

EUROPÆISKE REJSEFORSIKRING A/S

ANNUAL REPORT

2014

**Europæiske Rejseforsikring A/S
Frederiksberg Allé 3
1790 Copenhagen V
DENMARK
CVR nr. 62 94 05 14**

The annual report is a translation of the Danish original wording. The Danish original wording shall be governing for all purposes and in any case of discrepancy, the Danish wording shall take precedence

TABLE OF CONTENTS

	Page
Management Report 2014	3
Signatures of the Board of Management and the Board of Directors	13
Independent Auditors' Statement of Assurance	14
Annual Report:	
Profit and Loss	16
Balance sheet as of 31 December 2014	17
Equity specification	19
Notes	20

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), Ulrike Timmer, Jørn Sønderup,
Gabriele Bayer, *Christoffer Nylandsted, *Peter Fobian

*Elected by the staff

BOARD OF MANAGEMENT:

Johann-Dietrich von Hülsen, Managing Director

AUDIT:

KPMG
Statsautoriseret Revisionspartnerselskab
Anja Bjørnholt Lüthcke Mark Palmberg
State Authorised Public Accountant State Authorised Public Accountant

MANAGEMENT REPORT 2014

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.

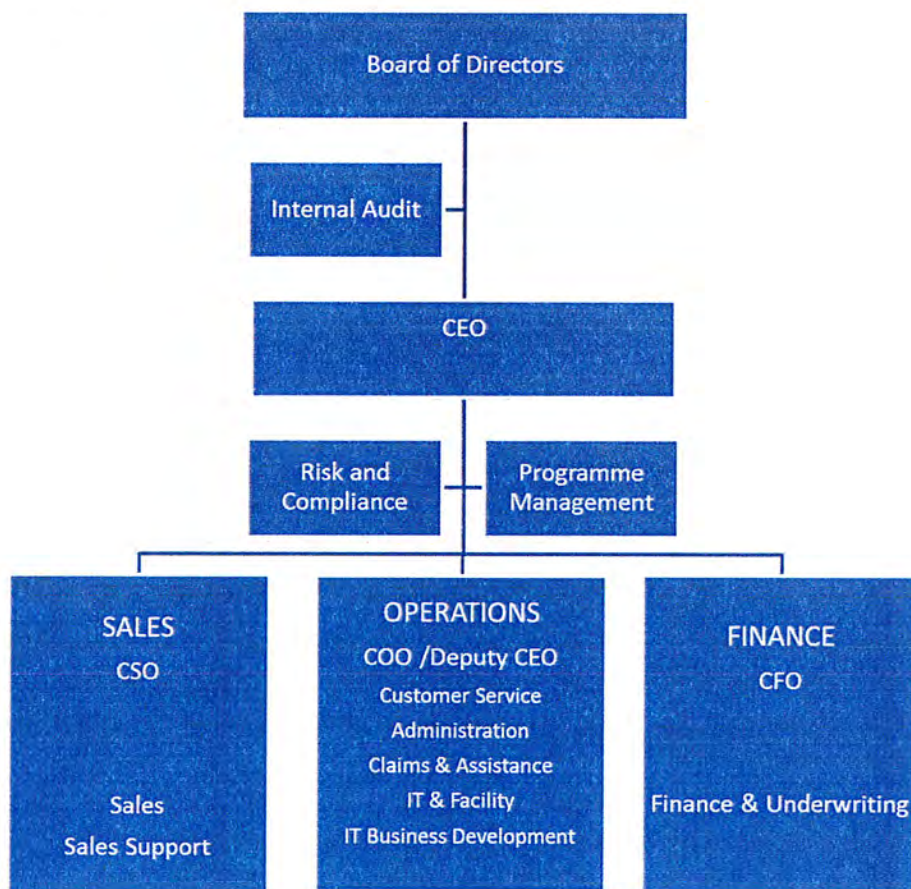
As the market leader within sale of travel insurance in the Danish market, it is essential we offer our customers 24 hour assistance, coverage of claims and related local services everywhere in the world.

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.

Europæiske's Values

Europæiske'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 Europæiske's 8 values, which are Customer Focus, Excellence, Courage, Passion, Teamwork, Forward Looking & Sustainable, Openness & Trust and Leadership & Responsibility.

Organisation Chart



Product Development

The core of our business is safety. In its role as market leader, one of Europæiske'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.

Europæiske wanted to secure that the discontinuation of the public health travel insurance cover on the yellow health card should be to the least possible inconvenience for our customers. This is why Europæiske decided to extend the cover on most of our products also to include emergency illness occurring in the countries which earlier were covered by the public health travel insurance through the yellow health card. The extended cover was incorporated into Europæiske's products from the time where the public health travel insurance cover discontinued. It was without any additional charge to our customers until the first renewal of the insurance.

As a consequence of the above-mentioned discontinuation of the public health travel insurance cover through the yellow health card as of 1st August 2014, Europæiske has developed new flexible annual travel insurance and trip-by-trip insurance adjusted to the new requirements.

The new products have been designed as a Basic or a Plus travel insurance. For both types of insurance additional covers can be taken out for ski sport, cancellation, baggage, liability and accident. If the customer only wants a cover like the previous public health travel insurance cover under the yellow health card the customer can take out a Yellow Cover. All the insurance products can be bought with or without deductible.

Our products are now more flexible and the quality of our products has as always been paramount with an adequate pricing. Thus we support our image as the specialist who always provides products of high quality and excellent service.

Europæiske's website has an improved split of products, improved product descriptions. In addition the website introduces new online services which make it easier for our customers to buy the correct insurance policy and to obtain necessary information before the trip.

The Corporate Market

Europæiske has continued focus on creating profitable business. This has meant that some large non-profitable contracts have been terminated. Europæiske has maintained focus on communicating the news about our coverage and products to existing as well as to new customers. In addition, our web portal has promoted our products and further supported our profile as experts in the market. In 2014 the compliance requirements have and will prospectively to a much larger extent influence the international corporate travel market. Europæiske has therefore introduced measures to ensure continued international compliance of our products and set-up.

The Leisure Market

The leisure travel market has shown a decreasing turnover and an improved claims record in 2014. Our agreement with the Thomas Cook Group expired at the end of 2013 and has contributed to the decreasing turnover. The agreement was not profitable and consequently it has not affected our result for 2014 negatively.

Nordic Health Care

International health insurance is no longer a part of Europæiske's strategy. It was therefore decided to withdraw Nordic Health Care – Europæiske'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 decreased considerably for 2014. It will continue to decrease substantially, as Europæiske expects that the majority of customers will change to another health insurance company within the next years.

Europæiske's Claims Department

In 2014, Europæiske's Assistance Network has handled close to four thousand emergency assistance cases together with more than 35,000 calls to our emergency telephone number. The claims 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-Alarm in Prague.

We believe that the running our own global assistance network means that we can supply our customers with the best and most efficient assistance. For Europæiske it is of paramount importance that we continue our high quality concept of safety before, during and after the travel.

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 own and/or control all significant elements in the network enabling us directly to ensure the quality of our assistance.

Europæiske's service offices comprise the local anchorage of our well-established network throughout the world. The service offices are the entry to the regional areas and thus the local help and assistance for our customers.

The presence of the service offices means that the traveller has a place to turn to in case of robbery or illness during the travel. Globally, we have 10 offices distributed in every continent, and they are all staffed with Scandinavian staff who also speaks the local language. Hence the service offices function as Europæiske's extended arm in the world.

The development in the company's activities and financial matters

In 2014 Europæiske realised a profit of DKK 50.9m, which is approximately DKK 24.5 m better than last year.

The improvement of the result is primarily due to a considerably lower net expense for reinsurance caused by the rescheduling of our reinsurance agreement regarding international health insurance – NHC – from a 60% quota agreement to an excess of loss agreement.

At the same time the return of investments has increased by DKK 16.9m primarily caused by positive market value adjustments of our bonds contrary to considerable losses in 2014. Europæiske's subsidiaries and associated companies have in 2014 produced a result which is DKK 4.1m higher than in 2013. In addition we are not noticeably affected by interest expenses. In 2013 interest expenses amounted to DKK 2.2m.

The underwriting result amounts to a profit of DKK 45.0m against a profit of DKK 29.8m in 2013 which is an improvement of 15.2m.

Gross premiums written amounts to DKK 291.3m against DKK 367.3m in 2013 a decrease of DKK 76.0m. The decrease is primarily due to a decreasing sale of international health insurance products in direct as well as indirect business caused by the strategic decision on not to focus on international health insurance anymore. Also in the leisure market there has been a decreasing turnover due to the previously mentioned agreement with Thomas Cook which expired end 2013. In addition there has been a decreasing turnover for the corporate travel market and the stationed abroad insurance

policies which is caused by termination or lack of renewal of non-profitable agreements. Furthermore there has been loss of customers, as we stick to a strict business compliance policy which restricts us from covering certain markets – an issue we, however, constantly work on.

Gross claims incurred amount to DKK 144.7m against DKK 191.7m in 2013 which is a decrease of DKK 47.0m. The claims record for 2014 has been very satisfactory with a gross claims ratio of 46.1% against 47.2% in 2013. This is mainly due to improved claims record of our products in the leisure market together with a substantially improved claims record of our business related to international health insurance. These achievements meanwhile show the positive effects of our re-underwriting efforts for our entire portfolio which we have launched since 2013

The result of business ceded shows a loss for Europæiske Rejseforsikring A/S of DKK 28.2m in 2014 against a loss of DKK 42.4m in 2013. A decrease of DKK 14.2m compared to 2013. The decrease is primarily due to rescheduling of the reinsurance programme regarding International Health Insurance from a Quota agreement to an Excess of Loss agreement, and less reinsurance costs net caused by a smaller turnover.

The claims costs net of reinsurance amount to DKK 117.7m against DKK 130.1m in 2013 which is a decrease of DKK 12.4m. The claims ratio net of reinsurance is 44.6% against 47.6% in 2013.

In May 2013 Europæiske Rejseforsikring A/S in arbitration action agreed to pay compensation to one of our former agents for lost future earnings, and Europæiske has in addition made cautious provisions in the annual report 2013 for an amount to a possible compensation of this agent's subagents. The compensation to the subagents proved to be lower than determined in 2013. The technical operating expenses have therefore been affected positively by a total of DKK 10.4m contrary to 2013 which was affected by DKK 26.5m in increased expenses. This is the main reason why the technical operating expenses have decreased. In addition 2014 was influenced by a large commission expense from a reinsurance company caused by the rescheduling of our reinsurance on international health insurance. These two circumstances together with a strong cost focus entail that the increase in the technical operating expenses only constitutes DKK 101.2 m against DKK 114,1m in 2013.

Acquisition costs amount to DKK 46.0m against DKK 95.0m in 2013. In this amount the above-mentioned income/costs to agent and subagents are included by an income of DKK 9.7m. against a cost of DKK 24.6m in 2013.

The cost ratio, including acquisition costs and commission of ceded business amount to 31.4% against 35.7% in 2013. The acquisition cost ratio alone is 14.7% against 23.4% in 2013. Total combined ratio net of reinsurance (total costs measured in relation to earned premiums) is 86.4% against 93.3% in 2013.

The administrative expenses amount to DKK 50.3m against DKK 48.1m in 2013 which is an increase of DKK 2.2m. The increase in cost is primarily due to considerably increased marketing costs in connection with the launch of new products in the leisure area. Europæiske has like last year adjusted the organisation and the spending to the extent possible compared to the decrease in the premium income.

Commissions and profit commissions from reinsurance amount to an expense of DKK 5.0m against an income of 28.9 m in 2013. The decrease in these commissions can be ascribed to the above-mentioned commission in connection with the rescheduling of the reinsurance agreements on our international health insurance product.

Europæiske Rejseforsikring A/S owns 75% of the share capital in the Czech travel insurance company, ERV Pojistovna a.s. In 2014, the company had a turnover corresponding to DKK 100.0m. The company's annual report shows a profit of DKK 12.0m which is satisfactory. Our share of the profit amounts to DKK 9.0m.

The result from affiliated companies shows a profit of DKK 9.0m against a profit of DKK 6.0m in 2013. This result is created by ERV Pojistovna a.s as mentioned above. The main cause for the improved result is the price adjustments of bonds together with the result from associates. Both the

price adjustment of bonds and the result of associates influence the result with an income contrary to 2013, where both items affected the result negatively.

Result from associated companies shows a profit of DKK 0.5m against a deficit of DKK 0.6m in 2013. The profit can primarily be ascribed to an extra-ordinary provision made in 2013 affecting the result negatively in 2013. The result is created by Euro-Center Holding SE of which Europæiske Rejseforsikring A/S owns 16.67%.

Income from land and buildings amounts to DKK 1.9m against DKK 1.5m in 2013.

Interest income, dividends, etc. for the year amount to DKK 7.9m against DKK 8.0m in 2013.

Europæiske Rejseforsikring A/S is relatively sensitive to the development of the prices of bonds and exchange rates, etc. The company has had a net profit in connection with realised and unrealised gains & losses of bonds, bond-based unit trusts and exchange rates of a total of DKK 1.3m. The profit is primarily due to gains in connection with price adjustments on bonds.

The realized and unrealized gains and losses net for the year amount to a profit of DKK 1.3m against a loss of DKK 9.1m in 2013. The gain in 2014 as well as the loss in 2013 is primarily due to the bond portfolio.

Interest expenses amount to DKK 0.1m against DKK 2.2m in 2013. The interest expense in 2013 was due to interest in connection with the previously mentioned case for compensation to an agent.

The result of investment activities before transfer of technical interest amounts to a profit of DKK 19.9m against a profit of DKK 3.0m in 2013.

The tax of the year amounts to an expense of DKK 13.6m against an expense of DKK 6.8m in 2013.

Receivables from policy holders amount to DKK 6.8m against DKK 26.7m in 2013 a decrease of DKK 19.9m. The decrease is due to the company's decision on withdrawal from the market regarding international health insurance, and that the public health travel insurance in form of the yellow health card cover stopped. This meant that our annual travel insurance policies for leisure could not be renewed for existing policies. Europæiske instead sent out an offer to the customers on a new type of insurance. This insurance was accepted by payment, which has resulted in a considerable lower amount of receivables.

Receivables from insurance brokers amount to DKK 2.2m against DKK 11.9m in 2013, a decrease of DKK 9.7m. The decrease is mainly due to previously mentioned agreement with Thomas Cook which was terminated end of 2013.

At 31 December 2014, the company's total capital and reserves amount to DKK 282.4m and total assets amount to DKK 517.0m.

The result of the year compared to earlier statements

The company expected earlier the following for 2014: "We expect continued decrease in premium income for international health insurance and in our leisure market caused by the previously mentioned agreement with the Thomas Cook Group which has been terminated at the end of 2013. Rescheduling of our reinsurance programme concerning international health insurance from a 60% quota share agreement to an excess of loss contract is expected to lead to a considerable decrease in net expenses to ceded business. 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 2014. At the same time Europæiske does not expect run-off gains in 2014 to the same extent as for 2013. This means that the expectations to the result for 2014 are substantially lower than for 2013".

In 2014 Europæiske has had a considerably better result than originally expected. It is caused by the fact that we despite our expectations have had a run-off gain of DKK 14.6m net of reinsurance, our

claims records improved earlier and stronger than expected on the re-underwriting measures we undertook in 2013 as well as results in associated and affiliated companies have been better than expected.

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 Versicherungsgruppe AG, Düsseldorf, Germany.

ERGO Versicherungsgruppe AG, Düsseldorf is a 100% owned subsidiary of Munich Re, Munich, Germany

Group Ownership

Europæiske Rejseforsikring A/S is associated with the following companies:

Amount in DKK'000

Subsidiary:	<u>Registered office</u>	<u>Activity</u>	<u>Shareholding</u>	<u>Capital & Reserves</u>	<u>Result</u>
ERV Pojistovna a.s.	Czech Republic	Insurance	75.00%	71,270	8,982
Associated company:					
Euro-Center Holding SE	Copenhagen	Assistance	16.67%	36,799	488

Management Positions

The Managing Director Johann-Dietrich von Hülsen has the following management positions approved by the Board of Directors:

Managing Director and Member of the Board of Directors of ERV Försäkringsaktiebolaget, Stockholm, Sweden.

Member of the Board of Directors in European Travel Insurance Group, Amsterdam, Holland

Member of the Executive Council ERV Group, Munich, Germany

Member of the Board of Constant Art Scandinavia AB, Taby, Sweden

The Board of Directors of Europæiske Rejseforsikring A/S has the following management positions.

Richard Bader, Chairman:

Deputy Member of the managing Steering Committees of Bundesverband der Deutschen Tourismuswirtschaft e. V., Berlin, Germany.

Member of the Supervisory Board of Euro-Center Holding SE, Prague, Czech Republic .

Vice chairman of the Supervisory Board of Europäische Reiseversicherungs-Aktiengesellschaft, Vienna, Austria.

Vice President of European Travel Insurance Group, Amsterdam, The Netherlands.

Vice chairman of the Supervisory Board of Europai Utazasi Biztosító Rt., Budapest, Hungary.

Member of the Board of Directors of ERV (China) Travel Service and Consulting Ltd., Beijing, China .

Director of Europäische UK Ltd., London, UK.

Member of the Management Board of Europäische Reiseversicherung AG, Munich, Germany.

Chairman of the Supervisory Board of Compagnie Européenne d'Assurances, Nanterre, France.

Chairman of the Supervisory Board of Compania Europea de Seguros S.A., Madrid, Spain.

Chairman of the Supervisory Board of ERV försäkringsaktiebolaget (Publ.), Sundbyberg, Sweden.

Chairman of the Supervisory Board of ERV Pojistovna A.S., Prague, Czech Republic .

Ulrike Timmer Board Member and Chairman of the audit committee :

Director International Business of Europäische Reiseversicherung AG, Munich, Germany.

Chief Executive Officer of Compagnie Européenne d'Assurance, Nanterre, France.

Member of the Supervisory Board of Europeiska Försäkringsaktiebolaget (publ), Stockholm, Sweden.

Member of the Supervisory Board of Europea de Seguros, Madrid, Spain.
 Member of the Supervisory Board of CJSIC European Travel Insurance, Moscow, Russia.
 Member of the Supervisory Board of CJSIC European Travel Insurance, Kiev, Ukraine.
 Member of the Board of ERV (China) Travel Service and Consulting Ltd., Beijing, China.
 Managing Director of European Assistance Holding GmbH, Munich, Germany.

Gabriele Bayer, Board Member and Member of the audit committee
 Head of International Business Europe of ERV AG, Munich, Germany.
 Member of the Supervisory Board of Europeiska Försäkringsaktiebolaget (publ), Stockholm, Sweden.
 Member of the Supervisory Board of Europea de Seguros, Madrid, Spain.
 Member of the Supervisory Board of CJSIC European Travel Insurance, Moscow, Russia.
 Member of the Supervisory Board of ERV Pojistovna A.S., Prague, Czech Republic.

Pay Policy

In accordance with executive order on pay policy and disclosure requirements on pay roll in financial companies and financial holding companies, Europæiske Rejseforsikring A/S has prepared a pay policy which can be found at this link <http://www.europaeiske.dk/In-English> Please also see note 7.

Gender Composition in the Company's Governing Body

As from 28th March 2014 the company has adopted a policy for the gender composition in the company's governing body (board of directors). The part of the board of directors which is elected at the general meeting is presently gender wise equally distributed with 2 women and 2 men. This means that Europæiske meet the requirement that each gender shall be represented by at least 40% in the part of the board of directors that are elected by the general assembly.

The board of directors will in future elections endeavour to keep the same composition of the part of the board of directors that are elected by the general assembly.

As the company is part of Munich Re Group, information on the gender composition in the company's other levels of management has not been included in this report. For this information please see cf. Munich Re's Annual Report.

Events after 31 December 2014

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 2015

We expect continued decrease in premium income for international health insurance. 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 2015. At the same time Europæiske does not expect run-off gains in 2015 to the same extent as for 2014. This means that the expectations to the result for 2015 are substantially lower than for 2014.

Audit Committee

The Boards of Directors of Europæiske Rejseforsikring A/S have established an Audit Committee. The Committee consists of three members of the Board of Directors. As the independent member with special qualifications in accounting, the Board of Directors has appointed Jørn Sønderup. The Board of Directors found that his qualifications met the legislative requirements. His appointment has also been notified to the Danish Financial Supervisory Authority.

The tasks of the Committee are set out in the "Audit Committee Charter" based on Executive Order No. 1393 of 2011 on Audit Committees in Companies and Groups, which are subject to the Supervision of the Danish Financial Supervisory Authority. The tasks of the Committee includes monitoring and control of the financial reporting process, the company's internal control system, risk management systems as well as the effectiveness of the internal audit function. Furthermore, the Committee monitors the statutory audit of the Annual Report and the independence of the auditors.

When performing its tasks, the Audit Committee ensures that due regard is given to matters important to the company. The work of the Audit Committee is based on supervision of historical events and does therefore not include future events, expectations or forecasts.

In 2014, the Audit Committee held two meetings in connection with the yearly and half yearly reporting to the Company's Board of Directors and the Danish Financial Supervisory Authority. The audit committee has had one meeting in March 2014 in connection with the annual report for 2014.

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 Report

Europæiske Rejseforsikring A/S overall risk profile originates from the risks connected with the running of the core business together with the financial and capital requirements. Europæiske Rejseforsikring A/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 Rejseforsikring A/S 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 2014 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 Rejseforsikring A/S:

- Insurance Risks
- Market Risks
- Operational Risks

Insurance risks

Europæiske Rejseforsikring A/S has with regard to the insurance part various forms of risks. There are risks in provisions, premium and pricing. It is important to have an overview of the individual risks but it is also an important factor that the identification and monitoring of risks can be used in connection with strategic decisions.

It is Europæiske Rejseforsikring A/S policy that the risks originating from the company's activities 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 Rejseforsikring A/S' risks to about DKK 5.0m per claim event. The company has estimated the effect of a widespread pandemic at DKK 16m at own account. The size of this risk is due to the fact that a pandemic is not seen as one claim. Europæiske's risk is, therefore, not limited to the above mentioned DKK 5m.

Market Risks

It is Europæiske Rejseforsikring A/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:

- Interest Rate Risk
- Equity Risk
- Real Estate Risk
- Credit and Counterpart Risk
- Exchange Rate Risk

In terms of the result, the company is sensitive towards the development in exchange rates and the prices of bonds and shares. The stress scenarios red and green, set by the Danish Financial Supervisory Authority, have been calculated on a continuous basis and Europæiske Rejseforsikring A/S has always been in the green with a good safety margin. The latest calculation shows a total equity effect of minus DKK 24.7m in case of a decrease corresponding to the Danish Financial Supervisory Authority's red scenario.

Operational risks

The development in the travel market and events limiting the population's travel activity would have a relatively large impact on the company's result. Europæiske Rejseforsikring A/S assesses that such a risk could have a negative effect corresponding to 6% of the company's equity. Please also see note 24.

Capital Management

Europæiske's solvency requirement is calculated on the basis of the rules on individual solvency requirements. The board of directors of the company has estimated that a security level of 99% is satisfactory. It means that Europæiske can meet the policyholders' claims for 99 years out of 100 years. Besides the calculation with a security level of 99%, Europæiske has also calculated the capital requirement based on a security level of 99,5% which means that Europæiske can meet the policyholders' claims for 199 years out of 200 years. The model has been used for a number of years and Europæiske has always had sufficient capital to meet both the security level of 99% as well as the security level of 99,5%.

The individual solvency requirements have been calculated to DKK 86.7m and shall be covered by the company's base capital of DKK 210.3 m as of 31st December 2014.

Capital requirements

	2014	2013
Base capital	191,986	189,709
Solvency requirements	42,194	49,006
Individual solvency requirements	89,460	91,364

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

Europæiske's solvency requirements have been calculated in accordance with a Solvency II standard model based on the Danish Financial Supervisory Authority's Revised Executive Order on Solvency and Operating Plans for Insurance Companies which became effective as of 1st January 2014. The calculation of sufficient base capital and total solvency requirement as of 31st December 2014, cf. above-mentioned executive order:

	2014
Sufficient base capital	186,374
Individual solvency requirements	100,227

Solvency II

The coming European solvency rules, Solvency II, will become effective as of 1st January 2016. Munich Re and ERGO Group, which Europæiske Rejseforsikring A/S is a part of, started in 2009 a Solvency II project. The project is managed by a project group in Germany. As for Europæiske Rejseforsikring A/S the project includes a continuous adjustment and development of a standard model together with a system for risk management. The board of directors' involvement and management of the project are secured by the participation in the project of the board of directors including the chairman of the board and the CFO. The board is informed on a continuous basis. Based on the financial statement for 2013 test calculations have been made of a standard model calculation of the solvency requirements, a calculation of the financial balance and the concept "own funds" cf. Solvency II Directive. A corresponding calculation is being prepared based on 2014 financial statement. The calculation for 2013 showed that Europæiske met the solvency requirements without problems.

Appropriation of profit

Available for appropriation:

	Amount in DKK'000	
	2014	2013
Total comprehensive income	<u>49,581</u>	<u>22,055</u>

Recommended to be allocated as follows:

	2014	2013
To the Shareholder	50,882	26,400
Transferred to other reserves	2,152	-5,494
Transferred to reserves	-3,453	1,149
	<u>49,581</u>	<u>22,055</u>

SIGNATURES OF THE BOARD OF MANAGEMENT AND THE BOARD OF DIRECTORS

We have today presented the annual report for 1 January – 31 December 2014 to Europæiske Rejseforsikring A/S.

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

The annual report gives a true and fair view of the company's assets, liabilities and financial position as of 31 December 2014 together with the results of the company's activities for the financial year 1 January – 31 December 2014.

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.

We recommend the annual report to be approved at the annual general meeting.

Copenhagen, 31 March 2015

Board of Management:

Johann-Dietrich von Hülsen
Chief Executive Officer

/ Winnie Grønnemose
Chief Financial Officer

Board of Directors:

Richard Bader
Chairman of the Board

Ulrike Timmer
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

Christoffer Nylandsted
Board Member, elected by the employees

Jørn Sønderup
Board Member and Member of the
Audit Committee

Independent Auditors' Statement of Assurance

To the shareholder of Europæiske Rejseforsikring A/S

Report on Financial Statements

We have audited the financial statements of Europæiske Rejseforsikring A/S for the financial year 1 January – 31 December 2014, pages 16-34. The financial statements comprise, income statement, statement of comprehensive income, balance sheet, statement of changes in equity and notes, including accounting policies. The financial statements are prepared in accordance with the Danish Financial Business Act.

Management's responsibility for the financial statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the Danish Financial Business Act and for such internal control that Management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on the financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing and additional requirements under Danish audit regulation. This requires that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

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

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

Our audit has not resulted in any qualification.

Opinion

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

Independent Auditors' Statement of Assurance - continued

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 other procedures in addition to the audit of the financial statements. On this basis, it is our opinion that the information provided in the Management's review is consistent with the financial statements.

Copenhagen, 31 March 2015

KPMG
Statsautoriseret Revisionspartnerselskab

Anja Bjørnholt Lüthcke
State Authorised
Public Accountant

Mark Palmberg
State Authorised
Public Accountant

Profit and loss account

Note	in DKK'000	2014	2013
	<i>Earned premiums</i>		
3	Gross premiums written	291.273	367.336
	Ceded insurance premiums	-14.767	-120.103
	Change in the provision for unearned premiums	24.231	40.580
	Change in the provision for unearned premiums, reinsurers' share	-35.575	-12.834
	Total premium income, net of reinsurance	265.162	274.979
4	Technical interest, net of reinsurance	261	479
	<i>Claims incurred</i>		
	Claims paid	171.751	239.710
	Reinsurance recoveries	-46.580	-80.744
	Change in the provision for claims	-27.004	-48.029
	Change in the provision for claims, reinsurers' share	19.519	19.122
	Total claims incurred, net of reinsurance	117.686	130.059
	Bonus and premium discounts	1.498	1.488
	<i>Net operating expenses</i>		
5	Acquisition costs	46.026	94.948
6	Administrative expenses	50.261	48.088
	Commission and profit share from reinsurers	4.952	-28.936
7	Total net operating expenses, net of reinsurance	101.239	114.100
8	UNDERWRITING RESULT	45.000	29.811
	<i>Income from investment assets</i>		
9	Income from affiliated companies	8.982	5.987
	Income from associated companies	488	-626
	Income from investment properties	1.879	1.541
10	Interest income and dividends etc.	7.930	7.966
11	Value adjustment	1.282	-9.146
	Interest expenses	-123	-2.160
	Administrative expenses on investments	-563	-571
	Total return on investment activities	19.875	2.991
4	Interest on insurance provisions	-261	-479
	TOTAL RETURN ON INVESTMENT ACTIVITIES AFTER TECHNICAL INTEREST	19.614	2.512
12	Other income	3.304	3.636
12	Other expenses	3.394	2.721
	PROFIT BEFORE TAX	64.524	33.238
13	Tax	13.642	6.841
	PROFIT FOR THE PERIOD	50.882	26.397
	STATEMENT OF COMPREHENSIVE INCOME		
	Other comprehensive income		
	Exchange rate adjustment of foreign entities	-1.301	-4.342
	Comprehensive income	-1.301	-4.342
	Result of the period	50.882	26.397
	TOTAL COMPREHENSIVE INCOME	49.581	22.055

Balance Sheet as of

Note	in DKK '000	31/12 2014	31/12 2013
	ASSETS		
	<i>Intangible assets</i>		
14	Software	15.046	17.810
	Software, development projects	335	879
	TOTAL INTANGIBLE ASSETS	<u>15.381</u>	<u>18.689</u>
	<i>Tangible assets</i>		
15	Operating equipment	1.693	2.805
16	Domicile	87.664	87.991
	TOTAL TANGIBLE ASSETS	<u>89.357</u>	<u>90.796</u>
	<i>Investments in affiliated and associated companies</i>		
17	Capital holdings (shares) in affiliated companies	53.453	51.231
17	Capital holdings (shares) in associated companies	6.147	6.217
	Total investments in affiliated and associated companies	<u>59.600</u>	<u>57.448</u>
	<i>Other financial investments</i>		
	Participating interests	33	33
	Unit trusts	30.214	29.732
25	Bonds	275.089	226.707
	Total other financial investments	<u>305.336</u>	<u>256.472</u>
	TOTAL INVESTMENT ASSETS	<u>364.936</u>	<u>313.920</u>
	<i>Reinsurance share of technical provision</i>		
	Reinsurance share of unearned premiums	10.063	45.638
	Reinsurance share of claim provision	10.156	29.675
	Total reinsurance share of technical provision	<u>20.219</u>	<u>75.313</u>
	<i>Debtors</i>		
	Amounts owed by policy holders	6.829	26.734
	Amounts owed by insurance brokers	2.218	11.931
	Debtors arising out of direct insurance contracts, in total	<u>9.047</u>	<u>38.665</u>
	<i>Other debtors</i>		
	Amounts owed by affiliated companies	2.084	2.680
	Deferred tax assets	861	1.076
	Other debtors	7.175	5.114
	Total other debtors	<u>10.120</u>	<u>8.870</u>
	TOTAL DEBTORS	<u>39.386</u>	<u>122.848</u>
	<i>Other assets</i>		
	Cash in hand and cash equivalent	2.539	9.198
	Other	127	29
	TOTAL OTHER ASSETS	<u>2.666</u>	<u>9.227</u>
	<i>Prepayments and accrued income</i>		
	Accrued interest	3.133	2.947
18	Other prepayments and accrued income	2.107	965
	TOTAL PREPAYMENTS AND ACCRUED INCOME	<u>5.240</u>	<u>3.912</u>
	TOTAL ASSETS	<u>516.966</u>	<u>559.392</u>

Balance Sheet as of

Note	in DKK '000	<u>31/12 2014</u>	<u>31/12 2013</u>
	LIABILITIES		
	<i>Capital and reserves</i>		
	Share capital	<u>10.000</u>	<u>10.000</u>
	Revaluation provisions	<u>798</u>	<u>798</u>
	<i>Reserves</i>		
	Contingency reserve, untaxed	115.000	115.000
	Other reserves, year end	<u>46.073</u>	<u>43.921</u>
	Total reserves	<u>161.073</u>	<u>158.921</u>
	Proposed dividend for the accounting year	<u>50.882</u>	<u>26.400</u>
	Profit brought forward	<u>59.661</u>	<u>63.114</u>
19	TOTAL CAPITAL AND RESERVES	<u>282.414</u>	<u>259.233</u>
	<i>Provisions for insurance contracts</i>		
	Provision for unearned premiums	110.607	134.837
	Claim provisions	<u>56.356</u>	<u>83.352</u>
	TOTAL PROVISION FOR INSURANCE CONTRACTS	<u>166.963</u>	<u>218.189</u>
	<i>Provisions for other risks and charges</i>		
20	Deferred taxation	<u>8.500</u>	<u>9.278</u>
	TOTAL PROVISIONS FOR OTHER RISKS AND CHARGES	<u>8.500</u>	<u>9.278</u>
	<i>Creditors</i>		
	Amounts owed in connection with direct insurance business	8.022	20.158
	Amounts owed to reinsurance companies	4.198	13.625
	Amounts owed to affiliated companies	2.084	510
	Actual tax liabilities	13.817	5.351
21	Other creditors	<u>30.968</u>	<u>33.048</u>
	TOTAL CREDITORS	<u>59.089</u>	<u>72.692</u>
	TOTAL LIABILITIES	<u>516.966</u>	<u>559.392</u>
22	Contingency liabilities		
23	Group ownership		
24	Risks and Sensitivity		
25	Registered assets		
26	Split of classes of insurance in accordance with § 113		

Note 1 – Accounting Policies Applied

General

The annual report has been prepared in accordance with 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 annual report is presented in thousand crowns.

The accounting policies are unchanged from last year.

Accounting estimate

The preparation of annual 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 annual 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 year. 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 year.

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 year.

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.

Note 1 – Accounting Policies Applied, continued

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 24.5% to 22% on all time differences between the result reported in the annual 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 but is disclosed in a note.

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.

Note 1 – Accounting Policies Applied, continued

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.

Note 1 – Accounting Policies Applied, continued

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 year.

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.

Note 1 – Accounting Policies Applied, continued

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**

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.

Note

in DKK'000

2 Five-year review

Profit and Loss	2014	2013	2012	2011	2010
Gross premiums earned	315.504	407.916	464.352	502.219	468.673
Gross claims incurred	144.747	191.681	297.350	314.642	305.430
Total operating expenses	96.287	143.036	142.282	186.199	168.793
Result of reinsurance (-=net cost)	-28.233	-42.379	-9.077	-24.835	-8.699
Underwriting result	45.000	29.811	15.201	-22.611	-13.863
Profit/loss of investment after transfer of technical interest	19.614	2.512	14.297	19.009	19.896
Profit for the year	50.882	26.397	26.033	-62	7.807
Gross run-off profit/loss	15.039	24.475	1.299	-7.376	-14.243
Run-off profit/loss, net of reinsurance	14.582	18.172	321	-2.708	-5.946
Assets and Liabilities at	31.12.2014	31.12.2013	31.12.2012	31.12.2011	31.12.2010
Insurance assets	20.219	75.313	107.269	95.726	85.724
Technical provisions	166.963	218.189	306.802	277.927	247.612
Capital and reserves at year-end	282.414	259.233	262.178	246.039	249.620
Total assets	516.966	559.392	648.778	609.738	571.057
Key figures	2014	2013	2012	2011	2010
Gross claims ratio	46,10%	47,16%	64,20%	62,86%	65,41%
Gross expense ratio	31,36%	35,73%	31,19%	37,79%	36,76%
Reinsurance ratio	8,99%	10,43%	1,96%	4,96%	1,86%
Combined ratio	86,45%	93,32%	97,35%	105,61%	104,03%
Operating ratio	85,68%	92,67%	96,65%	104,49%	102,96%
Relative run-off result	18,04%	18,63%	1,19%	-7,74%	-18,54%
Return on capital and reserves	18,79%	10,13%	10,24%	-0,03%	3,13%
Solvency cover	4,55	3,87	2,68	2,73	2,96

Note

in DKK'000

	2014	2013
3 Gross earned premiums		
Gross premiums	291.273	367.336
Change in the gross provision for unearned premiums	24.231	40.580
Gross earned premiums for the year	315.504	407.916
<i>Distribution:</i>		
Direct business	315.652	391.302
Indirect business	-148	16.614
	315.504	407.916
<i>Geographic distribution of direct business:</i>		
Denmark	264.826	282.648
EU countries	9.799	19.432
Non-EU countries	41.027	89.222
	315.652	391.302
4 Technical interest, net of reinsurance		
Interest yield from the year's average technical provisions, net of reinsurance, transferred from investment business		
Provision for insurance contracts, year start	218.189	306.802
Reinsurers share of technical provisions, year start	-75.313	-107.269
Provisions for insurance contracts, year end	166.963	218.189
Reinsurers share of technical provisions, year end	-20.219	-75.313
Total	289.620	342.409
Average	144.810	171.205
Interest rate in accordance with the Danish FSA	0,18%	0,28%
Interest on technical provisions	261	479
Technical interest, net of reinsurance	261	479
5 Acquisition costs		
Total acquisition costs	46.026	94.948
of which:		
Commission for direct business	13.945	61.182
Commission for indirect business	-683	-140
	13.262	61.042
6 Administrative expenses		
Administrative expenses	37.833	35.346
Duties and contributions etc	7.624	7.886
Depreciation	5.822	5.836
Reimbursements from affiliated and associated companies	-1.018	-980
	50.261	48.088
Total fees paid to auditors appointed by the company at the general meeting:		
Statutory audit services	564	567
Fee for other assurance engagements	25	24
Fee for other services	258	322
Total	847	913

Note

in DKK'000

	2014	2013
7 Staff costs		
Net operating expenses include the following staff costs:		
Wages and salaries	61.051	64.346
Other expenses for social security	581	612
Pension scheme contributions	6.278	7.020
Payroll tax	7.624	7.886
	<u>75.534</u>	<u>79.864</u>
Total remuneration paid to:		
Board of Directors		
Number	6	6
Fixed salary	2.779	2.729
Variable salary	2.108	1.510
	<u>4.887</u>	<u>4.239</u>
Remuneration of the Board of directors:		
Richard Bader (entered 20.12.2011)*	4.767	4.119
Ulrike Timmer (entered 04.03.2009)	0	0
Gabrielle Bayer (entered 10.04.2013)	0	0
Julia Ricks (left 10.04.2013)	0	0
Peter Andersen (left 13.03.2012)	0	0
Jørn Sønderup (entered 17.08.2011)	40	40
Peter Fobian (entered 13.03.2012)	40	40
Christoffer Nylandsted (entered 13.03.2012)	40	40
	<u>4.887</u>	<u>4.239</u>
Audit Committee:		
Jørn Sønderup	30	30
	<u>30</u>	<u>30</u>
Board of Management *		
Number	1	1
Fixed salary	3.208	2.851
Variable salary	1.224	916
	<u>4.432</u>	<u>3.767</u>
Employees with activities of considerable influence on the company's risk profile		
Number	4	5
Fixed salary	6.114	6.447
Variable salary	862	725
	<u>6.976</u>	<u>7.172</u>
The entry fixed salary includes fixed salary, pension and tax value of company car, telephone etc.		
* Remuneration is the total remuneration for CEO or board positions within the Munich Re Group.		
Incentive Schemes		
Members of the management board have the possibility to receive a bonus of maximum TDKK 1.604 if specific targets are reached in accordance with the contract however meeting local legislation.		
The average of full-time staff	<u>119</u>	<u>130</u>
The company does not have any information as to fees received by the board and the board of management from other companies in the Group.		

in DKK'000

8	Breakdown of underwriting result		
	Earned premiums	314.006	406.428
	Underwriting interest, net of reinsurance	261	479
	Claims incurred	-144.747	-191.681
	Administrative expenses	-50.261	-48.088
	Acquisition costs	-46.026	-94.948
	Profit from gross operations	<u>73.233</u>	<u>72.190</u>
	Ceded insurance premiums	-50.342	-132.937
	Reinsurance recoveries	27.061	61.622
	Reinsurance commissions and profit participation	-4.952	28.936
	Result of ceded business	<u>-28.233</u>	<u>-42.379</u>
	Underwriting profit	<u>45.000</u>	<u>29.811</u>
	Total claims incurred, net of reinsurance, run-off		
	Gross run-off profit/loss	15.039	24.475
	Run-off profit/loss, ceded	-458	-6.303
	Total claims incurred, net of reinsurance, run-off, total	<u>14.582</u>	<u>18.172</u>
		<u>2014</u>	<u>2013</u>
9	Income from affiliated companies		
	The year's net result in Evropská Cestovni Pojistovna a.s. Czechia	8.982	5.987
		<u>8.982</u>	<u>5.987</u>
10	Interest income and dividends etc		
	Interest income	7.369	7.319
	Dividend from participating interests	561	647
		<u>7.930</u>	<u>7.966</u>
11	Realised and unrealised gains and losses, net		
	Participating in unit trusts	481	-31
	Bonds	540	-8.106
	Capital loss on instalments and redemptions	47	-14
	Exchange rate adjustments	214	-995
		<u>1.282</u>	<u>-9.146</u>
12	Other income and expenses		
	Income from administration arrangements	3.304	3.636
	Expenses from administration arrangements	3.394	2.721
		<u>-90</u>	<u>915</u>
13	Tax of the profit for the year		
	Current tax	14.212	6.851
	Change in deferred tax	-564	25
	Adjustment regarding prior years	-6	-35
		<u>13.642</u>	<u>6.841</u>
	Taxes paid on account for the current year	<u>2.750</u>	<u>4.000</u>
	Effective tax rate	%	%
	Tax rate	24,5	25
	Adjustment of tax from previous years	0	0
	Tax of non-taxable income and expenses	-4	-4
		<u>21</u>	<u>21</u>

Note

in DKK'000

	2014	2013
14 Software		
Cost at the beginning of the year	41.654	40.369
Disposals during the year	0	0
Additions and improvements of the year	1.026	1.285
Cost at the end of the year	42.680	41.654
Depreciation and write-downs at beginning of year	23.844	20.243
Depreciation and write-downs of the year	3.790	3.601
Disposals during the year	0	0
Total depreciation and write-downs at year-end	27.634	23.844
Net book value	15.046	17.810
15 Operating Equipment		
Cost at the beginning of the year	50.382	50.753
Disposals during the year	-1.090	-1.623
Additions and improvements of the year	440	1.251
Cost at the end of the year	49.732	50.382
Depreciation and write-downs at beginning of the year	47.576	47.254
Depreciation and write-downs of the year	1.042	1.462
Disposals during the year	-580	-1.140
Total depreciation and write-downs at year-end	48.038	47.576
Net book value	1.693	2.805
16 Land and buildings		
Cost at the beginning of the year	112.727	111.064
Additions and improvements of the year	724	1.663
Cost at the end of the year	113.451	112.727
Depreciation and write-downs beginning of the year	27.781	26.908
Depreciation and write-downs of the year	1.050	873
Total depreciation and write-downs at year-end	28.831	27.781
Revaluations beginning the year	3.044	3.044
Total revaluations at year-end	3.044	3.044
Net book value	87.664	87.990
Net book value of land and buildings used for company operations	47.654	64.057
Real property value according to the last public assessment	82.000	82.000
The property has not been evaluated by external parties		
In 1992 the company acquired the building at 3, Frederiksberg Allé, in which the registered office is located. The yield used for the assessment of the market value of the building is	6,00%	6,00%
17 Affiliated and associated companies		
	Affiliated company	Affiliated company
Acquisition cost, balance, beginning of the year	12.020	1.507
Acquisition cost, balance, year-end	12.020	1.507
Revaluations, balance, beginning of the year	39.211	4.710
Price adjustment of opening balance of capital and reserves	-907	-394
Share of profit for the year	8.982	488
Dividends paid	-5.853	-164
Revaluations, balance, year-end	41.433	4.640
Net book value, year-end 2013	53.453	6.147
Net book value, year-end 2012	51.231	6.217

Name and adress etc. can be found in the annual report, page 7 section "Ownership"

Note

in DKK'000

	<u>2014</u>	<u>2013</u>
18 Other prepayments and accrued income		
Prepaid wages and salaries	2.107	967
Other prepayments and accrued income	<u>-1</u>	<u>-1</u>
	<u>2.106</u>	<u>966</u>

19 Total capital and reserves

The company's share capital consists of:

800 shares of DKK 500

200 shares of DKK 2,000

400 shares of DKK 8,000

6 shares of DKK 1,000,000

The shares are not divided into classes.

The contingency reserve may only be used to strengthen the technical provisions or otherwise in favour of the insured and only with the consent of the Supervisory Authority.

The funds allocated to the contingency fund are not taxed.

Base capital and solvency margin:

Total capital and reserves	282.414	259.233
Deduction of intangible fixed assets	15.381	18.689
Allowance for solvency requirement in subsidiaries	24.165	24.435
Proposed dividend	50.882	26.400
Base capital	<u>191.986</u>	<u>189.709</u>
Solvency requirements (solvency I)	<u>42.194</u>	<u>49.006</u>

20 Provisions for taxation

Deferred tax is incumbent on the following items:

Owner-occupied property	5.133	5.221
Intangible fixed assets	3.367	4.057
Operating equipment	-861	-1.076
Total provisions for deferred taxation	<u>7.638</u>	<u>8.202</u>

Is presented in the balance sheet as:

Deferred tax assets	-861	-1.076
Reserves for deferred tax	<u>8.500</u>	<u>9.278</u>
	<u>7.638</u>	<u>8.202</u>

Contingency tax

A release of the contingency reserve will trigger a tax of	<u>25.300</u>	<u>25.300</u>
	<u>25.300</u>	<u>25.300</u>

The technical provision is not expected to fall below the level of 90% of 31 December 1994. No provision for deferred tax on the contingency reserve has therefore been made.

Note

in DKK'000

	<u>2014</u>	<u>2013</u>
21 Other creditors		
PAYE taxes and labour market contribution	69	62
Holiday pay obligations, salaried staff	9.795	9.033
Social security benefit and other duties	875	1.025
Other accrued costs	<u>20.229</u>	<u>22.928</u>
	<u>30.968</u>	<u>33.048</u>
22 Contingency liabilities		
The company has leased copying machines. The payments in the leasing period amount to:	<u>1.545</u>	<u>2.063</u>
23 Group ownership		

Europæiske Rejseforsikring A/S is a 100% owned subsidiary of ERV AG (former Europäische Reiseversicherungs AG), Munich, Germany

ERV AG (former Europäische Reiseversicherungs AG), Munich, is a 100% owned subsidiary of ERGO Versicherungsgruppe AG, Düsseldorf, Germany.

ERGO Versicherungsgruppe AG, Düsseldorf, Germany, Reg. nr. DE 120060, is a 100% owned subsidiary of Münchener Rückversicherungs-Gesellschaft, Munich, Germany. Reg. nr. DE 220001

The annual report for ERGO Versicherungsgruppe AG can be ordered on

<http://www.ergo.com/>

The annual report for Münchener Rückversicherungs-Gesellschaft can be ordered on

<http://www.munichre.com/>

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,

in DKK'000

24 Risk Sensitivity
Financial risks

In terms of the result the company is sensitive towards the development in exchange rates and the prices of bonds and shares. The stress scenarios red, yellow and green, set by the Danish Financial Supervisory Authority, have been calculated on a continuous basis and Europæiske Rejseforsikring A/S has always been in the green with a good safety margin. The latest calculation shows a total equity effect of minus DKK18.3m in case of a decrease corresponding to the Danish Financial Supervisory Authority's red scenario.

Incident	Impact on equity	
	2014	2013
Increase in interest rate of 0.7% point	-6.757	-4.017
Decrease in interest rate of 0.7% point	6.757	4.017
Price decrease of 12% on shares	-3.626	-3.568
Decrease in real estate of 8%	-7.013	-7.039
Exchange rate risk (VaR 99,5 pct.)	-1.506	-81
Loss of contracting parties of 8%	-839	-845
Country spread risk	-4.965	-2.719
Total risk on assets, ex decrease in interests of 0.7 percentage points	<u>-24.706</u>	<u>-18.269</u>
Counterpart risks from reinsurance contracts	1.062	3.664

Operational risks

The development in the travel market and events limiting the population's travel activity can have a relatively large impact on the company's result. Europæiske Rejseforsikring A/S assesses that such a risk could have a negative effect corresponding to 11% of the company's equity.

Disaster cover

To cover the risks in connection with disasters, the company has made reinsurance contracts limiting Europæiske Rejseforsikring A/S' risks to about DKK4.0m per claim event.

The company has estimated the effect of a wide-scale pandemic to approx. DKK 16.3m net of reinsurance. The size of this risk is because a pandemic is not considered a claim. Europæiske's risk is therefore not limited to the above-mentioned DKK4.0m.

25 Registered assets

The company has registered DKK194.5m in bonds as security for payment in full to the policyholders cf. Financial Business Act § 167

Note

Split of classes of insurance in accordance with §113 in order on non-life insurance companies' annual reports

26

	Accident and health insurance	Fire and personal property (corporate)	Liability insurance	Other insurance	Total
1 Gross premiums written	76.259	1.955	9.186	203.872	291.273
2 Gross premiums earned	81.105	1.991	9.186	223.222	315.504
3 Gross claims incurred	-22.482	-627	-2.513	-119.125	-144.747
4 Bonus and premium discounts	-1.498	0	0	0	-1.498
<i>Administration costs</i>	-13.671	-7.403	0	-29.187	-50.261
<i>Acquisition costs</i>	517	-28	-608	-45.906	-46.026
6 Gross operating expenses	-13.153	-7.432	-608	-75.094	-96.287
Profit from gross operations	43.972	-6.068	6.064	29.003	72.972
7 Result of business ceded	-21.312	-205	-1.001	-5.716	-28.233
9 Technical interest o.o.a.	-29	32	0	258	261
10 Underwriting result	22.632	-6.241	5.064	23.545	45.000

Number of compensations paid
Average compensation for claims incurred
Compensation ratio

7.064	95	78	12.210	19.447
5,6	1,7	-2,9	6,5	6,2
76,4%	12,6%	40,4%	3,1%	4,7%