



UNIQA

Group European Embedded Value 2005 and Increased Earnings Programme 2007-2010

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Group European Embedded Value 2005



Group European Embedded Value - Introduction

- n First publication of Group European Embedded Value (GEV) results
- n Includes European Embedded Value (EEV) using bottom-up, market consistent methodology compliant with CFO Forum Principles for main Life and Health businesses in Austria
- n Adjusted net asset value (ANAV) for Property & Casualty businesses and Life and Health businesses excluded from scope of EEV on the basis of adjusted IFRS equity
- n Independent review of methodology, assumptions and calculations for EEV and calculations for GEV by B&W Deloitte

- n EEV for conventional life business based on stochastic cashflow projections using market consistent capital market scenarios. Projections allow for management actions (e.g. profit participation or asset allocation)
- n Explicit allowance for cost of guarantees and options
- n Assumed policyholder profit participation allows for local supervisory laws and contractual agreements
- n Explicit allowance for cost of non-market risks
- n Best estimate assumptions based on recent experience for expenses, mortality and lapses

- n EEV for health business and unit linked business based on deterministic projections
- n Aggregate allowance for risk on the basis of risk discount rates

- n GEV allows for consolidation adjustments and minority interests
- n Goodwill and value of business in force (VBI) eliminated in respect of businesses included in the scope of the EEV calculations
- n EEV defined as:
 - Adjusted net asset value
 - plus value of in-force (VIF)
 - less time value of options and guarantees (FOG)
 - less cost of capital and cost of non-market risks (CoCNMR)
- n GEV defined as:
 - Adjusted net asset value for Property and Casualty and Life and Health businesses excluded from scope of EEV calculations
 - plus EEV

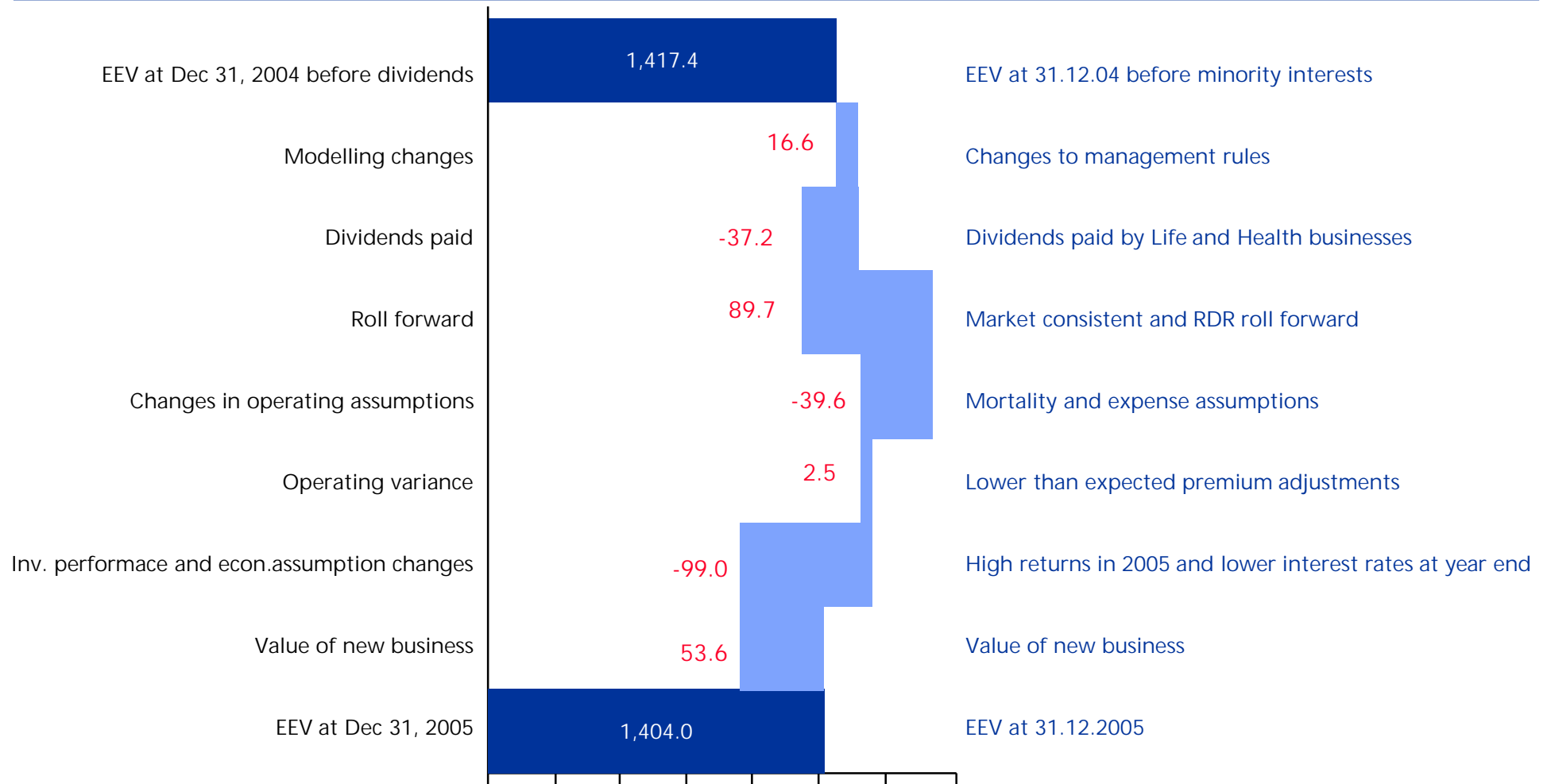


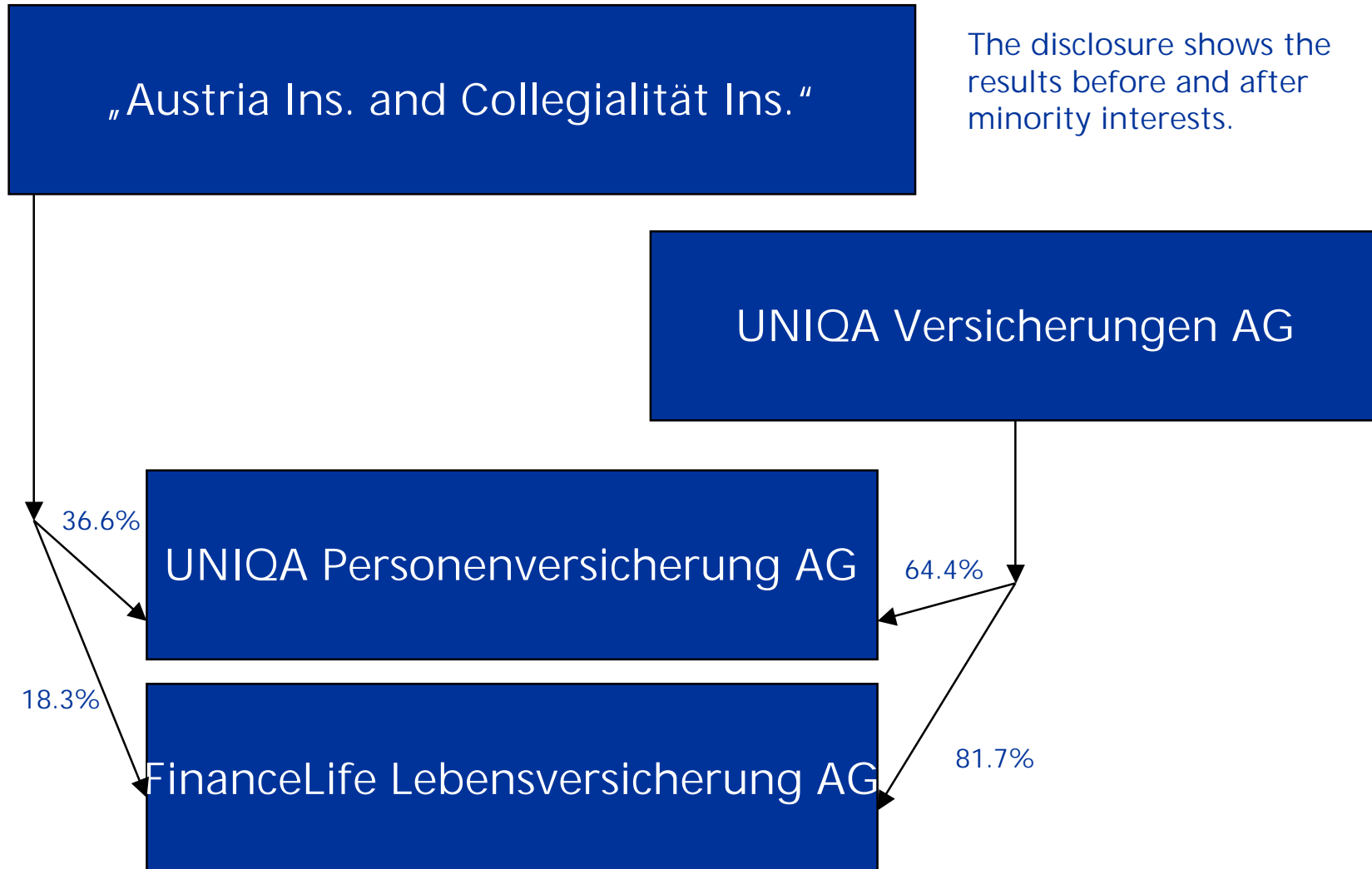
Results before Minority Interests

€mn	Life & Health		Property & Casualty		Total		Change
	2005	2004	2005	2004	2005	2004	
ANAV	687.6	630.6	1,006.6	755.6	1,694.2	1,386.2	22.2%
VIF	875.9	897.2	n/a	n/a	875.9	897.2	-2.4%
FOG	-51.1	-8.7	n/a	n/a	-51.1	-8.7	487.4%
CoCNMR	-108.4	-101.7	n/a	n/a	-108.4	-101.7	6.6%
EEV	1,404.0	1,417.4	n/a	n/a	n/a	n/a	-1.0%
GEV	n/a	n/a	n/a	n/a	2,410.5	2,173.0	10.9%

- n Small reduction in EEV mainly due to increase in value of FOG caused by lower interest rates and higher interest rate volatility
- n 11% increase in GEV due mainly to increase in unrealised gains for the P&C and Health businesses, and the sale of UNIQA shares
- n ANAV includes additional value due to non-quoted equity holdings

Analysis of Change Life & Health





€ mn before minority interests	Life & Health
NBV	53.6
Annual Premium Equivalent (APE)	268.1
APE-Ratio	20.0%

- n Exceptionally high volumes of new business in FinanceLife due to sales of „geförderte Zukunftsvorsorge“

EEV-Sensitivities Life&Health (in € mn)

		Value	As % of Base
Base value		1,404.0	
Risk Discount Rate *	+1%	1,363.6	97.1%
	-1%	1,488.9	106.0%
Change in Yield Curve	+1%	1,630.0	116.1%
	-1%	1,033.7	73.6%
Equity and Property Prices	-10%	1,338.5	95.3%
Administration Expenses	-10%	1,386.8	98.8%
Lapses	-10%	1,407.3	100.2%
	+10%	1,402.9	99.9%
Mortality	-5%	1,418.2	101.0%
	+5%	1,392.4	99.2%

* calculated only for Health business and FinanceLife

VNB-Sensitivities Life&Health (in € mn)

		Value	As % of Base
Base value		53,6	
Risk Discount Rate *	+1%	45,7	85,3%
	-1%	63,6	118,7%
Change in Yield Curve	+1%	69,7	130,0%
	-1%	24,5	45,7%
Administration Expenses	-10%	48,6	90,7%
Lapses	-10%	54,7	102,1%
	+10%	53,2	99,3%
Mortality	-5%	55,5	103,5%
	+5%	52,6	98,1%

* calculated only for Health business and FinanceLife

Reconciliation of IFRS equity to ANAV

	2005	2004
Consolidated IFRS equity	1.133,7	860,2
Goodwill and VIF for EEV companies	-67,5	-71,2
Differences in valuation of assets and liabilities	219,6	199,2
Additional value from non-quoted eq. holdings	408,4	398,0
Adjusted Net Asset Value bef. Minorities	1.694,2	1.386,2
Minority Interests	312,6	289,4
Adjusted Net Asset Value after Minorities	1.381,6	1.096,8

EEV Assumptions (2004 and 2005)

	2005	2004
1 year	2,93%	2,41%
5 years	3,22%	3,23%
10 years	3,48%	3,88%
15 years	3,70%	4,24%
20 years	3,80%	4,48%
25 years	3,85%	4,58%

The yields shown are risk-free euro-zone spot rates

(*) 5 into 5 implied swaption volatility

Interest rate volatility (*)	
2005	2004
20,40%	16,40%

Equity volatility	
2005	2004
22,37%	21,75%

Expense/Medical inflation	
2005	2004
1,00%	1,00%

Tax rate		
	2004	2005
Austria	25,00%	25,00%

Cautionary statement regarding forward-looking information

- n This presentation contains forward-looking statements.
- n Forward-looking statements involve inherent risks and uncertainties, and it might not be possible to achieve the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements.
- n A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements.
- n These forward-looking statements will not be updated except as required by applicable laws.



Increased Earnings Program 2007-2010

n Potential for optimisation at individual level has largely been exhausted



n ...but there is still potential for optimisation if we look at the value-added chains

n ..new potential for improvement has to be found by innovative and creative efforts which concentrate on intra-company outsourcing within the UNIQA Group.



UNIQA IEP 2007 - 2010



source of funds

material costs	}	120 mio €
personnel costs		
commissions		
underwrtg+claims m.	}	80 mio €
finances		

use of funds

expansion of sales	}	40 mio €
IT & technology		
brand awareness		
infrastructure	}	160 mio €
profit on ord. act.		
potential		

total Austria 200 million €



Source of Funds / Use of Funds

International

source of funds

material costs
 personnel costs
 commissions
 underwritg+claims mgmt

use of funds

expansions of sales
 IT & technology
 brand awareness
 infrastructure
 profit on ord. act.
 potential

40 mio €
 40 mio €

total international 80 mio €



Source of Funds / Use of funds

Austria + International

source of funds

domestic 200 mio Euro
abroad 80 mio Euro

use of funds

domestic 40 mio Euro
abroad 40 mio Euro
prof. o.o.activ. 200 mio Euro

total source 280 mio Euro

total use

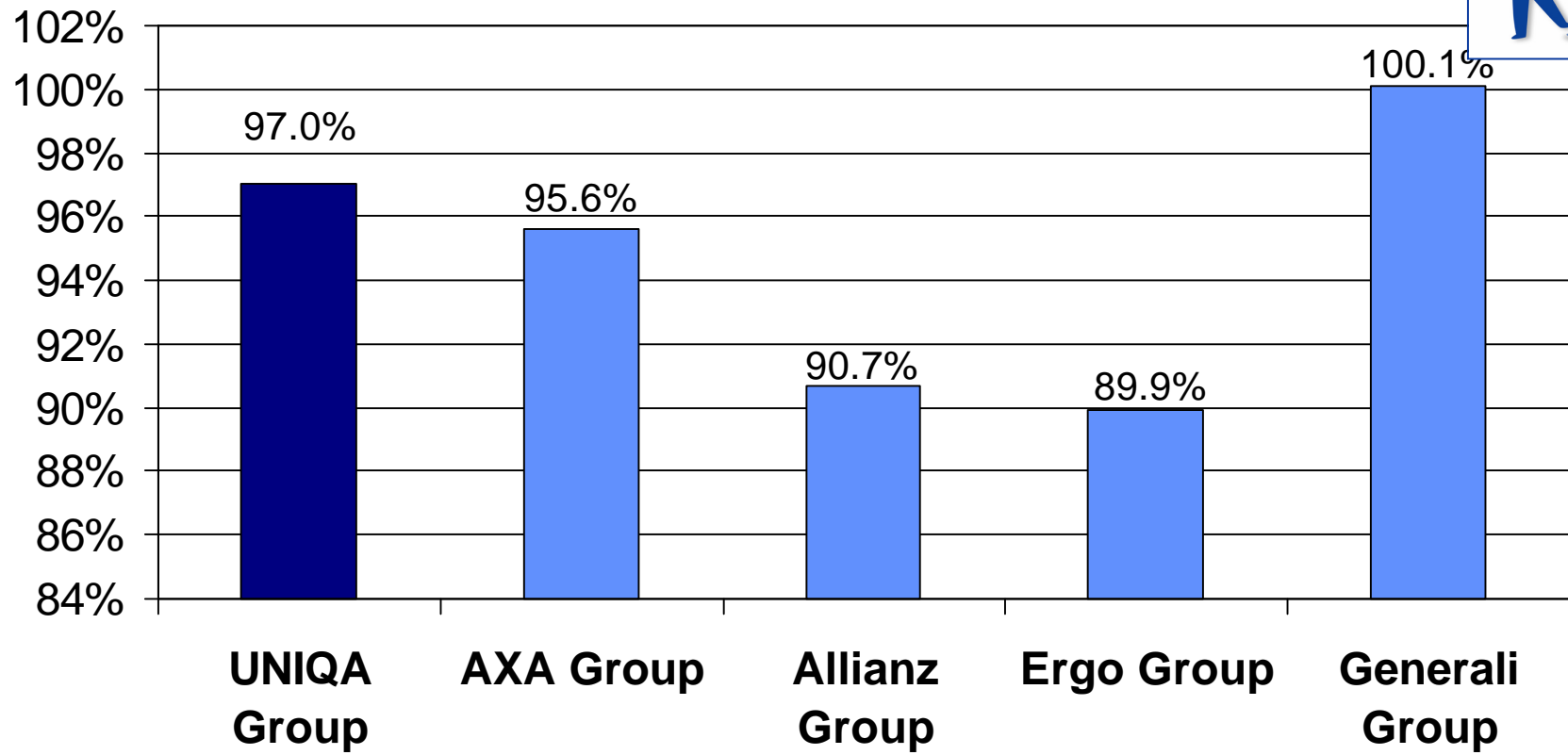
280 mio Euro



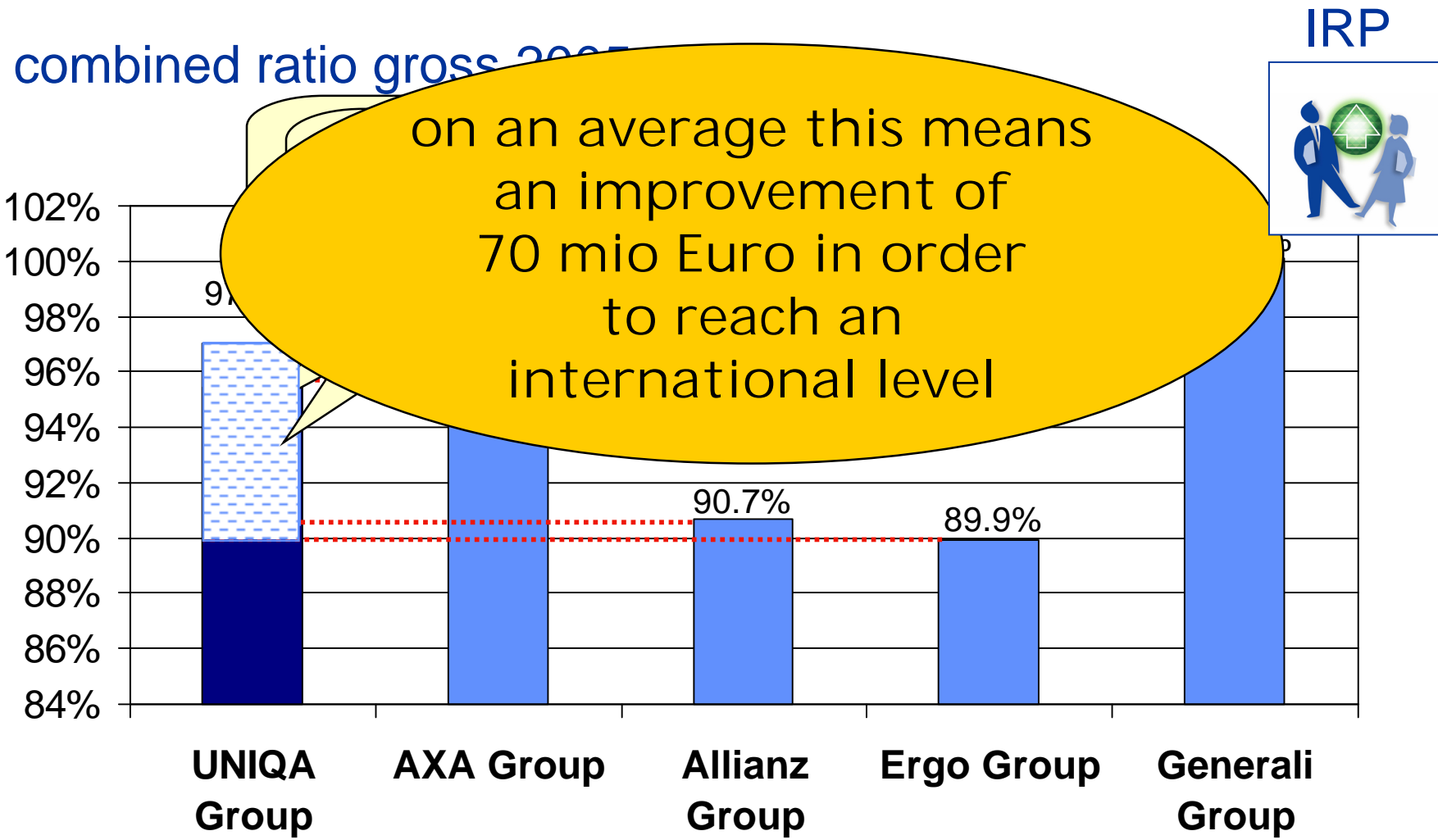
Combined Ratio Targets Compared to Competition

combined ratio gross 2005

IRP



Combined Ratio Targets Compared to Competition



UNIQA - Group goal 2007-2010:

cost ratio reduction (incl. commission)

from 2006	26.1 %
to 2010	22.8 %

domestic

from 23.2%
to 20.9%

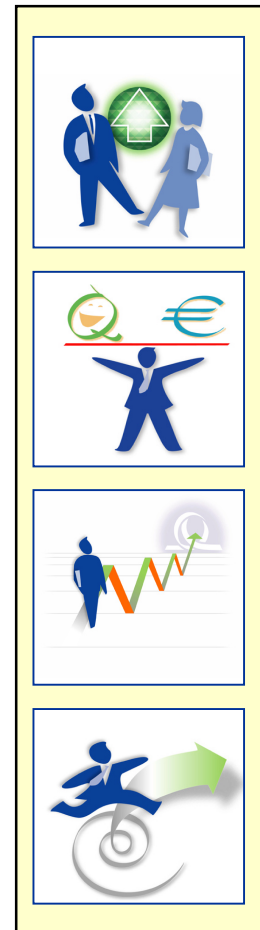
approx. - 14%

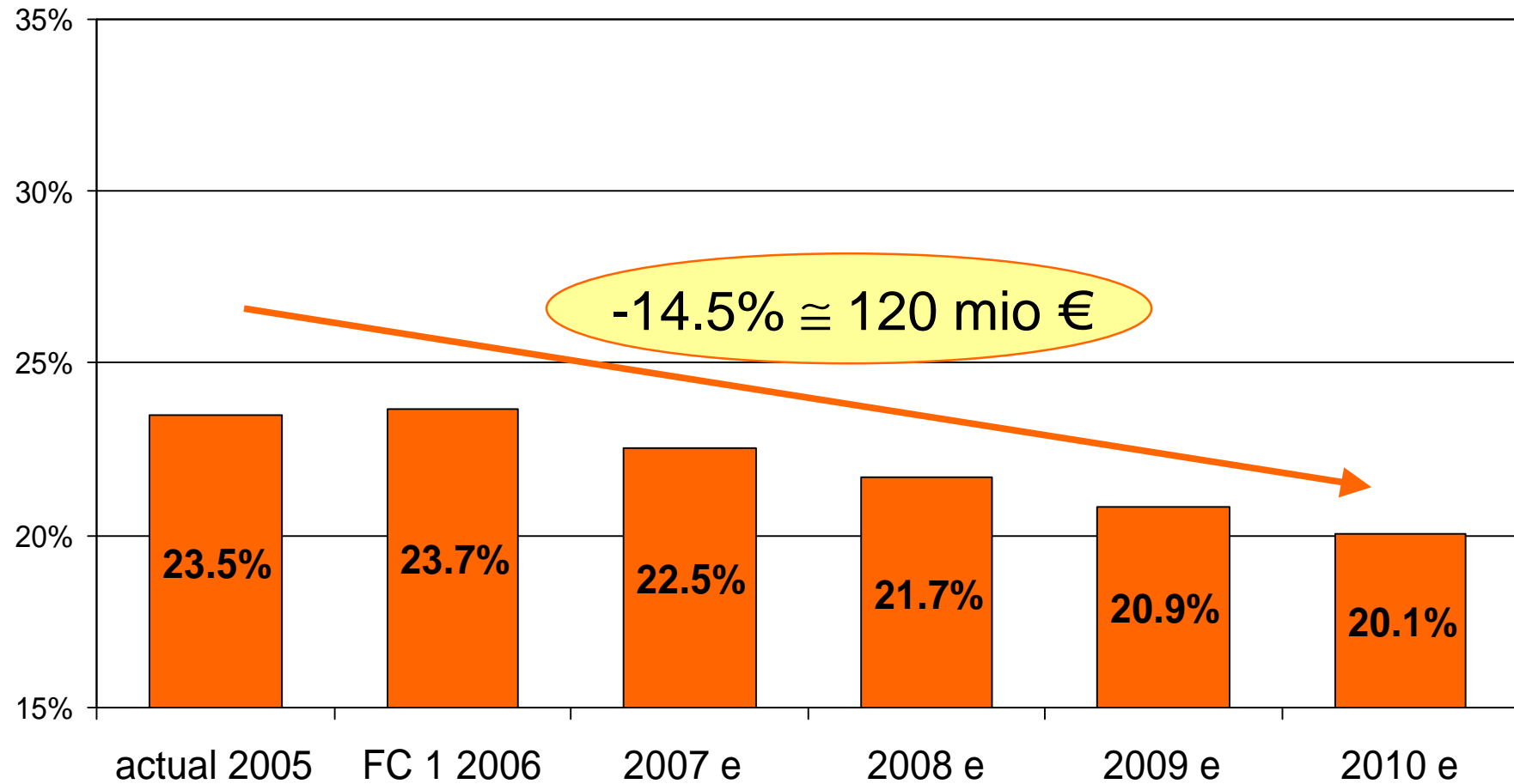
international

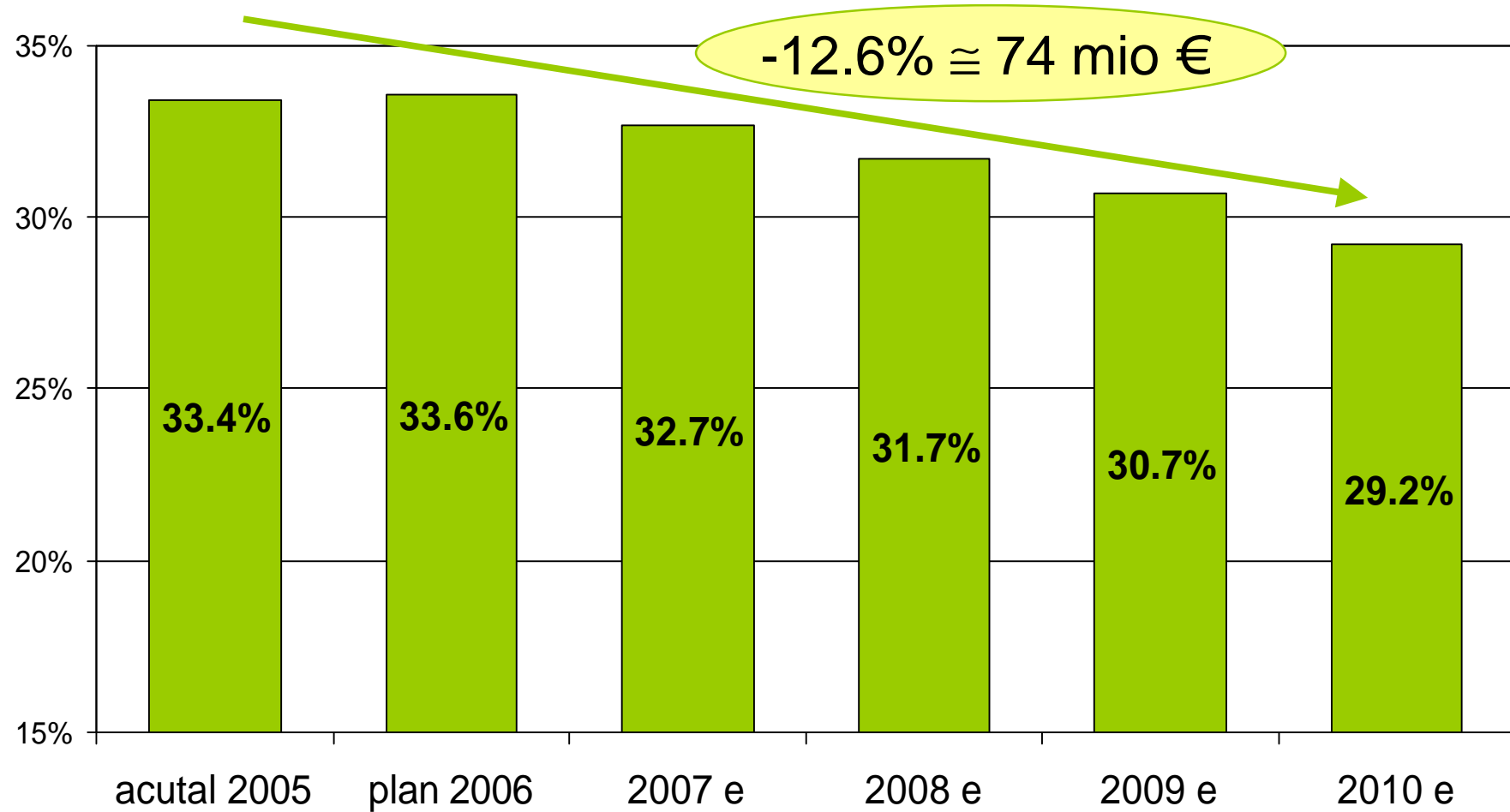
from 33.6%
to 29.2%

approx. - 13%

cost ratio based on premium volume incl. 10 % single premium







Source of Funds / Use of Funds **Austria** Status

source of funds

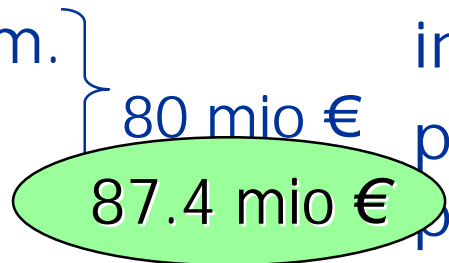
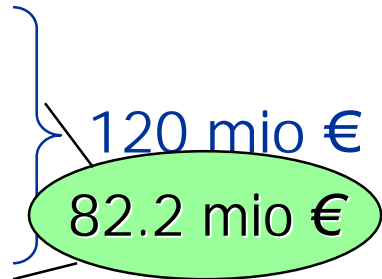
material costs

personnel costs

commissions

underwrtg+claims m.

finances



use of funds

expansion of sales

IT & technology

brand awareness

infrastructure

profit on ord. act. 160 mio €

potential



total Austria 200 million €

target achievement: 85%



!?

Source of Funds / Use of Funds **International** Status

source of funds

material costs
personnel costs
commissions
underwritg+claims mgmt

use of funds

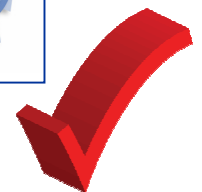
expansions of sales
IT & technology
brand awareness
infrastructure
profit on ord. act.
potential

40 mio €
40 mio €

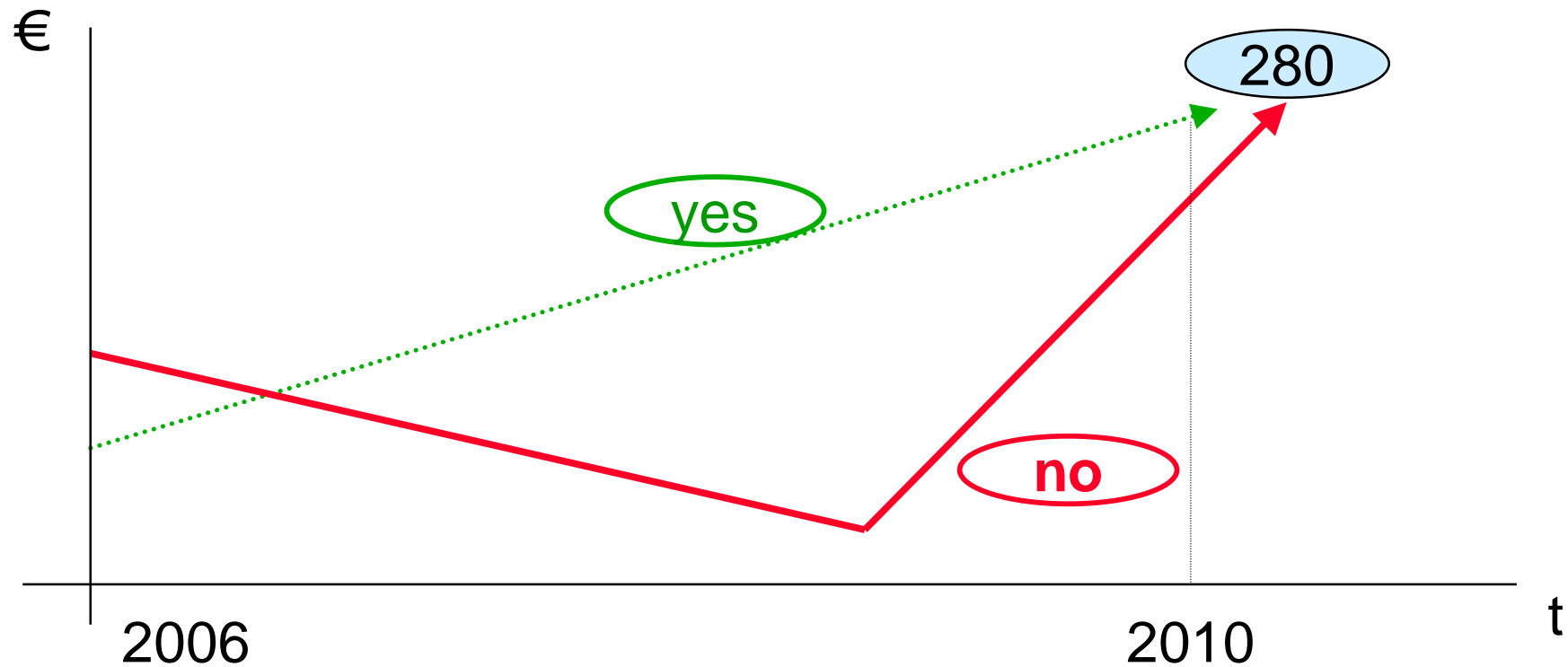
total international 80 mio €

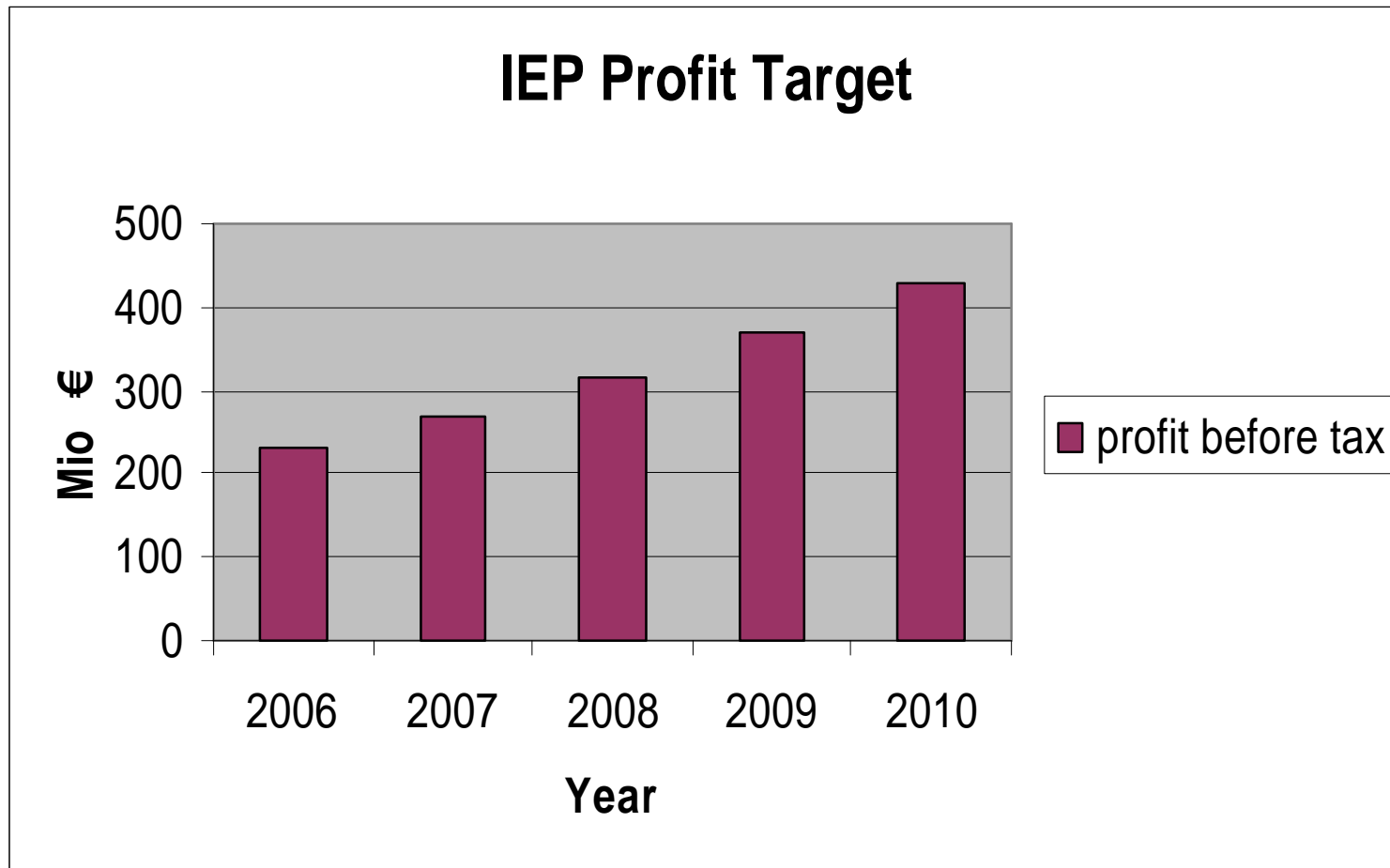
76.7 mio €

target achievement : 98%

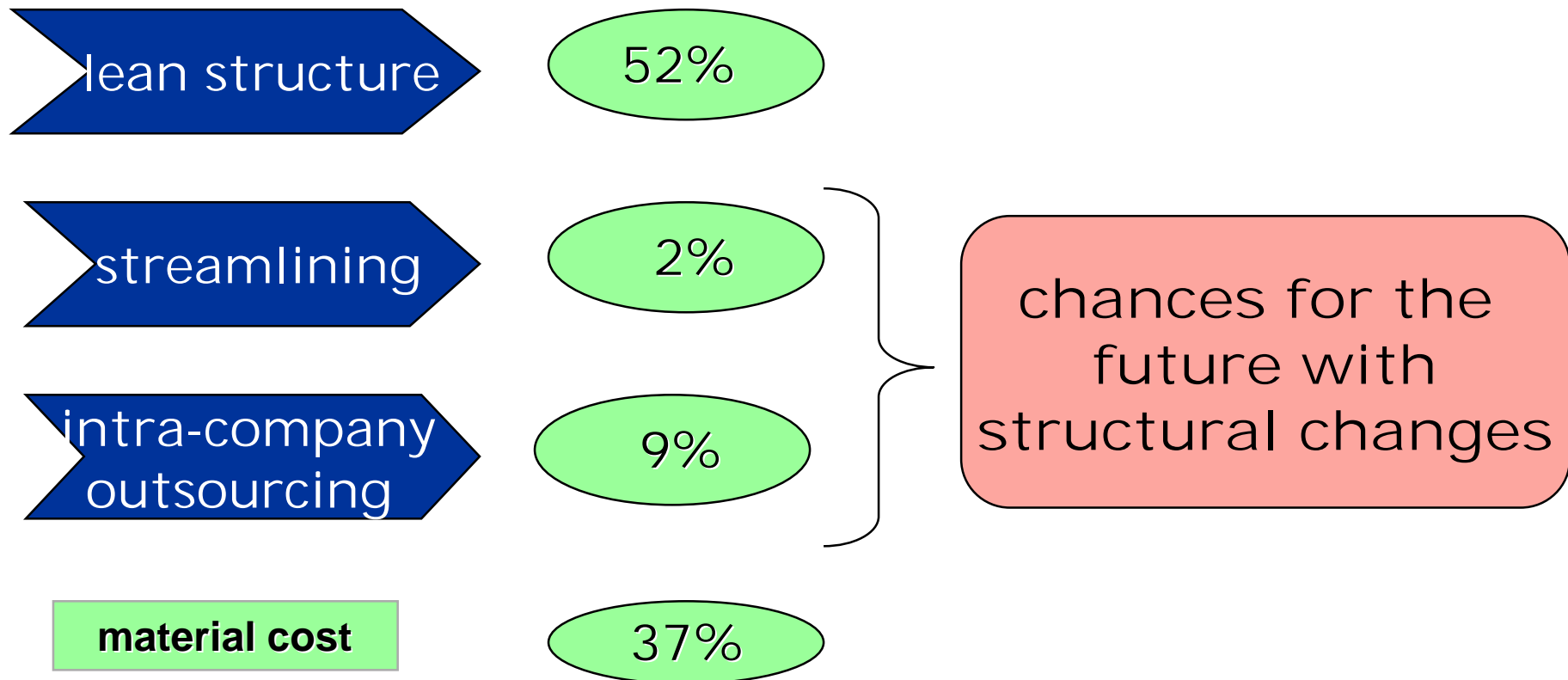


linear implementation vs „plan hockey“- effect

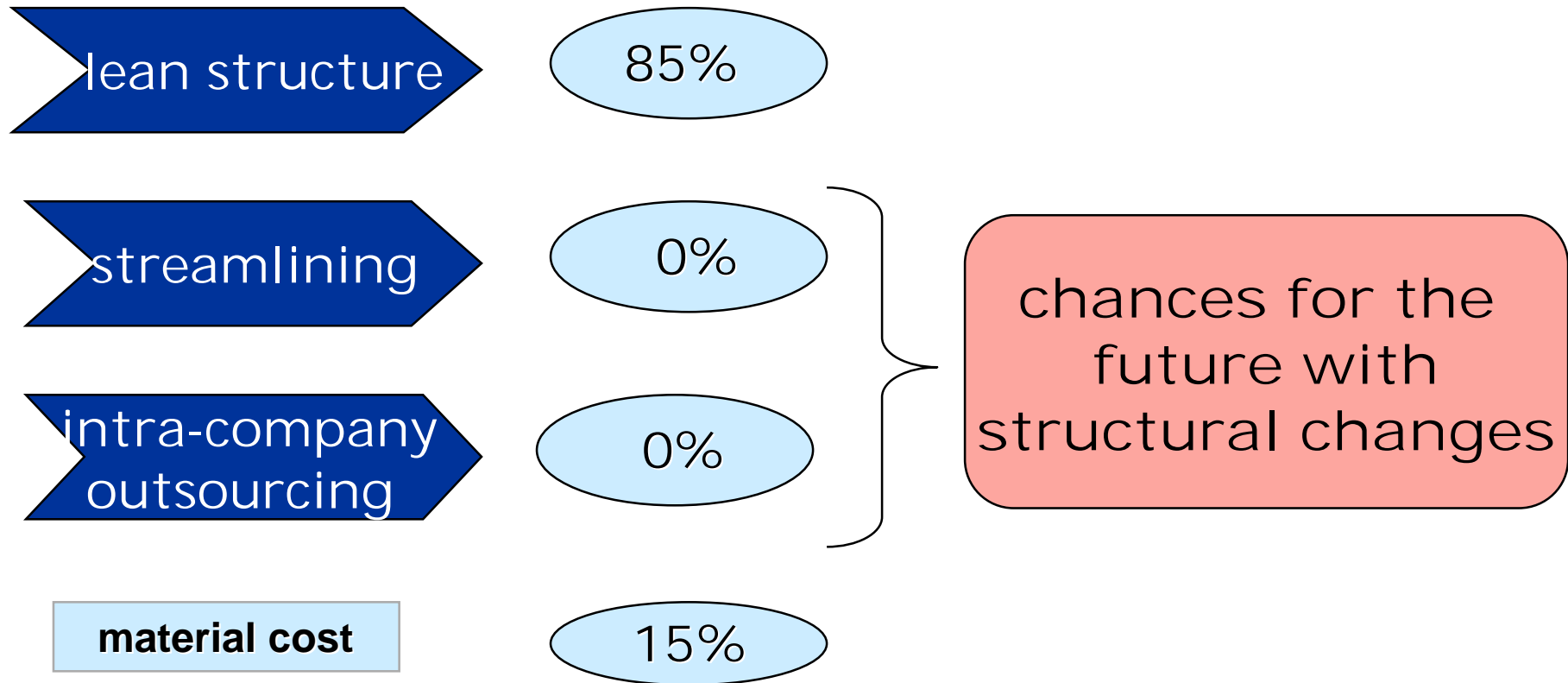




cost savings of 74 million Euro are spread as follows:



cost savings of 21 million Euro are spread as follows:



lean structure

streamlining

intra-company
outsourcing

focus in
PEP I 2001 – 2003
138 mio €

PEP II 2004 – 2006
~175 mio €

new focus in PEP III

**chances for the future with
structural changes**

