Group Management Report

Economic environment

The world economy was hit in 2009 by the worst recession since 1945. It was triggered by the collapse of the US investment bank Lehman Brothers in September 2008 and the resulting turbulences on the global financial markets. In total, the real gross domestic product of the euro zone may have fallen by 3.9% in 2009 compared with the previous year. Austria appears to have performed marginally better at a preliminary value of 3.4%. However, a shift in the trend began toward the middle of the year. After consistent declines since the second quarter of 2008, the euro zone exhibited real GDP growth of 0.4% in the 3rd quarter of 2009 (compared to the previous quarter). Comprehensive state stimulus packages as well as the expansive monetary policy of the European Central Bank (ECB) were also key contributors to this development.

CEE also heavily affected

Due to their close economic and financial links with Western Europe, the Central and Eastern European countries were also fully affected by the global economic crisis. In addition to the heavy reliance on exports to the European market, the CEE economies are primarily dependent on capital flows coming from Western Europe, which were reduced considerably over the course of the global financial crisis. Preliminary figures indicate a GDP decline of 3.8% for the eight new EU Member States. The only exception is Poland, which was the only larger economy in Europe to achieve positive economic growth. Practically all other countries in the region suffered sometimes painful GDP declines in 2009; many of them were only able to finance their high budget deficits with support from the IMF and the EU. Alongside Hungary, Romania, Serbia and Bosnia and Herzegovina, the crisis was particularly hard on the Ukraine, where the economy may have shrunk by more than 10% in 2009 after years of high growth.

Insurance industry with stagnating premiums

While the Austrian insurance industry still demonstrated premium growth of 2.1% in 2008, it grew only slightly more slowly in 2009 at 1.5% to reach € 16.5 billion. The primary culprit for this decline was life insurance, which only achieved a growth of 0.7% to reach € 7.4 billion (2008: +2.2%). On the other hand, health insurance experienced continued stable growth of 3.6%, reaching € 1.6 billion.

The segments of property and casualty insurance also continued to grow, although the trend toward less dynamic growth continued. Overall, the premiums in this area grew by 1.8% to € 7.5 billion, falling just short of the previous year's rate (2008: +1.9%). Motor vehicle insurance, however, suffered a significant setback with volume declining by 2.2% as average premiums continued to fall (2008: –1.0%). The remaining areas of property and casualty insurance exhibited overall gains of 3.3%, coming in slightly below the value of the previous year (2008: +3.8%).

Financial markets gradually recovering

The year 2009 also brought significant recovery to the prices on the world's stock markets. The start of the year was still heavily marked by the financial crisis, with share prices falling worldwide, often to reach historic lows. Added to this were regular negative reports on economic data from numerous countries as well as pessimistic predictions by economic research institutes. Nevertheless, the expansion of the stimulus packages and state guarantees started by many countries in 2008, better economic data and low prime rates produced a slight market recovery toward the end of the first quarter, which continued into the second quarter.

Good mid-year results from US companies and the statement by the Chairman of the Federal Reserve that the American economy had probably come through the recession noticeably rejuvenated the stock markets in the third quarter. Higher than expected economic data from many countries as well as the announcement by the ECB that it would provide additional liquidity supplied continued positive momentum. Toward the end of the year, the positive economic news spread, creating still more impulses. This more than compensated for concerns that the central banks would raise interest rates and worries about the growing risks being taken on by national governments.

Prime rates and money market rates at historic lows

The interest rate decreases implemented as part of the economic recovery packages produced historically low interest rates worldwide again in 2009. Already in 2008, the USA had reduced its prime rate de facto to zero in order to secure refinancing of the banks. This level remained unchanged in 2009 as well. The ECB lowered its main refinancing rate – which was already reduced to 2.5% in 2008 – further to 1.0% in four steps. The money market interest rates also fell sharply in the year 2009. For instance, the rate for the three-month EURIBOR at the end of 2009 was just 0.70%, the one-month rate was 0.45%. Both were therefore significantly below the prime rate.

In 2008, bond yields had fallen to their lowest values both in the euro zone and in the USA in the face of interest reductions by the Fed and the ECB as well as the increased risk aversion of investors; however, they recovered somewhat toward the end of 2009. The main factors were the more positive economic data and the associated expectation of rising inflation rates.

The euro gained 3.9% over the US dollar compared with the rate of the previous year, but exhibited significant fluctuations over the course of the year. A decline to just over 1.25 USD in March was followed by a phase of nearly constant gains that reached the area of 1.51 USD. Only toward the end of the year did the rate fall again to close the year at 1.44 USD.

More optimistic forecasts for 2010

The economic recovery that could already be seen in 2009 may continue in the coming months, according to the estimates of economists, and should result in GDP growth for Austria of 1.5% in 2010. A GDP growth of 1.5% is also expected for Germany as well, while the economy in the euro region should grow by 1.1% overall in 2010. However, the recovery is still considered unstable and is subject to a number of risks, and no acceleration is expected in 2011 from the current perspective. According to current forecasts, the USA may even outpace the euro region in 2010 with a gain of 1.7%. China will hold its place as the world's major economic mover with an expected GDP growth of 9.0%. Worldwide, economic output should grow by 3.0% in 2010.

In Central and Eastern Europe, experts currently expect further declines in the Baltic countries, Romania, Bulgaria and Hungary, while the Polish and Czech economies should expand thanks to the more stable consumer demand. In the eight new EU Member States, the economy should remain stable in 2010 at +/–0.0% following the average losses of 3.8% in the preceding year.

The slight economic recovery notwithstanding, forecasts for the Austrian insurance industry in 2010 currently predict premiums to decline by a total of 1.3%. Health insurance is expected to continue growing by 2.5% while premiums in property and casualty may decline by 0.5%. The negative trend in life insurance will continue with an expected drop in premiums of 3.0%. According to current expectations, motor vehicle insurance will also remain in decline (–3.0%).

Financial markets more approachable

Caution is still advised when attempting to predict future developments on the international financial markets. In the area of interest, upward movement is expected for money market rates while the prime rates may remain unchanged in both Europe and the USA until further notice. The stock markets seem much more approachable after the rallying of prices in recent months. Should the economic environment continue to recover, the stock prices should tend to rise further on the basis of improved company results. However, particularly following the strong price gains of recent months, the possibility of setbacks cannot be ruled out. After several successful capital increases at the end of last year, the Vienna Stock Exchange expects more new members in 2010. In the bond markets, experts expect a continuing upward trend for long-term yields both in the USA and in Europe. The main factors for this are the improving economic conditions and the associated prospect of a trend toward streamlining of monetary policy.

The UNIQA Group

With € 5,739 million in premiums written, including the savings portion of unit- and index-linked life insurance, UNIQA is one of the leading insurance groups in Central and Eastern Europe. The savings portion of premiums from unit-linked and index-linked life insurance amounting to € 728 million is, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision. Premium volume excluding the savings portion from the unit- and index-linked life insurance amounts to € 5,012 million.

UNIQA in Europe

The UNIQA Group offers its products and services through all distribution channels (salaried sales force, general agencies, brokers, banks and direct sales). UNIQA is active in all types of insurance and operates its direct insurance business in Austria through UNIQA Personenversicherung AG, UNIQA Sachversicherung AG, Raiffeisen Versicherung AG, FINANCE LIFE Lebensversicherung AG, Salzburger Landes-Versicherung AG and CALL DIRECT Versicherung AG.

The listed Group holding company, UNIQA Versicherungen AG, is responsible for Group management, operates the indirect insurance business and is the central reinsurer for the Group's Austrian operational companies. In addition, it carries out numerous service functions for the Austrian and international insurance subsidiaries in order to take best advantage of synergy effects within all the Group companies and to consistently implement the Group's long-term corporate strategy. UNIQA Re AG has its headquarters in Zürich and is responsible for reinsuring the Group's international operational companies. In order to achieve maximum synergy effects, the international activities of the UNIQA Group are managed centrally through Competence Centers as well as the Group's Central Services, and UNIQA International Versicherungs-Holding GmbH is responsible for ongoing monitoring and analysis of the international target markets for acquisitions as well as for integration of acquisitions into the Group.

UNIQA offers life insurance in Russia

The UNIQA Group expanded its strategic target area to include Russia in 2009 through the founding of a new subsidiary. Raiffeisen Life Versicherung worked with ZAO Raiffeisenbank to develop special life insurance products for the Russian market that are now offered through the partner's roughly 200 bank branches. UNIQA and Raiffeisen cooperate very successfully in Austria and now in 14 Eastern and South-Eastern European countries as "Preferred Partners" in product development, product portfolio, customer support and in the sale of insurance through banks. The wealth of experience from this cooperation now benefits bank and insurance companies in Russia as well.

UNIQA deepens cooperation with Veneto Banca

At the end of June 2009, the UNIQA Group extended and deepened its cooperation with the Italian Veneto Banca Group in the sale of insurance polices through the bank's branch offices. In connection with this, UNIQA Previdenza took over 90% of the share capital of UNIQA Life S.p.A., registered in Milan. The new rights for sales cooperation by Veneto Banca with life insurance companies are now exclusively linked to this company. UNIQA Previdenza will continue to maintain the traditional sales channels for life insurance as well as manage the other bank sales while the new subsidiary will focus on sales via Veneto Banca.

Companies included in the IFRS consolidated financial statements

Along with UNIQA Versicherung AG, the 2009 consolidated financial statements of the UNIQA Group include 48 domestic and 84 foreign companies. A total of 34 affiliated companies whose influence on an accurate presentation of the actual financial status of the assets, financial position and profitability was insignificant were not included in the consolidated financial statements. In addition, we included ten domestic and one foreign company as associates according to the equity accounting method. Fourteen associates were of minor importance, and shares held in these companies are recognised at market value.

The scope of fully consolidated companies was expanded as of 1 April 2009 to include PremiaMed Management GmbH (formerly Humanomed Krankenhaus Management Gesellschaft m.b.H.) and the sub-group of PKB Privatkliniken Beteiligungs GmbH. The two companies were previously reported within the UNIQA scope of consolidation as associated companies ("at equity"). Raiffeisen Life Insurance Company LLC in Moscow, which was founded in the first quarter of 2009, began its active business operations and was fully consolidated in the third quarter of 2009. The sub-group of SIGAL Holding Sh.A. in Albania, Kosovo and Macedonia and UNIQA Life S.p.A. in Italy were fully consolidated for the first time as of 31 December 2009. SIGAL Holding Sh.A. was previously reported as an associated company ("at equity").

Details on the consolidated and associated companies are contained in the corresponding overview in the Group notes. The accounting and valuation methods used as well as the changes in the scope of consolidation are also explained in the Group notes.

Risk report

The comprehensive risk report of the UNIQA Group is in the notes to the consolidated financial statements 2009 (p. 74 f).

UNIQA Group business development

The following comments to the business development are divided into two sections. The section "Group business development" describes the business performance from the perspective of the Group with fully consolidated amounts. Fully consolidated amounts are also used in the Group management report for reporting on the development of the business segments of "property and casualty insurance", "health insurance" and "life insurance".

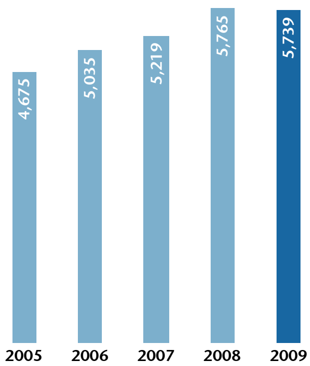
Group business development

The UNIQA Group provides life and health insurance and is active in almost all lines of property and casualty insurance. With over 15.3 million insurance policies being managed at home and abroad, a gross premium volume written (including the savings portion of the unit-linked and index-linked life insurance) of over € 5.7 billion (2008: € 5.8 billion) and capital investments of more than € 22.6 billion (2008: € 21.3 billion), the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe.

Premium development

Taking into account the savings portion of the unit-linked and index-linked life insurance in the amount of € 728 million (2008: € 823 million), the total premium volume of the UNIQA Group remained nearly stable in 2009 at € 5,739 million (2008: € 5,765 million) despite the difficult economic conditions. The total consolidated premiums written even grew by 1.4% to € 5,012 million (2008: € 4,942 million). Due to the determination that a management contract previously held as an insurance contract poses no significant actuarial risk, the management fee will be reported under other income starting in 2009. The premiums written and retained, the insurance benefits and the operating expenses were therefore also corrected in the comparison figures from previous years. Developments were very positive in the area of insurance policies with recurring premium payments in particular, which grew 2.1% to € 4,885 million (2008: € 4,785 million). The single premium business, on the other hand, declined in 2009 by 12.8% to € 855 million (2008: € 980 million). The Group premiums earned including the savings portion of the unit-linked and index-linked life insurance (after reinsurance) in the amount of € 704 million (2008: € 774 million) rose by 0.2% to € 5,474 million (2008: € 5,464 million). The retained premiums earned (according to IFRS) even increased by 1.7% to € 4,770 million (2008: € 4,690 million).

Premium volume written
incl. the savings portion of premiums from unit- and index-linked life insurance
€ million



In the 2009 financial year, 42.6% (2008: 41.3%) of the premium volume arose in property and casualty insurance, 16.3% (2008: 15.7%) in health insurance and 41.1% (2008: 43.0%) in life insurance.

In Austria, premium volume written including the savings portion from the unit-linked and index-linked life insurance grew better the market average in 2009 at 4.9% to reach € 3,756 million (2008: € 3,579 million). Including the savings portion of the unit- and index-linked life insurance, the premiums earned rose by 6.3% to € 3,674 million (2008: € 3,457 million). The retained premiums earned (according to IFRS) in Austria amounted to € 3,074 million in 2009 (2008: € 2,971 million).

In the regions of Eastern and South Eastern Europe (CEE & EEM), the premium developments in 2009 were influenced by the difficult economic conditions and, in particular, by negative currency effects. The premium volume written including the savings portion from the unit-linked and index-linked life insurance fell in 2009 by 9.9% to € 1,153 million (2008: € 1,279 million). This put the share of Group premiums coming from CEE & EEM at 20.1% (2008: 22.2%). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned decreased by 9.4% to € 1,077 million (2008: € 1,188 million). The retained premiums earned (according to IFRS) were € 1,002 million (2008: € 1,073 million). Adjusted for the effects of the negative currency developments in 2009, however, the premium volume written in Eastern Europe grew by 4.0%.

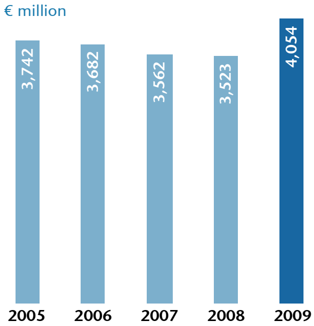
In the Western European countries (WEM), the premium volume written including the savings portion from the unit-linked and index-linked life insurance fell in 2009 by 8.4% to € 830 million (2008: € 907 million). Here again, the single premium business was primarily responsible for the decline, falling by 25.1% to € 185 million (2008: € 247 million). Overall, the share in Group premiums therefore fell in 2009 to 14.5% (2008: 15.7%). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned decreased by 11.8% to € 723 million (2008: € 819 million). The retained premiums earned (according to IFRS), on the other hand, increased by 7.6% to € 695 million (2008: € 646 million).

Developments in insurance benefits

Burdened by an accumulation of major claims, the storms in the third quarter and the change to the deferred profit sharing, the insurance benefits paid by the UNIQA Group (before reinsurance) increased in the 2009 financial year by 17.1% to reach € 4,282 million (2008: € 3,656 million). The consolidated retained insurance benefits also increased last year by 15.1% to € 4,054 million (2008: € 3,523 million).

While the insurance benefits retained increased in Austria in 2009 by 23.4% to € 2,823 million (2008: € 2,287 million) and in the Western European markets by 6.4% to in € 521 million (2008: € 489 million), they fell in the Central and Eastern European regions (CEE & EEM) by 4.8% to € 710 million (2008: € 746 million).

Insurance benefits
retention
€ million



Operating expenses

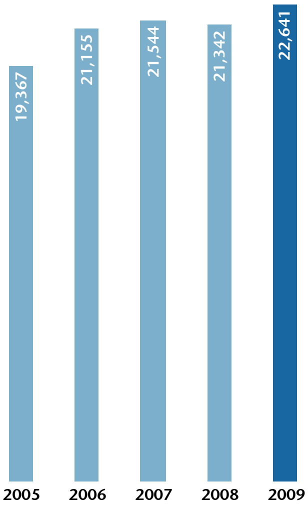
Total consolidated operating expenses (cf. Group notes, no. 37) less reinsurance commissions and profit shares from reinsurance business ceded (cf. Group notes, no. 33) increased only very moderately in the 2009 financial year by 2.7% to € 1,269 million (2008: € 1,236 million). Acquisition expenses even fell by 1.4% to € 854 million (2008: € 866 million). Other operating expenses, less reinsurance commissions received, increased in 2009 to € 415 million (2008: € 370 million) due to additional expenses in the area of social capital reserves in the amount of roughly € 58 million following the lowering of the discount interest rate. In contrast to this, cost savings of roughly € 12 million were realised through the elimination of the holiday reserve.

The cost ratio of the UNIQA Group after reinsurance, i.e. the relation of total operating expenses to the Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance, was 23.2% during the past year (2008: 22.6%) as a result of these developments. The cost ratio before reinsurance was 22.4% (2008: 21.9%). Adjusted for the additional expenses for social capital reserves, the cost share after reinsurance was 22.1%.

Investment results

Total investments including land and buildings used by the Group, real estate held as investments, shares in associates and investments of unit- and index-linked life insurance increased again in 2009 by 6.1%, or € 1,298 million, to reach € 22,641 million (2008: € 21,342 million).

Investments
€ million



The net investment income less financing costs increased by € 528 million to € 717 million (2008: € 189 million) due to the positive developments on the financial markets after a very weak 2008. A detailed description of the investment income can be found in the Group notes (no. 34).

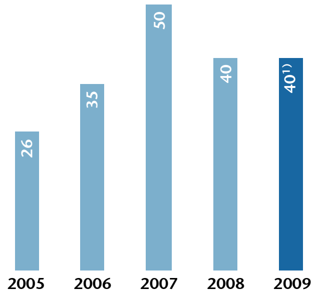
Group pre-tax results at € 82 million

In the 2009 financial year, the profit on ordinary activities of the UNIQA Group fell slightly by 8.7% to reach € 82 million (2008: € 90 million) primarily due to the difficult economic conditions and exceptional strains in the area of property and casualty insurance (storms in the third quarter) and increased burdens on the investment results in the area of participations and credit-sensitive capital investments. At the Annual General Meeting, the Management Board will nevertheless propose to the Supervisory Board a dividend distribution that remains unchanged from the previous year at 40 cents per share.

Own funds and total assets

The total equity of the UNIQA Group also increased in 2009 due to the capital increase, adding € 106 million to reach € 1,565 million (31 Dec. 2008: € 1,459 million). This included shares in other companies to the value of € 232 million (31 Dec. 2008: € 194 million). The pre-tax return on equity – the ratio of profit on ordinary activities to average total equity (without taking into consideration the included net profit for 2009) – amounted to 5.5% (2008: 6.1%) in the past financial year. The total assets of the Group increased in the past financial year by € 1,795 million and totalled € 27,394 million on 31 December 2009 (31 Dec. 2008: € 25,598 million).

Dividend
cent



[1] Proposal to the Annual General Meeting

Cash flow

The cash flow from operating activities in 2009 was € 1,137 million (2008: € 267 million). Cash flow from investing activities of the UNIQA Group amounted to € –913 million (2008: € –484 million). The financing cash flow was € –42 million (2008: € 125 million). A total of € 52 million were spent on the dividends from the 2008 financial year. The amount of liquid funds changed in total by € 183 million (2008: € –92 million). At the end of 2009, funds amounting to € 798 million (2008: € 568 million) were available.

Employees

The average number of employees of the UNIQA Group increased to 15,107 in 2009 (2008: 13,674) due to the inclusion for the first time of the companies of the SIGAL Group in Albania, Kosovo and Macedonia as well as Raiffeisen Life Insurance Company LLC in Moscow and the first full consolidation of PremiaMed Management GmbH and the sub-group of PKB Privatkliniken Beteiligungs GmbH. Of these, 6,345 (2008: 6,269) were in employed in sales and 8,762 (2008: 7,405) in administration. In the Eastern Emerging Markets (EEM), UNIQA employed a staff of 4,048 in the 2009 financial year (2008: 3,718), 3,246 people (2008: 2,954) in Central Eastern Europe (CEE) and 987 (2008: 986) in the Western European markets (WEM). In Austria, 6,826 staff were employed (2008: 6,016). Excluding the 884 employees of PremiaMed Management GmbH and the sub-group of PKB Privatkliniken Beteiligungs GmbH, the number of employees in Austria is reduced to 5,942. Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the UNIQA Group amounts to just about 22,000.

51% of the administrative staff employed in Austria in 2009 were women, 18.7% (2008: 18.5%) of the employees were part-time. The average age in the past year remained 42 years (2008: 42 years). In total, 11.3% (2008: 11.3%) of the employees participated as managers in UNIQA's result-oriented remuneration system – a variable payment system that is tied both to the success of the company and to personal performance. In addition, the UNIQA apprentice exchange programme offers young people in training the opportunity to get to know foreign cultures and make international contacts.

Business lines

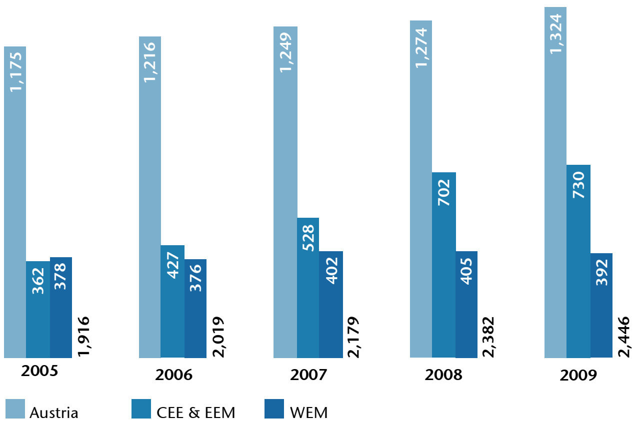
Property and casualty insurance

Premium development

In property and casualty insurance, the UNIQA Group was able to continue the positive developments of the previous year again in 2009, increasing the premiums written by 2.7% to € 2,446 million (2008: € 2,382 million). The premium volume in Austria grew significantly better than the market average at 3.9% to reach € 1,324 million (2008: € 1,274 million). In the Central and Eastern European regions (CEE & EEM), the growth continued in 2009 even despite the negative currency effects. The premiums written grew by 4.1% to € 730 million (2008: € 702 million), thereby contributing 29.9% (2008: 29.5%) to the Group premiums in property and casualty insurance. In the Western European Markets, on the other hand, the premium volume fell in 2009: the premiums written were taken back by 3.3% to € 392 million (2008: € 405 million). Overall, the international share of Group premiums in this segment amounted to 45.9% (2008: 46.5%).

Premium volume written in property and casualty insurance

€ million



Details on premium volume written in the most important risk classes can be found in the Group notes (no. 31).

The retained premiums earned (according to IFRS) in property and casualty insurance totalled € 2,290 million in the reporting year (2008: € 2,214 million) after growth of 3.4%.

Property and casualty insurance	2009 € million	2008 € million	2007 € million	2006 € million	2005 € million
Premiums written	2,446	2,382	2,179	2,019	1,916
Share CEE & EEM	29.9%	29.5%	24.2%	21.1%	18.9%
Share WEM	16.0%	17.0%	18.5%	18.6%	19.8%
International share	45.9%	46.5%	42.7%	39.7%	38.7%
Premiums earned (net)	2,290	2,214	1,858	1,716	1,628
Net investment income	97	42	258	141	131
Insurance benefits (net)	–1,552	–1,412	–1,251	–1,130	–1,106
Net loss ratio (after reinsurance)	67.8%	63.8%	67.3%	65.9%	68.0%
Gross loss ratio (before reinsurance)	69.7%	62.4%	68.1%	63.9%	66.4%
Other operating expenses less reinsurance commissions	–800	–740	–606	–569	–553
Cost ratio (net after reinsurance)	34.9%	33.4%	32.6%	33.2%	34.0%
Net combined ratio (after reinsurance)	102.7%	97.2%	99.9%	99.0%	101.9%
Gross combined ratio (before reinsurance)	103.0%	94.4%	99.0%	95.4%	98.4%
Profit on ordinary activities	–5	113	238	129	81
Net profit	–20	104	193	104	54

Developments in insurance benefits

The total retained insurance benefits increased in 2009 by 9.9% to € 1,552 million (2008: € 1,412 million), weighed down by major claims and, in particular, the storms in the third quarter (gross encumbrance of roughly € 110 million; after reinsurance about € 48 million). In Austria, the insurance benefits increased by 19.7% to € 968 million (2008: € 808 million); in Western Europe (incl. Austria), however, the increase was less pronounced at 7.0% to reach € 1,130 million (2008: € 1,056 million). In the Central and Eastern European regions (CEE & EEM), the insurance benefits increased by 18.6% to € 422 million (2008: € 356 million).

As a result of this development, the net loss ratio (retained insurance benefits relative to premiums earned) rose by 4.0 percentage points to 67.8% (2008: 63.8%). The gross loss ratio (before reinsurance) at the end of 2009 was 69.7% (2008: 62.4%). In Austria, the net loss ratio in the past financial year rose to 74.3% (2008: 65.3%) due to the storms.

Operating expenses, combined ratio

Total operating expenses in property and casualty insurance less reinsurance commissions and profit shares from reinsurance business ceded rose by 8.0% to € 800 million (2008: € 740 million). In the process, acquisition costs rose by 5.1% to € 519 million (2008: € 493 million), other operating expenses increased by 13.8% to € 281 million (2008: € 247 million) due to increased social capital expenditures.

The cost ratio in property and casualty insurance increased in the past financial year to 34.9% (2008: 33.4%) as a result of this development. The net combined ratio increased due to the rise in the loss ratio and was at 102.7% in 2009 (2008: 97.2%). Excluding the claims from the storms in the third quarter, the combined ratio was 100.7%. The combined ratio before reinsurance was 103.0% (2008: 94.4%).

Investment results

Net investment income less financing costs rose in the past year by 129.1% to € 97 million (2008: € 42 million). The capital investments in property and casualty insurance declined by 3.8% to € 3,189 million (2008: € 3,315 million).

Profit on ordinary activities, net profit

The profit on ordinary activities in property and casualty insurance in 2009 was negative due to the exceptional impacts of the third quarter storms and an accumulation of major loses and amounted to € –5 million (2008: € 113 million). Net profit fell to € –20 million (2008: € 104 million).

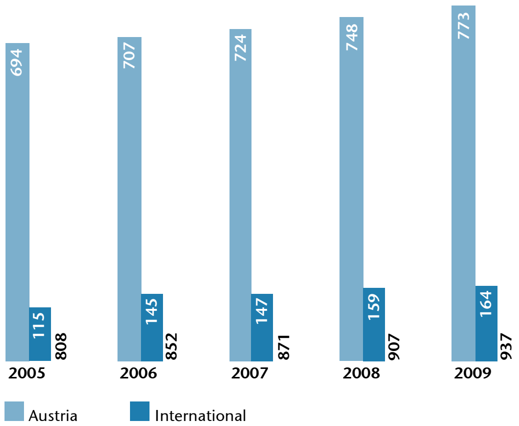
Health insurance

Premium development

In comparison to the previous year, premiums written in health insurance increased by 3.3% to € 937 million (2008: € 907 million). In Austria, where UNIQA claimed market leadership in health insurance again in 2009, the premium volume in grew over the previous year by 3.4% to reach € 773 million (2008: € 748 million). In the WEM region, premiums written remained at the level of the previous year at € 150 million (2008: € 151 million). In the countries of Eastern and South Eastern Europe, the premiums in health insurance grew by 68.3% to already reach € 14 million (2008: € 8 million). Overall, the international share in the total health insurance premiums in 2009 was 17.5% (2008: 17.6%).

Premium volume written in health insurance

€ million



In 2009, the retained premiums earned in health insurance (according to IFRS) rose by 3.1% to reach € 934 million at the end of the year (2008: € 906 million).

Health	2009 € million	2008 € million	2007 € million	2006 € million	2005 € million
Premiums written	937	907	871	852	808
International share	17.5%	17.6%	16.9%	17.0%	14.2%
Premiums earned (net)	934	906	869	849	812
Net investment income	94	14	134	114	101
Insurance benefits (net)	–812	–783	–776	–772	–739
Other operating expenses less reinsurance commissions	–129	–133	–128	–135	–130
Cost ratio (net after reinsurance)	13.8%	14.7%	14.7%	15.9%	16.0%
Profit on ordinary activities	85	3	96	54	41
Net profit	65	–1	72	35	35

Developments in insurance benefits

The retained insurance benefits increased in 2009 by 3.7% to € 812 million (2008: € 783 million). The loss ratio after reinsurance rose slightly to 86.9% (2008: 86.4%). In Austria, insurance benefits grew by 4.0% to € 667 million (2008: € 641 million). The insurance benefits in the international markets increased by just 2.2% in 2009, totalling € 145 million (2008: € 142 million).

Operating expenses

Total operating expenses in health insurance less reinsurance commissions and profit shares from reinsurance business ceded fell in 2009 in by 3.2% to € 129 million (2008: € 133 million). Acquisition expenses declined by 8.9% to € 79 million (2008: € 87 million) despite the increased premium volume. Other operating expenses grew by 7.3% to € 50 million (2008: € 46 million). As a result of this development, the cost ratio in health insurance decreased further in 2008 to 13.8% (2008: 14.7%).

Investment results

The net investment income less financing costs rose in 2009 by € 80 million to € 94 million (2008: € 14 million). In the health insurance segment, capital investments grew by 5.9% to € 2,424 million (2008: € 2,288 million).

Profit on ordinary activities, net profit

Due to good capital market developments, the profit on ordinary activities in health insurance rose steeply in the reporting year by € 82 million to € 85 million (2008: € 3 million). Net profit increased in 2009 to € 65 million (2008: € –1 million).

Life insurance

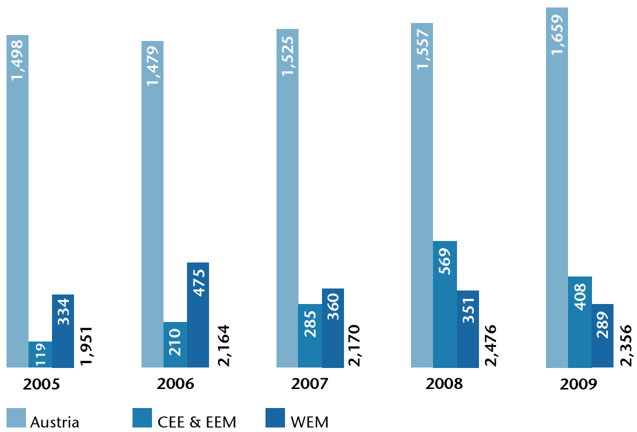
Premium development

The life insurance premiums written including the savings portion from the unit-linked and index-linked life insurance fell in 2009 by 4.9% to € 2,356 million (2008: € 2,476 million), in particular due to the declining single premium business in the area of unit-linked life insurance. Revenues from policies with recurring premium payments rose by 0.3% to € 1,501 million (2008: € 1,496 million). Revenue in the single premium business in the area of unit-linked life insurance fell by 23.5% to € 362 million (2008: € 473 million). Classic single premiums, on the other hand, declined only slightly by 2.7% to € 493 million (2008: € 507 million). Overall, the single premium business declined by 12.8% to € 855 million (2008: € 980 million).

Premium volume written in life insurance

incl. the savings portion of premiums from unit- and index-linked life insurance

€ million



The premium developments in Austria were very satisfactory in 2009 due to the further growth in the area of unit-linked life insurance products. The premium volume grew by 6.5% to € 1,659 million (2008: € 1,557 million). Revenues from policies with recurring premium payments declined slightly by 1.1% to € 1,240 million (2008: € 1,255 million). The single premium business grew by 38.5% to € 418 million (2008: € 302 million). The life insurance business of the Group companies in the Central and Eastern European regions (CEE & EEM) declined in 2009 due to the continued difficult economic conditions. The premium volume written including the savings portion from the unit-linked and index-linked life insurance was taken back by 28.2% to € 408 million (2008: € 569 million). This brought the share of life insurance from these countries to 17.3% in 2009 (2008: 23.0%). In the Western European countries, the premium volume also declined by 17.6% to € 289 million (2008: € 351 million). Overall, the Western European region (WEM) contributed 12.3% (2008: 14.2%) to the total life insurance premiums of the Group.

The risk premium share of unit-linked and index-linked life insurance included in the consolidated financial statements totalled € 105 million in 2009 (2008: € 97 million). The savings portion of the unit-linked and index-linked life insurance lines amounted to € 728 million (2008: € 823 million) and was, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision.

Including the savings portion of the unit-linked and index-linked life insurance (after reinsurance) in the amount of € 704 million (2008: € 774 million), the premiums earned in life insurance declined by 4.0% to € 2,250 million (2008: € 2,344 million). On the other hand, the retained premiums earned (according to IFRS) fell by just 1.5% in 2009 to € 1,546 million (2008: € 1,570 million).

Life	2009 € million	2008 € million	2007 € million	2006 € million	2005 € million
Premiums written	1,628	1,653	1,422	1,605	1,591
Savings portion of premiums from unit- and index-linked life insurance	728	823	748	559	360
Premiums written incl. savings portion of premiums from unit- and index-linked life insurance	2,356	2,476	2,170	2,164	1,951
Share CEE & EEM	17.3%	23.0%	13.1%	9.7%	6.1%
Share WEM	12.3%	14.2%	16.6%	22.0%	17.1%
International share	29.6%	37.2%	29.7%	31.7%	23.2%
Premiums earned (net)	1,546	1,570	1,342	1,527	1,523
Savings portion of premiums from unit- and index-linked life insurance (net after reinsurance)	704	774	695	499	311
Premiums earned (net) incl. the savings portion of premiums from unit- and index-linked life insurance	2,250	2,344	2,037	2,027	1,834
Net investment income	525	133	563	610	731
Insurance benefits (net)	–1,690	–1,328	–1,534	–1,780	–1,898
Other operating expenses less reinsurance commissions	–341	–363	–321	–261	–244
Cost ratio (net after reinsurance)	15.1%	15.5%	15.7%	12.9%	13.3%
Profit on ordinary activities	2	–27	5	56	69
Net profit	–2	–37	4	37	44

Developments in insurance benefits

The retained insurance benefits increased in the reporting year by 27.3% to € 1,690 million (2008: € 1,328 million) primarily due to the change in deferred profit sharing as a result of the clear improvement in capital income according to IFRS. The additions increased in 2009 compared to the previous year by about € 382 million. Insurance benefits also increased in Austria by 41.9% to € 1,189 million (2008: € 838 million). In the Western European region (WEM), insurance benefits grew by 110.8% to € 221 million (2008: € 105 million), while they fell in Central and Eastern Europe (CEE & EEM) by 27.1% to € 281 million (2008: € 385 million).

Operating expenses

Total operating expenses in life insurance less reinsurance commissions and profit shares from reinsurance business ceded fell in 2009 by 6.1% to € 341 million (2008: € 363 million). Acquisition expenses decreased by 10.4% to € 257 million (2008: € 286 million). Other operating expenses increased by 9.8% to € 84 million in 2009 (2008: € 76 million). As a result of this development, the cost ratio in life insurance, i.e. the relation of all operating expenses to the Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance (after reinsurance), fell to 15.1% (2008: 15.5%).

Investment results

Net investment income less financing costs rose in the reporting year by 295.7% to € 525 million (2008: € 133 million). The capital investments including the investments for unit-linked and index-linked life insurance grew in 2009 by 8.2% to € 17,028 million (2008: € 15,739 million).

Profit on ordinary activities, net profit

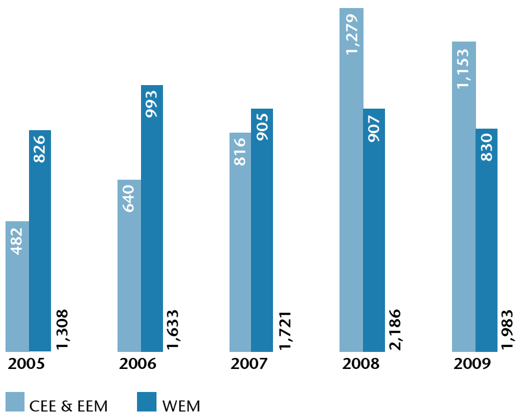
The profit on ordinary activities in life insurance was once again positive in 2009, rising by € 29 million to € 2 million (2008: € –27 million). Net profit increased was € –2 million (2008: € –37 million).

International markets

The international premium volume of the UNIQA Group (including the savings portion from unit-linked and index-linked life insurance) fell in 2009 by 9.3% to € 1,983 million (2008: € 2,186 million) as a result of the difficult economic conditions and the negative currency developments in Eastern and South Eastern Europe. This brought the international share of Group premiums up to 34.6% (2008: 37.9%).

International premium volume written

€ million



Including the savings portion from the unit-linked and index-linked life insurance (after reinsurance), the premiums earned decreased by 10.4% to € 1,800 million (2008: € 2,008 million). On the other hand, the retained premiums earned (according to IFRS) declined only slightly by 1.3% to € 1,697 million (2008: € 1,719 million).

Central and Eastern Europe (CEE & EEM)

In 2009, the countries of Central and Eastern Europe were only able to maintain their dynamic growth to a limited extent due to the difficult economic conditions and negative developments of individual currencies. Overall, the premium volume written fell by 9.9% to € 1,153 million (2008: € 1,279 million). Adjusted for the negative currency effects, however, the premium volume on a local basis grew by 4.0%. In the Eastern Emerging Markets, the premium volume grew by as much as € 164 million to reach € 241 million (+46.7%) due to the inclusion of the companies in Romania for the financial year. Overall, the CEE & EEM regions therefore contributed 20.1% (2008: 22.2%) to the Group premiums.

Western Europe (WEM)

The premiums in the markets of Western Europe declined in the past financial year. The premium volume written declined in 2009 by 8.4% to € 830 million (2008: € 907 million). The recurring premium business declined only negligibly by 2.2% to € 645 million (2008: € 659 million). The single premium business, on the other hand, fell significantly to € 185 million (2008: € 247 million). In 2009, the WEM region contributed 14.5% (2008: 15.7%) to the Group premiums.

The premium volume written including the savings portion of the unit- and index-linked life insurance was divided as follows among the various regions in the UNIQA Group:

UNIQA international markets	Premiums written[1]					Share of Group premiums
	2009 € million	2008 € million	2007 € million	2006 € million	2005 € million	2009
Central Eastern Europe (CEE)	912	1,115	735	595	482	15.9%
Eastern Emerging Markets (EEM)	241	164	81	45	0	4.2%
Western European Markets (WEM)	830	907	905	993	826	14.5%
Total international	**1,983**	**2,186**	**1,721**	**1,633**	**1,308**	**34.6%**

[1] Incl. the savings portion of premiums from unit- and index-linked life insurance.

Total insurance benefits in the international group companies fell slightly by 0.3% in 2009 to €1,231 million (2008: €1,235 million). The consolidated operating expenses less reinsurance commissions and profit shares from reinsurance business ceded remained at the level of the previous year at €517 million (2008: €517 million). Before consolidation based on the geographic segments (cf. segment reports), the profit on ordinary activities generated by the companies in the three regions outside of Austria amounted to €16 million (2008: €86 million) in 2009. This decline can be attributed in particular to lower results by the companies in Italy, Bulgaria, Romania and Hungary.

Significant events after the balance sheet date (subsequent report)

No events occurred after the balance sheet date that require reporting.

Outlook for 2010

Development in the current financial year

The premium volume of the UNIQA Group developed in a very satisfactory way in the first two months of 2010. Premium growth in property and casualty insurance was roughly 2.2% and in health insurance 3.0%. In life insurance, the premiums even increased by 11.9%. Overall, the growth in the months of January and February was an extremely positive 5.5%. While the premiums in Austria increased by 0.7%, the growth in the international markets was significantly stronger at 14.4%.

Property and casualty insurance

On the basis of numerous initiatives in product development, customer loyalty and efficiency improvement, UNIQA expects very solid developments in the area of property and casualty insurance once again in 2010.

The growth of the legal expenses insurance line also proved favourable in 2009. The financial crisis had an effect here in terms of increased mass loss claims submitted in the area of asset investment. In view of this development and the current legal situation (free selection of lawyer for mass damages), the risk exclusion policy for the majority of these dangers has proven to be an effective and correct countermeasure.

The goal for the year 2010 in the area of legal expenses insurance is continued high-return growth. Refined scoring models offer new opportunities here to structure the premiums flexibly and in line with risks. Another key area involves a planned increase in the assignment of claims to specialised lawyers in order to achieve a higher success rate and thereby greater customer satisfaction. In the future, claims will be processed more quickly, more simply and with greater legal security thanks to the planned introduction in 2010 of a new, electronically supported communication channel between lawyers and legal expenses insurers that was initiated by the UNIQA Group as an innovative measure. The goal of the new lawyers' portal is improved efficiency in the processing methods and an associated general increase in productivity.

Unfortunately, no relief is in sight for loss ratio in the storm risk segment. Countermeasures, such as rate segmentation by region, have already been introduced, and the Group will continue to follow the course charted already in 2008. We will also continue to expand the HORA system (Austrian Flood Risk Zoning System) in coming years in cooperation with the Insurance Association of Austria and the Ministry of Agriculture, Forestry, Environment and Water Management. The goal of this system is to create and refine a risk map that makes it possible to better assess possible natural dangers. In the area of natural dangers as well as other risk areas, such as burglary, UNIQA relies on various preventive measures to avoid losses. Examples of this can be found in the severe weather warnings offered by UNIQA as an exclusive service within the insurance industry as well as security checks for corporate customers and the pilot project "NummerSicher" for private customers.

The severe weather warnings offered by UNIQA since 2004 in Austria have already been successfully implemented in Poland, Romania, the Czech Republic and Hungary and should be introduced in additional countries in 2010. The trend toward a high number of break-ins throughout Austria predicted again by experts for 2010 is being met by UNQA with a "security offensive" that includes providing comprehensive information to customers about security and prevention.

In other areas, a subdued investment level is expected in property insurance, particularly among commercial customers. In order to continue to support the customers in this difficult phase, the strategy of complexity reduction and efficiency improvement – above all by offering standardised customer-oriented products – will be sustained. Increased productivity in sales, efficiency gains and process streamlining have already been successfully implemented in the private customer business. In 2010, the operational area should become an additional focus in this regard.

Further refinements in the private customer business will be seen in 2010 as well. For instance, additional security features are being integrated into the new private customer product introduced to the market in 2009. The goal of these models is an individual and risk-appropriate premium definition, in which we will naturally continue to pursue the goal of climate protection in accordance with the course already set jointly by Raiffeisen Versicherung and UNIQA. The features already present here in the current product will be carried over and further expanded.

A difficult market environment is expected in 2010 for motor vehicle insurance, as is also the case for the Austrian automobile market. Fewer new car sales compared with 2009 and the continuing trend toward the purchase of smaller, lower-performance models decreases the new customer potential as well as the average insurance premiums.

UNIQA is responding to this with a renewed focus on incomparable, unique products like driver protection and the innovative UNIQA SafeLine package, in particular. The impressive success of this offer in the year 2009 leaves continued dynamic developments to be expected, especially since SafeLine contributes uniquely to improving customer loyalty with its safety features. The CarFinder function of SafeLine, for instance, is the best option for relocating vehicles in today's age of increased car thefts. This was confirmed in 2009 with a success rate of 100%.

Here as well, a focus is being placed on climate protection in the further development of the products. For the first time, UNIQA will offer insurance coverage for electric bicycles and Segways, and the Group will continue to offer premium advantages as incentives for customers who use more public transportation in addition to their cars. SafeLine is also a leader among motor vehicle insurance policies in the area of climate protection with its flexible environmental bonus for people who do little driving.

In 2010, UNIQA intends to honour the slogan "The insurance of a new generation" in the processing of motor vehicle claims as well. It will be possible for customers to easily report motor vehicle damage to UNIQA using an iPhone or BlackBerry. Not only can the correct location be determined by GPS, photos of the damage and the accident site are also easy to submit. This reduces the effort required of the customer while also simplifying and accelerating completion of the process. All of these new developments are also intended for the other Group companies as well. For example, the driver protection has already been put to use in Raiffeisen Versicherung and SafeLine in Hungary.

In the area of company liability insurance, the activities are focused on technical implementation of environmental cleanup costs insurance. Just shortly after the new statutory provisions entered into effect in summer of 2009, UNIQA provided this insurance protection to its customers, once again proving the Group's market leadership in this segment. A supplementary module for eHORA, developed in cooperation with the Austrian Insurance Association and the Austrian Ministry of Agriculture, Forestry, Environment and Water Management has also been available since February 2010 for risk assessment by allowing precise risk assessment for specific locations with regard to the categories of soil/water and biodiversity.

Particular importance continues to be given to providing technical insurance-related support to large, internationally active customers. For this reason, UNIQA has established an international key account management system in order to quickly and efficiently serve customers with cross-border insurance needs within the framework of an international programme.

UNIQA will address the continuing price pressure with targeted product innovations. In addition to continuation of the already familiar risk management measures, such as the Legionella precautions at hospitals or the cableway weather information system, additional product innovations were introduced and developed, like all-risk machine breakdown insurance and all-risk electronics insurance. A combination of multiple insurance lines – liability, technical insurance policies and transport – into a custom-tailored product for installation projects is also being developed.

A new premium package should promote sales in the area of business interruption insurance for freelancers in 2010. One particular highlight is the termination protection with which UNIQA foregoes its right of termination for the entire contract term in exchange for a higher premium. This addresses the security needs of the customers even better than before. Premium reimbursement in the absence of claims is automatically included.

Starting in the second half of 2010, UNIQA will also introduce a new accident rate structure that should make the offered product elements even more customer-friendly. The scope of benefits is being expanded for the key element of casualty insurance, "permanent invalidity". A significantly higher progression than before should offer customers more benefits in event of severe injury consequences. In 2010, it will also be possible for the first time in the UNIQA Group to conclude the purchase of a casualty insurance product online. As of mid-January, the sales partner ÖAMTC will offer a casualty insurance product from CALL DIRECT Versicherung AG, the direct insurer of the UNIQA Group Austria, at www.oeamtc.at.

In Eastern and South Eastern Europe as well, innovative, customer-oriented products were introduced as part of a modular system and premiums were differentiated on a risk-specific basis through scoring.

Health insurance

The annual negotiation of the fees chargeable by hospitals and doctors is and remains one of the central tasks of Austrian private health insurance. Under UNIQA's leadership, these negotiations were concluded successfully with all contract parties once again for the year 2010. In view of the very low inflation rate and the relatively moderate cost of labour developments, it was generally possible to keep the conceded price increases at a very moderate level. In line with this, the premium adjustments for the insured were also lower than in previous years. However, this pleasant fact will naturally lead to somewhat lower growth in health insurance in 2010.

Of course, the development of the health insurance business will also be affected by the general economic situation. In this regard, 2010 so far appears to be a difficult year with continued increases in unemployment. On the other hand, the awareness of the need for private provisions in healthcare is certainly on the rise. For this reason, UNIQA expects demand and cancellations rates to remain stable.

This continuous development should be supported by the introduction of a new product for nursing care insurance in spring of 2010. The demand for serious insurance offers in this area in particular will increase significantly in the coming years. Another area of focus will be promoting the innovative offers in the area of prevention. UNIQA is so far the only insurance company with products that not only support a healthy lifestyle through concrete service benefits like VitalCoaching but also recognise it in the form of premium reimbursements. For corporate customers, the activities of the Business Health Management (BGM) programme are being further intensified and will also be financially supported. All of this is taking place against the background of a deep belief that the cost explosion associated with the increasing number of "diseases of civilisation" can only be counteracted through consistent promotion of health.

The central goal is keeping premiums affordable in the face of rising life expectancy, improved medical possibilities and lifestyle-related cost increases. For this reason, an additional emphasis for this year will be on promoting the product "Future Bonus", which can help significantly reduce premiumsfrom the age of 65 and older.

Under the auspices of the Association of Austrian Insurance Companies, a major project was kicked off at the start of 2010 that UNIQA will be working on during the coming years – presumably over the long term. Specifically, it involves developing quality criteria for medical treatment in cooperation with contract partners and making these criteria transparent to the customers while also using them as the basis for a differentiated fee structure. This should lead overall to a better decision-making basis for customers and incentives for further quality improvements by the medical contract partners.

A look outside the borders of Austria also shows how the activities begun in the area of health insurance during past years are bearing fruit. In Hungary, Poland, Croatia, Bosnia and Herzegovina, the Czech Republic, Albania and Ukraine, UNIQA is achieving attractive growth rates despite a sometimes difficult environment. To further support these activities, a second UNIQA VitalTruck has been ordered and should go into service in autumn of 2010. In many of the countries listed, out-patient medical care is guaranteed by out-patient clinics. The VitalTruck will be a kind of out-patient clinic on wheels – with the advantage that it travels directly to corporate customers, making it possible to offer the care much more efficiently. The truck will also be designed with an attractive and eye-catching appearance to make it a good symbol for "The insurance of a new generation".

Good future prospects exist in Germany for Mannheimer Krankenversicherung, a member of the UNIQA Group. After the change in government, a more sympathetic or at least a more stable regulatory environment can be expected. The small subsidiary in Geneva was able to extend the health insurance management contract with CERN and acquired another important international organisation as a customer in the form of the United Nations.

Life insurance

The UNIQA Group offers a comprehensive range of classic and unit-linked life insurance products. Within the framework of the free movement of services, the unit-linked life insurance products are also offered in Germany and Slovenia in their respective, country-specific versions.

In Austria, the UNIQA Group was able to further strengthen its leadership in the area of unit- and index-linked life insurance in 2009. This can be attributed primarily to "FlexSolution" from UNIQA and "My flexible life insurance" from Raiffeisen Versicherung and the very successful index-linked life insurance products like "Inflation Protection RZB Guarantee". The supplementary risk modules were further expanded in the area of "FlexSolution" in particular. The provision solutions of this nature available so far have enjoyed a positive reception among the customers, reaffirming UNIQA's strategy of offering customers products that they can individually adapt to their current life circumstances.

The state-subsidised pension provisions were also adapted to the current requirements, although this involved legislative changes. With the new "life cycle model", it will be possible to react to a specific stock market environment and optimally structure the stock ratio for the investor based on age. The goal is to offer customers greater yield prospects in their younger years on the basis of a higher stock ratio and to lower the share of stocks in stages toward the end of the term to avoid endangering the accumulated value. Building on this, two guarantee models are being offered for the first time in the form of the option model (1st guarantee date after 10 years) and the CPPI model (1st guarantee date after 15 or 20 years). The successful cooperation with Austria's largest investment company is being continued in its proven form.

Despite the difficult conditions due to the low interest level, innovative solutions that stand out among competing products thanks to their attractive features should once again be brought onto the market in 2010 in the area of index-linked life insurance.

The concept of "security" has taken on a new significance for customers during the last few years. Against this background, both classic and the new capital-oriented life insurance products are enjoying great popularity. For this reason, UNIQA and Raiffeisen Versicherung will make good use of the possibilities of life insurance based on capital investment in 2010 and restructure their offerings in this area. In the area of classic life insurance, the main focus of the sales activities will be on the burial costs insurance successfully started in 2009 as well as on occupational disability insurance. While corresponding awareness-raising has already been successful in the sensitive area of burial costs insurance, work is still required in regards to occupational disability insurance. However, the UNIQA Group not only offers products for the aspects of savings and risk but also strives to stand beside its customers during difficult life phases with appropriate solutions.

The cooperation between UNIQA and the Raiffeisen bank group will be further intensified in the year 2010 in the establishment and expansion of the bank sales in Central and Eastern Europe. The "Preferred Partnership" with Raiffeisen already encompasses the markets of Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Romania, Bulgaria, Ukraine, Kosovo and, since October 2009, also Russia. The sometimes severe declines in the financing volumes have restricted the scope of business in combined banking and insurance products, but it was possible to partially compensate for the losses by introducing new product combinations and bundled offers. The sales activities are now focused more heavily on the sale of "stand-alone" insurance products, particularly capital-forming life insurance products. Over 10,000 new contracts for capital-forming life insurance policies were concluded in 2009 in a total of eight countries. The introduction of additional "stand-alone" products is planned.

Another focus lies on the development of synergies through shared use of the sales channels. Additional impulses, particularly in the area of life insurance, come from the cooperation with the Veneto Banca Gruppe in Italy. The cooperation agreement recently concluded at the end of 2009 lays out a long-term structure for this cooperation.

In the area of money laundering prevention, a precise spot check audit was implemented in 2009 based on an IT-supported, risk-oriented monitoring system in Austria. Since 2009, an internally developed guideline within the UNIQA Group has established international Group standards that should be successively implemented within the entire Group by the end of 2010. The standards encompass internal regulations, pertinent training modules, transaction and customer monitoring as well as intensified auditing and reporting. Other work planned for 2010 includes the creation of risk profiles for all companies of the UNIQA Group, risk-oriented categorisation of the customer base as well as increased use of joint IT solutions.

The cooperation between all Group companies should be further improved in 2010 with an international conference. Among other efforts, this should involve best practice examples that can help to improve synergy effects within the Group.

Group profit

Forecasts for the profit development are marked by a high level of uncertainty due to the continued uncertainties regarding economic developments. If the anticipated economic recovery sets in during 2010, we expect to see a stable trend in the growth of operating profit. Provided that there are no negative surprises on the capital markets or storms comparable to 2009, we consider an increase in the Group profit before taxes by 40% to 50% to be possible for the year 2010.

Information according to Section 243a paragraph 1 of the Austrian Commercial Code

1. The share capital of UNIQA Versicherungen AG ("the company") is € 142,985,217 and is comprised of 142,985,217 individual no par value shares in the name of the bearer. The share capital has been paid in full. All shares have the same rights and obligations.
2. Due to their voting commitments, the shares of Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherung auf Gegenseitigkeit, UQ Beteiligung GmbH, RZB Versicherungsbeteiligung GmbH and Raiffeisen Centrobank AG are counted together. Reciprocal purchase option rights have been agreed upon between the first three shareholders listed.
3. Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung holds a total of 37.91% of the share capital of the company indirectly via Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH and indirectly (effectively) via BL Syndikat Beteiligungs Gesellschaft m.b.H.; Raiffeisen Zentralbank Österreich Aktiengesellschaft holds 41.65% of the share capital of the Company indirectly via BL Syndikat Beteiligungs Gesellschaft m.b.H. (effectively), UQ Beteiligung GmbH, RZB Versicherungsbeteiligung GmbH and Raiffeisen Centrobank AG (participation ratios according to the voting rights report from 18 December 2009).
4. No shares with special control rights have been issued.
5. No employee capital participation models exist.
6. No provisions of the articles or other provisions exist that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the articles with the exception of the rule that when a Supervisory Board member turns 70 years of age, he or she shall be retired from the Supervisory Board at the end of the next Annual General Meeting.
7. The Management Board is authorised to increase the share capital up to and including 30 June 2010 with the approval of the Supervisory Board by a total of no more than € 26,792,591 (Articles as at 16 December 2009). The Management Board is further authorised until 18 November 2010 to buy back up to 11,977,780 own shares through the company and/or through subsidiaries of the company (Section 66 Stock Corporation Act). As at 31 December 2009, the company held 819,650 own shares.
8. With regard to the shareholding in STRABAG SE, corresponding agreements with other shareholders of this company exist.
9. No reimbursement agreements exist for the event of a public takeover offer.

Information according to Section 243a paragraph 2 of the Austrian Commercial Code

The most important features of the internal controlling and risk management system with regard to the financial reporting process are described in the Group Notes (Risk report).

Proposed appropriation of profit

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Commercial Code, report an annual net profit for the 2009 financial year of € 57,257,946.36 (2008: € 53,190,348.20). The Management Board will propose to the Annual General Meeting on 31 May 2010 that this net profit be used for a dividend of 40 cents for each of the 142,985,217 dividend-entitled no-par shares issued as at the reporting date and the remaining amount carried forward onto new account.

Vienna, 6 April 2010

Konstantin Klien
Chairman of the
Management Board

Andreas Brandstetter
Vice Chairman of the
Management Board

Hannes Bogner
Member of the
Management Board

Karl Unger
Member of the
Management Board

Gottfried Wanitschek
Member of the
Management Board

Corporate Governance Report

The UNIQA Group has committed itself since 2004 to compliance with the Austrian Code of Corporate Governance and publishes this compliance declaration both in the Group annual report and on the Group website under **www.uniqagroup.com → Investor Relations → Corporate Governance**. The Austrian Code of Corporate Governance is also publically available at www.corporate-governance.at.

Implementation and compliance with the individual rules of the code are annually evaluated by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Primarily on the basis of a questionnaire, this institution evaluates whether the company complies with the Austrian Code of Corporate Governance, as published by the Austrian Working Group on Corporate Governance. The report on the external evaluation in accordance with rule 62 of the Austrian Code of Corporate Governance can be found on the UNIQA Group website.

UNIQA declares its continued willingness to comply with the Austrian Code of Corporate Governance, as currently amended. In accordance with the code, the "L rules" (legal requirements) are all fully adhered to. However, UNIQA deviates from the provisions of the code in the version applicable for the reporting year with regard to the following "C rules" (comply or explain) and explains as follows:

Rule 31

UNIQA Versicherungen AG does not view individual publishing of the Management Board salaries to be meaningful or useful in consideration of data privacy issues and the right of privacy of the individual Management Board members.

Rule 45

Markus Mair is, in addition to his function as a member of the Supervisory Board of UNIQA Versicherungen AG, also on the Supervisory Board of Grazer Wechselseitige Versicherung Aktiengesellschaft and GRAWE-Vermögensverwaltung.

Rule 49

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with individual members of the Supervisory Boards of related companies. As long as such contracts require approval by the Supervisory Board according to Section 95 paragraph 5 sub-para 12 of the Austrian Stock Corporation Act (rule 48), the details of these contracts cannot be made public for reasons of company policy and competition laws. In any case, all transactions are handled under customary market conditions.

Rule 51

UNIQA Versicherungen AG does not view individual publishing of the Supervisory Board compensation to be meaningful or useful in consideration of data privacy issues and the right of privacy of the individual Supervisory Board members.

Management Board

Chairman

Konstantin Klien
- Born in 1951
- Appointed since 1 October 2000 until 30 September 2013

Responsible for
- Group management
- Sales
- Planning and controlling
- Human resources
- Marketing
- Communication
- Investor relations
- Internal auditing

Country responsibility
- Austria

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Wiener Börse AG, Vienna
- Member of the Board of Directors of Takaful Emarat Insurance, UAE

Vice Chairman

Andreas Brandstetter
- Born in 1969
- Appointed since 1 January 2002 until 30 September 2013

Responsible for
- New markets
- Mergers & acquisitions
- Bank sales policy

Country responsibility
- Albania
- Bulgaria
- Kosovo
- Macedonia
- Montenegro
- Romania
- Russia
- Serbia
- Slovenia
- Ukraine

Members

Hannes Bogner
- Born in 1959
- Appointed since 1 January 1998 until 30 September 2013

Responsible for
- Group accounting
- Planning and controlling
- Asset management (back office)
- Investor relations
- Industry customers and reinsurance policy

Country responsibility
- Germany
- Italy
- Poland
- Switzerland

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Board of Directors of Takaful Emarat Insurance, UAE

Karl Unger
- Born in 1953
- Appointed since 1 January 2002 until 30 September 2013

Responsible for
- Private customer business
- IT
- Company organisation
- Customer service
- Group actuarial office
- Risk management

Country responsibility
- Liechtenstein
- Slovakia
- Hungary

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna

Gottfried Wanitschek
- Born in 1955
- Appointed since 1 January 1997 until 30 September 2013

Responsible for
- Asset management (front office)
- Equity holdings
- Real estate
- Legal affairs
- General administration
- Internal auditing

Country responsibility
- Bosnia and Herzegovina
- Croatia
- Czech Republic

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Supervisory Board of EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUßENMEDIEN GMBH, Vienna
- Vice Chairman of the Supervisory Board of KURIER Beteiligungs-Aktiengesellschaft, Vienna
- 2nd Vice Chairman of the Supervisory Board of KURIER Redaktionsgesellschaft m.b.H., Vienna
- 2nd Vice Chairman of the Supervisory Board of KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H., Vienna
- Member of the Supervisory Board of LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H., Vienna
- Chairman of the Supervisory Board of Privatklinik Villach Gesellschaft m.b.H., Klagenfurt
- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna

Functions of the Management Board

The rules of procedure regulate the distribution of business and the cooperation of the Management Board. They also describe the notification and reporting obligations of the Management Board with respect to the Supervisory Board and stipulate a catalogue of measures that require approval by the Supervisory Board.

Supervisory Board

Chairman

Christian Konrad
- Born in 1943
- Appointed since 29 June 1990 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of DO & CO Restaurants & Catering Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BAYWA AG, Munich
- Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

First Vice Chairman

Georg Winckler
- Born in 1943
- Appointed since 17 September 1999 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- First Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

Second Vice Chairman

Walter Rothensteiner
- Born in 1953
- Appointed since 3 July 1995 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- Chairman of the Supervisory Board of Raiffeisen International Bank-Holding AG, Vienna

Third Vice Chairman

Heinz Kessler
- Born in 1938
- Appointed since 17 September 1999 until 25 May 2009

Supervisory Board appointments in domestic and foreign listed companies
- Chairman of the Supervisory Board of Erste Group Bank AG, Vienna
- Chairman of the Supervisory Board of Rath Aktiengesellschaft, Vienna

Christian Kuhn
- Born in 1954
- Appointed since 15 May 2006 until the 12th AGM (2011)

Fourth Vice Chairman

Günther Reibersdorfer
- Born in 1954
- Appointed since 23 May 2005 until 25 May 2009

Markus Mair
- Born in 1964
- Appointed since 15 May 2006 until the 12th AGM (2011)

Fifth Vice Chairman

Ewald Wetscherek
- Born in 1944
- Appointed since 17 September 1999 until the 12th AGM (2011)

Members

Ernst Burger
- Born in 1948
- Appointed since 25 May 2009 until the 12th AGM (2011)

Konrad Fuchs
- Born in 1938
- Appointed since 17 September 1999 until 25 May 2009

Erwin Hameseder
- Born in 1956
- Appointed since 21 May 2007 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Eduard Lechner
- Born in 1956
- Appointed since 25 May 2009 until the 12th AGM (2011)

Hannes Schmid
- Born in 1953
- Appointed since 25 May 2009 until the 12th AGM (2011)

Assigned by the Central Employee Council

Johann-Anton Auer
- Born in 1954
- Since 18 February 2008

Doris Böhm
- Born in 1957
- Since 7 April 2005

Anna Gruber
- Born in 1959
- Since 15 April 2009

Hans Hahnen
- Born in 1948
- From 1 January 2006 to 21 May 2008 and from 1 September 2008 to 15 April 2009

Franz Michael Koller
- Born in 1956
- Since 17 September 1999

Friedrich Lehner
- Born in 1952
- From 31 May 2000 to 1 September 2008 and since 15 April 2009

Walter Zwiauer
- Born in 1944
- From 3 June 1982 to 15 April 2009

The Supervisory Board of UNIQA Versicherungen AG had five meetings in 2009.

Committees of the Supervisory Board

Committee for Board Affairs

- **Christian Konrad** (Chairman)
- **Georg Winckler**
- **Walter Rothensteiner**
- **Heinz Kessler** (until 25 May 2009)
- **Christian Kuhn** (since 25 May 2009)

Working Committee

- **Christian Konrad** (Chairman)
- **Georg Winckler**
- **Walter Rothensteiner**
- **Heinz Kessler** (until 25 May 2009)
- **Christian Kuhn** (since 25 May 2009)
- **Günther Reibersdorfer** (until 25 May 2009)
- **Markus Mair** (since 25 May 2009)
- **Ewald Wetscherek**

Assigned by the Central Employee Council
- **Johann-Anton Auer** (since 15 April 2009)
- **Doris Böhm**
- **Franz Michael Koller**
- **Walter Zwiauer** (until 15 April 2009)

Audit Committee

- **Christian Konrad** (Chairman)
- **Georg Winckler**
- **Walter Rothensteiner**
- **Heinz Kessler** (until 25 May 2009)
- **Christian Kuhn** (since 25 May 2009)
- **Günther Reibersdorfer** (until 25 May 2009)
- **Markus Mair** (since 25 May 2009)
- **Ewald Wetscherek**

Assigned by the Central Employee Council
- **Johann-Anton Auer** (since 15 April 2009)
- **Doris Böhm**
- **Franz Michael Koller**
- **Walter Zwiauer** (until 15 April 2009)

Investment Committee

- **Erwin Hameseder** (Chairman)
- **Konrad Fuchs** (Vice Chairman until 25 May 2009)
- **Georg Winckler** (Vice Chairman since 25 May 2009)
- **Günther Reibersdorfer** (until 25. May 2009)
- **Eduard Lechner** (since 25 May 2009)
- **Hannes Schmid** (since 25 May 2009)

Assigned by the Central Employee Council
- **Johann-Anton Auer** (since 15 April 2009)
- **Doris Böhm**
- **Walter Zwiauer** (until 15 April 2009)

Functions of the Supervisory Board and its committees

The Supervisory Board advises the Management Board in its strategic planning and projects. It participates in the decisions assigned to it by statute, by the company articles and by its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board.

A Committee for Board Affairs of the Supervisory Board has been formed for handling the relationships between the company and the members of its Management Board relating to employment and salary (Section 92 paragraph 4 last clause of the Austrian Stock Corporation Act).

The appointed Working Committee of the Supervisory Board shall be called upon for decisions only if the urgency of the issue will not allow the decision to wait until the next meeting of the Supervisory Board. The evaluation of the urgency is the responsibility of the chairman. The decisions passed must be reported in the next meeting of the Supervisory Board. The Working Committee decides in principle on all issues that are the responsibility of the Supervisory Board; issues of particular important or stipulated by law are excepted, however.

The Audit Committee (Section 92 paragraph 4a Austrian Stock Corporation Act) performs the duties assigned to it by law. The Audit Committee of the Supervisory Board has the same membership as the Working Committee. The duties assigned to the Audit Committee by law are in some cases also handled by the Working Committee.

Finally, the Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority.

In 2009, the Working Committee mainly discussed the profit developments of the Group, assessed the company strategy and made a series of decisions regarding measures to be taken. Alongside the Audit Committee, the Working Committee was also concerned with the reports of Internal Auditing regarding audit regions and significant audit discoveries based on executed audits. It also performed other duties assigned to the Audit Committee by law. The committee held five meetings in 2009 and made four decisions by circulating them in writing. In its meeting, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board. The Investment Committee had four meetings about the capital investment strategy and questions of the capital structure. In its meeting, the Audit Committee concentrated on all audit documents and the Management Board's proposed appropriation of profit and reported to the Supervisory Board. The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

Independence of the Supervisory Board

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Code of Corporate Governance.

A Supervisory Board member is considered independent if he or she is not in any business or personal relationship with the company or its Management Board that represents a material conflict of interests and is therefore capable of influencing the behaviour of the member.

UNIQA has established the following points as additional criteria for the independence of a Supervisory Board member:

- The Supervisory Board member should not have been a member of the Management Board or a managing employee of the company or a subsidiary of the company in the past five years.
- The Supervisory Board member should not maintain or have maintained within the last year any business relationships significant for said Supervisory Board member with the company or a subsidiary of the company. This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest but not for the performance of executive functions in the Group.
- The Supervisory Board member should not have been auditor of the partners or a shareholder or employee of the auditing company within the last three years.
- The Supervisory Board member should not be a Management Board member of another company in which a Management Board member of the company is a Supervisory Board member unless one of the companies is a member of the other company's Group or holds a business interest in the company.
- The Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with an entrepreneurial stake or who are representing the interests of a party with such a stake.
- The Supervisory Board member should not be a close family relative (direct descendent, spouse, life companion, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

The rules of procedure regulate the distribution of business and the cooperation of the Management Board. They also describe the notification and reporting obligations of the Management Board with respect to the Supervisory Board and stipulate a catalogue of measures that require approval by the Supervisory Board.

Remuneration report

Earnings of the Management Board and Supervisory Board

Members of the Management Board receive remunerations exclusively from UNIQA Versicherungen AG.

	2009 € 000	2008 € 000
The expenses for renumeration of Management Board members attributable to the reporting year amounted to:		
Regular payments	2,895	2,370
Performance-related remunerations	0	0
Total	**2,895**	**2,370**
of which charged to operational subsidiaries	2,750	2,252
Former members of the Mangement Board and their surviving dependants were paid:	2,522	2,624
Because of pension commitments to these persons, the following provision was set up on 31 Dec.	21,746	20,513

The remuneration to members of the Supervisory Board amounted to:

	2009 € 000	2008 € 000
For the current financial year (provision)	323	391
Meeting attendance fee	35	44
Total	**358**	**435**

Former members of the Supervisory Board did not receive any remuneration.

The information according to Section 239 paragraph 1 of the Austrian Business Code in connection with Section 80b of the Insurance Supervisory Act, which must be included in the Notes as mandatory information for financial statements according to IFRS to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, is defined for the individual financial statements according to the provisions of the Austrian Commercial Code, with expanded scope. In addition to the executive functions (Management Board) of UNIQA Versicherungen AG, the individual financial statements also include the earnings of the Management Boards of the subsidiaries, insofar as a legally binding basis exists with UNIQA Versicherungen AG.

Principles for profit participation by the Management Board

A variable income component was made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus will be provided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG. The Management Board reports to the Staff Committee on the balance sheet work involving the development of the Group’s reserves. The Staff Committee can appropriately take changes to the reserves into account in determining the size of the bonus payments and establish an adjusted Group return on equity. No changes with respect to the previous year were made to the principles of the profit participation.

Principles for the pension scheme provided in the company for the Management Board and its requirements

Retirement pensions, a pension for occupational invalidity as well as a widow’s and orphan’s pension have been established, whereby the pension entitlements are managed by ÖPAG Pensionskassen AG. The retirement pension is due in principle upon meeting the requirements for the old-age pension according to the General Social Security Act. In event of an earlier retirement, the pension claim is reduced. For the occupational invalidity pension and the pension for surviving dependants, flat rates are provided as a minimum pension.

Principles for vested rights and claims of the Management Board of the company in the event of termination of their position

Severance payments have been agreed upon based partially on the provisions of the Salaried Employee Act. The benefits are fundamentally retained in the event of termination of membership in the Management Board; however, a reduction rule applies.

Supervisory Board remuneration scheme

Remunerations to the Supervisory Board are decided at the Annual General Meeting as a total amount for the work in the past financial year. The remuneration amount applicable to the individual Supervisory Board members is based on the position within the Supervisory Board and the number of committee positions.

D&O insurance

Such insurance exists, and the relevant costs are paid by UNIQA.

Risk report, directors’ dealings

A comprehensive risk report (rule 67) is included in the Group notes beginning on p. 74. A description of the announcements made about the directors’ dealings (rule 70) can also be found in the Corporate Governance area of the Group website.

Vienna, 6 April 2010

Konstantin Klien Chairman of the Management Board	**Andreas Brandstetter** Vice Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Karl Unger** Member of the Management Board	**Gottfried Wanitschek** Member of the Management Board