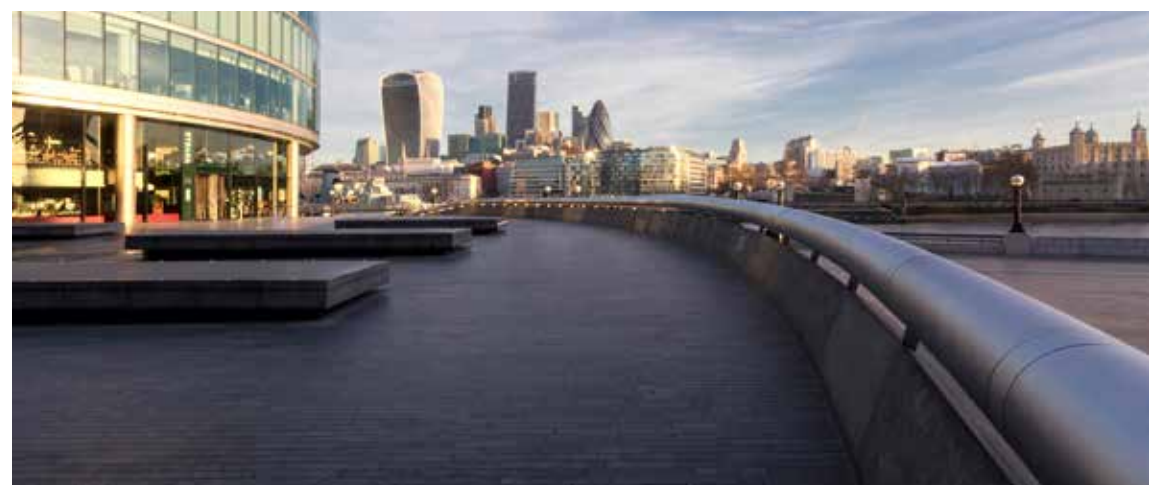




AlphaInsurance



Annual Report 2014

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Chairman's Report

The year 2014 was a year of both consolidation and change for the Alpha Group.

Late in the year we managed to enter into a subordinated debt transaction through Twelve Capital in Switzerland and to strengthen our capital and solvency in other ways. At the same time we repaid expensive bank debt, which we had been carrying since 2010. This enables Alpha both to grow and to comfortably satisfy coming years solvency requirements.

We continued recent years consolidation of our agent force and at the same time reduced our relatively large Danish and UK motor books, so that we are now less dependent on this class of business. We discontinued two large motor insurance agents, one in Denmark and one in the UK. We also took steps within our motor portfolio to stream-line our claims handling and to appoint a single third party claims handler for all of our UK motor business.

Our Norwegian subsidiary, Nemi Insurance AS, continued the positive trend with focus on personal lines insurance in the southern regions of Norway and development of a strong dedicated sales force of independent agents. The agent network has greatly increased Nemi's ability to distribute insurance and is now by far the most important sales channel for Nemi. Although Nemi continues to have good results from its internet sales. The agent network now consists of more than 200 individuals working full time for Nemi. Nemi also improved its IT capabilities and created one IT platform for all business including SME business, which going forward will allow Nemi to grow the SME business.

The bottom-line result of the year is a small loss. This is influenced by one off losses in Nemi and reserve strengthening in Alpha Insurance A/S on discontinued Spanish motor business. Overall we are pleased with operations in both Nemi and Alpha and confident that Alpha Group companies going forward are stronger and have increased growth opportunity and profitability.



Jens Erik Christensen

By the time we publish this annual report on the 2014 financial year, we have started to celebrate Alpha Group's 10th anniversary, and many of the photographs in this annual report are all from a special London Market celebration of our 10th year. Alpha has always had a very close connection to Lloyd's and the London Market and we owe much of our success to our strong and loyal broker and agent network in London. We therefore invited brokers and agents to join us for a special London Market celebration of our 10 year anniversary on March 2nd 2015 in the fabulous Whitechapel Gallery. Alpha Group is of course based in Copenhagen and has a broad European business base, but London is of great importance to Alpha and we were therefore very happy to be able to pay homage to the London Insurance Market in this way.



Management's Report

Main activity

Alpha Insurance A/S is licensed to write almost all classes of general insurance business in most Western European countries.

Alpha Insurance Group consists of Alpha Insurance A/S, Nemi Forsikring AS (Norway) and a branch office in Norway. Alpha Insurance A/S owns 100% of the companies in the group.

Annual Report 2014

Alpha Insurance A/S is a 100% owned subsidiary of Alpha Holding A/S.

The year's result and development of the company

The financial year 2014 resulted in a loss before tax for the Alpha Insurance Group of DKK 19.8 million against a profit before tax of DKK 77.3 million in 2013. The technical result for the group is DKK 4.0 million in 2014 compared to DKK 67.2 million in 2013. The technical result for the parent (comprising Alpha Insurance A/S and the Norwegian Branch) was DKK 38.8 million in 2014 against DKK 54.0 million in 2013. The technical result for 2014 was lower than expected in last years section "Expectation for 2014".

Return on investments for the group was DKK -10.0 million in 2014 against DKK 29.6 million in 2013.

The net profit for the year 2014 of DKK -11.2 million is not satisfactory.

Equity and solvency

Alpha Insurance A/S equity as at 31 December 2014 amounts to DKK 387.7 million. In 2014, the equity decreased by DKK 30.3 million compared to 31 December 2013.

The solvency requirement of Alpha Insurance A/S calculated in accordance with the Financial Supervisory Authority rules amounts to DKK 176.8 million at 31 December 2014 against DKK 142.3 million at 31 December 2013. The base capital amounts to DKK 312.5 million. This means that the Financial Supervisory Authority's required solvency margin is covered 1.8 times (2.0 times in 2013).

The solvency requirement of Alpha Insurance A/S calculated on the basis of a full implementation of the current Solvency II regulation amounts to DKK 179.4 million at 31 December 2014 and a base capital of DKK 360.3 million. This means that the solvency margin is covered 2.0 times under full implementation of the current Solvency II regulations.

Alpha Insurance A/S has a green light under the Financial Supervisory Authority traffic-light system. This means that all requirements are met.

New Individual Solvency Assessment (ISB) and Solvency II

The future European regulation to enhance consumer protection in insurance, Solvency II, will become operational from January 1, 2016. Solvency II has been postponed several times and the Danish FSA (Finanstilsynet) has chosen to implement important elements in the new Individual Solvency Assessment regulation ("Bekendtgørelse om solvens og driftsplaner for forsikringselskaber") valid from January 1, 2014. The new regulation includes requirements of a market consistent calculation of the Individual Solvency Assessment, either based on a Danish standard model, with technical specifications provided by the Danish FSA or on an internal model.

The Company aims to use the Danish standard model in Individual Solvency Assessment calculations in 2014.

The new regulation for Individual Solvency Assessment, includes requirements to perform a forward looking assessment of own risks (based on the ORSA principles), known from the preparation of Solvency II. Alpha Insurance A/S has in 2014 developed the Risk and Solvency Assessment Report to include these new requirements.

DKK million	2012	2013	2014	2014*
Solvency requirement	142.5	142.3	176.8	-
Individual solvency	136.5	125.2	179.4	179.4
Base Capital	262.9	312.5	312.5	360.3
Solvency ratio	1.8	2.0	1.8	2.0

* Calculated on the basis of full implementation of the current Solvency II regulation.

Dividend

The Board of Directors proposes no dividends for 2014.

Insurance activities

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 operation cost decreased by DKK 92.9 million compared to 2013. In 2014, the insurance operation 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.

Development in subsidiary companies

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.

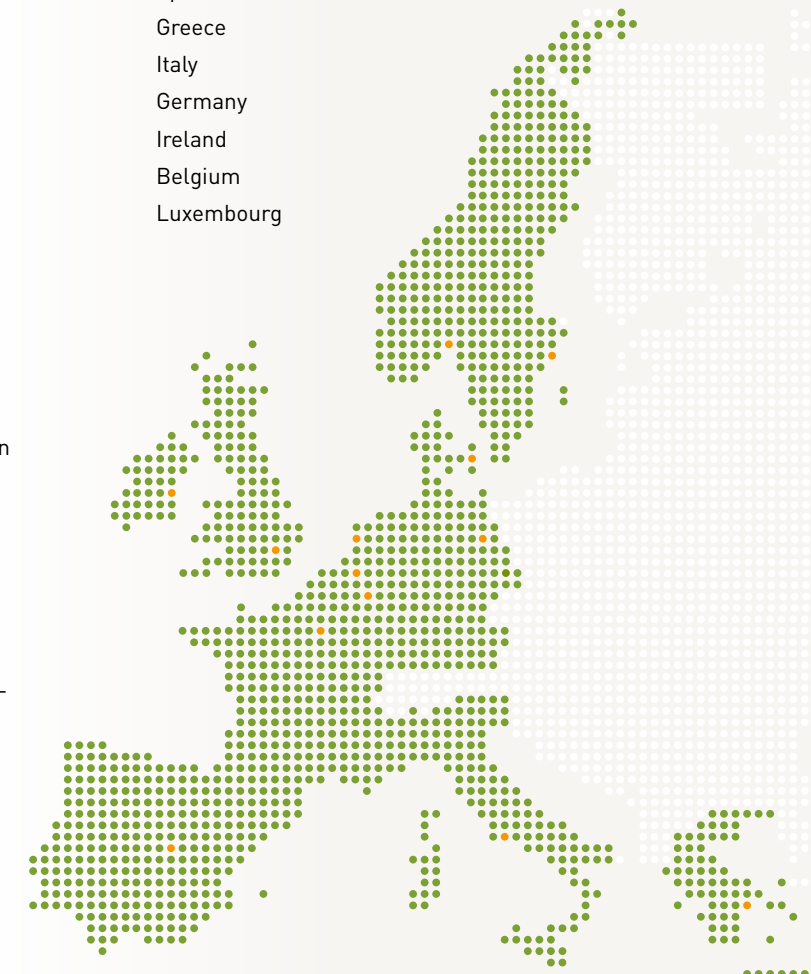
The 2014 result is not satisfactory.

Cosa Försäkrings AB in liquidation

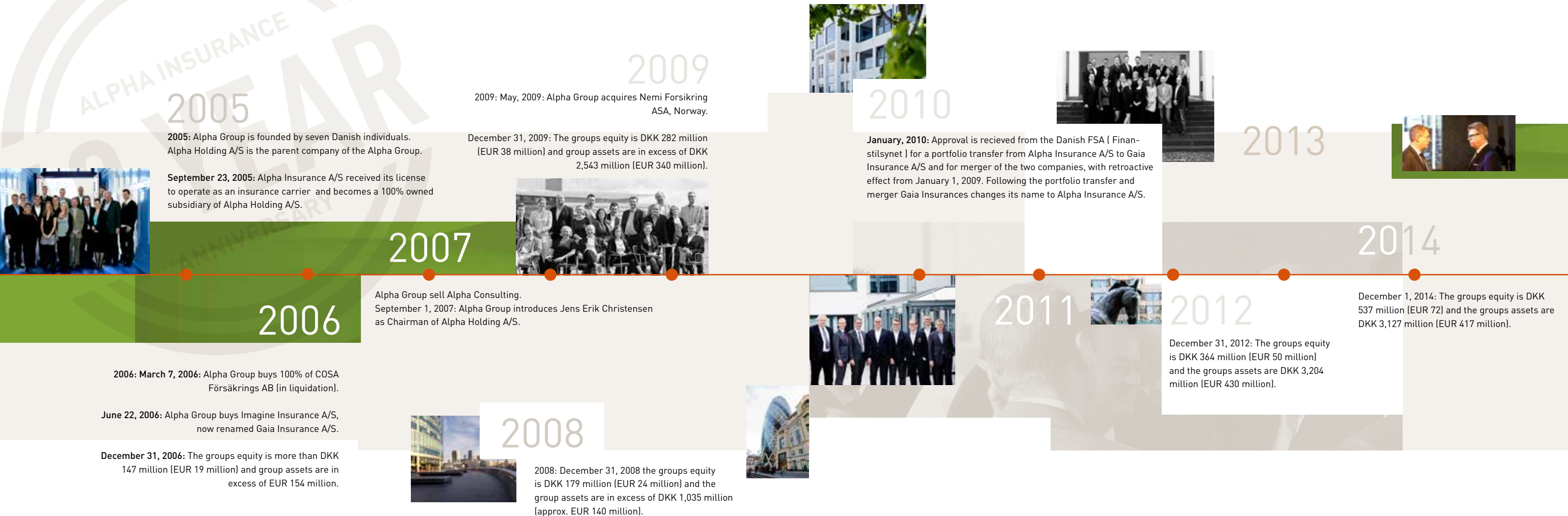
The portfolio in Cosa Försäkrings AB in liquidation has been in run off since 1999. The only activity in the company is the administration of this portfolio. The recognition of

Alpha Group is currently active in:

- Denmark
- Sweden
- Norway
- France
- United Kingdom
- The Netherlands
- Spain
- Greece
- Italy
- Germany
- Ireland
- Belgium
- Luxembourg



Alpha Insurance - 10 year anniversary



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 "Shares" in the annual report.

Branch office

The Norwegian branch office had a profit of DKK 12.0 million in 2014 compared to DKK 10.3 million in 2013.

Investment business

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

Alpha Insurance A/S operates with a careful investment strategy and investments are mainly made in state bonds. In 2014, the return on investments after insurance technical

interest was a loss of DKK 18.0 million against a profit of DKK 9.4 million in 2013.

Unusual circumstances

The annual report is not affected by unusual circumstances.

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

Alpha Insurance A/S expects a positive development of the company's activity level with an increase in premium income, as well as maintaining 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 busi-

ness 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.

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.

In accordance with Section 5, in the Statute for Audit Committees, the Board of Directors has appointed Mr. Jens Erik Christensen to ensure the fulfillment of the regulatory requirements regarding independence and accounting qualifications, based on his work as director for many years in financial and listed companies.

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 Section 77a of the Financial Act. The Board of Directors decides the wage policy once a year.

Remuneration to the board of directors

Board of Directors - total remuneration 2014 (DKK'000)

	Total remuneration
Morten Helge:	755
Bo Lundqvist:	378
Jens Erik Christensen:	150
Thomas Dahl Fredslund:	150
Bjarke Sanbeck Nilsson:	150

The Board of Directors does not have any bonus or options and does not have any redundancy scheme.

Board of Executives - total remuneration 2014 (DKK'000)

Leif Corinth-Hansen:	Remuneration	Pension	Benefits	Total
	6.051	118	102	6.271

Employees training and knowledge

Alpha Insurance A/S 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 company aims to be a dynamic company 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.

Supplementary information

Members of the Board of Directors and the Board of Executives also participate in the management of the following companies:

Bo Lundqvist:

Ahpla ApS, Alpha Holding A/S, Alpha Sales Group A/S, Beta Re GmbH, Bo Lundqvist Holding ApS, Delta Insurance Consultancy AG, Perfect Generation ApS and Tappaz ApS.

Leif Corinth-Hansen:

Ahpla ApS, Alpha Holding A/S, Beta Re GmbH, Delta Insurance Consultancy AG and Famco-Ha ApS.

Morten Helge:

ABH ApS, Alpha Holding A/S, Beta Re GmbH and Delta Insurance Consultancy AG

Thomas Dahl Fredslund:

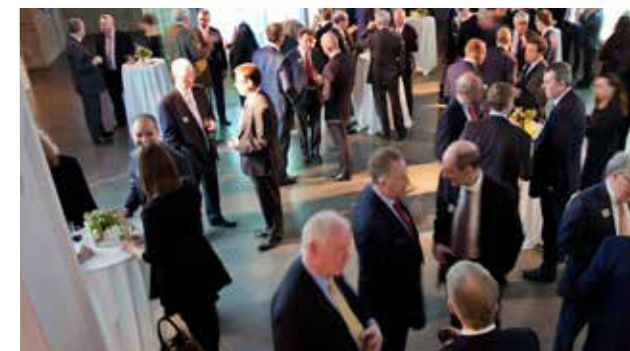
Alpha Holding A/S

Bjarke Sanbeck Nilsson:

Alpha Holding A/S, Slotsholm A/S and Loop Associates A/S.

Jens Erik Christensen:

Alpha Holding A/S, Andersen & Martini A/S, Andersen & Martini Biler A/S, Andersen & Martini Auto A/S, Behandlingsvejviseren A/S, Mediaxes A/S, Dansk Merchant Capital A/S, EcsAct A/S, Founders A/S, Hugin Expert A/S, Husejernes Forsikring Assurance Agentur A/S, Norriq Holding A/S, Nordic Corporate Investments A/S, Skandia A/S, Skandia Asset Management Fondsmæglerselskab A/S, Skandia Link Livsforsikring A/S, Skandia Livsforsikring A A/S, Sapere Aude ApS, Prime Office A/S, BankNordik A/S, Vørdur A/S, Vørdur Liv A/S, Trygd A/S.



Financial Highlights, Parent company

Amounts in DKK million	2014	2013	2012	2011	2010
Gross premium income	1,557	1,543	1,462	1,228	770
Gross claims incurred	-1,024	-810	-840	-722	-354
Bonus and premium discounts	7	-6	-19	-2	-
Total insurance operating, costs, net of reinsurance	-303	-387	-310	-99	-172
Result of ceded business	-41	-95	-48	-102	-67
Insurance technical result	39	54	67	52	36
Result on investments after insurance technical interest	-51	43	-38	-32	-80
Net profit for the year	-11	84	21	20	-48
Run-off result	-59	26	-21	38	-33
Total insurance technical provisions	1,663	1,474	1,613	1,442	1,283
Total insurance assets	931	789	742	625	574
Total equity	388	418	364	332	353
Total assets	2,609	2,427	2,443	2,945	2,703
Key figures:					
Gross claims ratio	65.5%	52.7%	58.2%	58.9%	46.0%
Expense ratio	29.4%	37.6%	33.2%	29.6%	38.8%
Combined ratio	97.5%	96.5%	94.9%	96.8%	93.5%
Operating ratio	97.5%	96.5%	95.3%	96.0%	95.2%
Relative run off results	-11.0%	3.2%	-3.3%	6.7%	-6.0%
Return on equity in percent	-2.7%	21.4%	5.9%	5.8%	-15.3%
Solvency coverage	1.8	2.0	1.8	2.2	3.1

Definition

Gross claim ratio:

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

Expense ratio:

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

Reinsurance ratio:

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

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:

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

Solvency coverage:

$(\text{Base capital} / \text{solvency margin})$

Financial Highlights, Group

Amounts in 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	-18	9	-5	12	-41
Net profit for the year	-11	84	21	20	-48
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	388	418	364	332	353
Total assets	3,127	3,094	3,179	2,945	2,703
Key figures:					
Gross claims ratio	67.9%	59.4%	63.5%	66.6%	49.4%
Expense ratio	30.2%	35.8%	32.7%	30.9%	40.6%
Combined ratio	100.1%	97.2%	98.4%	101.6%	100.2%
Operating ratio	99.8%	96.6%	98.2%	100.2%	100.5%
Relative run off results	-10.8%	4.5%	-4.1%	1.9%	-3.0%
Return on equity in percent	-2.7%	21.4%	5.9%	5.7%	-14.6%
Solvency coverage	1.8	2.0	1.8	2.2	3.1

Definition

Gross claim ratio:

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

Expense ratio:

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

Reinsurance ratio:

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

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:

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

Solvency coverage:

$(\text{Base capital} / \text{solvency margin})$

Statement by management

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 Alpha Insurance A/S for the financial year 1 January – 31 December 2014.

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



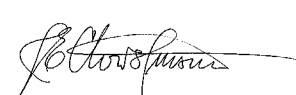


Copenhagen, 17 March 2015

Board of Executives



Leif Corinth-Hansen

Board of Directors

		
Morten Helge (Chairman)	Bo Lundqvist	Jens Erik Christensen
		
Bjarke Sanbeck Nilsson	Thomas Dahl Fredslund	



Independent Auditors' Report to the shareholders of Alpha Insurance A/S

Independent auditors' report on the consolidated financial statements and the parent company financial statements

We have audited the consolidated financial statements and the parent company financial statements of Alpha Insurance A/S 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 Business Act.

Management's responsibility for the consolidated financial statements and the parent company financial statements

Management is responsible for the preparation of consolidated financial statements and parent company financial statements that give a true and fair view in accordance with the Danish Financial 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.

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 Business Act.

Statement on the Management's review

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


Copenhagen, 17 March 2015

KPMG

Statsautoriseret Revisionspartnerselskab



Jan Per Jensen,
State Authorised Public Accountant



Mark Palmberg,
State Authorised Public Accountant



Income Statement

Note	For 1 January – 31 December. Amounts in DKK thousands	Parent Company		Group	
		2014	2013	2014	2013
1,4	Gross premiums	1,534,560	1,548,520	1,980,761	1,993,487
	Insurance premiums ceded	-648,965	-793,835	-1,029,576	-934,055
	Change in premium reserve	22,143	-5,487	3,038	-5,276
	Change in reinsurer's share of premium provisions	-24,164	34,923	111,528	42,369
	Premium income, net of reinsurance	883,574	784,121	1,065,751	1,096,525
2	Insurance technical interest	265	385	5,249	11,386
	Gross claims paid	-813,053	-874,122	-1,155,310	-1,226,630
	Reinsurance cover received	300,777	436,323	481,512	542,675
	Change in gross claims provisions	-211,304	64,341	-195,529	48,203
	Change in reinsurers' share of claims provisions	174,226	35,920	175,627	73,494
	Cost of claims, net of reinsurance	-549,354	-337,538	-693,700	-562,258
	Bonus and premium discounts	7,077	-5,823	6,350	-5,823
	Acquisition costs	-395,423	-492,649	-433,368	-534,923
5	Administrative expenses	-64,918	-85,892	-168,064	-173,743
	Reinsurance commissions and profit participations with reinsurers	157,546	191,381	221,718	236,022
4	Insurance operating costs, net of reinsurance	-302,795	-387,160	-379,714	-472,644
	Insurance technical result	38,767	53,985	3,936	67,186

Income Statement

Note	For 1 January – 31 December. Amounts in DKK thousands	Parent Company		Group	
		2014	2013	2014	2013
	Income from participating interests in affiliated companies	-25,109	30,500	-	-
	Income from participating interests in associated companies	1,004	1,423	1,004	1,423
	Interest income and dividend etc.	7,961	32,062	13,788	49,420
6	Currency and marketable securities adjustments	-24,206	-8,429	-17,908	-17,459
	Interest expenses	-4,620	-707	-4,620	-707
	Administrative expenses related to investment activities	-1,730	-2,261	-2,228	-3,062
	Return on investments	-46,700	52,588	-9,964	29,615
2	Transfer to insurance technical interest	-4,357	-9,224	-8,069	-20,225
	Return on investments after insurance technical interest	-51,057	43,364	-18,033	9,390
	Other income/expenses	1,056	-586	-5,734	708
	Net profit before tax	-11,234	96,763	-19,831	77,284
7	Tax	57	-12,999	8,654	6,480
	Net profit for the year	-11,177	83,764	-11,177	83,764
	Proposed distribution of net results				
	Reserve equity method	-22,226	30,500		
	Equalisation reserve	6,983	0		
	Retained earnings	4,066	53,264		
	Distributed, total	-11,177	83,764		
	Total income for 1 January - 31 December				
	Net profit for the year				
	Currency adjustments in affiliated companies abroad	-11,177	83,764	-11,177	83,764
	Other equity adjustments in affiliated companies	-19,080	-26,417	-19,080	-26,417
	Other total income	-	-2,962	-	-2,962
	Total income for the period	-19,080	-29,379	-19,080	-29,379
		-30,257	54,385	-30,257	54,385

Balance Sheet – Assets

Note	As at 31 December. Amounts in DKK thousands	Parent Company		Group	
		2014	2013	2014	2013
		-	2,951	-	6,790
		7,355	2,125	22,752	13,660
8	Immaterial assets, total	7,355	5,076	22,752	20,450
	Office equipment etc.	267	438	3,175	3,241
9	Tangible assets, total	267	438	3,175	3,241
10	Interest in affiliated companies	225,294	247,178	-	-
11	Interest in associated companies	1,298	1,694	1,298	1,694
	Loan to associated companies	-	520	-	520
	Interest in affiliated and associated companies, total	226,592	249,392	1,298	2,214
	Units in investment associations	23,554	24,494	23,554	24,494
	Bonds	644,227	772,253	855,306	1,185,811
	Banks	80,177	69,537	105,006	104,260
	Other	11,340	228	11,782	587
	Other financial investments assets, total	759,298	866,512	995,648	1,315,152
	Investments assets, total	985,890	1,115,904	996,946	1,317,366
	Reinsurers share of premium provisions	181,037	221,941	323,644	259,616
16	Reinsurers share of claims provisions	749,797	567,212	849,946	712,906
	Reinsurers share of provisions for insurance contracts, total	930,834	789,153	1,173,591	972,522
	Amounts receivable from policy holders	406,770	269,727	564,158	424,390
	Amounts receivable from intermediaries	13,908	13,504	13,908	13,504
	Amounts receivables from direct insurance, total	420,678	283,231	578,066	437,894
	Amounts receivable from insurance undertaking	131,555	140,946	152,292	165,073
	Amounts receivable from affiliated companies	36,107	20,961	36,107	20,961
	Other amounts receivable	71,653	44,076	83,166	44,503
	Amounts receivable	239,315	205,983	271,565	230,537
	Amounts receivable, total	1,590,827	1,278,367	2,023,222	1,640,953
	Current tax	122	-	122	-
7	Deferred tax asset	-	-	41,160	44,270
	Cash and bank deposits	9	1,405	9	1,405
	Other assets	-	-	4,866	5,234
	Other assets, total	131	1,405	46,157	50,909
	Accrued interest income	6,845	10,562	7,817	15,649
	Other prepayments	17,218	15,570	27,395	44,649
	Prepayments and accrued income, total	24,063	26,312	35,212	60,613
	Total assets	2,608,533	2,427,502	3,127,463	3,093,532

Balance Sheet – Liabilities and equity

Note	As at 31 December. Amounts in DKK thousands	Parent Company		Group	
		2014	2013	2014	2013
	Share capital	75,000	75,000	75,000	75,000
	Premium reserve, issued shares	141,500	141,500	141,500	141,500
	Reserve equity method	31,161	60,812	-	-
	Equalisation reserve	6,983	-	6,983	-
	Retained earnings	133,067	140,656	164,228	201,468
12	Equity	387,711	417,968	387,711	417,968
13	Subordinated loan capital	148,872	-	148,872	-
	Premium provisions, gross	332,585	368,652	528,967	571,605
15	Claims provisions, gross	1,330,737	1,105,814	1,498,696	1,556,297
	Technical provisions, total	1,663,322	1,474,466	2,027,663	2,127,902
7	Deferred tax liability	4,004	64	4,004	9,311
	Pension obligations	-	-	1,243	1,121
	Other provisions	24,900	960	24,900	960
	Provisions	28,904	1,024	30,147	11,392
	Reinsurance deposits	34,320	134,516	34,320	134,516
	Amounts payable in connection with direct insurance	87,016	130,711	93,587	135,523
	Amounts payable in connection with reinsurance	141,437	98,650	258,406	104,286
	Amounts payable to credit institutions	24,636	24,207	24,636	24,207
	Amounts payable to affiliated companies	9,462	31,972	-	-
	Payable company tax	-	19,291	-	19,291
	Other payables	82,853	94,697	89,204	103,184
	Liabilities other than provisions, total	354,404	399,528	465,834	386,491
	Accruals and deferred income	-	-	32,915	15,263
	Liabilities and equity, total	2,608,533	2,427,502	3,127,463	3,093,532

14 Information on staff and remuneration

17 Contingent liabilities, guarantee commitments etc.

18 Related parties etc.

19 Risk and information in sensitivity

20 Other notes information

Equity

	Parent Company					
	Share Capital	Reserve on issued shares	Reserve equity method	Equalisation reserve	Retained earnings	Total
Amounts in DKK thousands						
Equity 1 January 2013	75,000	141,500	41,985	-	105,099	363,584
Currency adjustments in affiliated companies	-	-	-26,417	-	-	-26,417
Distribution of profit	-	-	30,500	-	53,264	83,764
Other equity adjustments in affiliated companies	-	-	-2,963	-	-	-2,963
Total income for the year 2013	-	-	1,120	-	53,264	54,384
Increase of capital/Group contribution	-	-	17,707	-	-17,707	-
Equity 31 December 2013	75,000	141,500	60,812	-	140,656	417,968
Currency adjustments in affiliated companies	-	-	-17,302	-	-1,778	-19,080
Distribution of profit	-	-	-22,226	6,983	4,066	-11,177
Total income for the period	-	-	-39,528	6,983	2,288	-30,257
Increase of capital/Group contribution	-	-	9,877	-	-9,877	-
Equity 31 December 2014	75,000	141,500	31,161	6,983	133,067	387,711

Amount of one share 1.000. Total shares 75.000

	Group					
	Share Capital	Reserve on issued shares	Reserve equity method	Equalisation reserve	Retained earnings	Total
Amounts in DKK thousands						
Equity 1 January 2013	75,000	141,500	-	-	147,083	363,583
Currency adjustments in affiliated companies	-	-	-	-	-26,417	-26,417
Distribution of profit	-	-	-	-	83,764	83,764
Other equity adjustments in affiliated companies	-	-	-	-	-2,962	-2,962
Total income for the year 2013	-	-	-	-	54,385	54,385
Equity 31 December 2013	75,000	141,500	-	-	201,468	417,968
Currency adjustments in affiliated companies	-	-	-	-	-19,080	-19,080
Distribution of profit	-	-	-	6,983	-18,160	-11,177
Total income for the period	-	-	-	6,983	-37,240	-30,257
Equity 31 December 2014	75,000	141,500	-	6,983	164,228	387,711

Notes

1. Gross premiums	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Geographical division of gross premiums:				
Denmark	342,761	353,770	342,761	353,770
Other EU countries	1,020,853	1,002,407	1,020,853	1,002,407
Other countries	170,947	192,343	617,147	637,310
	1,534,561	1,548,520	1,980,761	1,993,487

2. Insurance technical interest	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Discounting of claims provisions	-4,092	-8,839	-2,820	-8,839
Transferred from investment income	4,357	9,224	8,069	20,225
	265	385	5,249	11,386

3. Claims	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Gross run-off results	-152,082	17,141	-167,410	4,549
Run-off results at own account	-58,597	25,531	-90,613	46,865

	Number of claims	Average claims	Claims rate
The development in claims can be specified as follows (Parent Company):			
Sickness and accident insurance	2,679	2,871	11.0%
Workers compensation insurance	3,521	46,862	40.0%
Motor liability insurance	6,239	31,500	16.6%
Motor own damage insurance	9,889	31,141	16.3%
Marine, aviation and goods insurance	3	N/A	N/A
Fire and contents insurance (domestic)	4,141	13,644	2.8%
Fire and contents insurance (commercial)	4,758	16,848	3.2%
Liability insurance	3,110	47,706	23.7%
Credit and surety insurance	85	173,903	3.5%
Legal expenses insurance	3,616	1,466	2.0%
Other direct insurance and proportional reinsurance	2,999	15,274	1.5%

Notes

3. Claims (continued)	Number of claims	Average claims	Claims rate
The development in claims can be specified as follows (Group):			
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 expenses insurance	42	25	0.0%
Other direct insurance and proportional reinsurance	2,999	14,878	1.5%

4. Specifications on Insurance classes	Sickness and accident insurance		Workers compensation insurance		Motor liability insurance		Motor own damage insurance		Marine, aviation and goods insurance		Fire and contents insurance (domestic)	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Amounts in DKK million												
Parent												
Gross premiums	23,8	25,2	213,5	252,3	203,8	181,2	322,2	283,6	0,0	26,4	89,5	80,2
Gross premiums income	24,0	26,1	222,4	274,6	198,1	176,8	313,1	278,9	2,4	27,4	89,6	82,6
Gross claims incurred	-7,7	-14,3	-165,0	-230,0	-196,5	-124,8	-307,9	-195,3	3,7	-6,8	-56,5	-50,8
Insurance operation costs	-11,9	-3,9	-14,4	-48,5	-14,9	-11,9	-26,3	-22,0	3,8	-1,4	6,9	-26,3
Profit of ceded business	-4,3	2,2	-33,6	19,3	20,2	-12,6	33,4	-18,0	-6,2	-10,9	-1,9	-2,0
Technical interest f.o.a.	0,0	0,0	0,0	0,1	0,1	0,1	0,1	0,0	0,0	0,0	0,0	0,0
Insurance technical result	-3,8	9,1	-15,9	12,9	-34,1	-5,7	-50,0	-6,6	4,6	0,4	38,1	2,5
Group												
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 premiums 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 operation 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

4. Specifications on Insurance classes (continued)	Fire and contents insurance (commercial)		Liability insurance		Credit and surety insurance		Legal expenses insurance		Others direct insurance and proportional reinsurance		Total	
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013
Amounts in DKK million												
Parent												
Gross premiums	205,8	122,6	186,3	251,9	32,2	12,0	179,9	243,0	77,7	70,0	1,534,6	1,548,5
Gross premiums income	208,5	130,2	215,0	225,3	33,7	6,7	178,8	243,4	71,0	71,0	1,556,7	1,543,0
Gross claims incurred	-80,2	-92,1	-148,4	-43,5	-14,7	-11,2	-5,3	-4,0	-45,8	-37,0	-1,024,4	-809,8
Insurance operation costs	-39,8	-34,3	-18,4	-5,5	-4,1	-2,5	-167,2	-219,4	-16,5	-11,3	-302,8	-387,1
Profit of ceded business	-13,2	3,3	-17,6	-75,9	-8,6	9,1	-4,9	-5,4	-3,7	-4,3	-40,6	-95,3
Technical interest f.o.a.	0,0	0,0	0,0	0,1	0,0	0,1	0,0	0,0	0,0	0,0	0,3	0,4
Insurance technical result	71,9	-0,7	2,6	11,6	6,6	0,9	9,4	17,1	9,4	12,4	38,8	54,0
Group												
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 premiums 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 operation 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

5. Administrative expenses	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Audit fee:				
AP Statsautoriserede Revisor, member of Moore Stephens International	-	1,302	-	1,302
KPMG P/S	1,229	-	1,229	-
Others	-	124	560	849
Total	1,229	1,426	1,789	2,151
Fee for other assurance services:				
AP Statsautoriserede Revisor, member of Moore Stephens International	-	174	-	174
KPMG P/S	281	-	281	-
Total	281	174	281	174

Notes

6. Currency and marketable securities adjustments	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Gains and losses as a result of changes in the interest rate used for discounting of claims provision	-17,405	13,564	-10,735	13,564
Shares	354	-	354	17
Units in investment associations	-940	-2,954	-940	-3,489
Bonds	-10,584	-26,241	-10,858	-33,388
Currency adjustments	4,369	7,202	4,272	5,837
	-24,206	-8,429	-17,906	-17,459

7. Tax on net results	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Current tax	-	18,547	-	18,547
Adjustment concerning previous years	-3,998	-887	-3,998	-887
Adjustment of deferred tax, previous years	-46	-	-8,643	-19,479
Change in deferred tax	3,987	-4,661	3,987	-4,661
	-57	12,999	-8,654	-6,480

Tax on net results can be specified as follows:				
Calculated 24,5% tax on net profit before tax	-2,752	24,191	-4,859	19,321
Adjustment of tax, previous years	-3,998	-887	-1,801	-887
Adjustment of deferred tax, previous years	-46	-	-8,643	-19,479
Difference between foreign and Danish tax	-	-603	-	-603
Non-deductible income and expenses	7,192	-9,702	7,192	-4,832
Effect of change in tax rate	-453	-	-543	-
	-57	12,999	-8,654	-6,480
Effective tax rate	-0.5%	-13.4%	-43.6%	-8.4%

Notes

7. Tax on net results (continued)	1/1 2014	Adjustment for the year	31/12 2014
Amounts in DKK thousands			
Deferred tax			
Deferred tax can be specified as follows (Parent Company):			
Equipment etc.	-104	-47	-151
Leased office equipment	1	-1	0
Software	468	0	468
Amounts receivable from policy holders	-301	4,375	4,076
Tax loss carried forward	0	-389	-389
	64	3,938	4,004

Recognized as:			
Deferred tax asset			-
Deferred tax liability			4,004
			4,004

Deferred tax			
Deferred tax can be specified as follows (Group):			
Equipment etc.	-104	-47	-151
Leased office equipment	1	-1	0
Software	468	0	468
Amounts receivable from policy holders	-301	4,377	4,076
Tax loss carried forward	-44,270	2,721	-41,549
Others	9,247	-9,247	0
	-34,959	-2,197	-37,156

Recognized as:			
Deferred tax asset			-41,160
Deferred tax liability			4,004
			-37,156

8. Immaterial assets	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Goodwill				
Cost at 1 January 2014	2,951	2,951	6,790	6,790
Cost at 31 December 2014	2,951	2,951	6,790	6,790
Depreciation at 1 January 2014	-	-	-	-
Writedown for the year	2,951	-	6,790	-
Depreciation and writedown at 31 December 2014	2,951	-	6,790	-
Net asset value at 31 December 2014	-	2,951	-	6,790

Notes

8. Immaterial assets (continued)	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Software				
Cost at 1 January 2014	2,329	35,599	48,077	76,973
Currency adjustment on opening balance sheet	-	-	-3,214	-5,972
Additions	7,704	2,126	17,471	12,474
Disposals	-2,474	-35,396	-2,474	-35,398
Cost at 31 December 2014	7,559	2,329	59,860	48,077
Depreciation at 1 January 2014	204	26,717	34,417	60,538
Currency adjustment on opening balance sheet	-	-	-2,401	-4,582
Depreciation for the year	-	7,112	5,092	12,088
Depreciation in disposed assets	-	-33,625	-	-33,627
Depreciation at 31 December 2014	204	204	37,108	34,417
Net asset value at 31 December 2014	7,355	2,125	22,752	13,660
Total net asset value at 31 December 2014	7,355	5,076	22,752	20,450

9. Tangible assets	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Cost at 1 January 2014	3,992	4,404	20,029	22,007
Currency adjustment on opening balance sheet	-	-	-1,127	-2,319
Additions	254	77	2,001	830
Disposals	-1,442	-489	-1,709	-489
Cost at 31 December 2014	2,804	3,992	19,194	20,029
Depreciation at 1 January 2014	3,554	3,509	16,788	17,572
Currency adjustment on opening balance sheet	-	-	-930	-1,880
Depreciation for the year	262	533	1,283	1,584
Depreciation on disposed assets	-1,279	-488	-1,122	-488
Depreciation at 31 December 2014	2,537	3,554	16,020	16,788
Net asset value at 31 December 2014	267	438	3,175	3,241

Notes

10. Interest in affiliated companies	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Cost at 1 January 2014	186,366	186,366	-	-
Additions	36,072	-	-	-
Disposals	-28,305	-	-	-
Cost at 31 December 2014	194,133	186,366	-	-
Adjustments at 1 January 2014	60,812	41,986	-	-
Currency adjustment of the opening equity in affiliated company	-19,080	-26,417	-	-
Contribution to subsidiary	9,877	17,707	-	-
Writedown of group goodwill	-3,839	-	-	-
Other adjustment of the opening equity in affiliated company	-	-2,964	-	-
Net profit for the year	-18,319	30,500	-	-
Disposals	-68	-	-	-
Disposals, currency adjustment	1,778	-	-	-
Adjustments at 31 December 2014	31,161	60,812	-	-
Net asset value at 31 December 2014	225,294	247,178	-	-

Amounts in DKK thousands

NEMI Forsikring AS

Registered Office	Oslo
Equity interest	100%
Share of net profit for the year	-18,319
Share of equity	225,294

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 regarding controlling interests is no longer in place and Cosa is therefore recognized under "Shares" in the annual report.

Notes

11. Interest in associated companies	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Cost at 1 January 2014	281	281	281	281
Cost at 31 December 2014 sheet	281	281	281	281
Adjustments at 1 January 2014	1,413	640	1,413	640
Net profit for the year	1,004	1,423	1,004	1,423
Distributed dividend	-1,400	-650	-1,400	-650
Adjustments at 31 December 2014	1,017	1,413	1,017	1,413
Net asset value at 31 December 2014	1,298	1,694	1,298	1,694

Amounts in DKK thousands

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

12. Equity	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
The calculation of base capital can be specified as follows:				
Equity at 31 December	387,711	417,968	387,711	417,968
Subordinated loan capital	44,856	-	44,856	-
Deferred tax asset	-37,156	-34,959	-37,156	-34,959
Current tax	-122	-	-122	-
Immaterial assets	-22,752	-20,450	-22,752	-20,450
Tax of immaterial assets	6,114	5,458	6,114	5,458
Capital adequacy requirements in subsidiary insurance companies	-54,014	-62,172	-54,014	-62,172
Changes in the valuation of technical provisions	-12,108	-23,643	-12,108	-23,643
Base capital at 31 December	312,529	282,202	312,529	282,202

Notes

13. Subordinated loan capital

The company has subordinated loan capital 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. In the base capital of the subordinated loan, capital is included which corresponds to 25 % of the SCR in Alpha Insurance of DKK 44,9 million.

The loan respects payment to all other creditors in Alpha Insurance A/S before the loan will be settled.

14. Information on staff and remuneration	Parent Company		Group	
	2014	2013	2014	2013
Amounts in DKK thousands				
Total staff costs comprise:				
Wages and salaries	30,523	30,059	70,079	46,732
Pension plans	2,326	2,071	4,530	2,923
Expenses to social security and other staff costs	3,974	3,677	12,920	6,978
	36,823	35,807	87,528	56,633
Board of Executives and Risk taker	6,271	7,575	6,271	7,575
Board of Directors	1,583	1,372	3,262	2,862
	7,854	8,947	9,533	10,437
Members of the Executive Board	1	1	1	1
Members of the Board	5	5	5	5
Average number of employees	23	21	96	73

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

15. Claims provisions, gross	Parent Company		Group	
	Insurance year 2014	Insurance year through 2013	Insurance year 2014	Insurance year through 2013
Amounts in DKK thousands				
1 January	-	1,105,814	-	1,556,297
Disposals	-	7,434	-	-259,418
Gross claims incurred	719,765	304,591	1,029,995	320,845
Claims paid	-320,861	-492,192	-510,924	-644,387
Currency adjustments	-8,945	15,130	-8,945	15,233
31 December	389,959	940,778	510,126	988,570

Notes

16. Reinsurers share of claims provisions	Parent Company		Group	
	Insurance year 2014	Insurance year through 2013	Insurance year 2014	Insurance year through 2013
Amounts in DKK thousands				
1 January	-	567,212	-	712,906
Disposals	-	10,690	-	-36,299
Change in claims provisions	321,939	153,064	464,242	192,897
Claims paid	-118,533	-182,244	-217,244	-264,268
Currency adjustments	-3,929	1,597	-3,929	1,642
31 December	199,477	550,320	243,069	606,877

Amounts in DKK thousands

17. Contingent liabilities, guarantee commitments etc.	Parent Company		Group	
	Insurance year 2014	Insurance year through 2013	Insurance year 2014	Insurance year through 2013
Rent commitments	2,651	8,023	15,665	17,320
	2,651	8,023	15,665	17,320
The following assets are registered as provision of security for the technical provisions:				
Shares	-	-	246	332
Units in investment associations	23,554	24,494	23,554	24,494
Bonds and accrued interests	651,072	782,816	834,459	959,148
Banks and deposits	80,185	70,937	101,752	96,208
Receivables	887,266	539,564	1,057,680	691,602
	1,642,077	1,417,811	2,017,691	1,771,784

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

Notes

18. Related parties, etc.

Related parties to Alpha Insurance A/S comprise the following:

Controlling interest

Alpha Holding A/S (Principal shareholder)

Other related undertakings

NEMI Forsikring AS (Affiliated Company)

COSA Försäkrings AB (Affiliated Company)

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.

Alpha Holding A/S
c/o Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen Ø

The Annual Report for Alpha Insurance A/S is a part of the consolidated accounts of Alpha Holding A/S and Ahpla ApS.

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 companies have been eliminated in the consolidated accounts, in accordance with the accounting policies applied.

19. Risk and information on sensitivity

Event	Effect on equity
Increase in interest rate of 0,7 %	-8,860
Decrease in interest rate of 0,7 %	8,860
Reduction in share prices of 12 %	27
Reduction in value of property of 8 %	-
Foreign currency risk (VaR 99,5)	5,422
Loss on 3rd parties of 8 %	1,160

20. Other note information

In accordance with § 91a in the regulations for financial reporting for insurance companies and non occupational pension, funds a five-year plan is described on the last page of the management's report.

Notes

20. Accounting policies

The Annual Report of Alpha Insurance A/S for 1 January - 31 December 2014 has been presented in accordance with the provisions of the Danish Financial Business Act and the Danish Financial Supervisory Authority's Executive Order no. 112 of 7 February 2013 on Financial Reports for Insurance Companies and Multi-Employer Occupational Pension Funds.

The financial statement have been presented applying the accounting policies consistently with last year.

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 Alpha Insurance A/S 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.

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.

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.

Notes

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.

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 bonuses 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.

Acquisition costs

Acquisition costs are listed as costs related to purchase and renewal 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 intermediary 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 if 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.

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 withheld in connection with the reinsurance of the Company's insurance portfolio as well as the impact on the discounting of the reserve deriving from the change in the duration of the claims provisions.

Interest income and dividend

Profit or loss from investment operations includes 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.

Notes

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

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 or at cost less write-downs if the market price is unavailable. Purchases and sales of securities are recognised at the trade date.

Notes

Insurance assets

Reinsurers share of premium provisions and claims provisions are computed according to the coverage provided by 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.

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 to be 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 is 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 is used for estimates for the future cash flow. Discounting is 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.

Company Information

The Company

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DK-2100 København Ø

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Registration No.: 21 06 44 40
Established: 1 July 1998
Financial year: 1 January - 31 December

Board of Directors

Morten Helge (Chairman)
Bo Lundqvist
Jens Erik Christensen
Thomas Dahl Fredslund
Bjarke Sanbeck Nilsson

Board of Executives

Leif Corinth-Hansen

Auditor

KPMG Statsautoriseret Revisionspartnerselskab
Amerika Plads 38
2100 København Ø



AlphaInsurance

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