
Report of the Supervisory Board

Ladies and Gentlemen,

For UNIQA, 2013 was again dominated by the UNIQA 2.0 long-term strategic programme. One particularly important event was the successful capital increase (re-IPO) in October, which generated proceeds of € 757 million and significantly increased UNIQA's free float.

Under the UNIQA 2.0 strategic programme, UNIQA has set itself the objective of expanding its customer base to 15 million by 2020 and increasing earnings before taxes by up to € 400 million compared with 2010. The company is concentrating on its core activities and targeting profitable business in Austria and profitable growth in Central and Eastern Europe. UNIQA is well on schedule to fulfil these ambitious targets.

Activity of the Supervisory Board

During 2013, the Supervisory Board was regularly informed by the Management Board of business developments and the situation at UNIQA Insurance AG, which has traded under this new name since July 2013, and the Group as a whole. It also supervised the Management Board's management of the business and fulfilled all the tasks assigned to the Supervisory Board by law and the Articles of Association. At the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

The members of the Supervisory Board are regularly invited to participate in information events on relevant topics. In 2013, two special seminars were held on topics relating to the new regulations of Solvency II.

Focus of the meetings

The meetings focused on the Group's earnings situation and its further strategic development. The Supervisory Board held five meetings in 2013.

At the meeting on 21 February, the Supervisory Board primarily discussed the Group's preliminary figures for the 2012 financial year and the first developments in the 2013 financial year.

The Supervisory Board meeting on 10 April focused on the annual financial statements and consolidated financial statements for the year ended 31 December 2012 and the Management Board's report on Group developments during the first quarter of 2013. It also fundamentally approved the issue of a hybrid capital bond to settle the supplementary capital issues by UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG with a total nominal volume of € 200 million that were scheduled for repayment in 2013.

The Supervisory Board also discussed the agenda for the 14th Annual General Meeting on 27 May 2013.

At its meeting on 16 May, the Supervisory Board discussed the Group's development in the second quarter of 2013 to date and approved the restructuring of UNIQA International AG's subsidiaries in Italy and Switzerland. The meeting was also informed about the imminent appointment of a Management Board member at UNIQA Österreich Versicherungen AG.

On 16 September, the Supervisory Board discussed the Group's earnings situation in the first half of 2013, developments in the third quarter of 2013 to date and the forecast for the 2013 financial year. It also discussed the planned capital increase (re-IPO) of UNIQA Insurance Group AG in detail and authorised the Working Committee to pass all necessary resolutions in connection with this matter. The Supervisory Board was informed about M&A activities at UNIQA International AG. The Working Committee was authorised to take any decisions on measures in connection with this matter.

In addition to reporting on the Group's results for the first three quarters of 2013 and planning for the 2014 financial year, the Supervisory Board evaluated its own activities in accordance with the Austrian Code of Corporate Governance at its meeting on 13 November. The Supervisory Board also approved the issue of intragroup hybrid capital by UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG and the concentration of the Group companies' reinsurance operations at UNIQA Re AG, Zurich. The strengthening of UNIQA Re AG's equity base was also approved in connection with this matter.

Committees of the Supervisory Board

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

The Working Committee held two meetings in the past financial year. The re-IPO was resolved on 23 September on the basis of the authorisation granted by the full Supervisory Board. At its meeting on 12 December, the Working Committee addressed fundamental considerations and resolutions concerning adjustments to the real estate investment policy.

Two implementation resolutions for the re-IPO were passed by the Working Committee by way of circulation in writing on 9 and 17 October 2013. In October 2013, the submission of a binding offer for the acquisition of the subsidiaries of Baloise Holding AG in Croatia and Serbia was approved by circulation in writing. In July 2013, the Working Committee also approved the detailed conditions of the hybrid capital issue with a nominal volume of € 350 million.

At its four meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board and with questions regarding remuneration policies and succession planning.

At its three meetings, the Investment Committee discussed the capital investment strategy, questions concerning the capital structure, and the positioning of risk and asset liability management.

The Audit Committee met three times in the 2013 financial year in the presence of the auditor of the (consolidated) financial statements. The meeting on 10 April discussed all of the year-end closing documents and the Management Board's proposal for the appropriation of profit. The meeting on 16 May discussed planning for the audit of the financial statements of the Group companies of UNIQA Insurance Group AG for the 2013 financial year.

The auditor informed the meeting on 13 November about the results of its preliminary audits to date. A report by the auditor on its assessment of the functionality of the risk management system was acknowledged. In particular, the Audit Committee was provided with the quarterly reports by Internal Audit on the areas audited and significant findings based on the audits conducted.

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

Single-entity and consolidated financial statements

The single-entity financial statements prepared by the Management Board and the management report of UNIQA Insurance Group AG and the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRS) and the Group management report for 2013 were audited by PwC Wirtschaftsprüfung GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and issued with an unqualified audit opinion.

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

The consistency check of the Corporate Governance Report in accordance with section 243b of the Austrian Commercial Code, as well as an evaluation of UNIQA's compliance with the provisions of the Austrian Code of Corporate Governance in the 2013 financial year, was performed by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. The results indicated that UNIQA complied with the provisions of the Austrian Code of Corporate Governance in the 2013 financial year to the extent that these were included in the declaration of compliance.

The Supervisory Board approved the consolidated financial statements and the single-entity financial statements of UNIQA Insurance Group AG and endorsed the Group management report and the management report. The 2013 annual financial statements are thereby adopted in accordance with section 96 (4) of the Austrian Stock Corporation Act.

The Supervisory Board examined and approved the proposal for the appropriation of profit submitted by the Management Board. Accordingly, a dividend distribution of € 0.35 per share will be proposed to the Annual General Meeting on 26 May 2014.

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

Vienna, April 2014

On behalf of the Supervisory Board



Walter Rothensteiner,
Chairman of the Supervisory Board