



ÅRSREGNSKAPET FOR REGNSKAPSÅRET 2013 - GENERELL INFORMASJON

Enheten

Organisasjonsnummer:	995 125 218
Organisasjonsform:	Norskreg. utenlandsk foretak
Foretaksnavn:	ALPHA INSURANCE
Forretningsadresse:	c/o Nemi Forsikring AS Østensjøveien 43 0667 OSLO

Regnskapsår

Årsregnskapets periode:	01.01.2013 - 31.12.2013
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Konsern

Morselskap i konsern:	Nei
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Regnskapsregler

Regler for små foretak benyttet:	Ja
Benyttet ved utarbeidelsen av årsregnskapet til selskapet:	Regnskapslovens alminnelige regler

Årsregnskapet fastsatt av kompetent organ

Bekreftet av representant for selskapet:	Bo Skifting
Dato for fastsettelse av årsregnskapet:	27.03.2014

Grunnlag for avgivelse

År 2013: Årsregnskapet er elektronisk innlevert
År 2012: Tall er hentet fra elektronisk innlevert årsregnskap fra 2013

Det er ikke krav til at årsregnskapet m.v. som sendes til Regnskapsregisteret er undertegnet. Kontrollen på at dette er utført ligger hos revisor/enhetens øverste organ. Sikkerheten ivaretas ved at innsender har rolle/rettighet for innsending av årsregnskapet via Altinn, og ved at det bekreftes at årsregnskapet er fastsatt av kompetent organ.

Brønnøysundregistrene, 12.08.2019



Resultatregnskap

Beløp i: DKK	Note	2013	2012
TEKNISK REGNSKAP FOR SKADEFORSIKRING			
Forfalt bruttopremie	1,4	1 548 520 000	1 465 131 000
- Avgitte gjenforsikringspremier		793 835 000	547 324 000
Endring i avsetning for ikke opptjent bruttopremie		-5 487 000	-3 186 000
- Endring i gjenforsikringsandel av ikke opptjent bruttopremie		-34 923 000	-5 841 000
Sum premieinntekter for egen regning		784 121 000	920 462 000
Erstatningskostnader i skadeforsikring			
Brutto		874 122 000	737 550 000
- Gjenforsikringsandel av betalte bruttoerstatning		436 323 000	226 883 000
Betalte erstatninger		437 799 000	510 667 000
Brutto		-64 341 000	102 787 000
- Endring i gjenforsikringsandel av bruttoerstatningsavsetninger		35 920 000	95 523 000
Endring i erstatningsavsetning		-100 261 000	7 264 000
Sum erstatningskostnader for egen regning		337 538 000	517 931 000
Premierabatter og andre gevinstavtaler		5 823 000	18 941 000
Forsikringsrelaterte driftskostnader			
Salgskostnader		492 649 000	417 186 000
Forsikringsrelaterte administrasjonskostnader inkl. provisjoner for mottatt gjenforsikring		85 997 000	63 702 000
Mottatte provisjoner for avgitt gjenforsikring og gevinstandeler		191 381 000	171 317 000
Sum forsikringsrelaterte driftskostnader for egen regning		387 265 000	309 571 000
Andre forsikringsrelaterte driftskostnader	3		
Resultat av teknisk regnskap før sikkerhetsavsetninger		53 880 000	67 141 000
Endring i sikkerhetsavsetning m.v. i skadeforsikring			
Sum endring i sikkerhetsavsetning m.v.		0	0
Resultat av teknisk regnskap for skadeforsikring		53 880 000	67 141 000
IKKE-TEKNISK REGNSKAP FOR SKADEFORSIKRING			



Resultatregnskap

Beløp i: DKK	Note	2013	2012
Netto Inntekter fra investeringer			
Inntekter fra aksjer og andeler i foretak i samme konsern		31 923 000	-32 468 000
Renteinntekt og utbytte mv. på finansielle eiendeler		31 355 000	39 405 000
Verdiendringer på investeringer		-8 429 000	-38 910 000
Administrasjonskostnader knyttet til investeringer, herunder rentekostnader		2 156 000	2 117 000
Sum netto inntekter fra investeringer		52 693 000	-34 090 000
Allokert investeringsavkastning overført til teknisk regnskap		9 224 000	3 434 000
Andre inntekter og kostnader			
Andre kostnader		586 000	2 945 000
Resultat av ikke-teknisk regnskap		42 883 000	-40 469 000
Resultat før andre resultatkomponenter		96 763 000	26 672 000
Resultatregnskap - Andre resultatkomponenter			
Skatt på andre resultatkomponenter		12 999 000	6 112 000
Totalresultat		83 764 000	20 560 000



Balanse

Beløp i: DKK	Note	2013	2012
EIENDELER - Immaterielle eiendeler			
Immaterielle eiendeler			
Goodwill		2 951 000	2 951 000
Andre immaterielle eiendeler		2 125 000	8 882 000
Sum immaterielle eiendeler	8	5 076 000	11 833 000
Balanse - Investeringer			
Bygninger og andre faste eiendommer			
Aksjer og andeler i datterforetak, tilknyttede foretak og felleskontrollerte foretak	10	273 886 000	257 241 000
Datterforetak, tilknyttede foretak og felleskontrollerte foretak		273 886 000	257 241 000
Finansielle eiendeler som måles til amortisert kost			
Aksjer og andeler		228 000	228 000
Obligasjoner og andre verdipapirer med fast avkastning		772 253 000	856 628 000
Andre finansielle eiendeler			
Finansielle eiendeler som måles til virkelig verdi		772 481 000	856 856 000
Sum investeringer		1 046 367 000	1 114 097 000
Balanse- Gjenforsikringsandel av brutto forsikringsforpliktelser i skadeforsikring			
Gjenforsikringsandel av ikke opptjent bruttopremie		221 941 000	192 347 000
Gjenforsikringsandel av brutto erstatningsavsetning	15	567 212 000	549 795 000
Sum gjenforsikringsandel av brutto forsikringsforpliktelser i skadeforsikring		789 153 000	742 142 000
Balanse - Fordringer			
Forsikringstakere		210 320 000	240 347 000
Mellommenn		278 895 000	273 670 000
Fordringer i forbindelse med direkte forretninger		489 215 000	514 017 000
Sum fordringer		489 215 000	514 017 000
Balanse - andre eiendeler			
Anlegg og utstyr	9	438 000	895 000
Kasse, bank		70 942 000	30 159 000
Eiendeler ved skatt	7		
Sum andre eiendeler		71 380 000	31 054 000



Balanse

Beløp i: DKK	Note	2013	2012
Opptjente, ikke mottatte leieinntekter og renter m.v.		10 562 000	14 863 000
Andre forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		15 404 000	15 234 000
Sum forskuddsbetalte kostnader og opptjente ikke mottatte inntekter		25 966 000	30 097 000
SUM EIENDELER		2 427 157 000	2 443 240 000
EGENKAPITAL - INNSKUTT EGENKAPITAL			
Innskutt egenkapital			
Aksjekapital/grunnfondsbeviskapital/garantifond		75 000 000	75 000 000
Selskapskapital		75 000 000	75 000 000
Overkursfond		141 500 000	141 500 000
Annen innskutt egenkapital		60 812 000	41 985 000
Sum innskutt egenkapital		277 312 000	258 485 000
Balanse - Opptjent egenkapital			
Annen egenkapital		140 656 000	105 098 000
Sum opptjent egenkapital		140 656 000	105 098 000
Sum egenkapital	12	417 968 000	363 583 000
Sum ansvarlig lånekapital		0	0
Balanse - Forsikringsforpliktelse brutto i skadeforsikring			
Avsetning for ikke opptjent premie		0	0
Brutto		368 652 000	373 226 000
Erstatningsavsetning		368 652 000	373 226 000
Brutto		1 105 814 000	1 240 019 000
Avsetning til premierabatter og andre gevinstavtaler		1 105 814 000	1 240 019 000
Sikkerhetsavsetning m.v.		0	0
Sum sikkerhetsavsetning m.v.		1 474 466 000	1 613 245 000
Andre tekniske avsetninger		0	0
Sum forsikringsforpliktelse brutto i skadeforsikring		1 474 466 000	1 613 245 000
Balanse - Avsetninger for forpliktelse			



Balanse

Beløp i: DKK	Note	2013	2012
Utsatt skatt	7	64 000	4 725 000
Andre avsetninger for forpliktelser		960 000	408 000
Sum avsetninger for forpliktelser		1 024 000	5 133 000
Premiedepot fra gjenforsikringsselskaper		149 086 000	171 037 000
Forpliktelser i forbindelse med direkte forsikring		130 711 000	94 968 000
Forpliktelser i forbindelse med gjenforsikring		84 080 000	90 337 000
Forpliktelser til kredittinstitusjoner		24 207 000	
Andre forpliktelser		145 615 000	104 937 000
Sum forpliktelser		384 613 000	290 242 000
Balanse - Påløpte kostnader og mottatte ikke opptjente inntekter			
Sum påløpte kostnader og mottatte ikke opptjente inntekter		0	0
SUM EGENKAPITAL OG FORPLIKTELSER		2 427 157 000	2 443 240 000



AlphaInsurance

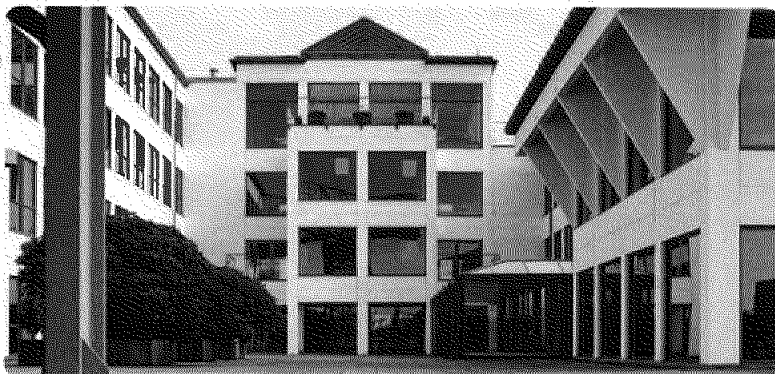
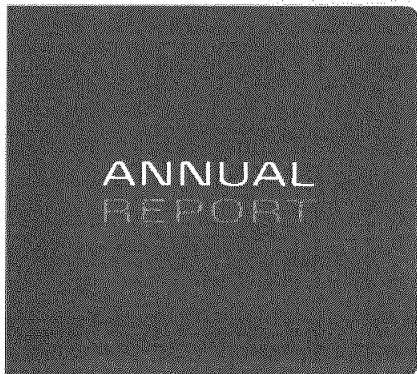
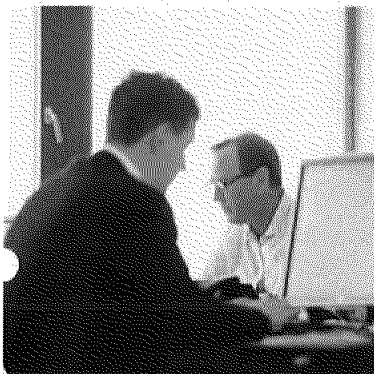
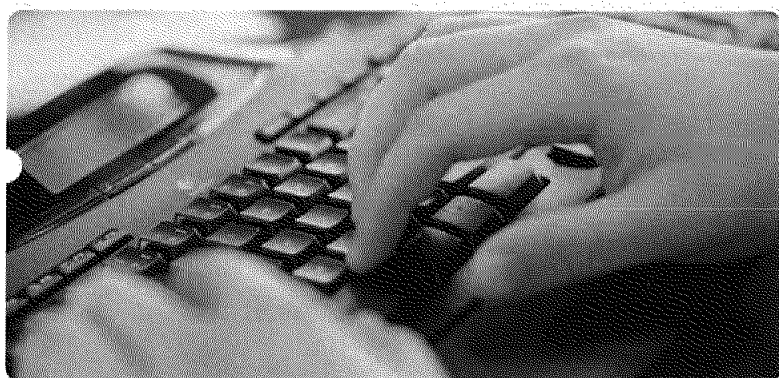




Table of contents

2

3	2013 - Strategic Focus and sustainable profitability
4	The fast growing insurance group
6	Management's review
10	Financial highlights
Statement by management and auditors' report	
12	Statement by the management
13	Independent auditor's report
Financial statements	
14	Income statement
16	Balance sheet
18	Equity
20	Notes
34	Company information



2013 – Strategic Focus and sustainable profitability

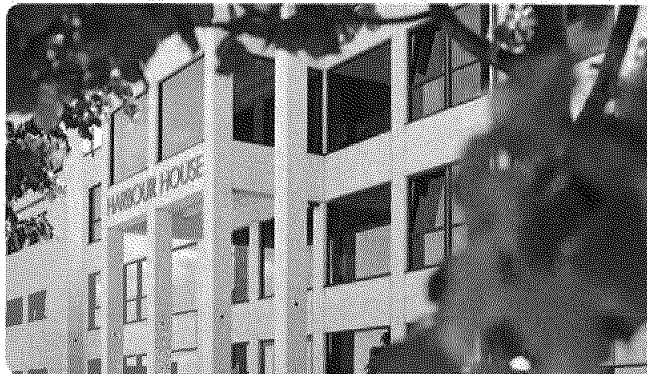
The annual report 2013 for the Alpha Insurance Group shows top-line growth of approx. 4% compared to 2012, resulting in total gross premiums of DKK 2.0 billion. The stable development is the result of a well-planned and structured consolidation of previous year's growth rates with focus on further increasing profitability of the Group.

The growth came solely through organic growth both in Alpha Insurance A/S and in Nemi Insurance AS. The growth is attributable to increased activity on both existing business and by establishing cooperation with new agents.

In 2013, the Alpha Insurance Group increased reinsurance coverage taking less business for own account. Reinsurer's share of gross premium was increased from 35% in 2012 to 45% in 2013.

The continued efforts to increase the profitability of Nemi Forsikring AS combined with the continued strategic work with consolidation and focus on sustainable profit have resulted in positive developments in the technical result for the fourth consecutive year. In addition, these have resulted in the continued improvement of the combined ratio for the Group to 97.2% in 2013 against 98.4% in 2012.

In 2013, the Alpha Group maintained the safe investment policy and mainly placed funds in AAA-rated bonds with relatively short maturities matching the insurance provisions. The total investment result before attribution to insurance operations was increased from DKK 7.7 million in 2012 to DKK 29.7 million in 2013.



The total profit before tax increased from DKK 26.7 million in 2012 to DKK 77.3 million in 2013.

As expected, the turnaround strategy for Nemi Forsikring AS, which was launched in 2009, paid off in 2013. Nemi's net income for 2013 was a profit of DKK 33.8 million against a loss of DKK 28.6 million in 2012. A significant improvement that can be attributed to both increased activity and to increasing profitability in the insurance business.

The net income for Cosa Försäkrings AB was a loss of DKK 3.3 million in 2013 against a loss of DKK 4.5 million in 2012. One major reason is the low interest rate, which resulted in losses on discounting of the insurance provisions. The portfolio develops as expected, and in view of recent interest rate rises, the Cosa business could potentially realize a profit.

It is crucial for Alpha's continued success that the business processes and IT infrastructure support the business model.

Alpha Group has therefore increased the resources and focus in this area considerably. In 2013, additional human and financial resources were allocated to the development of a powerful new reporting platform as well as improving the efficiency of key business processes. In addition, the Group initiated at the end of 2012 a development project that will streamline the process of handling and processing of business data. The aim of the project is to develop an infrastructure that is significantly more scalable than the current model.

In 2014, we will continue to focus on growth and sustainable profitability. Growth will still be taking into account a careful selection of larger and professional agents. Overall, the Group aims at further increased earnings in 2014.

Jens Erik Christensen
Chairman of Alpha Holding A/S

The fast growing insurance group

4

Alpha Insurance A/S is 100% owned by Alpha Holding A/S which was founded on July 1 2005 and situated in Copenhagen, Denmark.

Focus on the professionals

The founders and partners in Alpha Group are all experienced insurance professionals who have developed Alpha Group to be an insurance group that provides direct insurance capacity and fronting solutions throughout Europe. The main objective is to provide the best possible solution for the customers by creating insurance solutions with a maximum of flexibility, the right coverage and pricing structure when setting up an insurance program. The Alpha Group focuses on solutions for agents, brokers, associations and large corporations.

Operating areas

Alpha Group has a non-life license to operate within most of the EU, Norway, and Iceland and currently the group is active in the following countries:

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

All necessary insurance know-how including a strong actuarial team can be provided by Alpha Group. Consequently, Alpha Group can provide an insurance solution from day to day wherever in Europe a risk may be situated.

Portfolio and segments

The portfolio of products includes:

- Program business
- Insurance capacity
- Fronting

Customers can retain functions such as policy issuing and premium collection, but also ask Alpha Group to provide a full insurance package. Alpha Group provides insurance solutions within the following segments:

- Property
- Personal Accident
- Liability
- Workmen's Compensation





Alpha Group is currently active in :

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



Management's review

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), Cosa Försäkrings AB in liquidation (Sweden). Additionally, in 2013, the Group had branch offices in Norway, Italy and Greece. The branches in Italy and Greece were closed during the year and going forward the activities in these countries will be maintained directly from Alpha Insurance A/S.

Annual Report 2013

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

Major events in 2013

In 2013, the restructuring of the subsidiary, Nemi Forsikring AS was carried on with the maintained focus on further growth in the area of private insurance and increasing profitability for commercial insurance.

Nemi Insurance AS realized a net profit for the year 2013 of DKK 33.8 million against a net loss of DKK 28.6 million in 2012. A very satisfactory consequence of the restructuring initiated in 2009.

The year's result and development of the company

The financial year 2013 resulted in a profit before tax for the Alpha Insurance Group of DKK 77.3 million against DKK 26.7 million in 2012. The technical result of DKK 67.1 million in 2013 is an improvement of DKK 33.8 million compared to 2012. The improvement primarily relates to a better technical result in the subsidiary Nemi Insurance AS.

Return on investments for 2013 was DKK 29.7 million against DKK 7.7 million in 2012.

The net profit for the year 2013 of DKK 83.8 million is satisfactory.

Equity and solvency

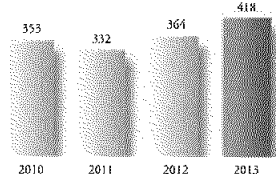
Alpha Insurance A/S equity as at 31 December 2013 amounts to DKK 418.0 million. In 2013, the equity increased by DKK 54.4 million compared to 31 December 2012.

The solvency requirement of Alpha Insurance A/S calculated in accordance with the Financial Supervisory Authority rules amounts to DKK 142.3 million at 31 December 2013 against DKK 142.5 million at 31 December 2012. The base capital amounts to DKK 282.2 million. This means that the Financial Supervisory Authority's required solvency margin is covered 2.0 times (1.8 times in 2012).

The individual solvency requirement amounts to DKK 125.2 million as at 31 December 2013 against DKK 136.5 million as at 31 December 2012.

According to the Financial Business Act, the board decides models and methods for the calculation of the company's Individual Solvency Assessment (ISB). The ISB is the necessary capital according to the company's own risk assessment. The company has since 2007 calculated the ISB by methods based on EIOPA's (CEIOPS) Quantitative Impact Studies (QIS2 to 5). The ISB is calculated based on data from the company's business, including profitability, technical provisions, reinsurance cover and investments, supplemented by stress test scenarios.

Total equity, group
Amounts in DKK million



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, 2014. The new regulation includes requirements of a market consistent calculation of the Individual Solvency Assessment, either based on a Danish standard model, with technical specifications provided by the Danish FSA or by an internal model.

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

The new regulation for Individual Solvency Assessment, includes requirements to perform a Forward Looking Assessment of Own Risks (based on the ORSA principles), known from the preparation of Solvency II. Alpha Insurance has during recent years consistently worked on the preparation to meet these requirements.

DKK million	2013	2012	2011
Solvency requirement	142,3	142,5	113,4
Individual solvency	125,2	136,5	146,6
Base Capital	286,2	262,9	237,0

Dividend

The Board of Directors proposes no dividends for 2013.

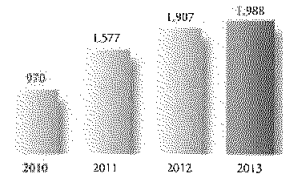


Insurance activities

The insurance activity continued growing during the financial year 2013 in gross premiums as well as in profits.

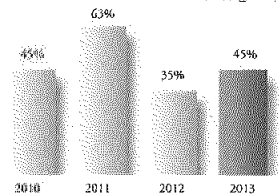
In 2013, the gross premium income increased by DKK 80.3 million (4%) to DKK 1,988.2 million. This was a well-planned and intentional consolidation from previous year's growth rates with the focus on further increasing profitability. Insurance premiums ceded increased in 2013 by 33%, which resulted in premium income for own account decreasing from DKK 1,234.4 million in 2012 to DKK 1,096.5 million in 2013, a decrease of DKK 137.9 million.

Gross premium income, group
Amounts in DKK million



Gross claims amounted to DKK 1,178.4 million in 2013 compared to DKK 1,198.1 million in 2012. Recoveries from reinsurers increased by DKK 202.2 million (49%) compared with 2012. Costs of claims net of reinsurance decreased by DKK 221.9 million.

Premium income ceded (%), group

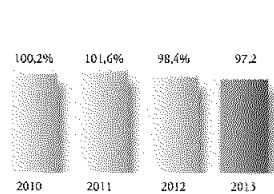


The insurance operating cost increased by DKK 71.9 million compared to 2012. In 2013, the insurance operating costs amounted

to DKK 472.7 million compared to DKK 400.8 million in 2012.

The profit rate is growing and the combined ratio has decreased to 97.2% in 2013 from 98.4% in 2012. The improvement in the combined ratio comes from a decreasing gross claims ratio from 63.5% in 2012 to 59.5% in 2013 and a lower increase in the expense ratio from 32.7% in 2012 to 35.8% in 2013.

Combined ratio, net, group



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 profit of DKK 33.8 million in 2013 compared to a loss of DKK 28.6 million in 2012. The 2013 result is satisfactory.

Cosa Försäkrings AB in liquidation

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

The result of Cosa Försäkrings AB in liquidation is a loss of DKK 3.3 million in 2013. The loss is primarily due to losses from claims provisions discounting.

Branch offices

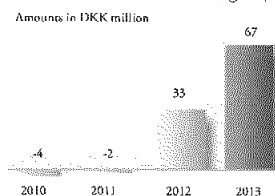
The Alpha Insurance Group has branch offices in Italy, Greece and Norway.

In 2013, Alpha Insurance A/S has closed the branch offices in Italy and Greece. Going forward the activities in these countries are maintained directly from Alpha Insurance A/S.

The branch offices in Greece and Italy had profits of DKK 0.9 million and DKK 0.1 million respectively in 2013.

The Norwegian branch office, which has the largest premium income, had a profit of DKK 10.3 million in 2013.

Insurance technical result, group



Investment business

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

Alpha Insurance A/S operates with a careful investment strategy and investments are mainly made in state bonds. In 2013, the interest income decreased by DKK 6.6 million compared to 2012. The decreasing interest was neutralized from capital and currency gains and gains from claims discounting. The result of investments is a profit of DKK 29.7 million in 2013 against a profit of DKK 7.7 million in 2012.

Expectation for 2014

Alpha Insurance A/S expects to continue the positive development of the company's activity level, with a consequent increase in premium income, as well as maintaining a satisfactory insurance result for 2014.



Risk Management

Management and prevention 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 prevention of business risks is divided into the following general categories:

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

Financial Risk

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

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

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

Insurance Risk

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

During their currency, claims provisions will mainly be influenced by changes in legislation and changes in practice.

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.

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.

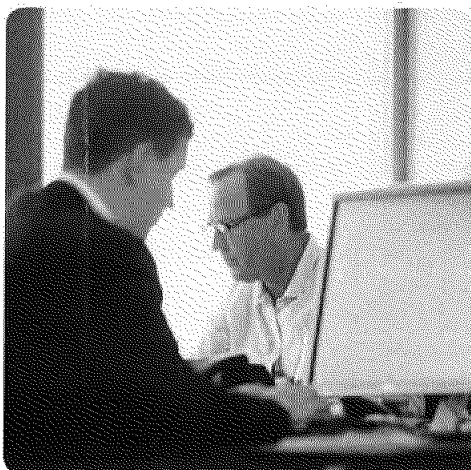
The company is exposed to credit risk in both its insurance and investment business. Within insurance, the reinsurance companies' ability to pay is the most important risk factor. This risk is minimized by the purchase of reinsurance cover from reinsurance companies with a minimum rating of A (S&P),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

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

Operational risk

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

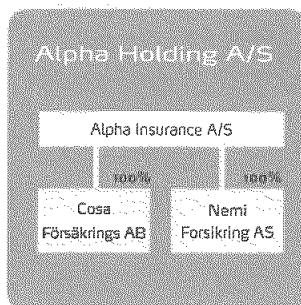
In practice, this work is organized through a structure of policies, procedures and guidelines that cover the various aspects of the company's operations.



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



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 has 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 Committee the Board of Directors has appointed Mr. Jens Erik Christensen to fulfill the rules on 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. If a member of the Board, the CEO or another person receives a one-off fee, this fee will be settled according to Section 77a of the Financial Act. The Board of Directors decides the wage policy once a year.

Remuneration to the board of directors

Board of Directors – 2013 (DKK '000)

	Total remuneration
Morten Helge	631
Bo Lundqvist	316
Jens Erik Christensen	125
Thomas Dahl Fredslund	125
Bjarke Sanbeck Nilsson	125
Tonny Anker-Svendson	50

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

Board of Executives – 2013 (DKK '000)

	Total remuneration *
Leif Corinth-Hansen	7.575

*) Including extraordinary bonus 2,000 t.DKK.

Employees training and knowledge

Alpha Insurance A/S aims to ensure that the management of the organization is based on a framework which includes the deep rooting of common values, a common business understanding and the shared responsibility for creating value for customers by differentiating itself from competitors through the development of individual employees. The company aims to be a dynamic company where each employee is committed, seeks influence and assumes independent responsibility for the organization and execution of his or her duties. In developing our business, it is essential that we are able to attract and retain qualified employees.

Supplementary information

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

Bo Lundqvist:

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

Leif Corinth-Hansen:

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

Morten Helge:

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

Thomas Dahl Fredslund:

Alpha Holding A/S and Slotsholm A/S.

Bjarke Sanbeck Nilsson:

Alpha Holding A/S and Slotsholm A/S.

Jens Erik Christensen:

Alpha Holding A/S, Andersen & Martini A/S, Andersen & Martini Biler A/S, Autoremind A/S, Basico A/S, Basico Consulting International ApS, Behandlingsvejviseren A/S, Core Strategy Consultants A/S, Dansk Merchant Capital A/S, EcsAct A/S, Founders A/S, Hugin Expert A/S, Husejernes Forsikring Assurance Agentur A/S, K/S Habro-Reading, LEF Management ApS, Mediaxes A/S, Norriq Holding A/S, Nordic Corporate Investments A/S, Scandinavian Capital Limited Solutions (UK), Scandinavian Private Equity A/S, Skandia A/S, Skandia Asset Management Fondsmæglerselskab A/S, Skandia Link Livsforsikring A/S, Skandia Livsforsikring A/S, Sapere Aude ApS and TA Management A/S.



Financial highlights

10

Amounts in DKK million

	Parent				
	2013	2012	2011	2010	2009
Gross premium income	1,543	1,462	1,228	770	449
Gross claims incurred	-810	-840	-722	-354	-284
Bonus and premium discounts	-6	-19	-2	-	-
Total insurance operating costs, net of reinsurance	-387	-310	-99	-172	-96
Result of ceded business	-95	-48	-102	-67	16
Insurance technical result	54	67	52	36	17
Results on investments after insurance technical interest	43	-38	-32	-80	76
Net profit for the year	84	21	20	-48	83
Run-off result	26	-21	38	-33	-1
Total insurance technical provisions	1,474	1,613	1,442	1,283	939
Total insurance assets	789	742	625	574	349
Total equity	418	364	332	353	274
Total assets	2,427	2,443	2,945	2,703	2,219
Key figures:					
Gross claims ratio	52.7%	58.2%	58.9%	46.0%	63.3%
Expense ratio	37.6%	33.2%	29.6%	38.8%	35.9%
Combined ratio	96.5%	94.9%	96.8%	93.5%	95.5%
Operating ratio	96.5%	95.3%	96.0%	95.2%	96.2%
Relative run off results	3.2%	-3.3%	6.7%	-6.0%	-0.3%
Return on equity in per cent	21.4%	5.9%	5.8%	-15.3%	35.9%
Solvency coverage	2.0	1.8	2.2	3.1	3.0

Gross claim ratio
(Gross claims paid / Gross premium income) x 100

Expense ratio
(Total insurance operating costs / Gross premium income) x 100

Combined ratio
(Gross claims ratio + Expense ratio + Reinsurance ratio)

Operational 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) x 100

Solvency coverage
(Basis capital / solvency margin)

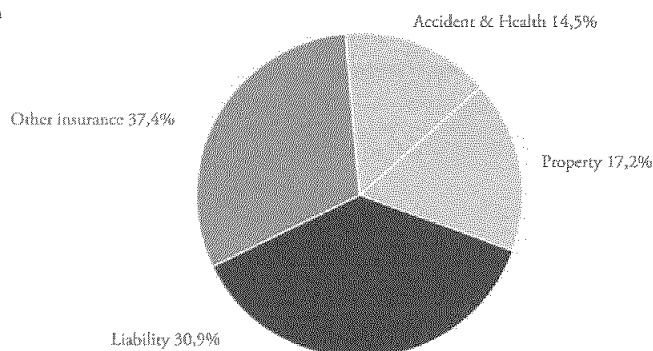


Amounts in DKK million

	Group				
	2013	2012	2011	2010	2009
Gross premium income	1,988	1,907	1,577	970	642
Gross claims incurred	-1,178	-1,198	-1,051	-479	-310
Bonus and premium discounts	-6	-19	-3	-	-
Total insurance operating costs, net of reinsurance	-473	-401	-175	-241	-146
Result of ceded business	-39	-42	-64	-99	-121
Insurance technical result	67	33	-2	-4	-17
Results on investments after insurance technical interest	9	-5	12	-41	99
Net profit for the year	84	21	20	-48	83
Run-off result	47	-40	-17	-20	-11
Total insurance technical provisions	2,128	2,323	2,145	1,956	1,613
Total insurance assets	973	903	831	828	849
Total equity	418	364	332	353	274
Total assets	3,093	3,179	2,945	2,703	2,219
Key figures:					
Gross claims ratio	59.5%	63.5%	66.6%	49.4%	48.3%
Expense ratio	35.8%	32.7%	30.9%	40.6%	36.3%
Combined ratio	97.2%	98.4%	101.6%	100.2%	103.5%
Operating ratio	96.6%	98.2%	100.2%	100.5%	102.7%
Relative run off results	4.5%	-4.1%	1.9%	-3.0%	-1.7%
Return on equity in per cent	21.4%	5.9%	5.7%	-14.6%	34.9%
Solvency coverage	2.0	1.8	2.2	3.1	3.0

Split of earned premiums

The Company's strategy is focused on SME and Personal Lines, but overall the earned premium figures reflect a diversified portfolio.



Statement by management

12

Today the Board of Directors and the Board of Executives presented the Annual Report for the period 1 January – 31 December 2013 of Alpha Insurance A/S.

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

In our opinion, the Annual Report gives a true and fair view of the Company's and the group's financial position at 31 December 2013 and of the results of the operations for the financial year 1 January - 31 December 2013.

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

Copenhagen, 3 April 2014

Board of Executives
Leif Corinth-Hansen

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



Leif Corinth-Hansen



Bo Skifting

Morten Helge - Bjarke Sanbeck Nilsson - Thomas Dahl Fredslund - Leif Corinth-Hansen - Jakob Olsen - Bo Lundqvist - Jens Erik Christensen (Chairman)
(Chairman Alpha Holding A/S)



Independent auditors' report

To the Shareholders of Alpha Insurance A/S

We have audited the consolidated financial annual accounts and the parent company annual accounts of Alpha Insurance A/S for the financial year 1 January – 31 December 2013, which comprise accounting policies used, profit and loss account, total income statement, balance sheet, statement of changes in equity and notes for the Group as well as for the Parent Company. The consolidated annual accounts and the parent company annual accounts are prepared in accordance with the Danish Financial Business Act.

The management's responsibility for the annual accounts

The management is responsible for the preparation of consolidated annual accounts and parent company annual accounts that give a true and fair view in accordance with the Danish Financial Business Act and for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

The management is responsible for the preparation of consolidated annual accounts and parent company annual accounts that give a true and fair view in accordance with the Danish Financial Business Act and for such internal control as the management determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

Our responsibility is to express an opinion on the consolidated annual accounts and parent company annual accounts 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 about whether the consolidated annual accounts and the parent company annual accounts are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated annual accounts and parent company annual accounts. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated annual accounts and parent company annual accounts, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the company's preparation of consolidated annual accounts and parent company annual accounts 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 the management, as well as the overall presentation of the consolidated annual accounts and parent company annual accounts.

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 annual accounts and parent company annual accounts give a true and fair view of the Group's and the Parent Company's assets, liabilities and financial position at

31 December 2013 and of the results of the Group's and the Parent Company's operations for the financial year 1 January - 31 December 2013 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 annual accounts and parent company annual accounts. On this basis, it is our opinion that the information provided in the management's review is consistent with the consolidated annual accounts and parent company annual accounts.

Copenhagen, 3 April 2014

AP | Statsautoriserede Revisor

A member of Moore Stephens International

Anders Ladegaard

State Authorised Public Accountant



Income statement

14

Note	For 1 January – 31 December. Amounts in DKK thousands	Parent company		Group	
		2013	2012	2013	2012
1.4	Gross premiums	1,548,520	1,465,131	1,993,487	1,961,270
	Insurance premiums ceded	-793,835	-547,324	-934,055	-691,183
	Change in premium reserve	-5,487	-3,186	-5,276	-54,348
	Change in reinsurer's share of premium provisions	34,923	5,841	42,369	18,690
	Premium income, net of reinsurance	784,121	920,462	1,096,525	1,234,429
2	Insurance technical interest	385	-6,878	11,386	2,757
	Gross claims paid	-874,122	-737,550	-1,226,630	-1,156,090
	Reinsurance cover received	436,323	226,883	542,675	364,842
	Change in gross claims provisions	64,341	-102,787	48,203	-42,031
	Change in reinsurers' share of claims provisions	35,920	95,523	73,494	49,135
	Cost of claims, net of reinsurance	-337,538	-517,931	-562,258	-784,144
	Bonus and premium discounts	-5,823	-18,941	-5,823	-18,940
	Acquisition costs	-492,649	-417,186	-534,923	-452,150
5	Administrative expenses	-85,997	-63,702	-173,848	-164,856
	Reinsurance commissions and profit participations with reinsurers	191,381	171,317	236,022	216,213
4	Insurance operating costs, net of reinsurance	-387,265	-309,571	-472,749	-400,793
	Insurance technical result	53,880	67,141	67,081	33,309



Income statement

Note	For 1 January – 31 December. Amounts in DKK thousands	Parent company		Group	
		2013	2012	2013	2012
	Income from participating interests in affiliated companies	30,500	-33,119	-	-
	Interest from participating interests in associated companies	1,423	651	1,423	651
	Interest income and dividend etc.	32,062	39,853	49,420	56,014
6	Currency and marketable securities adjustments	-8,429	-38,910	-17,459	-45,493
	Interest expenses	-707	-448	-707	-555
	Administrative expenses related to investment activities	-2,156	-2,117	-2,957	-2,941
	Return on investments	52,693	-34,090	29,720	7,676
2	Transfer to insurance technical interest	-9,224	-3,434	20,225	-12,402
	Return on investments after insurance technical interest	43,469	-37,524	9,495	-4,726
	Other income/expenses	-586	-2,945	708	-1,911
	Net profit before tax	96,763	26,672	77,284	26,672
7	Tax	-12,999	-6,112	6,480	-6,112
	Net profit for the year	83,764	20,560	83,764	20,560
	<i>Proposed distribution of net results</i>				
	Reserve equity method	30,500	-33,119		
	Retained earnings	53,264	53,679		
	Distributed, total	83,764	20,560		
	Total income for 1 January – 31 December				
	Net profit for the year	83,764	20,560	83,764	20,560
	Currency adjustments in affiliated companies abroad	-26,417	11,017	-26,417	11,017
	Other equity adjustments in affiliated companies	-2,962	-	-2,962	-
	Other total income	-29,379	11,017	-29,379	11,017
	Total income for the year	54,385	31,577	54,385	31,577



Balance sheet – Assets

16

Note	As of 31 December. Amounts in DKK thousands	Parent company		Group	
		2013	2012	2013	2012
	Goodwill	2,951	2,951	6,790	6,790
	Software	2,125	8,882	13,660	16,435
8	Immaterial assets, total	5,076	11,833	20,450	23,225
	Office equipment etc.	438	895	3,241	4,435
9	Tangible assets, total	438	895	3,241	4,435
10	Interest in affiliated companies	247,178	228,352	-	-
	Interest in associated companies	1,694	921	1,694	921
	Loans to associated companies	520	520	520	520
	Shares	228	228	587	6,325
	Units in investment associations	24,494	27,448	24,494	27,448
	Bonds	772,253	856,628	1,185,811	1,304,473
	Banks	69,537	22,740	73,219	27,816
	Other investment assets	-	-	5	5
	Other financial investments assets, total	1,115,904	1,136,837	1,286,330	1,367,508
	Reinsurers share of premium provisions	221,941	192,347	259,616	231,025
15	Reinsurers share of claims provisions	567,212	549,795	712,906	671,716
	Reinsurers share of provisions for insurance contracts, total	789,153	742,142	972,522	902,741
	Amounts receivable from policy holders	210,320	240,347	364,982	416,176
	Amounts receivable from intermediaries	72,912	64,211	72,912	64,210
	Amounts receivable from insurance undertaking	140,946	135,855	165,073	183,448
	Amounts receivable from affiliated companies	20,961	32,057	20,961	30,601
	Other amounts receivable	44,076	41,547	44,498	43,998
	Amounts receivables	489,215	514,017	668,426	738,433
	Amounts receivable, total	1,278,368	1,256,159	1,640,948	1,641,174
7	Deferred tax assets	-	-	44,270	28,468
	Cash and bank deposits	1,405	7,419	32,446	25,743
	Other assets	-	-	5,234	6,009
	Other assets, total	1,405	7,419	81,950	60,220
	Accrued interest income	10,562	14,863	15,649	21,885
	Other prepayments	15,404	15,234	44,619	60,803
	Prepayments and accrued income, total	25,966	30,097	60,268	82,688
	Total assets	2,427,157	2,443,240	3,093,187	3,179,250



Balance sheet – Liabilities and equity

Note	As of 31 December. Amounts in DKK thousands	Parent company		Group	
		2013	2012	2013	2012
	Share capital	75,000	75,000	75,000	75,000
	Premium reserve, issued shares	141,500	141,500	141,500	141,500
	Reserve equity method	60,812	41,985	-	-
	Retained earnings	140,656	105,098	201,468	147,083
12	Equity	417,968	363,583	417,968	363,583
	Premium provisions, gross	368,652	373,226	571,605	610,453
14	Claims provisions, gross	1,105,814	1,240,019	1,556,297	1,712,471
	Technical provisions, total	1,474,466	1,613,245	2,127,902	2,322,924
7	Deferred tax liability	64	4,725	9,311	15,343
	Pension obligations	-	-	1,121	2,056
	Other provisions	960	408	960	408
	Provisions	1,024	5,133	11,392	17,807
	Reinsurance deposits	149,086	171,037	149,087	171,037
	Amounts payable in connection with direct insurance	130,711	94,968	135,523	104,078
	Amounts payable in connection with reinsurance	84,080	90,337	89,715	91,179
	Amounts payable to credit institutions	24,207	-	24,207	-
	Amounts payable to affiliated companies	31,972	38,895	-	-
	Payable company tax	19,291	1,360	19,291	1,360
	Other payables	94,352	64,682	102,839	83,601
	Liabilities other than provisions, total	384,613	290,242	371,575	280,218
	Accruals and deferred income	-	-	15,263	23,681
	Liabilities and equity, total	2,427,157	2,443,240	3,093,187	3,179,250
13	Information on staff and remuneration				
16	Contingent liabilities etc.				
17	Related parties etc.				
18	Risk and information on sensitivity				
19	Other note information				



Equity

18

Amounts in DKK million

	Parent company					Total
	Share Capital	Reserve on issued shares	Reserve equity method	Proposed dividend	Retained earnings	
Equity 1 January 2012	75,000	141,500	13,584	-	101,922	332,006
Currency adjustments in affiliated companies	-	-	11,017	-	-	11,017
Distribution of profit	-	-	-33,119	-	53,679	20,560
Total income for the year 2012	-	-	-22,102	-	53,679	31,577
Increase of capital/Group contribution	-	-	50,503	-	-50,503	-
Equity 31 December 2012	75,000	141,500	41,985	-	105,098	363,583
Currency adjustments in affiliated companies	-	-	-26,417	-	-	-26,417
Distribution of profit	-	-	30,500	-	53,264	83,764
Other equity adjustments in affiliated companies	-	-	-2,962	-	-	-2,962
Total income for the year 2013	-	-	1,121	-	53,264	54,385
Increase of capital/Group contribution	-	-	17,707	-	-17,707	-
Equity 31 December 2013	75,000	141,500	60,813	-	140,655	417,968

Amounts in DKK million

	Group					Total
	Share Capital	Reserve on issued shares	Reserve equity method	Proposed dividend	Retained earnings	
Equity 1 January 2012	75,000	141,500	-	-	115,506	332,006
Currency adjustments in affiliated companies	-	-	-	-	11,017	11,017
Distribution of profit	-	-	-	-	20,560	20,560
Total income for the year 2012	-	-	-	-	31,577	31,577
Equity 31 December 2012	75,000	141,500	-	-	147,083	363,583
Currency adjustments in affiliated companies	-	-	-	-	-26,417	-26,417
Distribution of profit	-	-	-	-	83,764	83,764
Other equity adjustments in affiliated companies	-	-	-	-	-2,962	-2,962
Total income for the year 2013	-	-	-	-	54,385	54,385
Equity 31 December 2013	75,000	141,500	-	-	201,468	417,968



Brønnøysundregistrene



Notes

20

1. Gross premiums

Amounts in DKK thousands

Geographical division of gross premiums:

	Parent company		Group	
	2013	2012	2013	2012
Denmark	353,770	326,506	353,770	326,507
Other EU countries	1,002,407	919,614	1,002,407	919,615
Other countries	192,343	219,010	637,310	715,148
	1,548,520	1,465,131	1,993,487	1,961,270

2. Insurance technical interest

Amounts in DKK thousands

	Parent company		Group	
	2013	2012	2013	2012
Discounting of claims provisions	-8,839	-10,312	-8,839	-9,645
Transferred from investment income	9,224	3,434	20,225	12,402
	385	-6,878	11,386	2,757

3. Claims

Amounts in DKK thousands

	Parent company		Group	
	2013	2012	2013	2012
Gross run-off results	17,141	-9,679	4,549	-27,286
Run-off results at own account	25,531	-21,068	46,865	-40,163

The development in claims can be specified as follows (Parent company):

	Number of claims	Average claims	Claims rate
Personal accident	3,624	68,393	9.22%
Liability	4,866	39,109	8.65%
Property	2,447	53,035	0.55%
Other	9,420	25,674	2.73%

The developments in claims can be specified as follows (Group):

	Number of claims	Average claims	Claims rate
Personal accident	3,611	68,096	7.99%
Liability	5,462	49,333	9.60%
Property	5,339	56,780	1.09%
Other	22,329	15,967	5.64%



4. Specifications on Insurance classes

Amounts in DKK million

Parent company:

	Personal accident		Liability		Property		Other		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Gross premiums	277.7	308.8	487.6	442.3	181.4	153.0	601.7	561.1	1,548.4	1,465.2
Gross premium income	302.8	294.3	444.0	432.0	191.3	169.3	604.9	566.2	1,543.0	1,462.0
Gross claims incurred	-247.8	-157.5	-190.3	-286.7	-129.8	-134.7	-241.8	-261.4	-809.7	-840.3
Insurance operating costs	-44.2	-49.5	-24.6	-17.1	-53.7	-40.3	-264.8	-202.7	-387.3	-309.6
Profit of ceded business	21.6	-16.7	-93.5	-9.3	0.6	6.0	-24.1	-27.8	-95.4	-47.8
Technical interest f.o.a.	0.1	-4.1	0.1	-0.9	0.0	-1.4	0.1	-0.4	0.3	-6.8
Insurance technical result	28.9	64.9	2.5	-4.5	0.4	-9.5	22.2	16.2	54.0	67.1

Group:

Gross premiums	288.2	320.5	616.7	620.8	342.4	317.2	746.1	702.8	1,993.4	1,961.3
Gross premium income	313.3	305.7	573.6	585.4	351.6	308.0	749.6	707.9	1,988.1	1,907.0
Gross claims incurred	-249.3	-126.0	-269.4	-403.1	-303.2	-276.0	-356.5	-382.9	-1,178.4	-1,198.0
Insurance operating costs	-41.7	-61.0	-38.8	-75.5	-30.7	-36.6	-361.5	-227.7	-472.7	-400.8
Profit of ceded business	27.3	-46.8	-119.9	-14.6	53.4	42.3	-0.2	-23.0	-39.4	-42.1
Technical interest f.o.a.	0.1	-4.1	5.1	3.3	0.0	-1.4	6.1	5.0	11.3	2.8
Insurance technical result	43.0	62.1	17.3	-14.6	22.1	-9.2	-15.4	-5.0	67.0	33.3

5. Administrative expenses

Amounts in DKK thousands

Audit fee:

	Parent company		Group	
	2013	2012	2013	2012
AP Statsautoriserede Revisorer, member of Moore Stephens International	1,302	1,104	1,302	1,104
Others	124	171	849	1,110
Total	1,426	1,275	2,151	2,214

Fee for other assurance services:

AP Statsautoriserede Revisorer, member of Moore Stephens International	174	171	174	171
Total	174	171	174	171

Fee for other services:

AP Statsautoriserede Revisorer, member of Moore Stephens International	-	157	-	157
Total	-	157	-	157



Notes

22

6. Currency and marketable securities adjustments

Amounts in DKK thousands

	Parent company		Group	
	2013	2012	2013	2012
Gains and losses as a result of changes in the interest rates used for discounting of claims provisions	13,564	-10,725	13,564	-14,876
Unrealized marketable adjustment on stocks	-	-	17	138
Unrealised marketable adjustments on units in investment associations	-2,954	2,678	-3,489	2,678
Unrealised marketable adjustments on bonds	-16,581	-17,561	-17,008	-17,983
Realized marketable adjustments on bonds	-9,660	-7,118	-16,380	-12,755
Currency adjustments	7,202	-6,184	5,837	-2,696
	-8,429	-38,910	-17,459	-45,493

7. Tax on net results

Amounts in DKK thousands

	Parent company		Group	
	2013	2012	2013	2012
Current tax	-18,547	-6,874	-18,547	-6,874
Adjustment of tax previous years	887	-862	887	-862
Adjustment of deferred tax, previous years	-	-	19,479	-
Adjustment of deferred tax	4,661	1,624	4,661	1,624
	-12,999	-6,112	6,480	-6,112
<i>Tax on net results can be specified as follows:</i>				
Calculated 25/28% tax on net profit before tax	-24,191	-6,668	-19,321	-6,668
Adjustment of tax, previous years	887	-862	887	-862
Adjustment of deferred tax, previous years	-	-	19,479	-
Difference between foreign and Danish tax	603	13	603	13
Non-deductible income and expenses	9,702	1,405	4,832	1,405
	-12,999	-6,112	6,480	-6,112
Effective tax rate	13.4%	22.9%	8.4%	22.9%



7. Tax on net results *Continued*

Amounts in DKK thousands

	1/1 2013	Adjustment of the year	31/12 2013
<i>Deferred tax asset can be specified as follows (Parent company):</i>			
Equipment etc.	-69	-35	-104
Leased office equipment	2	-1	1
Software	2,221	-1,753	468
Amounts receivable from policy holders	2,571	-2,872	-301
	4,725	-4,661	64
<i>Deferred tax asset can be specified as follows (Group):</i>			
Equipment etc.	-69	-35	-104
Leased office equipment	2	-1	1
Software	2,221	-1,753	468
Amounts receivable from policy holders	2,571	-2,872	-301
Tax loss carried forward	-30,747	-13,523	-44,270
Others	12,899	-3,652	9,247
	-13,125	-21,836	-34,959
<i>Recognized as:</i>			
Deferred tax asset			44,270
Deferred tax liability			-9,311
			34,959

8. Immaterial assets

Amounts in DKK thousands

	Parent company Goodwill		Group Goodwill	
	2013	2012	2013	2012
Cost at 1 January 2013	2,951	2,951	6,790	6,753
Cost at 31 December 2013	2,951	2,951	6,790	6,790
Depreciation at 1 January 2013	-	-	-	-
Depreciation at 31 December 2013	-	-	-	-
Net asset value at 31 December 2013	2,951	2,951	6,790	6,790



Notes

24

8. Immateriel assets *Continued*

Amounts in DKK thousands	Parent company Software		Group Software	
	2013	2012	2013	2012
Cost at 1 January 2013	35,599	35,599	76,973	70,267
Currency adjustment on opening balance sheet	-	-	-5,972	2,093
Additions	2,126	-	12,474	4,613
Disposals	-35,396	-	-35,398	-
Cost at 31 December 2013	2,329	35,599	48,077	76,973
Depreciation at 1 January 2013	26,717	19,571	60,538	44,265
Currency adjustment on opening balance sheet	-	-	-4,582	1,491
Depreciation for the year	7,112	7,146	12,088	14,782
Depreciation on disposed assets	-33,625	-	-33,627	-
Depreciation at 31 December 2013	204	26,717	34,417	60,538
Net asset value at 31 December 2013	2,125	8,882	13,660	16,435

9. Tangible assets

Amounts in DKK thousands	Parent company Office equipment		Group Office equipment	
	2013	2012	2013	2012
Cost at 1 January 2013	4,404	6,249	22,007	20,081
Currency adjustment on opening balance sheet	-	-	-2,319	835
Additions	77	105	830	3,829
Disposals	-489	-1,950	-489	-2,738
Cost at 31 December 2013	3,992	4,404	20,029	22,007
Depreciation at 1 January 2013	3,509	3,933	17,572	16,766
Currency adjustment on opening balance sheet	-	-	-1,880	775
Depreciation for the year	533	749	1,584	1,203
Depreciation on disposed assets	-488	-1,173	-488	-1,172
Depreciation at 31 December 2013	3,554	3,509	16,788	17,572
Net asset value at 31 December 2013	438	895	3,241	4,435

Included in the financial item "office equipment etc." are leased assets listed at a book value of DKK thousand 97.



10. Interest in affiliated companies

Amounts in DKK thousands	Parent company		Group	
	2013	2012	2013	2012
Cost at 1 January 2013	186,366	186,366	-	-
Cost at 31 December 2013	186,366	186,366	-	-
Adjustments at 1 January 2013	41,986	13,584	-	-
Currency adjustment of the opening equity in affiliated company	-26,417	11,016	-	-
Contributions from parent company	17,707	50,505	-	-
Other adjustment of the opening equity in affiliated company	-2,964	-	-	-
Net profit for the year	30,500	33,119	-	-
Adjustments at 31 December 2013	60,812	41,986	-	-
Net asset value at 31 December 2013	247,178	228,352	-	-

Amounts in DKK thousands

	Neml Forsikring AS	COSA Forsikrings AB
Registered Office	Oslo	Stockholm
Equity interest	100%	100%
Share of net profit for the year	33,768	-3,268
Share of equity	218,805	28,373



Notes

26

11. Interest in associated companies

Amounts in DKK thousands	Parent company		Group	
	2013	2012	2013	2012
Costs at 1 January 2013	281	281	281	281
Costs at 31 December 2013	281	281	281	281
Adjustments at 1 January 2013	640	389	640	389
Net profit for the year	1,423	651	1,423	651
Distributed dividend	-650	-400	-650	-400
Adjustments at 31 December 2013	1,413	640	1,413	640
Net asset value at 31 December 2013	1,694	921	1,694	921

Amounts in DKK thousands

	Alpha Sales Group A/S
Registered Office	Copenhagen
Equity interest	25%
Share of net profit for the year	1,423
Share of equity	1,694

12. Equity

Amounts in DKK thousands	Parent company		Group	
	2013	2012	2013	2012
<i>The calculation of base capital can be specified as follows:</i>				
Equity at 31 December	417,968	363,583	417,968	363,583
Discounting	-23,643	-13,762	-23,643	-13,762
Deferred tax asset	-34,959	-13,125	-34,959	-13,125
Immaterial assets	-20,450	-23,255	-20,450	-23,225
Tax of immaterial assets	5,458	6,072	5,458	6,072
Capital adequacy requirements in subsidiary insurance companies	-62,172	-56,661	-62,172	-56,661
Base capital at 31 December	282,202	262,882	282,202	262,882



13. Information on staff and remuneration

	Parent company		Group	
	2013	2012	2013	2012
Amounts in DKK thousands				
<i>Total staff costs comprise:</i>				
Wages and salaries	30,059	21,996	46,732	58,572
Pension plans	2,071	1,873	2,923	1,538
Expenses of social security and other staff costs	3,677	2,715	6,978	9,258
	35,807	26,584	56,633	69,368
Board of Executives	7,575	4,106	9,949	6,550
Board of Directors	1,372	1,189	2,862	2,536
	8,947	5,295	12,811	9,086
Members of the Executive Board	1	1	1	1
Members of the Board	5	6	5	6
Average number of employees	21	18	73	72

14. Claims provisions, gross

	Parent company		Group	
	Insurance year 2013	Insurance year through 2012	Insurance year 2013	Insurance year through 2012
Amounts in DKK				
1 January	-	1,240,019	-	1,712,472
Gross claims incurred	626,312	183,472	982,366	196,064
Claims paid	-283,409	-590,714	-357,473	-869,157
Currency adjustments	15,853	-85,719	-114,604	6,629
31 December	358,756	747,058	510,289	1,046,008

15. Reinsurers share of claims provisions

	Parent company		Group	
	Insurance year 2013	Insurance year through 2012	Insurance year 2013	Insurance year through 2012
Amounts in DKK				
1 January	-	549,795	-	671,716
Change in claims provisions	384,249	87,993	494,250	121,920
Claims paid	-247,177	-189,146	-239,995	-302,681
Currency adjustments	2,101	-20,604	1,361	-33,665
31 December	139,174	428,038	255,616	457,290



Notes

28

16. Contingent liabilities, etc.

Parent company:

Rent commitments are t.kr. 8,023.

Signed leases at a monthly payment of DKK 24,152 and a total commitment 31.12.2013 of DKK 157,643.

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.

Group:

Rent commitments are t.kr. 17,320.

17. Related parties, etc.

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

Controlling interest

Alpha Holding A/S (Principal shareholder)

Other related undertakings

Nemi Forsikring AS (Affiliated Company)

Cosa Försäkrings AB (Affiliated Company)

Ownership

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

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

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

18. Risk and information on sensitivity

Effect on Equity

Amounts in DKK thousands

Event:

Increase in interest rate of 0.7 %	-13,160
Decrease in interest rate of 0.7 %	13,160
Reduction in share prices of 12%	27
Reduction in value of property of 8%	-
Foreign currency risk (VaR 99.5%)	5,222
Loss on 3 rd parties of 8%	1,324



19. Other note information

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

20. Accounting policies

The Annual Report of Alpha Insurance A/S for 1 January – 31 December 2013 has been presented in accordance with the provisions of the Danish Financial Business Act.

The accounting policies applied remain unchanged as compared to 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 Annual 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 Holding 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.

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.

Wette Hans Andersen
2013



Notes

30

20. Accounting policies *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.

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.

Acquisitions cost

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

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

An insurance technical profit under these agreements represents a duty for the Company to pay additional commissions to the intermediary and a technical loss will give the Company a right to claim an amount from said 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.



20. Accounting policies *Continued*

Administrative expenses

Administrative expenses are listed as the costs related to the administration of the company's portfolio. The administrative expenses are allocated so 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 2013 amounts to 0,28 % per year. Also technical interest includes interest on funds withheld in connection with the reinsurance of the Company's insurance portfolio as well as the impact on the discounting of the reserve deriving from the change in the duration of the claims provisions.

Interest income and dividend

Profit or loss from investment operations 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



Notes

32

20. Accounting policies *Continued*

Leases

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

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

All other lease agreements are considered as operating leases. Lease payments under operating leases and other rental agreements are recognised in the Income Statement over the term of the agreements. The Company's total obligation related to operating leases and rental agreements is stated under contingent assets and liabilities etc.

Investment assets

Participating interests in affiliated companies

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

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

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

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

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

Securities

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

Insurance assets

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

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.

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.



20. Accounting policies *Continued*

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 provisions from the Norwegian portfolio are split between three branches, industrial injury, personal accidents and liability. The IBNR provisions are stated by the Benktander method to which are added estimates as statistical figures are missing. The Benktander method is a hybrid between the Fix loss ratio method and the classic Chain Ladder method. That means that the IBNR provisions are mainly stated by the Fix loss ratio method for the earlier underwriting years and the IBNR provisions are stated by the Chain Ladder method for the later underwriting years as here statistical information will be available.

To control the Benktander method the Company makes benchmark tests. The Company compares the provisions stated by the Benktander method with provisions stated by the Chain Ladder method and the Bornhuetter-Ferguson method. These two methods are used as benchmarks as the Chain Ladder method is effective when there is a large volume of claim statistics and the Bornhuetter-Ferguson method is effective when there is less claim statistics available.

The rest of the portfolio only has less claim statistics and few claims. This causes statistical uncertainty, and the IBNR provisions for the rest of the portfolio are therefore stated by the Fixed Loss ratio method, where claims are stated from the Company's best estimate.

The claims provisions are determined taking the interest rate (discounting) into account. Discounting is only used on the Norwegian portfolio. The Benktander method is used for estimates for the future cash flow. Discounting is based on the Norwegian interest rates. The other portfolio is not discounted as the missing statistical information makes the future cash flow uncertain.

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

Liabilities other than provisions

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

Brønnøysundregistrene



Company information

34

The Company

Alpha Insurance A/S
c/o Harbour House
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DK-2100 Copenhagen

Telephone: +45 70 25 25 95
Fax: +45 70 26 25 95

Registration No.: 2106 4440
Established: 1 July 1998
Registered office: Copenhagen
Financial year: 1 January – 31 December

Board of Directors

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

Board of Executives

Leif Corinth-Hansen

Independent auditors

AP | Statsautoriserede Revisorer
A member of Moore Stephens International
Nørre Farimagsgade 11
DK-1364 Copenhagen K

Homepage

www.alphagroup.dk

About the Annual Report

The printed version of the Annual Report is available in English.
The Annual Report is available in English on the corporate website.
The printed version is available on request from Alpha Group's head office.

The photographs in this Annual Report are of Harbour House where the company's head office has been situated since 1st July 2010. This office building was designed by the internationally renowned architect group Utzon Associates, comprising Jørn, Jan and Kim Utzon, in the late 1980's.

Harbour House was part of their design project covering the inner circle of Nordhavn. The style and distinctive features of the buildings along the waterfront are the same: recognisable building shapes, staircase plateau with columns and striking roofs. They resemble private landmarks remembered after a long voyage.

Few buildings were actually built at the time the plans were drawn up, nevertheless the vision has been followed and Harbour House was ready for use on 1st July 2005. Co-incidentally the same date that Alpha Insurance A/S was formed.

Design and production:

Niels Vejstrup MIDT, vejstrupdesign.dk





Alpha Insurance

www.alphagroup.dk

