Notes to the Consolidated Financial Statements

1. General information

UNIQA Insurance Group AG (UNIQA) is a company domiciled in Austria. The address of the company's registered office is Untere Donaustraße 21, 1029 Vienna. The Group primarily conducts business with property, casualty, health and life insurance.

UNIQA Insurance Group AG is registered in the company registry of the Commercial Court of Vienna under FN 92933t. The shares of UNIQA Insurance Group AG are listed on the Vienna Stock Exchange.

Unless otherwise stated, these consolidated financial statements are prepared in thousand euros; rounding differences may occur through the use of automated calculation tools when totalling rounded amounts and percentages. The functional currency at UNIQA is the euro.

UNIQA's reporting date is 31 December.

2. Accounting principles

2.1 Principles

The consolidated financial statements were prepared in line with the International Financial Reporting Standards (IFRSs) as well as the provisions of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU) as at the reporting date. The additional requirements of section 245a(1) of the Austrian Commercial Code (UGB) were also met.

The following table provides an overview of the valuation principles for the individual balance sheet items in the assets and liabilities:

Balance sheet item	Standard of valuation
Assets	
Property, plant and equipment	at lower of amortised cost or recoverable amount
Investment property	at lower of amortised cost or recoverable amount
Intangible assets	
-with determinable useful life	at lower of amortised cost or recoverable amount
-with indeterminable useful life	at lower of acquisition cost or recoverable amount
Financial assets accounted for using the equity method	at lower of amortised pro-rata value of the equity or recoverable amount
Investments	
-Financial assets held for sale	fair value or acquisition cost
-Loans and receivables	armortised cost
-Derivative financial instruments	fair value
Investments of unit-linked and index-linked life insurance	fair value
Reinsurers' share of technical provisions	as per the valuation of technical provisions
Reinsurers' share of technical provisions of unit-linked and index-linked life insurance	as per the valuation of technical provisions
Receivables, including insurance receivables	armortised cost
Income tax receivables	at the amount of any obligations to the tax authorities, based on the tax rates applicable on the reporting date or in the near future
Deferred tax assets	undiscounted valuation applying the tax rates that are expected for the period in which an asset is realised or a liability met
Cash and cash equivalents	armortised cost
Assets in disposal groups held for sale	lower of carrying amount and fair value less cost to sale

Balance sheet item	Standard of valuation
Liabilities	
Subordinated liabilities	amortised cost
Technical provisions	property insurance: provisions for losses and unsettled claims (undiscounted value of expected future payment obligations) life and health insurance: insurance provision in accordance with actuarial calculation principles (discounted value of expected future benefits less premiums)
Technical provisions for unit-linked and index-linked life insurance	insurance provision based on the change in value of the contributions assessed
Financial liabilities	
-Liabilities from loans	amortised cost
-Derivative financial instruments	fair value
Other provisions	
-from defined benefit obligations	actuarial valuation applying the projected benefit obligation method
-other	present value of future settlement value
Liabilities and other items classified as equity and liabilities	amortised cost
Income tax liabilities	at the amount of any obligations towards the tax authorities, based on the tax rates applicable on the reporting date or in the near future
Deferred tax liabilities	undiscounted valuation applying the tax rates that are expected for the period in which an asset is realised or a liability met

2.2 Principles for technical items

UNIQA has applied IFRS 4 (published in 2004) for insurance contracts since 1 January 2005. This standard demands that the accounting policies be largely unaltered with regard to the actuarial items.

The IFRSs contain no specific regulations that comprehensively govern the recognition and measurement of insurance and reinsurance policies and investment contracts with a discretionary participation feature. Therefore, in accordance with IAS 8, the provisions of US Generally Accepted Accounting Principles (US GAAP) in the version applicable on 1 January 2005 were applied to all cases for which IFRS 4 contains no specific regulations. For balancing the accounts and evaluation of the insurance-specific entries of life insurance with profit sharing, FAS 120 was observed; FAS 60 was applied for specific items in health, property and casualty insurance and FAS 113 for reinsurance. Unit-linked life insurance, where the policyholder bears the entire investment risk, was accounted for in accordance with FAS 97.

Based on the regulations, technical items must be covered by suitable assets (cover funds). As is standard in the insurance industry, amounts dedicated to the cover funds are subject to a limitation as regards availability in the group.

2.3 Consolidation principles

Business combinations

If the Group has obtained control, it accounts for business combinations in line with the acquisition method. The consideration transferred for the acquisition and the identifiable net assets acquired are measured at fair value. Any generated goodwill is tested annually for impairment. Any profit from an acquisition at a price below the fair value of the net assets is recognised directly in profit/(loss) for the year. Transaction costs are recognised as expenses immediately.

The consideration transferred does not include any amounts associated with the fulfilment of pre-existing relationships. Such amounts are generally recognised in profit/(loss) for the year.

Any contingent obligation to pay consideration is measured at fair value as of the acquisition date. If the contingent consideration is classified as equity, it is not revalued, and a settlement is accounted for within equity. Otherwise, later changes in the fair value of the contingent consideration are recognised in profit/(loss) for the year.

Non-controlling interests

Non-controlling interests are measured as at the acquisition date with their proportionate share in the identifiable net assets of the acquired entity.

Changes in the Group's share in a subsidiary that do not result in a loss of control are recognised directly as equity transactions with non-controlling interests.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls a company if

- the Group is able to exercise power over the relevant entity,
- it is exposed to fluctuating returns from its participation and
- it is able to influence the amount of the returns as a result of the power it exercises.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the date control ends.

Loss of control

If the Group loses control of a subsidiary, it derecognises the subsidiary's assets and liabilities and all associated non-controlling interests and other equity components. Any resulting profit or loss is recognised in profit/(loss) for the year. Any retained interest in the former subsidiary is measured at fair value as of the date of the loss of control.

Investments in associates

Associates are all the entities over which the Group has significant influence but does not exercise control or joint control over their financial and operating policies. This is generally the case as soon as there is a voting share of between 20 and 50 per cent or a comparable significant influence is guaranteed legally or in practice via other contractual regulations.

Investments in associates are equity-accounted. They are initially recognised at acquisition cost, which also includes transaction costs. After the first-time recognition, the consolidated financial statements include the Group's share in profit/(loss) for the year and in changes in other comprehensive income until the date the significant influence ends.

At each reporting date, the Group reviews whether there are any indications that the investments in associates are impaired. If this is the case, then the impairment loss is recorded as the difference between the participation carrying amount of the associate and the corresponding recoverable amount and recognised separately in profit/(loss) for the year.

Transactions eliminated on consolidation

Intragroup balances and transactions and all unrealised income and expenses from intragroup transactions are eliminated when consolidated financial statements are prepared.

Discontinued operations

A discontinued operation is a part of the Group that has either been sold or has been categorised as held for sale, and which

- represents a major line of business or geographical area of operations;
- is part of a single coordinated plan to dispose of a separate, major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

The entity is classified as a discontinued operation when the aforementioned criteria are fulfilled.

If an operation is classified as a discontinued operation, the consolidated statement of comprehensive income for the comparative year is adjusted so that it were as if the operation had been discontinued from the start of the comparative year.

Assets held for sale

Non-current assets or disposal groups that include assets and liabilities are classified as held for sale if it is highly probable that they will be realised through sale rather than continued use.

In general, these assets or disposal groups are recognised at the lower of their carrying amounts or fair values less costs to sell. Any impairment loss of a disposal group is firstly attributed to goodwill and then to the remaining assets and liabilities on a proportional basis – with the exception that no loss is attributed to financial assets, deferred tax assets, assets in connection with employee benefits or investment property that continues to be measured based on the Group's other accounting policies. Impairment losses on the first-time classification as held for sale and any subsequent impairment losses are recognised in profit or loss.

Intangible assets held for sale, and property, plant and equipment are no longer amortised or depreciated and any investments recognised using the equity method are no longer equity-accounted.

2.4 Scope of consolidated financial statements
In addition to the annual financial statements of UNIQA Insurance Group AG, the consolidated financial statements include the financial statements of all subsidiaries in Austria and abroad. The basis of consolidation comprised– including UNIQA Insurance Group AG – 56 Austrian (2014: 52) and 67 (2014: 70) foreign subsidiaries. The associates are eight domestic (2014: 8) and one foreign company (2014: 1) that were included in the consolidated financial statements using the equity method accounting.

On page 193 there is a list of the fully consolidated subsidiaries and associates.

Shares in subsidiaries that are not consolidated (for lack of materiality), associates or joint ventures not accounted for using the equity method are classified as financial assets available for sale in accordance with IAS 39 and recognised at fair value in other comprehensive income. Those equity investments for which the fair value cannot be reliably ascertained are recognised at cost less any impairments.

In application of IFRS 10, fully-controlled investment funds are included in the consolidation, insofar as their fund volumes were not of minor importance when viewed separately and as a whole.

There were no business combinations in accordance with IFRS 3 in the reporting year. Any acquisitions of shares in other companies represented an acquisition of a group of assets because the prerequisites for a business operation were not met. The companies acquired were mainly financial and strategic shareholdings.

The following companies were included in the consolidated financial statements for the first time in the reporting year:

	Date of initial inclusion	Share in equity as at 31.12.2015 Figures in per cent
Diakonissen & Wehrle Privatklinik GmbH	31.3.2015	60.0
PremiQaMed Beteiligungs GmbH	31.3.2015	100.0
UNIQA Immobilien-Projekterrichtungs GmbH	30.6.2015	100.0
sTech d.o.o	31.12.2015	100.0
UNIQA Leasing GmbH	31.12.2015	25.0

The sale of UNIQA Lebensversicherung AG in Vaduz, as decided in the fourth quarter of 2014, was completed in the first quarter of 2015. The following four companies also exited the scope of consolidation as part of the portfolio optimisation: UNIQA Real Estate Ukraine (Kiev), Suoreva Ltd. (Limassol), Poliklinika Medico (Rijeka) and UNIQA Internationale Anteilsverwaltung GmbH (Vienna). As part of the UNIQA 2.0 strategic programme focussing on the core insurance business in the key markets of Austria and Central and Eastern Europe, UNIQA also sold its 29 per cent stake in Medial Beteiligungs-Gesellschaft m.b.H. (Vienna) to NOVOMATIC AG (Gumpoldskirchen) in a transfer agreement dated 28 July 2015. Medial Beteiligungs-Gesellschaft m.b.H. itself has a stake of around 38 per cent in Casinos Austria Aktiengesellschaft (Vienna), which corresponds to a stake for UNIQA in Casinos Austria Aktiengesellschaft of around 11 per cent. The sale to NOVOMATIC AG is subject to a condition precedent. The conditions precedent are essentially mandatory approvals still required under merger law and public law approvals. The closing is expected to occur in 2016.

2.5 Currency translation

Functional currency and reporting currency

The items included in the financial statement for each operating subsidiary are valued based on the currency that corresponds with the currency of the primary economic environment in which the subsidiary operates (functional currency). The consolidated financial statements are prepared in euros which is UNIQA's reporting currency.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Group entity at the exchange rate on the date of the transaction or, in the case of revaluations, at the time of the valuation.

Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the rate valid on the date the fair value is calculated. Currency translation differences are generally recognised in profit/(loss) for the year. Non-monetary items recognised at historical acquisition cost or the cost of self-construction in a foreign currency are not translated.

In deviation from this policy, there is one case where currency translation differences are recognised in other comprehensive income:

- available-for-sale equity instruments (except in the case of impairment, for which currency translation differences are reclassified from other comprehensive income to profit/(loss) for the year).

Foreign operations

Assets and liabilities from foreign operations, including the goodwill and fair value adjustments that result from the acquisition, are translated into euros at the closing rate on the reporting date. Income and expenses from foreign operations are translated at the monthly closing rates.

Currency translation differences are reported in other comprehensive income and recognised in equity as a part of the accumulated results in the item "Differences from currency translation" if the foreign exchange difference is not attributable to non-controlling interests.

When the disposal of a foreign operation results in loss of control, joint control or significant influence, the corresponding amount recognised in the item "Differences from currency translation" under the accumulated results up to this date is reclassified to profit/(loss) for the year as part of the gain or loss on disposal. In the case of only partial disposal without loss of control over a subsidiary that includes a foreign operation, the corresponding portion of the cumulative exchange difference is attributed to the non-controlling interests. If the Group partially disposes of an associate or jointly controlled company that includes a foreign operation, but retains significant influence or joint control, the corresponding portion of the cumulative currency translation difference is reclassified to profit/(loss) for the year.

If the settlement of monetary items in the form of receivables or liabilities from or to a foreign operation is neither planned nor probable in the foreseeable future, the resulting foreign currency gains and losses are considered part of the net investment in the foreign operation. The foreign currency gains and losses are then reported in other comprehensive income and recognised in the "Differences from currency translation" in equity.

Major exchange rates:

	EUR closing rates 31.12.2015	EUR closing rates 31.12.2014	EUR average rates 2015	EUR average rates 2014
Swiss franc CHF	1.0835	1.2024	1.0752	1.2139
Czech koruna CZK	27.0230	27.7350	27.3053	27.5418
Hungarian forint HUF	315.9800	315.5400	310.0446	308.9869
Croatian kuna HRK	7.6380	7.6580	7.6211	7.6342
Polish złoty PLN	4.2639	4.2732	4.1909	4.1909
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9558	1.9558	1.9558
Romanian leu RON	4.5240	4.4828	4.4440	4.4410
Bulgarian lev BGN	1.9558	1.9558	1.9558	1.9558
Ukrainian hryvnia UAH	26.1223	19.1492	24.6297	15.7763
Serbian dinar RSD	121.5835	121.3495	120.7530	116.9427
Russian rouble RUB	80.6736	72.3370	69.0427	51.3856
Albanian lek ALL	136.9100	139.8700	139.5977	139.9069
Macedonian denar MKD	61.3868	61.4218	61.5080	61.5244
U.S. dollars (USD)	1.0887	1.2141	1.1130	1.3232

2.6 Insurance items

Premiums written

The (gross) premiums written include those amounts that have been called due by the insurer either once or on an ongoing basis in the financial year for the purposes of providing the insurance coverage. The premiums written are increased by the charges added during the year (in the event of payment in instalments) and the ancillary charges in line with the tariffs. In the case of unit-linked and index-linked life insurance, only the premiums decreased by the savings portion are stated in the item "Premiums written".

Insurance and investment contracts

Insurance contracts, i.e. contracts through which significant insurance risk is assumed, and investment contracts with a discretionary participation feature are treated in accordance with IFRS 4, i.e. under application of US GAAP. Investment contracts, i.e. contracts that do not transfer a significant insurance risk and that do not include a discretionary participation feature, fall under the scope of IAS 39 (Financial Instruments).

Reinsurance contracts

Assumed reinsurance (indirect business) is recognised as an insurance contract in accordance with IFRS 4.

Ceded reinsurance is also subject to the application of IFRS 4 and is presented in a separate item under assets in accordance with IFRS 4. The profit and loss items (premiums and payments) are deducted openly from the corresponding items in the gross account, while commission income is reported separately as its own item.

Deferred acquisition costs

Based on US GAAP, deferred acquisition costs are accounted for in accordance with IFRS 4. In the case of property and casualty insurance contracts, costs directly attributable to the acquisition are deferred and distributed over the expected contract term or according to the unearned premiums. In life insurance, the deferred acquisition costs are amortised in line with the pattern of expected gross profits or margins.

Unearned premiums

For short-term insurance contracts, such as most property and casualty insurance policies, the premiums relating to future years are reported as unearned premiums in line with the applicable regulations of US GAAP. The amount of these unearned premiums corresponds to the insurance cover granted proportionally in future periods.

Premiums levied upon entering into certain long-term contracts (e.g. upfront fees) are recognised as unearned premiums. In line with the applicable regulations of US GAAP, these fees are recorded in the same manner as the amortisation of deferred acquisition costs.

These 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 insurance provision.

Insurance provision

Insurance provisions are established in the life and health insurance lines. Their carrying amount is determined based on 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. Similarly, insurance provisions are established in the casualty lines that also cover life-long obligations (accident pensions). The insurance provision of the life insurer is calculated by taking into account prudent and contractually agreed calculation principles.

For policies that are mainly of investment character (e.g. unit-linked life insurance), the provisions of FAS 97 are used to measure the insurance provision. The insurance 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 insurance provision is listed as a separate liability entry under "Technical provisions for unit-linked and index-linked life insurance".

The insurance provisions for health insurance are determined based on calculation principles that correspond to the "best estimate", taking into account safety margins. Once calculation principles have been determined, they have to be applied to the corresponding partial portfolio for the whole duration (locked-in principle).

Provisions for losses and unsettled claims

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

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 the known arrears in claim payments into consideration.

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 the amounts for profit-related and non-profit related profit sharing to which the policyholders are entitled on the basis of statutory or contractual provisions.

In life insurance policies with a discretionary participation feature, differences between local measurement and measurement according to IFRS are presented with deferred profit participation taken into account, whereby this is also reported in profit/(loss) for the year or in other comprehensive income depending on the recognition of the change in the underlying measurement differences. The amount of the provision for deferred profit participation generally comes to 85 per cent of the valuation differentials before tax.

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 defaults.

Liability Adequacy Test

The Liability Adequacy Test evaluates whether the established IFRS reserves are sufficient. For the life insurance portfolio, a so-called best estimate reserve is compared with the IFRS reserve less the deferred acquisition costs. This calculation is done separately each quarter for mixed insurance policies, pension policies, risk insurance policies, and unit-linked and index-linked policies.

Because UNIQA uses the best estimate approach for calculating the loss reserves in non-life, only the unearned premiums are tested. Only segments that show a surplus of less than 10 per cent at the time of the annual calculation are tested every quarter. In non-life insurance, the segments tested are the general motor vehicle liability lines and other.

Technical provisions for unit- and index-linked life insurance

This item relates to the insurance 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 unit-linked and index-linked life insurance investments written at current market values.

2.7 Employee benefits

Short-term employee benefits

Obligations from short-term employee benefits are recognised as expenses through profit or loss as soon as the associated work is performed. A liability must be recognised for the expected amount to be paid if the Group currently has a legal or de facto obligation to pay this amount on the basis of work performed by the employee and the obligation can be reliably estimated.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as expenses through profit or loss as soon as the associated work is performed. Prepaid contributions are recognised as assets if an entitlement to refund or reduction of future payments arises. The defined contribution plan is financed completely by UNIQA.

Defined benefit plans

There are individual contractual pension obligations, individual contractual bridge payments, and pension allowances in accordance with association recommendations. Individuals who have an individual contractual obligation can generally claim a pension when they reach the age of 65, but not before the age of 62, and in the event of an inability to work. The amount of the pension generally depends on the number of their years of service and their last salary before leaving their active employment. In the event of death, the spouse of the individual entitled to the claim receives a pension at 60 per cent, 50 per cent or 40 per cent depending on the policy. The pensions are suspended for any period in which a termination benefit is paid and their value is generally guaranteed.

Final pension funds contribution

Board members, special policyholders and active employees in Austria who meet the criteria for inclusion according to the association recommendations are subject to a basic defined contribution pension fund scheme. The beneficiaries are also entitled to a final pension fund contribution which guarantees them a fixed cash value for retirement when they begin their retirement. According to the provisions of IAS 19, this obligation in the contribution phase is to be classified as a defined benefit. The works council agreement states the extent to which a final pension fund contribution is provided to the beneficiary's individual assurance cover account in the event of a transfer to the old-age pension or of an incapacity to work or the death as a participant. UNIQA has no obligations during the benefit phase.

Termination benefit entitlements

In the case of employees of Austrian companies whose employment began prior to 31 December 2002 and lasted three years without interruption, the employee is entitled to termination benefits when the employment is terminated, unless the employee quits, leaves without an important reason or is guilty of an act resulting in early dismissal. The amount is double the salary owed to the employee in the last month of the employee relationship and increases after five years of employment to three times, after ten years of employment to four times, after fifteen years of employment to six times, after twenty years of employment to nine times and after twenty-five years of employment to twelve times the monthly salary. Employees subject to the collective agreement for insurance undertakings – back office and whose employment began before 1 January 1997 also receive after five years of employment three times, after ten years of employment six times the monthly salary.

If the employment ends due to the death of the employee, the termination benefit only amounts to half of the above-mentioned amounts and is only owed to legal beneficiaries who were legal dependents of the deceased.

For employees of Austrian companies who joined the Group after 31 December 2002, the statutory provisions apply. These people are not included in the calculation of the termination benefits.

The Group's net liability with regard to defined benefit plans is calculated separately for each plan by estimating the future benefits that the rightful claimants have already earned in the current and in earlier periods. This amount is discounted and the fair value of any plan assets is deducted.

The calculation of defined benefit obligations is carried out annually by a qualified actuary using the projected unit credit method. If the calculation results in a potential asset for the Group, the asset recognised is limited to the present value of any economic benefit available in the form of future refunds from the plan or reductions in future contributions to the plan. Any valid minimum funding requirements are included in the calculation of the present value of the economic benefit.

Revaluations of the net liability from defined benefit plans are recognised directly in other comprehensive income. The revaluation includes the actuarial gains and losses, the income from plan assets (not including projected interest income) and the effect of any asset ceiling. The Group calculates net interest expenses (income) on the net liabilities (assets) from defined benefit plans for the reporting period by applying the discount rate used to measure the defined benefit obligation at the start of the annual reporting period. This discount rate is applied to net liabilities (assets) from defined benefit plans on this date. Any changes in the net liabilities (assets) from defined benefit plans resulting from contribution and benefit payments over the course of the reporting period are taken into account. Net interest expenses and other expenses for defined benefit plans are recognised through profit or loss in the profit/(loss) for the year.

If a plan's defined benefits are changed or a plan is curtailed, the resulting change in the benefit relating to past service or the gain or loss on the curtailment is recognised directly in profit/(loss) for the year. The Group recognises gains and losses from the settlement of a defined benefit plan at the date of the settlement. The pensions are financed through provisions that are based on individual policies or on the association recommendations. The final pension contribution is set aside during the contribution phase and transferred to the pension fund at the time of retirement. The financing is specified in the business plan, in the works council agreement and in the pension fund contract.

Other long-term employee benefits

The Group's net obligation with regard to long-term employee benefits comprises the future benefits that the employees have earned in return for work performed in the current and in earlier periods. These obligations include provisions for length of service awards that are paid to employees after reaching a certain length of service. These benefits are discounted to determine their present value. Revaluations are recognised in profit/(loss) for the year in which they arise.

Payments based on termination of employment contracts

Post-employment benefits are recognised as expenses on the earlier of the following dates: when the Group can no longer withdraw the offer of such benefits or when the Group recognises costs for restructuring. If benefits are not expected to be settled within twelve months of the end of the reporting period, they are discounted.

Share-based payments with cash settlement (share appreciation rights)

The fair value on the date share-based payment awards are granted to employees is recognised as expense over the period in which the employees become unconditionally entitled to the awards. The amount recognised as expense is adjusted in order to reflect the number of awards expected to fulfil the corresponding service conditions and non-market performance conditions, so that the expense recognised is ultimately based on the number of awards that fulfil the corresponding service conditions and non-market performance conditions at the end of the vesting period. Changes in valuation assumptions likewise result in an adjustment of the recognised provision amounts affecting income.

2.8 Income taxes

Tax expense includes actual and deferred tax. Actual tax and deferred tax is recognised in profit/(loss) for the year, with the exception of any amount associated with a business combination or with an item recognised directly in equity or other comprehensive income.

Actual tax

Actual tax is the expected tax liability or tax receivable on taxable income for the financial year or the tax loss on the basis of interest rates that apply on the reporting date or will soon apply, plus all adjustments of the tax liability relating to previous years. Actual tax liabilities include all tax liabilities resulting from the determination of dividends.

Group taxation

UNIQA exercises the option of forming a Group of companies for tax purposes provided by lawmakers with the Tax Reform Act 2005; there are three taxable groups of companies with the parent groups UNIQA Insurance Group AG, PremiQaMed Holding GmbH and R-FMZ Immobilienholding GmbH.

The group members are charged the corporation tax amounts attributable to them by the parent group by distributing their tax burden in the tax group. Losses from foreign group members are also included within the scope of taxable profits. The tax realisation for these losses is accompanied by a future tax obligation to pay income taxes at an unspecified point in time. The corresponding liability from ongoing tax liabilities is presented in undiscounted form.

Deferred taxes

Deferred taxes are recognised with regard to temporary differences between the carrying amounts of assets and liabilities in the IFRS consolidated financial statements and the amounts used for tax purposes. Deferred taxes are not recognised for:

- Temporary differences on the first-time recognition of assets or liabilities in the event of a transaction that is not a business combination and that affects neither net earnings before taxes nor taxable income,

- Temporary differences in connection with shares in subsidiaries, associates and jointly controlled entities, provided the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future,
- Taxable temporary differences on the first-time recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available for which they can be used. Deferred tax assets are tested for impairment on every reporting date and reduced to the extent that it is no longer probable that the associated tax advantage will be realised.

Deferred taxes are measured on the basis of the tax rates expected to be applied to temporary differences as soon as they reverse, and using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred taxes reflects the tax consequences arising from the Group's expectation of the manner in which it will recover the carrying amounts of its assets or settle its liabilities on the reporting date. For investment property measured at fair value, the presumption that the carrying amount will be recovered through sale was not rebutted.

Deferred tax assets and debts are netted out if the conditions for a legal claim to offsetting are met and the deferred tax claims and liabilities relate to income tax that is levied by the same tax authority, either for the same taxable item or different taxable items, aimed at achieving a settlement on a net basis.

2.9 Property, plant and equipment

Recognition and measurement

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If parts of an item of property, plant and equipment have different useful lives, they are recognised as separate items (main components) of property, plant and equipment.

Any gain or loss from the disposal of an item of property, plant and equipment is recognised in profit/(loss) for the year.

Reclassification as investment property

If the use of a property changes and an owner-occupied property becomes an investment property, the property is reclassified as investment land and buildings with the carrying amount as of the date of the change.

Subsequent costs

Subsequent costs are only capitalised when it is probable that the future economic benefit associated with the expense will flow to the Group. Ongoing repairs and maintenance are recognised as expenses immediately.

Depreciation

The depreciation is calculated in order to write down the costs of property, plant and equipment less their estimated residual values on a straight-line basis over the period of their estimated useful lives. The depreciation is recognised in the profit/(loss) for the year. Land is not depreciated.

The estimated useful lives of significant property, plant and equipment for the current year and comparative years are as follows:

- Buildings: 10 – 65 years
- Plant and equipment: 4 – 10 years
- Fixtures and fittings: 4 – 10 years

Depreciation methods, useful lives and residual values are reviewed on every reporting date and adjusted if necessary. The depreciation charges for property, plant and equipment are recognised in profit/(loss) for the year on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

2.10 Intangible assets

Deferred acquisition costs

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 amortised over the term of the insurance contracts they relate to. If they are attributable to property and casualty insurance, they are amortised over the probable contractual term, with a maximum of seven years. In life insurance, the acquisition costs are amortised over the duration of the contract in 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 contracts. For long-term health insurance contracts, the amortisation 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.

Goodwill

The goodwill arising in the context of business combinations is measured at cost less accumulated impairment losses. Goodwill arises upon acquisition of subsidiaries and represents the surplus of the consideration transferred for acquisition of the company above the fair value of the Group’s share in the identifiable assets acquired, the liabilities assumed, contingent liabilities and all non-controlling shares in the acquired company at the time of the acquisition.

Value of insurance contracts

Values of life, property and casualty insurance policies relate to expected future margins from purchased operations and are recognised at the fair value at the acquisition date.

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

Other intangible assets

Other intangible assets include both purchased and internally-developed software, which is depreciated on a straight-line basis over its useful economic life of 2 to 5 years.

In accordance with the provisions of IAS 38, costs that are incurred at the research stage for in-house software are recognised through profit or loss in profit/(loss) for the year in which they were incurred. Costs that are incurred at the development stage are deferred provided that it is foreseeable that the software will be completed, there is the intention and ability for future internal use and a future economic benefit arises from this.

The useful lives of both the in-house software and acquired intangible assets amount to between 2 and 5 years. The amortisation and impairment losses of the other intangible assets were recognised in profit/(loss) for the year on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

2.11 Investment property

Land and buildings, including buildings on third-party land, held as long-term investments to generate rental income and/or for the purpose of capital appreciation are measured at cost when they are acquired. Subsequent measurement follows the cost model. The useful lives of the investment property are between 10 and 80 years.

2.12 Financial instruments

Classification

The Group classifies non-derivative financial assets to the following categories: Financial assets measured at fair value through profit or loss, loans and receivables, and financial assets available for sale.

The Group categorises non-derivative financial liabilities as other financial liabilities.

Investments

With the exception of mortgages and other loans, 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 that are not listed on an active market, 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 realisation.

Investments – derivatives (held for trading)

Derivatives are used within the limits permitted under the Austrian Insurance Supervisory Act for hedging investments and for increasing earnings. All fluctuations in value are recognised in profit/(loss) for the year. Financial assets from derivative financial instruments are recognised under investments. Financial liabilities from derivative financial instruments are recognised under financial liabilities.

Investments – measured at fair value through profit or loss

Financial assets are measured at fair value through profit or loss if the asset is either held for trading or is designated at fair value and recognised in profit and loss (fair value option).

The fair value option is applied to structured products which are not split between the underlying transaction and the derivative, but are accounted for as a unit. All the structured products can therefore be found in the item "financial instruments at fair value through profit or loss" on the statement of financial position. Unrealised gains and losses are recognised in profit/(loss) for the year. 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 recognised under the items for securities at fair value through profit or loss.

Financial assets "at fair value through profit or loss" are carried at fair value. Each profit or loss resulting from the measurement is recognised through profit or loss.

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

These investments concern life insurance contracts 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 contracts. The investments in question are collected in asset pools, recognised at their fair value and kept separately from the remaining investments of the companies. The policyholders are entitled to all income from these investments. The amount of the recognised investments strictly corresponds to the insurance provisions (before reinsurance business ceded) for life insurance, to the extent that the investment risk is borne by the policyholders. The unrealised gains and losses from fluctuations in the fair values of the investment pools are thus offset by the appropriate changes in these provisions.

Non-derivative financial assets and liabilities – recognition and derecognition

The Group recognises loans, receivables and issued debt securities from the date on which they arise. All other financial assets and liabilities are recognised for the first time on the settlement date. The Group derecognises a financial asset when the contractual rights to cash flows from an asset expire or it transfers the rights to receive the cash flows in a transaction in which all major risks and opportunities connected with the ownership of the financial asset are transferred. Derecognition also occurs when the Group neither transfers nor retains all major risks and opportunities connected with ownership and does not retain control over the transferred asset. Every share in such transferred financial assets that arise or remain in the Group is recognised as a separate asset or separate liability.

Financial liabilities are derecognised when the contractual obligation is fulfilled, extinguished or expired.

Financial assets and liabilities are set off and recognised in net amounts in the statement of financial position if the Group has a legal right to set off the reported amounts against each other and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Loans and receivables

When first recognised, such assets are measured at their fair value plus directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents includes bank balances available upon demand, which are a central component of the management of the Group's payment transactions.

Available-for-sale financial assets

Available-for-sale financial assets are initially measured at fair value plus directly attributable transaction costs. Subsequently, available-for-sale financial assets are measured at fair value and corresponding value changes are, with the exception of impairment and foreign exchange differences in the case of available-for-sale debt securities, recognised in the accumulated results in equity. When an asset is derecognised, the accumulated other comprehensive income is reclassified to profit/(loss) for the year.

Non-derivative financial liabilities – measurement

When first recognised, non-derivative financial liabilities are measured at fair value less directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortised cost using the effective interest method.

2.13 Impairments

Non-derivative financial assets

Financial assets not designated as at fair value through profit or loss, including interests in entities accounted for using the equity method, are tested on every reporting date to determine whether there is any objective indication of impairment.

Objective indications that financial assets are impaired are:

- The default or delay of a debtor,
- The restructuring of an amount owed to the Group at conditions that the Group would otherwise not consider,
- Indications that a debtor or issuer will become insolvent,
- Adverse changes in the payment status of borrowers or issuers,
- The disappearance of an active market for a security,
- Observable data that indicate a significant decrease in the expected payments from a group of financial assets.

In the case of an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment. The Group considers a decline of 20 per cent as significant and a period of nine months as prolonged.

Financial assets measured at amortised cost

The Group considers indications of impairment for these financial assets both at the level of the individual assets and collectively. All assets significant in themselves are tested for specific impairment. Those that prove not to be specifically impaired are then collectively tested for impairment that has occurred but not yet been identified. Assets not significant in themselves are collectively tested for impairment by pooling assets with similar risk characteristics in one group.

When testing for collective impairment, the Group uses historical information on the timing of payments and the value of the incurred losses, adjusted by a judgement on the part of the Management Board on whether the current economic conditions and credit conditions are such that the actual losses are probably higher or lower than the losses to be expected on the basis of historical trends.

Impairment is calculated as the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate of the asset. Losses are recognised in profit/(loss) for the year. If the Group has no realistic hope of recovering the asset, the amounts are written off. If an event occurring after the recognition of impairment reduces the level of impairment, the reduction is recognised in profit/(loss) for the year.

Available-for-sale financial assets

Impairment of available-for-sale financial assets is recognised in profit/(loss) for the year by reclassifying the losses accumulated in equity. The accumulated loss that is reclassified from equity to profit/(loss) for the year is the difference between the acquisition cost, net of any redemptions, and current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired, available-for-sale debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment was recognised, the impairment is reversed, with the amount of the reversal recognised in profit or loss. In other cases, impairment reversal is recognised in other comprehensive income.

Associates accounted for using the equity method

An impairment loss relating to an associate accounted for using the equity method is measured by comparing the recoverable amount of the shares with their carrying amount. The impairment loss is recognised in profit/(loss) for the year. An impairment loss is reversed in the event of an advantageous change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets – excluding deferred tax assets – are tested on every reporting date to determine whether there is an indication of impairment. If this is the case, the recoverable amount of the asset is estimated. The goodwill and intangible assets with indefinite useful lives are tested for impairment annually.

In order to test for impairment, assets are grouped into the smallest groups of assets whose continued use generates cash flows that are to the greatest possible extent independent of cash flows from other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a CGU is the higher of its value in use or its fair value less costs to sell. When calculating value in use, the estimated future cash flows are discounted to their present value, whereby a pre-tax discount rate is used that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised when the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognised in profit/(loss) for the year. Impairment recognised for CGUs is first allocated to any goodwill allocated to the CGU and then allocated to the carrying amount of the other assets of the CGU (group of CGUs) on a proportional basis.

An impairment loss on goodwill is not reversed. In the case of other assets, an impairment loss is reversed only to the extent that it does not increase the carrying amount of the asset above the carrying amount that would have been determined net of depreciation or amortisation had no impairment loss been recognised.

2.14 Other provisions

Provisions are formed if the Group has a current obligation (be it legal or practical in nature) from a past event, it is likely that fulfilment of the obligation will be associated with an outflow of resources, and a reliable estimate of the amount for the provision is possible.

The provision amount assessed is the best estimate for the additional benefit as at the reporting date for the purposes of settling the current obligation.

The level of the provisions is calculated by discounting the expected future cash flows at a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

2.15 Own shares

The acquisition costs of treasury shares are recognised as a deduction from the equity.

2.16 Determination of fair value

A range of Group accounting policies and disclosures require the determination of the fair value of financial and non-financial assets and liabilities. The Group has defined a control framework with regard to the determination of fair value. This includes a measurement team, which bears general responsibility for monitoring all major measurements of fair value, including level 3 fair values, and reports directly to the Group Management Board.

The measurement team carries out a regular review of the major unobservable input factors and the measurement adjustments. If information from third parties (e.g. price quotations from brokers or price information services) is used to determine fair values, the measurement team examines the evidence obtained from the third parties for the conclusion that such measurements meet the requirements of IFRS, including the level in the fair value hierarchy to which these measurements are attributable. Major items in the measurement are reported to the Audit Committee.

As far as possible, the Group uses data that are observable on the market when determining the fair value of an asset or a liability. On the basis of the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities.
- Level 2: Measurement parameters that are not quoted prices included in level 1 but which can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices).
- Level 3: Measurement parameters for assets or liabilities that are not based on observable market data.

If the input factors used to determine the fair value of an asset or a liability can be assigned to different levels of the fair value hierarchy, the entire fair value measurement is assigned to the level of the fair value hierarchy that corresponds to the lowest input factor significant for the measurement overall.

The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Further information on the assumptions used to determine the fair values is given in the following Notes:
- Note 9 on investment property
- Note 13 on financial instruments

2.17 Operating segments

The accounting and valuation methods of the segments that are subject to mandatory reporting correspond to the consolidated accounting and valuation methods disclosed in Note 2. The earnings before taxes for the segments were determined taking the following components into consideration: summation of the IFRS earnings in the individual companies, taking the elimination of investment income in the various segments and amortisation of goodwill into consideration. All other consolidation effects (profit/(loss) at associates, elimination of interim results, and other overall effects) are included in the segment Group functions and consolidation. The segment profit/(loss) obtained in this manner is reported to the Management Board of the UNIQA Insurance Group AG to manage the Group in the following five operating segments:
- UNIQA Austria – this segment includes UNIQA Österreich Versicherungen AG, Salzburger Landesversicherung AG and 50 per cent of FinanceLife Lebensversicherung AG.
- Raiffeisen Versicherung – this includes the remaining 50 per cent of FinanceLife Lebensversicherung AG together with Raiffeisen Versicherung AG.
- UNIQA International – includes the Austrian holding companies UNIQA International AG and UNIQA Internationale Beteiligungs-Verwaltungs GmbH in addition to all foreign insurance companies (with the exception of UNIQA Re AG). This segment is divided into the following main areas on a regional basis:
- Western Europe (WE – Switzerland, Italy and Liechtenstein)
- Central Europe (CE – Czech Republic, Hungary, Poland and Slovakia)
- Eastern Europe (EE – Romania and Ukraine)
- Southeastern Europe (SEE – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Macedonia, Serbia and Kosovo)
- Russia (RU)
- Administration (the Austrian holding companies)
- Reinsurance – includes UNIQA Re AG (Switzerland) and the reinsurance business of UNIQA Insurance Group AG
- Group functions and consolidation – this segment includes the remaining items for UNIQA Insurance Group AG (investment result and administrative costs) as well as all other remaining Austrian and foreign service companies.

3. Changes in major accounting policies

With the exception of the following changes, the Group applied the accounting policies outlined consistently to all periods presented in these consolidated financial statements.

The Group applied the following new standards, interpretations and amendments to standards, with these first being applied as of 1 January 2015. None of the new regulations arising from this have any essential impact on UNIQA.

Miscellaneous		Annual Improvements Project 2010 – 2012
IFRIC	21	Charges

4. IAS 8.42 restatements

Statement of management fees

For the purposes of more transparent presentation of the consolidated income statement as of 2015, income from management fees, which in previous years was deducted from operating expenses, is reported under investment income. Prior-year amounts have been adjusted accordingly.

Deferred tax

An adjustment was made to a deferred tax liability in the reporting year amounting to €33 million, which was recognised in 2011 in connection with a proportion allocated to the IAS 39 category "Available for sale" within the scope of a benefit in kind. Prior-year amounts have been adjusted accordingly. The adjustments are shown in the consolidated statement of changes in equity.

Presentation of deferred liabilities

In order to achieve a transparent presentation of the balance sheet, starting in the 2015 financial year debt that was reported in the previous year under other provisions is now reported under liabilities and other items classified as equity and liabilities. This essentially includes liabilities to employees. Prior-year amounts have been adjusted accordingly.

Consolidated statement of cash flows

With the objective of enabling a clearer presentation of cash flows, reclassifications have been made compared to the presentation in the previous years. The figures for the previous year have been adjusted accordingly.The impact of the adjustments described above on the consolidated statement of financial position and the consolidated income statement is presented below:

Consolidated statement of financial sosition Equity and liabilities in € thousand	31/12/2014 Adjusted	31/12/2014 Published	31/12/2014 Adjustment
Liabilities			
Other provisions	801,837	833,914	– 32,077
Liabilities and other items classified as equity and liabilities	1,400,828	1,368,751	32,077
Total equity and liabilities	**33,038,153**	**33,038,153**	**0**

Consolidated income statement in € thousand	2014 Adjusted	2014 Published	Adjustment 2014
Operating expenses			
b) Other operating expenses	– 386,558	– 362,782	– 23,776
Technical result	**127,706**	**151,482**	**– 23,776**
			0
Net investment income	**888,151**	**864,375**	**23,776**
Non-technical result	**319,860**	**296,084**	**23,776**
Profit/(loss) for the year	**292,877**	**292,877**	**0**
Earnings per share (in €)	**0.94**	**0.94**	**0.00**

5. New standards and interpretations which have not yet been applied

A series of new standards, amendments to standards and interpretations were due to be applied for the first time in the first reporting period of a financial year starting after 1 January 2015 and were not applied in preparing these consolidated financial statements. Those which could be relevant for the Group are outlined below. The Group does not intend to early apply these standards.

New standards and interpretations		Effective date	Endorsement
IFRS 9 9	Financial instruments	1 January 2018	No
IFRS 14	Regulatory deferral accounts	1 January 2016	No[1]
IFRS 15	Revenue from contracts with customers	1 January 2018	No
IFRS 16	Leases	1 January 2019	No
Amended standards and interpretations		Effective date	
IAS 1	Presentation of financial statements (disclosure initiative)	1 January 2016	Yes
IAS 19	Employee benefits – defined benefit plans: employee contributions	1 February 2015	Yes
Miscellan eous	Annual Improvements Project 2011 – 2013	1 February 2015	Yes
IAS 16, IAS 38	Property, plant and equipment and intangible assets – clarification of the admissible methods of depreciation and amortisation	1 January 2016	Yes
IAS 27	Separate financial statements – equity method in separate financial statements	1 January 2016	Yes
IFRS 10, IAS 28	Consolidated financial statements and investments in associates and joint ventures – sale or contribution of assets between an investor and its associate or joint venture	The endorsement was postponed indefinitely	
IFRS 10, IFRS 12, IAS 28	Consolidated financial statements and investments in associates and joint ventures – investment entities: applying the consolidation exception	1 January 2016	No
IFRS 11	Joint arrangements – acquisition of interests in joint operations	1 January 2016	Yes
Miscellan eous	Annual Improvements Project 2012 – 2014	1 January 2016	Yes
IAS 16, IAS 41	Property, plant and equipment and agriculture – bearer plants	1 January 2016	Yes

IFRS 9 "Financial Instruments" deals with the classification, recognition and measurement of financial assets and financial liabilities. The full version of IFRS 9 was published in July 2014. This standard replaces the regulations of those sections of the existing IAS 39 that address the

[1] The European Commission decided not to adopt this interim standard and to wait for publication of the final standard.

classification and measurement of financial instruments. IFRS 9 adheres to a mixed measurement model, but it simplifies this and sets out three principal measurement categories for financial assets: measurement of amortised cost, measurement at fair value with value fluctuations recorded in profit/(loss) for the year (fair value through profit and loss) and measurement at fair value with value fluctuations recorded in other comprehensive income (fair value through OCI). The classification depends directly on the company's business model as well as on the features of the contractually agreed payment flows for the financial assets. Shares of equity instruments must be measured at fair value, with fluctuations in fair value recognised through profit or loss, or with fluctuations in fair value measured through other comprehensive income if the company irrevocably opts to do so upon first-time recognition of the equity instruments (with no subsequent reclassification in net profit for the year). There is also a new measurement model for impairments based on expected losses (expected credit losses model) which replaces the existing measurement model of actual losses incurred that was used in IAS 39 (incurred loss model). Regarding financial liabilities, there are no changes to classification or measurement, with the exception of mandatory reporting of own creditworthiness risk in other comprehensive income for financial liabilities designated at fair value and recognised in profit/(loss) for the year. IFRS 9 eases the requirements in relation to hedging effectiveness by removing the previous narrow limits of hedging effectiveness. There is now a requirement for an economic relationship between the underlying transaction and the hedging instrument, and also that the hedged part (hedged ratio) corresponds with the assumptions and conditions with which the Company manages the items as part of its risk management activities. Furthermore, hedging documentation must be prepared as currently prescribed, whereby it will differ from the documentation required under IAS 39. The standard applies to reporting periods beginning on or after 1 January 2018. Earlier application is permitted. This is expected to have an impact on UNIQA's consolidated financial statements in relation to the classification and measurement of financial assets, although no statement can be made at present concerning the effects it will have on the company's financial position. In this context, the IASB published a draft of proposed amendments to IFRS 4 insurance contracts on 9 December 2015, aimed at addressing the concerns surrounding the different implementation dates of IFRS 9 financial instruments and the expected new standard for accounting for insurance contracts.

The amendments are intended to provide two options to companies that issue insurance contracts within the scope of IFRS 4:

- Companies may reclassify some of the expenses and income from the income statement that emerge from qualified assets as other total comprehensive income. This is known as the overlay approach. A company would apply the overlay approach to qualifying assets retrospectively, when it applies IFRS 9 for the first time.
- Companies whose primary business activity involves the awarding of insurance contracts within the scope of IFRS 4 have the option of temporarily deferring their IFRS 9 application. This is known as the deferral approach. According to the amendments that make up the deferral approach, a company would be allowed to apply IAS 39 instead of IFRS 9 for reporting periods that begin prior to 1 January 2021.

This draft could therefore result in the initial application for IFRS 9 being deferred until January 2021, if it is implemented.

IFRS 15 "Revenue from Contracts with Customers" governs revenue recognition and sets out the basic principles for reporting of meaningful information on the type, amount, recognition date and uncertainties regarding revenues and payment flows from contracts with customers. Sales revenues are recorded if a customer has control over a delivered item or a service provided and has the ability to enjoy these goods and services and derive benefits from these. The standard replaces IAS 18 "Revenue" and IAS 11 "Construction Contracts" and the associated interpretations. The standard applies to reporting periods beginning on or after 1 January 2017. The Group is currently ascertaining the impact of IFRS 15.

IFRS 16 "Leases" covers the reporting of leases. UNIQA acts both as a lessee and a lessor, with no changes being made to accounting on the lessor side as a result of the introduction of IFRS 16. The leases from a lessee perspective pertain primarily to land and buildings. The standard applies to reporting periods beginning on or after 1 January 2019. The Group is currently ascertaining the impact of IFRS 16.

The provisions stated have been implemented in these consolidated financial statements if applicable. However, this has not resulted in any significant impact on the presentation of the financial position.

6. Use of discretionary decisions and estimates

The consolidated financial statements require the Group Management Board to make discretionary decisions, estimates and assumptions that relate to the application of accounting policies and the amounts stated for the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recorded prospectively.

The most significant instances where discretion has been exercised and forecasts for the future have been used for these IFRS-consolidated financial statements are described below:

6.1 Impairment test

Ascertainment and allocation of goodwill

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

For the purpose of the impairment test, UNIQA has allocated the goodwill to "cash-generating units" (CGUs). These CGUs are the smallest identifiable groups of assets that generate cash flows that are 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, the present value of future cash flows, and the value to be covered, consisting of goodwill, the proportional net assets and any capital increases and internal loans. If the resulting value exceeds the realisable value of the unit based on the discounted cash flow method, an impairment loss is recognised. The impairment test was carried out in the fourth quarter of 2015. UNIQA has allocated goodwill to the CGUs listed below, which coincide with the countries in which UNIQA operates. As an exception to this, the Austrian companies were considered individually, and Salzburger-

Landesversicherung AG and UNIQA Österreich Versicherungen AG were considered as a group, as was the Sigal Group, in which the three countries of Albania, Kosovo and Macedonia were combined as one CGU, due to their similar development and organisational connection:

- Albania/Kosovo/Macedonia as “Sigal Group” sub-group (SEE)
- Bosnia and Herzegovina (SEE)
- Bulgaria (SEE)
- Italy (WE)
- Croatia (SEE)
- Liechtenstein (WE)
- UNIQA Austria (AT)
- Raiffeisen Insurance Austria (AT)
- FinanceLife (AT)
- Poland (CE)
- Romania (EE)
- Russia (RU)
- Switzerland (WE)
- Serbia (SEE)
- Montenegro (SEE)
- Slovakia (CE)
- Czech Republic (CE)
- Ukraine (EE)
- Hungary (CE)
- UNIQA Re

Determination of the capitalisation interest rate

The assumptions with regard to risk-free interest rate, market risk premium and segment betas made for determination of the capitalisation 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 depict the economic situation of income values as accurately as possible, considering the volatility on the markets, the capitalisation rate was calculated as follows: a uniform, risk-free interest rate according to the Svensson method (German treasury bonds with 30 year maturities) was used as a base interest rate.

The beta factor was determined on the basis of the monthly betas over the last five years for a defined peer group. The betas for the non-life, life and health segments were determined using the revenues in the relevant segments of the individual peer group companies. The health insurance segment, which is strongly focused on the Austrian market, is operated in a manner similar to life insurance. A uniform beta factor for personal injury insurance is therefore used in relation to the life and health insurance lines.

The market risk premium was determined on the basis of the current standards issued by the Austrian Chamber of Public Accountants and Tax Advisors (Kammer der Wirtschaftstreuhänder). The calculations published by Damodaran were used to determine the country risk premium. The country risk premium in accordance with the Damodaran method is calculated as follows: Starting from the rating of the country concerned (from Moody’s), UNIQA obtains the yield spread from credit default swap spreads with the same rating as risk-free US government bonds, and adjusts this spread for the volatility difference between equity and bond markets. UNIQA also assumes that country risk will decline over the next few years on the basis of subsequent trends.

The calculation also factored in the inflation differential for countries outside the eurozone. 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. This is adjusted annually in the detailed planning by the expected inflation, and is subsequently applied for perpetuity with the value of the last year of the detailed planning phase.

Impairment test for goodwill – ascertainment of the recoverable amount

UNIQA calculates the recoverable amount of the CGUs with goodwill allocated on the basis of value in use by applying generally accepted valuation principles by means of the discounted cash flow method (DCF). The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term net profits achievable by the CGUs and long-term growth rates (perpetuity) are used as the starting point for determination of the capitalised value.

The earning power is determined by discounting the future profits with a suitable capitalisation interest rate after assumed retention to strengthen the capital base. In the process, the earning power values are separated by balance sheet segments, which are then totalled to yield the value for the entire company.

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

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 at UNIQA with the participation of UNIQA International, in combination with the reporting and documentation processes that are integrated into this dialogue. The plans are formally approved by the Group Management Board and also include material assumptions regarding the combined ratio, investment income, market shares and the like.

Phase 2: Perpetuity growth rate

The last year of the detailed planning phase is used as the basis for determining the cash flows in phase 2. The growth in the start-up phase leading up to phase two was determined using a projection of the growth in insurance markets. It was assumed that the insurance markets would come into line with the Austrian level in terms of density and penetration in 40 to 60 years.

The capitalisation rate for all CGUs is listed below:

Cash-Generating Unit	Discount factor		Discount factor perpetuity		Growth rate (perpetuity)
Figures in per cent	Property/ casualty	Life & health	Property/ casualty	Life & health	Property/ casualty Life & health
Bosnia-Herzegovina	17.3	17.9	13.3	14.0	7.1
Bulgaria	10.7	11.3	9.8	10.5	6.5
Italy	10.7	11.3	10.7	11.3	1.0
Croatia	11.3	11.9	10.5	11.2	5.6
Liechtenstein	6.5	7.1	6.9	7.6	1.0
Montenegro	14.6	15.3	10.6	11.3	6.5
Austria	7.8	8.5	7.8	8.5	1.0
Poland	8.2	8.8	9.5	10.1	4.7
Romania	10.3	11.0	10.8	11.5	6.2
Russia	24.3	24.9	12.3	13.0	5.5
Switzerland	6.5	7.1	6.9	7.6	1.0
Serbia	15.9	16.5	13.7	14.3	7.2
Albania, Kosovo, Macedonia as "Sigal Group" sub-group (SEE)	12.9 – 16.1	13.6 – 16.7	11 – 12.7	11.7 – 13.3	6.8 – 8.1
Slovakia	9.1	9.7	8.9	9.5	4.8
Czech Republic	9.1	9.7	8.8	9.5	4.5
Ukraine	73.5	74.2	22.2	22.8	7.6
Hungary	11.6	12.2	11.3	12.0	5.5
Regions					
Austria	7.8	8.5	7.8	8.5	1.0
Western Europe (WE)	6.5 – 10.7	7.1 – 11.3	6.9 – 10.7	7.6 – 11.3	1.0
Central Europe (CE)	8.2 – 11.6	8.8 – 12.2	8.8 – 11.3	9.5 – 12.0	4.5 – 5.5
Eastern Europe (EE) incl. Russian Federation	10.3 – 73.5	11.0 – 74.2	10.8 – 22.2	11.5 – 22.8	6.2 – 7.6
Southeastern Europe (SEE)	10.7 – 17.3	11.3 – 17.9	9.8 – 13.7	10.5 – 14.3	6.5 – 8.1

The discount rate ranges listed for the Sigal Group and the regions relate to the spread over the respective countries grouped under these headings.
Source: Damodaran and derived factors

The following discount rates were applied in 2014:

Cash Generating Unit	Discount factor		Discount factor perpetuity		Growth rate (perpetuity)
Figures in per cent	Property/ casualty	Life & health	Property/ casualty	Life & health	Property/ casualty Life & health
Bosnia-Herzegovina	17.8	18.6	14.1	14.9	7.1
Bulgaria	8.4	9.2	10.6	11.4	6.5
Italy	11.2	11.9	10.1	10.9	1.0
Croatia	10.7	11.5	11.5	12.3	5.6
Liechtenstein	7.1	7.8	7.6	8.4	1.0
Montenegro	15.3	16.0	11.3	12.1	6.5
Austria	8.3	9.1	8.3	9.1	1.0
Poland	8.5	9.2	10.2	10.9	4.7
Romania	11.9	12.6	11.7	12.5	6.2
Russia	16.7	17.4	12.9	13.7	5.5
Switzerland	7.1	7.8	7.6	8.4	1.0
Serbia	16.5	17.3	14.4	15.1	7.2
Albania, Kosovo, Macedonia as "Sigal Group" sub-group (SEE)	14.2 – 15.5	14.9 – 16.3	11.5 – 13.4	12.2 – 14.1	6.8 – 8.1
Slovakia	9.6	10.4	9.4	10.1	4.8
Czech Republic	8.5	9.3	9.5	10.3	4.5
Ukraine	27.0	27.7	17.4	18.1	7.6
Hungary	10.9	11.7	12.0	12.8	5.5
Regions					
Austria	8.3	9.1	8.3	9.1	1.0
Western Europe (WE)	7.1 – 11.2	7.8 – 11.9	7.6 – 10.1	8.4 – 10.9	1.0
Central Europe (CE)	8.5 – 10.9	9.2 – 11.7	9.4 – 12.0	10.1 – 12.8	4.5 – 5.5
Eastern Europe (EE) incl. Russian Federation	11.9 – 27.0	12.6 – 27.7	11.7 – 17.4	12.5 – 18.1	6.2 – 7.6
Southeastern Europe (SEE)	8.4 – 17.8	9.2 – 18.6	10.6 – 14.4	11.4 – 15.1	6.5 – 8.1

The discount rate ranges listed for the Sigal Group and the regions relate to the spread over the respective countries grouped under these headings.
Source: Damodaran and derived factors

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 reference sources included the following studies and materials:

- Internal research
- Damodaran – country risks, growth rate estimations, multiples

Sensitivity analyses of financial instruments

In order to substantiate the results of the calculation and estimation of the value in use, random sensitivity analyses with regard to the capitalisation rate and the main value drivers are performed.

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 financial crisis in individual markets, are the largest uncertainties in connection with measurement results.

In the event that the recovery from the economic crisis turns out to be much weaker and slower than assumed in the business plans and fundamental forecasts, and the insurance markets therefore develop completely differently from the assumptions made in those business plans and forecasts, the individual CGUs may be subject to unscheduled impairment losses. Despite slower economic growth, income expectations have not changed significantly compared to previous years.

A sensitivity analysis shows that if there is a rise in interest rates of 50 basis points in the countries of Romania and Hungary, there could be a convergence between the value in use and the carrying amount or a value in use that is lower than the carrying amount. If there were a stronger rise in interest rates of 100 basis points or more, Bosnia-Herzegovina, Italy, Serbia and Slovakia would also be affected. If the underlying cash flows change by –5.0 per cent, there will also be a risk of a convergence or a value in use that is lower than the carrying amount in Hungary. This list expands to include Bosnia-Herzegovina, Italy, Romania and Slovakia when there is a deviation of more than –10.0 per cent in the cash flows.

In 2015, due to exchange rate effects and necessary adjustments of the discount rate as a result of the changes in the economic environment, impairment losses were recognised in the amount of €13.1 million for Ukraine.

The following table shows the recoverable amounts at the time of the impairment test for all CGUs with the necessary goodwill.

Cash-Generating Unit In € thousand	Recoverable amount	Recoverable amount exceeds carrying amount	Impairment for the period
Bulgaria	99,916	27,800	0
Italy	361,076	20,029	0
Romania	183,564	17,601	0

Backtesting

Backtesting is regularly carried out on the planning for the individual countries. The objective is to obtain information for internal purposes on the extent to which the operating units plan their results accurately and on the extent to which details useful with regard to subsequent development are highlighted. Backtesting is intended to help draw conclusions that can be applied to the latest round of planning, in order to enhance the planning accuracy of forthcoming financial plans.

6.2 Investment property

The fair value of investment property within the scope of the impairment test in accordance with IAS 36, as well as for the disclosures according to IFRS 13, is determined by using a report prepared by independent experts. These expert reports are prepared based on earned value and asset value methods. This is typically done using the DCF method by discounting expected future payments from the relevant land and buildings. It requires making assumptions, principally concerning the discount rate, the exit yield, the expected utilisation (vacancy rate), the development of future rental charges, and the condition of the land and buildings. For this reason, all measurements of the fair value for the land and buildings come under level 3 of the hierarchy according to IFRS 13. The nature of the measurement procedures stated above is that they respond sensitively to the underlying assumptions and parameters. For instance, any reduction in the discount rate applied would result in an increase in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged. Conversely, any reduction in the expected utilisation or the expected rental charges would, for instance, result in a decrease in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged. The measurement-related assumptions and parameters are ascertained carefully at each key date based on the best estimate by management and/or the experts in view of the current prevailing market conditions. These estimates are updated at each key measurement date.

6.3 Deferred tax assets

As at 31 December 2015 UNIQA had deferred tax assets amounting to € 9.4 million (netted out), of which € 11.7 million were attributable to tax loss carryforwards. The deferred tax assets result from tax loss carryforwards, impairment in accordance with section 12 of the Corporation Tax Act (KStG), and from deductible temporary differences between the carrying amounts of the assets and liabilities in the consolidated statement of financial position and their tax values. Deferred tax assets are accounted for, provided that it is likely that there will be adequate taxable profit for them to be realised. An assessment of the ability to realise deferred tax assets requires an estimate of the amount of future taxable profits. The amount and type of these taxable earnings, the periods in which they are incurred, and the available tax planning measures are all taken into account. The corresponding analyses and forecasts, and ultimately the determination of the deferred tax assets, are carried out by the local tax and finance experts in the relevant countries. Because the effects of the underlying estimates may be significant, there are internal group procedures that guarantee the consistency and reliability of the evaluation process. The resulting forecasts are based on business plans that are reviewed and approved through proper procedures. Especially convincing evidence regarding accounting for deferred tax assets is required under internal group policies if the relevant group company has suffered a loss in the current or a prior period.

6.4 Provisions for defined benefit obligations

For this purpose, reference is made to the statements and sensitivity analyses in the Notes to this balance sheet item under Note 28.

6.5. Technical provisions

Reference is made here to the statements and sensitivity analyses under Note 7.5.

6.6 Investments

Reference is made here to the statements and sensitivity analyses under Notes 7.5 and 13.

6.7 Other discretionary judgements and assumptions regarding the future

The investment in STRABAG SE, the portfolio of asset-backed securities (ABS), and the assets related to Hypo Group Alpe Adria (HGAA) and HETA Asset Resolution AG (HETA) continue to be carefully monitored.

As at 31 December 2015, UNIQA held a 13.8 per cent stake in STRABAG SE (31 December 2014: 13.8 per cent). UNIQA is continuing to treat STRABAG SE as an associate due to contractual arrangements. The carrying amount of the investment in STRABAG SE at 31 December 2015 amounted to € 463.0 million (31 December 2014: € 456.5 million).

UNIQA held 0.7 per cent (2014: 1.8 per cent) of its investments in ABS. There were several developments in 2015 that resulted from the continued improvement in the liquidity situation of ABS, which influenced UNIQA's decision to depart from its forecast of expected losses based on internal valuations developed during crisis periods. The switch to a market data-based measurement of the ABS portfolio resulted in a reclassification of the ABS portfolio from category two to category three. This resulted in an increase in market value of € 5.3 million.

The Act to restructure the state-owned Hypo Alpe Adria International AG (HaaSanG), which took effect on 1 August 2014, and which resulted in the cancellation of the subordinate liabilities of Hypo Alpe Adria International AG (HAA) without consideration of existing guarantees of the federal state of Carinthia, resulted in a complete impairment for the bonds held by UNIQA in 2014, with a nominal value of € 36 million and a loss of € 34.1 million. The legal steps taken by UNIQA and other creditors against these statutory measures culminated in a decision by the Austrian Constitutional Court on 3 July 2015, G239/2014 inter alia, whereby HaaSanG, along with the order by the Austrian Financial Market Authority (FMA) regarding the implementation of restructuring measures in accordance with section 7(2) HaaSanG in conjunction with sections 3 and 4(1) HaaSanG (HaaSanV), were lifted in their entirety. As a consequence, the subordinate bonds with a nominal value of € 36 million that had been derecognised in 2014 were included on the balance sheet once again as at 30 September 2015. The value of these bonds on the balance sheet as at the reporting date of 31 December 2015 was € 6.8 million.

On 1 March 2015 the FMA passed a decision on a debt moratorium for Heta Asset Resolution AG (HETA) with immediate effect until 31 May 2016, whereby no interest payments or repayments may be made inter alia on bond liabilities, subordinated capital or bonded loans. Aside from the subordinated liabilities, senior bonds guaranteed by the federal state of Carinthia and held by UNIQA with a nominal value of € 25.0 million are affected by this measure. The value of these bonds as at the reporting date amounts to € 17.1 million.

A subordinated liability of HETA collateralised by the Republic of Austria with a balance sheet value of € 10.6 million (nominal value: € 10.0 million) is the only one not affected by the statutory and supervisory measures.

RISK REPORT

7.1 Risk strategy

Principles

We have set ourselves ambitious goals in connection with our corporate strategy UNIQA 2.0. In summary, we are working towards sustainable and profitable growth. We are taking the initiative, optimising processes and building on innovations. We are doing this in order to keep the promises we made to our customers, our shareholders and our employees. In addition, we make sure we have a business strategy that knows the right answer to all of our Company's risks. The Management Board has therefore adopted a risk strategy borne by four principles:

- We know our responsibility
- We know our risk
- We know our capacity to take on risk
- We know our opportunities

By following these four principles, we approach the future with confidence so that we can maintain a financial strength that allows us to achieve our corporate goals, keep our promises and fulfil our obligations even in turbulent times.

Organisation

Our core business is to relieve our customers of risk, pool the risk to reduce it and thereby generate profit for our Company. Here, the focal point lies in understanding risks and their particular features.

In order to ensure that we keep our focus on risk, we have created a separate risk function in the Group's Management Board by establishing the position of a Group Chief Risk Officer and made the function of Chief Risk Officer a part of the Management Board in our regional companies. This ensures that decision-making is risk-based in all relevant bodies. We have established processes that allow us to identify, analyse and manage risks. Our business involves a large range of different risk types, which is why we employ experts to identify and manage them.

We regularly validate our risk profile at all levels of the hierarchy and hold discussions in specially instituted committees with the members of the Management Board. To obtain a complete picture of our risk position, we draw on internal and external sources while also regularly checking for new threats both in the Group and in our subsidiaries.

Risk-bearing capacity and risk appetite

We take risks and do so in full knowledge of our risk-bearing capacity. We define this as our ability to absorb potential losses from extreme events so that our medium and long-term objectives are not put in danger.

Our risk decisions centre on our economic capital model (ECM), which we use to quantify risk and determine economic capital. The ECM is based on the standard model according to Solvency II and also reflects our own risk assessment. This is expressed in the quantification of the risks from the non-life sectors, in which we focus on a stochastic cash flow model, additional capital requirements of government bonds and a mark-to-market valuation of asset-backed securities. Based on this model, we are aiming for risk capital cover (capital ratio) of 170 per cent. As long as the capital ratio remains within the range of 155 to 190 per cent no action will be

taken, since a certain level of fluctuation is absolutely normal within the framework of the Solvency II regulations. However, immediate steps will be taken to improve the capital position if the marginal value falls below 135 per cent.
We also seek external confirmation of the path we have chosen. Standard & Poor´s has given us a credit rating of A–. One of our key objectives is to maintain the rating at this level or to improve upon it and to achieve sustainable increases in accordance with corporate strategy.

Non-quantifiable risks, in particular operational risk, litigation risk and strategic risk are identified as part of the risk assessment process and then assessed using scenario-based techniques. This assessment is then used as the basis for implementing any necessary risk mitigation measures.

Our risk strategy specifies the risks we intend to assume and those we plan to avoid. As part of our strategy process, we define our risk appetite on the basis of our risk-bearing capacity. This risk appetite is then used to determine tolerances and limits, which provide us with an early warning system sufficient for us to initiate prompt corrective action should we deviate from our targets. We also consider risks outside our defined appetite. We counter risks that fall into this category, such as reputational risk, with proactive measures, transparency and careful assessment.

We focus on risks that we understand and can actively manage. We divest ourselves of any investments in which the business principles are inconsistent with our core business. We consciously take on risk associated with life, health and non-life underwriting in order to consistently generate our income from our core business. We aim for a balanced mix of risk to achieve the greatest possible effect from diversification.

We analyse our income and the underlying risk, optimising our portfolio using value-based principles. We therefore strive for a balance between risk and return.

Opportunities

Risk also means opportunity. We regularly analyse trends, risks and phenomena that influence our society and thus our customers and ourselves. We involve our employees in the whole of the business to identify and analyse trends at an early stage, produce suitable action plans and develop innovative approaches.

7.2 Risk management system

The focus of risk management with management structures and defined processes is the attainment of UNIQA’s and its subsidiaries’ strategic goals.

UNIQA’s Risk Management Guidelines form the basis for a uniform standard at various company levels. The guidelines are approved by the Group CRO and the full 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 the Group Risk Management Guidelines, similar 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 UNIQA's Risk Management Guidelines.

They aim to ensure that risks relevant to UNIQA 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 ensure that risk management is incorporated in everyday business activities. Extensive informative and training measures have therefore been taken since 2012; they will be continued in the future and extended to additional target groups.

7.2.1 Organisational structure (governance)

The detailed set-up of the process and organisational structure of risk management is set out in UNIQA's Risk Management Guidelines. They reflect the principles embodied in the concept 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 develop and put into practice an appropriate risk control environment to identify and monitor the risks that arise in connection with the business and processes.

Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory functions, 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).

UNIQA Holding Management Board
- Active risk management and controlling through value-orientated principles
- Approves the UNIQA risk management strategy
- Approves the risk limit for operating companies
- Highest authority for decisions regarding risk transfer and mitigation

UNIQA Holding CRO[1)]
- Functional management of the UNIQA risk management unit
- Chair of 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 risk-bearing capacity and risk limits and the "value-creating units" in the Group
- Defines capital allocation and sets coherent limits
- Approves the model change (capital model, partial models)

Group Risk Management Functions
- Defines the UNIQA risk management process
- Conducts the uniform risk management process
- Coordinates the calculation of solvency capital requirements and minimum capital requirements
- Defines minimum standards for all risk management processes
- Ensures the effective and timely reporting of risk management information
- Prepares and monitors risk limits for the company

Operating Companies (CRO, RM)
- Conducts the uniform UNIQA BU risk management process in accordance with Group standards
- Prepares and maintains minimum standards for the specific risk management processes for all risk categories
- Prepares and monitors risk limits
- Monitors overall risk management performance and ensures effective and timely reporting

1) Beginning 1 January 2015 in an interlocking directorate together with the CFO

Management Board and Group functions

The UNIQA Insurance Group AG Management Board is responsible for establishing the business policy objectives and determining the associated risk strategy. The core components of the risk management system and the associated governance are enshrined within the UNIQA Group Risk Management Policy adopted by the Management Board.

The function of Chief Risk Officer (CRO)[1] is a separate area of responsibility at the Group Management Board level. This ensures that risk management is represented on the Management Board. The CRO is supported in the implementation and fulfilment of risk management duties by the Group Actuarial and Risk Management unit. A central component of the risk management organisation is UNIQA's risk management committee, which carries out monitoring and initiates appropriate action in relation to the current development and the short and long-term management of the risk profile. The risk management committee establishes the risk strategy, monitors and controls compliance with risk-bearing capacity and limits, and therefore plays a central role in the management process implemented under UNIQA's risk management system.

Operative insurance companies

In the operative insurance companies, the CRO function has also been established at Management Board level, with the functions of the risk manager at the next level down. A consistent, uniform risk management system has therefore been set up throughout the Group.

As at Group level, each of the operative insurance companies has its own risk management committee, which forms a central element of the risk management organisation. This committee is responsible for the management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

The Supervisory Board at UNIQA Insurance Group AG receives comprehensive risk reports at Supervisory Board meetings.

7.2.2 Risk management process

UNIQA's risk management process delivers periodic information about the risk profile and enables the top management to make the decisions for the long-term achievement of objectives.

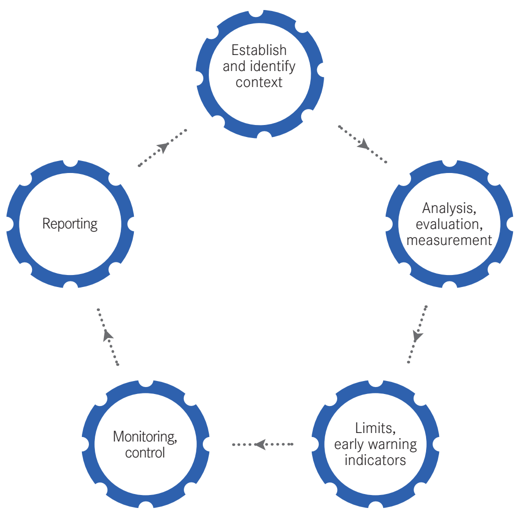
The process concentrates on risks relevant to the Company and is defined for the following risk categories:

- Actuarial risk (property and casualty insurance, health and life insurance)
- Market risk/Asset-Liability Management risk (ALM risk)
- Credit risk/default risk
- Liquidity risk
- Concentration risk
- Strategic risk
- Reputational risk
- Operational risk
- Contagion risk

[1] Activities carried out concurrently by the CFO

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

UNIQA's 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 as possible, different approaches are used in parallel, and all risk categories, subsidiaries, processes and systems are included.

Evaluation/measurement:

The risk categories of market risk, technical risk, counterparty default risk and concentration risk are evaluated at UNIQA by means of a quantitative method based on the standard approach of Solvency II and the ECM approach. 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 the Company's Own Risk and Solvency Assessment (ORSA)). All other risk categories are evaluated quantitatively or qualitatively with their own risk scenarios.

The scenario analysis (of UNIQA's economic, internal and external risk situation) is generally a crucial element in the risk management process.

A scenario is a possible internal or external event that has a short-term or medium-term effect on consolidated profit or loss, the solvency position or sustainability of future results. The scenario is formulated with respect to its inherent characteristic (e.g. the start of Greece's insolvency) and evaluated in terms of its financial effect on UNIQA. The likelihood that the scenario will actually occur is also considered.

Limits/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 aim of which is to bring the level of solvency coverage back to a non-critical level.

Reporting:
A quarterly report on the solvency situation along with a monthly risk report on the biggest risks identified are prepared for each operational company and for the UNIQA Group on the basis of detailed risk analysis and monitoring. The reports for each individual UNIQA subsidiary and the UNIQA Group itself have the same structure, providing an overview of major risk indicators such as risk-bearing capacity, solvency requirements and risk profile. In addition, quantitative and qualitative reporting (in the form of the quantitative reporting templates and the narrative report respectively) is implemented for the UNIQA Group and for all subsidiaries for which Solvency II reporting is mandatory.

7.2.3 Activities and objectives in 2015
Based on external and internal developments, activities in 2015 focused on the following:
- Preparation work for the implementation of Solvency II
- Reduction in the risks caused by the period of low interest rates

Preparation work for the implementation of Solvency II
Solvency II is an EU-wide project, the objective of which is to achieve a fundamental reform of solvency regulations (capital requirements) for insurance companies. The existing static system for determining capital requirements is to be superseded by a risk-based system. One of the main changes in the new system is that it is to take greater account of qualitative elements such as internal risk management.

Following publication of the preparation guidelines by the European Insurance and Occupational Pensions Authority (EIOPA) in October 2013 and the implementation of these guidelines in the Austrian Insurance Supervision Act (VAG) of June 2014, it is now clear what preparation work is needed before Solvency II comes into force on 1 January 2016.

As in previous years, in 2015 specific preparatory steps were again taken based on this information, both in the UNIQA Group and in the operating units. This included in particular

- Development of quantitative reports (QRTs)
- Development of narrative reports
- Preparatory work for future reporting in general (SFCR, RSR, AFR)
- Further development of the Company’s Own Risk and Solvency Assessment (ORSA)
- Further development of the partial internal model for the property/casualty insurance business.
- Further development of comprehensive limits
- Increase in the frequency of solvency calculations

In addition, a comprehensive training programme for senior managers, other managers, and employees in key functions is a core component of a fully functioning Group-wide risk management framework. Understanding of the objectives and the impact of the risk management approach in the context of value-based management should be achieved. A great deal of importance is also attached to training the Supervisory Board of the UNIQA Insurance Group AG so that the members of the Supervisory Board are well informed about the ongoing developments in the management approach (economic management) and can take these developments into account with respect to their supervisory activities.

In both cases, the discussion about the use of the information from the risk capital models, in particular from the partial internal model relating to property/casualty insurance, is a relevant point, allowing users to make the connection between this information and the ongoing business.

Reduction in the risks caused by the period of low interest rates

The interest rate environment that remained low and volatile in 2015 meant that a restrictive approach was still required in terms of new products and asset liability management, particularly in life insurance.

Group guidelines ensure that products are subject to a standardised profitability test before being launched on the market and achieve minimum defined margins in terms of their expected value. The guaranteed discount rate for new traditional life insurance products was reduced even further in many UNIQA companies as a result of the interest rates, often below the relevant maximum rate permissible by statute.

The domestic market of Austria which continues to be characterised by strong customer demand for life insurance products should be mentioned as a particular example of this. Here, at UNIQA Austria and Raiffeisen Versicherung AG, the products in the traditional life insurance line were completely revised as of 1 January 2015 and given the title “New Classic” (“Klassik Neu”). The “New Classic” will give customers a 100 per cent capital guarantee on net premiums, high repurchase values from the beginning, along with the possibility of making variable additional payments and withdrawals during the term. In addition, costs and fees are spread out proportionally over the entire term and no longer taken from the premium but rather from the profit. The entire premium amount (excl. insurance tax) thus flows directly into the investment, resulting in a considerably higher savings premium from the beginning than is offered by conventional life insurance. This means the product offers customers much more transparency and flexibility.

From the Company’s point of view, this product concept has the advantage that, among other things, the discount rate is set at 0 per cent, which leads, in particular on longer terms, to a reduction of the guarantee requirement. In addition, this new product concept also meets the future legal requirements concerning transparency and capital adequacy. The year 2015 was an impressive example of how the route followed meets both customer needs and earnings requirements, even though product developments are being introduced on a continuous basis. In Austria, for instance, more than 40.000 policies of the “New Classic” product were sold in 2015, which exceeded our expectations.

In Asset Liability Management (ALM), the process was consistently continued to reduce the duration gap even further, which involves more effectively adjusting the terms of the assets to the terms of the liabilities. The option of running a regular/year-round procedure to draw up the risk profile and associated limits represents a key element of the ALM process in UNIQA.

Management is carried out on the basis of risk capital consumption and associated limits, which enables the Group to make strategic decisions on the basis of a value-based risk/return analysis.

In 2015, the Group focused not only on the necessary standard processes but also on scenario analyses, especially the possible changes in the liabilities profile depending on different interest rate situations. In this case, the analysis of the life insurance business plays a central role because it is difficult to predict a change in the lapse or surrender pattern for customer policies in response to a specific trend in interest rates. Associated risks were analysed and action implemented to cushion these risks.

7.3 Challenges and priorities in risk management for 2016

Challenges

The period of low interest rates experienced in 2014 also continued throughout 2015, with rates falling to historically low levels in some cases. This situation has a particularly marked effect in life insurance. Depending on the investment strategy, the persistently low interest rates can lead to a situation in which the income generated is insufficient to finance the guarantees made to policyholders. The topic of low interest rates continues to be of concern to the entire European insurance industry and is leading to intensive discussions about how insurance companies can ensure that customer options and guarantees (in both existing and new business) are financed over the long term. Significant measures taken by UNIQA within the defined life strategy have been to focus on implementing the ALM approach including stringent management rules (e.g. regarding the management of profit sharing) and to provide continuous portfolio management to support the new business strategy in the personal injury insurance business.

One specific issue is the question of requirements (which vary from country to country) to recognise supplementary discount rate provisions, i.e. requirements to set aside special provisions in the respective local accounting if interest rates are low. As at 31 December 2015, UNIQA had set aside a special provision exclusively in local accounting in the amount of €67.8 million in its Austrian companies because there is a statutory requirement in Austria to recognise this special provision. The corresponding regulations for forming the special provision were revised as part of the restructuring of the Insurance Supervision Act in Austria, whereby it must be emphasised that a part of the expenditure from 2016 represents a deduction item in the assessment basis for the profit participation. This special provision in the local accounting is to be seen alongside the liability adequacy test (LAT) to check whether the provisions in the IFRS financial statements are adequate. Depending on the interest rate situation and the resulting planning of investment income, there is the fundamental risk in the future of a potential provision requirement as a consequence of the LAT.

In terms of the insurance market in CEE, improved economic outlooks in the countries of Central and Eastern Europe provide better opportunities for growth for the insurance industry, considerably outperforming those in the already saturated insurance markets of Western Europe. However, the premium revenue remains patchy for 2015. For life insurance, the premium volume for the entire region fell slightly, primarily due to the continued heavy decrease in single premium business, particularly in the Czech Republic. In contrast, a series of insurance markets in Southeastern Europe recorded very strong growth in the life insurance business. The market generally grew in the non-life sector, although the intense price competition, particularly in the vehicle and property insurance lines in several Central and Eastern European markets, also resulted in lower premium revenues. Reforms to legal structural conditions combined with the exit or withdrawal of individual competitors should, however, help improve the competitive situation in individual markets. Expectations of higher premium revenue in 2016 remain cautiously optimistic in line with the changes in the insurance markets over the past year and the improved economic conditions. The additional effects of the current political crisis on the insurance industries in Ukraine and Russia are difficult to assess at the present time, although we do expect there to be a trend towards improvement in the market situation. Further political risks in the region are difficult to assess at the present time and cannot be ruled out completely, although they should be of less relevance to the Group in 2016. The risk of sustained or even more intense price competition can be categorised as comparatively higher, particularly in the non-life sector in the Central European markets.

The continued political uncertainty in Ukraine caused by the separatist movement in the east of the country raises questions about whether the country will be able to go on servicing some of its borrowing. As at 31 December 2015, the UNIQA Group's portfolio of Ukrainian government bonds came to a nominal value of €19.0 million and a fair value of €16.4 million. Of these, a nominal value of €16.9 million are invested in the Ukrainian subsidiary.

The Ukrainian currency, the hryvnia (UAH), weakened by approximately 27 per cent against the euro during the course of 2015 (exchange rate as at 31 December 2015: 0.0383. The total value of all the UAH securities in the UNIQA Group amounts to a fair value of €6.2 million.

The continued EU sanctions against Russia are impacting the exchange rate of the rouble to the euro (exchange rate as at 31 December 2015: 0.0124). In turn, this led to a volatile interest rate environment and the devaluation of government bonds. The fair value of the total portfolio of RUB securities in the UNIQA Group amounts to a fair value of €71.4 million, of which €52.1 million are invested in the Russian subsidiary. The nominal value of Russian government bonds in the UNIQA Group's portfolio amounts to €100.9 million (of which €61.2 million in the Russian subsidiary), with a fair value in the amount of €95.5 million.

In terms of technical risk, the further development of the motor business in CEE countries (comprehensive vehicle insurance, including liability insurance) continues to represent the greatest challenge because this business segment accounts for a considerable proportion of the property and casualty insurance in the CEE region. The most significant difficulties are, firstly, that there is a continuously changing legal environment leading to higher benefit payments in the event of personal injury claims and, secondly, that many markets are still subject to a price war as companies vie to win customer segments. UNIQA increasingly relies on a professional pricing approach. In addition to conducting ongoing market analyses, the Company carries out standardised profitability tests to ensure that pricing is appropriate. In addition, guidelines are intended to ensure that international insurance claims (known as green card claims) are settled within UNIQA affiliated companies or with exclusively specified partners.

In the second half of 2015, the agreements between all relevant UNIQA countries were amended accordingly. For the first time, there is an internal solution in place with UNIQA Assicurazioni as an expert partner in Italy; UNIQA Romania was the first country to switch in September 2015. The next focal point is on the selection of exclusive partners that meet our quality requirements in those countries in which we have no representation via a UNIQA company.

A structured review (leakage audit) was carried out in 12 countries in 2015 on closed claims with the aim of achieving ongoing improvements in the claims processes, with individual measures agreed with each country as a result. This will be continued in 2016. The focus will also be on "combating fraud" and measures aimed at countering the development of "personal injury".

The topic of the introduction of Solvency II continues to present a major challenge, particularly as the new legal framework is now coming into full effect for the first time. It must be highlighted here in particular that UNIQA has developed a partial internal model for property/casualty insurance which is being evaluated by the Austrian insurance supervisory authority as part of a pre-application phase. Sufficient resources must be dedicated to this task as a result of the high level of administrative effort involved in the official procedure.

Concerning operational risk, there is a need for capital investment in the renewal of IT infrastructure and systems. The present situation is currently marked by very elaborate business processes and the complexity resulting from them in the IT sector. The greatest risks in the IT sector are the increasing IT complexity, any destabilisation of older environments, monopoly of knowledge and the growing risk in the area of IT security. As a response to this, UNIQA began modernising its operating model within the IT sector in 2014, simultaneously standardising all IT processes and control bodies in the sector and reducing the operational risk in the IT field. These days, IT works exclusively based on individual tools and workflows that are standardised, with the workflows regulated by quality gates in the event of changes to the environments. Once the IT organisation has been modernised, UNIQA plans to modernise IT as a whole starting in 2016. This programme involves modernisation of the most important insurance programmes and thereby responds to the constant changes in the competitive environment, along with the requirements from customers and those related to products in today's insurance market. This solution will allow a reduction in the complexity in IT as well as in the length of time required for marketing inventions and new developments, with no need to continue relying solely on the knowledge of key individuals.

Priorities

The preparatory work on Solvency II now results in control processes that will take full effect for the first time in 2016. For instance, the reporting requirements (Pillar 3 of Solvency II) in particular present challenges that must be given the appropriate priority. It is the quantitative reporting requirements (QRTs) and associated data and process requirements that result in high additional effort within the organisation and that require attention accordingly. More qualitative reports are required for the supervisory authority in the form of the Regular Supervisory Report (RSR) and the Actuarial Function Report (AFR). Extensive preparations are also needed for the Solvency and Financial Condition Report (SFCR) in order to create a good publication for the first time in 2017 (for the reporting year 2016). As already mentioned with regard to the challenges, a high priority is also being assigned to the approval procedure for the partial internal model for property/casualty insurance and the associated resources it calls for.

UNIQA is working on developing its value-oriented control approach on a continuous basis, and this is being put on a more secure footing as a result of Solvency II coming into force. In the future, capital management and the planning of estimated income will be extensively based on the risk capital position in the Group, the individual operating units and their areas of business. We have set ourselves the objective of achieving a transparent presentation of our approach to capital, the most significant risks and related stress, the associated target returns and an appropriate dividend policy. From the starting point of a defined risk-bearing capacity, the target returns are to be selected such that the return on risk capital permanently exceeds the cost of capital, ensuring ongoing dividend payments, while at the same time not jeopardising risk-bearing capacity. Assurances are in place to support this ambition which guarantee that a consistent framework is used for economic value creation, starting with the risk and earnings assessment in the new product process through to the analysis of the results.

Continuation of the strategic programmes relating to cost management, ensuring profitability in property/casualty insurance, the further development of the life insurance strategy, including portfolio management (in-force management), capital investment from an ALM perspective and the associated internal processes represent crucial strategic cornerstones as they have in previous years as a result of the ongoing period of low interest rates. All programmes are to make a contribution to enable the Group to achieve the planned profits in 2016 and sustain this level in the years ahead. Particularly in this period of low interest rates and significant volatility in capital markets, the successful implementation of projects that stabilise or improve net profit in the core operating business is central to our activities.

Starting in 2016, UNIQA will pay greater attention to the topic of further developing future IFRSs (IFRS 4 and IFRS 9). The major changes expected in the assessment (balance sheet as well as income statement) of the insurance business require an adequate lead time in order for the content and process-related challenges to be implemented accordingly. Despite UNIQA's good preparations within the scope of Solvency II, we still expect that significant additional effort will be required in order to be able to meet the upcoming IFRS requirements. Initial studies are due to be carried out for this purpose in 2016 with the aim of developing a tangible implementation plan for the coming years.

Work on developing a Target Operating Model (TOM) for finance processes is taking place for the first time in 2016 as part of the restructuring and optimisation of the finance division, similar to the work on the core processes in the last few years. "TOM Finance" is aimed at ensuring as uniform an acquisition process as possible within the Group, as well as improving and accelerating processes and eliminating any inefficiencies that may still exist. We see this as a further consistent step towards improving the quality of the figures while at the same time speeding up the compilation process.

The promotion of the digital single market as well as the further development of consumer protection provisions related to financial services for private customers will support us within the scope of regulatory changes. The Green Paper published by the European Commission in mid-December 2015 has already started a consultation process on the consequences of digitalisation of financial products, and examines the potential for developing new innovative products in this field. In addition to this, the European Commission is also examining the options for creating a beneficial environment for Pan-European Pension Products ("PEPPs") via a call-for-advice to EIOPA. The appeal of long-term infrastructure investments will also increasingly be incentivised through accompanying regulatory measures and will influence investment strategies. The EU Insurance Distribution Directive "IDD" which was decided at the end of 2015 must be implemented by the Member States within the next 24 months, and will again ensure increased transparency (including in relation to disclosing commissions, standardised information sheets and disclosing the total costs of life insurance).

7.4 Capitalisation

On the basis of the current regulatory requirements, available own funds and the risk capital requirement until the end of 2015 are calculated in accordance with Solvency I.

As Solvency II comes into force on 1 January 2016, the definitions and methods used to calculate available own funds as well as capital requirements and management standards are being replaced by Solvency II standards.

As at 31 December 2015, the solvency ratio on the basis of the regulatory provisions according to Solvency I was 301,7 per cent. Eligible equity amounted to €3,551.5 million; this included eligible subordinated liabilities of €250.0 million which constituted up to half of the equity requirement, and eligible subordinated liabilities in the amount of €290.9 million constituting up to a quarter of the equity requirement. The solvency requirement is €1,163.8 million.

7.4.1 Statutory requirements

Risk capital requirements and available equity are currently calculated according to Solvency I regulations. These will be replaced when the Solvency II provisions take effect. In order to guarantee a smooth transition between these two different calculation methods, UNIQA has completed parallel calculations since 2008. One consequence of these efforts was an early Group-wide introduction of the new methods and processes. Gaps and shortcomings will thus be identified early and promptly rectified.

7.4.2 Internal capital adequacy

UNIQA defines its risk appetite on the basis of an economic capital model (ECM). The cover for quantifiable risks with eligible own funds (capital ratio) should lie between 170 and 190 per cent in 2016.

As at 31 December 2014, the solvency ratio in accordance with the ECM was 150 per cent. Details for the reporting date of 31 December 2015, including a detailed analysis of changes, can be found in the ECM report.

7.4.3 Standard and Poor's model

In addition to regulatory and internal provisions, the Group also takes into account the capital requirements specified by an external rating agency to ensure that the Group's credit quality is presented objectively and can be compared with other entities. Therefore, UNIQA is regularly rated by the rating agency Standard & Poor's, which gives UNIQA Insurance Group AG a rating of "A–". UNIQA Österreich Versicherungen AG and UNIQA Re AG each have a rating of "A"; UNIQA Versicherung AG in Liechtenstein is rated with "A–". The supplementary capital bonds issued in 2013 (€ 350.0 million Tier 2, first call date 31 July 2023) and 2015 (€ 500.0 million Tier 2, first call date 27 July 2026) are rated "BBB" by Standard & Poor's. There are also further bonds with no rating (€ 250.0 million restricted Tier 1, first call date 31 December 2016). Standard & Poor's rates the outlook for all the companies as stable. UNIQA includes the impact on its rating in its capital planning process, with the objective of improving the rating over the long term as the corporate strategy is implemented.

7.5 Risk profile

UNIQA's risk profile is very heavily influenced by life insurance and health insurance portfolios in UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG. This situation means that market risk plays a central role in UNIQA'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 business in the property and casualty segment and in the life and health insurance segment.

In the regions of Southeastern (SEE) and Eastern Europe (EE), insurance business is currently conducted primarily in the property/casualty segment, in particular in the motor vehicle insurance segment.

This structure is important to UNIQA, because it creates a high level of diversification from the life and health insurance lines dominated by the Austrian companies.

The distinctive risk features of the regions are also reflected in the risk profiles determined by using the internal measurement approach.

After every calculation for the life, non-life and composite insurers at UNIQA, benchmark profiles are created and compared with the risk profile for each company. The benchmark profiles show that, for composite insurers, there is a balance between market and actuarial risk. Composite insurers are also in a position to achieve the highest diversification effect.

Market risk

Based on the categories defined in the Solvency II standard formula, market risk comprises interest rate, spread, equity, real property, currency and liquidity risk. Market risk is heavily influenced by interest rate risk, which arises if there is a mismatch between asset and liability maturities. This particularly affects life insurance business. Besides this, the market risk and its composition are influenced to a considerable extent by the liabilities and their allocation to the various investment classes.

Asset allocation in € thousand	31/12/2015	31/12/2014
Fixed income securities	19,557,462	19,281,012
Equities	374,323	280,652
Alternative investments	38,263	41,087
Equity investments	813,192	830,185
Loans	59,136	119,946
Real estate	1,623,425	1,702,738
Liquid funds	1,829,284	1,359,072
Total	**24,295,085**	**23,614,692**

Market risk categories

Interest rate risk

Interest rate risk arises on all statement of financial position asset and liability items the value of which fluctuates as a result of changes in risk-free yield curves or associated volatility. Given the investment structure and the high proportion of interest-bearing securities in the asset allocation, interest rate risk forms an important part of market risk. However, a structural reduction to the interest rate risk has been achieved in recent years as a result of the ALM-based investment strategy implemented in 2012.

The following table shows the maturity structure of interest-bearing securities and bonds reclassified as loans. The average coupon on interest-bearing securities is 3.0 per cent .

Exposure by term in € thousand	31/12/2015	31/12/2014
Up to 1 year	1,095,058	1,315,407
More than 1 year up to 3 years	3,282,360	2,874,526
More than 3 years up to 5 years	2,845,054	2,681,542
More than 5 years up to 7 years	3,472,911	3,388,525
More than 7 years up to 10 years	2,954,254	3,209,569
More than 10 years up to 15 years	2,436,602	2,553,315
More than 15 years	3,273,532	3,073,726
Total	**19,359,770**	**19,096,609**

In comparison with this, the next table shows the actuarial provision before reinsurance in health and life insurance and the gross provision for unsettled insurance claims in non-life insurance, broken down into annual brackets. In health and life insurance the breakdown takes place using expected cash flows from the ALM process.

IFRS reserve by expected maturity date in € thousand	31/12/2015	31/12/2014
Up to 1 year	1,276,255	2,463,429
More than 1 year up to 3 years	3,071,023	3,311,039
More than 3 years up to 5 years	1,914,474	1,931,252
More than 5 years up to 7 years	1,414,351	1,339,805
More than 7 years up to 10 years	2,039,901	1,829,623
More than 10 years up to 15 years	2,780,886	2,459,163
More than 15 years	6,497,525	5,666,888
Total	**18,994,414**	**19,001,199**

Spread risk

Due to the dominant proportion of interest-bearing securities in the asset allocation, the spread risk represents the largest share of the ECR market risk. Spread risk refers to the risk of changes in the price of statement of financial position asset or liability items as a consequence of changes in credit risk premiums or associated volatility. In the case of interest-bearing securities, this risk increases under the Solvency II standard formula depending on rating and duration. When investing in securities, UNIQA chooses securities with a wide variety of ratings, taking into consideration the potential risks and returns. At the same time, the book values represent the maximum creditworthiness and default risk on the assets side.

The credit quality of financial instruments that are neither overdue or impaired is presented below with reference to external ratings (if these are available) or to empirical values on default ratios for the relevant business partners.

Exposure by rating in € thousand	31/12/2015	31/12/2014
AAA	4,801,934	4,964,965
AA	4,190,494	3,986,746
A	3,816,635	4,130,316
BBB	4,186,371	3,648,213
BB	1,219,575	1,394,028
B	687,580	363,890
<=CCC	102,039	158,390
Not rated	355,142	450,061
Total	**19,359,770**	**19,096,609**

Property risk

In line with their significant role in asset allocation, land and buildings and the risk associated with a fall in the price of land and buildings are responsible for the second largest share of ECR market risk.

Equity risk

Equity risk arises from movements in the value of equities and similar investments as a result of fluctuations in international stock markets. The effective equity weighting is controlled by hedging with the use of derivatives. UNIQA's equity risk resulting from investments in shares and equity has been reduced as part of the process in recent years to implement an ALM-based investment strategy, and now only plays a subordinate role in the composition of the ECR market risk.

Currency risk

Currency risk is caused by fluctuations in exchange rates and associated volatility. Given the international nature of the insurance business, UNIQA invests in securities denominated in different currencies, thus following the principle of matching liabilities with assets in the same currency to cover liabilities created by the products. Despite the use of derivative financial instruments for hedging purposes, the currency risks of the investments do not always match the currency risks in the technical provisions and liabilities. The greatest component of this risk arises from investments in US dollars. The following table shows a breakdown of assets and liabilities by currency.

Currency risk in € thousand	31/12/2015 Assets	 Provisions and liabilities
EUR	**2,919,014**	**27,369,980**
USD	807,472	48,595
CZK	518,265	433,386
HUF	399,072	493,462
PLN	927,607	816,640
RON	258,289	189,655
Other	977,508	551,798
Total	**33,078,355**	**29,903,515**

Currency risk in € thousand	31/12/2014 Assets	 Provisions and liabilities
EUR	**29,492,947**	**27,734,138**
USD	960,329	50,569
CZK	450,157	411,716
HUF	463,492	434,998
PLN	906,474	804,231
RON	183,090	121,490
Other	581,380	378,291
Total	**33,037,868**	**29,935,434**

Liquidity risk

UNIQA has payment obligations that it must meet on a daily basis. It therefore carries out detailed liquidity planning covering a period of one year. A minimum liquidity balance is specified by the Management Board and is made available as a cash reserve on a day-to-day basis.

In addition, a majority of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required. When investing in interest-bearing securities and choosing the contractual maturities, UNIQA takes into account the existing contractual maturities in the business segment concerned.

Regarding private equity investments, there are still remaining payment obligations in the amount of €1.1 million .

Sensitivities

Market and credit risk management is integrated as a fixed part of the structured investment process. Key figures used to measure, monitor and actively manage investment risk include, in particular, data from stress tests and sensitivity analyses in addition to figures from the established market and credit risk models (MCEV, SCR, ECR, etc.).

The following table shows the most important market risks in the form of key sensitivity figures. These key figures represent a snapshot on the reporting date and are only intended as an indication of future changes in fair value. Depending on the measurement principle to be applied, any future losses from the valuation at fair value may result in different fluctuations in the net profit for the year or in other comprehensive income. 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 countermeasures taken in the various market scenarios.

The sensitivities are determined by simulating each scenario for each individual item, with all other parameters remaining constant in each case.

Sensitivities

Interest rate risk	31/12/2015		31/12/2014	
in € thousand	+ 100 basis points	– 100 basis points	+ 100 basis points	– 100 basis points
High grade	– 988,515	869,960	– 960,306	813,246
Corporates	– 154,464	83,429	– 159,784	86,179
Other	– 7,595	2,819	– 26,440	16,721
Total	**– 1,150,574**	**956,209**	**– 1,146,530**	**916,146**

Spread risk:	31/12/2015		31/12/2014	
in € thousand	+	–	+	–
AAA (0 basis points)	0	0	0	0
AA (25 basis points)	– 89,821	93,118	– 90,756	89,770
A (50 basis points)	– 94,086	98,434	– 106,631	87,171
BBB (75 basis points)	– 174,260	189,813	– 152,255	116,279
BB (100 basis points)	– 44,242	47,749	– 40,909	19,747
B (125 basis points)	– 76,073	108,363	– 11,567	7,480
<=CCC (150 basis points)	– 14,780	22,192	– 28,209	8,239
NR (100 basis points)	– 15,278	18,948	– 14,539	11,371
Total	**– 508,539**	**578,617**	**– 444,866**	**340,058**

Equity risk	31/12/2015		31/12/2014	
in € thousand	30 %	– 30 %	30 %	– 30 %
Total	**419,822**	**– 234,195**	206,603	– 134,989

Currency risk	31/12/2015		31/12/2014	
in € thousand	10 %	– 10 %	10 %	– 10 %
USD	47,582	– 42,443	30,688	– 28,308
HUF	21,702	– 21,702	19,016	– 19,042
RON	15,257	– 15,257	14,314	– 14,337
CZK	35,668	– 35,668	30,455	– 30,512
PLN	42,658	– 42,658	40,800	– 40,877
Other	50,161	– 49,057	39,624	– 37,819
Total	**213,027**	**– 206,784**	**174,897**	**– 170,896**

Effects of changes to the fair value on the net income for the year and on the equity.

2015 in € thousand	Interest rate shock (+ 100 bp)	Interest rate shock (-100 bp)	Spread shock (increase in spread)	Spread shock (decrease in spread)	Equity shock (+ 30 %)	Equity shock (-30 %)	Currency shock* (+ 10 %)	Currency shock* (-10 %)
Income statement	608	3,446	– 11,604	13,770	211,893	– 83,817	181,010	– 174,766
Equity	– 1,137,239	942,548	– 486,372	553,414	207,929	– 150,378	8,855	– 8,855
Total	**– 1,136,631**	**945,994**	**– 497,976**	**567,185**	**419,822**	**– 234,195**	**189,865**	**– 183,622**

*Changes in market value without accounting impact included risk reclassified bonds in the case of interest rate and spread risk and properties in the case of currency risk

2014 in € thousand	Interest rate shock (+ 100 bp)	Interest rate shock (-100 bp)	Spread shock (increase in spread)	Spread shock (decrease in spread)	Equity shock (+ 30 %)	Equity shock (-30 %)	Currency shock* (+ 10 %)	Currency shock* (-10 %)
Income statement	12,303	– 3,801	247	6,451	120,821	– 134,989	150,908	– 146,889
Equity	– 1,158,833	919,947	– 445,113	333,607	85,781	0	7,481	– 7,496
Total	**– 1,146,530**	**916,146**	**– 444,866**	**340,058**	**206,603**	**– 134,989**	**158,390**	**– 154,385**

* Currency shock from land and buildings amounting to € 16.5 million (+ 10 %) and € 16.5 million (-10 %) will not be incurred either on the income statement or in equity because real estate is recognised at book value, the carrying amount and shocks on a fair value basis.

Life insurance

In life insurance the interest rate assumptions are the crucial influencing factor on the liability adequacy test and the deferred acquisition costs. The impact of the implied new funds assumption (incl. reinvestment) is therefore stated below.

If new funds are assumed with a +100 bp increase, then the resulting net effect (after accounting for the deferred profit participation) amounts to +€ 9.0 million. A –100 bp reduction in this assumption results in net effect of –€ 21.3 million. The effects described relate to the changes in the deferred acquisition costs along with the impact on the liability adequacy test. The results were determined using the traditional companies in Italy and Austria which make up the majority of the actuarial provision in the Group.

Non-life insurance

The provision for unsettled insurance claims is formed based on reported claims and applying accepted statistical methods. One crucial assumption here is that the pattern of claims observed from the past can be sensibly extrapolated for the future. Additional adjustments need to be made in cases where this assumption is not possible.

The calculation of the claim provisions is associated with uncertainty based on the time required to process claims. In addition to the normal chance risk, there are also other factors that may influence the future processing of the claims that have already occurred.

The partial model in property/casualty insurance is a suitable instrument for quantifying the volatility involved in processing. Following analysis of these model results and after consulting experts it was determined that a deviation of 5 per cent from the basic provision determined may represent a realistic scenario. On basis of the current provision for claims outstanding of € 2,307 million (excluding additional provisions such as provisions for claims settlement) in the Group on gross basis, this would mean an increase in claims incurred by € 115.3 million.

Health insurance

Health insurance operated on the principles of life insurance is now also affected by the period of low interest rates, as the tariffs that are currently covered primarily result in discount rates of 3 per cent, but also in some cases of 2.5 per cent and in future even of 1.75 per cent. Since the average discount rate is still relatively high, the capital earnings may not be enough for the required addition to the coverage capital. A reduction in the capital earnings by 100 bp (based on investment results 2015) would reduce the profit from ordinary activities by €33 million.

Asset liability management (ALM)

Market and credit risks have different weightings and various degrees of seriousness, depending on the investment structure. The effects of the financial risks on the value of the investments also influence the level of technical liabilities. Thus, there is a dependence – particularly in life insurance – between the growth of assets and debts from insurance policies. UNIQA monitors the income expectations and risks of assets and liabilities arising from insurance policies as part of the asset liability management (ALM) process. The objective is to achieve a return on capital that is sustainably higher than the updating of the technical liabilities while retaining the greatest possible security. To do this, assets and debts are allocated to different accounting groups. The following table shows the main accounting groups generated by the various product categories.

Investments in € thousand	31/12/2015	31/12/2014
Long-term life insurance contracts with guaranteed interest and profit sharing	16,411,343	16,500,617
Long-term unit-linked and index-linked life insurance contracts	5,226,748	5,386,650
Long-term health insurance contracts	3,174,365	3,128,747
Short-term property and casualty insurance contracts	4,825,952	4,196,663
Total	**29,638,407**	**29,212,677**

These values relate to the following statement of financial position items:

- Property, plant and equipment
- Investment property
- Equity investments accounted for using the equity method
- Investments
- Investments in unit-linked and index-linked life insurance
- Current bank balances and cash-in-hand

Technical provisions and liabilities (retained) in € thousand	31/12/2015	31/12/2014
Long-term life insurance contracts with guaranteed interest and profit sharing	15,251,481	15,607,593
Long-term unit-linked and index-linked life insurance contracts	5,175,437	5,306,000
Long-term health insurance contracts	2,779,801	2,677,684
Short-term property and casualty insurance contracts	2,869,625	2,757,870
Total	**26,076,345**	**26,349,146**

These values relate to the following statement of financial position items:
- Technical provisions
- Technical provisions for unit-linked and index-linked life insurance
- Reinsurance liabilities (only securities account liabilities from reinsurance ceded)
- Reinsurers' share of technical provisions
- Reinsurers' share of technical provisions for unit-linked and index-linked life insurance

Due to the particular importance of the ALM process in life insurance, the focus below is placed on this segment. For practical reasons, it is not possible to fully achieve the objective of matching cash flows for assets and liabilities. The duration of the assets in life insurance is 6.7 years, while for liabilities it is longer. This is referred to as a duration gap. It gives rise to interest rate risk and this risk is backed by capital in the ECR model. The discount rate that may be used in the costing when new business is written is based in most UNIQA companies on a maximum discount rate imposed by the relevant local supervisory authority. In all those countries in which the maximum permissible discount rate is not imposed in this way, appropriate prudent, market-based assumptions are made by the actuaries responsible for the calculation. In the core market of Austria, the maximum discount rate is currently 1.0 per cent per year. However, the portfolio also includes older contracts with different discount rates. In the relevant markets of the UNIQA Group, these rates amount to as much as 4.0 per cent per year.

The following table provides an indication of the average discount rates for each region.

Average technical discount rates, core business by region and currency in per cent	EUR	USD	Local currency
Austria (AT)	2.5	–	–
Western Europe (WE)	1.8	–	–
Central Europe (CE)	3.6	–	3.3
Eastern Europe (EE)	3.5	4.0	3.6
Southeastern Europe (SEE)	3.0	–	2.2
Russia (RU)	3.0	3.0	4.0

Definition of regions:
AT - Austria
WE - Italy, Liechtenstein
CE - Poland, Hungary, Czech Republic, Slovakia
SEE - Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Albania, Montenegro, Kosovo, Macedonia
EE - Romania, Ukraine
RU - Russia

As these discount rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Because traditional life insurance business predominantly invests in interest-bearing securities (bonds, loans, etc.), the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. Investment and reinvestment risk arises from the fact that premiums received in the future must be invested to achieve the rate of return guaranteed when a policy is written. However, it is entirely possible that no appropriate securities will be available at the time the premium is received. In the same way, future income must be reinvested to achieve a return equivalent to at least the original discount rate. For this reason, UNIQA has already decided to offer products to its key markets that are only based on a low or zero discount rate.

Actuarial risks

Non-life

The actuarial risk in the non-life segment is broken down into the three risk categories of premium, reserve and catastrophe risk.

Premium risk is defined as the risk that future benefits and expenses in connection with insurance operations will exceed the premiums collected for the insurance concerned. Such a loss may also be caused in insurance operations by exceptionally significant, but rare loss events, known as major claims. Appropriate distribution assumptions are made to ensure that these events are also adequately incorporated into risk modelling.

Natural disasters represent a further threat from events that are infrequent but that nevertheless cause substantial losses. This risk includes financial losses caused by natural hazards, such as floods, storms, hail or earthquakes. In contrast to major individual claims, insurance companies in this case refer to cumulative losses.

Reserve risk refers to the risk that technical provisions recognised for claims that have already occurred will turn out to be inadequate. The loss in this case is referred to as run-off loss. The claims reserve is calculated using actuarial methods. External factors, such as changes in the amount or frequency of claims, legal decisions, repair and/or handling costs, can lead to differences compared with estimates.

To counter and actively manage these risks, UNIQA runs a number of processes integrated into its insurance operations. For example, Group guidelines specify that new products may only be launched if they satisfy certain profitability criteria. Major claims and losses from natural disasters are appropriately managed by means of special risk management in the underwriting process (primarily in corporate activities) and by the provision of suitable reinsurance capacity.

In connection with claim reserves, guidelines also specify the procedures to be followed by local units when recognising such reserves in accordance with IFRS. A quarterly monitoring system and an internal validation process safeguard the quality of the reserves recognised in the whole of the Group.

An essential element in risk assessment and further risk management is the use of the non-life partial model. This risk model uses stochastic simulations to quantify the risk capital requirement for each risk class at both Company and Group levels. The model also produces further key figures that are then used as part of the risk- and value-based management of the insurance business.

Life

The risk of an individual insurance contract lies in the occurrence of the insured event. The occurrence is considered random and therefore unpredictable. Various risks exist in life insurance, particularly in traditional life insurance. The insurance company takes on this risk for a corresponding premium. When calculating the premium, the actuary refers to the following carefully selected calculation bases:

- Interest: The discount rate is set so low that it can be produced as expected in each year.
- Mortality: The probabilities of dying are deliberately and carefully calculated for each type of insurance.
- Costs: These are calculated in such a way that the costs incurred by the policy can be permanently covered by the premium.

Carefully selecting the calculation bases gives rise to well-planned 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, homogenous 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 calculation principles 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 contracts with guaranteed interest and profit sharing in € thousand	31/12/2015	31/12/2014
Austria (AT)	11,147,754	12,039,128
Western Europe (WE)	3,197,628	2,719,121
Central Europe (CE)	299,162	296,801
Eastern Europe (EE)	26,802	26,320
Southeastern Europe (SEE)	492,209	458,655
Russia (RU)	111,734	88,595
	15,275,289	**15,628,619**

Long-term unit-linked and index-linked life insurance contracts in € thousand	31/12/2015	31/12/2014
Austria (AT)	4,310,278	4,458,977
Western Europe (WE)	436,702	419,192
Central Europe (CE)	425,652	425,899
Eastern Europe (EE)	0	0
Southeastern Europe (SEE)	2,806	1,932
Russia (RU)	0	0
	5,175,437	**5,306,000**

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

The table below shows the distribution of the premium portfolio by type and region.

Premium portfolio in %	Endowment assurance		Life insurance		Pension insurance	
	2015	2014	2015	2014	2015	2014
Austria (AT)	46.5	46.3	9.0	9.0	15,1	14.1
Western Europe (WE)	69.7	72.2	7.9	8.0	15.0	16.3
Central Europe (CE)	17.6	18.2	2.6	2.8	0.2	0.2
Eastern Europe (EE)	54.3	53.8	5.5	9.1	0.0	0.0
Southeastern Europe (SEE)	82.2	85.4	5.2	5.1	0.5	0.6
Russia (RU)	96.5	94.4	0.0	0.0	0.0	0.0
Total	**48.5**	**49.2**	**7.7**	**7.7**	**12.2**	**11.3**

Premium portfolio in %	Unit-linked and index-linked		Residual debt insurance		Other	
	2015	2014	2015	2014	2015	2014
Austria (AT)	28.3	29.6	0.0	0.0	1,0	1.1
Western Europe (WE)	7.4	3.5	0.0	0.0	0.0	0.0
Central Europe (CE)	57.6	56.1	8.6	10.9	13.4	11.8
Eastern Europe (EE)	0.0	0.0	39.5	30.4	0.6	6.7
Southeastern Europe (SEE)	2.0	1.4	0.7	0.8	9.4	6.7
Russia (RU)	0.0	0.0	3.5	5.6	0.0	0.0
Total	**27.5**	**27.5**	**1.4**	**1.9**	**2.7**	**2.4**

Definition of regions:
AT - Austria
WE - Italy, Liechtenstein
CEE - Poland, Hungary, Czech Republic, Slovakia
EE - Romania, Ukraine
SEE - Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Albania, Montenegro*, Kosovo Macedonia
RU - Russia
* Not included in 2014

Mortality

With respect to assurance involving death risk, premiums are calculated based on an accounting table, implicitly allowing for the safety loading of risk premiums.

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 improvement of mortality rates means that the real mortality probabilities are consistently smaller than the values shown in the accounting table. Analyses of mortality data carried out at Group level show that, historically, the level of premiums has been sufficient to cover the death benefits.

Due to the large number of lives insured by UNIQA in the Austrian market, the mortality trends are of particular importance here. According to the 2010/2012 mortality table published by Statistics Austria, life expectancy has increased and is over 80 years for new-borns for the first time.

Life expectancy at birth

Mortality table	Men	Women
1970 – 72	66.6	73.7
1980 – 82	69.2	76.4
1990 – 92	72.5	79.0
2000 – 02	75.5	81.5
2010 – 12	78.0	83.3

The reduction in the probability of dying at any given age is causing a huge amount of uncertainty in the annuity business. Improvements in mortality rates as a result of medical progress and changed lifestyles are 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. In the UNIQA Group, longevity risk relates mainly to the Austrian life insurance companies because very few pension products are sold in the regions covered by the international business.

Homogeneity and independence of insurance risks

An insurance company takes great pains to compose a portfolio of the most homogenous, 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, as not only could the calculated mortality probabilities prove to be too low, the independence of the risks can also no longer be assumed.

Antiselection

UNIQA's portfolios contain large quantities of risk insurance policies with a premium adjustment clause, particularly in Austria. This allows the insurer to raise the premiums in case of an (unlikely) 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.

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. from the insurer's point of view 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.

Costs

Besides the risks discussed above, the cost risk must also be mentioned: 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).

Health

The health insurance business is operated primarily in Austria (92.4 per cent is domestic and 7.6 per cent is international). As a result, the focus lies on risk management in Austria.

Health insurance is a loss insurance which is 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 calculation principles.

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 ("aging 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 discount rate for this actuarial reserve is 3.0 or 2.5 per cent. If the discount rate of 3.0 per cent is not achieved by the investment, there are safety margins in the premiums that can be used to cover the insufficient investment results. Because a guideline was published by the FMA in October 2013 about the discount rate in health insurance, starting in January 2014 new business has been calculated with a discount rate of 2.5 per cent. There is now a further letter from the FMA providing that the tariffs for a new sale should include a discount rate of 1.75 per cent from 1 May 2016 at the latest. This results in a further improvement of the risk in cases where the investment results are insufficient. The average discount rate was approximately 2.95 per cent as at 31 December 2015.

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 (VersRÄG 2006), was also taken into account when calculating the premiums at the end of the second quarter of 2007. This stipulated that the costs of birth and pregnancy be distributed across both sexes. No significant risk to profit has been identified here.

In the meantime, a European Court of Justice (ECJ) decision regarding insurance policies brought about a new situation as of 21 December 2012: from this point on, only completely identical premiums are allowed for men and women, excluding considerations such as age and individual pre-existing conditions. Experience from 2013 to 2015 has shown that this has not resulted in any negative changes to the portfolio structure of new business.

The risk of the health insurance business outside Austria is currently dominated primarily by UNIQA Assicurazioni in Milan (approx. €33.5 million in annual premiums). This company presently has stable portfolios, meaning that insurance risk scarcely changes. For tariffs with outdated calculation principles, whose holdings are aging, the insured will be converted in the coming years to tariffs with a modern calculation basis. 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 (approx. €43.4 million) are divided among multiple companies and are of only minor importance there. Only in Switzerland (Geneva) is health insurance the primary business (approx. €10.3 million); however, the Swiss Solvency Test showed there was 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.

Other risks

Operational risks

Operational risk includes losses that are caused by insufficient or failed internal processes, as well as losses caused by systems, human resources or external events.

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

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

A distinctive feature of operational risk is that it can surface in all processes and departments. This is why operational risk is identified and evaluated in every operational company at a very broad level within UNIQA. Risks are identified with the help of a standardised risk catalogue that is regularly checked for completeness. Scenarios are defined for evaluating these risks; these scenarios are meant to convey the likelihood of occurrence and the possible amount of the claim. The results are then presented by the risk manager in the form of a summarised risk report.

This process is usually conducted twice a year.

Business Continuity Management

According to international standards, the UNIQA Group – as a financial service provider – forms part of the critical infrastructure of key importance to the national community. If this infrastructure were to fail or become impaired, it would cause considerable disruption to public safety and security or lead to other drastic consequences.

As a rule, emergencies, crises and disasters are unexpected events for which it is impossible to plan. However, systems and processes can be put in place to deal with such events. The systems and processes must then be treated as a special responsibility of management and must be dealt with professionally, efficiently and as quickly as possible.

UNIQA has implemented a Business Continuity Management system (BCM) covering the issues of crisis prevention, crisis management and business recovery (including business continuity plans). The main objectives are as follows:

- to prevent personal injury to, or death of, employees or third parties,
- to minimise the impact from failure of key business processes,
- to be appropriately prepared with continuously updated emergency and recovery plans.

The UNIQA BCM model is based on international rules and standards and will continue to be implemented in 2016. The implementation of a BCM system forms part of UNIQA's response to the requirements imposed by relevant authorities (solvency, critical infrastructure) and the market (calls for tender). This holistic approach to a risk management system not only reduces potential losses following an event but also enhances the quality of day-to-day operations.

Reputational and strategic risks

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

Reputational risks that occur in 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 reputational 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 reputational risks, strategic risks are evaluated twice a year. Furthermore, important decisions in various committees, such as the Risk Committee, are discussed with the Management Board. 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.

7.6 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. Naturally, internal risk transfers 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 exposure of the portfolios assumed by the Group companies is of central importance. Periodic risk assessments have been performed for years in the interest of a value-based management of the capital commitment. 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 losses resulting from natural disasters frequently represent the greatest stress on risk capital by far due to the volatile nature of such claims and the conceivable amount of catastrophic damages. UNIQA has set up a specialised unit within UNIQA Re AG in order to deal with this problem. Exposure is constantly monitored and evaluated at the country and Group levels in cooperation with internal and external authorities. UNIQA substantially eases the pressure on its risk capital through the targeted utilisation of all applicable diversification effects and the launching of a highly efficient retrocession programme.

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 reasonable deductibles in the affected programmes based on risk and value-based approaches.

SEGMENT REPORTING

Operating segments

In € thousand	UNIQA Austria 1-12/2015	UNIQA Austria 1-12/2014	Raiffeisen Insurance 1-12/2015	Raiffeisen Insurance 1-12/2014	UNIQA International 1-12/2015	UNIQA International 1-12/2014
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	2,807,701	2,773,542	1,075,844	905,290	2,416,843	2,353,062
Premiums earned (net) including savings portions from the unit-linked and index-linked life insurance	2,229,856	2,137,021	965,061	793,957	1,892,310	1,822,239
Savings portions in unit-linked and index-linked life insurance (gross)	135,109	152,378	135,109	152,378	215,214	239,898
Savings portions in unit-linked and index-linked life insurance (net)	127,051	143,121	127,051	143,121	215,214	239,898
Premiums written (gross)	2,672,593	2,621,163	940,736	752,912	2,201,629	2,113,164
Premiums earned (net)	2,102,805	1,993,900	838,010	650,837	1,677,097	1,582,342
Premiums earned (net) - intragroup	– 546,003	– 587,892	– 96,383	– 91,943	– 410,764	– 446,736
Premiums earned (net) - non intragroup	2,648,808	2,581,791	934,392	742,780	2,087,860	2,029,078
Technical interest income	209,292	229,055	193,805	219,626	115,133	96,615
Other insurance income	1,900	3,137	997	917	21,340	25,931
Insurance benefits	– 1,729,353	– 1,637,225	– 829,768	– 685,206	– 1,329,341	– 1,253,637
Operating expenses	– 390,673	– 407,088	– 135,526	– 112,121	– 427,476	– 434,847
Other technical expenses	– 23,295	– 37,881	– 11,560	– 14,841	– 47,022	– 50,823
Technical result	170,677	**143,897**	**55,958**	**59,213**	**9,731**	**– 34,419**
Net investment income	343,170	376,128	254,738	277,712	195,321	174,330
Other income	7,304	7,513	201	1,736	19,012	26,774
Reclassification of technical interest income	– 209,292	– 229,055	– 193,805	– 219,626	– 115,133	– 96,615
Other operating expenses	– 11,781	– 12,049	– 503	– 123	– 34,809	– 40,688
Non-technical result	129,400	**142,537**	**60,631**	**59,699**	**64,391**	**63,800**
Operating profit/(loss)	300,077	**286,434**	**116,589**	**118,911**	**74,122**	**29,381**
Amortisation of goodwill and impairment losses	– 918	– 1,875	– 624	– 189	– 19,476	– 30,228
Finance costs	– 10,627	– 10,627	– 10,524	– 10,094	– 168	– 317
Earnings before taxes	288,532	**273,932**	**105,441**	**108,628**	**54,477**	**– 1,164**
Combined ratio (property and casualty insurance, after reinsurance)	93.9 %	91.8 %	82.7 %	88.1 %	99.1 %	102.3 %
Cost ratio (after reinsurance)	17.5 %	19.0 %	14.0 %	14.1 %	22.6 %	23.9 %

Impairment by segment

In € thousand	UNIQA Austria 1-12/2015	UNIQA Austria 1-12/2014	Raiffeisen Insurance 1-12/2015	Raiffeisen Insurance 1-12/2014	UNIQA International 1-12/2015	UNIQA International 1-12/2014
Goodwill						
Impairments	0	0	0	0	– 13,081	– 25,000
Investments						
Impairments	– 29,196	– 20,665	– 9,079	– 37,458	– 510	– 193
Reversal of impairment losses	14,867	9,066	1,482	11,662	0	0

Reinsurance		Group functions and consolidation		Group	
1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
1,112,080	1,189,327	– 1,087,337	– 1,156,866	6,325,132	6,064,355
1,014,440	1,080,886	1,155	4,932	6,102,823	5,839,035
0	0	0	0	485,431	544,654
0	0	0	0	469,316	526,139
1,112,080	1,189,327	– 1,087,337	– 1,156,866	5,839,701	5,519,700
1,014,440	1,080,886	1,155	4,932	5,633,507	5,312,896
1,051,994	1,121,639	1,155	4,932	0	0
– 37,554	– 40,753	0	0	5,633,507	5,312,896
0	0	209	15,088	518,439	560,384
631	1,115	5,801	3,392	30,669	34,492
– 720,148	– 800,808	1,043	– 6,785	– 4,607,567	– 4,383,662
– 315,686	– 335,108	– 29,334	– 9,943	– 1,298,695	– 1,299,106
– 9,060	– 12,193	14,448	18,440	– 76,489	– 97,298
– 29,823	**– 66,109**	**– 6,678**	**25,124**	**199,864**	**127,706**
27,652	31,325	10,264	28,657	831,145	888,151
2,240	5,270	13,767	21,135	42,525	62,428
0	0	– 209	– 15,088	– 518,439	– 560,384
– 2,204	– 975	– 11,695	– 16,499	– 60,993	– 70,334
27,687	**35,621**	**12,128**	**18,204**	**294,238**	**319,860**
– 2,136	**– 30,488**	**5,450**	**43,328**	**494,102**	**447,566**
0	0	0	0	– 21,018	– 32,292
0	0	– 28,923	– 16,304	– 50,243	– 37,343
– 2,136	**– 30,488**	**– 23,474**	**27,024**	**422,840**	**377,932**
101.7 %	104.8 %			97.8 %	99.6 %
31.1 %	31.0 %			21.3 %	22.2 %

Reinsurance		Group functions and consolidation		Group	
1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
0	0	0	0	– 13,081	– 25,000
0	0	– 21,052	– 31,628	– 59,837	– 89,944
0	0	268	139	16,616	20,867

Operating segments – Classified by Business line

Property and casualty insurance	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
In € thousand	1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
Premiums written (gross)	1,380,604	1,362,614	160,149	153,154	1,085,832	1,084,898
Premiums earned (net)	826,865	753,037	83,280	79,775	595,753	588,155
Technical interest income	0	0	0	0	0	0
Other insurance income	1,173	2,278	177	139	16,369	19,818
Insurance benefits	– 577,558	– 516,544	– 55,856	– 57,140	– 362,664	– 372,714
Operating expenses	– 199,137	– 174,838	– 13,014	– 13,129	– 227,734	– 228,898
Other technical expenses	– 9,727	– 16,556	– 475	– 992	– 34,766	– 34,283
Technical result	**41,616**	**47,378**	**14,112**	**8,654**	**– 13,040**	**– 27,921**
Net investment income	43,880	59,976	5,292	4,705	52,135	38,178
Other income	6,520	4,886	1	827	11,373	13,385
Reclassification of technical interest income	0	0	0	0	0	0
Other operating expenses	– 10,994	– 11,516	– 472	– 120	– 16,702	– 16,851
Non-technical result	**39,406**	**53,346**	**4,821**	**5,412**	**46,805**	**34,713**
Operating profit/(loss)	**81,021**	**100,723**	**18,932**	**14,066**	**33,765**	**6,791**
Amortisation of goodwill and impairment losses	0	0	0	0	– 15,960	– 27,847
Finance costs	0	0	0	0	– 168	– 313
Earnings before taxes	**81,021**	**100,723**	**18,932**	**14,066**	**17,636**	**– 21,368**

Health insurance	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
In € thousand	1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
Premiums written (gross)	921,619	887,275	0	0	76,928	73,547
Premiums earned (net)	921,923	886,949	0	0	75,591	71,725
Technical interest income	73,783	70,555	0	0	0	0
Other insurance income	230	118	0	0	1,324	1,406
Insurance benefits	– 762,872	– 744,309	0	0	– 48,840	– 45,724
Operating expenses	– 121,753	– 133,656	0	0	– 30,952	– 30,669
Other technical expenses	– 2,056	– 6,685	0	0	– 431	– 371
Technical result	**109,255**	**72,972**	**0**	**0**	**– 3,308**	**– 3,632**
Net investment income	151,840	127,596	0	0	2,965	1,714
Other income	486	193	0	0	1,742	2,039
Reclassification of technical interest income	– 73,783	– 70,555	0	0	0	0
Other operating expenses	– 301	– 21	0	0	– 1,422	– 1,380
Non-technical result	**78,241**	**57,212**	**0**	**0**	**3,285**	**2,374**
Operating profit/(loss)	**187,496**	**130,185**	**0**	**0**	**– 23**	**– 1,258**
Amortisation of goodwill and impairment losses	0	0	0	0	0	0
Finance costs	0	0	0	0	0	0
Earnings before taxes	**187,496**	**130,185**	**0**	**0**	**– 23**	**– 1,258**

Reinsurance		Group functions and consolidation		Group	
1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
1,060,821	1,136,028	– 1,046,014	– 1,115,771	2,641,392	2,620,922
992,086	1,055,646	2,215	6,325	2,500,199	2,482,938
0	0	0	0	0	0
197	631	6,162	3,807	24,078	26,674
– 697,115	– 775,981	– 2,005	– 1,205	– 1,695,197	– 1,723,584
– 311,848	– 330,550	1,199	– 1,529	– 750,534	– 748,942
– 5,213	– 7,677	8,848	11,716	– 41,332	– 47,791
– 21,892	**– 57,930**	**16,420**	**19,115**	**37,214**	**– 10,705**
17,421	19,532	6,824	15,182	125,552	137,573
2,183	5,237	9,959	10,785	30,035	35,119
0	0	0	0	0	0
– 2,122	– 926	– 11,961	– 6,649	– 42,252	– 36,061
17,482	**23,843**	**4,822**	**19,318**	**113,335**	**136,631**
– 4,410	**– 34,088**	**21,241**	**38,433**	**150,549**	**125,926**
0	0	0	0	– 15,960	– 27,847
0	0	– 49,921	– 36,791	– 50,089	– 37,104
– 4,410	**– 34,088**	**– 28,679**	**1,642**	**84,499**	**60,975**

Reinsurance		Group functions and consolidation		Group	
1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
646	1,544	– 1,288	– 1,591	997,906	960,776
227	1,424	– 643	– 112	997,098	959,986
0	0	0	0	73,783	70,555
0	0	0	0	1,553	1,524
– 338	– 252	10,865	9,762	– 801,184	– 780,523
– 24	– 503	– 11,929	– 2,231	– 164,658	– 167,058
0	0	– 227	– 247	– 2,714	– 7,302
– 134	**669**	**– 1,934**	**7,172**	**103,879**	**77,182**
0	6	– 12,014	– 8,612	142,791	120,704
2	0	3,421	1,819	5,650	4,051
0	0	0	0	– 73,783	– 70,555
0	0	– 14	0	– 1,736	– 1,401
2	**7**	**– 8,606**	**– 6,794**	**72,922**	**52,799**
– 132	**676**	**– 10,540**	**379**	**176,802**	**129,981**
0	0	0	0	0	0
0	0	– 154	– 234	– 154	– 234
– 132	**676**	**– 10,694**	**144**	**176,648**	**129,747**

Life insurance	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
In € thousand	1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	505,478	523,653	915,695	752,137	1,254,083	1,194,618
Premiums earned (net) including savings portions from the unit-linked and index-linked life insurance	481,068	497,034	881,781	714,182	1,220,966	1,162,360
Savings portions in unit-linked and index-linked life insurance (gross)	135,109	152,378	135,109	152,378	215,214	239,898
Savings portions in unit-linked and index-linked life insurance (net)	127,051	143,121	127,051	143,121	215,214	239,898
Premiums written (gross)	370,370	371,274	780,587	599,758	1,038,869	954,720
Premiums earned (net)	354,017	353,913	754,730	571,062	1,005,752	922,462
Technical interest income	135,509	158,500	193,805	219,626	115,133	96,615
Other insurance income	498	740	821	778	3,646	4,706
Insurance benefits	– 388,923	– 376,372	– 773,912	– 628,066	– 917,837	– 835,200
Operating expenses	– 69,782	– 98,595	– 122,511	– 98,992	– 168,791	– 175,280
Other technical expenses	– 11,513	– 14,639	– 11,085	– 13,849	– 11,825	– 16,170
Technical result	**19,806**	**23,547**	**41,846**	**50,559**	**26,079**	**– 2,866**
Net investment income	147,449	188,556	249,446	273,007	140,221	134,437
Other income	299	2,434	200	909	5,898	11,350
Reclassification of technical interest income	– 135,509	– 158,500	– 193,805	– 219,626	– 115,133	– 96,615
Other operating expenses	– 486	– 512	– 31	– 3	– 16,685	– 22,458
Non-technical result	**11,753**	**31,979**	**55,811**	**54,287**	**14,301**	**26,714**
Operating profit/(loss)	**31,560**	**55,526**	**97,657**	**104,846**	**40,380**	**23,848**
Amortisation of goodwill and impairment losses	– 918	– 1,875	– 624	– 189	– 3,516	– 2,381
Finance costs	– 10,627	– 10,627	– 10,524	– 10,094	0	– 5
Earnings before taxes	**20,015**	**43,024**	**86,509**	**94,563**	**36,865**	**21,462**

Reinsurance		Group functions and consolidation		Group	
1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
50,612	51,755	– 40,034	– 39,505	2,685,834	2,482,657
22,127	23,815	– 417	– 1,280	2,605,525	2,396,111
0	0	0	0	485,431	544,654
0	0	0	0	469,316	526,139
50,612	51,755	– 40,034	– 39,505	2,200,403	1,938,002
22,127	23,815	– 417	– 1,280	2,136,209	1,869,971
0	0	209	15,088	444,656	489,829
433	484	– 361	– 415	5,037	6,294
– 22,696	– 24,574	– 7,817	– 15,342	– 2,111,186	– 1,879,555
– 3,815	– 4,056	– 18,603	– 6,183	– 383,503	– 383,106
– 3,847	– 4,516	5,826	6,970	– 32,443	– 42,205
– 7,797	**– 8,848**	**– 21,164**	**– 1,163**	**58,770**	**61,229**
10,231	11,787	15,454	22,087	562,802	629,874
55	33	387	8,532	6,839	23,258
0	0	– 209	– 15,088	– 444,656	– 489,829
– 82	– 49	280	– 9,851	– 17,005	– 32,872
10,203	**11,771**	**15,912**	**5,680**	**107,981**	**130,431**
2,406	**2,924**	**– 5,252**	**4,517**	**166,751**	**191,660**
0	0	0	0	– 5,058	– 4,445
0	0	21,151	20,721	0	– 5
2,406	**2,924**	**15,899**	**25,238**	**161,693**	**187,210**

UNIQA International classified according to regions

In € thousand	Premiums earned (net)		Net investment income	
	1-12/2015	1-12/2014	1-12/2015	1-12/2014
Switzerland	10,240	8,592	224	251
Italy	875,696	777,831	98,066	79,525
Liechtenstein	2,540	1,223	1,254	1,616
Western Europe (WE)	**888,475**	**787,646**	**99,545**	**81,392**
Czech Republic	126,945	111,833	6,507	7,178
Hungary	57,282	56,556	4,205	5,152
Poland	160,166	181,181	21,069	15,136
Slovakia	73,364	57,566	3,819	4,201
Central Europe (CE)	**417,756**	**407,136**	**35,599**	**31,667**
Romania	51,352	58,081	3,427	4,526
Ukraine	40,708	59,278	14,739	9,766
Eastern Europe (EE)	**92,060**	**117,358**	**18,166**	**14,292**
Albania	25,321	20,229	225	733
Bosnia-Herzegovina	23,623	22,683	2,543	2,404
Bulgaria	40,358	38,715	1,142	649
Croatia	65,410	54,445	17,044	17,282
Montenegro	10,116	9,918	643	594
Macedonia	10,105	9,977	421	343
Serbia	42,003	37,400	4,328	6,579
Kosovo	13,400	11,255	0	246
Southeastern Europe (SEE)	**230,336**	**204,623**	**26,346**	**28,828**
Russia	48,470	65,578	15,275	19,541
Russia (RU)	**48,470**	**65,578**	**15,275**	**19,541**
Austria	0	0	391	– 1,389
Administration	**0**	**0**	**391**	**– 1,389**
UNIQA International	**1,677,097**	**1,582,342**	**195,321**	**174,330**
Of which				
Earnings before taxes insurance companies				
Impairment (Romania)				
Impairment (Ukraine)				

Insurance benefits		Operating expenses		Earnings before taxes	
1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
– 7,470	– 6,718	– 3,473	– 3,162	1,050	910
– 855,908	– 751,926	– 79,788	– 73,009	24,695	21,444
– 1,139	– 6,527	757	– 2,125	3,332	– 4,656
– 864,517	**– 765,172**	**– 82,504**	**– 78,296**	**29,077**	**17,698**
– 74,238	– 68,989	– 45,638	– 39,182	12,650	10,283
– 13,350	– 25,329	– 40,019	– 32,890	– 674	– 4,642
– 106,976	– 116,624	– 57,707	– 67,078	15,752	9,852
– 42,783	– 34,879	– 28,921	– 20,547	5,561	6,474
– 237,346	**– 245,821**	**– 172,286**	**– 159,698**	**33,289**	**21,967**
– 27,063	– 44,889	– 22,931	– 23,621	– 2,429	– 35,533
– 14,389	– 24,697	– 28,655	– 41,279	– 2,408	7,273
– 41,452	**– 69,586**	**– 51,586**	**– 64,899**	**– 4,836**	**– 28,261**
– 9,507	– 8,179	– 11,846	– 9,602	2,599	3,225
– 17,043	– 16,638	– 8,077	– 8,105	1,057	1,004
– 24,001	– 25,887	– 17,086	– 17,907	549	– 4,587
– 54,170	– 42,722	– 21,817	– 22,292	5,490	3,985
– 6,395	– 5,312	– 4,824	– 5,088	– 601	– 334
– 5,314	– 5,152	– 4,796	– 4,934	664	535
– 25,838	– 20,218	– 17,438	– 17,153	– 62	2,820
– 7,492	– 4,787	– 5,274	– 4,618	445	1,192
– 149,760	**– 128,895**	**– 91,158**	**– 89,699**	**10,141**	**7,840**
– 36,265	– 44,163	– 9,430	– 16,826	6,658	5,693
– 36,265	**– 44,163**	**– 9,430**	**– 16,826**	**6,658**	**5,693**
0	0	– 20,511	– 25,429	– 19,852	– 26,102
0	**0**	**– 20,511**	**– 25,429**	**– 19,852**	**– 26,102**
– 1,329,341	**– 1,253,637**	**– 427,476**	**– 434,847**	**54,477**	**– 1,164**
				74,329	49,938
					– 25,000
				– 13,081	

Consolidated statement of financial position – Classified by Business line

	Property and casualty insurance		Health insurance	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014
Assets				
Property, plant and equipment	165,176	136,214	28,946	27,494
Investment property	216,905	219,380	280,708	312,145
Intangible assets	480,918	483,441	232,798	225,769
Financial assets accounted for using the equity method	45,122	43,374	175,924	173,520
Investments	4,629,614	4,013,081	2,558,942	2,507,148
Unit-linked and index-linked life insurance investments	0	0	0	0
Reinsurers' share of technical provisions	179,622	155,799	895	1,002
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Receivables, including insurance receivables	986,588	1,089,632	149,193	193,922
Income tax receivables	69,533	38,209	21	1,111
Deferred tax assets	7,446	1,409	17	394
Cash and cash equivalents	304,398	234,646	159,177	143,859
Assets in disposal groups held for sale	0	0	0	0
Total assets by business line	**7,085,322**	**6,415,185**	**3,586,622**	**3,586,363**
Equity and liabilities				
Subordinated liabilities	1,100,089	604,187	0	0
Technical provisions	3,059,858	2,914,745	2,780,075	2,677,800
Technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Financial liabilities	10,568	11,485	24,016	28,557
Other provisions	739,460	744,201	21,715	17,222
Liabilities and other items classified as equity and liabilities	707,787	700,514	89,394	190,332
Income tax liabilities	88,146	30,774	2,547	597
Deferred tax liabilities	62,887	77,773	144,872	141,392
Liabilities in disposal groups held for sale	0	0	0	0
Total equity and liabilities by business line	**5,768,794**	**5,083,678**	**3,062,619**	**3,055,901**

	Life insurance		Consolidation		Group	
	31/12/2015	31/12/2014	31/12/2015	31/12/2014	31/12/2015	31/12/2014
	113,618	119,798	0	0	307,741	283,506
	894,977	972,958	0	0	1,392,590	1,504,483
	769,110	807,848	– 10,350	0	1,472,476	1,517,058
	293,119	311,788	0	0	514,165	528,681
	14,681,475	14,666,728	– 477,555	– 557,603	21,392,476	20,629,354
	5,226,748	5,386,650	0	0	5,226,748	5,386,650
	373,173	406,739	– 4,724	0	548,966	563,540
	315,646	332,974	0	0	315,646	332,974
	534,523	647,154	– 758,826	– 836,164	911,477	1,094,544
	17,716	14,596	0	0	87,270	53,917
	1,965	4,827	0	0	9,427	6,630
	426,508	597,258	0	0	890,083	975,764
	9,289	161,053	0	0	9,289	161,053
	23,657,867	**24,430,371**	**– 1,251,455**	**– 1,393,767**	**33,078,355**	**33,038,153**
	410,000	310,000	– 414,344	– 314,187	1,095,745	600,000
	15,275,307	15,628,701	– 15,168	– 1,178	21,100,072	21,220,068
	5,175,437	5,306,000	0	0	5,175,437	5,306,000
	73,664	267,312	– 74,667	– 258,173	33,580	49,181
	48,246	40,414	– 12,979	0	796,442	801,837
	1,205,967	1,328,823	– 731,576	– 818,840	1,271,572	1,400,828
	5,277	11,901	0	0	95,970	43,272
	126,937	136,259	0	0	334,696	355,424
	0	159,107	0	0	0	159,107
	22,320,835	**23,188,517**	**– 1,248,733**	**– 1,392,378**	**29,903,515**	**29,935,719**
			Consolidated equity and non-controlling interests		3,174,840	3,102,434
			Total equity and liabilities		**33,078,355**	**33,038,153**

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DISCLOSURES

8. Property, plant and equipment

Acquisition costs In € thousand	Land and buildings for own use	Other property, plant and equipment	Total
As at 1 January 2014	**295,133**	**234,434**	**529,567**
Currency translation	– 2,877	– 2,651	– 5,528
Change in consolidation scope	5,534	6,491	12,025
Additions	1,313	30,067	31,380
Disposals	– 5,527	– 9,979	– 15,506
Reclassifications	– 4,716	– 4,156	– 8,872
As at 31 December 2014	**288,860**	**254,207**	**543,067**
As at 1 January 2015	**288,860**	**254,207**	**543,067**
Currency translation	396	– 365	31
Change in consolidation scope	46,742	– 1,185	45,557
Additions	243	16,341	16,585
Disposals	– 940	– 23,328	– 24,267
Reclassifications	– 2,911	– 1,745	– 4,656
As at 31 December 2015	**332,390**	**243,926**	**576,316**

Accumulated amortisation and impairment losses In € thousand	Land and buildings for own use	Other property, plant and equipment	Total
As at 1 January 2014	**– 96,701**	**– 146,278**	**– 242,979**
Currency translation	608	1,231	1,839
Change in consolidation scope	– 951	– 4,907	– 5,858
Additions from amortisation	– 8,268	– 16,462	– 24,731
Disposals	2,903	7,965	10,869
Reclassifications	1,295	4	1,299
As at 31 December 2014	**– 101,114**	**– 158,447**	**– 259,561**
As at 1 January 2015	**– 101,114**	**– 158,447**	**– 259,561**
Currency translation	– 149	138	– 11
Change in consolidation scope	0	923	923
Additions from amortisation	– 3,745	– 14,366	– 18,110
Additions from impairment	– 6,203	0	– 6,203
Disposals	73	13,204	13,277
Reclassifications	1,108	0	1,108
Reversal of impairment	0	2	2
As at 31 December 2015	**– 110,029**	**– 158,547**	**– 268,575**

Carrying amounts In € thousand	Land and buildings for own use	Other property, plant and equipment	Total
As at 1 January 2014	**198,433**	**88,156**	**286,589**
As at 31 December 2014	**187,746**	**95,760**	**283,506**
As at 31 December 2015	**222,361**	**85,380**	**307,741**

The fair values of the land and buildings used by the Group are derived from expert reports and are comprised as follows:

Fair values In € thousand	Property and casualty insurance	Health insurance	Life insurance	Total
As at 31 December 2014	**105,658**	**13,849**	**150,082**	**269,589**
As at 31 December 2015	**174,877**	**13,876**	**143,952**	**332,705**

Other property, plant and equipment refers mainly to technical systems and operating and office equipment.

9. Investment property

Acquisition costs In € thousand	Total
As at 1 January 2014	**2,217,125**
Currency translation	– 31,789
Change in consolidation scope	9,574
Additions	39,561
Disposals	– 134,093
Reclassifications	8,872
As at 31 December 2014	**2,109,251**
As at 1 January 2015	**2,109,251**
Currency translation	– 10,513
Change in consolidation scope	6,984
Additions	21,030
Disposals	– 111,671
Reclassifications	5,197
As at 31 December 2015	**2,020,279**

Accumulated amortisation and impairment losses In € thousand	Total
As at 1 January 2014	**– 564,640**
Currency translation	8,663
Change in consolidation scope	– 97
Additions from amortisation	– 45,783
Additions from impairment	– 33,282
Disposals	31,632
Reclassifications	– 1,299
Reversal of impairment	38
As at 31 December 2014	**– 604,769**
As at 1 January 2015	**– 604,769**
Currency translation	4,036
Change in consolidation scope	0
Additions from amortisation	– 57,590
Additions from impairment	– 9,038
Disposals	40,911
Reclassifications	– 1,108
Reversal of impairment	– 132
As at 31 December 2015	**– 627,689**

Carrying amounts In € thousand	Total
As at 1 January 2014	**1,652,485**
As at 31 December 2014	**1,504,483**
As at 31 December 2015	**1,392,590**

The fair values of the investment property are derived from expert reports.

Fair values In € thousand	Property and casualty insurance	Health insurance	ife insurance	otal
As at 31 December 2014	**384,130**	**497,845**	**1,354,047**	**2,236,021**
As at 31 December 2015	**383,185**	**511,614**	**1,290,594**	**2,185,392**

The fair values of the investment property were reduced based on a reassessment of the development of future rental charges and the expected vacancy rate as well as an increase in the discount rate. This affected one property in Austria and five properties abroad, resulting in impairments in the amount of €9,038 thousand on the investment property. The impairments relate exclusively to the Group functions segment. The recoverable amount of the impaired land and buildings amounts to €25,589 thousand and reflects the fair value. Reference is made to the statements in the section “Use of discretionary decisions and estimates for a description of the measurement procedures applied”.

10. Intangible assets

Acquisition costs In € thousand	Deferred acquisition costs	Insurance contract portfolio	Goodwill	Other intangible assets	Total
As at 1 January 2014	**994,501**	**175,942**	**567,646**	**176,227**	**1,914,317**
Currency translation	– 14,369	– 83	– 11,537	– 2,243	– 28,232
Change in consolidation scope	6,769	7,025	13,767	2,870	30,430
Additions	8,052	0	0	15,524	23,576
Disposals	– 74,653	– 13,544	0	– 11,083	– 99,280
Reclassifications	0	0	3,075	0	3,075
Interest capitalised	79,197	0	0	0	79,197
Capitalisation	242,600	0	0	0	242,600
Depreciation (direct)	– 243,145	0	0	0	– 243,145
As at 31 December 2014	**998,952**	**169,340**	**572,951**	**181,295**	**1,922,538**
As at 1 January 2015	**998,952**	**169,340**	**572,951**	**181,295**	**1,922,538**
Currency translation	– 4,679	– 236	– 3,397	65	– 8,247
Change in consolidation scope	– 42	0	0	– 406	– 448
Additions	0	– 79	0	22,320	22,240
Disposals	0	2	– 7,103	– 6,013	– 13,115
Reclassifications	0	0	0	– 541	– 541
Interest capitalised	– 2,425	0	0	0	– 2,425
Capitalisation	123,518	0	0	0	123,518
Depreciation (direct)	– 135,117	0	0	0	– 135,117
As at 31 December 2015	**980,207**	**169,026**	**562,451**	**196,720**	**1,908,403**

Accumulated amortisation and impairment losses In € thousand	Deferred acquisition costs	Insurance contract portfolio	Goodwill	Other intangible assets	Total
As at 1 January 2014	**0**	**– 137,548**	**– 95,866**	**– 151,772**	**– 385,186**
Currency translation	0	50	– 16	1,335	1,368
Change in consolidation scope	0	0	2,972	– 2,111	862
Additions from amortisation	0	– 7,292	0	– 2,920	– 10,211
Additions from impairment	0	0	– 25,000	0	– 25,000
Disposals	0	13,544	0	2,218	15,762
Reclassifications	0	0	– 3,075	0	– 3,075
As at 31 December 2014	**0**	**– 131,246**	**– 120,985**	**– 153,249**	**– 405,480**
As at 1 January 2015	**0**	**– 131,246**	**– 120,985**	**– 153,249**	**– 405,480**
Currency translation	0	163	1	– 1,850	– 1,686
Change in consolidation scope	0	0	0	382	382
Additions from amortisation	0	– 7,858	0	– 10,701	– 18,559
Additions from impairment	0	0	– 13,081	0	– 13,081
Disposals	0	– 2	874	1,625	2,497
As at 31 December 2015	**0**	**– 138,943**	**– 133,191**	**– 163,794**	**– 435,927**

Carrying amounts In € thousand	Deferred acquisition costs	Insurance contract portfolio	Goodwill	Other intangible assets	Total
As at 1 January 2014	**994,501**	**38,394**	**471,780**	**24,455**	**1,529,131**
As at 31 December 2014	**998,952**	**38,093**	**451,966**	**28,046**	**1,517,058**
As at 31 December 2015	**980,207**	**30,083**	**429,260**	**32,926**	**1,472,476**

The goodwill is distributed among the individual cash generating units as follows:

Goodwill by CGU In € thousand	31/12/2015	31/12/2014
UNIQA Austria	8,791	8,791
FINANCE LIFE	28,946	28,946
Albania, Kosovo, Macedonia as sub-group "Sigal Group" (SEE)	20,697	20,259
Bosnia-Herzegovina	1,887	1,887
Bulgaria	55,812	55,812
Czech Republic	7,848	7,647
Croatia	16,162	16,120
Hungary	16,924	16,948
Italy	115,488	121,718
Montenegro	81	81
Poland	27,881	27,820
Romania	104,097	105,054
Serbia	19,366	19,403
Russia	44	49
Slovakia	120	120
Ukraine	0	16,187
Other service companies	5,114	5,124
Total	**429,260**	**451,966**

The other intangible assets comprise:

In € thousand	31/12/2015	31/12/2014
Computer software	20,495	22,561
Copyrights	0	13
Licences	180	904
Other intangible assets	12,251	4,569
Total	**32,926**	**28,046**

11. Financial assets accounted for using the equity method

The financial assets accounted for using the equity method include the shares in STRABAG SE. These represent the only essential shares that are accounted for using the equity method. The following table shows the fair value of the shares as at the reporting date.

Financial assets accounted for using the equity method In € thousand	31/12/2015	31/12/2014
Current market value of associated companies listed on a public stock exchange (STRABAG SE)	369,714	285,029
Net Profit/(loss)	23,205	19,970

As part of the accounting using the equity method, an assessment is made up until 31 December 2015 of the stake in STRABAG SE based on the interim financial statements as at 30 September 2015.

The following tables illustrate summary financial information concerning STRABAG SE.

Summarised statement of comprehensive income		STRABAG SE[1]
In € thousand	1-9/2015	1-9/2014
Revenue	9,480,722	8,892,290
Depreciation	– 287,985	– 285,543
Interest income	60,152	44,177
interest expenses	– 74,116	– 69,031
Income taxes	– 38,298	– 19,150
Net Profit/(loss)	63,540	20,275
Other comprehensive income	21,020	– 32,463
Total comprehensive income	**84,560**	**– 12,188**
Dividends received from associated companies	**7,841**	**7,057**

Summarised Statement of Financial Position		STRABAG SE[1]
In € thousand	30/09/2015	31/12/2014
Cash and cash equivalents	1,560,139	1,924,019
Other current assets	4,685,008	3,845,057
Current assets	**6,245,147**	**5,769,076**
Non-current assets	**4,415,745**	**4,506,461**
Total assets	**10,660,892**	**10,275,537**
Current financial liabilities	248,232	433,198
Other current liabilities	4,652,418	4,289,335
Current liabilities	**4,900,650**	**4,722,533**
Non-current liabilities	1,330,829	1,176,724
Other non-current liabilities	1,257,979	1,231,980
Non-current liabilities	**2,588,808**	**2,408,704**
Total liabilities	**7,489,458**	**7,131,237**
Net assets	**3,171,434**	**3,144,300**

All other financial assets accounted for using the equity method are negligible from the perspective of the Group when considered individually and are stated in aggregate form. The financial statements of the associates most recently published have been used for the purposes of the accounting using the equity method, and have been adjusted based on any essential transactions between the relevant reporting date and 31 December 2015.

Summary of information on associated companies that are not material when considered on a stand alone basis		
In € thousand	1-12/2015	1-12/2014
Group's share of profit from continuing operations	3,259	1,128
Group's share of loss from continuing operations	– 12,386	– 1,781
Group's share of other comprehensive income	– 1,954	14
Group's share of total comprehensive income	– 11,081	– 639

Reconciliation of summarised financial information	STRABAG SE		Associated companies not material on stand alone basis [2]	
In € thousand	2015[1]	2014	2015	2014
Net assets as at 1 January	**2,884,712**	**2,948,749**	**258,750**	**265,645**
Change in basis of consolidation	0	0	– 32,215	0
Dividends	– 51,300	– 46,170	– 710	– 2,307
Profit/(loss) after taxes	174,000	132,558	– 52,950	– 4,655
Other comprehensive income	21,944	– 48,794	– 8,416	68
Net assets as at 31 December	**3,029,356**	**2,986,343**	**164,459**	**258,750**
shares in associated companies	13.76 %	13.76 %	various investment amounts	
Carrying amount[3]	**463,039**	**456,464**	**51,127**	**72,217**

[1] Estimate for 31 Dec. 2015 based on the interim report as at 30 Sept. 2015 on Strabag SE available as at the reporting date
[2] Values in accordance with the last financial statements and/or interim reports available as at the reporting date
[3] The carrying amounts are calculated based on the shares in circulation. 2015: 15.29 %, 2014 15.29 %

Unrecognised losses from associated companies

In € thousand	2015	2014
Unrecognised losses in the reporting period	2,291	2,281
Cumulative unrecognised losses	9,016	6,725

12. Assets and liabilities in disposal groups held for sale

As part of the UNIQA 2.0 strategic programme, the UNIQA Group also sold its 29 per cent stake in Medial Beteiligungs-Gesellschaft m.b.H. (Vienna)(UNIQA International segment) in a contract of assignment dated 28 July 2015. The closing is expected in 2016 on account of conditions precedent. Reference is made here to the statements under note 2.4.

The following table shows the assets and liabilities in disposal groups held for sale:

In € thousand	31/12/2015	31/12/2014
Assets		
Property, plant and equipment		7
Shares to Associated companies	9,289	
Investments		52,226
Unit-linked and index-linked life insurance investments		96,368
Receivables, including insurance receivables		1,491
Income tax receivables		4
Deferred tax assets		58
Cash and cash equivalents		10,899
Assets in disposal groups held for sale	**9,289**	**161,053**

In € thousand	31/12/2015	31/12/2014
Equity and liabilities		
Technical provisions		62,238
Technical provisions for unit-linked and index-linked life insurance		96,072
Other provisions		38
Liabilities and other items classified as equity and liabilities		380
Income tax liabilities		1
Deferred tax liabilities		377
Liabilities in disposal groups held for sale	**0**	**159,107**

13. Investments

The investments are subdivided into the following classes or categories of investments:

as at 31 December 2015 In € thousand	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Investments at fair value through profit or loss	76,892	354,607	0	126,545	58,452	616,497
Available-for-sale financial assets	659,499	18,495,071	0	0	0	19,154,570
Loans and receivables	0	510,092	1,111,317	0	0	1,621,409
Total	**736,391**	**19,359,770**	**1,111,317**	**126,545**	**58,452**	**21,392,476**
of which fair value-option	76,892	354,607	0	0	0	431,500

as at 31 December 2014 In € thousand	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Investments at fair value through profit or loss	98,005	364,630	0	122,340	53,664	638,639
Available-for-sale financial assets	625,189	18,016,323	0	0	0	18,641,512
Loans and receivables	0	715,656	633,546	0	0	1,349,202
Total	**723,194**	**19,096,609**	**633,546**	**122,340**	**53,664**	**20,629,354**
of which fair value-option	98,005	364,630	0	0	0	462,635

The fair values are comprised as follows:

as at 31 December 2015 In € thousand	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	**15,091,868**	**4,460,070**	**201,207**	**19,753,145**
Available-for-sale financial assets	**14,891,290**	**4,062,073**	**201,207**	**19,154,570**
Variable-income securities	282,976	175,315	201,207	659,499
Fixed-income securities	14,608,314	3,886,758	0	18,495,071
Investments at fair value through profit or loss	**200,578**	**397,997**	**0**	**598,575**
Variable-income securities	6,107	70,786	0	76,892
Fixed-income securities	152,355	202,252	0	354,607
Derivative financial instruments	0	108,623	0	108,623
Investments under investment contracts	42,116	16,336	0	58,452

as at 31 December 2014 In € thousand	Level 1	Level 2	Level 3	Total
Investments at fair value through profit or loss	**14,364,591**	**4,250,790**	**632,281**	**19,247,662**
Available-for-sale financial assets	**14,164,806**	**3,852,616**	**624,090**	**18,641,512**
Variable-income securities	235,397	195,422	194,371	625,189
Fixed-income securities	13,929,409	3,657,195	429,719	18,016,323
Investments at fair value through profit or loss	**199,785**	**398,174**	**8,191**	**606,150**
Variable-income securities	0	89,814	8,191	98,005
Fixed-income securities	158,976	205,654	0	364,630
Derivative financial instruments	0	89,851	0	89,851
Investments under investment contracts	40,808	12,855	0	53,664

Measurement procedures and input factors in ascertaining the fair values

Level	Financial instruments	Valuation method	Input factors
1	Listed securities	Market value oriented	Nominal values, stock exchange prices
2	not listed securities, derivatives, loans	Net present value approach	Cash flows already fixed or determined via forward rates, yield curve, credit risk of the contracting parties
2	Asset Backed Securities	Net present value approach	Probability of default Loss given default Expected advance payment Discount rate
3	Other shareholdings	Net present value approach	WACC (long-term) revenue growth rate (long-term) profit margins control premium

Net results by measurement categories in accordance with IFRS 7

	1-12/2015		1-12/2014	
	Net results	of which: impairment	Net results	of which: impairment
Investments at fair value through profit or loss				
- of which held for trading	– 52,062	0	– 97,252	0
- of which fair value-option	14,467	0	– 9,525	0
Total	**– 37,595**	**0**	**– 106,778**	**0**
Available-for-sale financial assets				
- of which recognised in profit/(loss) for the period	796,539	– 24,686	989,967	– 30,287
- of which recognised in other comprehensive income	– 152,429	8,213	1,143,498	220
- of which reclassification from equity to consolidated income statement	– 87,860	28,737	– 174,736	3,149
Total	**556,251**	**12,265**	**1,958,730**	**– 26,918**
Financial liabilities measured at amortised cost	**– 50,243**	**0**	**– 37,343**	**0**

The overall interest expenditure from financial instruments amounts to 51,902 thousand (2014: 35,797 thousand). The income from financial instruments amounts to 665,580 thousand (2014: 693,342 thousand).

Level 3 financial instruments

The shares in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB shares) are essentially allocated to level 3 in accordance with the hierarchy according to IFRS 13. They come under the category "Available-for-sale"

Financial instrument	Fair value as at 31/12/2015	Valuation method	Non-observable input factors
RZB shares	135,848	DFC-method	WACC (long-term) revenue growth rate (long-term) profit margins control premium
Other	65,360	DFC-method	WACC (long-term) revenue growth rate (long-term) profit margins control premium

The following table shows the changes to the fair values of securities whose measurement procedures are not based on observable input factors.

In € thousand	RZB shares	ABS	Other	Total
As at 1 January 2015	**138,935**	**437,638**	**55,707**	**632,281**
Transfers into level 2	0	– 215,062	– 53	– 215,115
Gains and losses recognised in the income statement	0	31,765	0	31,765
Gains and losses recognised in other comprehensive income	– 3,087	610	5,850	3,372
Purchases	0	73,482	4,145	77,627
Sales/redemptions	0	– 328,433	– 287	– 328,721
Changes from currency translation	0	0	– 2	– 2
Change in basis of consolidation	0	0	0	0
As at 31 December 2015	**135,848**	**0**	**65,360**	**201,207**

The sensitivity analysis was determined in the course of a valuation report and relates to a change in the discount interest rate and the increase or decrease in the growth rate.

The sensitivity analyses for the RZB shares are shown below.

Sensitivity analysis for RZB 2015	2015		2014	
In € thousand	Upside	Downside	Upside	Downside
Through income statement	0	0	0	0
Through equity	19,886	– 15,813	18,600	– 14,900
Effect of changes in the discount rate (+/– 1 %)	**19,886**	**– 15,813**	**18,600**	**– 14,900**
Through income statement	0	0	0	0
Through equity	455	– 557	300	– 400
Effect of changes in the growth rate (+/– 1 %)	**455**	**– 557**	**300**	**– 400**

Loans

	Carrying amounts	
In € thousand	31/12/2015	31/12/2014
Loans to affiliated companies	1,600	1,800
Loans to participations	8,000	0
Mortgage loans	27,962	34,651
Loans and advance payments on policies	12,674	14,236
Other loans	8,901	69,260
Reclassified bonds	510,092	715,656
Total	**569,228**	**835,603**

In € thousand	31/12/2015	31/12/2014
impairments	30,101	30,382

On 1 July 2008, securities previously available for sale were reclassified in accordance with IAS 39/50E as other loans. Overall, fixed-income securities with a carrying amount of €2,129,552 thousand were reclassified. The corresponding amount from the measurement of the financial instruments available-for-sale as at 30 June 2008 was €–98,208 thousand.

Reclassified bonds In € thousand	2015	2014	2013	2012	2011	2010	2009	2008
Carrying amount as at 31 December	510,092	715,656	788,061	906,435	1,089,093	1,379,806	1,796,941	2,102,704
Fair value as at 31 December	534,468	759,872	812,455	928,162	981,394	1,345,580	1,732,644	1,889,108
Change in fair value	– 19,839	19,822	129,426	129,426	– 73,987	30,586	149,299	– 213,596
Redemption income/expense	– 697	2,391	348	348	332	473	5,917	– 61
Impairment	0	– 3,539	0	0	– 25	– 8,043	0	0

In € thousand	Fair values In € thousand 31/12/2015	31/12/2014
Loans to affiliated companies	1,600	1,800
Loans to participations	8,000	0
Mortgage loans	27,962	34,651
Loans and advance payments on policies	12,674	14,236
Other loans	8,901	69,260
Registered bonds		
Reclassified bonds	534,468	759,872
Total	**593,604**	**879,818**

Contractual maturities In € thousand	Fair values In € thousand 31/12/2015	31/12/2014
No maturity date	8,000	10,647
up to 1 year	280,963	426,904
more than 1 year up to 5 years	176,383	282,047
more than 5 years up to 10 years	35,139	61,301
more than 10 years	93,119	98,920
Total	**593,604**	**879,818**

Impairment Figures in € thousand	31/12/2015	31/12/2014
Change in impairment for current year	3,084	5,507
of which recognised in profit or loss	3,084	5,507

14. Receivables including insurance receivables

In € thousand	31/12/2015	31/12/2014
Reinsurance receivables		
Receivables from reinsurance business	51,753	45,883
	51,753	**45,883**
Other receivables		
Insurance receivables		
from policyholders	244,639	298,295
from insurance intermediaries	56,785	66,628
from insurance companies	13,836	19,842
	315,260	**384,765**
Other receivables		
Interest and rent	238,024	244,462
Other tax refund claims	3,653	58,583
Receivables from employees	1,434	3,055
Other receivables	269,535	323,829
	512,646	**629,929**
Total other receivables	**827,906**	**1,014,694**
Subtotal	**879,659**	**1,060,577**
of which receivables with a remaining maturity of		
up to 1 year	840,486	1,048,215
more than 1 year	10,780	12,362
	851,266	**1,060,577**
of which receivables with values not yet impaired		
up to 3 months overdue	14,771	12,774
more than 3 months overdue	4,626	2,515
Other assets		
Prepaid expenses and deferred charges	31,818	33,967
	31,818	**33,967**
Total receivables including insurance receivables	**911,477**	**1,094,544**

Value adjustments 2015 In € thousand	Receivables net (carrying amount)	impairments	Receivables gross
Reinsurance receivables			
Receivables from reinsurance business	51,753	– 19	51,772
	51,753	**– 19**	**51,772**
Other receivables			
Insurance receivables			
from policyholders[1]	244,639	0	244,639
from insurance intermediaries	56,785	– 3,977	60,762
from insurance companies	13,836	0	13,836
	315,260	**– 3,977**	**319,237**
Other receivables			**0**
Interest and rent	238,024	– 9,679	247,703
Other tax refund claims	3,653	– 614	4,266
Receivables from employees	1,434	0	1,434
Other receivables	269,535	– 497	270,032
	512,646	**– 10,790**	**523,435**
Total other receivables	**879,659**	**– 14,785**	**894,444**

[1] Impairment losses related to policyholders are shown under the cancellation provision.

Value adjustments 2014 In € thousand	Receivables net (carrying amount)	impairments	Receivables gross
Reinsurance receivables			
Receivables from reinsurance business	45,883	0	45,883
	45,883	**0**	**45,883**
Other receivables			
Insurance receivables			
from policyholders[1)]	298,295	0	298,295
from insurance intermediaries	66,628	– 2,259	68,887
from insurance companies	19,842	0	19,842
	384,765	**– 2,259**	**387,024**
Other receivables			
Interest and rent	244,462	– 8,688	253,150
Other tax refund claims	58,583	– 614	59,197
Receivables from employees	3,055	0	3,055
Other receivables	323,829	– 2	323,831
	629,929	**– 9,304**	**639,233**
Total other receivables	**1,060,577**	**– 11,563**	**1,072,140**

1) Impairment losses related to policyholders are shown under the cancellation provision.

There are no essential overdue liabilities that have not been impaired.

15. Income tax receivables

In € thousand	31/12/2015	31/12/2014
Income tax receivables	87,270	53,917
of which receivables with a remaining maturity of		
up to 1 year	87,103	52,536
more than 1 year	167	1,381

16. Deferred taxes

Deferred taxes In € thousand	31/12/2015	31/12/2014
Deferred tax assets	9,427	6,630
Deferred tax liabilities	– 334,696	– 355,424
Net deferred taxes	**– 325,268**	**– 348,794**

Maturity (gross - before offsetting) In € thousand	31/12/2015 up to 1 year	31/12/2015 more than 1 year	31/12/2014 up to 1 year	31/12/2014 more than 1 year
Deferred tax assets	26,899	161,930	16,482	160,233
Deferred tax liabilities	– 104,526	– 409,572	– 42,092	– 483,417

The differences between the tax carrying amounts and the carrying amounts in the IFRS consolidated statement of financial position have the following effect:

Deferred tax assets In € thousand	31/12/2015	31/12/2014
Technical items	54,319	53,975
Investments	24,531	18,854
Actuarial gains and losses on defined benefit obligations	70,426	74,611
Loss carried forward	11,664	8,513
Partial depreciation in accordance with § 12 KStG	0	0
Other items	27,890	20,762
Deferred tax liabilities		
Technical items	– 225,671	– 228,606
Investments	– 198,165	– 247,057
Actuarial gains and losses on defined benefit obligations	– 18	– 114
Other items	– 90,244	– 49,732
Net deferred taxes	**– 325,268**	**– 348,794**

The deferred tax assets and deferred tax liabilities stated in the consolidated statement of financial position performed as follows:

In € thousand	Net deferred taxes
As at 1 January 2014	**– 190,285**
Changes recognised in profit/(loss)	– 47,534
Changes recognised in other comprehensive income	– 107,319
Changes due to acquisitions	– 2,919
Foreign exchange differences	– 737
As at 31 December 2014	**– 348,794**
As at 1 January 2015	**– 348,794**
Changes recognised in profit/(loss)	– 5,392
Changes recognised in other comprehensive income	29,540
Changes due to acquisitions	355
Foreign exchange differences	– 977
As at 31 December 2015	**– 325,268**

Changes recorded in other comprehensive income essentially relate to measurements of financial instruments available-for-sale and revaluation of defined benefit obligations.

The following deferred tax assets were not recognised as realisation of these in the near future cannot be assumed.

In € thousand	31/12/2015	31/12/2014
Tax assets from loss carryforwards	9,767	7,782

For tax loss carryforwards amounting to €7,501 thousand (2014: €14,979 thousand) there were no deferred tax assets recognised. These tax assets are forfeited as follows:

In € thousand	31/12/2015	31/12/2014
up to 1 year	0	0
2 to 5 years	1,200	2,397
more than 5 years	0	0
Total	**1,200**	**2,397**

17. Cash and cash equivalents

The cash and cash equivalents in the reporting year amounted to 890,083 thousand (2014: 975,764 thousand) and these correspond with the fund of liquid assets pursuant to IAS 7. The cash and cash equivalents have a maximum commitment period of three months as at the reporting date.

18. Shareholders' equity

Subscribed capital
The share capital is comprised of 309,000,000 no-par bearer shares as in the previous year.

Items recognised in other comprehensive income
Unrealised gains and losses from the revaluation of available-for-sale financial instruments impacted the equity in the item "Other comprehensive income", taking into account deferred profit participation (for life insurance) and deferred taxes.

Actuarial gains and losses from pension and termination benefit provisions were posted as "Revaluation from defined benefit obligations" after deducting deferred policyholder profit participation and deferred taxes.

Deferred taxes

Change in the tax amounts included in the equity without affecting income Figures in € thousand	31/12/2015	31/12/2014
Deferred taxes	29,540	– 107,319
Total	**29,540**	**– 107,319**

Capital requirements
Business performance as a result of organic growth and acquisitions influences the capital requirements of the UNIQA Group. In the context of Group management, the appropriate coverage of the solvency requirement on a consolidated basis is constantly monitored.

As at 31 December 2015 the adjusted equity amounted to 3,511,505 thousand (2014: 3,442,237 thousand. In ascertaining the adjusted equity, intangible economic assets (in particular goodwill) and equity investments in banks and insurance companies are deducted from equity and various forms of hybrid capital (in particular supplemental capital) and latent reserves in investments (in particular in land and buildings) are added.

With a statutory requirement for adjusted equity of 1,163,799 thousand (2014: 1,165,169 thousand) in accordance with the Solvency I Regime the statutory requirements were exceeded by 2,347,705 thousand (2014: €2,277,068 thousand), resulting in a coverage rate of 301.7 per cent (2014: 295.4 per cent). Reference is made to the statements under note 7.2.3 in relation to the introduction of Solvency II. With the change to Section 81h(2) of the Insurance Supervisory Act (VAG), the volatility reserve was added as part of the available capital as of the third quarter of 2008. This increased the adjusted equity by 136,010 thousand (2014: €135,391 thousand).

The adjusted equity funding is ascertained on the basis of the available consolidated financial statements (in accordance with Section 80b of the Insurance Supervisory Act).

In € thousand	31/12/2015	31/12/2014
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	3,511,505	3,442,237
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	3,375,495	3,306,846

Authorisations of the Management Board

In accordance with the resolution of the Annual General Meeting dated 26 May 2014, the Management Board is authorised to increase the Company's share capital up to and including 30 June 2019 with the approval of the Supervisory Board by a total of up to €81,000,000 by issuing up to 81,000,000 no-par value bearer or registered shares in exchange for payment in cash or in kind, one time or several times.

In accordance with the resolution of the Annual General Meeting dated 26 May 2015 the Management Board was authorised to acquire treasury shares for a period of 30 months from 28 November 2015. The newly acquired shares may reach a maximum of 10 per cent of the share capital together with the own shares that already exist. The own shares can be broken down as follows:

	31/12/2015	31/12/2014
Shares held by:		
UNIQA Insurance Group AG		
Acquisition costs	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in %	0.27	0.27

In the figure for "earnings per share", the consolidated profit/(loss) is set against the average number of ordinary shares in circulation.

Earnings per share	2015	2014
Consolidated profit in € thousand	331,087	289,863
Own shares as at 31st. Dec.	819,650	819,650
Average number of shares in circulation	308,180,350	308,180,350
Earnings per share (in €)[1]	1.07	0.94
Dividend per share in Euros[2]	0.47	0.42
Dividend payment in € thousand[2]	144,845	129,436

[1] Calculated based on consolidated profit for the year
[2] For the financial year, subject to resolution being passed by the Annual General Meeting.

The diluted earnings per share is equal to the basic earnings per share in the financial year and in the previous year.

19. Non-controlling interests in equity

In € thousand	31/12/2015	31/12/2014
In valuation of financial instruments available for sale	1,994	– 1,377
In actuarial gains and losses on defined benefit plans	– 705	0
In retained profit	5,829	4,686
In other equity	15,008	16,884
Total	**22,127**	**20,193**

20. Subordinated liabilities

In € thousand	31/12/2015	31/12/2014
Supplementary capital	1,095,745	600,000

Fair values In € thousand	31/12/2015	31/12/2014
Supplementary capital	1,159,720	663,648

In December 2006, UNIQA Insurance Group AG issued bearer debentures with a nominal value of €150 million for deposited supplementary capital in accordance with section 73c(2) of the Austrian Insurance Supervisory Act. According to the terms and conditions of the bearer debentures, the contributed capital of UNIQA Insurance Group AG is agreed to remain at the Company's disposal for at least 5 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, after which a variable interest rate applies.

In January 2007, UNIQA Insurance Group AG issued bearer debentures with a nominal value of €100 million for deposited supplementary capital in accordance with section 73c(2) of the Austrian Insurance Supervisory Act. According to the terms and conditions of the bearer debentures, the contributed capital of UNIQA Insurance Group AG is agreed to remain at the Company's disposal for at least 5 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, after which a variable interest rate applies.

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond in the volume of €350 million with institutional investors in Europe. The bond has a maturity period of 30 years and may only be cancelled after 10 years. The coupon equals 6.875 per cent per annum during the first 10 years, after which a variable interest rate applies. The supplementary capital bond meets both the supervisory requirements related to equity netting as supplementary capital under Solvency I, along with the requirements for equity netting as tier-2 capital under the Solvency II regime, which has been in force since 1 January 2016. The issue was also aimed at replacing older supplementary capital bonds from Austrian insurance groups and at bolstering UNIQA's capital resources and capital structure in preparation for Solvency II and optimising these over the long term. The supplementary capital bond has been listed on the Luxembourg Stock Exchange since the end of July 2013. The issue price was set at 100 per cent.

In July 2015, UNIQA Insurance Group AG successfully placed a subordinated capital bond (Tier 2) to the value of €500 million with institutional investors in Europe. The bond is eligible for netting as tier-2 capital under Solvency II. It is not eligible under Solvency I. The bond is scheduled for repayment after a period of 31 years and subject to certain conditions, and can only be cancelled by UNIQA after 11 years have elapsed and under certain conditions. The coupon amounts to 6.00 per cent per annum during the first 11 years, after which a variable interest rate applies. The bond has been listed on the Vienna Stock Market since July 2015. The issue price was set at 100 per cent.

21. Reinsurers' share of technical provisions

In € thousand	31/12/2015	31/12/2014
Unearned premiums	**21,962**	**16,030**
Property and casualty insurance	21,883	15,939
Krankenversicherung	79	92
Actuarial provision	**357,577**	**394,307**
Property and casualty insurance	14	135
Krankenversicherung	794	886
Lebensversicherung	356,769	393,286
Provision for unsettled claims	**167,874**	**151,240**
Property and casualty insurance	151,645	137,605
Krankenversicherung	22	25
Lebensversicherung	16,206	13,610
Sonstige versicherungstechnische Rückstellungen	**1,553**	**1,964**
Total	**548,966**	**563,540**

22. Unearned premiums

In € thousand	31/12/2015	31/12/2014
Property and casualty insurance		
Gross	616,780	607,373
Reinsurers' share	– 21,883	– 15,939
	594,897	**591,435**
Health insurance		
Gross	19,077	19,268
Reinsurers' share	– 79	– 92
	18,998	**19,176**
In the consolidated financial statements		
Gross	635,857	626,641
Reinsurers' share	– 21,962	– 16,030
Total	**613,895**	**610,611**

23. Insurance provision

In € thousand	31/12/2015	31/12/2014
Property and casualty insurance		
Gross	12,344	12,565
Reinsurers' share	– 14	– 135
	12,330	**12,431**
Health insurance		
Gross	2,561,667	2,436,865
Reinsurers' share	– 794	– 886
	2,560,873	**2,435,979**
Life insurance		
Gross	14,061,089	14,323,869
Reinsurers' share	– 356,769	– 393,286
	13,704,320	**13,930,583**
In the consolidated financial statements		
Gross	16,635,100	16,773,299
Reinsurers' share	– 357,577	– 394,307
Total	**16,277,523**	**16,378,992**

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
2015		
For actuarial provision	2.25 – 5.50	0.00 – 4.00
For deferred acquisition costs	2.25 – 5.50	3.33 – 3.56
2014		
For actuarial provision	2.50 – 5.50	0.00 – 4.00
For deferred acquisition costs	2.50 – 5.50	3.20 – 3.77

24. Provision for unsettled claims

In € thousand	31/12/2015	31/12/2014
Property and casualty insurance		
Gross	2,371,658	2,240,465
Reinsurers' share	– 151,645	– 137,605
	2,220,013	**2,102,860**
Health insurance		
Gross	157,917	165,204
Reinsurers' share	– 22	– 25
	157,895	**165,179**
Life insurance		
Gross	193,741	179,174
Reinsurers' share	– 16,206	– 13,610
	177,535	**165,565**
In the consolidated financial statements		
Gross	2,723,316	2,584,844
Reinsurers' share	– 167,874	– 151,240
Total	**2,555,443**	**2,433,604**

The provision for unsettled claims (claim provision) developed in the property and casualty insurance as follows:

In € thousand	2015	2014
1. Provisions for outstanding claims as at 1 January		
a) Gross	2,240,465	2,054,700
b) Reinsurers' share	– 137,605	– 112,623
c) Net	**2,102,860**	**1,942,077**
2. Plus (net) claims expenditures		
a) Current year claims	1,376,992	1,584,660
b) Prior-year claims	10,474	– 1,077
c) Total	**1,387,466**	**1,583,583**
3. Less (net) claims paid		
a) Current year claims	– 650,301	– 748,529
b) Prior-year claims	– 619,931	– 691,517
c) Total	**– 1,270,232**	**– 1,440,046**
4. Currency translation	**723**	**– 13,638**
5. Change in consolidation scope	**0**	**32,736**
6. Other changes	**– 803**	**– 1,851**
7. Claim provision as at 31 December		
a) Gross	2,371,658	2,240,465
b) Reinsurers' share	– 151,645	– 137,605
c) Net	**2,220,013**	**2,102,860**

Claims payments In € thousand	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	Total
Financial year	523,210	581,983	618,113	706,057	769,753	776,876	733,463	800,067	831,534	786,038	794,016	
1 year later	814,005	884,326	958,737	1,073,178	1,164,904	1,160,537	1,109,179	1,195,298	1,242,907	1,207,284		
2 years later	887,138	967,317	1,043,705	1,166,793	1,268,544	1,258,170	1,223,779	1,319,003	1,363,432			
3 years later	917,008	1,006,410	1,087,343	1,213,167	1,330,393	1,308,475	1,275,777	1,377,165				
4 years later	936,752	1,031,764	1,121,544	1,241,698	1,358,817	1,334,978	1,305,553					
5 years later	953,618	1,045,830	1,140,705	1,263,366	1,377,228	1,354,962						
6 years later	963,841	1,058,452	1,155,846	1,277,050	1,393,176							
7 years later	975,209	1,069,189	1,167,044	1,290,790								
8 years later	983,117	1,075,870	1,177,992									
9 years later	989,278	1,085,168										
10 years later	994,298											

Cumulated payments and provision for outstanding claims In € thousand	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	
Financial year	1,044,733	1,129,365	1,221,222	1,323,499	1,439,517	1,439,838	1,407,767	1,519,755	1,579,194	1,613,892	1,621,985	
1 year later	1,040,851	1,144,371	1,209,144	1,326,067	1,458,485	1,442,195	1,409,757	1,518,203	1,568,880	1,598,412		
2 years later	1,041,599	1,128,449	1,213,701	1,341,516	1,465,215	1,446,195	1,412,978	1,531,862	1,593,265			
3 years later	1,022,203	1,128,640	1,213,806	1,343,576	1,460,849	1,434,378	1,416,140	1,538,025				
4 years later	1,020,900	1,126,022	1,222,436	1,340,638	1,456,551	1,439,324	1,413,386					
5 years later	1,020,818	1,126,412	1,230,254	1,339,602	1,459,601	1,442,302						
6 years later	1,022,787	1,120,868	1,233,181	1,347,216	1,460,901							
7 years later	1,022,708	1,123,015	1,237,468	1,349,966								
8 years later	1,027,339	1,125,569	1,234,839									
9 years later	1,026,410	1,126,554										
10 years later	1,027,192											
Run-off	– 782	– 985	2,630	– 2,749	– 1,300	– 2,977	2,753	– 6,164	– 24,385	15,479	–	– 18,480
profit and loss reserve before 2005												– 7,648
Total run-off												**– 26,128**
Provision for outstanding claims	32,894	41,386	56,847	59,176	67,726	87,340	107,833	160,861	229,832	391,129	827,969	2,062,993
Provision for outstanding claims for accident years before 2005												243,921
Plus other reserve components (internal claims regulation costs, etc.)												64,745
Provisions for outstanding claims (gross) as at 31. December 2015												**2,371,658**

25. Provision for premium refunds

Provision for non-profit related premium refunds

Gross in € thousand	2015	2014
As at 1 January	**49,743**	**46,479**
Changes due to:		
Other changes	– 6,260	3,264
As at 31 December	**43,483**	**49,743**

Provision for profit-related premium refunds and/or policyholder profit participation:

Gross in € thousand	2015	2014
Provision for profit-related premium refunds and /or policyholder profit participation		
As at 1 January	**188,481**	**218,323**
Other changes	– 76,385	– 29,842
As at 31 December	**112,096**	**188,481**
Deferred profit participation		
As at 1 January	**952,801**	**116,430**
Fluctuation in value, available-for-sale securities	– 86,990	821,266
Actuarial gains and losses on defined benefit obligations	– 7,062	– 9,779
Revaluations through profit or loss	46,271	24,884
As at 31 December	**905,019**	**952,801**
Total	**1,017,115**	**1,141,282**

26. Technical provisions

Gross In € thousand	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 technical provisions	Total
in € thousand							
Property and casualty insurance							
As at 1 January 2015	**607,373**	**12,565**	**2,240,465**	**35,468**	**952**	**16,825**	**2,913,649**
Foreign exchange differences	– 2,268	1	1,032	– 1	14	149	– 1,072
Portfolio changes	– 98		2,454				2,356
Additions		17		108	1,760	1,619	3,503
Disposals		– 240		– 8,392	– 1,571	– 2,831	– 13,033
Premiums written	1,690,385						1,690,385
Premiums earned	– 1,678,614						– 1,678,614
Claims reporting year			1,432,622				1,432,622
Claims payments reporting year			– 658,568				– 658,568
Change in claims previous years			11,189				11,189
Claims payments previous years			– 657,537				– 657,537
As at 31 December 2015	**616,780**	**12,344**	**2,371,658**	**27,183**	**1,155**	**15,761**	**3,044,881**
Health insurance							
As at 1 January 2015	**19,268**	**2,436,865**	**165,204**	**10,823**	**44,652**	**989**	**2,677,800**
Foreign exchange differences	– 260	132	149	– 1	0	37	58
Additions		124,640		10,910	1	284	135,835
Disposals		30		– 8,922	– 17,436	– 98	– 26,425
Premiums written	935,525						935,525
Premiums earned	– 935,455						– 935,455
Claims reporting year			663,884				663,884
Claims payments reporting year			– 478,162				– 478,162
Change in claims previous years			– 3,624				– 3,624
Claims payments previous years			– 189,533				– 189,533
As at 31 December 2015	**19,077**	**2,561,667**	**157,917**	**12,811**	**27,218**	**1,212**	**2,779,902**
Life insurance							
As at 1 January 2015		**14,323,869**	**179,174**	**3,452**	**1,095,678**	**26,446**	**15,628,619**
Foreign exchange differences		– 8,115	23	– 1	41	– 4	– 8,056
Portfolio changes		18,353	154		– 18,130		378
Additions		625,972		38	– 1,634	8,840	633,216
Disposals		– 898,991			– 87,213	– 7,054	– 993,257
Claims reporting year			1,966,271				1,966,271
Claims payments reporting year			– 1,772,876				– 1,772,876
Change in claims previous years			32,346				32,346
Claims payments previous years			– 211,351				– 211,351
As at 31 December 2015		**14,061,089**	**193,741**	**3,489**	**988,743**	**28,228**	**15,275,289**
Total							
As at 1 January 2015	**626,641**	**16,773,299**	**2,584,844**	**49,743**	**1,141,282**	**44,260**	**21,220,068**
Foreign exchange differences	– 2,528	– 7,981	1,204	– 2	55	181	– 9,070
Portfolio changes	– 98	18,353	2,608		– 18,130		2,734
Additions		750,629		11,056	127	10,742	772,554
Disposals		– 899,200		– 17,313	– 106,220	– 9,982	– 1,032,716
Premiums written	2,625,910						2,625,910
Premiums earned	– 2,614,069						– 2,614,069
Claims reporting year			4,062,778				4,062,778
Claims payments reporting year			– 2,909,607				– 2,909,607
Change in claims previous years			39,911				39,911
Claims payments previous years			– 1,058,421				– 1,058,421
As at 31 December 2015	**635,857**	**16,635,100**	**2,723,316**	**43,483**	**1,017,115**	**45,201**	**21,100,072**

Reinsurers' share In € thousand	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 technical provisions	Total
Property and casualty insurance							
As at 1 January 2015	**15,939**	**135**	**137,605**			**2,120**	**155,799**
Foreign exchange differences	– 29	0	310			– 1	280
Portfolio changes	– 284		3,257				2,973
Additions						215	215
Disposals		– 121				– 604	– 725
Premiums written	46,676						46,676
Premiums earned	– 40,419						– 40,419
Claims reporting year			55,631				55,631
Claims payments reporting year			– 8,267				– 8,267
Change in claims previous years			716				716
Claims payments previous years			– 37,606				– 37,606
As at 31 December 2015	**21,883**	**14**	**151,645**			**1,730**	**175,272**
Health insurance							
As at 1 January 2015	**92**	**886**	**25**				**1,002**
Foreign exchange differences	1		0				2
Portfolio changes	– 40						– 40
Disposals		– 92					– 92
Premiums written	69						69
Premiums earned	– 44						– 44
Claims reporting year			3				3
Claims payments reporting year			– 30				– 30
Change in claims previous years			26				26
Claims payments previous years			– 2				– 2
As at 31 December 2015	**79**	**794**	**22**				**895**
Life insurance							
As at 1 January 2015		**393,286**	**13,610**			**– 156**	**406,739**
Foreign exchange differences		– 29	0			0	– 29
Portfolio changes		– 13,237	– 90				– 13,327
Additions		3,978					3,978
Disposals		– 27,230				– 20	– 27,250
Claims reporting year			3,529				3,529
Claims payments reporting year			– 464				– 464
Change in claims previous years			305				305
Claims payments previous years			– 683				– 683
As at 31 December 2015		**356,769**	**16,206**			**– 177**	**372,798**
Total							
As at 1 January 2015	**16,030**	**394,307**	**151,240**			**1,964**	**563,540**
Foreign exchange differences	– 27	– 29	310			– 1	252
Portfolio changes	– 324	– 13,237	3,167				– 10,395
Additions		3,978				215	4,194
Disposals		– 27,442				– 624	– 28,067
Premiums written	46,745						46,745
Premiums earned	– 40,462						– 40,462
Claims reporting year			59,163				59,163
Claims payments reporting year			– 8,761				– 8,761
Change in claims previous years			1,047				1,047
Claims payments previous years			– 38,291				– 38,291
As at 31 December 2015	**21,962**	**357,577**	**167,874**			**1,553**	**548,966**

Retention Figures in € thousand	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 technical provisions	Total
Property and casualty insurance							
As at 1 January 2015	**591,435**	**12,431**	**2,102,860**	**35,468**	**952**	**14,704**	**2,757,850**
Foreign exchange differences	– 2,239	2	723	– 1	14	150	– 1,352
Portfolio changes	187		– 803				– 617
Additions		17		108	1,760	1,403	3,288
Disposals		– 119		– 8,392	– 1,571	– 2,227	– 12,309
Premiums written	1,643,710						1,643,710
Premiums earned	– 1,638,195						– 1,638,195
Claims reporting year			1,376,992				1,376,992
Claims payments reporting year			– 650,301				– 650,301
Change in claims previous years			10,474				10,474
Claims payments previous years			– 619,931				– 619,931
As at 31 December 2015	**594,897**	**12,330**	**2,220,013**	**27,183**	**1,155**	**14,031**	**2,869,608**
Health insurance							
As at 1 January 2015	**19,176**	**2,435,979**	**165,179**	**10,823**	**44,652**	**989**	**2,676,798**
Foreign exchange differences	– 261	132	149	– 1	0	37	57
Portfolio changes	40						40
Additions		124,640		10,910	1	284	135,835
Disposals		122		– 8,922	– 17,436	– 98	– 26,334
Premiums written	935,456						935,456
Premiums earned	– 935,412						– 935,412
Claims reporting year			663,881				663,881
Claims payments reporting year			– 478,132				– 478,132
Change in claims previous years			– 3,651				– 3,651
Claims payments previous years			– 189,531				– 189,531
As at 31 December 2015	**18,998**	**2,560,873**	**157,895**	**12,811**	**27,218**	**1,212**	**2,779,007**
Life insurance							
As at 1 January 2015		**13,930,583**	**165,565**	**3,452**	**1,095,678**	**26,603**	**15,221,880**
Foreign exchange differences		– 8,086	23	– 1	41	– 4	– 8,028
Portfolio changes		31,591	244		– 18,130		13,705
Additions		621,994		38	– 1,634	8,840	629,237
Disposals		– 871,761			– 87,213	– 7,033	– 966,007
Claims reporting year			1,962,743				1,962,743
Claims payments reporting year			– 1,772,412				– 1,772,412
Change in claims previous years			32,041				32,041
Claims payments previous years			– 210,668				– 210,668
As at 31 December 2015		**13,704,320**	**177,535**	**3,489**	**988,743**	**28,405**	**14,902,491**
Total							
As at 1 January 2015	**610,611**	**16,378,992**	**2,433,604**	**49,743**	**1,141,282**	**42,296**	**20,656,528**
Foreign exchange differences	– 2,500	– 7,952	894	– 2	55	183	– 9,323
Portfolio changes	227	31,591	– 559		– 18,130		13,128
Additions		746,651		11,056	127	10,527	768,361
Disposals		– 871,758		– 17,313	– 106,220	– 9,358	– 1,004,649
Premiums written	2,579,165						2,579,165
Premiums earned	– 2,573,607						– 2,573,607
Claims reporting year			4,003,615				4,003,615
Claims payments reporting year			– 2,900,846				– 2,900,846
Change in claims previous years			38,864				38,864
Claims payments previous years			– 1,020,130				– 1,020,130
As at 31 December 2015	**613,895**	**16,277,523**	**2,555,443**	**43,483**	**1,017,115**	**43,648**	**20,551,107**

27. Technical provisions for unit-linked and index-linked life insurance

In € thousand	31/12/2015	31/12/2014
Gross	5,175,437	5,306,000
Reinsurers' share	– 315,646	– 332,974
Total	**4,859,791**	**4,973,026**

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 investments reported at current fair values. The share of reinsurers is accompanied by a liability for deposits in the same amount.

28. Financial liabilities

In € thousand	2015 long term	2015 short term	2014 long term	2014 short term
Liabilities from loans	15,613	45	16,507	184
Derivative financial instruments	2,711	15,211	19,903	12,586
Financial liabilities	**18,324**	**15,256**	**36,410**	**12,771**
Subordinated liabilities	**845,745**	**250,000**	**600,000**	**0**
Total	**864,070**	**265,256**	**636,410**	**12,771**

With the exception of the subordinated liabilities, the carrying amounts of the financial liabilities are equal to the fair values.

In € thousand	Liabilities from loans	Derivative financial instruments	Subordinated liabilities
Carrying amount as at 1 January 2014	**18,535**	**8,301**	**600,000**
Aufnahmen	2	24,188	0
Changes from currency translation	– 5	0	0
Ordinary amortisation	– 1,840	0	0
Carrying amount as at 1 January 2015	**16,692**	**32,489**	**600,000**
Aufnahmen	6	1,401	495,745
Changes from currency translation	– 1	0	0
Profit or loss from changes of exchange rates	0	– 1,059	0
Ordinary amortisation	– 1,039	– 14,909	0
Carrying amount as at 31 December 2015	**15,658**	**17,922**	**1,095,745**

Maturity as at 31 December 2015 In € thousand	2016	2017	2018	2019	2020	Funds flow >2020
Liabilities from loans	978	969	960	951	942	11,380
Derivative financial instruments	4,800	2,262	2,192	2,076	1,670	8,174
Subordinated liabilities	318,140	54,813	54,813	54,813	54,964	1,105,773
Total	**323,918**	**58,044**	**57,965**	**57,840**	**57,575**	**1,125,327**

Maturity as at 31 December 2014 In € thousand	2015	2016	2017	2018	2019	Funds flow >2019
Liabilities from loans	1,003	978	969	960	951	12,358
Derivative financial instruments	13,741	3,012	2,076	2,001	1,909	13,485
Subordinated liabilities	37,537	287,640	24,397	24,397	24,397	447,654
Total	**52,282**	**291,630**	**27,442**	**27,358**	**27,257**	**473,496**

29. Other provisions

In € thousand	31/12/2015	31/12/2014
Other provisions	196,049	190,167
Defined benefit obligations	600,394	611,670
Total	**796,442**	**801,837**

Defined benefit obligations

In € thousand	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Defined benefit obligations for termination benefits	Total defined benefit obligations
As at 1 January 2015	**503,899**	**– 71,492**	**432,407**	**179,263**	**611,670**
Current service costs	18,026	0	18,026	7,164	25,189
Interest expense/income	12,264	– 1,829	10,436	3,697	14,133
Past service costs	– 47,782	0	– 47,782	– 13,398	– 61,180
Components of defined benefit obligations recognised in the income statement	**– 17,492**	**– 1,829**	**– 19,321**	**– 2,537**	**– 21,858**
Return on plan assets recognised in other comprehensive income	0	– 409	– 409	0	– 409
Actuarial gains and losses that arise from changes in demographic assumptions	0	0	0	147	147
Actuarial gains and losses that arise from changes in financial assumptions	33,519	0	33,519	16,434	49,953
Actuarial gains and losses that arise from experience adjustments	11,008	0	11,008	– 2,701	8,307
Other comprehensive income	**44,527**	**– 409**	**44,118**	**13,881**	**57,999**
Changes from currency translation	1	0	1	0	1
Payments	– 21,900	0	– 21,900	– 16,786	– 38,687
Contribution to plan assets	0	– 6,261	– 6,261	0	– 6,261
Transfer in	0	0	0	458	458
Transfer out	– 7,772	2,728	– 5,044	– 461	– 5,505
Change in basis of consolidation	620	17	637	1,940	2,577
As at 31 December 2015	**501,883**	**– 77,246**	**424,637**	**175,757**	**600,394**

In € thousand	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Defined benefit obligations for termination benefits	Total defined benefit obligations
As at 1 January 2014	**454,768**	**– 62,816**	**391,952**	**194,805**	**586,757**
Current service costs	15,694	0	15,694	7,718	23,412
Interest expense/income	12,928	– 1,936	10,992	4,268	15,259
Past service costs	4,737	0	4,737	0	4,737
Components of defined benefit obligations recognised in the income statement	**33,358**	**– 1,936**	**31,422**	**11,986**	**43,409**
Return on plan assets recognised in other comprehensive income	0	– 4,182	– 4,182	0	– 4,182
Actuarial gains and losses that arise from changes in demographic assumptions	0	0	0	– 3	– 3
Actuarial gains and losses that arise from changes in financial assumptions	42,467	0	42,467	6,514	48,981
Actuarial gains and losses that arise from experience adjustments	– 500	0	– 500	1,746	1,246
Other comprehensive income	**41,967**	**– 4,182**	**37,785**	**8,257**	**46,042**
Changes from currency translation	– 5	0	– 5	– 5	– 10
Payments	– 20,076	0	– 20,076	– 35,780	– 55,856
Contribution to plan assets	0	– 7,971	– 7,971	0	– 7,971
Transfer out	– 6,113	5,413	– 700	0	– 701
Change in basis of consolidation	0	0	0	0	0
As at 31 December 2014	**503,899**	**– 71,492**	**432,407**	**179,263**	**611,670**

The provisions for social capital from the repositioning of UNIQA (2014: €17,088 thousand) were released entirely in the financial year.

Amendments were made to the works agreements for the pension fund scheme in the 2015 financial year. They resulted in a positive effect on the retrospective service cost amounting to €50,565 thousand.

The plan assets for the defined benefit obligations are comprised as follows:

	31/12/2015		31/12/2014	
	Listed	Not listed	Listed	Not listed
Bonds - euro	28.8 %	0.0 %	35.1 %	0.1 %
Bonds - euro high yield	4.4 %	2.3 %	2.7 %	0.6 %
Corporate bonds - euro	19.6 %	2.2 %	16.1 %	1.7 %
Equities - euro	7.4 %	0.0 %	7.4 %	0.0 %
Equities - non-euro	5.9 %	0.0 %	6.9 %	0.0 %
Equities - emerging markets	0.3 %	0.0 %	3.5 %	0.1 %
Alternative investment instruments	1.3 %	0.0 %	0.9 %	0.0 %
Land and buildings	0.0 %	1.6 %	0.0 %	0.0 %
Cash	0.0 %	10.1 %	0.0 %	6.4 %
HTM bonds / term deposits	16.1 %	0.0 %	16.4 %	2.2 %
Total	**83.8 %**	**16.2 %**	**89.1 %**	**10.9 %**

The measurement of the defined benefit obligations is based on the following actuarial calculation parameters:

Calculation factors applied Figures in percent	2015	2014
Discount rate		
Termination benefits	1.3	2.5
Pensions	2.0	2.5
Valorisation of remuneration	3.0	3.0
Valorisation of pensions	2.0	2.0
Employee turnover rate	dependent on years of service	dependent on years of service
Calculation principles	AVÖ 2008 P - Pagler & Pagler / Angestellte	AVÖ 2008 P - Pagler & Pagler / Angestellte

Weighted average duration in years	Pensions	Termination benefits
31/12/2015	13.8	8.4
31/12/2014	19.4	8.4

Investment risk

The cash value of the defined benefit obligations is calculated using a discount rate which is determined based on the returns from high-quality corporate bonds. There will be a deficit if the changes in the plan assets fall below these returns. The plans for the different benefit obligations include a diversified mix of securities. These primarily include annuities, corporate bonds, equities and other equity instruments, etc. By reducing the duration of the plans, the Group intends to reduce the investment risk by continuously adjusting the portfolio of assets to the requirements of the defined benefit plans.

Interest rate change risk

A fall in the return on corporate bonds results in an increase in the cash value of the defined benefit obligations. However, this effect is absorbed in part by the increase in the plan assets or by higher income from the plan assets.

Life expectancy

The cash value of the benefit obligations from pensions is heavily dependent inter alia on the life expectancy of the beneficiaries. An increase in the life expectancy of the beneficiaries results in an increase in the defined benefit obligations.

Salary risk

The cash value of the defined benefit obligations is ascertained based on the future salaries of the beneficiaries. In this respect, any salary increases result in an increase in the defined benefit obligations. The majority of the assets from the plan assets are not indexed to any rates of inflation or salary increase.

The sensitivity of the defined benefit obligations on changes in the weighted actuarial calculation parameters is:

Sensitivity analysis 2015 figures in percent	Pensions	Termination benefits
Average remaining life expectancy		
Change in DBO (+ 1 year)	3.2	
Change in DBO (-1 year)	– 3.4	
Discount rate		
Change in DBO (+ 1 %)	– 11.9	– 7.1
Change in DBO (-1 %)	14.8	9.0
Future salary increase rate		
Change in DBO (+ 0.75 %)	1.6	5.9
Change in DBO (-0.75 %)	– 1.5	– 6.0
Future pension increase rate		
Change in DBO (+ 0.25 %)	3.0	
Change in DBO (-0.25 %)	– 2.9	

Sensitivity analysis 2014 figures in percent	Pensions	Termination benefits
Average remaining life expectancy		
Change in DBO (+ 1 year)	3.9	
Change in DBO (-1 year)	– 4.1	
Discount rate		
Change in DBO (+ 1 %)	– 16.1	– 8.0
Change in DBO (-1 %)	21.7	9.1
Future salary increase rate		
Change in DBO (+ 0.75 %)	1.7	6.6
Change in DBO (-0.75 %)	– 1.6	– 6.1
Future pension increase rate		
Change in DBO (+ 0.25 %)	3.4	
Change in DBO (-0.25 %)	– 3.2	

Under the defined contribution company pension scheme, the employer pays the fixed amounts into company pension funds. The employer has satisfied their obligation by making these contributions.

In € thousand	31/12/2015	31/12/2014
Contributions to company pension funds	2,048	2,293

Other provisions

In € thousand	Provisions for jubilee benefits	Customer services and marketing provision	Provision for legal and consulting expenses	Provision for premium adjustment of insurance contracts	Provision for portfolio maintenance commission	Miscellaneous other provisions	Total
As at 1 January 2014	**15,343**	**73,675**	**8,853**	**9,354**	**2,667**	**96,541**	**206,433**
Additions	265	69,026	1,522	3,489	705	61,460	136,467
Reversal of unused provisions	– 674	– 3,539	– 562	0	0	– 18,690	– 23,465
Addition due to unwinding of the discount	0	0	0	0	0	0	0
Change in basis of consolidation	0	100	0	0	0	– 322	– 222
Reclassifications	0	0	– 1,111	0	0	1,228	117
Recognised in profit/(loss) for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Use in current year	– 50	– 63,336	– 747	– 4,922	– 173	– 59,537	– 128,766
Foreign exchange differences	0	– 163	– 7	– 10	– 25	– 192	– 397
As at 31 December 2014	**14,884**	**75,763**	**7,948**	**7,911**	**3,174**	**80,487**	**190,167**
As at 1 January 2015	**14,884**	**75,763**	**7,948**	**7,911**	**3,174**	**80,487**	**190,167**
Additions	1,414	73,879	2,504	2,768	1,792	61,708	144,065
Reversal of unused provisions	– 917	– 3,137	– 2,099	– 3	0	– 19,860	– 26,017
Addition due to unwinding of the discount	321	0	0	0	0	0	321
Change in basis of consolidation	0	0	– 1	0	0	1,691	1,690
Reclassifications	0	2	0	0	0	– 2	0
Recognised in profit/(loss) for the year	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Use in current year	– 10	– 71,219	– 2,932	– 4,853	– 1,023	– 34,171	– 114,208
Foreign exchange differences	0	– 10	0	7	57	– 23	30
As at 31 December 2015	**15,692**	**75,279**	**5,420**	**5,829**	**4,000**	**89,830**	**196,049**

Other provisions include a provision of €10,000 thousand (2014: €10,000 thousand) for liability in connection with the sale of Mannheimer AG Holding.

30. Liabilities and other items classified as equity and liabilities

In € thousand	31/12/2015	31/12/2014
Reinsurance liabilities		
Deposits retained on assumed reinsurance	665,447	719,592
Reinsurance settlement liabilities	34,980	38,991
	700,427	**758,583**
Other liabilities		
Liabilities under insurance business		
Liabilities under direct insurance business		
to policyholders	129,512	178,926
to insurance brokers	51,764	70,611
to insurance companies	9,633	12,781
	190,909	**262,317**
Other liabilities	**358,301**	**353,300**
of which for taxes	61,059	46,814
of which for social security	14,182	12,605
of which from fund consolidation	2,224	2,645
Total other liabilities	**549,210**	**615,617**
Subtotal	**1,249,637**	**1,374,200**
of which liabilities with a maturity of		
up to 1 year	723,678	984,243
more than 1 year up to 5 years	3,983	3,033
more than 5 years	521,975	386,924
	1,249,637	**1,374,200**
Other liabilities		
Deferred income	21,935	26,628
Total liabilities and other items classified as equity and liabilities	**1,271,572**	**1,400,828**

The item “Deferred income” basically comprises the balance of the deferred income from the settlement of indirect business.

31. Income tax liabilities

In € thousand	31/12/2015	31/12/2014
Income tax liabilities	**95,970**	**43,272**
of which liabilities with a maturity of		
up to 1 year	13,089	18,545
more than 1 year up to 5 years	82,881	24,728
more than 5 years	0	0

NOTES TO THE CONSOLIDATED INCOME STATEMENT

32. Premiums

Premiums in € thousand	1-12/2015	1-12/2014
Premiums written - gross	5,839,701	5,519,700
Premiums written - reinsurer's share	– 203,678	– 211,288
Premiums written - net	5,636,023	5,308,413
Change in premiums earned - gross	– 10,187	3,517
Change in premiums earned - reinsurers' share	7,671	966
Premiums earned	5,633,507	5,312,896

Direct insurance in € thousand	1-12/2015	1-12/2014
Property and casualty insurance	2,603,942	2,581,315
Health insurance	997,904	960,775
Life insurance	2,187,818	1,923,396
Total	**5,789,664**	**5,465,486**
Of which written in:		
Austria	3,607,781	3,362,882
Remaining EU member states and other states which are party to the Agreement on the European Economic Area	1,924,659	1,751,709
Other countries	257,225	350,894
Total	**5,789,664**	**5,465,486**

Indirect insurance in € thousand	1-12/2015	1-12/2014
Property and casualty insurance	37,449	39,608
Health insurance	1	1
Life insurance	12,586	14,606
Total	**50,036**	**54,215**

In € thousand	1-12/2015	1-12/2014
Total	**5,839,701**	**5,519,700**

Property and casualty insurance premiums written in € thousand	1-12/2015	1-12/2014
Direct insurance		
Fire and business interruption insurance	257,710	255,537
Household insurance	174,015	146,551
Other property insurance	234,401	238,409
Motor TPL insurance	655,268	658,865
Other motor insurance	456,416	471,215
Casualty insurance	346,892	326,029
Liability insurance	255,891	245,851
Legal expense insurance	82,112	76,905
Marine, aviation and transport insurance	73,636	87,285
Other forms of insurance	67,601	74,667
Total	**2,603,942**	**2,581,315**
Indirect insurance		
Marine, aviation and transport insurance	874	2,036
Other forms of insurance	36,576	37,571
Total	**37,449**	**39,608**
Total direct and indirect insurance (amount consolidated)	**2,641,392**	**2,620,922**

Reinsurance premiums ceded in € thousand	1-12/2015	1-12/2014
Property and casualty insurance	137,700	142,388
Health insurance	1,116	961
Life insurance	64,862	67,938
Total	**203,678**	**211,288**

Premiums earned in € thousand	1-12/2015	1-12/2014
Property and casualty insurance	**2,500,199**	**2,482,938**
Gross	2,630,236	2,624,349
Reinsurers' share	– 130,036	– 141,411
Health insurance	**997,098**	**959,986**
Gross	998,187	960,949
Reinsurers' share	– 1,088	– 962
Life insurance	**2,136,209**	**1,869,971**
Gross	2,201,092	1,937,919
Reinsurers' share	– 64,882	– 67,948
Total	**5,633,507**	**5,312,896**

Premiums earned - indirect insurance in € thousand	1-12/2015	1-12/2014
recognised simultaneously	2,860	6,581
recognised with a delay of up to 1 year	26,587	32,229
Property and casualty insurance	**29,447**	**38,810**
recognised simultaneously	642	0
recognised with a delay of up to 1 year	1	1
Health insurance	**644**	**1**
recognised with a delay of up to 1 year	10,667	14,606
Life insurance	**10,667**	**14,606**
Total	**40,758**	**53,417**

Earnings - indirect insurance in € thousand	1-12/2015	1-12/2014
Property and casualty insurance	26,442	7,616
Health insurance	123	– 9
Life insurance	1,898	768
Total	**28,463**	**8,375**

33. Insurance benefits

	Gross		Reinsurers' share		Retention	
In € thousand	1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
Property and casualty insurance						
Claims expenses						
Claims paid	1,611,093	1,583,498	– 60,263	– 45,185	1,550,830	1,538,314
Change in provision for unsettled claims	127,777	164,927	– 16,879	– 23,849	110,898	141,078
Total	**1,738,869**	**1,748,425**	**– 77,142**	**– 69,034**	**1,661,727**	**1,679,391**
Change in insurance provision	– 240	58	100	14	– 140	72
Change in other technical provisions	– 848	2,001	0	0	– 848	2,001
Non-profit related and profit-related premium refund expenses	34,458	42,120	0	0	34,458	42,120
Total benefits	**1,772,240**	**1,792,604**	**– 77,042**	**– 69,020**	**1,695,197**	**1,723,584**
Health insurance						
Claims expenses						
Claims paid	665,876	647,507	– 325	– 152	665,551	647,355
Change in provision for unsettled claims	– 76	– 3,843	2	– 3	– 73	– 3,846
Total	**665,801**	**643,664**	**– 323**	**– 155**	**665,478**	**643,509**
Change in insurance provision	124,693	109,281	92	99	124,784	109,380
Change in other technical provisions	207	77	0	0	207	77
Non-profit related and profit-related premium refund expenses	10,715	27,557	0	0	10,715	27,557
Total benefits	**801,415**	**780,579**	**– 231**	**– 56**	**801,184**	**780,523**
Life insurance						
Claims expenses						
Claims paid	2,441,125	1,857,028	– 74,619	– 154,102	2,366,506	1,702,925
Change in provision for unsettled claims	– 18,347	89,726	– 2,832	– 2,437	– 21,179	87,289
Total	**2,422,778**	**1,946,754**	**– 77,451**	**– 156,540**	**2,345,326**	**1,790,214**
Change in insurance provision	– 317,950	– 72,149	12,415	91,577	– 305,535	19,428
Change in other technical provisions	2,122	480	0	0	2,122	480
Non-profit related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	69,272	69,432	0	0	69,272	69,432
Total benefits	**2,176,222**	**1,944,517**	**– 65,037**	**– 64,962**	**2,111,186**	**1,879,555**
Total	**4,749,877**	**4,517,700**	**– 142,310**	**– 134,038**	**4,607,567**	**4,383,662**

34. Operating expenses

In € thousand	1-12/2015	1-12/2014
Property and casualty insurance		
a) Acquisition costs		
Payments	568,589	560,109
Change in deferred acquisition costs	– 2,431	– 4,908
b) Other operating expenses	195,251	204,240
c) Reinsurance commission and share of profit from reinsurance ceded	– 10,874	– 10,499
	750,534	**748,942**
Health insurance		
a) Acquisition costs		
Payments	95,728	101,717
Change in deferred acquisition costs	– 6,561	– 532
b) Other operating expenses	76,017	66,337
c) Reinsurance commission and share of profit from reinsurance ceded	– 526	– 463
	164,658	**167,058**
Life insurance		
a) Acquisition costs		
Payments	271,999	294,000
Change in deferred acquisition costs	23,067	– 11,794
b) Other operating expenses	101,876	115,982
c) Reinsurance commission and share of profit from reinsurance ceded	– 13,439	– 15,082
	383,503	**383,106**
Total	**1,298,695**	**1,299,106**

35. Net investment income

Classified by business line	Property and casualty insurance		Health insurance		Life insurance		Group	
In € thousand	1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014	1-12/2015	1-12/2014
Investment property	**1,802**	**15,440**	**32,213**	**7,933**	**76,941**	**95,198**	**110,956**	**118,571**
Financial assets accounted for using the equity method	**3,171**	**435**	**12,439**	**11,715**	**7,596**	**11,434**	**23,205**	**23,583**
Variable-income securities	**13,543**	**16,880**	**6,280**	**5,769**	**31,590**	**17,856**	**51,414**	**40,505**
Available for sale	13,221	16,352	5,863	5,229	28,940	11,228	48,024	32,809
At fair value through profit or loss	322	528	418	540	2,651	6,628	3,390	7,696
Fixed-income securities	**110,609**	**111,341**	**101,237**	**113,181**	**459,887**	**540,680**	**671,733**	**765,202**
Available for sale	110,488	111,680	100,947	112,651	449,221	558,091	660,656	782,422
At fair value through profit or loss	122	– 339	290	530	10,666	– 17,412	11,077	– 17,221
Loans and other investments	**7,687**	**13,338**	**7,534**	**10,404**	**52,465**	**72,011**	**67,686**	**95,753**
Loans	433	1,501	5,931	3,684	17,474	18,825	23,838	24,009
Other investments	7,255	11,838	1,603	6,721	34,990	53,186	43,848	71,745
IV. Derivative financial instruments (trading portfolio)	**245**	**– 6,674**	**– 9,425**	**– 19,388**	**– 42,883**	**– 71,190**	**– 52,062**	**– 97,252**
Investment administration expenses, interest paid and other investment expenses	**– 11,506**	**– 13,187**	**– 7,486**	**– 8,909**	**– 22,794**	**– 36,114**	**– 41,786**	**– 58,210**
Total	**125,552**	**137,573**	**142,791**	**120,704**	**562,802**	**629,874**	**831,145**	**888,151**

Income from available-for-sale fixed-income securities includes gains of 32,833 thousand and income from fixed income securities at fair value through profit or loss includes losses of 1,068 thousand from Level 3 valuations (hierarchy for instruments recognised at fair value in the statement of financial position).

The adjustment of valuation allowances relates to both the reversal of impairment losses as well as the impairment of financial assets, excluding assets held for trading and financial assets at fair value through profit or loss. The interest income from impaired portfolio items amounts to 9,900 thousand (2014: 19,148 thousand). The net investment income of 831,145 thousand includes realised and unrealised gains and losses amounting to 165,566 thousand, which include currency gains of 44,715 thousand. These currency gains are essentially the result of investments in US dollars. The currency gains in the underlying US dollar securities amounted to around €106,545 thousand, and these were accompanied by expenditures from derivative financial instruments within the scope of hedging transactions amounting to €66,083 thousand. In addition, currency effects amounting to 4,216 thousand were recognised directly in equity.

Income from investment property includes rent revenues in the amount of €112,908 thousand (2014: €112,048 thousand) and direct operational expenses in the amount of €33,036 thousand (2014: €34,591 thousand).

36. Other income

In € thousand	1-12/2015	1-12/2014
Other non-technical income	**42,525**	**55,669**
Property and casualty insurance	30,035	28,360
Health insurance	5,650	4,051
Life insurance	6,839	23,258
of which		
services	8,733	5,797
changes in exchange rates	10,949	28,862
other	22,843	21,010
Other income	**0**	**6,758**
from currency translation	0	517
from other	0	6,242
Total	**42,525**	**62,428**

37. Other operating expenses

In € thousand	1-12/2015	1-12/2014
a) Other non-technical expenses	**56,103**	**64,182**
Property and casualty insurance	37,386	29,909
Health insurance	1,736	1,401
Life insurance	16,982	32,872
of which		
services	723	467
exchange rate losses	20,034	34,816
motor vehicle registration	6,422	9,028
other	28,924	19,870
b) Other expenses	**4,890**	**6,153**
for currency translation	1,833	4,611
other	3,057	1,541
Total	**60,993**	**70,334**

38. Income taxes

Income tax Figures € thousand	1-12/2015	1-12/2014
Actual tax - reporting year	93,948	50,732
Actual tax - previous years	– 11,086	– 13,212
Deferred taxes	5,392	47,534
Total	**88,254**	**85,055**

Reconciliation statement Figures in € thousand	2015	2014
A. Earnings before taxes	**422,840**	**377,932**
B. Expected tax expenses (A.*Group tax rate)	**105,710**	**94,483**
Adjusted by tax effects from		
Tax-free investment income	– 8,266	– 7,103
Amortisation and impairment of intangible assets	3,270	6,250
Tax-neutral consolidation effect	321	– 1,112
Other non-deductible expenses/other tax-exempt income	5,397	3,866
Changes in tax rates	0	– 237
Deviations in tax rates	– 2,236	196
Taxes for previous years	– 11,086	– 13,212
Lapse of loss carried forward and other	– 4,857	1,925
C. Income tax expenses	**88,254**	**85,055**
Average effective tax burden Figures in percent	**20.9**	**22.5**

The basic corporate income tax rate applied for all segments was 25 per cent. Deviating corporate tax rates arise in life insurance in which minimum taxation is applied – with an assumed profit participation of 85 per cent.

The calculation of deferred taxes is based on the specific tax rates of each country that the Group companies are based in, which were between 9 and 34 per cent in 2015. Changes in tax rates already decided effective 31 December 2015 are taken into account.

39. Other disclosures

Employees

Personnel expenses In € thousand	2015	2014
Salaries and wages	391,763	388,352
Expenses for severance payments	2,106	3,573
Pension expenses	60,200	52,375
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	106,466	108,676
Other social expenditures	7,350	8,498
Total	**567,886**	**561,473**
of which sales	142,148	160,183
of which administration	395,966	368,358
of which retirees	29,772	32,932

Average number of employees	2015	2014
Total	**14,113**	**14,336**
of which sales	5,427	5,821
of which administration	8,686	8,515

In € thousand	2015	2014
Expenses for defined benefit obligations amounted to:		
Members of the Management Board and Executives as defined by section 80 1 of the Stock Corporation Act	4,716	8,319
Other employees	52,760	39,013

All disclosures on the Management Board remuneration now exclusively include amounts disbursed in the financial year. This is a departure from the mixed presentation from previous years (partially remuneration, partially expenditure) in order to provide readers of the financial statements with an even clearer picture. The amounts from the previous years have been adjusted accordingly in order to ensure that the figures can be compared with the current financial year.

The active salaries of the members of the Management Board at UNIQA Insurance Group AG amounted to €3,498 thousand in the reporting year (2014: €4,710 thousand). The amount expended on pensions in the reporting year for former members of the Management Board and their survivors was €2,751 thousand (2014: €2,705 thousand).

The compensation to the members of the Supervisory Board for their work in the 2014 financial year was €474 thousand. Provisions of €425 thousand have been recognised for the remuneration to be paid for this work in 2015. The amount paid out in attendance fees and cash expenditures in the financial year was €49 thousand (2014: €33 thousand).

There are no advance payments or loans to or liabilities for members of the Management Board and the Supervisory Board.

Share-based remuneration agreement with cash settlement

In the 2013 financial year, the UNIQA Group introduced a share-based remuneration programme for members of the Management Board of UNIQA Insurance Group AG and for selected members of the Management Board of UNIQA Österreich Versicherungen AG, Raiffeisen Versicherung AG and UNIQA International AG. In accordance with this programme, entitled employees are conditionally awarded virtual shares effective 1 January of the relevant financial year which give them the right to a cash payment after the end of the benefit period. The first conditional award took place retrospectively effective 1 January 2013 and included 246,888 virtual shares in the UNIQA Insurance Group AG. The length of the benefit period for each tranche runs until 31 December 2016. No further shares were awarded.

The precise payment amount is contingent upon achieving performance targets, building up and holding UNIQA ordinary shares in real terms and holding an employment contract as a member of the Management Board by the end of the relevant benefit period. The amount of the cash payment at the end of the fourth year is linked to the average price for the ordinary share in the second half of 2016 and on achieving both performance targets, which are both weighted 50 per cent.

- **Performance Target 1 – Total Shareholder Return (TSR)**: The degree of target achievement depends on the rank of the TSR of the UNIQA ordinary share among the companies managed in the DJ EuroStoxx TMI Insurance index.

- **Performance Target 2 – Return on Equity (ROE):** The degree of target achievement depends on the rank of the ROE of UNIQA among the companies managed in the DJ EuroStoxx TMI Insurance index.

Determination of the fair values

Determination of the first component (Performance Target 1) is based purely on market-based criteria (TSR), which results in an expected degree of achievement of 0 per cent. The fair value was determined using Monte Carlo modelling. No employment and market independent performance conditions (Performance Target 2) linked to business transactions were taken into account in determining the fair value. Measurement of the second component (Performance Target 2) is contingent upon non-market based criteria. The expected degree of achievement of 80 per cent was determined based on performance as at 31 December 2014 and 31 December 2015.

The provision amount determined at year-end is split up into both components of the share-based obligation as follows:

In € thousand	31/12/2015	31/12/2014
TSR tranche (performance target 1)	0	214
ROE tranche (performance target 2)	531	380
Total provision	531	594

The following parameters were used to determine the fair value on the date of the award and on the measurement date for the virtual shares:

	Award date 1/1/2013	Valuationdate 31/12/2015
TSR tranche (performance target 1)		
Fair value (in €)	6.69	0.00
Share price (in €)	9.32	7.52
Simulated share price as at 31/12/2016		7.16
Exercise price (in €)	0.00	0.00
Expected volatility (weighted average, in percent)	–	25.8
Expected life (weighted average, in years)	4.0	1.0
Discount rate (based on AA corporate bonds, in percent)	1.2	– 0.2
ROE tranche (performance target 2)		
Fair value (in €)	8.75	5.73
Share price (in €)	9.32	7.52
Exercise price (in €)	0.00	0.0
Expected volatility (weighted average, in percent)	0.0	0.0
Expected life (weighted average, in years)	4.0	1.0
Discount rate (based on AA corporate bonds, in percent)	1.2	– 0.2

The expected volatility is based on an assessment of historical volatility for the Company's share price over the past year.

No virtual shares were forfeited or exercised in the current financial year. The obligations from share-based remuneration are stated under "Other provisions" (Note 29) and are also included under the statements on "Related party transactions – individuals".

Group holding company

The parent company of the UNIQA Group is UNIQA Insurance Group AG. In addition to its duties as Group holding company, this company also performs the duties of a group reinsurer.

Related companies and persons

Companies in the UNIQA Group maintain various relationships with related companies and persons.

In accordance with IAS 24, related companies are identified as those companies which either exercise a controlling or crucial influence on UNIQA. The group of companies also includes the non-consolidated subsidiaries, associates and joint ventures of UNIQA.

The related individuals include the members of management holding key positions for the purposes of IAS 24 along with their close family members. This also includes in particular the members of management in key positions at those companies which either exercise a controlling or crucial influence on UNIQA, along with their close family members.

Related party transactions – companies

In € thousand	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions 2015					
Premiums written (gross)	0	2,001	1,091	33,821	36,913
Interest income and expenses due to loans with companies that are related parties	0	1,271	45	1,530	2,847
Interest income and expenses from loans with banks that are related parties and from investments in companies that are related parties	0	490	7,295	3,522	11,306
As at 31 December 2015					
Investments at fair value	135,848	11,820	445,464	133,323	726,455
Bank deposits	0	0	0	294,286	294,286

In € thousand	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions 2014					
Premiums written (gross)	318	1,592	812	58,659	61,381
Interest income and expenses due to loans with companies that are related parties	0	1,400	0	1,546	2,946
Interest income and expenses from loans with banks that are related parties and from investments in companies that are related parties	374	4,366	10,110	30,874	45,724
At 31 December 2014					
Investments at fair value	138,935	198,305	519,123	385,211	1,241,574
Bank deposits	0	0	0	358,177	358,177

Related party transactions – individuals

In € thousand	2015	2014
Premiums written (gross)	1,066	824
Salaries and short term benefits [1]	4,526	3,725
Pension expenses	819	857
Compensation on termination of employment contract	– 324	45
Share-based payments	1,941	89
Other income	236	251

[1] This item includes fixed and variable Management Board and Supervisory Board remuneration components.

Other financial obligations and contingent liabilities

In € thousand	31/12/2015	31/12/2014
Contingent liabilities from risks of litigation	**0**	**24,189**
Austria	0	0
other countries	0	24,189
Other contingent liabilities	**13,535**	**12,125**
Austria	13,262	12,125
other countries	273	0
Total	**13,535**	**36,313**

The UNIQA companies 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 UNIQA's financial situation or the operating earnings.

Ukraine (Non-Life) – Option to purchase granted

Since the acquisition of the shares in the Ukrainian "Closed JSC Credo-Classic Insurance Company" (now "Insurance Company 'UNIQA'", Kiev), the shares held by UNIQA since 2006 have been gradually increased to the current level of 92.23 %. The existing option agreements with the two remaining minority shareholders were agreed again in 2015. This gives UNIQA the option of acquiring further shares in the company from the local minority shareholders based on previously agreed purchase price formulas in option windows in 2017 and 2020.

Lease expenses

In € thousand	2015	2014
Current lease expenses	3,664	7,826
Future lease payments in connection with the financing of the UNIQA Group headquarters in Vienna		
up to 1 year	0	5,102
more than 1 year up to 5 years	0	17,859
more than 5 years	0	0
Total	**0**	**22,961**
Income from sublease	0	550

We moved into the UNIQA Group headquarters – the UNIQA Tower – in 2004. In the second Quarter of 2015 UNIQA Immobilien-Projekterrichtungs GmbH was acquired by UNIQA, meaning that no more future lease payments will be incurred in connection with the financing of the head office in Vienna.

Expenses for the auditor of the financial statements

The auditor fees in the financial year were €1,965 thousand (2014: €1,100 thousand); of which €307 thousand (2014: €280 thousand) is attributable to the annual audit, €1,590 thousand (2014: €652 thousand) to other auditing services and €68 thousand (2014: €168 thousand) to other services.

Affiliated companies and associates

Company	Type	Location	Equity interest as at 31.12.2015 Figures in percent	Equity interest as at 31/12/2014 Figures in percent
Domestic insurance companies				
UNIQA Insurance Group AG (Group Holding Company)		Vienna		
UNIQA Österreich Versicherungen AG	Fully consolidated	Vienna	100.0	100.0
Salzburger Landes-Versicherung AG	Fully consolidated	Salzburg	100.0	100.0
Raiffeisen Versicherung AG	Fully consolidated	Vienna	100.0	100.0
FINANCE LIFE Lebensversicherung AG	Fully consolidated	Vienna	100.0	100.0
SK Versicherung Aktiengesellschaft	At equity	Vienna	25.0	25.0
Foreign insurance companies				
UNIQA Assurances SA	Fully consolidated	Switzerland, Geneva	100.0	100.0
UNIQA Re AG	Fully consolidated	Switzerland, Zurich	100.0	100.0
UNIQA Assicurazioni S.p.A.	Fully consolidated	Italy, Milan	99.7	99.7
UNIQA poistovňa a.s.	Fully consolidated	Slovakia, Bratislava	99.9	99.9
UNIQA pojištovna, a.s.	Fully consolidated	Czech Republic, Prague	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Croatia, Zagreb	100.0	100.0
UNIQA Towarzystwo Ubezpieczen S.A.	Fully consolidated	Poland, Lodz	98.6	98.6
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Fully consolidated	Poland, Lodz	99.8	99.8
UNIQA Biztosító Zrt.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Lebensversicherung AG (Deconsolidation 31.03.2015)		Liechtenstein, Vaduz		100.0
UNIQA Versicherung AG	Fully consolidated	Liechtenstein, Vaduz	100.0	100.0
UNIQA Previdenza S.p.A.	Fully consolidated	Italy, Milan	99.7	99.7
UNIQA Osiguranje d.d.	Fully consolidated	Bosnia and Herzegovina, Sarajevo	99.8	99.8
UNIQA Insurance plc	Fully consolidated	Bulgaria, Sofia	99.9	99.9
UNIQA Life Insurance plc	Fully consolidated	Bulgaria, Sofia	99.6	99.6
UNIQA životno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
Insurance company "UNIQA" Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.0	100.0
UNIQA LIFE Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
UNIQA Asigurari SA	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Asigurari De Viata SA	Fully consolidated	Romania, Bucharest	100.0	100.0
Raiffeisen Life Insurance Company LLC	Fully consolidated	Russia, Moscow	75.0	75.0
UNIQA Life S.p.A.	Fully consolidated	Italy, Milan	89.7	89.7
SIGAL UNIQA Group AUSTRIA Sh.A.	Fully consolidated	Albania, Tirana	86.9	68.6
UNIQA AD Skopje	Fully consolidated	Macedonia, Skopje	86.9	68.6
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Fully consolidated	Albania, Tirana	86.9	68.6
SIGAL UNIQA GROUP AUSTRIA SH.A.	Fully consolidated	Kosovo, Pristina	86.9	68.6
UNIQA Life AD Skopje	Fully consolidated	Macedonia, Skopje	86.9	68.6
SIGAL Life UNIQA GROUP AUSTRIA sh.a	Fully consolidated	Kosovo, Pristina	86.9	68.6
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A.	Fully consolidated	Albania, Tirana	44.3	35.0
Group domestic service companies				
UNIQA Real Estate Management GmbH	Fully consolidated	Vienna	100.0	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Raiffeisen Versicherungsmakler Vorarlberg GmbH	At equity	Bregenz	50.0	50.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
UNIQA IT Services GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Capital Markets GmbH	Fully consolidated	Vienna	100.0	100.0

Company	Type	Location	Equity interest as at 31.12.2015 Figures in percent	Equity interest as at 31/12/2014 Figures in percent
call us Assistance International GmbH	Fully consolidated	Vienna	50.2	50.2
UNIQA International AG	Fully consolidated	Vienna	100.0	100.0
UNIQA internationale Beteiligungs-Verwaltungs GmbH	Fully consolidated	Vienna	100.0	100.0
Assistance Beteiligungs-GesmbH	Fully consolidated	Vienna	64.0	64.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Finanzierungs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Group Audit GmbH	Fully consolidated	Vienna	100.0	100.0
Valida Holding AG	At equity	Vienna	40.1	40.1
RHG Management GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Finanzbeteiligung GmbH	Fully consolidated	Vienna	100.0	100.0
Group foreign service companies				
UNIQA Raiffeisen Software Service Kft.	Fully consolidated	Hungary, Budapest	60.0	60.0
InsData spol. s.r.o.	Fully consolidated	Slovakia, Nitra	98.0	98.0
UNIPARTNER s.r.o.	Fully consolidated	Slovakia, Bratislava	99.9	99.9
UNIQA InsService spol. s.r.o.	Fully consolidated	Slovakia, Bratislava	99.9	99.9
UNIQA Ingatlanhasznosító Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Számitástechnikai Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Vitosha Auto OOD	Fully consolidated	Bulgaria, Sofia	99.8	99.8
UNIQA Raiffeisen Software Service S.R.L.	Fully consolidated	Romania, Cluj-Napoca	60.0	60.0
sTech d.o.o. (Erstkonsolidierung: 31.12.2015)	Fully consolidated	Serbia, Belgrade	100.0	
Poliklinika Medico (Deconsolidation 31.03.2015)		Croatia, Rijeka		100.0
DEKRA-Expert Műszaki Szakértői Kft.	At equity	Hungary, Budapest	50.0	50.0
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H. (seit 30.09.2015 als Vermögenswert, der zur Veräußerung gehalten wird, klassifiziert)	At equity	Vienna	29.6	29.6
UNIQA Leasing GmbH (First consolidation: 31.12.2015)	At equity	Vienna	25.0	25.0
UNIQA Internationale Anteilsverwaltung GmbH (Deconsolidation 30.09.2015)		Vienna		100.0
PremiQaMed Holding GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Privatkliniken GmbH	Fully consolidated	Vienna	100.0	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
STRABAG SE	At equity	Villach	13.8	13.8
PremiaMed Management GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Beteiligungs-Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Diakonissen & Wehrle Privatklinik GmbH (First consolidation 31.3.2015)	Fully consolidated	Gallneukirchen	60.0	
PremiQaMed Beteiligungs GmbH (First consolidation 31.3.2015)	Fully consolidated	Vienna	100.0	
Real-estate companies				
UNIQA Real Estate CZ, s.r.o.	Fully consolidated	Czech Republic, Prague	100.0	100.0
UNIQA Real s.r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Real II s.r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Immobilien-Projekterrichtungs GmbH (First consolidation: 30.6.2015)	Fully consolidated	Vienna	100.0	
Raiffeisen evolution project development GmbH	At equity	Vienna	20.0	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	At equity	Vienna	33.0	33.0
UNIQA Real Estate GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Immobilien GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Fully consolidated	Vienna	100.0	100.0

Company	Type	Location	Equity interest as at 31.12.2015 Figures in percent	Equity interest as at 31/12/2014 Figures in percent
Design Tower GmbH	Fully consolidated	Vienna	100.0	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Fully consolidated	Vienna	99.0	99.0
UNIQA Real Estate Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Fully consolidated	Vienna	100.0	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Fully consolidated	Vienna	100.0	100.0
GLM ErrichtungsGmbH	Fully consolidated	Vienna	100.0	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Fully consolidated	Vienna	100.0	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Fully consolidated	Vienna	100.0	100.0
Praterstraße Eins Hotelbetriebs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Plaza Irohadáz és Ingatlankezelő Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Floreasca Tower SRL	Fully consolidated	Romania, Bucharest	100.0	100.0
Pretium Ingatlan Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA poslovni centar Korzo d.o.o.	Fully consolidated	Croatia, Rijeka	100.0	100.0
UNIQA-Invest Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Knesebeckstraße 8 – 9 Grundstücksgesellschaft mbH	Fully consolidated	Germany, Berlin	100.0	100.0
UNIQA Real Estate Bulgaria EOOD	Fully consolidated	Bulgaria, Sofia	100.0	100.0
UNIQA Real Estate BH nekretnine, d.o.o.	Fully consolidated	Bosnia and Herzegovina, Sarajevo	100.0	100.0
UNIQA Real Estate d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
Renaissance Plaza d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
IPM International Property Management Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Real Estate Polska Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
Black Sea Investment Capital	Fully consolidated	Ukraine, Kiev	100.0	100.0
LEGIWATON INVESTMENTS LIMITED	Fully consolidated	Cyprus, Limassol	100.0	100.0
UNIQA Real III, spol. s.r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Real Estate BV	Fully consolidated	Netherlands, Hoofddorp	100.0	100.0
UNIQA Real Estate Ukraine		Ukraine, Kiev		100.0
Reytarske	Fully consolidated	Ukraine, Kiev	100.0	100.0
ALBARAMA LIMITED	Fully consolidated	Cyprus, Nikosia	100.0	100.0
AVE-PLAZA LLC	Fully consolidated	Ukraine, Kharkiv	100.0	100.0
Asena CJSC	Fully consolidated	Ukraine, Nikolaew	100.0	100.0
BSIC Holding	Fully consolidated	Ukraine, Kiev	100.0	100.0
Suoreva Ltd. (Deconsolidation: 31.03.2015)		Cyprus, Limassol		100.0
Sedmi element d.o.o.	Fully consolidated	Croatia, Zagreb	100.0	100.0
Deveti element d.o.o.	Fully consolidated	Croatia, Zagreb	100.0	100.0
Kremser Landstraße Projektentwicklung GmbH	Fully consolidated	Vienna	100.0	100.0
Schöpferstrasse Projektentwicklung GmbH	Fully consolidated	Vienna	100.0	100.0
"BONADEA" Immobilien GmbH	Fully consolidated	Vienna	100.0	100.0
"Graben 27 – 28" Besitzgesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Hotel Burgenland Betriebs GmbH	Fully consolidated	Vienna	100.0	100.0
R-FMZ Immobilienholding GmbH	Fully consolidated	Vienna	100.0	100.0
Neue Marktgasse Einkaufspassage Stockerau GmbH	Fully consolidated	Vienna	100.0	100.0
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Raiffeisen-Fachmarktzentrum Mercurius GmbH	Fully consolidated	Vienna	100.0	100.0
Raiffeisen-Fachmarktzentrum ZWEI GmbH	Fully consolidated	Vienna	100.0	100.0
Raiffeisen-Fachmarktzentrum Ivesis GmbH	Fully consolidated	Vienna	100.0	100.0
Raiffeisen-Fachmarktzentrum VIER GmbH	Fully consolidated	Vienna	100.0	100.0
Raiffeisen-Fachmarktzentrum SIEBEN GmbH	Fully consolidated	Vienna	100.0	100.0
R-FMZ "MERCATUS" Holding GmbH	Fully consolidated	Vienna	100.0	100.0

Approval for publication

These consolidated financial statements were prepared by the Management Board as of the date of signing and approved for publication.

Declaration of the legal representatives

Pursuant to Section 82(4) of the Austrian Stock Market Act, the Management Board of UNIQA Insurance Group AG hereby confirms that, to the best of our knowledge, the consolidated financial statements, which were prepared in accordance with the relevant accounting standards, give a true and fair view of the financial position, financial performance and cash flows of the Group, and that the Group management report describes the relevant risks and uncertainties which the Group faces.

Vienna, 18 March 2016

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

Audit opinion

Report on the consolidated financial statements

We have audited the enclosed consolidated financial statements of UNIQA Insurance Group AG, Vienna, consisting of the consolidated statement of financial position as at 31 December 2015, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and consolidated statement of changes in equity for the financial year ending on this reporting date as well as the Notes to the Consolidated Financial Statements.

Management's responsibility for the consolidated financial statements

The legal representatives are responsible for the preparation and proper overall presentation of these consolidated financial statements in accordance with the International Financial Reporting Standards (IFRSs) as applicable in the EU, and the additional requirements of section 245a of the Austrian Commercial Code and section 80b of the Austrian Insurance Supervision Act, and for the internal controls which the legal representatives consider to be required in order to enable the preparation of consolidated financial statements that are free from material intentional or unintentional false representations.

The auditor's responsibility

Our responsibility is to provide an assessment of these consolidated financial statements based on our audit. We have conducted an audit of these financial statements in accordance with the Austrian principles of proper auditing of financial statements. These principles require the application of international audit standards (International Standards on Auditing). In accordance with these principles, we must meet the requirements for professional conduct and plan and carry out the audit of the financial statements in such a way that reasonable assurance is obtained regarding whether the consolidated financial statements are free from material misstatement.

An audit of financial statements involves performing procedures to obtain audit evidence about the amounts and other disclosures contained in the consolidated financial statements. The procedures selected depend on the auditor's judgement. This includes an assessment of the risks of material misstatements in the consolidated financial statements, whether due to fraud or error. In evaluating these risks, the auditor takes into account the internal control system which is relevant for preparation and proper overall presentation of the consolidated financial statements by the Group in order to plan audit actions that are reasonable under the given circumstances, but not with the objective of providing an audit assessment on the effectiveness of the Group's internal control system. An audit also includes an assessment of the reasonableness of the accounting principles applied and of the validity of the values estimated by the legal representatives in the accounting along with as assessment of the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit assessment.

Audit opinion

Our audit did not give rise to any objections. In our opinion, the consolidated financial statements comply with the legal requirements and provide a true and fair view of the Group's financial position and of the Groups' earnings position as at 31 December 2015 for the financial year ending on this reporting date, in accordance with the International Financial Reporting Standards (IFRSs) as applicable in the EU and the additional requirements of section 245a of the Austrian Commercial Code and the supplementary provisions of section 80b of the Austrian Insurance Supervision Act.

Comments on the Group Management Report

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the Company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a of the Austrian Commercial Code are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a of the Austrian Commercial Code are appropriate.

Vienna, 18 March 2016

PwC Wirtschaftsprüfung GmbH

Liane Hirner
Wirtschaftsprüfer
(Austrian Certified Public Accountant)

Disclosure, publication and duplication of the consolidated financial statements together with the auditor's report according to Section 281(2) of the Austrian Commercial Code in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.