

Alpha Insurance A/S
CVR-No. 21 06 44 40

Annual Report for 2015

The Annual Report has been presented
and approved at the Annual General
Meeting of the Company
on ²⁴ 2016



(Chairman)

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Company Information

The Company

Alpha Insurance A/S
c/o Harbour House
Sundkrogsgade 21
DK-2100 København Ø

Telephone: +45 70 25 25 95

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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 (Deputy Chairman)
Jens Erik Christensen
Thomas Dahl Fredslund
Bjarke Sanbeck Nilsson

Board of Executives

Leif Corinth-Hansen

Auditor

KPMG Statsautoriseret Revisionspartnerselskab
Dampfærgevej 28
2100 København Ø

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 2015

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

The result of the year and development of the company

The financial year 2015 resulted in a profit before tax for the Alpha Insurance Group of DKK 0.9 million against a loss before tax of DKK 19.8 million in 2014. The technical result for the group is DKK -10.0 million in 2015 compared to DKK 3.9 million in 2014. The technical result for the parent (Alpha Insurance A/S and norwegian branch) was DKK 38.9 million in 2015 against DKK 38.8 million in 2014. The technical result for 2015 was lower than expected in last years section "Expectations to 2015".

Return on investments for the group was DKK 16.7 million in 2015 against DKK -10.0 million in 2014.

The net profit for the year 2015 of DKK -23.7 million is not satisfactory.

Equity and solvency

Alpha Insurance A/S equity as at 31 December 2015 amounts to DKK 339.0 million. In 2015, the equity decreased by DKK 48.7 million compared to 31 December 2014.

The main reason for the decrease is currency adjustments on participating interests in the Norwegian subsidiary Nemi Forsikring AS, DKK -13.9 million, retained earnings of DKK -23.7 million and adjustment of participating interests in Cosa Försäkrings AB, DKK -11.1 million.

The solvency requirement (Solvency I) of Alpha Insurance A/S calculated in accordance with the Financial Supervisory Authority rules amounts to DKK 144.9 million at 31 December 2015 against DKK 176.8 million at 31 December 2014. The base capital amounts to DKK 280.7 million. This means that the Financial Supervisory Authority's required solvency margin is covered 1.9 times (1.8 times in 2014).

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 208.0 million at 31 December 2015 and a base capital of DKK 332.7 million. This means that the solvency margin is covered 1.6 times under full implementation of the current Solvency II regulation.

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

Management's Report

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 forsikringsselskaber") valid from January 1, 2015. 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 by an internal model.

The Company aims to use the Danish standard model in Individual Solvency Assessment calculations in 2015.

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 has in 2015 developed the Risk and Solvency Assessment Report to include these new requirements.

	2014	2014*	2015	2015*	Day 1 Solvency II
	DKK million	DKK million	DKK million	DKK million	DKK million
Solvency requirement	176.8	-	144.9	-	-
Individual solvency	179,4	179,4	208.0	208.0	226.9
Base Capital	312,5	360,3	280.7	332.7	415.5
Solvency ratio	1.8	2.0	1.9	1.6	1.8

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

Dividend

The Board of Directors proposes no dividends for 2015.

Insurance activities

In 2015, the gross premium income decreased by DKK -201.8 million (-10.2%) to DKK 1,782.0 million. Insurance premiums ceded increased in 2015 by 9.7%, which resulted in premium income for own account decreasing from DKK 1,065.8 million in 2014 to DKK 775.0 million in 2015, a decrease of DKK 290.8 million.

Gross claims incurred amounted to DKK 1,277.5 million in 2015 compared to DKK 1,350.8 million in 2014. Recoveries from reinsurers increased by DKK 179.6 million (27.3%) compared with 2014. Costs of claims net of reinsurance decreased by DKK 253.0 million to DKK 440.7 million.

The insurance operating cost decreased by DKK 8.6 million compared to 2014. In 2015, the insurance operating costs amounted to DKK 371.1 million compared to DKK 379.7 million in 2014.

The combined ratio has increased to 100.6 in 2015 from 100.1 in 2014. The increased combined ratio stems from an increased gross claim ratio of 70.7 compared to 67.9 in 2014 and a increase in the expense ratio from 30.2 in 2014 to 32.6 in 2015 and a decrease in reinsurance ratio from 2.0 in 2014 to -2.7 in 2015.

Management's Report

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 63.4 million in 2015 compared to a loss of DKK 18.3 million in 2014.

The 2015 result is not satisfactory.

Branch office

The Norwegian branch office had a profit of DKK 8.8 million in 2015 compared to DKK 12.0 million in 2014.

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 and corporate bonds. In 2015, the return on investments after insurance technical interest was a profit of DKK 10.3 million against a loss of DKK 18.0 million in 2014.

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 2016

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 2016.

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

Management's Report

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.

Management's Report

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 Statutory 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.

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 the 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.

Management's Report

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, Alpha Insurance A/S, Nemi Forsikring AS, Andersen & Martini A/S, Andersen & Martini Biler A/S, Founders A/S, Hugin Experts A/S, Husejernes Forsikring Assurance Agentur A/S, Husejernes Arkitekter og Ingeniører ApS, Mediaxes A/S, Behandlingsvejviseren A/S, P/F Nordikliv Livstryggingarfelag, P/F Trygd Tryggingarfelag, Vördur Tryggingar hf, Vördur Liftryggingar hf, Skandia A/S, Skandia Link Livsforsikring A/S, Skandia Asset management Fondsmæglerselskab A/S, TIP ApS, Prime Office A/S, Dansk Merchant Capital A/S, Nordic Corporate Investment A/S, EcsAct A/S, Sapere Aude ApS.

Financial Highlights, Parent company

DKK Million	2015	2014	2013	2012	2011
Gross premium income	1.342	1.557	1.543	1.462	1.228
Gross claims incurred	-951	-1.024	-810	-840	-722
Bonus and premium discounts	25	7	-6	-19	-2
Total insurance operating, costs, net of reinsurance	-311	-303	-387	-310	-99
Result of ceded business	55	-41	-95	-48	-102
Insurance technical result	39	39	54	67	52
Result on investments after insurance technical interest	-53	-51	43	-38	-32
Net profit for the year	-24	-11	84	21	20
Run-off result	-10	-59	26	-21	38
Total insurance technical provisions	1.628	1.663	1.474	1.613	1.442
Total insurance assets	1.002	931	789	742	625
Total equity	339	388	418	364	332
Total assets	2.335	2.609	2.427	2.443	2.945

Key figures:

Gross claims ratio	69,6%	65,5%	52,7%	58,2%	58,9%
Expense ratio	31,7%	29,4%	37,6%	33,2%	29,6%
Combined ratio	97,2%	97,5%	96,5%	94,9%	96,8%
Operating ratio	97,2%	97,5%	96,5%	95,3%	96,0%
Relative run off results	-1,7%	-11,0%	3,2%	-3,3%	6,7%
Return on equity in percent	-6,6%	-2,7%	21,4%	5,9%	5,8%
Solvency coverage	2,1	1,8	2,0	1,8	2,2

Definition

Gross claim ratio

(Gross claims paid / Gross premium income) * 100

Expense ratio

(Total insurance operating costs / Gross premium income) * 100

Reinsurance ratio

(Result of ceded business / Gross premium income) * 100

Combined ratio

(Gross claims ratio + Expense ratio + Reinsurance ratio)

Operation ratio

(Combined ratio where premium income is added to the allocated return on investments)

Relative run-off results

(Run-off results compared to reserves as at the beginning of the run off)

Return on equity

(Results for the year / the average equity) * 100

Solvency coverage

(Base capital / solvency margin)

Financial Highlights, Group

DKK Million	2015	2014	2013	2012	2011
Gross premium income	1.782	1.984	1.988	1.907	1.577
Gross claims incurred	-1.277	-1.351	-1.178	-1.198	-1.051
Bonus and premium discounts	25	6	-6	-19	-3
Total insurance operating, costs, net of reinsurance	-371	-380	-473	-401	-175
Result of ceded business	48	-39	-39	-42	-64
Insurance technical result	-10	4	67	33	-2
Result on investments after insurance technical interest	10	-18	9	-5	12
Net profit for the year	-24	-11	84	21	20
Run-off result	-13	-91	47	-40	-17
Total insurance technical provisions	2.054	2.028	2.128	2.323	2.145
Total insurance assets	1.251	1.174	973	903	831
Total equity	339	388	418	364	332
Total assets	2.834	3.127	3.094	3.179	2.945

Key figures:

Gross claims ratio	70,7%	67,9%	59,4%	63,5%	66,6%
Expense ratio	32,6%	30,2%	35,8%	32,7%	30,9%
Combined ratio	100,6%	100,1%	97,2%	98,4%	101,6%
Operating ratio	100,5%	99,8%	96,6%	98,2%	100,2%
Relative run off results	-2,0%	-10,8%	4,5%	-4,1%	1,9%
Return on equity in percent	-6,6%	-2,7%	21,4%	5,9%	5,7%
Solvency coverage	2,1	1,8	2,0	1,8	2,2

Definition

Gross claim ratio

(Gross claims paid / Gross premium income) * 100

Expense ratio

(Total insurance operating costs / Gross premium income) * 100

Reinsurance ratio

(Result of ceded business / Gross premium income) * 100

Combined ratio

(Gross claims ratio + Expense ratio + Reinsurance ratio)

Operation ratio

(Combined ratio where premium income is added to the allocated return on investments)

Relative run-off results

(Run-off results compared to reserves as at the beginning of the run off)

Return on equity

(Results for the year / the average equity) * 100

Solvency coverage

(Base capital / solvency margin)

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 2015.

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

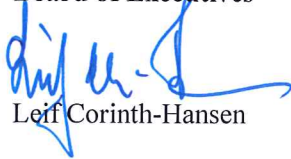
It is our opinion that the consolidated financial statements and the parent company financial statements give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group's and the Parent Company's operations and consolidated cash flows for the financial year 1 January – 31 December 2015.

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, 12 April 2016

Board of Executives

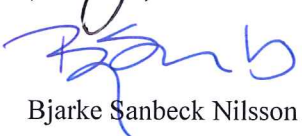


Leif Corinth-Hansen


Board of Directors



Morten Helge
(Chairman)



Bjarke Sanbeck Nilsson



Bo Lundqvist
(Deputy Chairman)



Thomas Dahl Fredslund



Jens Erik Christensen

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 2015. 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.

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 2015 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 2015 in accordance with the Danish Financial Business Act.

Statement on the Management's review

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

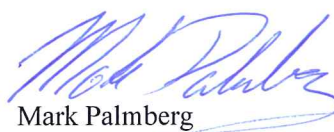
Copenhagen, 12 April 2016

KPMG

Statsautoriseret Revisionspartnerselskab
Registration No.: 25 57 81 98



Jan Per Jensen
State Authorised Public Accountant



Mark Palmberg
State Authorised Public Accountant

Income Statement for 1 January - 31 December

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
1.534.560	1.247.446	1,4	1.728.934	1.980.761
-648.965	-579.603		-938.530	-1.029.576
22.143	94.828		53.092	3.038
-24.164	-71.246		-68.512	111.528
883.574	691.425		774.984	1.065.751
265	-208	2	1.492	5.249
-813.053	-1.017.942		-1.286.805	-1.155.310
300.777	441.195		670.207	481.512
-211.304	67.202		9.347	-195.529
174.226	142.940		166.518	175.627
-549.354	-366.605		-440.733	-693.700
7.077	25.119		25.288	6.350
-395.423	-351.803		-406.788	-433.368
-64.918	-80.878	5	-182.415	-168.064
157.546	121.837		218.123	221.718
-302.795	-310.844	4	-371.080	-379.714
38.767	38.887		-10.049	3.936

Income Statement for 1 January - 31 December

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
-25.109	-63.398		-	-
1.004	389		389	1.004
7.961	17.166		20.191	13.788
-24.206	13.461	6	11.825	-17.908
-4.620	-13.829		-13.829	-4.620
-1.730	-1.586		-1.901	-2.228
-46.700	-47.797		16.675	-9.964
-4.357	-5.610	2	-6.400	-8.069
-51.057	-53.407		10.275	-18.033
1.056	664		664	-5.734
-11.234	-13.856		890	-19.831
57	-9.833	7	-24.579	8.654
-11.177	-23.689		-23.689	-11.177
			<i>Proposed distribution of net results</i>	
-22.226	-63.398			
6.983	13.283			
4.066	26.426			
-11.177	-23.689			

Total income for 1 January - 31 December

Parent company		Note	Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
-11.177	-23.689	Net profit for the year	-23.689	-11.177
-19.080	-13.835	Currency adjustments in affiliated companies abroad	-13.835	-19.080
-	-34	Adjustment to the opening balance in affiliated company	-34	-
<u>-19.080</u>	<u>-13.869</u>	Other total income	<u>-13.869</u>	<u>-19.080</u>
<u>-30.257</u>	<u>-37.558</u>	Total income for the year	<u>-37.558</u>	<u>-30.257</u>

Balance Sheet as at 31 December
Assets

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)
<u>7.355</u>	<u>17.702</u>		<u>36.635</u>	<u>22.752</u>
7.355	17.702	8	36.635	22.752
<u>267</u>	<u>481</u>		<u>4.193</u>	<u>3.175</u>
267	481	9	4.193	3.175
225.294	187.798	10	-	-
<u>1.298</u>	<u>813</u>	11	<u>813</u>	<u>1.298</u>
226.592	188.611		813	1.298
23.554	-		-	23.554
644.227	414.096		560.044	855.306
80.177	51.497		86.069	105.006
<u>11.340</u>	<u>67.201</u>		<u>67.512</u>	<u>11.782</u>
759.298	532.794		713.625	995.648
985.890	721.405		714.438	996.946
181.037	117.284		250.335	323.644
<u>749.797</u>	<u>884.551</u>	16	<u>1.000.196</u>	<u>849.946</u>
930.834	1.001.835		1.250.531	1.173.590

Balance Sheet as at 31 December

Parent company		Assets		Group	
2014	2015		2015	2014	
(DKK '000)	(DKK '000)	Note	(DKK '000)	(DKK '000)	
406.770	358.898		535.391	564.158	Amounts receivables from policy holders
13.908	17.383		17.383	13.908	Amounts receivables from intermediaries
420.678	376.281		552.774	578.066	Amounts receivables from direct insurance, total
131.555	113.992		128.497	152.292	Amounts receivables from insurance undertaking
36.107	34.623		32.155	36.107	Amounts receivables from affiliated companies
71.653	46.899		48.784	83.166	Other amounts receivables
239.315	195.514		209.436	271.565	Amounts receivables
1.590.827	1.573.630		2.012.741	2.023.221	Amounts receivables, total
122	-		-	122	Current tax
-	-	7	24.059	41.160	Deferred tax asset
9	12		12	9	Cash and bank deposits
-	-		4.587	4.866	Other assets
131	12		28.658	46.157	Other assets, total
6.845	4.361		4.717	7.817	Accrued interest income
17.218	16.926		33.051	27.395	Other prepayments
24.063	21.287		37.768	35.212	Prepayments and accrued income, total
2.608.533	2.334.517		2.834.433	3.127.463	Total assets

Balance Sheet as at 31 December
Liabilities and equity

Parent company		Note	Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
75.000	75.000		75.000	75.000
141.500	141.500		141.500	141.500
31.161	-		-	-
6.983	20.266		20.266	6.983
133.067	102.275		102.275	164.228
387.711	339.041	12	339.041	387.711
148.872	149.250	13	149.250	148.872
332.585	239.281		454.397	528.967
1.330.737	1.388.996	15	1.599.616	1.498.696
1.663.322	1.628.277		2.054.013	2.027.663
4.004	4.428	7	4.428	4.004
-	-		2.208	1.243
24.900	-		-	24.900
28.904	4.428		6.636	30.147
34.320	26.180		26.180	34.320
87.016	13.594		23.293	93.588
141.437	96.777		120.370	258.407
24.636	23.302		23.302	24.636
9.462	-		-	-
-	9.506		9.506	-
82.853	44.162		51.176	89.205
345.404	187.341		227.647	465.835
-	-		31.666	32.915
2.608.533	2.334.517		2.834.433	3.127.463

- 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						
(DKK '000) Parent company	Share Capital	Reserve on issued shares	Reserve equity method	Equalisa- tion reserve	Retained earnings	Total
Equity 1 January 2014	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 year 2014	-	-	-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
Adjustment to the opening balance in affiliated company	-	-	-5.849	-	5.815	-34
Currency adjustments in affiliated companies	-	-	-13.835	-	-	-13.835
Distribution of profit	-	-	-63.398	13.283	26.426	-23.689
Total income for the period	-	-	-83.082	13.283	32.241	-37.558
Increase of capital/Group contribution	-	-	11.642	-	-11.642	-
Adjustment of Cosa	-	-	-	-	-11.112	-11.112
Reserve equity method to retained earnings	-	-	40.279	-	-40.279	-
Equity 31 December 2015	75.000	141.500	-	20.266	102.275	339.041

Amount of one share 1.000. Total shares 75.000

Equity

(DKK '000) Group	Share Capital	Reserve on issued shares	Reserve equity method	Equalisa- tion reserve	Retained earnings	Total
Equity 1 January 2014	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 year 2014	-	-	-	6.983	-37.240	-30.257
Equity 31 December 2014	75.000	141.500	-	6.983	164.228	387.711
Adjustment to the opening balance in affiliated company	-	-	-	-	-34	-34
Currency adjustments in affiliated companies	-	-	-	-	-13.835	-13.835
Distribution of profit	-	-	-	13.283	-36.972	-23.689
Total income for the period	-	-	-	13.283	-50.841	-37.558
Adjustment of Cosa	-	-	-	-	-11.112	-11.112
Equity 31 December 2015	75.000	141.500	-	20.266	102.275	339.041

Notes

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)		(DKK '000)	(DKK '000)
		Note 1 - Gross premiums		
		<i>Geographical division of gross premiums:</i>		
342.760	276.576	Denmark	276.576	342.761
1.020.853	857.603	Other EU countries	857.603	1.020.853
170.947	113.267	Other countries	594.755	617.147
<u>1.534.560</u>	<u>1.247.446</u>		<u>1.728.934</u>	<u>1.980.761</u>
		Note 2 - Insurance technical interest		
-4.092	-5.818	Discounting of claims provisions	-4.908	-2.820
4.357	5.610	Transferred from investment income	6.400	8.069
<u>265</u>	<u>-208</u>		<u>1.492</u>	<u>5.249</u>
		Note 3 - Claims		
<u>-152.082</u>	<u>-28.301</u>	Gross run-off results	<u>-12.699</u>	<u>-167.410</u>
<u>-58.597</u>	<u>-10.154</u>	Run-off results at own account	<u>-13.293</u>	<u>-90.613</u>

Notes

Note 3 - Claims, continued

	Number of claims	Average claims	Claims rate
<i>The development in claims can be specified as follows (Parent Company):</i>			
Sickness and accident insurance	185	108.882	0,4%
Workers compensation insurance	2.286	80.842	21,8%
Motor liability insurance	5.021	38.000	10,7%
Motor own damage insurance	7.645	37.457	16,8%
Marine, aviation and goods insurance	41	N/A	N/A
Fire and contents insurance (domestic)	107	134.963	1,0%
Fire and contents insurance (commercial)	2.015	34.802	4,6%
Liability insurance	1.069	107.673	10,2%
Credit and surety insurance	10	215.088	0,3%
Legal expenses insurance	595	33.627	0,4%
Other direct insurance and proportional reinsurance	611	79.006	0,4%

	Number of claims	Average claims	Claims rate
<i>The development in claims can be specified as follows (Group):</i>			
Sickness and accident insurance	215	98.832	0,4%
Workers compensation insurance	2.286	80.842	21,8%
Motor liability insurance	6.267	45.182	6,2%
Motor own damage insurance	21.047	18.105	22,8%
Marine, aviation and goods insurance	53	N/A	N/A
Fire and contents insurance (domestic)	2.948	36.813	4,3%
Fire and contents insurance (commercial)	2.428	43.724	4,9%
Liability insurance	1.179	96.259	10,8%
Credit and surety insurance	10	213.069	0,3%
Legal expenses insurance	595	34.041	0,4%
Other direct insurance and proportional reinsurance	1.939	30.485	1,2%

Notes

Note 4 - Specifications on Insurance classes

Parent	Workers				Motor				Marine, aviation and goods insurance		Fire and contents insurance (domestic)	
	Sickness and accident insurance		compensation on insurance		liability insurance		Motor own damage insurance					
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
DKK million												
Gross premiums	23,2	23,8	264,0	213,5	116,1	203,8	183,3	322,2	15,7	0,0	22,9	89,5
Gross premium income	23,3	24,0	241,0	222,4	157,0	198,1	244,1	313,1	5,2	2,4	22,5	89,6
Gross claims incurred	-20,1	-7,7	-184,8	-165,0	-190,8	-196,5	-286,3	-307,9	1,5	3,7	-14,4	-56,5
Insurance operating costs	-2,6	-11,9	-110,0	-14,4	-2,4	-14,9	-5,2	-26,3	1,1	3,8	-6,0	6,9
Profit of ceded business	-1,1	-4,3	11,7	-33,6	60,6	20,2	88,0	33,4	-3,8	-6,2	-2,0	-1,9
Technical interest f.o.a.	0,0	0,0	-0,1	0,0	0,0	0,1	-0,1	0,1	0,0	0,0	0,0	0,0
Insurance technical result	-0,1	-3,8	-51,5	-15,9	4,4	-34,1	10,1	-50,0	-1,0	4,6	0,6	38,1

Parent	Fire and contents insurance (commercial)				Liability insurance		Credit and surety insurance		Legal expenses insurance		Other direct insurance and proportional reinsurance		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
DKK million														
Gross premiums	140,8	205,8	136,3	186,3	44,0	32,2	188,5	179,9	112,7	77,7	1.247,4	1.534,6		
Gross premium income	140,9	208,5	187,4	215,0	43,2	33,7	189,9	178,8	87,8	71,0	1.342,3	1.556,7		
Gross claims incurred	-70,1	-80,2	-115,1	-148,4	-2,2	-14,7	-20,0	-5,3	-48,3	-45,8	-950,7	-1.024,4		
Insurance operating costs	-21,1	-39,8	-22,1	-18,4	-4,1	-4,1	-125,0	-167,2	-13,4	-16,5	-310,8	-302,8		
Profit of ceded business	-21,2	-13,2	-49,3	-17,6	-13,8	-8,6	-9,2	-4,9	-4,9	-3,7	55,1	-40,6		
Technical interest f.o.a.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	-0,2	0,3		
Insurance technical result	5,8	71,9	15,7	2,6	14,8	6,6	34,6	9,4	5,6	9,4	38,9	38,8		

Notes

Note 4 - Specifications on Insurance classes, continued

Group	Sickness and accident insurance		Workers compensati on insurance		Motor liability insurance		Motor own damage insurance		Marine, aviation and goods insurance		Fire and contents, domestic insurance	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
DKK million												
Gross premiums	31,7	36,4	263,6	213,5	256,2	335,9	328,4	461,3	16,8	1,7	133,4	230,8
Gross premium income	31,3	37,7	240,5	222,4	286,5	323,1	377,5	441,0	6,6	4,4	121,6	230,7
Gross claims incurred	-21,2	-20,4	-183,1	-165,0	-283,2	-292,2	-381,1	-406,1	0,8	5,0	-108,5	-169,2
Insurance operating costs	-3,4	-9,3	-108,3	-14,4	8,4	-12,0	5,0	-23,6	1,3	4,1	6,1	27,2
Profit of ceded business	-0,8	-0,9	10,3	-33,6	50,6	20,3	72,8	33,4	-3,0	-7,7	-3,1	6,0
Technical interest f.o.a.	0,0	0,0	-0,1	0,0	0,0	0,1	-0,1	0,1	0,0	0,0	0,0	0,0
Insurance technical result	4,8	-3,4	-50,0	-15,9	13,0	-22,3	18,7	-38,4	-1,0	6,1	0,5	50,1

Group	Fire and contents, commercial insurance		Liability insurance		Credit and surety insurance		Legal expenses insurance		Other direct insurance and proportional reinsurance		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
DKK million												
Gross premiums	186,4	205,8	149,1	206,1	43,9	32,2	188,2	179,9	131,2	77,2	1.728,9	1.980,7
Gross premium income	185,5	208,5	199,3	232,9	43,1	33,7	189,6	178,8	100,3	70,5	1.782,0	1.983,8
Gross claims incurred	-106,2	-80,2	-113,5	-158,1	-2,2	-14,7	-20,3	-5,4	-59,1	-44,6	-1.277,5	-1.350,8
Insurance operating costs	-15,9	-39,8	-22,4	-19,1	-8,0	-4,1	-125,0	-167,1	-108,9	-121,6	-371,1	-379,7
Profit of ceded business	-17,2	-13,2	-39,6	-19,6	-11,1	-8,6	-7,5	-4,8	-3,6	-10,5	47,8	-39,2
Technical interest f.o.a.	0,0	0,0	0,0	0,0	0,0	0,0	0,0	0,0	1,7	5,0	1,5	5,2
Insurance technical result	8,6	64,4	24,6	5,6	11,5	6,6	34,4	9,4	-75,2	-58,4	-10,0	3,9

Notes

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)	Note 5 - Administrative expenses	(DKK '000)	(DKK '000)
		<i>Audit fee:</i>		
1.229	969	KPMG P/S	969	1.229
-	103	Others	501	560
1.229	1.072	Total	1.470	1.789
		<i>Fee for other assurance services:</i>		
281	117	KPMG P/S	117	281
281	117	Total	117	281
		Note 6 - Currency and marketable securities adjustments		
-17.405	-3.292	Gains and losses as a result of changes in the interest rate used for discounting of claims provision	-3.747	-10.735
354	18.054	Shares	18.054	354
-940	-2.148	Units in investment associations	-2.148	-940
-10.584	-9.027	Bonds	-10.042	-10.858
4.369	9.874	Currency adjustments	9.708	4.271
-24.206	13.461		11.825	-17.908
		Note 7 - Tax on net results		
-	9.506	Current tax	9.506	-
-3.998	-	Adjustment concerning previous years	-	-3.998
-46	-27	Adjustment of deferred tax, previous years	14.719	-8.643
3.987	354	Change in deferred tax	354	3.987
-57	9.833		24.579	-8.654

Notes

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)	Note 7 - Tax on net results, continued	(DKK '000)	(DKK '000)
		<i>Total tax on total income for the year can be explained ad follows:</i>		
-11.234	-13.856	Profit before tax	890	-19.831
		Reversal of income from Group entities and branch		
28.617	54.610		54.610	28.617
17.383	40.754	Total income	55.500	8.786
24,5%	23,5%	Applicable tax rate	23,5%	24,5%
4.259	9.577	Tax calculated on total income	13.042	2.153
		<i>Tax on permanent differences:</i>		
-333	-91	Income not subject to tax	-91	-333
514	374	Expenses disallowed for tax purposes	384	513
-453	-	Change in tax rate	-	-543
3.987	9.860	Tax on total income for the year	13.335	1.790
-3.998	-	Adjustment of tax relating to previous years	-	-1.801
-46	-27	Adjustment of deferred tax, previous years	14.719	-8.643
-	-	Adjustment of expenses non defered tax	-3.475	-
-57	9.833	Tax expense	24.579	-8.654

Deferred tax can be specified as follows:

Parent company		Adjustment	
Deferred tax	1/1 2015	of the year	31/12 2015
	(DKK '000)	(DKK '000)	(DKK '000)
Equipment etc.	-151	35	-116
Software	468	0	468
Amounts receivables from policy holders	4.076	0	4.076
Tax loss carried forward	-389	389	0
	4.004	424	4.428
<i>Recognized as:</i>			
Deferred tax asset			-
Deferred tax liability			4.428
			4.428

Notes

Note 7 - Tax on net results, continued

Group			
Deferred tax	1/1 2015 (DKK '000)	Adjustment of the year (DKK '000)	31/12 2015 (DKK '000)
Equipment etc.	-151	35	-116
Software	468	0	468
Amounts receivables from policy holders	4.076	0	4.076
Tax loss carried forward	-41.549	17.490	-24.059
	<u>-37.156</u>	<u>17.525</u>	<u>-19.631</u>
<i>Recognized as:</i>			
Deferred tax asset			-24.059
Deferred tax liability			4.428
			<u>-19.631</u>

Parent company		Group	
2014	2015	2015	2014
(DKK '000)	(DKK '000)	(DKK '000)	(DKK '000)
Software		Software	
Note 8 - Immaterial assets			
2.329	7.559	59.860	48.077
-	-		
7.704	10.347	-2.993	-3.214
-2.474	-	19.453	17.471
<u>7.559</u>	<u>17.906</u>	-	-2.474
		<u>76.320</u>	<u>59.860</u>
204	204		
-	-	37.108	34.417
-	-	-2.113	-2.401
-	-	4.690	5.092
<u>204</u>	<u>204</u>	<u>39.685</u>	<u>37.108</u>
<u>7.355</u>	<u>17.702</u>	<u>36.635</u>	<u>22.752</u>

Notes

Parent company			Group	
2014	2015		2015	2014
(DKK '000)	(DKK '000)		(DKK '000)	(DKK '000)
Office equipment		Note 9 - Tangible assets	Office equipment	
3.992	2.804	Cost at 1 January 2015	19.194	20.029
-	-	Currency adjustment on opening balance sheet	-937	-1.127
254	327	Additions	2.808	2.001
-1.442	-	Disposals	-	-1.709
2.804	3.131	Cost at 31 December 2015	21.065	19.194
3.554	2.537	Depreciation at 1 January 2015	16.019	16.788
-	-	Currency adjustment on opening balance sheet	-772	-930
262	113	Depreciation for the year	1.625	1.283
-1.279	-	Depreciation on disposed assets	-	-1.122
2.537	2.650	Depreciation at 31 December 2015	16.872	16.019
267	481	Net asset value at 31 December 2015	4.193	3.175
		Note 10 - Interest in affiliated companies		
186.366	194.133	Cost at 1 January 2015	-	-
36.072	33.944	Additions	-	-
-28.305	-	Disposals	-	-
194.133	228.077	Cost at 31 December 2015	-	-
60.812	31.161	Adjustments at 1 January 2015	-	-
-	-5.849	Adjustment to the opening balance in affiliated company	-	-
-19.080	-13.835	Currency adjustment of the opening equity in affiliated company	-	-
9.877	11.642	Contribution to subsidiary	-	-
-3.839	-	Writedown of group goodwill	-	-
-18.319	-63.398	Net profit for the year	-	-
-68	-	Disposals	-	-
1.778	-	Disposals, currency adjustment	-	-
31.161	-40.279	Adjustments at 31 December 2015	-	-
225.294	187.798	Net asset value at 31 December 2015	-	-

Notes

Note 10 - Interest in affiliated companies, continued

	NEMI Forsikring AS
Registered Office	Oslo
Equity interest	100%
Share of net profit for the year	<u>-63.398</u>
Share of equity	<u>187.798</u>

Parent company			Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
		Note 11 - Interest in associated companies		
<u>281</u>	<u>281</u>	Cost at 1 January 2015	<u>281</u>	<u>281</u>
<u>281</u>	<u>281</u>	Cost at 31 December 2015	<u>281</u>	<u>281</u>
1.413	1.017	Adjustments at 1 January 2015	1.017	1.413
1.004	389	Net profit for the year	389	1.004
<u>-1.400</u>	<u>-874</u>	Distributed dividend	<u>-874</u>	<u>-1.400</u>
<u>1.017</u>	<u>532</u>	Adjustments at 31 December 2015	<u>532</u>	<u>1.017</u>
<u>1.298</u>	<u>813</u>	Net asset value at 31 December 2015	<u>813</u>	<u>1.298</u>

	Alpha Sales Group A/S
Registered Office	Copenhagen
Equity interest	25%
Share of net profit for the year	<u>389</u>
Share of equity	<u>813</u>

Notes

Parent company		Note 12 - Equity	Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
		<i>The calculation of base capital can be specified as follows:</i>		
387.711	339.041	Equity at 31 December	339.041	387.711
44.856	51.994	Subordinated loan capital	51.994	44.856
-37.156	-19.631	Deferred tax asset	-19.631	-37.156
-122	-	Current tax	-	-122
-22.752	-36.635	Immaterial assets	-36.635	-22.752
6.114	9.272	Tax of immaterial assets	9.272	6.114
		Capital adequacy requirements in subsidiary insurance companies	-54.014	-54.014
		Changes in the valuation of technical provisions	-9.338	-12.108
<u>-12.108</u>	<u>-9.338</u>			
<u>312.529</u>	<u>280.689</u>	Base capital at 31 December	<u>280.689</u>	<u>312.529</u>

Note 13 - Subordinated loan capital

The company has subordinated loan capital at 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 DKK 52,0 million.

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

Parent company		Note 14 - Information on staff and remuneration	Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
		<i>Total staff costs compose:</i>		
30.523	32.073	Wages and salaries	71.883	70.079
2.326	2.389	Pension plans	6.433	4.530
		Expenses to social security and other staff costs	13.994	12.920
<u>3.974</u>	<u>4.382</u>			
<u>36.823</u>	<u>38.844</u>		<u>92.310</u>	<u>87.529</u>

Notes

Parent company			Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
Note 14 - Information on staff and remuneration, continued				
6.271	6.217	Board of Executives and Risk taker	6.217	6.271
1.583	1.588	Board of Directors	3.393	3.262
7.854	7.805		9.610	9.533
1	1	Members of the Executive Board	1	1
5	5	Members of the Board	5	5
23	24	Average number of employees	124	96

The Group primarily uses fixed salaries and has not paid one-off fees, pensions or bonuses in 2015. The Chief Executive Office has been identified as the Risk taker. The Chief Executive Officer signs on all risks.

Remuneration to the board of directors

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

	Total remuneration 2015	Total remuneration 2014
Morten Helge	750	755
Bo Lundqvist	375	378
Jens Erik Christensen	150	150
Thomas Dahl Fredslund	169	150
Bjarke Sanbeck Nilsson	169	150
Leif Corinth-Hansen	150	150

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

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

	Year	Remuneration	Pension	Benefits	Total
Leif Corinth-Hansen	2015	6.021	118	78	6.217
Leif Corinth-Hansen	2014	6.051	118	102	6.271

Notes

Insurance year through 2014 (DKK '000)	Insurance year 2015 (DKK '000)		Insurance year 2015 (DKK '000)	Insurance year through 2014 (DKK '000)
Note 15 - Claims provisions, gross				
1.330.737	-	1 January	-	1.498.696
256.113	694.626	Gross claims incurred	1.027.187	250.271
-642.430	-375.512	Claims paid	-584.972	-701.832
24.354	101.108	Currency adjustments	101.108	9.158
<u>968.774</u>	<u>420.222</u>	31 December	<u>543.323</u>	<u>1.056.293</u>
Note 16 - Reinsurers share of claims provisions				
-	749.797	1 January	-	849.946
369.165	214.970	Change in claims provisions	616.743	219.982
-164.404	-276.792	Claims paid	-325.206	-345.001
-15.307	7.122	Currency adjustments	-15.307	-961
<u>189.454</u>	<u>695.097</u>	31 December	<u>276.230</u>	<u>723.966</u>
Note 17 - Contingent liabilities, guarantee commitments etc.				
Parent company			Group	
2014 (DKK '000)	2015 (DKK '000)		2015 (DKK '000)	2014 (DKK '000)
2.651	20.187	Rent commitments	27.673	15.665
<u>2.651</u>	<u>20.187</u>		<u>27.673</u>	<u>15.665</u>
The following assets are registered as provision of security for the technical provisions:				
-	66.972	Shares	67.283	246
23.554	-	Units in investment associations	-	23.554
651.072	418.742	Bonds and accrued interests	565.046	834.459
80.185	51.507	Banks and deposits	79.690	101.752
887.266	961.333	Receivables	1.142.416	1.057.680
<u>1.642.077</u>	<u>1.498.554</u>		<u>1.854.435</u>	<u>2.017.691</u>

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.

Notes

Note 18 - Related parties, etc.

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

Controlling interest

Alpha Holding A/S	Principal shareholder
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Subsidiary companies

NEMI Forsikring AS	Affiliated Company
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	2015	2014
Claims handling agreement	2.411	-

Transactions between Alpha Insurance and affiliated companies are conducted on an arm's length basis.

Intra-group transactions:

Administration fee, etc. is fixed on a cost-recovery basis. Intra-group accounts are offset and carry interests on market terms.

Transactions with group companies have been eliminated in the consolidated financial statements in accordance with the accounting policies.

Other related parties

Alpha Insurance has entered a broker agreement on market terms with Beta Re GmbH on certain agency contracts. Brokerage for this service amounts to TDKK 2,488 (-).

Alpha Insurance has entered into binding authority agreements with Beta Aviation ApS and Lima Agency Ltd. on market terms. Commission paid in relation to these agreements amounts to TDKK 2,013 (-) and TDKK 3,002 (-) respectively.

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.

Notes

Note 19 - Risk and information on sensitivity

Event	Effect in Equity in '000
Increase in interest rate of 0,7 %	-6.931
Decrease in interest rate of 0,7 %	6.931
Reduction in share prices of 12 %	8.064
Reduction in value of property of 8 %	-
Foreign currency risk (VaR 99,5)	10.637
Loss on 3rd parties of 8 %	1.196

Note 20 - Other note information

In accordance with § 91a in the regulations for financial report for insurance companies and no occupational pension funds a five-year plan is describe on the last page in the management statement.

Accounting policies

The Annual Report of Alpha Insurance A/S for 1 January - 31 December 2015 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.

Accounting policies

Consolidated financial statements (continued)

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.

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.

Accounting policies

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.

Acquisition costs

Acquisition costs are 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.

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 2015 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.

Accounting policies

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

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

Accounting policies

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.

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.

Accounting policies

Liabilities other than provisions

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