

# IHI Holding A/S

CVR registration no.: 25 59 25 57

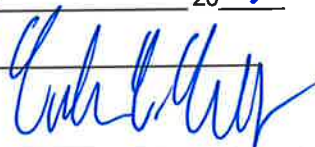
## Annual Report 2014

*15th financial year*

The Annual Report was presented and approved at the Annual General Meeting of the Company:

Dated 20 May 20 15

Chairman of the Meeting



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STATEMENT BY THE BOARD OF DIRECTORS AND THE MANAGEMENT BOARD

The Board of Directors and the Management Board have today reviewed and approved the Annual Report for the financial year 1 January – 31 December 2014 for IHI Holding A/S.

The Annual Report has been presented in accordance with the Danish Financial Statements Act.

It is our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2014, and of the results of the Company's operations for the period 1 January – 31 December 2014.

It is furthermore our opinion that the financial statements give a true and fair view of the Company's assets, liabilities and financial position as at 31 December 2014, and of the results of the Company's operations for the period 1 January – 31 December 2014.

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

Copenhagen, 19 May 2015

**Management Board**

Jan Oluf Madsen  
Managing Director

**The Board of Directors**

Escalona De Molina Miguel Jesus  
Chairman

Dean James Pollard

Jan Oluf Madsen

Penny Dudley

## INDEPENDENT AUDITORS' REPORT

TO THE SHAREHOLDERS OF IHI HOLDING A/S

### Independent auditors' report on the financial statements

We have audited the financial statements of IHI Holding A/S for the financial year 1 January – 31 December 2014. The financial statements comprise accounting policies, income statement, balance sheet, statement of changes in equity and notes. The financial statements are prepared in accordance with the Danish Financial Statements Act.

### Management's responsibility for the financial statements

Management is responsible for the preparation of 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 financial statements that are free from material misstatements, whether due to fraud or error.

### Auditors' responsibility

Our responsibility is to express an opinion on the 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 financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the 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 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 financial statements.

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

Our audit has not resulted in any qualification.

### Opinion

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

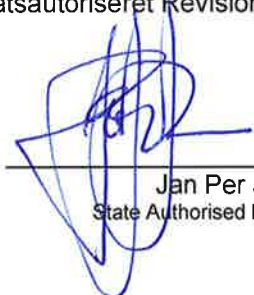
### Statement on the Management's review

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

Copenhagen, 19 May 2015

### KPMG

Statsautoriseret Revisionspartnerselskab



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Jan Per Jensen  
State Authorised Public Accountant



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Anja Bjørnholt Lüthcke  
State Authorised Public Accountant

## MANAGEMENT'S REVIEW

### Company Details

#### IHI Holding A/S

Address:	Palaegade 8 DK-1261 Copenhagen K Denmark
Registration no.:	25592557
Established:	1 September 2000
Registered office:	Copenhagen
Financial year:	15 <sup>th</sup> financial year
Financial period:	1 January – 31 December
Board of Directors	Escalona De Molina Miguel Jesus, Chairman Dean James Pollard Jan Oluf Madsen Penny Dudley
Management Board	Jan Oluf Madsen
Auditors	KPMG Statsautoriseret Revisionspartnerselskab CVR-no. 2557 8198 Amerika Plads 38 DK-2100 Copenhagen Ø
Annual General Meeting:	The ordinary Annual General Meeting is held on 20 May 2015.

## MANAGEMENT'S REVIEW

### Operating review

We hereby present the Annual Report for the Company's 15<sup>th</sup> financial year.

### Principal activities of the Company

#### Vision and main activity

IHI Holding A/S' sole activity is to own the share capital in IHI Danmark a/s.

### Development in activities and financial position

#### Profit/loss for the year

The profit for the year after tax amounts to DKK 1,460.1m, corresponding to an average return on equity of 52.8%.

The profit of the Company has been generated from the subsidiary's shares in Forsikringens DataCenter A/S (FDC) by a disappointing loss of DKK 3.5m, whilst the subsidiary's shares in Bupa Insurance Limited (BINS) paid an interim dividend of DKK 842.2m and increased their value by 26%, corresponding to a very satisfactory profit of total DKK 1,464.6m.

The BINS shares revaluation includes a 7% increase in the GBP exchange rate in 2014, amounting to DKK 175.6m and the adjustment of the net present valuations of the expected future operational results, impacting the BINS shares revaluation positively by 47% or a gain of DKK 1,289.1m.

Retrospectively last 6 years reflects value increases of 22% in the GBP exchange rate against DKK and then 33% of the net present value of the future expected profits or total value increase of the BINS shares 62%.

Tax gain for the year amounts to DKK 0.1m. The current tax receivable is a net dispute amount of DKK 4.3m, which is expected to be paid back to the Company.

The Management finds the profit for the year very satisfactory.

#### Equity

The Company's equity after paying an interim dividend in 2014 of DKK 842.2m up in the group, as at 31 December 2014 amounts to DKK 3,073.6m corresponding to a solvency rate with total assets of 100%, which the Management finds very satisfactory.

#### Outlook

The Company expects favourable business conditions and increased activity in BINS. The Company expects further efficiency savings to materialise within BINS, which will be reflected positively in the subsidiary's investment in BINS as an increasing future share value.

In addition, the Company expects that FDC's new management will fulfill the strategy to create efficiencies with reduced delivery time to market to maintain FDC's position as Scandinavia's largest supplier of IT solutions for the insurance and pension sector.

These positive expectations will be reflected in the Annual Report for IHI Holding A/S.

## FINANCIAL STATEMENTS for the period 1 January – 31 December

### Accounting policies

#### GENERAL PRINCIPLES

##### **General principles**

The Annual Report for IHI Holding A/S for 2014 is prepared in accordance with the Danish Financial Statements Act.

The Annual Report is prepared in accordance with the provisions applying to class B enterprises.

The Annual Report has been prepared in accordance with the same accounting policies as last year.

##### **Consolidated accounts**

Pursuant to Section 112(1) of the Danish Financial Statements Act, the preparation of consolidated accounts for 2010 is omitted, as the Annual Report for IHI Holding A/S is recognised in the Group accounts of the shareholder, Grupo Bupa Sanitas S.L., referring to the Company website: [www.gruposanitas.com](http://www.gruposanitas.com).

##### **Recognition and measurement**

Assets are recognised in the balance sheet whenever it is probable that future financial advantages will accrue to the Company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when they are a probable factor and can be reliably measured.

On recognising and measuring assets and liabilities, any gains, losses and risks occurring prior to the presentation of the Annual Report that evidence or refute circumstances existing at the balance sheet date, are taken into account.

Income is recognised in the income statement as it is earned, including value adjustment of financial assets and liabilities measured at fair value. Equally, costs incurred to generate the year's earnings are recognised, including depreciation, amortisation, write-downs, impairment and liabilities and adjustments made as a result of changes in accounting estimates as reversals of amounts which were previously recognised in the income statement.

##### **Foreign currency translation**

The Company's functional currency and presentation currency is Danish kroner (DKK).

On initial recognition, transactions denominated in foreign currencies are translated at the exchange rates on the transaction date. Foreign exchange differences arising between the exchange rates on the transaction date and on the date of payment are recognised in the income statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies are translated at the exchange rates on the balance sheet date. The difference between the exchange rates on the balance sheet date and on the date on which the receivable or payable arose or was recognised in the latest financial statements is recognised in the income statement as financial income or financial expenses.

## FINANCIAL STATEMENTS for the period 1 January – 31 December

### Accounting policies

#### INCOME STATEMENT

##### **Administrative expenses**

The item includes intercompany transaction cost to facilities, payrolls, equipment, etc. measured at cost covering basis according to written internal guidelines.

##### **Tax**

IHI Holding A/S is taxed jointly with the subsidiary IHI danmark a/s and other Danish enterprises in the Bupa group. The current Danish corporation tax is distributed between the jointly taxed Danish enterprises in accordance with their taxable income (full distribution with a refund of tax losses). The jointly taxed enterprises are part of the tax prepayment scheme.

Tax for the year comprises current tax for the year and changes in deferred tax. The tax expense relating to the profit/loss for the year is recognised in the income statement, and the tax expense relating to amounts directly recognised in equity is recognised directly in equity. The tax expense recognised in the income statement relating to the extraordinary profit/loss for the year is allocated to this item, whereas the remaining tax expense is allocated to the profit/loss for the year from ordinary activities.

Current tax payable and receivable are recognised in the balance sheet as tax calculated on the taxable income for the year, adjusted for tax on the taxable income for previous years and for tax paid on account.

In connection with the tax computation current tax rates are applied.

#### BALANCE SHEET

##### **Investments in group enterprises and subsidiaries**

Investments in group enterprises and subsidiaries are measured in the balance sheet at the proportionate share of the companies' net asset values calculated in accordance with the parent company's accounting policies plus or minus unrealised intra-group profits and losses.

Net revaluation of investments in group enterprises and subsidiaries is transferred under equity to the reserve for net revaluation according to the equity method to the extent that the carrying amount exceeds the cost.

##### **Receivables**

The item Receivables from group companies are measured at the amortised cost at the end of the year. Write down is made for bad debt losses.

##### **Short term financial liabilities**

Debt and other financial liabilities are recognised at fair value.

##### **Equity — dividend**

Proposed dividend is recognised as a liability at the time that it is adopted by the Annual General Meeting (date of declaration). The dividend that is expected to be paid for the year is stated as a separate item under equity.

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Income Statement**

INCOME STATEMENT		(000 DKK)	
	note	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
Administrative expenses		456	242
<b>Ordinary operating profit</b>		<b>-456</b>	<b>-242</b>
Income from investment in subsidiaries	1)	1,460,516	-16,521
Other financial income		-66	28
<b>Profit for the year before tax</b>		<b><u>1,459,994</u></b>	<b><u>-16,735</u></b>
Tax		112	61
<b>Profit for the year</b>		<b><u>1,460,106</u></b>	<b><u>-16,674</u></b>

Proposed profit distribution		(000 DKK)	
Proposed dividend		-	-
<u>Other reserves</u>			
Paid interim dividend 2014		842,155	-
Transferred to net revaluation reserve acc. to the equity method		618,361	-16,521
Retained earnings		-410	-153
		<b><u>1,460,106</u></b>	<b><u>-16,674</u></b>

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Balance sheet**

<b>ASSETS</b>		<b>(000 DKK)</b>	
<b>NON-CURRENT ASSETS</b>	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>Investments</b>			
Investment in subsidiaries	1)	3,064,711	2,446,350
<b>Total non-current assets</b>		<b>3,064,711</b>	<b>2,446,350</b>
<b>CURRENT ASSETS</b>			
	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>Receivables</b>			
Receivables from group companies (joint taxation)		112	6,710
Current tax receivables		4,283	4,283
<b>Total receivables</b>		<b>4,395</b>	<b>10,993</b>
<b>Cash</b>		<b>4,796</b>	<b>8</b>
<b>Total current assets</b>		<b>9,191</b>	<b>11,001</b>
<b>Total assets</b>		<b>3,073,902</b>	<b>2,457,351</b>

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Balance sheet**

<b>EQUITY AND LIABILITIES</b>		<b>(000 DKK)</b>	
<b>EQUITY</b>	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
Share capital	2)	39,976	39,976
Net revaluation reserve acc. to the equity method		2,551,110	1,932,749
Retained earnings		482,511	482,921
Proposed dividend		-	-
<b>Total Equity</b>		<b>3,073,597</b>	<b>2,455,646</b>
<b>LIABILITIES OTHER THAN PROVISIONS</b>	<b>Note</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
<b>Short-term debt and liabilities</b>			
Debt to group companies		-	1,700
Other debt		305	5
<b>Total current liabilities other than provisions</b>		<b>305</b>	<b>1,705</b>
<b>Total Equity and liabilities</b>		<b>3,073,902</b>	<b>2,457,351</b>

Employee conditions	3)
Contractual obligations and contingencies, etc.	4)
Mortgages and collateral	5)
Related party disclosures	6)

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Statement of changes in equity**

Statement of changes in equity

(000 DKK)

	Share capital	Other reserves Net revaluation reserve acc. to the equity method	Retained profit or loss	Proposed dividend	Total equity
<b>31 December 2009</b>	<b><u>39,976</u></b>	<b><u>1,530,956</u></b>	<b><u>482,852</u></b>		<b><u>2,053,784</u></b>
Revaluation for the year		339,471			339,471
Profit for the year			-88		-88
<b>31 December 2010</b>	<b><u>39,976</u></b>	<b><u>1,870,427</u></b>	<b><u>482,764</u></b>		<b><u>2,393,167</u></b>
Revaluation for the year		91,486			91,486
Profit for the year			440		440
<b>31 December 2011</b>	<b><u>39,976</u></b>	<b><u>1,961,913</u></b>	<b><u>483,204</u></b>		<b><u>2,485,093</u></b>
Revaluation for the year		-12,643			-12,643
Profit for the year			-130		-130
<b>31 December 2012</b>	<b><u>39,976</u></b>	<b><u>1,949,270</u></b>	<b><u>483,074</u></b>		<b><u>2,472,320</u></b>
Revaluation for the year		-16,521			-16,521
Profit for the year			-153		-153
<b>31 December 2013</b>	<b><u>39,976</u></b>	<b><u>1,932,749</u></b>	<b><u>482,921</u></b>		<b><u>2,455,646</u></b>
Received interim dividend 2014		-842,155	842,155		0
Revaluation for the year		1,460,516			1,460,516
Paid interim dividend 2014			-842,155		-842,155
Profit for the year			-410		-410
Proposed dividend					-
<b>31 December 2014</b>	<b><u>39,976</u></b>	<b><u>2,551,110</u></b>	<b><u>482,511</u></b>	<b><u>0</u></b>	<b><u>3,073,597</u></b>

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Notes to the Financial Statements**

**Note 1:** (000 DKK)  
**Investments**

<b>Investment in subsidiaries</b>	<b>31 Dec 2014</b>	<b>31 Dec 2013</b>
Cost, 1 January	513,602	513,602
Cost, 31 December	<u>513,602</u>	<u>513,602</u>
Revaluation, 1 January	1,932,748	1,949,269
Result for the year:		
Revaluation for the year	1,460,516	-16,521
Received interim dividend 2014	-842,155	-
Revaluation, 31 December	<u>2,551,109</u>	<u>1,932,748</u>
<b>Investment in subsidiaries</b>	<b><u>3,064,711</u></b>	<b><u>2,446,350</u></b>

**Key figures according to the latest Annual Report**

Name and registered office	IHI danmark a/s Palaegade 8, DK-1261 Copenhagen K Denmark
Owner share	100%
Equity	3,064,711
Profit	1,460,516

**Note 2:** (000 DKK)  
**Equity**

**Share Capital**

The share capital of the Company is DKK 39,976,082 denominated as shares of DKK 1.00 (one krone) or multiples thereof.  
All share assets carry the same rights.

**Note 3:** (000 DKK)  
**Administrative expenses**

**Employee conditions**

The Company has no employees.  
The Management Board and the Board of Directors do not receive remuneration.

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Notes to the Financial Statements**

Note 4:  
Balance sheet

(000 DKK)

**Contractual obligations and contingencies, etc.**

The Company is jointly tax liable with the Danish enterprises in the Bupa group and administrator of the joint taxation. The Company is liable jointly and severally with other enterprises in the joint taxation of Danish company tax, withholdings taxes on dividends, interests and royalties in the joint taxation.  
This joint tax obligation represents nominal net receivable of DKK 243k as of 31<sup>st</sup> December 2014.

Note 5:  
Balance sheet

(000 DKK)

**Mortgages and collateral**

None.

Note 6:  
Balance sheet

(000 DKK)

**Related party disclosures**

**Parties exercising control**

The Company is part of the Bupa Group, where the Annual Reports can be downloaded from: [www.bupa.com](http://www.bupa.com)

**Jointly-taxed Danish enterprises**

IHI danmark a/s  
IHI Holding A/S (management Company)  
Bupa Denmark Services A/S  
Bupa Denmark, filial af Bupa Insurance Limited, England

**Ownership**

The Company is owned 100% by Grupo Bupa Sanitas S.L., which is part of the Bupa Group with headquarters at: Bupa House, 15-19 Bloomsbury Way, London WC1A 2BA, United Kingdom.

Website: [www.bupa.com](http://www.bupa.com)

**FINANCIAL STATEMENTS**  
for the period 1 January – 31 December

**Income Statement**

<b>INCOME STATEMENT</b>		<b>(000 DKK)</b>	
	note	1 Jan – 31 Dec 2014	1 Jan – 31 Dec 2013
Administrative expenses		456	242
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Tax		112	61
<b>Profit for the year</b>		<b><u>1,460,106</u></b>	<b><u>-16,674</u></b>

<b>Proposed profit distribution</b>		<b>(000 DKK)</b>	
Proposed dividend		-	-
<u>Other reserves</u>			
Paid interim dividend 2014		842,155	-
Transferred to net revaluation reserve acc. to the equity method		618,361	-16,521
Retained earnings		-410	-153
		<b><u>-1,460,106</u></b>	<b><u>-16,674</u></b>