	1 January	-	712.906
-	-	Disposals	-	-36.299
-	-	Change in claims provisions	464.242	192.897
-	-	Claims paid	-217.244	-264.268
-	-	Currency adjustments	-3.929	1.641
-	-	31 December	243.069	606.877
Parent company			Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
Note 17 - Contingent liabilities, etc.				
-	-	Rent commitments	15.665	17.320
-	-		15.665	17.320

Notes

Parent company		Note 17 - Contingent liabilities, etc., continued	Group	
2013 (DKK '000)	2014 (DKK '000)		2014 (DKK '000)	2013 (DKK '000)
		The following assets are registered as provision of security for the technical provisions:		
-	-	Shares	246	332
-	-	Units in investment associations	23.554	24.494
-	-	Bonds and accrued interests	834.459	959.148
-	-	Banks and deposits	101.752	96.208
-	-	Receivables	1.057.680	691.602
-	-		2.017.691	1.771.784

Alpha Insurance A/S has made a letter of intent to Nemi Forsikring AS to give further capital if needed for Nemi Forsikring AS to fulfill the requirements for solvency.

Note 18 - Related parties, etc.

Related parties to Ahpla ApS comprise the following:

Controlling interest

No one.

Other related undertakings

ABH ApS	Shareholder
FamCO-HA ApS	Shareholder
Bo Lundqvist Holding ApS	Shareholder
Anker-Svendsen ApS	Shareholder
Alpha Holding A/S	Subsidiary Company
Alpha Insurance A/S	Affiliated Company
Nemi Forsikring AS	Affiliated Company

Notes

Note 18 - Related parties, etc., continued

Ownership

The following shareholders are registered in the register of shareholders as owners of least 5 % of the voting rights or at least 5 % of the share capital.

ABH ApS
c/o Anne Helge
Dreyersvej 42
DK-2960 Rungsted Kyst

FamCO-HA ApS
c/o Leif Corinth-Hansen
Skodsborg Strandvej 39
2942 Skodsborg

Bo Lundqvist Holding ApS
Birkevej 23
3460 Birkerød

Anker-Svendsen ApS
Lille Fredensvej 12
2920 Charlottenlund

Remuneration of the Executive Board and the Board are presented in note 14.

Administration fees, etc. are settled on a cost recovery basis. The consolidated accounts are offset and earn interest on market terms. The companies in the Alpha Group have entered into reinsurance contracts based on market terms. Transactions with subsidiary company have been eliminated in the consolidated accounts, in accordance with the accounting policies applied.

Accounting policies

The Annual Report of Ahpla ApS for 1 January - 31 December 2014 has been presented in accordance with the provisions of the Danish Financial Statements Act provisions applying to a medium Class C company. The accounting policies utilised are unchanged from last year.

The Annual Report Act's Order on Schemes is waived, because the consolidated accounts are essentially in respect of subsidiaries carrying on insurance business. As a result, it has been decided instead to adopt the Scheme requirements in the Accounting Order for insurance companies.

Preparing the Financial Statements for 2014 a fundamental error was noticed. This error is corrected at the equity at 1 January 2013 and the error reduces the equity with t.DKK 12,724. The incorrect amount is due to tax liabilities regarding international joint taxation. The equity is reduced in the parent company and the group figures from t.DKK 171,499 to t.DKK 158,775 as per 1 January 2013. At the same time payable company tax raises from t.DKK 2,626 to t.DKK 15.350.

Recognition and measurement

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. All expenses including depreciation/amortisation and impairment claims are recognised in the Income Statement.

Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the Company and when the value of the asset can be measured reliably.

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortised cost where a constant effective interest is recognised over the maturity. Amortised cost is stated as original cost less any principal repayments and with the addition/deduction of the cumulative amortisation of any difference between cost and nominal amount.

Allowances are made for predictable claims and risks that arise before the presentation of the Interim Report and that confirm or invalidate circumstances that existed at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company Ahpla ApS and subsidiaries controlled by the parent company. Control is achieved where the parent company directly or indirectly holds more than 50 per cent of the voting rights or is otherwise able to exercise or actually exercise control. If the parent company holds more than 50 per cent without the ability to exercise control of the entity the interests are recognized as "Shares" under "Other financial investment assets".

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries, which are all prepared in accordance with the Group's accounting policies.

Accounting policies

Consolidated financial statements (continued)

The consolidated financial statements are prepared by adding together uniform items and eliminating intra-group income and expenses, investments, balances and dividends as well as realised and unrealised gains and losses on transactions between the consolidated companies.

Newly acquired or newly formed companies are recognised in the consolidated financial statements from the date of acquisition. Companies sold or discontinued are recognised in the consolidated income statement up to the time of sale or discontinuance.

Newly acquired subsidiaries are accounted for using the purchase method of accounting, according to which the identifiable assets, liabilities and contingent liabilities of the newly acquired companies are measured at fair value at the time of acquisition.

Negative differences between the cost of the acquisition and the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised in the income statement at the time of acquisition.

Minority interests are recognised at the time of acquisition at the proportionate share of the fair value of the acquired identifiable assets, liabilities and contingent liabilities.

Gains or losses on the disposal or discontinuance of subsidiaries are calculated as the difference between the selling price and the book value of net assets at the time of sale as well as anticipated expenses relating to sale.

Minority interests

Entries relating to subsidiaries are included 100% in the consolidated accounts. Minority interest's proportionate share of the subsidiaries results and equity are shown on a separate line in the Income Statement and in the equity.

Foreign currency

Transactions denominated in foreign currencies are converted at the exchange rates at the dates of transaction. Exchange differences arising between the rate on the date of transaction and the rate on the payment day are recognised in the Income Statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are converted by applying the exchange rates at the balance sheet date. Differences arising between the rate at the balance sheet date and the rate at the date of the arising of the receivable or payable are recognised in the Income Statement under financial income and expenses.

Fixed assets purchased in foreign currencies are measured at the rate of the date of transaction.

The Income Statement

Premium income

Gross premiums are listed as the year's payable premiums stemming from insurance agreements which pertain to the financial year.

Accounting policies

Reinsurance contracts

Reinsurance contracts are defined as insurance contracts entered into with reinsurers under which the company is fully or partially compensated for losses on one or more insurance contracts issued by the company. Alpha Insurance uses reinsurance as a normal part of its business for the purpose of limiting possible losses through the spreading of risk. Reinsurance does not change the company's liabilities towards the policyholders. Conclusion of reinsurance contracts therefore means that the company is exposed to credit risk as far as receivables from reinsurers are concerned.

Claims

Paid gross claims are listed as the year's paid claims including internal and external expenses of inspection and evaluation of damages and various direct and indirect expenses related to the treatment of occurred damages.

Bonus and rebates

The premium amounts repaid or to be repaid to policyholders are recognized as bonus and rebates when the repayment amount is determined on the basis of the claims experience during the financial year for the individual insurance contract or a portfolio of insurance contracts based on criteria laid down prior to beginning of the accounting period or when the insurance contracts are taken out. The provision for bonuses and rebates includes expected amounts payable to policyholders based on their claims experience during the accounting period.

Acquisitions cost

Acquisitions cost is listed as costs related to purchase and renew of the portfolio.

The majority of the business written is distributed by intermediaries and is based on, so-called account solutions. The account solution business model means that the result of the insurance business is shared with the respective intermediaries.

An insurance technical profit under these agreements represents a duty for the Company to pay additional commissions to the intermediary and a technical loss will give the Company a right to claim an amount from said intermediaries mainly in the form of the right to assume future profitable business from the intermediary. The duty to pay commission is accrued as payables to brokers and the income will be accrued to the extent this is earned on business in force. The account solution does not in any way limit the amount of risk transfer towards the original insured within the compulsory insurance classes.

Administrative expenses

Administrative expenses are listed as the costs related to the administration of the company's portfolio. The administrative expenses are allocated to they cover the period.

Accounting policies

Insurance technical interest

Part of the profit or loss from investment operations relates to the insurance operations and is therefore transferred to this part of the income statement.

The transferral amounts to a calculated return of the period's average insurance provisions at own account. The interest applied is a fixed interest provided by the Danish Financial Supervisory Authority, which for 2014 amounts to 0,18 % per year. Also technical interest includes interest on funds with held in connection with the reinsurance of the Company's insurance portfolio as well as the impact on the discounting of the reserved deriving from the change in the duration of the claims provisions.

Interest income and dividend

Profit or loss from investment operations include the interest earned in the financial year on bonds, bank, deposits and receivables as well as dividends received on investments.

Currency and marketable securities adjustments

Currency and marketable securities adjustments include both realised and unrealised gains and losses on the sale and value adjustment of securities and other financial contracts as well as realised and unrealised foreign exchange gains and losses.

Tax

Tax for the period includes current tax and changes in deferred tax and is listed in the income statement with the ratio referring to the net profit/loss for the period and recognised in the equity with the ratio referring to entries with direct reference to the equity.

Current tax liabilities and current tax receivables, are respectively listed in the Balance Sheet as calculated tax on the period's taxable income, adjusted for prepaid tax.

Deferred tax is assessed in respect of all temporary differences between the carrying amount and the tax value of the assets and liabilities. Deferred tax assets including the tax value of tax losses to be carried forward are recognised in the Balance Sheet at the value on which the assets are expected to be realised, either by setting off in the deferred tax liabilities or as net assets.

The company is jointly taxed with its Parent Company. The jointly taxed companies participate in the Tax Prepayment Scheme.

The Balance Sheet

Immaterial assets

Software is measured at cost less accumulated depreciation. Depreciation is made under the straight-line method over the expected useful life of the asset which is estimated to be 5 years.

Equipment

Equipment is measured at cost less accumulated depreciation. Depreciation is made under the straight-line method over the expected useful lives of the assets:

Office equipment etc.	3-5 years
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Accounting policies

Leases

Leases related to tangible assets of which the Company assumes all material risks and rewards of ownership (finance leases) are measured in the Balance Sheet as assets. On initial recognition, the assets are valued at computed cost equal to fair value or (if lower) at the (net) present value of future lease payments. In the computation of the (net) present value either the interest rate implicit in the lease is applied as the discount rate or an approximated value. Assets held under finance leases are depreciated as other similar tangible assets.

The capitalised residual lease obligation is recognised in the Balance Sheet as a liability other than provisions and the interest element in the lease payment is recognised in the Income Statement over the lease term.

All other lease agreements are considered as operating leases. Lease payments under operating leases and other rental agreements are recognised in the Income Statement over the term of the agreements.

The Company's total obligation related to operating leases and rental agreements is stated under contingent assets and liabilities etc.

Investment assets

Participating interests in affiliated companies

The proportionate share of the individual subsidiaries' results before tax is recognised in the parent's income statement. The parent's share of the subsidiaries' tax is recognised under tax on profit/loss on ordinary activities.

Holdings in group undertakings are recognised in the balance sheet at the proportionate share of the companies' financial equity value calculated in accordance with the parent's accounting policies.

Net revaluation of investments in subsidiaries and associates is transferred under equity to reserves for net revaluation by the equity method to the extent the financial value exceeds the acquisition price.

Acquisition or establishment of new companies are recognised in the annual report from the date of acquisition.

Positive differences (goodwill) between acquisition price and the value of acquired assets and liabilities are recognised under participating interests in affiliated companies and amortised over their estimated economic lives. The financial value of goodwill is assessed currently and written down in the income statement where the financial value exceeds the expected future net income from the company or activities to which the goodwill relates.

Securities

Securities are initially measured at initial fair value on the transaction date and subsequently measured at fair value (market price) at the balance sheet date. Purchases and sales of securities are recognised at the trade date.

Insurance assets

Reinsurers share of premium provisions and claims provisions are computed according to the coverage according to the underlying reinsurance contracts in force. The measurement is based on the same assumptions as applied in calculating provisions for unearned premiums and claims provisions.

Accounting policies

Receivables and prepayments

Receivables are measured at amortised cost which usually equals nominal value. Provisions made for bad debts reduce the value.

Prepayments comprise incurred expenses related to the following financial year.

Intercompany

Business transactions between group companies are conducted on market-based conditions or on a cost-covering basis.

Dividends

Dividends expected distributed for the year are shown as a separate item under equity. A proposed dividend is recognised as a liability on approval by the Annual General Meeting.

Provisions for unearned premiums and claims provisions

Provisions for unearned premiums are set aside in accordance with the risk profile of the portfolios. They are measured after a pro rata temporis principle.

Claims provisions are computed so that they - taking into account all information available - are adequate to cover all claims incurred for damage occurred before the balance sheet date whether or not such claims have been filed. Claims provisions also include an accrual for future expenses for the administration, mitigation, inspection and assessment of claims related to the end of year claims provisions.

Case provisions are estimated from the information which is known at the time of preparing the financial statements.

IBNR are calculated from the assessments of ultimate claims costs and actuarial reviews of the gross claims provisions have been performed on reserving analysis groups. The reviews are based on available data, which for most groups are triangle data or other claim development data and for some statements or market data and information from the underwriting department in Alpha Insurance A/S.

The claims provisions are determined taking the interest rate (discounting) into account. External data are used for estimates for the future cash flow. Discounting are based on the Danish and the Norwegian interest rates curves. The Danish interest rate curve is also used on other currencies, resulting in lower discount effects than using the currency specific interest rate curves.

Gains and losses on the run-off of claims provisions from previous years are included in the claims incurred.

Liabilities other than provisions

Financial debt, debt to reinsurers and other debts are measured at amortised cost corresponding to nominal value.