



ANNUAL REPORT 2009  
FINANCIAL STATEMENTS

EURO-AVIATION  
VERSICHERUNGS-AKTIENGESELLSCHAFT,  
Hamburg

(short form)

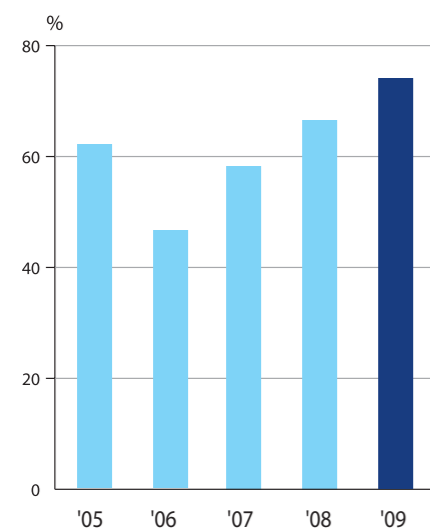


EDITORIAL

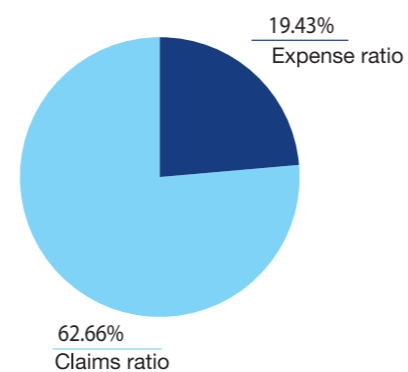
KEY FIGURES

		2009	2008	2007	2006	2005
Gross premiums written	Thou €	12,871	13,248	13,381	12,844	11,884
Change from previous year	%	-2.85	-1.00	4.18	8.08	8.28
Underwriting result	Thou €	742	603	854	1,125	401
Shareholders equity	Thou €	4,329	4,095	3,938	3,332	2,607
Insurance reserves	Thou €	11,247	10,415	10,246	10,227	13,308
Equalisation	Thou €	729	780	588	481	387
Operating result	Thou €	833	685	975	1,223	427
Net income	Thou €	534	458	605	725	293
Combined Ratio (net)	%	75.30	66.66	58.28	47.18	62.97
Combined Ratio (gross)	%	82.09	75.15	57.42	71.67	140.36

COMBINED RATIO 2009 (NET)



COMBINED RATIO 2009 (GROSS)



Traditionally Euro-Aviation Versicherungs-Aktiengesellschaft has been committed to aviation insurance. The company was founded in 1994 and is now an insurance company, strictly specializing in aviation insurance. All shares of the company are 100% held by private owners.

The main underwriting-territory of Euro-Aviation is Germany and the member-states of the EU, e.g. Austria, Spain, Italy and the Netherlands.

Insurance Programme: Aviation Hull, Third Party Legal Liability (TPLL), Personal Legal Liability (PLL), Personal Accident (PA).

Euro-Aviation's philosophy of doing business is built on the long-standing experience of our founders, focused on building close and mutually beneficial partnerships with our clients and business partners on a long term basis.

A strict risk management strategy regarding our own liabilities remains a core value of our company. Euro-Aviation business is reinsured only by top-rated reinsurers. We aspire towards organic growth, and to retain our present position as an Insurer specialised in General-Aviation-Risks.

Michael Fischer  
(CEO)

Dr. Torsten Betzel



## RESULTS



### Positive total returns

The following annual financial statements of EURO-AVIATION Versicherungs- AG for the 2009 financial year once again document a generally successful financial year. Although the backdrop of a market environment fraught with challenges, the Company was able to meet its growth targets. The balanced structure of our insurance portfolio, coupled with a reinsurance concept which is ideal for our needs, formed the foundation for successful business policies in the past financial year as well.

Gross revenues amounted to €12,871,469. The total number of insurance premiums held by the company rose slightly. Reductions in the normal business of insurance, also as the result of increased competition, were balanced out by these additional premiums.

Profits from capital investments did not develop to the extent we had in the last year. For individual investments, in particular in shares and corporate bonds, we were able to make attributions. As a result of lower interest rates, the technical business made the significant contribution to net operating profit.

Since most of the company's reserves are held in liquid funds and medium-term annuities, while the stock proportion, however, is comparatively low, the impact of the stock market crisis on the company's capital investments have remained manageable. We continue to prepare our balance sheets according to the lowest market value.

The results for the current financial year guarantee adequate returns on the capital investments of our shareholders; although further appropriation to reserves for the equalization fund in the hull insurance section will be made.

The company's results for the financial year reflect the efforts of the Executive Board to continue building the business according to the principle of prudence. In the future, the company will continue to pursue these policies.

### Premium development

Premiums have not developed to the degree the Executive Board hoped. In 2009, gross premiums yielded more than 3% below the previous year (€12,871,469, compared to

€13,248,064 in 2008). In our projection last year, we hoped for a slight increase in premium revenue. In the category aircraft hull insurance, a relevant decrease in premium revenue was seen (gross premiums for 2009 amounted to €8,526,434, compared to €8,802,795 in 2008). There was also a slight reduction in premiums in the category aircraft liability insurance.

### Business development in individual insurance sectors

Our company did business in the following insurance sectors and types:

- Aircraft hull insurance
- Aircraft liability insurance
- Personal and aviation accident insurance

Business development in the individual sectors was as follows:

In the largest category, aircraft hull insurance, our posted gross premiums amounted to €8,526 thousand (compared to €8,803 thousand in the previous year), which amounts to a drop in the region of 3%. The claims ratio increased vis-à-vis

the previous year (gross claims ratio 77,95% in comparison to 59,70% in the previous year). In general, we showed overall positive underwriting gains amounting to 3,26% (in comparison to positive returns of 22,09% in the previous year). After reducing the equalization funds of €50 thousand there remains a positive return for our own account.

The aircraft liability insurance segment also posted positive results. In comparison to the previous year's results (€4,251 thousand), the company recorded gross premiums of €4,127 thousand. The gross claims ratio amounted to 34,19%, in comparison to 47,06% in the previous year. The category aircraft liability insurance recorded positive gross and net underwriting profit.

Gross premiums in the personal accident and aviation accident insurance categories increased by 12% vis-à-vis the previous year, to €218 thousand (€195 thousand in 2008), thus remaining below our expectations. The claims ratio in the accident category increased to 16,52%, from 94,72% in the previous year. We recorded a gross and net underwriting profit in this category.

EURO-AVIATION VERSICHERUNGS-AKTIENGESELLSCHAFT  
BALANCE SHEET AS OF DECEMBER 31, 2009

ASSETS	ACCOUNTING YEAR		PREVIOUS
	€	€	€
<b>A. Liability of shareholders for uncalled capital</b> thereof: called: € 0 (2008 € 0)		306,775	306,775
<b>B. Intangible assets</b>		<b>302</b>	<b>648</b>
<b>C. Investments</b>			
I. Other Investments			
1. Shares, investment certificates and other non-fixed income securities	1,497,634		1,496,222
2. Bearer bonds and other fixed-income securities	2,384,411		1,746,246
3. Bank deposits	3,627,000		2,982,000
		<b>7,510,045</b>	<b>6,224,468</b>
<b>D. Receivables</b>			
I. Receivables on direct insurance business from:			
1. Policy holders	1,480,929		1,206,823
2. Insurance agents and brokers	384,845		304,312
		1,865,774	1,511,135
II. Accounts receivable on reinsurance business		371,283	285,561
III. Other receivables		6,844	430,849
		<b>2,243,901</b>	<b>2,227,545</b>
<b>E. Other Assets</b>			
I. Tangible fixed assets and inventories	10,235		15,020
II. Current accounts with banks, cheques and cash	169,554		91,408
		<b>179,789</b>	<b>106,428</b>
<b>F. Prepaid expenses and deferred income</b>			
I. Deferred Interest and rent receivable	76,609		79,963
II. Other prepaid expenses	707		81
		<b>77,316</b>	<b>80,044</b>
		<b>10,318,128</b>	<b>8,945,908</b>

EQUITY AND LIABILITIES	ACCOUNTING YEAR		PREVIOUS
	€	€	€
<b>A. Shareholders' equity</b>			
I. Share capital		3,200,000	3,200,000
II. Retained earnings			
1. Legal reserve	202,985		176,288
2. Other retained earnings	419,188		284,288
		622,174	460,576
III. Unappropriated earnings		507,260	434,900
		<b>4,329,434</b>	<b>4,095,476</b>
<b>B. Technical provisions</b>			
I. Unearned premiums			
1. Gross amount	3,105,181		2,955,243
2. Less: reinsured portion	1,912,565		2,033,994
		<b>1,192,616</b>	<b>921,249</b>
II. Provisions for outstanding claims			
1. Gross amount	7,412,737		6,680,569
2. Less: reinsured portion	5,709,025		5,298,852
		1,703,712	1,381,717
III. Equalization and similar provision		728,738	779,549
		<b>3,625,066</b>	<b>3,082,215</b>
<b>C. Other Provisions</b>			
I. Provision for pensions and similar provisions	455,127		275,533
II. Tax provisions	155,300		
III. Other provisions	53,801		61,735
		<b>664,228</b>	<b>337,268</b>
<b>D. Other Liabilities</b>			
I. Payables on direct insurance business to			
1. Policy holders	81,455		95,917
2. Insurance agents and brokers	218,100		163,843
		299,555	259,760
II. Reinsurance accounts payables		816,964	797,604
III. Sundry liabilities		582,881	373,285
- including taxes of € 418,734 (2008: € 260,740)		<b>1,699,400</b>	<b>1,430,649</b>
		<b>10,318,128</b>	<b>8,945,908</b>

INCOME STATEMENT FOR THE PERIOD FROM  
JANUAR 1 TO DECEMBER 31, 2009

	2009		2008
	€	€	€
<b>I. Technical account</b>			
<b>1. Earned premiums</b>			
a) Gross premiums written	12,871,468		13,248,064
b) Premiums ceded to reinsurer	9,800,138	3,071,330	10,903,726
			2,344,338
c) Change in unearned premiums	-149,938		
d) Change in the reinsurer's share of unearned premiums	121,428	-271,366	19,233
		<b>2,799,964</b>	<b>2,264,232</b>
<b>2. Other technical income</b>		<b>5</b>	<b>5,442</b>
<b>3. Expenses for insurance claims</b>			
a) Claims paid			
aa) Gross amount	7,238,514		7,443,091
bb) Reinsurers' share	5,481,662	1,756,852	5,890,759
			1,552,332
b) Change provision for outstanding claims			
aa) Gross amount	732,168		20,840
bb) Reinsurers' share	410,172		-111,453
		321,996	132,293
		<b>2,078,848</b>	<b>1,684,625</b>
<b>4. Operating expenses</b>			
a) Gross operating expenses for insurance business	2,471,882		2,523,589
b) Less:			
commission and profit commission from reinsured business	2,442,272		2,632,908
		<b>-29,610</b>	<b>-109,319</b>
<b>5. Other technical expenses</b>		<b>153</b>	<b>0</b>
<b>6. Subtotal</b>		<b>691,358</b>	<b>793,707</b>

	2009		2008
	€	€	€
<b>7. Change in equalisation fund and similar provisions</b>		<b>50,811</b>	<b>-190,859</b>
<b>8. Technical profit for our own account</b>		<b>742,169</b>	<b>602,848</b>
<b>II. Non-technical account</b>			
<b>1. Investment income</b>			
a) Income from other investments	180,510		266,691
b) Income from write-up of investments	24,450		2,770
c) Income from realised capital gains	9,359		32,744
		<b>214,319</b>	<b>302,205</b>
<b>2. Investment expenses</b>			
a) Expenses for the administration, interest, and other expenses on investments	34,731		37,364
b) Writedowns on investments	21,327		94,982
c) Losses from the disposal of investments	1,072		30,337
		<b>57,130</b>	<b>162,683</b>
<b>3. Other income</b>		<b>30,140</b>	<b>43,516</b>
<b>4. Other expenses</b>		<b>96,782</b>	<b>100,732</b>
<b>5. Operating result</b>		<b>832,716</b>	<b>685,154</b>
<b>6. Taxes on income</b>		<b>296,177</b>	<b>227,354</b>
<b>7. Other taxes</b>		<b>2,581</b>	<b>0</b>
<b>8. Profit for the year</b>		<b>533,958</b>	<b>457,800</b>
<b>9. Profit brought forward from the previous year</b>		<b>0</b>	<b>0</b>
<b>10. Allocation to retained earnings</b>			
a) to the statutory reserve		26,698	22,900
b) other retained earnings		0	0
		<b>26,698</b>	<b>22,900</b>
<b>11. Balance sheet profit</b>		<b>507,260</b>	<b>434,900</b>



## MANAGEMENT

### MEMBERS OF THE SUPERVISORY BOARD EXECUTIVE BOARD

#### SUPERVISORY BOARD

**Hans-Walter Oehlschlägel**  
Chairman, † 4 March 2010

**Hans-Peter Schneider**  
Vice Chairman

**Dr. Roland Kitschler**

**Heinrich Wagner**

**Heinz Grümmer**

**Andreas Braasch**

#### EXECUTIVE BOARD

**Michael Fischer**  
CEO

**Dr. Torsten Betzel**