2012

GROUP REPORT 2012/UNIQA GROUP

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UNIQA

UNIQA Group at a glance

Group key figures Figures in € million	2012	2011	Change
Premiums written	**4,864.2**	**4,900.2**	**– 0.7%**
Savings portion of premiums from unit- and index-linked life insurance (gross before reinsurance)	679.0	633.9	+ 7.1%
Premiums written including the savings portion from unit- and index-linked life insurance	**5,543.1**	**5,534.2**	**+ 0.2%**
of which property and casualty insurance	2,545.9	2,409.8	+ 5.6%
of which health insurance	909.1	880.1	+ 3.3%
of which life insurance	2,088.1	2,244.3	– 7.0%
of which recurring premiums	1,554.6	1,643.4	– 5.4%
of which single-premium business	533.5	600.9	– 11.2%
Premiums written including the savings portion from unit- and index-linked life insurance	**5,543.1**	**5,534.2**	**+ 0.2%**
of which Austria	3,566.2	3,685.8	– 3.2%
of which Central Europe	859.5	868.3	– 1.0%
of which Eastern Europe	199.5	157.6	+ 26.6%
of which Southeastern Europe	193.5	187.4	+ 3.3%
of which Russia	43.0	26.8	+ 60.6%
of which Western Europe	681.5	608.3	+ 12.0%
Premiums earned (net)[1]	**4,623.9**	**4,665.0**	**– 0.9%**
of which property and casualty insurance	2,394.4	2,254.6	+ 6.2%
of which health insurance	903.0	873.9	+ 3.3%
of which life insurance	1,326.5	1,536.5	– 13.7%
Savings portion of premiums from unit- and index-linked life insurance (net after reinsurance)	649.9	599.7	+ 8.4%
Premiums earned (net) including the savings portion of premiums from unit- and index-linked life insurance	**5,273.8**	**5,264.7**	**+ 0.2%**
Net insurance benefits	**– 3,758.5**	**– 3,657.9**	**+ 2.8%**
of which property and casualty insurance	– 1,638.8	– 1,533.4	+ 6.9%
of which health insurance	– 756.5	– 738.1	+ 2.5%
of which life insurance	– 1,363.2	– 1,386.5	– 1.7%
Operating expenses (net)[2]	**– 1,319.3**	**– 1,412.8**	**– 6.6%**
of which property and casualty insurance	– 786.8	– 831.3	– 5.4%
of which health insurance	– 138.6	– 143.4	– 3.3%
of which life insurance	– 393.9	– 438.1	– 10.1%
Cost ratio (net after reinsurance)	**25.0%**	**26.8%**	**–**
Combined ratio (net after reinsurance)	**101.3%**	**104.9%**	**–**
Net investment income	**791.5**	**201.8**	**+ 292.2%**
Profit/loss on ordinary activities	**205.4**	**– 322.3**	**–**
Net profit/loss	**169.8**	**– 243.8**	**–**
Consolidated net profit	**130.2**	**– 245.6**	**–**
Return on equity (ROE) after taxes and minority interests	**9.1%**	**– 22.8%**	**–**
Investments[3]	**26,307.6**	**24,601.1**	**+ 6.9%**
Shareholders' equity	1,995.3	875.9	+ 127.8%
Total equity including minority interests	**2,017.6**	**1,095.6**	**+ 84.2%**
Technical provisions (net)[4]	**23,759.3**	**23,116.8**	**+ 2.8%**
Total assets	**30,037.2**	**28,567.7**	**+ 5.1%**
Number of insurance policies	17,439,608	17,017,636	+ 2.5%
Average number of employees	**14,799**	**15,081**	**– 1.9%**

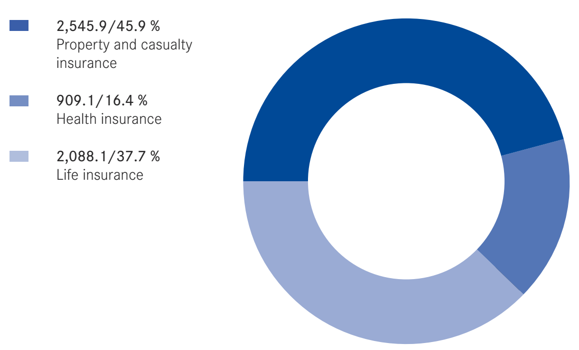
[1] Fully consolidated values
[2] Including reinsurance commissions and profit shares from reinsurance business ceded
[3] Including self-used land and buildings, land and buildings held as financial investments, shares in associated companies, investments held on account and at risk of life insurance policyholders and liquid funds
[4] Including technical provisions for life insurance policies held on account and at risk of policyholders

Key figures for the UNIQA share Figures in €	2012	2011	2010	2009	2008
Share price as at 31.12.	9.86	9.42	14.70	12.97	18.06
High	13.40	16.50	15.34	18.86	21.46
Low	8.75	9.00	10.68	12.21	13.50
Average daily trading volume (in € million)	0.1	0.1	0.5	0.5	1.0
Market capitalisation as at 31.12. (in € million)	2,112.5	1,346.9	2.102.0	1,855.0	2,378.0
Earnings per share	0.77	– 1.73	0.30	0.19	0.44
Dividend per share	0.25[1]	0	0.40	0.40	0.40

[1] Proposal to the Annual General Meeting

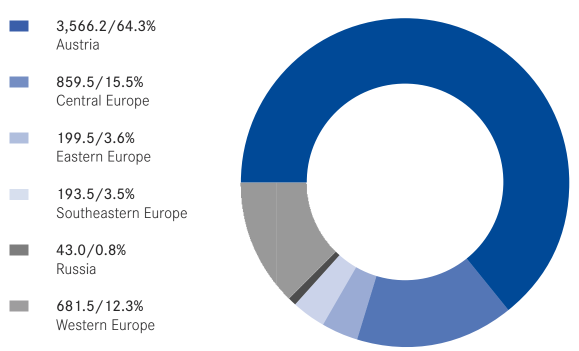
Premium volume written by business line 2012

Figures in € million/per cent



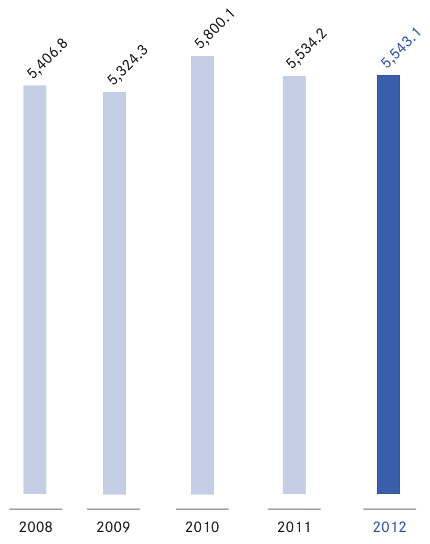
Premium volume written by region 2012

Figures in € million/per cent



Premium volume written 2008–2012

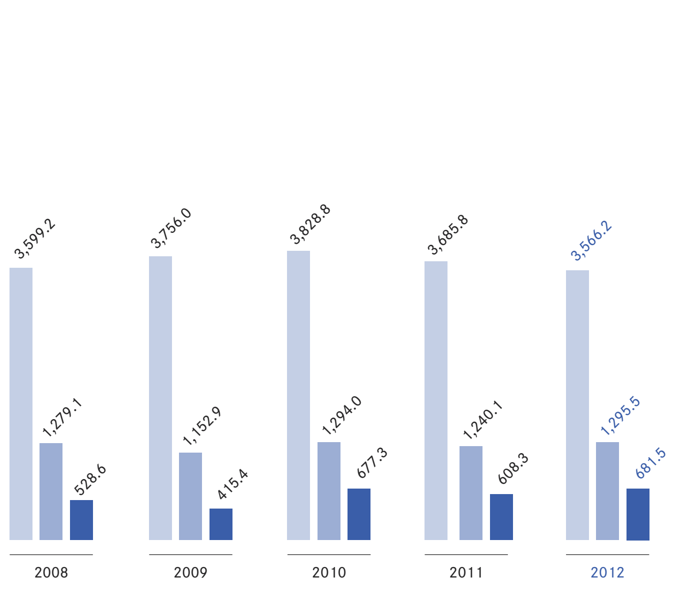
Figures in € million



Premium volume written 2008–2012 Austria/CEE/Western Europe

Austria CEE Western Europe

Figures in € million



Contents

Hanging in there, staying grounded, staying hungry

Andreas Brandstetter (43) talks about initial progress in the long-term reorientation of the Group, why premature celebrations make him nervous and why others can prepare a better schnitzel.

Mr Brandstetter, this time last year you said you would have to be crazy to be satisfied with 2011 earnings. Has 2012 given you greater cause to rejoice?
Professionally, without a doubt. At the last Annual General Meeting, I stood up and apologised openly on behalf of the entire Management Board to our shareholders for the disastrous year that was 2011. To first disappoint them with our earnings and then have to propose to the Annual General Meeting that no dividend be paid – it's not something that I want to inflict on our shareholders again.

Turning to 2012: Yes, it was a positive year overall – that's correct. The figures are clearly moving in the right direction – that's also correct. That we can be proud of this – yes, that's true as well.

However, in many areas, we still have a long, long way to go to get to where we need to be. So, I'm not in a position to issue a clean bill of health for our future. It is our obligation and our desire to spend each day earning the trust of our 8.7 million customers, who are of course also being courted assiduously by the competition. We also intend to attract new customers. When I see the commitment that our employees bring to their work and to implementing the change process, I am also extremely confident that we will succeed in doing so. Our colleagues have once again done a great job in 2012.

Nevertheless – it doesn't sound like unbridled euphoria just yet ...
That's because there are no grounds for it. What we have achieved in 2012, marks the first success in what will be a long process, nothing more. Take, for example, our return on equity. We have achieved an ROE after taxes of 9.07 per cent. While it's not bad by any means, there's plenty of room for improvement. The same applies to our return on sales of 3.9 per cent.

Given the Austrian mentality, which can swing between "down in the dumps" and "over the moon" in the blink of an eye, any signs of premature celebration make me nervous. It's like the roller-coaster fortunes of our domestic football league. That is why my colleagues on the Management Board and I are determined to keep our feet firmly on the ground, to stay hungry and to continue focusing all our energy on systematically implementing our strategy. That is the key.

You refer to a first success. What is the big objective?
We have clearly defined this in our long-term growth strategy UNIQA 2.0: we intend to double our number of customers to 15 million by 2020. We will do this by refusing to compromise when it comes to aligning ourselves with the needs of our customers. For this reason, we have initiated a comprehensive change process, a work agenda that we are systematically implementing.

You want UNIQA to be judged on the ability to deliver on its promises. Can you honestly say that you achieved in 2012 what you promised beforehand?
Absolutely. Last year, we achieved every last thing that we set out to do. This consisted primarily of five work packages: first of all, we said that we intended to improve our EBT in 2012 compared to the 2010 figure of €141.8 million – which was as yet unaffected by the crisis. With a figure of €205.4 million, we clearly succeeded in doing so.

Secondly, we said that we intended to focus on our core business in our two core markets of Austria and Central and Eastern Europe.

This is why we sold the Mannheimer Group in Germany along with our media investments. We also sold our hotel holdings at the start of 2013. The logic behind this is simple. If we intend to double our 2010 customer base by 2020, then we must devote all our efforts to achieving this. We cannot afford to spare individual resources to manage newspapers or hotels. I can guarantee that a professional hotel operator who has learned the business from scratch will serve you a better schnitzel than we did! Stick to what you know! I don't want us to manage a medium-quality hotel group in Central Europe. But I do want us to become the best insurance provider in Central Europe in the medium term!

But you have also acquired holdings ...
Yes, because these enable us to achieve sustainable increases in the value of our core business. We have increased the holdings in our private clinics in Austria to 100 per cent and acquired the minority interests held by the EBRD in our insurance companies in Croatia, Poland and Hungary.

"We are going to great lengths to ensure that all of us keep our feet firmly on the ground."

Thirdly, we have set out to strengthen our equity base. We also succeeded in doing this – thanks not least to a cash capital increase amounting to €500 million, the majority of which was underwritten by the two core shareholders: RZB and Austria Privatstiftung. This cash capital increase demonstrates their confidence in the company and that they fully support UNIQA 2.0. Our solvency ratio at the end of 2012 was 214.9 per cent. This figure compares very well internationally. As a result, we have also created a stable basis from which to exploit short-term and medium-term growth opportunities.

Fourthly, we still need additional capital in order to secure our long-term growth. And we plan to raise this from the capital markets through what's known as a re-IPO. As promised, we have therefore created a new, clear Group structure in 2012 with no significant minority interests – one that's transparent and easily comprehensible to every investor. Fifthly and finally, we delivered on our promise to systematically implement our four UNIQA 2.0 programmes.

What exactly do these four programmes involve?
Our most important financial target is to increase EBT from its 2010 level by up to €400 million by 2015. To achieve this, we have initiated a four-point programme. This can be summarised as follows:
- UNIQA Austria: increase profitability.
- Raiffeisen Insurance Austria: intensify operational cooperation with the Raiffeisen Banking Group, thus increasing productivity.
- UNIQA International: given our focus on markets in which we already operate, we intend to grow more strongly than the market in our existing CEE countries – and to do so profitably.
- Risk management: to establish a contemporary, value-oriented company management and to swiftly optimise the risk profile – due not least to our painful experiences with Greek government bonds.

What progress have you made in 2012?
To date, all four programmes are on schedule: UNIQA Austria has implemented the reorganisation of its sales and back-office departments and has improved profitability. Raiffeisen Insurance in Austria has concluded agreements with the Raiffeisen regional banks, which places cooperation between the partners on a completely new footing.

Andreas Brandtstetter talking with Ivana Dumitraskovic (UNIQA International) and Filip Kisiel (UNIQA Austria)

We have outperformed the market in almost every country in Central and Eastern Europe – and have done so with improved profitability. And finally, we have reorganised our management instruments in the financial area: our risk management department, which cooperates professionally with our asset management department, has been further strengthened. We have significantly improved our risk profile and have become much more predictable as a company and consequently as an investment.

Despite all of this progress, you still have a long road ahead. The combined ratio in 2012 is still above the 100 per cent mark …

Yes, this important key figure gives a very good indication of the work that is still to be done. Although we reduced the net combined ratio significantly in 2012 from 104.9 per cent to 101.3 per cent, it's still not nearly enough! We must bring that figure considerably lower than 100 per cent – and keep it there! And this is precisely what our measures are designed to achieve.

The persistently low interest rate is creating problems for insurance companies. How is UNIQA reacting to this?

Of course, we also continue to work on this issue. As part of UNIQA 2.0, we have initiated two measures in particular. Firstly, we are implementing a sustainable asset liability management policy in order to better balance the sensitivities of capital market investments with respect to actuarial liabilities.

Secondly, as part of the risk-return approach, we are working intensively on product strategy and profit-

ability management. The low interest level in 2012 affected our financial figures in different ways: as we implemented the risk-return approach, we started to restructure our portfolio in 2012. This restructuring had a positive impact on investment income in the life insurance segment. The low interest level also exerts a positive influence on the evaluation of investments in shareholders' equity. Conversely, it impacts negatively in terms of the economic assessment – that is, when it comes to calculating embedded value. As a result, we are using our UNIQA 2.0 measures to address the problem.

How important is UNIQA 2.0 for your company?
UNIQA 2.0 is THE essential core project that will secure the future of our company. We intend to become the best insurance company in the heart of Europe – an insurance company that provides exceptional service to its customers, attractive and secure jobs to its employees, and a sustainable return to its shareholders. It will sound like a sermon to many of our staff members in the years ahead – but that's how serious we are about it. But we will stick to our guns!

Why this uncompromising approach?
The needs of customers have changed significantly over the past few years, and they will continue to change dramatically and, above all, more rapidly. Customers expect more and are more critical. The days when the insurance adviser was their sole point of contact are long gone. Nowadays, they are exchanging information on Facebook, Twitter or LinkedIn and using web portals to compare insurance products. We must find a way to respond to this trend. And this demands that we question ourselves in a radical and uncompromising manner.

In what respect have insurers got it wrong up to now?
Some of our long-serving industry colleagues won't like to hear this, but the entire insurance industry – including UNIQA – has a great deal to learn. To be quite honest, when I see how we as insurers sometimes treat our customers – if I was treated the same way, for example, when buying a mobile phone for my children or having my daughter's Vespa serviced, I would seriously consider changing my service provider straight away. You only have to look at the complex, technocratic letters that we continue to subject our customers to on occasion. Do you always understand them?

Well, actually …
So, you see what I mean. Customer demands for higher quality and better service are entirely justified. I am utterly convinced that insurers do not differentiate themselves using products in the long term. These can be quickly copied by competitors. The decisive factor is first-class service. It matters to customers how they are dealt with on the telephone. Whether we provide them with credible advice. How quickly we come to their assistance in the event of a claim. These are the criteria by which they measure our performance. And in this context, it's not about taking a highly complicated approach: our roots as UNIQA can be traced back over 200 years. That's how long we have been offering our customers peace of mind and assistance when something has gone wrong. We must reconnect more strongly with these roots.

"I don't want us to manage a medium-quality hotel group in Central Europe. But I do want us to become the best insurance provider in Central Europe in the medium term!"

These are all arguments that you intend to use to convince customers. What about investors?
Investors ultimately have to answer three questions. Firstly, do they believe that it's possible to generate a reasonable rate of return from the insurance industry? Secondly, do they trust UNIQA to tap the available potential? And thirdly, do they trust the management to implement the publicised strategy for transformation and growth? In 2012, we reached our initial milestone. For 2013, we must cover the next section of the journey.

You are targeting growth in Central and Eastern Europe. Does it make sense to focus on this region at all?
Yes, absolutely! That is a very important part of UNIQA's identity. In Central and Eastern Europe, we have a growth region with 300 million inhabitants at our doorstep. Of course, some countries will also experience repeated setbacks. But growth in the region as a whole will significantly outpace that in the EU region. And we have excellent staying power. We are a strategic investor. We are here to stay. And our commitment is already paying dividends. Profitability of our units improved significantly in 2012. For years, we have been growing faster than the market and are gaining market share. Over half of our customers are already from Central and Eastern Europe.

Where is this additional growth in Central and Eastern Europe going to come from?
First of all, we will boost organic growth. We are expanding our own sales teams and intensifying the strategic partnership with Raiffeisen Bank International, which operates more than 3,000 branches that make up the strongest western bank branch network in the region. We are also open to possible acquisitions if favourable opportunities present themselves. In this regard, let me emphasise once more our focus on those countries in which we are already active. We will not be opening up any additional markets.

Do you actually expect any opportunities for acquisitions?
Yes. In fact, I expect even more than in the past year or two. I expect to see international corporations withdraw from Central and Eastern Europe and restructure their holdings towards the major emerging markets in Asia or South America because they offer the prospect of greater profits. In addition, there are cases of local investors exiting the insurance business because they can secure returns on their money more quickly and more easily elsewhere. The insurance business is more suited to long-term investors who can bring expertise to bear. And Eastern Europe is a region that you must understand and, more importantly, like. UNIQA does both.

Could Solvency II also lead to further consolidation in Central and Eastern Europe?
I think so. Some insurance companies will have difficulties with the new capital requirements.

What's your view of Solvency II? A curse or a blessing?
Let me be clear: it's a blessing. Solvency II will force insurers to take action. It will lead to much greater transparency and stability. That's good news not only for customers, but for the companies as well. Solvency II is a major opportunity for insurance companies. Here at UNIQA, we see it as an additional stimulus to become better at what we do. For this reason, we are actively engaging with the issue and are preparing ourselves thoroughly for Solvency II – regardless of when it ultimately enters into force.

One final question: Will there be a dividend again for 2012?
I am not responsible for the dividend policy. But the Management Board of UNIQA Versicherungen AG will certainly propose to the Annual General Meeting that a dividend be paid for the 2012 financial year. And we will do everything in our power to ensure that we continue to do so in the future.

Profitable growth in the core business

As part of our long-term strategic programme UNIQA 2.0, which runs from 2011 to 2020, we are concentrating on profitable growth in our core business as a primary insurer. We continued with the systematic implementation of this strategy in 2012.

In summer 2011, we launched the long-term strategic programme UNIQA 2.0, which runs until 2020. We are concentrating on our core business as a primary insurer in our two core markets of Austria and Central and Eastern Europe (CEE). Our business model is geared towards profitable growth and long-term value creation in these markets. We intend to boost profitability at UNIQA Austria, increase productivity of Raiffeisen Insurance in Austria, tap the growth potential in the CEE region and establish a consistent risk-return approach.

With "UNIQA", we have the leading insurance brand in Austria, while Raiffeisen Insurance profits from the "Raiffeisen" brand, the strongest bank brand in Austria. Both brands are also well positioned in the CEE region. We put great emphasis on the bundled expertise of an international group that is active in 20 European countries and in close proximity to customers.

In 2012, we took the first step in the implementation of UNIQA 2.0. We have delivered on our promise to our shareholders: earnings before taxes (EBT) of €205.4 million were up 44.9 per cent on the 2010 earnings of €141.8 million. EBT in 2011 were burdened by significant non-recurring items – value adjustments on Greek government bonds and expenditure on the repositioning of UNIQA – (2011: minus €322.3 million). The solvency ratio rose to 214.9 per cent as at 31 December 2012. The return on equity (ROE) before taxes was 13.2 per cent. ROE after taxes and minority interests was 9.1 per cent. The return on sales (ROS) was 3.9 per cent.

EBT of €205.4 million are distributed as follows between the three segments: The health insurance segment generated EBT of €106.9 million, while the life insurance segment generated €119.5 million. In contrast, the property and casualty insurance segment reported a loss of €20.3 million. These figures include a consolidation effect of minus €0.7 million.

We are working intensively on making the property and casualty insurance segment profitable. The combined ratio after reinsurance improved to 101.3 per cent in 2012 (2011: 104.9 per cent). However, our target is to achieve and maintain a figure significantly lower than the 100 per cent mark over the medium term. A similar situation applies to the Group cost ratio: although it fell to 25.0 per cent in 2012 (2011: 26.8 per cent), we intend to achieve a further significant improvement in this figure in the medium term.

As a part of the implementation of the risk-return approach, UNIQA started to restructure its portfolio in 2012. Against the backdrop of a low-interest environment, this restructuring had a positive effect on investment income in the life insurance segment despite de-risking measures and led to an increase in EBT there. This was supported by an adjustment that we made in 2011 to bring profit sharing into line with current economic conditions. The low interest level also exerts a positive influence on the evaluation of investments in shareholders' equity. In contrast, a sustained low interest level impacts negatively on the economic assessment (embedded value), which takes into account the long-term nature of the life insurance business.

Value-oriented management of the life insurance segment according to economic principles combines with the focus on achieving the desired IFRS result to form a key component of UNIQA 2.0.

UNIQA introduced measures in 2012 in response to the low-interest environment: we are implementing a sustainable asset liability management policy in order to better balance the sensitivities of capital market investments with respect to actuarial liabilities. Furthermore, we are working intensively as part of the risk-return approach on product strategy and profitability management.

These measures began to take effect in 2012. We will publish data for embedded value when the first-quarter earnings for 2013 are announced on 17 May 2013.

Our UNIQA 2.0 growth strategy is based on five pillars:

1. What is our goal? Doubling the number of customers.

We intend to double the number of our business partners from 7.5 million in 2010 to 15 million by 2020. At the end of 2012, we were serving 8.7 million customers in 20 countries.

2. How will we achieve this? By focusing on the core business.

In order to achieve our customer target, we are concentrating on what we do best: on our core business as a primary insurer in our core markets of Austria and CEE. In line with this approach, we sold our shareholding in the Mannheimer Group in Germany in 2012 and our media investments. This was followed in the first quarter of 2013 by the sale of our hotel holdings. In return, we acquired the minority interests held by the European Bank for Reconstruction and Development (EBRD) in our insurance subsidiaries in Croatia, Poland and Hungary and increased the holdings in our private clinics in Austria to 100 per cent.

3. Where do we want to improve? Four-point programme.

We have initiated a four-point programme that will bring about lasting improvements to our core business and enable us to hit our target earnings for 2015, improving EBT by up to €400 million compared to 2010 (see item 5: Improving earnings):

a. UNIQA Austria – increase profitability

UNIQA Austria has set itself the target of increasing profitability significantly. We are optimising structures and processes, thereby improving our customer service and increasing cost efficiency. Among other things, UNIQA Austria is currently reorganising the regional headquarters and back-office activities in the Austrian federal states so that sales units will be largely relieved of administrative activities. At the same time, UNIQA Austria increased the number of service centre and general agency locations involved in exclusive sales – what we like to call our "local insurers" – from 300 in 2011 to 325 in 2012. The number is set to increase to 400 by 2015. During 2012, UNIQA Austria focused on achieving sustainable increase in profitability. The market share fell slightly by 0.3 percentage points to 16.9 per cent (based on preliminary market data for 2012).

b. Raiffeisen Insurance Austria – increase productivity

Raiffeisen Insurance has set itself the target of significantly increasing productivity over the coming years. Raiffeisen Insurance operates in the bank assurance segment in Austria. It sells its products exclusively through the Raiffeisen Banking Group, which operates by far the largest network of bank branches in Austria.

To tap the significant potential presented by this cooperation, Raiffeisen Insurance has completely reorganised itself by focusing systematically on the needs of bank advisers and their customers – with a small number of core products, streamlined and efficient processes and a new brand identity that is aligned with the Raiffeisen banks. In the third quarter of 2012, Raiffeisen Insurance concluded cooperation agreements with the regional Raiffeisen banks, regulating the new form of

Our strengths

A clear strategy: UNIQA 2.0

Focus on the core business as a primary insurer in the core markets

A consistent brand concept built around two strong brands cooperation. Raiffeisen Insurance expects this new form of cooperation to have significant effects over the coming years. In 2012, its market share fell slightly by 0.2 percentage points to 4.7 per cent (based on preliminary market data for 2012) because the single-premium business was actively reduced.

c. UNIQA International – profitable growth

The objective of UNIQA International is to secure sustainable growth above the market rate in the CEE region – while maintaining a focus on profitability and value.

As part of this strategy, UNIQA International is investing in the expansion of its sales activities on the one hand. Consequently, the number of sales agents employed in 2012 rose by 11 per cent. On the other hand, UNIQA International launched the "Transparency" project, which aims to implement a target operating model throughout the CEE region over the medium term. The objective: a clear operating model for all CEE units, with simple, comprehensible products, customer-oriented processes and a transparent structure. Through this, UNIQA International intends to improve its customer service, leverage cross-border synergies and significantly improve cost efficiency.

Much like in Austria, our focus in the CEE region is also on close cooperation in the bank distribution business with our partner Raiffeisen. We operate in 14 countries as part of a preferred

The UNIQA 2.0 growth strategy

01
What is our goal?

We intend to double the number of customers from 7.5 million to 15 million by 2020

As at the end of 2012:
8.7 million customers

02
How will we achieve this goal?

We are concentrating on our core business in our core markets

As at the end of 2012:
Mannheimer Group, hotel and media investments sold; minority interests in Croatia, Poland and Hungary acquired

03
Where exactly do we intend to improve in our core business?

Four-point programme:
UNIQA Austria
Raiffeisen Insurance
UNIQA International
Risk management

Status of the four-point programme at the end of 2012:
UNIQA Austria: reorganisation of Austrian federal states ongoing

Raiffeisen Insurance: cooperation agreement with regional Raiffeisen banks

UNIQA International: profitable growth

Risk management: risk position optimised

04
What do we need to do that?

Strengthening the equity base

As at the end of 2012:
solvency ratio increased to 214.9 per cent

05
Why is that attractive for our shareholders?

We intend to improve earnings by up to €400 million by 2015

As at the end of 2012:
EBT of €205.4 million in 2012

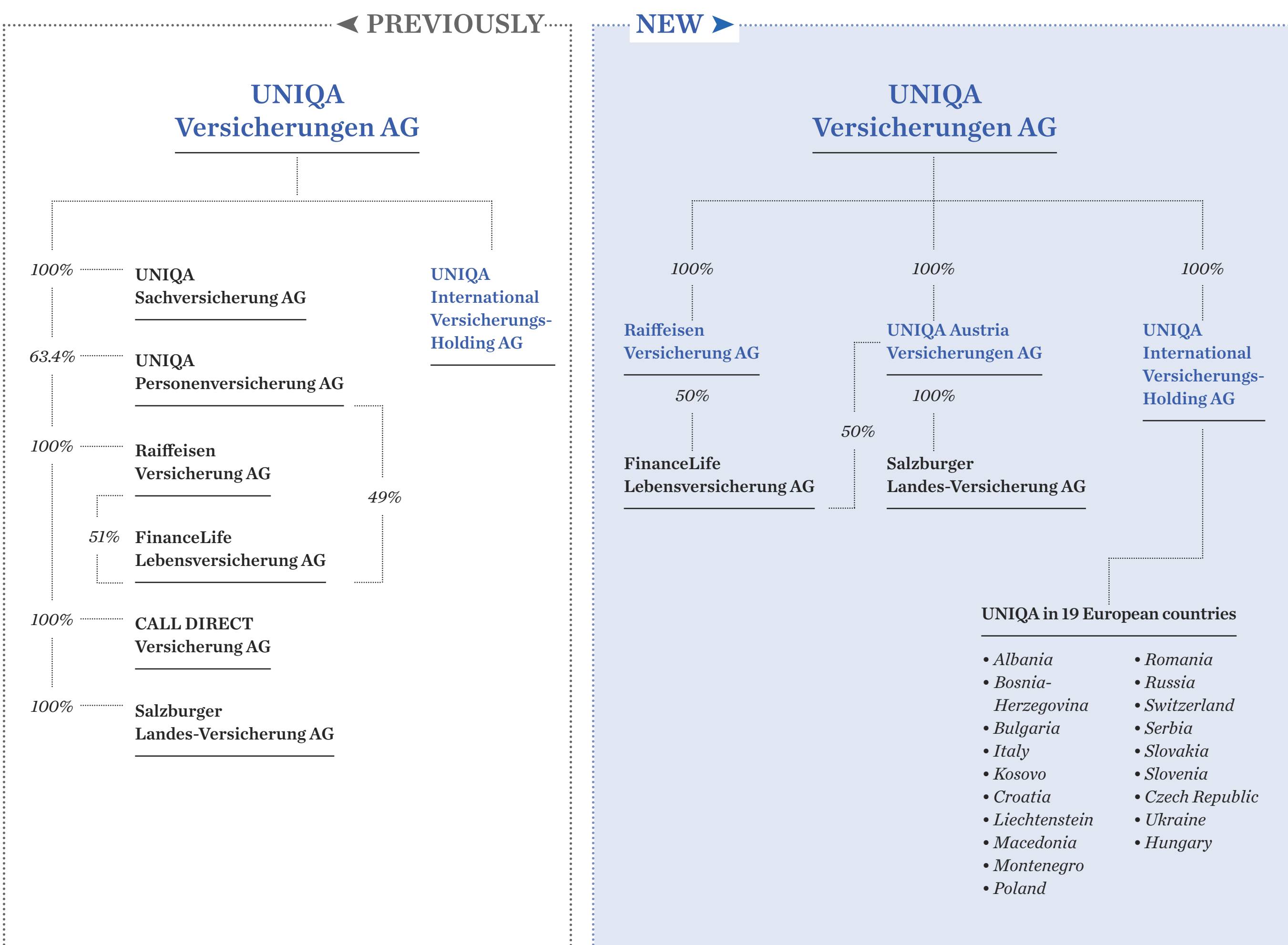
partnership with the subsidiaries of Raiffeisen Bank International, which has the largest western banking network – with over 3,000 branches – in the 17 CEE countries in which it operates.

In 2012, we further expanded our market share in 12 of 15 CEE countries (based respectively on the most recent available figures). In our core market in the CEE region, we advised 58 per cent of our customers and generated 23.4 per cent of Group premiums. By 2020, UNIQA intends to generate 50 per cent of Group premiums and 30 to 40 per cent of consolidated profit in the CEE region. In 2012, we generated EBT of €13.2 million in the CEE core market, following a loss of €28.2 million in 2011.

d. Risk management – controlling risk

UNIQA regards the issue of Solvency II as an opportunity for customers and companies and is preparing intensively for the new regulatory framework. With this in mind, we have become the first Austrian insurance company to set up an independent department for risk management in the Management Board and are implementing a consistent risk-return policy for corporate management along-

A structure that is supportive of capital markets



side the commercial strategy. The functions of risk management are to support the operational units, to target those risks that will generate value in the long term from the economic capital, and to generate maximum value increases from the capital employed. The focus is on sustained corporate success. UNIQA will become more transparent and predictable for customers and investors.

4. What do we need to do that? Strengthening the equity base.

For our ambitious growth strategy in Austria and in the CEE region, we need sufficient amounts of capital. For this reason, we are planning a capital market transaction (re-IPO), depending on market conditions, that would enable the free float to be increased to 49 per cent. In 2012, we carried out a cash capital increase amounting to €500 million as an interim step. It was underwritten by our existing core shareholders Raiffeisen Zentralbank (RZB) and Austria Privatstiftung. In addition, the core shareholders Austria Privatstiftung and Collegialität contributed their shareholding in UNIQA Personenversicherung AG of 36.6 per cent to the listed holding company UNIQA Versicherungen AG. In a further step, UNIQA Sachversicherung AG and CALL DIRECT Versicherung AG were merged with UNIQA Personenversicherung AG to create the new UNIQA Österreich Versicherungen AG, which is 100 per cent owned by the holding company UNIQA Versicherungen AG. The result is a streamlined Group structure that is more conducive to our planned capital market activities and one that is devoid of significant minority interests.

These transactions along with the improvements achieved as a result of the UNIQA 2.0 programmes have strengthened the capital base of UNIQA significantly. The higher solvency ratio – 214.9 per cent as at 31 December 2012 compared with 122.5 per cent the previous year – created the basis that allows us to exploit short-term growth opportunities in the CEE region.

5. Why is that attractive to the shareholders? Improving earnings.

We have set ourselves the target of increasing EBT by up to €400 million from 2010 to 2015. For 2012, we set out to achieve higher EBT than in 2010 (€141.8 million). We succeeded in reaching this target: earnings of €205.4 million put us 44.9 per cent ahead of the figure for 2010.

Continuity in management

With UNIQA 2.0, we have set ourselves clear, long-term targets. The focus is on sustainable growth. Our future success must not be based on positive non-recurring items. We achieve our sustainable income through hard work and by consistently and continuously implementing our plans. This continuity is borne out by the early contract extension up to 31 December 2016 for the members of the Management Board of the four main companies of the UNIQA Group – the listed holding company UNIQA Versicherungen AG as well as its three most important subsidiaries UNIQA Austria, Raiffeisen Insurance and UNIQA International. The team that developed the strategic programme UNIQA 2.0 will remain virtually unchanged as it oversees the programme's ongoing implementation.

We are committed to our customers

We are currently repositioning our company in a systematic manner. In doing so, we are pursuing a clear mission.

We will only achieve our corporate goals if we can persuade our customers by offering them top-class service, by inspiring their enthusiasm for us. That's not an easy task. And despite all the strengths that we can call on, we still have a great deal to do. We are currently repositioning our company in a systematic manner. In doing so, we are pursuing a clear mission:

Just as we do for our family, we are committed to our customers so that they can enjoy lifelong security and can plan their lives with confidence.

To ensure that we breathe life into this mission, we have defined four corporate values. They set out how we intend to engage with our customers, our colleagues and partners, with our shareholders and all other stakeholders:

- **We inspire:** We are interested in people. We know and understand the needs of our customers and colleagues and inspire them with our commitment.
- **We shape:** We are constantly evolving. We are ready to learn and to grow on a continuous basis and are resolute in shaping our future. Our new and intelligent solutions make us a pioneer in the industry.
- **We are straightforward:** We are honest and clear. We deal with our customers, shareholders and colleagues in a straightforward manner because they are important to us.
- **We deliver:** We intend to succeed. We seek to be successful by delivering top performance to our customers and shareholders. We deliver on our promises.

Management Board of UNIQA Versicherungen AG

Andreas Brandstetter/*Chairman of the Management Board/CEO/1969**
Has been with the UNIQA Group since 1997. Previously, he worked for Raiffeisen in Austria and Brussels. He was appointed to the Management Board in 2002 and has been promoting the establishment of the CEE network. He took over as Chief Executive Officer (CEO) on 1 July 2011.
Responsible for: Investor Relations, Group Marketing, Group Communication, Group Human Resources, Group Internal Audit, Group General Secretary

Hannes Bogner/*Member of the Management Board/CFO/1959**
Has been with the UNIQA Group since 1994. He was appointed to the Management Board as Chief Financial Officer (CFO) in 1998. Previously, he worked as a tax advisor and a sworn chartered accountant.
Responsible for: Group Finance Accounting, Group Asset Management (Front Office), Real Estate, Investments/Equity Affairs, Legal Affairs, Group Internal Audit

Wolfgang Kindl/*Member of the Management Board/1966**
Has been with the UNIQA Group since 1996 and in the international segment since 1997. He was the CEO of UNIQA Assurances in Geneva from 2000 to 2004. In 2005, he took over as Managing Director of UNIQA International Versicherungs-Holding AG. He was appointed to the Management Board of UNIQA Versicherungen AG on 1 July 2011.
Responsible for: UNIQA International

Thomas Münkel/*Member of the Management Board/COO/1959**
He was appointed as Chief Operating Officer (COO) on 1 January 2013. Previously, he held various management positions at an international insurance group.
Responsible for: Group Processes, Group IT, Strategic Project Office

Kurt Svoboda/*Member of the Management Board/CRO/1967**
Has been with the UNIQA Group since 2003. He started out in the management of UNIQA Finanz-Service GmbH. On 1 July 2011, he was appointed to the Management Board as Chief Risk Officer (CRO). Prior to 2003, he worked in the Austrian insurance sector and for an accountancy firm.
Responsible for: Group Finance Controlling, Group Risk Management, Group Asset Management (Back Office), Group Actuary, Group Reinsurance, Value Based Management, Regulatory Management Solvency II, Governance & Compliance

From left to right: Hannes Bogner, Wolfgang Kindl, Andreas Brandstetter, Thomas Münkel, Kurt Svoboda

At home in the heart of Europe

UNIQA is at home in Austria and Central and Eastern Europe. We know our domestic markets in the heart of Europe and are firmly established in them.

We intend to increase the number of our customers to 15 million by 2020. We will do this by concentrating on our core business as a primary insurer in our two core markets of Austria and Central and Eastern Europe (CEE). UNIQA served 8.7 million customers in 2012. This figure is divided between the main operational companies as follows: 2.4 million UNIQA Austria customers and 1.1 million Raiffeisen Insurance Austria customers – adjusted to take account of duplicate customers, results in a total of 3.2 million customers in Austria. On top of that, there are 5.1 million customers in the CEE region and 0.4 million in Western Europe.

In 2012, we acquired 0.4 million new customers, mainly in the CEE region. On the other hand, the sale of the Mannheimer Group in Germany saw us lose 0.6 million customers. For the first time, the figures for 2012 also include 0.8 million customers of Raiffeisen Insurance in Austria (adjusted to take account of duplication). These customers, who are served exclusively through the Raiffeisen banks, were not yet included in 2011. However, since we placed the cooperation with the Raiffeisen Banking Group on a new footing in 2012, they are now included.

We know our domestic markets and are firmly established in them. We are a long-term investor – not only in Austria, but also in the CEE region. We firmly believe in the potential of the CEE countries and intend to grow along with their economies. We are well positioned to exploit this growth:

Austria: strong brands and a dense network

In Austria, UNIQA is the second-largest insurance group, with a market share of 22 per cent as measured based on premium volume. In the strategically important health insurance segment, we are the clear number 1, with a market share of around 45 per cent. We operate two brands in Austria: under the "UNIQA" brand, we operate a network of 325 service centres – we like to call them our "local insurers". Under the "Raiffeisen" brand, we sell our products through the Raiffeisen banks, whose 2,223 bank branches serving 2.8 million customers constitute by far the largest bank branch network in Austria.

With a spontaneous recognition of 68 per cent and an aided recognition of 96 per cent, UNIQA is Austria's best-known insurance brand. Raiffeisen Insurance profits from the enormous power of the Raiffeisen brand, whose spontaneous recognition of 84 per cent makes it the strongest banking brand in the country. Both brands – UNIQA and Raiffeisen – were voted the most trustworthy brands in their respective sectors in Austria by consumers in 2012 (with UNIQA receiving the accolade for the tenth consecutive time).

CEE: well-positioned for further growth

UNIQA operates in 16 countries in the CEE region – in 15 countries through its own subsidiaries, which operate 1,580 service centres. Slovenia is served from Austria. We are the market leader in Albania, the number two in Ukraine and are among the top five in five other markets – Kosovo, Montenegro, Bosnia and Herzegovina, Serbia and Slovakia.

Highlights 2012

8.7 million customers in 20 countries

Strong brands: UNIQA and Raiffeisen Insurance

A solid basis for further growth

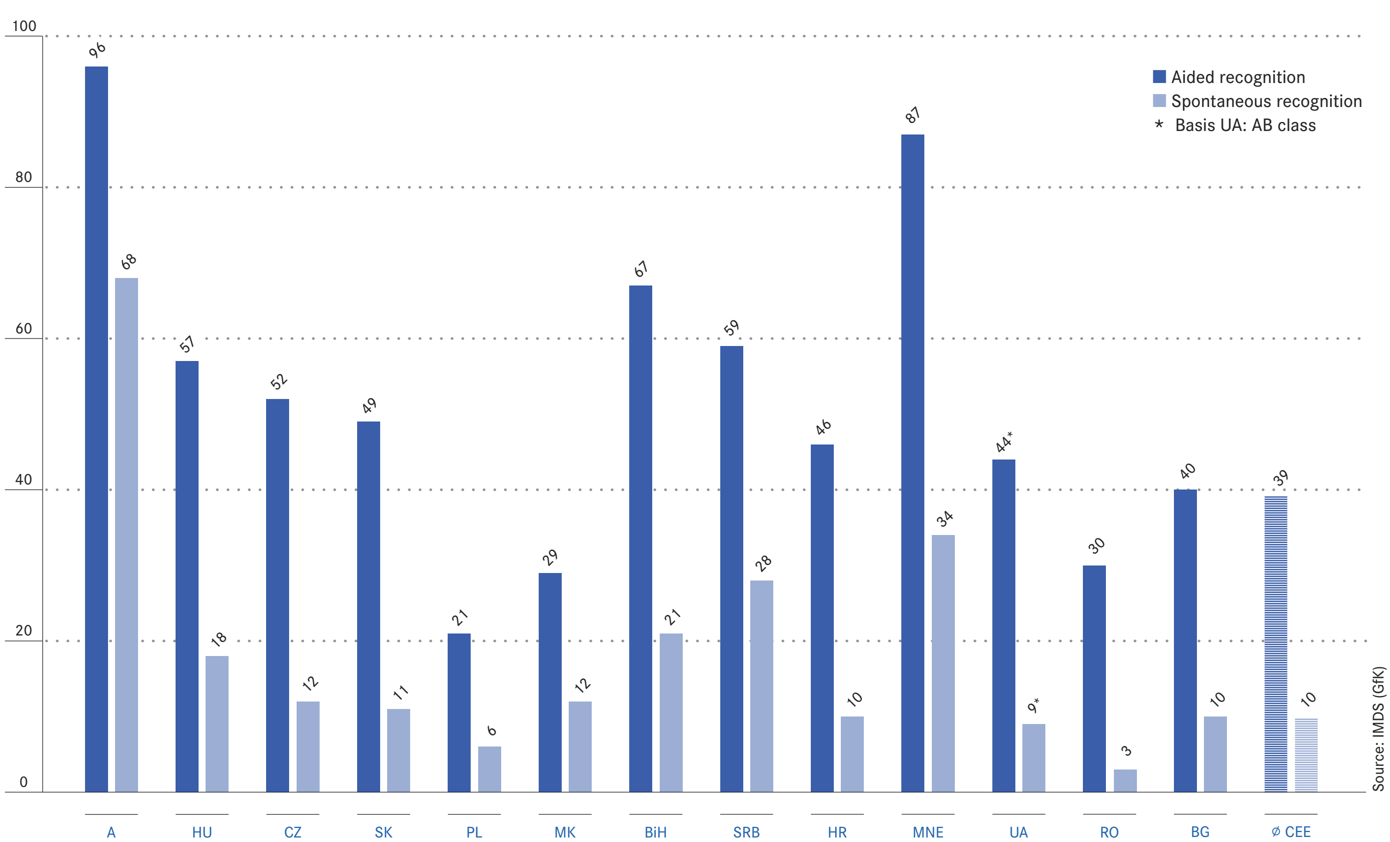
Much like in Austria, our focus in the CEE region is also on close cooperation in the bank distribution business with our partner Raiffeisen. We operate in 14 markets as part of a preferred partnership with the subsidiary banks of Raiffeisen Bank International, which operates the leading western bank branch network – with over 3,000 branches and more than 14 million customers – in the 17 CEE countries in which it is active.

We are pursuing a unified brand strategy in the CEE region. We operate in 12 countries under the UNIQA brand. In two countries – Albania and Kosovo – we use the "SIGAL UNIQA Group Austria" brand. In Russia, we are concentrating on the bank distribution business and are represented solely under the "Raiffeisen Life" brand. Given its relatively recent entry into these countries, the UNIQA brand has yet to achieve the level of recognition in the CEE region that it enjoys in Austria. However, it is extremely attractive and offers an excellent basis for our continued expansion. In the 12 countries in which we employ the brand, UNIQA enjoys a spontaneous recognition of 10 per cent and an aided recognition of 39 per cent on average. Our highest recognition levels are in Montenegro (87 per cent aided recognition), Bosnia and Herzegovina (67 per cent), Serbia (59 per cent) and Hungary (57 per cent). For details on current brand recognition, please refer to the graph.

In the 17 CEE countries in which Raiffeisen Bank International operates, the Raiffeisen brand is the strongest international bank brand, with an average spontaneous recognition of 37.4 per cent and an average aided recognition of 69.5 per cent.

UNIQA: unified brand strategy

Current recognition of the UNIQA brand, figures in per cent



Regions/countries	Market position	Market share*	Change in market share**
AUSTRIA	2	21.6	– 0.5
CENTRAL EUROPE			
Poland	11	2.4	– 0.2
Slovakia	5	4.8	+ 0.1
Czech Republic	8	4.0	+ 0.1
Hungary	6	7.1	+ 0.6
EASTERN EUROPE			
Romania	6	6.0	+ 1.2
Ukraine	2	4.0	+ 0.3

* Market share: figures in per cent **Change in market share: figures in percentage points

Regions/countries	Market position	Market share*	Change in market share**
SOUTHEASTERN EUROPE			
Albania	1	32.4	– 2.4
Bosnia-Herzegovina	4	11.4	+ 0.2
Bulgaria	6	7.0	+ 0.5
Kosovo	3	13,6	+ 1.0
Croatia	11	2.5	– 0.1
Macedonia	8	7.5	+ 0.9
Montenegro	4	14.1	+ 1.6
Serbia	5	7.3	+ 0.6
RUSSIA***	10	3.2	+ 0.1

*** Market position of life insurance

Enormous growth potential in the CEE region

Central Europe (CE)
- *Population: 64.2 million*
- *Insurance premium per capita (insurance density): €386*

Eastern Europe (EE)
- *Population: 67.3 million*
- *Insurance premium per capita (insurance density): €62*

Southeastern Europe (SEE)
- *Population: 29.3 million*
- *Insurance premium per capita (insurance density): €102*

Russia (RU)
- *Population: 140.1 million*
- *Insurance premium per capita (insurance density): €115*

Austria
- *Population: 8.4 million*
- *Insurance premium per capita (insurance density): €1,952*

The markets in the CEE region offer major growth opportunities. This is illustrated by comparisons of per-capita spending on insurance products, or the insurance density, as it is called. Whereas an Austrian invests an average of €2,000 annually in insurance security, the corresponding per-capita spending on coverage in Albania is a meagre €20. Annual per-capita spending on insurance amounts to €45 in the Ukraine, €266 in Hungary and €1,000 in Slovenia. The common denominator across all CEE countries: the catch-up requirements, and thus the growth potential in the economic region served by UNIQA with a population of 300 million, are significant.

Numerous economic forecasts support the notion of substantial growth potential in the region: the respected international research institute Business Monitor International (BM), for example, expects GDP growth rates in CEE countries to outperform those in Western Europe significantly in the period from 2010 to 2020. While BM envisages economic growth of 45 per cent in Austria for those ten years, the equivalent growth rates in Poland, Romania and Albania are 84 per cent, 92 per cent and even 97.9 per cent, respectively. The economic upturn in Eastern Europe is a decade-long process involving the business sector, society and the economy as a whole. For this reason, UNIQA is committed to these markets for the long haul. We have come to stay, and we have come to grow.

At home in Austria and in the CEE region

We are at home in Austria and in the CEE. These are UNIQA's core markets. And we focus on these markets. We are a long-term investor. We have come to stay with the goal of growing sustainably with our customers and the region, thus creating shareholder value.

We are UNIQA

We will only be successful if we pursue our objectives resolutely as a team. We rely on highly trained employees and managers who are able and allowed to take responsibility.

In 2012, all of us – 22,000 employees and exclusive sales partners in 20 countries – faced enormous challenges. The implementation of our strategic programme UNIQA 2.0 requires a great deal from all of us in addition to our day-to-day work. This is not always easy. We are therefore extremely grateful for the outstanding commitment shown by every individual.

Our success depends on the dedication and performance of every individual. But it also depends on our ability to all pull together to pursue our objectives collectively as a team. We mean business. This is not just lip service.

Communication and performance management

We firmly believe that communication has a key role to play – particularly in such a comprehensive change process as UNIQA 2.0, which we are currently implementing.

Although we are far from perfect, we have made great strides in 2012: we attach great importance to open and fair dealings with one another. We promote the exchange of information between departments, we have established extensive feedback communication between employees and management, and we have reorganised our scheduled communication. We have also expanded communication with our independent sales partners – general agents, brokers and banks. Our partners are now more closely integrated into our information and decision-making processes, especially in the development of processes, services and products.

We are also focusing on structured performance management and the systematic expansion of our employees' expertise – in particular of their management skills. We rely on highly trained employees and managers who are able and allowed to take responsibility.

Differences make us strong

A high level of diversity creates a stronger team. Successful organisations tap into the diversity of various nationalities and cultures and the differing strengths of men and women. Differences make us strong. For this reason, we give priority to hiring women in our recruitment process for candidates with the same qualifications. And for the same reason, we promote the transfer of knowledge and mobility between the 20 countries in which we operate.

In our company, the share of women in Management Board positions and senior executive roles across the Group is 17 per cent, and 25 per cent in the international area. For us, these figures are too low. From our perspective, the ability to combine a career with family life is a key issue when it comes to promoting the careers of women in the company. With this in mind, we go to great lengths to provide flexible working hours, part-time models and the option of teleworking. Starting in 2013, we will also be cooperating with an external service provider that offers services such as childcare, care for relatives and other family services. Both men and women should have the same opportunities to combine a career with family life.

Employees by region

The headcount in the UNIQA Group was 22,070 in 2012 (14,799 employees and 7,271 general agents), who advised around 8.7 million customers in 20 markets.

Entry into stage 3

There are few sectors in which sustainability is as firmly integrated into the business as it is in the insurance sector. We see governance, compliance and sustainability as a decisive factor for our long-term success.

We regard sustainable business practices as a decisive factor for long-term corporate success. In our opinion, a company must pass through four stages in order to firmly anchor the concept of sustainability into the strategy and business model: from the purely commercial approach through to the compliance stage and risk and value management stages all the way to the final stage of strategic differentiation, when sustainability is fully integrated into the strategy and when incentive systems and product innovations are consistently aligned with sustainability.

Until recently, UNIQA found itself in stage 2 – like the majority of companies in our sector. In 2012, we made sufficient progress so that we are now confident that we have reached stage 3. However, we still have some distance to go and will continue to work on this issue.

There are not many sectors where sustainability is clearly such an integral part of business as it is in the insurance sector. For 200 years, the most important task of UNIQA and its predecessors has been to give people peace of mind and to help them create a secure future for themselves. And this role is becoming increasingly important: the demographic shift in the highly developed, industrialised countries has created a situation where the public pension and healthcare systems can no longer fulfil their roles to the extent that we have become accustomed to for many decades. As insurers, it is incumbent upon us to help our customers respond to this trend in good time and plan for their future.

For UNIQA, sustainability means above all taking responsibility in three areas on the basis of a clear, transparent governance system: in the economic, social and ecological areas. We were the first Austrian insurer to introduce the concept of "value-oriented company management" at Management Board level in a risk management department back in 2011. In 2012, we created the necessary structures and implemented three important projects:

1. Analysing long-term options and risks

As an insurance company, we promise our customers long-term services – in some cases over a period of more than 20 years. To do this, UNIQA needs to have a clear view of long-term trends and developments. For this reason, we started analysing the "long-term options and risks" of our business units in 2012. In doing so, we monitor technological, socio-economic, regulatory and economic trends along with their short-term (up to four years) and long-term impact on UNIQA. We make use of the forecasts and analyses in our strategic planning. The inputs incorporate innovations in the area of passenger car safety as well as the changing lifestyles of customers, or issues such as connectivity, digitalisation and networking. For us, working sustainably means ensuring that the future holds no surprises for us.

Initiatives and certificates 2012

UNIQA continues in sustainability index VÖNIX

Green Building certificate for the UNIQA Tower

Green Power certificate

Suppliers selected specifically on the basis of environmental criteria

Mobile healthcare centre UNIQA HealthCare Truck

UNIKATE: call for ideas from students in cooperation with the Austrian Working Committee for Rehabilitation

Member of the Raiffeisen Klimaschutz-Initiative (Raiffeisen climate protection initiative)

2. A clear governance model established

We have implemented a clear, neatly structured governance model for UNIQA. This strengthens our competitiveness and increases the company value. The UNIQA governance model approved in September 2012 clarifies the tasks and responsibilities of the primary interest groups in the company and sets out strategic and operational company development. Primary interest groups are defined as shareholders, the Management Board as the company management and the Supervisory Board as the controlling body. For all three groups, we have introduced rules to prevent negative developments in the company, to accelerate decision-making procedures, and to enhance transparency.

The most important changes in detail:

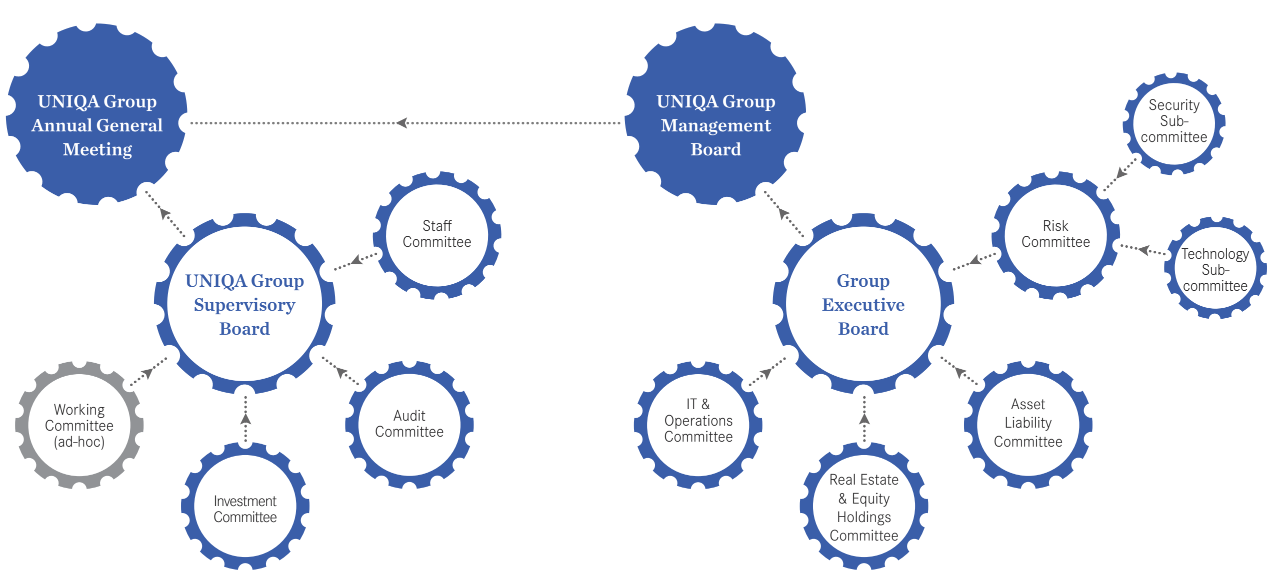
The Supervisory Board decided to restructure its three committees – the Audit Committee, the Investment Committee and the Staff Committee. The entire Supervisory Board is clearly focussed on the strategic orientation of the Group. Since the start of 2013, the core topics at the holding company are directed by four operationally oriented committees: Risk, Asset Liability Management, Equity Holdings & Real Estate and IT & Operations.

3. The compliance organisation is repositioned

In the summer of 2012, we repositioned the entire compliance organisation. We defined clear processes that allow us to ensure adherence to internal and external regulations. We have summarised these regulations and rules in a Code of Conduct. It goes beyond the statutory requirements. The underlying philosophy is: not everything that is legal is also legitimate. You can find the Code of Conduct in the Corporate Responsibility section of our Group website at www.uniqagroup.com.

The Code of Conduct governs how employees deal with one another and how they interact with customers, suppliers and other partners.

The new governance model



It governs the acceptance and giving of gifts, secondary employment, donations, anti-discrimination and much more. We have also launched an initiative aimed at protecting the privacy of our customers and to ensure improved data protection.

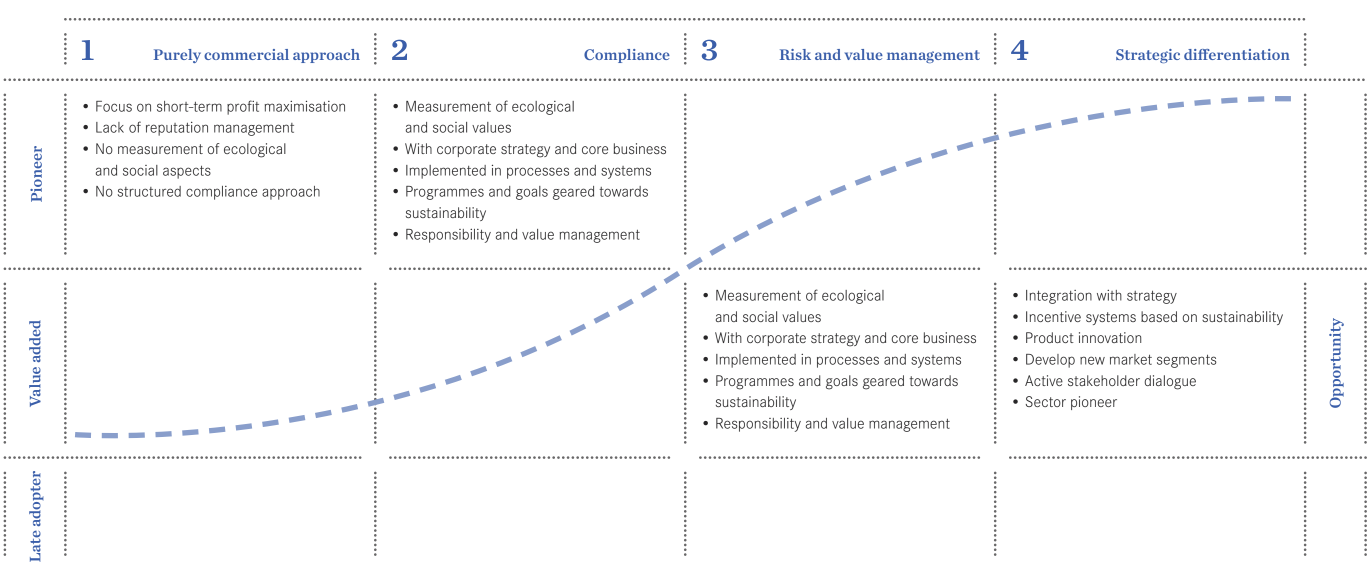
An important aspect of this initiative is the prevention of corruption and money laundering. The Code of Conduct is committed to promoting transparency as well as honest and ethical business practices. An important element of our Code of Conduct relates to how we deal with confidential information and the strict adherence to competition rules. This avoids possible conflicts of interest arising from secondary employment. Little of this is new: practically all the content of the Code of Conduct was already applicable and actively implemented by us in the past. These rules are now clearly documented and defined in a binding manner.

Helping sustainably

We've said it before: Sustainability means much more to us than sponsoring social initiatives or environmental projects. However, both are important to us – and when we offer our support, we do so in a sustainable manner. Two examples:

- The social day: starting in 2013, employees who get involved in a social project are rewarded with an additional day's holidays. These freely selectable projects are intended to be operated by official institutions or private initiatives that require support.
- Vital4Brain: we have been supporting the Vital4Brain project since 2012. This is a programme in which schoolchildren carry out simple but effective movement exercises during the school day. In addition to creating a more relaxed atmosphere in the classroom, it also promotes concentration and is healthy. UNIQA supports the initiative with non-cash assistance, sponsorship and by training VitalCoaches throughout Austria (www.vital4brain.at).

The stages of sustainability



UNIQA shares

The UNIQA shares rose by 4.7 per cent in 2012. Despite this positive performance, it fell below that of the EURO STOXX Insurance. We are working intensively to ensure that the implementation of our strategic programme UNIQA 2.0 also improves the performance of our share.

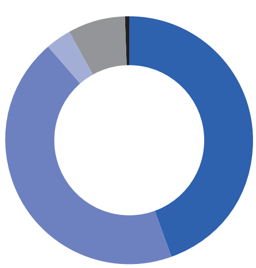
UNIQA shares, listed on the prime market of the Vienna Stock Exchange, rose by 4.7 per cent in 2012. In the same period, Vienna's leading index ATX gained 26.9 per cent and the benchmark EURO STOXX Insurance index 34.1 per cent. Due to the low free float of 7.5 per cent and the resulting low liquidity level, the performance of the UNIQA share is less informative than is the case with comparable companies in the sector that have higher liquidity. Moreover, the UNIQA share is not represented in the ATX.

Key figures for UNIQA shares Figures in €	2012	2011	2010	2009	2008
Price of UNIQA shares on 31 December	9.86	9.42	14.70	12.97	18.06
High	13.40	16.50	15.34	18.86	21.46
Low	8.75	9.00	10.68	12.21	13.50
Average turnover/day (in € million)	0.1	0.1	0.5	0.5	1.0
Market capitalisation as at 31 December (in € million)	2,112.5	1,346.9	2,102.0	1,855.0	2,378.0
Earnings per share	0.77	– 1.73	0.30	0.19	0.44
Dividend per share	0.25[1]	0	0.40	0.40	0.40

[1] Proposal to the Annual General Meeting

We are working consistently on the implementation of our strategic programme UNIQA 2.0, with which we intend to increase the company's efficiency and earnings power and improve earnings before taxes (EBT) by up to €400 million between 2010 and 2015. We are also planning a capital market transaction (re-IPO) depending on market conditions, that would enable the free float to be increased to 49 per cent.

We are currently preparing for this re-IPO. In 2012, we created a streamlined Group structure that is more conducive to our planned capital market activities and is devoid of significant minority interests. Earnings from the profitable personal insurance sector, in which Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung and Collegialität Versicherungsverein Privatstiftung previously had a 36.6 shareholding for supervisory reasons, are now included in their entirety in the consolidated profit.



Shareholder structure of UNIQA Versicherungen AG

44.7%
Raiffeisen Zentralbank (Group)
- BL Syndikat Beteiligungs Gesellschaft m.b.H.
- RZB Versicherungs-beteiligung GmbH
- UQ Beteiligung GmbH

44.1%
Austria Privatstiftung (Group)
- Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH
- Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung

3.3%
Collegialität Versicherungs-verein Privatstiftung

7.5%
Free float

0.4%
Own shares

Shareholder structure

The shareholder structure of UNIQA changed in 2012 following the creation of the new Group structure and as a result of the cash capital increase amounting to €500 million, which was offered to existing shareholders. Raiffeisen Zentralbank holds 44.7 per cent (BL Syndikat Beteiligungs Gesellschaft m.b.H. 32.8 per cent, RZB Versicherungsbeteiligung GmbH 7.1 per cent, UQ Beteiligung GmbH 4.8 per cent), Austria Privatstiftung holds 44.1 per cent (Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH 34.2 per cent, Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung 9.9 per cent) and Collegialität Versicherungsverein Privatstiftung holds 3.3 per cent. The free float is 7.5 per cent. The portfolio of own shares is 0.4 per cent.

Price development of shares

After opening at €9.42, the share reached its peak of €13.40 for the year on 18 April. Towards the end of the second quarter, the share price dropped sharply and reached its year low of €8.75 on 17 August. This was followed by a sideways movement. The year-end saw the share price rally to close at €9.86. During the first two months of 2013, the share continued to make gains: the price rose 12.3 per cent to €11.08 since the start of the year.

In dialogue with analysts and investors

We attach utmost importance to providing our shareholders as well as the entire financial community with timely and comprehensive information about the ongoing development of the company on a frequent and transparent basis. All reports and company information can be accessed on-line at www.uniqagroup.com. In addition, our investor relations team will be happy to answer individual questions.

At present, the following investment banks publish regular research on the UNIQA share: Berenberg Bank, Erste Group Bank, MainFirst Bank, Morgan Stanley and Nomura.

Information on UNIQA Shares

Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	prime market of the Vienna Stock Exchange
Trade segment	Official trading
Indices	ATX Prime, ATX FIN, WBI, VÖNIX
Number of shares	214,247,900

Financial calendar

17 May 2013
1st Quarter Report 2013, Embedded Value 2012

27 May 2013
Annual General Meeting

10 June 2013
Ex-Dividend Day, Dividend Payment Day

27 August 2013
Half-Year Financial Report 2013

14 November 2013
Report on the 1st to 3rd Quarter 2013

Development of UNIQA shares

Corporate Governance Report
Report of the Supervisory Board

Corporate Governance Report

Since 2004, UNIQA has committed to comply with the Austrian Code of Corporate Governance and publishes this compliance declaration both in the Group report and on the Group website, www.uniqagroup.com, in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly 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 also be found at www.uniqagroup.com.

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

Rule 49

Due to the shareholder structure of the UNIQA Group and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with companies related to individual members of the Supervisory Board. As long as such contracts require approval by the Supervisory Board according to Section 95 (5) (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.

Due to the repositioning of the Group, UNIQA deviated from Rule 27 regarding the variable portions of the compensation of the Management Board in the case of individual members of the Management Board in the 2012 reporting period.

Starting in the 2013 financial year, the system used to calculate the variable portions of the compensation of the Management Board has been changed. The new system (see also "Principles for profit participation by the Management Board" in the compensation report) conforms to Rule 27 of the Austrian Code of Corporate Governance.

MEMBERS OF THE MANAGEMENT BOARD FROM 1 JANUARY 2013

Chairman

Andreas Brandstetter, CEO

1969*, appointed on 1 January 2002 until 31 December 2016

Responsible for:
- Investor Relations
- Group Marketing
- Group Communication
- Group Human Resources
- Group Internal Audit
- Group General Secretary

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Consolidated Financial Statements:
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Wiener Börse AG, Vienna

Members

Hannes Bogner, CFO

1959*, appointed on 1 January 1998 until 31 December 2016

Responsible for:
- Group Finance Accounting
- Group Asset Management (Front Office)
- Real Estate
- Investments/Equity Affairs
- Legal Affairs
- Group Internal Audit

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Consolidated Financial Statements:
- Member of the Board of Directors of Takaful Emarat Insurance, UAE

Wolfgang Kindl

1966*, appointed on 1 July 2011 until 31 December 2016

Responsible for:
- UNIQA International

Thomas Münkel, COO

1959*, appointed on 1 January 1997 until 31 December 2016

Responsible for:
- Group Processes
- Group IT
- Strategic Project Office

Kurt Svoboda, CRO
1967*, appointed on 1 July 2011 until 31 December 2016

Responsible for:
- Group Finance Controlling
- Group Risk Management
- Group Asset Management (Back Office)
- Group Actuary
- Group Reinsurance
- Value Based Management
- Regulatory Management Solvency II
- Governance & Compliance

MEMBERS OF THE MANAGEMENT BOARD UNTIL 31 DECEMBER 2012

The members of the Management Board and their responsibilities as well as their Supervisory Board mandates in domestic and foreign listed companies are in line with the information given in the Corporate Governance Report in the 2011 financial year.

THE WORK OF THE MANAGEMENT BOARD

The work of the members of the Management Board is regulated by the rules of procedure. The division of the business responsibility as decided by the entire Management Board is then approved by the Supervisory Board. The rules of procedure regulate the members of the Management Board's disclosure and approval obligations to each other and to the Supervisory Board. A catalogue of measures is laid out that requires the authorisation of the Supervisory Board. The Management Board meets regularly (weekly) and the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions. In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

The Chairmen of the Management Boards of UNIQA Österreich Versicherungen AG and of Raiffeisen Insurance AG – Hartwig Löger and Klaus Pekarek – attended the meetings of the Management Board of UNIQA Versicherungen AG in an advisory capacity. The committee thus formed constitutes the Group Executive Board.

The Management Board informs the Supervisory Board at regular intervals, in a timely and comprehensive manner, about all relevant questions of business development, including the risk situation and the risk management of the Group. In addition, the Chairman of the Supervisory Board is in regular contact with the Chairman of the Management Board and discusses the strategy, business development and risk management of the company with him.

MEMBERS OF THE SUPERVISORY BOARD

Chairman

Walter Rothensteiner (since 29 May 2012)
1953*, appointed on 3 July 1995 until the 16^{th} Annual General Meeting (2015)

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

Christian Konrad (up to 29 May 2012)
1943*, appointed on 29 June 1990 until 29 May 2012

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 Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BayWa AG, Munich
- Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

1st Vice Chairman
Georg Winckler
1943*, appointed on 17 September 1999 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:
- 1st Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

2nd Vice Chairman
Erwin Hameseder (since 29 May 2012)
1956*, appointed on 21 May 2007 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:
- 1st Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Vice Chairman of the Supervisory Board of Agrana Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of Strabag SE, Villach
- Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Walter Rothensteiner (until 29 May 2012)

3rd Vice Chairman
Christian Kuhn
1954*, appointed on 15 May 2006 until the 16th Annual General Meeting (2015)

4th Vice Chairman
Günther Reibersdorfer
1954*, appointed from 23 May 2005 until 25 May 2009 and since 31 May 2010 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:
- Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna (since 29 August 2012)

5th Vice Chairman
Ewald Wetscherek
1944*, appointed from 17 September 1999 until the 16th Annual General Meeting (2015)

Members

Ernst Burger
1948*, appointed from 25 May 2009 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:
• Vice Chairman of the Supervisory Board of Josef Manner & Comp. Aktiengesellschaft, Vienna

Peter Gauper (since 29 May 2012)
1962*, appointed from 29 May 2012 until the 16th Annual General Meeting (2015)

Erwin Hameseder (until 29 May 2012)

Eduard Lechner
1956*, appointed from 25 May 2009 until the 16th Annual General Meeting (2015)

Hannes Schmid (until 29 May 2012)
1953*, appointed from 25 May 2009 until 29 May 2012

Supervisory Board appointments in domestic and foreign listed companies:
• Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna (until 29 August 2012)

Johannes Schuster (since 29 May 2012)
1970*, appointed from 29 May 2012 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:
• Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna

Assigned by the Central Employee Council

Johann-Anton Auer
1954*, since 18 February 2008

Doris Böhm
1957*, since 7 April 2005

Anna Gruber
1959*, since 15 April 2009

Franz-Michael Koller
1956*, since 17 September 1999

Friedrich Lehner
1952*, from 31 May 2000 to 1 September 2008 and since 15 April 2009

The Supervisory Board of UNIQA Versicherungen AG held six meetings in 2012 and made one decision regarding steps to be taken by circulating it in writing.

COMMITTEES OF THE SUPERVISORY BOARD

Committee for Board Affairs

- Walter Rothensteiner (Chairman since 29 May 2012)
- Christian Konrad (member and Chairman until 29 May 2012)
- Georg Winckler
- Erwin Hameseder (member since 29 May 2012)
- Christian Kuhn

Working Committee

- Walter Rothensteiner (Chairman since 29 May 2012)
- Christian Konrad (member and Chairman until 29 May 2012)
- Georg Winckler
- Erwin Hameseder (member since 29 May 2012)
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm
- Franz-Michael Koller

Audit Committee

- Walter Rothensteiner (Chairman since 29 May 2012)
- Christian Konrad (Chairman and member until 29 May 2012)
- Georg Winckler
- Erwin Hameseder (member since 29 May 2012)
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm
- Franz-Michael Koller

Investment Committee

- Erwin Hameseder (Chairman)
- Georg Winckler (Vice Chairman)
- Eduard Lechner
- Günther Reibersdorfer (member since 29 May 2012)
- Hannes Schmid (member until 29 May 2012)

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm

THE WORK 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.

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. It is the chairman's responsibility to evaluate the urgency. 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 importance or which are stipulated by law are excepted, however.

The Audit Committee of the Supervisory Board has the same members as the Working Committee. The Audit Committee, including the activities of the Working Committee in its function as an audit committee, performs the duties assigned to it by law. Finally, the Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority. At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board, in particular in conjunction with the repositioning of UNIQA.

In its two meetings, the Working Committee mainly discussed the profit developments of the Group, assessed the company strategy and made three decisions regarding steps to be taken by circulating these in writing, due to their urgency.

The Audit Committee, including the Working Committee, which was also functioning as an audit committee, met in two sessions, dealt with all audit documents, the Corporate Governance Report and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit regions and significant audit discoveries based on executed audits.

The Investment Committee had five meetings about the capital investment strategy and issues concerning the capital structure. The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work. For information regarding the activity of the Supervisory Board and its committees, also refer to the statements in the Report of the Supervisory Board.

MEASURES TO PROMOTE WOMEN ON THE MANAGEMENT BOARD, THE SUPERVISORY BOARD AND IN TOP EXECUTIVE POSITIONS

UNIQA knows that a high level of diversity in the team makes it more successful. Successful organisations tap into the diversity of various nationalities and cultures and the differing strengths of men and women.

At UNIQA, the share of women in Management Board positions and in senior executive roles across the Group is 17 per cent, and 25 per cent in the international area. These figures are too low. For this reason, UNIQA gives priority to hiring women in its recruitment process for candidates with the same qualifications. In addition, the ability to combine a career with family life is a key issue when it comes to promoting the careers of women in the company. With this in mind, UNIQA goes to great lengths to provide flexible working hours, part-time models and the option of teleworking. Starting in 2013, UNIQA will also be cooperating with an external service provider that offers services such as childcare, care for relatives and other family services. Both men and women should have the same opportunities to combine a career with family life.

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 concerning 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 does not perform executive functions in the company.
- 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.

COMPENSATION REPORT

Earnings of the Management Board and Supervisory Board

Members of the Management Board receive their remuneration exclusively from UNIQA Versicherungen AG, the Group holding company.

Figures in € thousand	2012	2011
The expenses for remuneration of Management Board members attributable to the financial year amounted to:		
Fixed payments[1]	2,145	2,054
Variable payments	3,149	43[2]
Regular payments	5,294	2,097
Severance claims	1,855	2,785
Total	**7,149**	**4,882**
Of which was proportionally passed on to the operative subsidiaries	6,791	4,638
Former members of the Management Board and their surviving dependants were paid	2,644	2,598
For pension commitments to these persons, the following provision was made on 31 December	23,818	20,790

[1] The fixed salary components contain benefits in kind in the amount of € 49,909 (2011: € 44,079).
[2] These variable payments were made for the 2010 financial year, together with the provisions made in the 2010 Annual Financial Statements in the amount of €1,959,000. The members of the Management Board did not receive any variable payments for 2011.

The salaries of the Management Board are divided up among the individual members as follows:

Name of Management Board member Figures in € thousand	Fixed payments 2012	Variable payments 2012	Total regular payments 2012	Severance claims 2012	Annual total
Andreas Brandstetter	407	579	986	–	986
Hannes Bogner	358	517	875	–	875
Wolfgang Kindl	340	512	852	–	852
Hartwig Löger (until 31 December 2012)	340	512	852	–	852
Kurt Svoboda	340	512	852	–	852
Gottfried Wanitschek (until 31 December 2012)	359	517	876	1,855	2,731
Total amount	2,145	3,149	5,294	1,855	7,149
Previous year	2,054	43	2,097	2,785	4,882

In addition to the salaries listed above, the following pension fund contributions were paid to the members of the Management Board for existing pension commitments in the financial year. The equalisation payments arise in the event of departure before the age of 65 based on the general funding of pension claims until the age of 65.

Pension fund contributions Figures in € thousand	Regular contributions	Equalisation payments	Annual total
Andreas Brandstetter	84	–	84
Hannes Bogner	128	–	128
Wolfgang Kindl	119	–	119
Hartwig Löger (until 31 December 2012)	108	–	108
Kurt Svoboda	105	–	105
Gottfried Wanitschek (until 31 December 2012)	142	1,254	1,396
Total amount	686	1,254	1,940
Previous year	734	3,849	4,584

The compensation to the members of the Supervisory Board for their work in the 2011 financial year was €304,000. A provision of €380,000 has been made for compensation of their work in the 2012 financial year. In 2012, €35,520 (2011: €33,375) were paid out in attendance fees and cash expenditures.

Figures in € thousand	2012	2011
For the current financial year (provision)	380	304
Attendance fees	36	33
Total	416	337

The Supervisory Board's compensation (including attendance fees) was split between the individual members of the Supervisory Board as follows:

Name of Supervisory Board member Figures in € thousand	Compensation 2012[1)]	Compensation 2011
Walter Rothensteiner	61	41
Christian Konrad (until 29 May 2012)	32	57
Georg Winckler	58	47
Erwin Hameseder	42	19
Christian Kuhn	51	41
Günther Reibersdorfer	48	36
Ewald Wetscherek	44	36
Ernst Burger	17	13
Peter Gauper (since 29 May 2012)	9	–
Eduard Lechner	24	19
Hannes Schmid (until 29 May 2012)	11	19
Johannes Schuster (since 29 May 2012)	9	–

1) The Management Board and Supervisory Board intend to recommend to the 2013 Annual General Meeting that a resolution be passed to increase compensation (a return to the level of the 2010 financial year).

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

The information according to Section 239 (1) of the Austrian Commercial Code in connection with Section 80b of the Insurance Supervisory Act, which must be included in the Notes as mandatory information for IFRS financial statements 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 there is a legally binding basis with UNIQA Versicherungen AG.

Principles for profit participation by the Management Board

A variable income component is 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 Committee for Board Affairs on the balance sheet work involving the development of the Group's reserves. The Committee for Board Affairs can 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 profit participation.

Starting from the 2013 financial year, the system used to calculate the variable portions of the compensation of the Management Board has been changed in conjunction with the extension of the Management Board mandates. By means of a Short Term Incentive (STI), a one-time payment is made if certain defined prerequisites for entitlement are met based on the earnings situation and agreed individual targets for each financial year. A Long Term Incentive (LTI) is also provided. This provides for one-time payments after a term of four years, depending on the performance of the UNIQA share, ROE and the Total Shareholder Return based on annual virtual investment amounts in UNIQA shares. Upper limits are agreed. Consideration is given to the linking of the LTI to an annual investment obligation on the part of the Management Board members in UNIQA shares subject to a retention period of four years each. The system conforms to Rule 27 of the Austrian Code of Corporate Governance.

Principles for the pension scheme provided by the company for the Management Board and its prerequisites

Retirement pensions, a pension for occupational disability as well as a widow's and orphan's pension have been established, whereby the pension entitlements are managed by Valida Pension 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 the event of an earlier retirement, the pension claim is reduced. For the occupational disability pension and the pension for surviving dependants, basic amounts are provided as a minimum pension. The pension fund at Valida Pension AG is financed by UNIQA through ongoing contributions for the individual members of the Management Board. Equalisation payments to Valida Pension AG are due if members of the Management Board depart before the age of 65 (imputed contribution payment duration to prevent excess financing).

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 agreed-upon termination packages on the occasion of premature termination of the work of the Board member conform to the criteria of Rule 27a of the Austrian Code of Corporate Governance. The benefits are fundamentally retained in the event of termination of membership on the Management Board; however, a reduction rule applies.

Supervisory Board compensation scheme

Compensation to the Supervisory Board is approved at the Annual General Meeting as a total amount for the work in the past financial year. The compensation 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 page 107. A description of the announcements made about the directors' dealings (Rule 73) can also be found at www.uniqagroup.com in the Investor Relations section.

Vienna, 21 March 2013

Andreas Brandstetter
Chairman of the Management Board

Hannes Bogner
Member of the Management Board

Wolfgang Kindl
Member of the Management Board

Thomas Münkel
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Report of the Supervisory Board

Walter Rothensteiner,
Chairman of the Supervisory Board

Ladies and Gentlemen,

for UNIQA, 2012 was dominated by the UNIQA 2.0 long-term strategic programme.

Under this programme, UNIQA has set the objective of expanding its customer base to 15 million by 2020 and of increasing earnings before taxes by up to €400 million in comparison to 2010. The company is concentrating on the core business. It is targeting profitable business in Austria and profitable growth in Central and Eastern Europe.

In 2012, UNIQA tackled the first stage of the implementation of this strategy and achieved its target result. It divested a range of activities that were not part of the core business, improved the risk profile, and pressed ahead with the main points of the strategic programme UNIQA 2.0. UNIQA completed a cash capital increase amounting to €500 million and created a Group structure that is conducive to its planned capital market activities.

Activity of the Supervisory Board

During 2012, the Supervisory Board was regularly informed by the Management Board of business developments and the situation at UNIQA Versicherungen AG and of the Group as a whole. It also supervised the Management Board's management of the business and fulfilled all the tasks assigned to the Supervisory Board by legislation and the company articles. In the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

The members of the Supervisory Board were invited to participate in a series of information events on relevant topics, for example, a seminar in 2012 on current trends in relation to the IFRS and Solvency II regulations.

Focus of the meetings

The meetings focused on the Group's earnings situation and its further strategic development. The Supervisory Board held six meetings in 2012 and made one decision regarding steps to be taken by circulating it in writing.

In the meeting on 13 March, the Supervisory Board mainly discussed the preliminary Group earnings for the 2011 financial year and medium-term planning up to 2015.

The Supervisory Board meeting on 26 April focused on the Annual Financial Statements and Consolidated Financial Statements as at 31 December 2011, the Management Board's report on Group developments during the first quarter of 2012. Basic resolutions regarding plans to increase the share capital of UNIQA Versicherungen AG from the “authorised capital” and regarding the change in the Group's legal form were passed.

In addition, the Supervisory Board addressed the termination of cooperation with the European Bank for Reconstruction and Development. Negotiations regarding the proposed choice of auditor were completed on 2 May with a resolution in writing.

The constituent Supervisory Board meeting of 29 May marked the election of a new Chairman of the Supervisory Board after Christian Konrad tendered his resignation following almost 22 years of service on the Supervisory Board.

On 26 June, the Supervisory Board assessed the resolution regarding the increase of the share capital of UNIQA Versicherungen AG from the authorised capital and the contractual basis for the restructuring of the Austrian insurance group.

At the meeting on 11 September, the Supervisory Board dealt mainly with developments at the company during the first six months of 2012 and the resolution to increase the share capital of UNIQA Versicherungen AG from the authorised capital in return for the contribution of the remaining shareholdings in UNIQA Österreich Versicherungen AG held by Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung and Collegialität Versicherungsverein Privatstiftung. In addition, the Supervisory Board supported the strategy adopted by the Management Board by approving the sale of hotel properties and businesses. Finally, the thresholds for transactions requiring approval in the rules of procedure were increased by an appropriate amount.

In addition to reporting on the Group earnings during the first three quarters of 2012 and planning for the 2013 financial year, the Supervisory Board discussed its activities at its meeting on 27 November in accordance with the Code of Corporate Governance. It also passed resolutions concerning changes to the Management Board and approved the new division of business responsibility in the Management Board from 1 January 2013.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, other committees have been set up in addition to the mandatory financial Audit Committee.

The Working Committee primarily discussed the profit development in the Group, examined the company strategy and handled a number of tasks assigned to the Audit Committee since both committees share the same members. It held two meetings in 2012 and made three decisions regarding steps to be taken by circulating them in writing.

At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board and with questions regarding compensation policies and succession planning, in particular regarding the composition of the Management Board as of 1 January 2013.

The Investment Committee had five meetings on the capital investment strategy, questions concerning the capital structure and the positioning of risk and asset liability management.

The Audit Committee, including the Working Committee, which was also functioning as an audit committee, met in two sessions, dealt with all audit documents and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit regions and significant audit discoveries based on executed audits.

The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

Annual Financial Statements and Consolidated Financial Statements

The Annual Financial Statements prepared by the Management Board and the Management Report of UNIQA Versicherungen AG as well as the Consolidated Financial Statements prepared according to the International Financial Reporting Standards (IFRSs) and the Group Management Report for 2012 were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and given an unqualified auditor's opinion.

The Supervisory Board acknowledged and approved the results of the audit.

The consistency check of the Corporate Governance Report according to Section 243b of the Austrian Commercial Code as well as an evaluation of UNIQA's compliance with the Austrian Code of Corporate Governance rules in the 2012 financial year were performed by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH, and the final results indicated that UNIQA complied with the rules of the Austrian Code of Corporate Governance in the 2012 financial year – insofar as these were included in the compliance declaration.

The Supervisory Board approved the Consolidated Financial Statements and the Annual Financial Statements of UNIQA Versicherungen AG and agreed to the Group Management Report and the Management Report. The 2012 Annual Financial Statements were thereby adopted in accordance with Section 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board examined and approved the proposed appropriation of profit submitted by the Management Board. Accordingly, a dividend distribution amounting to €0.25 per share will be proposed to the Annual General Meeting on 27 May 2013.

The Supervisory Board would like to thank all employees of the UNIQA Group for their immense personal commitment during the past financial year.

Vienna, April 2013
On behalf of the Supervisory Board

Walter Rothensteiner,
Chairman of the Supervisory Board

Keep going.

We intend to double the number of our customers.

"15 million customers by 2020 – we will reach that goal by impressing our customers through showing them a tremendous amount of commitment and honest, top-class service. In spite of any mistakes we may make."

Anna Skusiewicz/UNIQA International

We are focusing on our core business.

"We provide a service. We seek to offer our 8.7 million customers security and a solid footing, so that they can plan their lives with confidence."

Franz Buchberger/UNIQA Holding, Marián Kozáček/UNIQA Slovakia, Ingrid Lindermuth/UNIQA Holding, Patrick Buleetwa/UNIQA Holding

We will implement our four key programmes step by step.

"We don't just rest on the laurels of what we have already accomplished. We seek to improve ourselves even further in the interest of our customers, partners and shareholders. We all work on this together, day by day."

Magdalena Herman/UNIQA Austria, Martin Strahner/Raiffeisen Insurance, Mirjana Bošnjak/UNIQA Croatia, Pawel Dygas/UNIQA Holding

We intend to strengthen our equity base.

"In order to implement our long-term growth strategy, we need capital and the trust of our shareholders. We will get that when we deliver on our promises."

Ivana Dumitraskovic / UNIQA International, Mathias Brezovits / UNIQA Austria

We intend to improve our results.

"We intend to improve our results significantly by 2015. We took the first step in 2012. But it was just the first. That is why we can simply say, 'Stick to our guns.'"

Filip Kisiel/UNIQA Austria

Organisational model

UNIQA Holding

CEO
A. Brandstetter

CFO
H. Bogner

UNIQA International
W. Kindl

COO
T. Münkel

CRO
K. Svoboda

UNIQA International

CEO, Central Europe
W. Kindl

Southeastern Europe
Z. Visnjic

Eastern Europe, Poland
H.-C. Schwarz

Bank Assurance
J. Porak

UNIQA Austria

CEO
H. Löger

Sales Management
H. Löger

Technical Management Personal Insurance
P. Eichler

Technical Management Property Insurance
R. Wasner

Process Management
S. Harfmann

Raiffeisen Insurance

CEO
K. Pekarek

Sales Management
H. Chrstos

Technical Management Personal Insurance
P. Eichler

Technical Management Property Insurance
R. Wasner

Process Management
M. Sardelic

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Group Management Report

ECONOMIC ENVIRONMENT

The economic conditions in 2012 were characterised by a global downturn. In the fourth year since the financial crisis began, the long-term consequences continued to affect a number of industrialised nations, with growth rates failing to reach their potential. As in 2011, there was highly divergent macroeconomic development within the European Monetary Union. In Germany, real gross domestic product (GDP) increased by 0.9 per cent in 2012. Despite the difficult economic environment, Austria recorded growth of 0.5 per cent, one of the highest rates within the European Monetary Union. Some of the southern euro zone members were hit by a serious recession. GDP declined by 7.2 per cent in Greece and 3.4 per cent in Portugal, while the downturn in Italy and Spain was slightly less pronounced at 2.4 per cent and 1.6 per cent respectively.

The macroeconomic situation in the USA was more positive than in the euro zone, with GDP improving by 2.2 per cent in 2012. While domestic demand in a number of euro zone nations was impacted by public-sector austerity measures, some of which were dramatic in nature, the much-needed consolidation of the US budget was not addressed until the turn of 2012/13.

The high level of unemployment in many countries is increasingly becoming one of the most serious problems affecting the euro zone. As of September 2012, Spain had the highest unemployment rate at 25.6 per cent, followed by Greece (24.6 per cent), Portugal (15.8 per cent), Ireland (14.8 per cent) and Italy (10.6 per cent). By contrast, unemployment rates in Austria and Germany are relatively stable and considerably lower than the average for the euro zone as a whole (Austria: 4.3 per cent; Germany: 6.8 per cent; euro zone: 11.4 per cent).

Central and Eastern Europe

The weak economic situation in the industrialised nations had a downstream impact on the emerging economies. Although Central and Eastern Europe (CEE) was also affected by the global downturn in the previous year, the region again succeeded in generating a positive growth differential compared with most industrialised nations. Despite the slowdown over the course of the year, Poland continued to be one of the best performers in CEE in 2012, recording a growth rate of 2.1 per cent. Slovakia also saw stable growth of 2.4 per cent. Economic performance in the Czech Republic was impacted in particular by dramatic public-sector austerity measures (minus 1.1 per cent year-on-year), while Hungary was also affected by a downturn in public-sector demand (minus 1.7 per cent year-on-year). Following the political unsettlement caused by the country's negotiations with the International Monetary Fund, confidence among international investors in Hungary's politics and economy improved on the back of the general recovery in the second half of the year. However, the overall picture remained disappointing.

The economies of Southeastern Europe saw extremely varied development in some cases. Bulgaria generated GDP growth of 1.5 per cent. Rigorous savings measures in Romania meant that GDP growth stagnated at 0.2 per cent. Among the Balkan nations, Serbia (minus 2.0 per cent) and Croatia (minus 1.8 per cent) both saw downturns in GDP. GDP growth in

Ukraine was just 0.2 per cent. At 3.4 per cent, Russia recorded the highest growth rate in the region.

Many of the nations in Central and Eastern Europe are not directly affected by the problem of excessive growth in sovereign debt. The protracted process of debt relief among private households and companies and the other consequences of the financial crisis are mainly being felt by the industrialised nations. The ratio of public debt to GDP in the euro zone increased to more than 90 per cent in 2012. By contrast, sovereign debt in most CEE nations was considerably lower than 60 per cent of GDP. Nevertheless, economic policy in a number of EU member states (Poland, Romania, Czech Republic and Hungary) and candidates (Croatia, Serbia) is concentrated on measures aimed at achieving the Maastricht criteria.

The relaxation in the euro crisis meant that investor confidence in Central and Eastern Europe increased in the second half of 2012. The cuts to key lending rates by some central banks as the result of falling inflation offer potential for a further boost to economic development in Central and Eastern Europe over the coming year.

Historically low interest rate environment

In a number of industrialised nations, the general interest rate environment reached a historical low in the past year. The European Central Bank (ECB) reduced its key interest rate by 25 basis points to 0.75 per cent in July and recently resolved to maintain this low level for the time being. The US Fed again kept the Fed funds rate at practically zero in the past year and announced its intention to stick to its policy of quantitative easing until at least 2015. Monthly bond purchases were also increased to USD 85 billion.

In the area of long-term investments, too, yields on secure government bonds were extremely low. At year-end, the effective yield on ten-year German government bonds was just 1.32 per cent, while ten-year Austrian government bonds had a yield of 1.75 per cent. Companies with good credit ratings are now able to refinance at extremely favourable credit margins (compared with government bonds). The average credit spread for European industrial companies and banks at year-end was just 145 basis points.

The outlook in terms of inflation is moderate. In its most recent forecast, the ECB expects euro zone inflation of between 1.1 and 2.1 per cent in 2013.

The way out of the euro crisis

Economic development over the past year has been dominated by the European sovereign debt crisis. Particular attention was paid to political efforts aimed at overcoming the crisis. The European Fiscal Compact was ratified by 25 EU member states on 2 March 2012. The Compact obliges the signatory states to balance their structural deficits. The European Stability Mechanism (ESM) came into force officially on 8 October 2012. The first operation of the ESM was the recapitalisation of the Spanish banking sector. The Eurogroup had previously approved credit lines of a maximum of €100 billion in July. In December, the ESM transferred around € 40 billion to the Spanish banking bailout and reconstruction programme FROB.

The ECB also played a not insubstantial role in overcoming the crisis. The two long-term refinancing operations (LTRO) for European banks led to a relaxation on the bond markets in early 2012. The ECB's announcement in the second half of the year that it was willing to provide unlimited support for euro countries in the form of outright monetary transactions in bond markets (OMT) meant that more time was available for further structural reforms in the euro zone in particular.

Weak growth in the Austrian insurance industry continues

Following the significant downturn in premiums in the previous year, the Austrian insurance industry again generated lower premiums in 2012. According to the latest forecasts (source: Austrian Insurance Association), the total premium volume is expected to decline by 0.9 per cent to €16.3 billion. A return to moderate growth (+0.2 per cent) is forecast for 2013.

The reduction in total premiums is due in particular to another substantial downturn in the area of life insurance: premiums fell by 6.7 per cent in 2012, thereby reducing total premiums earned by €470 million compared with the previous year. Sustained high losses on single premiums (minus 19 per cent) were the main cause of this development. However, recurring premiums also decreased. This was largely due to the lower level of premiums from retirement annuities, with the 50 per cent reduction in state support placing old-age provision under pressure. The outlook for life insurance for 2013 is also muted (minus 3 per cent) on account of the low level of guaranteed insurance and the development of old-age provision.

On the other hand, property and casualty insurance had a positive impact on total premiums earned, recording growth of 3.4 per cent in 2012. Other property and casualty insurance grew by 4.2 per cent, with premiums rising in the areas of legal expense insurance and technical insurance in particular (+5.2 and +4.4 per cent respectively). Health insurance also provided positive support for total premiums with stable growth of 3.4 per cent, and this development is expected to be largely repeated in 2013 (+3.2 per cent).

However, insurance penetration in Austria fell in 2012 as a result of the largely negative overall trend, amounting to 5.26 per cent. Despite a slight increase in premiums earned, this figure is expected to decline further to around 5.10 per cent in the coming year.

Market potential in CEE remains immense despite weaker economic growth

As the economy in Central and Eastern Europe is dependent to a large extent on development in Europe as a whole and the euro zone, the CEE states were unable to maintain the high level of growth they had enjoyed in previous years. However, growth rates in the region continued to overshadow the western EU member states. CEE recorded real GDP growth of 2.2 per cent in 2012, while the euro zone entered a recession with GDP falling by 0.5 per cent. CEE is expected to enjoy similar growth in 2013, with the second half of the year in particular seeing a strong upturn. Growth of 2.8 per cent is forecast for 2014. The renowned international research institution Business Monitor International (BM) is forecasting significantly stronger growth for CEE than for Western Europe in the period from 2010 to 2012. While BM envisages economic growth of 45 per cent in Austria for those ten years, the comparable growth rates in Poland, Romania and Albania are 84 per cent, 92 per cent and 97.9 per cent, respectively.

The particular strengths of the CEE nations are their competitiveness and workforce flexibility. Rising wages and salaries are expected to result in growth potential for the insurance market in particular, while private consumer spending is also set to increase over the coming years. As the insurance density and penetration seen in Western Europe have yet to be achieved in the region and the corresponding key figures are substantially below the level of the Austrian market, a higher level of insurance sales is anticipated. Various regulations and statutory provisions also mean that the CEE market will maintain its potential and become even more attractive.

Unlike the western markets, the CEE region also succeeded in generating solid premium growth in 2012 due to the aforementioned factors. However, the outlook for the coming year is far from unclouded, with many countries seeing a reluctance to invest in insurance on account of the uncertain macroeconomic environment. The low level of interest rates at present is also having an adverse effect on life insurance in the CEE region. Nevertheless, UNIQA expects growth in the Eastern European markets to be significantly higher than in Austria.

UNIQA GROUP

With a premium volume written (including the savings portion of unit- and index-linked life insurance) of €5,543.1 million, UNIQA is one of the leading insurance groups in CEE. The savings portion of unit- and index-linked life insurance in the amount of €679.0 million is offset against the changes in actuarial provisions in accordance with FAS 97 (U.S. GAAP). Adjusted for the savings portion of unit- and index-linked life insurance, the premium volume written amounted to €4,864.2 million.

UNIQA offers its products and services via all distribution channels (hired sales force, general agencies, brokers, banks and direct sales) and covers the entire range of insurance sectors.

The listed holding company, UNIQA Versicherungen AG, manages the Group and handles its indirect insurance business. It also performs service functions for the Austrian and international insurance subsidiaries with a view to taking best advantage of synergy effects within all the Group companies and consistently implementing the Group's long-term corporate strategy.

UNIQA International Versicherungs-Holding AG manages the international activities of the Group. This company is also responsible for the ongoing monitoring and analysis of the international target markets and for acquisitions and post-merger integration.

Capital increase implemented

In July 2012, UNIQA implemented a cash capital increase with a volume of €500 million, placing a total of 47,619,048 new shares. The subscription price was €10.50 per share. The share capital of UNIQA Versicherungen AG increased to €190,604,265 as a result.

The proceeds from the cash capital increase strengthen UNIQA's capital base and solvency and, together with the planned improvements from the implementation of the UNIQA 2.0 strategic programme and the cash inflow from the planned re-IPO, will provide the foundations for leveraging the sustainable growth opportunities that are available in the CEE region in particular.

UNIQA establishes a capital-market-friendly Group structure

In preparation for its planned re-IPO, UNIQA streamlined its Group structure in 2012 to make it more capital-market-friendly. UNIQA Sachversicherung AG and CALL DIRECT Versicherung AG were merged with UNIQA Personenversicherung AG as the acquiring entity, which was simultaneously renamed UNIQA Österreich Versicherungen AG.

Prior to this change in the company's legal form, Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung and Collegialität Versicherung auf Gegenseitigkeit contributed their direct shareholding in UNIQA Personenversicherung AG, which totalled around 36.61 per cent, to the listed holding company UNIQA Versicherungen AG. In return for the contribution of their shares, they received 23,643,635 new shares of UNIQA Versicherungen AG. On 11 September 2012, the Supervisory Board approved the Management Board resolution and authorised the issue of the new shares, and hence the increase in the share capital to € 214,247,900.

UNIQA Österreich Versicherungen AG is now a wholly owned subsidiary of the listed holding company. From the 4th quarter of 2012 on, UNIQA Österreich Versicherungen AG's profit is therefore included in full in UNIQA's consolidated profit, as minority interests will no longer be deducted.

Companies included in the IFRS Consolidated Financial Statements

UNIQA's Consolidated Financial Statements for 2012 include 57 Austrian companies (including UNIQA Versicherungen AG) and 72 international companies. A total of 33 affiliated companies whose influence on the presentation of a true and fair view of the net assets, financial position and results of operation was immaterial were not included in consolidation. In addition, nine Austrian companies were recognised at equity as associates. 13 associates were of minor importance; the equity interests in these companies are recognised at fair value.

In 2012, UNIQA completed the sale of Mannheimer AG Holding, including its subsidiaries Mannheimer Versicherung AG, Mannheimer Krankenversicherung AG and mamax Lebensversicherung AG and the associated real estate holdings. In accordance with IFRS 5, the figures of the Mannheimer Group in Germany are no longer included in the following information on UNIQA's business development (separate presentation as result of discontinued operations).

UNIQA also acquired the minority interests held by the European Bank for Reconstruction and Development (EBRD) in the subsidiaries in Croatia (20 per cent), Poland (30 per cent) and Hungary (15 per cent).

Details on the consolidated and associated companies can be found in the corresponding overview in the Notes to the Consolidated Financial Statements (from page 94). The accounting policies are also described in the Notes to the Consolidated Financial Statements (from page 97).

Risk report

UNIQA's comprehensive risk report can be found in the Notes to the 2012 Consolidated Financial Statements (from page 107).

UNIQA's business development

The following discussion of the Group's business development is 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 "property and casualty insurance", "health insurance" and "life insurance" business segments.

Premium volume written
Including the savings portion of unit- and index-linked life insurance

Figures in € million

GROUP BUSINESS DEVELOPMENT

UNIQA provides life and health insurance and is active in almost all areas of property and casualty insurance. UNIQA serves around 8.7 million customers, has over 17.4 million insurance policies with a premium volume written (including the savings portion of unit- and index-linked life insurance) of around € 5.5 billion (2011: € 5.5 billion) and investments of € 26.3 billion (2011: € 24.6 billion). UNIQA is the second-largest insurer in Austria and has a strong network in CEE with a presence in 16 countries.

Premium development

Despite a downturn in the area of single premiums, UNIQA's total premium volume, including the savings portion of unit- and index-linked life insurance in the amount of € 679.0 million (2011: € 633.9 million), increased slightly by 0.2 per cent to € 5,543.1 million (2011: € 5,534.2 million). By contrast, the total consolidated premium volume written declined marginally by 0.7 per cent to € 4,864.2 million (2011: € 4,900.2 million).

There was satisfactory development in the area of insurance policies with recurring premiums, which grew by 1.5 per cent to € 5,009.7 million (2011: € 4,933.3 million). Although the deterioration in the single-premium business was slowed in 2012, the volume declined by 11.2 per cent to € 533.5 million as a result of the extension of the minimum holding period to benefit from tax advantages in Austria and the planned reduction in business in Poland (2011: € 600.9 million).

Group premiums earned, including the savings portion of unit- and index-linked life insurance (after reinsurance) in the amount of € 649.9 million (2011: € 599.7 million), rose by 0.2 per cent to € 5,273.8 million (2011: € 5,264.7 million). Retained premiums earned (in accordance with IFRS) declined by 0.9 per cent to € 4,623.9 million (2011: € 4,665.0 million).

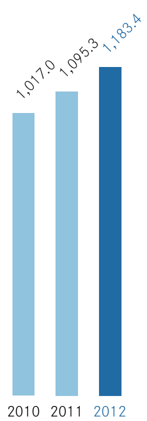
In the 2012 financial year, 45.9 per cent (2011: 43.5 per cent) of the premium volume written were attributable to property and casualty insurance, 16.4 per cent (2011: 15.9 per cent) to health insurance and 37.7 per cent (2011: 40.6 per cent) to life insurance.

In Austria, the premium volume written, including the savings portion of unit- and index-linked life insurance, fell by 3.2 per cent to € 3,566.2 million in 2012 (2011: € 3,685.8 million). Recurring premiums declined by 2.0 per cent to € 3,474.0 million (2011: € 3,545.8 million). Single premiums declined by 34.2 per cent to € 92.1 million (2011: € 140.0 million) due to the aforementioned extension of the minimum holding period to benefit from tax advantages.

Recurring premiums
UNIQA Group

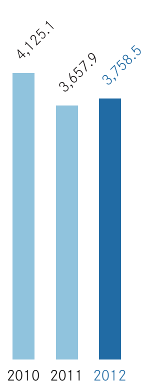
Figures in € million

Recurring premiums
Central and Eastern Europe



Figures in € million

Insurance benefits
Retention



Figures in € million

Including the savings portion of unit- and index-linked life insurance, premiums earned in Austria amounted to €3,470.7 million (2011: €3,595.5 million). Retained premiums earned (in accordance with IFRS) declined by 0.6 per cent to €3,113.2 million in 2012 (2011: €3,132.9 million).

In 2012, the main growth drivers in CEE were property and casualty insurance and health insurance. Growth was dampened by the downward trend in the single-premium business in life insurance. The premium volume written, including the savings portion of unit- and index-linked life insurance, declined by 4.5 per cent to €1,295.5 million in 2012 (2011: €1,240.1 million). Recurring premiums increased sharply by 8.0 per cent to €1,183.4 million (2011: €1,095.3 million). By contrast, single premiums declined by 22.6 per cent to €112.1 million (2011: €144.8 million). In 2012, the share of Group premiums written attributable to CEE increased to 23.4 per cent (2011: 22.4 per cent).

Including the savings portion of unit- and index-linked life insurance, premiums earned in CEE increased by 3.8 per cent to €1,205.5 million (2011: €1,160.9 million). Retained premiums earned (in accordance with IFRS) amounted to €1,077.5 million (2011: €1,047.4 million).

In Western Europe, the premium volume written, including the savings portion of unit- and index-linked life insurance (excluding the Mannheimer Group in Germany, which is not included in these figures in accordance with IFRS 5), increased by 12.0 per cent to €681.5 million in the 2012 financial year (2011: €608.3 million); this was due in particular to the positive development in the property and casualty insurance business in Italy. Recurring premium business also developed extremely positively in this region, increasing by a strong 20.6 per cent to €352.3 million (2011: €292.2 million), while single premiums rose by 4.2 per cent to €329.2 million (2011: €316.1 million). All in all, Western Europe accounted for 12.3 per cent of Group premiums written in 2012 (2011: 11.0 per cent).

Including the savings portion of unit- and index-linked life insurance, premiums earned in Western Europe increased by 6.3 per cent to €408.5 million (2011: €384.3 million). By contrast, retained premiums earned (in accordance with IFRS) declined by 10.6 per cent to €433.1 million (2011: €484.7 million).

Development of insurance benefits

The volume of insurance benefits before reinsurance (see Note 36 of the Notes to the Consolidated Financial Statements) rose by 2.9 per cent to €3,873.8 million in the 2012 financial year due to the increase in the number of major claims and claims due to natural disasters (2011: €3,763.0 million). Consolidated retained insurance benefits increased by 2.8 per cent to €3,758.5 million in the past financial year (2011: €3,657.9 million).

In 2012, retained insurance benefits in Austria increased by 9.3 per cent to €2,715.2 million (2011: €2,484.0 million), while the figure for the Central and Eastern European countries fell by 5.8 per cent to €644.8 million (2011: €684.6 million). In the Western European markets, insurance benefits (after reinsurance) also fell by 18.5 per cent to €398.6 million (2011: €489.3 million).

Operating expenses

Total consolidated operating expenses (see Note 37 of the Notes to the Consolidated Financial Statements) less reinsurance commission and profit shares from reinsurance business ceded (see Note 33 of the Notes to the Consolidated Financial Statements) declined by 6.6 per cent to €1,319.3 million in the 2012 financial year (2011: €1,412.8 million). Reflecting the volume of new business and the change in the product mix, acquisition expenses increased by 4.5 per cent to €955.8 million (2011: €914.3 million). Other operating expenses less reinsurance commission received fell by 27.1 per cent to €363.5 million (2011: €498.4 million). This development includes the first positive effects from UNIQA 2.0 projects.

In Austria, operating expenses decreased by 16.1 per cent to €775.5 million (2011: €923.9 million). The figure for CEE was €435.4 million (2011: €404.0 million), a year-on-year increase of 7.7 per cent. By contrast, operating expenses in the Western European countries increased by 27.8 per cent to €108.4 million (2011: €84.8 million).

UNIQA's cost ratio after reinsurance, i.e. the ratio of total operating expenses to Group premiums earned, including the savings portion of unit- and index-linked life insurance, decreased to 25.0 per cent in the past year as a result of the developments mentioned above (2011: 26.8 per cent). The cost ratio before reinsurance was 24.5 per cent (2011: 26.2 per cent).

Operating expenses
Less reinsurance commission and profit shares from reinsurance business ceded

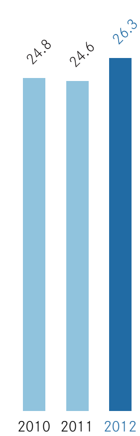
Figures in € million

Investment result

Total investments, including land and buildings used by the Group, real estate held as investments, shares in associates and investments of the unit- and index-linked life insurance and current cash and cash equivalents, increased by 6.9 per cent to €26,307.6 million in the 2012 financial year (31 December 2011: €24,601.1 million).

Net investment income increased by 292.2 per cent to €791.5 million as a result of the good development on the financial markets (2011: €201.8 million). A detailed presentation of investment income can be found in the Notes to the Consolidated Financial Statements (Note 34).

Investments

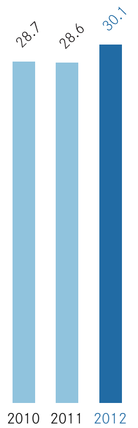


Figures in € billion

Earnings before taxes of €205.4 million

UNIQA generated a highly satisfactory profit/loss on ordinary activities of €205.4 million in the 2012 financial year (2011: minus €322.3 million). The net profit/loss for the period amounted to €169.8 million (2011: minus €243.8 million). Consolidated net profit/loss increased to €130.2 million (2011: minus €245.6 million). This figure includes the result from discontinued operations of €10.4 million due to the disposal of the Mannheimer Group. Earnings per share amounted to €0.77 (2011: minus €1.73). The Management Board will therefore propose the payment of a dividend of €0.25 per share to the Supervisory Board and the Annual General Meeting.

Total assets



Figures in € billion

Group equity and total assets

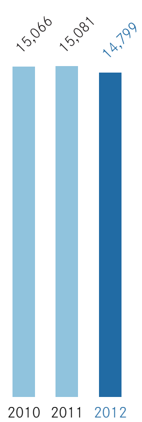
In the past financial year, total Group equity increased by 84.2 per cent or € 922.0 million to € 2,017.6 million as a result of the capital increase implemented in 2012 and the encouraging investment result (31 December 2011: € 1,095.6 million). This figure includes minority interests of € 22.3 million (31 December 2011: € 219.7 million). Accordingly, the solvency ratio (Solvency I) increased to 214.9 per cent (31 December 2011: 122.5 per cent). Total Group assets increased by 5.1 per cent in the year under review to a total of € 30,037.2 million as of 31 December 2012 (31 December 2011: € 28,567.7 million).

Cash flow

In 2012, net cash from operating activities amounted to € 1,133.0 million (2011: € 393.9 million). Net cash used in investing activities amounted to €1,185.5 million (2011: €186.4 million). The increase in the share capital meant that net cash from financing activities increased to € 335.0 million (2011: minus € 58.3 million).

The total change in cash and cash equivalents was € 282.5 million (2011: € 149.2 million). At the end of 2012, the Group had cash and cash equivalents in the amount of € 960.1 million (2011: € 683.1 million).

Number of employees



Employees

In 2012, the average number of employees at UNIQA fell to 14,799 (2011: 15,081). Of this figure, 6,329 (2011: 6,179) were employed in sales positions. The number of employees in administrative roles decreased to 8,470 (2011: 8,902).

In the 2012 financial year, the Group had 2,963 employees (2011: 2,978) in the Central European (CE) region – consisting of Poland, Slovakia, Czech Republic and Hungary –, 2,279 employees (2011: 1,982) in the Southeastern European (SEE) region – consisting of Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – and 2,509 employees (2011: 2,273) in the Eastern European (EE) region, i.e. Romania and Ukraine. There were 61 employees (2011: 56) in Russia (RU). The average number of employees in the Western European markets decreased to 334 due to the disposal of the Mannheimer Group (2011: 1,067). A total of 6,653 people were employed in Austria (2011: 6,725). Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the Group amounted to 22,070.

In 2012, 53 per cent of the employees in Austria working in administrative positions were female. In sales, the male-female ratio was 80:20. 21 per cent (2011: 23 per cent) of employees worked on a part-time basis. The average age of the workforce remained at 42 years in the year under review (2011: 42 years). In total, 14.1 per cent (2011: 12.1 per cent) of the employees participated in UNIQA's bonus system in 2011 – a variable remuneration system that is linked both to the success of the company and to personal performance. UNIQA also offers young people in training the opportunity to get to know foreign cultures and make international contacts. 50 apprentices are currently being trained, and a total of 14 new apprentices were accepted in 2012.

BUSINESS SEGMENTS

Property and casualty

Premium development

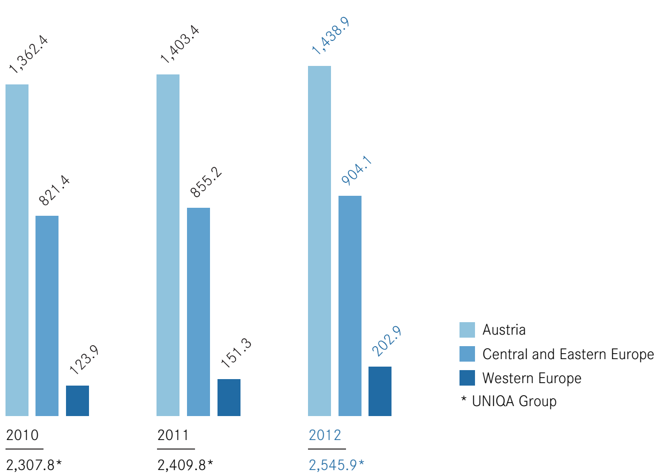
In the property and casualty insurance segment, UNIQA again enjoyed successful growth in 2012, increasing its premiums written by 5.6 per cent to €2,545.9 million (2011: €2,409.8 million). The premium volume in Austria increased by 2.5 per cent to €1,438.9 million (2011: €1,403.4 million).

Growth also continued unabated in the CEE region. Premiums written increased by 5.7 per cent to €904.1 million (2011: €855.2 million), thereby accounting for 35.5 per cent (2011: 35.5 per cent) of Group premiums written in the property and casualty segment.

The premium volume written in the Western European markets increased by 34.1 per cent to €202.9 million as a result of the strong growth in Italy (2011: €151.3 million). Western Europe accounted for 8.0 per cent (2011: 6.3 per cent) of Group premiums. All in all, international markets were responsible for 43.5 per cent of Group premiums written in the property and casualty segment (2011: 41.8 per cent).

Premium volume written in property and casualty insurance

Figures in € million



Details on the premium volume written in the most important risk classes can be found in the Notes to the Consolidated Financial Statements (Note 31).

Retained premiums earned (in accordance with IFRS) in the property and casualty insurance segment totalled €2,394.4 million in the year under review (2011: €2,254.6 million), representing an increase of 6.2 per cent.

Property and casualty insurance Figures in € million	2012	2011	2010
Premiums written	2,545.9	2,409.8	2,307.8
Share Central and Eastern Europe	35.5 %	35.5 %	35.6 %
Share Western Europe	8.0 %	6.3 %	5.4 %
International share	43.5 %	41.8 %	41.0 %
Premiums earned (net)	2,394.4	2,254.6	2,152.7
Net investment income	85.3	39.7	72.6
Insurance benefits (net)	– 1,638.8	– 1,533.4	– 1,542.6
Loss ratio (after reinsurance)	68.4 %	68.0 %	71.7 %
Loss ratio (before reinsurance)	66.6 %	65.8 %	69.0 %
Operating expenses less reinsurance commission	– 786.8	– 831.3	– 708.3
Cost ratio (after reinsurance)	32.9 %	36.9 %	32.9 %
Cost ratio (before reinsurance)	31.5 %	35.4 %	31.6 %
Combined ratio (after reinsurance)	101.3 %	104.9 %	104.6 %
Combined ratio (before reinsurance)	98.1 %	101.2 %	100.6 %
Profit/loss on ordinary activities	– 12.2	– 133.0	– 33.6
Net profit/loss	– 9.9	– 63.0	– 46.2
Consolidated profit/loss	– 15.5	– 63.1	– 50.4

Development of insurance benefits

Owing to an increase in the number of major claims and claims due to natural disasters, the total amount of retained insurance benefits increased by 6.9 per cent to €1,638.8 million in 2012 (2011: €1,533.4 million).

In Austria, insurance benefits in the property and casualty insurance segment rose by 9.9 per cent to €1,026.5 million (2011: €934.2 million), while the figure for the Western European markets increased by 28.3 per cent to €118.8 million (2011: €92.6 million). By contrast, insurance benefits in the Central and Eastern European countries declined by 2.6 per cent to €493.6 million (2011: €506.5 million).

As a result of this development, the net loss ratio (retained insurance benefits as a proportion of premiums earned) fell slightly by 0.4 percentage points to 68.4 per cent (2011: 68.0 per cent). The gross loss ratio (before reinsurance) at year-end 2012 was 66.6 per cent (2011: 65.8 per cent).

The net loss ratio in Austria amounted to 72.2 per cent in the year under review (2011: 67.4 per cent), while the figure for CEE declined to 59.8 per cent thanks to the positive development of claims (2011: 64.5 per cent). The Western European companies recorded a net loss ratio of 80.7 per cent for 2012 (2011: 110.9 per cent).

Operating expenses, combined ratio

Total operating expenses in the property and casualty insurance segment less reinsurance commission and profit shares from reinsurance business ceded decreased by 5.4 per cent to €786.8 million (2011: €831.3 million). Although acquisition costs increased by 10.7 per cent to €546.6 million (2011: €493.7 million), other operating expenses fell by 28.9 per cent to €240.2 million (2011: €337.6 million).

In Austria, operating expenses in the property and casualty insurance segment fell by 15.6 per cent to €418.5 million (2011: €495.5 million); in Central and Eastern Europe, they increased by 5.6 per cent to €315.4 million (2011: €298.7 million), while the figure for the Western European markets rose by 42.5 per cent to €52.9 million (2011: €37.1 million).

The cost ratio in the property and casualty insurance segment (after reinsurance) declined to 32.9 per cent in the past financial year as a result of this development (2011: 36.9 per cent).

In 2012, the net combined ratio fell to 101.3 per cent (2011: 104.9 per cent), while the combined ratio before reinsurance improved to 98.1 per cent (2011: 101.2 per cent).

Investment result

Net investment income increased by 114.8 per cent to €85.3 million in the past financial year (2011: €39.7 million). Investments in property and casualty insurance rose by 5.8 per cent to €3,564.2 million (2011: €3,367.8 million).

Profit/loss on ordinary activities, net profit/loss, consolidated net profit/loss

The profit/loss on ordinary activities in the life insurance segment improved to minus €12.2 million in 2012 (2011: minus €133.0 million). The net profit/loss for the period amounted to minus €9.9 million (2011: minus €63.0 million). The consolidated net profit/loss after taxes and minority interests amounted to minus €15.5 million (2011: minus €63.1 million).

Health

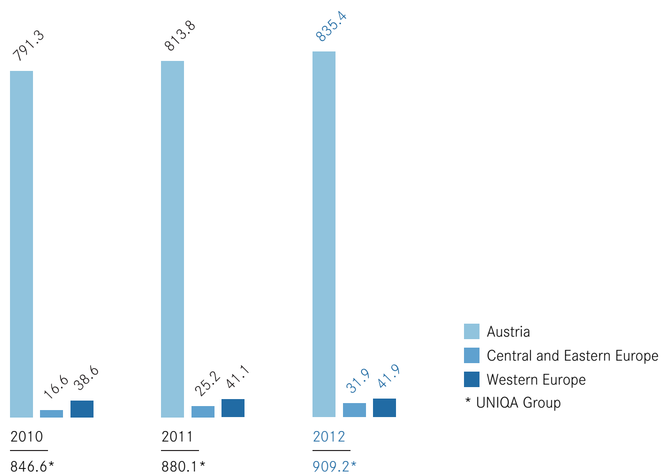
Premium development

In 2012, the premium volume written in the health insurance segment increased by 3.3 per cent year-on-year to €909.2 million (2011: €880.1 million). In Austria, where UNIQA is the clear market leader in the health insurance segment, premiums of €835.4 million were generated, up 2.6 per cent on the previous year (2011: €813.8 million).

In Western Europe, premiums written increased by 2.0 per cent to €41.9 million (2011: €41.1 million). In the growth markets of CEE, premiums in the health insurance segment increased to a significantly larger extent, rising by 26.6 per cent to €31.9 million (2011: €25.2 million). All in all, this meant that the international share of health insurance premiums written in 2012 was 8.1 per cent (2011: 7.5 per cent).

Premium volume written in health insurance

Figures in € million



In 2012, retained premiums earned in the health insurance segment (in accordance with IFRS) rose by 3.3 per cent to €903.0 million at the end of the year (2011: €873.9 million).

Health insurance Figures in € million	2012	2011	2010
Premiums written	909.1	880.1	846.6
Share Central and Eastern Europe	3.5 %	2.9 %	2.0 %
Share Western Europe	4.6 %	4.7 %	4.6 %
International share	8.1 %	7.5 %	6.5 %
Premiums earned (net)	903.0	873.9	843.0
Net investment income	92.6	– 9.4	108.1
Insurance benefits (net)	– 756.5	– 738.1	– 714.8
Benefit and loss ratio (after reinsurance)	83.8 %	84.5 %	84.8 %
Operating expenses less reinsurance commission	– 138.6	– 143.4	– 124.1
Cost ratio (after reinsurance)	15.3 %	16.4 %	14.7 %
Profit/loss on ordinary activities	103.1	– 18.0	112.2
Net profit/loss	81.7	– 13.5	82.6
Consolidated profit/loss	57.3	– 18.3	37.6

Development of insurance benefits

In 2012, retained insurance benefits increased marginally by 2.5 per cent to €756.5 million (2011: €738.1 million). As premiums earned rose to a greater extent, the benefit and loss ratio after reinsurance fell by 0.7 percentage points year-on-year to 83.8 per cent (2011: 84.5 per cent).

In Austria, insurance benefits rose by 2.0 per cent to €711.8 million (2011: €697.7 million). The figure for the Western European markets increased by 6.8 per cent to €27.3 million (2011: €25.5 million). In the Central and Eastern European countries, insurance benefits also increased by 17.4 per cent to €17.4 million as a result of the sharp rise in premium revenues (2011: €14.8 million).

Operating expenses

Total operating expenses in the health insurance segment less reinsurance commission and profit shares from reinsurance business ceded decreased by 3.3 per cent to €138.6 million (2011: €143.4 million). Acquisition costs increased by 11.6 per cent to €88.4 million (2011: €79.2 million), while other operating expenses fell by 21.7 per cent to €50.2 million (2011: €64.1 million). As a result of this development, the cost ratio in the health insurance segment declined to 15.3 per cent (2011: 16.4 per cent).

In Austria, operating expenses decreased by 5.3 per cent to €115.4 million (2011: €121.8 million), while the figure for the Western European markets rose by 2.6 per cent to €15.4 million (2011: €15.0 million). Operating expenses in the CEE region increased by 19.1 per cent to €7.7 million (2011: €6.5 million).

Investment result

In 2012, net investment income in the health insurance segment increased to €92.6 million (2011: minus €9.4 million). The investment volume in the health insurance sector declined by 14.9 per cent to €2,492.2 million in 2012 (31 December 2011: €2,927.6 million).

Profit/loss on ordinary activities, net profit/loss, consolidated net profit/loss

The profit/loss on ordinary activities in the health insurance segment amounted to €103.1 million in the year under review (2011: minus €18.0 million). The net profit/loss for the period amounted to €81.7 million (2011: minus €13.5 million), while the consolidated net profit/loss after taxes and minority interests amounted to €57.3 million (2011: consolidated net loss of €18.3 million).

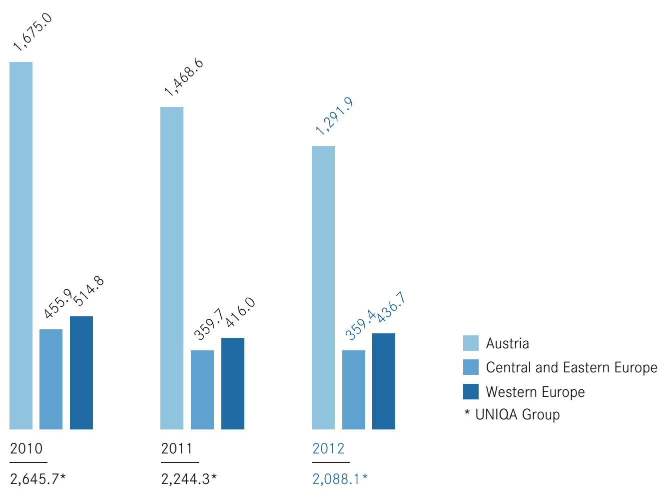
Life

Premium development

In 2012, the premium volume written in the life insurance segment, including the savings portion of unit- and index-linked life insurance, declined by 7.0 per cent to €2,088.1 million (2011: €2,244.3 million) due to the downturn in the area of single-premium business in Austria and Poland. Premiums from policies with recurring premium payments fell by 5.4 per cent to €1,554.6 million (2011: €1,643.4 million). The aforementioned deterioration in the single-premium business saw premiums falling by 11.2 per cent to €533.5 million (2011: €600.9 million). Traditional single premiums declined by 41.7 per cent to €246.3 million (2011: €422.4 million), while single premiums in the area of unit-linked life insurance increased by 61.0 per cent to €287.2 million (2011: €178.4 million).

Premium volume written in life insurance
Including the savings portion of premiums from unit- and indexlinked life insurance

Figures in € million



Premium development in Austria in 2012 was largely unsatisfactory. The premium volume for products with recurring premiums fell by 9.7 per cent to €1,199.8 million (2011: €1,328.6 million). The single-premium business was again impacted by the extension of the minimum holding period to benefit from tax advantages from 10 to 15 years, with premiums decreasing by 34.2 per cent to €92.1 million (2011: €140.0 million). All in all, the life insurance premium volume in Austria decreased by 12.0 per cent to €1,291.9 million (2011: €1,468.6 million).

The life insurance business of the Group companies in the Central and Eastern European regions stabilised in 2012. The premium volume written, including the savings portion of unit- and index-linked life insurance, declined marginally by 0.1 per cent to €359.4 million (2011: €359.7 million). While single premiums fell by 22.6 per cent to €112.1 million (2011: €144.8 million), recurring premiums enjoyed extremely satisfactory development, rising by 15.1 per cent to €247.3 million (2011: €214.9 million). All in all, the share of life insurance attributable to these countries amounted to 17.2 per cent in 2012 (2011: 16.0 per cent).

In the Western European countries, the premium volume increased by 5.0 per cent to €436.7 million (2011: €416.0 million) due to the strong business performance in Italy. Single premiums rose by 4.2 per cent to €329.2 million (2011: €316.1 million), while recurring premiums increased by an impressive 7.6 per cent to €107.5 million (2011: €99.9 million). All in all, this meant that the Western Europe region contributed 20.9 per cent (2011: 18.5 per cent) to the Group's total life insurance premiums.

The risk premium share of the unit- and index-linked life insurance included in the Consolidated Financial Statements amounted to €92.7 million in 2012 (2011: €139.1 million). The savings portion contained in the premiums of the fund- and index-linked life insurance segments amounted to €679.0 million (2011: €633.9 million) and was offset against the changes in actuarial provisions in accordance with FAS 97 (U.S. GAAP).

Including the savings portion of unit- and index-linked life insurance (after reinsurance) in the amount of €649.9 million (2011: €599.7 million), premiums earned in the life insurance segment fell by 7.5 per cent to €1,976.4 million (2011: €2,136.2 million). Retained premiums earned (in accordance with IFRS) decreased by 13.7 per cent to €1,326.5 million in 2012 (2011: €1,536.5 million).

Life insurance Figures in € million	2012	2011	2010
Premiums written	1,409.1	1,610.3	1,800.6
Savings portion of premiums from unit- and index-linked life insurance	679.0	633.9	845.1
Premiums written, including the savings portions of premiums from unit- and index-linked life insurance	2,088.1	2,244.3	2,645.7
Recurring premiums	1,554.6	1,643.4	1,563.2
Single premiums	533.5	600.9	1,082.5
Share Central and Eastern Europe	17.2 %	16.0 %	17.2 %
Share Western Europe	20.9 %	18.5 %	19.5 %
International share	38.1 %	34.6 %	36.7 %
Premiums earned (net)	1,326.5	1,536.5	1,728.3
Savings portion of premiums from unit- and index-linked life insurance (after reinsurance)	649.9	599.7	823.1
Premiums earned, including the savings portions of premiums from unit- and index-linked life insurance	1,976.4	2,136.2	2,551.4
Net investment income	613.7	171.6	651.7
Insurance benefits (net)	– 1,363.2	– 1,386.5	– 1,867.7
Benefit and loss ratio (after reinsurance)	69.0 %	64.9 %	73.2 %
Operating expenses less reinsurance commission	– 393.9	– 438.1	– 382.1
Cost ratio (after reinsurance)	19.9 %	20.5 %	15.0 %
Profit/loss on ordinary activities	114.4	– 171.3	77.3
Net profit/loss	98.0	– 167.3	58.6
Consolidated profit/loss	88.4	– 164.2	55.1

Development of insurance benefits

Retained insurance benefits fell by 1.7 per cent to €1,363.2 million in the year under review (2011: €1,386.5 million), meaning that the benefit and loss ratio after reinsurance amounted to 69.0 per cent (2011: 64.9 per cent).

Insurance benefits in Austria increased by 14.7 per cent to €976.9 million (2011: €852.0 million). In Western Europe, insurance benefits decreased by 32.0 per cent to €252.5 million (2011: €371.2 million), while the figure for Central and Eastern Europe fell by 18.0 per cent to €133.8 million (2011: €163.3 million).

Operating expenses

Total operating expenses in the life insurance segment less reinsurance commission and profit shares from reinsurance business ceded declined by 10.1 per cent to €393.9 million in 2012 (2011: €438.1 million). Acquisition costs fell by 6.0 per cent to €320.8 million (2011: €341.4 million), while other operating expenses decreased by 24.4 per cent to €73.1 million (2011: €96.7 million). The cost ratio in life insurance, i.e. the ratio of all operating expenses to Group premiums earned, including the savings portion of unit- and index-linked life insurance (after reinsurance), fell to 19.9 per cent (2011: 20.5 per cent).

In Austria, operating expenses decreased by 21.2 per cent to €241.7 million (2011: €306.6 million). The figure for the CEE region increased by 13.5 per cent to €112.2 million (2011: €98.9 million). By contrast, operating expenses in the Western European countries increased by 22.9 per cent to €40.0 million (2011: €32.6 million).

Investment result

Net income from investments increased by 257.7 per cent to €613.7 million in the year under review (2011: €171.6 million). Investments, including the investments for unit- and index-linked life insurance, rose by 10.6 per cent to €20,251.2 million (31 December 2011: €18,305.7 million).

Profit/loss on ordinary activities, net profit/loss, consolidated net profit/loss

The profit/loss on ordinary activities in the life insurance segment amounted to €114.4 million in the year under review (2011: minus €171.3 million). The net profit/loss for the period increased to €98.0 million (2011: minus €167.3 million), while the consolidated net profit/loss after taxes and minority interests amounted to €88.4 million (2011: consolidated net loss of €164.2 million).

INTERNATIONAL MARKETS

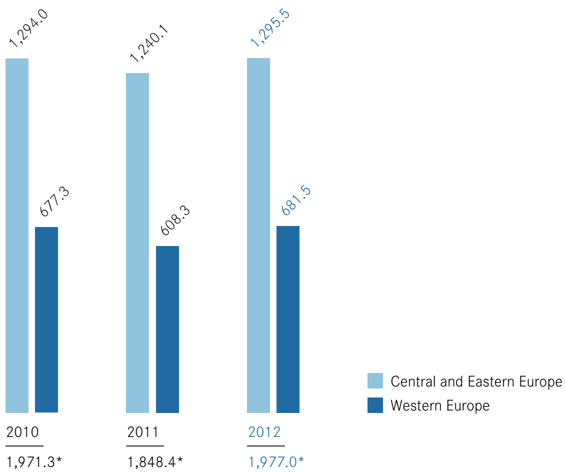
Premium development

UNIQA's international premium volume (including the savings portion of unit- and index-linked life insurance) increased by 7.0 per cent to €1,977.0 million in 2012 thanks to the good performance in CEE and Western Europe (2011: €1,848.4 million). The international share of Group premiums rose to 35.7 per cent as a result (2011: 33.4 per cent).

Including the savings portion of unit- and index-linked life insurance (after reinsurance), premiums earned increased by 8.0 per cent to €1,803.0 million (2011: €1,669.2 million). However, retained premiums earned (in accordance with IFRS) declined by 1.4 per cent to €1,510.7 million (2011: €1,532.1 million).

International premium volume written

Figures in € million



In Central Europe (CE) – Poland, Slovakia, the Czech Republic and Hungary – premiums written decreased by 1.0 per cent to €859.5 million (2011: €868.3 million). In the Eastern Europe (EE) region – consisting of Romania and Ukraine – the premium volume written increased strongly by 26.6 per cent to €199.5 million in 2012 (2011: €157.6 million). Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – again enjoyed encouraging premium growth of 3.3 per cent to €193.5 million in 2012 (2011: €187.4 million). The strongest premium growth was generated in the Russian market (RU), where premiums increased by 60.6 per cent to €43.0 million (2011: €26.8 million).

All in all, the Group's premiums in CEE increased by 4.5 per cent to €1,295.5 million (2011: €1,240.1 million). Recurring premiums enjoyed even more positive development in 2012, rising by 8.0 per cent to €1,183.4 million (2011: €1,095.3 million). However, single-premium business declined strongly, particularly in Poland, falling by 22.6 per cent to €112.1 million (2011: €144.8 million). In 2012, the share of Group premiums attributable to CEE amounted to 23.4 per cent (2011: 22.4 per cent).

The premium volume in Western Europe (WE) – consisting of Italy, Liechtenstein and Switzerland – also increased by 12.0 per cent to €681.5 million on the back of the strong performance in Italy (2011: €608.3 million). Recurring premiums enjoyed even stronger growth of 20.6 per cent to €352.3 million (2011: €292.2 million), while single premiums rose by 4.2 per cent to €329.2 million (2011: €316.1 million). Western Europe's share of Group premiums amounted to 12.3 per cent in 2012 (2011: 11.0 per cent).

Accordingly, the Group's level of internationalisation at year-end 2012 was 35.7 per cent (2011: 33.4 per cent).

The premium volume written, including the savings portion of unit- and index-linked life insurance, was broken down among UNIQA's individual regions as follows:

UNIQA international markets		Premiums written[1]		Share of Group Premiums
	2012	2011	2010	2012
Central Europe (CE)	859.5	868.3	954.5	15.5%
Eastern Europe (EE)	199.5	157.6	158.4	3.6%
Southeastern Europe (SEE)	193.5	187.4	169.3	3.5%
Russia (RU)	43.0	26.8	11.7	0.8%
Western Europe (WE)	681.5	608.3	677.3	12.3%
Total international markets	**1,977.0**	**1,848.4**	**1,971.3**	**35.7%**

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

Development of insurance benefits

Total retained insurance benefits at the international Group companies fell by 11.1 per cent to €1,043.4 million in 2012 (2011: €1,173.9 million).

Benefits fell by 8.0 per cent to €420.4 million in the Central Europe region (2011: €457.0 million) and by 13.0 per cent to €96.5 million in Eastern Europe (2011: €110.9 million). By contrast, benefits in the Southeastern Europe region increased slightly by 2.1 per cent to €104.5 million (2011: €102.4 million). Benefits in Russia amounted to €23.3 million in 2012 (2011: €14.3 million). In Western Europe, the benefit volume fell by 18.5 per cent to €398.6 million (2011: €489.3 million).

Operating expenses

Operating expenses at the international Group companies less reinsurance commission received rose by 11.2 per cent to €543.8 million in 2012 (2011: €488.8 million).

In Central Europe, operating expenses increased by 5.6 per cent to €257.8 million (2011: €244.1 million), while the figure for Eastern Europe also rose by 19.2 per cent to €77.6 million (2011: €65.1 million). In Southeastern Europe, operating expenses increased slightly by 2.2 per cent to €80.2 million (2011: €78.4 million). In Russia, operating expenses rose by 20.6 per cent to €19.8 million in the past financial year (2011: €16.4 million), while expenses in Western Europe increased by 27.8 per cent to €108.4 million (2011: €84.8 million).

Investment result

Net investment income at the international Group companies increased by 54.5 per cent to €151.5 million in 2012 as a result of positive developments on the financial markets (2011: €98.0 million). The investment result in Western Europe improved by 55.8 per cent to €81.8 million (2011: €52.5 million), while the figure for CEE rose by 53.0 per cent to €69.7 million (2011: €45.5 million).

Profit/loss on ordinary activities

Before consolidation based on the geographic segments (see segment reporting), the profit on ordinary activities generated by the companies in the regions outside Austria in 2012 amounted to €62.5 million (2011: loss of €25.2 million). Earnings before taxes in CEE improved to €13.2 million (2011: € -28.2 million), while the figure for Western Europe amounted to €49.3 million (2011: €3.0 million).

SIGNIFICANT POST-BALANCE SHEET DATE EVENTS

There were no events requiring reporting after the balance sheet date.

OUTLOOK

Economic outlook

The economic policy framework of the European Monetary Union was strengthened in 2012, but the possibility of setbacks cannot be fully excluded. The structural reform process in certain countries (e.g. Italy) is not yet complete, and political upheaval could lead to a renewed loss of confidence among the markets in 2013. However, systemic risk in the euro zone is likely to have reduced over the past year. The prevailing mood at the start of the year is that of optimism for a global economic upturn in 2013. The emerging economies will remain the global growth drivers. Expansionary fiscal policy may help to boost economic activity. Following stabilisation in the euro zone, an economic upturn should also benefit the CEE region in the second half of the year.

Austria

UNIQA is anticipating growth in its health insurance business in particular in 2013. Property and motor vehicle insurance are expected to see a positive trend. UNIQA is forecasting stable demand in the life insurance segment. In 2013, UNIQA will work towards achieving a sustainable improvement in profitability across all insurance sectors.

International

Experts expect the CEE markets to continue to significantly outperform the euro zone over the coming years in terms of economic growth. Although the sustained recession in the euro zone will continue to influence growth in CEE, Eastern Europe is expected to see a general economic recovery in 2013. Economists are forecasting positive economic growth for all of the markets in the region except Slovenia, which is dealing with a crisis in its banking sector. Momentum will be provided by domestic demand in particular, including as a result of the relaxation of restrictive austerity policies in some countries.

The Polish economy is set to develop positively in 2013, although the growth forecast is slightly lower than for the last two years. In addition to robust domestic demand, the country benefits from its proximity to strong export markets such as Germany, among other things. The export-oriented automotive industry is expected to provide further impetus for growth in Slovakia in 2013. In Southeastern Europe, the forthcoming accession of Croatia to the EU and the recognition of Serbia and Montenegro as candidate states are likely to provide positive momentum in the region in the medium term. Russia and Ukraine are expected to see significantly stronger economic growth in 2013 than in the previous year.

UNIQA's aim is to sustainably outperform the market in terms of growth in CEE – with a focus on profitability and value. We will continue to pursue this approach in 2013.

Group profit

We have set ourselves the target of achieving a further improvement in 2013 profit on ordinary activities compared with 2012. This assumes that the capital market environment will be stable, that economic development will continue to improve and that losses caused by natural disasters will remain within a normal range.

INFORMATION IN ACCORDANCE WITH SECTION 243A (1) OF THE AUSTRIAN COMMERCIAL CODE

1. The share capital of UNIQA Versicherungen AG ("the Company") amounts to €214,247,900 and is comprised of 209,604,265 no-par value bearer shares and 4,643,635 no-par value registered shares. Of the share capital, €190,604,265 are fully paid up and €23,643,635 are contributed by way of non-cash contributions. All shares offer the same rights and obligations.
2. Due to their voting commitments, the shares of Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherungsverein Privatstiftung, UQ Beteiligung GmbH and RZB Versicherungsbeteiligung GmbH are counted together. Reciprocal purchase option rights have been agreed between the first four of these shareholders.
3. Raiffeisen Zentralbank Österreich Aktiengesellschaft indirectly holds a total of 44.68 per cent of the share capital of the Company (allocated in accordance with the Austrian Stock Exchange Act) via BL Syndikat Beteiligungs Gesellschaft m.b.H., UQ Beteiligung GmbH and RZB Versicherungsbeteiligung GmbH; Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung holds a total of 44.10 per cent of the share capital of the Company (allocated in accordance with the Austrian Stock Exchange Act) directly and indirectly via Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH (equity interests as of 18 September 2012).
4. No shares with special control rights have been issued.
5. There are no employee capital participation models.
6. There are no provisions in the Articles of Association or other provisions that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the Articles of Association with the exception of the provision that, when a Supervisory Board member turns 70 years of age, he or she shall retire from the Supervisory Board at the end of the next Annual General Meeting.

7. The Management Board is authorised to increase the Company's share capital, with the approval of the Supervisory Board, by a total of up to €229,925 up to and including 30 June 2015. The Management Board is further authorised until 18 May 2013 to buy back up to 14,298,521 treasury shares via the Company and/or via subsidiaries of the Company (Section 66 of the Austrian Stock Corporation Act). The Company held 819,650 treasury shares as of 31 December 2012.
8. With regard to the holding company Strabag SE, there are corresponding agreements with other shareholders of this holding company.
9. There are no reimbursement agreements for the event of a public takeover offer.

INFORMATION IN ACCORDANCE WITH SECTION 243A (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 Notes to the Consolidated Financial Statements (risk report).

PROPOSAL FOR THE APPROPRIATION OF PROFIT

The single-entity financial statements of UNIQA Versicherungen AG prepared in accordance with the Austrian Commercial Code report a net retained profit for the 2012 financial year of €53,739,218.05 (2011: €1,607,787.76). The Management Board will propose to the Annual General Meeting on 27 May 2013 that this net retained profit be used to pay a dividend of €0.25 for each of the 214,247,900 issued no-par value shares with dividend rights at the reporting date and that the remaining amount be carried forward to new account.

Vienna, 21 March 2013

Andreas Brandstetter
Chairman of the
Management Board

Hannes Bogner
Member of the
Management Board

Wolfgang Kindl
Member of the
Management Board

Thomas Münkel
Member of the
Management Board

Kurt Svoboda
Member of the
Management Board

Consolidated Balance Sheet as at 31 December 2012

Assets Figures in € thousand	Notes	31.12.2012	31.12.2011
A. Tangible assets			
I. Self-used land and buildings	1	194,151	252,288
II. Other tangible assets	2	112,604	131,261
		306,755	**383,549**
B. Land and buildings held as financial investments	**3**	**1,690,763**	**1,566,958**
C. Intangible assets			
I. Deferred acquisition costs	4	868,802	899,732
II. Goodwill	5	520,435	570,048
III. Other intangible assets	6	25,170	30,551
		1,414,406	**1,500,331**
D. Shares in associated companies	**7**	**529,602**	**530,485**
E. Investments			
I. Variable-yield securities			
1. Available for sale	9	1,395,902	1,636,133
2. At fair value through profit or loss		371,262	549,296
		1,767,164	2,185,429
II. Fixed interest securities			
1. Available for sale	9	13,186,622	11,215,448
2. At fair value through profit or loss		441,623	389,645
		13,628,244	11,605,094
III. Loans and other investments			
1. Loans	11	1,089,649	2,189,439
2. Cash at credit institutions/cash at banks	12	1,189,217	1,023,133
3. Deposits with ceding companies	12	129,755	140,657
		2,408,621	3,353,229
IV. Derivative financial instruments			
1. Variable-yield	10	6,363	4,160
2. Fixed interest	10	55,844	24,338
		62,206	28,498
		17,866,236	**17,172,249**
F. Investments held on account and at risk of life insurance policyholders	**24**	**5,066,828**	**4,396,016**
G. Share of reinsurance in technical provisions			
I. Provision for unearned premiums	19	9,869	18,542
II. Actuarial provision	20	434,379	455,835
III. Provision for outstanding claims	21	159,763	207,271
IV. Provision for profit-unrelated premium refunds	22	0	4
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	0	0
VI. Other technical provisions		1,836	2,494
	23	**605,847**	**684,146**
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	**24**	**408,818**	**405,513**
I. Receivables, including receivables under insurance business	**13**		
I. Reinsurance receivables		42,623	58,825
II. Other receivables		845,186	870,767
III. Other assets		48,369	58,404
		936,179	**987,996**
J. Receivables from income tax	**14**	**54,561**	**51,156**
K. Deferred tax assets	**15**	**133,504**	**206,166**
L. Liquid funds		**960,065**	**683,094**
M. Assets in disposal groups available for sale	**8**	**63,661**	**0**
Total assets		**30,037,224**	**28,567,658**

Equity and liabilities Figures in € thousand	Notes	31.12.2012	31.12.2011
A. Total equity			
I. Shareholders' equity	16		
1. Subscribed capital and capital reserves		1,064,594	540,681
2. Revenue reserves		656,708	414,397
3. Revaluation reserves		315,528	– 44,663
4. Actuarial gains and losses on defined benefit plans		– 95,260	– 36,147
5. Group total profit/loss		53,739	1,608
		1,995,309	875,876
II. Minority interests in shareholders' equity	17	22,272	219,708
		2,017,581	**1,095,584**
B. Subordinated liabilities	**18**	**450,000**	**575,000**
C. Technical provisions			
I. Provision for unearned premiums	19	617,165	616,034
II. Actuarial provision	20	16,158,189	16,706,249
III. Provision for outstanding claims	21	2,365,841	2,456,528
IV. Provision for profit-unrelated premium refunds	22	44,578	51,533
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	556,218	7,786
VI. Other technical provisions		48,929	49,982
	23	**19,790,921**	**19,888,111**
D. Technical provisions held on account and at risk of life insurance policyholders	**24**	**4,983,029**	**4,318,331**
E. Financial liabilities			
I. Liabilities from loans	25	27,494	47,114
II. Derivatives	10	7,471	26,598
		34,965	**73,711**
F. Other provisions			
I. Pensions and similar provisions	26	566,620	593,019
II. Other provisions	27	349,017	195,090
		915,637	**788,109**
G. Payables and other liabilities	**28**		
I. Reinsurance liabilities		887,405	902,472
II. Other payables		515,807	572,126
III. Other liabilities		31,226	43,318
		1,434,438	**1,517,916**
H. Liabilities from income tax	**29**	**28,557**	**19,157**
I. Deferred tax liabilities	**30**	**370,905**	**291,739**
J. Liabilities in disposal groups available for sale	**8**	**11,191**	**0**
Total equity and liabilities		**30,037,224**	**28,567,658**

Consolidated Income Statement from 1 January to 31 December 2012

Figures in € thousand	Notes	2012	2011
1. Premiums written (retained)	**31**		
a) Gross		4,864,151	4,900,239
b) Reinsurers' share		– 213,504	– 196,908
		4,650,647	**4,703,331**
2. Change due to premiums earned (retained)			
a) Gross		– 18,435	– 34,654
b) Reinsurers' share		– 8,302	– 3,715
		– 26,738	**– 38,369**
3. Premiums earned (retained)	**32**		
a) Gross		4,845,715	4,865,584
b) Reinsurers' share		– 221,806	– 200,623
		4,623,909	**4,664,962**
4. Income from fees and commissions	**33**		
Reinsurance commission and profit shares from reinsurance business ceded		35,731	29,271
5. Net investment income	**34**	**791,546**	**201,818**
of which profit from associated companies		19,053	1,934
6. Other income	**35**	**46,562**	**76,774**
Total income		**5,497,748**	**4,972,824**
7. Insurance benefits	**36**		
a) Gross		– 3,873,806	– 3,762,992
b) Reinsurers' share		115,261	105,091
		– 3,758,545	**– 3,657,901**
8. Operating expenses	**37**		
a) Acquisition costs		– 955,802	– 914,339
b) Other operating expenses		– 399,204	– 527,715
		– 1,355,006	**– 1,442,054**
9. Other expenses	**38**	**– 122,954**	**– 139,037**
10. Amortisation of goodwill		**– 24,937**	**– 24,160**
Total expenses		**– 5,261,442**	**– 5,263,151**
11. Operating profit		**236,306**	**– 290,327**
12. Financing costs		**– 30,955**	**– 31,975**
13. Profit on ordinary activities		**205,351**	**– 322,302**
14. Income taxes	**39**	**– 45,423**	**77,720**
15. Result from discontinued operations (after taxes)		**9,873**	**733**
16. Net profit/loss		**169,801**	**– 243,849**
of which consolidated profit/loss		130,225	– 245,614
of which minority interests		39,575	1,765
Earnings per share[1] (in €)	**16**	**0.77**	**– 1.73**
Average number of shares in circulation		**169,599,813**	**142,165,567**

[1] The diluted earnings per share is equal to the undiluted earnings per share. Calculated on the basis of the consolidated profit.

Consolidated Comprehensive Income Statement from 1 January to 31 December 2012

Figures in € thousand	2012	2011
Net profit/loss	**169,801**	**–243,849**
Foreign currency translation		
Gains (losses) recognised in equity	11,650	–35,453
Included in the income statement	0	0
Unrealised gains and losses on investments		
Gains (losses) recognised in equity	1,234,070	–10,259
Gains (losses) recognised in equity – deferred tax	–168,733	18,984
Gains (losses) recognised in equity – deferred profit participation	–652,986	–35,391
Included in the income statement	–100,122	–61,289
Included in the income statement – deferred tax	10,948	7,757
Included in the income statement – deferred profit participation	72,291	41,774
Change resulting from valuation at equity		
Gains (losses) recognised in equity	–2,241	–5,851
Included in the income statement	0	0
Actuarial gains and losses on defined benefit plans		
Gains (losses) recognised in equity	–94,757	–20,449
Gains (losses) recognised in equity – deferred tax	18,049	5,224
Gains (losses) recognised in equity – deferred profit participation	21,096	451
Other changes[1]	**–360**	**–1,482**
Income and expense recognised directly in equity	**348,904**	**–95,985**
Total recognised income and expense	**518,705**	**–339,834**
of which attributable to UNIQA Versicherungen AG shareholders	448,916	–344,413
of which minority interests	69,789	4,579

[1] The other changes result primarily from currency fluctuations.

Consolidated Cash Flow Statement from 1 January to 31 December 2012

Figures in € thousand	2012	2011
Net profit/loss, including minority interests		
Net profit/loss	169,801	– 243,849
of which interest and dividend payments	– 10,296	– 8,400
Minority interests	– 39,575	– 1,765
Change in technical provisions (net)	1,673,315	346,724
Change in deferred acquisition costs	– 19,401	– 8,601
Change in amounts receivable and payable from direct insurance	– 15,859	– 5,468
Change in other amounts receivable and payable	– 15,561	– 134,633
Change in securities at fair value through profit or loss	92,347	72,572
Realised gains/losses on the disposal of investments	– 1,349,752	– 117,282
Depreciation/appreciation of other investments	127,053	516,945
Change in provisions for pensions and severance payments	99,546	68,643
Change in deferred tax assets/liabilities	146,204	– 124,499
Change in other balance sheet items	125,394	50,948
Change in goodwill and intangible assets	180,960	30,800
Other non-cash income and expenses as well as accounting period adjustments	– 41,501	– 56,647
Net cash flow from operating activities	**1,132,971**	**393,889**
of which cash flow from income tax	– 27,828	– 55,221
Receipts due to disposal of consolidated companies	180,020	242
Payments due to acquisition of consolidated companies	– 388,167	– 79,936
Receipts due to disposal and maturity of other investments	9,651,286	7,211,346
Payments due to acquisition of other investments	– 9,957,761	– 7,114,763
Change in investments held on account and at risk of life insurance policyholders	– 670,890	– 203,287
Net cash flow used in investing activities	**– 1,185,513**	**– 186,398**
Share capital increase	523,913	0
Change in investments on own shares	0	0
Dividend payments	0	– 56,866
Receipts and payments from other financing activities	– 188,904	– 1,391
Net cash flow used in financing activities	**335,009**	**– 58,258**
Change in cash and cash equivalents	**282,466**	**149,234**
Change in cash and cash equivalents due to foreign currency translation	1,039	– 3,714
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	– 6,534	4,671
Cash and cash equivalents at beginning of period	683,094	532,903
Cash and cash equivalents at end of period	**960,065**	**683,094**
of which cash flow from income tax	– 27,828	– 55,221

The cash and cash equivalents correspond to item L. of the assets: Liquid funds.

Cash flow statement from dicontinued operations:

Figures in € thousand	2012	2011
Net cash flow from operating activities	**1,103**	**– 1,998**
Net cash flow used in investing activities	**5,036**	**4,869**
Net cash flow used in financing activities	**0**	**0**
Change in cash and cash equivalents	**6,140**	**2,871**

The UNIQA Group recorded the sale of its majority stake in Mannheimer AG Holding (approximately 91.7 per cent of the share capital), which is a listed company, to the "Die Continentale" insurance group on 16 April 2012. Legal completion of the transaction took place on 29 June 2012. Details on the result from discontinued operations can be found in the Notes on the scope of consolidation on pages 94-95.

Development of Group Equity

Figures in € thousand	Subscribed capital and capital reserves	Revaluation reserve	Actuarial gains and losses on defined benefit plans
As at 1.1.2011	**540,681**	**– 2,511**	**– 22,287**
Changes due to:			
Change in consolidation scope			
Dividends to shareholders			
Income and expenses according to the consolidated comprehensive income statement		**– 42,152**	**– 13,860**
Foreign currency translation			
Unrealised gains and losses from valuation at equity			
Unrealised capital gains and losses from investments		– 42,152	
Actuarial gains and losses on defined benefit plans			– 13,860
Net profit/loss			
Changes in revenue reserves			
Other			
As at 31.12.2011	**540,681**	**– 44,663**	**– 36,147**
Changes due to:			
Capital increase	523,913		
Change in consolidation scope			
Dividends to shareholders			
Income and expenses according to the consolidated comprehensive income statement		**360,191**	**– 59,113**
Foreign currency translation			
Unrealised gains and losses from valuation at equity			
Unrealised capital gains and losses from investments		360,191	
Actuarial gains and losses on defined benefit plans			– 59,113
Net profit/loss			
Changes in revenue reserves			
Other			
As at 31.12.2012	**1,064,594**	**315,528**	**– 95,260**

Revenue reserves, including reserves for own shares	Holding of own shares	Profits/losses carried forward and net profit/loss for the year	Shareholders' equity	Minority interests	Total equity
729,077	**– 10,857**	**43,053**	**1,277,155**	**244,299**	**1,521,454**
				– 14,357	– 14,357
		– 56,866	– 56,866	– 14,813	– 71,679
– 303,822		**15,421**	**– 344,413**	**4,579**	**– 339,834**
– 35,453			– 35,453		– 35,453
– 5,851			– 5,851	0	– 5,851
0			– 42,152	3,728	– 38,424
			– 13,860	– 915	– 14,775
0		– 245,614	– 245,614	1,765	– 243,849
– 261,036		261,036	0		0
– 1,482		0	– 1,482		– 1,482
425,255	**– 10,857**	**1,608**	**875,876**	**219,708**	**1,095,584**
			523,913		523,913
146,604			146,604	– 266,335	– 119,731
		0	0	– 890	– 890
95,706		**52,131**	**448,916**	**69,789**	**518,705**
11,650			11,650		11,650
– 2,241			– 2,241		– 2,241
			360,191	35,276	395,467
8,563			– 50,549	– 5,062	– 55,612
		130,225	130,225	39,575	169,801
78,094		– 78,094			
– 360			– 360		– 360
667,565	**– 10,857**	**53,739**	**1,995,309**	**22,272**	**2,017,581**

Segment Reports
Segment Balance Sheet

CLASSIFIED BY SEGMENT

	Property and casualty		Health	
Figures in € thousand	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Assets				
A. Tangible assets	150,970	165,669	25,855	29,471
B. Land and buildings held as financial investments	224,654	282,815	299,825	294,744
C. Intangible assets	492,580	545,595	223,973	243,396
D. Shares in associated companies	15,223	14,696	193,599	193,410
E. Investments	2,984,787	2,895,287	1,974,033	2,230,918
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of reinsurance in technical provisions	159,887	212,143	1,737	4,424
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	0	0	0	0
I. Receivables, including receivables under insurance business	943,964	1,027,881	346,006	293,457
J. Receivables from income tax	47,656	43,876	124	171
K. Deferred tax assets	100,811	132,480	8,421	4,562
L. Liquid funds	354,142	196,401	88,743	276,329
M. Assets in disposal groups available for sale	63,661	0	0	0
Total segment assets	**5,538,335**	**5,516,844**	**3,162,317**	**3,570,882**
Equity and liabilities				
B. Subordinated liabilities	339,064	338,957	0	0
C. Technical provisions	2,726,699	2,858,078	2,464,137	2,960,738
D. Technical provisions held on account and at risk of life insurance policyholders	0	0	0	0
E. Financial liabilities	238,514	263,810	26,911	31,984
F. Other provisions	832,977	738,918	21,230	18,728
G. Payables and other liabilities	624,587	1,019,585	71,575	105,761
H. Liabilities from income tax	17,645	16,459	1,084	1,379
I. Deferred tax liabilities	172,092	189,293	110,419	75,735
J. Liabilities in disposal groups available for sale	11,191	0	0	0
Total segment liabilities	**4,962,769**	**5,425,100**	**2,695,356**	**3,194,325**

	Life		Consolidation		Group	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	129,930	188,409	0	0	306,755	383,549
	1,166,284	989,399	0	0	1,690,763	1,566,958
	697,854	711,340	0	0	1,414,406	1,500,331
	320,779	322,378	0	0	529,602	530,485
	13,426,134	12,619,977	– 518,719	– 573,934	17,866,236	17,172,249
	5,066,828	4,396,016	0	0	5,066,828	4,396,016
	444,223	467,579	0	0	605,847	684,146
	408,818	405,513	0	0	408,818	405,513
	393,192	578,457	– 746,984	– 911,800	936,179	987,996
	6,781	7,110	0	0	54,561	51,156
	24,273	69,123	0	0	133,504	206,166
	517,180	210,364	0	0	960,065	683,094
	0	0	0	0	63,661	0
	22,602,274	**20,965,665**	**– 1,265,702**	**– 1,485,733**	**30,037,224**	**28,567,658**
	145,000	270,000	– 34,064	– 33,957	450,000	575,000
	14,614,658	14,079,082	– 14,573	– 9,788	19,790,921	19,888,111
	4,983,029	4,318,331	0	0	4,983,029	4,318,331
	239,177	276,095	– 469,637	– 498,177	34,965	73,711
	61,429	30,464	0	0	915,637	788,109
	1,479,791	1,332,489	– 741,514	– 939,919	1,434,438	1,517,916
	9,828	1,319	0	0	28,557	19,157
	88,394	26,711	0	0	370,905	291,739
	0	0	0	0	11,191	0
	21,621,306	**20,334,490**	**– 1,259,789**	**– 1,481,841**	**28,019,642**	**27,472,074**
				Shareholders' equity and minority interests	2,017,581	1,095,584
				Total equity and liabilities	**30,037,224**	**28,567,658**

The amounts indicated have been adjusted to eliminate amounts resulting from segment-internal transactions. Therefore the balance of segment assets and segment liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective segment.

Segment Reports
Segment Income Statement

CLASSIFIED BY SEGMENT

Figures in € thousand	Property and casualty 2012	Property and casualty 2011	Health 2012	Health 2011
1. a) Gross premium written	2,557,799	2,433,192	909,209	880,107
1. Premiums written (retained)	2,426,003	2,292,256	906,142	874,668
2. Change due to premiums earned (retained)	– 23,418	– 34,809	– 2,964	– 815
3. Premiums earned (retained)	2,402,585	2,257,447	903,178	873,853
4. Income from fees and commissions	9,333	15,471	– 157	35
5. Net investment income	77,347	38,949	96,427	– 8,138
6. Other income	23,103	28,219	8,120	5,781
7. Insurance benefits	– 1,644,472	– 1,529,336	– 756,582	– 738,060
8. Operating expenses	– 797,956	– 843,540	– 138,585	– 143,387
9. Other expenses	– 55,043	– 68,886	– 5,016	– 5,657
10. Amortisation of goodwill	– 17,569	– 17,633	– 87	– 87
11. Operating profit	– 2,672	– 119,310	107,297	– 15,660
12. Financing costs	– 17,632	– 17,675	– 368	– 980
13. Profit on ordinary activities	**– 20,304**	**– 136,985**	**106,929**	**– 16,640**
14. Income taxes	– 8,543	69,732	– 21,046	3,277
15. Result from discontinued operations (after taxes)	10,901	– 4,402	– 386	1,161
16. Net profit/loss	**– 17,946**	**– 71,655**	**85,497**	**– 12,201**
of which consolidated profit/loss	– 23,485	– 71,782	61,142	– 16,970
of which minority interests	5,540	127	24,356	4,769

IMPAIRMENT BY SEGMENT

Figures in € thousand	Property and casualty 2012	Property and casualty 2011	Health 2012	Health 2011
Goodwill				
Change in impairment for current year	15,000	15,000	0	0
of which reallocation affecting income	15,000	15,000	0	0
Investments				
Change in impairment for current year	– 12,030	– 34,249	– 2,339	– 93,660
of which reallocation/reinstatement of original values	– 12,030	– 34,249	– 2,339	– 93,660

	Life		Consolidation		Group
2012	2011	2012	2011	2012	2011
1,410,898	1,615,633	– 13,755	– 28,693	4,864,151	4,900,239
1,327,999	1,540,745	– 9,498	– 4,337	4,650,647	4,703,331
– 105	1,031	– 250	– 3,776	– 26,738	– 38,369
1,327,894	1,541,775	– 9,748	– 8,114	4,623,909	4,664,962
26,955	19,408	– 399	– 5,643	35,731	29,271
618,367	169,081	– 595	1,927	791,546	201,818
15,823	32,397	– 484	10,376	46,562	76,774
– 1,364,004	– 1,391,476	6,514	970	– 3,758,545	– 3,657,901
– 421,084	– 457,496	2,619	2,369	– 1,355,006	– 1,442,054
– 64,255	– 66,307	1,360	1,813	– 122,954	– 139,037
– 7,281	– 6,439	0	0	– 24,937	– 24,160
132,414	– 159,057	– 734	3,700	236,306	– 290,327
– 12,955	– 13,320	0	0	– 30,955	– 31,975
119,459	**– 172,377**	**– 734**	**3,700**	**205,351**	**– 322,302**
– 15,835	4,711	0	0	– 45,423	77,720
– 537	– 769	– 105	4,742	9,873	733
103,088	**– 168,435**	**– 839**	**8,442**	**169,801**	**– 243,849**
93,408	– 165,305	– 839	8,442	130,225	– 245,614
9,680	– 3,130	0	0	39,575	1,765

	Life		Consolidation		Group
2012	2011	2012	2011	2012	2011
0	0	0	0	15,000	15,000
0	0	0	0	15,000	15,000
– 30,395	– 338,564	0	0	– 44,764	– 466,473
– 30,395	– 338,564	0	0	– 44,764	– 466,473

CLASSIFIED BY REGION

	Premiums earned (retained)		Net investment income	
Figures in € thousand	2012	2011	2012	2011
Western Europe (incl. Austria)	3,943,729	4,024,782	741,160	169,701
Austria	**2,867,840**	**3,039,157**	**655,234**	**116,791**
Other Europe	**1,827,680**	**1,722,128**	**150,084**	**92,664**
Western Europe	**1,075,888**	**985,625**	**85,927**	**52,910**
Italy	359,817	449,905	77,380	51,763
Germany	0	0	2,527	432
Switzerland	713,066	532,422	3,190	88
Liechtenstein	3,006	3,299	2,841	2,640
The Netherlands	0	0	– 12	– 2,013
Central and Eastern Europe	**751,792**	**736,503**	**64,158**	**39,754**
Poland	208,807	237,231	15,983	13,990
Hungary	60,658	66,054	12,894	6,643
Czech Republic	123,989	121,692	4,951	1,409
Bulgaria	35,067	32,526	1,450	1,457
Slovakia	54,381	52,229	3,828	3,659
Ukraine	64,012	41,914	2,132	1,432
Romania	52,378	57,004	6,877	– 121
Serbia	30,403	29,277	5,206	2,117
Croatia	19,623	20,097	5,372	4,701
Bosnia-Herzegovina	18,404	17,012	1,660	1,301
Albania	17,420	15,686	837	628
Russia	42,540	26,498	1,807	1,534
Kosovo	8,690	7,077	489	348
Macedonia	8,101	6,289	266	259
Montenegro	7,319	5,916	444	422
Other	0	0	– 36	– 23
Total before consolidation	**4,695,520**	**4,761,285**	**805,318**	**209,455**
Consolidation (based on geographic segments)	– 71,611	– 96,323	– 13,772	– 7,637
In the Consolidated Financial Statements	**4,623,909**	**4,664,962**	**791,546**	**201,818**

The investment income and profit on ordinary activities by region are presented adjusted for the capital consolidation effects contained in the investment income. The consolidation item includes the expenditure and income consolidation from operational business relations between Group companies on the basis of geographic segments.

Insurance benefits (net)		Operating expenses		Profit/loss on ordinary activities	
2012	2011	2012	2011	2012	2011
– 3,347,669	– 3,229,716	– 1,118,125	– 1,184,291	201,915	– 262,960
– 2,557,466	**– 2,438,494**	**– 798,197**	**– 930,394**	**152,622**	**– 266,003**
– 1,236,452	**– 1,273,465**	**– 767,414**	**– 661,121**	**62,509**	**– 25,181**
– 790,203	**– 791,223**	**– 319,928**	**– 253,897**	**49,293**	**3,043**
– 316,449	– 429,544	– 93,132	– 82,664	22,329	– 4,546
0	0	– 658	1,655	1,869	1,469
– 471,959	– 356,078	– 220,879	– 168,460	24,319	8,396
– 1,795	– 5,600	– 5,259	– 4,428	789	– 263
0	0	0	0	– 12	– 2,013
– 446,249	**– 482,243**	**– 447,486**	**– 407,224**	**13,215**	**– 28,224**
– 149,009	– 186,381	– 91,104	– 85,278	5,101	1,670
– 19,366	– 26,767	– 65,901	– 63,273	– 2,699	– 6,164
– 77,164	– 73,308	– 69,660	– 66,195	4,995	5,087
– 22,862	– 22,221	– 22,972	– 21,024	– 2,866	– 3,313
– 28,371	– 28,918	– 35,977	– 34,480	9,458	7,692
– 28,126	– 19,839	– 39,751	– 28,075	– 1,273	– 1,426
– 35,154	– 48,454	– 40,384	– 35,627	– 5,901	– 27,353
– 18,096	– 18,531	– 16,858	– 16,995	1,288	– 2,945
– 15,321	– 15,668	– 11,835	– 13,033	828	– 377
– 12,212	– 10,617	– 7,747	– 7,806	679	309
– 7,671	– 8,119	– 9,152	– 7,829	1,753	918
– 23,298	– 14,253	– 20,668	– 15,654	1,119	– 1,897
– 3,370	– 3,436	– 4,728	– 3,911	1,110	136
– 2,875	– 3,049	– 5,725	– 3,858	– 73	153
– 3,354	– 2,681	– 5,022	– 4,180	– 263	– 685
0	0	– 2	– 6	– 39	– 29
– 3,793,918	**– 3,711,959**	**– 1,565,611**	**– 1,591,514**	**215,131**	**– 291,184**
35,373	54,058	210,605	149,461	– 9,780	– 31,118
– 3,758,545	**– 3,657,901**	**– 1,355,006**	**– 1,442,054**	**205,351**	**– 322,302**

Notes to the Group Financial Statements

ACCOUNTING REGULATIONS

As a publicly listed company, UNIQA is obligated to prepare its Consolidated Financial Statements according to internationally accepted accounting principles. In accordance with Section 245a of the Austrian Commercial Code, the company has prepared the Consolidated Financial Statements exclusively in agreement with the International Financial Reporting Standards (IFRS) as applied within the European Union. These Consolidated Financial Statements and the Group Management Report therefore do not follow the accounting principles according to the Insurance Supervisory Act, rather the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) in the versions applicable to this reporting period. No early application of modified standards was performed.

Since 2005, UNIQA Versicherungen AG has applied IFRS 4 published in 2004 for insurance policies. This standard demands that the methods of accounting and valuation be largely unaltered with regard to the actuarial items.

The present Consolidated Financial Statements were therefore prepared, as in previous years, in compliance with IFRS 4 and in accordance with the regulations of the US Generally Accepted Accounting Principles (US-GAAP). For balancing the accounts and evaluation of the insurance-specific entries of the life insurer with profit participation, FAS 120 was observed; FAS 60 was applied for specific items in health, property and casualty insurance and FAS 113 in the area of reinsurance. The unit-linked life insurance, where the policyholder bears the investment risk, is stated according to FAS 97.

The financial instruments were balanced in accordance with IAS 39, including the information required by IFRS 7, as most recently amended in November 2009. Aside from recording the securities under “Held to maturity”, “Available for sale”, “At fair value through profit or loss” and “Derivative financial instruments (held for trading)”, additional disclosures for securities available for sale are reported in the following investment categories, which were utilised for the internal risk reports:

- Shares in affiliated companies
- Shares
- Equity funds
- Debenture bonds not capital-guaranteed
- Other variable-yield securities
- Participating interests and other investments
- Fixed-interest securities

In the 2012 financial year, the following new and modified IFRS became mandatory for the first time:
Modifications to IFRS 7 (revised 10/2010), Financial Instruments: Disclosures, Improved Disclosures on Financial Instruments, includes expanded disclosure requirements for the transfer of financial assets. This should create additional transparency with regard to the influence of such transactions on risk exposure and the financial situation of companies. The new regulations must be applied to all financial years that begin on or after 1 July 2011; they were integrated into European law in November 2011. This will not have a significant impact on UNIQA.

Standards and modifications to standards that are not yet in effect
Due to modifications of IAS 1 (revised 06/2011), Presentation of Financial Statements, Presentation of Items in Other Comprehensive Income, items in other comprehensive income that are reclassified at a later time into the income statement, as well as those items for which this is not the case, must be presented separately. This is designed to improve the presentation of these items and to further align IFRS and US GAAP standards. Modifications must be applied for financial years beginning on or after 1 July 2012.

Modifications to IAS 19 are intended to improve the understanding of users of financial statements with regard to the way in which defined benefit plans affect a company's net assets, financial position, results of operations and cash flows. The objective of the standard is to prescribe accounting and disclosure requirements for employee benefits. Following endorsement in EU law, the modification to IAS 19 is applicable to users of EU IFRSs in financial years beginning on or after 1 January 2013.

IFRS 13, Fair Value Measurement, applies to IFRSs that require or permit fair value measurement or disclosures. The standard provides a single IFRS framework for measuring fair value and requires disclosures about fair value measurement. The standard defines fair value on the basis of an "exit price" notion and uses a fair value hierarchy, which results in a market-based, rather than entity-specific, measurement. IFRS 13 is a new IFRS standard published in May 2011. It applies to reporting periods beginning on or after 1 January 2013.

Modifications made to IFRS 1 as of March 2012 with regard to government loans with a below-market rate of interest were amended and are expected to apply to reporting periods beginning on or after 1 January 2013. Changes for countries with high inflation enter into force on 1 January 2013.

The modification to IFRS 7 (revised 12/2011) prescribes additional quantitative information in order to enable users to better compare and coordinate IFRS disclosures and disclosures according to US GAAP. The IASB also amended IAS 32 in order to specify additional guidelines with the aim of reducing incoherent application of standards in practice. Modifications relating to offsetting financial assets and financial liabilities released in December 2011 come into force on 1 January 2013.

Modifications to IAS 12 (revised 12/2010), Income Tax, Deferred Tax: Recovery of Underlying Assets, address the dependency of deferred tax valuation on whether the book value of an asset is realised through use or through sale. This distinction is frequently vague in practice. The introduction of a rebuttable presumption clarifies that the realisation of book value is normally attained via sale. The binding date of application for the original standard was postponed to financial years beginning on or after 1 January 2013 for EU companies. This modification does not affect UNIQA.

CONSOLIDATION

Scope of consolidation

In addition to the Annual Financial Statements of UNIQA Versicherungen AG, the Consolidated Financial Statements include the financial statements of all subsidiaries at home and abroad. 33 affiliated companies did not form part of the scope of consolidation. They were of only minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. Therefore, the scope of consolidation contains, in addition to UNIQA Versicherungen AG, 56 domestic and 72 foreign subsidiaries in which UNIQA Versicherungen AG has the majority voting rights.

The scope of consolidation was extended in the reporting period by the following companies:

Figures in € thousand	Date of initial inclusion	Net profit/ loss	Acquired shares percentage	Acquisition costs	Goodwill
"Graben 27-28" Besitzgesellschaft m.b.H.	30.09.2012	200	100.0	1,741	0
Hotel Burgenland Betriebs GmbH	31.12.2012	0	100.0	35	0
R-FMZ Immobilienholding GmbH	31.12.2012	0	100.0	36,225	0
Neue Marktgasse Einkaufspassage Stockerau GmbH	31.12.2012	0	100.0	8,609	0
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H.	31.12.2012	0	100.0	24,102	0
Raiffeisen-Fachmarktzentrum Mercurius GmbH	31.12.2012	0	100.0	11,933	0
Raiffeisen-Fachmarktzentrum ZWEI GmbH	31.12.2012	0	100.0	24,817	0
Raiffeisen-Fachmarktzentrum Ivesis GmbH	31.12.2012	0	100.0	10,471	0
Raiffeisen-Fachmarktzentrum VIER GmbH	31.12.2012	0	100.0	30,991	0
Raiffeisen-Fachmarktzentrum SIEBEN GmbH	31.12.2012	0	100.0	7,585	0
R-FMZ "MERCATUS" Holding GmbH	31.12.2012	0	100.0	48,246	0

The effects of these additions on the main asset and debt positions can be found under Note 5.

In June 2012, UNIQA entered into an agreement with the European Bank for Reconstruction and Development (EBRD) on the acquisition of the minority interests held by EBRD in the subsidiaries in Croatia (20 per cent), Poland (30 per cent) and Hungary (15 per cent). The acquisition of these minority interests is already legally effective. The carrying amount of the net assets of these companies was €112,512 thousand as at the time of acquisition. The Group recognised a reduction in non-controlling interests of €25,391 thousand and in retained earnings of €50,023 thousand. The effects of the acquisition are presented below:

	UNIQA osiguranje d.d.	UNIQA Towarzystwo Ubezpieczen S.A.	UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	UNIQA Biztosító Zrt.	Total
Figures in € thousand	Croatia	Poland	Poland	Hungary	
Share in net assets as at 1.1.2012	7,029	27,511	8,314	28,141	70,995
Effect of increase of participation quota	2,207	11,863	4,062	7,259	25,391
Capital increase	2,332	0	0	0	2,332
Share in comprehensive income	3,607	23,863	1,580	– 3,225	25,825
Share in net assets as at 31.12.2012	**15,175**	**63,238**	**13,957**	**32,175**	**124,544**

On 16 April 2012, the UNIQA Group entered into agreements to sell Mannheimer AG Holding, including its subsidiaries and the associated real estate holdings. These transactions were conducted in the 2nd quarter of 2012 and related to 91.68 per cent of the shares of Mannheimer AG Holding, its subsidiaries Mannheimer Versicherung AG, Mannheimer Krankenversicherung AG and mamax Lebensversicherung AG, and the real estate companies MV Augustaanlage Verwaltungs-GmbH and MV Augustaanlage GmbH & Co. KG. The result from discontinued operations is composed as follows:

	Property and casualty		Health		Life		Consolidation		Group	
Figures in € thousand	1–12/2012	1–12/2011	1–12/2012	1–12/2011	1–12/2012	1–12/2011	1–12/2012	1–12/2011	1–12/2012	1–12/2011
Gross premiums written	197,613	304,065	72,739	124,785	9,933	19,737	0	0	280,285	448,588
Premiums earned (retained)	152,640	296,650	69,788	124,043	7,299	14,668	115	5,155	229,842	440,516
Income from fees and commissions	422	2,092	30	30	1,273	2,111	– 41	– 1,683	1,684	2,549
Net investment income	7,482	10,894	12,098	13,503	1,231	359	1	1	20,811	24,757
Other income	18,363	35,821	402	856	194	550	– 43,203	– 22,323	– 24,244	14,904
Insurance benefits (net)	– 105,777	– 205,563	– 71,306	– 115,476	– 5,916	– 10,657	384	– 2,462	– 182,616	– 334,157
Operating expenses	– 57,896	– 114,230	– 9,218	– 19,167	– 2,776	– 4,672	0	0	– 69,890	– 138,069
Other expenses	– 16,690	– 34,227	– 2,249	– 2,219	– 1,680	– 3,374	41,417	26,054	20,798	– 13,766
Amortisation of goodwill	0	0	0	0	0	0	0	0	0	0
Operating profit/loss	– 1,456	– 8,563	– 455	1,571	– 376	– 1,016	– 1,328	4,742	– 3,615	– 3,266
Financing costs	0	0	0	0	0	0	0	0	0	0
Profit/loss on ordinary activities	**– 1,456**	**– 8,563**	**– 455**	**1,571**	**– 376**	**– 1,016**	**– 1,328**	**4,742**	**– 3,615**	**– 3,266**
Income taxes	– 518	4,161	69	– 409	– 161	247	0	0	– 610	3,998
Current result from discontinued operations (after taxes)	**– 1,974**	**– 4,402**	**– 386**	**1,161**	**– 537**	**– 769**	**– 1,328**	**4,742**	**– 4,225**	**733**
Disposal proceeds from discontinued operations	**14,098**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**14,098**	**0**
Result from discontinued operations (after taxes)	**12,124**	**– 4,402**	**– 386**	**1,161**	**– 537**	**– 769**	**– 1,328**	**4,742**	**9,873**	**733**
of which consolidated profit/loss	12,603	– 3,495	– 354	1,396	– 492	– 714	– 1,328	4,742	10,429	1,930
of which minority interests	– 478	– 908	– 32	– 234	– 45	– 55	0	0	– 555	– 1,197

In the 3rd quarter of 2012, the UNIQA Group resolved to sell the companies of Austria Hotels. Until this transaction is completed, the assets and liabilities of these companies will be presented as separate items in the balance sheet. Details on this can be found under Note 8.

Nine associated companies were domestic companies consolidated at equity; 13 companies were of minor significance and were listed at current market value.

In applying IAS 39 and in terms of the present interpretation of this statement by the IASB (SIC 12), fully controlled investment funds will be included in the consolidation insofar as their fund volumes were not of minor importance when viewed singularly and in total.

Changes in the 1st quarter of 2013

There have been no significant changes to the scope of consolidation.

Consolidation principles

Capital consolidation follows the acquisition method. The costs of acquiring shares in the subsidiaries are written as the proportional equity of the subsidiary that was first revalued. The conditions at the time of acquiring the shares in the consolidated subsidiary are taken into consideration for the initial consolidation. To the extent other (non-Group) shareholders hold shares in the subsidiary's equity at the reporting date, these are dealt with under minority interests.

If the shareholding was acquired before 1 January 1995, the differences are set off against profits carried forward in line with the applicable transitional provisions.

Negative differences from mergers consummated after 31 March 2004 must be credited with an effect on income immediately after reappraisal.

In compliance with IFRS 3, the goodwill is not subject to any scheduled depreciation. The value of existing goodwill resultant from the acquisition of holdings is appraised in an annual impairment test. A fall in value is written off where necessary.

Shares in associated companies

Shares in associated companies are, as a general rule, valued according to the equity method using the equity held by the Group. Differences are determined according to the principles of capital consolidation and the amounts are recorded under shares in associated companies. The updating of the development of the associated companies is based on the most recent financial statements available.

In establishing the value of shares in associated companies, an IFRS report is generally required. Where no IFRS reports are presented, the adjustment of the entries for these companies to the uniform Group valuation benchmarks must be dispensed with due to a lack of available documentation; however, this does not have any significant impact on the present Consolidated Financial Statements.

Debt consolidation

For debt consolidation, the receivables from Group companies are set off against the payables to Group companies. As a rule, any differences have an effect on income. Group-internal results from deliveries and services are eliminated if they are of minor significance for giving a true and fair view of the Group's assets, financial position and income. Proceeds and other income from deliveries and services within the Group are set off against the corresponding expenditure.

Presentation of balance sheet and income statement

The International Financial Reporting Standards (IFRS) allow a shortened version of the balance sheet and income statement. Summarising many individual items into units enhances the informative quality of the financial statements. Explanatory notes to these items are contained in the Group Notes. Because of formatting to thousand €, there may be rounding differences.

Segment reporting

The primary segment reports depict the main business segments of property and casualty insurance, life insurance and health insurance. The consolidation principles are applied here to transactions within a segment. In addition, the main items of the income statement are also broken down by regional perspectives.

Foreign currency conversion

The reporting currency of UNIQA Versicherungen AG is the euro. All Annual Financial Statements of foreign subsidiaries that are not reported in euro are converted at the rate on the balance sheet closing date according to the following guidelines:

- Assets, liabilities and transition of the annual net profit/deficit at the middle rate on the balance sheet closing date
- Income statement at the average rate for the year
- Equity capital (except for annual net profit/deficit) at the historic exchange rate

Resulting exchange rate differences are set off against the shareholders' equity without affecting income.

The most important exchange rates are summarised in the following table:

€ rates on balance sheet closing date	31.12.2012	31.12.2011
Swiss franc CHF	1.2072	1.2156
Czech koruna CZK	25.1510	25.7870
Hungarian forint HUF	292.3000	314.5800
Croatian kuna HRK	7.5575	7.5370
Polish złoty PLN	4.0740	4.4580
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9558
Romanian leu (new) RON	4.4445	4.3233
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	10.6208	10.3708
Serbian dinar RSD	112.3722	107.0795
Russian ruble RUB	40.3295	41.7650
Albanian lek ALL	140.1400	138.5500
Macedonian denar MKD	62.2353	61.7613

Estimates

For creation of the Consolidated Financial Statements according to IFRS, it is necessary to make assumptions for the future within various items. These estimates can have a considerable influence on the valuation of assets and debts on the balance sheet closing date as well as the amount of expenses and income in the financial year. The items below carry a not insignificant level of risk that considerable adjustments to asset or debt values may be necessary in the following year:

- Deferred acquisition costs
- Current value and goodwill
- Shares in associated companies/investments – insofar as the valuation does not take place based on stock exchange prices or other market prices
- Technical provisions
- Pensions and similar provisions

METHODS OF ACCOUNTING AND VALUATION

The Annual Financial Statements of the companies in Austria and abroad included in the Consolidated Financial Statements were predominantly prepared up to the reporting date of UNIQA Versicherungen AG, i.e. 31 December. For recording in the Consolidated Financial Statements, the Annual Financial Statements of UNIQA Versicherungen AG and its included subsidiaries are unified to conform to the accounting and valuation principles of IFRS/IAS and, as far as actuarial provisions, acquisition costs and actuarial expenses and income are concerned, according to the provisions of US-GAAP.

Securities transactions are recorded using the settlement date. As a rule, the fair values are derived from an active market.

Intangible assets

These include goodwill, deferred acquisition costs, the current value of life, property and casualty insurance contracts, and other items.

Goodwill is the difference between the purchase price for the stake in a subsidiary and the Group's share in the equity after the disclosure of hidden reserves at the time of acquisition.

Deferred acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised and written off over the term of the insurance contracts to which they refer. If they are attributable to property and casualty insurance, they are written off over the probable policy term, with a maximum of five years. For life insurance, the acquisition costs are amortised over the duration of the policy at the same proportion as the actuarial profit margin of each individual year is realised in comparison to the total margin to be expected from the policies. For long-term health insurance policies, the depreciation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. The changes in deferred acquisition costs are shown as operating expenses.

With regard to life insurance business acquired, the updating of the current value follows the progression of the estimated gross margins.

The other intangible assets include both purchased and self-developed software which is depreciated on a straight-line basis over its useful economic life of two to five 5 years.

Land and buildings, including buildings on third-party land

Land and buildings that are held as long-term investments are recognised according to IAS 40 at acquisition or construction costs, reduced by the amounts of scheduled amortizations and depreciation. Self-used land and buildings are shown at book value (IAS 16). The scheduled depreciation term generally corresponds to the useful life, up to a maximum of 80 years. Real estate is depreciated on a straight-line basis over time.

The list of fair values can be found under Notes 1 and 3.

Shares in affiliated and associated companies

To the extent that the Annual Financial Statements of affiliated and associated companies are not consolidated for being of minor significance and/or included at equity, these companies are valued as available for sale in accordance with IAS 39.

Investments

With the exception of securities held to maturity, mortgage loans and other loans, the investments are listed at the current fair value, which is established by determining a market value or stock market price. In the case of investments for which no market value can be determined, the fair value is determined through internal valuation models or on the basis of estimates of what amounts could be achieved under current market conditions in the event of proper liquidation.

Securities held to maturity, mortgage loans and other loans

These are recognised at amortised cost in the balance sheet. This means that the difference between the acquisition costs and the repayment amount changes the book value with an effect on income in proportion to time and/or equity. The items included under other loans are recognised at their nominal amount less any redemptions made in the interim.

Securities available for sale

These are recognised in the financial statements at their fair value on the reporting date. Differences between the fair value and historical acquisition costs are dealt with under equity with a neutral effect on income, after deduction of the provisions for latent profit sharing in life insurance and deferred taxes. Depreciation that affects income (impairment) is undertaken only where we anticipate a lasting fall in value. This uses the fluctuations in fair value over the last nine months as well as the absolute difference between acquisition costs and the fair value on the reporting date as the basis for assessing a necessary impairment. A sustained impairment is assumed for variable-yield securities if the highest quoted price within the last nine months lies below the acquisition costs or the difference of acquisition costs less fair value is greater than 20 per cent. These same selection criteria are also applied for fixed-interest securities in order to perform a precise credit-related evaluation of a sustained impairment per security for the items in question. In addition, foreign exchange differentials resulting from fixed-interest securities are recognised with an effect on income. Foreign exchange differentials resulting from variable-yield securities are recognised as equity with no effect on income to the extent that these are not securities which are written off as the result of an impairment test. The fair value of other investments is based in part on external and internal company ratings.

Investments held for trade (trading portfolio)

Derivatives are used within the limits permitted by the Austrian Insurance Supervisory Act, for hedging investments and for increasing earnings. All fluctuations are recognised in the income statement.

Investments at fair value through profit or loss (fair value option)

Structured products are not split between the underlying transaction and derivative, but are accounted for as a unit. All the structured products can therefore be found in the "Financial instruments at fair value through profit or loss" item of the balance sheet. Unrealised profits and losses are dealt with in the income statement. In accordance with IAS 39 (11A), ABS bonds, structured bonds, hedge funds and a special annuity fund with a high share of derivatives are also dealt with under the items for securities at fair value through profit or loss.

Valuation methods and assumptions on which the current market valuation was based

The current market value of assets traded on the active markets is determined with respect to the listed market prices (includes government bonds, corporate bonds, listed shares).

The current market value of other financial assets (excluding derivative instruments) is determined in accordance with generally accepted valuation models, based on discounted cash flow analyses and using prices of observable current market transactions and trader listings for similar instruments.

The current market value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are performed with application of the corresponding interest yield curves for the term of the instruments in the case of derivatives without optional components as well as option price models in the case of derivatives with optional components. Currency futures are valued based on listed forward rates and interest yield curves that are derived from listed market interest rates in consideration of the contact maturity dates. Interest swaps are valued with the cash value of the estimated future payment flows. The discounting took place using the pertinent interest yield curves, which were derived from listed interest rates.

Deposits with credit institutions and other investments

These are recognised at fair value.

Capital investments held for unit-linked and index-linked life insurance policyholders

These investments concern life insurance policies whose value or profit is determined by investments for which the policyholder carries the risk, i.e. the unit-linked or index-linked life insurance policies. The investments in question are collected in asset pools, balanced at their current market value and kept separately from the remaining investments of the company. The policyholders are entitled to all income from these investments. The amount of the balanced investments strictly corresponds to the actuarial provisions (before reinsurance business ceded) for life insurance, to the extent that the investment risk is borne by the policyholders. The unrealised profits and losses from fluctuations in the current values of the investment pools are thus counterbalanced by the appropriate changes in these reserves.

Shares of reinsurers in the technical provisions
These are recognised on the assets page, taking the reinsurance contracts into consideration.

Receivables
These are recognised at their nominal value, taking into account redemptions made and reasonable value adjustments.

Liquid funds
Liquid funds are valued at their nominal amounts.

Other tangible assets
The tangible assets and inventories included on the balance sheet under other assets are recognised at acquisition and production costs, net of depreciation. Tangible assets are depreciated on a straight-line basis over their useful lifetime (up to a maximum of 10 years).

Equity
The *subscribed capital* corresponds to the calculated nominal value per share that was achieved upon issuing of the shares.

The *capital reserves* represent the amount earned over and above the calculated nominal value upon issue of the shares.

The *revaluation reserve* contains unrealised profits and losses from market valuations of securities available for sale.

The *revenue reserves* include the withheld profit of the UNIQA Group.

Thus, the amount of the actuarial gains and losses from the provisions for pensions and similar obligations will be reported in the shareholders' equity, after deducting deferred taxes and deferred profit participation and without affecting income under the item *actuarial gains and losses from defined retirement benefits*.

The *portfolio of UNIQA shares* is deducted from the equity (revenue reserves).

The *minority interests* in shareholders' equity represent the proportional minority shares in equity.

Technical provisions
Unearned premiums
Unearned premiums are in principle calculated for each individual policy and exactly to the day. If they are attributable to life insurance, they are included in the premium reserves.

Actuarial provision
Actuarial provisions are established in the casualty, life and health insurance lines. Their recognition value on the balance sheet is determined according to actuarial principles on the basis of the present value of future benefits to be paid by the insurer less the present value of future net premiums the insurer expects to receive. The actuarial provision of the life insurer is calculated by taking into account prudent and contractually agreed calculation bases.

For policies of a mainly investment character (e.g. unit-linked life insurance), the regulations in FAS 97 are used to value the actuarial provision. The actuarial provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy. For unit-linked insurance policies in which the policyholder carries the sole risk of the value of the investment rising or falling, the actuarial provision is listed as a separate liability entry under "Technical provisions for life insurance where the investment risk is carried by policyholders".

The actuarial provisions for health insurance are determined on a calculation basis of "best estimate", taking into account safety margins. Once a calculation basis has been determined, these basically have to be applied to the corresponding part portfolio for the whole duration (locked-in principle).

Provision for outstanding claims

The provision for outstanding claims in the property insurance contains the actual and the expected amounts of future financial obligations, including the claims settlement expenses appertaining thereto, based on accepted statistical procedures. This applies to claims already reported as well as to claims incurred but not yet reported. In insurance lines in which past experience does not allow the application of statistical procedures, individual loss provisions are made.

Life insurance is calculated on an individual loss basis with the exception of the provision for unreported claims.

As for health insurance, the provisions for outstanding claims are estimated on the basis of past experience, taking into consideration the known arrears in claim payments.

The provision for the assumed reinsurance business generally complies with the figures of the cedents.

Provision for premium refunds and profit sharing

The provision for premium refunds includes, on the one hand, the amounts for profit-related and profit-unrelated profit sharing to which the policyholders are entitled on the basis of statutory or contractual regulations, and on the other hand, the amount resulting from the valuation of assets and obligations of life insurers deviating from valuation under commercial law. The amount of the provision for latent profit sharing amounts to generally 85 per cent of the valuation differentials before tax. These valuation differences can also give rise to net positive items, which are also listed here.

Other technical provisions

This item basically contains the provision for contingent losses for acquired reinsurance portfolios as well as a provision for expected cancellations and premium losses.

Technical provisions for unit- and index-linked life insurance policies

This item concerns the actuarial provisions and the remaining technical provisions for obligations from life insurance policies where the value or income is determined by investments for which the policyholder bears the risk or for which the benefit is index-linked. As a general rule, the valuation corresponds with the investments of the unit-linked and index-linked life insurance written at current market values.

Other provisions for pensions and similar obligations

For the performance-oriented old age provision systems of the UNIQA Group, pension provisions are calculated in accordance with IAS 19 using the projected-unit-credit method. Future obligations are spread over the whole employment duration of the employees. The calculation is based on current mortality, disability and fluctuation probabilities, expected increases in salaries, pension entitlements and pension payments as well as a realistic technical interest rate. The technical interest rate, which is determined in conformity with the market and on the basis of the reporting date, is in line with the market yield of long-term, high-quality industrial or government bonds.

From now on, the amount of the actuarial gains and losses will therefore be reported as shareholders' equity in accordance with IAS 19.93A ff, after deducting deferred taxes and deferred profit participation and without affecting income.

The amount of *other provisions* is determined by the extent to which the provisions will probably be made use of. *Payables* and *other liabilities* are shown at the amount to be repaid.

Deferred taxes

Deferred tax assets and liabilities are to be created according to IAS 12 for temporary differences arising from the comparison of a stated asset or an obligation using the respective taxable value. This results in a probable tax burden affecting cash flow in the future. These are to be accounted for independent of the date of their release. Moreover, according to IAS, deferred taxes for accumulated losses brought forward and not yet used are to be capitalised to the extent that they can be used in the future with adequate probability.

Value adjustments (impairments)

In principle, the carrying amounts of assets on the balance sheet are checked at least once a year with regard to possible impairment. Securities with an expected lasting and/or major decrease in value are depreciated with an effect on income. The entire real estate inventory is subject to recurrent valuation through external reports prepared by legally sworn experts. If there is a foreseeable durable impairment of assets, their carrying amount is reduced.

Premiums

Of the premiums written in the area of unit- and index-linked life insurance, only those parts calculated to cover the risk and costs are allocated as premiums.

Classes of insurance

(Direct business and partly accepted reinsurance business)

- Life insurance
- Unit-linked and index-linked life insurance
- Health insurance
- Casualty insurance
- General liability insurance
- Motor liability insurance, vehicle and passenger insurance
- Marine, aviation and transport insurance
- Legal expense insurance
- Fire and business interruption insurance
- Housebreaking, burglary and robbery insurance
- Water damage insurance
- Glass insurance
- Storm insurance
- Household insurance
- Hail insurance
- Livestock insurance
- Machinery and business interruption insurance
- Construction insurance
- Credit insurance
- Other forms of insurance

MAJOR DIFFERENCES BETWEEN IFRS/IAS AND AUSTRIAN ACCOUNTING REGULATIONS

Goodwill

In the case of sustained impairment, the entire goodwill is written off to its market value. The valuation is performed at least once a year by applying a valuation model (impairment test). No ordinary amortisation of goodwill is performed.

Intangible assets

According to IFRS, self-developed intangible assets have to be capitalised, whereas they cannot be capitalised under the Austrian Commercial Code.

Land and buildings

Land and buildings, including buildings on third-party land, are valued according to IAS 16, and by exercising the respective choice, also according to IAS 40 at book value minus scheduled amortisation. These are based on the actual duration of use; in accordance with the Austrian Commercial Code, they are mostly also influenced by tax regulations.

Shares in affiliated and associated companies

Affiliated and associated companies that are not consolidated fully or at equity due to their minor significance are recognised at fair value.

As a general rule, participating interests are valued at equity insofar as the company has the opportunity to exercise considerable influence. This is assumed, as a matter of principle, for shares between 20 per cent and 50 per cent. The actual exercising of considerable influence has no bearing on these figures.

Financial assets

According to IAS 39, a different classification system is applicable to financial assets. It classifies other securities into the following categories: held to maturity, available for sale, fair value through profit or loss (FVTPL) and trading portfolio (derivative financial instruments). The main valuation difference that applies to the other securities available for sale, which account for the majority of financial assets, as well as the other securities recorded with effect on income is that these are stated at fair value on the balance sheet date. According to the Austrian Commercial Code, the acquisition costs constitute the maximum valuation limit.

With regard to the other securities available for sale, the difference between book value and fair value is treated within the shareholders' equity without affecting income, whereas in the case of the other securities at fair value through profit or loss, the difference fully affects income. In contrast, when applying the strict lower-of-cost-or-market principle in the Austrian Commercial Code, depreciation always affects income, even in the case of a temporary reduction in value and appreciations in line with the requirement to reinstate original values. In the case of the mitigated lower-of-cost-or-market principle, the write-off is not obligatory if the depreciation is only temporary. Expected permanent impairments, posted as depreciation, affect income according to both the IFRS and the Austrian Commercial Code.

Reinsurance

The shares of reinsurers in actuarial provisions are shown on the assets page of the balance sheet in accordance with IFRS 4.

Acquisition costs

Commission as well as other variable costs which are directly related to the acquisition or extension of existing policies are deferred and distributed over the insurance contract terms and/or the premium payment period. The deferred acquisition costs also replace the administrative expense deductions allowed under the Insurance Supervisory Act for premiums brought forward in property and casualty insurance.

Actuarial provision

For the calculation of the actuarial provisions in life and health insurance, regulations deviating from Austrian law apply, which affect valuation variances as well as the allocation between actuarial provisions and provisions for premium refunds. This especially refers to the non-application of the zillmerisation of acquisition costs as well as the integration of the revalued unearned premiums and real final bonus in the life insurance.

Health insurance is mainly affected by the deviating interest rate as well as the application of the most recent parameters, including safety margins.

Provision for premium refunds and profit sharing

Because of the difference in valuation of the assets and liabilities in the area of life insurance, a provision has to be made for deferred profit participation which complies with the national legal or contractually regulated profit sharing and is assessed in favour of the policyholder. The change of the provision for deferred premium refunds compensates to a large extent for the effects of revaluation on the income statement and thus on the results for the year.

Provisions for outstanding claims

In accordance with US-GAAP, provisions for outstanding claims in the property insurance line are basically no longer established using the principle of caution and on a single-loss basis, but rather using mathematical procedures based on probability of future compliance amounts.

Provision for claims equalisation and catastrophes

The establishment of a provision for claims equalisation and catastrophes is not permitted under IFRS or US-GAAP regulations, because it does not represent any current obligations to third parties on the balance sheet date. Accordingly, additions or reversals do not influence the profit for the year.

Pension commitments

The accounting principles used to calculate the pension provision under IFRS are different from those of the Austrian Commercial Code. These are listed in detail in IAS 19. Overall, the individual differences result in greater detail than under the Austrian Commercial Code. This is most notably the result of the stronger weighting of future salary increases and the use of the projected-unit-credit method, anticipating future demographic and economic developments.

Deferred taxes

Deferred tax assets and liabilities are to be created according to IAS 12 for temporary differences arising from the comparison of a stated asset or an obligation using the respective taxable value. This results in an anticipated future tax burden or relief on taxes on income (temporary differences), which are to be reported regardless of the day of the revaluation. According to Austrian business law, deferred taxation is only permissible as a result of a temporary difference between the commercial balance sheet profit and the income calculated according to the tax regulations.

Moreover, according to IAS, deferred taxes for accumulated losses brought forward and not yet used are to be capitalised to the extent that they can be used in the future with adequate probability.

RISK REPORT

1. Overview – risk management framework

The UNIQA Group defines all risks that endanger the financial strength and thereby the needs of its customers, as well as the long-term growth of shareholder value, as major risks.

Therefore, the management of the UNIQA Group places particular focus on regular monitoring of risk-bearing capacity in order to ensure that it can react quickly, adequately and with foresight to changes in the business environment.

The risk-bearing capacity concept therefore always takes into account the following requirements:

1) Compliance with adequate, prudential capital resource requirements as a minimal requirement
2) Valuation by third parties, such as ratings agencies
3) Internal company goals
4) Accounting purposes

The Group's management has declared its primary objective to be a balance between turnover, profit and risk. The required organisational measures were undertaken in the reorientation of the UNIQA Group.

UNIQA was the first insurer in Austria to define risk management as an independent department in the Management Board at holding Group level. Numerous projects have been drawn up in the department of the Chief Risk Officer (CRO) aimed at establishing a new, modern and value-oriented risk culture in the UNIQA Group.

2. Risk management system

Risk management is an important part of the UNIQA Group's core business and is therefore a significant component of its business process. The focus of risk management with management structures and defined processes is the attainment of the strategic goals of the UNIQA Group and its subsidiaries by minimising the likelihood of non-attainment.

The UNIQA Group's Risk Management Guidelines form the basis for a uniform standard at various company levels. The guidelines are approved by the CRO and Management Board and describe the minimum requirements in terms of organisational structure and process structure. They also provide a framework for all risk management processes for the most important risk categories.

In addition to Group Risk Management Guidelines, a set of Risk Management Guidelines have also been prepared and approved for the company's subsidiaries. The Risk Management Guidelines at subsidiary level were approved by the Management Board of the UNIQA subsidiaries and are consistent with the UNIQA Group Risk Management Guidelines.

These aim to ensure that risks relevant to the UNIQA Group are identified in advance and evaluated. If necessary, proactive measures are introduced to transfer or minimise the risk.

Intensive training on the content and utilisation of these guidelines is required in order to enshrine risk management in everyday business activities. Very extensive information and training measures were therefore implemented in 2012, which will be continued in 2013 and extended to stakeholders.

2.1. Organisational structure (governance)

The UNIQA governance model approved in September 2012 and the repositioning of the compliance organisation are outlined in section 8. Risk management aims for 2013.

The detailed set-up of the risk management process and organisational structure is set out in the UNIQA Group's Risk Management Guidelines. These reflect the principles of "three lines of defence" and the clear differences between the individual "lines of defence".

First line of defence: risk management within the business activity

Those responsible for business activities must build up and embody a reasonable monitoring environment to identify and monitor the risks that arise in connection with such business processes.

Second line of defence: supervisory functions, including risk management functions

The risk management function and the supervisory function, such as controlling, must monitor business activities without encroaching on operational activities.

Third line of defence: internal and external auditing

This enables an independent review of the formation and effectiveness of the entire internal control system, which comprises risk management and compliance (e.g. internal auditing).

The following describes the organisational structure and the most essential process responsibilities within the UNIQA Group. Functional tasks and obligations are described precisely in the Risk Management Guidelines.

UNIQA Holding Management Board

- Active risk management and controlling through value-orientated principles
- Approves the UNIQA risk management strategy
- Approves the strategic capital allocation
- Approves the risk limits for operating companies
- Highest authority for decisions regarding risk transfer and mitigation

UNIQA Holding CRO

- Functional leadership of the UNIQA risk management unit
- Chairs the UNIQA risk management committee
- Responsible for shaping the risk management strategy
- Monitors the overall risk situation
- Appropriate structures for risk management and reporting

Group Risk Committee

- Defines the risk management strategy
- Prepares and monitors the risk-bearing capacity and risk limits as well as the Group's value-creating units
- Defines the capital allocation and sets coherent limits
- Approves model amendments (capital model, partial models)

Group Risk Management Functions

- Defines the UNIQA risk management process
- Executes the uniform risk management process
- Coordinates the calculation of the solvency capital requirement and the minimum capital requirement
- Defines the minimum standards for all risk management processes
- Ensures that risk management information is reported effectively and promptly
- Prepares the risk limits for the company and monitors the limits
- Market risk management (qualitative and quantitative)

Operating Company (CRO, RM)

- Executes the uniform UNIQA risk management process in accordance with the Group standards
- Prepares and maintains the minimum standards for the specific risk management processes for all risk categories
- Prepares and monitors the risk limits
- Monitors overall risk management performance and ensures effective and prompt reporting

*Internal control system

The UNIQA Group Management Board is responsible for establishing business policy targets.

The position of Chief Risk Officer (CRO) has been introduced at holding Group Management Board level. This ensures that the topic of risk management is represented on the Management Board. In his risk management activities, the CRO is supported in the implementation and fulfilment of his duties in particular by the departments of risk management & internal control system, market risk management, and value-based management & compliance.

Furthermore, CRO and risk manager functions were also established at Management Board level in the operating insurance companies. This ensures a continuous and uniform risk management system within the Group.

The risk management committees constitute a central element in the risk management organisation (see Holding committees in the committee structure, page 24), at both Group level and in every UNIQA company. The risk management committee is the management body for controlling and both short- and long-term steering of the risk profile for UNIQA companies. The risk management committee establishes the risk strategy and monitors and steers compliance with risk-bearing capacity and limits and therefore plays a central role in the UNIQA Group's risk management system steering process.

The Supervisory Board of the UNIQA Group is informed in depth of the preparation of the risk report at Supervisory Board meetings.

2.2. Risk management process

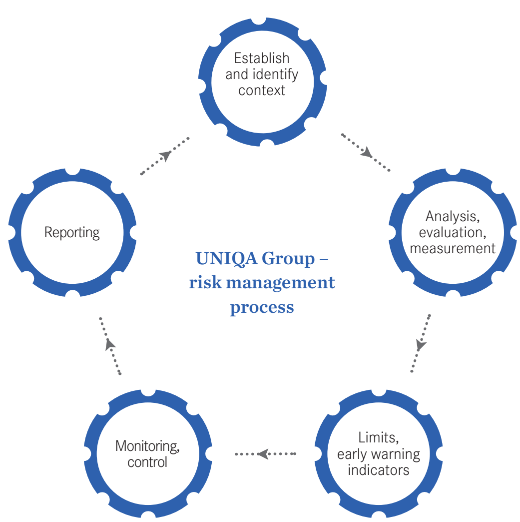
The risk management process in the UNIQA Group (UNIQA ORSA process) delivers periodic information about the risk situation across the UNIQA Group and enables the top management to set governing measures to attain and/or retain long-term strategic aims.

The process concentrates on risks relevant to the company and is defined for the following risk categories:

- Actuarial risk (property and casualty insurance, health and life insurance)
- Market risk, asset/liability mismatch risk
- Credit risk, default risk
- Liquidity risk
- Concentration risk
- Strategic risk
- Reputation risk
- Operational risk
- Risk of contagion

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks to the UNIQA Group and its subsidiaries within these risk categories.

UNIQA Group – risk management process



Risk identification

Risk identification is the starting point for the risk management process, systematically recording all major risks and describing them in as much detail as possible. In order to conduct as complete a risk identification process as possible, parallel different approaches are used, and all risk categories, subsidiaries, processes and systems are included.

Evaluation/measurement

The risk categories of market risk, actuarial risks, counterparty default risk and concentration risk are evaluated in the UNIQA Group framework by means of a quantitative method based on the standard approach of Solvency II. Furthermore, risk drivers are identified for the results from the standard approach and analysed to assess whether the risk situation is adequately represented (in accordance with ORSA).

All other risk categories are evaluated with their own risk scenarios.

Scenario analysis in UNIQA risk management

One essential element of the risk management process is the derivation and development of risk scenarios based on the economic, internal and external risk situation of the UNIQA Group.

A scenario is a possible internal or external event that causes a short-term or medium-term effect on the Group profit, solvency position or sustainability. The scenario is formulated in accordance with its expression (e.g. the start of Greek insolvency) and evaluated in terms of its financial effect on the UNIQA Group. The likelihood that the scenario will actually occur is also considered.

These scenarios are developed, assessed and constantly monitored by the experts in the UNIQA risk management department. Risk mitigation procedures are developed on a proactive basis for potential threats.

Limits and early warning indicators

The limit and early warning system determines risk-bearing capacity (available equity according to IFRS, financial equity) and capital requirements on the basis of the risk situation at ongoing intervals, thereby deriving the level of coverage. If critical coverage thresholds are reached, then a precisely defined process is set in motion, the purpose of which is to reduce the level of solvency coverage to a non-critical level.

Reporting

A risk report is prepared twice a year for each operational company and for the UNIQA Group on the basis of detailed risk analysis and monitoring. The risk report for each individual UNIQA subsidiary and the UNIQA Group itself has the same structure, providing an overview of major risk indicators such as risk-bearing capacity, solvency requirements and risk profile.

A reporting form is also available for the UNIQA Group and all subsidiaries which provides the management with a monthly update regarding the most significant risks.

3. The greatest challenges in the coming year (internal and external)

3.1. Low interest rates

A constant decline in the interest rate curve has been observed since 2009. This effect has had a particularly severe impact on life insurance.

Depending on the investment strategy adopted, these persistently low interest rates may lead to a situation where the income generated is not sufficient to finance policyholders' guarantees.

Measures to be implemented as a priority in order to minimise this risk are the reorientation of the life strategy and stringent implementation of an ALM approach.

UNIQA 2.0 life insurance strategy

A programme was developed in 2011 and 2012 as part of a project aimed at ensuring "value-oriented management of the UNIQA Group" which set out a strategy for how the life insurance business model could be safeguarded on a sustainable basis in the future. Based on analyses focusing on traditional life insurance in Austria – due to the high proportion this represents in market risk – a range of work packages were adopted aimed at improving the risk and earning situation:

3.2. European sovereign debt crisis and stability of the euro

The largest systemic risk in the first six months of 2012 was the European sovereign debt crisis potentially turning into a currency crisis (crisis in the European Monetary Union). As a result of the haircut and elections in Greece in June 2012, there was increasingly serious discussion of a euro zone country leaving the European Monetary Union (EMU). Due to economic contagion effects, the possibility of a chain reaction of further peripheral euro zone countries leaving the currency area could no longer have been ruled out in this extreme scenario. In the worst case scenario, this could have resulted in huge devaluation affecting a core euro in some cases (with Austria as a member of a core union) and a series of defaults in countries leaving the union.

Provision was already made in the UNIQA Group for the risk of potential defaults by reducing corresponding risk portfolios in the first quarter of 2012. Austria would be a member of the core euro zone as a traditional hard-currency country. Converting balance sheets into new currencies (e.g. Italy) on both the assets and liabilities side would absorb the effect on the insurance group to a certain extent in the relevant countries.

Governments made relatively large efforts over the course of 2012 to stabilise the euro zone in the long term and restore economic convergence among the euro zone countries. The European Fiscal Compact was signed in March 2012, which aims to secure the countries' debt sustainability on a long-term basis. The European Stability Mechanism (ESM) came into force in the second half of the year. The recapitalisation of the Spanish banking sector with an approved credit line of €100 billion in July set the precedent for a direct bank rescue package from the ESM. EU finance ministers agreed in December to establish a standardised supervision mechanism for European banks. The decision made by the European Central Bank in the middle of the year to support euro zone countries where necessary as a "lender of last resort" by means of an unlimited bond-buying programme (OMT) brought considerable relief and extra time to implement further structural reforms in the member states.

Despite intense effort on the part of governments and the central banks, overcoming the debt crisis still harbours significant risks. Events such as the outcome of parliamentary elections in Italy and Germany constitute very uncertain factors with regard to the further development of the euro zone and peripheral nations.

3.3. Solvency II

The introduction of Solvency II has been delayed further. The date scheduled for its entry into force was postponed to 1 January 2014 in September 2012 by means of a quick-fix directive. However, there is already speculation that this deadline will not be retained either. A long-term guarantee assessment must be concluded in order for Solvency II to be implemented. This assessment must be performed in order for the Omnibus II Directive to be adopted. This study will determine the impact of assumptions used in the valuation of long-term guarantees on the solvency of insurance companies – in particular, what impact adjusting the interest rate curve will have, which is used to discount technical provisions.

EIOPA (European Insurance and Occupational Pensions Authorities) is currently examining the introduction of "phasing-in", where parts of Solvency II would come into force ahead of schedule. The following are currently being discussed:

- Risk management – governance and risk management process issues
- ORSA (Own Risk and Solvency Assessment) and
- Sections of Solvency II reporting

Despite the delays, the UNIQA Group is continuing with all projects it has initiated with the same level of intensity, as the management believes that the processes and tools implemented and adapted Group control processes (ORSA) will make a significant contribution to implementing the UNIQA 2.0 strategy.

4. Capitalisation

The UNIQA Group is sufficiently capitalised.

The solvency ratio based on supervisory provisions was 214.9 per cent as at 31 December 2012. This figure is considerably higher than the minimum solvency ratio of 135 per cent set out in the internal capital policy.

4.1. Risk strategy disclosures

The primary objective of the UNIQA Group is to remain sufficiently capitalised at all times. In order to ensure this, the risk strategy sets out the extent to which risks will be entered into on behalf of customers and shareholders. The risk appetite derived from this defines tolerance limits for a range of risk criteria and classes (e.g. for market and credit risk).

These tolerances are based on the capital and liquidity base and UNIQA's profit target within predefined volatility thresholds.

In order to ensure a risk strategy is implemented successfully, the relevant targets become part of the annual planning cycle and are therefore embedded in the business strategy.

4.2. Statutory requirements

Risk capital requirements and available equity are currently calculated according to Solvency I regulations in the UNIQA Group, which will be replaced following the entry into force of Solvency II provisions. As the method of calculating risk capital requirements and available equity is set to change, parallel calculations have been performed in the UNIQA Group since 2008 in order to ensure it is well prepared for this changeover.

To this end, it is necessary to implement the required processes across the Group, to have data available with the required level of granularity, and to identify risk drivers at an early stage and introduce measures where necessary.

4.3. Standard & Poor's Model

Both regulatory capital requirements and the capital requirements associated with ratings are of central importance to the UNIQA Group.

In addition to the regulatory capital models for Solvency I and Solvency II, the Standard & Poor's capital model is therefore regularly applied and requirements are calculated oriented towards a target rating.

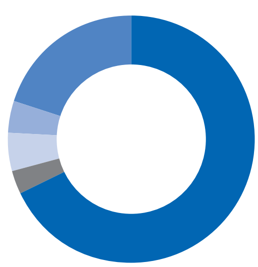
This information is incorporated in the capital planning process.

The UNIQA Group currently has a BBB+ rating according to Standard & Poor's.

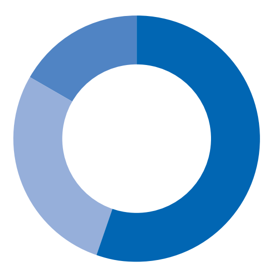
5. Risk profile

5.1. General risk profile

A standard methodical approach was used to determine the risk profile in the UNIQA Group. The last assessment produced the following risk profile for the UNIQA Group:



Risk profile of the UNIQA Group



Capital allocation by segment

The risk profile of the UNIQA Group is very strongly influenced by life insurance and health insurance holdings in the Austrian life and health insurance companies UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG. This situation means that market risk plays a central role in the UNIQA Group's risk profile. The composition of market risk is described in the section "Market risk".

The subsidiaries in Central Europe (CE: Hungary, Czech Republic, Slovakia and Poland) operate insurance businesses in the property and casualty segment and the life and health insurance segment.

In the Southeastern European (SEE) and Eastern European (EE) regions, insurance business is currently primarily in the property and casualty segment and particularly in motor vehicle insurance.

This situation is important to the UNIQA Group because it creates a high level of diversification for the life and health insurance lines, which are dominated by the Austrian companies.

The risk-specific particularities of the regions are also manifested in the risk profiles ascertained by the internal measurement approach.

After every calculation for life, non-life and composite insurers in the UNIQA Group, reference profiles are created and compared with the risk profile for the respective companies.

The reference profiles show that, for composite insurers, the relationship between market and actuarial risk is balanced. In addition, the highest diversification effect was achieved among the composite insurers.

5.2. Risk categories

5.2.1. Market risk

Market risk is powerfully influenced by the risk of changing interest rates, particularly in the life insurance line. This is primarily the result of duration matching between assets and liabilities – the "duration gap". The course has already been successfully set in the past year for a substantial reduction in the duration gap by establishing an ALM process and implementing an ALM-based asset allocation.

Spread risk represents another major risk. This is the risk of price volatility due to changes in credit risk premiums. On the basis of equity requirements under Solvency II, structured securitisations constitute a particularly significant risk. In the case of bonds, it is primarily securities with lower ratings and longer durations that contribute to a heightened spread risk.

The UNIQA Group's share risk mainly comprises alternative investment classes such as hedge funds and private equity, whereas risk associated with land and buildings and other market risks such as currency and concentration risk tend to play a minimal role.

Several measures were implemented in the previous year with regard to the methods and processes for managing these risks. This included the introduction of quarterly ALM committee meetings at the top management level and the restructuring of investment limits. In terms of the methods used to measure risk, automated calculation of Solvency II standardised approach modules was added to the functions performed by the SimCorp Dimension portfolio management system.

Description of market risk categories:

Interest risk: due to the investment structure and the high proportion of interest-bearing titles, the interest rate risk forms a very important component of the financial risks. The following table shows the interest-bearing securities and the average interest coupons arranged by the most important investment categories and their average coupon interest rate on the reporting date.

Average interest coupon	€		USD		Other	
Figures in per cent	2012	2011	2012	2011	2012	2011
Fixed-interest securities						
High-grade bonds	3.43	3.76	3.09	3.55	5.18	5.34
Bank/company bonds	3.74	3.89	5.22	4.28	4.12	4.14
Emerging markets bonds	3.71	5.13	5.60	7.49	6.27	8.39
High-yield bonds	7.47	8.74	5.25	9.48	4.45	4.45
Other investments	3.08	3.36	2.37	0.00	1.56	0.00
Fixed-interest liabilities						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.66	2.71				

Long-term policies and life insurance policies with guaranteed interest and profit sharing

Insurance policies with guaranteed interest and additional profit sharing contain the risk that the guaranteed interest rate will not be achieved over a sustained period of time. Capital income produced over and above the guaranteed interest rate will be shared between the policyholder and the insurance company, with the policyholder receiving an appropriate share of the profit. The following table shows the comparison of assets and debts for such insurance policies.

Investments for long-term life insurance policies with guaranteed interest and profit sharing Figures in € thousand	31.12.2012	31.12.2011
Annuities	10,492,471	9,278,517
Shares	393,948	479,685
Alternatives	506,641	636,199
Holdings	397,019	399,464
Loans	781,614	1,019,325
Real estate	1,292,474	1,198,798
Liquidity	1,192,161	770,381
Deposits receivable	128,078	127,334
Total	**15,184,406**	**13,909,702**
Difference between book value and market value		
Real estate	508,041	478,042
Loans	15,277	– 96,541

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing Figures in € thousand	31.12.2012	31.12.2011
Actuarial provision	13,493,296	13,521,141
Provision for profit-unrelated premium refunds	2,388	2,084
Provision for profit-related premium refunds, i.e. policyholder profit sharing	511,310	– 62,826
Other technical provisions	25,563	23,516
Provision for outstanding claims	129,117	108,152
Deposits payable	426,886	441,620
Total	**14,588,559**	**14,033,687**

The following table shows the structure of the remaining terms of interest-bearing securities and loans.

Remaining term Figures in € thousand	31.12.2012	31.12.2011
Up to 1 year	861,944	689,448
More than 1 year up to 3 years	1,503,088	1,067,439
More than 3 years up to 5 years	2,225,739	1,932,150
More than 5 years up to 7 years	1,381,584	2,159,205
More than 7 years up to 10 years	3,112,406	2,289,454
More than 10 years up to 15 years	864,415	859,164
More than 15 years	1,324,909	1,300,982
Total	**11,274,086**	**10,297,842**

The capital-weighted average remaining term of technical liabilities is around 9.1 years (2011: 9.0 years).

Long-term unit-linked and index-linked life insurance policies

In the segment of unit-linked and index-linked life insurance, the interest income and all fluctuations in value of the dedicated investments are reflected in the technical provisions. There is therefore no financial risk from the point of view of the insurer. The following table shows the investment structure of financial investments that are used to cover the technical provisions arising from unit-linked and index-linked life insurance policies.

Investments in unit-linked and index-linked life insurance policies Figures in € thousand	31.12.2012	31.12.2011
Share-based funds	1,069,691	951,241
Bond funds	3,846,087	3,274,938
Liquidity	66,904	89,318
Other investments	84,145	80,519
Total	**5,066,828**	**4,396,016**

Long-term health insurance policies

The actuarial interest rate for the actuarial provision in health insurance lines, which is selected depending on the type of life insurance, is 3 per cent. However, this interest rate is not guaranteed and can, upon presentation of proof to the insurance supervisory authority, be reduced to any lower capital income that may be expected. The following table shows the investment structure available to cover insurance liabilities.

Investments for long-term health insurance policies Figures in € thousand	31.12.2012	31.12.2011
Annuities	1,466,342	1,094,340
Shares	38,076	85,793
Alternatives	92,450	88,812
Holdings	201,955	207,349
Loans	193,036	732,758
Real estate	311,661	331,258
Liquidity	188,717	387,256
Total	**2,492,237**	**2,927,567**
Difference between book value and market value		
Real estate	86,477	119,825
Loans	6,106	– 9,931

Provisions and liabilities from long-term health insurance policies Figures in € thousand	31.12.2012	31.12.2011
Actuarial provision	2,218,575	2,693,400
Provision for profit-unrelated premium refunds	10,298	17,264
Provision for profit-related premium refunds, i.e. policyholder profit sharing	43,927	63,495
Other technical provisions	885	574
Provision for unearned premiums	20,395	16,338
Provision for outstanding claims	168,322	177,139
Deposits payable	1,091	1,204
Total	**2,463,495**	**2,969,414**

Property and casualty insurance policies

Most property and casualty insurance policies are short-term. The technical provisions are not discounted, meaning that no interest is calculated for the short-term investment. The average terms of interest-bearing securities and loans invested to cover technical provisions are shown in the following table.

Remaining term Figures in € thousand	31.12.2012	31.12.2011
Up to 1 year	325,267	170,561
More than 1 year up to 3 years	506,506	374,618
More than 3 years up to 5 years	446,859	362,919
More than 5 years up to 7 years	266,051	416,044
More than 7 years up to 10 years	372,516	430,192
More than 10 years up to 15 years	72,932	100,386
More than 15 years	146,623	169,504
Total	**2,136,754**	**2,024,224**

Credit risk: when investing in securities, we invest in debt securities of varying quality, taking into consideration the yield prospects and risks. The following table shows the quality structure of fixed-interest investments.

Rating Figures in € thousand	31.12.2012	31.12.2011
AAA	4,072,974	3,516,927
AA	2,528,971	1,826,334
A	3,137,296	3,156,654
BBB	3,309,737	2,722,147
BB	858,631	875,010
B	548,974	461,888
CCC	101,431	262,460
Not rated	328,990	227,397
Total	**14,887,004**	**13,048,817**

The values as at 31 December 2012 also include the securities reclassified to the category of loans in the 3rd quarter of 2008 with a value of €906,435 thousand (2011: €1,089,093 thousand).

Share risk: when investing in stock markets, the risk is diversified by using various management styles (total return approach, benchmark-oriented approach, value growth approach and industry- and region-specific and fundamental title selection). For the purpose of securing the investment, the effective investment ratio is controlled through the use of derivative financial instruments. The following table shows the investment structure of the share portfolios by asset classes.

Share portfolio composition Figures in € thousand	31.12.2012	31.12.2011
Shares in Europe	391,321	475,699
Shares in America	26,964	32,778
Shares in Asia	9,091	11,051
Shares international[1)]	18,224	22,153
Shares in emerging markets	10,270	12,485
Shares total return[2)]	179,200	217,840
Other shares	17,532	21,313
Total	**652,603**	**793,319**

1) Share-based funds with globally diversified investments
2) Share-based funds with the management goal of achieving an absolute return by including less risky investments (liquidity, bonds) in difficult market phases

Currency risk: the UNIQA Group invests in securities in a wide range of currencies. Although the insurance business is operated in different countries, the foreign currency risks of the investments do not always correspond to the currency risks of the technical provisions and liabilities. Investments in US dollars bring about the greatest amount at risk. The following table shows a breakdown of assets and debts by currency.

31.12.2012 Figures in € thousand	€	USD	Other	Total
Assets				
Investments	23,845,492	444,210	2,017,941	26,307,644
Other tangible assets	90,682		21,922	112,604
Intangible assets	1,268,572		145,835	1,414,406
Share of reinsurance in the technical provisions	945,169		69,495	1,014,665
Other assets	899,503		288,403	1,187,905
Total	**27,049,418**	**444,210**	**2,543,596**	**30,037,224**
Provisions and liabilities				
Subordinated liabilities	450,000		0	450,000
Technical provisions	22,931,199		1,842,751	24,773,950
Other provisions	885,115		30,522	915,637
Liabilities	1,696,632		183,424	1,880,055
Total	**25,962,945**	**0**	**2,056,697**	**28,019,642**

31.12.2011 Figures in € thousand	€	USD	Other	Total
Assets				
Investments	21,923,947	791,089	1,886,053	24,601,090
Other tangible assets	108,794		22,467	131,261
Intangible assets	1,370,121		130,210	1,500,331
Share of reinsurance in the technical provisions	1,022,996		66,663	1,089,658
Other assets	1,009,404		235,913	1,245,318
Total	**25,435,263**	**791,089**	**2,341,306**	**28,567,658**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,654,008		1,552,434	24,206,442
Other provisions	761,816		26,294	788,109
Liabilities	1,751,991		150,531	1,902,522
Total	**25,742,815**	**0**	**1,729,259**	**27,472,074**

The fair value of securities investments in US dollars amounted to €2,176 million as at 31 December 2012 (2011: €1,766 million). The exchange rate risk decreased through derivative financial instruments to €444 million (2011: €791 million), and the safeguard ratio was 61.6 per cent (2011: 71.0 per cent). This decline is based on a deliberate reduction of the foreign currency risk.

Additional market risks that are being handled in the context of the ORSA process:

Liquidity risk: as the UNIQA Group is required to satisfy its payment obligations on a daily basis, a precise liquidity schedule is prepared for a period of one year. A minimum liquidity holding is defined by the Management Board and made available as a cash reserve on a daily basis. In addition, the majority of the securities portfolio is listed on liquid stock exchanges and can be sold quickly in the case of liquidity burdens without significant liquidity deductions.

When the remaining maturities stipulated by contract for investing fixed-interest securities (see Note 9) are chosen, the existing remaining contractual maturities (see 4.2.1, Interest rate risk) are taken into consideration in the various business segments.

Additional payment obligations exist for private equity investments in the amount of €61 million (2011: €72 million).

Sensitivities: risk management for investments takes place in a structured investment process, in which the various market risks are controlled at the levels of the selection of a strategic asset allocation, the tactical weighting of the individual asset classes depending on market opinion and in the form of timing and selection decisions. In particular, stress tests and sensitivity analyses are used as key figures for measuring, observing and actively controlling the risk.

The table below shows the most important market risks in the form of key sensitivity figures; the information is presented as available on the reporting date, meaning that only rough figures can be offered for future losses of fair value. Depending on the assessment principle to be applied, if there are any future fair value losses, they can lead to different fluctuations in equity that are with or without an effect on the income statement. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects between the individual market risks or counter-controlled measures taken in the various market scenarios.

Interest rate risk	31.12.2012		31.12.2011	
Figures in € thousand	+ 100 basis points	– 100 basis points	+ 100 basis points	– 100 basis points
High-grade bonds	– 494,579	566,752	– 350,679	375,014
Bank/company bonds	– 92,036	99,447	– 64,335	68,799
Emerging markets bonds	– 59,715	66,150	– 42,649	45,609
High-yield bonds	– 1,575	1,728	– 372	397
Total	**– 647,905**	**734,077**	**– 458,034**	**489,819**

Equity risk	31.12.2012		31.12.2011	
Figures in € thousand	+ 10 %	– 10 %	+ 10 %	– 10 %
Shares in Europe	28,359	– 28,364	31,158	– 31,158
Shares in America	3,405	– 3,405	4,526	– 4,526
Shares in Asia	3,145	– 3,145	1,587	– 1,587
Shares international	135	– 135	2,288	– 2,288
Shares in emerging markets	2,911	– 2,911	1,404	– 1,404
Shares total return	1,515	– 1,515	16,128	– 16,128
Derivative financial instruments and other shares	195	– 195	2,195	– 2,210
Total	**39,665**	**– 39,671**	**59,286**	**– 59,300**

Currency risk	31.12.2012		31.12.2011	
Figures in € thousand	+ 10 %	– 10 %	+ 10 %	– 10 %
€	0	0	0	0
USD	44,390	– 44,390	83,052	– 83,052
Other	159,981	– 159,981	123,712	– 123,712
Total	**204,371**	**– 204,371**	**206,765**	**– 206,765**

Credit risk		31.12.2012		31.12.2011	
Figures in € thousand		+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	– 23,691	24,314	– 71,134	71,134
A	50 basis points	– 72,696	76,358	– 125,820	125,820
BAA	75 basis points	– 99,814	107,158	– 103,462	103,462
BA	100 basis points	– 26,255	28,594	– 34,066	34,066
B	125 basis points	– 16,613	18,580	– 17,494	17,494
CAA	150 basis points	– 1,771	2,740	– 6,575	6,575
Not rated	100 basis points	1,006	24,324	– 9,085	9,085
Total		**– 239,834**	**282,069**	**– 367,635**	**367,635**

Value at Risk (VaR): the overall market risk of the investment portfolio is determined on the basis of the value-at-risk approach. The key figure is calculated for a confidence interval of 95 per cent and a holding term of one year. The basic data is in the form of historical figures from the last calendar year with a balancing of the individual values (decay factor of 1).

The following table shows the key value-at-risk figures for the last financial year as reporting date values, annual average and maxima/minima for the year.

Value at Risk Figures in € thousand	Total value at risk	Equity risk	Currency risk	Interest rate risk	Diversification
31.12.2012	959,523	236,108	219,466	940,800	– 436,851
31.12.2011	1,026,235	389,567	282,699	751,008	– 397,039
Lowest	959,523	236,108	231,017	940,679	– 373,855
Average	1,121,370	348,880	351,561	1,094,370	– 559,996
Highest	1,384,416	432,059	444,628	1,368,648	– 834,913

Evaluation of the stock of asset-backed securities

The UNIQA Group held 2.3 per cent (2011: 2.5 per cent) of its investments in asset-backed securities (ABS). Model risks are associated with the valuation of ABS securities.

The securities held in the direct portfolio and fund portfolio are mostly valued using a mark-to-model method.

The individual transactions vary with regard to structure, risk profile, interest claims, rating and other parameters.

UNIQA is of the view that it will not be possible to ascertain a fair value for these securities on the basis of market prices or market transactions for the year 2012 due to low liquidity. So-called market prices, insofar as these can even be identified in individual cases, pertain only in the rarest of cases to securities that are held directly in the portfolio or even to securities from the same issuer, but rather generally to another paper that is similar in terms of rating and securitisation category.

Direct transfer of such prices does not appropriately take into account either the complexity or the heterogeneity of the different structures. For these reasons, UNIQA has decided to set the fair value of the specified papers by means of a model approach.

ABS papers are noted for being highly complex and are therefore extensively documented. Due to its longstanding activity in the area of securitisation, UNIQA has developed various models on its own or with others that permit high-quality analyses at acceptable expense.

The main parameters of the model for assessing the value of ABS are estimates of the future development of the (financial) economic environment, especially the speed of repayment, the failure frequency, the failure severity and the discount rate.

All parameters refer to the assets used to collateralise the transaction, i.e. to the corporate credits, bonds, preferential shares, etc. The future payments are calculated using external forecasts for failure rates. The modelling system of SCDM, which represents a widely accepted market standard, serves as the basis for the analysis. UNIQA now uses the forecasts of Moody's Investors Service for forecasting the failure rates of companies. These forecasts encompass a period of five years each. Other parameters besides the failure rates are calibrated with the help of the data history. Objective and predetermined values are used for the discounting.

To this extent, the losses expected by an investor on a transaction are already taken into consideration when the payment streams are generated. In order to represent an additional risk discount, a risk premium above the pure interest rate was added to the applied discount rate. This premium corresponds to the surcharge originally applied on execution of the individual transaction.

The sensitivity analysis of the ABS portfolio with regard to a rise or a fall in the failure rates in the investments underlying the ABS structures is also based on the forecast values from Moody's Investors Service.

The sensitivities for these securities subjected to model-based analysis are also determined using Moody's failure scenarios. According to Moody's, these failure scenarios correspond to the 10 per cent quantile or the 90 per cent quantile of the distribution function of the failures.

Sensitivity analysis Figures in € million	Upside	Downside
Total profit/loss	8.1	– 77.2
on P&L	0.3	– 46.6
on equity	7.8	– 30.6

Valuation of STRABAG SE

UNIQA has a participating interest in STRABAG SE of 14.88 per cent as at the reporting date of 31 December 2012 (31 December 2011: 14.97 per cent). Even following the reentry of a major investor, UNIQA retained a significant influence over the business activity of STRABAG SE. UNIQA is therefore continuing the participating interest in STRABAG SE as an associated share. In the fourth quarter of 2010, a purchase option was conceded to a strategic investor for an additional 1.4 million individual shares of STRABAG SE. It can be exercised between July 2012 and July 2014. In 2012, 0.1 million of these options were exercised.

The valuation on the reporting date takes place in consideration of the option agreement and the expected proportional equity on the reporting date. The current market value of the option was determined as the difference between the current book value and the price for exercising the option.

Book value STRABAG SE Figures in € thousand	2012
As at 1.1.	461,521
Disposal	– 2,113
Updating affecting income[1)]	21,196
Updating not affecting income	– 2,241
Dividends	– 9,410
As at 31.12.	468,953
Value in € per share	27.64

[1)] The estimate for the as-yet-unpublished 4th quarter of 2012 was also worked on during the financial year.

Information about investments in the PIIGS nations

Issuer Figures in € thousand	Current market value 31.12.2012
Spain	68,302
Greece	0
Ireland	197,277
Italy	671,819
Portugal	0
Total	**937,398**

Various risk exposures in the investment segment were reduced in the course of an extensive de-risking programme during 2012. For example, the portfolio of the UNIQA Group no longer held Portuguese or Greek government bonds as at 31 December 2012. Other peripheral nations were reduced from €1,224 million to €937 million. The comparatively high proportion of Italian government bonds, most of which is invested in the Italian subsidiaries, is worth noting because we assume that changes in the value of Italian government bonds due to adjustments made to the regulatory framework are highly correlated to obligations on the liabilities side.

The remaining exposure to PIIGS countries is within our risk-bearing capacity and is covered by our strategic expectation that governments will take all necessary measures to stabilise the euro and resolve the debt crisis.

The difference between the amortised cost and the market value of the Irish, Italian and Spanish debt instruments – reduced by the deferred profit participation (in life insurance) and deferred taxes – predominantly affects the revaluation reserves. After taking into account the different aspects of the European rescue packages, there is currently no evidence that the return of future cash flows in connection with these debt instruments will be jeopardised over the long term.

Asset liability management (ALM)

The financial risks have different weightings and various degrees of seriousness, depending on the investment structure. However, the effects of the financial risks on the value of the investments also influence the level of technical liabilities to some extent. A partial dependence therefore exists between the growth of assets and liabilities from insurance policies. UNIQA monitors the income expectations and risks of assets and liabilities arising from insurance policies as part of an asset liability management (ALM) process that was newly defined in 2012. The aim is to achieve a return on capital that is sustainably higher than the updating of the technical liabilities while retaining the greatest possible security. Here, assets and debts are allocated to different accounting groups. The following table shows the main accounting groups generated by the various product categories.

Investments Figures in € thousand	31.12.2012	31.12.2011
Long-term life insurance policies with guaranteed interest and profit sharing	15,184,406	13,909,702
Long-term unit-linked and index-linked life insurance policies	5,066,828	4,396,016
Long-term health insurance policies	2,492,237	2,927,567
Short-term property and casualty insurance policies	3,564,173	3,367,805
Total	**26,307,644**	**24,601,090**

These values refer to the following balance sheet items:

A. I. Self-used land and buildings
B. Land and buildings held as financial investments
D. Shares in associated companies
E. Investments
F. Investments in unit-linked and index-linked life insurance policies
L. Liquid funds

Technical provisions and liabilities (retained) Figures in € thousand	31.12.2012	31.12.2011
Long-term life insurance policies with guaranteed interest and profit sharing	14,588,559	14,033,687
Long-term unit-linked and index-linked life insurance policies	4,983,029	4,318,331
Long-term health insurance policies	2,463,495	2,969,414
Short-term property and casualty insurance policies	2,561,018	2,655,562
Total	**24,596,101**	**23,976,994**

These values refer to the following balance sheet items:

C. Technical provisions
D. Technical provisions for unit-linked and index-linked life insurance
G.I. Reinsurance liabilities (only deposit liabilities held under reinsurance business ceded)
G. Share of reinsurance in technical provisions
H. Share of reinsurance in technical provisions for unit-linked and index-linked life insurance

5.2.2. Actuarial risks

Actuarial risk "non-life"

Actuarial risk in non-life includes premium, reserve and catastrophic risk.

Premium risk is defined as the risk of future benefits from insured events exceeding the assumptions of the premium calculation. The result is incorrect pricing for an insurance product that leads to a loss.

The reserve risk is defined as the risk that actuarial provisions for damage claims that have already occurred were not sufficient.

Catastrophic risk is defined as the risk that financial losses may occur due to natural disaster events such as storms, hail, flooding or earthquakes. These events affect a number of policyholders at once, yet do not occur on a constant basis. These events are described as low-frequency/high-severity claims.

The greatest actuarial risk in non-life in the Group is held by UNIQA Österreich Versicherungen AG and UNIQA Re AG. In CEE, SEE and EE, non-life business, particularly motor vehicle insurance, is in the foreground; this means that the actuarial risk of non-life is foremost in these companies.

A major risk for the UNIQA Group is the risk of natural disasters. Storm-related catastrophes are especially relevant for the north Austrian and Czech regions.

The risk of catastrophic flooding is of major significance for markets in Austria, Czech Republic, Poland, Hungary, Romania and Bulgaria.

This risk is managed accordingly with analyses of exposure to catastrophes and inclusion of such considerations in product and price formation, as well as the provisioning of appropriate reinsurance capacity.

Profitability in the core business is a decisive factor.

In the risk management process for actuarial risks in the non-life segment, standardised monitoring systems supervise Group risk management, and Group actuarials monitor actuarial risks of premium risk and reserve risk on a periodic basis.

The Group segments for risk management and Group actuarials support the local companies by providing Group-wide standardised tools and professional training and education.

Use of the internal non-life partial model will represent an essential element in risk assessment and further risk management in the medium term. This risk model quantifies premium, reserve and catastrophic risk by means of a Monte Carlo simulation procedure. This quantification is conducted at insurance branch level (sector), at company level and Group level.

In addition to risk figures relevant for risk management, this risk model also delivers the economic earnings figures (RoRAC: return of risk adjusted capital) and an EVA (economic value added), which are then indispensable for goal- and value-oriented company management.

These economic figures provide information about how much capital expenditure is necessary for the underwriting of various insurance products and how much profit is earned on the required risk capital.

Actuarial risk "life"

The risk of an individual insurance contract lies in the occurrence of the insured event. The occurrence is considered random and therefore unpredictable. The risk in life insurance outside of Austria is of minor importance due to the low volume (approximately 20 per cent). Various risks exist in Austria, particularly in classic life insurance. The insurance company takes on this risk for a corresponding premium paid by the policyholder. When calculating the premium, the actuary refers to the following carefully selected bases of calculation:

Interest: the actuarial interest is set so low that it can be produced with certainty in each year.

Mortality: the probabilities of dying are deliberately and carefully calculated for each type of insurance.

Costs: the costs are calculated in such a way that the costs incurred by the policy can always be covered by the premium.

The careful selection of the bases of calculation gives rise to scheduled profits, an appropriate amount of which is credited to the policyholders as part of profit sharing.

The calculation of the premium is also based on the acceptance of a large, homogeneous inventory of independent risks, so that the randomness inherent in an individual insurance policy is balanced out by the law of large numbers.

The following risks exist for a life insurance company:

- The bases of calculation prove to be insufficient despite careful selection.
- Random fluctuations prove disadvantageous for the insurer.
- The policyholder exercises certain implicit options to his advantage.

The risks of the insurer can be roughly divided into actuarial and financial risks.

Long-term life insurance policies with guaranteed interest and profit sharing Figures in € thousand	31.12.2012	31.12.2011
Austria	12,197,791	11,728,935
Western Europe (WE)	1,864,220	1,839,412
Central Europe (CE)	314,393	303,801
Eastern Europe (EE)	18,238	10,041
Southeastern Europe (SEE)	152,716	132,179
Russia (RU)	41,200	19,318
	14,588,559	**14,033,687**

Long-term unit-linked and index-linked life insurance policies Figures in € thousand		
Austria	4,050,543	3,495,077
Western Europe (WE)	564,641	525,952
Central Europe (CE)	366,938	296,562
Eastern Europe (EE)	0	0
Southeastern Europe (SEE)	907	740
Russia (RU)	0	0
	4,983,029	**4,318,331**

Capital and risk insurance

UNIQA's portfolio consists primarily of long-term insurance policies. Short-term assurances payable at death play a minor role.

In the following table, the number of insurance policies is divided into rate groups and insured sum categories. Here, the analysis relates to Austrian life insurance companies that manage the majority of the life insurance portfolio.

Number of insurance policies as at 31.12.2012 Category[1)]	Capital insurance	Retirement annuity deferred	Retirement annuity in payment	Risk insurance
€ 0 to € 20,000	762,686	83,330	8,121	128,855
€ 20,000 to € 40,000	164,000	33,815	3,363	38,656
€ 40,000 to € 100,000	70,993	20,526	2,428	129,731
€ 100,000 to € 200,000	8,079	5,766	742	72,207
More than € 200,000	1,908	2,178	261	9,818

1) For capital assurance and risk insurance, the insurance total is used as basis; for deferred retirement annuities, the redemption capital at the start of the pension payment phase is used. For liquid pension annuities, the category refers to ten times the annuity.

Mortality

Insurance policies with an assurance character implicitly include a safety surcharge on the risk premium in that the premium calculation is based on an accounting table (the Austrian Mortality Table for 1990/92 or for 2000/02).

Using risk selection (health examinations) means that the mortality probabilities of the portfolio are consistently smaller than those of the overall population; in addition, the gradual advancement of mortality means that the real mortality probabilities are consistently smaller than the values shown in the accounting table.

Homogeneity and independence of insurance risks

An insurance company takes great pains to compose a portfolio of the most homogeneous, independent risks possible, in accordance with the classic, deterministic approach to calculating premiums. Because this is virtually impossible in practice, a considerable risk arises for the insurer due to random fluctuations, in particular from the outbreak of epidemic illnesses, because not only could the calculated mortality probabilities prove to be too low, the independence of the risks can also no longer be assumed.

Cumulative risks contained in the portfolio can be reduced by using reinsurance contracts. As the first reinsurer, UNIQA Versicherungen AG operates with a retained risk of € 200,000 per insured life; the excesses are mostly re-insured with Swiss Re, Münchener Rück and Gen Re. A catastrophic excess (CAT-XL) contract is also held with Swiss Re, although it excludes losses resulting from epidemics.

Antiselection

The portfolios of Raiffeisen Versicherung AG and UNIQA Personenversicherung AG contain large inventories of risk insurance policies with a premium adjustment clause. This allows the insurer to raise the premiums in case of a (less probable) worsening of the mortality behaviour. However, this presents the danger of possible antiselection behaviour, meaning that policies for good risks tend to be terminated while worse ones remain in the portfolio.

Retirement annuities

Mortality

The reduction of mortality probabilities represents a large uncertainty for retirement annuities. The gradual advancement of mortality as a result of medical progress and changed lifestyles is virtually impossible to extrapolate.

Attempts to predict this effect were made when producing the generation tables. However, such tables only exist for the Austrian population, and this data cannot be applied to other countries. Moreover, the past shows that the effect of these changes was seriously underestimated, which meant that subsequent reservations had to be made for retirement annuity contracts. With the exception of Austrian life insurance companies, no other relevant longevity risks exist within the UNIQA Group as barely any pension products are underwritten in regions where international business activities take place.

Antiselection

The right to choose pensions for deferred retirement annuities also results in antiselection. Only those policyholders who feel very healthy choose the annuity payment; all others choose partial or full capital payment. In this way, the pension portfolio tends to consist of mostly healthier people, i.e. worse risks than the population average.

This phenomenon is countered by corresponding modifications to the retirement mortality tables. A further possibility exists in the requirement that the intention to exercise the right to choose annuity payments must be announced no later than one year in advance of the expiration.

Financial risks

In most UNIQA companies, the actuarial interest that may be used in the calculation for writing new business is based on the maximum interest rate ordinance of the respective local supervisory authority. In any countries where the highest permitted actuarial interest is not governed by an ordinance, prudent and market-appropriate assumptions are made accordingly by the actuaries responsible. The maximum interest rate in the core market of Austria is currently 1.75 per cent per annum. However, the portfolio also contains older contracts with actuarial interest rates. These are up to 4.0 per cent per annum in the UNIQA Group’s relevant markets.

The following table gives an indication of average actuarial interest rates in each region.[1)]

Region Figures in per cent	Actuarial interest rate
WE	2.45
CE	3.50
EE	3.40
SEE	3.25
Russia	3.55
AT	2.62

1) Definition of regions:
WE – Austria, Italy, Switzerland, Liechtenstein
CEE – Poland, Hungary, Czech Republic, Slovakia
EE – Romania, Ukraine
SEE – Bulgaria, Serbia, Bosnia and Herzegovina, Croatia
AT – UNIQA Austria, Raiffeisen Insurance, Salzburger Landes-Versicherung

The average actuarial interest rate in the portfolio of Austrian companies is 2.62 per cent (2011: 2.66 per cent) per annum.

Since these interest rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Since classic life insurance predominantly invests in interest-bearing titles (loans, credits, etc.), the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. The interest risk weighs especially heavily on retirement annuities, because these are extremely long-term policies.

The interest risk functions in the following ways:

Investment and reinvestment risk

Premiums received in the future must be invested at an interest rate guaranteed at the time the policy was taken out. However, it is entirely possible that no corresponding titles are available at the time the premium is received. In the same way, future income must be reinvested at the actuarial interest rate.

Ratio of assets to liabilities

For practical reasons, the goal of duration matching cannot be fully achieved on the investment and liability side. The duration of the assets is 5.1 years (2011: 4.0 years), while for liabilities it is considerably longer. This creates a duration gap, which means that the ratio of assets to liabilities reduces as interest rates fall.

Value of implicit options

Life insurance policies contain implicit options that can be exercised by the policyholder. While the possibilities of partial or full buy-back or the partial or full release of premiums in fact represent financing options, these options are not necessarily exercised as a consequence of correct, financially rational decisions. However, in the case of a mass buy-back, for example due to an economic crisis, this represents a considerable risk to the insurance company.

The question of whether a capital or an annuity option should be exercised is, in addition to subjective motives of the policyholder, also characterised by financially rational considerations; depending on the final interest level, a policyholder will opt for the capital or the annuity, which means that these options represent a considerable (cash) value for the policyholder and therefore a corresponding risk for the insurer.

The guarantee of an annuitising factor represents another financial risk. Here, the insurance company guarantees to annuitise a sum unknown in advance (namely the value of the fund shares at maturity or, for classic life insurance, the value of the insured sum, including profit sharing) in accordance with a mortality table (the risk involved is not exclusively financial) and an interest rate set at the time the policy is taken out.

Besides these actuarial and financial risks, the cost risk must also be specified. The insurer guarantees that it will deduct only the calculated costs for the entire term of the policy. The business risk here is that the cost premiums are insufficient (e.g. due to cost increases resulting from inflation).

The capital-weighted average remaining term of technical liabilities is around 9.1 years (2011: 9.0 years).

Actuarial risk "health"

The health insurance business is operated primarily in Austria (92 per cent domestic and 8 per cent international). As a result, the focus lies on risk management in Austria.

Health insurance is a loss insurance calculated under consideration of biometric risks and is operated in Austria "similar to life insurance".

Terminations by the insurer are not possible except in the case of obligation violations by the insured. Premiums must therefore be calculated in such a way that the premiums are sufficient to cover the insurance benefits that generally increase with age, assuming probabilities that remain constant. The probabilities and cost structures can change frequently over time. For this reason, it is possible to adjust the premiums for health insurance as necessary to the changed bases of calculation.

When taking on risks, the existing risk of the individual is also evaluated. If it is established that an illness already exists for which the cost risk is expected to be higher than for the calculated portfolio, then either this illness is excluded from the policy, an adequate risk surcharge is demanded or the risk is not underwritten.

In health insurance, assurance coverage ("ageing provision") is built up through calculation according to the "type of life insurance" and reduced again in later years because this is used to finance an ever larger part of the benefits that increase with age.

The actuarial interest rate for this actuarial provision is 3 per cent. If 3 per cent are not achieved by the investment, premiums contain safety margins that may be used in the event of insufficient investment results.

The legal risks arise primarily from the effects that changes to legislation have on the existing private health insurance business model. This includes, in particular, changes to the legal framework that make it harder or impossible to adapt to changed circumstances or that sharply reduce the income opportunities. Developments in this area will be observed by the insurance association, and an attempt will be made where necessary to react to negative developments from the perspective of the private health insurer.

The EU Directive on the equal treatment of men and women in insurance, which is implemented in Austria by the Insurance Amendment Act 2006, was also taken into account in the calculation of premiums at the end of the second quarter of 2007. This means that the costs of birth and pregnancy had to be distributed across both sexes. No significant risk to profit has been identified here.

In the meantime, a decision reached by the European Court of Justice regarding insurance policies resulted in a new situation as of 21 December 2012. By this point in time, only completely identical premiums are allowed for men and women, excluding considerations such as age and individual preexisting conditions. Because new business in fully unisex tariffs to date represents barely any share in the overall portfolio in this sector, we do not currently anticipate a risk of miscalculation from this angle. It is more difficult to assess the problem of converting existing female policies to the new unisex tariff, but we can expect, based on our experience with the (partial) unisex tariff since 2007, that this risk will remain within a limited range.

The risk of the health insurance business outside Austria is dominated primarily by UNIQA Assicurazioni in Milan (approximately € 33.4 million in annual premiums). This company currently has stable holdings, meaning that actuarial risk scarcely changes. For tariffs with an outdated calculation basis, with aging holdings, the insured will be converted to tariffs with a modern calculation basis in the coming years. Because this affects tariffs that are not life-long, the conversion problem is less significant than it is for life-long tariffs.

The remaining premiums (approximately € 38.4 million) are divided among multiple companies and are of only minor importance there. Only in Switzerland (Geneva) is health insurance the primary business (approximately € 7.4 million); however, the Swiss Solvency Test resulted in sufficient risk capital.

Life-long health insurance policies without termination options by the insurer rarely exist outside of Austria, meaning that the risk can be considered low for this reason as well.

5.2.3. Other risks

Operational risks

Operational risks include losses that are caused by insufficient or failed internal processes, as well as losses caused by systems, personnel resources or external events.

Operational risk includes legal risk, but not reputation and strategic risk. Legal risk is the risk of uncertainty due to complaints or uncertainty in the applicability or interpretation of contracts, laws or other legal requirements.

The UNIQA Group's risk management process also defined the risk process for operational risks in terms of methodology, expiration and responsibilities. The risk manager is responsible for compliance in all subsidiaries.

The particularity of operational risks is that they can surface in all processes and departments. This is why operational risks are identified and evaluated in every operational company at a very broad level in the UNIQA Group. Risk identification is carried out with the aid of a standardised risk catalogue that is regularly checked for completeness. Scenarios are defined for evaluating these risks; these scenarios are designed to convey the likelihood of occurrence and the amount of damages. The results are then presented by the risk manager in the form of an aggregated risk report.

This process is conducted twice a year on a standard basis.

Reputation and strategic risks

Reputation risk describes the risk of loss that arises due to possible damage to the company's reputation, deterioration in prestige, or a negative overall impression due to negative perception by customers, business partners, shareholders or supervisory agencies.

Reputation risks that occur during the course of core processes such as claims processing or advising and service quality are identified, evaluated and managed as operational risks in our subsidiaries.

The most important reputation risks are presented, like operational risks, in an aggregated form in the risk report.

Group risk management then analyses whether the risk observed in the Group or in another unit may occur, and whether the danger of "contagion" within the Group is possible.

Strategic risk describes the risk that results from management decisions or insufficient implementation of management decisions that may influence current/future income or solvency. This includes the risk that arises from management decisions that are inadequate because they ignore a changed business environment.

Like operational and reputation risks, strategic risks are evaluated twice a year. Furthermore, important decisions in various committees, such as the Risk Committee, are discussed with the Management Boards. As outlined in the explanation of the risk management process, the management receives a monthly update regarding the most significant risks in the form of a heat map.

6. Impairment test

Goodwill arises from company mergers and acquisitions. It represents the difference between the acquisition costs and the proportional and current corresponding net market value of identifiable assets, debts and specific contingent liabilities. In accordance with IAS 36, the goodwill is not subject to scheduled depreciation but listed as the acquisition costs less any accrued impairments.

For the purpose of the impairment test, the UNIQA Group has apportioned the goodwill into cash-generating units (CGUs). These CGUs are the smallest identifiable groups of assets that generate cash which is to the greatest possible extent independent from the cash-generating units of other assets or other groups of assets. The impairment test implies a comparison between the amount that can be generated by selling or using each CGU and its book value, consisting of the stock value and goodwill and the proportional net assets. If the book value of the CGU exceeds the realisable value of the unit based on the earning power method, impairment is performed.

The UNIQA Group has apportioned goodwill into the following CGUs:

- Albania/Kosovo/Macedonia as subgroup (SEE)
- Bosnia and Herzegovina (SEE)
- Bulgaria (SEE)
- Italy as subgroup (WE)
- Croatia (SEE)
- Liechtenstein (WE)
- Poland as subgroup (CE)
- Romania (EE)
- Russia (RU)
- Switzerland (WE)
- Serbia (SEE)
- Montenegro (SEE)
- Slovakia (CE)
- Czech Republic (CE)
- Ukraine (EE)
- Hungary (CE)

Split of goodwill:

Region Figures in € thousand	31.12.2012
Austria	40,513
Western Europe (WE)	124,385
Central Europe (CE)	59,041
Eastern Europe (EE)	151,559
Southeastern Europe (SEE)	99,062
Russia (RU)	87
Total	**474,646**

The UNIQA Group calculates the recoverable amount by applying generally accepted valuation principles by means of the earning power method (discounted cash flow – DCF). The budget projections (based on the detailed planning phase) of the CGUs and the estimate of the long-term results achievable by the CGUs (perpetuity) are used as the starting point for determination of the earning power.

The earning power is determined through discounting of the future profits with a suitable capitalisation interest rate. The earning power values here are separated by balance sheet segments, which are then totalled to yield the value for the entire company.

Taxes on profit were set at the average effective tax rate of the past three years.

The assumptions with regard to risk-free interest rate, market risk premium and segment betas made for determination of the capitalisation interest rate are consistent with the parameters used in the UNIQA planning and controlling process and are based on the capital asset pricing model.

In order to reflect the economic situation and the financial crisis in the income values as accurately as possible in consideration of the volatility on the markets, the capitalisation interest rate was calculated as follows:

- A uniform, risk-free interest rate according to the Svennson method was used (term: 30 years) as a base interest rate.
- The beta factor was based on the levered betas of European + emerging markets according to Damodaran, whereby a differentiation was made between betas for life and health insurance and betas for property insurance.
- The market risk premium was figured based on countries with AAA ratings according to Damodaran.
- The country risk premium was defined based on calculations according to Damodaran. The calculation was performed as follows: starting with the rating of the respective country (Moody's), the yield spread of corporate bonds with the same rating to risk-free government bonds is determined and adjusted by the volatility difference between the stock and bond markets. In addition, a rating improvement by one level within four to five years is assumed.
- The inflation differential was also taken into consideration. In general, the inflation differential represents inflation trends in different countries and is used as a key indicator in assessing competitiveness. In order to calculate the inflation differential, the deviation of the inflation forecast for the country of the CGU in question in relation to the inflation forecast for a risk-free environment (Germany in this case) was used.

The capitalisation interest rate is listed below for all CGUs:

Cash-generating unit	Discount factor		Discount factor perpetuity	
Figures in per cent	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	13.9	15.3	13.7	15.2
Bosnia-Herzegovina	14.1	15.5	14.9	16.5
Bulgaria	10.5	11.4	9.2	10.1
Italy	8.2	8.9	8.2	9.1
Kosovo	12.9	14.1	12.4	13.7
Croatia	10.0	10.9	9.7	10.7
Liechtenstein	7.3	7.9	6.3	6.9
Macedonia	12.9	14.1	12.4	13.7
Montenegro	12.9	14.1	12.4	13.7
Austria	7.3	7.9	6.3	6.9
Poland	9.5	10.4	8.5	9.4
Romania	10.4	11.3	11.5	12.8
Russia	12.6	13.8	9.2	10.1
Switzerland	7.3	7.9	6.3	6.9
Serbia	12.9	14.1	12.4	13.7
Slovakia	8.9	9.6	8.2	9.1
Czech Republic	8.4	9.1	7.9	8.7
Ukraine	17.2	18.9	13.7	15.2
Hungary	11.6	12.7	11.5	12.8

Source: Damodaran and derived factors

The following interest rates were applied in the previous year:

Cash-generating unit	Discount factor		Discount factor perpetuity	
Figures in per cent	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	13.2	16.4	11.2	14.0
Bosnia-Herzegovina	15.6	19.5	12.1	15.2
Bulgaria	9.2	11.1	7.6	9.3
Germany	6.3	7.4	5.3	6.4
Italy	8.2	9.8	6.9	8.3
Kosovo	12.8	15.8	10.1	12.7
Croatia	10.0	12.2	8.0	9.9
Liechtenstein	6.3	7.4	5.3	6.4
Macedonia	12.8	15.8	10.1	12.7
Montenegro	12.8	15.8	10.1	12.7
Austria	6.3	7.4	5.3	6.4
Poland	8.4	10.1	7.1	8.6
Romania	11.6	14.2	9.4	11.7
Russia	9.2	11.1	7.6	9.3
Switzerland	6.3	7.4	5.3	6.4
Serbia	12.8	15.8	10.1	12.7
Slovakia	8.2	9.8	6.9	8.3
Czech Republic	7.9	9.4	6.6	8.0
Ukraine	13.2	16.4	11.2	14.0
Hungary	11.6	14.2	9.4	11.7

Source: Damodaran and derived factors

Cash flow forecast (multi-phase model)

Phase 1: five-year company planning

The detailed company planning generally encompasses a period of five years. The company plans used for the calculation are the result of a structured and standardised management dialogue between the UNIQA headquarters, Vienna, and the operational units in combination with the reporting and documentation process integrated into this dialogue.

Phase 2: extended seven-year planning phase

The phases of the earning power model with no operational or strategic planning were extended to a seven-year period in order to avoid giving too much weight and influence to the perpetuity.

Phase 3: perpetuity

The cash flows determined at the end of phase 2 were used as the basis for the perpetuity and therefore correspond to results that can be realistically achieved and sustained over the long term. Insurance markets that are at a similar stage of development measured against key indicators such as insurance density and insurance penetration have been pooled in categories and have an identical expected value for perpetuity.

Scenarios

The earning power of the individual CGUs is determined by a weighted probability scenario. Three scenarios were calculated:

Scenario 1 “base case” reflects detailed five-year Group planning.

Scenario 2 “best case” is the result of positive expectations with regard to the achievement of objectives contained in detailed Group planning and includes the over-fulfilment of detailed Group planning by plus 15 per cent.

Scenario 3 “worst case” is the result of negative expectations with regard to the achievement of objectives contained in detailed Group planning and includes a negative deviation from detailed Group planning by minus 35 per cent.

In scenarios 1 and 2, the discount factor applied decreases over the years, as a slight decline in country risk is assumed. In addition, the cash value of the perpetuity was calculated with a growth deduction of 1 per cent in scenario 1 and a deduction of 2 per cent in scenario 2. It is assumed in the third scenario that the credit spreads also remain at the same level in the future and no rating improvement takes place relative to the current situation.

Expected value

The company value was calculated individually based on the discounting of the cash flow forecasts and the individual weighting of the probability of occurrence of the various scenarios based on the business development of the individual CGUs.

Uncertainty and sensitivity

Various studies and statistical analyses were used as sources to provide a basis for determining the growth rates in order to consistently and realistically reflect the market situation and macroeconomic development.

The following studies and materials served as reference sources:

- Raiffeisen Research
- Wiener Institut für Internationale Wirtschaftsvergleiche
- Österreichische Nationalbank
- Economist Intelligence Unit
- Business Monitor International
- Damodaran – country risks, growth rate estimations, multiples

Sensitivity analyses with regard to the capitalisation interest rate and the main value drivers are performed in order to verify the results from the calculation of value in use and the assessment of these results.

These analyses show that sustained surpluses on the part of the individual CGUs are highly dependent on the actual development of these assumptions within the individual national or regional economies (GDP, insurance density, purchasing power parities), particularly in the CEE markets, as well as the associated implementation of the individual profit goals. These forecasts and the related assessment of how the situation in the markets will develop in the future, under the influence of the continuing economic crisis, constitute the greatest uncertainty in connection with measurement results.

For the event that the intensity and duration of the recovery from the economic crisis turns out to be much slower than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs. Despite slower economic growth, income expectations have not changed significantly compared to previous years. The amortisation of goodwill from the Romanian company in the amount of €15 million is a precautionary risk measure in order to ensure future goodwill potential.

The following table shows key GDP developments in markets of relevance to UNIQA. As such, no loss of these core markets for UNIQA is expected over the long term.

	2010	2011	2012e	2013e	2014e
Poland					
GDP (% in annual comparison)	3.8	4.3	2.1	1.2	2.7
Hungary					
GDP (% in annual comparison)	1.3	1.6	– 1.0	– 0.5	1.5
Czech Republic					
GDP (% in annual comparison)	2.7	1.7	– 0.9	– 0.2	1.8
Slovakia					
GDP (% in annual comparison)	4.0	3.2	2.4	0.9	2.5
Croatia					
GDP (% in annual comparison)	1.2	0.0	– 1.8	0.5	1.5
Bosnia-Herzegovina					
GDP (% in annual comparison)	0.7	1.3	– 1.0	0.5	2.0
Serbia					
GDP (% in annual comparison)	1.0	1.6	– 2.0	1.0	2.0
Bulgaria					
GDP (% in annual comparison)	0.2	1.7	1.5	1.5	3.5
Romania					
GDP (% in annual comparison)	– 1.9	2.2	0.1	1.5	3.0
Ukraine					
GDP (% in annual comparison)	4.2	5.2	0.5	2.5	3.0
Albania					
GDP (% in annual comparison)	3.9	3.1	2.0	3.0	4.0
Russia					
GDP (% in annual comparison)	4.0	4.3	3.5	3.0	3.0

Source: Raiffeisen Research, January 2013

7. Reinsurance

The Management Board of the holding company determines, directly and indirectly, the strategic contents of reinsurance policy with its decisions regarding risk and capital policy. The following principles can be derived from external reinsurance to inform purchasing. Reinsurance structures sustainably support the optimisation of required risk capital and management of the use of this risk capital. Major significance accrues to the maximum use of diversification effects. Decisions regarding all reinsurance business ceded are taken with special consideration of their effects on required risk capital. Continuous analysis of reinsurance purchasing for efficiency characteristics is an essential component of internal risk management processes.

UNIQA Re AG in Zurich is responsible for the operational implementation of these tasks. It is responsible for and guarantees the implementation of reinsurance policies issued by the Management Board of the holding company. It is responsible for central guideline expertise on all activities, organisation and questions regarding internal and external reinsurance relationships. UNIQA Re AG is available to all Group companies as the risk carrier for their reinsurance needs. Internal risk transfers, of course, are subject to the same requirements and valuation processes in terms of efficiency measurement, risk capital optimisation and diversification as retrocessions to external reinsurance partners.

The assessment of the risk check of the portfolios assumed by the Group companies is of central importance. Periodic risk assessments have been performed for years in order to facilitate value-oriented management of capital expenditure. Extensive data are used to assess risk capital requirements for affected units. Reinsurance programmes are constantly structured in a goal-oriented manner in accordance with their influence on the assignor's risk situation.

For the property and casualty insurer, promises of performance for protection against damages from natural disasters represent by far the highest stress on risk capital due to the volatile nature of such claims and the conceivable amount of catastrophic damages. The UNIQA Group has set up a specialised unit within UNIQA Re AG in order to deal with this problem. Exposure is constantly monitored and evaluated at country and Group level in cooperation with internal and external bodies. With goal-oriented use of all applicable diversification effects and the positioning of a highly efficient retrocession programme, the UNIQA Group achieves a substantial relief of the load on risk capital.

UNIQA Re AG has assumed almost all of the UNIQA Group's required reinsurance business ceded in the reporting period. Only in the life insurance line was a portion of the necessary cessions given directly to external reinsurance partners. The Group's retrocessions in the non-life insurance line were done on a non-proportional basis. The Group assumes moderate excesses in the affected programmes according to risk- and value-oriented approaches.

8. Risk management aims for 2013

8.1. Internal monitoring system

Finalising the implementation of a Group-wide internal control system is a major project for the risk management process in 2013. The objective of an internal control system is to secure efficient process workflows, as well as availability and reliability in financial and non-financial reporting.

In addition to prudential requirements, the UNIQA Group places a particularly high value on transparent and efficient processes, which are a prerequisite for attaining the strategic goals defined in the course of the UNIQA Group's reorientation.

The ICS guidelines, which were adopted at both the Group and company level, define the minimum requirements of an internal control system in terms of methods and scope. Central elements of these guidelines are in accordance with the framework that was developed by COSO ("Committee of Sponsoring Organizations of the Treadway Commission").

The ICS guidelines stipulate that the internal control system must be implemented for the following core processes (and their subprocesses):

- Accounting
- Asset management
- Product development
- Collection/disbursement
- Underwriting
- Processing of claims
- Risk management process
- Reinsurance
- IT processes

The objective is to recognise in a timely manner risks that can occur during a process and prevent them. After the risk identification phase, key controls should be defined for all major risks, and these controls should reduce or eliminate risks. In addition to accounting processes, in which we want to minimise the risk of errors in the consolidated statements by means of appropriate controls, we also place great emphasis on error-free process procedures from the core business.

Our aim for 2013 is to embed the internal control system in everyday processes on the basis of documentation which is already available. In order to ensure this happens, a monitoring system has been established at all process and organisational levels, which is to be used regularly to check the quality of controls. Furthermore, our ICS system is audited each year and adjusted as necessary.

Description of the most important features of the internal control system (ICS) with regard to the accounting process according to Section 243a paragraph 2 of the Austrian Commercial Code

In terms of accounting processes, an ICS process has been defined and in operation since 2009.

The goal of the accounting process internal control system is to implement controls to ensure that a proper report can be reliably produced despite the identified risks. In addition to the risks described in the risk report, the RMS also deals with additional risks as well as those in operational processes, compliance, internal reporting, etc.

Organisational structure and controlling scope

The accounting process of the UNIQA Group is standardised throughout the Group. Compliance guidelines, operational organisation manuals, balance sheet and consolidation manuals exist to ensure a reliable process. Processing is largely centralised for domestic affiliated companies. For international Group companies, the accounting process is largely decentralised.

Identification and controlling of risks

An inventory of the existing risks was taken and appropriate monitoring measures were defined for the identification of existing risks. The most important checks were defined in guidelines and instructions and coupled with an authorisation concept. The checks cover both manual coordination and reconciliation routines as well as acceptance inspections of system configurations for connected IT systems. Identified risks and weak points in monitoring the accounting process are reported quickly to management so that corrective measures can be taken. The procedure for identifying and monitoring the risks is regularly evaluated by an independent external consultant.

8.2. ORSA (Own Risk and Solvency Assessment)

The UNIQA Group will complete the ORSA developments in 2013 that were commenced in 2012. Own Risk and Solvency assessments form a key aspect of governance under Solvency II and consist of an intense focus on the business strategy and the capital this requires, followed by optimisation of capital expenditure, in addition to the Group's own adequate risk assessment.

In order to be able to implement these requirements, it is necessary to integrate this perception of the development of the equity position and capital requirements situation into the planning process.

This requires the methodical development of corresponding projection approaches and concerted integration into the UNIQA Group's system landscape. A well-founded stress testing and sensitivity system forms a component of ORSA, which is used to examine risk-bearing capacity in potential extreme situations.

These are to be applied as part of corresponding complex company processes, which are set out in a Group ORSA policy.

8.3. Asset liability management (ALM)/market risk management

ALM is an essential tool for UNIQA for providing the core business with efficient support by means of asset management. In the past year, strategic and tactical asset allocations that are tailored to the respective business models of the Austrian Group companies were approved and implemented by establishing an interdepartmental ALM process. The aim of these provisions is to ensure adequate duration matching between assets and liabilities. This required the further development of limit systems and the migration of associated calculations to a new system, as well as the creation of a Group-wide concept for efficient liquidity management. The plan for 2013 is to expand the ALM process to include targeted capital allocations for certain risk types. The development of central ALM skills for international subsidiaries represents a further key milestone.

The projects commenced in 2012 to overhaul and automate the market and credit risk models will also be implemented finally, as well as being rolled out to the international subsidiaries. A key component of this will be redesigning measurement methods, particularly for more complex financial instruments. To this end, as well as building up the necessary staff resources, an extensive project has been undertaken that will be completed in 2013. Implementing this new system will significantly help to improve the presentation of the current financial risk situation and considerably expand the range of options for risk and scenario calculations, particularly in terms of the further implementation of ALM.

In addition to the limit system for financial risks, the IT tools used to review limits were replaced, modernised and standardised in 2012. On the basis of these newly created options for calculating and reviewing limits, the limit system will be geared towards economic indicators and risk-bearing capacity to an even greater degree in 2013.

8.4. Reinsurance

In the past year, EIOPA (European Insurance and Occupational Pensions Authority) published recommendations for the European Union's local supervisory authorities in accordance with its mission. These concern the use of external models in internal group models that are used to calculate capital requirements according to Solvency II. For UNIQA, this applies particularly to the measurement of exposure to natural hazards.

In 2013, as well as Risk Management, UNIQA Re AG's natural hazard specialists and employees from local companies participating in corresponding projects will also be occupied with the new requirements arising from this. Knowledge databases will be compiled first of all, then external tools and models must be fully understood, and finally, time and care must be taken to analyse and assess the evaluations arising from these. The knowledge acquired in this process, which must go far beyond standard basic knowledge given the EIOPA requirements, is then to be communicated to all Group bodies concerned with this topic during training sessions. UNIQA will not limit this to companies in countries of the European Union to which these requirements are actually addressed. The newly defined quality requirements will become standard for all of our Group companies.

8.5. Actuarial practice – Group actuarials

Products and profitability

Based on analyses aimed at safeguarding the sustainability of the life insurance business, the UNIQA Group began to define standardised profitability analyses in the context of Group guidelines in 2011. Since 1 January 2012, all companies in the UNIQA Group which perform life insurance business activities have been obliged to subject products to profit testing before they are launched. Profit testing is firmly established in each company's defined product development process and now follows a standardised procedure.

The product acceptance process and minimum profitability requirements represent the cornerstones of the specified guideline. The product acceptance process governs the involvement of the relevant core functions of actuarials and risk management and interaction between operational units and the UNIQA Group's holding function. Information obligations exist for the Group function in each instance. In cases where the minimum criteria are not met, this must be approved by the Group function. The minimum criteria are designed in such a way that only products that will make a positive value contribution based both on the best estimate and in a predefined stress situation are launched.

A guideline similar to the draft guideline was developed for property and casualty insurance in 2012 and will become a compulsory component of the defined product development process as at 1 February 2013. Products from motor vehicle business segments will represent a particular focus in 2013. The objective for 2013 is to implement the defined guidelines aimed at ensuring a transparent overview of product launches in the Group on a consistent basis, thereby creating the basis for integrating value-oriented management into product development.

Actuarial monitoring of core business

In order to support one of the cornerstones of the UNIQA Group – focusing on the profitability of core business – an actuarial monitoring system has been defined which is intended to represent a technical development in the areas of life insurance and property and casualty insurance in the form of a standardised surveillance system. The reporting system defined will come into use for the first time as at 31 December 2012, will bring together previous analyses into a compact overall instrument, and is expected to provide a comprehensive insight into key actuarial indicators on a quarterly basis. As well as a break-even analysis broken down into business segments and movement statistics, an analysis of sources of income in life insurance and a detailed analysis of reserve run-offs will form the central component of this monitoring system.

SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED BALANCE SHEET

Development of asset items

Figures in € thousand	Balance sheet values previous year	Currency differences	Additions	Unrealised capital gains and losses
A. Tangible assets				
I. Self-used land and buildings	252,288	2,605	3,587	0
II. Other tangible assets				
1. Tangible assets	67,591	546	20,947	0
2. Inventories	5,872		0	
3. Other assets	57,798		0	
Total A. II.	**131,261**	**546**	**20,947**	**0**
Total A.	**383,549**	**3,151**	**24,533**	**0**
B. Land and buildings held as financial investments	**1,566,958**	**4,123**	**226,149**	**0**
C. Intangible assets				
I. Deferred acquisition costs	899,732	3,376	227,865	0
II. Goodwill				
1. Purchased positive goodwill	87	0	0	0
2. Positive goodwill	513,798	– 968	0	0
3. Value of insurance policies	56,163	– 524	0	0
Total C. II.	**570,048**	**– 1,493**	**0**	**0**
III. Other intangible assets				
1. Self-developed software	2,005	– 153	4,314	0
2. Acquired intangible assets	28,545	546	14,660	0
Total C. III.	**30,551**	**393**	**18,974**	**0**
Total C.	**1,500,331**	**2,277**	**246,839**	**0**
D. Shares in associated companies	**530,485**	**0**	**10,590**	**– 2,241**
E. Investments				
I. Variable-yield securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	1,636,133	1,523	509,410	91,450
2. At fair value through profit or loss	549,296	0	17,442	0
Total E. I.	**2,185,429**	**1,523**	**526,852**	**91,450**
II. Fixed-interest securities				
1. Debt securities and other fixed-interest securities	11,215,448	29,812	9,288,029	1,051,662
2. At fair value through profit or loss	389,645	– 162	64,437	0
Total E. II.	**11,605,094**	**29,650**	**9,352,466**	**1,051,662**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	121	0	1,439	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	77,042	0	0	0
d) Loans and advance payments on policies	13,697	2	4,301	0
e) Other loan receivables and registered bonds	2,098,026	252	44,859	11,642
Total E. III. 1.	**2,189,439**	**254**	**50,599**	**11,642**
2. Cash at credit institutions/cash at banks	1,023,133	6,382	587,273	1,495
3. Deposits with ceding companies	140,657	0	3,180	0
Total E. III.	**3,353,229**	**6,636**	**641,053**	**13,137**
IV. Derivative financial instruments	28,498	31	17,123	0
Total E.	**17,172,249**	**37,840**	**10,537,493**	**1,156,249**
F. Investments held on account and at risk of life insurance policyholders	**4,396,016**	**19,156**	**1,798,609**	**16,278**
Aggregate total	**25,549,588**	**66,547**	**12,844,213**	**1,170,286**

Amortisation	Transfers	Disposals	Appreciation	Depreciation	Book value financial year
0	– 5,308	50,707	0	8,314	194,151
0	– 8,725	5,396	0	16,620	58,342
		407			5,465
		9,002			48,796
0	**– 8,725**	**14,805**	**0**	**16,620**	**112,604**
0	**– 14,033**	**65,512**	**0**	**24,934**	**306,755**
0	**14,191**	**71,360**	**2,816**	**52,114**	**1,690,763**
0	0	0	0	262,171	868,802
0	0	0	0	87	0
0	0	23,184	0	15,000	474,646
0	0	0	0	9,850	45,789
0	**0**	**23,184**	**0**	**24,937**	**520,435**
0	0	3,198	0	508	2,460
0	– 158	11,495	0	9,389	22,709
0	**– 158**	**14,693**	**0**	**9,897**	**25,170**
0	**– 158**	**37,877**	**0**	**297,006**	**1,414,406**
0	**0**	**14,339**	**16,038**	**10,931**	**529,602**
0	– 1	829,802	13,088	25,900	1,395,902
0	0	211,098	56,642	41,020	371,262
0	**– 1**	**1,040,899**	**69,730**	**66,919**	**1,767,164**
8,940	– 116	8,343,638	57,765	121,280	13,186,622
301	0	49,375	54,377	17,600	441,623
9,242	**– 116**	**8,393,013**	**112,141**	**138,880**	**13,628,244**
0	0	128	4	15	1,421
0	0	0	0	0	552
0	0	25,618	0	25	51,399
0	0	4,989	6	6	13,011
348	0	1,130,185	308	1,984	1,023,265
348	**0**	**1,160,920**	**317**	**2,031**	**1,089,649**
0	0	422,783	663	6,945	1,189,217
0	0	14,082	0	0	129,755
348	**0**	**1,597,785**	**980**	**8,977**	**2,408,621**
0	0	23,036	75,070	35,479	62,206
9,590	**– 117**	**11,054,734**	**257,921**	**250,255**	**17,866,236**
91	**117**	**1,525,869**	**376,945**	**14,516**	**5,066,828**
9,681	**0**	**12,769,692**	**653,721**	**649,756**	**26,874,588**

1. Self-used land and buildings

Figures in € thousand	31.12.2012	31.12.2011
Book values for		
Property and casualty	74,501	77,066
Health	11,836	11,415
Life	107,814	163,808
	194,151	**252,288**
Market values for		
Property and casualty	104,669	101,030
Health	14,749	13,903
Life	149,852	208,023
	269,269	**322,955**
Acquisition values	287,231	379,396
Cumulative depreciation	– 93,080	– 127,108
Book values	**194,151**	**252,288**
Useful life for land and buildings	10-80 years	10-80 years

Additions from company acquisition Figures in € thousand	31.12.2012	31.12.2011
Self-used land and buildings	0	0

The market values are derived from expert reports.

2. Other tangible assets

Figures in € thousand	31.12.2012	31.12.2011
Tangible assets	58,342	67,591
Inventories	5,465	5,872
Other assets	48,796	57,798
Total	**112,604**	**131,261**

Tangible assets Development in financial year Figures in € thousand	
Acquisition values as at 31.12.2011	242,014
Cumulative depreciation up to 31.12.2011	– 174,424
Book values as at 31.12.2011	**67,591**
Currency translation changes	546
Additions	20,947
Disposals	– 5,396
Transfers	– 8,725
Appreciation and depreciation	– 16,620
Book values as at 31.12.2012	**58,342**
Acquisition values as at 31.12.2012	215,534
Cumulative depreciation up to 31.12.2012	– 157,192
Book values as at 31.12.2012	**58,342**

Tangible assets refer mainly to office equipment. They are depreciated over a useful life of four to ten years. The amounts of depreciation are recognised in the income statement on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

Additions from company acquisition Figures in € thousand	31.12.2012	31.12.2011
Other tangible assets	696	29

3. Land and buildings held as financial investments

Figures in € thousand	31.12.2012	31.12.2011
Book values for		
Property and casualty	224,654	282,815
Health	299,825	294,744
Life	1,166,284	989,399
	1,690,763	**1,566,958**
Market values for		
Property and casualty	352,562	455,630
Health	383,390	412,081
Life	1,613,554	1,423,226
	2,349,505	**2,290,937**
Acquisition values	2,228,217	2,135,243
Cumulative depreciation	– 537,454	– 568,284
Book values	**1,690,763**	**1,566,958**
Useful life for land and buildings	10-80 years	10-80 years

Additions from company acquisition Figures in € thousand	31.12.2012	31.12.2011
Land and buildings held as financial investments	173,324	112,960

The market values are derived from expert reports.

Figures in € thousand	31.12.2012
Change in impairment for current year	6,714
of which reallocation affecting income	6,714

4. Deferred acquisition costs

Figures in € thousand	2012	2011
Property and casualty		
As at 1.1.	**169,364**	**162,092**
Currency translation changes	2,051	– 2,920
Change in consolidation scope	– 31,457	0
Capitalisation	119,545	114,921
Depreciation	– 105,400	– 104,729
As at 31.12.	**154,103**	**169,364**
Health		
As at 1.1.	**232,680**	**227,185**
Currency translation changes	114	– 121
Change in consolidation scope	– 18,875	0
Capitalisation	18,432	18,138
Interest surcharge	9,041	8,833
Depreciation	– 20,027	– 21,356
As at 31.12.	**221,365**	**232,680**
Life		
As at 1.1.	**497,687**	**501,854**
Currency translation changes	1,211	– 987
Change in consolidation scope	0	0
Capitalisation	113,799	107,064
Interest surcharge	17,381	14,605
Depreciation	– 136,744	– 124,848
As at 31.12.	**493,334**	**497,687**
In the Consolidated Financial Statements		
As at 1.1.	**899,732**	**891,131**
Currency translation changes	3,376	– 4,028
Change in consolidation scope	– 50,332	0
Capitalisation	251,776	240,123
Interest surcharge	26,421	23,438
Depreciation	– 262,171	– 250,932
As at 31.12.	**868,802**	**899,732**

5. Goodwill

Figures in € thousand	
Acquisition values as at 31.12.2011	761,677
Cumulative depreciation up to 31.12.2011	– 191,629
Book values as at 31.12.2011	**570,048**
Acquisition values as at 31.12.2012	680,964
Cumulative depreciation up to 31.12.2012	– 160,529
Book values as at 31.12.2012	**520,435**

There were no major additions in 2012 (see also the Notes on the scope of consolidation, page 187).

Figures in € thousand	
Cumulative depreciation up to 31.12.2012	160,529
of which relating to impairment	58,767
of which current depreciation	101,762

Figures in € thousand	31.12.2012
Change in impairment for current year	15,000
of which reallocation affecting income	15,000

The values mentioned above include the goodwill and the purchase price paid for the total acquired insurance policies.

Company acquisitions 2012 Figures in € thousand	Amounts placed at the time of acquisition	Book values of the acquired companies
Assets	**318,588**	**318,587**
Tangible assets	696	696
Land and buildings held as financial investments	173,324	173,324
Intangible assets	85	85
Shares in associated companies	132,621	132,621
Investments	0	0
Investments held on account and at risk of life insurance policyholders	0	0
Share of reinsurance in technical provisions	0	0
Receivables, including receivables under insurance business	1,993	1,993
Receivables from income tax	0	0
Deferred tax assets	1,933	1,933
Liquid funds	7,936	7,936
Equity and liabilities	**318,588**	**318,587**
Total equity	204,754	204,753
Subordinated liabilities	0	0
Technical provisions	0	0
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	59,624	59,624
Other provisions	430	430
Payables and other liabilities	38,561	38,561
Liabilities from income tax	193	193
Deferred tax liabilities	15,026	15,026
Currency differences	0	0

6. Other intangible assets

Figures in € thousand	Self-developed software	Acquired intangible assets
Acquisition values as at 31.12.2011	38,230	179,796
Cumulative depreciation up to 31.12.2011	– 36,224	– 151,251
Book values as at 31.12.2011	**2,005**	**28,545**
Acquisition values as at 31.12.2012	39,160	153,009
Cumulative depreciation up to 31.12.2012	– 36,700	– 130,300
Book values as at 31.12.2012	**2,460**	**22,709**

The other intangible assets are composed of:

Figures in € thousand	31.12.2012	31.12.2011
Computer software	21,405	26,865
Copyrights	0	0
Licences	1,417	1,276
Other intangible assets	2,348	2,410
	25,170	**30,551**

Useful life		
Self-developed software	2-5 years	2-5 years
Acquired intangible assets	2-5 years	2-5 years

The intangible assets include paid-for and self-produced computer software as well as licenses and copyrights.

The depreciation of the other intangible assets was recognised in the income statement on the basis of allocated operating expenses under the items of insurance benefits, operating expenses and net investment income.

The intangible assets are depreciated using the straight-line method.

Additions from company acquisition Figures in € thousand	31.12.2012	31.12.2011
Self-developed software	0	0
Acquired intangible assets	86	653

Figures in € thousand	2012
Research and development expenditure recorded as an expense during the period under review	2,360

7. Shares in affiliated companies and companies valued at equity

Figures in € thousand	31.12.2012	31.12.2011
Current market values for		
Shares in affiliated companies of minor importance[1]	10,594	21,845
Shares in associated companies of minor importance	3,450	3,574
Book values for		
Shares in associated companies valued at equity	526,151	526,911
Equity for		
Shares in affiliated companies of minor importance	8,108	22,959
Annual net profit/loss for the year		
Shares in affiliated companies of minor importance	547	1,189

[1] The shares in affiliated companies of minor importance are shown on the balance sheet as available for disposal at any time under variable-yield securities (Assets E. I. 1.).

Shares in associated companies Figures in € thousand	31.12.2012
Current market value of associated companies listed on a public stock exchange	345,021
Profits/losses for the period	19,058
Unrecorded, proportional loss, ongoing, if shares of loss are no longer recorded	2,029
Unrecorded, proportional loss, cumulative, if shares of loss are no longer recorded	2,029
Proportional asset value of shares in associated companies valued at equity	1,716,381
Proportional liabilities of shares in associated companies valued at equity	1,236,879

8. Assets in disposal groups available for sale

Figures in € thousand	31.12.2012	31.12.2011
Assets		
A. Tangible assets		
II. Other tangible assets	2,485	0
B. Land and buildings held as financial investments	**48,885**	**0**
C. Intangible assets		
III. Other intangible assets	40	0
D. Shares in associated companies	**82**	**0**
E. Investments		
I. Variable-yield securities		
1. Available for sale	6	0
II. Fixed interest securities		
1. Available for sale	280	0
I. Receivables, including receivables under insurance business		
II. Other receivables	4,537	0
III. Other assets	214	0
K. Deferred tax assets	**–434**	**0**
L. Liquid funds	**7,565**	**0**
M. Assets in disposal groups available for sale	**63,661**	**0**

Figures in € thousand	31.12.2012	31.12.2011
Equity and liabilities		
E. Financial liabilities		
I. Liabilities from loans	2,480	0
F. Other provisions		
I. Pensions and similar provisions	2,301	0
II. Other provisions	2,008	0
G. Payables and other liabilities		
II. Other payables	3,913	0
H. Liabilities from income tax	**44**	**0**
I. Deferred tax liabilities	**445**	**0**
J. Liabilities in disposal groups available for sale	**11,191**	**0**

Figures in € thousand	Balance sheet values previous year	Currency differences	Additions	Transfers	Disposals	Depreciation	Balance sheet values financial year
A. Tangible assets	3,477	11	587	– 110	31	1,448	2,485
B. Land and buildings held as financial investments	57,488	534	327	110	25	9,551	48,885
C. Intangible assets	54	0	6	0	0	20	40

9. Securities available for sale

Type of investment	Acquisition costs		Fluctuation in value not affecting income		Accumulated value adjustments		Foreign currency differences affecting income		Market values	
Figures in € thousand	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Shares in affiliated companies	10,594	21,845	0	0	0	0	0	0	10,594	21,845
Shares	480,863	505,854	201,576	216,309	– 74,656	– 149,916	0	0	607,783	572,247
Equity funds	217,458	480,823	13,832	1,929	– 15,333	– 27,881	0	0	215,957	454,871
Debenture bonds not capital-guaranteed	234,122	251,826	3,718	2,733	– 14,403	– 19,994	– 2,790	– 2,812	220,647	231,753
Other variable-yield securities	33,750	48,278	0	– 1,143	– 7,300	– 5,350	0	0	26,450	41,785
Participating interests and other investments	302,841	314,233	65,917	53,362	– 54,287	– 53,964	0	0	314,471	313,631
Fixed-interest securities	12,874,825	12,375,993	619,638	– 501,848	– 247,182	– 629,291	– 60,659	– 29,405	13,186,622	11,215,448
Total	**14,154,453**	**13,998,852**	**904,680**	**– 228,658**	**– 413,161**	**– 886,395**	**– 63,449**	**– 32,218**	**14,582,524**	**12,851,581**

Valuations based on internal calculations are included in the market values of shares. The effect of the internal valuation for 2012 results in no value increase not affecting income (2011: value increase € 53,500 thousand).

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
Figures in € thousand	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Shares in affiliated companies	0	0	0	0	0	0
Shares	– 74,656	– 149,916	– 66,219	– 108,381	– 8,437	– 41,535
Equity funds	– 15,333	– 27,881	– 12,064	– 23,792	– 3,268	– 4,089
Debenture bonds not capital-guaranteed	– 14,403	– 19,994	– 19,994	– 17,471	5,591	– 2,523
Other variable-yield securities	– 7,300	– 5,350	– 4,900	– 3,400	– 2,400	– 1,950
Participating interests and other investments	– 54,287	– 53,964	– 51,353	– 51,500	– 2,934	– 2,464
Fixed-interest securities	– 247,182	– 629,291	– 221,355	– 239,825	– 25,827	– 389,466
Total	**– 413,161**	**– 886,395**	**– 375,884**	**– 444,369**	**– 37,276**	**– 442,027**

Type of investment	Change in value adjustment current year	Of which write-down/write-up affecting income	Of which changes due to disposal	Write-up of equity
Figures in € thousand	31.12.2012	31.12.2012	31.12.2012	31.12.2012
Shares in affiliated companies	0	0	0	0
Shares	75,260	– 8,437	83,697	0
Equity funds	12,548	– 3,268	15,816	0
Debenture bonds not capital-guaranteed	5,591	5,591	0	0
Other variable-yield securities	– 1,950	– 2,400	450	0
Participating interests and other investments	– 323	– 2,934	2,612	0
Fixed-interest securities	382,109	– 25,827	407,936	0
Total	**473,235**	**– 37,276**	**510,511**	**0**

Change in equity	Allocation not affecting income		Withdrawal[1] due to disposals affecting income		Change in unrealised gains/losses	
Figures in € thousand	31.12.2012	31.12.2011	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Other securities available for sale[2]						
Gross	1,234,070	– 10,259	– 100,122	– 61,289	1,133,947	– 71,547
Deferred tax	– 168,733	18,984	10,948	7,757	– 157,785	26,741
Deferred profit participation	– 652,986	– 35,391	72,291	41,774	– 580,695	6,382
Minority interests	– 28,038	– 5,366	– 7,238	1,638	– 35,276	– 3,728
Net	**384,312**	**– 32,032**	**– 24,121**	**– 10,120**	**360,191**	**– 42,152**

1) Withdrawals affecting the income statement due to disposals and impairments
2) Including reclassified securities

Hierarchy for instruments that are reported in the balance sheet at current market value

The table below depicts the financial instruments for which subsequent valuation is performed at the current market value. These are divided into levels 1 to 3, depending on the extent to which the current market value can be observed.

Level 1 valuations at current market value are ones that result from listed prices (unadjusted) on the active markets for identical financial assets and liabilities.

Level 2 valuations at current market value are those based on parameters that do not correspond to listed prices for assets and liabilities as in level 1 (data) and are derived either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 valuations at current market value are those arising from models using parameters for the valuation of assets and liabilities that are not based on observable market data (unobservable prices, assumptions).

Investments at fair value	Level 1	Level 2	Level 3	Group total
Figures in € thousand	31.12.2012	31.12.2012	31.12.2012	31.12.2012
Securities available for sale	**11,640,654**	**2,343,386**	**598,483**	**14,582,524**
Shares in affiliated companies	36	10,558	0	10,594
Shares	432,936	174,523	324	607,783
Equity funds	193,497	22,458	1	215,957
Debenture bonds not capital-guaranteed	20,048	200,599	0	220,647
Other variable-yield securities	0	26,450	0	26,450
Participating interests and other investments	1,141	313,330	0	314,471
Fixed-interest securities	10,992,996	1,595,468	598,158	13,186,622
At fair value through profit and loss	**169,447**	**638,779**	**4,659**	**812,885**
Derivative financial instruments	**– 346**	**55,082**	**0**	**54,736**
Total	**11,809,755**	**3,037,247**	**603,143**	**15,450,145**

No transfers between levels 1 and 2 took place during the reporting period. The entire portfolio of asset-backed securities was classified as level 3. No other level 3 assets existed as at 31 December 2012.

Transition of the level 3 valuations at current market value of financial assets:

Level 3 Investments at fair value Figures in € thousand	Securities available for sale	At fair value through profit and loss	Derivative financial instruments	Total
As at 1.1.2012	**647,862**	**10,269**	**0**	**658,131**
Exchange rate differences	– 32	0	0	– 32
Total gains or losses for the period recognised in profit or loss	– 2,800	– 1,699	0	– 4,499
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	47,254	0	0	47,254
Purchase	5,878	5	0	5,883
Sales	– 99,677	– 3,915	0	– 103,593
Issues	0	0	0	0
Settlements	– 2	0	0	– 2
Transfers	0	0	0	0
As at 31.12.2012	**598,483**	**4,659**	**0**	**603,143**

Contractual remaining term	Acquisition costs		Market values	
Figures in € thousand	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Infinite	48,577	95,838	40,636	71,265
Up to 1 year	1,947,601	1,752,823	1,815,336	1,583,690
More than 1 year up to 5 years	4,329,458	4,164,715	4,405,487	3,940,069
More than 5 years up to 10 years	4,541,607	4,694,029	4,857,911	4,414,907
More than 10 years	2,275,454	1,968,691	2,314,348	1,479,056
Total	**13,142,697**	**12,676,097**	**13,433,719**	**11,488,987**

The remaining maturities stipulated by contract refer to fixed-interest securities, other variable-yield securities and bonds without capital guarantee.

Risk of default rating Figures in € thousand	31.12.2012
Fixed-interest securities	
Rating AAA	3,703,112
Rating AA	2,003,024
Rating A	2,479,606
Rating BBB	3,390,174
Rating < BBB	1,454,820
Not assigned	402,982
Rating total of fixed-interest securities	**13,433,719**
Issuer countries	
Share securities	
IE, NL, UK, US	326,251
AT, BE, CH, DE, DK, FR, IT	468,138
ES, FI, NO, SE	11,371
Remaining EU	74,574
Other countries	130,969
Issuer countries total of share securities	**1,011,303**
Other shareholdings	126,909
Total variable-yield securities	**1,138,211**

10. Derivative financial instruments

Figures in € thousand	31.12.2012	31.12.2011
Market values		
Equity price risk	– 2,216	2,097
Interest rate risk	0	0
Currency risk	31,600	– 22,057
Structured risk	25,351	21,861
Total	**54,736**	**1,900**
Structured risk, of which:		
Equity price risk	10,970	7,022
Interest rate risk	– 5,896	1,258
Currency risk	13,570	13,581
Credit risk	0	0
Commodity risk	6,708	0
Balance sheet values		
Investments	62,206	28,498
Financial liabilities	– 7,471	– 26,598

11. Loans

Figures in € thousand	Book values 31.12.2012	31.12.2011
Loans to affiliated companies	1,421	121
Loans to participating interests	552	552
Mortgage loans	51,399	77,042
Loans and advance payments on policies	13,011	13,697
Other loans	112,436	619,015
Registered bonds	4,394	389,918
Reclassified bonds	906,435	1,089,093
Total	**1,089,649**	**2,189,439**

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of €2,129,552 thousand were reclassified. The corresponding revaluation reserve as at 30 June 2008 was minus €98,208 thousand.

Reclassified bonds Figures in € thousand	2012	2011	2010	2009	2008
Book value as at 31.12.	906,435	1,089,093	1,379,806	1,796,941	2,102,704
Market value as at 31.12.	928,162	981,394	1,345,580	1,732,644	1,889,108
Change of current market value	129,426	– 73,987	30,586	149,299	– 213,596
Amortisation income/expense	348	332	473	5,917	– 61
Impairment	0	– 25	– 8,043	0	0

Contractual remaining term Figures in € thousand	Book values 31.12.2012	31.12.2011
Infinite	15,592	5,797
Up to 1 year	470,866	655,397
More than 1 year up to 5 years	325,659	524,064
More than 5 years up to 10 years	174,812	781,837
More than 10 years	102,720	222,344
Total	**1,089,649**	**2,189,439**

Figures in € thousand	Market values	
	31.12.2012	31.12.2011
Loans to affiliated companies	1,421	121
Loans to participating interests	552	552
Mortgage loans	51,399	77,042
Loans and advance payments on policies	13,011	13,697
Other loans	112,436	621,135
Registered bonds	4,394	389,918
Reclassified bonds	928,162	981,394
Total	**1,111,376**	**2,083,860**

Contractual remaining term Figures in € thousand	Market values	
	31.12.2012	31.12.2011
Infinite	15,592	5,797
Up to 1 year	442,338	556,906
More than 1 year up to 5 years	348,756	536,068
More than 5 years up to 10 years	193,334	766,164
More than 10 years	111,355	218,926
Total	**1,111,376**	**2,083,860**

Impairment Figures in € thousand	31.12.2012	31.12.2011
Change in impairment for current year	774	5,288
of which reallocation affecting income	774	5,288

12. Other investments

Figures in € thousand	31.12.2012	31.12.2011
Deposits with credit institutions	1,189,217	1,023,133
Deposits with ceding companies	129,755	140,657
Total	**1,318,972**	**1,163,790**

13. Receivables, including receivables under the insurance business

Figures in € thousand	31.12.2012	31.12.2011
I. Reinsurance receivables		
1. Accounts receivables under reinsurance operations	42,623	58,825
	42,623	**58,825**
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	303,466	271,784
2. from intermediaries	73,186	83,461
3. from insurance companies	19,171	15,227
	395,824	**370,472**
Other receivables		
Accrued interest and rent	219,255	241,553
Other tax refund claims	57,113	50,976
Receivables due from employees	3,653	4,079
Other receivables	169,342	203,687
	449,363	**500,295**
Total other receivables	**845,186**	**870,767**
Subtotal	**887,810**	**929,592**
of which receivables with a remaining term of		
up to 1 year	849,324	904,334
more than 1 year	38,486	25,257
	887,810	**929,592**
of which receivables with values not yet adjusted		
up to 3 months overdue	15,051	47,240
more than 3 months overdue	5,257	12,657
III. Other assets		
Accruals	48,369	58,404
	48,369	**58,404**
Total receivables, including receivables under insurance business	**936,179**	**987,996**

14. Receivables from income tax

Figures in € thousand	31.12.2012	31.12.2011
Receivables from income tax	54,561	51,156
of which receivables with a remaining term of		
up to 1 year	52,496	51,156
more than 1 year	2,065	0

15. Deferred tax assets

Cause of origin Figures in € thousand	31.12.2012	31.12.2011
Actuarial items	2,063	6,194
Social capital	69,504	61,345
Investments	7,536	60,516
Loss carried forward	33,254	52,737
Other	21,147	25,374
Total	**133,504**	**206,166**
of which not affecting income	31,566	13,548

For losses carried forward in the amount of € 32,973 thousand, the deferred tax of € 5,978 thousand was not capitalised because utilisation will not be possible in the foreseeable future.

16. Subscribed capital

	31.12.2012	31.12.2011
Number of authorised and issued no-par shares	214,247,900	142,985,217
of which fully paid up	214,247,900	142,985,217

The subscribed capital and capital reserves correspond to values from the individual financial statements of UNIQA Versicherungen AG.

According to a resolution made by the Annual General Meeting on 31 May 2010, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital by a total of up to €71,492,608 through the issue of up to 71,492,608 bearer or registered shares with voting rights in return for cash contributions or contributions in kind on one or more occasions up to and including 30 June 2015.

Partial use was made of this authorisation during the financial year, whereby the share capital was increased to €190,604,265 by means of a cash capital increase of €47,619,048. The subscription price was €10.50 per share. The cost of the capital increase, less tax effects, amounting to €7,244 thousand was deducted directly from the capital reserves.

In order to create a streamlined Group structure that is conducive to stock exchange activities in preparation for the planned re-IPO, Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung (Austria Privatstiftung) and Collegialität contributed their shareholdings in UNIQA Personenversicherung AG to UNIQA Versicherungen AG, which is listed on the stock exchange, as part of a non-cash capital increase in September 2012. These companies received 23,643,635 new shares with voting rights in return.

Unrealised capital gains and losses from the revaluation of investments available for sale affected the revaluation reserve, with deferred participation in profits (for life insurance) and deferred taxes taken into consideration.

Actuarial profit and loss from pension and severance payment provisions was posted as “actuarial profit and loss from performance-based pension commitments” after deducting deferred policyholder profit participation and deferred taxes.

On 21 September 2010, the Management Board made use of its authorisation in accordance with the decision of the 11th Annual General Meeting on 31 May 2010 and decided on a share repurchase programme. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 21 September 2010 according to which the Management Board is authorised to purchase up to 14,298,521 notional no-par shares made out to the bearer. The programme for repurchasing shares entered into effect on 19 November 2010. During the financial year, none of the company’s own shares were acquired through the stock exchange.

Capital requirement

The business development due to organic growth and acquisitions influences the capital requirement of the UNIQA Group. In the context of Group controlling, the appropriate coverage of the solvency requirement on a consolidated basis is constantly monitored.

As at 31 December 2012, the adjusted equity amounted to €2,433,546 thousand (2011: €1,404,065 thousand). In ascertaining the adjusted equity, non-tangible economic goods (especially goodwill) and shares in banks and insurance companies are deducted from the equity and various forms of hybrid capital (especially supplemental capital) and latent reserves in investments (especially in real estate) are added. With a statutory requirement for adjusted equity of

€1,132,671 thousand (2011: €1,145,813 thousand), the statutory requirements were exceeded by €1,300,875 thousand (2011: €258,252 thousand), resulting in a coverage rate of 214.9 per cent (2011: 122.5 per cent). With the change to Section 81h paragraph 2 of the Insurance Supervisory Act, the volatility reserve was added as part of the available capital as of the 3rd quarter of 2008. This increased the adjusted equity by €142,564 thousand (2011: €277,882 thousand).

The adjusted equity base is ascertained on the basis of the available Consolidated Financial Statements (produced in accordance with Section 80b of the Insurance Supervisory Act).

Figures in € thousand	31.12.2012	31.12.2011
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	2,433,546	1,404,065
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	2,290,981	1,126,184

At the reporting date, own shares are accounted for as follows:

	31.12.2012	31.12.2011
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € thousand	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in per cent	0.38	0.57

In the figure for “earnings per share”, the consolidated profit is set against the average number of ordinary shares in circulation.

Earnings per share	2012	2011
Consolidated profit in € thousand	130,225	– 245,614
of which accounts for ordinary shares in € thousand	130,225	– 245,614
Own shares as at 31 December	819,650	819,650
Average number of shares in circulation	169,599,813	142,165,567
Earnings per share (in €)[1]	0.77	– 1.73
Dividend per share[2]	0.25	0.00
Dividend payment in € thousand[2]	53,357	0

[1] Calculated on the basis of the consolidated profit of the year
[2] Subject to the decision to be taken in the Annual General Meeting

The diluted earnings per share are equal to the undiluted earnings per share in the financial year and in the previous year.

Change in the tax amounts included in the equity without affecting income Figures in € thousand	31.12.2012
Effective tax	0
Deferred tax	– 132,671
Total	**– 132,671**

17. Minority interests

Figures in € thousand	31.12.2012	31.12.2011
In revaluation reserve	1,739	– 15,253
In actuarial gains and losses on defined benefit plans	– 1	– 5,731
In balance sheet profit	1,440	112,620
In other equity	19,093	128,072
Total	**22,272**	**219,708**

18. Subordinated liabilities

Figures in € thousand	31.12.2012	31.12.2011
Supplementary capital	450,000	575,000

Partial debentures with a nominal value of € 325,000 thousand for paid up supplementary capital were issued by Raiffeisen Versicherung AG in December 2002 and by UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG in July 2003 according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. The partial debentures are valid for an unlimited time period. An ordinary or extraordinary notice of redemption to the issuer is not possible for at least five years. Subject to coverage in the annual net profit before the issuer's movements in reserves, the interest to July 2013 will be 5.36 per cent, except in the case of Raiffeisen Versicherung AG, where the interest to December 2012 will be 5.7 per cent, plus a bonus interest payment of between 0.2 and 0.4 per cent depending on sales profitability and the increase in premiums in comparison to the whole market.

In December 2006, UNIQA Versicherungen AG issued bearer debentures with a face value of € 150,000 thousand for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.079 per cent.

In January 2007, UNIQA Versicherungen AG issued bearer debentures with a face value of € 100,000 thousand for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.342 per cent.

Partial debentures issued by Raiffeisen Versicherung AG in December 2002 with a nominal value of € 125,000 thousand for paid-up supplementary capital were repaid in December 2012.

19. Unearned premiums

Figures in € thousand	31.12.2012	31.12.2011
Property and casualty		
Gross	596,152	596,506
Reinsurers' share	– 9,250	– 15,352
	586,902	**581,154**
Health		
Gross	21,014	19,528
Reinsurers' share	– 619	– 3,190
	20,395	**16,338**
In the Consolidated Financial Statements		
Gross	617,165	616,034
Reinsurers' share	– 9,869	– 18,542
Total (fully consolidated values)	**607,297**	**597,493**

20. Actuarial provision

Figures in € thousand	31.12.2012	31.12.2011
Property and casualty		
Gross	12,310	36,264
Reinsurers' share	– 371	– 390
	11,939	**35,874**
Health		
Gross	2,219,667	2,694,604
Reinsurers' share	– 1,091	– 1,204
	2,218,575	**2,693,400**
Life		
Gross	13,926,212	13,975,382
Reinsurers' share	– 432,917	– 454,241
	13,493,296	**13,521,141**
In the Consolidated Financial Statements		
Gross	16,158,189	16,706,249
Reinsurers' share	– 434,379	– 455,835
Total (fully consolidated values)	**15,723,810**	**16,250,414**

The interest rates used as an accounting basis were as follows:

For Figures in percent	Health insurance acc. to SFAS 60	Life insurance acc. to SFAS 120
2012		
For actuarial provision	3.50-5.50	1.75-4.00
For deferred acquisition costs	3.50-5.50	3.76
2011		
For actuarial provision	4.50 or 5.50	1.75-4.00
For deferred acquisition costs	4.50 or 5.50	3.88

21. Provision for outstanding claims

Figures in € thousand	31.12.2012	31.12.2011
Property and casualty		
Gross	2,056,950	2,157,714
Reinsurers' share	– 148,311	– 193,749
	1,908,640	**1,963,965**
Health		
Gross	168,349	177,169
Reinsurers' share	– 27	– 30
	168,322	**177,139**
Life		
Gross	140,542	121,645
Reinsurers' share	– 11,425	– 13,493
	129,117	**108,152**
In the Consolidated Financial Statements		
Gross	2,365,841	2,456,528
Reinsurers' share	– 159,763	– 207,271
Total (fully consolidated values)	**2,206,078**	**2,249,257**

The provisions for outstanding claims in the property and casualty insurance developed as follows:

Figures in € thousand	2012	2011
1. Provisions for outstanding claims as at 1 January		
a) Gross	2,157,714	2,095,287
b) Reinsurers' share	– 193,749	– 223,336
c) Retention	**1,963,965**	**1,871,952**
2. Plus (retained) claims expenditures		
a) Losses of the current year	1,494,954	1,703,383
b) Losses of the previous year	– 78,697	– 57,977
c) Total	**1,416,257**	**1,645,405**
3. Less (retained) losses paid		
a) Losses of the current year	– 756,385	– 883,040
b) Losses of the previous year	– 547,151	– 649,498
c) Total	**– 1,303,536**	**– 1,532,538**
4. Foreign currency translation	**14,507**	**– 22,930**
5. Change in consolidation scope	**– 182,674**	**0**
6. Other changes	**121**	**2,077**
7. Provisions for outstanding claims as at 31 December		
a) Gross	2,056,950	2,157,714
b) Reinsurers' share	– 148,311	– 193,749
c) Retention	**1,908,640**	**1,963,965**

Claims payments Figures in € thousand	2007	2008	2009	2010	2011	2012	Total
Financial year	606,966	697,872	758,101	774,508	738,931	754,017	
1 year later	946,570	1,067,118	1,152,347	1,156,966	1,103,798		
2 years later	1,031,938	1,161,407	1,255,519	1,250,176			
3 years later	1,076,067	1,208,216	1,315,780				
4 years later	1,110,870	1,234,209					
5 years later	1,129,142						
Accumulated payments	1,129,142	1,234,209	1,315,780	1,250,176	1,103,798	754,017	
Estimated final claims payments	1,204,879	1,320,339	1,438,683	1,430,396	1,403,953	1,502,283	
Current balance sheet reserve	75,737	86,130	122,903	180,219	300,155	748,266	1,513,411
Balance sheet reserve for the claims years 2006 and before							394,713
							1,908,124
Plus other reserve components (internal claims regulation costs, etc.)							148,826
Provisions for outstanding claims (gross) as at 31.12.2011							**2,056,950**

22. Provision for premium refunds

Figures in € thousand	31.12.2012	31.12.2011
Property and casualty		
Gross	32,873	39,302
Reinsurers' share	0	– 4
	32,873	**39,298**
Health		
Gross	54,225	80,759
Reinsurers' share	0	0
	54,225	**80,759**
Life		
Gross	513,698	– 60,742
Reinsurers' share	0	0
	513,698	**– 60,742**
In the Consolidated Financial Statements		
Gross	600,796	59,319
Reinsurers' share	0	– 4
Total (fully consolidated values)	**600,796**	**59,315**
of which profit-unrelated (retention)	44,578	51,529
of which profit-related (retention)	556,218	7,786

Gross Figures in € thousand	31.12.2012	31.12.2011
a) Provision for profit-unrelated premium refunds	**44,578**	**51,533**
of which property and casualty insurance	31,893	32,185
of which health insurance	10,298	17,264
of which life insurance	2,388	2,084
b) Provision for profit-related premium refunds and/or policyholder profit participation	**198,857**	**185,944**
of which property and casualty insurance	981	7,117
of which health insurance	43,927	55,242
of which life insurance	153,949	123,585
Deferred profit participation	**357,361**	**– 178,158**
of which health insurance	0	8,253
of which life insurance	357,361	– 186,411
Total (fully consolidated values)	**600,796**	**59,319**

Gross Figures in € thousand	2012	2011
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1.1.	**237,477**	**266,934**
Changes due to:		
Other changes	5,958	– 29,457
As at 31.12.	**243,435**	**237,477**
b) Deferred profit participation		
As at 1.1.	**– 178,158**	**– 47,551**
Changes due to:		
Fluctuation in value, securities available for sale	589,950	– 6,645
Actuarial gains and losses on defined benefit plans	– 21,084	– 451
Revaluations affecting income	– 33,347	– 123,511
As at 31.12.	**357,361**	**– 178,158**

The deferred profit participation was an asset item in 2011. Based on the business model used in life insurance and the management rules applied in the Group, this asset item will be reduced over the term of the policy. The appropriateness of the entire technical liability will also be regularly checked under a discounted cash flow model (“liability adequacy test”).

The large change that took place in the previous year due to the revaluations affecting income resulted mainly from capital gains that were realised in accordance with local law, and were then eliminated in the Group as a temporary result.

23. Technical provisions

Gross Figures in € thousand	Provision for unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other actuarial provisions	Group total
Property and casualty							
As at 31.12.2011	**596,506**	**36,264**	**2,157,714**	**32,185**	**7,117**	**26,047**	**2,855,832**
Exchange rate differences	16,086	685	15,517	80	12	436	32,816
Change in consolidation scope	–81,417	–23,609	–214,762	–2,462	–6,271	–3,879	–332,400
Portfolio changes	1,604					0	1,604
Additions		743		2,246	2,592	31,584	37,165
Disposals		–1,773		–156	–2,470	–31,588	–35,988
Premiums written	2,058,679						2,058,679
Premiums earned	–1,995,305						–1,995,305
Claims in reporting year			1,527,103				1,527,103
Claims payments in reporting year			–764,922				–764,922
Change in claims from previous years			–69,247				–69,247
Claims payments in previous years			–594,452				–594,452
As at 31.12.2012	**596,152**	**12,310**	**2,056,950**	**31,893**	**981**	**22,600**	**2,720,885**
Health							
As at 31.12.2011	**19,528**	**2,694,604**	**177,169**	**17,264**	**63,495**	**574**	**2,972,634**
Exchange rate differences	29	62	146	20	0	2	258
Change in consolidation scope	–2,521	–616,270	–21,544	–4,728	–23,058		–668,121
Portfolio changes	170		2,404			–6	2,569
Additions		149,804		1,405	6,968	315	158,492
Disposals		–8,533		–3,662	–3,478	0	–15,673
Premiums written	872,715						872,715
Premiums earned	–868,906						–868,906
Claims in reporting year			654,152				654,152
Claims payments in reporting year			–493,800				–493,800
Change in claims from previous years			–11,242				–11,242
Claims payments in previous years			–138,936				–138,936
As at 31.12.2012	**21,014**	**2,219,667**	**168,349**	**10,298**	**43,927**	**885**	**2,464,140**
Life							
As at 31.12.2011	**0**	**13,975,382**	**121,645**	**2,084**	**–62,826**	**23,362**	**14,059,646**
Exchange rate differences		12,387	658	17	27	233	13,321
Change in consolidation scope		–60,789	–3,810		–628		–65,227
Portfolio changes		48,019	10		0	1,559	49,588
Additions		103,051		290	644,086	4,115	751,541
Disposals		–151,837		–3	–69,348	–3,824	–225,013
Premiums written							0
Premiums earned							0
Claims in reporting year			1,706,850				1,706,850
Claims payments in reporting year			–1,610,987				–1,610,987
Change in claims from previous years			48,592				48,592
Claims payments in previous years			–122,416				–122,416
As at 31.12.2012	**0**	**13,926,212**	**140,542**	**2,388**	**511,310**	**25,444**	**14,605,896**
Group total							
As at 31.12.2011	**616,034**	**16,706,249**	**2,456,527**	**51,533**	**7,786**	**49,982**	**19,888,111**
Exchange rate differences	16,114	13,134	16,320	117	40	671	46,396
Change in consolidation scope	–83,939	–700,668	–240,116	–7,190	–29,957	–3,879	–1,065,749
Portfolio changes	1,774	48,019	2,414		0	1,554	53,761
Additions		253,598		3,941	653,646	36,015	947,199
Disposals		–162,143		–3,822	–75,296	–35,413	–276,674
Premiums written	2,931,394						2,931,394
Premiums earned	–2,864,212						–2,864,212
Claims in reporting year			3,888,106				3,888,106
Claims payments in reporting year			–2,869,709				–2,869,709
Change in claims from previous years			–31,897				–31,897
Claims payments in previous years			–855,804				–855,804
As at 31.12.2012	**617,165**	**16,158,189**	**2,365,841**	**44,578**	**556,218**	**48,929**	**19,790,921**

Reinsurers' share Figures in € thousand	Provision for unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other actuarial provisions	Group total
Property and casualty							
As at 31.12.2011	**15,352**	**390**	**193,749**	**4**	**0**	**2,648**	**212,143**
Exchange rate differences	–41	0	1,009			46	1,014
Change in consolidation scope	–392		–32,088	–15		–8	–32,503
Portfolio changes	151		16				167
Additions		0		11		25	36
Disposals		–19		0		–756	–775
Premiums written	117,321						117,321
Premiums earned	–123,140						–123,140
Claims in reporting year			32,012				32,012
Claims payments in reporting year			–8,537				–8,537
Change in claims from previous years			9,451				9,451
Claims payments in previous years			–47,301				–47,301
As at 31.12.2012	**9,250**	**371**	**148,311**	**0**	**0**	**1,955**	**159,887**
Health							
As at 31.12.2011	**3,190**	**1,204**	**30**	**0**	**0**	**0**	**4,424**
Exchange rate differences	–74		2				–72
Change in consolidation scope	–39						–39
Portfolio changes							0
Additions							0
Disposals		–113					–113
Premiums written	2,503						2,503
Premiums earned	–4,960						–4,960
Claims in reporting year			2				2
Claims payments in reporting year			–3				–3
Change in claims from previous years			–1				–1
Claims payments in previous years			–2				–2
As at 31.12.2012	**619**	**1,091**	**27**	**0**	**0**	**0**	**1,737**
Life							
As at 31.12.2011	**0**	**454,241**	**13,493**	**0**	**0**	**–154**	**467,579**
Exchange rate differences		17	14	0			31
Change in consolidation scope		–7,567	–2,896				–10,464
Portfolio changes		–14,641	586				–14,056
Additions		2,946				35	2,982
Disposals		–2,079		0		0	–2,079
Premiums written							0
Premiums earned							0
Claims in reporting year			20,322				20,322
Claims payments in reporting year			–16,662				–16,662
Change in claims from previous years			173				173
Claims payments in previous years			–3,603				–3,603
As at 31.12.2012	**0**	**432,917**	**11,425**	**0**	**0**	**–119**	**444,223**
Group total							
As at 31.12.2011	**18,542**	**455,835**	**207,271**	**4**	**0**	**2,494**	**684,145**
Exchange rate differences	–115	17	1,025	0		46	973
Change in consolidation scope	–432	–7,567	–34,984	–15		–8	–43,006
Portfolio changes	151	–14,641	601				–13,889
Additions		2,946		11		60	3,017
Disposals		–2,210		0		–756	–2,967
Premiums written	119,823						119,823
Premiums earned	–128,101						–128,101
Claims in reporting year			52,336				52,336
Claims payments in reporting year			–25,203				–25,203
Change in claims from previous years			9,623				9,623
Claims payments in previous years			–50,906				–50,906
As at 31.12.2012	**9,869**	**434,379**	**159,763**	**0**	**0**	**1,836**	**605,847**

Retention Figures in € thousand	Provision for unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other actuarial provisions	Group total
Property and casualty							
As at 31.12.2011	**581,154**	**35,874**	**1,963,965**	**32,181**	**7,117**	**23,398**	**2,643,689**
Exchange rate differences	16,128	685	14,507	80	12	390	31,803
Change in consolidation scope	–81,025	–23,609	–182,674	–2,447	–6,271	–3,871	–299,897
Portfolio changes	1,453		–16	0		0	1,437
Additions		743		2,235	2,592	31,560	37,129
Disposals		–1,754		–156	–2,470	–30,832	–35,213
Premiums written	1,941,358						1,941,358
Premiums earned	–1,872,165						–1,872,165
Claims in reporting year			1,495,091				1,495,091
Claims payments in reporting year			–756,385				–756,385
Change in claims from previous years			–78,697				–78,697
Claims payments in previous years			–547,151				–547,151
As at 31.12.2012	**586,903**	**11,939**	**1,908,640**	**31,893**	**981**	**20,645**	**2,560,999**
Health							
As at 31.12.2011	**16,338**	**2,693,400**	**177,139**	**17,264**	**63,495**	**574**	**2,968,210**
Exchange rate differences	102	62	144	20	0	2	330
Change in consolidation scope	–2,482	–616,270	–21,544	–4,728	–23,058		–668,082
Portfolio changes	170		2,404	0	0	–6	2,569
Additions		149,804		1,405	6,968	315	158,492
Disposals		–8,420		–3,662	–3,478	0	–15,560
Premiums written	870,212						870,212
Premiums earned	–863,946						–863,946
Claims in reporting year			654,150				654,150
Claims payments in reporting year			–493,797				–493,797
Change in claims from previous years			–11,242				–11,242
Claims payments in previous years			–138,934				–138,934
As at 31.12.2012	**20,395**	**2,218,575**	**168,322**	**10,298**	**43,927**	**885**	**2,462,403**
Life							
As at 31.12.2011	**0**	**13,521,141**	**108,152**	**2,084**	**–62,826**	**23,516**	**13,592,067**
Exchange rate differences		12,369	644	17	27	233	13,290
Change in consolidation scope		–53,222	–914	0	–628		–54,764
Portfolio changes		62,660	–576	0	0	1,559	63,643
Additions		100,105		290	644,086	4,079	748,560
Disposals		–149,758		–3	–69,348	–3,824	–222,934
Premiums written							0
Premiums earned							0
Claims in reporting year			1,686,528				1,686,528
Claims payments in reporting year			–1,594,325				–1,594,325
Change in claims from previous years			48,419				48,419
Claims payments in previous years			–118,813				–118,813
As at 31.12.2012	**0**	**13,493,296**	**129,116**	**2,388**	**511,310**	**25,563**	**14,161,673**
Group total							
As at 31.12.2011	**597,493**	**16,250,414**	**2,249,257**	**51,529**	**7,786**	**47,488**	**19,203,966**
Exchange rate differences	16,230	13,117	15,295	117	40	625	45,423
Change in consolidation scope	–83,507	–693,100	–205,132	–7,175	–29,957	–3,871	–1,022,742
Portfolio changes	1,623	62,660	1,813	0	0	1,554	67,649
Additions		250,652		3,929	653,646	35,954	944,181
Disposals		–159,933		–3,822	–75,296	–34,656	–273,707
Premiums written	2,811,570						2,811,571
Premiums earned	–2,736,111						–2,736,111
Claims in reporting year			3,835,770				3,835,770
Claims payments in reporting year			–2,844,506				–2,844,506
Change in claims from previous years			–41,520				–41,520
Claims payments in previous years			–804,898				–804,898
As at 31.12.2012	**607,296**	**15,723,810**	**2,206,078**	**44,578**	**556,218**	**47,093**	**19,185,074**

24. Technical provisions held on account and at risk of life insurance policyholders

Figures in € thousand	31.12.2012	31.12.2011
Gross	4,983,029	4,318,331
Reinsurers' share	– 408,818	– 405,513
Total	**4,574,212**	**3,912,818**

As a general rule, the valuation of the technical provisions for unit-linked and index-linked life insurance policies corresponds to the investments in unit-linked and index-linked life insurance policies reported at current market values. The reinsurers' share is offset by deposits payable in the same amount.

25. Liabilities from loans

Figures in € thousand	31.12.2012	31.12.2011
Loan liabilities	**27,494**	**47,114**
Up to 1 year	2,690	3,158
More than 1 year up to 5 years	9,088	8,259
More than 5 years	15,716	35,697
Total	**27,494**	**47,114**

26. Provisions for pensions and similar commitments

Figures in € thousand	31.12.2012	31.12.2011
Provisions for pensions	365,177	374,990
Provision for severance payments	201,443	218,029
Total	**566,620**	**593,019**

Figures in € thousand	2012	2011
As at 1.1.	**593,019**	**524,376**
Change in consolidation scope	– 123,915	0
Currency translation changes	25	– 39
Withdrawals for pension payments	– 79,740	– 66,580
Expenditure in the financial year	44,778	118,179
Actuarial profit and loss not affecting income	132,453	17,083
As at 31.12.	**566,620**	**593,019**

Active special policyholders with direct assurances to pension benefits, including members of the Management Board and leading executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances to pension benefits according to the "trade association recommendation for in-house and field sales staff" who, in 2008 and 2011, approved the offer to transfer existing vested pension rights to Valida Pension AG (formerly ÖPAG Pensionskassen AG) on the basis of concluded works agreements, are included in a contribution-based pension fund. The corresponding transfer amounts (the assurance cover) were paid to Valida Pension AG in 2008 and 2011 in accordance with Section 48 of the Pension Fund Act. For the purpose of guaranteeing the level of the pension fund pension according to the previous direct assurances to pension benefits, those entitled to vested rights have a claim to payment of a (one-time) final pension fund contribution at the time of pension eligibility. No contributions are made for the benefit phase. In 2011, € 31,092 thousand were transferred.

The UNIQA Group's repositioning led to an expected reduction of staff, which is covered by provisions for social capital amounting to € 49,147 thousand (2011: € 75,000 thousand).

Calculation factors applied
Figures in per cent

2012	
Technical rate of interest	3.25
Valorisation of wages and salaries	3.00
Valorisation of pensions	2.00
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler/employees
2011	
Technical rate of interest	4.75
Valorisation of wages and salaries	3.00
Valorisation of pensions	2.00
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler/employees

Specification of pension expenditures for pensions and similar commitments included in the income statement Figures in € thousand	31.12.2012	31.12.2011
Current service cost	23,917	92,261
Interest cost	20,871	25,956
Income and expenditures due to budget changes	– 10	– 38
Total	**44,778**	**118,179**

Under the contribution-oriented company pension scheme, the employer pays the fixed amounts into company pension funds. The employer has satisfied his obligation by making these contributions.

Figures in € thousand	31.12.2012	31.12.2011
Contributions to company pension funds	2,257	2,011

27. Other provisions

Figures in € thousand	Balance sheet values previous year	Currency translation changes	Change in consolidation scope	Utilisation	Reversals	Transfers	Additions	Balance sheet values financial year
Provision for unconsumed holidays	21,714	31	– 842	– 4,048	– 465	0	6,820	23,209
Provision for anniversary payments	16,009	0	– 1,322	– 595	– 263	– 10	1,631	15,449
	37,722	**31**	**– 2,165**	**– 4,643**	**– 728**	**– 10**	**8,451**	**38,658**
Other personnel provisions	14,419	71	– 5,948	– 5,910	– 520	0	19,306	21,418
Provision for customer relations and marketing	41,730	266	0	– 35,477	– 5,133	0	84,581	85,967
Provision for variable components of remuneration	13,918	1	– 2,175	– 11,094	– 650	0	25,412	25,412
Provision for legal and consulting expenses	8,415	54	– 1,324	– 6,138	764	0	6,953	8,724
Provision for premium adjustment of insurance contracts	8,172	84	0	– 3,984	0	0	4,680	8,952
Provision for portfolio maintenance commission	3,146	74	0	– 208	0	0	895	3,907
Other provisions	67,568	186	– 432	– 17,781	– 27,619	10	134,045	155,978
	157,368	**737**	**– 9,878**	**– 80,592**	**– 33,158**	**10**	**275,872**	**310,358**
Total	**195,090**	**768**	**– 12,043**	**– 85,235**	**– 33,886**	**0**	**284,323**	**349,017**

Figures in € thousand	31.12.2012	31.12.2011
Other provisions[1] with a high probability of utilisation (more than 90 per cent)		
Up to 1 year	208,217	77,596
More than 1 year up to 5 years	3,094	6,205
More than 5 years	3,113	4,759
	214,423	**88,560**
Other provisions[1] with a lower probability of consumption (less than 90 per cent)		
Up to 1 year	92,740	63,660
More than 1 year up to 5 years	2,183	3,952
More than 5 years	1,012	1,196
	95,935	**68,808**
Total	**310,358**	**157,368**

[1] Excluding unconsumed holidays and anniversary benefits.

"Other provisions" includes a provision of € 60,000 thousand for liabilities in connection with the sale of Mannheimer AG Holding.

28. Payables and other liabilities

Figures in € thousand	31.12.2012	31.12.2011
I. Reinsurance liabilities		
1. Deposits held under reinsurance business ceded	836,815	860,209
2. Accounts payable under reinsurance operations	50,591	42,262
	887,405	**902,472**
II. Other payables		
Liabilities under insurance business		
Liabilities under direct insurance business		
to policyholders	150,400	133,545
to intermediaries	72,113	108,858
to insurance companies	10,528	12,594
	233,041	**254,997**
Liabilities to credit institutions	**0**	**393**
Other liabilities	**282,766**	**316,736**
of which for taxes	49,735	63,657
of which for social security	12,473	11,510
of which from fund consolidation	105,840	99,343
Total other liabilities	**515,807**	**572,126**
Subtotal	**1,403,212**	**1,474,598**
of which liabilities with the remaining term of		
up to 1 year	722,818	778,562
more than 1 year up to 5 years	3,778	7,911
more than 5 years	676,616	688,125
	1,403,212	**1,474,598**
III. Other liabilities		
Deferred income	31,226	43,318
Total payables and other liabilities	**1,434,438**	**1,517,916**

The item “Deferred income” basically comprises the balance of the deferred income regarding the indirect business settlement.

29. Liabilities from income tax

Figures in € thousand	31.12.2012	31.12.2011
Liabilities from income tax	**28,557**	**19,157**
of which liabilities with the remaining term of		
up to 1 year	15,200	3,626
more than 1 year up to 5 years	13,356	15,531
more than 5 years	0	0

30. Deferred tax liabilities

Cause of origin Figures in € thousand	31.12.2012	31.12.2011
Actuarial items	162,599	200,599
Untaxed reserves	25,375	25,766
Shares in affiliated companies	28,430	28,430
Investments	104,479	1,614
Other	50,023	35,329
Total	**370,905**	**291,739**
of which not affecting income	108,108	– 42,581

NOTES TO THE CONSOLIDATED INCOME STATEMENT

31. Premiums written

Direct business Figures in € thousand	2012	2011
Property and casualty	2,480,889	2,380,644
Health	909,147	880,080
Life	1,391,809	1,591,874
Total (fully consolidated values)	**4,781,845**	**4,852,598**
Of which written in:		
Austria	3,131,724	3,141,299
Other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,374,213	1,475,203
Other countries	275,908	236,097
Total (fully consolidated values)	**4,781,845**	**4,852,598**

Indirect business Figures in € thousand	2012	2011
Property and casualty	65,060	29,174
Health	3	3
Life	17,243	18,464
Total (fully consolidated values)	**82,306**	**47,640**

Figures in € thousand	2012	2011
Total (fully consolidated values)	**4,864,151**	**4,900,239**

Premiums written in property and casualty insurance Figures in € thousand	2012	2011
Direct business		
Fire and business interruption insurance	238,562	220,858
Household insurance	133,001	130,664
Other property insurance	226,028	223,967
Motor TPL insurance	652,338	619,049
Other motor insurance	492,950	482,020
Casualty insurance	296,605	287,385
Liability insurance	227,037	219,663
Legal expenses insurance	69,404	65,390
Marine, aviation and transport insurance	77,746	68,160
Other insurance	67,219	63,488
Total	**2,480,889**	**2,380,644**
Indirect business		
Marine, aviation and transport insurance	160	118
Other insurance	64,900	29,056
Total	**65,060**	**29,174**
Total direct and indirect business (fully consolidated values)	**2,545,949**	**2,409,818**

Reinsurance premiums ceded Figures in € thousand	2012	2011
Property and casualty	128,042	116,746
Health	3,061	5,405
Life	82,401	74,757
Total (fully consolidated values)	**213,504**	**196,908**

32. Premiums earned

Figures in € thousand	2012	2011
Property and casualty	**2,394,449**	**2,254,581**
Gross	2,528,286	2,376,798
Reinsurers' share	– 133,837	– 122,217
Health	**902,954**	**873,857**
Gross	908,558	877,514
Reinsurers' share	– 5,604	– 3,657
Life	**1,326,505**	**1,536,524**
Gross	1,408,871	1,611,272
Reinsurers' share	– 82,365	– 74,749
Total (fully consolidated values)	**4,623,909**	**4,664,962**

Premiums earned in indirect business Figures in € thousand	2012	2011
Posted immediately	48,259	3,122
Posted after up to 1 year	28,329	27,285
Posted after more than 1 year	0	0
Property and casualty	**76,587**	**30,408**
Posted immediately	3	3
Posted after up to 1 year	0	0
Posted after more than 1 year	0	0
Health	**3**	**3**
Posted immediately	321	3,907
Posted after up to 1 year	16,921	18,358
Posted after more than 1 year	0	0
Life	**17,243**	**22,265**
Total (fully consolidated values)	**93,833**	**52,676**

Earnings from indirect business Figures in € thousand	2012	2011
Property and casualty	7,863	1,440
Health	– 62	15
Life	1,567	4,322
Total (fully consolidated values)	**9,368**	**5,777**

33. Income from fees and commissions

Reinsurance commission and profit shares from reinsurance business ceded Figures in € thousand	2012	2011
Property and casualty	8,850	9,859
Health	8	25
Life	26,873	19,387
Total (fully consolidated values)	**35,731**	**29,271**

34. Net investment income

By segment	Property and casualty		Health		Life		Group	
Figures in € thousand	2012	2011	2012	2011	2012	2011	2012	2011
I. Properties held as investments	**5,030**	**7,772**	**9,486**	**3,639**	**38,355**	**–8,402**	**52,871**	**3,009**
II. Shares in associated companies	**5,331**	**–15,897**	**8,389**	**11,619**	**5,334**	**6,212**	**19,053**	**1,934**
III. Variable-yield securities	**17,707**	**–1,316**	**10,245**	**–13,977**	**115,875**	**9,448**	**143,827**	**–5,845**
1. Available for sale	16,992	505	8,030	–10,784	95,384	352	120,405	–9,926
2. At fair value through profit or loss	715	–1,822	2,216	–3,193	20,491	9,096	23,422	4,081
IV. Fixed-interest securities	**60,697**	**45,473**	**53,316**	**–1,710**	**454,689**	**197,320**	**568,702**	**241,083**
1. Held to maturity	0	1,076	0	2,218	0	14,044	0	17,338
2. Available for sale	58,518	44,437	49,688	–5,092	403,135	166,500	511,341	205,845
3. At fair value through profit or loss	2,179	–41	3,628	1,164	51,554	16,777	57,361	17,900
V. Loans and other investments	**15,550**	**16,397**	**7,014**	**6,626**	**50,860**	**77,567**	**73,424**	**100,590**
1. Loans	4,251	3,227	6,429	2,497	25,885	35,727	36,565	41,450
2. Other investments	11,299	13,170	585	4,129	24,975	41,840	36,859	59,140
VI. Derivative financial instruments (held for trading)	**2,865**	**–8,208**	**11,763**	**–9,827**	**–10,346**	**–80,009**	**4,282**	**–98,044**
VII. Expenditure for asset management, interest charges and other expenses	**–21,880**	**–4,511**	**–7,630**	**–5,814**	**–41,103**	**–30,583**	**–70,613**	**–40,907**
Total (fully consolidated values)	**85,300**	**39,710**	**92,583**	**–9,445**	**613,664**	**171,553**	**791,546**	**201,818**

Based on level 3 valuations (hierarchy for instruments which are recognized at the reconciled current value), income from available-for-sale fixed-income securities included losses in the amount of €2,781 thousand, while income from fixed-income securities valuated at current value in the income statement included losses in the amount of €1,699 thousand.

By income type Figures in € thousand	Ordinary income 2012	Ordinary income 2011	Write-ups and unrealised capital gains 2012	Write-ups and unrealised capital gains 2011	Realised capital gains 2012	Realised capital gains 2011
I. Properties held as investments	**79,610**	**64,859**	**2,816**	**0**	**23,185**	**648**
II. Shares in associated companies	**19,058**	**13,522**	**0**	**0**	**4**	**0**
III. Variable-yield securities	**51,392**	**47,420**	**69,557**	**87,229**	**92,597**	**41,096**
1. Available for sale	45,908	36,468	13,173	18,230	88,861	28,426
2. At fair value through profit or loss	5,484	10,952	56,384	68,999	3,736	12,670
IV. Fixed-interest securities	**550,063**	**530,384**	**113,131**	**60,218**	**182,248**	**112,216**
1. Held to maturity	0	17,338	0	0	0	0
2. Available for sale	530,828	494,555	58,573	25,987	180,997	111,292
3. At fair value through profit or loss	19,236	18,491	54,559	34,231	1,251	924
V. Loans and other investments	**87,417**	**111,831**	**1,770**	**2,157**	**4,374**	**3,387**
1. Loans	44,772	53,789	6	146	3,550	3,387
2. Other investments	42,644	58,042	1,764	2,010	824	0
VI. Derivative financial instruments (held for trading)	**– 1,615**	**– 16,794**	**71,779**	**82,092**	**42,128**	**40,402**
VII. Expenditure for asset management, interest charges and other expenses	**– 70,613**	**– 40,907**	**0**	**0**	**0**	**0**
Total (fully consolidated values)	**715,311**	**710,315**	**259,053**	**231,696**	**344,536**	**197,748**

The updating of the value adjustment concerns both appreciation and depreciation of financial assets, excluding assets held for trading and financial assets at fair value through profit or loss. Interest income from impaired portfolio items amounts to € 55,668 thousand (2011: € 25,994 thousand). Net investment income of € 791,546 thousand includes realised and unrealised profits and losses amounting to € 76,235 thousand, which include currency gains of € 40,912 thousand. In addition, negative currency effects amounting to € 21,562 thousand were recorded directly as equity. The effects largely resulted from investments in US dollars.

The income from properties held as financial investments include rent revenue in the amount of € 113,687 thousand (2011: € 96,634 thousand) and direct operational expenses in the amount of € 34,077 thousand (2011: € 31,772 thousand).

Of which securities available for sale Type of investment Figures in € thousand	Ordinary income 2012	Ordinary income 2011	Write-ups and unrealised capital gains 2012	Write-ups and unrealised capital gains 2011	Realised capital gains 2012	Realised capital gains 2011
III. Variable-yield securities						
1. Available for sale	45,908	36,468	13,173	18,230	88,861	28,426
Shares in affiliated companies	360	– 20	0	0	3,907	1,103
Shares	14,940	20,121	2	401	40,187	8,681
Equity funds	4,009	6,335	3,573	170	24,271	451
Debenture bonds not capital-guaranteed	16,439	4,726	9,599	17,642	1,313	1,611
Other variable-yield securities	1,215	1,509	0	0	0	0
Participating interests and other investments	8,945	3,798	0	17	19,183	16,581
IV. Fixed-interest securities						
2. Available for sale						
Fixed-interest securities	530,828	494,555	58,573	25,987	180,997	111,292

Write-offs and unrealised capital losses		Realised capital losses		Group		Of which value adjustment	
2012	2011	2012	2011	2012	2011	2012	2011
– 52,132	**– 62,457**	**– 608**	**– 41**	**52,871**	**3,009**	**– 6,714**	**– 19,158**
– 8	**– 11,588**	**0**	**0**	**19,053**	**1,934**	**0**	**0**
– 66,806	**– 157,840**	**– 2,913**	**– 23,750**	**143,827**	**– 5,845**	**– 11,449**	**– 52,561**
– 25,799	– 73,156	– 1,738	– 19,895	120,405	– 9,926	– 11,449	– 52,561
– 41,007	– 84,684	– 1,174	– 3,855	23,422	4,081	0	0
– 138,901	**– 438,562**	**– 137,840**	**– 23,173**	**568,702**	**241,083**	**– 25,827**	**– 389,466**
0	0	0	0	0	17,338	0	0
– 121,300	– 402,816	– 137,756	– 23,173	511,341	205,845	– 25,827	– 389,466
– 17,600	– 35,746	– 84	0	57,361	17,900	0	0
– 8,825	**– 4,584**	**– 11,311**	**– 12,201**	**73,424**	**100,590**	**– 774**	**– 5,288**
– 774	– 3,671	– 10,989	– 12,201	36,565	41,450	– 774	– 5,288
– 8,051	– 913	– 322	0	36,859	59,140	0	0
– 27,182	**– 80,042**	**– 80,827**	**– 123,702**	**4,282**	**– 98,044**	**0**	**0**
0	**0**	**0**	**0**	**– 70,613**	**– 40,907**	**0**	**0**
– 293,855	**– 755,073**	**– 233,499**	**– 182,868**	**791,546**	**201,818**	**– 44,764**	**– 466,473**

Write-offs and unrealised capital losses		Realised capital losses		Group		Of which value adjustment	
2012	2011	2012	2011	2012	2011	2012	2011
– 25,799	– 73,156	– 1,738	– 19,895	120,405	– 9,926	– 11,449	– 52,561
0	– 205	– 341	– 59	3,926	818	0	0
– 9,399	– 43,019	– 216	– 9,866	45,514	– 23,681	– 8,437	– 41,535
– 6,862	– 4,295	– 1,066	– 9,847	23,925	– 7,187	– 3,268	– 4,089
– 4,134	– 20,122	– 116	– 110	23,101	3,747	5,591	– 2,523
– 2,400	– 1,500	0	0	– 1,185	9	– 2,400	– 1,950
– 3,004	– 4,015	0	– 13	25,123	16,368	– 2,934	– 2,464
– 121,300	– 402,816	– 137,756	– 23,173	511,341	205,845	– 25,827	– 389,466

35. Other income

Figures in € thousand	2012	2011
a) Other actuarial income	**11,781**	**18,698**
Property and casualty	8,260	15,071
Health	139	266
Life	3,383	3,361
b) Other non-actuarial income	**33,662**	**45,192**
Property and casualty	13,255	11,857
Health	7,981	5,515
Life	12,426	27,820
of which:		
Services rendered	4,014	5,963
Changes in exchange rates	12,162	13,448
Other	17,486	25,781
c) Other income	**1,119**	**12,884**
From foreign currency conversion	262	999
From other	857	11,885
Total (fully consolidated values)	**46,562**	**76,774**

36. Insurance benefits

	Gross		Reinsurers' share		Retention	
Figures in € thousand	2012	2011	2012	2011	2012	2011
Property and casualty						
Expenditure for claims						
Claims paid	1,481,937	1,451,434	– 58,275	– 52,804	1,423,662	1,398,630
Change in provision for outstanding claims	161,921	72,401	13,335	22,146	175,256	94,547
Total	**1,643,858**	**1,523,834**	**– 44,941**	**– 30,657**	**1,598,918**	**1,493,177**
Change in actuarial provisions	312	1,035	19	– 36	331	1,000
Change in other actuarial provisions	732	2,104	0	0	732	2,104
Expenditure for profit-unrelated and profit-related premium refunds	38,843	37,074	0	0	38,843	37,074
Total amount of benefits	**1,683,746**	**1,564,048**	**– 44,922**	**– 30,693**	**1,638,824**	**1,533,355**
Health						
Expenditure for claims						
Claims paid	566,389	591,129	– 77	– 213	566,312	590,917
Change in provision for outstanding claims	53,386	3,127	4	529	53,390	3,656
Total	**619,776**	**594,256**	**– 73**	**317**	**619,703**	**594,573**
Change in actuarial provisions	111,097	112,369	113	119	111,210	112,488
Change in other actuarial provisions	– 4	– 23	0	0	– 4	– 23
Expenditure for profit-related and profit-unrelated premium refunds	25,572	31,029	0	0	25,572	31,029
Total amount of benefits	**756,440**	**737,631**	**40**	**436**	**756,480**	**738,067**
Life						
Expenditure for claims						
Claims paid	1,557,970	1,554,848	– 104,005	– 96,393	1,453,965	1,458,454
Change in provision for outstanding claims	68,495	– 1,715	– 796	2,083	67,699	367
Total	**1,626,464**	**1,553,133**	**– 104,801**	**– 94,311**	**1,521,663**	**1,458,822**
Change in actuarial provisions	– 298,574	– 68,505	34,422	19,477	– 264,151	– 49,028
Change in other actuarial provisions	1,559	1,025	0	0	1,559	1,025
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	104,170	– 24,339	0	0	104,170	– 24,339
Total amount of benefits	**1,433,620**	**1,461,313**	**– 70,379**	**– 74,833**	**1,363,241**	**1,386,479**
Total (fully consolidated values)	**3,873,806**	**3,762,992**	**– 115,261**	**– 105,091**	**3,758,545**	**3,657,901**

37. Operating expenses

Figures in € thousand		2012	2011
Property and casualty			
a)	Acquisition costs		
	Payments	553,358	504,266
	Change in deferred acquisition costs	– 6,736	– 10,532
b)	Other operating expenses	249,028	347,458
		795,650	**841,192**
Health			
a)	Acquisition costs		
	Payments	95,558	85,957
	Change in deferred acquisition costs	– 7,194	– 6,744
b)	Other operating expenses	50,220	64,174
		138,584	**143,387**
Life			
a)	Acquisition costs		
	Payments	315,306	339,150
	Change in deferred acquisition costs	5,509	2,242
b)	Other operating expenses	99,956	116,083
		420,771	**457,475**
Total (fully consolidated values)		**1,355,006**	**1,442,054**

The decline in operating expenses primarily resulted from one-time expenditures for the repositioning of the UNIQA Group in the amount of approximately €130,600 thousand in 2011.

38. Other expenses

Figures in € thousand		2012	2011
a)	**Other actuarial expenses**	**83,653**	**93,272**
	Property and casualty	28,465	42,404
	Health	4,739	5,378
	Life	50,450	45,490
b)	**Other non-actuarial expenses**	**38,245**	**44,660**
	Property and casualty	24,204	23,615
	Health	271	270
	Life	13,770	20,775
	of which:		
	Services rendered	46	818
	Exchange rate losses	13,348	10,255
	Motor vehicle registration	6,937	8,293
	Extraordinary tax on the financial sector (Hungary)	5,664	5,263
	Other	12,249	20,032
c)	**Other expenses**	**1,056**	**1,104**
	For foreign currency translation	162	1,104
	For other	894	0
Total (fully consolidated values)		**122,954**	**139,037**

39. Tax expenditure

Income tax Figures € thousand	2012	2011
Actual tax in reporting year	33,411	13,297
Actual tax in previous year	412	– 291
Deferred tax	11,601	– 90,727
Total (fully consolidated values)	**45,423**	**– 77,720**

Reconciliation statement Figures in € thousand	2012	2011
A. Profit from ordinary activities	**205,351**	**– 322,302**
B. Anticipated tax expenditure (A. Group tax rate)	**51,338**	**– 80,576**
Adjusted by tax effects from:		
1. Tax-free investment income	– 10,408	5,475
2. Other	4,494	– 2,619
Amortisation of goodwill	3,767	3,774
Tax-neutral consolidation effect	1,151	74
Other non-deductible expenses/other tax-exempt income	8,175	7,192
Changes in tax rates	146	1,584
Deviations in tax rates	– 4,784	– 9,960
Taxes previous years	412	– 291
Lapse of loss carried forward and other	– 4,373	– 8,990
C. Income tax expenditure	**45,423**	**– 81,719**
Average effective tax burden in percent	**22.1**	**25.4**

The basic applicable corporate income tax rate for all segments was 25 per cent. Deviating corporate tax rates arise in life insurances in which minimum taxation is applied – with an assumed profit participation of 85 per cent.

OTHER DISCLOSURES

Employees

Personnel expenses[1)] Figures in € thousand	2012	2011
Salaries and wages	405,625	401,546
Expenses for severance payments	4,547	96,277
Expenses for employee pensions	46,402	56,615
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	112,460	108,652
Other social expenditures	10,372	12,691
Total	**579,407**	**675,780**
of which sales	164,784	200,016
of which administration	375,806	452,505

1) The data are based on an IFRS valuation.

Average number of employees	2012	2011
Total	**14,795**	**15,081**
of which sales	6,308	6,179
of which administration	8,487	8,902

Figures in € thousand	2012	2011
Expenses for severance payments and employee pensions amounted to:		
Members of the Management Board and executive employees, in accordance with Section 80 paragraph 1 of the Stock Corporation Act	10,967	9,018
Other employees	46,914	154,615

Both figures include the expenditure for pensioners and surviving dependants (basis: Austrian Commercial Code valuation). The indicated expenses were charged to the Group companies based on defined company processes.

Group holding company

The parent company of the UNIQA Group is UNIQA Versicherungen AG. This company is registered in the company registry of the Commercial Court of Vienna under FN 92933 t. In addition to its duties as Group holding company, this company also performs the duties of a Group reinsurer.

Related companies and persons
Figures in € thousand

Receivables and liabilities with affiliated and associated companies, as well as related persons	31.12.2012	31.12.2011
Receivables	**8,194**	**8,493**
Other receivables	8,194	8,493
Affiliated companies	8,194	8,493
Liabilities	**251**	**1,605**
Other liabilities	251	1,605
Affiliated companies	92	1,546
Associated companies	160	60

Income and expenses of affiliated companies as well as related persons	2012	2011
Income	**0**	**0**
Investment income	0	0
Affiliated companies	0	0
Expenses	**108**	**4**
Other expenses	108	4
Affiliated companies	108	4

In order to create a streamlined Group structure that is conducive to stock exchange activities in preparation for the planned re-IPO, Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung (Austria Privatstiftung) and Collegialität contributed their shareholdings in UNIQA Personenversicherung AG to UNIQA Versicherungen AG, which is listed on the stock exchange, as part of a non-cash capital increase in September of the financial year. These companies received 23,643,635 new shares with voting rights in return.

UNIQA Personenversicherung AG was merged with UNIQA Sachversicherung AG and CALL DIRECT Versicherung AG to create UNIQA Österreich Versicherungen AG, thereby becoming a 100 per cent subsidiary of UNIQA Versicherungen AG.

There were no significant transactions with affiliated companies in this financial year or the previous one.

Other financial commitments and contingent liabilities Figures in € thousand	31.12.2012	31.12.2011
Contingent liabilities from risks of litigation	**14,700**	**12,059**
Austria	0	0
Foreign	14,700	12,059
Other contingent liabilities	**214**	**61**
Austria	0	0
Foreign	214	61
Total	**14,914**	**12,121**

The companies of the UNIQA Group are involved in court proceedings in Austria and other countries in connection with their ordinary business operations as insurance companies. The result of the pending or threatened proceedings is often impossible to determine or predict.

In consideration of the provisions set aside for these proceedings, the management is of the opinion that these proceedings have no significant effects on the financial situation and the operating earnings of the UNIQA Group.

Serbia (life) – option to purchase granted

The Purchase Contract dated 30 March 2006 grants the Seller ("Zepter") a Put Option and the Buyer "UNIQA" a Call Option for the shares that remain with the Seller. These options could have been exercised during the period 1 January 2012 to 30 June 2012 on the basis of an independent evaluation at the end of the previous quarter, but were not.

Ukraine (non-life) – option to purchase granted

During the incorporation of portions of the Ukrainian company "Closed JSC Credo-Classic Insurance Company" (now "Private JSC UNIQA"), agreements were concluded which obligate UI-BV to purchase share packages of the local minority shareholders through option agreements on the basis of a predefined purchase price formula. It was initially agreed to exercise the option in the 2nd quarter of 2012, and this was postponed to the financial year 2016 during an amendment of the transaction contracts in 2011.

Figures in € thousand	2012	2011
Current leasing expenses	2,069	2,276
Future leasing payments due to the financing of the UNIQA headquarters in Vienna		
Up to 1 year	5,224	5,339
More than 1 year up to 5 years	20,759	21,364
More than 5 years	7,783	13,361
Total	**33,766**	**40,063**
Income from subleasing	537	528

We moved into the UNIQA Group headquarters – the UNIQA Tower – in 2004. The aforementioned leasing obligations are based on the investment expenditures in connection with a specific calculatory rate of interest yield.

The auditor fees in this financial year were €2,988 thousand (2011: €2,601 thousand). Of these, €274 thousand (2011: €268 thousand) were for the audit, €655 thousand (€538 thousand) were for tax advice, €1,757 thousand (2011: €1,499 thousand) were for other certification services and €302 thousand (2011: €296 thousand) were for other services.

Affiliated and associated companies in 2012

Company	Type	Location	Equity Figures in € million[1)]	Share in equity Figures in per cent[2)]
Domestic insurance companies				
UNIQA Versicherungen AG (Group holding Company)		1029 Vienna		
UNIQA Österreich Versicherungen AG (formerly UNIQA Personenversicherung AG)	Full	1029 Vienna	717.9	100.0
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	25.1	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	771.6	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	70.5	100.0
SK Versicherung Aktiengesellschaft	Equity	1050 Vienna	9.8	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	13.3	100.0
UNIQA Re AG	Full	Switzerland, Zurich	117.6	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	234.6	100.0
UNIQA poistovňa a.s.	Full	Slovakia, Bratislava	37.6	99.9
UNIQA pojišťovna, a.s.	Full	Czech Republic, Prague	60.8	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	14.8	100.0
UNIQA Protezione S.p.A.	Full	Italy, Udine	21.9	94.6
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	74.5	98.5
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	13.9	99.8
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	27.6	100.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.2	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	5.0	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	138.5	100.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	6.8	99.8
UNIQA Insurance plc	Full	Bulgaria, Sofia	10.0	99.9
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	4.9	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	5.5	94.0
Insurance company "UNIQA"	Full	Ukraine, Kiev	13.6	92.2
UNIQA LIFE	Full	Ukraine, Kiev	3.7	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	1.7	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	5.7	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	3.4	100.0
UNIQA Asigurari S.A.	Full	Romania, Bucharest	27.5	100.0
UNIQA Life S.A.	Full	Romania, Bucharest	5.3	100.0
Raiffeisen Life Insurance Company LLC	Full	Russia, Moscow	13.5	75.0
UNIQA Life S.p.A.	Full	Italy, Milan	42.5	90.0
SIGAL UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	21.2	68.6
UNIQA AD Skopje	Full	Macedonia, Skopje	4.6	100.0
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	4.3	100.0
SIGAL UNIQA GROUP AUSTRIA SH.A.	Full	Kosovo, Pristina	3.7	100.0
UNIQA Life AD Skopje	Full	Macedonia, Skopje	3.1	100.0
SIGAL Life UNIQA GROUP AUSTRIA sh.a	Full	Kosovo, Pristina	3.6	100.0
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A.	Full	Albania, Tirana	0.2	51.0
Group domestic service companies				
UNIQA Real Estate Management GmbH (formerly UNIQA Immobilien-Service GmbH)	Full	1029 Vienna	3.1	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Full	1010 Vienna	0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Full	1010 Vienna	1.2	100.0
Raiffeisen Versicherungsmakler Vorarlberg GmbH	Equity	6900 Bregenz	0.2	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	[4)]	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	[3)]	1029 Vienna		100.0

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	1.1	100.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.7	100.0
UNIQA Capital Markets GmbH (formerly: UNIQA Finanz-Service GmbH)	Full	1020 Vienna	0.5	100.0
UNIQA International Versicherungs-Holding AG	Full	1029 Vienna	80.8	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	675.0	100.0
Alopex Organisation von Geschäftskontakten GmbH	3)	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	3)	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	3)	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.2	64.0
Real Versicherungs-Makler GmbH	3)	1220 Vienna		100.0
Together Internet Services GmbH	4)	1030 Vienna		22.6
FL-Vertriebs- und Service GmbH	3)	5020 Salzburg		75.0
UNIQA HealthService – Services im Gesundheitswesen GmbH	3)	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	16.3	100.0
Privatklinik Grinzing GmbH	3)	1190 Vienna		100.0
Versicherungsagentur Wilhelm Steiner GmbH	3)	1029 Vienna		100.0
CEE Hotel Development GmbH	4)	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	4)	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	4)	1010 Vienna		50.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	10.6	100.0
UNIQA Group Audit GmbH	Full	1029 Vienna	0.1	100.0
Valida Holding AG	Equity	1020 Vienna	19.7	40.1
RVCM GmbH	4)	1010 Vienna		50.0
F&R Multimedia GmbH	4)	1060 Vienna		36.1
PremiaFIT Facility und IT Management u. Service GmbH	3)	1190 Vienna		75.0
RHG Management GmbH	Full	1020 Vienna	6.8	100.0
UNIQA Finanzbeteiligung GmbH	Full	1020 Vienna	206.5	100.0
UNIQA International Corporate Business GmbH	3)	1029 Vienna		100.0
Group foreign service companies				
UNIQA Raiffeisen Software Service Kft.	Full	Hungary, Budapest	0.5	60.0
Insdata spol s.r.o.	Full	Slovakia, Nitra	2.1	98.0
ProUNIQA s.r.o.	3)	Czech Republic, Prague		100.0
UNIPARTNER s.r.o.	Full	Slovakia, Bratislava	– 0.1	100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.2	100.0
UNIQA Ingatlanhasznosító Kft.	Full	Hungary, Budapest	5.0	100.0
Dekra Expert Muszaki Szakertöi Kft.	Full	Hungary, Budapest	0.9	74.9
UNIQA Szolgaltato Kft.	Full	Hungary, Budapest	4.5	100.0
UNIQA Claims Services International Kft. (formerly Profit-Pro Kft.)	3)	Hungary, Budapest		100.0
RC Risk Concept Vaduz	3)	Liechtenstein, Vaduz		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft.	3)	Hungary, Budapest		92.4
UNIQA Számítástechnikai Szolgáltató Kft. (formerly UNIQA Software Service Kft.)	Full	Hungary, Budapest	0.1	100.0
Skola Hotelnictivi A Gastronom	3)	Czech Republic, Prague		100.0
ITM Praha s.r.o.	4)	Czech Republic, Prague		29.1
UNIQA Intermediazioni S.r.l.	3)	Italy, Milan		100.0
UNIQA Software Service d.o.o.	3)	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.0	100.0
UNIQA Raiffeisen Software Service S.R.L.	Full	Romania, Cluj-Napoca	0.1	60.0
Agenta-Consulting Kft.	3)	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	3)	Poland, Lodz		100.0
AGENTA consulting s.r.o.	3)	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	3)	Poland, Lodz		100.0

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
UNIQA Software Service Bulgaria OOD	[3]	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	[3]	Ukraine, Kiev		99.0
Bosnia and Herzegovina, Sarajevo	[3]	Bosnia and Herzegovina, Sarajevo		99.8
Bosnia and Herzegovina, Banja Luka	[3]	Bosnia and Herzegovina, Banja Luka		99.8
Bosnia and Herzegovina, Sarajevo	[3]	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Software Service Kft.	[3]	Hungary, Budapest		100.0
UNIPROINS CONSULTANTA SA	[3]	Romania, Bucharest		100.0
sTech d.o.o.	[3]	Serbia, Belgrade		100.0
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	31.3	29.6
Medicur-Holding Gesellschaft m.b.H.[*]	Equity	1020 Vienna	– 27.7	25.0
PremiQaMed Holding GmbH (formerly PKB Privatkliniken Beteiligungs-GmbH)[*]	Full	1010 Vienna	65.4	100.0
PremiQaMed Immobilien GmbH (formerly PKM Handels- und Beteiligungsgesellschaft m.b.H.)	Full	1010 Vienna	16.2	100.0
PremiQaMed Privatkliniken GmbH (formerly Privatklinik Döbling GmbH)	Full	1190 Vienna	9.3	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Full	1190 Vienna	0.9	100.0
STRABAG SE[*]	Equity	9500 Villach	3,096.5	14.9
PremiaMed Management GmbH (formerly PremiaMed Management GmbH)	Full	1190 Vienna	0.9	100.0
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	[3]	1190 Vienna		74.0
R-SKA Baden Betriebs-GmbH	[4]	2500 Baden		49.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	[4]	9020 Klagenfurt		34.9
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
UNIQA Leasing GmbH	[4]	1061 Vienna		25.0
UNIQA International Anteilsverwaltung GmbH (formerly UNIQA Human Resources-Service GmbH)	Full	1020 Vienna	163.4	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	85.5	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.5	100.0
Austria Hotels Betriebs-GmbH	Full	1010 Vienna	10.0	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	[4]	1010 Vienna		25.0
JALPAK International (Austria) Ges.m.b.H.	[4]	1010 Vienna		25.0
Real-estate companies				
UNIQA Real Estate CZ, s.r.o.	Full	Czech Republic, Prague	16.3	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	0.5	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.0	100.0
Steigengraben-Gut Gesellschaft m.b.H.	[3]	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	214.1	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.6	33.0
UNIQA Real Estate AG	Full	1029 Vienna	119.0	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Full	1020 Vienna	30.0	100.0
Design Tower GmbH (formely UNIQA Praterstraße Projekterrichtungs GmbH)	Full	1029 Vienna	129.2	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	9.6	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	69.1	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	11.5	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.5	100.0

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	10.4	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	1.2	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Full	1029 Vienna	37.9	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Full	1020 Vienna	10.0	100.0
Praterstraße Eins Hotelbetriebs GmbH	Full	1020 Vienna	2.5	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft.	Full	Hungary, Budapest	2.4	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG[5]	Full	1010 Vienna	29.1	99.5
Passauerhof Betriebs-Ges.m.b.H.[5]	Full	1010 Vienna	0.8	100.0
Austria Hotels Liegenschaftsbesitz CZ s.r.o.[5]	Full	Czech Republic, Prague	26.5	100.0
HKM Immobilien GmbH	[3]	Germany, Mannheim		100.0
Floreasca Tower SRL	Full	Romania, Bucharest	5.7	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	5.4	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	2.8	100.0
UNIQA-Invest Kft.	Full	Hungary, Budapest	11.4	100.0
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	1.9	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	1.3	100.0
UNIQA Real Estate BH nekretnine, d.o.o.	Full	Bosnia and Herzegovina, Sarajevo	3.4	100.0
UNIQA Real Estate d.o.o.	Full	Serbia, Belgrade	2.6	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	1.9	100.0
IPM International Property Management Kft.	Full	Hungary, Budapest	1.3	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	8.2	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	0.1	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	0.3	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	4.8	100.0
UNIQA Real Estate BV	Full	Niederlande, Hoofddorp	10.6	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	– 2.1	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	1.4	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	4.9	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	10.7	100.0
Asena CJSC	Full	Ukraine, Nikolaew	1.1	100.0
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0
BSIC Holding GmbH	Full	Ukraine, Kiev	0.0	100.0
Suoreva Ltd.	Full	Cyprus, Limassol	4.9	100.0
Kremser Landstraße Projektentwicklung GmbH	Full	1020 Vienna	8.8	100.0
Schöpferstraße Projektentwicklung GmbH	Full	1020 Vienna	5.0	100.0
"Bonadea" Immobilien GmbH	Full	1020 Vienna	7.3	100.0
"Graben 27-28" Besitzgesellschaft m.b.H.	Full	1010 Vienna	0.5	100.0
Hotel Burgenland Betriebs GmbH	Full	1029 Vienna	0.0	100.0
R-FMZ Immobilienholding GmbH	Full	1020 Vienna	30.5	100.0
Neue Marktgasse Einkaufspassage Stockerau GmbH	Full	1020 Vienna	4.9	100.0
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H.	Full	1020 Vienna	8.9	100.0
Raiffeisen-Fachmarktzentrum Mercurius GmbH	Full	1020 Vienna	12.5	100.0
Raiffeisen-Fachmarktzentrum ZWEI GmbH	Full	1020 Vienna	12.4	100.0
Raiffeisen-Fachmarktzentrum Ivesis GmbH	Full	1020 Vienna	10.6	100.0
Raiffeisen-Fachmarktzentrum VIER GmbH	Full	1020 Vienna	24.3	100.0
Raiffeisen-Fachmarktzentrum SIEBEN GmbH	Full	1020 Vienna	7.2	100.0
R-FMZ "MERCATUS" Holding GmbH	Full	1020 Vienna	50.5	100.0

1) In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with *), the latest Group accounts published.
2) The share in equity equals the share in voting rights before minorities, if any.
3) Unconsolidated company
4) Associated not at equity valued company
5) Consolidated on the basis of a non-calendar financial year (balance sheet date 30 September)

Approval for publication

These Group Consolidated Financial Statements were compiled by the Management Board as of the date of signing and approved for publication.

Statement by the egal representatives

Pursuant to Section 82 paragraph 4 of the Austrian Stock Exchange Act, the Management Board of UNIQA Versicherungen AG confirms that, to the best of our knowledge, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, 21 March 2013

Andreas Brandstetter
Chairman of the
Management Board

Hannes Bogner
Member of the
Management Board

Wolfgang Kindl
Member of the
Management Board

Thomas Münkel
Member of the
Management Board

Kurt Svoboda
Member of the
Management Board

Auditor's Opinion

(Report of the independent auditor)

Report on the Consolidated Financial Statements

We audited the Consolidated Financial Statements of UNIQA Versicherungen AG, Vienna, for the financial year from 1 January to 31 December 2012. These Consolidated Financial Statements include the Consolidated Balance Sheet as at 31 December 2012, the Consolidated Income Statement, the Group Cash Flow Statement and the statement of changes in Group equity for the financial year ending 31 December 2012, as well as a summary of the most important methods of accounting and valuation applied and other notes.

Legal representatives' responsibility for the Consolidated Financial Statements and accounting

The legal representatives of the company are responsible for the preparation of Consolidated Financial Statements that give a true and fair view of the net assets, the financial position and the profit situation of the group in agreement with the International Financial Reporting Standards (IFRSs) as applied in the EU. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the consolidated statements and the negotiation of as true a picture as possible of the group's net assets, financial position and profit situation so that these consolidated statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. It also includes the choice and application of suitable accounting and valuation methods and the effecting of estimates that appear appropriate under the existing circumstances.

Responsibility of the auditor and specification of the type and scope of the mandatory audit

We are responsible for rendering an audit opinion on these Consolidated Financial Statements on the basis of the audit performed by us. We executed our audit with due attention to the legal regulations applicable in Austria and the generally accepted auditing standards as well as the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the Federation of Accountants (IFAC). These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge with a sufficient degree of certainty whether the Consolidated Financial Statements are free from material misstatements.

An audit includes the execution of audit procedures to verify the amounts and other statements in the Consolidated Financial Statements. The choice of audit procedures depends on the conscientious discretion of the auditor, taking into consideration his estimate of the chance that a material misstatement has been made, whether due to an intentional or unintentional mistake. When estimating the level of this risk, the auditor takes the internal control system into consideration to the extent that it is of significance for preparing the Consolidated Financial Statements and providing as true and fair a view as possible of the group's net assets, financial position and profit situation, in order to determine the appropriate audit procedures under the circumstances; he does not, however, give an opinion on the effectiveness of the group's internal controls. The audit also includes our evaluation of the adequacy of the accounting principles and valuation methods applied and the material estimates made by the legal representatives of the company as well as an assessment of the overall tenor of the Consolidated Financial Statements.

We believe that we obtained sufficient and suitable verification with our audit, so that our audit provides a reasonably sound basis for our opinion.

Audit opinion

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the Consolidated Financial Statements give an accurate view of the net assets and financial position of the Group as of 31 December 2012 as well as the results of operations and cash flow for the financial year from 1 January to 31 December 2012 in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the EU.

Report on the Group Management Report

Due to the prevailing statutory provisions (in Austria) the group management report must be audited as to whether it is in agreement with the consolidated financial statements and whether or not other statements in the group management report give a false impression of the situation of the group. The auditor's opinion must also contain a statement on whether the group management report is in accordance with the consolidated financial statements and whether the statements comply with Section 243a UGB (Austrian Commercial Code).

The Group Management Report agrees with the Consolidated Financial Statements. The statements comply with Section 243a UGB (Austrian Commercial Code).

Vienna, 21 March 2013
KPMG Austria AG
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

KPMG Austria AG Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Michael Schlenk
Chartered Accountant

p.p. Hans-Ulrich Brandes
Chartered Accountant

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Infomation
UNIQA's Group Report is published in German and English and can be downloaded as a PDF file from the Investor Relations area on our Group website. The interactive online version is also available at reports.uniqagroup.com.

Clause regarding predictions about the future
This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached upon the basis of all of the information available to us at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

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