

# ANNUAL REPORT

# FINANCIAL STATEMENT

EURO-AVIATION  
VERSICHERUNGS-AKTIENGESELLSCHAFT  
Hamburg

**short form**

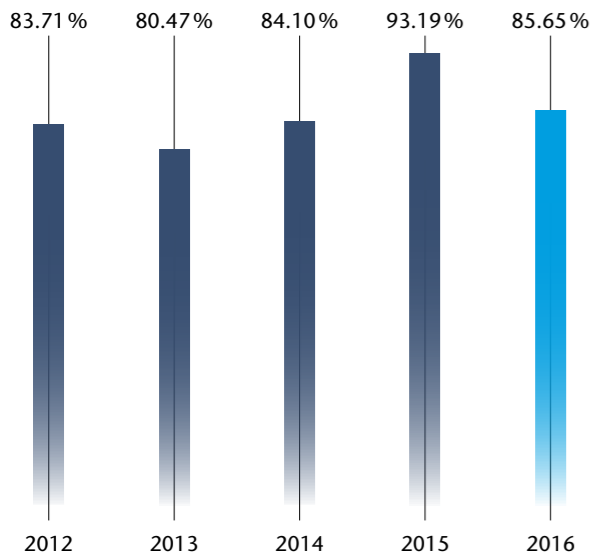
# 2016



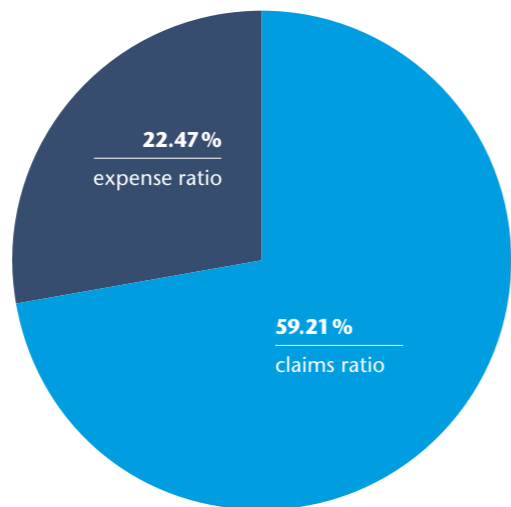
KEY FIGURES

		2016	2015	2014	2013	2012
Gross premiums written	Thou€	11,1440	12,140	11,860	12,285	12,599
Change from previous year	%	-8.20	2.36	-3.87	-2.49	6.34
Underwriting result	Thou€	503	388	569	673	530
Shareholders' equity	Thou€	5,308	4,956	4,943	4,614	4,582
Outstanding claims	Thou€	12,055	13,466	11,353	12,078	11,126
Equalisation	Thou€	635	703	891	978	1,039
Operating result	Thou€	537	353	634	679	700
Net income	Thou€	352	214	429	432	433
Combined Ratio (net)	%	85.65	93.19	84.10	80.47	83.71
Combined Ratio (gross)	%	81.68	98.61	103.17	72.14	74.80

COMBINED RATIO 2016 (NET)



COMBINED RATIO 2016 (GROSS)



# EDITORIAL

Insurance Programmes offered encompass: Aviation Hull, Third Party Legal Liability (TPLL), Personal Legal Liability (PLL), Personal Accident (PA) and General Liability


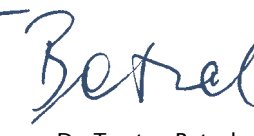
The EURO-AVIATION philosophy of doing business is built upon the long-standing experience of its founders, focused on building close and mutually beneficial partnerships with its clients and business partners on a long term basis.

A strict risk management strategy regarding our liabilities remains a core value of our company. EURO-AVIATION business is reinsured with top-rated reinsurers only. We aim at organic growth and at retaining our present position as the only German Insurer specialising exclusively in General Aviation.

Since its foundation in 1994 EURO-AVIATION Versicherungs-Aktiengesellschaft has been committed to aviation insurance exclusively. All shares of the company are held by private owners.

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

Hamburg, 15. March 2017

 Michael Fischer (CEO)  Dr. Torsten Betzel

# RESULTS

## UNDERWRITING (TECHNICAL) RESULT

In 2016 we have not been able to fully escape the pressure on premium rates and have consequently seen a reduction of our gross premium income to € 11,541,000 (2.8%).

Gross claims incurred reduced to € 6,833,000 resulting in a gross claims ratio of 59.2% (2015: 76.5%), coming somewhat closer to our long term average.

Gross operating expenses amounted to € 2,580,000, thus resulting in a gross combined ratio of 81.1%.

On net premium income has slightly increased by 2.7% to € 3,033,000, with net incurred claims of € 2,315,000 and operating expenses of € 278,000 our net combined ratio was 85.5%.

## OVERALL RESULT

In 2016 Euro-Aviation has realized a return on equity of 6.9% (2015: 4.3%), the increase primarily caused by the improved result of our aviation liability account.

As the underwriting side remains under pressure from fierce competition in the market and as the investment side continues to suffer from historically low interest rates, we consider our 2016 result as sufficient.

The Executive Board will propose to the annual shareholders meeting to allocate € 206,000 to our share capital to meet the requirements of Solvency II and to pay a dividend of € 140,000.

## INVESTMENT (NON-TECHNICAL) RESULT

On average assets of € 9.5 million we managed to earn 1.8% contributing € 171,000 to our net retained result of € 352,000.

## KEY FIGURES OF THE INDIVIDUAL LINES WRITTEN BY EURO-AVIATION

	GROSS	2016	2015		NET	2016	2015
<b>AVIATION LIABILITY</b>							
premium income	Thou €	3,678	3,748	premium income	Thou €	1,088	1,100
combined ratio	%	49.7	76.17	combined ratio	%	63.3	79.35
u/w result	Thou €	1,849	893	u/w result	Thou €	399	227
<b>AVIATION HULL</b>							
premium income	Thou €	7,410	7,764	premium income	Thou €	1,846	1,756
combined ratio	%	97.9	111.18	combined ratio	%	95.5	103.40
u/w result	Thou €	151	-868	u/w result	Thou €	83	128
<b>AVIATION ACCIDENT</b>							
premium income	Thou €	282	197	premium income	Thou €	39	39
combined ratio	%	67.7	14.07	combined ratio	%	107.7	-31.36
u/w result	Thou €	91	169	u/w result	Thou €	-2	51
<b>GENERAL LIABILITY</b>							
premium income	Thou €	171	168	premium income	Thou €	60	59
combined ratio	%	47.4	116.78	combined ratio	%	61.6	129.86
u/w result	Thou €	90	-28	u/w result	Thou €	23	-18



# EURO-AVIATION VERSICHERUNGS-AG BALANCE SHEET

as at December 31, 2016

Specifications in €

ASSETS	2016	2015
<b>A. Intangible assets</b>	<b>21,816.74</b>	<b>33,987.05</b>
<b>B. Investments</b>		
I. Other financial investments		
1. Shares, units in unit trusts and other variable-yield securities	835,851.63	1,696,729.37
2. Bearer debt securities and other fixed-income securities	3,706,386.96	4,086,266.15
3. Bank deposits	4,427,169.15	3,829,842.79
	<b>8,969,407.74</b>	<b>9,612,838.31</b>
<b>C. Receivables</b>		
I. Receivables on direct insurance business from:		
1. Policy holders	1,335,221.58	1,110,798.11
2. Insurance agents and brokers	190,934.06	0.00
	<b>1,526,155.64</b>	<b>1,110,798.11</b>
II. Accounts receivable on reinsurance business	155,928.72	11,698.79
III. Other receivables	170,132.37	158,789.11
	<b>1,852,216.73</b>	<b>1,281,286.01</b>
<b>D. Other assets</b>		
I. Tangible assets and stocks	2,019.22	3,046.90
II. Current accounts with banks, cheques and cash	1,056,820.21	736,048.47
	<b>1,058,839.43</b>	<b>739,095.37</b>
<b>E. Prepayments and deferred income</b>		
I. Deferred Interest and rent	37,031.29	50,478.28
II. Other prepayments	7,298.32	7,737.18
	<b>44,329.61</b>	<b>58,215.46</b>
	<b>11,946,610.25</b>	<b>11,725,422.20</b>

EQUITY AND LIABILITIES	2016	2015
<b>A. Shareholders' equity</b>		
I. Share capital	3,200,000.00	3,200,000.00
./. subscribed capital unpaid	-306,775.13	-306,775.13
	<b>2,893,224.87</b>	<b>2,893,224.87</b>
II. Retained earnings		
1. Legal reserve	320,000.00	314,675.48
2. Other retained earnings	1,748,557.80	1,545,307.16
	<b>2,068,557.80</b>	<b>1,859,982.64</b>
III. Balance sheet profit	346,459.93	203,250.64
	<b>5,308,242.60</b>	<b>4,956,458.15</b>
<b>B. Technical provisions</b>		
I. Unearned premiums		
1. Gross amount	2,991,334.90	3,088,572.19
2. Less: reinsured amount	1,932,839.41	1,936,771.27
	<b>1,058,495.49</b>	<b>1,151,800.92</b>
II. Provisions for outstanding claims		
1. Gross amount	8,398,226.45	9,644,029.16
2. Less: reinsured amount	5,914,935.71	6,936,218.37
	<b>2,483,290.74</b>	<b>2,707,810.79</b>
III. Provisions for premium funds		
1. Gross amount	30,500.00	30,500.00
2. Less: reinsured amount	19,825.00	19,825.00
	<b>10,675.00</b>	<b>10,675.00</b>
IV. Equalisation reserves and similar provisions	634,955.00	703,229.00
	<b>4,187,416.23</b>	<b>4,573,515.71</b>
<b>C. Other provisions</b>		
I. Provisions for pensions and similar obligations	1,103,942.00	975,680.00
II. Other provisions	68,420.00	53,403.00
	<b>1,172,362.00</b>	<b>1,029,083.00</b>
<b>D. Other liabilities</b>		
I. Accounts payable on direct insurance business to		
1. Policy holders	176,475.10	66,443.03
2. Insurance agents and brokers	185,259.89	238,976.20
	<b>361,734.99</b>	<b>305,419.23</b>
II. Reinsurance accounts payable	494,868.56	418,847.65
III. Miscellaneous liabilities	421,985.87	442,098.46
– including taxes of € 317,639.60 (2015: € 318,153.20)		
	<b>1,278,589.42</b>	<b>1,166,365.34</b>
	<b>11,946,610.25</b>	<b>11,725,422.20</b>

# INCOME STATEMENT

for the Period from January 1 to December 31, 2016

Specifications in €

I. TECHNICAL ACCOUNT	2016	2015
<b>1. Earned Premiums</b>		
a) Gross premiums written	11,444,026.15	12,139,710.29
b) Premiums ceded to reinsurer	8,504,260.26	9,115,746.83
	<b>2,939,765.89</b>	<b>3,023,963.46</b>
c) Change in unearned premiums	97,237.29	-262,318.28
d) Change in the reinsurer's share of unearned premiums	3,931.86	-192,736.97
	<b>93,305.43</b>	<b>-69,581.31</b>
	<b>3,033,071.32</b>	<b>2,954,382.15</b>
<b>2. Claims incurred</b>		
a) Claims paid		
aa) Gross amount	8,079,253.58	7,052,531.62
bb) Reinsurers' share	5,539,944.72	4,967,939.38
	<b>2,539,308.86</b>	<b>2,084,592.24</b>
b) Change in provisions for outstanding claims		
aa) Gross amount	-1,245,802.71	2,033,514.22
bb) Reinsurers' share	-1,021,282.66	1,601,508.84
	<b>-224,520.05</b>	<b>432,005.38</b>
	<b>2,314,788.81</b>	<b>2,516,597.62</b>
<b>3. Expenses for premium refunds</b>		
		<b>5,250.00</b>
		<b>12,425.00</b>
<b>4. Operating expenses</b>		
a) Gross operating expenses for insurance business	2,579,890.80	2,589,417.65
b) Less: commission and profit commission from reinsured business	2,301,804.21	2,365,083.42
	<b>278,086.59</b>	<b>224,334.23</b>
<b>5. Other technical expenses</b>		
		<b>28.84</b>
		<b>39.27</b>
<b>6. Subtotal</b>		
		<b>434,917.08</b>
		<b>200,986.03</b>
<b>7. Change in equalisation reserves and similar provisions</b>		
		<b>68,274.00</b>
		<b>187,358.00</b>
<b>8. Net technical result</b>		
		<b>503,191.08</b>
		<b>388,344.03</b>

II. NON-TECHNICAL ACCOUNT	2016	2015
<b>1. Investment income</b>		
a) Income from other investments	97,165.79	132,383.74
b) Income from write-up of investments	12,660.59	1,309.396
c) Realized gains on investment	141,632.14	66,778.63
	<b>251,458.52</b>	<b>200,471.76</b>
<b>2. Investment expenses</b>		
a) Expenses for management of investments, interest and other expenses on investment	42,231.12	39,196.61
b) Writedown on investments	24,279.61	53,545.82
c) Losses from the disposal of investments	13,653.50	8,711.76
	<b>80,164.23</b>	<b>101,454.19</b>
<b>3. Other income</b>		
		<b>50,334.00</b>
		<b>87,841.81</b>
<b>4. Other expenses</b>		
		<b>187,522.68</b>
		<b>221,784.33</b>
<b>5. Operating result</b>		
		<b>537,296.69</b>
		<b>353,419.08</b>
<b>6. Uncommon income</b>		
		<b>0.00</b>
		<b>6,489.24</b>
<b>7. Uncommon expenses</b>		
		<b>0.00</b>
		<b>8,943.00</b>
<b>8. Uncommon result</b>		
		<b>0.00</b>
		<b>-2,453.76</b>
<b>9. Taxes on income</b>		
		<b>185,512.24</b>
		<b>137,017.28</b>
<b>10. Profit for the year</b>		
		<b>351,784.45</b>
		<b>213,948.04</b>
<b>11. Allocation to retained earnings</b>		
a) to the statutory reserve		5,324.52
b) other retained earnings		0.00
		<b>5,324.52</b>
		<b>10,697.40</b>
<b>12. Balance sheet profit</b>		
		<b>346,459.93</b>
		<b>203,250.64</b>



# MANAGEMENT

## SUPERVISORY BOARD

### **Alexander Stuhlmann**

Management Consultant, Hamburg  
Chairman

### **Hans-Peter Schneider**

Financial Consultant, Hamburg  
Vice Chairman

### **Dr. Roland Kitschler**

Graduate Economist, Dortmund

### **Heinz Grümmer**

Insurance Salesman, Overath

### **Andreas Peter**

Management Consultant, Unteriberg, Switzerland

### **Jürgen Engel**

Member of board off-duty, Halstenbek

## EXECUTIVE BOARD

### **Michael Fischer**

Hamburg  
CEO

### **Dr. Torsten Betzel**

Eibelstadt



# CONTACT ADDRESS

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Jurisdiction Hamburg | HRB 57950

The Annual Report 2016 is available at:

<http://www.euroaviation.de/>

# IMPRESSUM

## VERANTWORTLICH

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Gerichtsstand Hamburg | HRB 57950

## REALISATION

Samsinger/Beteiligungs GmbH  
Tel. +49 172/911 37 47

## KONZEPT UND GESTALTUNG

Eva Augenreich Design  
Tel. +49 170/58 75 286

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