EUROPÆISKE REJSEFORSIKRING A/S

HALF YEARLY REPORT

FOR THE PERIOD 1/1-30/6 2017

Europæiske Rejseforsikring A/S
Frederiksberg Allé 3
1790 Copenhagen V
DENMARK
CVR No. 62 94 05 14

EUROPÆISKE ERV

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COMPANY NAME

EUROPÆISKE REJSEFORSIKRING A/S
3, Frederiksberg Allé
DK 1790 Copenhagen V
Tel.: +45 33 25 25 25

Registered in: Copenhagen

Company Reg. No. CVR 62 94 05 14

BOARD OF DIRECTORS AND AUDIT COMMITTEE:

Richard Bader (Chairman), Oliver Wild, Gabriele Bayer,
Jørn Sønderup, *Christian Søndergaard, *Peter Fobian

*Elected by the staff

BOARD OF MANAGEMENT:

Johann-Dietrich von Hülsen, Managing Director

AUDIT:

KPMG
Statsautoriseret Revisonspartnerselskab
Company Reg. No. CVR: 25 57 81 98

Anja Bjørnholt Lüthcke	Mark Palmberg
State Authorised Public Accountant	State Authorised Public Accountant

Management report for the period 1/1-30/6 2017

Main activities of the company

Europæiske Rejseforsikring A/S' primary business areas are sale of travel insurance to the leisure market as well as the corporate market together with health insurance for companies' employees stationed abroad. The majority of travel insurance policies are sold either as trip-by-trip insurance or as annual travel insurance in connection with our customers' holiday trips, business trips or expatriation. Main distribution channels for all travel insurance policies and health insurance policies are either direct business or brokers in the relevant markets.

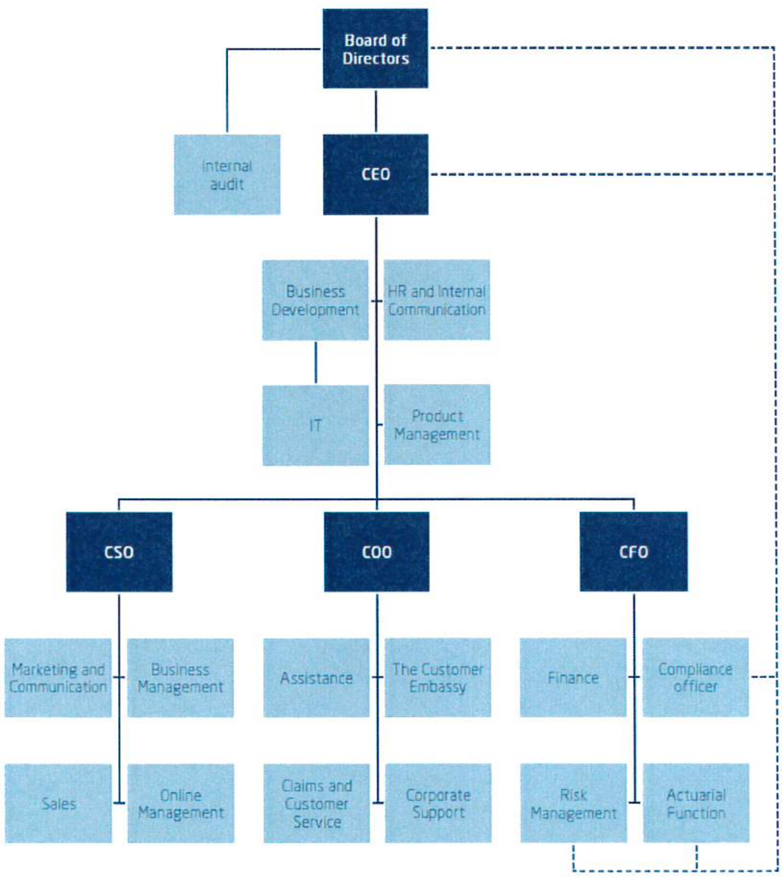
As the market leader within sale of travel insurance in the Danish market, it is essential we offer our customers 24 hour assistance, coverage of claims and related local services everywhere in the world.

Europæiske Rejseforsikring A/S uses the brand name Europæiske ERV. This is part of the strategic efforts to take advantage of the synergy and the brand value by being a part of the German based ERV Group.

Europæiske ERV's Values

Europæiske ERV's vision is to supply its customers with Denmark's best quality at a competitive price. Therefore, our target is to have an efficient organization with professional employees focusing on the customers' need for security and safety. This vision is also reflected in the ERV Groups 8 values, which are "Customer Focus", "Excellence", "Courage", "Passion", "Teamwork", "Forward Looking & Sustainable", "Openness & Trust" and "Leadership & Responsibility".

Organisation Chart



Product & Service Development

The core of our business is safety. In our role as market leader, one of Europæiske ERV's main tasks is to aim at being ahead of the development and at all times provide new and improved services with relevance to our customers and which secure them the best possible way while travelling.

After the discontinuance of the public health travel insurance cover through the yellow health card mid of 2014, Europæiske ERV was the first insurer to develop new flexible annual travel insurance and trip-by-trip insurance adjusted to the new requirements. Since the introduction of the new products we have noticed an increase in claims compared to the situation before the discontinuation of the yellow health card cover. This increase has however not been more than we anticipated when we launched the new products back in 2014 and we have therefore not seen any reasons to increase the prices on these products since then.

Europæiske ERV invests in having an updated and modern website as it is a necessity nowadays and a prerequisite for being able to increase sales and customer self-service online. One important element of web usability is ensuring that the content works on various devices and browsers. With our frequently updated website it's easy for our visitors to buy insurances and/or find information online, regardless of whether they're using a computer, an iPad or smartphone.

Besides having a responsive website layout we also focus on maintaining a high level of user-friendly design and functionality. Our website's modern and simplified design is based on customer needs and behaviour and facilitates excellent flows both for booking and claims.

The Corporate Market

On the Corporate Market Europæiske ERV has continued the focus on creating profitable business in 2017. Europæiske ERV has maintained focus on communicating the news about our coverage and products to existing as well as to new customers.

One of the topics we have communicated to our corporate customers is compliance, namely the fact that we and our customers have to act in accordance with international agreements and local legislation when issuing insurance. Business Travel Insurance across borders is in itself not yet subject to very many rules or any joint control. But especially the western countries are working closer and closer together to regulate all parties in the transaction between the insured and the employers who insure them. The problem is two-sided: These requirements must not only be achieved where a company has its head office (e.g. in Denmark) but also where the company has interests and employees located abroad for shorter or longer periods.

Europæiske ERV has decided to take timely action on these challenges and to have a conservative attitude to compliance, to minimize the expected future risk for our customers and ourselves. With our compliance guidelines, which are based on ongoing analyses of the legal requirements internationally and locally, our aim is to make sure that our insurance solutions are in conformity with international and local rules and regulations.

The Leisure Market

In the autumn of 2016 we thoroughly analysed the reasons behind the popularity of especially our Leisure Basic travel insurance and found out that the popularity mainly is due to clarity and structure of this insurance. Put in another way it is the simple insurance that appeals to our customers and consumers in general. Starting 1st of January 2017 we have therefore introduced a new and even more clear-cut version of our Basic travel insurance. The simplification of the Basic travel insurance effects an average price reduction in the area of 14-17% depending on how you want to be insured and in relation to where and how long you travel.

Nordic Health Care

International health insurance is no longer a part of Europæiske ERV's strategy. It was therefore decided to withdraw Nordic Health Care – Europæiske ERV's international health insurance brand – from the international health insurance market with effect from August 2013.

The above-mentioned decision means that our premium income from this line of business has had a declining trend since 2013. It will continue to decrease substantially, as Europæiske ERV expects that the majority of customers will change to another health insurance company within the next years.

Unemployment Insurance

Unemployment insurance is no longer a part of Europæiske ERV's future strategy and during 2015 we decided to transfer this business portfolio to our reinsurance partner. Thus AmTrust International Underwriters Limited based in Ireland was planned to take over these customers during 2016. Europæiske ERV informed the customers and received the Danish FSA's authorization. But as we afterwards encountered complications in receiving an approval by the Irish FSA we instead started to terminate the policies at renewal date. We have therefore experienced a significant decrease in this portfolio since the autumn of 2016 and we expect to be more or less out of this business by end of 2017.

Europæiske ERV's Claim handling

For more than 90 years, a well-developed international network has been our principal foundation, a foundation which is adjusted continuously and expanded concurrently with the development on the travel market and in accordance with the travellers' needs and wishes. Our strength is that Europæiske ERV own and/or controls all significant elements in the network enabling us directly to ensure the quality of our assistance.

Europæiske ERV's Assistance Network handles emergency assistance cases that occur in all parts of the world from small cases such as outpatient cases to bigger and more complex cases involving air-ambulances. Approximately 20% of the cases are complex medical cases, which are handled in close cooperation with our specialised sister assistance company Euro-Center.

Euro-Center offices are the entry to the regional areas and thus the local help and assistance for our customers. With service offices on six continents Europæiske ERV's customers have one of the world's largest medical networks of experienced professionals with them on the journey. It involves, among other Danish-speaking staff 24/7, specialist doctors, psychologists and nurses.

Branching of our Swedish sister company

Our owners ERV AG has decided to implement a branch structure between Europæiske ERV and our Swedish sister company ERV Försäkringsaktiebolag (publ), Company Reg. no: 502005-5447. The plan is to establish ERV Försäkringsaktiebolag as a branch of Europæiske ERV during 2017. We expect that the branching of our Swedish sister company will strengthen our competitiveness and have a positive effect on our result in the long run.

The development in the company's activities and financial matters

The half yearly result amounts to a profit of DKK 3.6m compared to DKK 14.0m in the first half of 2016.The decline in the profit at DKK 10.4m compared to first half of 2016 can primarily be attributed to reduced sales and a negative investment result.

Gross premiums written has in the first half of 2017 decreased to DKK 126.6m compared to DKK 146.5m in the first half of 2016, a reduction of DKK 19.9m. This is due to reduced premiums from the downsized Nordic Health Care products and the Unemployment product, as well as sales decreases on the Corporate segment partly explained by discounted premiums due to the good 2016 claims result as well as non-renewal of a few individual major deals. On our Leisure segment we have on the other hand been able to increase our sales compared to the same period last year.

The total premium income net of reinsurance has also decreased to DKK 110.7m compared to DKK 117.4m in the first half of 2016, a reduction of DKK 6.7m. The decline in sales net of reinsurance is not as drastic as the decline in gross sales because the Unemployment business is fully ceded to AmTrust International Underwriters Limited based in Ireland.

Gross claims incurred amounts to DKK 52.7m against DKK 69.3m in first half of 2016 which is a decrease of DKK 16.6m. The claims result for first half of 2017 has been satisfactory and better than planned. The gross claims ratio amounts to 46.1% against 51.6% in first half of 2016. The claim ratio is as last year positively affected by run off gains. The decreased gross claim ratio is primarily due to decreased claim ratios at Europæiske ERV's Leisure products as well as on the remaining portfolio of Nordic Health Care.

The claims incurred net of reinsurance amount to DKK 51.5m against DKK 59.1m in first half of 2016 which is a decrease of DKK 7.6m. The claims ratio net of reinsurance is 47.0% against 50.9% in first half of 2016, a decrease of 3.9%-points mainly caused by the before mentioned improved claims results of the Leisure products and on the remaining portfolio of Nordic Health Care.

Net operating expenses for first half of 2017 amounted to DKK 51.4m against DKK 45.5m in 2016, an increase of DKK 5.9m.

Acquisition costs amount to DKK 32.4m against DKK 29.0m in first half of 2016. The increase is driven by increased sales of specific products and sales through certain sales channels with relative high commission costs.

The administrative expenses amount to DKK 19.2m which is the same level of costs as in the first half of 2016. Continued focus on cost reductions means that we have been able to keep administrative expenses on the same level as last year despite extraordinary costs this year in regards to the branching of our Swedish sister company.

Commissions and profit commissions from reinsurance have decreased and only amounts to an income of DKK 0.1m against an income of 2.6m in first half of 2016. The decreased reinsurance commissions are affected by the lowered sales of especially our Unemployment product.

The above described development in sales, claims and operating expenses results in a profitable underwriting result of DKK 6.3m compared to a profit of DKK 10.9m in first half of 2016. Total combined ratio net of reinsurance (total costs measured in relation to earned premiums) is there for increased to 94.5% compared to 92.2% in 2016.

The result of investment activities before transfer of technical interest amounts to a cost of DKK 1.8m against a profit of DKK 5.8m in 2016.

The result from affiliated companies shows a cost of DKK 2.3m against a profit of DKK 2.8m in first half of 2016. This result is created by ERV Pojistovna a.s of which Europæiske ERV owns 75% of the share capital. The main reason for the negative result is a cost of DKK 3.3m due to an adjustment of the investment income from this company.

Associated companies' delivers an income of DKK 0.5m compared to no profit in the first half of 2016. The result is created by Euro-Center Holding SE of which Europæiske ERV owns 16.67%.

Income from investment properties amounts to DKK 1.5m against DKK 0.6m in first half of 2016. The increased income is affected by a couple of new tenants moving into our office building during the second part of 2016.

Interest income and dividends for the period amounts to DKK 3.2m compared to DKK 4.3m in first half of 2016. The development is due to the fact that our investment portfolio is significantly lower than in 2016.

Europæiske ERV has had a net loss in connection with realised and unrealised gains & losses of bonds, bond-based unit trusts and exchange rates of a total of DKK 4.3m. The loss is due to both losses on bonds and exchange rates. In the same period last year we had a comparable loss of DKK 1.5m.

Interest expenses have been kept low and amounts to DKK 0.1m and are thereby in the same level as last year.

Administrative expenses related to investments amounts to DKK 0.3m like last year. These expenses are primarily triggered by the services delivered by MEAG (Munich Ergo Assetmanagement GmbH) that is our appointed asset manager.

Other income amounts to DKK 1.6m like last year and other expenses amounts to DKK 0.9m compared DKK 1.0m in 2016. Other income and expenses mainly originates from a number of administration agreements where we deliver our claims handling and assistance services to customers that prefer to self-cover their insurance risks.

The tax of the first half of the year amounts to an expense of DKK 1.8m which is lower than last year in accordance to the lowered result.

At 30th June 2017, the company's total capital and reserves amount to DKK 216.3m and total assets amount to DKK 404.9m.

The result of the period compared to earlier statements

The company expected previously the following for 2017: "We expect continued decrease in premium income for our Nordic Health Care and Unemployment products. It is however difficult to continue the adjustment of the organisation and the fixed costs to the full extent of the expected premium decrease in 2017. At the same time Europæiske ERV does not expect run-off gains in 2017 to the same extent as for 2016 and do not expect the extraordinary high result from our affiliated company ERV Pojistovna a.s. This means that the expectations to the result for 2017 are substantially lower than for 2016."

The bottom line result for the first half of 2017 has despite the negative investment result been in line with the original expectations. The acceptable result is supported by lower than expected claims costs on especially the Leisure and Nordic Health Care products and the fact that we despite our expectations have had a run-off gain of DKK 8.1m net of reinsurance.

Ownership

Europæiske Rejseforsikring A/S is a 100% owned subsidiary of ERV AG, Munich, Germany
ERV AG, Munich is a 100% owned subsidiary of ERGO Group AG, Düsseldorf, Germany.
ERGO Group AG, Düsseldorf is a 100% owned subsidiary of Münchener Rückversicherungs-Gesellschaft, Munich, Germany.

Events after June 30th 2017

No events have occurred subsequent to the balance sheet date, which would have a material influence on the financial position of the company.

Outlook for the second half of 2017

We expect continued decrease in premium income for Nordic Health Care and Unemployment insurance and we expect to see an increase in the claims ratio during the second half of 2017. We however expect to see an improved investment result in the second part of 2017 compared to the negative result seen in the first part of the year. This means that we expect positive results in the last two quarters of the year and that we will further improve the overall result of 2017 throughout the remaining part of 2017.

As mentioned above our owners ERV AG has decided to implement a branch structure between Europæiske ERV and our Swedish sister company ERV Försäkringsaktiebolag (publ), Company Reg. no: 502005-5447. The plan is to establish ERV Försäkringsaktiebolag as a branch of Europæiske ERV during 2017. In the long run we expect the branching of our Swedish sister company to have a positive effect on our result, but in the short run not substantially enough to adjust the expected result development described above.

Uncertainty in respect of recognition and measurement

The statement of the accounted value of certain assets and liabilities is conditioned by applying the accounting estimate. The estimates made are based on assumptions which the management finds justifiable but uncertain. The statement of the insurance provisions is in particular connected to estimates.

Risk Management

Europæiske ERV overall risk profile originates from the risks connected with the running of the core business together with the financial and capital requirements. Europæiske ERV's aim is to monitor and control the contribution of each individual risks to the overall risk, in such a way that the possibilities to make the right decisions are optimised.

Europæiske ERV has implemented the necessary and relevant procedures and control functions with a view to minimize the risks in all business areas. The overall risk management guidelines and the framework are stipulated by the board of directors. The responsibility to follow-up on the individual risks and their risk factors is placed with Finance and it is reported to the management and the board of directors. We have further fostered our collaboration with the Integrated Risk Management Department of ERGO AG in Düsseldorf, Germany throughout 2017 to further improve our risk management capabilities.

Each business area works in a structured way with risk management and reports the efforts to the risk management.

Outline

The most important risks in Europæiske ERV:

- Underwriting Risks
- Market Risks
- Operational Risks

Underwriting risks

Underwriting risks arises from inaccurate assessments of the compensations and other costs related to insurance policies.

It is Europæiske ERV's policy that the risks originating from the company's insurance business shall be covered or limited to such a level that the company will be able to maintain a normal operation and carry out planned initiatives even in case of a very unfavourable development. One of the measures is our excess of loss reinsurance agreements. To cover the risks in connection with disasters, the company has made reinsurance contracts limiting Europæiske ERV's risks to about DKK 5.2m per claim event. The company has estimated the effect of a widespread pandemic at DKK 16.3m at own account. The size of this risk is due to the fact that a pandemic is not seen as one claim. In the Standard model this risk is estimated to present an exposure of DKK 36.6m.

Market Risks

It is Europæiske ERV's aim to control the market risks in such a way that the company obtains a return corresponding to risks taken.

The most important risks are:

- Property risk
- Currency risk
- Equity risk
- Market risk concentrations

In terms of the result, the company is sensitive towards the development in currency rates and the prices of bonds, shares and participations. The standard model calculation has been used to assess the risks and the necessary capital for this type of risks. This model demands a capital of DKK 56.8m in order to be able to cover the risk sufficient with a confidence level at 99.5%, which means that Europæiske ERV can meet the policyholders' claims for 199 years out of 200 years.

Operational risks

Operational risks are the risks of losses stemming from inadequate or failed internal processes, people and systems or from external events. They are addressed in a comprehensive internal control system (ICS) which is performed on an annual basis. Each risk has been discussed and evaluated, and a responsible person has been assigned. Risk Management follows up on the status for each risk on a continuous basis. As of now, the risks are not assigned with an estimation of the economic impact, and this limits the basis for a quantitative measurement of the operational risk profile. Despite the above, the result in the Standard model is considered conservative and satisfactory.

The standard model calculation demands a capital of DKK 6.9m in order to be able to cover the Operational risk sufficient with a confidence level at 99.5%, which means that Europæiske ERV can meet the policyholders' claims for 199 years out of 200 years.

Capital Management

Solvency II

The European solvency rules, Solvency II, have become effective as of 1st of January 2016. Munich Re and ERGO Group, which Europæiske ERV is a part of, started in 2009 a Solvency II project that has enabled timely and proper implementation of the SII principles. As for Europæiske ERV the project has included among other continued adjustment and development of a standard model, implementation of a system for risk management (ICS), written ORSA (Own Risk and Solvency Assessment) reports and organizational implementation of the required key functions (risk management function, compliance function, internal audit function and actuarial function). As a continuation of the SII effort we have also recently delivered the SII narrative reports.

Europæiske ERV's solvency requirement is calculated on the basis of the Solvency II requirements. The board of directors of the company has estimated that a security level of 99.5% has to be used for the capital demands. Europæiske ERV has calculated the capital requirement based on a security level of 99,5% and according to the Standard model under Solvency II which means that Europæiske ERV can meet the policyholders' claims for 199 years out of 200 years. The model has been tested during the last 3 years and Europæiske ERV has always had more than sufficient capital to meet the security level of 99.5%.

The solvency capital requirements (SCR) have been calculated to DKK 98.6m and shall be covered by the company's eligible own funds of DKK 208.3m as of 30th June 2017.

Capital requirements

	30/6 2017	**31/12 2016**
Eligible own funds	208,309	245,029
Solvency II requirements SCR	98,643	97,647
Solvency II requirements MCR	27,524	27,524

The above shown capital requirements are in accordance with Financial Business Act.

SIGNATURES OF THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS

We have today presented the half yearly report for 1 January – 30 June 2017 to Europæiske Rejseforsikring A/S.

The half yearly report has been prepared in accordance with the Financial Business Act.

The half yearly report gives a true and fair view of the company's assets, liabilities and financial position as of 30 June 2017 together with the results of the company's activities for the financial half year 1 January – 30 June 2017.

The management report contains a fair and true review of the development of the company's activities and financial performance together with a description of the most significant risks and elements of uncertainty that may have an impact on the company.

The half yearly report has not been audited or reviewed by the company's auditor.

Copenhagen, 26th September 2017

Board of Management:

Johann-Dietrich von Hülsen Chief Executive Officer	/ Peter Steen Olsen Chief Financial Officer

Board of Directors:

Richard Bader
Chairman of the Board

Oliver Wild Board Member and Chairman of the Audit Committee	Gabriele Bayer Board Member and Member of the Audit Committee
Peter Fobian Board Member, elected by the Employees	Christian Søndergaard Board Member, elected by the employees
Jørn Sønderup Board Member and Member of the Audit Committee	

Note	in DKK'000	2017	2016
	Earned premiums		
	Gross premiums written	126.587	146.503
	Ceded insurance premiums	-4.216	-18.458
	Change in the provision for unearned premiums	-11.169	-10.571
	Change in the provision for unearned premiums, reinsurers' share	-469	-71
	Total premium income, net of reinsurance	**110.733**	**117.403**
	Technical interest, net of reinsurance	**-236**	**-225**
	Claims incurred		
	Claims paid	60.290	73.343
	Reinsurance recoveries	-7.138	-9.841
	Change in the provision for claims	-7.675	-3.949
	Change in the provision for claims, reinsurers' share	5.957	-364
	Change in Risk margin	58	-120
	Total claims incurred, net of reinsurance	**51.492**	**59.069**
	Bonus and premium discounts	**1.241**	**1.435**
	Net operating expenses		
	Acquisition costs	32.395	28.966
	Administrative expenses	19.160	19.175
	Commission and profit share from reinsurers	-139	-2.625
	Total net operating expenses, net of reinsurance	**51.416**	**45.516**
3	**UNDERWRITING RESULT**	**6.348**	**10.918**
	Income from investment assets		
	Income from affiliated companies	-2.297	2.754
	Income from associated companies	475	0
	Income from investment properties	1.510	638
	Interest income and dividends etc.	3.166	4.273
	Value adjustment	-4.329	-1.514
	Interest expenses	-63	-43
	Administrative expenses on investments	-279	-289
	Total return on investment activities	**-1.817**	**5.819**
	Interest on insurance provisions	**236**	**225**
	TOTAL RETURN ON INVESTMENT ACTIVITIES AFTER TECHNICAL INTEREST	**-1.581**	**6.044**
	Other income	1.619	1.585
	Other expenses	943	1.034
	PROFIT BEFORE TAX	**5.443**	**17.513**
	Tax	1.794	3.489
	PROFIT FOR THE PERIOD	**3.649**	**14.024**

STATEMENT OF COMPREHENSIVE INCOME

		2017	2016
	Other comprehensive income		
	Exchange rate adjustment of foreign entities	3.434	-320
	Comprehensive income	3.434	-320
	Result of the period	3.649	14.024
	TOTAL COMPREHENSIVE INCOME	**7.083**	**13.704**

Balance Sheet as of

Note	in DKK '000	30/06 2017	30/06 2016	31/12 2016
	ASSETS			
	Intangible assets			
	Software	18.298	18.751	18.808
	Software, development projects	2.587	0	3.026
	TOTAL INTANGIBLE ASSETS	20.885	18.751	21.834
	Tangible assets			
	Operating equipment	1.050	1.517	1.305
	Domicile	88.922	87.862	89.483
	TOTAL TANGIBLE ASSETS	89.972	89.379	90.788
	Investments in affiliated and associated companies			
	Capital holdings (shares) in affiliated companies	57.323	49.773	65.161
	Capital holdings (shares) in associated companies	7.650	7.038	6.917
	Total investments in affiliated and associated companies	64.973	56.811	72.078
	Other financial investments			
	Participating interests	33	33	33
	Unit trusts	19.997	18.089	19.340
	Bonds	175.509	232.554	217.408
	Total other financial investments	195.539	250.676	236.781
	TOTAL INVESTMENT ASSETS	260.512	307.487	308.859
	Reinsurance share of technical provision			
	Reinsurance share of unearned premiums	1.350	5.593	1.819
	Reinsurance share of claim provision	3.862	9.528	9.818
	Total reinsurance share of technical provision	5.212	15.121	11.637
	Debtors			
	Amounts owed by policy holders	6.989	10.249	6.112
	Amounts owed by insurance brokers	2.542	1.882	941
	Debtors arising out of direct insurance contracts, in total	9.531	12.131	7.053
	Other debtors			
	Amounts owed by insurance companies	2.752	20	5.488
	Amounts owed by affiliated companies	3.224	1.799	4.790
	Amounts owed by associated companies	0	0	0
	Tax asset	3.620	0	1.803
	Deferred tax assets	495	1.760	1.488
	Other debtors	2.287	2.897	4.087
	Total other debtors	12.378	6.476	17.656
	TOTAL DEBTORS	27.121	33.728	36.346
	Other assets			
	Cash in hand and cash equivalent	2.850	3.958	7.061
	Other	74	124	110
	TOTAL OTHER ASSETS	2.924	4.082	7.171
	Prepayments and accrued income			
	Accrued interest	2.474	3.449	1.659
	Other prepayments and accrued income	1.005	801	920
	TOTAL PREPAYMENTS AND ACCRUED INCOME	3.479	4.250	2.579
	TOTAL ASSETS	404.893	457.677	467.577

Balance Sheet as of

Note	in DKK '000	30/06 2017	30/06 2016	31/12 2016
	LIABILITIES			
	Capital and reserves			
	Share capital	10.000	10.000	10.000
	Revaluation provisions	798	798	798
	Reserves			
	Contingency reserve, untaxed	115.000	115.000	115.000
	Net revaluation reserve	51.446	43.284	58.551
	Total reserves	166.446	158.284	173.551
	Proposed dividend for the accounting year		0	62.818
	Profit brought forward	39.033	74.469	24.844
	TOTAL CAPITAL AND RESERVES	216.277	243.551	272.011
	Provisions for insurance contracts			
	Provision for unearned premiums	98.605	109.152	87.437
	Claim provisions	44.505	54.737	52.179
	Risk margin on insurance contracts	4.366	5.221	4.308
	TOTAL PROVISION FOR INSURANCE CONTRACTS	147.476	169.110	143.924
	Provisions for other risks and charges			
	Deferred taxation	10.242	7.684	10.312
	TOTAL PROVISIONS FOR OTHER RISKS AND CHARGES	10.242	7.684	10.312
	Creditors			
	Amounts owed in connection with direct insurance business	3.717	5.451	4.122
	Amounts owed to reinsurance companies	73	1.862	76
	Amounts owed to affiliated companies	925	714	2.633
	Actual tax liabilities	0	2.998	0
	Other creditors	26.183	26.307	34.499
	TOTAL CREDITORS	30.898	37.332	41.330
	TOTAL LIABILITIES	404.893	457.677	467.577
4	Contingency liabilities			

Equity specification

Amount in DKK '000	Share Capital	Revaluation Provisions	Net revaluation reserve	Contingency Reserve	Transferred result	Proposed Dividend	Total
Equity as of 1st January 2016	10.000	798	49.329	115.000	54.719	33.496	263.342
Dividend paid out						-33.496	-33.496
Provisions for other reserves			-5.725		5.725		0
Other comprehensive income, provisions for revaluations							0
Other comprehensive income, currency adjustment for foreign entities			-320				-320
Profit for the year					14.024		14.024
Proposed dividend							0
Equity as of 30th June 2016	10.000	798	43.284	115.000	74.469	0	243.551
Equity as of 1st January 2016	10.000	798	49.329	115.000	54.719	33.496	263.342
Dividend paid out						-33.496	-33.496
Provisions for other reserves			9.875		-9.875		0
Other comprehensive income, provisions for revaluations							0
Other comprehensive income, currency adjustment for foreign entities			-653				-653
Profit for the year					42.818		42.818
Proposed dividend					-62.817	62.817	0
Equity as of 31st December 2016	10.000	798	58.551	115.000	24.845	62.817	272.011
Equity as of 1st January 2017	10.000	798	58.551	115.000	24.845	62.817	272.011
Dividend paid out						-62.817	-62.817
Provisions for other reserves			-10.539		10.539		0
Other comprehensive income, provisions for revaluations							0
Other comprehensive income, currency adjustment for foreign entities			3.434				3.434
Profit for the year					3.649		3.649
Proposed dividend						0	0
Equity as of 30st June 2017	10.000	798	51.446	115.000	39.033	0	216.277

Note 1 – Accounting Policies Applied

General
The half yearly report has been prepared in accordance with the Financial Business Act and the executive order issued by the Danish Financial Supervisory Authority on financial reports for insurance companies and profession-specific pension funds.

The half yearly report is presented in thousand crowns.

The accounting policies are unchanged from last year.

Accounting estimate
The preparation of half yearly reports under the Danish Financial Supervisory Authority's executive order requires the use of certain critical accounting estimates and requires the management to exercise its judgment in the process of applying the company's accounting policies.

The statement of the accounted value of certain assets and liabilities is conditioned by applying the accounting estimate. The estimates made are based on assumptions which the management finds justifiable but uncertain. The statement of the insurance provisions is in particular connected to estimates. These estimates are described in more details in the below-mentioned under the individual accounting items.

Recognition and measurement
Assets are recognised in the balance sheet when it is probable that future economic benefits will flow to the company and the value of the asset can be reliably measured.

Liabilities are recognised in the balance sheet when the company has a legal or constructive obligation as a result of a prior event, and it is probable that future economic benefits will flow out of the company, and the value of the liabilities can be measured reliably.

On initial recognition, assets and liabilities are measured at fair value, however tangible and intangible assets are measured at cost. Measurement subsequent to initial recognition is effected as described below for each financial statement item.

Anticipated risks and losses that arise before the time of presentation of the half yearly report and that confirm or invalidate affairs and conditions existing at the balance sheet date are considered at recognition and measurement.

Income is recognised in the income statement as earned, whereas costs are recognised by the amounts attributable to this financial period. Value adjustments of financial assets and liabilities are recorded in the income statement unless otherwise described below.

Inter group transactions
The remuneration for the administration of the group's companies is based on the costs of such administration. The interest charged on inter-company accounts is the market rate when these accounts are not considered current business accounts.

Other services (including reinsurance) rendered as part of ordinary insurance operations to and from inter-company buyers are settled at market rates.

Inter-company trading in assets, including securities, is conducted at market prices.
No significant inter-company trading with assets has taken place during the accounting year.

Consolidated accounts
The company has chosen not to prepare consolidated accounts in accordance with §134 in the executive order issued by the Danish Financial Supervisory Authority on financial reports for insurance companies and profession-specific pension funds, as the company's ultimate parent company, Münchener Rückversicherungsgesellschaft, Munich, Germany, prepares consolidated accounts in which the company and its subsidiaries are included.

PROFIT AND LOSS ACCOUNT

RESULT OF INSURANCE OPERATIONS

Premium income, net of reinsurance
Premium income, net of reinsurance consists of the premiums collected for the year less ceded reinsurance premiums, adjusted for movements in the unearned premium provision.

Technical interest, net of reinsurance
The interest yield is calculated on the basis of the year's average net technical provisions. The year's average rate for short-maturity bonds is used as the rate of interest.

Technical interest is reduced by the portion of the increase in net provisions that relates to unwinding of discounting.

Claims incurred, net of reinsurance
Claims incurred, net of reinsurance consist of the claims paid together with direct and indirect costs for claims handling less reinsurance recoveries, adjusted for movements in the outstanding claims reserve.

As a result, claims incurred, net of reinsurance consist of reported and expected claims for the accounting year. Furthermore, run-of gains or losses on previous years' provision for outstanding claims are included in claims incurred. The portion of the increase of the provisions that relates to reduction of term has been transferred to technical interest.

Changes in provisions of claims due to changes in the yield curve and exchange rates are recognized as a value adjustment.

Bonus and premium rebates
Bonus and premium rebates represent anticipated and reimbursed premiums where the amount reimbursed depends on the claims record, and for which the criteria for payment have been defined prior to the financial year or when the business was written.

Insurance operating expenses, net
Insurance operating expenses represent acquisition costs and administrative expenses less reinsurance commissions received. Expenses relating to acquiring and renewing the insurance portfolio are recognised at the time of writing the business. Administrative expenses are accrued to match the financial period.

Investment activities
Income from affiliated companies includes the company's share of the affiliates' net profit.

Income from associates includes the company's share of the associates' net profit.

Income from investment properties before fair value adjustment represents the profit from property operations less property management expenses for the part of the property which is not used by the company.

Interest, dividends, etc. represent interest earned, dividends received, etc. during the financial period.

Realised and unrealised investment gains and losses, including gains and losses on derivative financial instruments, value adjustment of land and buildings, exchange rate adjustments.

Exchange rate adjustments: all items in the balance sheet in foreign currency are translated at the exchange rate ruling on the date of the transaction.

Investment management charges represent expenses relating to the management of investments.

OTHER ITEMS

Other income and expenditure

Other income and expenditure contain income and expenses on administration agreements, which cannot be attributed to the insurance portfolio.

Taxation

Tax on the profit for the year is calculated on the basis of the profit for the year before tax, adjusted for non-taxable income and expenditure.

The company is jointly taxed with Danish group companies. Full inter-company tax equalisation is effected so that the company pays for the utilisation of contingent negative taxable income from the jointly taxed company and the company is refunded by the jointly taxed company for its utilisation of contingent taxable deficits of the company.

Deferred tax related to recapture of previously deducted deficits in foreign branches or affiliates' entities is included based on an actual assessment of the purpose of the individual entity.

Deferred taxes are provided for with 23.5% to 22% on all time differences between the result reported in the half yearly report and the result reported in the tax return, and between the book value and taxable value of the company's intangible assets, investment assets, operating equipment and debts.

If deferred tax constitutes a tax asset, it is included in the assets, if it is most probably that it can be used in the future. The tax liable on the contingency reserve (contingent tax) is not provided for in the balance sheet.

BALANCE SHEET

Intangible assets

The assets are measured at the acquisition costs with deductions of the write down. A straight-line write down is applied based on the following assessment of the assets' expected useful lives:

Software, presently	3-10 years

Costs that are directly associated with the production of identifiable and unique software products as intangible assets. Direct costs include the software development team's employee costs and other directly related overheads. All other costs associated with developing or maintaining computer software are recognised as an expense as incurred.

After completion of the development the asset is written down on a straight-line basis over the expected useful life, however, presently with a maximum period of 10 years. The basis of writing down is reduced by any impairment write downs.

Intangible assets including development projects are written down to the lower of recoverable amount and carrying amount.

Operating equipment
Fixtures and operating equipment are measured at cost less accumulated write down and any accumulated impairment losses. Cost encompasses the purchase price and costs directly attributable to the acquisition of the relevant assets until the time when the asset is ready to be brought into use.

The tangible assets are written down on a straight-line basis from the following assessment of the assets' expected useful lives, as follows:

Furniture and other operating equipment, presently	5 years
Computer hard and software, presently	3-5 years
Motor vehicles, presently	5 years

The assets' residual values and useful lives are reviewed at each balance sheet date and adjusted if appropriate.

Gains and losses on disposals and retirements are determined by comparing proceeds with carrying amount. These are included in the income statement. When revalued assets are sold, the amounts included in the revaluation reserve are transferred to retained earnings.

Tangible assets are written down to the lower of recoverable amount and carrying amount.

Domicile
Domiciles are measured in the balance sheet at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation. Revaluations are performed regularly to avoid the carrying amount differing from the domicile's fair value at the balance sheet date.

Increases in the revalued carrying amount of domiciles are credited in equity, unless the increase corresponds to a decrease previously credited to the income statement. Decreases are credited to the income statement unless the decrease corresponds to an increase previously credited to equity.

The write downs are recognized in the profit and loss account over their useful lives. The expected useful life is measured regularly.

Europæiske Rejseforsikring A/S assessed at the time of the change-over to the rules of Danish Financial Supervisory Authority's executive order on financial reports that the useful life is 50 years and the scrap value is 70%.

Capital holdings (shares) in affiliated and associated companies
Shareholdings are stated at their equity value using the equity method. As a result, the shareholdings are shown in the balance sheet as the pro rata share of the companies' equity value, and the company's share of the result is included in the profit and loss account under "income from affiliated or associated companies".

The total net revaluation of capital holdings in affiliated and associated companies are included in the net revaluation reserve in equity, if the book value is higher than the cost price.

Other financial assets
Listed bonds and capital investments are stated at the price listed at closing time on the date of the balance sheet. However, drawn bonds are stated at fair value.

Unlisted capital investments are stated as the estimated market value, based on the last available annual accounts of the company in question.

Secured loans are stated as the estimated fair value at the balance sheet date.

The settling day is used as the time of calculation for all investment assets.

Reinsurers' share of provisions for insurance contracts
Contracts entered into by the company with reinsurers under which the company is compensated for losses on one or more contracts issued by the company and that meet the classification requirements for insurance contracts are classified as reinsurance share of the technical provision.

Amounts recoverable from reinsurers are measured consistently with the amounts associated with the reinsured insurance contracts and in accordance with the terms of each reinsurance contract.

The benefits to which the company is entitled under its reinsurance contracts held are recognised as assets and reported as reinsurers' share of claim provisions for insurance contracts.

The reinsurers' share of the provisions for claims is measured at discounted value if such discounting is material. The future payments will be discounted back according to the zero coupon interest rate structure set by the Danish Financial Supervisory Authority.

The company assesses continuously its reinsurance assets for impairment. If there is objective evidence that the reinsurance asset is impaired, the company reduces the carrying amount of the reinsurance asset to its recoverable amount and recognises that impairment loss in the income statement.

Debtors
Debtors are stated net of a bad debt reserve calculated on the basis of an individual assessment of the debtors.

Accruals
Accruals, reported under assets, comprise cost paid relating to the following financial period.

EQUITY
Share capital
Shares are classified as equity when there is no obligation to transfer cash or other assets.

Revaluation reserves
Revaluation of owner-occupied property is recognized in other comprehensive income unless the revaluation offsets a previous impairment loss. Revaluation reserves show the net revaluation of the owner-occupied property.

Contingency reserves
The contingency reserves are recognized as part of retained earnings under equity. The reserves may only be used when so permitted by the Danish Financial Supervisory Authority and when it is for the benefit of the policyholders. The funds allocated to the contingency reserves are not taxed and there has been no deferred tax allocated in the balance sheet.

Other reserves
The total net revaluation of capital holdings in affiliated and associated companies is recognized via appropriation of profit to the net revaluation reserve in equity (other reserves), if the book value is higher than the cost price.

Proposed dividend
The proposed dividend is recognized as a liability at the time of the adoption by the shareholders at the annual general meeting. Dividend to be paid out for the year is shown as a separate item under equity.

TECHNICAL RESERVES

Provisions for insurance contracts
The company have chosen to use the simplified calculation of premium provision according to the Danish Executive Order on Financial Statements § 69a.
Provisions for insurance contracts are recognised as future payments including payments for administration and claims handling regarding future events for in-force policies. However, as a minimum to the part of the premium calculated using the pro rata temporis principle until the next payment date. Adjustments are made to reflect any variations in the incidence of risk. For new annual insurance policies, where a considerable part of the risk is in the immediate continuation of the date they become effective, we add as income 50% of the premium within the first 2-3 weeks and then distribute the rest according to the pro rata temporis principle. The provisions also include amounts reserved to cover risk in connection with increasing age. These provisions are reserved when there no longer is a natural premium and the risks covered increase with the insured person's age.

The provisions for insurance contracts are recognised, taking into account, the deductions for direct acquisition costs.

Provisions for claims
Provisions for claims include direct and indirect claims handling costs arising from events that have occurred up to the balance sheet date. Provisions for claims are estimated using the input of assessments for individual cases reported to the company and statistical analyses for the claims incurred but not reported and the expected ultimate cost of more complex claims that may be affected by external factors (such as court decisions).

Provisions for claims are discounted if such discounting is material. The future payments will be discounted back according to the zero coupon interest rate structure set by the Danish Financial Supervisory Authority.

Discounting is not applied at present as it is not considered material.

Provisions for bonus and premium rebates
Provisions for bonus and premium rebates represent amounts expected to be paid to policyholders in view of the claims experience during the financial year.

Liability adequacy test
Tests are continuously performed to ensure the adequacy of the technical provisions. In performing these tests, current best estimates of future cash flows of claims, gains and direct and indirect claims handling costs are used. Any deficiency is charged to the income statement by raising the relevant provision.

Financial liabilities
Bond loans, debt to credit institutions, etc. are recognised at the raising of the loan at a fair value plus transaction costs incurred.

Debt
Other liabilities are measured at net realisable value.

2 Five-year review

Profit and Loss	2017	2016	2015	2014	2013
Gross premiums earned	115.418	135.932	148.933	164.956	201.830
Gross claims incurred	52.673	69.394	80.018	74.096	113.790
Total operating expenses	51.555	48.141	47.492	50.478	78.630
Result of reinsurance (-=net cost)	-3.365	-5.699	-10.752	-12.204	-16.555
Underwriting result	6.348	10.918	9.223	27.096	-6.956
Profit/loss of investment after transfer of technical interest	-1.581	6.044	11.550	10.451	-3.004
Profit for the year	3.649	14.024	17.937	29.091	-7.597
Gross run-off profit/loss	5.109	1.203	2.262	12.284	11.365
Run-off profit/loss, net of reinsurance	8.069	3.947	2.387	12.109	6.923

Assets and Liabilities at	30.06.2017	30.06.2016	30.06.2015	30.06.2014	30.06.2013
Insurance assets	5.212	15.121	17.992	23.658	98.084
Technical provisions	147.476	169.110	184.615	201.838	298.256
Capital and reserves at year-end	216.277	243.551	251.125	261.943	227.972
Total assets	404.893	457.677	496.117	537.277	584.849

Key figures	2017	2016	2015	2014	2013
Gross claims ratio	46,08%	51,60%	54,18%	45,26%	56,41%
Gross expense ratio	45,50%	36,40%	32,89%	31,50%	39,52%
Reinsurance ratio	2,95%	4,19%	7,22%	7,40%	8,20%
Combined ratio	94,53%	92,19%	94,29%	84,16%	104,13%
Operating ratio	94,38%	91,78%	93,75%	83,47%	103,44%
Relative run-off result	9,79%	0,45%	0,80%	4,74%	4,62%
Return on capital and reserves	1,59%	19,15%	24,14%	38,04%	-10,96%
Solvency cover *	248%	285%	525%	506%	297%

(*) Solvency cover for 2017 and 2016 includes risk margin. Solvency cover for 2015 to 2017 is based on Solvency II calculation method (standard formula) and a ratio of eligible own funds to SCR. Solvency cover for 2012 to 2014 is based on Solvency I calculation method in percent of base capital.

in DKK'000

Note		2017	2016
3	**Breakdown of underwriting result**		
	Earned premiums	114.177	134.497
	Underwriting interest, net of reinsurance	-236	-225
	Claims incurred incl change in Risk Margin	-52.673	-69.394
	Administrative expenses	-19.160	-19.175
	Acquisition costs	-32.395	-28.966
	Profit from gross operations	9.713	16.737
	Ceded insurance premiums	-4.685	-18.529
	Reinsurance recoveries	1.181	10.205
	Reinsurance commissions and profit participation	139	2.625
	Result of ceded business	-3.365	-5.699
	Underwriting result	6.348	11.038
	Total claims incurred, net of reinsurance, run-off		
	Gross run-off profit/loss	5.109	1.203
	Run-off profit/loss, ceded	2.960	2.744
	Total claims incurred, net of reinsurance, run-off, total	8.069	3.947

Note		30/06 2017	30/06 2016	31/12 2016
4	**Contingency liabilities** The company has leased EDB hardware and one car. The payments in the leasing period amount to:	268	768	509