

AlphaInsurance



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2010 - investment in the future

2010 was a year with continued growth and important investments in the future in the Alpha Group.

After 5 years of continued growth in premium volume and profits based on retained earnings only Alpha Holding A/S injected 150.000.000 DKK of additional capital into Alpha Insurance A/S to sustain the strong growth Alpha Insurance A/S continues to experience.

The Group result in 2010 was not satisfactory and was influenced by the Group's continued investments in the Norwegian market and its Norwegian carrier, Nemi Forsikring AS. Also the failure of the Group's banking connection, Amagerbanken A/S in 2011, influenced the result negatively as the loss hereof is taken up in the 2010 annual report.

2010 was not a good year in general for many insurers, but the core business of the Alpha Group continued to grow and produce good results with good combined ratios in both Nemi Forsikring AS and Alpha Insurance A/S.

Nemi Forsikring AS also grew in terms of premium volume and the company's focus on building a network of agents is showing great promise for future growth just as the company's entry into personal lines is developing very well.

Many measures and initiatives were introduced in 2010 which will secure creation of future value and in particular Nemi Forsikring AS underwent many changes, which will significantly reduce the expense ratio in the future and create a platform for future profitability.

Nemi Forsikring AS also strengthened its capitalization by 30.000.000 NOK and the company was further strengthened by portfolio transfers to the parent company and stop loss reinsurance provided by the parent company. All these measures should be considered when evaluating the result of the Group for the year.

The group structure was simplified in 2010 by the transfer of the direct ownership of Cosa in Sweden from Alpha Holding A/S to Nemi Forsikring AS. Cosa Försäkring AB in liquidation continues to show satisfactory results.

In 2010 the Alpha Group further strengthened its ties to some of the world's strongest reinsurers. This will allow the Group to write new lines of business and take advantage of niche opportunities in areas, where the current business environment is particularly attractive, supported by the expertise and financial strength of these reinsurers.

Another positive trend in 2010 was strong growth in the UK and Italian market, where there is a great potential for the Alpha Group to expand further.

Jens Erik Christensen
Chairman of Alpha Holding A/S



The fast growing insurance group

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

Focus on the professionals

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

Operating areas

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

Denmark
Sweden
Norway
France
Luxembourg
United Kingdom
The Netherlands
Belgium
Spain
Greece
Italy
Germany
Portugal
Ireland
Iceland

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

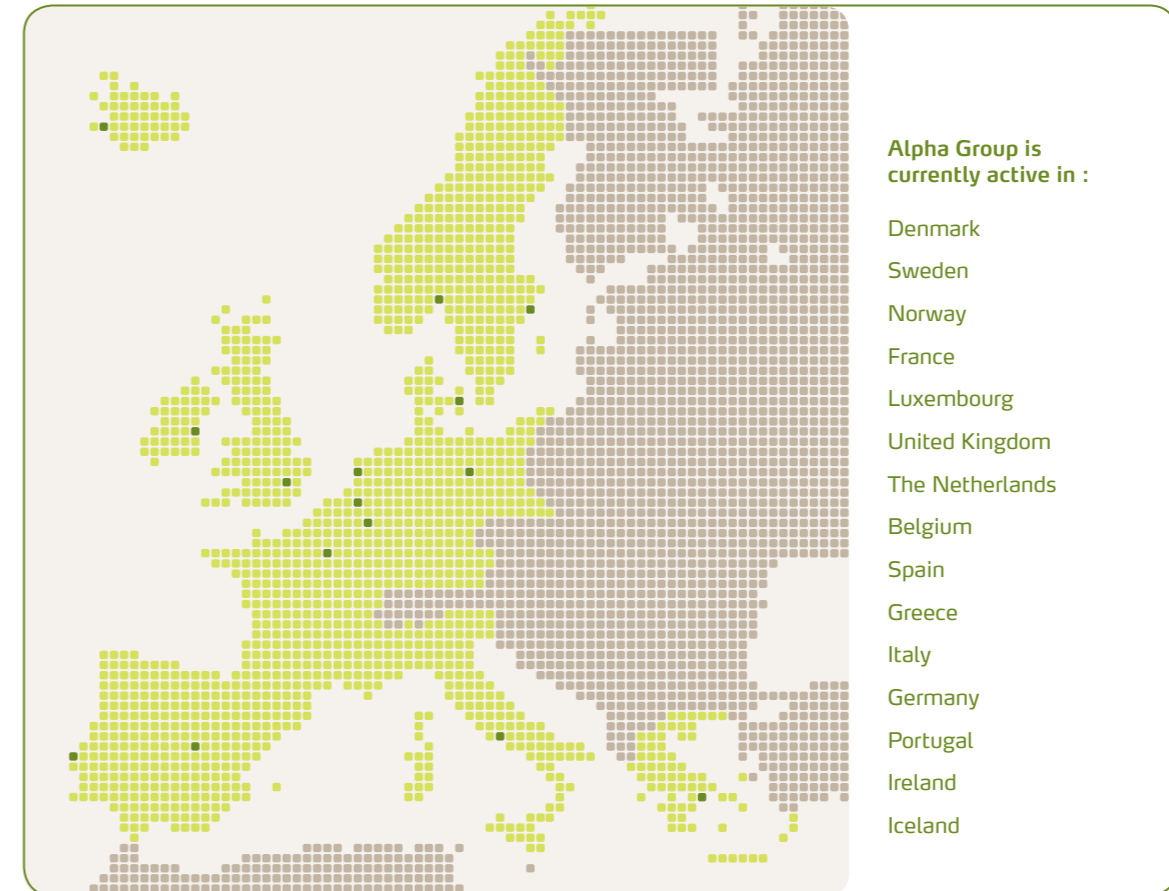
Portfolio and segments

The portfolio of products includes:

- Program business
- Insurance capacity
- Fronting

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

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



Management's review

Main activity

Alpha Insurance A/S has license to write almost all classes of general insurance business in most western European countries.

Approx. 80% of the general business is written in Norway, Denmark, France and UK. Alpha Insurance Group consists of Alpha Insurance A/S, Nemi Forsikring AS (Norway), Cosa Försäkrings AB in liquidation (Sweden). The Group has established 2 branch offices, in Norway and in Italy.

Annual Report 2010

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

Important events in 2010

The restructuring of the subsidiary, Nemi Forsikring AS, was carried on into 2010. The Industrial Injury Insurance portfolio has been taken over by Alpha Insurance A/S as per 30 June 2010. The portfolio includes the underwriting years: 2001-2006.

Nemi Forsikring AS has purchased 100% of the share capital in Cosa Försäkrings AB in liquidation from Alpha Holding A/S as per 1 January 2010. Cosa Försäkrings AB in liquidation is hereby a subsidiary of the Alpha Insurance Group. Cosa Försäkring AB in liquidation previously wrote mainly motor and motor liability insurance in Sweden. Cosa Försäkring AB in liquidation is in the process of closing claims which occurred up to 31 December 1999, in the generated portfolio of motor liability business.

On 30th of August 2010 the capital in Nemi Forsikring AS was increased with additional capital of NOK million 30.0 by Alpha Insurance A/S.

In 3rd quarter 2010 the capital in Alpha Insurance A/S was increased and was contributed with capital of DKK million 150.0 by Alpha Holding A/S.

The year's result and development of the company

2010 resulted in a loss for Alpha Insurance Group of DKK million 47.9

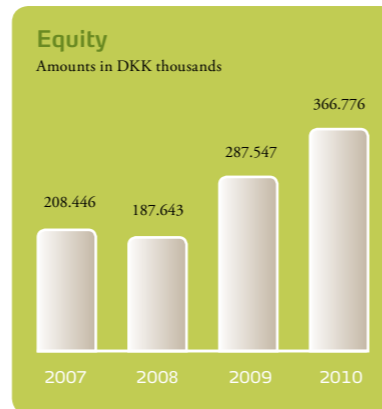
The technical result was a loss of DKK million 4.4, which mainly was negatively affected by the technical result in Nemi Forsikring AS.

Return on investments, showing a loss of DKK million 20.5, which was affected by investments in Amagerbanken. As a result of the insolvency of Amagerbanken in February 2011, the investments have been fully written-off in 2010, with a total loss of DKK million 30.0.

The total loss in 2010, DKK million 47.9 is unsatisfactory. The loss is mainly caused by 2 main events: A loss in Nemi Forsikring AS at DKK million 40.4 and the insolvency of Amagerbanken, which caused a loss of DKK million 30.0. Both events have affected the result with total loss of DKK million 70.4.

Equity and solvency

Alpha Insurance A/S equity as at 31 December 2010 amounts to DKK million 366.8 (DKK million 287.5 in 2009). The increase is made up of the capital increase, contributed by Alpha Holding A/S of DKK million 150, other equity adjustments of DKK million 12.2, deducted the loss for the Year DKK million 47.9 and deducted dividend, on the basis of the 2009 result, of DKK million 35.0.



The solvency requirement of Alpha Insurance A/S, as calculated in accordance with the Financial Supervisory Authority rules, amounts to DKK million 85.8 as at 31 December 2010 (DKK million 62.5 in 2009). The base capital amounts to DKK million 265.8. This means that the Financial Supervisory Authority's required solvency margin is covered 3.1 times (3.0 in 2009).

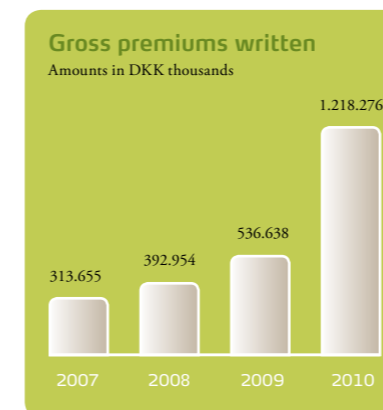
Alpha Insurance A/S has a green light under the Financial Supervisory Authority traffic-light system.

Dividend

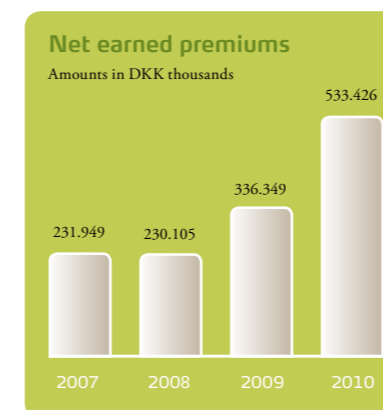
The Board of Directors proposes no dividends for 2010.

Insurance activities

In 2010 gross premium income increased by 51.1% to DKK million 969.5. Premium income for own account has increased by DKK million 533.4, corresponding to an increase of 58.6%. The increase can be ascribed to an increase in the number of insurance agents and an increase in written business with the insurance agents.



Gross claims ratio for 2010 is 49.4%, compared to 48.3% for 2009. Expense ratio for 2010 is 40.6%, compared to 36.3% in 2009. This increase in expense ratio can be ascribed to a changed cost structure in Nemi Forsikring AS, due to the company's aim at the private insurance market and IT investments in this context.



Result of ceded business is DKK million -98.7 for 2010, against DKK million -121.4 in 2009. Fewer premiums have been ceded to reinsurance in 2010, compared to 2009.

Development in subsidiary companies

Nemi Forsikring AS

Nemi Forsikring AS is a Norwegian general insurance company, which provides commercial and private insurance policies to a selected market. Nemi's financial result has, in conformity with 2009, been affected by a thorough restructuring of its insurance business. Writing of marine insurance activities was terminated together with Alpha Insurance A/S' takeover of the Industrial Injury Insurance portfolio and the run-off of the Marine portfolio.

Nemi Forsikring AS now primary write insurances in accordance with the business concept of the Alpha Insurance Group. The business concept includes the use of writing through local insurance agents to both private and corporate policyholders. The result of Nemi Forsikring AS is a loss of DKK million 40.4, compared to a loss of DKK million 16.3 in 2009.

The Nemi Forsikring AS result is unsatisfactory.

Branch offices in Norway and Italy

The branch offices have started in 2010 to write insurance business in Norway and Italy.

The business has proceeded satisfactory.

Investment business

The company's investment business is made up of investment in subsidiary companies as well as investment in other financial assets.

Investment activities provided a combined return of loss of DKK million 20.5 in 2010 as compared with a profit of DKK million 118.8 in 2009.

The investment return has been effected by the insolvency of Amagerbanken with a loss of DKK million 30.0 and by the negative result from Nemi Forsikring AS with a loss of DKK million 40.4. In 2009 the investment return was effected by a profit from negative goodwill of DKK million 80.7.

Risk Management

Management and prevention of business risks is an important and fundamental part of how the company conducts its business and the overall risk policy is set

by the company's Board of Directors. The company's management and prevention of business risks is divided into the following general categories:

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

Financial Risk

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

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

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

Insurance Risk

The insurance risks assumed include the acceptance and follow-up of policies, claims handling, reserving risk and reinsurance risk. We assess insurance risk based on statistical risk type analyses which we incorporate in our pricing. To limit the risk the company has established necessary and relevant procedures for all major business processes

and implements follow-ups and control hereof. The financial statement is influenced by estimates which affect assets and debt and the result for the period and future periods. The estimates are most important from premium and claims provisions, specially for the branches with long tail business such as Industri Injury Insurance.

In the run off period will the claims provisions be mainly influenced by changes in legislation and changes in practice.

The size of the claims reserves to cover future payment of losses that have occurred is determined both through individual assessment of each claim and actuarial calculations.

An important part of the company's risk management is the use of reinsurance. In order to have sufficient protection against natural disaster risks, this exposure is measured constantly. The company's retention is limited to a maximum of 10% of its capital.

Market Risk

Market risk represents the risk of losses due to changes in the market value of the company's assets and liabilities, as a result of changes in market conditions. Market risk includes among others, changes in the interest rate, equities and currencies.

The limits for these financial risks are fixed by the Financial Supervisory Authority. In practice, the Company handles the investment portfolio, both in relation to the liqui-

dity as well as the long term investments. There are established policies and procedures for the maximum investment risk and there is monthly reporting to the Board of Directors and the Management.

Credit risk

Credit risk is the risk of losses caused by one or more counter-parties' breach of their payment obligations.

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

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

Operational risk

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

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

For all main areas there are established policies and procedures, which frequently are controlled and changed if necessary.

The Company's business continuity plan and IT safety plan have been approved by the Financial Supervisory Authority and reviewed by the Company's auditors.

The Board of Directors have decided, that the whole Board of Directors will be member of the Audit Committee.

Due to para. 31 in the Audit Law it is decided that all members of the Board of Directors will take care of the business in the Audit Committee.

Due to para. 5 in the Statutory for Audit Committee the Board of Directors has appointed Mr. Jens Erik Christensen to fulfill the rules about independence and accounting qualifications based on his work as director in many years for financial and listed companies.

Supplementary information

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

Bo Lundqvist:

DT Administration ApS, Alpha Holding A/S, Ahpla ApS, TAS Group ApS, Vopium A/S and Anker-Svendsen ApS

Leif Corinth-Hansen:

Alpha Holding A/S, Ahpla ApS and Famco-Ha ApS.

Morten Helge:

Alpha Holding A/S



Alpha Holding A/S

	100%
Alpha Insurance A/S	
	100%
Nemi Forsikring AS	
	100%
Cosa Försäkring AB	

Tonny Anker-Svendsen:

Alpha Sales Group A/S, Alpha Holding A/S, Ahpla ApS, TAS Group ApS, Vopium A/S and Anker-Svendsen ApS

Thomas Dahl Fredslund:

Alpha Holding A/S and Slotsholm A/S.

Bjarke Sanbeck Nilsson:

Alpha Holding A/S, Bindslev A/S, Leif Helth Care A/S, Mansoft A/S, RS Invest ApS, Slotsholm A/S, Euro Health Fonden, DSE Marine Contractors A/S and CPH Property A/S.

Jens Erik Christensen:

Alpha Holding A/S, Nordisk Kontorforsikring A/S (Norge), EcsAct A/S, K/S Habro-Reading, Aps Habro Komplementar-48, Tower Group A/S, Your Pension Management Luxembourg SA, Your Pension Savings Association, (ASSEP) (Luxembourg), Your Pension Management A/S, Scandinavian Private Equity A/S, Dansk Merchant Capital A/S, Føroya Banki A/S, Andersen & Martini A/S, Lægernes Pensionsbank, Lægernes Pensionskasse, Nordic Corporate Investments A/S, TK Development A/S, TA Management A/S, Doctorservice A/S, Doctorservice Holding A/S, Behandlingsvejviseren A/S, Nordic Insurance Management A/S, Core Strategy Consultants A/S, Mbox A/S, Hugin Expert A/S, Scandinavian Airline System AB (Sverige), Sapere Aude ApS, Randall & Quilter Nordic Holdings ApS, AON Denmark A/S and Scandinavian Capital Limited Solutions (UK)

Events after the balance sheet date

On 6th February 2011 Amagerbanken went into liquidation, which caused losses to Alpha Insurance A/S of total DKK million 30.0. These losses are recognized in the Financial Statements for 2010.

Expectation for 2011

Alpha Holding Group expects to continue the positive development of the company's activity level, with a consequent increase in premium income, as well as maintaining a satisfactory insurance result for 2011.



Amounts in DKK million	Group				
	2010	2009	2008	2007	2005/6
Gross premium income	970	642	376	144	^{18 month} 13
Gross claims incurred	-479	-310	-129	45	-2
Total insurance operating costs, net of reinsurance	-241	-146	-67	-40	-8
Result of ceded business	-99	-121	-34	-28	-8
Insurance technical results	-4	-17	81	78	-2
Results on investments after insurance technical interest	-41	99	-10	4	0
Net profit for the year	-48	83	52	64	1
Run-off result	-20	-11	-10	74	N/A
Total insurance technical provisions	1,956	1,613	433	462	7
Total insurance assets	828	849	74	59	4
Total equity	367	288	188	165	35
Total assets	2,703	2,219	712	694	49
Key figures:					
Gross claims ratio	49.4%	48.3%	34.4%	-31.6%	29.2%
Expense ratio	40.6%	36.3%	34.4%	26.4%	59.9%
Combined ratio	100.2%	103.5%	77.9%	36.5%	148.6%
Operating ratio	100.5%	102.7%	78.4%	32.3%	130.1%
Relative run-off results	-2.2%	-1.7%	-2.7%	16.9%	N/A
Return on equity in per cent	-14.6%	34.9%	29.8%	64.7%	3.6%
Solvency coverage	3.1	3.0	5.5	3.9	1.6

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

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

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

Operational ratio
(Combined ratio where premium income is added to the allocated return on investments)

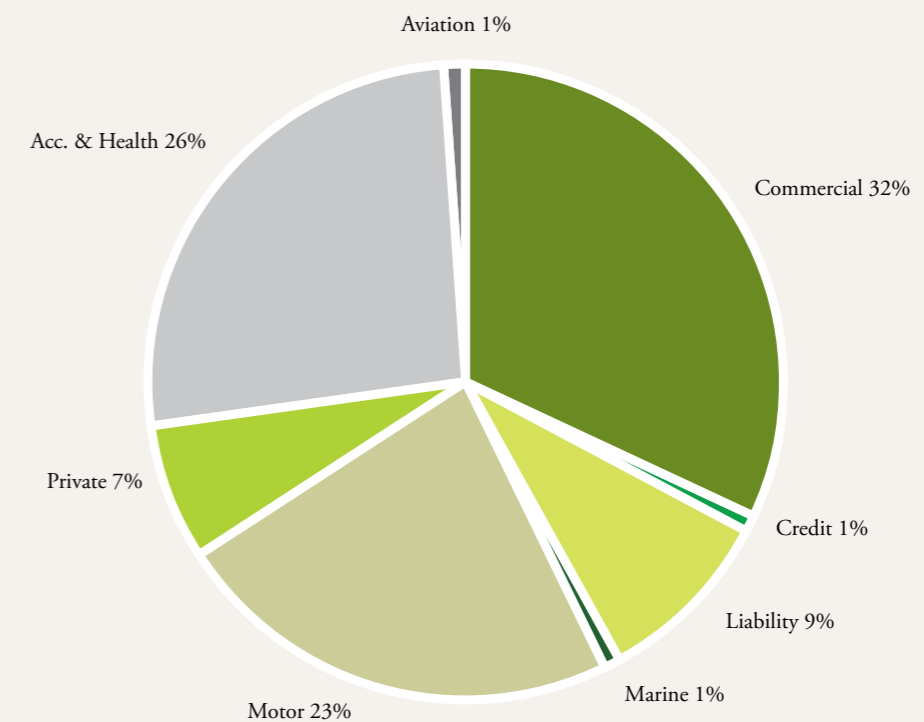
Relative run-off results
(Run-off results compared to reserves as at the beginning of the year)

Return on equity
(Results for the year / the average equity) x 100

Solvency coverage
(Base capital / capital requirement)

Split of earned premiums

The earned premium figure, reflects the company's strategy which is focused on SME and Personal lines, but overall the figure also reflects a diversified portfolio.



Statement by management

Today the Board of Directors and the Board of Executives presented the Annual Report for the period 1 January – 31 December 2010 of Alpha Insurance A/S.

The Annual Report has been presented in accordance with the Danish Statutory Financial Reporting Requirements.

In our opinion, the Annual Report gives a true and fair view of the Company's financial position at 31 December 2010 and of the results of its operations for the financial year 1 January - 31 December 2010.

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

Copenhagen, 15 April 2011

Executive Board

Leif Corinth-Hansen

Board of Directors

Morten Helge (Chairman)

Bo Lundqvist

Jens Erik Christensen

Bjarke Sanbeck Nilsson

Thomas Dahl Fredslund

Tonny Anker-Svendsen



Leif Corinth-Hansen



Jakob Olsen

Bjarke Sanbeck Nilsson

Morten Helge
(Chairman)

Jens Erik Christensen
(Chairman Alpha Holding A/S)

Bo Skifting

Bo Lundqvist

Leif Corinth-Hansen

Thomas Dahl Fredslund

Independent auditors' report

To the Shareholders of Alpha Insurance A/S

We have audited the Annual Report of Alpha Insurance A/S for the financial year 1 January – 31 December 2010, which comprises the Statement of the Board of Directors and Board of Executives on the Annual Report, Management's Review including financial Highlights and specifications on insurance classes, a summary of significant accounting policies, the income statement, balance sheet and notes. The Annual Report has been prepared in accordance with the Danish Statutory Financial Reporting Requirements.

The Board of Directors and Board of Executives' Responsibility for the Annual Report

The Board of Directors and Board of Executives are responsible for the preparation and fair presentation of this Annual Report in accordance with the Danish Statutory Financial Reporting Requirements. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of an Annual Report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Basis of Opinion

Our responsibility is to express an opinion on this Annual Report based on our audit. We conducted our audit in accordance with Danish Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the Annual Report is free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Annual Report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Annual Report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the Annual Report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors and Board of Executives, as well as evaluating the overall presentation of the Annual Report.

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

Our audit has not resulted in any qualification.

Opinion

In our opinion, the Annual Report gives a true and fair view of the Company's financial position at 31 December 2010 and of the results of its operations for the financial year 1 January - 31 December 2010 in accordance with the Danish Statutory Financial Reporting Requirements.

Copenhagen, 15 April 2011

AP | Statsautoriserede Revisor

A member of Moore Stephens International

Mads Thomsen

State Authorised Public Accountant

14 Income statement

Note	For 1 January – 31 December. Amounts in DKK thousands	Parent company		Group	
		2010	2009	2010	2009
1,4	Gross Premiums	967,914	433,884	1,218,276	536,538
	Insurance premiums ceded	-476,769	-211,535	-564,040	-241,178
	Change in premium reserve	-197,447	14,562	-248,761	105,303
	Change in reinsurer's share of premium provisions	116,589	10,693	127,951	-64,314
	Premium income net of reinsurance, total	410,287	247,604	533,426	336,349
2,4	Insurance technical interest	-14,015	-3,075	-2,188	5,323
	Gross claims paid	-557,768	-354,735	-893,761	-616,717
	Reinsurance cover received	220,086	137,148	409,227	303,641
	Change in gross claims provisions	204,585	71,020	414,762	306,811
	Change in reinsurers' share of claims provisions	-55,390	15,571	-224,950	-206,481
3,4	Cost of claims net of reinsurance, total	-188,487	-130,996	-294,722	-212,746
5	Acquisition costs	-238,185	-96,789	-248,945	-106,832
	Administrative expenses	-61,190	-63,542	-145,052	-126,393
	Reinsurance commissions and profit participations with reinsurers	127,642	64,226	153,116	86,977
	Insurance operating costs net of reinsurance, total	-171,733	-96,105	-240,881	-146,248
	Insurance technical results	36,052	17,428	-4,365	-17,322

Income statement

Note	For 1 January – 31 December. Amounts in DKK thousands	Parent company		Group	
		2010	2009	2010	2009
	Income from participating interests in affiliated companies	-40,404	55,299	-	80,682
	Interest from participating interests in associated companies	-52	-	-52	-
	Interest income and dividend etc.	18,247	13,053	29,885	11,279
6	Currency and marketable securities adjustments	-47,455	20,070	-48,147	32,251
	Interest expenses	-329	-608	-301	-608
	Administrative expenses related to investment activities	-912	-396	-1,886	-4,821
	Return on investments, total	-70,905	87,418	-20,501	118,783
2	Transfer to insurance technical interest	-8,992	-11,010	-20,819	-19,408
	Return on investments after insurance technical interest	-79,897	76,408	-41,320	99,375
	Other income	-5,404	218	-4,371	732
		-5,404	218	-4,371	732
	Net profit before tax	-49,249	94,054	-50,056	82,785
7	Tax	1,333	-10,977	2,140	292
	Net profit for the year	-47,916	83,077	-47,916	83,077
	<i>Proposed distribution of net results</i>				
	Reserve equity method	-40,404	77,126		
	Proposed dividend for the year	-	35,000		
	Retained earnings	-7,512	-29,049		
	Distributed, total	-47,916	83,077		

16 Balance sheet – Assets

Note	As of 31 December. Amounts in DKK thousands	Parent company		Group	
		2010	2009	2010	2009
	Goodwill	-	-	6,753	-
	Software	23,175	30,087	31,763	36,056
8	Immaterial assets	23,175	30,087	38,516	36,056
	Office equipment etc.	3,113	3,573	4,687	5,538
9	Tangible assets, total	3,113	3,573	4,687	5,538
10	Participating interests in affiliated companies	144,165	145,608	-	-
11	Participating interest in associated companies	229	-	229	-
	Loan to associated companies	1,168	-	1,168	-
	Shares	228	228	9,221	228
	Units in investment associations	25,343	22,796	25,343	31,998
	Bonds	794,396	94,813	1,175,367	342,285
	Banks	12,709	613,580	12,704	613,580
	Other investment assets	-	-	11,870	13,798
	Other financial investments assets, total	978,238	877,025	1,235,902	1,001,889
	Reinsurers share of premium provisions	185,177	78,183	209,076	94,936
15	Reinsurers share of claims provisions	389,173	270,410	619,321	754,103
	Reinsurers share of provisions for insurance contracts, total	574,350	348,593	828,397	849,039
	Amounts receivable from policyholders	225,863	119,935	308,658	219,771
	Amounts receivable from intermediaries	38,866	34,609	38,866	34,609
	Amounts receivable from insurance undertaking	61,555	35,893	124,140	-
	Amounts receivable from affiliated companies	56,768	5,004	735	5,004
	Other amounts receivable	4,428	3,892	5,346	10,365
		387,480	199,333	477,745	269,749
	Amounts receivable, total	961,830	547,926	1,306,142	1,118,788
	Current tax receivables	-	-	-	-
7	Deferred tax assets	-	-	6,127	-
	Cash and bank deposits	1,874	7,147	36,545	33,735
	Other assets	-	-	5,623	5,275
	Other assets, total	1,874	7,147	48,295	39,010
	Accrued interest income	18,456	880	23,207	880
	Other prepayments	5,345	2,309	45,842	16,555
	Prepayments and accrued income, total	23,801	3,189	69,049	17,435
	Total assets	1,992,031	1,468,947	2,702,591	2,218,716

Balance sheet – Liabilities and equity

Note	As of 31 December. Amounts in DKK thousands	Parent company		Group	
		2010	2009	2010	2009
	Share capital	75,000	66,500	75,000	66,500
	Premium reserve issued shares	141,500	-	141,500	-
	Reserve equity method	47,849	77,126	-	-
	Proposed dividend	-	35,000	150,276	186,047
	Retained earnings	102,427	108,921	-	35,000
12	Equity, total	366,776	287,547	366,776	287,547
	Premium provisions, gross	326,869	118,885	440,892	185,258
14	Claims provisions, gross	956,449	820,545	1,515,027	1,428,034
	Technical reserves, total	1,283,318	939,430	1,955,919	1,613,292
	Deferred tax liability	2,087	9,964	-	3,010
	Provisions for pensions	-	-	9,633	10,531
	Provisions	2,087	9,964	9,633	13,541
	Reinsurance deposits	118,882	66,464	118,881	130,404
	Amounts payable in connection with direct insurance	52,159	40,645	86,836	99,704
	Amounts payable in connection with reinsurance	69,300	44,048	76,384	653
	Amounts payable to affiliated companies	31,210	4,281	732	4,281
	Payable company tax	6,031	757	6,032	757
	Other payables	62,268	75,811	74,879	61,027
	Liabilities other than provisions, total	220,968	165,542	244,863	166,422
	Accruals and deferred income	-	-	6,519	7,510
	Liabilities and equity, total	1,992,031	1,468,947	2,702,591	2,218,716
12	Information on staff and remuneration				
16	Contingent liabilities etc.				
17	Related parties etc.				
18	Risk and information on sensitivity				
19	Other note information				
20	Accounting policies				

1. Gross premiums

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
<i>Geographical division of gross premiums:</i>				
Denmark	127,846	19,245	127,834	19,245
Other EU countries	646,096	195,546	653,920	195,546
Other countries	193,974	219,093	436,522	321,747
	967,913	433,884	1,218,276	536,538

2. Insurance technical interest

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
Discounting of claims provisions	-23,007	-14,085	-23,007	-14,085
Transferred from investment income	8,992	11,010	20,819	19,408
	-14,015	-3,075	-2,188	5,323

3. Claims

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
<i>Allocation on claims and claims outlet for the year:</i>				
Gross claims incurred - claims in the year	-273,735	-227,211	-412,392	-253,564
Gross claims incurred - claims run-off from previous years	-79,448	-56,504	-66,607	-56,342
Total gross claims incurred	-353,183	-283,715	-478,999	-309,906
Claims incurred at own account - claims in the year	-155,964	-130,203	-275,216	-202,189
Claims incurred at own account - claims run-off from previous years	-32,523	-793	-19,506	-10,557
Total claims incurred, net of reinsurance	-188,487	-130,996	-294,722	-212,746

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

	Number of claims	Average claims	Claims rate
Accident and Health	8,767	24,146	8.0%
Liability	2,220	29,352	9.3%
Property	5,055	17,355	3.2%
Other	66,237	2,917	23.8%

3. Claims Continued

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

	Number of claims	Average claims	Claims rate
Accident and Health	8,784	27,605	8.0%
Liability	5,033	27,087	20.5%
Property	5,633	47,390	3.4%
Other	68,367	3,628	24.1%

4. Specifications on insurance classes

	Personal accident		Liability		Property		Other	
	2010	2009	2010	2009	2010	2009	2010	2009
Amounts in DKK million								
Gross premiums	217.4	206.8	276.0	27.9	332.8	139.9	392.0	161.8
Gross premium income	223.1	227.1	161.7	29.5	274.3	179.0	310.4	206.3
Gross claims incurred	58.5	-124.1	-102.7	-22.6	-242.4	-69.0	-192.4	-94.1
Total insurance operating costs	-41.7	-76.6	-91.9	-2.2	-113.2	-17.6	-147.2	-49.8
Profit or loss of ceded business	-132.0	-18.5	12.5	-46.2	32.2	-32.2	-11.4	-111.3
Insurance technical interest for own account	-7.7	-0.5	4.1	0.3	4.1	3.5	-2.6	2.0
Insurance technical results	100.2	7.3	-16.3	-41.2	-45.2	63.6	-43.1	-47.0

5. Administrative expenses

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
<i>Audit fee:</i>				
AP Statsautoriserede Revisorer, member of Moore Stephens International	956	963	956	963
Others	-	-	4,681	710
Total	956	963	5,637	1,673
<i>Fee for other services:</i>				
AP Statsautoriserede Revisorer, member of Moore Stephens International	277	430	410	430
KPMG	-	-	-	174
Total	277	430	410	604

6. Currency and marketable securities adjustments

Amounts in DKK thousands	Parent company		Group	
	2010	2009	2010	2009
Gains and losses as a result of changes in the interest rates used for discounting of claims provisions	-8,438	-2,288	-8,438	-2,288
Unrealized marketable adjustment on stocks	487	-	1,230	-
Unrealised marketable adjustments on units in investment associations	2,547	6,776	2,547	10,889
Unrealised marketable adjustments on bonds	-10,806	478	-13,350	41,376
Realised marketable adjustments on bonds	-11,264	-	-11,264	-
Realised losses on cash	-10,703	-	-10,704	-
Realized marketable adjustments on bonds	-15,875	-1,277	-14,760	-15,694
Currency adjustments	6,597	16,381	6,592	-2,032
	-47,455	20,070	-48,147	32,251

7. Tax on net results

Amounts in DKK thousands	Parent company		Group	
	2010	2009	2010	2009
Calculated tax on the taxable income for the year	-5,956	-757	-5,149	10,512
Adjustment of tax previous years	-588	-62	-588	-62
Adjustment of deferred tax, change in tax percentage	-	-	-	-
Adjustment of deferred tax	7,877	-10,158	7,877	-10,158
	1,333	-10,977	2,140	292
<i>Tax on net results can be specified as follows:</i>				
Calculated 25/28% tax on net profit before tax	12,312	-23,513	12,514	-12,244
Adjustment of tax, previous years	-588	-62	-588	-62
Adjustment of deferred tax, change in tax percentage	-	-	-	-
Non-deductible income and expenses	-10,391	12,598	-9,786	12,598
	1,333	-10,977	2,140	292
Effective tax rate	-	11,7%	-	-

7. Tax on net results *Continued*

Amounts in DKK thousands

Deferred tax asset can be specified as follows (Parent company)

	1/1 2010	Adjustment of the year	31/12 2010
Bonds	-	-5,064	-5,064
Stocks	-	-1,043	-1,043
Equipment etc.	-126	-39	-165
Leased office equipment	-3	-3	-6
Software	7,522	-1,728	5,794
Amounts receivable from policy holders	2,571	-	2,571
	9,964	-7,877	2,087

Deferred tax asset can be specified as follows (Group)

	1/1 2010	Adjustment of the year	31/12 2010
Bonds	-	-5,064	-5,064
Stocks	-	-1,043	-1,043
Equipment etc.	-34	-130	-164
Leased office equipment	-3	-3	-6
Software	7,522	-1,728	5,794
Amounts receivable from policy holders	2,571	-	2,571
Tax loss carried forward	-14,291	-946	-15,237
Other	7,245	-223	7,022
	3,010	-9,137	-6,127

8. Immatériel assets

	Parent company	Group
	Goodwill	Goodwill
Amounts in DKK thousands		
Cost at 1 January 2010	-	-
Additions	-	7,414
Currency adjustment on additions	-	-661
Disposals	-	-
Cost at 31 December 2010	-	6,753
Depreciation at 1 January 2010	-	-
Depreciation for the year	-	-
Depreciation on disposed assets	-	-
Depreciation at 31 December 2010	-	-
Net asset value at 31 December 2010	-	6,753

	Software	Software
	Cost at 1 January 2010	35,397
Additions	202	6,634
Currency adjustment on additions	-	1,564
Disposals	-	-
Cost at 31 December 2010	35,599	67,238
Depreciation at 1 January 2010	5,310	18,589
Currency adjustment on opening balance sheet	-	879
Depreciation for the year	7,114	16,007
Depreciation on disposed assets	-	-
Depreciation at 31 December 2010	12,424	35,475
Net asset value at 31 December 2010	23,175	31,763
Total net asset value at 31 December 2010	23,175	38,516

9. Tangible assets

	Parent company	Group
	Office equipment	Office equipment
Amounts in DKK thousands		
Cost at 1 January 2010	6,194	18,694
Additions	1,291	828
Currency adjustment on opening balance sheet	-	1,925
Disposals	-994	-994
Cost at 31 December 2010	6,491	20,453
Depreciation at 1 January 2010	2,619	13,156
Depreciation for the year	1,101	2,254
Currency adjustment on opening balance sheet	-	698
Depreciation on disposed assets	-342	-342
Depreciation at 31 December 2010	3,378	15,766
Net asset value at 31 December 2010	3,113	4,687

10. Participating interest in affiliated companies

	Parent company	Group
	Amounts in DKK thousands	
Cost at 1 January 2010	68,482	-
Additions	27,834	-
Disposals	-	-
Cost at 31 December 2010	96,316	-
Adjustments at 1 January 2010	77,126	-
Currency adjustment of the opening equity in affiliated company	11,127	-
Net profit for the year	-40,404	-
Distributed dividend	-	-
Adjustments at 31 December 2010	47,849	-
Net asset value at 31 December 2010	144,165	-

Nemi Forsikring AS

Registered Office	Oslo
Equity interest	100%
Share of net profit for the year	-40,404
Share of equity	144,165

11. Participating interest in associated companies

	Parent company		Group	
Amounts in DKK thousands				
Cost at 1 January 2010	-	-	-	-
Additions	281		281	
Disposals	-		-	
Cost at 31 December 2010	281		281	
Adjustments at 1 January 2010	-		-	
Currency adjustment of the opening equity in affiliated company	-		-	
Net profit for the year	-52		-52	
Distributed dividend	-		-	
Adjustments at 31 December 2010	-52		-52	
Net asset value at 31 December 2010	229		229	

12. Equity

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
<i>Changes in shareholder equity and reserves:</i>				
Equity 1 January	287,547	187,643	287,547	187,643
Correction of equity	1,018	-	1,018	-
Capital increase	150,000	-	150,000	-
Increase of capital in affiliated companies	11,127	21,827	11,127	21,827
Paid dividend during the year	-35,000	-5,000	-35,000	-5,000
Net profit for the year	-47,916	83,077	-47,916	83,077
Equity 31 December	366,776	287,547	366,776	287,547
<i>The equity can be specified as follows:</i>				
<i>Share capital</i>				
Share capital 1 January	66,500	66,500	66,500	66,500
Increase of capital	8,500	-	8,500	-
	75,000	66,500	75,000	66,500

The share capital consists of 75,000,000 shares of DKK 1 each. The shares are not divided into classes.

12. Equity Continued

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
<i>Reserve for amount above par value:</i>				
Amount above par value 1 January	-	-	-	-
Additions	141,500	-	141,500	-
	141,500	-	141,500	-
<i>Reserve equity method:</i>				
Reserve at 1 January	77,126	-	-	-
Transfer in accordance with distribution of net profit	-40,404	55,299	-	-
Paid dividend during the year in affiliated companies	11,127	21,827	-	-
	47,849	77,126	-	-
<i>Retained earnings:</i>				
Retained earnings at 1 January	108,921	116,143	186,047	16,675
Correction of equity	1,018	-	1,018	-
Transfer in accordance with distribution of net profit	-7,512	-29,049	-47,490	48,077
Paid dividend during the year in affiliated companies	-	-	-	-
Increase of capital in affiliated companies	-	21,827	11,127	21,827
Extraordinary dividend	-	-	-	-
	102,427	108,921	150,276	186,047
<i>Proposed dividend:</i>				
Proposed dividend at 1 January	35,000	5,000	35,000	5,000
Paid dividend	-35,000	-5,000	-35,000	-5,000
Transfer in accordance with distribution of net profit	-	35,000	-	35,000
	-	35,000	-	35,000
Equity 31 December, total	366,776	287,547	366,776	287,547
<i>The calculation of base capital can be specified as follows:</i>				
Equity at 31 December	366,776		366,776	
Discounting	153		153	
Deferred tax asset	-		-6,127	
Immaterial assets	-23,176		-38,516	
Tax of immaterial assets	5,794		9,629	
Capital adequacy requirements in subsidiary insurance companies	-83,703		-83,703	
Base Capital at 31 December	265,844		248,212	

13. Information on staff and remuneration

	Parent company		Group	
	2010	2009	2010	2009
Amounts in DKK thousands				
<i>Total staff costs comprise:</i>				
Wages and salaries	20,397	25,760	49,945	76,311
Pension plans	1,983	2,259	5,917	8,246
Expenses of social security and other staff costs	2,105	2,634	5,361	14,581
	24,485	30,653	61,223	99,138
Average number of employees	18	15	70	71
Board of Executives	3,370	5,118	8,298	13,599
Board of Directors	1,388	1,150	2,674	2,990
	4,758	6,268	10,972	16,589

14. Claims provisions, gross

	Parent company		Group	
	Insurance year 2010	Insurance year through 2009	Insurance year 2010	Insurance year through 2009
Amounts in DKK				
<i>Change in claims provisions, gross</i>				
1 January	-	867,273	-	1,428,034
Currency adjustments	-	48,900	-	54,456
Change in the group	-	-	-	367,754
Change in claims provisions	305,179	79,447	443,837	66,607
Claims paid	-128,399	-429,368	-215,701	-678,060
Portfolio approach	-	217,668	-	59,386
Currency adjustments	1,099	-5,350	2,351	-13,637
	177,879	778,570	230,487	1,284,540

15. Reinsurers share of claims provisions

	Parent company		Group	
	Insurance year 2010	Insurance year through 2009	Insurance year 2010	Insurance year through 2009
Amounts in DKK				
<i>Change in claims provisions, gross</i>				
1 January	-	301,121	-	754,103
Currency adjustments	-	14,248	-	44,237
Change in the group	-	-	-	87,447
Change in claims provisions	117,770	46,926	137,176	47,101
Paid claims	-63,200	-156,886	-85,253	-323,974
Portfolio approach	-	124,785	-	-43,973
Currency adjustments	-49	4,459	136	2,321
	54,521	334,653	52,059	567,262

16. Contingent liabilities, etc.

There are no contingent liabilities.

17. Related parties, etc.

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

Controlling interest

Alpha Holding A/S (Principal shareholder)

Other related undertakings

Nemi Forsikring AS (Affiliated Company)

Cosa Försäkring AB in liquidation (Affiliated Company)

Ownership

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

Alpha Holding A/S
c/o Harbour House
Sundkrogsgade 21
DK-1256 Copenhagen Ø

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

18. Risk and information on sensitivity

Effect on Equity

Amounts in DKK thousands

Increase in interest rate of 0.7 %	-9,092
Decrease in interest rate of 0.7 %	9,092
Reduction in share prices of 12%	-27
Reduction in value of property of 8%	0
Foreign currency risk (VaR 99.5%)	-8,728
Loss on 3 rd parties of 8%	-1,922

19. Other note information

In accordance with para. 91a in the Danish Statutory Financial Reporting Requirements a five-year financial overview is described on the last page in the management's review.

20. Accounting policies

The Annual Report of Alpha Insurance A/S for 1 January – 31 December 2010 has been presented in accordance with the provisions of the Danish Statutory Financial Reporting Requirements.

The accounting policies applied remain unchanged as compared to last year.

Recognition and measurement

Income is recognised in the Income Statement as earned, including value adjustments of financial assets and liabilities. All expenses including depreciation/amortisation and impairment claims are recognised in the Income Statement.

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

Liabilities are recognised in the balance sheet when it is probable that the future economic benefits will flow out of the Company and when the measurement of the value of the liability is reliable.

On initial recognition, assets and liabilities are recognised at cost. Subsequently, assets and liabilities are measured as described below for each item.

Certain financial assets and liabilities are measured at amortised cost where a constant effective interest is recognised over the maturity. Amortised cost is stated as original cost less any principal repayments and with the addition/deduction of the cumulative amortisation of any difference between cost and nominal amount.

Allowances are made for predictable claims and risks that arise before the presentation of the Annual Report and that confirm or invalidate circumstances that existed at the balance sheet date.

Consolidated financial statements

The consolidated financial statements comprise the parent company Alpha Holding A/S and subsidiaries controlled by the parent company. Control is achieved where the parent company directly or indirectly holds more than 50 per cent of the voting rights or is otherwise able to exercise or actually exercise control.

The consolidated financial statements are prepared on the basis of the financial statements of the parent company and the subsidiaries, which are all prepared in accordance with the Group's accounting policies.

The consolidated financial statements are prepared by adding together uniform items and eliminating intra-group income and expenses, investments, balances and dividends as well as realised and unrealised gains and losses on transactions between the consolidated companies.

Newly acquired or newly formed companies are recognised in the consolidated financial statements from the date of acquisition. Companies sold or discontinued are recognised in the consolidated income statement up to the time of sale or discontinuance.

Newly acquired subsidiaries are accounted for using the purchase method of accounting, according to which the identifiable assets, liabilities and contingent liabilities of the newly acquired companies are measured at fair value at the time of acquisition.

Negative differences between the cost of the acquisition and the fair value of the acquired identifiable assets, liabilities and contingent liabilities are recognised in the income statement at the time of acquisition.

Minority interests are recognised at the time of acquisition at the proportionate share of the fair value of the acquired identifiable assets, liabilities and contingent liabilities.

Gains or losses on the disposal or discontinuance of subsidiaries are calculated as the difference between the selling price and the carrying amount of net assets at the time of sale as well as anticipated expenses relating to sale.

Minority interests

The subsidiaries' items are fully consolidated in the consolidated financial statements. Minority interests' proportionate share of the subsidiaries' results and equity is shown as separate items in the income statement and in equity.

Foreign currency

Transactions denominated in foreign currencies are converted at the exchange rates at the dates of transaction. Exchange differences arising between the rate on the date of transaction and the rate on the payment day are recognised in the Income Statement as financial income or financial expenses.

Receivables, payables and other monetary items denominated in foreign currencies that have not been settled at the balance sheet date are translated by applying the exchange rates at the balance sheet date. Differences arising between the rate at the balance sheet date and the rate at the date of the arising of the receivable or payable are recognised in the Income Statement under financial income and expenses.

Fixed assets purchased in foreign currencies are measured at the rate of the date of transaction.

The Income Statement**Premium income**

Gross premiums are listed as the year's payable premiums stemming from insurance agreements which pertain to the financial year.

Claims

Paid gross claims are listed as the year's paid claims including internal and external expenses of inspection and evaluation of damages and various direct and indirect expenses related to the treatment of occurred damages.

Acquisitions cost

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

An insurance technical profit under these agreements represents a duty for the Company to pay additional commissions to the intermediary and a technical loss will give the Company a right to claim an amount from said intermediaries mainly in the form of the right to assume future profitable business from the intermediary. The duty to pay commission is accrued as payables to brokers and the income will be accrued to the extent this is earned on business in force.

Administrative expenses

Administrative expenses are listed as the costs related to the administration of the company's portfolio. The administrative expenses are allocated so they cover the period.

Insurance technical interest

Part of the profit or loss from investment operations relates to the insurance operations and is therefore transferred to this part of the Income Statement.

The transferral amounts to a calculated return of the period's average insurance provisions at own account. The interest applied is a fixed interest provided by the Danish Financial Supervisory Authority, which for 2010 amounts to 1.32 % per year. Also technical interest includes interest on funds withheld in connection with the reinsurance of the Company's insurance portfolio as well as the impact on the discounting of the reserved deriving from the change in the duration of the claims provisions.

Interest income and dividend

Profit or loss from investment operations include the interest earned in the financial year on bonds, bank deposits and receivables as well as dividends received on investments.

Currency and marketable securities adjustments

Currency and marketable securities adjustments include both realised and unrealised gains and losses on the sale and value adjustment of securities and other financial contracts as well as realised and unrealised foreign exchange gains and losses.

Tax

Tax for the period includes current tax and changes in deferred tax and is listed in the Income Statement with the ratio referring to the net profit/loss for the period and recognised in the equity with the ratio referring to entries with direct reference to the equity.

Current tax liabilities respectively current tax receivable are listed in the Balance Sheet as calculated tax on the period's taxable income, adjusted for prepaid tax.

Deferred tax is assessed in respect of all temporary differences between the carrying amount and the tax value of the assets and liabilities. Deferred tax assets including the tax value of tax losses to be carried forward are recognised in the Balance Sheet at the value on which the assets are expected to be realised, either by setting off in the deferred tax liabilities or as net assets.

The company is jointly taxed with its Parent Company. The jointly taxed companies participate in the Tax Prepayment Scheme.

The Balance Sheet**Immaterial assets**

Software is measured at cost less accumulated depreciation. Depreciation is made under the straight-line method over the expected useful lives of the asset which is estimated to 5 years.

Equipment

Equipment is measured at cost less accumulated depreciation. Depreciation is made under the straight-line method over the expected useful lives of the assets:

Office equipment etc. 3-5 years

Leases

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

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

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

Investment assets*Participating interests in affiliated companies*

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

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

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

Acquisition or establishment of new companies are recognised in the Annual Report from the date of acquisition.

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

Securities

Securities are initially measured at initial fair value on the transaction date and subsequently measured at fair value (market price) at the Balance Sheet date. Purchase and sale of securities are recognised at the trade date.

Insurance assets

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

Receivables and prepayments

Receivables are measured at amortised cost which usually equals nominal value. Provisions made for bad debts reduce the value.

Prepayments comprise incurred expenses related to the following financial year.

Dividends

Dividends expected distributed for the year are shown as a separate item under equity. Proposed dividend is recognised as a liability on approval by the Annual General Meeting.

Provisions for unearned premiums and claims provisions

Provisions for unearned premiums are set aside in accordance with the risk profile of the portfolios. They are measured after a pro rata temporis principle.

Claims provisions are computed so that they – taking into account all information available – are adequate to cover all claims incurred for damage occurred before the Balance Sheet date whether or not such claims have been filed. Claims provisions also include an accrual for future expenses for the administration, mitigation, inspection and assessment of claims related to the end of year claims provisions.

Case provisions are estimated from the information which are known at time for preparing the Financial Statements.

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

To control the Benktander method the Company makes benchmark tests. The Company compares the provisions stated by the Benktander method with provisions stated by the Chain Ladder method and the Bornhuetter-Ferguson method. These two methods are used as benchmark as the Chain Ladder method is effective when there is much claim statistic and the Bornhuetter-Ferguson method is effective when there is less claim statistic.

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

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

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

Liabilities other than provisions

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

Company information

The Company

Alpha Insurance A/S
Harbour House
Sundkrogsgade 21
DK-2100 Copenhagen

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

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

Board of Directors

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

Board of Executives

Leif Corinth-Hansen

Independent auditors

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

Homepage

www.alphagroup.dk

About the Annual Report

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

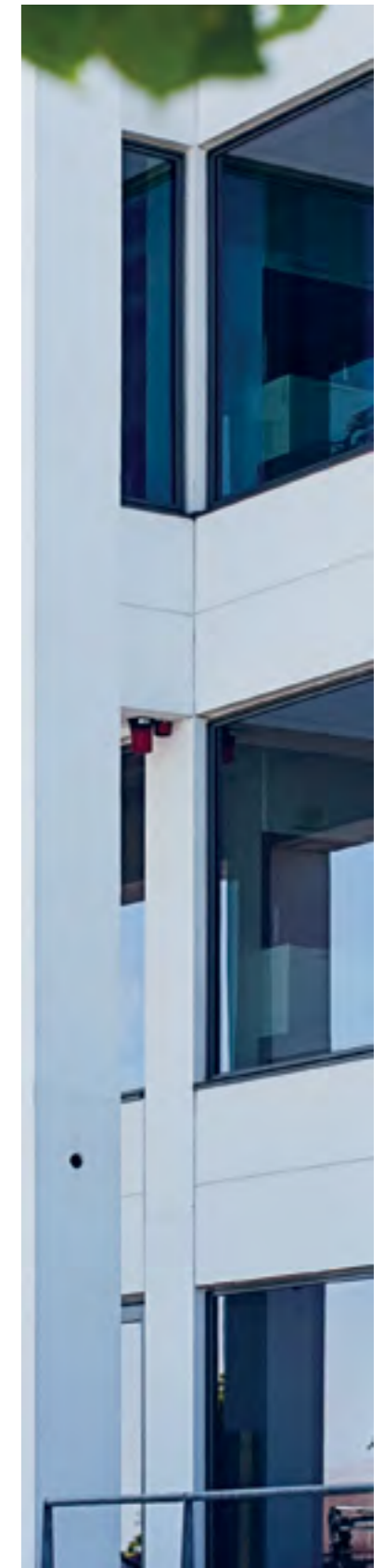
The photographs in this Annual Report are of Harbour House where the company's head office has been situated from 1st July 2010. This office building was designed by the internationally renowned architect group Utzon Associates, comprising Jørn, Jan and Kim Utzon, in the late 1980's.

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

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

Design and production:

Niels Vejstrup, Senior designer MDD, vejstrupdesign.dk



AlphaInsurance

www.alphagroup.dk

