

**GLOBALE RÜCKVERSICHERUNGS**

**FINANCE ALPHA B.V.**

Amsterdam, The Netherlands

**INTERIM REPORT AS AT**

**30 JUNE 2011**

**(UNAUDITED)**

# Globale Rückversicherungs Finance Alpha B.V.

## Table of contents

<b>Responsibility Statement</b>	Page 1
<b>Management Board Report</b>	Page 2 - 3
<b>Financial Statements</b>	
Interim Balance Sheet as at 30 June 2011	Page 4
Interim Profit and Loss account for the period ended 30 June 2011	Page 5
Interim Cash Flow Statement for the period ended 30 June 2011	Page 6
Notes to the interim report as at 30 June 2011	Pages 7-17

# **GLOBALE RÜCKVERSICHERUNGS FINANCE ALPHA B.V.**

## **Responsibility Statement**

The Management of Globale Rückversicherungs Finance Alpha B.V. (hereinafter "the Company") wish to state that to our knowledge:

1. The 30 June 2011 interim financial statements give a true and fair view of the assets, liabilities, financial position and profit of the Company;
2. The Management Board Report gives a true and fair view of the Company's position as per 30 June 2011 and the developments during the financial period ended 30 June 2011;
3. The Management Board Report describes the material risks the issuer is facing.

### **The Management**

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Equity Trust Co. N.V.

Amsterdam, The Netherlands, 31 August 2011

# Globale Rückversicherungs Finance Alpha B.V.

## Management Board Report

The Management herewith submits the interim accounts for the financial period ended 30 June 2011 of Globale Rückversicherungs Finance Alpha B.V. (hereinafter "the Company").

### Overview of activities

The Company is a limited liability company incorporated under the laws of The Netherlands and has its statutory and business seat in Amsterdam, The Netherlands.

The principal activities of the Company consist of issuing bonds and notes and financing of group entities. The bonds are listed at the Luxembourg Stock Exchange. During the period under review the Company sustained a loss before taxation of EUR 165,186 (year 2010: EUR 83,004).

As at 30 June 2011 the bonds issued to third parties amounted to EUR 810,000 (31 December 2010: EUR 850,000).

As from the financial year 2003, both the interest receivable on the loan and the interest payable on the bond have been deferred. As at 30 June 2011 the deferred interest receivable amounts to EUR 2,131,049 (31 December 2010: EUR 6,288,084) and the deferred interest payable amounts to EUR 552,923 (31 December 2010: EUR 4,879,458).

As the Company is closely related to the parent company, Globale Rückversicherungs-AG, due to its financing activities, the continuity of the parent company should be closely considered while judging the continuity of the Company.

### Financial risk management

The Company's activities expose it primarily to market risks. Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

#### Market risk

The Corporate Risk function of the parent company provides services to manage the financial risk relating to the Company's operations. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company manages market risk by stratifying the portfolio and imposing limits.

#### Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations. Due to the limited operations of the Company, management is of the opinion that operational risk is negligible.

# **GLOBALE RÜCKVERSICHERUNGS FINANCE ALPHA B.V.**

## **Management Board Report**

### **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will, where possible, have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's liquidity risk is considered negligible considering the terms and conditions it has included in its long-term loan receivables and bond agreements, which are outlined further in their respective notes.

### **Currency risk**

Currency risk is the risk that fluctuations in the prevailing foreign currency exchange rates will affect the Company's financial position and cash flows. The Company does not run any currency risk, as the Company does not use any and is not exposed to any other currency than euros.

### **Interest risk**

Interest rate risk is the risk that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. Interest rate exposure on the debt is fully mitigated by the lending of these amounts to Globale Rückversicherungs-AG with matching terms plus a fixed fee of EUR 350,000 per annum.

### **Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk is predominantly with Globale Rückversicherungs-AG. The Company has not entered into any other transactions that might generate credit risk.

### **Post balance sheet events**

On 16 August 2011 the Company redeemed the bonds and offset the principal amount and deferred interest with the amounts due from shareholder.

### **Future outlook**

It is expected that the Company will enter into voluntary liquidation in the second half of the current financial year.

### **The Management**

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Equity Trust Co. N.V.

Amsterdam, The Netherlands, 31 August 2011

# Globale Rückversicherungs Finance Alpha B.V.

## Interim Balance Sheet as at 30 June 2011

	<u>Notes</u>	<u>30 June 2011</u>	<u>31 December 2010</u>
<b>FIXED ASSETS</b>			
<b>Financial fixed assets</b>			
Amounts due from shareholder	(3)	0	14,938,084
Total fixed assets		<u>0</u>	<u>14,938,084</u>
<b>CURRENT ASSETS</b>			
Amounts due from shareholder	(4)	2,941,049	0
Prepaid expenses		2,476	0
Cash at bank	(5)	22,520	12,768
Total current assets		<u>2,966,045</u>	<u>12,768</u>
<b>CURRENT LIABILITIES</b>			
Liabilities due to shareholder	(6)	1,370,267	0
Bond and deferred interest	(7)	1,781,549	0
Corporate income tax	(8)	4,094	4,558
Other liabilities		3,758	35,247
Total current liabilities		<u>3,159,668</u>	<u>39,805</u>
<b>WORKING CAPITAL</b>		<u>(193,623)</u>	<u>(27,037)</u>
<b>TOTAL ASSETS LESS CURRENT LIABILITIES</b>		<u>(193,623)</u>	<u>14,911,047</u>
<b>Less: LONG-TERM DEBT</b>			
Liabilities due to shareholder	(9)	0	1,268,015
Bond and deferred interest	(10)	0	13,809,777
Total long-term debt		<u>0</u>	<u>15,077,792</u>
<b>TOTAL ASSETS LESS LIABILITIES</b>		<u>(193,623)</u>	<u>(166,745)</u>
<b>CAPITAL AND RESERVES</b>			
Issued and paid up share capital	(11)	18,000	18,000
Share premium		250,000	250,000
Accumulated deficit		(434,745)	(351,741)
Result for the period/year		(26,878)	(83,004)
<b>TOTAL CAPITAL AND RESERVES</b>		<u>(193,623)</u>	<u>(166,745)</u>

## Globale Rückversicherungs Finance Alpha B.V.

Interim Profit and Loss account for the period ended 30 June 2011  
(expressed in euros)

	<u>Notes</u>	<u>Period ended 30 June 2011</u>	<u>Year 2010</u>
Interest income from loan to shareholder		195,964	923,062
Interest expense on bond		(164,772)	(861,030)
Other interest expense on loan to shareholder		(27,252)	(51,656)
Other interest income		13	268
<b>Net financial income</b>		<u>3,953</u>	<u>10,644</u>
Operating expenses		(23,402)	(70,409)
<b>Net operating income (expense)</b>		<u>(23,402)</u>	<u>(70,409)</u>
<b>RESULT BEFORE TAXATION</b>		<u>(19,449)</u>	<u>(59,765)</u>
Corporate income tax previous years	(12)	0	(10,738)
Corporate income tax	(12)	(7,429)	(12,501)
<b>RESULT FOR THE PERIOD/YEAR</b>	(11)	<u><b>(26,878)</b></u>	<u><b>(83,004)</b></u>

## Globale Rückversicherungs Finance Alpha B.V.

### Interim Cash Flow Statement for the period ended 30 June 2009 (expressed in euros)

	Notes	Period ended 30 June 2011	Year 2010
<b>Cash flow from operating activities</b>			
Result after taxation	(11)	(26,878)	(83,004)
<i>Adjusted for non cash movements:</i>			
Repayment bonds	(10)	(7,840,000)	0
Repayment loan to shareholder	(3)	7,840,000	0
Repayment interest payable on bonds	(10)	(4,352,999)	0
Repayment interest receivable on loan to shareholder	(3)	4,352,999	0
Effective interest on bonds	(10)	138,307	287,967
Interest income from loan to shareholder	(3)	(195,964)	(923,062)
Interest expense on bonds	(10)	26,465	573,063
<i>Movements in working capital</i>			
(Increase)/decrease in tax receivable	(8)	(464)	13,315
(Increase)/decrease in prepaid expenses		(2,476)	0
Increase in liabilities due to shareholder	(9)	102,252	121,656
Increase/(decrease) in tax payable	(8)	0	4,558
Decrease in other liabilities		(31,490)	(1,637)
<b>Net cash flow from operating activities</b>		<b>9,752</b>	<b>(7,144)</b>
 <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>		 <b>9,752</b>	 <b>(7,144)</b>
 Balance as at 1 January		 12,768	 19,912
 <b>Balance as at 30 June</b>		 <b>22,520</b>	 <b>12,768</b>

# Globale Rückversicherungs Finance Alpha B.V.

## Notes to the interim report as at 30 June 2010

### 1. General

Globale Rückversicherungs Finance Alpha B.V. ("the Company"), a corporation with limited liability, having its statutory and business seat in Amsterdam, The Netherlands, was incorporated under the laws of The Netherlands on 27 March 2001. The Company is a 100% subsidiary of Globale Rückversicherungs-AG, Cologne, Germany and the Company's accounts are included in the shareholder's consolidated financial statements. The financial statements are available at <http://www.globalre.com>. Globale Beteiligungs GmbH, Munich, Germany is the Company's ultimate parent company.

The principal activities of the Company consist of issuing bonds and notes and financing of group entities (and acting as a service company to the shareholder).

As the Company is closely related to the parent company, due to its financing activities, the continuity of the parent company should be closely considered while judging the continuity of the Company.

### 2. Summary of principal accounting policies

#### **(a) General**

The accompanying accounts have been prepared in accordance with Chapter 9, Book 2 of The Netherlands Civil Code.

#### **(b) Financial instruments**

Financial instruments are recognised at amortised cost using the effective interest method, including directly attributable transactions costs less impairment losses. The effective interest is recognised in the profit and loss account. For the period ended 30 June 2011 the effective interest amounted to EUR 194,903 (year 2010: EUR 122,271).

#### **(c) Assets and liabilities**

Financial instruments are initially recognised at fair value, including directly attributable transactions costs. After initial recognition, financial instruments are carried at amortised cost using the effective interest method, less impairment losses.

#### **(d) Offsetting of financial assets and liabilities**

Financial assets and liabilities are offset and reported at the net amount in the balance sheet when the Company:

- has a legal right to set off the recognised amounts, and
- intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### **(e) Other assets and liabilities**

All other assets and liabilities are stated at face value, unless otherwise stated in the notes thereto.

# Globale Rückversicherungs Finance Alpha B.V.

Notes to the interim report as at 30 June 2010

## 2. Summary of principal accounting policies (continued)

### ***(f) Cash Flow Statement***

The cash flow statement has been prepared using the indirect method. The cash and cash equivalents disclosed in the cash flow statement are comprised of cash and cash equivalents and bank overdrafts included in current liabilities. Cash flows denominated in foreign currencies have been translated at average exchange rates. Exchange differences affecting cash items are shown separately in the cash flow statement. Interest paid and received, dividends received and income taxes are included in net cash from operating activities. Dividends paid are included in net cash used in financing activities.

### ***(g) Impairments***

An asset is impaired when the carrying amount of the asset exceeds its recoverable amount. Impairments, if any, are recognised as an expense in the income statement. For doubtful loans, a value adjustment is applied if necessary. Accrued interest and commissions are not shown as income in the case of doubtful receivables. This applies particularly to interest and commission not received on loans and advances to which a downward value adjustment has been applied.

### ***(h) Determination of income***

All income and expenses are calculated on the accrual basis.

### ***(i) Taxation***

Corporate income tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at balance sheet date.

### ***(j) Going concern***

The accounts have been drawn up under the assumption that the Company will continue to exist. In this respect, the shareholder has confirmed its intention to continue financial support to the Company to enable it to operate as a going concern and to meet at least its financial obligations.

## **Financial risk management**

The Company's activities expose it primarily to market risks. Market risk is defined as the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices.

### **Market risk**

The Corporate Risk function of the parent company provides services to manage the financial risk relating to the Company's operations. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk. The Company manages market risk by stratifying the portfolio and imposing limits.

# **Globale Rückversicherungs Finance Alpha B.V.**

Notes to the interim report as at 30 June 2010

## **2. Summary of principal accounting policies (continued)**

### **Operational risk**

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and from external factors other than credit, market and liquidity risks such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour. Operational risk arises from all of the Company's operations. Due to the limited operations of the Company, management is of the opinion that operational risk is negligible.

### **Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will, where possible, have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company's liquidity risk is considered negligible considering the terms and conditions it has included in its long-term loan receivables and bond agreements, which are outlined further in their respective notes.

### **Currency risk**

Currency risk is the risk that fluctuations in the prevailing foreign currency exchange rates will affect the Company's financial position and cash flows. The Company does not run any currency risk, as the Company does not use any other currency than euros.

### **Interest risk**

Interest rate risk is the risk that fluctuations in the prevailing levels of market interest rates will affect the Company's financial position and cash flows. Interest rate exposure on the debt is fully mitigated by the lending of these amounts to Globale Rückversicherungs-AG with matching terms plus a fixed fee of EUR 350,000 per annum.

### **Credit risk**

Credit risk is the risk that a counterparty will be unable to pay amounts in full when due. The Company's credit risk is predominantly with Globale Rückversicherungs-AG. The Company has not entered into any other transactions that might generate credit risk.

# Globale Rückversicherungs Finance Alpha B.V.

## Notes to the interim report as at 30 June 2010

### 3. Amounts due from shareholder

The loan and interest to shareholder can be specified as follows:

	<u>30 June 2011</u>	<u>31 December 2010</u>
Loan to shareholder	810,000	8,650,000
Deferred interest	2,131,049	6,288,084
Reclassification as short-term receivable	<u>(2,941,049)</u>	0
Balance as at 31 December	<u><u>0</u></u>	<u><u>14,938,084</u></u>

On 17 August 2001 a 6.875% loan was granted to Globale Rückversicherungs-AG, for a total amount of EUR 170,000,000. The final date of maturity is 16 August 2021. With effective date 1 January 2011 an amount of EUR 7,840,000 has been offset against the bond. As per 30 June 2011 the remaining amount receivable is EUR 810,000 (31 December 2010: EUR 8,650,000). The Company intends to offset the remaining amount receivable against the bonds on 16 August 2011 and has therefore reclassified the amount due from shareholder as short-term.

The rights of the Company as a lender are defined by contract as subordinate. The contract is governed by the law of the Federal Republic of Germany. In line with the terms of the contract, Globale Rückversicherungs-AG deferred payment of the interest payable on 16 August 2010 on the grounds that no dividend was paid.

In June 2004 the Company changed the terms of the loan to shareholder. As a result, the interest rate on the outstanding loan to shareholder was decreased from 6.850% to 6.625%, plus a reimbursement for the margin on the finance activities. As compensation the Company received EUR 272,000 on an annual basis, effective as from 1 January 2003. On 6 December 2006 the Company agreed with the shareholder to increase this annual reimbursement for the margin on the finance activities from EUR 272,000 to EUR 350,000.

The interest on the loan to shareholder is receivable for a period equivalent to the period for which interest is payable on the bonds. The Company has the right to defer interest payments on the bond and request deferral of the receipt of interest income on the loan should it not be in a financial position to pay the interest payments to the bond holders. Both the interest receivable on the loan and the interest payable on the bond are deferred.

The interest receivable of EUR 2,131,049 as of 30 June 2011 (31 December 2010: EUR 6,288,084) has been presented as a short term receivable.

## Globale Rückversicherungs Finance Alpha B.V.

### Notes to the interim report as at 30 June 2010

#### 3. Amounts due from shareholder (continued)

The movements in amounts due to shareholder can be summarised as follows:

	<b>Period ended</b>	
	<b>30 June</b>	<b>Year</b>
	<b>2011</b>	<b>2010</b>
Balance as at 1 January	8,650,000	8,650,000
Repayment by means of a set off agreement with Globale Rückversicherungs AG - Cologne	(7,840,000)	0
Reclassification as short-term receivable	(810,000)	0
Balance as at 30 June	<u>0</u>	<u>8,650,000</u>

The movements in deferred interest receivable can be summarised as follows:

	<b>Period ended</b>	
	<b>30 June</b>	<b>Year</b>
	<b>2011</b>	<b>2010</b>
Beginning of year	6,288,084	5,365,022
Set off interest bond/amount due from shareholder	(4,352,999)	0
Interest on loan	195,964	923,062
Reclassification as short-term receivable	(2,131,049)	0
End of year	<u>0</u>	<u>6,288,084</u>

#### 4. Amounts due from shareholder

The movements in amounts due to shareholder can be summarised as follows:

	<b>Period ended</b>	
	<b>30 June</b>	<b>Year</b>
	<b>2011</b>	<b>2010</b>
Balance as at 1 January	0	0
Reclassification as short-term receivable	2,941,049	0
Balance as at 30 June	<u>2,941,049</u>	<u>0</u>

# Globale Rückversicherungs Finance Alpha B.V.

## Notes to the interim report as at 30 June 2010

### 5. Cash at bank

The cash at bank is at the free disposal of the Company.

### 6. Liabilities due to shareholder

The liabilities due to shareholder represent an unsecured loan due to the shareholder, Globale Rückversicherungs-AG. The interest rate during the period under review is 4.85% (2010: 4.85%). The maturity date of the loan is 16 August 2011. Previously, the loan was classified as long-term, as the loan was extended on a yearly basis. However, as it is intended to repay the loan at maturity date, the loan has been reclassified as a short-term liability (see also Note 9). The fair value of the loan as at 30 June 2011 is EUR 1,165,000 (31 December 2010: EUR 1,090,000). The interest payable on the loan as at 30 June 2011 is EUR 205,267 (31 December 2010: EUR 178,015).

The movements in liabilities due to shareholder can be summarised as follows:

	<b>Period ended</b>	
	<b>30 June</b>	<b>Year</b>
	<b>2011</b>	<b>2010</b>
Principal balance as at 1 January	0	0
Reclassification as a short-term liability	1,165,000	0
Principal amount at the end of period/year	<u>1,165,000</u>	<u>0</u>
Interest balance as at 1 January	0	0
Reclassification as a short-term liability	205,267	0
Interest payable at the end of period/year	<u>205,267</u>	<u>0</u>
Balance at the end of period/year	<u><u>1,370,267</u></u>	<u><u>0</u></u>

### 7. Bond and deferred interest

The movements in bond and deferred interest can be summarised as follows (see also Note 10):

	<b>Period ended</b>	
	<b>30 June</b>	<b>Year</b>
	<b>2011</b>	<b>2010</b>
Beginning of period/year	0	0
Reclassification to short term	1,919,857	0
End of period/year	<u>1,919,857</u>	<u>0</u>

# Globale Rückversicherungs Finance Alpha B.V.

Notes to the interim report as at 30 June 2010

## 8. Corporate income tax

The corporate income tax receivable can be summarised as follows:

	<u>30 June 2011</u>	<u>Year 2010</u>
CIT 2010 payable	4,558	4,558
CIT 2011 receivable	(464)	0
Balance as at 30 June	<u><u>4,094</u></u>	<u><u>4,558</u></u>

## 9. Liabilities due to shareholder

The liabilities due to shareholder represent an unsecured loan due to the shareholder, Globale Rückversicherungs-AG. The interest rate during the period under review is 4.85% (2010: 4.85%). The maturity date of the loan is 16 August 2011. Previously, the loan was classified as long-term, as the loan was extended on a yearly basis. However, as it is intended to repay the loan at maturity date, the loan has been reclassified as a short-term liability (see also Note 6). The fair value of the loan as at 30 June 2011 is EUR 1,165,000 (31 December 2010: EUR 1,090,000). The interest payable on the loan as at 30 June 2011 is EUR 205,267 (31 December 2010: EUR 178,015).

The movements in liabilities due to shareholder can be summarised as follows:

	<u>Period ended 30 June 2011</u>	<u>Year 2010</u>
Principal balance as at 1 January	1,090,000	1,020,000
Movements in principal amount	75,000	70,000
Reclassification as a short-term liability	(1,165,000)	0
Principal amount at end of period/year	<u>0</u>	<u>1,090,000</u>
Interest balance as at 1 January	178,015	126,359
Interest for the year	27,252	51,656
Reclassification as a short-term liability	(205,267)	0
Interest payable at the end of period/year	<u>0</u>	<u>178,015</u>
Balance at end of period/year	<u><u>0</u></u>	<u><u>1,268,015</u></u>

# Globale Rückversicherungs Finance Alpha B.V.

Notes to the interim report as at 30 June 2010

## 10. Bond and deferred interest

The movements in bond and deferred interest can be summarised as follows:

	Period ended	
	30 June 2011	Year 2010
Beginning of period/year	13,809,777	12,948,747
Set off bond/amount due from shareholder	(7,840,000)	0
Set off interest bond/amount due from shareholder	(4,352,999)	0
Interest on bond	26,464	573,063
Effective interest	138,307	287,967
Reclassification as a short-term liability	(1,919,857)	0
End of period/year	<u>138,308</u>	<u>13,809,777</u>

The effective interest amount is included in the profit and loss account in the item "interest expense on bond".

### Bond

This item represents the guaranteed Step-up Fixed/Floating Rate Bonds due in 2021. The nominal rate during the period under review is 6.6250%. The interest amounts will be paid on 16 August of each year. The bonds will have a fixed interest rate for the first 10 years (until 17 August 2011). For the period 17 August 2011 till 17 August 2021 the interest rate would be 2.25% per annum over the European Interbank offered rate for three months deposits in euro ("EURIBOR"). The Company intends to offset the remaining amount payable against the amount due from shareholder on 16 August 2011 and has therefore reclassified the bonds as short term.

The bonds have the benefit of an irrevocable unconditional subordinated guarantee given by Globale Rückversicherungs-AG for the payment of principal, interest and other amounts payable by the issuer of bondholders.

The obligations of the Issuer, under the bond, constitute unsecured and subordinated obligations ranking with all other subordinated obligations of the Issuer. In the event of the dissolution, liquidation, bankruptcy, composition or other proceedings for the avoidance of bankruptcy of or against, the Issuer, such obligations shall be subordinated to the claims of all unsubordinated creditors of the Issuer so that in any such event no amount shall be payable under such obligations until the claim of all subordinated creditors of the Issuer shall have been satisfied in full.

The original amount of the issue of the bond was EUR 220,000,000. In the period from the issue date until 30 June 2011, Globale Rückversicherungs-AG has acquired bonds to an amount of EUR 219,190,000 (31 December 2010: EUR 219,150,000). The fair value of the bond on the Luxembourg Stock Exchange as at 30 June 2011 is EUR 1,287,900 (31 December 2010: EUR 12,802,000).

# Globale Rückversicherungs Finance Alpha B.V.

## Notes to the interim report as at 30 June 2010

### 10. Bond and deferred interest (continued)

The Company entered into several so-called set-off arrangements on the principle amount and interest incurred on the loan with Globale Rückversicherungs-AG, which have been recorded as repayments of the loan to the shareholder.

This item can be summarised as follows:

	<b>Period ended 30 June 2011</b>	<b>Year 2010</b>
Bonds held by Globale Rückversicherungs AG	219,190,000	219,150,000
Bonds set off against loan to shareholder	(219,190,000)	(211,350,000)
Bonds held by third parties	810,000	850,000
Bonds outstanding	<b>810,000</b>	<b>8,650,000</b>

#### Deferred interest

Due to the lack of distributable profits no dividend has been declared in respect of any class of shares of Globale Rückversicherungs-AG, the guarantor of the bond, for the period ended 30 June 2010. The Company has the right to defer interest payments on the bond and request deferral of the receipt of interest income on the loan should it not be in a financial position to pay the interest payments to the bond holders. Consequently, the Company made use of its contractual right to defer interest payments pursuant to the terms and conditions of the bond. As a result, the interest payable on the bond amounts to EUR 552,925 as of 30 June 2011 (31 December 2010: EUR 4,879,460) has been presented as a long-term liability.

The movements in deferred interest can be summarised as follows:

	<b>Period ended 30 June 2011</b>	<b>Year 2010</b>
Beginning of year	4,879,460	4,306,397
Set off interest bond/amount due from shareholder	(4,352,999)	0
Interest on bond for the current year	26,464	573,063
Reclassification as a short-term liability	(552,925)	0
End of period/year	<b>0</b>	<b>4,879,460</b>

# Globale Rückversicherungs Finance Alpha B.V.

## Notes to the interim report as at 30 June 2010

### 11. Capital and reserves

The authorised share capital consists of 900 shares (31 December 2010: 900) of EUR 100 each as at the balance sheet date. As at 30 June 2011, 180 (31 December 2010: 180) shares were issued and fully paid up.

The movements in capital and reserves can be summarised as follows:

	<b>Period ended</b>	
	<b>30 June</b>	<b>Year</b>
	<b>2011</b>	<b>2010</b>
Share capital (unchanged)	18,000	18,000
Share premium reserve (unchanged)	250,000	250,000
Accumulated deficit		
Beginning of period / year	(351,741)	(283,592)
Appropriated result previous year	(83,004)	(68,149)
Accumulated deficit (end of period / year)	(434,745)	(351,741)
Result for the period / year	(26,878)	(83,004)
<b>Total capital and reserves</b>	<b>(193,623)</b>	<b>(166,745)</b>

### 12. Corporate income tax

The Company has applied the standard ruling rates as previously published by the Dutch tax authorities for calculating the taxable income on its intra group financing activities. The taxable amount is fixed at a percentage of 1/8% of the total outstanding debt, which is listed at the Luxembourg Stock Exchange. This ruling ended on 1 January 2006. The tax amount for the financial year 2007 and future years will depend on the actual taxable amount of these years. For the period under review the corporate tax charge for the Company amounts to EUR 7,429 (year 2010: EUR 12,501).

### 13. Employees

The Company has no employees and hence incurred no wages, salaries and related social security charges during the period under review or the previous year.

# **GLOBALE RÜCKVERSICHERUNGS FINANCE ALPHA B.V.**

Notes to the interim report as at 30 June 2010

## **14. Related party transactions**

*Equity Trust Co. N.V.*, Amsterdam, The Netherlands, acts as Managing Director for the Company. During the period under review, *Equity Trust Co. N.V.* also rendered corporate secretarial and administrative services to the Company. These expenses are included in the line item "General and administrative expenses" in Note 9.

Transactions and balances with the ultimate parent company are disclosed in Note 3, Note 4, Note 7 and Note 9.

## **15. Director**

The Company has one director during the period under review (year 2010: one), who received no remuneration for its activities.

### **The Management**

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Equity Trust Co. N.V.

Amsterdam, The Netherlands, 31 August 2011