

Consolidated balance sheet

Assets in EUR thousand	Notes	31.12.2010	31.12.2009 ¹
Fixed-income securities – held to maturity	5.1	3,028,018	2,953,489
Fixed-income securities – loans and receivables	5.1	2,314,429	2,701,831
Fixed-income securities – available for sale	5.1	15,877,634	13,805,048
Fixed-income securities – at fair value through profit or loss	5.1	217,597	235,149
Equity securities – available for sale	5.1	536,755	19,357
Other financial assets – at fair value through profit or loss	5.1	54,756	58,273
Real estate and real estate funds	5.1	394,087	216,801
Investments in associated companies	5.1	127,644	128,316
Other invested assets	5.1	841,896	578,861
Short-term investments	5.1	1,570,502	1,352,475
Cash		447,753	457,412
Total investments and cash under own management		25,411,071	22,507,012
Funds withheld	5.2	11,920,725	10,160,380
Contract deposits	5.3	715,353	625,481
Total investments		38,047,149	33,292,873
Reinsurance recoverables on unpaid claims	5.7	1,025,332	1,747,991
Reinsurance recoverables on benefit reserve	5.7	347,069	104,868
Prepaid reinsurance premium	5.7	83,224	47,651
Reinsurance recoverables on other technical reserves	5.7	1,831	400
Deferred acquisition costs	5.4	1,834,496	1,838,450
Accounts receivable	5.4	2,841,303	2,869,874
Goodwill	5.5	45,773	44,393
Deferred tax assets	6.5	622,136	515,867
Other assets	5.6	336,443	372,012
Accrued interest and rent		11,182	3,189
Assets held for sale	4.4	1,529,355	–
Total assets		46,725,293	40,837,568

1 Adjusted on the basis of IAS 8

Liabilities in EUR thousand	Notes	31. 12. 2010	31. 12. 2009 ¹
Loss and loss adjustment expense reserve	5.7	18,065,395	17,425,293
Benefit reserves	5.7	8,939,190	7,952,640
Unearned premium reserve	5.7	1,910,422	1,512,840
Other technical provisions	5.7	184,528	148,827
Funds withheld	5.8	1,187,723	857,440
Contract deposits	5.9	4,704,267	4,038,420
Reinsurance payable		733,473	1,021,364
Provisions for pensions	5.10	81,657	77,497
Taxes	6.5	286,394	266,747
Provision for deferred taxes	6.5	1,632,527	1,485,157
Other liabilities	5.11	443,932	313,450
Long-term debt and subordinated capital	5.12	2,056,797	1,481,336
Liabilities related to assets held for sale	4.4	1,381,120	–
Total liabilities		41,607,425	36,581,011
Shareholders' equity			
Common shares	5.13	120,597	120,597
Nominal value: 120,597			
Conditional capital: 60,299	5.13		
Additional paid-in capital		724,562	724,562
Common shares and additional paid-in capital		845,159	845,159
Cumulative other comprehensive income			
Unrealised gains and losses on investments		372,094	241,569
Cumulative foreign currency translation adjustment		(52,954)	(224,084)
Other changes in cumulative other comprehensive income		(6,450)	(4,728)
Total other comprehensive income		312,690	12,757
Retained earnings		3,351,116	2,856,529
Shareholders' equity before minorities		4,508,965	3,714,445
Minority interests		608,903	542,112
Total shareholders' equity		5,117,868	4,256,557
Total liabilities		46,725,293	40,837,568

1 Adjusted on the basis of IAS 8

Consolidated statement of income 2010

Figures in EUR thousand	Notes	1.1.–31.12.2010	1.1.–31.12.2009 ¹
Gross written premium	6.1	11,428,717	10,274,755
Ceded written premium		1,127,465	759,076
Change in gross unearned premium		(287,536)	(227,161)
Change in ceded unearned premium		33,300	18,658
Net premium earned		10,047,016	9,307,176
Ordinary investment income	6.2	880,521	810,547
Profit/loss from investments in associated companies	6.2	3,857	(4,970)
Realised gains and losses on investments	6.2	162,003	113,012
Unrealised gains and losses on investments	6.2	(39,893)	100,571
Total depreciation, impairments and appreciation of investments	6.2	(3,448)	122,430
Other investment expenses	6.2	67,409	53,121
Net income from investments under own management		942,527	843,609
Income/expense on funds withheld and contract deposits	6.2	316,368	276,774
Net investment income		1,258,895	1,120,383
Other technical income	6.3	16,845	14,362
Total revenues		11,322,756	10,441,921
Claims and claims expenses	6.3	7,008,055	6,548,093
Change in benefit reserves	6.3	652,711	562,668
Commission and brokerage, change in deferred acquisition costs	6.3	2,257,948	2,011,344
Other acquisition costs		5,302	14,137
Other technical expenses	6.3	44,183	38,788
Administrative expenses	6.3	280,720	246,940
Total technical expenses		10,248,919	9,421,970
Other income and expenses	6.4	99,963	122,528
Operating profit/loss (EBIT)		1,173,800	1,142,479
Interest on hybrid capital	5.12	85,266	76,650
Net income before taxes		1,088,534	1,065,829
Taxes	6.5	257,629	291,770
Net income		830,905	774,059
thereof			
Minority interest in profit and loss		82,015	40,347
Group net income		748,890	733,712
Earnings per share			
Basic earnings per share	7.5	6.21	6.08
Diluted earnings per share	7.5	6.21	6.08

1 Adjusted on the basis of IAS 8

Consolidated statement of comprehensive income 2010

Figures in EUR thousand	1.1.–31. 12. 2010	1.1.–31. 12. 2009 ¹
Net income	830,905	774,059
Unrealised gains and losses on investments		
Gains (losses) recognised directly in equity	353,614	121,189
Transferred to the consolidated statement of income	(184,823)	29,070
Tax income (expense)	(28,933)	(19,975)
	139,858	130,284
Currency translation		
Gains (losses) recognised directly in equity	183,883	24,704
Transferred to the consolidated statement of income	3,863	(2,438)
Tax income (expense)	(10,911)	81
	176,835	22,347
Changes from the measurement of associated companies		
Gains (losses) recognised directly in equity	(2,643)	648
	(2,643)	648
Other changes		
Gains (losses) recognised directly in equity	(4,240)	2,490
Tax income (expense)	2,517	(2,651)
	(1,723)	(161)
Total income and expense recognised directly in equity		
Gains (losses) recognised directly in equity	530,614	149,031
Transferred to the consolidated statement of income	(180,960)	26,632
Tax income (expense)	(37,327)	(22,545)
	312,327	153,118
Changes in the consolidated group	(23)	47
Total recognised income and expense	1,143,209	927,224
thereof:		
Attributable to minority interests	94,177	42,477
Attributable to the Group	1,049,032	884,747

1 Adjusted on the basis of IAS 8

Consolidated statement of changes in shareholders' equity 2010

Figures in EUR thousand	Common shares	Additional paid-in capital	Other reserves (cumulative other comprehensive income)			Retained earnings	Minority interests	Shareholders' equity
			Currency translation	Unrealised gains/ losses	Other			
Balance as at 1.1.2009	120,597	724,562	(247,565)	113,864	(4,577)	2,123,178	501,434	3,331,493
Capital increases/ additions	-	-	-	-	-	-	11,872	11,872
Capital repayments	-	-	-	-	-	-	(9)	(9)
Acquisition/disposal of treasury shares	-	-	-	-	-	(361)	-	(361)
Total income and expense recognised after tax ¹	-	-	23,481	127,705	-151	733,712	42,477	927,224
Dividends paid	-	-	-	-	-	-	(13,662)	(13,662)
Balance as at 31.12.2009	120,597	724,562	(224,084)	241,569	(4,728)	2,856,529	542,112	4,256,557
Balance as at 1.1.2010	120,597	724,562	(224,084)	241,569	(4,728)	2,856,529	542,112	4,256,557
Changes in ownership interest with no change of control status	-	-	26	(235)	-	(756)	7,204	6,239
Capital increases/ additions	-	-	-	-	-	-	62	62
Capital repayments	-	-	-	-	-	-	(3,920)	(3,920)
Acquisition/disposal of treasury shares	-	-	-	-	-	(293)	-	(293)
Total income and expense recognised after tax	-	-	171,104	130,760	(1,722)	748,890	94,177	1,143,209
Dividends paid	-	-	-	-	-	(253,254)	(30,732)	(283,986)
Balance as at 31.12.2010	120,597	724,562	(52,954)	372,094	(6,450)	3,351,116	608,903	5,117,868

1 Adjusted on the basis of IAS 8

Consolidated cash flow statement 2010

The reporting on cash flows within the Group is based on IAS 7 “Statement of Cash Flows”. In addition, we observed the principles set out in German Accounting Standard No. 2 (DRS 2) of the German Accounting Standards Board regarding the preparation of cash flow statements, which were supplemented by the requirements of DRS 2-20 that apply

specifically to insurance enterprises. In accordance with the recommendation of the German Accounting Standards Board for insurance enterprises, we adopted the indirect method of presentation. The amounts taken into consideration are limited to cash and cash equivalents shown under the balance sheet item “Cash”.

Figures in EUR thousand	1.1.–31.12.2010	1.1.–31.12.2009 ¹
I. Cash flow from operating activities		
Net income	830,905	774,059
Appreciation/depreciation	(33,692)	71,195
Net realised gains and losses on investments	(162,003)	(113,012)
Income from the recognition of negative goodwill	–	(92,652)
Amortisation of investments	18,701	18,984
Changes in funds withheld	(949,562)	(1,251,921)
Net changes in contract deposits	373,791	427,411
Changes in prepaid reinsurance premium (net)	252,107	173,654
Changes in tax assets/provisions for taxes	100,484	157,678
Changes in benefit reserve (net)	352,955	1,055,229
Changes in claims reserves (net)	925,798	845,329
Changes in deferred acquisition costs	127,681	52,987
Changes in other technical provisions	19,138	(3,749)
Changes in clearing balances	(110,474)	(219,372)
Changes in other assets and liabilities (net)	(64,561)	(143,925)
Cash flow from operating activities	1,681,268	1,751,895

1 Adjusted on the basis of IAS 8

Figures in EUR thousand	1.1.–31.12.2010	1.1.–31.12.2009
II. Cash flow from investing activities		
Fixed-income securities – held to maturity		
Maturities	21,611	40,243
Purchases	–	(43,860)
Fixed-income securities – loans and receivables		
Maturities, sales	904,068	333,032
Purchases	(517,804)	(1,231,446)
Fixed-income securities – available for sale		
Maturities, sales	8,376,705	10,353,694
Purchases	(9,878,959)	(10,804,242)
Fixed-income securities – at fair value through profit or loss		
Maturities, sales	55,650	76,824
Purchases	(6,198)	(19,948)
Equity securities – available for sale		
Sales	32,550	21,900
Purchases	(518,415)	(22,626)
Other financial assets – at fair value through profit or loss		
Sales	962	–
Purchases	–	(123)
Other invested assets		
Sales	60,314	17,717
Purchases	(112,964)	(55,865)
Affiliated companies and participating interests		
Sales	182	4,769
Purchases	(6,903)	(5,830)
Acquisition of ING life reinsurance portfolio		
Acquisition of cash in hand	–	117,170
Purchase price paid for other assets acquired	–	(12,878)
Real estate and real estate funds		
Sales	915	234
Purchases	(163,502)	(158,336)
Short-term investments		
Changes	(244,454)	(375,526)
Other changes (net)	2,521	(21,232)
Cash flow from investing activities	(1,993,721)	(1,786,329)

Figures in EUR thousand	1.1.–31. 12. 2010	1.1.–31. 12. 2009
III. Cash flow from financing activities		
Contribution from/payment on capital measures	(2,736)	9,940
Acquisition/disposal of treasury shares	(293)	(361)
Structural change without loss of control	6,522	–
Dividends paid	(283,986)	(13,662)
Proceeds from long-term debts	566,533	76,975
Repayment of long-term debts	(2,694)	(15,137)
Cash flow from financing activities	283,346	57,755
IV. Exchange rate differences on cash	46,922	3,866
Cash and cash equivalents at the beginning of the period	457,412	430,225
Change in cash and cash equivalents (I.+II.+III.+IV.)	17,815	27,187
Cash and cash equivalents at the end of the period	475,227	457,412
thereof cash and cash equivalents of disposal groups	27,474	–
Cash and cash equivalents at the end of the period excluding disposal groups	447,753	457,412
Income tax paid	(147,966)	(131,134)
Interest paid	(103,468)	(100,874)

Consolidated segmental report

Segmentation of assets in EUR thousand	Non-life reinsurance	
	31.12.2010	31.12.2009
Assets		
Held to maturity	2,724,546	2,651,188
Loans and receivables	2,259,375	2,624,702
Available for sale	11,725,861	9,820,513
At fair value through profit or loss	152,028	154,707
Other invested assets	1,330,693	894,289
Short-term investments	1,259,804	1,031,880
Cash	325,518	253,797
Total investments and cash under own management	19,777,825	17,431,076
Funds withheld	695,709	625,753
Contract deposits	–	–
Total investments	20,473,534	18,056,829
Reinsurance recoverables on unpaid claims	859,533	1,589,438
Reinsurance recoverables on benefit reserve	–	–
Prepaid reinsurance premium	81,256	44,607
Reinsurance recoverables on other technical reserves	422	305
Deferred acquisition costs	362,080	331,091
Accounts receivable	1,805,883	1,896,362
Other assets in the segment	1,262,674	1,429,320
Assets held for sale	1,529,355	–
Total assets	26,374,737	23,347,952
Segmentation of technical and other liabilities in EUR thousand		
Liabilities		
Loss and loss adjustment expense reserve	15,634,491	15,393,548
Benefit reserve	–	–
Unearned premium reserve	1,812,861	1,437,490
Provisions for contingent commissions	130,726	106,313
Funds withheld	218,084	209,925
Contract deposits	102,109	123,927
Reinsurance payable	456,496	701,103
Long-term liabilities	187,690	116,286
Other liabilities in the segment	1,564,020	1,461,588
Liabilities related to assets held for sale	1,381,120	–
Total	21,487,597	19,550,180

Life/health reinsurance		Consolidation		Total	
31.12.2010	31.12.2009 ¹	31.12.2010	31.12.2009	31.12.2010	31.12.2009 ¹
3,528	4,039	299,944	298,262	3,028,018	2,953,489
44,735	45,064	10,319	32,065	2,314,429	2,701,831
4,409,009	3,653,073	279,519	350,819	16,414,389	13,824,405
91,888	94,244	28,437	44,471	272,353	293,422
32,813	29,689	121	-	1,363,627	923,978
273,051	266,657	37,647	53,938	1,570,502	1,352,475
120,176	201,211	2,059	2,404	447,753	457,412
4,975,200	4,293,977	658,046	781,959	25,411,071	22,507,012
11,225,065	9,536,934	(49)	(2,307)	11,920,725	10,160,380
715,353	625,481	-	-	715,353	625,481
16,915,618	14,456,392	657,997	779,652	38,047,149	33,292,873
165,938	158,576	(139)	(23)	1,025,332	1,747,991
347,069	104,868	-	-	347,069	104,868
3,755	4,089	(1,787)	(1,045)	83,224	47,651
1,409	95	-	-	1,831	400
1,472,416	1,507,359	-	-	1,834,496	1,838,450
1,035,542	974,751	(122)	(1,239)	2,841,303	2,869,874
507,199	378,059	(754,339)	(871,918)	1,015,534	935,461
-	-	-	-	1,529,355	-
20,448,946	17,584,189	(98,390)	(94,573)	46,725,293	40,837,568
2,431,045	2,031,768	(141)	(23)	18,065,395	17,425,293
8,941,021	7,953,685	(1,831)	(1,045)	8,939,190	7,952,640
97,561	75,350	-	-	1,910,422	1,512,840
53,802	42,514	-	-	184,528	148,827
969,639	649,841	-	(2,326)	1,187,723	857,440
4,602,158	3,914,493	-	-	4,704,267	4,038,420
277,817	321,869	(840)	(1,608)	733,473	1,021,364
-	-	1,869,107	1,365,050	2,056,797	1,481,336
1,579,525	1,507,029	(699,035)	(825,766)	2,444,510	2,142,851
-	-	-	-	1,381,120	-
18,952,568	16,496,549	1,167,260	534,282	41,607,425	36,581,011

1 Adjusted on the basis of IAS 8

Consolidated segmental report

Segmental statement of income in EUR thousand	Non-life reinsurance	
	1.1.–31.12.2010	1.1.–31.12.2009
Gross written premium	6,339,285	5,746,613
thereof		
From insurance business with other segments	–	–
From insurance business with external third parties	6,339,285	5,746,613
Net premium earned	5,393,884	5,229,510
Net investment income	721,225	563,208
thereof		
Deposit interest and expenses	12,200	36,838
Claims and claims expenses	3,873,129	3,805,679
Change in benefit reserve	–	–
Commission and brokerage, change in deferred acquisition costs and other technical income/expenses	1,273,906	1,129,567
Administrative expenses	164,498	150,736
Other income and expenses	75,984	24,628
Operating profit/loss (EBIT)	879,560	731,364
Interest on hybrid capital	–	–
Net income before taxes	879,560	731,364
Taxes	220,363	221,955
Net income	659,197	509,409
thereof		
Minority interest in profit or loss	78,201	36,847
Group net income	580,996	472,562

Life/health reinsurance		Consolidation		Total	
1.1.–31.12.2010	1.1.–31.12.2009 ¹	1.1.–31.12.2010	1.1.–31.12.2009	1.1.–31.12.2010	1.1.–31.12.2009 ¹
5,090,123	4,529,288	(691)	(1,146)	11,428,717	10,274,755
691	1,146	(691)	(1,146)	–	–
5,089,432	4,528,142	–	–	11,428,717	10,274,755
4,653,910	4,078,670	(778)	(1,004)	10,047,016	9,307,176
508,243	520,105	29,427	37,070	1,258,895	1,120,383
304,168	239,931	–	5	316,368	276,774
3,135,785	2,743,003	(859)	(589)	7,008,055	6,548,093
653,496	563,675	(785)	(1,007)	652,711	562,668
1,022,800	926,181	(6,118)	(5,841)	2,290,588	2,049,907
118,698	98,316	(2,476)	(2,112)	280,720	246,940
52,979	107,141	(29,000)	(9,241)	99,963	122,528
284,353	374,741	9,887	36,374	1,173,800	1,142,479
–	–	85,266	76,650	85,266	76,650
284,353	374,741	(75,379)	(40,276)	1,088,534	1,065,829
60,914	73,168	(23,648)	(3,353)	257,629	291,770
223,439	301,573	(51,731)	(36,923)	830,905	774,059
3,814	3,500	–	–	82,015	40,347
219,625	298,073	(51,731)	(36,923)	748,890	733,712

1 Adjusted on the basis of IAS 8