Gefion Forsikringsholding Aktieselskab

Annual Report 2015

(Østergade 10,4 1100 DK – Copenhagen K)
CVR No. 35829474

The Annual Report was presented and adopted at the Annual General Meeting of the Company on 30/4 2016

Per Bergmann
Chairman

Table of contents

Company Information

The Company

Gefion Forsikringsholding Aktieselskab
Østergade 10, 4.
DK-1100 Copenhagen K

Telephone: +45 70 60 69 00
E-mail: info@gefioninsurance.com
Web: www.gefioninsurance.com

CVR No.: 35 82 94 74
Reg. No.: 96017
Established: 2 April 2014
Financial year: 1 January – 31 December

Board of Directors

Jørn Anker-Svendsen (Chairman)
Troels Knut Rørbæk Askerud
Robert Aron Robertson

Management

Tonny Anker-Svendsen

Auditor

PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Strandvejen 44
DK-2900 Hellerup

Banks

Nykredit A/S

Danske Bank A/S

Management Review

Main activity

Gefion Forsikringsholding Aktieselskab is a Scandinavian based investment company sourcing opportunities, primarily within insurance and asset management. Our expertise is in developing specialist insurance products, delivering services and funding for European agents, cover-holders and brokers. We combine the commercial benefits of access to international markets and bespoke coverage solutions.

Gefion Forsikringsholding Aktieselskab invested in the insurance company Gefion Insurance A/S in 2014 and it is currently the only investment made. Gefion Forsikringsholding Aktieselskab is the holding company of Gefion Insurance A/S, and holds a majority of the shares in Gefion Insurance A/S. Gefion Forsikringsholding Aktieselskab increased its share capital from tDKK 50 to tDKK 500 during the year.

Gefion Forsikringsholding Aktieselskab will continue working to ensure access to sufficient capital for Gefion Insurance A/S to allow management of existing business and further growth of Gefion Insurance A/S in accordance with the agreed risk appetite of such company.

As there is currently no other business activity in Gefion Forsikringsholding Aktieselskab – Gefion Insurance A/S being the sole investment and portfolio activity - the Management review for 2015 mirrors the Management review from Gefion Insurance A/S for same period.

Management review

Gefion Forsikringsholding Aktieselskab holds a majority of all issued and outstanding shares of Gefion Insurance A/S. The remainder is held by a Swiss investor. The main activity of such portfolio company is to write direct and assumed non-life insurance risks in the EU through insurance brokers and insurance agents. Gefion Insurance A/S is primarily targeting short tail business with low catastrophe exposure and attractive loss ratios.

The operational model is based on a high degree of outsourcing of labor intensive processes thus making it highly scalable. This is reflected in the fact that most of the sales and distribution of insurance products is carried out by insurance brokers and insurance agents – operating under and in compliance with strict guidelines from Gefion Insurance A/S. All outsourced activities are regularly audited by Gefion Insurance A/S and its advisors.

Gefion Insurance A/S can write business as published on the homepage of the Danish Financial Supervisory Authority (DFSA) (finanstilsynet.dk).

Development in 2015

After having filed an application to write non-life insurance risks, Gefion Insurance A/S received its concession from the Danish FSA 12 May 2015.

Gefion Insurance A/S started writing business in the fall of 2015, so consequently the income statement mainly consists of various startup expenses such as IT systems, refurbishment of offices, consultancy fees and salaries etc.

During 2015 Gefion Insurance A/S built up a promising pipeline of potential business offered by reputable and established agents. The company prefers to enter into portfolios of insurance products with several years of proven track records – both in terms of premium income and loss ratio.

The result for the period shows a loss of tDKK 11,553, and at year-end 2015 the balance sheet of the Company shows equity of tDKK 20,807.

The result is slightly below expectations due to the license having been received later than anticipated thus affecting premium income. Start-up costs and other costs are in line with expectations.

Solvency II

During the year The Group also took steps to prepare for the introduction of the Solvency II regime effective 1 January 2016, and performed its first ORSA process and established an Actuarial Function, Risk Management Function, Compliance Function and an Internal Audit Function. All roles are introduced as a consequence of the new Solvency II regime.

The solvency requirement of Gefion Insurance A/S is calculated on the basis of a full implementation of the current Solvency II regulation, using the standard model, and amounts to tDKK 43,275 at 31 December 2015 and an adequate base capital of tDKK 55,161. This means that the Solvency II SCR required solvency margin is covered 1.3 times. The adequate base capital in Gefion Forsikringsholding Aktieselskab is tDKK 7,104 after deduction on the parent company's share of the individual solvency requirement in Gefion Insurance A/S (excess capital).

Uncertainties regarding the figures in this report

There are no significant uncertainties as to the values set out in the income statement and balance sheet of Gefion Insurance A/S and hence Gefion Forsikringsholding Aktieselskab.

If such uncertainties were to materialize Gefion Insurance A/S can either adjust the future tariffs or decide not to renew the risks affected as the company enforces a policy of writing one year policies.

Gefion Insurance A/S operates in several countries and has no strategic goal of obtaining a certain market share in any individual countries. The underwriting and resulting market share is profit driven and subject to the company's agreed risk appetite.

Furthermore it is an integral part of Gefion Insurance A/S's business model to protect the policy holders and the capital base by ceding 50-80% of its risk to quota share reinsurance and buy excess of loss reinsurance coverage limiting Gefion's maximum single claim loss to an amount of tEUR 500. As a consequence of the company's very limited risk exposure large claims will only affect the company's financial performance marginally.

Gefion Insurance A/S only buys reinsurance coverage from international reinsurance companies with a minimum rating of A- (S&P) and with local market knowledge.

Gefion will only assume new business provided such opportunities have been assessed by and passed with the approval of the company's underwriting committee – an advisory panel. The underwriting committee consists of four external non-executives with substantial experience of direct insurance, assumed insurance, insurance agencies and actuarial knowledge.

Expectations for 2016

Gefion Insurance A/S and as such Gefion Forsikringsholding Aktieselskab expects a positive development of the company's activity level with an increase in premium income and a positive result. The increase in premium income is a result of the full year effect of already on boarded agents and several new agents to be on boarded during 2016 and will lead to premium income of more than mDKK 500. Gefion Insurance A/S expects a profit in 2016 in excess of mDKK 10 and hence the outlook for Gefion Forsikringsholding Aktieselskab is positive for 2016.

A limited number of employees will be added due to the growth in business and will therefore result in a growth in the cost base. However, the growth in the cost base in 2016 is somewhat offset due to the discontinuation of startup costs. Gefion Forsikringsholding Aktieselskab does not expect to engage any employees in 2016.

Events after the balance sheet date

In the opinion of Management, from the balance sheet date to the present date, no other matters of major significance have arisen that are likely to materially influence the assessment of Gefion Insurance A/S' financial position and hence that of Gefion Forsikringsholding Aktieselskab.

Risk information

Managing and minimizing business risks is an important and fundamental part of how Gefion Forsikringsholding Aktieselskab and Gefion Insurance A/S conduct their business and the Board of Directors determines the overall policies and guidelines.

The risk management can be divided into the following areas:

Financial risk

The target is to maintain adequate capital to absorb the risks that arise from Gefion Forsikringsholding Aktieselskab's operations. As regards Gefion Insurance A/S the overall goal is to hedge against risks stemming from the company's activities or to limit such risks to a level that allows the company to maintain normal operations even in the case of adverse events in the outside world.

Insurance risk

Gefion Insurance A/S purchases both proportional and non-proportional reinsurance on the international reinsurance market. Therefore, large claims will only have limited effect on the company's finances. The Board of Directors approves the reinsurance structure on a yearly basis. The company has a self-retention of maximum tEUR 500.

Market risk

It is the company policy to invest in assets with low risk profile. Gefion Insurance A/S has in 2015 invested in bank deposits, government bonds or specific equities approved by the Board. The Board has implemented guidelines in order to manage the financial investments.

Credit risk

Credit risk is the risk of losses caused by one or more counter-parties' breach of their payment obligations. Gefion Insurance A/S is exposed to this risk both in its insurance and investment business. Within insurance it is the coverholders and reinsurance companies's ability to pay that is the major risk factor. The risk is mitigated by strict follow up procedures on the coverholders holding Gefion Insurance A/S's funds and the payment thereof to the company. Furthermore, cover is only bought from reinsurance companies with a minimum rating of A- (S&P).

Operational risk

The risk arises from losses due to insufficient or faulty procedures and policies or human or systematic errors including breakdown in IT systems.

The operations are systematized through a structure of policies, procedures and guidelines that cover all main operational areas. The policies, procedures and guidelines are frequently controlled and tested for compliance and adjusted if necessary.

Employees

Gefion Forsikringsholding Aktieselskab has no employees. The Board of Directors is identical to the Board of Directors of Gefion Insurance A/S except for one member. The Boards of Directors and Executives of Gefion Insurance A/S and the core staff, the latter totaling 11 people, have collected more than 150 years of insurance- and banking experience, and are actively empowered to share and utilize this knowledge to help its insurance brokers and insurance agents and thus their insurance customers.

Remuneration structure

Gefion Forsikringsholding Aktieselskab has no staff and pays no remuneration to its Board of Directors. Gefion Insurance A/S's remuneration policy is intended to optimize long-term value creation at a group level. In accordance with Section 77(d) of the Danish Financial Business Act and Section 139 of the Danish Companies Act the Annual General Meeting has adopted "Remuneration policy".

Besides salary policy, the remuneration policy also includes pension policies. The remuneration policy covers Board of Directors and Board of Management.

The remuneration of the Board of Management is based upon a fixed basic salary without any pension contribution. Gefion Insurance A/S has standard pension commitments towards the Executive Management and no type of pension compensation on retirement is granted to any other staff.

Individual bonuses or other types of variable salary are as a general rule not paid. The fixing of the fixed basic salary paid to the Board of Management is based on a specific assessment of the employee. In its assessment, Gefion Insurance A/S includes, among other factors, their position, characteristics and performance.

Management positions

Board of Directors

Chairman: Jørn Anker-Svendsen

- Gefion Insurance A/S (Chairman)
- Semen Ejedomsaktieselskab (Director)
- Randan A/S (Director)
- Taanimets, Estonia (Director)
- Danametz, Latvia (Director)
- Danimiskas, Lithuania (Director)

Troels Knut Rørbæk Askerud

- Kraken Ejendom A/S (Chairman)
- GICA Insurance Solutions ApS (Director)
- Sensa A/S (Director)
- Kraken A/S (Chairman)
- Selskabet af 15. September 2015 A/S (Director)
- A/S af 24. Juli 1995 (Director)
- Copenhagen Indoor Golf Center A/S (Director)
- A/S Codanova (Chairman)
- Gefion Insurance Global Solutions ApS (Director)
- Ejendomsselskabet Øresund Strandpark ApS (CEO)
- K/S Thoravej 29 (Director)
- Dance ApS (Chairman)
- Den Kongelige Danske Ballets Fond (Chairman)
- Eclectic Consulting ApS (CEO)
- Gefion Forsikringsholding Aktieselskab (Director)
- Emporium 1 ApS (CEO)
- Vich 4918 A/S (Chairman)
- Esplanaden Invest ApS (Director)
- A/S af 1. Juli 2003 (Director &CEO)
- Pecunia MIIM Anpartsselskab (Director & CEO)
- Star Box A/S (Director)
- Ejendomsselskabet Esplanaden 44 ApS (CEO)
- Star Box Holding A/S (Director)

Robert Aron Robertson

- Leclanche SA, Switzerland (Director)
- Asia Seafood Inc, S-Korea (Director)
- Kimi Sarl, Luxembourg (Director)
- Neptune Holding BV, The Netherlands (Director)
- Samskip Holding BV, The Netherlands (Director)
- Recharge A/S, (Director)
- Scotia A/S (Director)
- Gefion Insurance A/S (Director)
- Urtusker ehf, Iceland (Director)
- Oryggismidstod Islands hf, Iceland (Director)
- ASI ehf, Iceland (Director)

Board of Executives

Tonny Anker-Svendsen

- Kraken Ejendom A/S (Director)
- GICA Insurance Solutions ApS (Chairman)
- Kraken A/S (Director)
- TAS Group ApS (Chairman & CEO)
- TAS Group Ejendomme ApS (CEO)
- UCAP Holding A/S (Director)
- Gefion Insurance Global Solutions ApS (Chairman)
- Anker-Svendsen ApS (Director and CEO)
- TAS 1-Rudkøbing ApS (CEO)
- TAS 2 Toftebakken ApS (CEO)
- UCAP Asset Management Fondsmæglerselskab A/S (Director)
- Gefion Forsikringsholding Aktieselskab (CEO)

Financial 5 year summary for the Group
DKK 000

	2015	2/4-31/12 2014
Gross premium income	8,424	0
Gross claims incurred	-5,029	0
Total insurance operating costs	-26,547	-2,536
Result of ceded business	-928	0
Insurance technical result	-24,505	-2,536
Return on investments after insurance technical interest	-145	-53
Profit for the year	-11,553	-1,186
Run-off result, net of reinsurance	0	0
Total insurance technical provisions	13,667	0
Total insurance assets	9,344	0
Total equity	20,807	-1,136
Total assets	100,921	56,941

Key ratios

Gross claims ratio	60%	N/A
Gross expense ratio	315%	N/A
Reinsurance ratio	11%	N/A
Combined ratio	386%	N/A
Operating ratio	386%	N/A
Relative run-off result	0%	N/A
Return on equity after tax	-118%	N/A
Solvency ratio	1.8	N/A

Gross claims ratio
(Gross claims incurred/gross premium income)*100
Gross expense ratio
(Total insurance operating costs/gross premium income)*100
Reinsurance ratio
(Result of ceded business/gross premium income)
Combined ratio
(Gross claims ratio+expense ratio+reinsurance ratio)
Operating ratio
(Combined ratio, where allocated return on investments is added to the gross premium income)
Relative run-off result
(Result for the year/the average equity)*100
Solvency ratio
(Base capital/capital requirement)

Statement by the Management

Today the Board of Directors and the Management have considered and adopted the Annual Report of Gefion Forsikringsholding Aktieselskab for the financial year 1 January – 31 December 2015.

The Annual Report has been prepared in accordance with the Financial Business Act and the Danish Financial Supervisory Authority Order on financial reporting requirements for financial holding companies.

We consider the adopted accounting policies to be appropriate and in our opinion, the Annual Report gives a true and fair view of the Group and the Company's assets, liabilities and financial position at 31 December 2015 and of the results of the Group and the Company's operations for the financial year 1 January – 31 December 2015.

We believe that the management review contains a fair review of the development of the Company's activities and financial position.

We recommend that the Annual Report be approved at the Annual General meeting.

Copenhagen April 30th 2016

Management

Tonny Anker-Svendsen
CEO

Board of Directors

Jørn Anker-Svendsen
Chairman

Robert Aron Robertson

Troels Knut Rørbæk Askerud

Independent Auditor's Report

To the Shareholders of Gefion Forsikringsholdings Aktieselskab

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 Gefion Forsikringsholdings Aktieselskab for the financial year 1 January – 31 December 2015, which comprise income statement, balance sheet, statement of changes in equity, notes and summary of significant accounting policies. The Consolidated Financial Statements and the Parent Company Financial Statements are prepared in accordance with the 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 the Parent Company Financial Statements that give a true and fair view in accordance with the Financial Business Act, and for such internal control as 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.

Auditor's 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 whether the Consolidated Financial Statements and the Parent Company Financial Statements are free from material misstatement.

An audit involves performing audit procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements and the Parent Company Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Consolidated Financial Statements and the Parent Company Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation of Consolidated Financial Statements and Parent Company Financial Statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Management, as well as evaluating the overall presentation of the Consolidated Financial Statements and the Parent Company Financial Statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

The audit has not resulted in any qualification.

Opinion

In our opinion, the Consolidated Financial Statements and the Parent Company Financial Statements give a true and fair view of the financial position of the Group and the Company at 31 December 2015 and of the results of the Group and the Company operations for the financial year 1 January - 31 December 2015 in accordance with the Financial Business Act.

Statement on Management's review

We have read Management's Review in accordance with the Financial Business Act. We have not performed any procedures additional to the audit of the Consolidated Financial Statements and the Parent Company Financial Statements. On this basis, in our opinion, the information provided in Management's Review is consistent with the Consolidated Financial Statements and the Parent Company Financial Statements.

Hellerup, 30th April 2016
PricewaterhouseCoopers
Statsautoriseret Revisionspartnerselskab
Cvr.nr. 33 77 12 31

Jesper Edelbo
State Authorized Public Accountant

Claus Christensen
State Authorized Public Accountant

Income statement for 1 January- 31 December in DKK 000

Parent Company 2/4-31/12 2014	Parent Company 2015	Note		Group 2015	Group 2/4-31/12 2014
0	0	1-2	Gross premiums	20,274	0
0	0		Insurance premiums ceded	-15,114	0
0	0		Change in premium provisions	-11,850	0
0	0		Change in reinsurer's share of premium provisions	7,823	0
0	**0**		**Premium income net of reinsurance, total**	**1,133**	**0**
0	**0**		**Insurance technical interest**	**-2**	**0**
0	0		Gross claims paid	-75	0
0	0		Reinsurance cover received	53	0
0	0		Change in gross claims provisions	-4,954	0
0	0		Change in reinsurers' share of claims provisions	3,650	0
0	**0**	4	**Costs of claims net of reinsurance, total**	**-1,326**	**0**
0	0		Aquisistion costs	-3,518	0
-1	-54	5-6	Administrative expenses	-23,452	-2.536
0	0		Reinsurance comissions and profit participations with reinsurers	2,660	0 0
-1	**-54**		**Insurance operating costs net of reinsurance, total**	**-24,310**	**-2,536**
-1	**-54**		**Insurance technical result**	**-24,505**	**-2,536**
-1,255	-11,510		Income from participating interests in affiliated Companies	0	0
92	0		Interest income and dividend etc.	20	516
0	0	7	Currency and marketable securities adjustments	-150	0
0	-1		Interest expenses	-14	569
0	0		Administrative expenses relating to investment activities	-3	0
-1,163	**-11,510**		**Return on investments, total**	**-147**	**-53**
0	**0**	3	**Return on technical provisions**	**2**	**0**
-1,163	**-11,510**		**Return on investments after insurance technical interest**	**-145**	**-53**

Income statement for 1 January- 31 December in DKK 000

Parent Company 2014	Parent Company 2015	Note		Group 2015	Group 2014
0	0		Other income	0	0
0	0		Other expenses	0	0
-1,164	-11,565		**Net profit before tax**	-24,650	-2,589
-22	12	8	Tax on net result	5,423	567
-1,186	-11,553		**Net profit for the year**	-19,227	-2,022
0	0		**Minority shareholders part**	7,674	836
-1,186	-11,553		**Total income statement**	-11,553	-1,186
-1,186	-11,553		Net profit for the year	-11,553	-1,186
0	0		Other total income	0	0
-1,186	-11,553		**Total income for the year**	-11,553	-1,186

Balance sheet as at 31 December in DKK 000

Assets

Parent Company 2014	Parent Company 2015	Note		Group 2015	Group 2014
0	0	9	Software	1,176	0
0	**0**		**Intangible assets, total**	**1,176**	**0**
0	0	10	Office equipment, etc.	872	0
0	0	11	Leasehold improvements	1,284	306
0	**0**		**Tangible assets, total**	**2,156**	**306**
32,333	20,823	12	Shares in affiliated companies	0	0
2,833	20		Loans to affiliated companies	0	0
35,166	**20,843**		**Investments in affiliated companies, total**	**0**	**0**
0	0		Equities	38,601	0
0	0		Bonds	15,696	0
0	**0**		**Other financial investment assets, total**	**53,757**	**0**
35,166	**20,843**		**Investment assets, total**	**53,757**	**0**
0	0		Reinsurers' share of premum provisions	5,694	0
0	0		Reinsurers' share of claims provisions	3,650	0
0	**0**		**Reinsurers' share of provisions for insurance contracts, total**	**9,344**	**0**
0	0		Amounts receivable from policy holders	0	0
0	0		Amounts receivable from intermediaries	11,206	0
0	**0**		**Amounts receivable in connection with direct insurance contracts, total**	**11,206**	**0**
0	0		Amounts receivable from affiliated companies	0	0
13	0		Other amounts receivable	1,612	13
13	**0**		**Amounts receivable, total**	**1,612**	**13**

Balance sheet as at 31 December in DKK 000

Assets

Parent Company 2014	Parent Company 2015	Note		Group 2015	Group 2014
0	12	13	Deferred tax asset	6,012	589
186	0		Cash and bank deposits	15,365	56,033
0	0		Other assets	0	0
186	**12**		**Other assets, total**	**21,377**	**56,622**
0	0		Accrued interest income	125	0
0	0		Other prepayments	168	0
0	**0**		**Prepayments and accrued income, total**	**293**	**0**
35,365	**20,855**		**Total assets**	**100,921**	**56,941**

Balance sheet at 31 December in DKK 000

Liabilities and equity

Parent Company 2014	Parent Company 2015	Note		Group 2015	Group 2014
50	500		Share capital	500	50
-1,186	20,307		Retained earnings	20,307	-1,186
-1,136	**20,807**	14	**Equity, total**	**20,807**	**-1,136**
0	**0**		**Minority shareholder part of equity**	**13,882**	**21,555**
0	**0**	14	**Subordinated loan**	**38,061**	**0**
0	**0**		**Subordinated loans, total**	**38,061**	**0**
0	0		Premium provisions, gross	8,713	0
0	0		Claims provisions, gross	4,954	0
0	0		Other insurance provisions, for own account	0	0
0	**0**		**Technical provisions, total**	**13,667**	**0**
0	0		Deferred tax liability	0	0
0	0		Provisions for pension	0	0
0	**0**		**Provisions, total**	**0**	**0**
0	**0**		**Reinsurance deposit**	**0**	**0**
0	0		Amounts payable in connection with direct insu.	0	0
0	0		Amounts payable in connection with reinsurance	9,843	0
124	1		Amounts payable to credit institutions	1	124
36,326	0		Amounts payable to affiliated companies	0	36,326
51	47		Other payables	4,660	72
36,501	**48**		**Liabilities other than provisions, total**	**14,504**	**36,522**
0	**0**		**Accruals and deferred income**	**0**	**0**
35,365	**20,855**		**Liabilities and equity, total**	**100,921**	**56,941**

15 Group Companies
16 Related parties etc.
17 Information on sensitivity
18 Securities
19 Contigent liabilities
20 Other note information
21 Accounting policies

Statement of changes in equity in DKK 000

2015

Parent company

	Share capital	Profit carried forward	Total
Shareholders' equity at 31 December 2014	50	-1,186	-1,136
Profit for the period	0	-11,553	-11,553
Other comprehensive income	0	0	0
Total comprehensive income	0	-12,739	-12,689
Increase of share capital in 2015	450	33,046	33,496
Shareholders' equity at 31 December 2015	**500**	**20,307**	**20,807**

Group

	Share capital	Profit carried forward	Total
Shareholders' equity at 31. December 2014	50	-1,186	-1,136
Profit for the period	0	-11,553	-11,553
Other comprehensive income	0	0	0
Total comprehensive income	0	-12,739	12,689
Increase of share capital in 2015	450	33,046	33,496
Shareholders' equity at 31. December 2015	**500**	**20,307**	**20,807**

2014

Parent company

	Share capital	Profit carried forward	Total
Shareholders' equity at 2 April 2014	0	0	0
Profit for the period	0	-1,186	-1,186
Other comprehensive income	0	0	0
Total comprehensive income	0	-1,186	-1,186
Increase of share capital in 2014	50	0	50
Shareholders' equity at 31 December 2014	**50**	**-1,186**	**-1,136**

Group

	Share capital	Profit carried forward	Total
Shareholders' equity at 2 April 2014	0	0	0
Profit for the period	0	-1,186	-1,186
Other comprehensive income	0	0	50
Total comprehensive income	0	-1,186	-1,186
Increase of share capital in 2014	50	0	50
Shareholders' equity at 31 December 2014	**50**	**-1,186**	**-1,136**

Notes

in DKK 000

Note 1 – Insurance technical result (Classes of business) for the Group

2015	**Fire etc. Commercial**	**Motor Liability**	**Motor Hull**	**Various**	**Total**
Gross premiums	7,245	5,926	4,971	2,132	20,274
Gross premium income	3,455	3,859	541	569	8,424
Gross claims incurred	-2,059	-2,308	-323	-339	-5,029
Gross operating expenses	-9,638	-7,883	-6,613	-2,836	26,970
Net result reinsurance	-279	-439	-120	-90	-928
Technical interest for own account	0	-1	-1	0	-2
Technical result	**-8,521**	**-6,772**	**-6,516**	**-2,696**	**-24,505**
Number of claims incurred		33	14		47
Average value of claims incurred		15	26		18
Annual frequency of claims		0.002%	3%		0.003%

Parent Company 2014	**Parent Company 2015**		**Group 2015**	**Group 2014**
		Note 2 - Gross premium income		
-	-	Gross Premiums	20,274	0
-	-	Change in gross premium provisions	-11,850	0
-	-	**Gross premium income**	**8,424**	**0**
		Gross premium income direct business by location of the risk:		
-	-	Denmark	139	0
-	-	Other EU countries	8,285	0
-	-	Other countries	0	0
-	-	**Direct insurance**	**8,424**	**0**
		Note 3 - Insurance technical interest, net of reinsurance		
-	-	Calculated interest	-2	0
-	-	Discounting (annual amortisation) of technical provisions and reinsurers' share	-	-
-	-	**Insurance technical interest, net of reinsurance**	**-2**	**0**

Parent Company 2014	2015	Note 4 - Run-off result	Group 2015	2014
0	0	Gross business	0	0
0	0	Reinsurance ceded	0	0
0	0	**Run-off result net of reinsurance**	0	0

Note 5 - Auditors' fee

Fee for the auditors elected by the Annual General Meeting

PricewaterhouseCoopers:

Parent Company 2014	2015		Group 2015	2014
-	98	Fee for statutory audit of the annual accounts	557	20
-	19	Fee for other assurance engagements	19	0
-	0	Fee for tax advisory services	19	0
-	0	Fee for other advisory services	631	0
-	117		1,226	0

Note 6 - Staff costs

Total staff costs can be specified as follows:

Parent Company 2014	2015		Group 2015	2014
-	-	Wages and salaries	7,907	0
-	-	Pensions	0	0
-	-	Other expenses to social security	31	0
-	-	Payroll tax	1,003	0
-	-		8,941	0
-	-	Average number of employees	8	0
-	-	Board of Executive (1 person)	1,546	0
-	-	Board of Directors (3 persons)	338	0
-	-		1,884	0

The Board of Executive and Board of Directors of Gefion Forsikringsholding Aktieselskab do not receive any fee for their work in relation to Gefion Forsikringsholding Aktieselskab.

Significant risk takers

No other than the Board of Executive has a significant impact on the company's risk profile.

Note 7 - Currency and marketable securities adjustments

Parent Company 2014	2015		Group 2015	2014
-	-	Unrealized marketable adjustments on bonds and equities	-115	0
-	-	Realized marketable adjustments on bonds	0	0
-	-	Currency adjustments	-35	0
-	-	Discounting	0	0
-	-		-150	0

Parent company 2/4-31/12 2014	Parent company 2015		Group 2015	Group 2/4-31/12 2014
		Note 8 - Tax on net results		
		Tax on taxable result of the year:		
-22	12	Adjustment of deferred tax	5,423	567
-22	12		5,423	567
		Tax on net results can be specified as follows:		
-22	12	Calculated 23.5% (24,5%) tax on net profit before tax	5,792	567
0	0	Tax value of not tax deductible costs	0	0
-	-	Adjustment as a consequence of future change in tax rate	-369	0
-22	12		5,423	567
		Note 9 - Intangible assets - software		
-	-	Cost at 1 January	0	0
-	-	Additions during the year	1,411	0
-	-	Cost at 31 December	1,411	0
-	-	Impairment and depreciation at 1 January	0	0
-	-	Depreciation for the year	235	0
-	-	Impairment and depreciation 31 December	235	0
-	-	**Net asset value at 31 December**	1,176	0
		Note 10 - Tangible assets - office equiptment etc.		
-	-	Cost at 1 January	0	0
-	-	Additions during the year	918	0
-	-	Cost at 31 December	918	0
-	-	Impairment and depreciation at 1 January	0	0
-	-	Depreciation for the year	46	0
-	-	Impairment and depreciation at 31 December	46	0
-	-	**Net asset value at 31 December**	872	0

Parent Company 2014	Parent Company 2015	Note 11 - Tangible assets - Leasehold improvements	Group 2015	Group 2014
-	-	Cost at 1 January	322	0
-	-	Additions during the year	1,062	322
		Cost at 31 December	1,384	322
-	-	Improvement and depreciation at 1 January	16	0
-	-	Depreciation for the year	84	16
-	-	Improvement and depreciation at 31 Decemeber	100	16
-	-	Net asset value 31 Decemeber	1,284	306

Note 12 – Shares in affiliated companies

	2015	2014
Cost at 1 January	33,588	0
Additions during the year	0	33,588
Cost at 31 December	33,588	33,588
Revaluation at 1 January	-1,255	0
Share of profit/loss for the year	-11,510	-1,255
Revaluation of 31 December	-12,765	-1,255
Carrying amount at 31 December	20,823	32,333

Shares in affiliated companies are specified as follows:

Name	Reg. Office	Ownership share	Share capital	Equity	Net profit/loss for the year
Gefion Insurance A/S	Copenhagen	60%	55,980	34,705	-19,184

Parent Company 2014	Parent Company 2015		Group 2015	Group 2014
		Note 13 - Deferred tax		
-1,186	-11,553	Financial result	-11,553	-1,186
0	12	Deferred tax	5,423	567
		Recognized as:		
0	12	Deferred tax assets	6,012	589
0	12		6,012	589

Parent Company 2014	Parent Company 2015	**Note 14 - Base capital**	Group 2015	Group 2014
N/A	20,807	Equity at 31 December	20,807	N/A
N/A	8,674	Base capital in subsidiary in excess of solvency requirement	8,674	N/A
N/A	-12	Deferred tax assets	-12	N/A
N/A	-	Discounting of reserves	-	N/A
N/A	-	Intangible assets	-	N/A
N/A	29,469	Base capital at 31 December	29,469	N/A
N/A	-16,650	Solvency requirements in subsidiary	-16,650	N/A
N/A	12,819	Excess capital at 31 December	12,819	N/A
N/A	1,8	Solvency ratio	1,8	N/A

Share capital

The company's share capital comprises of 500,000 shares of a nominal value of DKK 1. No shares carry any special rights.

Movements in share capital:

Establishment 2nd April 2014	50,000
Capital increase 29th June 2015	450,000
	500,000

Subordinated Loan

The subordinated loan of EUR 5,100,259 is made the 30th of December 2015, with a fixed interest of 8% per annum. The interest shall be payable only in connection with the repayment of the principal.

The subordinated loan is not redeemable until prior DFSA consent has been obtained, and is included in the Base capital at 31st of December 2015 with tDKK 21,638.

Note 15 - Group Companies

Name	Registred office	Share Capital	Ownership %	Equity	Net income
Gefion Insurance A/S	Copenhagen	EUR 7,500,000	60%	34,705	-19,184
GICA Ins. Solutions ApS	Copenhagen	DKK 50,000	100%	- *	- *
Gefion Ins. Global Solutions ApS	Copenhagen	DKK 50,000	100%	- *	- *

* Companies that have not yet filed their first annual report.

Note 16 - Related parties, etc.

Related parties to Gefion Forsikringsholding Aktieselskab comprise the following:

Ownership

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

Anker-Svendsen ApS, Lille Fredensvej 12, 2920 Charlottenlund
Emporium 1 ApS, Nyhavn 53, 1051 København K

Note 17 - Information on sensitivity
Effect on Equity

Parent Company 2014	Parent Company 2015	Event	Group 2015	Group 2014
-	-	Increase in interest rate of 0.7%	-48	0
-	-	Decrease in interest rate of 0.7%	48	0
-	-	Decrease in share prices by 12%	-4,567	0
-	-	Foreign currency risk (VaR 99.0%)	-243	0

Note 18 - Securities

As security for technical provisions the following assets have been registered:

Parent company 2014	Parent company 2015		Group 2015	Group 2014
-	-	Bonds	15,696	0
-	-	Deposits with credit institutions	465	0
-	-	Accrued interest	0	0
-	-	Reinsurance contracts	0	0
-	-		16,161	0

Note 19 – Contingent liabilities

The Company and the subsidiary, Gefion Insurance A/S, are jointly liable for A-tax and payroll tax etc. and VAT and company tax chargeable to the jointly registered companies.

The Group has entered into leasing contracts with accumulated leasing payments of tDKK 2,606 over the next 27 months.

The Group has entered into a tenancy agreement with accumulated rent payments of tDKK 880 over the next 6 months.

Note 20 – Other note information

In accordance with § 91a in the Danish executive order on financial reports for insurance companies and lateral pension funds the 5 year summary is the last page of Management review, see page no. 10. For further details see "Risk information" page nos. 6 and no. 7 in Management review.

Note 21 - Accounting policies

The Annual Report is presented in accordance with the Financial Business Act and the accounting regulations stipulated for insurance holding companies.

The Annual Report covers the period 1 January – 31 December 2015 and is presented in DKK 000.

The Annual Report is presented in accordance with the Financial Business Act whereas the 2014 annual report was presented in accordance with the Danish Financial Statements Act. As such the applied accounting policies have changes compared to last year. The change in applied accounting policies have not affected the net profit for the year, total assets or equity. Changes are mainly related to the presentation and notes in the Annual Report.

Accounting estimates and judgments

In the preparation of the accounts, estimates and judgments have been used which affect the size of assets and liabilities and consequently the results in this and subsequent year.

Such estimates and judgments are most material to the following sections of the accounts:

- Measurement of equities and bonds
- Provisions regarding outstanding claims

Measurement of equities and bonds

The management makes estimates and assumptions when measuring financial investment assets primarily related to equities and bonds. Listed equities and bonds are valued at the market price whereas unlisted bonds and equities are valued based on reportings etc. from investment managers etc. or via the latest official annual reports.

Provisions regarding outstanding claims

The provisions risk is significant, in particular for lines with a long period of claims settlements.

Over the period of settlements the levels of compensation could be significantly affected by any changes in legislation, case-law or practice in the award of damages adopted.

Recognition and measurement

Revenues are recognized in the income statement as earned. Furthermore, value adjustments of financial assets and liabilities measured at fair value or amortized cost are recognized. Moreover, all expenses incurred to achieve the earnings for the year are recognized in the income statement, including depreciation, write downs, provisions and reversals due to changed accounting estimates of amounts previously recognized in the income statement.

Assets are recognized for in the balance sheet, when it is likely, that future financial advantages will flow to the company, and the values of the assets can be measured in a reliable way.

Liabilities are recognized for in the balance sheet, when the company has a legal or actual liability, as the consequence of an earlier occurrence, and when it is likely, that future financial benefits will be deducted by the company, and the value of the liability can be measured in a reliable way. Income is accounted for in the income statement when it is earned, whereas costs are accounted for with the amounts, which can be related to this accounting year.

Value adjustments of financial assets and liabilities are accounted for in the income statement, unless otherwise stated above.

Recognition and measurement take into account predictable losses and risks occurring before the presentation of the Annual Report which confirm or invalidate affairs and conditions existing at the balance sheet date.

Translation policies

Transactions in foreign currencies are translated at the exchange rates at the dates of transaction. Gains and losses arising due to differences between the transaction date rates and the rates at the dates of payment are recognized in financial income and expenses in the income statement. Where foreign exchange transactions are considered hedging of future cash flows, the value adjustments are recognized directly in equity.

Receivables, payables and other monetary items in foreign currencies that have not been settled at the balance sheet date are translated at the exchange rates at the balance sheet date. Any differences between the exchange rates at the balance sheet date and the transaction date rates are recognized in financial income and expenses in the income statement.

Fixed assets acquired in foreign currencies are measured at the transaction date rates.

Consolidated Financial Statements

The Consolidated Financial Statements comprise the Parent Company, Gefion Forsikringsholding Aktieselskab and subsidiaries in which Gefion Forsikringsholding Aktieselskab directly or indirectly holds more than 50% of the votes or in which the Parent Company otherwise exercises control. Enterprises in which the Group holds between 20% and 50% of the votes and exercises significant influence but not control are classified as associates.

On consolidation, elimination is made of intercompany income and expenses, shareholdings, dividends and accounts as well as of realised and unrealised profits and losses on transactions between the consolidated enterprises.

Investments in subsidiaries are set off against the proportionate share of the market value of net assets / and liabilities of subsidiaries at the time of acquisition.

Newly acquired or newly founded enterprises are recognised in the Consolidated Financial Statements as from the date of acquisition. Sold or wound up enterprises are recognised in the consolidated income statement until the date of disposal. Comparative figures are not restated in respect of newly acquired, sold or wound up enterprises.

On acquisition of new enterprises, the acquisition method is applied under which identified assets and liabilities of the newly acquired enterprises are measured at fair value at the date of acquisition. Provision is made to cover costs relating to resolved and published restructurings of acquired enterprises in connection with the acquisition. The tax effect of the reassessments made is taken into consideration.

Positive differences (goodwill) between cost and fair value of identified assets and liabilities taken over, including provisions for restructuring, are recognised in intangible assets and annually tested for impairment. Any negative differences (negative goodwill) which correspond to expected unfavourable developments in the enterprises concerned are recognised in the income statement at the time om acquisition.

Profit or loss on sale or winding-up of subsidiaries and associates is stated as the difference between the selling price or the winding-up sum and the carrying amount of net assets at the time of sale as well as expected selling or winding-up costs.

Minority interests

On statement of group results and group equity, the shares of results and equity of subsidiaries attributable to minority interests are recognised as separate items in the income statement and the balance/ sheet. Minority interests are recognised on the basis of a remeasurement of acquired assets and liabilities to fair value at the time of acquisition of subsidiaries.

On subsequent changes to minority interests, the changed share is included in results as of the date of change.

Premium income at own account

Premium income are the premiums which the company in the accounting period has received, paid or has posted as receivables and payables for direct and indirect insurance contracts, and reinsurance contracts, where the insurance period has started before the end of the accounting year with deduction of premiums ceded to reinsurance companies. Changes in premium provision are part of this.

Claims expense at own account

Claims expenses are calculated as the paid claims for the year with added internal and external expenses for claims handling and other direct and indirect expenses in connection with claims surveys with deduction of reinsurance companies' share. Changes in claims provisions are part of this.

Acquisition costs

Includes provisions for possible future profit commissions to be settled.

Bonus and premium rebates

Includes bonus to customers who have had positive claims ratios for the period. The criteria are set and based on percentages of net premiums less claims incurred. These criteria are set prior to the accounting period or at purchase of the insurance.

Administration costs

Administration costs are the costs, which are held in relation to the renewal and handling the insurance portfolio including staff costs, rent, consulting fees etc. The administration costs are accounted for on an accrual basis. Depreciation is included in administration costs.

Investment income

Investment income is split on insurance and investment income. Herein are realized and unrealized gains and losses etc. and interest income.

Income from investments in affiliated companies

The income statement includes the proportionate share ofthe net profits of the individual subsidiaries after full elimination of internal profit/loss.

Insurance technical interest at own account

Part of total results of financial operation relates to insurance operations and has been transferred to that part of the income statement. The transfer is a yearly calculated yield of average total technical reserves at own account for the year times an average interest set by the FSA.

Tax on net result

Tax for the period, which consists of current tax for the period and changes in deferred tax is recognized in the income statement by the portion attributable to the profit / loss for the year and recognized directly on equity by the portion attributable to entries directly on equity.

The current tax payable or receivable is recognized in the balance sheet, stated as tax calculated on this period's taxable income adjusted for prepaid tax.

Deferred tax is recognized on all temporary differences between the carrying amount and tax based value of assets and liabilities.

Deferred tax assets, including the tax base of tax loss carry forwards, are recognized in the balance sheet at their estimated realizable value either as a set-off against deferred tax liabilities or as net tax assets.

The actual tax is distributed between any jointly taxed Danish subsidiaries in relation to their taxable income (full distribution with reimbursement of taxable losses). The jointly taxed companies are part of the on account tax system.

Balance sheet

Intangible assets

Intangible assets are measured at cost less accumulated depreciation/amortization and impairment losses calculated on the basis of the expected useful lives of the assets.

The following useful lives are applied to the individual assets:

Software	3 years

Tangible assets

Leasehold improvements and office furniture etc. are measured at cost less accumulated depreciation and less any accumulated impairment losses.

Cost comprises the cost of acquisition and expenses directly related to the acquisition up until the time when the asset is ready for use. In the case of assets of own construction, cost comprises direct and indirect expenses for labour, materials, components and sub-suppliers.

Depreciation based on cost reduced by any residual value is calculated on a straight-line basis over the expected useful lives of the assets, which are:

Leasehold improvements	up to 10 years
Office furniture etc.	up to 10 years

Leases

Leases relating to property, plant and equipment in terms of which the Company assumes substantially all the risks and rewards of ownership (finance leases) are recognized in the balance sheet as assets. On initial recognition, the assets are measured at cost which corresponds to fair value or (if lower) the net present value of the future lease payments. When calculating the net present value, the interest rate implicit in the lease or an approximated value is applied as the discount rate. Finance leases are then depreciated under the same policy as determined for the other fixed assets of the Company.

The remaining lease obligation is capitalized and recognized in the balance sheet under debt, and the interest element in the lease payments is charged over the lease term to the income statement.

All other leases are considered operating leases. Payments made under operating leases are recognized in the income statement over the term of the contract. The Company's total operating lease and rental obligations are disclosed under contingent assets and liabilities.

Shares in affiliated companies

Shares in affiliated companies are measured under the equity method according to the accounting policies of the Parent Company with deduction or addition of unrealized intercompany profits and losses and with addition or deduction of the remaining value of positive or negative goodwill stated under the acquisition method.

Investments in group enterprises are measured in the balance sheet at the proportionate share of the net asset value of the enterprises stated under the accounting policies of the Parent Company with deduction or addition of unrealized intercompany profits and losses.

Group enterprises with a negative net asset value are recognized at DKK 0, and any receivables from these enterprises are written down by the Parent Company's share of the negative net asset value to the extent they are considered irrecoverable. If the negative net asset value exceeds the receivables, the remaining amount is recognized under liabilities to the extent that the Parent Company has a legal or constructive obligation to cover the negative balance of the enterprise.

Net revaluation of investments in group enterprises is transferred to reserve for net revaluation in equity under the equity method to the extent the carrying amount exceeds cost less goodwill amortization.

On acquisition of investments in group enterprises, goodwill on consolidation is measured at cost less accumulated amortization and impairment losses. Goodwill is amortized on a straight-line basis over the expected useful life.

Equities and bonds

Securities recognized under financial investment assets comprise listed bonds measured at fair value (quoted price) at the balance sheet date. Unlisted equities are measured to the latest known financial reportings from the asset managers or other available financial information.

Receivables

Receivables are measured at amortized cost usually equaling nominal value less provisions for bad debts.

Prepayments

Prepayments comprise prepaid expenses relating to subsequent years.

Deposits credit institutions / ash at bank

All assets are placed in own bank accounts and deposits and are fully separated from the parent company. These comply with separate instructions accepted by the Board.

Deposits comprise investments in Money Market Accounts

Provision for premiums

Provisions for premiums are provided to cover obligations and amounts for unexpired risk periods for insurance contracts in force. The provisions are calculated prorated based on inception and expire dates.

Claims provisions

Provision for claims is the amount for covering claims and costs on insurance events occurred in the accounting year or prior to that year.

The claims reserves are calculated as the sum of the amounts, which the company to the best of its knowledge expects to be liable to pay in connection with the insurance events occurred until the day of the balance exceeding the amounts that have already been paid in connection with these insurance events.

The claims reserves also contain amounts which the company to the best of its knowledge expects to pay for direct and indirect costs in connection with the resolving of the claims reserves that year end is reserved for liability in connection with claims, that has not yet been paid. This also applies to direct and indirect costs in connection with these claims. The claims reserves are discounted, dependent on line of business and expected payment patterns.

Provision for bonus and rebates

Provision for bonus and rebates includes bonus to customers who have had positive claims ratios.

Accrued tax and deferred tax

Current tax liabilities and receivables are recognized in the balance sheet as the expected taxable income for the year adjusted for tax on taxable incomes for prior years and tax paid on account.

Deferred income tax is measured using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities. In cases where the tax base may be calculated according to alternative tax rules, eg. In respect of shares, deferred tax is measured on the basis of the intended use of the asset and settlement of the liability, respectively.

Deferred tax assets, including the tax base of tax loss carry-forwards, are measured at the value at which the asset is expected to be realized, either by elimination in tax on future earnings or by set-off against deferred tax liabilities within the same legal entity. Any deferred net tax assets are measured at net realizable value.

Deferred tax is measured on the basis of the tax rules and tax rates that will be effective under the legislation at the balance sheet date when the deferred tax is expected to crystallize as current tax. Changes in deferred tax due to changes in tax rates are recognized in the income statement.

The Company is jointly taxed with the group enterprises. The tax effect of the joint taxation is allocated to Danish enterprises showing profits or losses in proportion to their taxable incomes.

Debts

Financial liabilities are recognized initially at the proceeds received net of transaction expenses incurred. Subsequently, financial liabilities are measured at amortised cost corresponding to the capitalized value when applying the effective interest rate; the difference between the proceeds and the nominal value is recognized as an interest in the income statement over the loan period.

Financial liabilities also include the capitalized remaining lease obligation relating to finance leases.

Other debt is measured at amortised cost corresponding to nominal value.