

ANNUAL FINANCIAL REPORT 2011  
ACCORDING TO SECTION 82 PARAGRAPH 4 OF THE AUSTRIAN STOCK EXCHANGE ACT  
UNIQA VERSICHERUNGEN AG

**Hands on.**

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# Corporate Governance Report

Since 2004, the UNIQA Group has committed compliance with the Austrian Code of Corporate Governance and publishes this compliance declaration both in the Group annual report and on the Group website, [www.uniqagroup.com](http://www.uniqagroup.com), in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly available at [www.corporate-governance.at](http://www.corporate-governance.at).

Implementation and compliance with the individual rules of the Code are annually evaluated by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Primarily on the basis of a questionnaire, this institution evaluates whether the company complies with the Austrian Code of Corporate Governance, as published by the Austrian “Working Group on Corporate Governance”. The report on the external evaluation in accordance with rule 62 of the Austrian Code of Corporate Governance can also be found at [www.uniqagroup.com](http://www.uniqagroup.com).

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

## **Rule 27**

In connection with the current repositioning of the UNIQA Group, the criteria of rule 27 concerning the variable portions of the compensation of the Management Board will not be applied to individual members of the Management Board.

## **Rule 49**

Due to the shareholder structure of the UNIQA Group and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with companies related to individual members of the Supervisory Boards. As long as such contracts require approval by the Supervisory Board according to Section 95 paragraph 5 sub-para 12 of the Austrian Stock Corporation Act (rule 48), the details of these contracts cannot be made public for reasons of company policy and competition laws. In any case, all transactions are handled under customary market conditions.

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## MEMBERS OF THE MANAGEMENT BOARD FROM 1 JULY 2011

### Chairman

#### *Andreas Brandstetter*

1969\*, appointed since 1 January 2002 until 30 September 2013

Responsible for:

- Investor Relations
- Group HR
- Group Marketing & Communication
- Group IT & Process Organisation
- Group Audit
- General Secretariat
- Strategic Project Management
- Raiffeisen Insurance Austria

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements:

- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Wiener Börse AG, Vienna

### Members

#### *Hannes Bogner*

1959\*, appointed since 1 January 1998 until 30 September 2013

Responsible for:

- Group Accounting
- Group Asset Management
- Group Controlling (until 31 January 2012)

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements:

- Member of the Board of Directors of Takaful Emarat Insurance, UAE

#### *Wolfgang Kindl*

1966\*, appointed since 1 July 2011 until 30 September 2013

Responsible for:

- UNIQA International

#### *Hartwig Löger*

1965\*, appointed since 1 July 2011 until 30 September 2013

Responsible for:

- UNIQA Austria
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***Kurt Svoboda***

1967\*, appointed since 1 July 2011 until 30 September 2013

Responsible for:

- Group Controlling (from 1 February 2012)
- Risk Management
- Value Management
- Investment Management
- Group Actuarial Office
- Reinsurance
- Market Risk Management

***Gottfried Wanitschek***

1955\*, appointed since 1 January 1997 until 30 September 2013

Responsible for:

- Group Audit
- Equity Holdings
- Real Estate
- Legal Affairs
- Corporate Business

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Consolidated Financial Statements:

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Epamedia – Europäische Plakat- und Aussenmedien GmbH, Vienna
- Vice Chairman of the Supervisory Board of Kurier Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Leipnik-Lundenburger Invest Beteiligungs Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H., Vienna
- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna

**MEMBERS OF THE MANAGEMENT BOARD UNTIL 30 JUNE 2011**

The members of the Management Board and their responsibilities as well as their Supervisory Board mandates in domestic and foreign listed companies are in line with the information given in the Corporate Governance Report in financial year 2010.

**THE WORK OF THE MANAGEMENT BOARD**

The work of the members of the Management Board is regulated by the rules of procedure. The division of the business responsibility as decided by the entire Management Board is then approved by the Supervisory Board. The rules of procedure regulate the members of the Management Board's disclosure and approval obligations to each other and to the Supervisory Board. A catalogue of

measures is laid out that requires the authorisation of the Supervisory Board. The Management Board meets regularly (weekly) and the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions.

In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

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

## MEMBERS OF THE SUPERVISORY BOARD

### Chairman

*Christian Konrad*

1943\*, appointed since 29 June 1990 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- Chairman of the Supervisory Board of Agrana Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of DO & CO Restaurants & Catering Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BayWa AG, Munich
- Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

### 1st Vice Chairman

*Georg Winckler*

1943\*, appointed since 17 September 1999 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- 1st Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

### 2nd Vice Chairman

*Walter Rothensteiner*

1953\*, appointed since 3 July 1995 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna

### 3rd Vice Chairman

*Christian Kuhn*

1954\*, appointed since 15 May 2006 until the 16th Annual General Meeting (2015)

### 4th Vice Chairman

*Günther Reibersdorfer*

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

**5th Vice Chairman*****Ewald Wetscherek***

1944\*, appointed since 17 September 1999 until the 16th Annual General Meeting (2015)

**Members*****Ernst Burger***

1948\*, appointed since 25 May 2009 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- Vice Chairman of the Supervisory Board of Josef Manner & Comp. Aktiengesellschaft, Vienna

***Erwin Hameseder***

1956\*, appointed since 21 May 2007 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- 1st Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Vice Chairman of the Supervisory Board of Agrana Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of Strabag SE, Villach
- Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport (since 31 August 2011)
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

***Eduard Lechner***

1956\*, appointed since 25 May 2009 until the 16th Annual General Meeting (2015)

***Hannes Schmid***

1953\*, appointed since 25 May 2009 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna

**Assigned by the Central Employee Council*****Johann-Anton Auer***

1954\*, since 18 February 2008

***Doris Böhm***

1957\*, since 7 April 2005

***Anna Gruber***

1959\*, since 15 April 2009

***Franz Michael Koller***

1956\*, since 17 September 1999

***Friedrich Lehner***

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

The Supervisory Board of UNIQA Versicherungen AG had five meetings in 2011.

### COMMITTEES OF THE SUPERVISORY BOARD

#### Committee for Board Affairs

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn

#### Working Committee

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

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

#### Audit Committee

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

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

#### Investment Committee

- Erwin Hameseder (Chairman)
- Georg Winckler (Vice Chairman)
- Eduard Lechner
- Hannes Schmid

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm



## THE WORK OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The Supervisory Board advises the Management Board in its strategic planning and projects. It participates in the decisions assigned to it by statute, by the company articles and by its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board. A Committee for Board Affairs of the Supervisory Board has been formed for handling the relationships between the company and the members of its Management Board relating to employment and salary.

The appointed Working Committee of the Supervisory Board shall be called upon for decisions only if the urgency of the issue will not allow the decision to wait until the next meeting of the Supervisory Board. It is the chairman's responsibility to evaluate the urgency. The decisions passed must be reported in the next meeting of the Supervisory Board. The Working Committee decides, in principle, on all issues that are the responsibility of the Supervisory Board; issues of particular importance or which are stipulated by law are excepted, however.

The Audit Committee of the Supervisory Board has the same members as the Working Committee. The Audit Committee, including the activities of the Working Committee in its function as an audit committee, performs the duties assigned to it by law. Finally, the Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority.

At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board, in particular in conjunction with the repositioning of the UNIQA Group.

In its four meetings, the Working Committee mainly discussed the profit developments of the Group, assessed the company strategy and made the decision to circulate it in writing, due to its urgency.

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

The Investment Committee had three meetings about the capital investment strategy and issues concerning the capital structure.

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

For information concerning the activities of the Supervisory Board and its committees, please see the explanations in the Report of the Supervisory Board.

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

As in recent years, in 2011 UNIQA continued to fill more and more top executive positions with women. Thus, during this year alone, five female employees were appointed to Management Board positions in the UNIQA Group (in Austria, Serbia and the Ukraine) or to positions directly reporting to the Management Board. This puts the Group-wide share of women in Management Board positions and the top executive level at 18 per cent. In the international Group companies, it is 25 per cent. With flexible work hours, part-time models and the option of teleworking, UNIQA gives its female employees the means to make their careers as compatible as possible with their families.

In the recruiting process, UNIQA pays attention not just to education, experience, personal qualities and equal gender treatment. As an international corporation active in 20 European countries, UNIQA places special emphasis on encouraging more female employees to spend a certain amount of their professional life in international Group companies. More and more female employees in the companies abroad are also being invited to work temporarily for the Austrian company. In 2011, female employees were successfully transferred from Romania and Poland to Vienna, where they hold strategic positions for UNIQA International Versicherungs-Holding AG. The Supervisory Board Committee for Board Affairs, which also acts as the Nominating Committee, strives to include equally qualified women for consideration for upcoming vacancies on the Supervisory Board and Management Board.

### INDEPENDENCE OF THE SUPERVISORY BOARD

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Code of Corporate Governance.

A Supervisory Board member is considered independent if he or she is not in any business or personal relationship with the company or its Management Board that represents a material conflict of interests and is therefore capable of influencing the behaviour of the member.

UNIQA has established the following points as additional criteria concerning the independence of a Supervisory Board member:

- The Supervisory Board member should not have been a member of the Management Board or a managing employee of the company or a subsidiary of the company in the past five years.
- The Supervisory Board member should not maintain or have maintained within the last year any business relationships significant for said Supervisory Board member with the company or a subsidiary of the company.
- This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest but does not perform executive functions in the company.
- The Supervisory Board member should not have been auditor of the partners or a shareholder or employee of the auditing company within the last three years.
- The Supervisory Board member should not be a Management Board member of another company in which a Management Board member of the company is a Supervisory Board member unless one of the companies is a member of the other company's group or holds a business interest in the company.
- The Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with an entrepreneurial stake or who are representing the interests of a party with such a stake.
- The Supervisory Board member should not be a close family relative (direct descendent, spouse, life companion, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

## COMPENSATION REPORT

### Earnings of the Management Board and Supervisory Board

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

Figures in € thousand	2011	2010
The expenses for remuneration of Management Board members attributable to the financial year amounted to:		
Fixed payments	2,789	2,747
Variable payments	43 <sup>1)</sup>	1,959
Regular payments	2,832	4,705
Severance claims	2,785	–
<b>Total</b>	<b>5,617</b>	<b>4,705</b>
Of which was proportionally passed on to the operative subsidiaries:	5,336	4,470
Former members of the Management Board and their surviving dependants were paid:	2,598	2,556
For pension commitments to these persons the following provision was made on 31 December:	20,790	23,548

<sup>1)</sup> These variable payments were made for the 2010 financial year, together with the provisions made in the 2010 annual financial statements in the amount of € 1,959,000. The members of the Management Board are not receiving any variable payments for 2011.

Payments to the Management Board are divided up among the individual members as follows:

Name of the Management Board member	Fixed payments 2011	Variable payments 2011 <sup>1)</sup>	Severance claims 2011	Annual total
Figures in € thousand				
Andreas Brandstetter	491	–	–	491
Hannes Bogner	475	–	–	475
Wolfgang Kindl (from 1 July 2011)	229	–	–	229
Hartwig Löger (from 1 July 2011)	224	–	–	224
Kurt Svoboda (from 1 July 2011)	223	–	–	223
Gottfried Wanitschek	501	–	–	501
<b>Retired effective 30 June 2011</b>				
Konstantin Klien	368	–	2,337	2,705
Karl Unger	278	–	448	726

<sup>1)</sup> Adjusted for the € 42,575 paid out for the 2010 financial year.

The compensation to the members of the Supervisory Board for their work in the 2010 financial year was € 380,000. A provision of € 304,000 has been made for compensation of their work in the 2011 financial year. In 2011, € 33,375 (2010: € 39,225) were paid out in attendance fees and cash expenditures.

Figures in € thousand	2011	2010
For the current financial year (provision)	304	380
Meeting fees	33	39
<b>Total</b>	<b>337</b>	<b>419</b>

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

Name of the Board member	Compensation 2011 <sup>1)</sup>	Compensation 2010
Figures in € thousand		
Christian Konrad	57	71
Georg Winckler	47	58
Walter Rothensteiner	41	51
Christian Kuhn	41	51
Markus Mair	–	17
Günther Reibersdorfer	36	28
Ewald Wetscherek	36	45
Ernst Burger	13	16
Erwin Hameseder	19	23
Eduard Lechner	19	24
Hannes Schmid	19	23

<sup>1)</sup> The Management Board and the Supervisory Board are recommending to the 2012 Annual General Meeting that a resolution be passed to reduce compensation.

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

The information according to Section 239 paragraph 1 of the Austrian Commercial Code in connection with Section 80b of the Insurance Supervisory Act, which must be included in the Notes as mandatory information for IFRS financial statements to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, is defined for the individual financial statements according to the provisions of the Austrian Commercial Code, with expanded scope. In addition to the executive functions (Management Board) of UNIQA Versicherungen AG, the individual financial statements also include the earnings of the Management Boards of the subsidiaries, insofar as there is a legally binding basis with UNIQA Versicherungen AG.

#### **Principles for profit participation by the Management Board**

A variable income component was made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus will be provided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG. The Management Board reports to the Committee for Board Affairs on the balance sheet work involving the development of the Group's reserves. The Committee for Board Affairs can take changes to the reserves into account in determining the size of the bonus payments and establish an adjusted Group return on equity. No changes with respect to the previous year were made to the principles of the profit participation. No boni were paid out for the 2011 financial year.

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

Retirement pensions, a pension for occupational disability as well as a widow's and orphan's pension have been established, whereby the pension entitlements are managed by Valida Pension AG. The retirement pension is due in principle upon meeting the requirements for the old-age pension according to the General Social Security Act. In the event of an earlier retirement, the pension claim is reduced. For the occupational disability pension and the pension for surviving dependants, basic amounts are provided as a minimum pension.

**Principles for vested rights and claims of the Management Board of the company in the event of termination of their position**

Severance payments have been agreed upon based partially on the provisions of the Salaried Employee Act. The agreed-upon termination packages on the occasion of premature termination of the work of the Board member conform with the criteria of rule 27a of the Austrian Code of Corporate Governance. The benefits are fundamentally retained in the event of termination of membership on the Management Board; however, a reduction rule applies.

**Supervisory Board compensation scheme**

Compensation to the Supervisory Board is approved at the Annual General Meeting as a total amount for the work in the past financial year. The compensation amount applicable to the individual Supervisory Board members is based on the position within the Supervisory Board and the number of committee positions.

**D&O insurance**

Such insurance exists, and the relevant costs are paid by UNIQA.

**RISK REPORT, DIRECTORS' DEALINGS**

A comprehensive risk report (rule 67) is included in the Group Notes beginning on page 101. A description of the announcements made about the directors' dealings (rule 73) can also be found at [www.uniqagroup.com](http://www.uniqagroup.com) in the Investor Relations section.

Vienna, 29 March 2012



Andreas Brandstetter  
Chairman of the Management Board



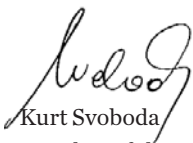
Hannes Bogner  
Member of the Management Board



Wolfgang Kindl  
Member of the Management Board



Hartwig Löger  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board



Gottfried Wanitschek  
Member of the Management Board

## Report of the Supervisory Board

During 2011, the Supervisory Board was regularly informed of the business development and the situation of the Group and the company by the Management Board. It also supervised the Management Board's management of the business and fulfilled all the tasks assigned to the Supervisory Board by legislation and the company articles. In the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

### **Focus of the meetings**

The meetings focused on the Group's earnings situation and its further strategic development. The Supervisory Board had five meetings in 2011. In the meeting on 30 March, the Supervisory Board mainly discussed the preliminary Group results for the 2010 financial year. The Supervisory Board meeting on 28 April focused on the annual financial statements and consolidated financial statements as at 31 December 2010, the Management Board's report on Group developments during the 1st quarter of 2011, as well as the annual internal auditing report and the evaluation report on compliance with the Code of Corporate Governance. Furthermore, the proposal for the choice of an auditor for financial year 2012 was addressed. The reconstitution of the Supervisory Board, made necessary by changes to the Supervisory Board that took place at the Annual General Meeting, was completed on 30 May. In the course of this meeting, decisions were taken regarding the reorganisation of the Management Board as of 1 July 2011. The "UNIQA 2.0" strategic programme proposed by the "new Management Board" was approved by the Supervisory Board. The programme focuses on measures for the continual improvement of the results of the Group of companies. In the meeting on 20 September, the Supervisory Board primarily addressed the development of the company in the 1st half of 2011 and the planned strategic repositioning of the real estate and equity holdings areas. Furthermore, the Supervisory Board approved a capital increase in the Romanian UNIQA company. In addition to reporting on the Group results during the first three quarters of 2011, planning for the 2012 financial year, and medium-term planning up to 2015, the Supervisory Board discussed the results of the self-evaluation in its meeting on 23 November in accordance with the Code of Corporate Governance. Furthermore, a decision was taken regarding the establishment of a company pension fund for all Austrian employees of UNIQA.

### **Committees of the Supervisory Board**

To facilitate the work of the Supervisory Board and to improve its efficiency, other committees have been set up in addition to the mandatory financial Audit Committee. The Working Committee primarily discussed the profit development in the Group, examined the company strategy, and handled a number of tasks assigned to the Audit Committee since both committees share the same members. They had four meetings in 2011 and made one decision regarding steps to be taken by circulating it in writing. At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board, and with questions regarding compensation policies and succession planning, in particular the composition of the Management Board as of 1 July 2011. The Investment Committee had three meetings about the capital investment strategy, questions concerning the capital structure, and the repositioning of risk and asset liability management. The Audit Committee,

including the Working Committee, which was also functioning as an audit committee, met in five sessions, dealt with all audit documents and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit regions and significant audit discoveries based on executed audits. The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

#### **Annual Financial Statements and Consolidated Financial Statements**

The Annual Financial Statements prepared by the Management Board and the Management Report of UNIQA Versicherungen AG as well as the Consolidated Financial Statements prepared according to the International Financial Reporting Standards (IFRS) and the Group Management Report for 2011 were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH and given an unqualified auditor's opinion. The Supervisory Board acknowledged and approved the results of the audit. The consistency check of the Corporate Governance Report according to Section 243b of the Austrian Commercial Code, as well as an evaluation of UNIQA's compliance with the Austrian Code of Corporate Governance rules in financial year 2011, was performed by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH, and the final results indicated that UNIQA complied with the rules of the Austrian Code of Corporate Governance in the financial year 2011, insofar as these were included in the compliance declaration. The Supervisory Board approved the consolidated financial statements and the annual financial statements of UNIQA Versicherungen AG and agreed to the Group management report and the management report. The 2011 annual financial statements were thereby adopted in accordance with Section 96 para 4 of the Stock Corporation Law.

The proposed appropriation of profit submitted by the Management Board to the Supervisory Board was examined and approved by the Supervisory Board. On this basis, it will be proposed at the Annual General Meeting on 29 May 2012 that the annual profit for 2011 be carried forward to a new account. The Supervisory Board thanks the Management Board and all staff members for their commitment and hard work.

Vienna, April 2012



On behalf of the Supervisory Board  
Christian Konrad

# Group Management Report

## ECONOMIC ENVIRONMENT

Economic development over the past year was dominated by the European debt crisis. While the upswing continued in the 1st half of the year, the situation escalated during the summer of 2011 on the back of ever-growing speculation about the possible default of Greece. Political leaders and international investors realised that neither the first €110 billion public bailout package for Greece nor the haircut agreed on 21 July 2011 at the EU summit and originally set at 21 per cent, were enough to lead the country out of the debt crisis on a sustainable basis. At the same time, the austerity packages and structural measures aimed at ensuring Greece's competitiveness were becoming ever more extreme.

The second Greek aid package has a volume of €130 billion. The haircut was expanded to 53.5 per cent of the par value of the Greek bonds. The bond swap in March 2012 triggered a credit event on the markets for credit default swaps (CDS), and the composition quota was set at 21.5 per cent. Over the course of 2012, the crisis has spilled over into other European countries: Ireland and Portugal, too, took refuge under the European emergency facility (EFSF). Meanwhile, the newly instituted governments in the peripheral countries of the EU have declared themselves in favour of the austerity and reform measures, with a particular focus on the liberalisation of the labour market in Italy.

These developments left their mark on the economy. After considerable turbulence on the financial markets in August 2011 and a slump in the sentiment indicators, the euro zone slipped into a recession. In the 4th quarter the economy shrank by 0.3 per cent compared with the previous quarter. This means that, on a year-on-year basis, the euro zone economy recorded a GDP growth rate of only 0.7 per cent. At plus 1.2 per cent year on year, Austria outperformed average GDP growth. While the core countries were reporting good growth data right until autumn, some peripheral countries saw a dramatic decline in prosperity.

The US economy, on the other hand, was spared another recession, with GDP increasing by 1.6 per cent in 2011 on the back of solid investment and consumer demand. Employment was upbeat, especially in the 2nd half of the year, as the unemployment rate declined to 8.3 per cent.

The emerging economies were yet again the growth drivers of global growth. Concerns among economists of a downturn in China remained unsubstantiated in 2011. Companies and households benefited from receding inflation, while export demand for Chinese goods remained high.

### CEE in the maelstrom of the euro zone

A number of CEE countries recorded relatively good growth figures in 2011, including Poland (plus 4.3 per cent) and Slovakia (plus 3.1 per cent). Hungary (plus 1.4 per cent) and Romania (plus 1.9 per cent), too, posted higher growth rates than many industrialised nations. Overall, the economy of Central and Eastern Europe grew by 3.1 per cent in 2011. At plus 4.3 per cent and plus 5.2 per cent, Russia and Ukraine also recorded high economic growth in 2011, and while the Southeastern European growth rate of 1.9 per cent meant that the region outperformed Western Europe in the past year. Given that most of the CEE countries are closely linked to the



euro zone, with about 80 per cent of exports going to Europe, the economy lost some momentum in the 4th quarter. Hungary turned into a political problem case for the EU. Since sourcing capital on the international financial markets was difficult, the country needed help from the International Monetary Fund (IMF). The EU has tried to pressure Hungary into changing a contested amending law. To date, the EU Commission and the Hungarian government have made some headway in bridging the gap between them, but a few creases still need to be ironed out before official talks with the IMF can commence.

### **Massive turbulence on the financial markets**

Share prices on the global equity markets tumbled in the summer as a result of the escalation of the euro crisis. Concerns reached a stage where banks and economists were discussing exit scenarios for some EU countries, and indeed the breakdown of the entire monetary union. In the 2nd half of the year, the equity indices worked like a political sentiment barometer, reflecting the desperate efforts of political leaders in the euro zone to resolve the debt crisis. The markets only relaxed towards the end of the year, but the main European indices failed to recover their earlier losses and thus closed 2011 down on the year.

The US equity markets also came under pressure because of the euro crisis and the first-ever downgrade of the USA by the rating agency Standard & Poor's around the middle of the year. However, the US economy reported robust macro-data in the 2nd half of the year, and the DOW JONES INDUSTRIAL index posted a clear gain of 8.4 per cent on the year.

### **Flight to safe havens on the bond markets**

The European Central Bank (ECB) put an end to its interest rate hike cycle in autumn and cut its key lending rate in two steps from 1.5 per cent to 1 per cent. In view of the increased likelihood of a recession, the ECB regarded inflation forecasts as well-established on the market. Inflation fell to 2.7 per cent towards the end of the year in the euro zone. The commodity markets, which fuelled global inflation at the beginning of 2011, also eased off. The US Fed has kept the Fed funds rate practically at zero since 2008 and has communicated its intention of sticking to this strategy until 2014.

The non-standard monetary measures taken by the ECB were a big issue in 2011. By purchasing government bonds (around €220 billion to date), the central bank supported certain peripheral countries and provided the banking sector with massive levels of liquidity. In December, the markets welcomed the ECB's decision to offer the banks liquidity for three years via long-term refinancing operations (LTROs); so far, the banking sector has drawn down more than €1,000 billion.

On the bond markets, investors fled to safe havens, with the US Treasuries benefiting from this development. The euro depreciated significantly against the US dollar in the 2nd half of the year and closed 2011 at 1.30. Germany was the big winner in Europe with historically low interest rates, with yields for 10Y German government bonds dipping below 2 per cent in September. Due to the high level of risk aversion, bonds of European core countries were occasionally even traded at a negative yield. Some countries were cut off from the capital markets and could only refinance through the European emergency facility (Greece, Portugal, and Ireland), while the yields of Italy and Spain, too, temporarily reached levels that were considered detrimental to ratings in the long term.

**Improving expectations**

Looking back, the first 3Y tender by the ECB last December proved to be the catalyst for a general improvement in economic expectations. The spreads of Italian and Spanish government bonds have decreased substantially relative to German government bonds in the year to date thanks to the ECB's liquidity operations. This ensured the refinancing of the large bond volumes of the two countries in the 1st quarter of 2012. Whereas macroeconomic data continued to reflect the currently cautious economic activity, the leading indicators in the euro zone started to turn in a positive direction towards the end of 2011 – a development that was reflected on the financial markets. The stock markets got off to an excellent start to the New Year, thereby anticipating the upswing in the euro zone, which should manifest itself in economic data in the 2nd half of 2012. Positive economic surprises outnumbered the negative ones, with particular highlights including the robust US economy and China surpassing expectations.

The current outlook, i.e. a short recession in the euro zone followed by an economic upswing in the 2nd half of 2012, is counteracted by numerous risk factors. These currently include political risks in particular. The reform process on a national scale in the European peripheral states as well as at a supranational level in the euro zone must be completed quickly and credibly. Further risks for the global economy could result from an escalation in the Iran conflict and a drastic increase in the price of oil, as well as from a real estate crisis in China.

**Austrian insurance industry records decline in premiums**

The Austrian insurance industry saw a deterioration in premiums in 2011. Premiums declined by 1.7 per cent to €16.5 billion. Total insurance benefits amounted to €12.3 billion in 2011, up 4.4 per cent on 2010. According to initial forecasts, total premium revenues are expected to increase again by around 1.3 per cent to €16.7 billion in 2012.

Life insurance premium revenues fell by 7.5 per cent to a total of €7.0 billion in 2011. Recurring premiums rose by 1.6 per cent to an aggregate volume of €5.6 billion. The sector recorded a robust increase in reduced-premium old-age provision, with contracts rising by 5.4 per cent and premiums up around €1.0 billion (plus 4.8 per cent). At €1.4 billion, single premiums were down 32.2 per cent.

Premiums in the private health insurance segment increased by 3.6 per cent to €1.7 billion. The Austrian Insurance Association expects total premium revenues to grow by 3.2 per cent to €1.8 billion in 2012. In the area property and casualty insurance (including motor vehicle third party liability), premiums also increased by 2.9 per cent to €7.8 billion, whereas benefits declined to €4.9 billion; according to the Association, this was exclusively due to the absence of any major natural disasters. However, the overall trend was upwards. In 2012, premium revenues are expected to rise by 2.5 per cent to €8.0 billion.

### **Rising need for insurance services in Central and Eastern Europe**

The unfavourable economic framework also affected the development of the growth markets of Central and Eastern Europe due to their close economic links. Economists expect GDP in the CEE region to increase by around 2 per cent in 2012 (2011: plus 3.4 per cent), with noticeably better economic performance in the 2nd half of the year. An increased GDP growth rate of above 3 per cent is forecast for 2013 and beyond, meaning that CEE will remain the growth engine for Europe in the coming years.

Closely tied in with this economic development, wages and private consumption are also expected to increase over the coming years. Growing purchasing power and a rise in the standard of living also means a sustainable increase in the need for insurance services on the CEE insurance markets, which can be seen in the continued outperformance of the growth rates in these markets relative to Western Europe. Insurance density (i.e. the volume of premium payments per capita) in the CEE region clearly falls short of Western European levels, thereby indicating that there is a gap for these markets to close and that this development will continue.

### **UNIQA GROUP**

With a premium volume written (including the savings portion of unit- and index-linked life insurance) of €5,982.8 million, the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe. The savings portion of unit- and index-linked life insurance in the amount of €633.9 million is offset against the changes in actuarial provisions in accordance with FAS 97 (US-GAAP). Adjusted for the savings portion of unit- and index-linked life insurance, the premium volume amounted to €5,348.8 million.

### **UNIQA in Europe**

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

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

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

### Companies included in the IFRS Consolidated Financial Statements

The 2011 Consolidated Financial Statements of the UNIQA Group include 53 Austrian companies (including UNIQA Versicherungen AG) and 83 international companies. A total of 40 affiliated companies whose influence on an accurate presentation of the actual financial status of the assets, financial position and profitability was insignificant were not included in consolidation. In addition, nine Austrian companies were recognised at equity as associated companies. Fifteen associates were of minor importance; the equity interests in these companies are recognised at fair value.

In 2011, the scope of consolidation primarily expanded to include the life insurance companies in Albania, Kosovo and Macedonia, as well as a number of property companies. Details on the consolidated and associated companies can be found in the corresponding overview in the Notes to the Consolidated Financial Statements (from page 89). The accounting and valuation methods are also described in the Notes to the Consolidated Financial Statements (from page 92).

### Risk report

The comprehensive risk report of the UNIQA Group can be found in the Notes to the Consolidated Financial Statements 2011 (from page 101).

### Business development of the UNIQA Group

The following discussion of the Group's business development is divided into two sections. The section "Group business development" describes the business performance from the perspective of the Group with fully consolidated amounts. Fully consolidated amounts are also used in the Group Management Report for reporting on the development of the "property and casualty insurance", "health insurance" and "life insurance" business segments.

## GROUP BUSINESS DEVELOPMENT

The UNIQA Group provides life and health insurance and is active in almost all areas of property and casualty insurance. It serves around 8.1 million customers, has over 17 million insurance policies with a premium volume written (including the savings portion of unit- and index-linked life insurance) of around €6.0 billion (2010: €6.2 billion) and investments of €24.6 billion (2010: €24.8 billion). The UNIQA Group is the second-largest insurer in Austria and has a strong network in Central and Eastern Europe and a presence in 16 countries.

### Premium development

In 2011, the total premium volume of the UNIQA Group, including the savings portion of unit- and index-linked life insurance in the amount of €633.9 million (2010: €845.1 million), declined to €5,982.8 million (2010: €6,224.2 million). This was attributable to the 3.9 per cent deterioration in the area of single premiums. On the other hand, the total consolidated premium volume written only fell marginally by 0.6 per cent to €5,348.8 million (2010: €5,379.1 million).

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



Developments were very positive in the area of insurance policies with recurring premiums in particular, which grew by 4.7 per cent to €5,381.1 million (2010: 5,140.5 million). However, the single premium business declined by 44.5 per cent to €601.7 million (2010: €1,083.7 million) in 2011 due to the extension of the minimum holding period to benefit from tax advantages in Austria from ten to 15 years and lower volumes in Italy and Poland in particular.

Group premiums earned, including the savings portion of unit- and index-linked life insurance (after reinsurance) in the amount of €599.7 million (2010: €823.1 million), rose by 4.3 per cent to €5,705.2 million (2010: €5,961.7 million). Retained premiums earned (in accordance with IFRS) declined by 0.6 per cent to €5,105.5 million (2010: €5,138.6 million).

In the 2011 financial year, 45.4 per cent (2010: 41.6 per cent) of the premium volume was attributable to property and casualty insurance, 16.8 per cent (2010: 15.6 per cent) to health insurance and 37.8 per cent (2010: 42.8 per cent) to life insurance.

In Austria, the premium volume written including the savings portion of unit- and index-linked life insurance fell by 3.7 per cent to €3,685.8 million in 2011 (2010: €3,828.8 million). However, recurring premiums increased by an extremely encouraging 2.9 per cent to €3,545.8 million (2010: €3,447.5 million). Meanwhile, single premiums declined by 63.3 per cent to €140.0 million (2010: €381.3 million) due to the aforementioned extension of the minimum holding period to benefit from tax advantages.

Including the savings portion of unit- and index-linked life insurance, premiums earned in Austria amounted to €3,595.5 million (2010: €3,748.8 million). Retained premiums earned (in accordance with IFRS) rose by 1.1 per cent to €3,132.9 million in 2011 (2010: €3,100.1 million).

The development of premiums in Central and Eastern Europe was extremely positive in 2011, particularly in the area of property and casualty insurance. Growth was dampened by the downward trend in the single premium business in life insurance. In 2011, the premium volume written including the savings portion of unit- and index-linked life insurance fell by 4.2 per cent to €1,240.1 million (2010: €1,294.0 million). Recurring premiums increased by a strong 7.7 per cent to €1,095.3 million (2010: €1,017.0 million); however, the single premium business fell by 47.7 per cent of €144.8 million (2010: €277.0 million). Central and Eastern Europe's share of Group premiums remained stable in 2011 at 20.7 per cent (2010: 20.8 per cent).

Including the savings portion of unit- and index-linked life insurance, premiums earned in CEE decreased by 4.3 per cent to €1,160.9 million (2010: €1,212.4 million). Retained premiums earned (in accordance with IFRS) amounted to €1,047.4 million (2010: €1,118.3 million).

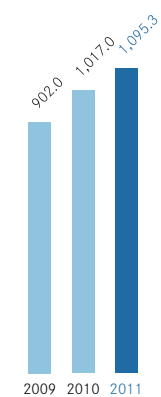
In Western Europe, the premium volume written including the savings portion of unit- and index-linked life insurance fell by 4.0 per cent to €1,056.9 million in the 2011 financial year (2010: €1,101.5 million), primarily due to the sharp deterioration in the life insurance business in Italy and Liechtenstein. Recurring premium business, however, developed extremely positively in this region, increasing by a strong 9.5 per cent to €740.0 million (2010: €676.0 million). Driven by the downturn in the Italian business, single premiums decreased by 25.5 per cent to €316.9 million (2010: €425.4 million). All in all, the Western European share of Group premiums remained unchanged at 17.7 per cent (2010: 17.7 per cent).

**Recurring premiums**  
UNIQA Group



Figures in € million

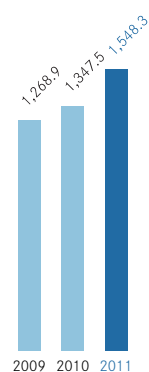
**Recurring premiums**  
Central and Eastern Europe



Figures in € million

**Insurance benefits***Retention*

Figures in € million

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

Figures in € million

Including the savings portion of unit- and index-linked life insurance, premiums earned in Western Europe decreased by 5.2 per cent to €948.8 million (2010: €1,000.5 million). By contrast, retained premiums earned (in accordance with IFRS) rose by 0.5 per cent to €925.2 million (2010: 920.2 million).

**Development of insurance benefits**

The volume of insurance benefits before reinsurance (see Note 36 in the Notes to the Consolidated Financial Statements) decreased by 10.2 per cent to €4,098.3 million during the 2011 financial year (2010: €4,566.1 million) due to the improved development of claims, because there were no major natural disasters in the area of property and casualty insurance and because of the deterioration in payments for insured events and the lower level of expenses for (deferred) profit participation in the area of life insurance. Consolidated retained insurance benefits also fell by an encouraging 10.5 per cent to €3,992.1 million in the past financial year (2010: €4,458.3 million).

Meanwhile, retained insurance benefits in Austria declined by 9.6 per cent to €2,484.0 million (2010: €2,749.0 million) in 2011, while they fell by as much as 21.0 per cent to €684.6 million in Central and Eastern Europe (2010: €866.2 million). In the Western European markets, insurance benefits (after reinsurance) also decreased to €823.5 million during the year under review (2010: €843.1 million).

**Operating expenses**

Total consolidated operating expenses (see Note 37 in the Notes to the Consolidated Financial Statements) less reinsurance commission and profit shares from reinsurance business ceded (see Note 33 in the Notes to the Consolidated Financial Statements) increased by 14.9 per cent to €1,548.3 million in the 2011 financial year (2010: €1,347.5 million) due to the non-recurring expenses incurred in the course of the repositioning of the UNIQA Group in the amount of around €131 million. Operating expenses for acquisition rose by 8.1 per cent to €1,011.6 million (2010: €935.7 million). Other operating expenses less reinsurance commission received increased by 30.3 per cent to €536.7 million (2010: €411.7 million).

In Austria, operating expenses increased by 19.4 per cent to €923.9 million (2010: €773.9 million). In CEE, this item amounted to €404.0 million (2010: €360.8 million) in 2011, corresponding to growth of 12.0 per cent. In the Western European countries, on the other hand, operating expenses only increased marginally by 3.5 per cent to €220.3 million (2010: €212.8 million).

The cost ratio of the UNIQA Group after reinsurance, i.e. the ratio of total operating expenses to Group premiums earned including the savings portion of unit- and index-linked life insurance, rose to 27.1 per cent in the past year (2010: 22.6 per cent) as a result of the developments mentioned above. Adjusted for the non-recurring expenses in connection with the repositioning of the Group, the cost ratio amounted to 24.8 per cent. The cost ratio before reinsurance was 26.6 per cent (2010: 22.0 per cent).

### Investment result

Total investments including land and buildings used by the Group, real estate held as investments, shares in associates and investments of the unit- and index-linked life insurance and current cash and cash equivalents decreased slightly in the 2011 financial year by 0.7 per cent to €24,601.1 million (31 December 2010: €24,778.7 million).

Net investment income declined by 74.0 per cent to €226.6 million (2010: €872.3 million); this was due in particular due to the net impact of write-downs on Greek bonds in the amount of around €348 million and the generally negative trend on the financial markets. A detailed presentation of investment income can be found in the Notes to the Consolidated Financial Statements (Note 34).

### Loss on ordinary activities of minus €325.6 million

The UNIQA Group recorded a loss on ordinary activities for the first time in 2011; this figure amounted to minus €325.6 million (2010: €141.8 million) as a result of write-downs on Greek bonds and the non-recurring expenses in connection with the repositioning of the Group. The net loss amounted to minus €243.8 million (2010: net profit of €90.9 million) in the year under review, while the consolidated loss amounted to minus €245.6 million (2010: consolidated profit of €42.3 million). The Management Board will therefore propose to the Supervisory Board and the Annual General Meeting that no dividend be paid for the 2011 financial year.

### Group equity and total assets

The Group's total equity fell by 28.0 per cent or €425.9 million to €1,095.6 million in 2011 (31 December 2010: €1,521.5 million) due to the net loss recorded in the past financial year. This included minority interests in the amount of €219.7 million (31 December 2010: €244.3 million). The total assets of the Group declined marginally by 0.5 per cent in the year under review and amounted to €28,567.7 million as at 31 December 2011 (31 December 2010: €28,703.7 million).

### Cash flow

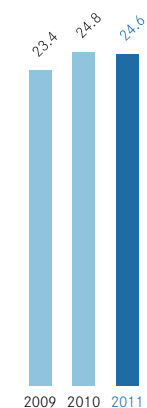
The cash flow from the UNIQA Group's operating activities amounted to €393.9 million in 2011 (2010: €924.7 million). The cash flow from investing activities amounted to minus €186.4 million (2010: minus €1,125.2 million), while the cash flow from financing activities amounted to minus €58.3 million (2010: minus €63.7 million). The dividend payment for the 2010 financial year totalled €56.9 million.

The total change in cash and cash equivalents was €149.2 million (2010: minus €264.3 million). At the end of 2011, the Group had cash and cash equivalents in the amount of €683.1 million (2010: €532.9 million).

### Staff

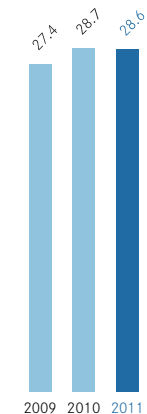
In 2011, the average number of employees in the UNIQA Group increased slightly to 15,081 (2010: 15,066). Of this figure, 6,179 (2010: 6,148) were employed in sales positions. The number of employees in administrative roles decreased to 8,902 (2010: 8,918).

Investments



Figures in € billion

Total assets



Figures in € billion

Number of employees



The Group had 2,978 employees in the Central European (CE) region – Poland, Slovakia, Czech Republic and Hungary – in the 2011 financial year (2010: 2,995), 1,982 employees (2010: 2,080) in the Southeastern European (SEE) region – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – and 2,273 employees (2010: 2,124) in the Eastern European (EE) region – Romania and Ukraine. There were 56 employees (2010: 43) in Russia (RU). The average number of employees in the Western European markets was 1,067 (2010: 1,023). In Austria, a total of 6,725 people were employed by the Group (2010: 6,801). Including the employees of the general agencies working exclusively for the UNIQA Group, the total number people working for the Group amounted to 22,275.

In 2011, 53 per cent of the employees in Austria working in administrative positions were female. In sales, the male-female ratio was 80:20. 23 per cent (2010: 19 per cent) of the employees worked on a part-time basis. The average age of the workforce remained at 42 years in the year under review (2010: 42 years). In total, 12.1 per cent (2010: 11.7 per cent) of the employees participated in UNIQA's results-oriented remuneration system in 2011 – a variable payment system that is linked both to the success of the company and to personal performance. In addition, the UNIQA Group offers young people in training the opportunity to get to know foreign cultures and make international contacts. 86 apprentices are currently being trained, and a total of 36 new apprentices were accepted in 2011.



## BUSINESS SEGMENTS

### Property and casualty insurance

#### Premium development

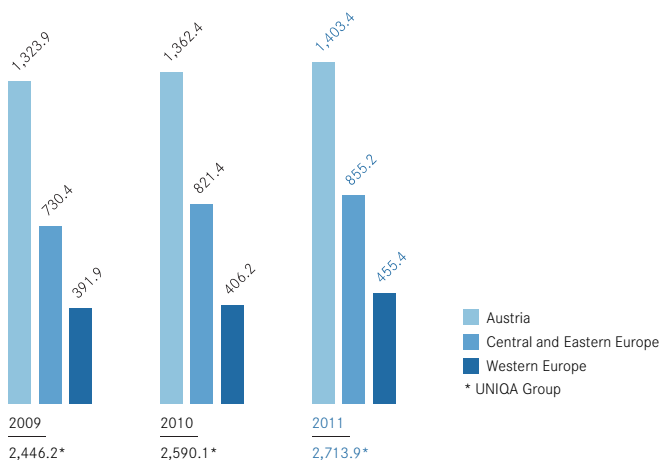
In the property and casualty insurance segment, the UNIQA Group also enjoyed successful growth in 2011, increasing its premiums written by 4.8 per cent to €2,713.9 million (2010: €2,590.1 million). The premium volume in Austria increased by 3.0 per cent to €1,403.4 million (2010: €1,362.4 million).

The growth recorded in the previous years in Central and Eastern Europe also continued. Premiums written increased by 4.1 per cent to €855.2 million (2010: €821.4 million), thereby contributing 31.5 per cent (2010: 31.7 per cent) to Group premiums in the property and casualty insurance segment.

In the Western European markets, the premium volume written increased by 12.1 per cent to €455.4 million in 2011 (2010: 406.2 million) on the back of the very strong growth in Italy and Germany. Western Europe accounted for 16.8 per cent of Group premiums (2010: 15.7 per cent). Overall, the international share of Group premiums in the property and casualty insurance segment amounted to 48.3 per cent (2010: 47.4 per cent).

Premium volume written in property and casualty insurance

Figures in € million



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

Retained premiums earned (in accordance with IFRS) in the property and casualty insurance segment totalled €2,556.4 million in the year under review (2010: €2,431.1 million), representing an increase of 5.2 per cent.

Property and casualty insurance	2011	2010	2009
<small>Figures in € million</small>			
Premiums written	2,713.9	2,590.1	2,446.2
Share Central and Eastern Europe	31.5%	31.7%	29.9%
Share Western Europe	16.8%	15.7%	16.0%
International share	48.3%	47.4%	45.9%
Premiums earned (net)	2,557.0	2,433.3	2,290.1
Net investment income	50.6	91.3	117.7
Insurance benefits (net)	-1,741.4	-1,740.8	-1,552.3
Loss ratio (after reinsurance)	68.1%	71.6%	67.8%
Loss ratio (before reinsurance)	66.1%	69.3%	69.7%
Other operating expenses less reinsurance commission	-945.2	-822.1	-799.8
Cost ratio (after reinsurance)	37.0%	33.8%	34.9%
Cost ratio (before reinsurance)	35.6%	32.5%	33.3%
Combined ratio (after reinsurance)	105.1%	105.4%	102.7%
Combined ratio (before reinsurance)	101.7%	101.8%	103.0%
Profit/loss on ordinary activities	-136.9	-47.3	-5.2
Net profit/loss	-63.0	-50.1	-20.4
Consolidated profit/loss	-63.1	-50.4	-19.4

#### ***Development of insurance benefits***

Total retained insurance benefits remained essentially unchanged year-on-year at €1,741.4 million (2010: €1,740.8 million) despite the strong growth in premiums; this was attributable to the good development of claims and the fact that there were no natural disasters.

In Austria, insurance benefits in the property and casualty insurance segment rose by 3.2 per cent to €934.2 million (2010: €905.0 million), while the figure for the Western European markets increased by 8.6 per cent to €300.6 million (2010: €276.8 million). In the Central and Eastern European countries, on the other hand, insurance benefits dropped by 9.4 per cent to €506.5 million (2010: €559.0 million).

As a result of this development, the net loss ratio (retained insurance benefits as a proportion of premiums earned) fell by 3.5 percentage points to 68.1 per cent (2010: 71.6 per cent). The gross loss ratio (before reinsurance) at year-end 2011 was 66.1 per cent (2010: 69.3 per cent), an improvement of 3.2 percentage points.

In contrast, the net loss ratio in Austria fell to 67.4 per cent in the past financial year (2010: 67.6 per cent), while the figure for Central and Eastern Europe was as low as 64.5 per cent (2010: 74.8 per cent) thanks to the positive development of claims. The Western European companies recorded a net loss ratio of 78.0 per cent (2010: 80.4 per cent) for 2011.

#### ***Operating expenses, combined ratio***

Total operating expenses in the property and casualty insurance segment less reinsurance commission and profit shares from reinsurance business ceded rose by 15.0 per cent to €945.2 million (2010: €822.1 million). At the same time, acquisition costs increased by 5.5 per cent to €572.4 million (2010: €542.4 million), while other operating expenses rose by 33.3 per cent to €372.8 million (2010: €279.8 million) due to the non-recurring expenses in connection with the Group's repositioning.

In Austria, operating expenses in the property and casualty insurance segment rose by 25.0 per cent to €495.5 million (2010: €396.4 million); in Central and Eastern Europe, they increased by 6.1 per cent to €298.7 million (2010: €281.5 million), while the figure for the Western European markets rose by 4.6 per cent to €151.0 million (2010: €144.3 million).

The cost ratio in the property and casualty insurance segment (after reinsurance) increased to 37.0 per cent in the past financial year (2010: 33.8 per cent) as a result of this development.

The net combined ratio decreased on the back of the improved development of claims, amounting to 105.1 per cent in 2011 (2010: 105.4 per cent). Adjusted for the aforementioned non-recurring expenses in connection with the Group's repositioning, the net loss cost ratio was 101.0 per cent. The combined ratio before reinsurance improved slightly to 101.7 per cent (2010: 101.8 per cent).

#### ***Investment result***

Net investment income fell by 44.6 per cent to €50.6 million in the past financial year (2010: 91.3 million). Investments in property and casualty insurance declined by 0.9 per cent to €3,171.4 million (2010: €3,200.4 million).

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

The loss on ordinary activities in property and casualty insurance deteriorated to minus €136.9 million in 2011 due to the developments described above (2010: minus €47.3 million). The net loss amounted to minus €63.0 million (2010: minus €50.1 million), while the consolidated loss after taxes and minority interests amounted to minus €63.1 million (2010: minus €50.4 million).

#### **Health insurance**

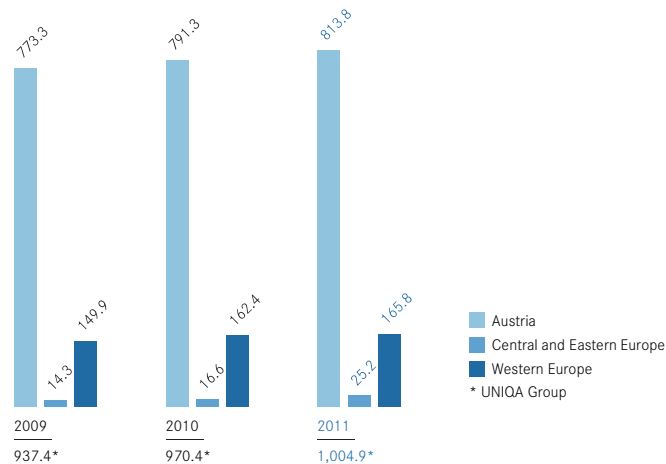
##### ***Premium development***

The premium volume written in the health insurance segment rose by 3.6 per cent year-on-year to €1,004.9 million (2010: €970.4 million), thus breaking through the one billion euro barrier for the first time. In Austria, where the UNIQA Group remains the clear leading brand in the health insurance segment, premiums of €813.8 million were generated, up 2.8 per cent on the previous year (2010: €791.3 million).

In Western Europe, premiums written increased by 2.1 per cent to €165.8 million (2010: €162.4 million). In the countries of Central and Eastern Europe, premiums in the health insurance segment grew by 51.6 per cent in 2011 to reach €25.2 million (2010: €16.6 million). Overall, this meant that the international share of health insurance premiums in 2011 was 19.0 per cent (2010: 18.4 per cent).

**Premium volume written in health insurance**

Figures in € million



In 2011, retained premiums earned in the health insurance segment (in accordance with IFRS) rose by 3.3 per cent to €997.9 million as at the end of the year (2010: €966.2 million).

Health insurance	2011	2010	2009
Figures in € million			
Premiums written	1,004.9	970.4	937.4
Share Central and Eastern Europe	2.5%	1.7%	1.5%
Share Western Europe	16.5%	16.7%	16.0%
International share	19.0%	18.4%	17.5%
Premiums earned (net)	997.9	966.2	933.9
Net investment income	4.1	127.5	94.9
Insurance benefits (net)	-853.5	-839.4	-811.8
Benefit and loss ratio (after reinsurance)	85.5%	86.9%	86.9%
Other operating expenses less reinsurance commission	-162.5	-141.4	-128.5
Cost ratio (after reinsurance)	16.3%	14.6%	13.8%
Profit/loss on ordinary activities	-16.4	111.9	85.4
Net profit/loss	-13.5	82.5	65.3
Consolidated profit/loss	-18.3	37.6	50.3

**Development of insurance benefits**

Retained insurance benefits increased marginally in 2011 by 1.7 per cent to €853.5 million (2010: €839.4 million). Because premiums earned rose to a greater extent, the benefit and loss ratio after reinsurance fell by 1.4 percentage points year-on-year to 85.5 per cent (2010: 86.9 per cent).

In Austria, insurance benefits rose by 2.3 per cent to €697.7 million (2010: €682.1 million). In the Western European markets, on the other hand, insurance benefits declined by 4.9 per cent to €141.0 million (2010: €148.2 million). In the Central and Eastern European countries, insurance benefits also increased by 62.6 per cent to €14.8 million as a result of the sharp rise in premium revenues (2010: €9.1 million).

***Operating expenses***

Total operating expenses in the health insurance segment less reinsurance commission and profit shares from reinsurance business ceded rose by 14.9 per cent to €162.5 million in 2011 (2010: €141.4 million). This was also attributable to the non-recurring effects in connection with the repositioning of the UNIQA Group. Acquisition costs increased by 5.9 per cent to €94.5 million (2010: €89.2 million), while other operating expenses rose by 30.2 per cent to €68.0 million (2010: €52.2 million). As a result of this development, the cost ratio in the health insurance segment increased to 16.3 per cent (2010: 14.6 per cent).

In Austria, operating expenses increased by 15.8 per cent to €121.8 million (2010: €105.2 million). The figure for the Western European markets rose by 8.3 per cent to €34.2 million (2010: €31.6 million). Operating expenses in the CEE region increased by 39.0 per cent to €6.5 million (2010: €4.7 million).

***Investment result***

In 2011, net investment income in the health insurance segment fell by 96.8 per cent to €4.1 million (2010: 127.5 million). The investment volume in the health insurance segment remained essentially unchanged year-on-year at €2,651.2 million (2010: €2,648.2 million).

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

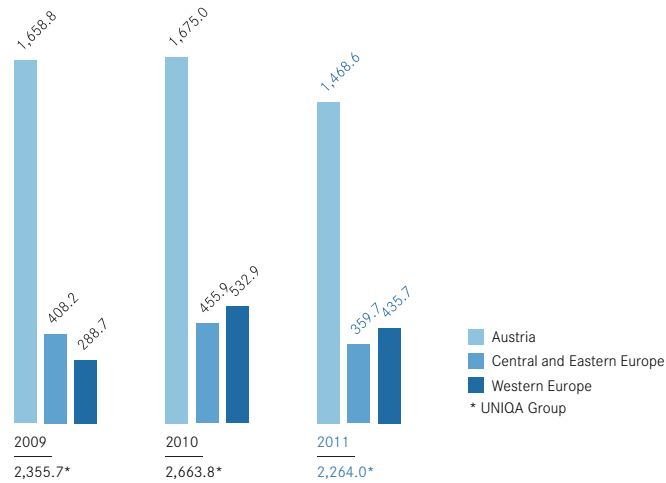
The loss on ordinary activities in the health insurance segment amounted to minus €16.4 million in the year under review (2010: profit of €111.9 million). In 2011, the net loss amounted to minus €13.5 million (2010: net profit of €82.5 million) and the consolidated loss after taxes and minority interests amounted to minus €18.3 million (2010: consolidated profit of €37.6 million).

**Life insurance*****Premium development***

In 2011, the premium volume written in the life insurance segment including the savings portion of unit- and index-linked life insurance fell by 15.0 per cent to €2,264.0 million (2010: €2,663.8 million) due to the downturn in the area of single premium business in Austria, Poland and Italy. On the other hand, premiums from policies with recurring premium payments grew by 5.2 per cent to €1,662.3 million (2010: €1,580.1 million). The aforementioned deterioration in the single premium business saw premiums falling by 44.5 per cent to €601.7 million (2010: €1,083.7 million). Traditional single premiums declined by 34.6 per cent to €423.2 million (2010: €647.0 million), while single premiums in the area of unit-linked life insurance fell by 59.1 per cent to €178.4 million (2010: €436.7 million).

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

Figures in € million



Premium development in Austria was highly satisfactory in 2011, particularly in the area of products with recurring premiums. Revenues from these policies increased by 2.7 per cent to €1,328.6 million (2010: €1,293.7). The single premium business, on the other hand, fell by 63.3 per cent to €140.0 million (2010: €381.3 million) due to the extension of the minimum holding period to benefit from tax advantages from ten to 15 years. All in all, the life insurance premium volume in Austria decreased by 12.3 per cent to €1,468.6 million (2010: €1,675.0 million).

The life insurance business of the Group companies in the Central and Eastern European regions also decreased in 2011. The premium volume written including the savings portion of unit- and index-linked life insurance declined by 21.1 per cent to €359.7 million (2010: €455.9 million). While single premiums fell by 47.7 per cent to €144.8 million (2010: €277.0 million), recurring premiums showed extremely satisfactory development, rising by 20.1 per cent to €214.9 million (2010: €178.9 million). All in all, the share of life insurance attributable to these countries amounted to 15.9 per cent in 2011 (2010: 17.1 per cent).

In the Western European countries, the premium volume decreased by 18.2 per cent to €435.7 million (2010: €532.9 million) due to the downturn in business in Italy and Liechtenstein. Single premiums in this region also fell by 25.5 per cent to €316.9 million (2010: €425.4 million); however, recurring premiums rose by 10.6 per cent to €118.8 million (2010: €107.5 million). All in all, the Western Europe region thus contributed 19.2 per cent (2010: 20.0 per cent) to the total life insurance premiums of the Group.

The risk premium share of the unit- and index-linked life insurance included in the Consolidated Financial Statements totalled €139.1 million in 2011 (2010: €131.8 million). The savings portion contained in the premiums of the fund- and index-linked life insurance segments amounted to €633.9 million (2010: €845.1 million) and was offset against the changes in actuarial provisions in accordance with FAS 97 (US-GAAP).

Including the savings portion of unit- and index-linked life insurance (after reinsurance) in the amount of €599.7 million (2010: €823.1 million), premiums earned in the life insurance segment fell by 16.1 per cent to €2,150.9 million (2010: €2,564.5 million). Retained premiums earned (in accordance with IFRS) decreased by 10.9 per cent to €1,551.2 million in 2011 (2010: €1,741.4 million).

Life insurance	2011	2010	2009
<i>Figures in € million</i>			
Premiums written	1,630.1	1,818.7	1,628.0
Savings portion of premiums from unit- and index-linked life insurance	633.9	845.1	727.7
Premiums written including the savings portion of premiums from unit- and index-linked life insurance	2,264.0	2,663.8	2,355.7
Recurring premiums	1,662.3	1,580.1	1,501.1
Single premiums	601.7	1,083.7	854.6
Share Central and Eastern Europe	15.9%	17.1%	17.3%
Share Western Europe	19.2%	20.0%	12.3%
International share	35.1%	37.1%	29.6%
Premiums earned (net)	1,551.2	1,741.4	1,546.2
Savings portion of premiums from unit- and index-linked life insurance (after reinsurance)	599.7	823.1	703.6
Premiums earned including the savings portion of premiums from unit- and index-linked life insurance (after reinsurance)	2,150.9	2,564.5	2,249.8
Net investment income	171.9	653.5	539.0
Insurance benefits (net)	-1,397.1	-1,878.1	-1,690.4
Benefit and loss ratio (after reinsurance)	65.0%	73.2%	75.1%
Other operating expenses less reinsurance commission	-440.6	383.9	340.6
Cost ratio (after reinsurance)	20.5%	15.0%	15.1%
Profit/loss on ordinary activities	-172.3	77.2	2.2
Net profit/loss	-167.3	58.4	-2.1
Consolidated profit/loss	-164.2	55.1	-16.8

### ***Development of insurance benefits***

Retained insurance benefits fell by 25.6 per cent to €1,397.1 million in the year under review (2010: €1,878.1 million) due to the decrease in payments for claims and the lower level of expenses for (deferred) profit participation. Accordingly, the benefit and loss ratio after reinsurance declined by 8.2 percentage points year-on-year to 65.0 per cent (2010: 73.2 per cent).

In Austria, insurance benefits fell by a substantial 26.7 per cent to €852.0 million (2010: €1,161.9 million). In Western Europe, insurance benefits decreased slightly by 8.7 per cent to €381.9 million (2010: €418.1 million), while the figure for Central and Eastern Europe declined by 45.2 per cent to €163.3 million (2010: €298.1 million).

### ***Operating expenses***

Total operating expenses in the life insurance segment less reinsurance commission and profit shares from reinsurance business ceded rose by 14.8 per cent to €440.6 million in 2011 (2010: €383.9 million). Acquisition costs increased by 13.4 per cent to €344.8 million (2010: €304.2 million). Other operating expenses also increased by 20.2 per cent to €95.9 million (2010: €79.7 million) due to the non-recurring expenses in connection with the Group's repositioning. As a result of this development, the cost ratio in life insurance, i.e. the ratio of all operating expenses to Group premiums earned including the savings portion of unit- and index-linked life insurance (after reinsurance), rose to 20.5 per cent (2010: 15.0 per cent).

In Austria, operating expenses increased by 12.6 per cent to €306.6 million (2010: €272.3 million). The figure for the CEE region grew by 32.5 per cent to reach €98.9 million (2010: €74.6 million). On the other hand, operating expenses declined by 4.9 per cent in the Western European countries to total €35.2 million (2010: 37.0 million).

***Investment result***

Net income from investments fell by 73.7 per cent to €171.9 million in the year under review (2010: 653.5 million). Investments including the investments for unit- and index-linked life insurance decreased by 1.6 per cent to €18,095.4 million in 2011 (2010: 18,397.2 million).

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

The loss on ordinary activities in the life insurance segment deteriorated to minus €172.3 million in 2011 (2010: profit of €77.2 million). The net loss amounted to minus €167.3 million (2010: net profit of €58.4 million), while the consolidated loss after taxes and minority interests amounted to minus 164.2 million (2010: consolidated profit of €55.1 million).



## INTERNATIONAL MARKETS

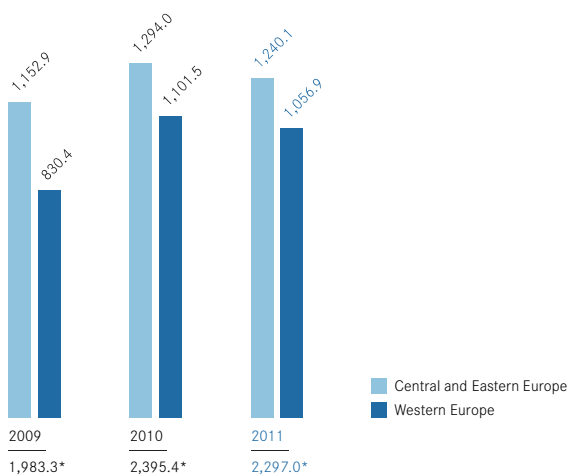
### Premium development

The international premium volume of the UNIQA Group (including the savings portion of unit- and index-linked life insurance) fell by 4.1 per cent to €2,297 million in 2011 (2010: €2,395.4 million) as a result of the development of single premiums. The international share of Group premiums therefore remained almost unchanged year-on-year at 38.4 per cent (2010: 38.5 per cent).

Including the savings portion of unit- and index-linked life insurance (after reinsurance), premiums earned decreased by 4.7 per cent to €2,109.7 million (2010: €2,212.9 million). Retained premiums earned (in accordance with IFRS) fell by 3.2 per cent to €1,972.6 million (2010: €2,038.5 million).

### International premium volume written

Figures in € million



In Central Europe (CE) – Poland, Slovakia, the Czech Republic and Hungary – premiums written fell by 9.0 per cent to €868.3 million (2010: €954.5 million). In Eastern Europe (EE) – which consists of Romania and Ukraine – premiums written remained at the prior-year level at €157.6 million (2010: 158.4 million). In Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – 2011 saw highly encouraging growth of 10.6 per cent to €187.4 million (2010: €169.3 million). The strongest premium growth was generated in the Russian market (RU), where premiums increased by 128.2 per cent to €26.8 million (2010: €11.7 million).

All in all, the Group's premiums in Central and Eastern Europe fell by 4.2 per cent to €1,240.1 million (2010: €1,294.0 million). Recurring premiums enjoyed extremely positive development in 2011, increasing by 7.7 per cent to €1,095.3 million (2010: €1,017.0 million). However, single premium business declined strongly, particularly in Poland, falling by 47.7 per cent to €144.8 million (2010: €277.0 million). Central and Eastern Europe's share of Group premiums amounted to 20.7 per cent (2010: 20.8 per cent) in the 2011 financial year.

In Western Europe (WE) – Germany, Italy, Liechtenstein and Switzerland – the business volume fell by 4.0 per cent to €1,056.9 million (2010: €1,101.5 million). Recurring premiums in this region also experienced very strong growth, however, climbing by 9.5 per cent to €740.0 million (2010: €676.0 million). Due to the deterioration in Italy, single premiums fell by 25.5 per cent to €316.9 million (2010: €425.4 million). Western Europe's share of Group premiums amounted to 17.7 per cent in 2011 (2010: 17.7 per cent).

Accordingly, the Group's level of internationalisation at year-end 2011 was 38.4 per cent (2010: 38.5 per cent).

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

UNIQA Group international markets	Premiums written <sup>1)</sup>			Share of
	2011	2010	2009	Group premiums
Figures in € million				2011
Central Europe (CE)	868.3	954.5	863.5	14.5%
Eastern Europe (EE)	157.6	158.4	167.1	2.6%
Southeastern Europe (SEE)	187.4	169.3	122.1	3.1%
Russia (RU)	26.8	11.7	0.1	0.4%
Western Europe (WE)	1,056.9	1,101.5	830.4	17.7%
<b>Total international markets</b>	<b>2,297.0</b>	<b>2,395.4</b>	<b>1,983.3</b>	<b>38.4%</b>

<sup>1)</sup> Including the savings portion of premiums from unit- and index-linked life insurance.

#### Development of insurance benefits

Total retained insurance benefits at the international Group companies fell by 11.8 per cent to €1,508.1 million in 2011 (2010: €1,709.3 million).

In Central Europe, benefits declined by 30.4 per cent to €457.0 million (2010: €656.8 million) due in particular to the lower level of single premium business in the life insurance segment. In Eastern Europe, benefits remained largely unchanged year-on-year at €110.9 million (2010: €109.5 million). In Southeastern Europe, insurance benefits increased by 9.7 per cent to €102.4 million (2010: €93.3 million), while the figure for Russia amounted to €14.3 million (2010: €6.5 million). In the Western European region, the benefit volume fell by 2.3 per cent to €823.5 million (2010: €843.1 million).

#### Operating expenses

Operating expenses at the international Group companies less reinsurance commission received rose by 8.8 per cent to €624.4 million in 2011 (2010: €573.6 million).

In Central Europe, operating expenses increased by 9.1 per cent to €244.1 million (2010: €223.7 million), while the figure for Eastern Europe rose slightly by 8.5 per cent to €65.1 million (2010: €60.0 million). In Southeastern Europe, operating expenses increased by 14.1 per cent to €78.4 million (2010: €68.8 million). In Russia, operating expenses climbed to €16.4 million in the 2011 financial year (2010: €8.3 million), while expenses in Western Europe increased by 3.5 per cent to €220.3 million (2010: €212.8 million).

#### **Investment result**

Net investment income at the international Group companies fell by 10.3 per cent to €122.8 million in 2011 (2010: €136.9 million) due to write-downs on Greek bonds and the negative developments on the financial markets. While the investment result in Western Europe increased by 8.6 per cent to €77.3 million (2010: €71.1 million), the investment result in Central and Eastern Europe fell by 30.7 per cent to €45.5 million (2010: €65.7 million).

#### **Profit/loss on ordinary activities**

Before consolidation based on the geographic segments (see Segment Income Statement), the loss on ordinary activities generated by the companies in the three regions outside of Austria in 2011 amounted to minus €36.7 million (2010: minus €66.2 million). The loss before taxes in Central and Eastern Europe improved to minus €27.9 million despite challenging economic conditions (2010: minus €34.9 million). In Western Europe, the pre-tax loss in the 2011 financial year amounted to minus €8.8 million (2010: minus €31.2 million).

#### **REPORT ON POST-BALANCE SHEET DATE EVENTS**

No events requiring reporting took place after the balance sheet date.

#### **OUTLOOK**

##### **Trends in the current financial year**

Recurring premiums have developed well in early 2012, but single premium business remains under significant pressure.

In Austria, the UNIQA Group has kept the premium volume stable in the first two months of 2012 at €757.3 million (minus 0.2 per cent) despite the negative development in the life insurance segment. Life insurance premiums fell by 5.6 per cent, due primarily to a deterioration in the area of unit-linked life insurance. Premiums in the property and casualty insurance segment rose by 2.5 per cent, while health insurance premiums increased by 2.8 per cent.

Recurring premiums in the markets of Central and Eastern Europe (CEE) climbed by 7.5 per cent. Single premium business in this region fell significantly by 46 per cent. Overall, the UNIQA Group recorded a premium volume of €217.3 million in the CEE region in January and February (plus 0.2 per cent). Measured in terms of the annual premium equivalent (APE), which is composed of recurring premiums plus 10 per cent of single premiums, premium growth amounted to 6.7 per cent.

In Western Europe – excluding the comparative figures for the German Mannheimer Group for the first two months of 2011 – the premium volume fell by 33.9 per cent to €83.1 million (minus 61.0 per cent) due to a decline in single premium business in Italy. In contrast, recurring premiums climbed by 16.4 per cent. Measured in terms of the APE, there was a 4.3 per cent rise in premiums in Western Europe.

#### **Economic outlook**

The economic environment in the euro zone and in a few CEE markets deteriorated in the 1st quarter of 2012. This development was driven by the interplay of three mutually reinforcing elements: the debt crisis in Europe continues to pose a high risk potential for the entire continent. This includes the risk of a banking crisis, which has been mitigated by measures undertaken by the European Central Bank but not yet fully alleviated. Savings and consolidation measures in several countries have also led to a deterioration in growth rates.

From a current perspective, these trends will remain in place for the entire 1st half of 2012. An upturn is only expected in the 2nd half of 2012 and in 2013. A key factor will be developments in the PIIGS states. For the UNIQA Group, the risk of default on government bonds is no longer the primary issue at hand; instead, the foremost concern is the potential effect of a government default on wider economic development in Europe.

#### ***Austria***

Austrian GDP will only rise slightly in real terms in 2012. Economic researchers expect to see stable growth in private consumption, while public consumption and investments could decline. Unemployment in Austria is extremely low compared with other countries, but it must be assumed that there will be a slight increase in the current year.

#### ***Property and casualty insurance***

The automobile insurance market in Austria continues to be characterised by fierce price competition. The UNIQA Group is controlling this development with product innovations such as driver protection and SafeLine, the latter of which already has more than 45,000 customers. We expect to enjoy further solid gains in 2012. We are forecasting strong growth in 2012 in the area of driver protection, a product that offers insurance coverage of up to €1 million for drivers who are at fault in an accident.

In the industry and individual area, we are looking to attain and grow new and attractive customer segments in 2012 with a significant increase in capacity in the property insurance segment.

#### ***Health insurance***

Compared with the other business segments, health insurance has the highest growth potential for the coming years. The hospital prices and physicians' fee schedule agreed for 2012 will provide a solid framework for positive developments.

### *Life insurance*

We see renewed challenges in the life insurance segment in 2012, but we are also anticipating opportunities for traditional life insurance. There is hope in the insurance industry that regulators will allow a new category of investment-oriented life insurance with reporting date guarantees.

One major task this year will be the implementation of the ruling of the European Court of Justice, under which differences in premiums for men and women will be prohibited as of 21 December 2012. This ruling requires the recalculation of nearly all products in the life, health and casualty insurance segments. UNIQA will use this as an opportunity to streamline its product portfolio and launch targeted innovations.

### *UNIQA International*

Experts are forecasting much stronger growth in the CEE region than in the euro zone over the coming years. For 2012, however, the outlook for CEE must be assessed carefully. We are anticipating positive developments in Poland driven by substantial domestic demand and economic ties to strong export countries such as Germany. Hungary is also showing a positive trend in the medium term, although major political risks remain and specific issues, such as an agreement with the International Monetary Fund, are still outstanding.

The larger markets in Southeastern Europe, such as Serbia and Croatia, should be strengthened by improved relations with the EU in 2012. Croatia's entry to the EU on 1 July 2013 and Serbia's admission as a candidate will most likely provide positive effects in the medium term. We are anticipating positive economic growth in Russia and Ukraine in 2012. Overall development in these countries depends strongly on prices for commodities such as oil and steel, while there is solid growth potential for the insurance sector due to low levels of insurance density and penetration.

With its strong market presence in CEE, the UNIQA Group will benefit from the region's backlog of demand for insurance by using a clear multi-channel sales strategy.

From a product perspective, we will position ourselves in the CEE region as a composite insurer. Our sales points include in particular automotive liability and comprehensive insurance, as well as casualty and homeowner's' insurance. We also have our eye on a further area with potential: traditional life insurance. We are intensifying our involvement in the health insurance segment in selected markets, as this is clearly a growth market.

In 2012, we are also focusing on continuing to expand the range of cross-border insurance solutions for our industrial customers. International underwriting is guaranteed by close cooperation within the UNIQA network and additional expert fronting partners. In addition, we are implementing a series of measures in 2012 to expand our position as a market leader in the transportation and liability insurance segment.

In the area of the arts, we will continue our positive development at a national and international level in 2012 by providing risk-appropriate, individualised insurance solutions. We are also looking to further expand the position of UNIQA Fine Art Underwriting (London) in 2012.

### Group profit

The economic environment continues to be characterised by a number of significant uncertainties. The economy in the euro zone and a few CEE countries is in a relatively weak phase. The earliest date for an expected upturn is the 2nd half of 2012. Overcoming the government debt crisis in the euro zone and the further development of the PIIGS nations are seen as the main challenges. An additional risk factor is a potential fall in interest rates combined with high inflation. The development of individual CEE states, such as Hungary, must also be viewed in a differentiated manner in 2012.

We are proceeding on the assumption that our 2012 results will improve compared with 2010, with 2011 having been significantly impacted by non-recurring factors. This assumes, however, that there will be no major setbacks on the capital markets, that the economic environment will continue to develop positively, and that losses caused by natural disasters will continue to remain within a normal range.

### INFORMATION IN ACCORDANCE WITH SECTION 243A PARAGRAPH 1 OF THE AUSTRIAN COMMERCIAL CODE

1. The share capital of UNIQA Versicherungen AG (“the Company”) amounts to €142,985,217 and is comprised of 142,985,217 individual no-par value bearer shares. The share capital is fully paid up. All shares offer the same rights and obligations.
2. Due to their voting commitments, the shares of Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherung auf Gegenseitigkeit, UQ Beteiligung GmbH and RZB Versicherungsbeteiligung GmbH are counted together. Reciprocal purchase option rights have been agreed between the first three of these shareholders.
3. Raiffeisen Zentralbank Österreich Aktiengesellschaft indirectly holds a total of 39.78 per cent of the Company’s share capital via BL Syndikat Beteiligungs Gesellschaft m.b.H. (effectively), UQ Beteiligung GmbH and RZB Versicherungsbeteiligung GmbH; Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung holds a total of 38.24 per cent of the share capital of the Company indirectly via Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH and indirectly (effectively) via BL Syndikat Beteiligungs Gesellschaft m.b.H. (equity interests as communicated to the 12th Annual General Meeting on 30 May 2011).
4. No shares with special control rights have been issued.
5. There are no employee capital participation models.
6. There are no provisions in the Articles of Association or other provisions that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the Articles of Association with the exception of the provision that, when a Supervisory Board member turns 70 years of age, he or she shall retire from the Supervisory Board at the end of the next Annual General Meeting.
7. The Management Board is authorised to increase the Company’s share capital, with the approval of the Supervisory Board, up to and including 30 June 2015 by a total of up to €71,492,608. The Management Board is further authorised until 18 May 2013 to buy back up to 14,298,521 treasury shares via the Company and/or via subsidiaries of the Company (section 66 of the Austrian Stock Corporation Act). As at 31 December 2011, the Company held 819,650 treasury shares.

8. With regard to the holding company Strabag SE, there are corresponding agreements with other shareholders of this holding company.
9. There are no reimbursement agreements for the event of a public takeover offer.

#### INFORMATION IN ACCORDANCE WITH SECTION 243A PARAGRAPH 2 OF THE AUSTRIAN COMMERCIAL CODE

The most important features of the internal controlling and risk management system with regard to the financial reporting process are described in the Notes to the Consolidated Financial Statements (risk report).

#### PROPOSED APPROPRIATION OF PROFIT

The single-entity financial statements of UNIQA Versicherungen AG prepared in accordance with the Austrian Commercial Code report net retained profit for the 2011 financial year in the amount of €1,607,787.76 (2010: €57,617,245.61). The Management Board shall recommend to the Annual General Meeting on 29 May 2012 that the net retained profits for 2011 be carried forward to new account.

Vienna, 29 March 2012



Andreas Brandstetter  
Chairman of the Management Board



Hannes Bogner  
Member of the Management Board



Wolfgang Kindl  
Member of the Management Board



Hartwig Löger  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board



Gottfried Wanitschek  
Member of the Management Board

## Consolidated Balance Sheet as at 31 December 2011

Assets	Notes	31 Dec. 2011	31 Dec. 2010	1 Jan. 2010
Figures in € thousand				
<b>A. Tangible assets</b>				
I. Self-used land and buildings	1	252,288	268,563	230,077
II. Other tangible assets	2	131,261	138,657	132,447
		<b>383,549</b>	<b>407,220</b>	<b>362,524</b>
<b>B. Land and buildings held as financial investments</b>	<b>3</b>	<b>1,566,958</b>	<b>1,465,297</b>	<b>1,433,091</b>
<b>C. Intangible assets</b>				
I. Deferred acquisition costs	4	899,732	891,131	883,851
II. Goodwill	5	570,048	599,643	614,431
III. Other intangible assets	6	30,551	31,103	31,577
		<b>1,500,331</b>	<b>1,521,877</b>	<b>1,529,860</b>
<b>D. Shares in associated companies</b>	<b>7</b>	<b>530,485</b>	<b>546,444</b>	<b>717,163</b>
<b>E. Investments</b>				
I. Variable-yield securities				
1. Available for sale	9	1,636,133	1,751,520	1,321,142
2. At fair value through profit or loss		549,296	694,424	706,219
		<b>2,185,429</b>	<b>2,445,944</b>	<b>2,027,361</b>
II. Fixed interest securities				
1. Held to maturity	8	0	340,000	340,000
2. Available for sale	9	11,215,448	11,198,539	9,879,620
3. At fair value through profit or loss		389,645	317,335	246,888
		<b>11,605,094</b>	<b>11,855,874</b>	<b>10,466,508</b>
III. Loans and other investments				
1. Loans	11	2,189,439	2,442,231	2,943,107
2. Cash at credit institutions/cash at banks	12	1,023,133	863,652	1,201,925
3. Deposits with ceding companies	12	140,657	136,794	136,149
		<b>3,353,229</b>	<b>3,442,677</b>	<b>4,281,180</b>
IV. Derivative financial instruments				
1. Variable-yield	10	4,160	6,239	3,606
2. Fixed interest	10	24,338	22,013	8,252
		<b>28,498</b>	<b>28,252</b>	<b>11,858</b>
		<b>17,172,249</b>	<b>17,772,746</b>	<b>16,786,907</b>
<b>F. Investments held on account and at risk of life insurance policyholders</b>	<b>24</b>	<b>4,396,016</b>	<b>4,192,730</b>	<b>3,473,553</b>
<b>G. Share of reinsurance in technical provisions</b>				
I. Provision for unearned premiums	19	18,542	22,238	20,341
II. Actuarial provision	20	455,835	448,708	448,599
III. Provision for outstanding claims	21	207,271	239,975	293,762
IV. Provision for profit-unrelated premium refunds	22	4	33	99
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	0	0	0
VI. Other technical provisions		2,494	3,005	3,649
	<b>23</b>	<b>684,146</b>	<b>713,959</b>	<b>766,450</b>
<b>H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders</b>	<b>24</b>	<b>405,513</b>	<b>396,542</b>	<b>382,338</b>
<b>I. Receivables including receivables under insurance business</b>	<b>13</b>			
I. Reinsurance receivables		58,825	39,741	52,558
II. Other receivables		870,767	909,924	913,601
III. Other assets		58,404	54,819	50,690
		<b>987,996</b>	<b>1,004,484</b>	<b>1,016,850</b>
<b>J. Receivables from income tax</b>	<b>14</b>	<b>51,156</b>	<b>46,111</b>	<b>40,348</b>
<b>K. Deferred tax assets</b>	<b>15</b>	<b>206,166</b>	<b>103,401</b>	<b>93,875</b>
<b>L. Liquid funds</b>		<b>683,094</b>	<b>532,903</b>	<b>797,658</b>
<b>Total assets</b>		<b>28,567,658</b>	<b>28,703,713</b>	<b>27,400,616</b>



Equity and liabilities	Notes	31 Dec. 2011	31 Dec. 2010	1 Jan. 2010
Figures in € thousand				
<b>A. Total equity</b>				
I. Shareholders' equity	16			
1. Subscribed capital and capital reserves		540,681	540,681	540,681
2. Revenue reserves		414,397	718,219	715,429
3. Revaluation reserves		- 44,663	- 2,511	23,781
4. Actuarial gains and losses on defined benefit plans		- 36,147	- 22,287	7,057
5. Group total profit/loss		1,608	43,053	35,901
		875,876	1,277,155	1,322,849
II. Minority interests in shareholders' equity	17	219,708	244,299	230,993
		<b>1,095,584</b>	<b>1,521,454</b>	<b>1,553,842</b>
<b>B. Subordinated liabilities</b>	<b>18</b>	<b>575,000</b>	<b>575,000</b>	<b>575,000</b>
<b>C. Technical provisions</b>				
I. Provision for unearned premiums	19	616,034	598,646	552,685
II. Actuarial provision	20	16,706,249	16,479,906	16,055,368
III. Provision for outstanding claims	21	2,456,528	2,392,514	2,300,085
IV. Provision for profit-unrelated premium refunds	22	51,533	49,472	47,588
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	7,786	169,912	201,653
VI. Other technical provisions		49,982	47,472	47,705
	<b>23</b>	<b>19,888,111</b>	<b>19,737,921</b>	<b>19,205,084</b>
<b>D. Technical provisions held on account and at risk of life insurance policyholders</b>	<b>24</b>	<b>4,318,331</b>	<b>4,142,636</b>	<b>3,416,231</b>
<b>E. Financial liabilities</b>				
I. Liabilities from loans	25	47,114	48,505	55,356
II. Derivatives	10	26,598	3,663	26,939
		<b>73,711</b>	<b>52,168</b>	<b>82,295</b>
<b>F. Other provisions</b>				
I. Pensions and similar provisions	26	593,019	524,376	466,837
II. Other provisions	27	195,090	208,390	199,568
		<b>788,109</b>	<b>732,766</b>	<b>666,404</b>
<b>G. Payables and other liabilities</b>	<b>28</b>			
I. Reinsurance liabilities		902,472	889,550	872,587
II. Other payables		572,126	667,380	659,148
III. Other liabilities		43,318	21,617	15,718
		<b>1,517,916</b>	<b>1,578,547</b>	<b>1,547,453</b>
<b>H. Liabilities from income tax</b>	<b>29</b>	<b>19,157</b>	<b>56,170</b>	<b>48,732</b>
<b>I. Deferred tax liabilities</b>	<b>30</b>	<b>291,739</b>	<b>307,051</b>	<b>305,575</b>
<b>Total equity and liabilities</b>		<b>28,567,658</b>	<b>28,703,713</b>	<b>27,400,616</b>

UNIQA has adjusted the amounts from the previous year in accordance with IAS 8. This primarily concerned the adjustment of deferred profit sharing in health insurance in Germany, adjustments to various technical items in Romania and Serbia, and the retroactive incorporation of tax rate adjustments in Italy and Germany. Furthermore, various provisions and the resulting goodwill were adjusted retroactively in order to correct the initial consolidation. The special tax for the financial sector that was recorded in the past years is included in the other operating expenses.

According to IAS 8, the following parts of the final report are affected by the change in the balancing of the accounts of defined benefit plans: the Consolidated Balance Sheet, Consolidated Income Statement, Consolidated Comprehensive Income Statement, Group Cash Flow Statement, Development of Group Equity, Segment Reports, earnings per share and the details in the Group Notes.

Consolidated Balance Sheet Figures in € thousand	31 Dec. 2010 after change	31 Dec. 2010 before change	31 Dec. 2010 change
<b>Assets</b>			
<b>C. Intangible assets</b>	<b>1,521,877</b>	<b>1,509,448</b>	<b>12,429</b>
I. Deferred acquisition costs	891,131	885,646	5,486
II. Goodwill	599,643	592,402	7,241
III. Other intangible assets	31,103	31,400	- 297
<b>E. Investments</b>	<b>17,772,746</b>	<b>17,772,793</b>	<b>- 48</b>
II. Fixed interest securities	11,855,874	11,855,922	- 48
3. At fair value through profit or loss	317,335	317,383	- 48
<b>G. Share of reinsurance in technical provisions</b>	<b>713,959</b>	<b>712,476</b>	<b>1,483</b>
I. Provision for unearned premiums	22,238	20,755	1,483
<b>I. Receivables including receivables under insurance business</b>	<b>1,004,484</b>	<b>1,007,415</b>	<b>- 2,931</b>
II. Other receivables	909,924	912,855	- 2,931
<b>K. Deferred tax assets</b>	<b>103,401</b>	<b>105,821</b>	<b>- 2,420</b>
<b>Total assets</b>	<b>28,703,713</b>	<b>28,695,200</b>	<b>8,513</b>
<b>Equity and liabilities</b>			
<b>A. Total equity</b>	<b>1,521,454</b>	<b>1,536,641</b>	<b>- 15,187</b>
I. Shareholders' equity	1,277,155	1,291,589	- 14,434
2. Revenue reserves	718,219	731,217	- 12,998
3. Revaluation reserves	- 2,511	- 15,639	13,128
5. Group total profit/loss	43,053	57,617	- 14,565
II. Minority interests in shareholders' equity	244,299	245,051	- 753
<b>C. Technical provisions</b>	<b>19,737,921</b>	<b>19,728,494</b>	<b>9,427</b>
I. Provision for unearned premiums	598,646	594,822	3,824
II. Actuarial provision	16,479,906	16,479,742	164
III. Provision for outstanding claims	2,392,514	2,392,372	142
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	169,912	164,695	5,217
VI. Other technical provisions	47,472	47,392	80
<b>F. Other provisions</b>	<b>732,766</b>	<b>725,526</b>	<b>7,241</b>
II. Other provisions	208,390	201,149	7,241
<b>G. Payables and other liabilities</b>	<b>1,578,547</b>	<b>1,564,551</b>	<b>13,995</b>
II. Other payables	667,380	660,339	7,041
III. Other liabilities	21,617	14,662	6,955
<b>I. Deferred tax liabilities</b>	<b>307,051</b>	<b>314,014</b>	<b>- 6,963</b>
<b>Total equity and liabilities</b>	<b>28,703,713</b>	<b>28,695,200</b>	<b>8,513</b>

Consolidated Income Statement Figures in € thousand	2010 after change	2010 before change	2010 change
<b>2. Change due to premiums earned (retained)</b>	<b>-38,103</b>	<b>-35,877</b>	<b>-2,225</b>
a) Gross	-39,260	-35,552	-3,709
b) Reinsurers' share	1,158	-326	1,483
<b>3. Premiums earned (retained)</b>	<b>5,138,622</b>	<b>5,140,847</b>	<b>-2,225</b>
a) Gross	5,339,878	5,343,587	-3,709
b) Reinsurers' share	-201,256	-202,740	1,483
<b>4. Income from fees and commissions</b>			
Reinsurance commission and profit shares from reinsurance business ceded	14,483	16,574	-2,091
<b>7. Insurance benefits</b>	<b>-4,458,285</b>	<b>-4,458,075</b>	<b>-210</b>
a) Gross	-4,566,133	-4,565,923	-210
<b>8. Operating expenses</b>	<b>-1,361,977</b>	<b>-1,362,231</b>	<b>254</b>
a) Acquisition costs	-935,746	-936,001	254
<b>9. Other expenses</b>	<b>-132,899</b>	<b>-132,967</b>	<b>68</b>
<b>11. Operating profit</b>	<b>173,321</b>	<b>177,524</b>	<b>-4,203</b>
<b>13. Profit on ordinary activities</b>	<b>141,830</b>	<b>146,033</b>	<b>-4,203</b>
<b>14. Income taxes</b>	<b>-50,967</b>	<b>-50,981</b>	<b>14</b>
<b>15. Net profit/loss</b>	<b>90,863</b>	<b>95,052</b>	<b>-4,189</b>
of which consolidated profit	42,266	46,434	-4,168
of which minority interests	48,597	48,618	-21
<b>Earnings per share in €</b>	<b>0.30</b>	<b>0.33</b>	<b>-0.03</b>

Classified by region Figures in € thousand	2010 after change	2010 before change	2010 change
<b>Premiums earned (retained)</b>			
Romania	58,766	60,991	-2,225
In the consolidated financial statements	5,138,622	5,140,847	-2,225
<b>Insurance benefits (net)</b>			
Germany	-269,280	-269,234	-46
Serbia	-16,338	-16,174	-164
In the consolidated financial statements	-4,458,285	-4,458,075	-210
<b>Operating expenses</b>			
Romania	-34,991	-35,246	254
In the consolidated financial statements	-1,361,977	-1,362,231	254
<b>Profit on ordinary activities</b>			
Germany	-7,138	-7,092	-46
Romania	-22,101	-18,160	-3,941
Serbia	947	1,163	-216
In the consolidated financial statements	141,830	146,033	-4,203

# Consolidated Income Statement

## from 1 January to 31 December 2011

Figures in € thousand	Notes	2011	2010
<b>1. Premiums written (retained)</b>	<b>31</b>		
a) Gross		5,348,827	5,379,138
b) Reinsurers' share		-204,558	-202,414
		<b>5,144,268</b>	<b>5,176,724</b>
<b>2. Change due to premiums earned (retained)</b>			
a) Gross		-35,080	-39,260
b) Reinsurers' share		-3,710	1,158
		<b>-38,791</b>	<b>-38,103</b>
<b>3. Premiums earned (retained)</b>	<b>32</b>		
a) Gross		5,313,746	5,339,878
b) Reinsurers' share		-208,268	-201,256
		<b>5,105,478</b>	<b>5,138,622</b>
<b>4. Income from fees and commissions</b>	<b>33</b>		
Reinsurance commission and profit shares from reinsurance business ceded		31,820	14,483
<b>5. Net investment income</b>	<b>34</b>	<b>226,576</b>	<b>872,316</b>
of which profit from associated companies		1,934	22,012
<b>6. Other income</b>	<b>35</b>	<b>91,677</b>	<b>115,542</b>
<b>Total income</b>		<b>5,455,551</b>	<b>6,140,962</b>
<b>7. Insurance benefits</b>	<b>36</b>		
a) Gross		-4,098,345	-4,566,133
b) Reinsurers' share		106,287	107,848
		<b>-3,992,058</b>	<b>-4,458,285</b>
<b>8. Operating expenses</b>	<b>37</b>		
a) Acquisition costs		-1,011,610	-935,746
b) Other operating expenses		-568,513	-426,230
		<b>-1,580,123</b>	<b>-1,361,977</b>
<b>9. Other expenses</b>	<b>38</b>	<b>-152,803</b>	<b>-132,899</b>
<b>10. Amortisation of goodwill</b>		<b>-24,160</b>	<b>-14,481</b>
<b>Total expenses</b>		<b>-5,749,144</b>	<b>-5,967,641</b>
<b>11. Operating profit</b>		<b>-293,593</b>	<b>173,321</b>
<b>12. Financing costs</b>		<b>-31,975</b>	<b>-31,492</b>
<b>13. Profit on ordinary activities</b>		<b>-325,568</b>	<b>141,830</b>
<b>14. Income taxes</b>	<b>39</b>	<b>81,719</b>	<b>-50,967</b>
<b>15. Net profit/loss</b>		<b>-243,849</b>	<b>90,863</b>
of which consolidated profit		-245,614	42,266
of which minority interests		1,765	48,597
<b>Earnings per share <sup>1)</sup> in €</b>	<b>16</b>	<b>-1.73</b>	<b>0.30</b>
<b>Average number of shares in circulation</b>		<b>142,165,567</b>	<b>142,165,567</b>

<sup>1)</sup> The diluted earnings per share are equal to the undiluted earnings per share. Calculated on the basis of the consolidated profit.

## Consolidated Comprehensive Income Statement from 1 January to 31 December 2011

Figures in € thousand	2011	2010
<b>Net profit/loss</b>	<b>-243,849</b>	<b>90,863</b>
<b>Foreign currency translation</b>		
Gains (losses) recognised in equity	-35,453	15,525
Included in the income statement	0	421
<b>Unrealised gains and losses on investments</b>		
Gains (losses) recognised in equity	-10,259	-90,086
Gains (losses) recognised in equity – deferred tax	18,984	11,863
Gains (losses) recognised in equity – deferred profit participation	-35,391	53,072
Included in the income statement	-61,289	-67,425
Included in the income statement – deferred tax	7,757	3,656
Included in the income statement – deferred profit participation	41,774	52,768
<b>Change resulting from valuation at equity</b>		
Gains (losses) recognised in equity	-5,851	7,268
Included in the income statement	0	0
<b>Actuarial gains and losses on defined benefit plans</b>		
Gains (losses) recognised in equity	-20,449	-52,784
Gains (losses) recognised in equity – deferred tax	5,224	10,711
Gains (losses) recognised in equity – deferred profit participation	451	8,712
<b>Other changes</b>	<b>-1,482</b>	<b>1,329</b>
<b>Income and expense recognised directly in equity</b>	<b>-95,985</b>	<b>-44,972</b>
<b>Total recognised income and expense</b>	<b>-339,834</b>	<b>45,891</b>
of which attributable to UNIQA Versicherungen AG shareholders	-344,413	11,173
of which minority interests	4,579	34,718

<sup>1)</sup> The other changes result primarily from currency fluctuations.

## Consolidated Cash Flow Statement from 1 January to 31 December 2011

Figures in € thousand	2011	2010
Net profit/loss including minority interests		
Net profit/loss	- 243,849	90,863
of which interest and dividend payments	- 8,400	4,807
Minority interests	- 1,765	- 48,597
Change in technical provisions (net)	346,724	1,297,529
Change in deferred acquisition costs	- 8,601	- 7,280
Change in amounts receivable and payable from direct insurance	- 5,468	- 4,442
Change in other amounts receivable and payable	- 134,633	47,146
Change in securities at fair value through profit or loss	72,572	- 75,045
Realised gains/losses on the disposal of investments	- 117,282	- 269,329
Depreciation/appreciation of other investments	516,945	- 106,171
Change in provisions for pensions and severance payments	68,643	57,540
Change in deferred tax assets/liabilities	- 124,499	- 8,051
Change in other balance sheet items	50,948	- 57,380
Change in goodwill and intangible assets	30,800	12,690
Other non-cash income and expenses as well as accounting period adjustments	- 56,647	- 4,801
<b>Net cash flow from operating activities</b>	<b>393,889</b>	<b>924,672</b>
of which cash flow from income tax	- 55,221	- 30,913
Receipts due to disposal of consolidated companies	242	200,651
Payments due to acquisition of consolidated companies	- 79,936	- 13,112
Receipts due to disposal and maturity of other investments	7,211,346	8,558,867
Payments due to acquisition of other investments	- 7,114,763	- 9,152,476
Change in investments held on account and at risk of life insurance policyholders	- 203,287	- 719,177
<b>Net cash flow used in investing activities</b>	<b>- 186,398</b>	<b>- 1,125,247</b>
Change in investments on own shares	0	0
Share capital increase	0	0
Dividend payments	- 56,866	- 56,866
Receipts and payments from other financing activities	- 1,391	- 6,851
<b>Net cash flow used in financing activities</b>	<b>- 58,258</b>	<b>- 63,717</b>
<b>Change in cash and cash equivalents</b>	<b>149,234</b>	<b>- 264,292</b>
Change in cash and cash equivalents due to foreign currency translation	- 3,714	- 465
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	4,671	2
Cash and cash equivalents at beginning of period	532,903	797,658
<b>Cash and cash equivalents at end of period</b>	<b>683,094</b>	<b>532,903</b>
of which cash flow from income tax	- 55,221	- 30,913

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

## Development of Group Equity

Figures in € thousand

	Subscribed capital and capital reserves	Revaluation reserve	Actuarial gains and losses on defined benefit plans
<b>As at 31 Dec. 2009</b>	<b>540,681</b>	<b>10,600</b>	<b>7,057</b>
Restatement IAS 8	0	13,181	0
<b>As at 1 Jan. 2010 restated</b>	<b>540,681</b>	<b>23,781</b>	<b>7,057</b>
Changes due to:			
Change in consolidation scope			
Dividends to shareholders			
<b>Income and expenses according to the consolidated comprehensive income statement</b>		<b>-26,292</b>	<b>-29,343</b>
Foreign currency translation			
Unrealised gains and losses from valuation at equity			
Unrealised capital gains and losses from investments		-26,292	
Actuarial gains and losses on defined benefit plans			-29,343
Net profit/loss			
Changes in revenue reserves			
Other			
<b>As at 31 Dec. 2010</b>	<b>540,681</b>	<b>-2,511</b>	<b>-22,287</b>
Changes due to:			
Change in consolidation scope			
Dividends to shareholders			
<b>Income and expenses according to the consolidated comprehensive income statement</b>		<b>-42,152</b>	<b>-13,860</b>
Foreign currency translation			
Unrealised gains and losses from valuation at equity			
Unrealised capital gains and losses from investments		-42,152	
Actuarial gains and losses on defined benefit plans			-13,860
Net profit/loss			
Changes in revenue reserves			
Other			
<b>As at 31 Dec. 2011</b>	<b>540,681</b>	<b>-44,663</b>	<b>-36,147</b>



Revenue reserves including reserves for own shares	Holding of own shares	Profits/Losses carried forward and net profit/loss for the year	Shareholders' equity	Minority interests	Total equity
<b>735,381</b>	<b>- 10,857</b>	<b>50,201</b>	<b>1,333,063</b>	<b>231,720</b>	<b>1,564,782</b>
- 9,095	0	- 14,300	- 10,214	- 726	- 10,941
<b>726,286</b>	<b>- 10,857</b>	<b>35,901</b>	<b>1,322,849</b>	<b>230,993</b>	<b>1,553,842</b>
				- 5,613	- 5,613
		- 56,866	- 56,866	- 15,799	- 72,665
<b>2,791</b>		<b>64,018</b>	<b>11,173</b>	<b>34,718</b>	<b>45,891</b>
15,946			15,946		15,946
7,268			7,268	0	7,268
0			- 26,292	- 9,861	- 36,153
			- 29,343	- 4,018	- 33,361
0		42,266	42,266	48,597	90,863
- 21,751		21,751	0		0
1,329		0	1,329		1,329
<b>729,077</b>	<b>- 10,857</b>	<b>43,053</b>	<b>1,277,155</b>	<b>244,299</b>	<b>1,521,454</b>
				- 14,357	- 14,357
		- 56,866	- 56,866	- 14,813	- 71,679
<b>- 303,822</b>		<b>15,421</b>	<b>- 344,413</b>	<b>4,579</b>	<b>- 339,834</b>
- 35,453			- 35,453		- 35,453
- 5,851			- 5,851		- 5,851
			- 42,152	3,728	- 38,424
			- 13,860	- 915	- 14,775
		- 245,614	- 245,614	1,765	- 243,849
- 261,036		261,036			
- 1,482			- 1,482		- 1,482
<b>425,255</b>	<b>- 10,857</b>	<b>1,608</b>	<b>875,876</b>	<b>219,708</b>	<b>1,095,584</b>

# Segment Reports

## Segment Balance Sheet

### CLASSIFIED BY SEGMENT

Figures in € thousand	Property and casualty		Health	
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
<b>Assets</b>				
A. Tangible assets	165,669	182,928	29,471	29,356
B. Land and buildings held as financial investments	282,815	289,959	294,744	288,647
C. Intangible assets	545,595	542,592	243,396	237,721
D. Shares in associated companies	14,696	27,762	193,410	190,200
E. Investments	2,895,287	2,887,045	2,230,918	2,197,962
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of insurance in technical provisions	212,143	247,845	4,424	3,183
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	0	0	0	0
I. Receivables including receivables under insurance business	1,027,881	767,375	293,457	279,236
J. Receivables from income tax	43,876	36,396	171	580
K. Deferred tax assets	132,480	81,144	4,562	2,957
L. Liquid funds	196,401	156,319	276,329	136,362
<b>Total segment assets</b>	<b>5,516,844</b>	<b>5,219,364</b>	<b>3,570,882</b>	<b>3,366,204</b>
<b>Equity and liabilities</b>				
B. Subordinated liabilities	338,957	335,000	0	0
C. Technical provisions	2,858,078	2,765,652	2,960,738	2,792,037
D. Technical provisions held on account and at risk of life insurance policyholders	0	0	0	0
E. Financial liabilities	263,810	41,495	31,984	27,243
F. Other provisions	738,918	657,813	18,728	21,358
G. Payables and other liabilities	1,019,585	1,003,247	105,761	86,371
H. Liabilities from income tax	16,459	50,906	1,379	1,985
I. Deferred tax liabilities	189,293	213,740	75,735	74,319
<b>Total segment liabilities</b>	<b>5,425,100</b>	<b>5,067,854</b>	<b>3,194,325</b>	<b>3,003,314</b>

	Life		Consolidation		Group		
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	
	188,409	194,936	0	0	383,549	407,220	
	989,399	886,690	0	0	1,566,958	1,465,297	
	711,340	741,565	0	0	1,500,331	1,521,877	
	322,378	328,483	0	0	530,485	546,444	
	12,619,977	13,036,902	- 573,934	- 349,163	17,172,249	17,772,746	
	4,396,016	4,192,730	0	0	4,396,016	4,192,730	
	467,579	462,930	0	0	684,146	713,959	
	405,513	396,542	0	0	405,513	396,542	
	578,457	660,807	- 911,800	- 702,933	987,996	1,004,484	
	7,110	9,135	0	0	51,156	46,111	
	69,123	19,301	0	0	206,166	103,401	
	210,364	240,222	0	0	683,094	532,903	
	<b>20,965,665</b>	<b>21,170,242</b>	<b>- 1,485,733</b>	<b>- 1,052,096</b>	<b>28,567,658</b>	<b>28,703,713</b>	
	270,000	270,000	- 33,957	- 30,000	575,000	575,000	
	14,079,082	14,174,440	- 9,788	5,793	19,888,111	19,737,921	
	4,318,331	4,142,636	0	0	4,318,331	4,142,636	
	276,095	208,384	- 498,177	- 224,955	73,711	52,168	
	30,464	53,595	0	0	788,109	732,766	
	1,332,489	1,279,930	- 939,919	- 791,001	1,517,916	1,578,547	
	1,319	3,279	0	0	19,157	56,170	
	26,711	18,991	0	0	291,739	307,051	
	<b>20,334,490</b>	<b>20,151,254</b>	<b>- 1,481,841</b>	<b>- 1,040,163</b>	<b>27,472,074</b>	<b>27,182,259</b>	
					Shareholders' equity and minority interests	1,095,584	1,521,454
					<b>Total equity and liabilities</b>	<b>28,567,658</b>	<b>28,703,713</b>

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

# Segment Reports

## Segment Income Statement

### CLASSIFIED BY SEGMENT

Figures in € thousand	Property and casualty		Health	
	2011	2010	2011	2010
1. a) Gross premium written	2,737,257	2,613,997	1,004,893	970,308
1. Premiums written (retained)	2,589,344	2,483,406	998,711	966,595
2. Change due to premiums earned (retained)	-35,247	-35,917	-815	-397
3. Premiums earned (retained)	2,554,097	2,447,489	997,897	966,197
Income from fees and commissions	17,563	11,264	64	44
5. Net investment income	49,843	91,768	5,365	128,463
6. Other income	64,040	107,359	6,637	5,794
7. Insurance benefits	-1,734,899	-1,751,238	-853,535	-839,403
8. Operating expenses	-957,770	-834,443	-162,553	-141,484
9. Other expenses	-103,113	-87,722	-7,876	-6,205
10. Amortisation of goodwill	-17,633	-5,901	-87	-156
11. Operating profit	-127,873	-21,425	-14,090	113,249
12. Financing costs	-17,675	-17,757	-980	-391
<b>13. Profit on ordinary activities</b>	<b>-145,548</b>	<b>-39,182</b>	<b>-15,070</b>	<b>112,858</b>
14. Income taxes	73,893	-2,792	2,868	-29,404
<b>15. Net profit/loss</b>	<b>-71,655</b>	<b>-41,974</b>	<b>-12,201</b>	<b>83,454</b>
of which consolidated profit	-71,782	-42,300	-16,970	38,504
of which minority interests	127	326	4,769	44,950

### IMPAIRMENT BY SEGMENT

Figures in € thousand	Property and casualty		Health	
	2011	2010	2011	2010
<b>Goodwill</b>				
Change in impairment for current year	15,000	11	0	0
of which reallocation affecting income	15,000	11	0	0
<b>Investments</b>				
Change in impairment for current year	-34,249	-12,707	-93,660	-1,945
of which reallocation/reinstatement of original values	-34,249	-12,707	-93,660	-1,945

	Life		Consolidation		Group	
	2010	2011	2010	2011	2010	2011
	1,818,746	-23,530	-23,913	5,348,827	5,379,138	
	1,740,934	5,964	-14,211	5,144,268	5,176,724	
	405	-3,760	-2,193	-38,791	-38,103	
	1,741,339	2,204	-16,404	5,105,478	5,138,622	
	7,793	-7,326	-4,618	31,820	14,483	
	651,246	1,928	839	226,576	872,316	
	20,824	-11,946	-18,435	91,677	115,542	
	-1,878,267	-6,655	10,624	-3,992,058	-4,458,285	
	-391,532	2,369	5,483	-1,580,123	-1,361,977	
	-53,644	27,867	14,672	-152,803	-132,899	
	-8,423	0	0	-24,160	-14,481	
	89,335	8,442	-7,838	-293,593	173,321	
	-13,344	0	0	-31,975	-31,492	
	<b>75,991</b>	<b>8,442</b>	<b>-7,838</b>	<b>-325,568</b>	<b>141,830</b>	
	-18,771	0	0	81,719	-50,967	
	<b>57,220</b>	<b>8,442</b>	<b>-7,838</b>	<b>-243,849</b>	<b>90,863</b>	
	53,900	8,442	-7,838	-245,614	42,266	
	3,320	0	0	1,765	48,597	

	Life		Consolidation		Group	
	2010	2011	2010	2011	2010	2011
	0	0	0	15,000	11	
	0	0	0	15,000	11	
	-49,318	0	0	-466,473	-63,969	
	-49,318	0	0	-466,473	-63,969	

## CLASSIFIED BY REGION

Figures in € thousand	Premiums earned (retained)		Net investment income	
	2011	2010	2011	2010
Western Europe (incl. Austria)	4,371,934	4,337,079	194,457	818,815
<b>Austria</b>	<b>3,039,157</b>	<b>3,062,780</b>	<b>116,791</b>	<b>747,609</b>
<b>Other Europe</b>	<b>2,069,280</b>	<b>2,092,246</b>	<b>117,782</b>	<b>132,131</b>
<b>Western Europe</b>	<b>1,332,777</b>	<b>1,274,299</b>	<b>77,666</b>	<b>71,206</b>
Italy	449,905	481,920	51,763	55,158
Germany	347,152	331,449	25,188	38,044
Switzerland	532,422	457,665	88	-24,238
Liechtenstein	3,299	3,266	2,640	2,254
The Netherlands	0	0	-2,013	-13
<b>Eastern Europe</b>	<b>736,503</b>	<b>817,947</b>	<b>40,116</b>	<b>60,925</b>
Poland	237,231	354,459	13,990	17,973
Hungary	66,054	73,812	6,643	9,856
Czech Republic	121,692	107,924	1,409	8,531
Bulgaria	32,526	26,544	1,457	1,562
Slovakia	52,229	53,471	3,659	3,870
Ukraine	41,914	38,097	1,432	2,432
Romania	57,004	58,766	-121	2,782
Serbia	29,277	27,123	2,117	5,795
Croatia	20,097	22,003	4,701	4,451
Bosnia-Herzegovina	17,012	14,529	1,301	1,176
Albania	15,686	13,601	990	1,627
Russia	26,498	11,597	1,534	125
Kosovo	7,077	6,168	348	406
Macedonia	6,289	5,533	259	247
Montenegro	5,916	4,321	422	353
other	0	0	-23	-259
<b>Total before consolidation</b>	<b>5,108,437</b>	<b>5,155,025</b>	<b>234,574</b>	<b>879,741</b>
Consolidation (based on geographic segments)	-2,959	-16,404	-7,998	-7,425
<b>In the consolidated financial statements</b>	<b>5,105,478</b>	<b>5,138,622</b>	<b>226,576</b>	<b>872,316</b>

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

Insurance benefits (net)		Operating expenses		Profit on ordinary activities	
2011	2010	2011	2010	2011	2010
-3,508,324	-3,847,021	-1,322,978	-1,135,020	-274,803	185,959
<b>-2,438,494</b>	<b>-2,749,062</b>	<b>-930,394</b>	<b>-776,873</b>	<b>-266,003</b>	<b>217,207</b>
<b>-1,552,073</b>	<b>-1,719,846</b>	<b>-799,808</b>	<b>-723,849</b>	<b>-36,662</b>	<b>-66,158</b>
<b>-1,069,831</b>	<b>-1,097,959</b>	<b>-392,585</b>	<b>-358,147</b>	<b>-8,800</b>	<b>-31,248</b>
-429,544	-459,844	-82,664	-78,214	-4,546	2,785
-278,608	-269,280	-137,032	-133,443	-10,374	-7,138
-356,078	-359,827	-168,460	-142,003	8,396	-27,781
-5,600	-9,009	-4,428	-4,487	-263	898
0	0	0	0	-2,013	-13
<b>-482,243</b>	<b>-621,887</b>	<b>-407,224</b>	<b>-365,703</b>	<b>-27,862</b>	<b>-34,910</b>
-186,381	-336,398	-85,278	-74,719	1,670	-18,740
-26,767	-36,559	-63,273	-60,845	-6,164	-9,847
-73,308	-66,563	-66,195	-59,742	5,087	8,749
-22,221	-12,701	-21,024	-18,535	-3,313	1,727
-28,918	-29,512	-34,480	-33,783	7,692	7,067
-19,839	-18,879	-28,075	-23,835	-1,426	-1,151
-48,454	-55,959	-35,627	-34,991	-27,353	-22,101
-18,531	-16,338	-16,995	-14,861	-2,945	947
-15,668	-19,204	-13,033	-13,211	-377	-783
-10,617	-9,188	-7,806	-6,584	309	267
-8,119	-6,581	-7,829	-6,708	1,280	2,645
-14,253	-6,526	-15,654	-8,292	-1,897	-3,074
-3,436	-2,701	-3,911	-3,237	136	382
-3,049	-3,494	-3,858	-2,582	153	134
-2,681	-1,285	-4,180	-3,845	-685	-943
0	0	-6	68	-29	-191
<b>-3,990,567</b>	<b>-4,468,908</b>	<b>-1,730,202</b>	<b>-1,500,723</b>	<b>-302,665</b>	<b>151,049</b>
-1,491	10,624	150,079	138,746	-22,903	-9,219
<b>-3,992,058</b>	<b>-4,458,285</b>	<b>-1,580,123</b>	<b>-1,361,977</b>	<b>-325,568</b>	<b>141,830</b>

# Notes to the Group Financial Statements

## ACCOUNTING REGULATIONS

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

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

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

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

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

**In the 2011 financial year, the following new and modified IFRS have become mandatory for the first time:**

The modification of IAS 24 (revised 11/2009) – information regarding relationships with associated companies and persons – simplified the reporting obligations of companies in which the state owns shares. The new regulation does not affect UNIQA.



The revision of IAS 32 (revised 10/2009), Financial Instruments: Presentation, dictates that certain subscription rights, such as options and subscription warrants in foreign currency (in a currency other than the functional currency) for issuer countries whose equity instruments refer to such rights, are now to be presented in the balance sheet as equity and not as liabilities. This modification does not affect UNIQA.

#### **Standards and modifications to standards that are not yet in effect**

Modifications to IFRS 7 (revised 10/2010), Financial Instruments: Disclosures, Improved Disclosures on Financial Instruments, includes expanded disclosure requirements for the transfer of financial assets. This should create additional transparency with regard to the influence of such transactions on risk exposure and the financial situation of companies. The new regulations must be applied to all financial years that begin on or after 1 July 2011; they were integrated into European law in November 2011.

Modifications to IAS 12 (revised 12/2010), Income Tax, Deferred Tax: Recovery of Underlying Assets, address the dependency of deferred tax valuation on whether the book value of an asset is realised through use or through sale. This distinction is frequently vague in practice. The introduction of a rebuttable presumption clarifies that the realisation of book value is normally attained via sale. These modifications are mandatory for financial years that begin on or after 1 January 2012; they have not yet been integrated into European law.

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

#### **CONSOLIDATION – SCOPE OF CONSOLIDATION**

In addition to the annual financial statement of UNIQA Versicherungen AG, the Consolidated Financial Statements include the financial statements of all subsidiaries at home and abroad. Forty affiliated companies did not form part of the scope of consolidation. They were of only minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. Therefore the scope of consolidation contains, in addition to the UNIQA Versicherungen AG, 52 domestic and 83 foreign subsidiaries in which the UNIQA Versicherungen AG has the majority voting rights.

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

Figures in € million

	Date of initial inclusion	Net profit/loss	Acquired shares %	Acquisition costs	Goodwill
UNIQA Life AD Skopje, Macedonia	1 Jan. 2011	0.0	100.0	3.5	0.0
RHG Management GmbH, Vienna	30 Sep. 2011	0.0	100.0	4.6	0.0
UNIQA Finanzbeteiligung GmbH, Wien	1 Oct. 2011	0.0	100.0	0.0	0.0
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A., Tirana	1 Oct. 2011	0.0	51.0	0.1	0.0
SIGAL Life UNIQA GROUP AUSTRIA sh.a, Pristina	1 Oct. 2011	0.0	100.0	3.5	0.0
Kremser Landstraße Projektentwicklung GmbH, Wien	31 Dec. 2011	0.0	100.0	18.7	0.0
Schöpferstraße Projektentwicklung GmbH, Wien	31 Dec. 2011	0.0	100.0	12.7	0.0
"Bonadea" Immobilien GmbH, Wien	31 Dec. 2011	0.0	100.0	8.8	0.0

UNIQA Life AD Skopje in Macedonia was founded in the 1st quarter, and SIGAL Life UNIQA GROUP AUSTRIA sh.a, Pristina was founded in Kosovo in the 4th quarter. Fifty-one per cent of shares were purchased in SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A. in Albania.

The effects of the change to the scope of consolidation on the main asset and debt positions can be seen under number 5 of the Notes to the Consolidated Financial Statements.

The associated companies refer to ten domestic companies consolidated at equity; of these, fifteen companies were of minor significance and were listed at current market value.

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

#### Changes in the 1st quarter of 2012

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

#### Consolidation principles

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

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

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

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

**Shares in associated companies**

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

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

**Debt consolidation**

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

**Presentation of balance sheet and income statement**

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

**Segment reporting**

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

**Foreign currency conversion**

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

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

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

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

€ rates on balance sheet closing date	31 Dec. 2011	31 Dec. 2010
Swiss franc CHF	1.2156	1.2504
Czech koruna CZK	25.7870	25.0610
Hungarian forint HUF	314.5800	277.9500
Croatian kuna HRK	7.5370	7.3830
Polish zloty PLN	4.4580	3.9750
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9592
Romanian leu (new) RON	4.3233	4.2620
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	10.3708	10.4950
Serbian dinar RSD	107.0795	106.1300
Russian ruble RUB	41.7650	40.8200
Albanian lek ALL	138.5500	139.1900
Macedonian denar MKD	61.7613	62.6973

### Estimates

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

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

### METHODS OF ACCOUNTING AND VALUATION

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

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

### Intangible assets

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

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

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

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

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

#### **Land and buildings, including buildings on third-party land**

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

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

#### **Shares in affiliated and associated companies**

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

#### **Investments**

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

#### **Securities held to maturity, mortgage loans and other loans**

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

**Securities available for sale**

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

**Investments held for trade (trading portfolio)**

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

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

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

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

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

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

The current market value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are performed with application of the corresponding interest yield curves for the term of the instruments in the case of derivatives

without optional components as well as option price models in the case of derivatives with optional components. Currency futures are valued based on listed forward rates and interest yield curves that are derived from listed market interest rates in consideration of the contract maturity dates. Interest swaps are valued with the cash value of the estimated future payment flows. The discounting took place using the pertinent interest yield curves, which were derived from listed interest rates.

**Deposits with credit institutions and other investments**

These are recognised at fair value.

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

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

**Shares of reinsurers in the technical provisions**

These are recognised on the assets page, taking the reinsurance contracts into consideration.

**Receivables**

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

**Liquid funds**

Liquid funds are valued at their nominal amounts.

**Other tangible assets**

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

**Equity**

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

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

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

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

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

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

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

### **Technical provisions**

#### ***Unearned premiums***

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

#### ***Actuarial provision***

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

For policies of a mainly investment character (e.g. unit-linked life insurance), the regulations in the Statement of Financial Accounting Standards No. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy. For unit-linked insurance policies in which the policyholder carries the sole risk of the value of the investment rising or falling, the actuarial provision is listed as a separate liability entry under "Technical provisions for life insurance where the investment risk is carried by policyholders".

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

#### ***Provision for outstanding claims***

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



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

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

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

#### ***Provision for premium refunds and profit sharing***

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

#### ***Other technical provisions***

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

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

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

#### ***Other provisions for pensions and similar obligations***

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

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

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

**Deferred taxes**

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

**Value adjustments (impairments)**

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

**Premiums**

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

**Classes of insurance**

(Direct business and partly accepted reinsurance business)

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

## MAJOR DIFFERENCES BETWEEN IFRS/IAS AND AUSTRIAN ACCOUNTING REGULATIONS

### Goodwill

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

### Intangible assets

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

### Land and buildings

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

### Shares in affiliated and associated companies

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

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

### Financial assets

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

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

**Reinsurance**

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

**Acquisition costs**

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

**Actuarial provision**

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

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

**Provision for premium refunds and profit sharing**

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

**Provisions for outstanding claims**

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

**Provision for claims equalisation and catastrophes**

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

**Pension commitments**

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

**Deferred taxes**

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

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

**RISK REPORT****1. Overview – risk framework**

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

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

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

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

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

UNIQA was the first insurer in Austria to define risk management as an independent department in the Management Board at the holding Group level. This step and the associated initiation of numerous internal projects for the establishment of a new, modern and value-oriented risk culture in the UNIQA Group underscores the central importance of this strategic orientation.

## **2. Risk management system**

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

The Risk Management Guidelines for the UNIQA Group were created in 2011 and approved by CRO and the Management Board as a basis for the introduction of risk management.

The guidelines 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.

The Risk Management Guidelines were created and approved at both Group and company level.

The Risk Management Guidelines at company level were approved by the Management Board of the UNIQA subsidiaries and are consistent with the UNIQA Group Risk Management Guidelines.

The UNIQA Group Risk Management Guidelines ensure that risks relevant to the UNIQA Group are identified in advance and evaluated; if necessary, proactive measures are introduced to transfer or minimise the risk.

Intensive training on the content and utilisation of the risk management system is required to guarantee that employees embody the risk culture in their working environment. This training is conducted in information and educational measures in a successive, stakeholder-related manner. An essential goal in this programme is to address complex topics for different recipients in a customised manner.

### ***2.1. Organisational structure (governance)***

As described above, the passage of the UNIQA Risk Management Guidelines provides structure for processes and organisation related to risk management.

The risk management structure is established to reflect the principles of “three lines of defence” and the clear differences between them.

#### ***First line of defence: risk management within the business activity***

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

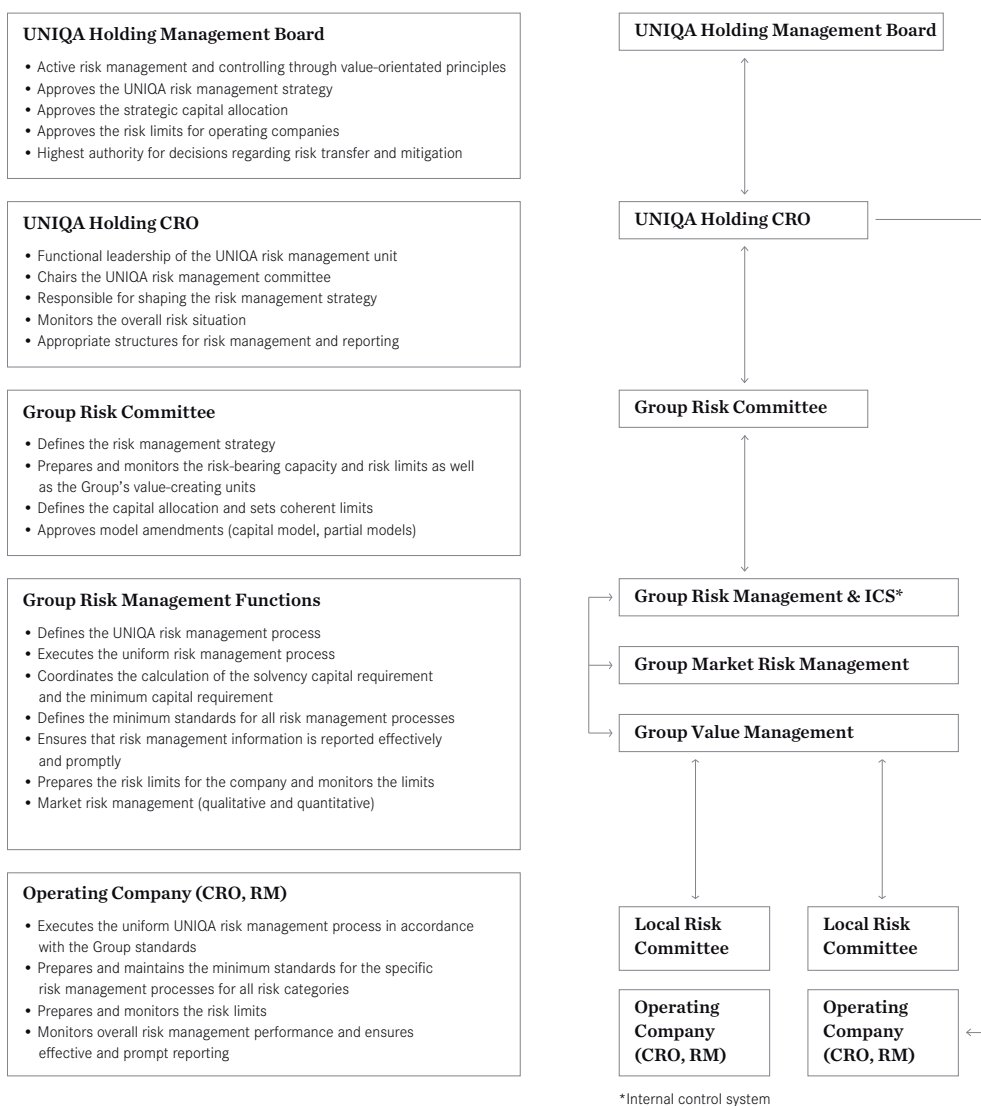
#### ***Second line of defence: supervisory functions including risk management functions***

The risk management function and the supervisory function, such as controlling, must monitor business activities without having expertise in operational implementation.

**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 includes risk management and compliance (e.g. internal auditing).

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



The UNIQA Group Management Board establishes business policy targets and the Group risk strategy, and is responsible for Group-wide risk management.

The position of Chief Risk Officer (CRO) was introduced at holding Group Management Board level in 2011. This ensures that the topic of risk management is represented on the Management Board. Furthermore, CRO functions were established at Management Board level in the operative insurance companies.

In his risk management activities, the CRO is supported in the implementation and fulfilment of his duties in particular by the departments of risk management & internal control system, market risk management, and value-based management & compliance.

Each UNIQA Group subsidiary has CRO and risk manager functions. This ensures a continuous and uniform risk management system within the Group.

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

The Supervisory Board of the UNIQA Group is informed comprehensively regarding risk report preparation, which represents an independent thematic block in Supervisory Board meetings.

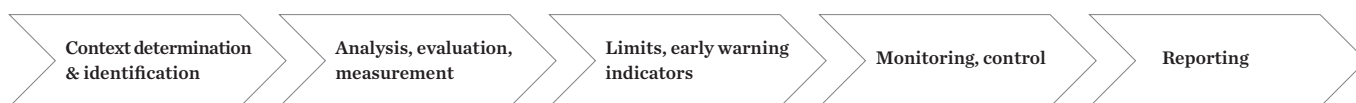
## **2.2. Risk management process**

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

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

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

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





***Risk identification:***

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

***Evaluation / measurement:***

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

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

***Scenario analysis in UNIQA risk management***

One essential element of the risk management process is the derivation and development of risk scenarios specific to UNIQA and the risk situation of the UNIQA Group.

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

These scenarios are developed, assessed and constantly monitored by the experts in the UNIQA risk management department.

Risk mitigation and risk management procedures are developed on a proactive basis for potentially threatening situations.

***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 purpose of which is to reduce the level of solvency coverage to a non-critical level.

***Reporting:***

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

A new reporting form was introduced in the UNIQA Group and for all subsidiaries in 2011. This new form provides management with a monthly update regarding the greatest risks.

### *Standard and Poor's Model*

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

In addition to the regulatory capital models for Solvency I and Solvency II, the Standard & Poor's capital model is calculated at periodic intervals, resulting in capital requirements that are oriented towards a target rating.

This information is incorporated in the capital planning process.

## **3. The greatest challenges**

### **3.1. EU debt crisis**

A few European member states have continued to experience financial pressure in 2011 due to the financial market crisis of recent years. Greece, Ireland, Italy, Portugal, Spain and Hungary have been named again and again in this context.

In particular, European and international initiatives should be mentioned with regard to risk assessment in terms of creditworthiness and collectability. Among others, in this context the European Financial Stabilisation Mechanism (EFSM), the European Financial Stability Facility (EFSF), the International Monetary Fund (IMF) and the European Central Bank (ECB) should be mentioned. Altogether, the EFSF, EFSM and IMF can currently raise €750 billion. Ireland and Portugal have applied for and received financial aid through this mechanism.

In an additional step, the ECB's Security Markets Programme is contributing to the stabilisation of the secondary market for government bonds by purchasing bonds from member states that are under pressure. In the case of Greece, the European states and the Institute of International Finance (IIF) have agreed to a partial debt waiver for private creditors. Even if the details of the debt refinancing arrangements at the balance sheet date are not yet set out in detail, we may proceed on the assumption that there will be a lasting reduction in the value of Greek bonds.

These aid measures are available to all member states. In the cases of Portugal and Ireland, the measures have proven their practicality. Hence, it does not currently look like we can assume there will be a long-lasting reduction in value of the affected government bonds, and collectability remains stable despite increased quality risk.

For direct and indirect investments in state bonds from the aforementioned countries, we refer to the chapter on disclosure and explanation of accounting and valuation methods in the Notes to the Group Financial Statements.

### *Significant events subsequent to the balance sheet date*

Major risk positions were dismantled in the course of a "de-risking" programme in the first quarter of 2012. The Group risk positions were oriented towards solid Group solvency. In the investments area, all PIIGS bonds were sold and all Greek bonds held in the Austrian and international companies of the UNIQA Group were sold.

Furthermore, exposure in Portugal was almost halved, and holdings in Hungarian and Italian bonds were reduced.

### **3.2. Solvency II**

The introduction of Solvency II is a major strategic element for the UNIQA Group. The UNIQA Group is intentionally preparing for future challenges related to Solvency II with specially designed Group projects.

One of UNIQA Group's declared objectives is to meet all Solvency II requirements within the proper time frame and to implement them on the foundation of a business model. All implementation projects are designed in such a way that application will be possible by January 2014 at the latest.

The major challenge for UNIQA will be the punctual implementation of comprehensive requirements for risk management processes, associated documentation requirements and reporting requirements, especially because regulators have not yet fully clarified all of these requirements.

The implementation process is proceeding across the Group, and the challenge is to implement a uniform minimum standard in all UNIQA companies. A central topic in this task is the standardisation of processes, data structures, definitions and expertise.

The UNIQA Group is placing great value on the implementation of pillars 2 and 3 – risk management processes. An essential aspect is the acceptance of the risk management system within the UNIQA subsidiaries. This is why we are communicating broadly within the company about the essence and utility of the risk management framework.

### **3.3. Reorientation of the UNIQA Group**

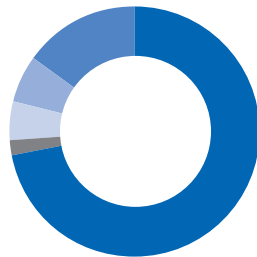
We implemented the new strategy for the UNIQA Group in the summer of 2011. We are now implementing this growth strategy: we are optimising structures and accelerating processes to increase the company's proximity to both customers and markets. These measures include human resources and process risks that are normal for such change processes. The UNIQA Group is therefore proceeding very carefully and is establishing internal controls to monitor risks.

Our goal in Austria with regard to bank assurance is to intensify cooperation between Raiffeisen insurance and the Raiffeisen banks significantly by aligning ourselves clearly with the needs of bank advisors and customers. If adjustments to collaboration among partners in the Raiffeisen banks are not adopted, then our growth targets cannot be met.

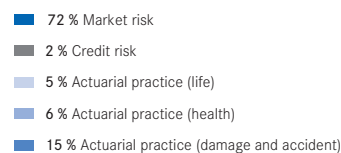
#### 4. Risk profile

##### 4.1. General risk profile

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



Risk profile of the UNIQA Group



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

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

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

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

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

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

The benchmark profile shows that, for composite insurers, the relationship between market and actuarial risk is balanced out. In addition, the highest diversification effect was achieved among the composite insurers.

## 4.2. Risk categories

### 4.2.1. Market risk

Market risk is powerfully influenced by the risk of changing interest rates, particularly in the life insurance line. The risk of changing interest rates results from the “duration gap” between assets and liabilities. The revision of the current ALM strategy should bring significant improvements to this situation in the medium term.

Another major risk is the spread risk, which also affects comparable peer companies. In this category, very high capital requirements for credit structures (ABS) in the calculation methodology for future equity requirements under Solvency II are particularly important. Moreover, portfolio components such as emerging markets bonds or poorly rated state bonds are a risk driver.

The share risk of the UNIQA Group is driven especially by alternative investments such as hedge funds and private equity.

About 10 per cent of market risk comes from risks associated with land and buildings.

Other market risks, such as concentration and currency risks, play a minimal role in the UNIQA Group at this time.

There were no major year-on-year changes in terms of the methods and processes for managing and measuring these risks. Adjustments with regard to Solvency II are in the draft stage.

#### Description of market risk categories:

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

Average interest coupon %	€		USD		Other	
	2011	2010	2011	2010	2011	2010
<b>Fixed-interest securities</b>						
High-grade bonds	3.76	3.89	3.55	3.90	5.34	5.18
Bank/company bonds	3.89	3.91	4.28	5.26	4.14	4.13
Emerging markets bonds	5.13	5.71	7.49	9.67	8.39	10.06
High-yield bonds	8.74	7.63	9.48	10.07	4.45	5.44
Other investments	3.36	3.48	0.00	0.00	0.00	0.00
<b>Fixed-interest liabilities</b>						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.66	2.71				

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

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

Investments for long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Annuities	9,278,517	9,440,828
Shares	479,685	642,456
Alternatives	636,199	708,594
Holdings	399,464	411,382
Loans	1,019,325	1,267,004
Real estate	1,198,798	1,107,667
Liquidity	769,018	743,515
Deposits receivable	127,334	123,284
<b>Total</b>	<b>13,908,340</b>	<b>14,444,730</b>
Difference between book value and market value		
Real estate	478,042	264,055
Loans	-96,541	-27,812

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Actuarial provision	13,521,141	13,459,510
Provision for profit-unrelated premium refunds	2,084	1,869
Provision for profit-related premium refunds, i.e. policyholder profit sharing	-62,826	112,060
Other technical provisions	23,516	23,858
Provision for outstanding claims	108,152	108,309
Deposits payable	441,620	436,200
<b>Total</b>	<b>14,033,687</b>	<b>14,141,806</b>

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

Remaining term	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Up to 1 year	689,448	810,676
Of more than 1 year up to 3 years	1,067,439	1,052,770
Of more than 3 years up to 5 years	1,932,150	1,792,639
Of more than 5 years up to 7 years	2,159,205	2,192,915
Of more than 7 years up to 10 years	2,289,454	2,208,519
Of more than 10 years up to 15 years	859,164	1,361,612
More than 15 years	1,300,982	1,288,702
<b>Total</b>	<b>10,297,842</b>	<b>10,707,832</b>

The capital-weighted average remaining term of technical liabilities is around 9.0 years (2010: 8.0 years).

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

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

Investments in unit-linked and index-linked life insurance policies	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Share-based funds	951,241	988,689
Bond funds	3,274,938	3,044,113
Liquidity	89,318	81,107
Other investments	80,519	78,821
<b>Total</b>	<b>4,396,016</b>	<b>4,192,730</b>

### Long-term health insurance policies

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

Investments for long-term health insurance policies	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Annuities	1,094,340	1,238,629
Shares	85,793	53,963
Alternatives	88,812	93,450
Holdings	207,349	199,705
Loans	732,758	710,918
Real estate	331,258	318,529
Liquidity	387,256	169,333
<b>Total</b>	<b>2,927,567</b>	<b>2,784,528</b>
Difference between book value and market value		
Real estate	119,825	144,441
Loans	-9,931	3,828

Provisions and liabilities from long-term health insurance policies	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Actuarial provision	2,693,400	2,533,728
Provision for profit-unrelated premium refunds	17,264	16,578
Provision for profit-related premium refunds, i.e. policyholder profit sharing	63,495	50,092
Other technical provisions	574	548
Provision for unearned premiums	16,338	15,914
Provision for outstanding claims	177,139	172,279
Deposits payable	1,204	1,323
<b>Total</b>	<b>2,969,414</b>	<b>2,790,463</b>

### Property and casualty insurance policies

Most property and casualty insurance policies are short-term. The technical provisions are not discounted, meaning that no interest is calculated for the short-term investment. The average

terms of interest-bearing securities and loans invested to cover technical provisions are shown in the following table.

Remaining term	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
Up to 1 year	89,885	102,103
Of more than 1 year up to 3 years	248,730	182,759
Of more than 3 years up to 5 years	337,581	325,941
Of more than 5 years up to 7 years	428,767	358,017
Of more than 7 years up to 10 years	507,654	570,630
Of more than 10 years up to 15 years	192,734	186,249
More than 15 years	21,748	223,849
<b>Total</b>	<b>1,827,098</b>	<b>1,949,547</b>

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

Rating	31 Dec. 2011	31 Dec. 2010
<small>Figures in € thousand</small>		
AAA	3,516,927	3,317,270
AA	1,826,334	3,062,155
A	3,156,654	2,979,241
BBB	2,722,147	2,655,684
BB	875,010	874,895
B	461,888	577,764
CCC	262,460	168,868
Not rated	227,397	30,047
<b>Total</b>	<b>13,048,817</b>	<b>13,665,924</b>

The values as at 31 December 2011 also include the securities reclassified to the category of loans in the 3rd quarter with a value of €1,089,093 thousand (2010: €1,379,806 thousand).

The leading ratings agencies revised and reclassified their state ratings in 2011, which also led to changes in the distribution of inventories by rating. Furthermore, the internal maintenance of ratings began to implement Solvency II methodologies in 2011.

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



Share portfolio composition	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Shares in Europe	475,699	438,554
Shares in America	32,778	48,112
Shares in Asia	11,051	26,802
Shares international <sup>1)</sup>	22,153	4,932
Shares in emerging markets	12,485	32,149
Shares total return <sup>2)</sup>	217,840	158,228
Other shares	21,313	208,872
<b>Total</b>	<b>793,319</b>	<b>917,648</b>

1) Share-based funds with globally diversified investments.

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

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

31 Dec. 2011	€	USD	Other	Total
Figures in € thousand				
<b>Assets</b>				
Investments	21,923,947	791,089	1,886,053	24,601,090
Other tangible assets	108,794		22,467	131,261
Intangible assets	1,370,121		130,210	1,500,331
Share of reinsurance in the technical provisions	1,022,996		66,663	1,089,658
Other assets	1,009,404		235,913	1,245,318
<b>Total</b>	<b>25,435,263</b>	<b>791,089</b>	<b>2,341,306</b>	<b>28,567,658</b>
<b>Provisions and liabilities</b>				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,654,008		1,552,434	24,206,442
Other provisions	761,816		26,294	788,109
Liabilities	1,751,991		150,531	1,902,522
<b>Total</b>	<b>25,742,815</b>	<b>0</b>	<b>1,729,259</b>	<b>27,472,074</b>

31 Dec. 2010	€	USD	Other	Total
Figures in € thousand				
<b>Assets</b>				
Investments	22,304,559	466,618	2,007,505	24,778,682
Other tangible assets	116,976		21,681	138,657
Intangible assets	1,413,996		107,881	1,521,877
Share of reinsurance in the technical provisions	1,030,609		79,892	1,110,501
Other assets	884,477		269,519	1,153,996
<b>Total</b>	<b>25,750,618</b>	<b>466,618</b>	<b>2,486,478</b>	<b>28,703,713</b>
<b>Provisions and liabilities</b>				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,250,871		1,629,686	23,880,557
Other provisions	709,230		23,536	732,766
Liabilities	1,852,190		141,747	1,993,936
<b>Total</b>	<b>25,387,290</b>	<b>0</b>	<b>1,794,969</b>	<b>27,182,259</b>

The fair value of securities investments in US dollars amounted to €1,766 million as at 31 December 2011 (2010: €1,625 million). The exchange rate risk decreased through derivative financial instruments to €791 million (2010: €467 million), and the safeguard ratio was 71.1 per cent (2010: 71.0 per cent). The safeguard was maintained in a range of between 55 per cent and 80 per cent (2010: 56 per cent and 81 per cent) during the financial year.

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

**Liquidity risk:** the UNIQA Group must satisfy its payment obligations on a daily basis. For this reason, a precise liquidity schedule for the immediately following months is used, and a minimum liquidity holding is defined by the Management Board and is available as a cash reserve on a daily basis. In addition, a majority of the securities portfolio is listed on liquid stock exchanges and can be sold quickly in the case of liquidity burdens. When the remaining maturities stipulated by contract for investing fixed-interest securities (see Notes number 9) are chosen, the existing remaining contractual maturities (see 4.2.1 interest rate risk) are taken into consideration in the various business segments.

Additional underwriting obligations exist for private equity investments in the amount of €72 million (2010: €102 million).

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

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

Interest rate risk	31 Dec. 2011		31 Dec. 2010	
	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Figures in € thousand				
High-grade bonds	- 350,679	375,014	- 382,196	410,964
Bank/company bonds	- 64,335	68,799	- 55,312	59,475
Emerging markets bonds	- 42,649	45,609	- 71,990	77,408
High-yield bonds	- 372	397	- 912	981
<b>Total</b>	<b>- 458,034</b>	<b>489,819</b>	<b>- 510,410</b>	<b>548,828</b>

Equity risk	31 Dec. 2011		31 Dec. 2010	
	+ 10%	- 10%	+ 10%	- 10%
Figures in € thousand				
Shares in Europe	31,158	- 31,158	38,221	- 37,744
Shares in America	4,526	- 4,526	6,117	- 6,117
Shares in Asia	1,587	- 1,587	2,053	- 2,053
Shares international	2,288	- 2,288	2,175	- 2,175
Shares in emerging markets	1,404	- 1,404	3,403	- 3,403
Shares total return	16,128	- 16,128	16,663	- 16,663
Derivative financial instruments and other shares	2,195	- 2,210	3,448	- 3,448
<b>Total</b>	<b>59,286</b>	<b>- 59,300</b>	<b>72,080</b>	<b>- 71,603</b>

Currency risk	31 Dec. 2011		31 Dec. 2010	
	+ 10%	- 10%	+ 10%	- 10%
Figures in € thousand				
€	0	0	0	0
USD	83,052	- 83,052	45,924	- 45,924
Other	123,712	- 123,712	161,797	- 161,797
<b>Total</b>	<b>206,765</b>	<b>- 206,765</b>	<b>207,721</b>	<b>- 207,721</b>

Credit risk		31 Dec. 2011		31 Dec. 2010	
		+	-	+	-
Figures in € thousand					
AAA	0 basis points	0	0	0	0
AA	25 basis points	- 71,134	71,134	- 38,313	38,313
A	50 basis points	- 125,820	125,820	- 53,030	53,030
BAA	75 basis points	- 103,462	103,462	- 70,948	70,948
BA	100 basis points	- 34,066	34,066	- 34,735	34,735
B	125 basis points	- 17,494	17,494	- 30,641	30,641
CAA	150 basis points	- 6,575	6,575	- 7,453	7,453
Not rated	100 basis points	- 9,085	9,085	- 13,098	13,098
<b>Total</b>		<b>- 367,635</b>	<b>367,635</b>	<b>- 248,219</b>	<b>248,219</b>

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

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

Value at Risk	Total value at risk	Equity risk	Currency risk	Interest rate risk	Diversification
<small>Figures in € thousand</small>					
31 Dec. 2011	1,026,235	389,567	282,699	751,008	- 397,039
31 Dec. 2010	676,337	342,165	116,127	713,066	- 495,021
Lowest	715,474	169,249	121,059	643,602	- 251,122
Average	864,041	323,642	227,616	756,543	- 375,962
Highest	1,026,235	403,376	311,141	802,930	- 746,111

#### Evaluation of the stock of Asset-Backed Securities

The UNIQA Group held 2.5 per cent (2010: 2.6 per cent) of its investments in Asset-Backed Securities (ABS). Model risks are associated with the valuation of ABS securities.

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

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

UNIQA is of the view that it will not be possible to ascertain a fair value for these securities on the basis of market prices or market transactions for the year 2011 due to low liquidity. So-called market prices, insofar as these can even be identified in individual cases, pertain only in the rarest of cases to securities that are held directly in the portfolio or even to securities from the same issuer, but rather generally to another paper that is similar in terms of rating and securitisation category.

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

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

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

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

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

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

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

Sensitivity analysis	Upside	Downside
Figures in € million		
Total profit/loss	8.1	- 105.1
on P&L	0.5	- 74.7
on equity	7.5	- 30.4

#### Valuation of STRABAG SE

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

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

Book value STRABAG SE	2011
Figures in € thousand	
As at 1 Jan.	453,079
Disposal	0
Updating affecting income <sup>1)</sup>	23,168
Updating not affecting income	- 5,338
Dividends	- 9,389
As at 31 Dec.	461,521
Value in € per share	27.04

1) The estimate for the as-yet-unpublished 4th quarter of 2011 was also worked on during the financial year.

### Information about investments in the PIIGS nations

Issuer	Current market value 31 Dec. 2011
Figures in € thousand	
Spain	155,040
Greece	105,265
Ireland	279,554
Italy	789,803
Portugal	56,214
<b>Total</b>	<b>1,385,876</b>

The EU accompanying measures by euro zone countries for Greece also anticipates participation from private investors. This is why devaluations of Greek bonds took place at the market exchange rate as at 31 December 2011. This led to depreciation of €387,622 thousand. Currently it must be assumed that government bonds from other member countries will be completely paid back and the current risk reduction on bond prices in some European countries will not last.

The difference to the cost of acquisition of this investment (excluding Greece) affects mainly the revaluation reserve, reduced by the deferred profit-sharing arrangement (in life insurance) and deferred taxes.

### ALM

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

Investments	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Long-term life insurance policies with guaranteed interest and profit sharing	13,908,340	14,444,730
Long-term unit-linked and index-linked life insurance policies	4,397,379	4,192,730
Long-term health insurance policies	2,927,567	2,784,528
Short-term property and casualty insurance policies	3,367,805	3,356,695
<b>Total</b>	<b>24,601,090</b>	<b>24,778,682</b>

These values refer to the following balance sheet items:

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

Technical provisions and liabilities (retained)	31 Dec. 2011	31 Dec. 2010
<i>Figures in € thousand</i>		
Long-term life insurance policies with guaranteed interest and profit sharing	14,033,687	14,141,806
Long-term unit-linked and index-linked life insurance policies	4,318,331	4,142,636
Long-term health insurance policies	2,969,414	2,790,463
Short-term property and casualty insurance policies	2,655,562	2,540,917
<b>Total</b>	<b>23,976,994</b>	<b>23,615,822</b>

These values refer to the following balance sheet items:

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

#### 4.2.2. Actuarial risks

##### *Actuarial risk non-life*

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

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

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

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

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

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

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

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

Profitability in the core business is a decisive factor.

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

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

An essential element in risk assessment and further risk management is the use of the NON-life partial model. This risk model quantifies premium, reserve and catastrophic risk by means

of a Monte Carlo simulation procedure. This quantification is conducted at insurance branch level (sector), at company level and Group level.

In addition to risk figures relevant for risk management, this risk model also delivers the economic earnings figures (RoRAC: Return of Risk Adjusted Capital) and an EVA (Economic Value Added), which are then indispensable for goal- and values-oriented company management.

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

### ***Actuarial risk life***

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

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

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

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

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

The calculation of the premium is also based on the acceptance of a large, 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 bases of calculation prove to be insufficient despite careful selection.
- Random fluctuations prove disadvantageous for the insurer.
- The policyholder exercises certain implicit options to his advantage.

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



### Capital and risk insurance

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

In the following table, the number of insurance policies is divided by rate groups and insured sum categories; included here are the policies of the companies UNIQA Personenversicherung AG, Raiffeisen Versicherung AG, Salzburger Landes-Versicherung AG and CALL DIRECT Versicherung AG.

Number of insurance policies as at 31 Dec. 2011 Category <sup>1)</sup>	Capital insurance	Retirement annuity deferred	Retirement annuity in payment	Risk insurance
€ 0 to € 20,000	767,944	79,633	8,131	134,526
€ 20,000 to € 40,000	168,793	31,883	3,395	38,306
€ 40,000 to € 100,000	71,899	18,802	2,476	126,806
€ 100,000 to € 200,000	8,404	5,046	755	68,955
More than € 200,000	2,008	1,821	262	9,307

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

### Mortality

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

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

### Homogeneity and independence of insurance risks

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

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

**Antiselection**

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

**Retirement annuities****Mortality**

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

Attempts to predict this effect were made when producing the generation tables. However, such tables only exist for the Austrian population, and this data cannot be applied to other countries. Moreover, the past shows that the effect of these changes was seriously underestimated, which meant that subsequent reservations had to be made for retirement annuity contracts.

**Antiselection**

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

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

**Financial risks**

The actuarial interest that may be used in the calculation for writing new business is based on the maximum interest rate ordinance, and currently amounts to 1.75 per cent per annum ("Lebensaktie", "Zukunftsplan") or 2.25 per cent per annum (other life insurance policies). However, the portfolio also contains older contracts with actuarial interest of up to 4.0 per cent per annum, while the average rate for the portfolio is 2.66 per cent (2010: 2.71 per cent).

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

The interest risk functions in the following ways:

**Investment and reinvestment risk**

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

**Ratio of assets to liabilities**

For practical reasons, the goal of duration matching cannot be fully achieved on the investment and liability side. The duration of the assets is 4.0 years (2010: 5.1 years), while for liabilities it is considerably longer. This creates a duration gap, which means that the ratio of assets to liabilities reduces as interest rates fall.

**Value of implicit options**

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

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

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

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

The capital-weighted average remaining term of technical liabilities is around 9.0 years (2010: 8.0 years).

**Actuarial risk health**

The health insurance business is operated primarily in Austria (82 per cent domestic and 18 per cent international). As a result, the focus lies on risk management in Austria.

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

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

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

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

The actuarial interest rate for this actuarial provision is a prudent 3 per cent, which means that the investment risk of health insurance in Austria is relatively low. If it were expected, for example, that 3 per cent could no longer be obtained in future, this fact would have to be taken into account for future benefits and included in the premium adjustment.

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 in the calculation of premiums in the 4th quarter of 2007. This means that the costs of birth and pregnancy had to be distributed across both sexes. No significant risk to profit has been identified here.

In the meantime, a decision reached by the European Court of Justice regarding insurance policies results in a new situation as of 21 December 2012: by this point in time at the latest, only completely identical premiums are allowed for men and women, excluding considerations such as age and individual pre-existing conditions. Because yearly new business in the health insurance line does not have a very high share of the overall portfolio in this sector, we do not anticipate a high risk of miscalculation from this angle. It is more difficult to assess the problem of converting existing female policies to the new UNISEX tariff, but we can expect, based on our experience with the (partial) unisex tariff since 2007, that this risk will remain within a limited range.

The risk of the health insurance business outside Austria is dominated primarily by Mannheimer Krankenversicherung (approximately €124.8 million in annual premiums) as well as UNIQA Assicurazioni in Milan (approximately €31.9 million in annual premiums). Both companies currently have relatively stable holdings, meaning that risk scarcely changes. For tariffs with an outdated calculation basis, with aging holdings, the insured should be converted in the coming years to tariffs with a modern calculation basis. Because this affect tariffs that are not life-long, the conversion problem is less significant than it is for life-long tariffs.

The remaining premiums (approximately €33.3 million) are divided among multiple companies and are of only minor importance there. Only in Switzerland (Geneva) is health insurance the primary business (approximately €6.8 million); however, the Swiss Solvency Test resulted in sufficient risk capital.

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

#### **4.2.3. Other risks**

##### ***Operational risks***

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

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

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

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

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

##### ***Reputation and strategic risks***

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

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

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

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

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

Like operational and reputation risks, strategic risks are evaluated twice a year. Furthermore, important decisions in various committees, such as the Risk Committee, are discussed with the Management Boards.

### 5. Impairment Test 2011

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

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

The UNIQA Group has apportioned goodwill into the following CGUs:

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

Region	31 Dec. 2011
<small>Figures in € thousand</small>	
Austria	59,214
Western Europe (WE)	147,513
Central Europe (CE)	37,552
Eastern Europe (EE)	169,101
Southeastern Europe (SEE)	100,331
Russia (RU)	87
<b>Total</b>	<b>513,798</b>

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

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

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

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

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

- A uniform, risk-free interest rate according to the Svensson method was used (term: 30 years) as a base interest rate.
- The beta factor was based on the levered betas of European + emerging markets according to Damodaran, whereby a differentiation was made between betas for life and health insurance and betas for property insurance.
- The market risk premium was figured based on countries with AAA ratings according to Damodaran.
- The national risk premium was figured based on the country ratings of Standard & Poor's in February 2012, and the calculation was performed as follows: starting with the rating of the respective country, the yield spread of corporate bonds with the same rating to risk-free government bonds (AAA rating) is determined and adjusted by the volatility difference between the stock and bond markets. In addition, a rating improvement by one level within four to five years is assumed.

The capitalisation interest rate is listed below for all CGUs:

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

Source: UNIQA

The following interest rates were applied in the previous year:

Cash-Generating Unit	Discount factor		Discount factor perpetuity	
	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	12.9%	15.8%	10.4%	12.9%
Bosnia-Herzegovina	12.9%	15.8%	10.4%	12.9%
Bulgaria	8.9%	10.6%	7.4%	9.0%
Germany	6.8%	7.8%	5.8%	6.8%
Italy	8.0%	9.4%	6.9%	8.2%
Kosovo	11.1%	13.4%	8.3%	10.1%
Croatia	9.6%	11.5%	7.7%	9.3%
Liechtenstein	6.8%	7.8%	5.8%	6.8%
Macedonia	11.1%	13.4%	8.3%	10.1%
Montenegro	11.1%	13.4%	8.3%	10.1%
Austria	6.8%	7.8%	5.8%	6.8%
Poland	8.5%	10.0%	7.1%	8.5%
Romania	11.0%	13.3%	7.9%	9.6%
Russia	8.9%	10.6%	7.4%	9.0%
Switzerland	6.8%	7.8%	5.8%	6.8%
Serbia	12.8%	15.7%	9.7%	12.0%
Slovakia	8.0%	9.4%	6.9%	8.2%
Czech Republic	8.2%	9.6%	6.9%	8.2%
Ukraine	12.9%	15.8%	10.4%	12.9%
Hungary	9.6%	11.5%	7.7%	9.3%

Source: UNIQA



### *Cash flow forecast (multi-phase model)*

#### **Phase 1: Five-year company planning**

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

#### **Phase 2: Extended seven-year planning phase**

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

#### **Phase 3: Perpetuity**

The cash flows determined at the end of phase 2 were used as the basis for the perpetuity and therefore correspond to results that can be realistically achieved and sustained over the long term.

### *Scenarios*

The earning power of the individual CGUs is determined by a weighted probability scenario. Three scenarios were calculated: scenario 1 depicts the base case according to the current and strategic planning; scenario 2 the best case for expected market and company development; and scenario 3 the worst case.

Scenarios 1 and 2 assume that by 2015 the credit spreads will have returned to an average level as before the crisis. The cash value of the perpetuity was calculated in scenario 1 with a growth deduction of 1 per cent and in scenario 2 with a growth deduction of 2 per cent. It is assumed in the third scenario that the credit spreads also remain at the same level in the future and no rating improvement takes place relative to the current situation. A growth deduction of 1.5 per cent was also applied here in the perpetuity in order to appropriately counteract the decline in growth in the purely negatively oriented scenario.

### *Expected value*

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

### *Uncertainty and sensitivity*

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

#### *The following studies and materials served as reference sources:*

- SwissRe – Insurance density CEE
- Raiffeisen Research – Inflation rate trends
- Eurostat – GDP growth, interest rate trends
- WIIW (Wiener Institut für internationale Wirtschaftsvergleiche) – Purchasing power parities, GDP growth CEE
- Prof. Damodaran, Stern School, USA – national risks, market betas, risk surcharges for discount factors
- Thomson Reuters, Business Climate Index, Central and Eastern Europe

Sensitivity analyses with regard to the capitalisation interest rate and the main value drivers are performed in order to verify the results.

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

All the budgeted profit was calculated with the exchange rates as at 31 November 2011.

For the event that the intensity and duration of the recovery from the economic crisis turns out to be much slower than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs. At this time, the current developments and the cautiously, slowly growing improvement estimates of the individual CGUs and the markets (exception: Romania) give no cause for applying unscheduled depreciations. Tight coverage is currently in place in Bulgaria, Croatia, Montenegro and Albania. An amortisation of goodwill in Romania was conducted in the amount of €15 million. Corresponding measures for stabilisation and to promote the required upward trend in company development have already been initiated by the UNIQA Group.

The following table shows GDP development in the relevant markets since 2009. A mixed picture emerged for 2011 in which countries such as the Czech Republic and Slovakia experienced a clear slowdown in growth. On the other hand, countries such as the Ukraine, Bulgaria and Romania continued to grow.

A general weakening in growth is expected for 2012. In the long term, however, we can assume an upward trend and stabilisation in the CEE markets. As such, no loss of these core markets for UNIQA is expected over the long term.

	2009	2010	2011e	2012f	2013f
<b>Poland</b>					
GDP (% in annual comparison)	1.7	3.8	3.9	2.2	3.3
<b>Hungary</b>					
GDP (% in annual comparison)	- 6.8	1.3	1.5	- 2.0	1.5
<b>Czech Republic</b>					
GDP (% in annual comparison)	- 4.7	2.7	1.9	- 1.2	1.2
<b>Slovakia</b>					
GDP (% in annual comparison)	- 4.8	4.0	3.3	- 0.5	2.5
<b>Slovenia</b>					
GDP (% in annual comparison)	- 8.0	1.4	0.4	- 1.5	1.5
<b>Croatia</b>					
GDP (% in annual comparison)	- 6.0	1.2	0.5	- 1.0	1.5
<b>Bosnia-Herzegovina</b>					
GDP (% in annual comparison)	- 2.9	0.7	1.9	0.0	2.0
<b>Serbia</b>					
GDP (% in annual comparison)	- 3.5	1.0	2.0	1.0	2.0
<b>Bulgaria</b>					
GDP (% in annual comparison)	- 5.5	0.2	2.0	1.2	2.5
<b>Romania</b>					
GDP (% in annual comparison)	- 6.6	- 1.9	2.5	0.5	2.5
<b>Ukraine</b>					
GDP (% in annual comparison)	- 14.8	4.2	4.7	3.5	4.0
<b>Albania</b>					
GDP (% in annual comparison)	3.3	3.9	3.0	2.5	3.5
<b>Russia</b>					
GDP (% in annual comparison)	- 7.9	4.0	3.8	3.2	4.0

Source: Raiffeisen Research January 2012.

The expected global development graph of the CEE-17 countries also exhibits a positive future trend in comparison with the USA and the EU.

In consideration of the data and statistical sources on which these calculations were based and trend scenarios such as GDP forecasts per CGU and insurance density development per CGU, no situations of insufficient coverage were identified in 2011 within the impairment test, with the exception of Romania.

The general economic situation as well as the development of the national economies continues to call for constant observation and the implementation of measures to achieve a balanced mix of stability, growth and profitability. With its ongoing profit improvement programme and with the sales focus on the profitable retail business in Eastern Europe, UNIQA has already taken the necessary steps for accomplishing this.

A few expansions are planned for the review process in 2012: regular auditing will be expanded in order to optimise real-time monitoring for individual companies. A central location will also be set up in future to analyse the development of individual markets from a national economic perspective and to provide a consistent, uniform model for forecasting market developments. The results of this model will then be used in the calculation of company figures and in the regular planning process.

## 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. Internal risk transfers, of course, are subject to the same requirements and valuation processes in terms of efficiency measurement, risk capital optimisation and diversification as retrocessions to external reinsurance partners.

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

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

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

## 7. Risk management aims for 2012

### 7.1. Internal monitoring system

The implementation of a Group-wide internal control system is a major project for the risk management process in 2012. The objective of an internal control system is to secure efficient process workflows, as well as availability and reliability in financial and non-financial reporting.

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

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

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

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

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

Our goal for 2012 is to document the most important elements of the internal control system, such as process flows, identified risks and controls, across the Group and in a uniform manner. Furthermore, our ICS system is audited each year and adjusted as necessary.

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

In terms of accounting processes, an ICS process has been defined and in operation since 2009. The accounting process of the UNIQA Group is standardised throughout the Group. Compliance guidelines, operational organisation manuals, balance sheet and consolidation manuals exist to ensure a reliable process. Processing is largely centralised for domestic affiliated companies. For international Group companies, the accounting process is largely decentralised.

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

#### **Organisational structure and controlling scope**

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

#### **Identification and controlling of risks**

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

#### **7.2 ALM**

UNIQA strives, in the context of an existing ALM process, for adequate duration matching between assets and liabilities. A major further development of existing ALM processes should take place in 2012 in the course of establishing the risk management department, and market and credit risk management in particular. A project is deriving strategic asset allocation tailored to fit the business model from given technical requirements, while also creating the necessary organisational structures and conditions for a functioning, interdepartmental ALM process. The ALM project includes strategically important topics such as the allocation of risk capital to individual risk types, the different structural conditions for deriving strategic asset allocation, comprehensive further development of existing limit and threshold systems, a Group-wide concept for efficient liquidity management, nominating rights for an ALM committee for the topics of profit sharing in the life insurance line and the development of new products, as well as the organisation and structural conditions of the ALM committee itself. ALM is an essential tool for UNIQA for providing the core business with efficient support by means of asset management. In the future, the focus on sustainability and economic risk/return assessments will become even more important with the introduction of Solvency II. In the context of this project, UNIQA wants to establish a state-of-the-art ALM process, thereby ensuring maximum benefits for policyholders, shareholders and other stakeholders.

### **7.3 Value-based management**

On 1 January 2012, a new area called “value-based management” was established within the risk management department. The core task of this area is to support the company over the long term to make the greatest possible progress towards defined company goals. These goals include not only target profits, but also topics such as regulatory and economic equity and the Group’s rating.

Managing the company should be guided by the assessment of value creation by means of value-oriented key figures, whereby the relation of profits and risks form the core of new analytical methods.

This area will also be responsible for developing national economic themes. The focus here is on the analysis of the insurance markets in individual countries in Central and Southern Europe, as well as the expansion of the forecast model.

The area also covers the topics of compliance, code of conduct rules and sustainability. In order to protect the high reputation of the UNIQA brand, measures and existing processes for the prevention of money laundering, insider trading, corruption, theft and data protection will be expanded in the coming months.

### **7.4 ORSA (Own Risk and Solvency Assessment)**

One focus in 2012 is the further development of the ORSA process. In addition to preparing internal guidelines, our focus is on addressing the entanglement of existing elements in the risk management framework.

Along with the internal evaluation of the risk situation in terms of risk sources and the evaluation of these risks, structured and strategic risk scenario development plays a central role here, as do the resulting implications on medium-term solvency, equity and profit positions.

### **7.5 Sustainability**

We understand sustainable action as a major factor for our long-term economic success. This is why we were the first Austrian insurer to introduce the concept of “value-oriented company management” at Management Board level in a risk management department in the summer of 2011. For UNIQA, sustainability means working within a clear, transparent system of governance that assumes responsibility for three areas: the economy, society and the environment.

Our objective is to implement sustainability comprehensively in our strategy and business model. However – and we say this quite openly – we are not yet where we want to be. In the next 12 months, we will begin anchoring risk and values management in the company. This means sustainability is linked with the strategy and is integrated into processes and systems. Responsibility and values management exists. Compliance rules not only meet legal requirements, but are also an important component of the company culture. The topic of sustainability is treated in an active and structured manner.

## SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED BALANCE SHEET

### Development of asset items

Figures in € thousand

	Balance sheet values previous year	Currency differences	Additions	Unrealised capital gains and losses
<b>A. Tangible assets</b>				
I. Self-used land and buildings	268,563	- 4,793	3,445	0
II. Other tangible assets				
1. Tangible assets	68,866	- 1,050	18,882	0
2. Inventories	5,956		0	
3. Other assets	63,835		0	
<b>Total A. II.</b>	<b>138,657</b>	<b>- 1,050</b>	<b>18,882</b>	<b>0</b>
<b>Total A.</b>	<b>407,220</b>	<b>- 5,844</b>	<b>22,327</b>	<b>0</b>
<b>B. Land and buildings held as financial investments</b>	<b>1,465,297</b>	<b>- 9,709</b>	<b>177,221</b>	<b>0</b>
<b>C. Intangible assets</b>				
I. Deferred acquisition costs	891,131	- 4,028	263,561	0
II. Goodwill				
1. Purchased positive goodwill	175	0	0	0
2. Positive goodwill	533,913	- 7,633	2,945	0
3. Value of insurance policies	65,555	- 320	0	0
<b>Total C. II.</b>	<b>599,643</b>	<b>- 7,952</b>	<b>2,945</b>	<b>0</b>
III. Other intangible assets				
1. Self-developed software	1,612	- 17	497	0
2. Acquired intangible assets	29,491	- 754	14,734	0
<b>Total C. III.</b>	<b>31,103</b>	<b>- 771</b>	<b>15,231</b>	<b>0</b>
<b>Total C.</b>	<b>1,521,877</b>	<b>- 12,752</b>	<b>281,737</b>	<b>0</b>
<b>D. Shares in associated companies</b>	<b>546,444</b>	<b>0</b>	<b>3,337</b>	<b>- 5,851</b>
<b>E. Investments</b>				
I. Variable-yield securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	1,751,520	- 2,050	706,059	37,229
2. At fair value through profit or loss	694,424	0	42,534	0
<b>Total E. I.</b>	<b>2,445,944</b>	<b>- 2,050</b>	<b>748,593</b>	<b>37,229</b>
II. Fixed-interest securities				
1. Fixed-interest securities, held to maturity	340,000	0	0	0
2. Debt securities and other fixed-interest securities	11,198,539	- 32,221	6,016,769	- 60,671
3. At fair value through profit or loss	317,335	- 14	87,535	- 25
<b>Total E. II.</b>	<b>11,855,874</b>	<b>- 32,235</b>	<b>6,104,304</b>	<b>- 60,696</b>
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	451	0	169	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	96,497	0	13	0
d) Loans and advance payments on policies	14,652	- 18	4,327	0
e) Other loan receivables and registered bonds	2,330,078	485	173,428	13,209
<b>Total E. III. 1.</b>	<b>2,442,231</b>	<b>467</b>	<b>177,937</b>	<b>13,209</b>
2. Cash at credit institutions/cash at banks	863,652	- 16,515	172,138	0
3. Deposits with ceding companies	136,794	0	5,999	0
<b>Total E. III.</b>	<b>3,442,677</b>	<b>- 16,048</b>	<b>356,074</b>	<b>13,209</b>
IV. Derivative financial instruments	28,252	- 111	56,446	0
<b>Total E.</b>	<b>17,772,746</b>	<b>- 50,444</b>	<b>7,265,417</b>	<b>- 10,259</b>
<b>F. Investments held on account and at risk of life insurance policyholders</b>	<b>4,192,730</b>	<b>- 29,917</b>	<b>1,604,957</b>	<b>- 20,675</b>
<b>Aggregate total</b>	<b>25,906,313</b>	<b>- 108,665</b>	<b>9,354,997</b>	<b>- 36,785</b>



Amortisation	Transfers	Disposals	Appreciation	Depreciation	Book value financial year
0	-1,575	3,129	0	10,222	252,288
0	597	2,636	0	17,068	67,591
		84			5,872
		6,036			57,798
<b>0</b>	<b>597</b>	<b>8,756</b>	<b>0</b>	<b>17,068</b>	<b>131,261</b>
<b>0</b>	<b>-979</b>	<b>11,886</b>	<b>0</b>	<b>27,290</b>	<b>383,549</b>
<b>0</b>	<b>819</b>	<b>4,198</b>	<b>0</b>	<b>62,471</b>	<b>1,566,958</b>
0	0	0	0	250,932	899,732
0	0	0	0	87	87
0	0	427	0	15,000	513,798
0	0	0	0	9,073	56,163
<b>0</b>	<b>0</b>	<b>427</b>	<b>0</b>	<b>24,160</b>	<b>570,048</b>
0	0	-23	0	110	2,005
0	159	5,074	0	10,010	28,545
<b>0</b>	<b>159</b>	<b>5,051</b>	<b>0</b>	<b>10,120</b>	<b>30,551</b>
<b>0</b>	<b>159</b>	<b>5,478</b>	<b>0</b>	<b>285,212</b>	<b>1,500,331</b>
<b>0</b>	<b>0</b>	<b>12,365</b>	<b>24,555</b>	<b>25,635</b>	<b>530,485</b>
-12	7,713	808,951	18,230	73,605	1,636,133
0	0	171,977	68,998	84,684	549,296
<b>-12</b>	<b>7,713</b>	<b>980,928</b>	<b>87,229</b>	<b>158,289</b>	<b>2,185,429</b>
0	0	340,000	0	0	0
10,621	-12,818	5,510,165	25,495	420,099	11,215,448
902	0	14,599	34,227	35,716	389,645
<b>11,522</b>	<b>-12,818</b>	<b>5,864,764</b>	<b>59,722</b>	<b>455,815</b>	<b>11,605,094</b>
0	-150	349	0	0	121
0	0	0	0	0	552
0	-6,937	10,317	0	2,215	77,042
0	0	5,272	8	1	13,697
337	7,087	424,278	742	3,061	2,098,026
<b>337</b>	<b>0</b>	<b>440,216</b>	<b>750</b>	<b>5,276</b>	<b>2,189,439</b>
-34	2,785	0	1,985	878	1,023,133
0	0	2,136	0	0	140,657
<b>303</b>	<b>2,785</b>	<b>442,351</b>	<b>2,735</b>	<b>6,155</b>	<b>3,353,229</b>
0	0	47,271	63,874	72,691	28,498
<b>11,813</b>	<b>-2,320</b>	<b>7,335,314</b>	<b>213,560</b>	<b>692,950</b>	<b>17,172,249</b>
<b>-1</b>	<b>2,320</b>	<b>1,257,883</b>	<b>62,334</b>	<b>157,849</b>	<b>4,396,016</b>
<b>11,812</b>	<b>0</b>	<b>8,627,125</b>	<b>300,449</b>	<b>1,251,407</b>	<b>25,549,588</b>

## 1. Self-used land and buildings

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Book values for</b>		
Property and casualty	77,066	81,601
Health	11,415	15,369
Life	163,808	171,593
	<b>252,288</b>	<b>268,563</b>
<b>Market values for</b>		
Property and casualty	101,030	100,776
Health	13,903	17,919
Life	208,023	197,614
	<b>322,955</b>	<b>316,309</b>
Acquisition values	379,396	387,630
Cumulative depreciation	- 127,108	- 119,068
<b>Book values</b>	<b>252,288</b>	<b>268,563</b>
Useful life for land and buildings	10– 80 years	10– 80 years

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Additions from company acquisition</b>		
Self-used land and buildings	0	0

The market values are derived from expert reports.

## 2. Other tangible assets

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Tangible assets	67,591	68,866
Inventories	5,872	5,956
Other assets	57,798	63,835
<b>Total</b>	<b>131,261</b>	<b>138,657</b>

### Tangible assets Development in financial year

Figures in € thousand	
Acquisition values as at 31 Dec. 2010	234,568
Cumulative depreciation up to 31 Dec. 2010	- 165,702
<b>Book values as at 31 Dec. 2010</b>	<b>68,866</b>
Currency translation changes	- 1,050
Additions	18,882
Disposals	- 2,636
Transfers	597
Appreciation and depreciation	- 17,068
<b>Book values as at 31 Dec. 2011</b>	<b>67,591</b>
Acquisition values as at 31 Dec. 2010	242,014
Cumulative depreciation up to 31 Dec. 2011	- 174,424
<b>Book values as at 31 Dec. 2011</b>	<b>67,591</b>

Tangible assets refer mainly to office equipment. They are depreciated over a useful life of four to ten years. The amounts of depreciation are recognised in the income statement on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

Additions from company acquisition	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Other tangible assets	29	0

### 3. Land and buildings held as financial investments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Book values for</b>		
Property and casualty	282,815	289,959
Health	294,744	288,647
Life	989,399	886,690
	<b>1,566,958</b>	<b>1,465,297</b>
<b>Market values for</b>		
Property and casualty	455,630	603,044
Health	412,081	430,538
Life	1,423,226	1,124,723
	<b>2,290,937</b>	<b>2,158,305</b>
Acquisition values	2,135,243	1,968,476
Cumulative depreciation	-568,284	-503,179
<b>Book values</b>	<b>1,566,958</b>	<b>1,465,297</b>
Useful life for land and buildings	10- 80 years	10- 80 years
Additions from company acquisition	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Land and buildings held as financial investments	112,960	0

The market values are derived from expert reports.

Figures in € thousand	31 Dec. 2011
Change in impairment for current year	18,242
of which reallocation affecting income	18,242

#### 4. Deferred acquisition costs

Figures in € thousand	2011	2010
<b>Property and casualty</b>		
<b>As at 1 Jan.</b>	<b>162,092</b>	<b>152,824</b>
Currency translation changes	- 2,920	438
Capitalisation	114,921	119,389
Depreciation	- 104,729	- 110,559
<b>As at 31 Dec.</b>	<b>169,364</b>	<b>162,092</b>
<b>Health</b>		
<b>As at 1 Jan.</b>	<b>227,185</b>	<b>224,414</b>
Currency translation changes	- 121	57
Capitalisation	18,138	16,083
Interest surcharge	8,833	8,710
Depreciation	- 21,356	- 22,079
<b>As at 31 Dec.</b>	<b>232,680</b>	<b>227,185</b>
<b>Life</b>		
<b>As at 1 Jan.</b>	<b>501,854</b>	<b>506,614</b>
Currency translation changes	- 987	249
Capitalisation	107,064	96,006
Interest surcharge	14,605	17,375
Depreciation	- 124,848	- 118,390
<b>As at 31 Dec.</b>	<b>497,687</b>	<b>501,854</b>
<b>In the consolidated financial statements</b>		
<b>As at 1 Jan.</b>	<b>891,131</b>	<b>883,851</b>
Currency translation changes	- 4,028	744
Capitalisation	240,123	231,479
Interest surcharge	23,438	26,085
Depreciation	- 250,932	- 251,028
<b>As at 31 Dec.</b>	<b>899,732</b>	<b>891,131</b>

#### 5. Goodwill

Figures in € thousand	
Acquisition values as at 31 Dec. 2010	767,781
Cumulative depreciation up to 31 Dec. 2010	- 168,138
<b>Book values as at 31 Dec. 2010</b>	<b>599,643</b>
Acquisition values as at 31 Dec. 2010	761,677
Cumulative depreciation up to 31 Dec. 2011	- 191,629
<b>Book values as at 31 Dec. 2011</b>	<b>570,048</b>

There were no major additions in 2011 – see also the Notes on the scope of consolidation, page 89.

Figures in € thousand

Cumulative depreciation up to 31 Dec. 2011	191,629
of which relating to impairment	43,767
of which current depreciation	147,862

Figures in € thousand

31 Dec. 2011

Change in impairment for current year	15,000
of which reallocation affecting income	15,000

The values mentioned above include the goodwill and the purchase price paid for the total acquired insurance policies.

## Company acquisitions 2011

Figures in € thousand

	Amounts placed at the time of acquisition	Book values of the acquired companies
<b>Assets</b>	<b>122,214</b>	<b>122,214</b>
Tangible assets	29	29
Land and buildings held as financial investments	112,960	112,960
Intangible assets	653	653
Shares in associated companies	0	0
Investments	3,824	3,824
Investments held on account and at risk of life insurance policyholders	0	0
Share of reinsurance in technical provisions	0	0
Receivables including receivables under insurance business	76	76
Receivables from income tax	0	0
Deferred tax assets	0	0
Liquid funds	4,671	4,671
<b>Equity and liabilities</b>	<b>122,214</b>	<b>122,214</b>
Total equity	51,914	51,914
Subordinated liabilities	0	0
Technical provisions	5	5
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	0	0
Other provisions	503	503
Payables and other liabilities	63,359	63,359
Liabilities from income tax	11	11
Deferred tax liabilities	6,422	6,422
Currency differences	0	0

## 6. Other intangible assets

Figures in € thousand	Self-developed software	Acquired intangible assets
Acquisition values as at 31 Dec. 2010	37,752	182,263
Cumulative depreciation up to 31 Dec. 2010	- 36,140	- 152,772
<b>Book values as at 31 Dec. 2010</b>	<b>1,612</b>	<b>29,491</b>
Acquisition values as at 31 Dec. 2010	38,230	179,796
Cumulative depreciation up to 31 Dec. 2011	- 36,224	- 151,251
<b>Book values as at 31 Dec. 2011</b>	<b>2,005</b>	<b>28,545</b>

The other intangible assets are composed of:

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Computer software	26,865	27,656
Copyrights	0	0
Licences	1,276	512
Other intangible assets	2,410	2,935
	<b>30,551</b>	<b>31,103</b>

### Useful life

Self-developed software	2- 5 years	2- 5 years
Acquired intangible assets	2- 5 years	2- 5 years

The intangible assets include paid-for and self-produced computer software as well as licenses and copyrights.

The depreciation of the other intangible assets was recognised in the income statement on the basis of allocated operating expenses under the items of insurance benefits, operating expenses and net investment income.

The intangible assets are depreciated using the straight-line method.

Additions from company acquisition	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Self-developed software	0	0
Acquired intangible assets	653	0

Figures in € thousand	2011
Research and development expenditure recorded as an expense during the period under review	6,525

## 7. Shares in affiliated companies and companies valued at equity

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Current market values for</b>		
Shares in affiliated companies of minor importance <sup>1)</sup>	21,845	21,235
Shares in associated companies of minor importance	3,574	3,574
<b>Book values for</b>		
Shares in associated companies valued at equity	526,911	542,870
<b>Equity for</b>		
Shares in affiliated companies of minor importance	22,959	21,595
<b>Annual net profit/loss for the year</b>		
Shares in affiliated companies of minor importance	1,189	1,508

<sup>1)</sup> Die Anteile an verbundenen Unternehmen von untergeordneter Bedeutung werden in der Bilanz unter den jederzeit veräußerbaren nicht festverzinslichen Wertpapieren (Aktiva E. I. 1.) ausgewiesen.

The deterioration in the shares in associated companies was mainly due to the depreciation of Medicur-Holding Gesellschaft m.B.H. and Valida Holding AG.

Shares in associated companies	31 Dec. 2011
Figures in € thousand	
Current market value of associated companies listed on a public stock exchange	373,455
Profits/losses for the period	13,522
Unrecorded, proportional loss, ongoing, if shares of loss are no longer recorded	0
Unrecorded, proportional loss, cumulative, if shares of loss are no longer recorded	0
Proportional asset value of shares in associated companies valued at equity	1,813,765
Proportional liabilities of shares in associated companies valued at equity	1,288,158

## 8. Fixed-interest securities, held to maturity

Figures in € thousand	Book values	
	31 Dec. 2011	31 Dec. 2010
Corporate bonds of domestic financial institutions	0	340,000
other securities	0	0
<b>Total</b>	<b>0</b>	<b>340,000</b>

Figures in € thousand	Market values	
	31 Dec. 2011	31 Dec. 2010
Corporate bonds of domestic financial institutions	0	340,000
other securities	0	0
<b>Total</b>	<b>0</b>	<b>340,000</b>

Contractual remaining term	Book values	
	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Up to 1 year	0	340,000
More than 1 year up to 5 years	0	0
<b>Total</b>	<b>0</b>	<b>340,000</b>

Contractual remaining term	Market values	
	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Up to 1 year	0	340,000
More than 1 year up to 5 years	0	0
<b>Total</b>	<b>0</b>	<b>340,000</b>

## 9. Securities available for sale

Type of investment	Acquisition costs		Fluctuation in value not affecting income		Accumulated value adjustments		Foreign currency differences affecting income		Market values	
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Figures in € thousand										
Shares in affiliated companies	21,845	21,235	0	0	0	0	0	0	21,845	21,235
Shares	505,854	799,655	216,309	197,862	-149,916	-139,796	0	0	572,247	857,721
Equity funds	480,823	356,651	1,929	29,634	-27,881	-24,826	0	0	454,871	361,459
Debenture bonds not capital-guaranteed	251,826	252,986	2,733	2,044	-19,994	-17,471	-2,812	-3,379	231,753	234,180
Other variable-yield securities	48,278	41,875	-1,143	-352	-5,350	-3,400	0	0	41,785	38,123
Participating interests and other investments	314,233	237,222	32,324	36,298	-32,927	-34,718	0	0	313,631	238,802
Fixed-interest securities	12,375,993	11,943,303	-501,848	-415,099	-629,291	-288,634	-29,405	-41,030	11,215,448	11,198,539
<b>Total</b>	<b>13,998,852</b>	<b>13,652,927</b>	<b>-249,696</b>	<b>-149,614</b>	<b>-865,357</b>	<b>-508,845</b>	<b>-32,218</b>	<b>-44,409</b>	<b>12,851,581</b>	<b>12,950,059</b>

Valuations based on internal calculations are included in the market values of shares. The effect of the internal valuation for 2011 results in a value increase not affecting income in the amount of € 53,500 thousand (2010: value increase € 33,546 thousand).

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Figures in € thousand						
Shares in affiliated companies	0	0	0	0	0	0
Shares	-149,916	-139,796	-108,381	-113,763	-41,535	-26,033
Equity funds	-27,881	-24,826	-23,792	-24,567	-4,089	-259
Debenture bonds not capital-guaranteed	-19,994	-17,471	-17,471	-14,326	-2,523	-3,145
Other variable-yield securities	-5,350	-3,400	-3,400	-3,400	-1,950	0
Participating interests and other investments	-32,927	-34,718	-30,462	-34,475	-2,464	-243
Fixed-interest securities	-629,291	-288,634	-239,825	-280,351	-389,466	-8,283
<b>Total</b>	<b>-865,357</b>	<b>-508,845</b>	<b>-423,331</b>	<b>-470,882</b>	<b>-442,027</b>	<b>-37,963</b>



Type of investment	Change in value adjustment current year	of which write-down/write-up affecting income	of which changes due to disposal	Write-up of equity
	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011
Figures in € thousand				
Shares in affiliated companies	0	0	0	0
Shares	-10,119	-41,535	31,416	0
Equity funds	-3,055	-4,089	1,034	0
Debenture bonds not capital-guaranteed	-2,523	-2,523	0	0
Other variable-yield securities	-1,950	-1,950	0	0
Participating interests and other investments	1,791	-2,464	4,256	0
Fixed-interest securities	-340,657	-389,466	48,809	0
<b>Total</b>	<b>-356,513</b>	<b>-442,027</b>	<b>85,514</b>	<b>0</b>

Change in equity	Allocation not affecting income		Withdrawal <sup>1)</sup> due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Figures in € thousand						
<b>Other securities – available for sale<sup>2)</sup></b>						
Gross	-10,259	-90,086	-61,289	-67,425	-71,547	-157,511
Deferred tax	18,984	11,863	7,757	3,656	26,741	15,519
Deferred profit participation	-35,391	53,072	41,774	52,768	6,382	105,839
Minority interests	-5,366	5,980	1,638	3,880	-3,728	9,861
<b>Net</b>	<b>-32,032</b>	<b>-19,171</b>	<b>-10,120</b>	<b>-7,121</b>	<b>-42,152</b>	<b>-26,292</b>

<sup>1)</sup> Withdrawals affecting the income statement due to disposals and impairments.

<sup>2)</sup> Including reclassified securities.

### *Hierarchy for instruments that are reported in the balance sheet at current market value*

The table below depicts the financial instruments for which subsequent valuation is performed at the current market value. These are divided into levels 1 to 3, depending on the extent to which the current market value can be observed.

**Level 1 valuations** at current market value are ones that result from listed prices (unadjusted) on the active markets for identical financial assets and liabilities.

**Level 2 valuations** at current market value are those based on parameters that do not correspond to listed prices for assets and liabilities as in level 1 (data) and are derived either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3 valuations** at current market value are those arising from models using parameters for the valuation of assets and liabilities that are not based on observable market data (unobservable prices, assumptions).

Investments at fair value	Level 1	Level 2	Level 3	Group total
	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011
<i>Figures in € thousand</i>				
<b>Securities available for sale</b>	<b>9,599,898</b>	<b>2,603,821</b>	<b>647,862</b>	<b>12,851,581</b>
Shares in affiliated companies	83	21,762	0	21,845
Shares	410,997	160,942	308	572,247
Equity funds	275,275	179,595	1	454,871
Debenture bonds not capital-guaranteed	32,711	199,042	0	231,753
Other variable-yield securities	0	41,785	0	41,785
Participating interests and other investments	29	313,602	0	313,631
Fixed-interest securities	8,880,803	1,687,093	647,553	11,215,448
<b>At fair value through profit and loss</b>	<b>159,731</b>	<b>768,940</b>	<b>10,269</b>	<b>938,941</b>
<b>Derivative financial instruments</b>	<b>-236</b>	<b>2,136</b>	<b>0</b>	<b>1,900</b>
<b>Total</b>	<b>9,759,393</b>	<b>3,374,898</b>	<b>658,131</b>	<b>13,792,422</b>

No transfers between levels 1 and 2 took place during the reporting period. The entire portfolio of asset-backed securities was classified as level 3. No other level 3 assets existed as at 31 December 2011.

***Transition of the level 3 valuations at current market value of financial assets:***

Level 3 Investments at fair value	Securities available for sale	At fair value through profit and loss	Derivative financial instruments	Total
	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011
<i>Figures in € thousand</i>				
<b>As at 1 Jan. 2011</b>	<b>643,945</b>	<b>12,813</b>	<b>0</b>	<b>656,758</b>
Exchange rate differences	22	0	0	22
Total gains or losses for the period recognised in profit or loss	8,312	-1,079	0	7,234
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	36,407	0	0	36,407
Purchase	26,737	0	0	26,737
Sales	-16,021	-40	0	-16,061
Issues	0	0	0	0
Settlements	-51,541	-1,425	0	-52,966
Transfers	0	0	0	0
<b>As at 31 Dec. 2011</b>	<b>647,862</b>	<b>10,269</b>	<b>0</b>	<b>658,131</b>

Contractual remaining term	Acquisition costs		Market values	
	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
<i>Figures in € thousand</i>				
Infinite	95,838	103,414	71,265	88,908
Up to 1 year	1,752,823	1,542,452	1,583,690	1,374,544
More than 1 year up to 5 years	4,164,715	3,731,367	3,940,069	3,634,209
More than 5 years up to 10 years	4,694,029	4,396,211	4,414,907	4,233,496
More than 10 years	1,968,691	2,464,720	1,479,056	2,139,685
<b>Total</b>	<b>12,676,097</b>	<b>12,238,163</b>	<b>11,488,987</b>	<b>11,470,842</b>

The remaining maturities stipulated by contract refer to fixed-interest securities, other variable-yield securities and bonds without capital guarantee.

Risk of default rating		31 Dec. 2011
Figures in € thousand		
<b>Fixed-interest securities</b>		
Rating AAA		3,257,974
Rating AA		1,415,136
Rating A		2,644,193
Rating BBB		2,288,974
Rating < BBB		1,431,621
Not assigned		451,089
<b>Rating total of fixed-interest securities</b>		<b>11,488,987</b>
<b>Issuer countries</b>		
<b>Share securities</b>		
IE, NL, UK, US		339,568
AT, BE, CH, DE, DK, FR, IT		590,531
ES, FI, NO, SE		16,254
Remaining EU		140,941
other countries		122,973
<b>Issuer countries total of share securities</b>		<b>1,210,268</b>
Other shareholdings		130,482
<b>Total variable-yield securities</b>		<b>1,340,750</b>

## 10. Derivative financial instruments

Figures in € thousand		31 Dec. 2011	31 Dec. 2010
<b>Market values</b>			
Equity price risk		2,097	4,321
Interest rate risk		0	2,217
Currency risk		-22,057	7,008
Structured risk		21,861	11,044
<b>Total</b>		<b>1,900</b>	<b>24,589</b>
Structured risk – of which:			
Equity price risk		7,022	2,788
Interest rate risk		1,258	2,821
Currency risk		13,581	5,435
Credit risk		0	0
<b>Balance sheet values</b>			
Investments		28,498	28,252
Financial liabilities		-26,598	-3,663

## 11. Loans

Figures in € thousand	Book values	
	31 Dec. 2011	31 Dec. 2010
Loans to affiliated companies	121	451
Loans to participating interests	552	552
Mortgage loans	77,042	96,497
Loans and advance payments on policies	13,697	14,652
Other loans	619,015	613,679
Registered bonds	389,918	336,592
Reclassified bonds	1,089,093	1,379,806
<b>Total</b>	<b>2,189,439</b>	<b>2,442,231</b>

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of € 2,129,552 thousand were reclassified. The corresponding revaluation reserve as at 30 June 2008 was minus € 98,208 thousand.

Reclassified bonds	2011	2010	2009	2008
Figures in € thousand				
Book value as at Dec. 31	1,089,093	1,379,806	1,796,941	2,102,704
Market value as at Dec. 31	981,394	1,345,580	1,732,644	1,889,108
Change of current market value	- 73,987	30,586	149,299	- 213,596
Amortisation income/expense	332	473	5,917	- 61
Impairment	- 25	- 8,043	0	0

Contractual remaining term	Book values	
	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Infinite	5,797	4,878
Up to 1 year	655,397	789,704
More than 1 year up to 5 years	524,064	599,738
More than 5 years up to 10 years	781,837	827,016
More than 10 years	222,344	220,895
<b>Total</b>	<b>2,189,439</b>	<b>2,442,231</b>

Figures in € thousand	Market values	
	31 Dec. 2011	31 Dec. 2010
Loans to affiliated companies	121	451
Loans to participating interests	552	552
Mortgage loans	77,042	96,497
Loans and advance payments on policies	13,697	14,652
Other loans	621,135	627,032
Registered bonds	389,918	336,592
Reclassified bonds	981,394	1,345,580
<b>Total</b>	<b>2,083,860</b>	<b>2,421,357</b>

Figures in € thousand	Market values	
	31 Dec. 2011	31 Dec. 2010
Contractual remaining term		
Infinite	5,797	4,878
Up to 1 year	556,906	734,687
More than 1 year up to 5 years	536,068	625,244
More than 5 years up to 10 years	766,164	835,704
More than 10 years	218,926	220,843
<b>Total</b>	<b>2,083,860</b>	<b>2,421,357</b>

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
	Impairment	
Change in impairment for current year	5,288	20,302
of which reallocation affecting income	5,288	20,302

## 12. Other investments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
	Deposits with credit institutions	1,023,133
Deposits with ceding companies	140,657	136,794
<b>Total</b>	<b>1,163,790</b>	<b>1,000,446</b>

**13. Receivables including receivables under the insurance business**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>I. Reinsurance receivables</b>		
1. Accounts receivables under reinsurance operations	58,825	39,741
	<b>58,825</b>	<b>39,741</b>
<b>II. Other receivables</b>		
Receivables under the insurance business		
1. from policyholders	271,784	317,444
2. from intermediaries	83,461	75,569
3. from insurance companies	15,227	12,832
	<b>370,472</b>	<b>405,845</b>
<b>Other receivables</b>		
Accrued interest and rent	241,553	254,254
Other tax refund claims	50,976	64,535
Receivables due from employees	4,079	4,300
Other receivables	203,687	180,990
	<b>500,295</b>	<b>504,079</b>
<b>Total other receivables</b>	<b>870,767</b>	<b>909,924</b>
<b>Subtotal</b>	<b>929,592</b>	<b>949,665</b>
of which receivables with a remaining term of		
Up to 1 year	904,334	934,420
More than 1 year	25,257	15,245
	<b>929,592</b>	<b>949,665</b>
of which receivables with values not yet adjusted		
Up to 3 months overdue	47,240	65,863
More than 3 months overdue	12,657	9,285
<b>III. Other assets</b>		
Accruals	58,404	54,819
	<b>58,404</b>	<b>54,819</b>
<b>Total receivables incl. receivables under insurance business</b>	<b>987,996</b>	<b>1,004,484</b>

**14. Receivables from income tax**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Receivables from income tax	51,156	46,111
of which receivables with a remaining term of		
Up to 1 year	51,156	44,104
More than 1 year	0	2,007

**15. Deferred tax assets**

Cause of origin	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Actuarial items	6,194	8,358
Social capital	61,345	44,856
Investments	60,516	8,901
Loss carried forward	52,737	16,908
other	25,374	24,379
<b>Total</b>	<b>206,166</b>	<b>103,401</b>
of which not affecting income	13,548	8,325

For losses carried forward in the amount of €76,823 thousand, the deferred tax of €18,422 thousand was not capitalised because utilisation will not be possible in the foreseeable future.

## 16. Subscribed capital

	31 Dec. 2011	31 Dec. 2010
Number of authorised and issued no-par shares	142,985,217	142,985,217
of which fully paid up	142,985,217	142,985,217

The subscribed capital and capital reserves correspond to values from the individual financial statements of UNIQA Versicherungen AG.

Unrealised capital gains and losses from the revaluation of investments available for sale affected the revaluation reserve, with deferred participation in profits (for life insurance) and deferred taxes taken into consideration.

Actuarial profit and loss from pension and severance payment provisions was posted as “actuarial profit and loss from performance-based pension commitments” after deducting deferred policyholder profit participation and deferred taxes.

On 21 September 2010 the Management Board made use of its authorisation in accordance with the decision of the 11th Annual General Meeting on 31 May 2010 and decided on a share repurchase programme. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 21 September 2010. According to which the Management Board is authorised to purchase up to 14,298,521 notional no-par shares made out to the bearer. The programme for repurchasing shares entered into effect on 19 November 2010. During the financial year, none of the company’s own shares were acquired through the stock exchange.

### *Capital requirement*

The business development due to organic growth and acquisitions influences the capital requirement of the UNIQA Group. In the context of Group controlling, the appropriate coverage of the solvency requirement on a consolidated basis is constantly monitored.

As at 31 December 2011, the adjusted equity amounted to €1,404,065 (2010: €1,644,202 thousand). In ascertaining the adjusted equity, non-tangible economic goods (especially goodwill) and shares in banks and insurance companies are deducted from the equity and various forms of hybrid capital (especially supplemental capital) and latent reserves in investments (especially in real estate) are added. With a statutory requirement for adjusted equity of €1,145,813 thousand (2010: €1,117,254 thousand), the statutory requirements were exceeded by €258,252 thousand (2010: €526,948 thousand), resulting in a coverage rate of 122.5% (2010: 147.2%). With the change to Section 81h paragraph 2 of the Insurance Supervisory Act, the volatility reserve was added as part of the available capital as of the 3rd quarter of 2008. This increased the adjusted equity by €277,882 thousand (2010: €221,895 thousand).



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

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,404,065	1,644,202
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,126,184	1,422,307

At the reporting date, own shares are accounted for as follows:

	31 Dec. 2011	31 Dec. 2010
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € 000	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in %	0.57	0.57

In the figure for “earnings per share”, the consolidated profit is set against the average number of ordinary shares in circulation.

Earnings per share	2011	2010
Consolidated profit Figures in € thousand	-245,614	42,266
of which accounts for ordinary shares Figures in € thousand	-245,614	42,266
Own shares as at 31 Dec.	819,650	819,650
Average number of shares in circulation	142,165,567	142,165,567
Earnings per share (in €) <sup>1)</sup>	-1.73	0.30
Earnings before taxes per share (in €) <sup>1)</sup>	-2.30	0.66
Earnings per share <sup>1)</sup> , adjusted for goodwill amortisation (in €)	-1.56	0.40
Profit from ordinary activities per share, adjusted for goodwill amortisation (in €)	-2.12	1.10
Dividend per share <sup>2)</sup>	0.00	0.40
Dividend payment Figures in € thousand <sup>2)</sup>	0	56,866

<sup>1)</sup> Calculated on the basis of the consolidated profit of the year.

<sup>2)</sup> Subject to the decision to be taken in the Annual General Meeting.

The diluted earnings per share are equal to the undiluted earnings per share in the financial year and in the previous year.

Change in the tax amounts included in the equity without affecting income	31 Dec. 2011
Figures in € thousand	
Effective tax	0
Deferred tax	31,965
<b>Total</b>	<b>31,965</b>

## 17. Minority interests

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
In revaluation reserve	- 15,253	- 18,982
In actuarial gains and losses on defined benefit plans	- 5,731	- 4,816
In net income/loss for the year	1,765	48,597
In other equity	238,927	219,500
<b>Total</b>	<b>219,708</b>	<b>244,299</b>

## 18. Subordinated liabilities

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Supplementary capital	575,000	575,000

Partial debentures with a nominal value of € 325,000 thousand for paid up supplementary capital were issued by Raiffeisen Versicherung AG in December 2002 and by UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG in July 2003 according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. The partial debentures are valid for an unlimited time period. An ordinary or extraordinary notice of redemption to the issuer is not possible for at least five years. Subject to coverage in the annual net profit before the issuer's movements in reserves, the interest to July 2013 will be 5.36 per cent, except in the case of Raiffeisen Versicherung AG, where the interest to December 2012 will be 5.7 per cent, plus a bonus interest payment of between 0.2 and 0.4 per cent depending on sales profitability and the increase in premiums in comparison to the whole market.

In December 2006, UNIQA Versicherungen AG issued bearer debentures with a face value of € 150,000 thousand for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.079 per cent.

In January of 2007 UNIQA Versicherungen AG issued bearer debentures with a face value of € 100,000 thousand for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.342 per cent.

**19. Unearned premiums**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Property and casualty</b>		
Gross	596,506	581,427
Reinsurers' share	-15,352	-20,933
	<b>581,154</b>	<b>560,494</b>
<b>Health</b>		
Gross	19,528	17,220
Reinsurers' share	-3,190	-1,305
	<b>16,338</b>	<b>15,914</b>
<b>In the consolidated financial statements</b>		
Gross	616,034	598,646
Reinsurers' share	-18,542	-22,238
<b>Total (fully consolidated values)</b>	<b>597,493</b>	<b>576,408</b>

**20. Actuarial provision**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Property and casualty</b>		
Gross	36,264	38,336
Reinsurers' share	-390	-376
	<b>35,874</b>	<b>37,959</b>
<b>Health</b>		
Gross	2,694,604	2,535,051
Reinsurers' share	-1,204	-1,323
	<b>2,693,400</b>	<b>2,533,728</b>
<b>Life</b>		
Gross	13,975,382	13,906,519
Reinsurers' share	-454,241	-447,009
	<b>13,521,141</b>	<b>13,459,510</b>
<b>In the consolidated financial statements</b>		
Gross	16,706,249	16,479,906
Reinsurers' share	-455,835	-448,708
<b>Total (fully consolidated values)</b>	<b>16,250,414</b>	<b>16,031,197</b>

The interest rates used as an accounting basis were as follows:

For	Health insurance acc. to SFAS 60	Life insurance acc. to SFAS 120
Figures in per cent		
<b>2011</b>		
For actuarial provision	4.50 or 5.50	1.75-4.00
For deferred acquisition costs	4.50 or 5.50	3.88
<b>2010</b>		
For actuarial provision	4.50 or 5.50	1.75-4.00
For deferred acquisition costs	4.50 or 5.50	4.34

## 21. Provision for outstanding claims

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Property and casualty</b>		
Gross	2,157,714	2,095,287
Reinsurers' share	- 193,749	- 223,336
	<b>1,963,965</b>	<b>1,871,952</b>
<b>Health</b>		
Gross	177,169	172,834
Reinsurers' share	- 30	- 555
	<b>177,139</b>	<b>172,279</b>
<b>Life</b>		
Gross	121,645	124,393
Reinsurers' share	- 13,493	- 16,084
	<b>108,152</b>	<b>108,309</b>
<b>In the consolidated financial statements</b>		
Gross	2,456,528	2,392,514
Reinsurers' share	- 207,271	- 239,975
<b>Total (fully consolidated values)</b>	<b>2,249,257</b>	<b>2,152,539</b>

The provisions for outstanding claims developed in the property and casualty insurance as follows:

Figures in € thousand	2011	2010
<b>1. Provisions for outstanding claims as at 1 Jan.</b>		
a) Gross	2,095,287	2,028,238
b) Reinsurers' share	- 223,336	- 281,334
<b>c) Retention</b>	<b>1,871,952</b>	<b>1,746,904</b>
<b>2. Plus (retained) claims expenditures</b>		
a) Losses of the current year	1,703,383	1,760,000
b) Losses of the previous year	- 57,977	- 60,022
<b>c) Total</b>	<b>1,645,405</b>	<b>1,699,977</b>
<b>3. Less (retained) losses paid</b>		
a) Losses of the current year	- 883,040	- 946,201
b) Losses of the previous year	- 649,498	- 620,472
<b>c) Total</b>	<b>- 1,532,538</b>	<b>- 1,566,673</b>
<b>4. Foreign currency translation</b>	<b>- 22,930</b>	<b>- 8,920</b>
<b>5. Change in consolidation scope</b>	<b>0</b>	<b>0</b>
<b>6. Other changes</b>	<b>2,077</b>	<b>664</b>
<b>7. Provisions for outstanding claims as at 31 Dec.</b>		
a) Gross	2,157,714	2,095,287
b) Reinsurers' share	- 193,749	- 223,336
<b>c) Retention</b>	<b>1,963,965</b>	<b>1,871,952</b>

Claims payments	2006	2007	2008	2009	2010	2011	Total
Figures in € thousand							
Financial year	650,567	709,038	788,545	847,918	878,224	845,112	
1 year later	989,360	1,099,037	1,201,570	1,287,309	1,311,879		
2 years later	1,080,882	1,192,934	1,301,383	1,397,156			
3 years later	1,122,027	1,239,116	1,350,531				
4 years later	1,147,738	1,275,262					
5 years later	1,161,511						
Accumulated payments	1,161,511	1,275,262	1,350,531	1,397,156	1,311,879	845,112	
Estimated final claims payments	1,235,978	1,369,063	1,474,621	1,592,720	1,607,330	1,580,721	
Current balance sheet reserve	74,467	93,800	124,090	195,565	295,451	735,609	1,518,981
Balance sheet reserve for the claims years 2005 and before							450,445
							<b>1,969,427</b>
Plus other reserve components (internal claims regulation costs, etc.)							188,287
<b>Provisions for outstanding claims (gross) as at 31 Dec. 2011</b>							<b>2,157,714</b>

## 22. Provision for premium refunds

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Property and casualty</b>		
Gross	39,302	38,784
Reinsurers' share	- 4	- 33
	<b>39,298</b>	<b>38,751</b>
<b>Health</b>		
Gross	80,759	66,671
Reinsurers' share	0	0
	<b>80,759</b>	<b>66,671</b>
<b>Life</b>		
Gross	- 60,742	113,929
Reinsurers' share	0	0
	<b>- 60,742</b>	<b>113,929</b>
<b>In the consolidated financial statements</b>		
Gross	59,319	219,383
Reinsurers' share	- 4	- 33
<b>Total (fully consolidated values)</b>	<b>59,315</b>	<b>219,351</b>
of which profit-unrelated (retention)	51,529	49,439
of which profit-related (retention)	7,786	169,912

Gross	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
<b>a) Provision for profit-unrelated premium refunds</b>	<b>51,533</b>	<b>49,472</b>
of which property and casualty insurance	32,185	31,024
of which health insurance	17,264	16,578
of which life insurance	2,084	1,869
<b>b) Provision for profit-related premium refunds and / or policyholder profit participation</b>	<b>185,944</b>	<b>217,463</b>
of which property and casualty insurance	7,117	7,760
of which health insurance	55,242	44,876
of which life insurance	123,585	164,827
<b>Deferred profit participation</b>	<b>- 178,158</b>	<b>- 47,551</b>
of which health insurance	8,253	5,217
of which life insurance	- 186,411	- 52,767
<b>Total (fully consolidated values)</b>	<b>59,319</b>	<b>219,383</b>

Gross	2011	2010
Figures in € thousand		
<b>a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation</b>		
<b>As at 1 Jan.</b>	<b>266,934</b>	<b>234,866</b>
Changes due to:		
Other changes	- 29,457	32,069
<b>As at 31 Dec.</b>	<b>237,477</b>	<b>266,934</b>
<b>b) Deferred profit participation</b>		
<b>As at 1 Jan.</b>	<b>- 47,551</b>	<b>9,287</b>
Changes due to:		
fluctuation in value, securities available for sale	- 6,645	- 105,922
actuarial gains and losses on defined benefit plans	- 451	- 8,712
revaluations affecting income	- 123,511	57,796
<b>As at 31 Dec.</b>	<b>- 178,158</b>	<b>- 47,551</b>

The deferred profit participation was an asset item for the years 2011 und 2010. Based on the business model used in life insurance and the management rules applied in the Group, this asset item will be reduced over the term of the policy. The appropriateness of the entire technical liability will also be regularly checked under a discounted cash flow model ("liability adequacy test").

The change that took place during the financial year due to the revaluations affecting income resulted mainly from capital gains that were realised in accordance with local law, and were then eliminated in the Group as a temporary result.

### 23. Technical provisions

Gross Figures in € thousand	Provision for unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit- related premium refunds and / or policyholder profit participation	Other actuarial provisions	Group total
<b>Property and casualty</b>							
<b>As at 31 Dec. 2010</b>	<b>581,427</b>	<b>38,336</b>	<b>2,095,287</b>	<b>31,024</b>	<b>7,760</b>	<b>23,228</b>	<b>2,777,061</b>
Exchange rate differences	-17,002	-1,029	-24,378	-139	-11	-791	-43,350
Change in consolidation scope	0		0				0
Portfolio changes	436					0	436
Additions		1,104		2,276	906	27,746	32,032
Disposals		-2,146		-976	-1,538	-24,137	-28,798
Premiums written	1,796,098						1,796,098
Premiums earned	-1,764,452						-1,764,452
Claims in reporting year			1,735,237				1,735,237
Claims payments in reporting year			-897,361				-897,361
Change in claims from previous years			-61,380				-61,380
Claims payments in previous years			-689,691				-689,691
<b>As at 31 Dec. 2011</b>	<b>596,506</b>	<b>36,264</b>	<b>2,157,714</b>	<b>32,185</b>	<b>7,117</b>	<b>26,047</b>	<b>2,855,832</b>
<b>Health</b>							
<b>As at 31 Dec. 2010</b>	<b>17,220</b>	<b>2,535,051</b>	<b>172,834</b>	<b>16,578</b>	<b>50,092</b>	<b>548</b>	<b>2,792,323</b>
Exchange rate differences	-156	-42	-76	-26		-4	-305
Change in consolidation scope							0
Portfolio changes	57		167			-3	220
Additions		167,950		2,784	14,911	44	185,689
Disposals		-8,355		-2,073	-1,509	-11	-11,947
Premiums written	834,119						834,119
Premiums earned	-831,711						-831,711
Claims in reporting year			662,879				662,879
Claims payments in reporting year			-509,582				-509,582
Change in claims from previous years			-19,836				-19,836
Claims payments in previous years			-129,216				-129,216
<b>As at 31 Dec. 2011</b>	<b>19,528</b>	<b>2,694,604</b>	<b>177,169</b>	<b>17,264</b>	<b>63,495</b>	<b>574</b>	<b>2,972,634</b>
<b>Life</b>							
<b>As at 31 Dec. 2010</b>	<b>0</b>	<b>13,906,519</b>	<b>124,393</b>	<b>1,869</b>	<b>112,060</b>	<b>23,696</b>	<b>14,168,537</b>
Exchange rate differences		-23,135	-672	-37	-277	-447	-24,568
Change in consolidation scope		0	0				0
Portfolio changes		181,114	1,050		0	1,842	184,006
Additions		128,652		331	54,505	3,828	187,316
Disposals		-217,768		-79	-229,113	-5,558	-452,518
Premiums written							0
Premiums earned							0
Claims in reporting year			1,529,141				1,529,141
Claims payments in reporting year			-1,453,923				-1,453,923
Change in claims from previous years			48,483				48,483
Claims payments in previous years			-126,829				-126,829
<b>As at 31 Dec. 2011</b>	<b>0</b>	<b>13,975,382</b>	<b>121,645</b>	<b>2,084</b>	<b>-62,826</b>	<b>23,362</b>	<b>14,059,647</b>
<b>Group total</b>							
<b>As at 31 Dec. 2010</b>	<b>598,646</b>	<b>16,479,906</b>	<b>2,392,514</b>	<b>49,472</b>	<b>169,912</b>	<b>47,472</b>	<b>19,737,921</b>
Exchange rate differences	-17,158	-24,207	-25,126	-202	-288	-1,242	-68,224
Change in consolidation scope	0	0	0				0
Portfolio changes	493	181,114	1,216		0	1,839	184,662
Additions		297,706		5,392	70,322	31,619	405,038
Disposals		-228,269		-3,128	-232,160	-29,705	-493,262
Premiums written	2,630,217						2,630,217
Premiums earned	-2,596,164						-2,596,164
Claims in reporting year			3,927,257				3,927,257
Claims payments in reporting year			-2,860,866				-2,860,866
Change in claims from previous years			-32,732				-32,732
Claims payments in previous years			-945,736				-945,736
<b>As at 31 Dec. 2011</b>	<b>616,034</b>	<b>16,706,249</b>	<b>2,456,527</b>	<b>51,533</b>	<b>7,786</b>	<b>49,982</b>	<b>19,888,112</b>

Reinsurers' share Figures in € thousand	Provision for unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit- related premium refunds and /or policyholder profit participation	Other actuarial provisions	Group total
<b>Property and casualty</b>							
<b>As at 31 Dec. 2010</b>	<b>20,933</b>	<b>376</b>	<b>223,336</b>	<b>33</b>	<b>0</b>	<b>3,168</b>	<b>247,845</b>
Exchange rate differences	117	-18	-1,448			-182	-1,530
Change in consolidation scope	0		0				0
Portfolio changes	-323		-62				-385
Additions		31		0		559	591
Disposals		0		-29		-897	-926
Premiums written	109,670						109,670
Premiums earned	-115,045						-115,045
Claims in reporting year			29,839				29,839
Claims payments in reporting year			-14,320				-14,320
Change in claims from previous years			-3,402				-3,402
Claims payments in previous years			-40,194				-40,194
<b>As at 31 Dec. 2011</b>	<b>15,352</b>	<b>390</b>	<b>193,749</b>	<b>4</b>	<b>0</b>	<b>2,648</b>	<b>212,143</b>
<b>Health</b>							
<b>As at 31 Dec. 2010</b>	<b>1,305</b>	<b>1,323</b>	<b>555</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,183</b>
Exchange rate differences	15		-4				11
Change in consolidation scope							0
Portfolio changes							0
Additions							0
Disposals		-119					-119
Premiums written	5,159						5,159
Premiums earned	-3,290						-3,290
Claims in reporting year			13				13
Claims payments in reporting year			-519				-519
Change in claims from previous years			-6				-6
Claims payments in previous years			-9				-9
<b>As at 31 Dec. 2011</b>	<b>3,190</b>	<b>1,204</b>	<b>30</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>4,424</b>
<b>Life</b>							
<b>As at 31 Dec. 2010</b>	<b>0</b>	<b>447,009</b>	<b>16,084</b>	<b>0</b>	<b>0</b>	<b>-163</b>	<b>462,930</b>
Exchange rate differences		-21	-22	0			-43
Change in consolidation scope		0					0
Portfolio changes		-1,634	1,168				-466
Additions		9,237				4	9,241
Disposals		-351		0		5	-346
Premiums written							0
Premiums earned							0
Claims in reporting year			25,407				25,407
Claims payments in reporting year			-20,965				-20,965
Change in claims from previous years			-2,023				-2,023
Claims payments in previous years			-6,156				-6,156
<b>As at 31 Dec. 2011</b>	<b>0</b>	<b>454,241</b>	<b>13,493</b>	<b>0</b>	<b>0</b>	<b>-154</b>	<b>467,579</b>
<b>Group total</b>							
<b>As at 31 Dec. 2010</b>	<b>22,238</b>	<b>448,708</b>	<b>239,974</b>	<b>33</b>	<b>0</b>	<b>3,005</b>	<b>713,959</b>
Exchange rate differences	133	-39	-1,475	0		-182	-1,562
Change in consolidation scope	0	0	0				0
Portfolio changes	-323	-1,634	1,106				-850
Additions		9,269		0		563	9,832
Disposals		-470		-29		-893	-1,391
Premiums written	114,829						114,829
Premiums earned	-118,335						-118,335
Claims in reporting year			55,260				55,260
Claims payments in reporting year			-35,805				-35,805
Change in claims from previous years			-5,431				-5,431
Claims payments in previous years			-46,359				-46,359
<b>As at 31 Dec. 2011</b>	<b>18,542</b>	<b>455,835</b>	<b>207,271</b>	<b>4</b>	<b>0</b>	<b>2,494</b>	<b>684,146</b>



Retention Figures in € thousand	Provision for unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit- related premium refunds and /or policyholder profit participation	Other actuarial provisions	Group total
<b>Property and casualty</b>							
<b>As at 31 Dec. 2010</b>	<b>560,494</b>	<b>37,959</b>	<b>1,871,952</b>	<b>30,991</b>	<b>7,760</b>	<b>20,060</b>	<b>2,529,216</b>
Exchange rate differences	-17,118	-1,012	-22,930	-139	-11	-609	-41,819
Change in consolidation scope	0		0				0
Portfolio changes	759		62			0	820
Additions		1,073		2,276	906	27,187	31,441
Disposals		-2,146		-948	-1,538	-23,240	-27,872
Premiums written	1,686,428						1,686,428
Premiums earned	-1,649,407						-1,649,407
Claims in reporting year			1,705,398				1,705,398
Claims payments in reporting year			-883,040				-883,040
Change in claims from previous years			-57,977				-57,977
Claims payments in previous years			-649,498				-649,498
<b>As at 31 Dec. 2011</b>	<b>581,155</b>	<b>35,874</b>	<b>1,963,965</b>	<b>32,181</b>	<b>7,117</b>	<b>23,398</b>	<b>2,643,690</b>
<b>Health</b>							
<b>As at 31 Dec. 2010</b>	<b>15,914</b>	<b>2,533,728</b>	<b>172,279</b>	<b>16,578</b>	<b>50,092</b>	<b>548</b>	<b>2,789,139</b>
Exchange rate differences	-172	-42	-72	-26		-4	-316
Change in consolidation scope							0
Portfolio changes	57		167			-3	220
Additions		167,950		2,784	14,911	44	185,689
Disposals		-8,236		-2,073	-1,509	-11	-11,828
Premiums written	828,960						828,960
Premiums earned	-828,421						-828,421
Claims in reporting year			662,866				662,866
Claims payments in reporting year			-509,063				-509,063
Change in claims from previous years			-19,829				-19,829
Claims payments in previous years			-129,207				-129,207
<b>As at 31 Dec. 2011</b>	<b>16,338</b>	<b>2,693,400</b>	<b>177,139</b>	<b>17,264</b>	<b>63,495</b>	<b>574</b>	<b>2,968,210</b>
<b>Life</b>							
<b>As at 31 Dec. 2010</b>	<b>0</b>	<b>13,459,510</b>	<b>108,309</b>	<b>1,869</b>	<b>112,060</b>	<b>23,858</b>	<b>13,705,607</b>
Exchange rate differences		-23,114	-650	-37	-277	-447	-24,525
Change in consolidation scope		0	0				0
Portfolio changes		182,747	-118		0	1,842	184,471
Additions		119,415		331	54,505	3,825	178,075
Disposals		-217,417		-79	-229,113	-5,562	-452,172
Premiums written							0
Premiums earned							0
Claims in reporting year			1,503,734				1,503,734
Claims payments in reporting year			-1,432,957				-1,432,957
Change in claims from previous years			50,506				50,506
Claims payments in previous years			-120,672				-120,672
<b>As at 31 Dec. 2011</b>	<b>0</b>	<b>13,521,141</b>	<b>108,152</b>	<b>2,084</b>	<b>-62,826</b>	<b>23,516</b>	<b>13,592,067</b>
<b>Group total</b>							
<b>As at 31 Dec. 2010</b>	<b>576,408</b>	<b>16,031,197</b>	<b>2,152,539</b>	<b>49,439</b>	<b>169,912</b>	<b>44,467</b>	<b>19,023,962</b>
Exchange rate differences	-17,290	-24,168	-23,651	-202	-288	-1,060	-66,660
Change in consolidation scope	0	0	0				0
Portfolio changes	816	182,747	110		0	1,839	185,512
Additions		288,437		5,392	70,322	31,055	395,206
Disposals		-227,799		-3,099	-232,160	-28,813	-491,871
Premiums written	2,515,388						2,515,389
Premiums earned	-2,477,828						-2,477,828
Claims in reporting year			3,871,998				3,871,998
Claims payments in reporting year			-2,825,061				-2,825,061
Change in claims from previous years			-27,301				-27,301
Claims payments in previous years			-899,377				-899,377
<b>As at 31 Dec. 2011</b>	<b>597,492</b>	<b>16,250,414</b>	<b>2,249,256</b>	<b>51,529</b>	<b>7,786</b>	<b>47,488</b>	<b>19,203,966</b>

## 24. Technical provisions held on account and at risk of life insurance policyholders

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Gross	4,318,331	4,142,636
Reinsurers' share	-405,513	-396,542
<b>Total</b>	<b>3,912,818</b>	<b>3,746,094</b>

As a general rule, the valuation of the technical provisions for unit-linked and index-linked life insurance policies corresponds to the investments in unit-linked and index-linked life insurance policies reported at current market values. The reinsurers' share is offset by deposits payable in the same amount.

## 25. Liabilities from loans

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Loan liabilities</b>	<b>47,114</b>	<b>48,505</b>
Up to 1 year	3,158	1,440
More than 1 year up to 5 years	8,259	8,387
More than 5 years	35,697	38,678
<b>Total</b>	<b>47,114</b>	<b>48,505</b>

## 26. Provisions for pensions and similar commitments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Provisions for pension	374,990	388,659
Provision for severance payments	218,029	135,717
<b>Total</b>	<b>593,019</b>	<b>524,376</b>

Figures in € thousand	2011	2010
<b>As at 1 Jan.</b>	<b>524,376</b>	<b>466,837</b>
Change in consolidation scope	0	738
Currency translation changes	-39	9
Withdrawals for pension payments	-66,580	-37,072
Expenditure in the financial year	118,179	41,080
Actuarial profit and loss not affecting income	17,083	52,784
<b>As at 31 Dec.</b>	<b>593,019</b>	<b>524,376</b>

Active special policyholders with direct assurances to pension benefits, including members of the Management Board and leading executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances to pension benefits according to the "trade association recommendation for in-house and field sales staff" who, in

2008 and 2011, approved the offer to transfer existing vested pension rights to Valida Pension AG (formerly ÖPAG Pensionskassen AG) on the basis of concluded works agreements, are included in a contribution-based pension fund. The corresponding transfer amounts (the assurance cover) were paid to Valida Pension AG in 2008 and 2011 in accordance with Section 48 of the Pension Fund Act. For the purpose of guaranteeing the level of the pension fund pension according to the previous direct assurances to pension benefits, those entitled to vested rights have a claim to payment of a (one-time) final pension fund contribution at the time of pension eligibility. No contributions are made for the benefit phase. In 2011, € 31,092 thousand was transferred.

The UNIQA Group's repositioning led to an expected reduction of staff, which is covered by provisions for social capital amounting to €75,000 thousand.

#### Calculation factors applied

Figures in per cent

2011	
Technical rate of interest	4.75 %
Valorisation of wages and salaries	3.00 %
Valorisation of pensions	2.00 %
Employee turnover rate	Dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler / employees
2010	
Technical rate of interest	4.75 %
Valorisation of wages and salaries	3.00 %
Valorisation of pensions	2.00 %
Employee turnover rate	Dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler / employees

Specification of pension expenditures for pensions and similar commitments included in the income statement	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Current service cost	92,261	15,266
Interest cost	25,956	25,872
Income and expenditures due to budget changes	- 38	- 59
<b>Total</b>	<b>118,179</b>	<b>41,080</b>

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

	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Contributions to company pension funds	2,011	1,814

## 27. Other provisions

Figures in € thousand	Balance sheet values previous year	Currency translation changes	Change in consolidation scope	Utilisation	Reversals	Transfers	Additions	Balance sheet values financial year
Provision for unconsumed holidays	22,798	-49	0	-2,625	-454	0	2,044	21,714
Provision for anniversary payments	15,969	0	0	-85	-99	0	224	16,009
	<b>38,767</b>	<b>-49</b>	<b>0</b>	<b>-2,709</b>	<b>-554</b>	<b>0</b>	<b>2,268</b>	<b>37,722</b>
Other personnel provisions	15,678	-56	0	-4,637	-4,148	0	7,583	14,419
Provision for customer relations and marketing	40,970	-471	0	-34,015	-5,013	0	40,259	41,730
Provision for variable components of remuneration	13,715	0	0	-12,621	-1,095	0	13,918	13,918
Provision for legal and consulting expenses	4,326	2	9	-3,156	-593	-1	7,826	8,415
Provision for premium adjustment of insurance contracts	11,154	31	0	-6,702	-267	0	3,956	8,172
Provision for portfolio maintenance commission	2,933	-69	0	-577	-27	0	887	3,146
Other provisions	80,847	-269	7	-47,549	-13,042	1	47,573	67,568
	<b>169,623</b>	<b>-832</b>	<b>16</b>	<b>-109,258</b>	<b>-24,185</b>	<b>0</b>	<b>122,003</b>	<b>157,368</b>
<b>Total</b>	<b>208,390</b>	<b>-881</b>	<b>16</b>	<b>-111,967</b>	<b>-24,739</b>	<b>0</b>	<b>124,270</b>	<b>195,090</b>

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Other provisions <sup>1)</sup> with a high probability of utilisation (more than 90 per cent)		
Up to 1 year	77,596	82,612
More than 1 year up to 5 years	6,205	10,113
More than 5 years	4,759	5,307
	<b>88,560</b>	<b>98,032</b>
Other provisions <sup>1)</sup> with a lower probability of consumption (less than 90 per cent)		
Up to 1 year	63,660	70,434
More than 1 year up to 5 years	3,952	807
More than 5 years	1,196	350
	<b>68,808</b>	<b>71,591</b>
<b>Total</b>	<b>157,368</b>	<b>169,623</b>

<sup>1)</sup> Excl. unconsumed holidays and anniversary benefits.

**28. Payables and other liabilities**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>I. Reinsurance liabilities</b>		
1. Deposits held under reinsurance business ceded	860,209	845,767
2. Accounts payable under reinsurance operations	42,262	43,783
	<b>902,472</b>	<b>889,550</b>
<b>II. Other payables</b>		
<b>Liabilities under insurance business</b>		
Liabilities under direct insurance business		
to policyholders	133,545	134,321
to intermediaries	108,858	109,426
to insurance companies	12,594	10,147
	<b>254,997</b>	<b>253,893</b>
<b>Liabilities to credit institutions</b>	<b>393</b>	<b>1,270</b>
<b>Other liabilities</b>	<b>316,736</b>	<b>412,217</b>
of which for taxes	63,657	63,640
of which for social security	11,510	11,477
of which from fund consolidation	99,343	197,156
<b>Total other liabilities</b>	<b>572,126</b>	<b>667,380</b>
<b>Subtotal</b>	<b>1,474,598</b>	<b>1,556,930</b>
of which liabilities with the remaining term of		
Up to 1 year	778,562	867,120
More than 1 year up to 5 years	7,911	8,588
More than 5 years	688,125	681,222
	<b>1,474,598</b>	<b>1,556,930</b>
<b>III. Other liabilities</b>		
Deferred income	43,318	21,617
<b>Total payables and other liabilities</b>	<b>1,517,916</b>	<b>1,578,547</b>

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

**29. Liabilities from income tax**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
<b>Liabilities from income tax</b>	<b>19,157</b>	<b>56,170</b>
of which liabilities with the remaining term of		
Up to 1 year	3,626	4,765
More than 1 year up to 5 years	15,531	51,405
More than 5 years	0	0

**30. Deferred tax liabilities**

Cause of origin	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
Actuarial items	200,599	198,187
Untaxed reserves	25,766	25,842
Shares in affiliated companies	28,430	28,430
Investments	1,614	24,431
other	35,329	30,161
<b>Total</b>	<b>291,739</b>	<b>307,051</b>
of which not affecting income	-42,581	-15,840

**NOTES TO THE CONSOLIDATED INCOME STATEMENT****31. Premiums written**

Direct business	2011	2010
Figures in € thousand		
Property and casualty	2,683,295	2,559,004
Health	1,004,866	970,355
Life	1,607,809	1,797,586
<b>Total (fully consolidated values)</b>	<b>5,295,970</b>	<b>5,326,946</b>
Of which written in:		
Austria	3,141,299	3,111,528
other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,918,574	2,021,791
Other countries	236,097	193,626
<b>Total (fully consolidated values)</b>	<b>5,295,970</b>	<b>5,326,946</b>
<b>Indirect business</b>	<b>2011</b>	<b>2010</b>
Figures in € thousand		
Property and casualty	30,589	31,081
Health	3	4
Life	22,265	21,108
<b>Total (fully consolidated values)</b>	<b>52,857</b>	<b>52,193</b>

Figures in € thousand	2011	2010
<b>Total (fully consolidated values)</b>	<b>5,348,827</b>	<b>5,379,138</b>

Figures in € thousand	2011	2010
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<b>Premiums written in property and casualty insurance</b>		
<b>Direct business</b>		
Fire and business interruption insurance	231,919	216,218
Household insurance	206,131	194,057
Other property insurance	245,211	236,108
Motor TPL insurance	655,415	638,285
Other motor insurance	512,883	491,548
Casualty insurance	305,136	280,717
Liability insurance	254,687	242,943
Legal expenses insurance	65,390	62,067
Marine, aviation and transport insurance	122,996	116,535
Other insurance	83,527	80,527
<b>Total</b>	<b>2,683,295</b>	<b>2,559,004</b>

<b>Indirect business</b>		
Marine, aviation and transport insurance	1,481	2,628
Other insurance	29,108	28,452
<b>Total</b>	<b>30,589</b>	<b>31,081</b>
<b>Total direct and indirect business (fully consolidated values)</b>	<b>2,713,883</b>	<b>2,590,085</b>

Figures in € thousand	2011	2010
<b>Reinsurance premiums ceded</b>		
Property and casualty	118,585	120,945
Health	6,147	3,742
Life	79,826	77,728
<b>Total (fully consolidated values)</b>	<b>204,558</b>	<b>202,414</b>

## 32. Premiums earned

Figures in € thousand	2011	2010
<b>Property and casualty</b>	<b>2,556,386</b>	<b>2,431,051</b>
Gross	2,680,437	2,551,325
Reinsurers' share	-124,051	-120,275
<b>Health</b>	<b>997,900</b>	<b>966,213</b>
Gross	1,002,299	969,450
Reinsurers' share	-4,399	-3,237
<b>Life</b>	<b>1,551,192</b>	<b>1,741,357</b>
Gross	1,631,009	1,819,102
Reinsurers' share	-79,818	-77,745
<b>Total (fully consolidated values)</b>	<b>5,105,478</b>	<b>5,138,622</b>

Premiums earned in indirect business	2011	2010
<small>Figures in € thousand</small>		
Posted immediately	3,122	4,529
Posted after up to 1 year	27,285	27,045
Posted after more than 1 year	0	0
<b>Property and casualty</b>	<b>30,408</b>	<b>31,574</b>
Posted immediately	3	4
posted after up to 1 year	0	0
Posted after more than 1 year	0	0
<b>Health</b>	<b>3</b>	<b>4</b>
Posted immediately	3,907	4,003
Posted after up to 1 year	18,358	17,105
Posted after more than 1 year	0	0
<b>Life</b>	<b>22,265</b>	<b>21,108</b>
<b>Total (fully consolidated values)</b>	<b>52,676</b>	<b>52,686</b>

Earnings from indirect business	2011	2010
<small>Figures in € thousand</small>		
Property and casualty	1,440	5,835
Health	15	-7
Life	4,322	4,229
<b>Total (fully consolidated values)</b>	<b>5,777</b>	<b>10,057</b>

### 33. Income from fees and commissions

Reinsurance commission and profit shares from reinsurance business ceded	2011	2010
<small>Figures in € thousand</small>		
Property and casualty	10,267	7,114
Health	54	55
Life	21,498	7,315
<b>Total (fully consolidated values)</b>	<b>31,820</b>	<b>14,483</b>



**34. Net investment income**

By segment	Property and casualty			Health		Life		Group	
Figures in € thousand	2011	2010	2011	2010	2011	2010	2011	2010	
<b>I. Properties held as investments</b>	<b>7,761</b>	<b>3,932</b>	<b>3,639</b>	<b>6,065</b>	<b>-8,402</b>	<b>6,006</b>	<b>2,998</b>	<b>16,003</b>	
<b>II. Shares in associated companies</b>	<b>-15,897</b>	<b>984</b>	<b>11,619</b>	<b>12,726</b>	<b>6,212</b>	<b>8,302</b>	<b>1,934</b>	<b>22,012</b>	
<b>III. Variable-yield securities</b>	<b>4,097</b>	<b>33,699</b>	<b>-15,193</b>	<b>10,018</b>	<b>9,177</b>	<b>102,707</b>	<b>-1,919</b>	<b>146,424</b>	
1. Available for sale	5,918	29,998	-12,000	5,618	81	37,211	-6,000	72,827	
2. At fair value through profit or loss	-1,822	3,701	-3,193	4,400	9,096	65,496	4,081	73,597	
<b>IV. Fixed-interest securities</b>	<b>38,643</b>	<b>52,262</b>	<b>-8,328</b>	<b>94,424</b>	<b>195,916</b>	<b>583,085</b>	<b>226,231</b>	<b>729,771</b>	
1. Held to maturity	1,076	1,392	2,218	2,870	14,044	18,169	17,338	22,431	
2. Available for sale	37,608	50,210	-11,710	89,600	165,096	541,361	190,993	681,170	
3. At fair value through profit or loss	-41	660	1,164	1,955	16,777	23,555	17,900	26,170	
<b>V. Loans and other investments</b>	<b>30,022</b>	<b>25,946</b>	<b>29,331</b>	<b>24,948</b>	<b>79,778</b>	<b>75,286</b>	<b>139,131</b>	<b>126,181</b>	
1. Loans	16,473	16,372	25,115	23,892	37,918	36,054	79,506	76,318	
2. Other investments	13,548	9,575	4,216	1,056	41,861	39,232	59,625	49,863	
<b>VI. Derivative financial instruments (held for trading)</b>	<b>-8,208</b>	<b>-8,247</b>	<b>-9,827</b>	<b>-13,333</b>	<b>-80,009</b>	<b>-91,421</b>	<b>-98,044</b>	<b>-113,001</b>	
<b>VII. Expenditure for asset management, interest charges and other expenses</b>	<b>-5,812</b>	<b>-17,252</b>	<b>-7,182</b>	<b>-7,327</b>	<b>-30,761</b>	<b>-30,494</b>	<b>-43,755</b>	<b>-55,073</b>	
<b>Total (fully consolidated values)</b>	<b>50,606</b>	<b>91,323</b>	<b>4,058</b>	<b>127,521</b>	<b>171,912</b>	<b>653,472</b>	<b>226,576</b>	<b>872,316</b>	

Stage 3 valuations (hierarchy for instruments, which are recognized at the reconciled current value) include profit in the amount of €8,312 thousand as income from available-for-sale fixed-income securities and losses in the amount of €1,079 thousand as income from fixed-income securities valued at current value in the income statement.

By income type	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2011	2010	2011	2010	2011	2010
Figures in € thousand						
<b>I. Properties held as investments</b>	<b>64,863</b>	<b>57,338</b>	<b>0</b>	<b>0</b>	<b>648</b>	<b>378</b>
<b>II. Shares in associated companies</b>	<b>13,522</b>	<b>19,785</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,234</b>
<b>III. Variable-yield securities</b>	<b>48,276</b>	<b>44,316</b>	<b>87,229</b>	<b>131,676</b>	<b>46,923</b>	<b>90,282</b>
1. Available for sale	37,324	34,070	18,230	27,730	34,253	70,017
2. At fair value through profit or loss	10,952	10,246	68,999	103,946	12,670	20,266
<b>IV. Fixed-interest securities</b>	<b>532,727</b>	<b>504,341</b>	<b>60,218</b>	<b>175,204</b>	<b>112,335</b>	<b>177,871</b>
1. Held to maturity	17,338	22,431	0	0	0	0
2. Available for sale	496,897	464,482	25,987	154,207	111,411	176,153
3. At fair value through profit or loss	18,491	17,428	34,231	20,997	924	1,718
<b>V. Loans and other investments</b>	<b>150,131</b>	<b>152,744</b>	<b>2,761</b>	<b>3,344</b>	<b>4,642</b>	<b>14,799</b>
1. Loans	91,603	102,853	750	557	4,642	14,799
2. Other investments	58,528	49,890	2,010	2,788	0	0
<b>VI. Derivative financial instruments (held for trading)</b>	<b>- 16,794</b>	<b>- 12,766</b>	<b>82,092</b>	<b>63,267</b>	<b>40,402</b>	<b>48,680</b>
<b>VII. Expenditure for asset management, interest charges and other expenses</b>	<b>-43,755</b>	<b>-55,073</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total (fully consolidated values)</b>	<b>748,968</b>	<b>710,684</b>	<b>232,300</b>	<b>373,491</b>	<b>204,949</b>	<b>334,244</b>

The updating of the value adjustment concerns both appreciation and depreciation of financial assets, excluding assets held for trading and financial assets at fair value through profit or loss. The interest income from impaired portfolio items amounts to €25,994 thousand (2010: €25,173 thousand). The net investment income of €226,576 thousand includes realised and unrealised profits and losses amounting to €-522,392 thousand, which include currency losses of €28,016 thousand. In addition, currency effects amounting to €1,063 thousand were recorded directly as equity. The effects largely resulted from investments in US Dollars.

The income from properties held as financial investments include rent revenue in the amount of €96,634 thousand (2010: €86,526 thousand) and direct operational expenses in the amount of €31,772 thousand (2010: €29,188 thousand).

Of which securities, available for sale type of investment	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2011	2010	2011	2010	2011	2010
Figures in € thousand						
<b>III. Variable-yield securities</b>						
1. Available for sale	37,324	34,070	18,230	27,730	34,253	70,017
Shares in affiliated companies	- 1,357	62	0	4	1,103	1,279
Shares	21,301	16,615	401	6,473	8,681	44,616
Equity funds	7,257	2,520	170	3,942	699	11,522
Debenture bonds not capital-guaranteed	4,726	7,652	17,642	17,311	1,611	183
Other variable-yield securities	1,533	2,166	0	0	0	1,231
Participating interests and other investments	3,863	5,055	17	0	22,160	11,185
<b>IV. Fixed-interest securities</b>						
2. Available for sale						
Fixed-interest securities	496,897	464,482	25,987	154,207	111,411	176,153

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2011	2010	2011	2010	2011	2010	2011	2010
-62,471	-40,493	-41	-1,219	2,998	16,003	-19,158	-5,704
-11,588	-7	0	0	1,934	22,012	0	0
-158,290	-110,410	-26,056	-9,440	-1,919	146,424	-52,561	-29,680
-73,606	-53,029	-22,201	-5,961	-6,000	72,827	-52,561	-29,680
-84,684	-57,381	-3,855	-3,479	4,081	73,597	0	0
-455,852	-96,908	-23,196	-30,736	226,231	729,771	-389,466	-8,283
0	0	0	0	17,338	22,431	0	0
-420,106	-84,027	-23,196	-29,645	190,993	681,170	-389,466	-8,283
-35,746	-12,882	0	-1,091	17,900	26,170	0	0
-6,201	-23,117	-12,201	-21,590	139,131	126,181	-5,288	-20,302
-5,288	-20,302	-12,201	-21,589	79,506	76,318	-5,288	-20,302
-913	-2,815	0	0	59,625	49,863	0	0
-80,042	-37,218	-123,702	-174,964	-98,044	-113,001	0	0
0	0	0	0	-43,755	-55,073	0	0
-774,445	-308,154	-185,197	-237,949	226,576	872,316	-466,473	-63,969

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2011	2010	2011	2010	2011	2010	2011	2010
-73,606	-53,029	-22,201	-5,961	-6,000	72,827	-52,561	-29,680
-205	-657	-59	-422	-518	267	0	0
-43,019	-31,835	-9,866	-5,922	-22,501	29,946	-41,535	-26,033
-4,295	-438	-12,153	403	-8,322	17,948	-4,089	-259
-20,122	-19,855	-110	-20	3,747	5,271	-2,523	-3,145
-1,950	0	0	0	-417	3,397	-1,950	0
-4,015	-243	-13	0	22,012	15,997	-2,464	-243
-420,106	-84,027	-23,196	-29,645	190,993	681,170	-389,466	-8,283

**35. Other income**

Figures in € thousand	2011	2010
<b>a) Other actuarial income</b>	<b>19,251</b>	<b>18,369</b>
Property and casualty	14,945	14,582
Health	721	463
Life	3,585	3,324
<b>b) Other non-actuarial income</b>	<b>55,090</b>	<b>87,772</b>
Property and casualty	21,293	66,694
Health	5,660	5,025
Life	28,137	16,053
of which		
Services rendered	9,833	12,586
Changes in exchange rates	14,146	54,674
Other	31,112	20,511
<b>c) Other income</b>	<b>17,336</b>	<b>9,401</b>
From foreign currency conversion	999	618
From other	16,337	8,783
<b>Total (fully consolidated values)</b>	<b>91,677</b>	<b>115,542</b>

**36. Insurance benefits**

Figures in € thousand	Gross		Reinsurers' share		Retention	
	2011	2010	2011	2010	2011	2010
<b>Property and casualty</b>						
Expenditure for claims						
Claims paid	1,645,703	1,669,218	- 57,875	- 79,731	1,587,828	1,589,487
Change in provision for outstanding claims	84,771	61,464	27,940	52,034	112,711	113,498
<b>Total</b>	<b>1,730,474</b>	<b>1,730,682</b>	<b>- 29,935</b>	<b>- 27,697</b>	<b>1,700,539</b>	<b>1,702,985</b>
Change in actuarial provisions	- 1,111	- 1,910	- 36	37	- 1,147	- 1,872
Change in other actuarial provisions	2,201	1,465	1	18	2,202	1,483
Expenditure for profit-unrelated and profit-related premium refunds	39,803	38,231	- 18	1	39,786	38,232
<b>Total amount of benefits</b>	<b>1,771,368</b>	<b>1,768,469</b>	<b>- 29,988</b>	<b>- 27,641</b>	<b>1,741,380</b>	<b>1,740,828</b>
<b>Health</b>						
Expenditure for claims						
Claims paid	650,180	643,186	- 786	- 581	649,394	642,605
Change in provision for outstanding claims	5,959	5,090	529	- 23	6,488	5,067
<b>Total</b>	<b>656,139</b>	<b>648,276</b>	<b>- 256</b>	<b>- 604</b>	<b>655,883</b>	<b>647,673</b>
Change in actuarial provisions	159,640	159,659	119	124	159,759	159,783
Change in other actuarial provisions	- 23	- 8	0	0	- 23	- 8
Expenditure for profit-related and profit-unrelated premium refunds	37,924	31,951	0	0	37,924	31,951
<b>Total amount of benefits</b>	<b>853,680</b>	<b>839,879</b>	<b>- 137</b>	<b>- 479</b>	<b>853,543</b>	<b>839,399</b>
<b>Life</b>						
Expenditure for claims						
Claims paid	1,557,848	1,740,769	- 98,079	- 77,363	1,459,769	1,663,406
Change in provision for outstanding claims	- 2,230	20,005	2,575	- 4,189	346	15,816
<b>Total</b>	<b>1,555,618</b>	<b>1,760,773</b>	<b>- 95,504</b>	<b>- 81,552</b>	<b>1,460,114</b>	<b>1,679,222</b>
Change in actuarial provisions	- 59,584	- 16,787	19,342	1,824	- 40,242	- 14,963
Change in other actuarial provisions	1,024	- 4	0	0	1,024	- 4
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	- 23,760	213,803	0	0	- 23,760	213,803
<b>Total amount of benefits</b>	<b>1,473,297</b>	<b>1,957,785</b>	<b>- 76,161</b>	<b>- 79,728</b>	<b>1,397,136</b>	<b>1,878,057</b>
<b>Total (fully consolidated values)</b>	<b>4,098,345</b>	<b>4,566,133</b>	<b>- 106,287</b>	<b>- 107,848</b>	<b>3,992,058</b>	<b>4,458,285</b>

### 37. Operating expenses

Figures in € thousand	2011	2010
<b>Property and casualty</b>		
a) Acquisition costs		
Payments	583,030	551,109
Change in deferred acquisition costs	- 10,676	- 8,732
b) Other operating expenses	383,068	286,879
	<b>955,422</b>	<b>829,256</b>
<b>Health</b>		
a) Acquisition costs		
Payments	100,167	91,974
Change in deferred acquisition costs	- 5,702	- 2,780
b) Other operating expenses	68,088	52,300
	<b>162,553</b>	<b>141,494</b>
<b>Life</b>		
a) Acquisition costs		
Payments	342,548	299,169
Change in deferred acquisition costs	2,242	5,007
b) Other operating expenses	117,357	87,051
	<b>462,147</b>	<b>391,227</b>
<b>Total (fully consolidated values)</b>	<b>1,580,123</b>	<b>1,361,977</b>

The increase in operating expenses primarily resulted from one-time expenditures for the repositioning of the UNIQA Group in the amount of €130,600 thousand.

### 38. Other expenses

Figures in € thousand	2011	2010
<b>a) Other actuarial expenses</b>	<b>99,366</b>	<b>85,340</b>
Property and casualty	43,433	34,628
Health	7,123	5,418
Life	48,810	45,293
<b>b) Other non-actuarial expenses</b>	<b>52,333</b>	<b>36,083</b>
Property and casualty	31,061	27,628
Health	495	470
Life	20,776	7,984
of which		
Services rendered	1,565	3,633
Exchange rate losses	10,929	6,623
Motor vehicle registration	10,771	9,971
Extraordinary tax on the financial sector (Hungary)	5,263	6,771
Other	23,804	9,084
<b>c) Other expenses</b>	<b>1,104</b>	<b>11,477</b>
For foreign currency translation	1,104	3,639
For other	0	7,838
<b>Total (fully consolidated values)</b>	<b>152,803</b>	<b>132,899</b>

**39. Tax expenditure**

Income tax	2011	2010
Figures in € thousand		
Actual tax in reporting year	13,532	31,425
Actual tax in previous year	-370	1,905
Deferred tax	-94,881	17,637
<b>Total (fully consolidated values)</b>	<b>-81,719</b>	<b>50,967</b>

Reconciliation statement	2011	2010
Figures in € thousand		
<b>A. Profit from ordinary activities</b>	<b>-325,568</b>	<b>141,830</b>
<b>B. Anticipated tax expenditure (A.*Group tax rate)</b>	<b>-81,392</b>	<b>35,457</b>
Adjusted by tax effects from		
1. Tax-free investment income	5,878	-12,641
2. Other	-6,205	28,150
Amortisation of goodwill	3,774	652
Tax-neutral consolidation effect	-2,019	1,960
Other non-deductible expenses/other tax-exempt income	7,268	2,972
Changes in tax rates	1,584	0
Deviations in tax rates	-10,667	17,079
Taxes previous years	-370	1,905
Lapse of loss carried forward and other	-5,776	3,583
<b>C. Income tax expenditure</b>	<b>-81,719</b>	<b>50,967</b>
<b>Average effective tax burden in %</b>	<b>25.1</b>	<b>35.9</b>

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

**OTHER DISCLOSURES****Employees**

Personnel expenses <sup>1)</sup>	2011	2010
Figures in € thousand		
Salaries and wages	401,546	374,056
Expenses for severance payments	91,902	17,457
Expenses for employee pensions	31,308	23,672
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	108,652	103,659
Other social expenditures	12,691	11,434
<b>Total</b>	<b>646,099</b>	<b>530,280</b>
of which business development	191,231	142,651
of which administration	432,630	367,647

<sup>1)</sup> The data are based on an IFRS valuation.

Average number of employees	2011	2010
<b>Total</b>	<b>15,081</b>	<b>15,066</b>
of which business development	6,179	6,148
of which administration	8,902	8,918

Figures in € thousand	2011	2010
Expenses for severance payments and employee pensions amounted to:		
Members of the Management Board and executive employees, in accordance with Section 80 paragraph 1 of the Stock Corporation Act	9,018	4,820
Other employees	154,615	44,092

Both figures include the expenditure for pensioners and surviving dependants (basis: Austrian Commercial Code valuation). The indicated expenses were charged to the Group companies based on defined company processes.

### Group holding company

The parent company of the UNIQA Group is UNIQA Versicherungen AG. This company is registered in the company registry of the Commercial Court of Vienna under FN 92933 t. In addition to its duties as Group holding company, this company also performs the duties of a Group reinsurer.

### Related companies and persons

Figures in € thousand

Receivables and liabilities with affiliated and associated companies as well as related persons	31 Dec. 2011	31 Dec. 2010
<b>Receivables</b>	<b>8,493</b>	<b>7,732</b>
Other receivables	8,493	7,732
Affiliated companies	8,493	7,732
<b>Liabilities</b>	<b>1,605</b>	<b>2,848</b>
Other liabilities	1,605	2,848
Affiliated companies	1,546	2,749
Associated companies	60	98
<b>Income and expenses of affiliated companies as well as related persons</b>	<b>2011</b>	<b>2010</b>
<b>Income</b>	<b>0</b>	<b>25</b>
Investment income	0	25
Affiliated companies	0	25
<b>Expenses</b>	<b>4</b>	<b>4</b>
Other expenses	4	4
Affiliated companies	4	4

There were no significant transactions with affiliated companies in this financial year or the previous one.

Other financial commitments and contingent liabilities	31 Dec. 2011	31 Dec. 2010
Figures in € thousand		
<b>Contingent liabilities from risks of litigation</b>	<b>12,059</b>	<b>11,398</b>
Austria	0	0
Foreign	12,059	11,398
<b>Other contingent liabilities</b>	<b>61</b>	<b>100</b>
Austria	0	0
Foreign	61	100
<b>Total</b>	<b>12,121</b>	<b>11,499</b>



The companies of the UNIQA Group are involved in court proceedings in Austria and other countries in connection with their ordinary business operations as insurance companies. The result of the pending or threatened proceedings is often impossible to determine or predict.

In consideration of the provisions set aside for these proceedings, the management is of the opinion that these proceedings have no significant effects on the financial situation and the operating earnings of the UNIQA Group.

#### Serbia (Life) – Option to purchase granted

The Purchase Contract dated 30 March 2006 grants the Seller ("Zepter") a Put Option and the Buyer "UNIQA" a Call Option for the shares that remain with the Seller. These options can be exercised during the period 1 January 2012 to 30 June 2012 on the basis of an independent evaluation at the end of the previous quarter.

#### Ukraine (Non-Life) – Option to purchase granted

During the incorporation of portions of the Ukrainian company "Closed JSC Credo-Classic Insurance Company" (now "Private JSC UNIQA"), agreements were concluded which obligate UNIQA International Beteiligungs-Verwaltungs GmbH to purchase share packages of the local minority shareholders through option agreements on the basis of a predefined purchase price formula. It was initially agreed to exercise the option in the 2nd quarter of 2012, and this was postponed to the financial year 2016 during an amendment of the transaction contracts in 2011.

Figures in € thousand	2011	2010
Current leasing expenses	2,276	2,099
Future leasing payments due to the financing of the UNIQA Headquarters in Vienna		
Up to 1 year	5,339	5,256
More than 1 year up to 5 years	21,364	20,831
More than 5 years	13,361	18,157
<b>Total</b>	<b>40,063</b>	<b>44,244</b>
Income from subleasing	528	343

We moved into the UNIQA Group headquarters – the UNIQA Tower – in 2004. The aforementioned leasing obligations are based on the investment expenditures in connection with a specific calculatory rate of interest yield.

The auditor fees in this financial year were €2,601 thousand (2010: €1,818 thousand). Of these, €268 thousand (2010: €262 thousand) were for the audit, €538 (€487 thousand) were for tax advice, €1,499 thousand (2010: €901 thousand) were for other certification services and €296 thousand (2010: €169 thousand) were for other services.

### Affiliated and associated companies in 2011

Company	Type	Location	Equity Figures in € million <sup>1)</sup>	Share in equity Figures in per cent <sup>2)</sup>
<b>Domestic insurance companies</b>				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	137.5	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	393.1	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.7	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	688.1	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	12.3	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	55.8	100.0
SK Versicherung Aktiengesellschaft	Equity	1050 Vienna	8.8	25.0
<b>Foreign insurance companies</b>				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	13.4	100.0
UNIQA Re AG	Full	Switzerland, Zurich	74.8	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	224.4	100.0
UNIQA poisťovňa a.s.	Full	Slovakia, Bratislava	29.3	99.9
UNIQA pojišťovna, a.s.	Full	Czech Republic, Prague	51.5	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	8.4	80.0
UNIQA Protezione S.p.A.	Full	Italy, Udine	15.7	93.9
UNIQA Towarzystwo Ubezpieczeń S.A.	Full	Poland, Lodz	54.6	68.5
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Full	Poland, Lodz	11.9	69.8
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	31.5	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.1	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	6.2	100.0
Mannheimer AG Holding	Full	Germany, Mannheim	57.4	91.7
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.7	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	14.9	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	117.9	100.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	6.7	99.8
UNIQA Insurance plc	Full	Bulgaria, Sofia	9.6	99.9
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	3.9	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	6.8	94.0
Insurance company "UNIQA"	Full	Ukraine, Kiev	9.1	92.2
UNIQA LIFE	Full	Ukraine, Kiev	3.5	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	1.5	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	5.5	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	3.0	100.0
UNIQA Asigurari S.A.	Full	Romania, Bucharest	36.3	100.0
UNIQA Life S.A.	Full	Romania, Bucharest	6.5	100.0
UNIQA Health Insurance AD	Full	Bulgaria, Sofia	0.4	100.0
Raiffeisen Life Insurance Company LLC	Full	Russia, Moscow	9.0	75.0
UNIQA Life S.p.A.	Full	Italy, Milan	24.9	90.0
SIGAL UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	20.2	68.6
UNIQA AD Skopje	Full	Macedonia, Skopje	4.4	100.0
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	4.1	100.0
SIGAL UNIQA GROUP AUSTRIA SH.A.	Full	Kosovo, Pristina	3.1	100.0
UNIQA Life AD Skopje	Full	Macedonia, Skopje	3.4	100.0
SIGAL Life UNIQA GROUP AUSTRIA sh.a	Full	Kosovo, Pristina	3.5	100.0
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A.	Full	Albania, Tirana	0.1	51.0

Company	Type	Location	Equity Figures in € million <sup>1)</sup>	Share in equity Figures in per cent <sup>2)</sup>
<b>Group domestic service companies</b>				
UNIQA Real Estate Management GmbH (formerly UNIQA Immobilien-Service GmbH)	Full	1029 Vienna	- 0.4	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Full	1010 Vienna	0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Full	1010 Vienna	1.2	100.0
Raiffeisen Versicherungsmakler Vorarlberg GmbH	Equity	6900 Bregenz	0.2	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	<sup>4)</sup>	1010 Vienna		33.3
RSG - Risiko Service und Sachverständigen GmbH	<sup>3)</sup>	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.4	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.7	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.3	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.5	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	3.5	100.0
UNIQA International Versicherungs-Holding AG	Full	1029 Vienna	113.8	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	645.3	100.0
Alopex Organisation von Geschäftskontakten GmbH	<sup>3)</sup>	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	<sup>3)</sup>	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	<sup>3)</sup>	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.3	64.0
Real Versicherungs-Makler GmbH	<sup>3)</sup>	1220 Vienna		100.0
Together Internet Services GmbH	<sup>4)</sup>	1030 Vienna		22.6
FL-Vertriebs- und Service GmbH	<sup>3)</sup>	5020 Salzburg		75.0
UNIQA HealthService - Services im Gesundheitswesen GmbH	<sup>3)</sup>	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	16.4	100.0
Privatklinik Grinzing GmbH	<sup>3)</sup>	1190 Vienna		100.0
Wohnen mit Service Pflegedienstleistungs GmbH	<sup>4)</sup>	1029 Vienna		50.0
Versicherungsagentur Wilhelm Steiner GmbH	<sup>3)</sup>	1029 Vienna		51.0
CEE Hotel Development GmbH	<sup>4)</sup>	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	<sup>4)</sup>	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	<sup>4)</sup>	1010 Vienna		50.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	9.4	100.0
UNIQA Group Audit GmbH	Full	1029 Vienna	0.1	100.0
Valida Holding AG	Equity	1020 Vienna	19.3	40.1
RVCM GmbH	<sup>4)</sup>	1010 Vienna	0.0	50.0
F&R Multimedia GmbH	<sup>4)</sup>	1060 Vienna	0.0	28.0
PremiaFIT Facility und IT Management u. Service GmbH	<sup>4)</sup>	1190 Vienna	0.0	75.0
RHG Management GmbH	Full	1020 Vienna	6.1	100.0
UNIQA Finanzbeteiligung GmbH	Full	1020 Vienna	202.3	100.0
UNIQA International Corporate Business GmbH	<sup>3)</sup>	1029 Vienna		100.0
<b>Group foreign service companies</b>				
UNIQA Raiffeisen Software Service Kft.	Full	Hungary, Budapest	0.5	60.0
Insdata spol s.r.o.	Full	Slovakia, Nitra	1.9	98.0
ProUNIQA s.r.o.	<sup>3)</sup>	Czech Republic, Prague		100.0
UNIPARTNER s.r.o.	Full	Slovakia, Bratislava	- 0.1	100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.3	100.0
UNIQA Ingatlanhasznosító Kft.	Full	Hungary, Budapest	4.7	100.0
Dekra Expert Muszaki Szakertői Kft.	Full	Hungary, Budapest	0.8	74.9
UNIQA Szolgáltató Kft.	Full	Hungary, Budapest	4.0	100.0
UNIQA Claims Services International Kft. (formerly Profit-Pro Kft.)	<sup>3)</sup>	Hungary, Budapest		100.0
RC Risk Concept Vaduz	<sup>3)</sup>	Liechtenstein, Vaduz		100.0

Company	Type	Location	Equity Figures in € million <sup>1)</sup>	Share in equity Figures in per cent <sup>2)</sup>
Első Közzszolgalati Penzügyi Tanacsado Kft.	<sup>3)</sup>	Hungary, Budapest		92.4
UNIQA Számítástechnikai Szolgáltató Kft. (formerly UNIQA Software Service Kft.)	Full	Hungary, Budapest	0.1	100.0
verscon GmbH Versicherungs- und Finanzmakler	<sup>3)</sup>	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
Carl C. Peiner GmbH	<sup>3)</sup>	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	<sup>3)</sup>	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	<sup>3)</sup>	Germany, Hamburg		100.0
Skola Hotelnictivi A Gastronom	<sup>3)</sup>	Czech Republic, Prague		100.0
ITM Praha s.r.o.	<sup>4)</sup>	Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	<sup>4)</sup>	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	<sup>3)</sup>	Germany, Mannheim		100.0
UNIQA Intermediazioni S.r.l.	<sup>3)</sup>	Italy, Milan		100.0
UNIQA Software Service d.o.o.	<sup>3)</sup>	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.1	100.0
UNIQA Raiffeisen Software Service S.R.L.	Full	Romania, Cluj-Napoca	0.1	60.0
Agenta-Consulting Kft.	<sup>3)</sup>	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	<sup>3)</sup>	Poland, Lodz		100.0
AGENTA consulting s.r.o.	<sup>3)</sup>	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	<sup>3)</sup>	Poland, Lodz		100.0
UNIQA Software Service Bulgaria OOD	<sup>3)</sup>	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	<sup>3)</sup>	Ukraine, Kiev		99.0
Bosnia and Herzegovina, Sarajevo	<sup>3)</sup>	Bosnia and Herzegovina, Sarajevo		99.8
Bosnia and Herzegovina, Banja Luka	<sup>3)</sup>	Bosnia and Herzegovina, Banja Luka		99.8
Bosnia and Herzegovina, Sarajevo	<sup>3)</sup>	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Software Service Kft.	<sup>3)</sup>	Hungary, Budapest		100.0
UNIPROINS CONSULTANTA SA	<sup>3)</sup>	Rumania, Bucharest		100.0

#### Financial and strategic domestic shareholdings

Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	31.3	29.6
Medicur-Holding Gesellschaft m.b.H. <sup>1)</sup>	Equity	1020 Vienna	- 50.3	25.0
PKB Privatkliniken Beteiligungs-GmbH <sup>1)</sup>	Full	1010 Vienna	60.2	100.0
Privatklinik Wehrle GmbH	Full	5020 Salzburg	1.3	100.0
PKM Handels- und Beteiligungsgesellschaft m.b.H.	Full	1010 Vienna	14.2	100.0
Privatklinik Döbling GmbH	Full	1190 Vienna	2.1	100.0
Privatklinik Josefstadt GmbH	Full	1080 Vienna	1.1	100.0
Privatklinik Graz Ragnitz GmbH	Full	1010 Vienna	0.9	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Full	1190 Vienna	0.4	100.0
STRABAG SE <sup>1)</sup>	Equity	9500 Villach	3,161.5	15.0
PremiaMed Management GmbH (formerly PremiaMed Management GmbH)	Full	1190 Vienna	1.5	100.0
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	<sup>3)</sup>	1190 Vienna		74.0
R-SKA Baden Betriebs-GmbH	<sup>4)</sup>	2500 Baden		49.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	<sup>4)</sup>	9020 Klagenfurt		34.9
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
UNIQA Leasing GmbH	<sup>4)</sup>	1061 Vienna		25.0
UNIQA International Anteilsverwaltung GmbH (formerly UNIQA Human Resources-Service GmbH)	Full	1020 Vienna	163.4	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	95.1	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.5	100.0
Austria Hotels Betriebs-GmbH	Full	1010 Vienna	8.6	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	<sup>4)</sup>	1010 Vienna		25.0
JALPAK International (Austria) Ges.m.b.H.	<sup>4)</sup>	1010 Vienna		25.0

Company	Type	Location	Equity Figures in € million <sup>1)</sup>	Share in equity Figures in per cent <sup>2)</sup>
<b>Real-estate companies</b>				
UNIQA Real Estate CZ, s.r.o.	Full	Czech Republic, Prague	15.6	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	0.6	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.0	100.0
Steigengraben-Gut Gesellschaft m.b.H.	<sup>3)</sup>	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	227.7	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.9	33.0
UNIQA Real Estate AG	Full	1029 Vienna	114.5	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Full	1020 Vienna	26.4	100.0
Design Tower GmbH (formerly UNIQA Praterstraße Projektentwicklungs GmbH)	Full	1029 Vienna	131.8	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	9.6	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	66.6	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	11.5	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.8	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	10.4	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	0.6	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Full	1029 Vienna	38.5	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Full	1020 Vienna	9.5	100.0
Praterstraße Eins Hotelbetriebs GmbH	Full	1020 Vienna	2.5	100.0
UNIQA Plaza Irohadaz es Ingotlankezelő Kft.	Full	Hungary, Budapest	2.3	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.2	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG <sup>5)</sup>	Full	1010 Vienna	27.5	99.5
Passauerhof Betriebs-Ges.m.b.H. <sup>5)</sup>	Full	1010 Vienna	1.3	100.0
Austria Hotels Liegenschaftsbesitz CZ s.r.o. <sup>5)</sup>	Full	Czech Republic, Prague	21.4	100.0
Grupo Borona Advisors, S.L. Ad	<sup>3)</sup>	Spain, Madrid		74.6
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	0.0	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	4.5	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	1.6	100.0
HKM Immobilien GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
Floreasca Tower SRL	Full	Rumania, Bucharest	5.0	100.0
Pretium Ingotlan Kft.	Full	Hungary, Budapest	3.2	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.0	100.0
UNIQA-Invest Kft.	Full	Hungary, Budapest	9.8	100.0
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	1.4	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	1.3	100.0
UNIQA Real Estate BH nekretnine, d.o.o.	Full	Bosnia and Herzegovina, Sarajevo	3.4	100.0
UNIQA Real Estate d.o.o.	Full	Serbia, Belgrade	2.6	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	1.7	100.0
IPM International Property Management Kft.	Full	Hungary, Budapest	1.3	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	6.6	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	0.6	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	0.3	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	4.6	100.0
UNIQA Real Estate BV	Full	Niederlande, Hoofddorp	10.6	100.0
AGENTA Svetovanje d.o.o.	Full	Slovenia, Ljubljana	0.1	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	- 1.4	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	2.1	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	8.4	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	12.2	100.0
Asena CJSC	Full	Ukraine, Nikolaew	1.3	100.0

Company	Type	Location	Equity	Share in equity
			Figures in € million <sup>1)</sup>	Figures in per cent <sup>2)</sup>
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0
BSIC Holding GmbH	Full	Ukraine, Kiev	0.0	100.0
Suoreva Ltd.	Full	Cyprus, Limassol	0.0	100.0
Kremser Landstraße Projektentwicklung GmbH	Full	1020 Vienna	8.2	100.0
Schöpferstraße Projektentwicklung GmbH	Full	1020 Vienna	5.7	100.0
“Bonadea” Immobilien GmbH	Full	1020 Vienna	7.0	100.0

<sup>1)</sup> In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with \*), the latest Group accounts published.

<sup>2)</sup> The share in equity equals the share in voting rights before minorities, if any.

<sup>3)</sup> Unconsolidated company.

<sup>4)</sup> Associated not at equity valued company.

<sup>5)</sup> Consolidated on the basis of a non-calendar financial year (balance sheet date 30 September).

**Approval for publication**

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

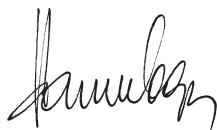
**Statement by the Legal Representatives**

Pursuant to Section 82 paragraph 4 of the Austrian Stock Exchange Act, the Management Board of UNIQA Versicherungen AG confirms that, to the best of our knowledge, the Consolidated Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group Management Report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, 29 March 2012



Andreas Brandstetter  
Chairman of the Management Board



Hannes Bogner  
Member of the Management Board



Wolfgang Kindl  
Member of the Management Board



Hartwig Löger  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board



Gottfried Wanitschek  
Member of the Management Board

# Auditor's Opinion

(Report of the independent auditor)

## **Report on the Consolidated Financial Statements**

We audited the Consolidated Financial Statements of UNIQA Versicherungen AG, Vienna, for the financial year from 1 January to 31 December 2011. These Consolidated Financial Statements include the Consolidated Balance Sheet as at 31 December 2011, the Consolidated Income Statement, the Group Cash Flow Statement and the statement of changes in Group equity for the financial year ending 31 December 2011, as well as a summary of the most important methods of accounting and valuation applied and other notes.

### ***Legal representatives' responsibility for the consolidated financial statements and accounting***

The legal representatives of the company are responsible for the preparation of consolidated financial statements that give a true and fair view of the net assets, the financial position and the profit situation of the Group in agreement with the International Financial Reporting Standards (IFRS) as applied in the EU. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the consolidated statements and the negotiation of as true a picture as possible of the Group's net assets, financial position and profit situation so that these consolidated statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. It also includes the choice and application of suitable accounting and valuation methods and the effecting of estimates that appear appropriate under the existing circumstances.

### ***Responsibility of the auditor and specification of the type and scope of the mandatory audit***

We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us. We executed our audit with due attention to the legal regulations applicable in Austria and the generally accepted auditing standards as well as the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the Federation of Accountants (IFAC). These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge with a sufficient degree of certainty whether the consolidated financial statements are free from material misstatements.

An audit includes the execution of audit procedures to verify the amounts and other statements in the consolidated financial statements. The choice of audit procedures depends on the conscientious discretion of the auditor, taking into consideration his estimate of the chance that a material misstatement has been made, whether due to an intentional or unintentional mistake. When estimating the level of this risk, the auditor takes the internal control system into consideration to the extent that it is of significance for preparing the consolidated financial statements and providing as true and fair a view as possible of the Group's net assets, financial



position and profit situation, in order to determine the appropriate audit procedures under the circumstances; he does not, however, give an opinion on the effectiveness of the Group's internal controls. The audit also includes our evaluation of the adequacy of the accounting principles and valuation methods applied and the material estimates made by the legal representatives of the company as well as an assessment of the overall tenor of the consolidated financial statements.

We believe that we obtained sufficient and suitable verification with our audit, so that our audit provides a reasonably sound basis for our opinion.

#### ***Audit opinion***

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the Consolidated Financial Statements give an accurate view of the net assets and financial position of the Group as of 31 December 2011 as well as the results of operations and cash flow for the financial year from 1 January to 31 December 2011 in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the EU.

#### **Report on the Group Management Report**

Due to the prevailing statutory provisions (in Austria) the Group Management Report must be audited as to whether it is in agreement with the Consolidated Financial Statements and whether or not other statements in the Group Management Report give a false impression of the situation of the Group. The Auditor's Opinion must also contain a statement on whether the Group Management Report is in accordance with the Consolidated Financial Statements and whether the statements comply with Section 243a UGB (Austrian Commercial Code).

The Group Management Report agrees with the Consolidated Financial Statements. The statements comply with Section 243a UGB (Austrian Commercial Code).

Vienna, 29 March 2012

KPMG Austria GmbH

Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Michael Schlenk  
Chartered Accountant



p.p. Hans-Ulrich Brandes  
Chartered Accountant

## Statement by the Legal Representatives

Pursuant to Section 82 paragraph 4 of the Austrian Stock Exchange Act the Management Board of UNIQA Versicherungen AG confirms,

that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces;

that, to the best of our knowledge, the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 29 March 2012



Andreas Brandstetter  
Chairman of the Management Board



Hannes Bogner  
Member of the Management Board



Wolfgang Kindl  
Member of the Management Board



Hartwig Löger  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board



Gottfried Wanitschek  
Member of the Management Board

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## **Information**

UNIQA's Group Report is published in German and English and can be downloaded as a PDF file from the Investor Relations area on our Group website. The interactive online version is also available at [reports.uniqagroup.com](http://reports.uniqagroup.com).

## **Clause regarding predictions about the future**

This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached upon the basis of all of the information available to us at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

