

UNIQA Group Austria Group Embedded Value 2008

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Group Embedded Value

- **Disclosure of Group Embedded Value (GEV) results has been enhanced:**
 - Includes European Embedded Value (EEV) using bottom-up, market consistent methodology compliant with CFO Forum EEV Principles for main Life and Health businesses in Austria
 - Discloses the Embedded Values (EV) for the Life and Health businesses in Italy, the Czech Republic, Slovakia, Hungary and Poland, together with a restatement of 2007 results
 - Results are split by regions Austria, Italy and CEE
- **Adjusted net asset value (ANAV) for Property & Casualty businesses and Life and Health businesses excluded from scope of EEV / EV on the basis of adjusted IFRS equity**
- **Independent review of methodology, assumptions and calculations for EEV / EV and calculations for GEV by B&W Deloitte GmbH**

Methodology improved

- **EEV for Austrian 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); single deterministic projection for Austrian unit linked and health business based on market consistent assumptions**
- **Explicit allowance for cost of guarantees and options**
- **Assumed policyholder profit participation allows for local supervisory laws and contractual agreements**
- **Explicit allowance for cost of residual non-hedgeable risk**
- **Best estimate assumptions based on recent experience for expenses, mortality and lapses**

- **EV for non Austrian life and health businesses based on deterministic projections**
- **Aggregate allowance for risk on the basis of risk discount rates**

Methodology improved

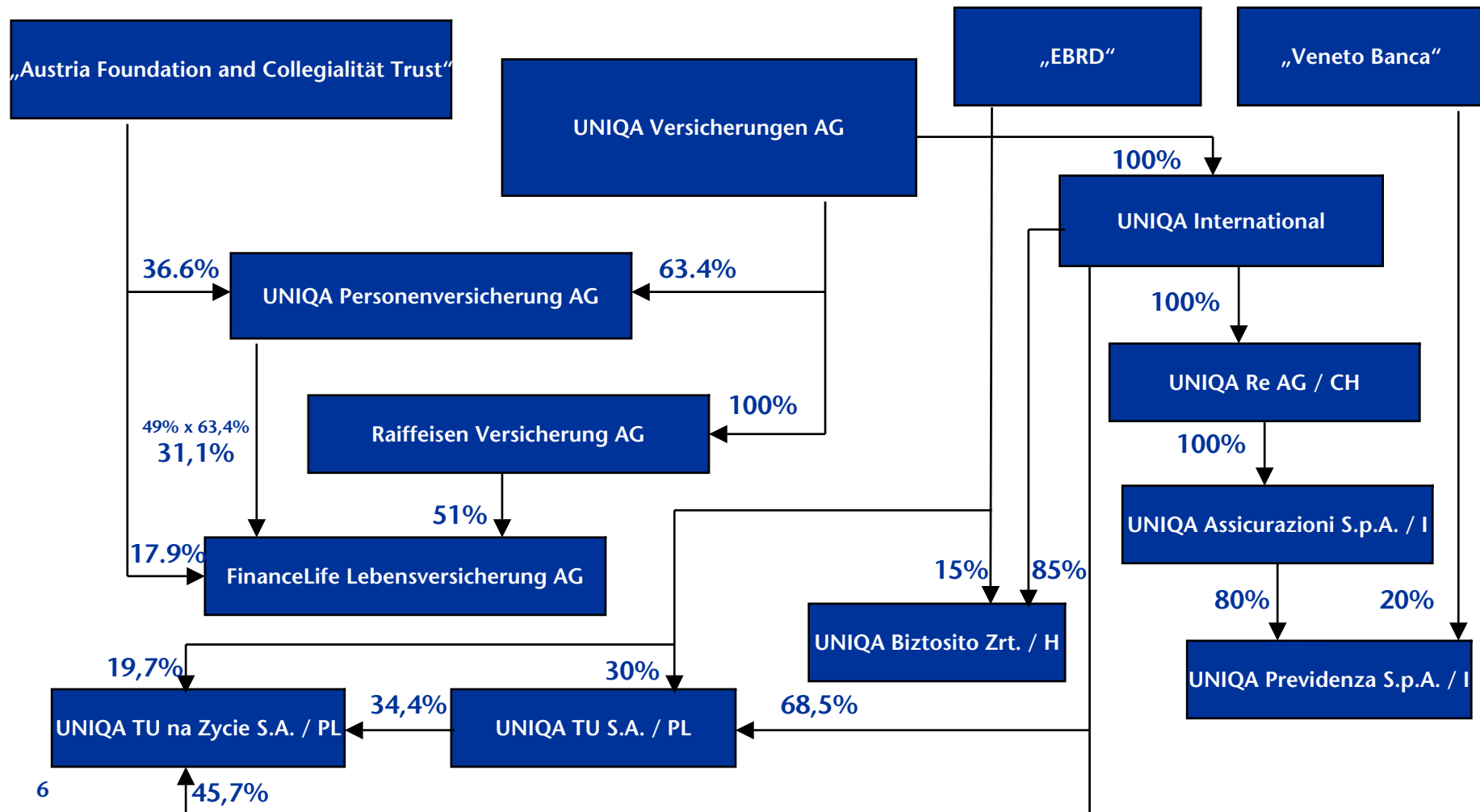
- **GEV allows for consolidation adjustments and minority interests**
- **Goodwill and value of business in force (VBI) eliminated in respect of businesses included in the scope of the EEV / EV calculations**
- **EEV defined as:**
 - Free Surplus (FS),
 - plus* Required Capital (RC),
 - plus* Value of In-Force (VIF) determined as
 - Present Value of Future Profits (PVFP)*
 - less *Time Value of Financial Options and Guarantees (FOG)*
 - less *Frictional Cost of Required Capital (FCRC)*
 - less *Cost of Residual Non-Hedgeable Risks (CRNHR)*
- **GEV defined as:**
 - Adjusted net asset value for Property and Casualty and Life and Health businesses excluded from scope of EEV / EV calculations
 - plus EEV / EV

GEV affected by the economic crisis in 2008

- Change in financial market conditions decreases GEV (before minority interests) by 23% to EUR 2,247mn.
- Lower reference rates, decrease in equity asset values and increased implied volatilities, all had negative impacts and decrease the VIF to EUR 605mn.
- Increase of FOG to EUR 152mn.

Group Embedded Value before minorities, in € millions							
	Life & Health		Prop. & Casualty		Total		Change over period
	2008	2007	2008	2007	2008	2007	
Free surplus	290	401	202	465	493	866	-43%
Required capital	467	465	683	619	1.150	1.084	6%
Adjusted Net Asset Value	757	866	885	1.083	1.642	1.950	-16%
Present value of future profits	913	1.191	n/a	n/a	913	1.191	-23%
Cost of options and guarantees	-152	-54	n/a	n/a	-152	-54	179%
Frictional cost of required capital	-88	-104	n/a	n/a	-88	-104	-15%
Cost of residual non-hedgeable risk	-69	-83	n/a	n/a	-69	-83	-18%
Value of in-force business	605	950	n/a	n/a	605	950	-36%
GEV / EV	1.362	1.816	885	1.083	2.247	2.900	-23%

Disclosure shows results before and after minority interests



GEV affected by the economic crisis in 2008

- Change in financial market conditions decreases GEV (after minority interests) by 22% to EUR 1,857mn.
- Lower reference rates, decrease in equity asset values and increased implied volatilities, all had negative impacts and decrease VIF to EUR 409mn.
- Increase of FOG to EUR 129mn.

Group Embedded Value after minorities, in € millions							
	Life & Health		Prop. & Casualty		Total		Change over period
	2008	2007	2008	2007	2008	2007	
Free surplus	244	300	189	451	433	751	-42%
Required capital	367	365	648	567	1.015	932	9%
Adjusted Net Asset Value	611	665	837	1.018	1.448	1.683	-14%
Present value of future profits	657	896	n/a	n/a	657	896	-27%
Cost of options and guarantees	-129	-44	n/a	n/a	-129	-44	194%
Frictional cost of required capital	-69	-81	n/a	n/a	-69	-81	-15%
Cost of residual non-hedgeable risk	-50	-62	n/a	n/a	-50	-62	-19%
Value of in-force business	409	708	n/a	n/a	409	708	-42%
GEV / EV	1.020	1.374	837	1.018	1.857	2.391	-22%

Return on restated and adjusted GEV

GEV affected by the economic crises in 2008

Return on GEV after minorities, in € millions		
	2008	2007
GEV as at 31 December	1.857	2.518
GEV as at 31 December previous year, reported	2.518	2.178
GEV as at 31 December previous year, restated	2.391	2.175
GEV as at 31 December previous year, restated and adjusted	2.330	2.134
Dividends	60	42
Return on GEV	-473	384
as a %	-19,8%	17,7%

- Return on GEV is shown after minority interests and calculated on the basis of the restated and adjusted GEV as at December 31 of the previous year.
- Lower reference rates, decrease in equity asset values and increased implied volatilities, all had negative impacts and result in a return on GEV of EUR –473mn or –19.8% for 2008.

Increase in new business volumes, margins decreased

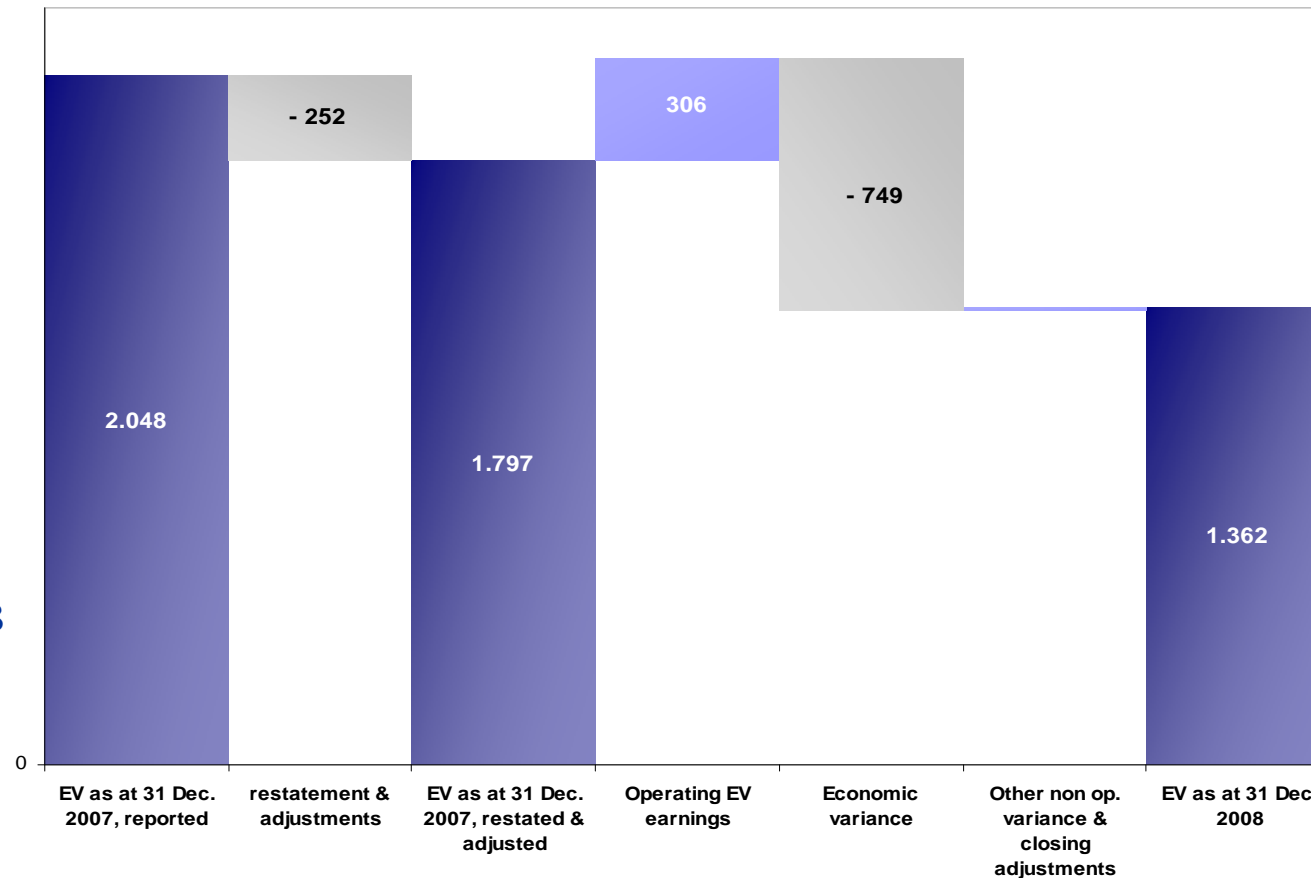
New business value						
in € millions						
	before minorities			after minorities		
	2008	2007 *)	change in 2008	2008	2007 *)	change in 2008
Value of new business	51	67	-23.1%	40	53	-25.0%
Annual premium equivalent (APE)	297	264		242	233	
New business margin (as % APE)	17.2%	25.2%		16.4%	22.8%	
Present value of new business premiums (PVNBP)	2,507	2,298		2,003	1,993	
New business margin (% of PVNBP)	2.0%	2.9%		2.0%	2.7%	

*) restated results for 2007

- Restated new business margins decreased (compared to 2007 reported results) as a result of the expanded scope by the polish entity. Life business in Poland is mainly driven by short term single premium contracts with low new business margins.
- UNIQA Group's NBV was adversely effected by financial market conditions as at December 31, 2008 and decreased by 23.1% to EUR 51mn.
- New business volumes strongly increased in 2008 due to the high demand for life insurance products in CEE.

Life & Health before minority interests

- Restatement by EUR -232mn caused by methodology change for Health business and improved management rules for Life business.
- Main impact by economic variance of EUR -749mn due to economic crisis.
- Operating earnings remain strong in 2008 and increase the EV by EUR 306mn (increase in VIF by EUR 202mn).
- VNB of EUR 51mn is included in the Operating EV earnings



Life & Health before minority interests

	Change in embedded value		Change in new business value	
Base value	1,362	100%	51	100%
EV change by economic factors				
Risk free yield curve -100bp	-673	-49%	-26	-51%
Risk free yield curve +100bp	400	29%	12	24%
Equity and property market values -10%	-209	-15%	0	0%
Equity and property implied volatilities +25% *)	-17	-1%	0	-1%
Swaption implied volatilities +25% *)	-68	-5%	-3	-7%
EV change by non-economic factors				
Maintenance expenses -10%	43	3%	5	10%
Lapse rates -10%	7	0%	2	3%
Mortality for assurances -5%	16	1%	2	4%
Mortality for annuities -5%	-5	0%	0	-1%
Required Capital equal to local solvency capital	14	1%	1	1%
Additional sensitivity				
Liquidity premium -50bp *)	-369	-27%	-11	-22%
Liquidity premium +50bp *)	288	21%	9	17%
Profit sharing (for Austrian Life business) +5%	-73	-5%	-4	-9%

Reconciliation of IRFS equity to ANAV

	2008	2007 restated	2007
Consolidated IFRS equity	1,458.8	1,532.2	1,532.2
Goodwill and value of business in force for EEV / EV companies	-101,6	-109.6	-110.3
Differences in valuation of assets and liabilities	-98.3	-113.5	-128.4
Other differences	342.9	358.3	358.3
Additional value from non-quoted equity holdings	40.5	282.3	282.3
Adjusted net asset value before minority interest	1,642.2	1,949.8	1,934.1
Minority interests	-194.2	-266.5	-260.0
Adjusted net asset value after minority interest	1,448.0	1,683.3	1,674.1

- Goodwill and VBI are deducted in respect of the Life and Health businesses included in the scope of the EEV / EV calculations.
- Other differences include the unrealised gains on property assets that are not shown at market values by IRFS rules.

- EEV calculations use reference rates based on swap rates as at December 31, 2008 including a liquidity spread of 50bp for all terms.
- 2008 interest rate and equity volatilities are based on average implied volatilities over 2008.

reference rates EUR		
	2008	2007
1 year	3,18%	4,74%
5 years	3,76%	4,56%
10 years	4,30%	4,75%
15 years	4,48%	4,92%
20 years	4,40%	4,94%
25 years	4,16%	4,97%

Other economic assumptions		
	2008	2007
Interst rate volatility *)	14,13%	12,50%
Equity volatility	31,60%	27,36%
Expense / medical inflation	2% / 2% - 3%	2% / 2% - 3%
Tax rate (Austria / Italy)	25% / 32,4%	25% / 32,4%

*) 5 to 5 implied swaption volatility

	Exchange rate		Tax rate		RDR	
	2008	2007	2008	2007	2008	2007
UPV Assicurazioni, Health	-	-	32.40%	32.40%	7.50%	7.50%
UNIQA Previdenza, Life	-	-	32.40%	32.40%	7.50%	7.50%
UNIQA CZ	26.88	26.63	21% - 19%	21% - 19%	8.00%	8.00%
UNIQA HU	266.70	253.73	20%+2,3%*)	20%+2,3%*)	11.50%	11.50%
UNIQA SK	30.13	33.58	19.00%	19.00%	9.00%	9.00%
UNIQA PL	4.15	3.59	19.00%	19.00%	9.00%	9.50%

Results split by regions Austria, Italy and CEE

- Major impact of economic crisis on EEV for Austrian region.
- Change in VIF for Italy and CEE was marginal, EV for these regions stayed stable.

Embedded Value 2008 by region

before minorities, in € millions

	2008				2007 *)			
	Austria	Italy	CEE	Total	Austria	Italy	CEE	Total
Free surplus	238	39	14	290	355	34	13	401
Required capital	414	28	24	467	408	39	17	465
Adjusted Net Asset Value	652	67	38	757	763	73	30	866
Present value of future profits	778	58	77	913	1.054	61	75	1.191
Cost of options and guarantees	-152	0	0	-152	-54	0	0	-54
Frictional cost of required capital	-71	-9	-8	-88	-84	-13	-6	-104
Cost of residual non-hedgeable risk	-69	0	0	-69	-83	0	0	-83
Value of business in-force	487	49	69	605	832	48	69	950
Life and Health EEV / EV	1.139	116	107	1.362	1.595	122	99	1.816
as a % of total Life & Health EEV / EV	83,6%	8,5%	7,9%	100,0%	87,8%	6,7%	5,5%	100,0%

*) restated results for 2007

Cautionary statement regarding forward looking statement

- This presentation contains forward-looking statements.
- 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.
- 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.
- These forward-looking statements will not be updated except as required by applicable laws.