

Alterra Capital Holdings

Financial Highlights **June 2011**



Specialty Insurance & Reinsurance



Alterra Capital is a global enterprise dedicated to providing diversified specialty insurance and reinsurance products. Our success is measured by the superiority of our services, reputation and financial results.

Alterra Capital Holdings Limited

Principal Operating Segments

Alterra Insurance

Alterra Insurance offers Excess Liability, Professional Liability and Property insurance to larger accounts from its offices in Bermuda.

The European division, headquartered in Dublin, Ireland, offers Excess Liability, Professional Liability, Property, and Aviation insurance to the London and European markets.

Alterra USA is Alterra's principal insurance underwriting platform focusing on retail distribution in the USA. Products include Casualty and Professional Liability insurance. Alterra USA also provides third-party MGU services.

Alterra Reinsurance

Alterra Reinsurance provides traditional Property, Casualty and Specialty reinsurance products from operating divisions in Bermuda, the USA, the UK, Ireland and Latin America.

Principal lines of business offered by Alterra Reinsurance include Agriculture, Aviation, Credit/Surety, General Casualty, Marine and Energy, Medical Malpractice, Professional Liability, Property, Whole Account and Workers' Compensation.

Alterra Speciality

Alterra Speciality is a US specialty insurance operation that focuses principally on the wholesale distribution segment.

Alterra Speciality offers Property, Casualty, Professional Liability and Marine cover to US commercial clients.

Alterra at Lloyd's

Alterra at Lloyd's is the managing agent of Lloyd's Syndicate 1400, writing a variety of Specialty Property and Casualty lines with a stamp capacity of £140 million.

Financial Strength Ratings

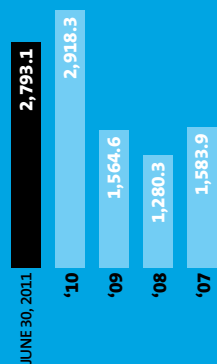
A.M. Best: A
S&P: A-
Fitch: A
Moody's: A3

FINANCIAL HIGHLIGHTS June 2011

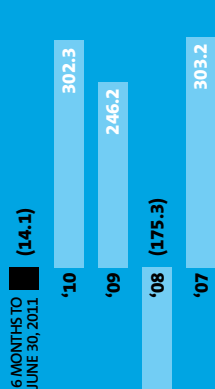
Year ended December 31, except 2011 (dollars in millions, except percentages and per share)	6 months to June 30, 2011 (unaudited) ^[a]	2010 ^[a]	2009	2008	2007
Gross premiums written	1,191.8	1,410.7	1,375.0	1,254.3	1,078.3
Net premiums earned	728.8	1,172.5	834.4	813.5	817.9
Net investment income	117.4	222.5	169.7	181.6	188.2
Net realized and unrealized gains (losses) on investments	(24.6)	16.9	81.8	(235.0)	183.8
Net income (loss)	(14.1)	302.3	246.2	(175.3)	303.2
Fixed maturities and cash	7,602.5	7,483.2	4,944.3	4,603.3	4,060.9
Other investments	350.2	378.1	318.1	753.7	1,061.7
Total assets	10,497.4	9,917.3	7,339.7	7,252.0	6,538.5
Property and casualty losses	4,230.3	3,906.1	3,178.1	2,938.2	2,333.9
Life and annuity benefits	1,317.5	1,275.6	1,372.5	1,367.0	1,203.5
Senior notes and bank loans	440.5	440.5	90.5	466.4	429.8
Shareholders' equity	2,793.1	2,918.3	1,564.6	1,280.3	1,583.9
Book value per share	26.40	26.30	28.01	22.94	27.54
Diluted book value per share	25.98	25.99	27.36	22.46	25.59
Diluted earnings per share	(0.13)	3.17	4.26	(3.10)	4.75
Cash dividends per share	0.24	2.94	0.38	0.36	0.32
Return on average shareholders' equity	(1.0)% ^[b]	12.3%	17.6%	(12.3)%	20.4%

^[a] includes the results of Harbor Point from May 12, 2010. ^[b] annualized

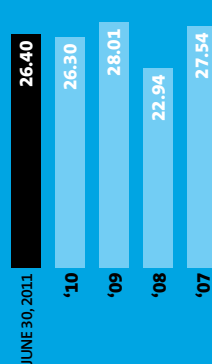
Shareholders' Equity
(\$ millions)



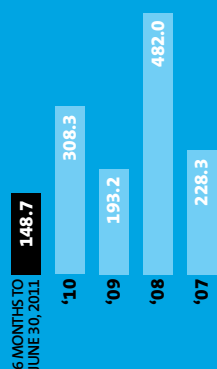
Net Income (Loss)
(\$ millions)



Book Value Per Share
(\$)



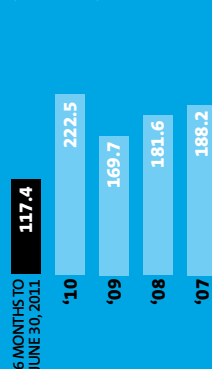
Cash Provided by Operations
(\$ millions)



Gross Premiums Written
(\$ millions)



Net Investment Income
(\$ millions)



Local Knowledge – Global Reach

Established Platforms Worldwide



	Reinsurance	Insurance	Lloyd's	US Specialty Insurance
Major Classes	<ul style="list-style-type: none"> > Agriculture > Auto > Aviation > General Casualty > Marine and Energy > Medical Malpractice > Professional Liability > Property > Surety, Credit and Political Risk > Whole Account > Workers' Compensation 	<ul style="list-style-type: none"> > Aviation > Excess Liability > Professional Liability > Property 	<ul style="list-style-type: none"> > Accident & Health > Agriculture > Aviation > Casualty > Financial Institutions > Marine > Professional Lines > Property 	<ul style="list-style-type: none"> > Excess Casualty > General Liability > Marine > Professional Liability > Property
Operating Regions	<ul style="list-style-type: none"> > Worldwide 	<ul style="list-style-type: none"> > European Union > United States 	<ul style="list-style-type: none"> > Worldwide 	<ul style="list-style-type: none"> > United States
Offices	<ul style="list-style-type: none"> > Bermuda > Bogotá > Buenos Aires > Dublin > London > Rio de Janeiro > Summit, NJ 	<ul style="list-style-type: none"> > Bermuda > Chicago > Dublin > Hamburg > London > New York > Sebastopol, CA > Zurich 	<ul style="list-style-type: none"> > Copenhagen > London > Rio de Janeiro > Tokyo > Zurich 	<ul style="list-style-type: none"> > Atlanta > Chicago > Dallas > New York > Philadelphia > Richmond > San Francisco

Gross Premiums Written

6 months to June 30, 2011 - \$1,192 million

PROPERTY & CASUALTY			99.9%
Insurance			
Aviation	S		0.4%
Excess Liability	L		5.8%
Professional Liability	L		7.8%
Property	S		3.8%
			17.8%
Reinsurance ^[a]			
Agriculture	S		2.5%
Auto	S		5.9%
Aviation	S		0.1%
Credit/Surety	S		2.2%
General Casualty	L		3.2%
Marine and Energy	S		1.4%
Medical Malpractice	L		2.4%
Other	S		0.2%
Professional Liability	L		8.3%
Property	S		21.5%
Whole Account	S/L		3.0%
Workers' Compensation	L		1.7%
			52.3%
US Specialty			
General Liability	L		3.0%
Marine	S		3.6%
Professional Liability	L		0.8%
Property	S		6.9%
			14.3%
Alterra at Lloyd's ^[b]			
Accident & Health	S		1.8%
Aviation	S		0.3%
Financial Institutions	L		1.3%
International Casualty	L		3.6%
Professional Liability	L		1.5%
Property	S		6.9%
Surety	S		0.0%
			15.5%
LIFE & ANNUITY			0.1%

[a] Includes the results of Harbor Point from May 12, 2010. S = Short tail lines 51% L = Long tail lines 49%

Invested Assets

June 30, 2011 - \$7,953 million

CASH AND CASH EQUIVALENTS		12.4%
US government and agency securities		9.4%
Non-US government securities		2.1%
Corporate securities		34.5%
Municipal securities		2.7%
Asset-backed securities		2.6%
Residential mortgage-backed securities		14.6%
Commercial mortgage-backed securities		4.8%
FIXED MATURITIES CARRIED AT FAIR VALUE		70.7%
OTHER INVESTMENTS CARRIED AT FAIR VALUE		4.4%
US government and agency securities		0.4%
Non-US government securities		7.3%
Corporate securities		4.8%
FIXED MATURITIES CARRIED AT AMORTIZED COST		12.5%

As of June 30, 2011, the weighted average book yield of the cash and fixed maturities portfolio was 3.33%, and the weighted average duration was 4.1 years.

ALTERRA CAPITAL

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Regulated by the Central Bank of Ireland

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Alterra Europe plc is regulated by the Central Bank of Ireland. The Swiss Branch is regulated by the Swiss Financial Market Supervisory Authority FINMA.

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Regulated by the Central Bank of Ireland

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www.alterracap.com

Better Talent, Better Results