

Deliver.

UNIQA Group at a glance

Group key figures	2013	2012	Change
Figures in € million			
Premiums written	5,157.6	4,864.2	+6.0%
Savings portion of premiums from unit- and index-linked life insurance (gross before reinsurance)	727.9	679.0	+7.2%
Premiums written including the savings portion from unit- and index-linked life insurance	5,885.5	5,543.1	+6.2%
of which property and casualty insurance	2,590.5	2,545.9	+1.8%
of which health insurance	937.6	909.1	+3.1%
of which life insurance	2,357.4	2,088.1	+12.9%
of which recurring premiums	1,674.6	1,554.6	+7.7%
of which single-premium business	682.8	533.5	+28.0%
Premiums written including the savings portion from unit- and index-linked life insurance	5,885.5	5,543.1	+6.2%
of which UNIQA Austria	2,806.7	2,708.2	+3.6%
of which Raiffeisen Insurance	878.5	819.4	+7.2%
of which UNIQA International	2,162.4	1,942.8	+11.3%
of which reinsurance	1,633.1	1,280.0	+27.6%
of which Group functions and consolidation	-1,595.1	-1,207.2	+32.1%
Premiums earned (net)¹⁾	4,935.9	4,623.9	+6.7%
of which property and casualty insurance	2,438.8	2,394.4	+1.9%
of which health insurance	936.1	903.0	+3.7%
of which life insurance	1,560.9	1,326.5	+17.7%
Savings portion of premiums from unit- and index-linked life insurance (net after reinsurance)	702.3	649.9	+8.1%
Premiums earned (net) including the savings portion of premiums from unit- and index-linked life insurance	5,638.2	5,273.8	+6.9%
Net insurance benefits	-3,955.3	-3,758.5	+5.2%
of which property and casualty insurance	-1,633.8	-1,638.8	-0.3%
of which health insurance	-768.7	-756.5	+1.6%
of which life insurance	-1,552.7	-1,363.2	+13.9%
Operating expenses (net)²⁾	-1,357.6	-1,319.3	+2.9%
of which property and casualty insurance	-803.4	-786.8	+2.1%
of which health insurance	-162.0	-138.6	+16.9%
of which life insurance	-392.2	-393.9	-0.4%
Cost ratio (after reinsurance)	24.1%	25.0%	-
Combined ratio (after reinsurance)	99.9%	101.3%	-
Net investment income	780.0	791.4	-1.4%
Profit from ordinary activities	305.6	204.2	+49.7%
Net profit/loss	286.8	166.5	+72.3%
Consolidated profit	283.4	127.1	+123.0%
Return on equity (ROE) after taxes and minority interests	11.9%	8.8%	-
Investments³⁾	27,383.6	26,326.0	+4.0%
Equity	2,767.7	2,009.3	+37.7%
Total equity including minority interests	2,789.9	2,030.0	+37.4%
Technical provisions (net) ⁴⁾	24,183.9	23,759.3	+1.8%
Total assets	31,068.6	30,054.6	+3.4%
Number of insurance policies	18,556,615	17,439,608	+6.4%
Average number of employees	14,277	14,795	-3.5%

¹⁾ Fully consolidated figures.

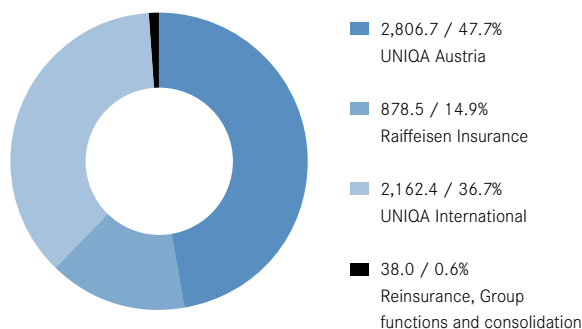
²⁾ Less reinsurance commission and profit shares from reinsurance business ceded.

³⁾ Including land and buildings used by the Group, investment property, shares in associated companies, investments for unit- and index-linked life insurance and current cash and cash equivalents.

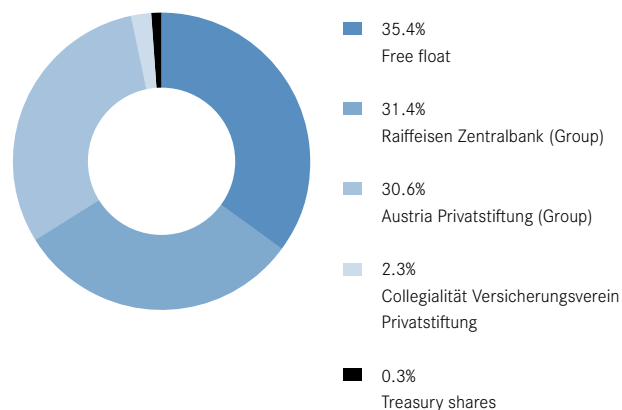
⁴⁾ Including technical provisions for unit- and index-linked life insurance.

Premium volume written by operating segment 2013

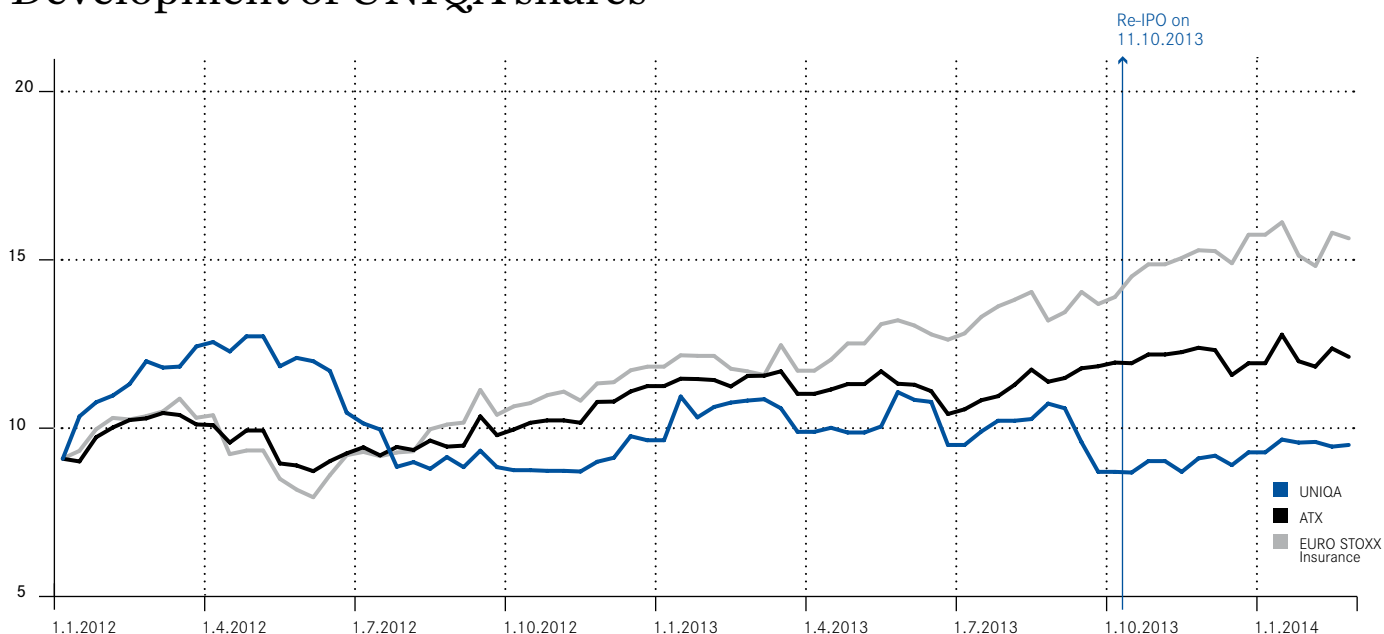
Figures in € million / per cent



Shareholder structure of UNIQA Insurance Group AG



Development of UNIQA shares



Key figures for UNIQA shares

	2013	2012	2011	2010	2009
Figures in €					
UNIQA's share price on 31 December	9.28	9.86	9.42	14.70	12.97
High	11.14	13.40	16.50	15.34	18.86
Low	8.12	8.75	9.00	10.68	12.21
Average turnover/day (in € million)	1.5	0.1	0.1	0.5	0.5
Market capitalisation as at 31 December (in € million)	2,867.5	2,112.5	1,346.9	2,102.0	1,855.0
Earnings per share	1.20	0.75	-1.73	0.30	0.19
Dividend per share	0.35 ¹⁾	0.25	0	0.40	0.40

¹⁾ Proposal to the Annual General Meeting

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UNIQA is here to stay

*CEO Andreas Brandstetter
talks about the stock exchange and
the company's core markets of Austria
and Eastern Europe.*

Mr. Brandstetter, UNIQA again recorded substantial premium and earnings growth in its second full financial year following the launch of the UNIQA 2.0 strategic programme in mid-2011. Have you achieved all of your objectives?

— No, by no means – but 2013 was a good year for us on the whole. We grew as a company, reduced our cost ratio and our combined ratio and, above all, achieved our earnings target. Having more than doubled our consolidated profit after taxes and minority interests, we are in a position to propose an increase in the dividend from €0.25 to €0.35 per share. We also strengthened our capital base and significantly increased our free float with the re-IPO in October. All in all, then, we basically delivered exactly what we promised in 2013.

The aims of UNIQA 2.0 include dramatic earnings growth by 2015 and an increase in the number of customers to 15 million by 2020. Where does UNIQA stand right now?

— 2013 was another step on a long journey, but just one of many steps – and nothing more than that. The long-term targets that we set ourselves in 2011 remain ambitious. You can compare it to running a marathon: having the first 15 kilometres behind us will give us strength for what lies ahead. But a good 2013 is no reason for us to put our feet up. Quite the opposite: we intend to keep the pace, stay hungry and continue to work on implementing our strategic programme systematically and with passion. There is still plenty of room for improvement!

In autumn, you conducted one of the largest capitalisation measures seen in Austria in recent years, generating gross proceeds of € 757 million and significantly increasing your free float. Why did you call this project a re-IPO and not simply a capital increase?

— It used to be the case that UNIQA's shares more or less hibernated on the stock exchange. We did not interact with the capital markets or actively address investors – for the company, our stock market listing was little more than an irritating obligation to be fulfilled. By using the term “re-IPO”, we wanted to send a clear signal that this was more than just a capital increase for us. We wanted to show that this entire issue is genuinely important for us, that we want to do things differently than in the past and give the capital markets the respect they deserve.

You announced the re-IPO when you became CEO in 2011. Such a long lead-up for a capitalisation measure is far from typical. What was the reasoning behind this?

— It has always been important for me that UNIQA be predictable. Accordingly, back in 2011 we decided to communicate a clear package of measures not only for the next 1–3 years, but right up until 2020 – a plan that we called UNIQA 2.0. One of our responsibilities as a management team is to make it clear to our shareholders, our customers and, of course, our employees what our objectives are and how we intend to achieve them. We established four main focal points: increasing profitability at UNIQA Austria, improving productivity at Raiffeisen Insurance, outperforming the market at UNIQA International in terms of profitable growth and optimising our risk profile by implementing an updated risk management model. Many people had considerable doubts about our

ambitious targets and timeframe. Given the company's stock market history, you can hardly blame them! The critical media reports from that time period are still on display in our conference room and continue to give us extra motivation to see our programme through.

Going public was undoubtedly a challenge, but one that you overcame successfully. Now your challenge is “being public”. How have the company and Andreas Brandstetter's day-to-day work changed as a result?

— When it comes to the capital markets, the ultimate responsibility lies with me – investors expect the CEO, together with the Management Board, to present and explain the story. Despite extensive and, in some cases, perhaps justified criticism of their negative impact, I am a fan of the capital markets. I believe that a well-run company can master the balancing act of being fit for the capital markets while fulfilling the ultimate aim of long-term value growth. Capital market-friendly action should become a natural part of a company's culture without this meaning that it is limited to short-term, quarter-to-quarter thinking. Following the capital increase and with the considerably higher free float we now have, I am focused on the demands of the market to a far greater extent than previously. And needless to say, the topic takes up more time than it used to – for my colleagues on the Management Board as well as for me. All of us have to incorporate the needs of the capital markets into our day-to-day work, meaning that we are obliged to manage UNIQA with far greater precision than before. This is as invigorating for a company as a surge of oxygen.

UNIQA's shares used to be included in the ATX, too – but only ever for two or three years, and mainly thanks to the weakness of other companies. Your reinclusion in March was foreseeable in light of the re-IPO. Are you here to stay this time?

– For me, the stock market is not a dating website where you can change your status from “on” to “off” at will. Acquiring capital via the stock market and significantly increasing our free float not only has a positive impact in terms of equity, our balance sheet structure and our solvency ratio, but is also an important driver for the process of cultural transformation within the company. By strengthening our stock market presence, we are competing for investor confidence with our global competition. Our aim is to be more transparent, quicker and more precise. On the capital markets, you are rigorously measured against your own promises and compared with your peer group. This is a healthy process for any company that is honest with itself and its customers – and shareholders are customers, too! In other words, the clear answer to your question is: yes, we are here to stay.

Are you planning further measures on the capital markets in the medium term?

– Our investors asked us the same question in autumn 2013: “Should we expect you to come back again next year?” The answer is simple: when it comes to our capital base, we do not need any additional funds. We already comfortably

meet the requirements of Solvency II, which is set to come into force on 1 January 2016.

Are there any potential acquisition candidates at reasonable prices in CEE?

– For various reasons, I am confident that the markets in Eastern Europe will see further consolidation over the coming years. The very biggest global players will be attracted by the larger growth markets in Asia or Latin America, while some owners of local companies will reach their limits when it comes to implementing the new capitalisation requirements. We therefore anticipate that some owners will be looking for investors.

Your 2011 Annual Report was called “Hands on”, followed by “Keep going” in 2012. The Annual Report for 2013 is “Deliver”. Is there not a certain finality to this title? What comes after “Deliver”?

– Continuing to deliver! (laughs) Delivering is one of our four corporate values. Firstly, we are dedicated to people: we inspire. Secondly, we shape the future: we create. Thirdly, we remain direct even when things get uncomfortable: we are straightforward. And fourthly, ensuring that we are successful in these endeavours – inspiring, creating and being straightforward – means that we can keep our promises. Then we can deliver.

Your plans extend to 2020 despite factors such as Greece, Solvency II and the low interest rate environment. How often will you have to make adjustments?

– Although we have a long-term strategic programme covering the period from 2010 to 2020, we also have quantifiable half-yearly targets up until 2015, i.e. we have “only” planned for five years when it comes to EBT, the combined ratio, the cost ratio, etc. Some of the major factors were already on our radar in 2010 – it is

not as if Solvency II has come as a surprise, after all. Signs of the low interest rate environment were already visible on the horizon at the time, although its magnitude was not yet apparent. We are continuously asked whether we can meet our objectives. Right now, we are on target – and any deviations will be communicated without delay.

You are growing more quickly than your competitors in many Eastern European markets. Some commentators consider this growth to be risky. Is it?

– I am confident that it is not. Our business is well diversified, also in terms of sales channels, which prevents us from being dependent on individual markets. It is important to keep our starting point in mind: we are ranked sixth in Eastern Europe. In purely percentage terms, it is only logical that the market leader will grow more slowly than we. Secondly, we have good local management teams. Most of the regional CEOs and Management Board members are locals who know their market extremely well, in stark contrast to mercenaries who simply take up a post for a few years before disappearing again. That is not our philosophy. We also make a point of using different sales channels – exclusive sales, agencies, brokers and banks. Analysts agree that our sales cooperation with Raiffeisen Bank International in Eastern Europe is an absolute asset. This sales channel has become increasingly important over recent years and is now a major factor – as is our superb cooperation with the Raiffeisen banks in Austria.

Ultimately, the composition of our portfolio, i.e. the variety in our customer base, also serves to minimise risk. UNIQA is a traditional retail company. Retail has been our core business for more than 200 years. So, no, I do not think that our growth is risky. And we are not seeking to grow at any price or by using dumping tactics. We also have no plans to enter new markets. We are staying in the 15 CEE countries in which we currently have a presence.

Which Eastern European markets are you satisfied with? Which are less satisfactory?

— There is one country that is causing problems for us and the entire industry: Romania, where all commercial common sense seems to have disappeared into thin air, particularly in the car insurance market. Romania is the only country with which we are dissatisfied at present. Nevertheless, we remain clearly committed to Romania and the entire region. We did not raise € 750 million simply to fritter it away in Eastern Europe. I still see this region as having huge potential. If we were to withdraw from Eastern Europe now, I am quite sure that, when the markets are stronger again in three to five years' time, we would immediately be asked: "So where are you? Where do you intend to grow?" This is one of the reasons why I am such a staunch defender of Eastern Europe and why I am largely satisfied with our companies in the region.

What role will UNIQA play in Europe in 2020? And what kind of Europe do you want to see for UNIQA?

— What I would like is for there to really be ONE Europe, with far more commonalities and more decisions at a pan-Euro-

“We are working to make UNIQA the best insurance company in Central Europe with the strongest focus on customer requirements. Achieving this will require considerable further effort on our part.”

pean level than is currently the case. The continent will not become competitive again in the long term until we stop getting bogged down in individual interests. In my view, the small-scale structures that are currently used to administer Europe – and Austria – will prove to be unsustainable in the medium term because they are too inefficient and not competitive. This is something we cannot afford going forward. I am a passionate European and I believe that we need to think more at a European level and less in terms of our own back yard. Can this be achieved by 2020? I don't know, but I hope so. With regard to UNIQA, I am reluctant to cite figures for operating performance indicators like premiums or EBT over such a long timeframe. We all know how volatile the macroeconomic environment has become, so there is always the possibility of setbacks. We are working to make UNIQA the best insurance company in Central Europe with the strongest focus on customer requirements. Achieving this will require considerable further effort on our part. Increasing the number of customers to 15 million by 2020 is one of our key targets. This would mean doubling our customer base over a ten-year period. And this is only possible if our customers are satisfied – enthusiastic, even. As I always say, our salary as UNIQA employees may ostensibly come from the cash machine,

but it ultimately depends on the people who trust us. We have not yet reached a point where I can say: "Wow, 99.5 per cent of our customers really do receive first-class service." This is an important point to make: UNIQA is already a very good company, but our aim is for it to become an even better insurance and service company – in a society where the demands on service providers are growing.

15 million customers – does that mean four-fifths of your customer base will be in Eastern Europe?

— We currently have 3.3 million customers in Austria, so the potential for expansion is no longer as high. So yes, that could be what we are looking at.

When will Eastern Europe be responsible for half of your EBT?

— I expect this to happen sometime in the early 2020s – maybe in the first year of the decade, maybe a few years later. CEE currently accounts for 60 per cent of our customers and around 23 per cent of our premiums. The figure for EBT is lower. Premiums will enjoy above-average growth as prosperity in the region rises.

“We reduced the risk exposure on our balance sheet massively in 2012 and 2013 and are currently managing the Group in a highly risk-averse manner.”

The low interest rate environment and the new capitalisation requirements – Solvency II – are an issue for all insurance companies. How is UNIQA responding?

– Solvency II, the current low interest rate environment and the prevailing macropolitical conditions are all conspiring to make life insurance a complex business! We reduced the risk exposure on our balance sheet massively in 2012 and 2013 and are currently managing the Group in a highly risk-averse manner. This risk reduction also meant streamlining our equity investments by selling hotels, hedge funds and private equity. The big challenge will be to maintain this risk-averse approach under Solvency II while ensuring that we are equipped for new forms of investment. Whether this takes the form of alternative energy – as seen at some German companies – or mortgage finance, we are working on multiple scenarios. The fact is that we are faced with the challenge of sailing far more accurately and more closely to the wind than previously. It would be too early to draw specific conclusions about new life insurance products based on this situation. We are currently addressing the issue of whether there will be products with or without guaranteed interest in future and will communicate our findings by mid-2014. Life insurance will always remain a central

pillar of the Group’s activities, as will property/casualty and health insurance – but the parameters could change.

What are the other major challenges facing the industry?

– I believe that companies from outside the industry will increasingly seek to penetrate our traditional area of business. This includes providers such as Google who possess a vast wealth of data that is already allowing them to offer insurance-related products at extremely low prices. There will be no lack of challenges that emerge from areas such as technology, the environment, politics and society, for example, nanotechnology, climate change, regulations, the ageing population and so on. But that is precisely what makes our industry so incredibly interesting – almost every development has an impact on our business sooner or later.

The interview with Andreas Brandstetter was conducted by the Vienna-based financial market expert and share analyst Christian Drastil. Drastil was a co-founder and editor-in-chief of wirtschaftsblatt.at and boerseexpress.at. In 2011, the Austrian Shareholder Association (IVA) awarded him the “IVA David” for his contribution to promoting capital market culture in Austria. Drastil’s activities in the area of publishing include running the financial market website christian-drastil.com.

Unfortunately, the Management Board did not have time for a photo shoot. You can see why here:



Use your smartphone to download a free QR code reader from the App Store or Android Market.
Open the programme and hold your phone around 20 cm above the QR code on this page.

Management Board of UNIQA Insurance Group AG

Andreas Brandstetter / *Chairman of the Management Board / CEO / 1969**

Has been with the UNIQA Group since 1997. He previously worked for Raiffeisen in Austria and Brussels. He was appointed to the Management Board in 2002 and has been promoting the establishment of the CEE network. He took over as Chief Executive Officer (CEO) on 1 July 2011.

Responsible for: Investor Relations, Group Communication, Group Human Resources, Group Internal Audit, Group General Secretary

Hannes Bogner / *Member of the Management Board / CFO / 1959**

Has been with the UNIQA Group since 1994. He was appointed to the Management Board as Chief Financial Officer (CFO) in 1998. He previously worked as a tax advisor and a sworn chartered accountant.

Responsible for: Group Finance, Group Asset Management, Group Legal Affairs, Group Internal Audit

Wolfgang Kindl / *Member of the Management Board / 1966**

Has been with the UNIQA Group since 1996 and in the international segment since 1997. He was the CEO of UNIQA Assurances in Geneva from 2000 to 2004. In 2005, he took over as Managing Director of UNIQA International AG. He was appointed to the Management Board of UNIQA Insurance Group AG on 1 July 2011.

Responsible for: UNIQA International

Thomas Münkler / *Member of the Management Board / COO / 1959**

He was appointed as Chief Operating Officer (COO) on 1 January 2013. He previously held various management positions at an international insurance group over a 20-year period.

Responsible for: Group OPEX, Group Operations, Group IT, Group Project Office

Kurt Svoboda / *Member of the Management Board / CRO / 1967**

Has been with the UNIQA Group since 2003. He started out in the management of UNIQA Capital Markets GmbH. On 1 July 2011, he was appointed to the Management Board as Chief Risk Officer (CRO). Prior to 2003, he worked in the Austrian insurance sector and for an accountancy firm.

Responsible for: Group Finance Controlling, Group Risk Management, Group Asset Management (Back Office), Group Actuary, Group Reinsurance, Value Based Management, Regulatory Management Solvency II, Governance & Compliance, Market Risk Management

A focus on our customers

*The needs of our customers are what drives our work.
Achieving our goals as a company depends on winning
our customers over with our service.*

Our mission: Just like in a family, we are committed to our customers so that they can enjoy life-long security and plan their lives with confidence.

To help us to fulfil our mission, last year we defined the corporate values that guide our actions:

- **We inspire:** We are dedicated to people. We know and understand the needs of our customers and colleagues and inspire them with our commitment.
- **We shape:** We continuously develop. We are ready to learn and to grow on a continuous basis and are resolute in shaping our future. Our new and intelligent solutions make us a pioneer in the industry.
- **We are straightforward:** We are honest and direct. We deal with our customers, shareholders and colleagues in a straightforward manner because they are important to us.
- **We deliver:** We want to win. We seek to be successful by delivering top performance for our customers and shareholders. We deliver on our promises.

Our values are our foundation; they form the basis for successful, productive cooperation. We are working hard to continue to realise these values in our daily work and across all segments of the Group. We have launched two major initiatives to ensure our success in the long term:

A strong brand is a company's identification system, both internally and externally. This is why we have put the UNIQA brand to the test. 88 brand ambassadors from all segments and regions have taken up the challenge of integrating the UNIQA brand into the fabric of our entire organisation by being role models. The points of contact between customers and the brand were developed at workshops, resulting in a total of 111 brand contact points. We are now working intensively to optimise these points for the benefit of our customers.

The second initiative is the "Customers understand UNIQA" project, in which we are analysing our customer communications with respect to our corporate values. Clear and comprehensible communication ensures mutual understanding and tailored solutions that increase customer satisfaction. We will continue to work on this in a concentrated and energetic manner in 2014.

Profitable growth in our core business

With our long-term strategic programme UNIQA 2.0, we have defined a clear path to 2020: we are focusing on profitable growth in our core business as a primary insurer in our core markets of Austria and Eastern Europe.

OUR BUSINESS MODEL – PROVIDING ASSURANCE

We, the UNIQA Group, are one of the leading providers of insurance in all categories in our core markets of Austria and Central and Eastern Europe (CEE). Our roots date back more than 200 years to 1811. Today, we look after more than nine million customers in 19 countries. The long-standing, successful cooperation with Austria's largest banking group and one of the leading banks in CEE – Raiffeisen – is a key element of our business model. In addition to this, UNIQA is the strongest insurance brand in Austria and is very well positioned in CEE.

We provide assurance. In exchange for a premium, we take on our customers' financial risk so they can be confident of being on firm ground. This gives them the assurance to shape their lives as they wish. In the event of a covered loss, we step in, compensate our customers and ensure that they are not left out of pocket. The basic principle of the insurance business is the pooling of risks. The premiums paid by all our policyholders form the basis for a "pot" of capital that we use to settle losses and claims as they arise. The value added we offer is the risk-adequate management of this portfolio and the optimal processing of claims. This means that we focus on risk diversification as well as a cost-effective corporate structure, thereby minimising risk and keeping our premiums attractive.

Proximity to our customers lies at the heart of our business model. We address people's needs and inspire them with innovative solutions in the areas of property and casualty, life, and health insurance, while never losing sight of the profitability of our products.

OUR STRATEGY – PROFITABLE GROWTH

For us, the UNIQA 2.0 strategic programme represents a commitment to our shareholders, customers and employees. We are working to become the best insurance company in Central Europe. This means we want to be the insurance company with the strongest focus on the needs of shareholders, customers and employees.

In 2013, we achieved what we promised. We increased our customer base to 9.3 million. Earnings before taxes (EBT) increased by 49.7 per cent year-on-year to € 306 million, while consolidated profit after taxes and minority interests more than doubled. This also enables us to propose an increase in the dividend from €0.25 to €0.35 per share.

The low interest rate environment remains a particular challenge for the entire European insurance industry at present. This is making us work all the harder to improve our underwriting result, i.e. improving the profitability of our core business. The Group-wide combined ratio has fallen to 99.9 per cent, while our cost ratio has been reduced to 24.1 per cent. The capital increase (re-IPO) that was successfully implemented in October 2013 also strengthened our equity base and created strategic flexibility for further growth. We already fulfil the new capitalisation requirements for insurance companies (Solvency II) that will come into force within the EU on 1 January 2016.

UNIQA 2.0: Growth strategy



01 What is our goal?

To double the number of customers from 7.5 million in 2010 to 15 million in 2020.



02 How will we achieve this goal?

By focusing on our core business as a primary insurer in our core markets of Austria and CEE.



03 Where do we intend to improve in our core business?

- UNIQA Austria: increase profitability
- Raiffeisen Insurance Austria: improve productivity
- UNIQA International: growth and profit in CEE
- Risk/Return: value-oriented company management



04 What do we need to achieve this?

- Strengthened capital base following re-IPO in October 2013 (free float increased to 35.4 per cent)
- Simpler, more capital market-friendly Group structure since October 2012

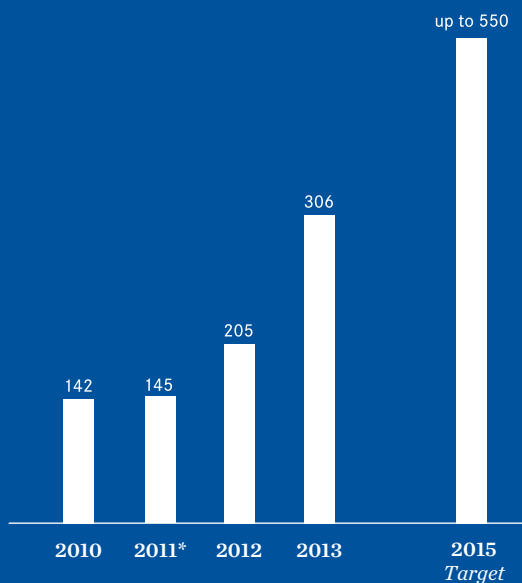


05 Why is this attractive for our shareholders?

Because we intend to improve EBT by up to € 400 million between 2010 and 2015.

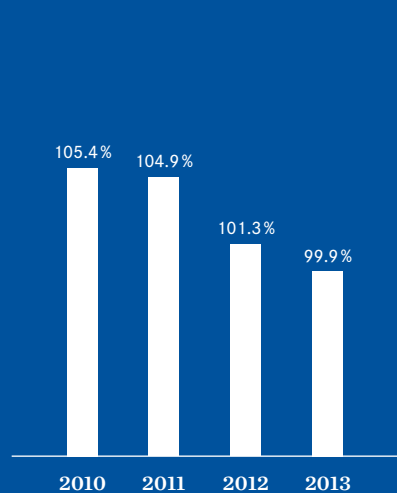
Earnings growth due to UNIQA 2.0

Change in EBT (in € million)



* adjusted for non-recurring and extraordinary effects

Combined ratio reduced



Combined Ratio

The ratio of insurance benefits and costs to premiums in property and casualty insurance is described as the combined ratio. This figure illustrates the ability of a property insurance company to generate a profit from its core operating business. In 2013, UNIQA succeeded in reducing its combined ratio to 99.9 per cent, thereby making a significant contribution to improving the profitability of its core business.

The UNIQA 2.0 growth strategy is based on five pillars:

1. Doubling the number of customers

We intend to double the number of our customers from 7.5 million in 2010 to 15 million by 2020. We attracted 0.6 million new customers in 2013 and had a total of 9.3 million customers in our 19 countries at year-end.

2. Focusing on core business

To achieve our customer target, we are focusing on what we do best: our core business as a primary insurer in our key markets of Austria and CEE. We have sold equity holdings that do not fit this strategy, such as our media investments and the Mannheimer Group in 2012 and the Austria Hotels International Group in 2013.

3. Implementing four key programmes

We have developed four key programmes that will bring about lasting improvements to our core business and help us to achieve our earnings target:

a. UNIQA Austria – increase profitability

For UNIQA Austria, we have set ourselves the target of significantly increasing profitability by optimising structures and processes, thereby improving our customer service and cost efficiency. In 2013, we increased the number of local service centres to 410. We also combined the back office functions of eleven sites to form three central service centres at five locations. As a result, we have created more streamlined processes while simultaneously relieving our local customer advisors of activities relating to direct customer service.

b. Raiffeisen Insurance Austria – improve productivity

Raiffeisen Insurance is a wholly-owned subsidiary of UNIQA that is active in the segment of bank assurance in Austria. It sells its products exclusively through the Raiffeisen banking group, which operates by far the largest network of bank branches in Austria. Raiffeisen Insurance has set itself the target of significantly improving productivity over the coming years. This approach started to bear fruit in 2013: premiums in the Raiffeisen Insurance segment again outperformed the market by some distance, increasing by 7.2 per cent as a result of the intensified cooperation with the Raiffeisen banks. We are continuing to work intensively on ensuring that Raiffeisen Insurance's products and processes are geared even more specifically towards the needs of the Raiffeisen banks and their customers.

c. UNIQA International – grow profitably

UNIQA International, which encompasses our subsidiaries outside Austria, has the aim of growing considerably above the market rate in CEE on a sustained basis with a focus on profitability and value. Premiums in the UNIQA International segment increased by 11.3 per cent in 2013. We further expanded our market share in 13 of 15 CEE countries. The acquisition of the Baloise Group's insurance companies in Croatia and Serbia in the first quarter of 2014 allowed us to considerably strengthen our good market position within the Southeastern European region as a whole. This acquisition also supports one of UNIQA International's strategic projects, namely the implementation of a target operating model in Southeastern Europe. The aim of the project is to establish a uniform, standardised business model for all countries in the CEE region, with customer-oriented processes and a transparent structure. Through this, UNIQA International intends to leverage

cross-border synergies, significantly improve cost efficiency and improve its customer service.

Much like in Austria, our focus in the CEE region is on close cooperation with the banking industry to increase sales through banks. We are working to further increase our market share in particular by cooperating with our preferred strategic partner, Raiffeisen Bank International, which operates the largest branch network of a western bank in CEE, consisting of more than 3,000 branches. In Italy, we have an extremely close cooperation with the Veneto Banca group in the area of life insurance sales.

In 2013, we advised 60 per cent of our customers and generated 24 per cent of Group premiums in our core market in the CEE region. Our aim is to generate 50 per cent of Group premiums and 30 to 40 per cent of consolidated profit in the CEE region by 2020.

d. Risk management – control risk

The Solvency II project introduces new supervisory and capitalisation requirements aimed at establishing an end-to-end system for overall solvency. These requirements must be implemented by 1 January 2016. UNIQA welcomes the introduction of Solvency II and has taken considerable efforts ever since its announcement, thereby ensuring that it was already extremely well prepared for the new standards in 2013. We further reduced the risk exposure on our balance sheet in 2013. As part of our strategic investment policy, investments in shares, private equity and hedge funds were reduced, and the capital freed up as a result was invested in stable, high-yield bonds. At the same time, we continued to close the gap between the term of our assets and our actuarial liabilities through strict asset liability management. Both measures have led to an improvement in the economic solvency ratio. Although UNIQA has now achieved a comfortable risk and equity position, it will continue to work systematically on the introduction of Solvency II across all segments of the Group in 2014.

4. Strengthening the equity base

We achieved two extremely important strategic milestones in 2013: Having created a new, clear Group structure with no significant minority interests in late 2012 and prepared ourselves systematically, in October 2013 we were able to successfully complete the re-IPO that was announced back in 2011. The gross issue proceeds of € 757 million strengthened our equity considerably and created strategic flexibility for further growth, as well as increasing the free float and hence the liquidity of UNIQA's shares. As a result, UNIQA was included in Vienna's leading stock exchange index, the ATX, in March 2014. This means that we are now one of the 20 largest and most traded listed companies in Austria.

5. Improving earnings

In 2011, we set ourselves the concrete target of increasing our EBT to up to € 550 million by 2015. Our aim for 2013 was to generate EBT in excess of € 300 million. We have achieved this target; at € 306 million, we are 49.7 per cent above the figure generated in 2012.

At home in the heart of Europe

UNIQA is at home in Austria and Central and Eastern Europe. We know our domestic markets in the heart of Europe and are firmly established in them.

We intend to increase the number of our customers to 15 million by 2020. We will do this by concentrating on our core business as a primary insurer in our two core markets of Austria and Central and Eastern Europe (CEE). In the past financial year, UNIQA acquired 0.6 million new customers. Most of them are in the CEE region. We thus served 9.3 million customers in 2013. This figure does not yet include the 180,000 customers who have joined us following the acquisition of the Baloise Group.

We know our core markets and are firmly established there. We are a long-term investor – not only in Austria, but also in the CEE region. We firmly believe in the potential of the CEE countries and intend to grow along with their economies. We are well positioned to exploit this growth.

Austria: Strong foundations in our domestic market

UNIQA is the second-largest insurance group in the country, with a market share of 22 per cent in terms of premium volume. In the strategically important health insurance segment, UNIQA remains the undisputed number 1 with a market share of around 48 per cent. We continued to pursue our goal of getting even closer to our customers by expanding our network to 410 service centres working under the “UNIQA” brand. Our products under the “Raiffeisen Insurance” brand are marketed by Austria’s largest banking group, the Raiffeisen Group, which has more than 2.8 million customers. This means we have the country’s most extensive network of bank branches on our side.

With a spontaneous recognition of 76 per cent and an aided recognition of 98 per cent, UNIQA is Austria’s best known insurance brand. Raiffeisen Insurance benefits from the enormous power of the Raiffeisen brand, whose spontaneous recognition of 81 per cent makes it the strongest banking brand in the country. Both brands – UNIQA and Raiffeisen – were voted the most trustworthy brands in their respective sectors in Austria by consumers in 2012 (with UNIQA receiving the accolade for the tenth consecutive time).

CEE: Well-positioned for further growth

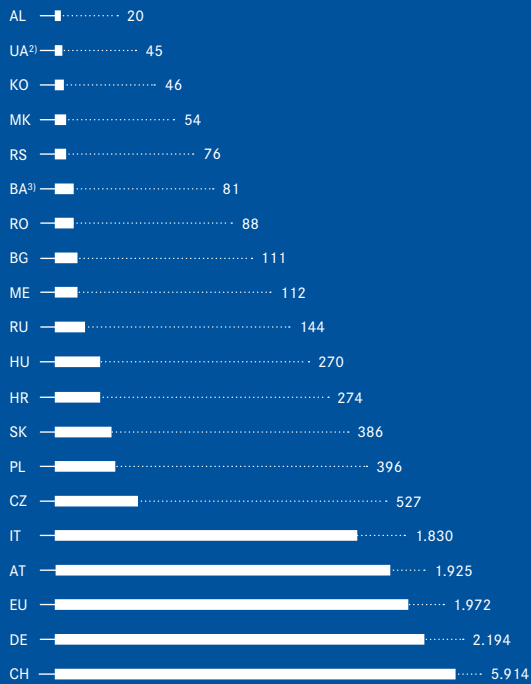
UNIQA has subsidiaries in 15 countries in the CEE region, operating around 1,450 service centres. Slovenia is served from Austria. We are the market leader in Albania, the number two in Ukraine, Montenegro, Bosnia and Herzegovina and Kosovo, and are among the top five in four other markets – Slovakia, Serbia, Macedonia and Romania. We also cooperate with our partner Raiffeisen in CEE. The preferred partnership agreement we entered into in June allows us to work together with the subsidiaries of Raiffeisen Bank International, which have more than 3,000 branches and a total of more than 14 million customers, in 14 of our markets. We have acquired the Baloise Group’s insurance companies in Croatia and Serbia in order to strengthen our market presence in Southeastern Europe.

We are pursuing a unified brand strategy in the CEE region. We operate in twelve countries



Growth potential in CEE

Annual premiums per capita in €¹⁾



¹⁾ Based on 2012 data

²⁾ UA calculation based on estimated data for 2012 excl. Kremeny & Lemna

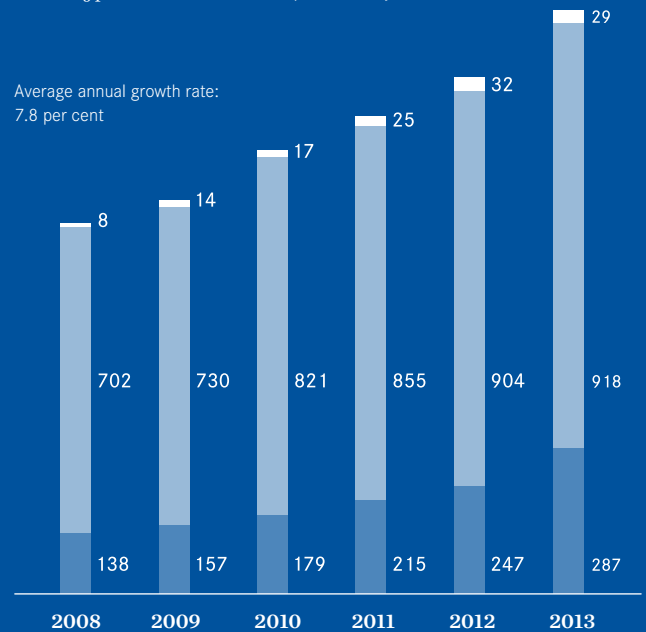
³⁾ Excl. Republika Srpska

Source: Sigma 03/2013, Business Monitor

Profitable growth in Central and Eastern Europe

Recurring premium volume in CEE (in € million)*

Average annual growth rate:
7.8 per cent



* Premiums including the savings portion of unit- and index-linked life insurance, excluding single premiums

- Health insurance
- Property and casualty insurance
- Life insurance

under the UNIQA brand. In Albania and Kosovo, we use the “Sigal UNIQA Group Austria” brand. In Russia, we use solely bank distribution and operate under the “Raiffeisen Life” brand.

Our core markets in the CEE region continue to offer major growth potential. A competitive export industry, flexible labour markets, investment-friendly tax and wage systems, low labour costs and skilled employees ensure economic growth that will outpace that of Western Europe in the long term.

In addition, there is a significant need to catch up with regard to insurance products. This becomes apparent when you compare per-capita spending in this area, or the insurance density, as it is called. Whereas an Austrian invests an average of € 1,925 annually in insurance security, the corresponding per-capita spend on coverage in Albania is a meagre € 20. It is € 45 in Ukraine and € 270 in Hungary. Although conditions are challenging in some countries, such as Ukraine and Romania, we are convinced of the importance of standing by our customers and employees especially in difficult times. We see the CEE economic area with its population of around 300 million as our natural growth region not only for the next five years, but for the next 50 years.

At home in Austria and in the CEE region

We are at home in Austria and in the CEE region. These are UNIQA’s core markets. And we are focusing on these markets. We are a long-term investor. We are here to stay with the aim of growing sustainably together with our customers and the region, thereby creating shareholder value.

Regions/countries	Market position	Market share*	Change in market share**
AUSTRIA	2	22.2	+0.6
CENTRAL EUROPA			
Poland	10	2.7	+0.3
Slovakia	5	5.0	+0.1
Czech Republic	6	4.1	+0.1
Hungary	6	7.5	+0.4
EASTERN EUROPE			
Romania	5	7.1	+1.5
Ukraine	2	3.4	-0.6
SOUTHEASTERN EUROPE			
Albania	1	37.5	+5.1
Bosnia and Herzegovina	2	12.5	+1.0
Bulgaria	7	6.7	-0.3
Kosovo	2	14.0	+0.8
Croatia	10	3.1	+0.6
Macedonia	5	9.7	+2.2
Montenegro	2	16.3	+2.3
Serbia	5	7.3	+0.3
RUSSIA***	10	3.3	0.0

* Market share: figures in per cent **Change in market share: figures in percentage points *** Market position in life insurance

We are UNIQA

*Our aim is to be successful as a team – and to deliver optimal results.
This is why we are focusing on expertise and commitment.*

In 2013, our 22,000 employees and exclusive sales partners worked hard to implement our UNIQA 2.0 strategic programme – and enjoyed great success in doing so. We are committed to UNIQA's success. In order to achieve this, we initiated a range of initiatives in 2013.

Striving for excellence

The implementation of the UNIQA 2.0 strategy requires the targeted training and further education of our employees and managers. In 2013, UNIQA launched a Group-wide leadership development programme aimed at further expanding the expertise of its management team. 150 of our top employees will complete this programme over the next three years. In 2013, 70 managers successfully started the leadership programme. We are furthering the professional qualifications and knowledge of our employees through new training formats and additional training days both in Austria and at our international locations. Advancing and motivating our employees and strengthening their skills is an important strategic lever in achieving our goals. (Number of training days increased by up to 50 per cent.)

Taking the pulse of the Group

Employee feedback is hugely important to us. To this end, the “UNIQA 2.0 Sensor” employee survey was carried out in Austria in October 2013. The online survey provides an insight into the extent to which the UNIQA 2.0 strategic programme is already integrated within the company at present. The results show that our employees are familiar with the objectives of UNIQA 2.0 and that the measures in the areas of communication and management development are having a particularly positive impact. The feedback from our employees also shows where there is room for improvement and will help us to define and realise appropriate measures. Above all, there is still potential for improvement when it comes to cooperation between the departments. This is an area where we must improve further – and we will.

Achieving a healthy work-life balance

For parents who work, needs-oriented, respectful childcare is a basic requirement for a successful professional life. However, finding a solution that is satisfactory to all concerned is not always easy. It requires great flexibility and is extremely time-consuming. Accordingly, UNIQA is working together with the external partner KibisCare. KibisCare provides a comprehensive childcare service that makes parents' lives easier and supports them in their day-to-day work. The proportion of women in Management Board positions and senior executive roles is currently 17 per cent across the Group as a whole and 25 per cent in the international area.

We believe that the ability to combine a career with family life is a key issue when it comes to increasing the proportion of female managers. Flexible working hours and teleworking models are established elements of UNIQA's human resources policy. In 2013, 12 per cent of employees in Austria took the option of working part-time, while 8 per cent used teleworking.

Health and fitness

The newly created “UNIQA Freiraum” offers a wide range of health-related and sporting activities. Regular information and campaigns on healthy eating, sport and exercise and physical relaxation and the varied offerings of the UNIQA sport club help our employees to stay fit, as well as promoting a spirit of cooperation.

Our employees' social commitment

We aim to provide our employees with a working environment that is characterised by mutual respect. Social commitment is a fixed element of the corporate culture at UNIQA. This includes encouraging all employees to give something back to society and help people or institutions that provide aid. The UNIQA Social Day, which was launched in 2013 for employees at the Group's head office, gives each employee one workday on which to support a charitable institution of their choice. We are delighted by how well this initiative has been received and, in particular, by the level of dedication shown by the UNIQA team.

Investing in the future

UNIQA is committed to promoting young talents. To achieve our ambitious goals, we need the best people. Since 2013, we have cooperated with various universities on initiatives including the “WU Top League” high-potential programme at the Vienna University of Economics and Business and the “TU the Top” programme at the Vienna University of Technology.

UNIQA 2.0 Sensor 2013: Employee survey



3,308

employees took part in the survey in Austria. UNIQA 2.0 Sensor is extremely important to the company. It illustrates the progress of the change process and its integration within the individual segments.



92%

are familiar with the objectives of the UNIQA 2.0 strategic programme.



86%

of those surveyed were familiar not only with the objectives of the programme, but also with the related operational measures.



85%

of participants stated that senior management keeps them regularly informed about developments in UNIQA 2.0.



86%

of those surveyed are fully behind the strategic programme. They see UNIQA 2.0 as an extremely important step in maintaining UNIQA's long-term competitiveness and securing the Group's future.

UNIQA Social Day 2013: Employees working for a good cause



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of the approximately 1,700 employees at the Group's head office worked on social projects for one day in 2013. The organisations for which they worked included the following:

Wiener Tafel An association that provides people in social facilities with high-quality food every day.

Gruft A Catholic charity that makes a crypt available as a safe shelter for homeless people.

Sterntalerhof An institution that supports the families of seriously, chronically and terminally ill children.

Pro Juventute An organisation that provides children in need with a new home at residential facilities with educationally trained staff.

SOS Kinderdorf An association that helps children in need around the world and gives them a new home.

Pfarrcaritas The rectories in the Archdiocese of Vienna provide a warm place for people looking to shelter from the cold.

World Vision An aid organisation that promotes development cooperation and provides humanitarian aid and advocacy work.

Aktion Leben A private association that works to protect human life.

Diakonie Österreich 170 refugees receive comprehensive care and support at the Rossauerlände refugee home.

Sozialmarkt Wien A supermarket for socially vulnerable people with three locations in Vienna.

Taking responsibility

Transparency and responsibility guide our actions and behaviour, and hence our success

There are not many sectors where sustainability is clearly such an integral part of business as it is in the insurance sector. For more than 200 years, the most important task of UNIQA and its predecessors has been to give people peace of mind. Above all else, for UNIQA sustainability means taking responsibility on the basis of a clear, transparent governance system in three areas: economic, social and ecological. We created the necessary structures in 2012 and continued to implement three important projects in 2013:

1. Analysing long-term options and risks

As an insurance company, we promise our customers long-term services. This means that UNIQA needs to have a clear view of future developments. For this reason, we started analysing the long-term options and risks of our business units in 2012. In doing so, we monitor technological, socio-economic, regulatory and economic trends along with their short-term and long-term impact on UNIQA. The results of these analyses are incorporated into our strategic planning and taken into account when defining the UNIQA Group's core projects. The topics include innovations in the area of passenger car safety, the changing lifestyles of our customers, and developments such as connectivity, digitalisation and networking.

2. Clearly defining tasks and responsibilities

Strategic objectives can only be achieved if there are clearly defined management roles in terms of responsibility and expertise within the company. In 2012, we adopted a structured governance model that defines the tasks and responsibilities of the Management Board and Supervisory Board and determines the company's strategic and operational development. In the past financial year, we further improved these regulations in order to accelerate decision-making processes and enhance transparency. As part of our preparations for Solvency II, 2013 also saw the development of a detailed governance model for UNIQA's international organisational units. This model is scheduled for implementation in the first half of 2014.

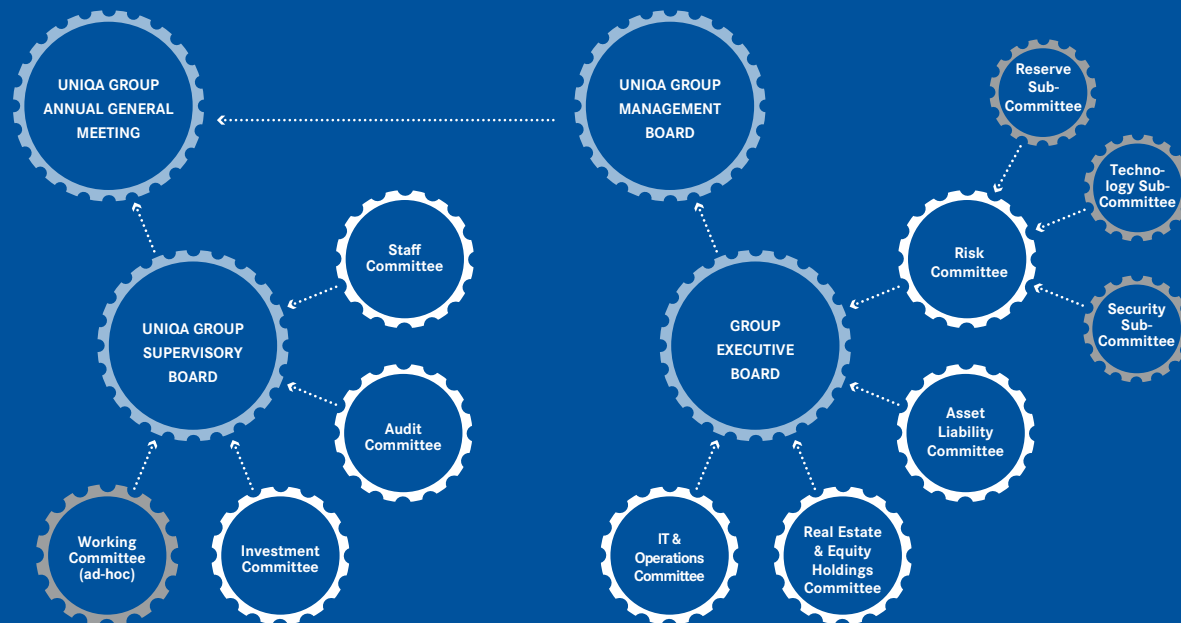
Since 2013, the core topics at the Group have been managed via the following operationally oriented committees: Risk, Asset Liability Management, Equity Holdings & Real Estate and IT & Operations. The Risk Committee has three sub-committees: the Technical Committee for actuarial accounting policies, the Security Committee for topics relating to information security and physical security, and the Reserve Committee for the analysis and assessment of claim reserves.

3. Making the Code of Conduct transparent and suitable for day-to-day use

Having been developed in the previous year, in 2013 the Code of Conduct was introduced and implemented at all levels of our company with a focus on transparency and suitability for day-to-day use.

The Code of Conduct governs how employees deal with each other and how they interact with customers and business partners. It also governs the correct conduct for accepting and giving

The governance model



Initiatives and certificates 2013



UNIQA Mobile Health Care Truck

UNIQA is setting new standards in operational health management with its innovative, exclusive truck. The “rolling health centre” allows companies to offer their employees on-site health checks. Specialist staff and doctors of various disciplines ensure that all examinations run smoothly.



GreenBuilding certification

In 2008, the UNIQA Tower became the first new office building in Austria to officially receive the EU GreenBuilding certificate. In April 2012, the building was also recognised by the U.S. Green Building Council LEED (Leadership in Energy and Environmental Design) for meeting standards in terms of environmentally friendly, resource-efficient and sustainable construction.



“Green Power” certification

UNIQA purchases 100 per cent of its electricity from providers with the “Green Power” label. This signifies that power is generated sustainably, and hence in an environmentally friendly manner. Green power is required to consist of 79 per cent hydropower as well as biomass, geothermal, solar and wind power and at least one per cent photovoltaic power.



Conscious selection of suppliers

In accordance with the Group’s mission statement, decisions on the award of contracts are taken not only on the basis of economic and process-related criteria, but also in accordance with social and ecological aspects. In addition to providing optimal quality at the best price, UNIQA therefore also expects its suppliers to comply with the law and social norms without exception.



UNIKATE: Call for ideas

The aim of the competition launched by UNIQA and the Austrian Working Committee for Rehabilitation is to close gaps in aid provision. Students are given the opportunity to realise their ideas concerning personal accessibility as prototypes as part of the theses or final papers for their degree, thereby helping to create customised solutions for people with disabilities.

business gifts, secondary employment, donations, anti-discrimination, protecting the privacy of our customers, and more besides. One important aspect is the prevention of corruption and money laundering. UNIQA's Code of Conduct is committed to promoting transparency and honest and ethical business practices, as well as the correct way of dealing with confidential information and strict adherence to competition regulations.

To ensure that the values set out in our Code of Conduct are integrated within the UNIQA team to the greatest possible extent, around 150 managers participated in national and international compliance training programmes in 2013.

Sustainability in practice

Sustainably means much more to us than merely sponsoring social initiatives or environmental projects. Both of these things are important to us, however, and UNIQA supports various initiatives in Austria and Central and Eastern Europe. Examples include the Wirtschaft für Integration association, Wiener Hilfswerk, Caritas Austria, the "Journey for the Dream" foundation and promoting sports at school in different ways in numerous countries.

Vital4Brain: We have been supporting the Vital4Brain project since 2012. This is a programme in which schoolchildren carry out simple but effective movement exercises during the school day. In addition to creating a more relaxed atmosphere in the classroom, it also promotes concentration and good health. UNIQA supports the initiative with non-cash assistance and sponsorship and by training VitalCoaches throughout Austria (www.vital4brain.at).

Ecological responsibility

We are aware of our responsibility to the environment. We are setting an example with our new company car directive. Our new company cars are responsible for significantly lower CO₂ emissions than conventional vehicles. UNIQA employees can also opt for an electric car or do without a company car altogether, with the company instead making a contribution to their public transport passes.

UNIQA shares

The UNIQA shares are on an upward trend following the successful re-IPO, in which we strengthened our equity considerably and created strategic flexibility for further growth with issue proceeds of € 757 million.

The price of the UNIQA shares on the prime market of the Vienna Stock Exchange fell by 5.9 per cent to € 9.28 in 2013. In the same period, Vienna's leading index ATX gained 6.1 per cent, while the benchmark Euro Stoxx Insurance index rose by 33.2 per cent. In October 2013, the UNIQA Group implemented a capital increase (re-IPO) as part of its UNIQA 2.0 strategic programme, generating gross proceeds of € 757 million. We placed a total of 94,752,100 new shares with Austrian and international investors at a price of € 8.00 per share. The re-IPO increased the share capital of UNIQA Insurance Group AG to € 309,000,000 and led to a significant increase in UNIQA's free float to 35.4 per cent. The corresponding sharp rise in the shares' liquidity led to their inclusion in the leading index in Vienna, the ATX, in March 2014. With the issue proceeds of € 757 million, we have strengthened our equity considerably while creating strategic flexibility for future growth. The price of the UNIQA share rose steadily following the re-IPO, climbing by around 11.8 per cent to € 9.50 as of the end of February 2014 and outperforming the EURO STOXX Insurance Index in the same period.

Key figures for UNIQA shares	2013	2012	2011	2010	2009
Figures in €					
UNIQA's share price on 31 December	9.28	9.86	9.42	14.70	12.97
High	11.14	13.40	16.50	15.34	18.86
Low	8.12	8.75	9.00	10.68	12.21
Average turnover/day (in € million)	1.5	0.1	0.1	0.5	0.5
Market capitalisation as at 31 December (in € million)	2,867.5	2,112.5	1,346.9	2,102.0	1,855.0
Earnings per share	1.20	0.75	-1.73	0.30	0.19
Dividend per share	0.35 ¹⁾	0.25	0	0.40	0.40

¹⁾ Proposal to the Annual General Meeting

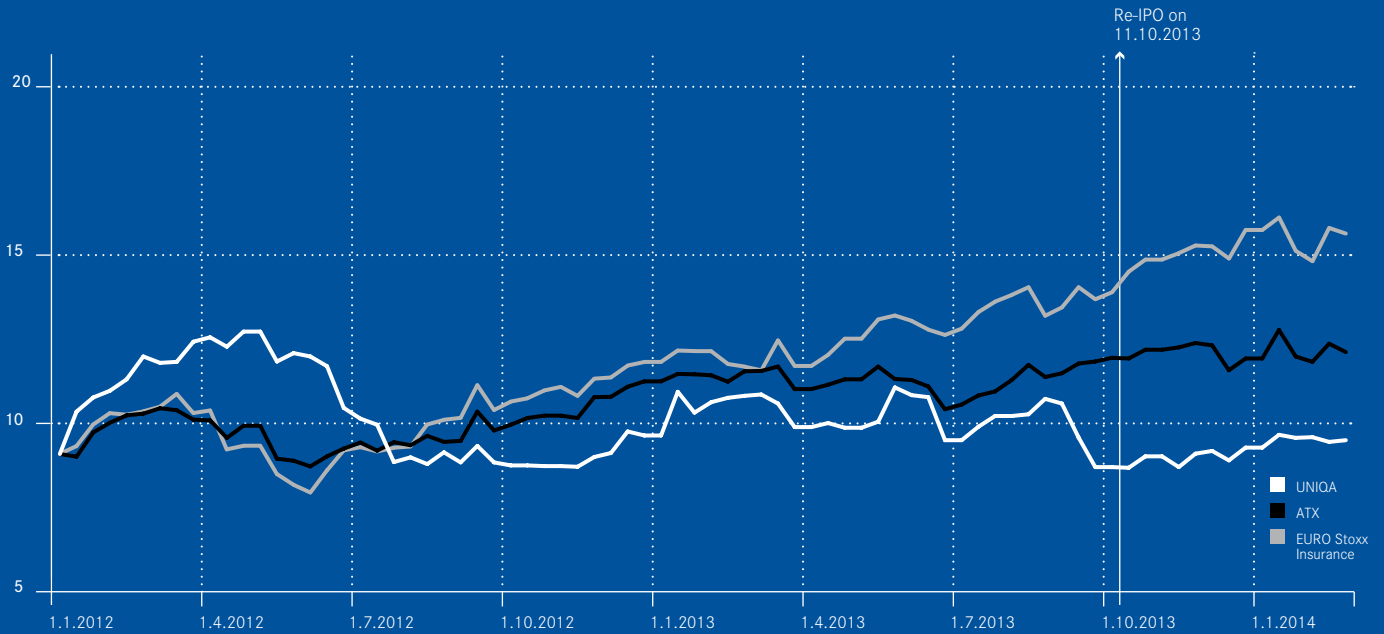
Shareholder structure

The UNIQA shareholder structure changed substantially in 2013 as a result of the re-IPO. The free float has become considerably more important, rising from less than 10 per cent to 35.4 per cent. Raiffeisen Zentralbank (Group) now holds 31.4 per cent of the shares in UNIQA (BL Syndikat Beteiligungs Gesellschaft m.b.H. 22.8 per cent, RZB Versicherungsbeteiligung GmbH 5.3 per cent, UQ Assekuranz Holding GmbH 3.3 per cent), Austria Privatstiftung (Group) holds 30.6 per cent (Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH 23.7 per cent, Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung 6.9 per cent), and Collegialität Versicherungsverein Privatstiftung holds 2.3 per cent. Treasury shares account for 0.3 per cent of the UNIQA shares.

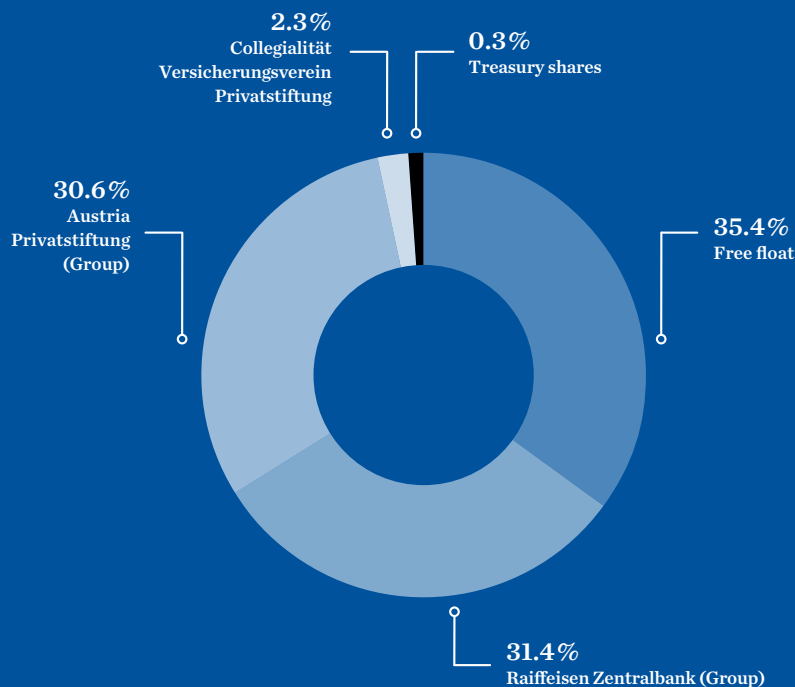
Share price performance

After opening at € 9.89 on 2 January 2013, the shares reached a high for the year of € 11.14 on 19 February 2013. The share price fell sharply following the announcement of the planned capital increase, recording a low for the year of € 8.12 on 2 October 2013.

Development of UNIQA shares



Shareholder structure of UNIQA Insurance Group AG



Financial calendar 2014



The successful re-IPO marked the start of a steady upward trend, with the share price closing the year at € 9.28. The share price continued to rise in the first two months of 2014, climbing by a further 2.4 per cent to € 9.50. This meant that the UNIQA shares have achieved a performance of +11.8 per cent since the re-IPO in early October 2013.

Dividend distribution

We are committed to ensuring that UNIQA shareholders participate in the company's success to an appropriate extent. We aim to distribute between 40 and 50 per cent of consolidated profit as a dividend. Based on the single-entity financial statements of UNIQA Insurance Group AG, the Management Board will therefore propose to the Annual General Meeting the payment of a dividend of € 0.35 per dividend-bearing share for the 2013 financial year.

Dialogue with analysts and investors

We attach great importance to providing our shareholders and the entire financial community with regular, timely and comprehensive information about the ongoing development of the company. All reports and company information can be accessed online at www.uniqagroup.com. In addition, our investor relations team will be happy to answer individual questions.

Information on UNIQA shares

Ticker symbol	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime market of the Vienna Stock Exchange
Trading segment	Official trading
Indices	ATX, ATX Prime, ATX FIN, WBI
Number of shares	309,000,000

The following investment banks currently publish regular research reports on UNIQA shares:

figures in €	Recommendation	Target price
Berenberg Bank (Sami Taipalus)	BUY	10.90
Deutsche Bank (Olivia Brindle)	HOLD	10.10
Erste Group Bank (Thomas Unger)	ACCUMULATE	10.20
J.P. Morgan (Michael Huttner)	NEUTRAL	11.35
Main First Bank (Michael Haid)	UNDERPERFORM	8.40
Morgan Stanley (Maciej Wasilewicz)	EQUAL-WEIGHT	9.90
Nomura (Michael Klien)	NEUTRAL	10.00
Raiffeisen Centrobank (Bernd Maurer)	BUY	10.90
UBS (James Shuck)	BUY	11.00

Corporate Governance Report
Report of the Supervisory Board

Corporate Governance Report

Since 2004, UNIQA has undertaken to comply with the Austrian Code of Corporate Governance; it publishes its declaration of compliance both in the Group Report and in the Investor Relations section of its website, www.uniqagroup.com. The Austrian Code of Corporate Governance is also publicly available at www.corporate-governance.at.

Implementation and compliance with the individual provisions of the Code is evaluated annually by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Working primarily on the basis of a questionnaire, this institution examines 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.

UNIQA declares its continued willingness to comply with the Austrian Code of Corporate Governance in the applicable version. Accordingly, it adheres to the Code's "L rules" (legal requirements) in full as required by law. However, UNIQA deviates from the provisions of the Code in the applicable version with regard to the following "C rules" (comply or explain) and hereby provides the following explanations:

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 Board. To the extent that such contracts require approval by the Supervisory Board in accordance with section 95 (5) no. 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 law. In any case, all transactions are conducted at standard market conditions.

Rule 54

In connection with the capital increase (re-IPO) implemented in October 2013, the core shareholders undertook to elect two members independent of the core shareholders to the Supervisory Board at the 2014 Annual General Meeting.

COMPOSITION OF THE MANAGEMENT BOARD

Chairman

Andreas Brandstetter, CEO

1969*, appointed on 1 January 2002 until 31 December 2016

Responsible for:

- Investor Relations
- Group Communication
- Group Human Resources
- Group Internal Audit
- Group General Secretary

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

- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna (since 25 June 2013)
- Member of the Board of Directors of SCOR SE, France (since 25 April 2013)

Members

Hannes Bogner, CFO

1959*, appointed on 1 January 1998 until 31 December 2016

Responsible for:

- Group Finance
- Group Asset Management
- Group Legal Affairs
- Group Internal Audit

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

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna (since 11 April 2013)
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna (since 13 June 2013)
- Member of the Supervisory Board of Niederösterreichische Versicherung AG, St. Pölten (since 28 May 2013)
- Member of the Supervisory Board of Wiener Börse AG, Vienna (since 13 June 2013)
- Member of the Board of Directors of Takaful Emarat Insurance, UAE (until 6 December 2013)

Wolfgang Kindl

1966*, appointed on 1 July 2011 until 31 December 2016

Responsible for:

- UNIQA International

Thomas Münkel, COO

1959*, appointed on 1 January 2013 until 31 December 2016

Responsible for:

- Group OPEX
- Group Operations
- Group IT
- Group Project Office

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

- Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (since 1 July 2013)

Kurt Svoboda, CRO

1967*, appointed on 1 July 2011 until 31 December 2016

Responsible for:

- Group Finance Controlling
- Group Risk Management
- Group Asset Management (Back Office)
- Group Actuary
- Group Reinsurance
- Value Based Management
- Regulatory Management Solvency II
- Governance & Compliance
- Market Risk Management

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 disclosure and approval obligations of the Management Board members in respect of each other and the Supervisory Board. A catalogue of measures requiring the authorisation of the Supervisory Board is defined. 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 Chairmen of the Management Boards of UNIQA Österreich Versicherungen AG and Raiffeisen Insurance AG – Hartwig Löger and Klaus Pekarek – attend the meetings of the Management Board of UNIQA Insurance Group AG in an advisory capacity. The committee thus formed constitutes the Group Executive Board.

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

COMPOSITION OF THE SUPERVISORY BOARD

Chairman

Walter Rothensteiner

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

Supervisory Board appointments at domestic and foreign listed companies:

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

1st Vice Chairman

Georg Winckler

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

Supervisory Board appointments at domestic and foreign listed companies:

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

2nd Vice Chairman

Erwin Hameseder

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

Supervisory Board appointments at domestic and foreign listed companies:

- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- 1st Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport
- 1st Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

3rd Vice Chairman

Christian Kuhn

1954*, appointed on 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 from 31 May 2010 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

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

5th Vice Chairman

Ewald Wetscherek

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

Members***Dr. Ernst Burger***

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

Supervisory Board appointments at domestic and foreign listed companies:

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

Peter Gauper

1962*, appointed on 29 May 2012 until the 16th Annual General Meeting (2015)

Eduard Lechner

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

Johannes Schuster

1970*, appointed on 29 May 2012 until the 16th Annual General Meeting (2015)

Supervisory Board appointments at domestic and foreign listed companies:

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

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

1954*, from 18 February 2008

Doris Böhm

1957*, from 7 April 2005 until 10 April 2013

Peter Gattinger

1976*, from 10 April 2013

Anna Gruber

1959*, from 15 April 2009 until 10 April 2013

Heinrich Kames

1962*, from 10 April 2013

Franz-Michael Koller

1956*, from 17 September 1999

Friedrich Lehner

1952*, from 31 May 2000 until 1 September 2008 and from 15 April 2009

The Supervisory Board of UNIQA Insurance Group AG held five meetings in 2013.

COMMITTEES OF THE SUPERVISORY BOARD

Committee for Board Affairs

- Walter Rothensteiner (Chairman)
- Georg Winckler (Vice Chairman)
- Erwin Hameseder
- Christian Kuhn

Working Committee

- Walter Rothensteiner (Chairman)
- Georg Winckler (Vice Chairman)
- Erwin Hameseder
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm (member until 10 April 2013)
- Heinrich Kames (member since 10 April 2013)
- Franz-Michael Koller

Audit Committee

- Walter Rothensteiner (Chairman)
- Georg Winckler (Vice Chairman)
- Erwin Hameseder
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm (member until 10 April 2013)
- Heinrich Kames (member since 10 April 2013)
- Franz-Michael Koller

Investment Committee

- Erwin Hameseder (Chairman)
- Georg Winckler (Vice Chairman)
- Eduard Lechner
- Günther Reibersdorfer

Assigned by the Central Employee Council

- Johann-Anton Auer
 - Doris Böhm (member until 10 April 2013)
 - Heinrich Kames (member since 10 April 2013)
-

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 law, the Articles of Association and its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board.

The Supervisory Board has formed a Committee for Board Affairs for handling the relationships between the company and the members of its Management Board relating to employment and salary; this committee also acts as the Nominating Committee. The appointed Working Committee of the Supervisory Board is called upon for decisions only if the urgency of the matter means that the decision cannot wait until the next meeting of the Supervisory Board. It is the Chairman's responsibility to assess the urgency of the matter. The decisions passed must be reported at the next meeting of the Supervisory Board. As a matter of principle, the Working Committee decides on all issues that are the responsibility of the Supervisory Board; however, this excludes issues of particular importance or that are stipulated by law.

The Audit Committee of the Supervisory Board has the same members as the Working Committee and 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 four meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board and questions relating to remuneration policies and succession planning.

At its two meetings, the Working Committee primarily addressed company strategy and the Group's capital increase (re-IPO), as well as fundamental considerations and resolutions concerning adjustments to the real estate investment policy. Two written resolutions were passed in connection with the re-IPO, while a further two decisions on steps to be taken were passed by circulation in writing on account of their urgency.

At its three meetings, the Audit Committee discussed all of the year-end closing documents, the Corporate Governance Report and the Management Board's proposal for the appropriation of profit, as well as planning for the audit of the 2013 annual financial statements of the Group companies and the results of preliminary audits. In particular, the Audit Committee was provided with the quarterly reports by Internal Audit on the areas audited and the significant findings based on the audits conducted.

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

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

For information regarding the activity of the Supervisory Board and its committees, please also refer to the statements in the Report of the Supervisory Board.

MEASURES TO PROMOTE WOMEN ON THE MANAGEMENT BOARD AND THE SUPERVISORY BOARD AND IN SENIOR EXECUTIVE POSITIONS

Companies with considerable diversity in their management teams are more successful. Different nationalities and cultures and a mixture of women and men have a positive impact on cooperation at a management level.

UNIQA employs people from more than 30 nations at its headquarters in Vienna. UNIQA has developed into an international company that understands the needs of its employees and customers in the different countries it serves.

In 2013, the proportion of women on the Management Board and in senior executive positions throughout the Group improved slightly by one percentage point to 18 per cent. The figure for the international area remained at 25 per cent. Despite this moderate improvement, UNIQA needs and intends to improve further.

The ability to combine a career with family life, and the topic of childcare in particular, is a key factor in achieving this. For parents who work – and mothers in particular – good childcare is a basic requirement for a successful professional life. However, finding the right solution is not always easy. It requires great flexibility and is extremely time-consuming.

Accordingly, UNIQA works together with an external partner (KibisCare), which provides a comprehensive childcare service that makes parents' lives easier and supports them in mastering the balancing act between work and family on a day-to-day basis.

UNIQA is also committed to the principles of flexible working hours and teleworking. In 2013, 12 per cent of employees in Austria took the option of working part-time, while 8 per cent used teleworking.

In the area of management development, UNIQA is of the opinion that female-only development measures are considerably less promising than joint development measures for women and men alike. This makes cooperation more natural and easier to implement in day-to-day work.

When it comes to recruitment, UNIQA gives priority to female candidates where the candidates have the same qualifications.

INDEPENDENCE OF THE SUPERVISORY BOARD

All elected 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 that are material 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 at the company.
- The Supervisory Board member should not have been an 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.

REMUNERATION REPORT

Remuneration of the Management Board and Supervisory Board

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

Figures in € thousand	2013	2012
Fixed remuneration ¹⁾	2,458	2,145
Variable remuneration	2,465	3,149
Current remuneration	4,923	5,294
Entitlements to termination payments	0	1,855
Total	4,923	7,149
Of which proportionally oncharged to the operative subsidiaries:	4,176	6,791
Former members of the Management Board and their surviving dependants received:	2,699	2,644
Provisions for pension commitments to these persons were recognised as follows as at 31 December:	24,408	23,818

¹⁾ The fixed salary components contain remuneration in kind in the amount of € 73,088 (2012: € 49,909).

The total remuneration paid to the Management Board is broken down among the individual members as follows:

Name of Management Board Members	Fixed remuneration	Variable remuneration ¹⁾	Total regular remuneration	Entitlements to termination payments	Total for the year 2013	Total for the year 2012
Figures in € thousand						
Andreas Brandstetter	607	557	1,164	0	1,164	986
Hannes Bogner	457	481	938	0	938	875
Wolfgang Kindl	457	443	900	0	900	852
Thomas Münkel (since 1.1.2013)	479	492	972	0	972	0
Kurt Svoboda	456	492	949	0	949	852
Hartwig Löger (until 31.12. 2012)	0	0	0	0	0	852
Gottfried Wanitschek (until 31.12.2012)	0	0	0	0	0	2,731
Total 2013	2,458	2,465	4,923	0	4,923	0
Total 2012	2,145	3,149	5,294	1,855	0	7,149

¹⁾ Including a provision for the long-term incentive in the amount of € 226,078.

In addition to the salaries listed above, the following pension fund contributions were paid to the members of the Management Board for existing pension commitments in the financial year. The equalisation payments arise for members who step down before the age of 65 based on the general funding of pension claims until the age of 65.

Pension fund contributions	Regular contributions	Equalisation payments	Total for the year
Figures in € thousand			
Andreas Brandstetter	84	0	84
Hannes Bogner	128	0	128
Wolfgang Kindl	119	0	119
Thomas Münkel	245	0	245
Kurt Svoboda	105	0	105
Total 2013	681	0	681
Total 2012	686	1,254	1,940

The remuneration paid to the members of the Supervisory Board for their work in the 2012 financial year was € 380,000. Provisions of €380,000 have been recognised for the remuneration of their work in the 2013 financial year. In 2013, a total of € 31,320 (2012: € 35,520) was paid out in attendance fees and cash expenditures.

Figures in € thousand	2013	2012
For the current financial year (provisions)	380	380
Attendance fees	31	36
Total	411	416

The total remuneration paid to the Supervisory Board (including attendance fees) is broken down among the individual shareholder representatives as follows:

Name of Supervisory Board member	Remuneration	Remuneration
Figures in € thousand	2013	2012
Walter Rothensteiner	71	61
Georg Winckler	58	58
Erwin Hameseder	57	42
Christian Kuhn	51	51
Günther Reibersdorfer	50	48
Ewald Wetscherek	44	44
Ernst Burger	16	17
Peter Gauper	16	9
Eduard Lechner	23	24
Johannes Schuster	16	9

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

The information in accordance with section 239 (1) of the Austrian Commercial Code in connection with section 80b of the Austrian 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 single-entity financial statements according to the provisions of the Austrian Commercial Code with expanded scope. In addition to the executive functions (Management Board) of UNIQA Insurance Group AG, the single-entity financial statements also include the remuneration of the Management Boards of the subsidiaries insofar as there is a legally binding basis under contract law with UNIQA Insurance Group AG.

Principles for profit participation by the Management Board

A variable remuneration component is 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 is granted as a one-time payment based on the earnings situation.

Starting from the 2013 financial year, the system used to calculate the variable portions of the remuneration of the Management Board has been changed in conjunction with the extension of the Management Board mandates. By means of a short-term incentive (STI), a one-time payment is made if certain defined prerequisites for entitlement are met based on the earnings situation and agreed individual targets for each financial year. A long-term incentive (LTI) is also agreed as share-based remuneration with cash settlement. This provides for one-time payments after a term of four years depending on the performance of UNIQA's shares, ROE and total shareholder return based on annual virtual investment amounts in UNIQA shares. Upper limits are agreed. Linking the LTI to an annual

obligation on the part of the Management Board members to invest in UNIQA shares subject to a retention period of four years is being considered. The system complies with Rule 27 of the Austrian Code of Corporate Governance.

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 agreed. The corresponding pension entitlements are managed by Valida Pension AG. As a matter of principle, the retirement pension is due when the beneficiary meets the requirements for receiving an old-age pension in accordance with the Austrian General Social Security Act. In the event of earlier retirement, the pension claim is reduced. For occupational disability pensions and pensions for surviving dependants, basic amounts are provided as a minimum pension.

The pension fund at Valida Pension AG is financed by UNIQA through ongoing contributions for the individual members of the Management Board. Equalisation payments to Valida Pension AG are due if members of the Management Board step down before the age of 65 (imputed contribution payment duration to prevent excess financing).

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 based partially on the provisions of the Austrian Salaried Employee Act. The agreed termination packages on the occasion of premature termination of the work of a Management Board member comply with the criteria set out in Rule 27a of the Austrian Code of Corporate Governance. The benefits are fundamentally retained in the event of termination of membership of the Management Board; however, a reduction rule applies.

Supervisory Board remuneration

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

D&O insurance, POSI insurance

Directors' & officers' (D&O) insurance and, in connection with the implementation of the re-IPO in 2013, public offering of securities insurance (POSI) have been concluded for the members of the Management Board, the Supervisory Board and senior executives. The costs are paid by UNIQA.

RISK REPORT, DIRECTORS' DEALINGS

A comprehensive risk report (Rule 67) is included in the notes to the consolidated financial statements beginning on page 70. The notifications concerning directors' dealings in the year under review (Rule 73) can be found in the Investor Relations section at www.uniqagroup.com.

Vienna, 25 March 2014




Andreas Brandstetter
Chairman of the
Management Board



Hannes Bogner
Member of the
Management Board



Wolfgang Kindl
Member of the
Management Board



Thomas Münkler
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board

Report of the Supervisory Board

Ladies and Gentlemen,

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

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

Activity of the Supervisory Board

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

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

Focus of the meetings

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

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

The Supervisory Board meeting on 10 April focused on the annual financial statements and consolidated financial statements for the year ended 31 December 2012 and the Management Board's report on Group developments during the first quarter of 2013. It also fundamentally approved the issue of a hybrid capital bond to settle the supplementary capital issues by UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG with a total nominal volume of € 200 million that were scheduled for repayment in 2013. The Supervisory Board also discussed the agenda for the 14th Annual General Meeting on 27 May 2013.

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

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

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

Committees of the Supervisory Board

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

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

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

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

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

The Audit Committee met three times in the 2013 financial year in the presence of the auditor of the (consolidated) financial statements. The meeting on 10 April discussed all of the year-end closing documents and the Management Board's proposal for the appropriation of profit. The meeting on 16 May discussed planning for the audit of the financial statements of the Group companies of UNIQA Insurance Group AG for the 2013 financial year. The auditor informed the meeting on 13 November about the results of its preliminary audits to date. A report by the auditor on its assessment of the functionality of the risk management system was acknowledged. In particular, the Audit Committee was provided with the quarterly reports by Internal Audit on the areas audited and significant findings based on the audits conducted.

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

Single-entity and consolidated financial statements

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

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

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

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

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

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

Vienna, April 2014

On behalf of the Supervisory Board



Walter Rothensteiner,
Chairman of the Supervisory Board

Financial Statements

Group Management Report

ECONOMIC ENVIRONMENT

Although many of the established economies failed to fully realise their potential in 2013, there were growing signs of a slight improvement in the economy as a whole. Following two difficult years dominated by the crisis, the euro zone emerged from recession during the past year. However, despite a marginal upturn in gross domestic product (GDP) in three successive quarters, the euro zone was unable to record GDP growth for 2013 as a whole (minus 0.4 per cent). Alongside Germany, which remains the European growth driver, the Austrian economy closed the year with moderate GDP growth of 0.4 per cent.

Although the upturn in the USA is fundamentally stronger, it was curbed by the dramatic budget consolidation last year, with the result that GDP growth was down slightly on 2012 at 1.9 per cent. A reduction in the budget deficit meant that public finances were largely brought under control. Congress also presented a budget plan for 2014 and 2015 that reduced tax-related uncertainty among US households and companies, as well as international investors.

The high unemployment rate in Europe reflects the low utilisation of economic capacity. Signs of a certain stabilisation on the employment markets only began to emerge in the second half of 2013. In the euro zone, the unemployment rate in December stagnated at 12 per cent. The differences between the individual member states remained pronounced. While Greece and Spain saw the highest unemployment rates in the euro zone – 26.4 per cent and 26.6 per cent respectively – the situation on the Austrian employment market eased somewhat, with an unemployment rate of 4.9 per cent.

Central and Eastern Europe

Economic development in the Central and Eastern European countries in which UNIQA is active was relatively encouraging on the whole. The economic recovery in the euro zone had a positive impact on the markets of Central and Eastern Europe thanks to their high export ratio. In Poland and Hungary, exports started to improve in the third quarter of 2013, with growth accelerating to 5.5 per cent and 5.9 per cent respectively, while Slovakia and the Czech Republic are likely to benefit in the near future. Romania and Bulgaria also enjoyed a strong export cycle, with growth of 19.4 per cent and 8.5 per cent respectively.

An upturn in domestic demand means that Poland is also on a relatively balanced growth path, recording GDP growth of 1.4 per cent in 2013. Hungary emerged from a severe recession in the first half of 2013, with economic growth rising to 1.1 per cent at year-end. Slovakia recorded GDP growth of 0.9 per cent. The Czech Republic also emerged from recession in the fourth quarter, but was unable to achieve a turnaround in GDP development on a twelve-month basis (minus 1.3 per cent).

The Romanian economy delivered one of the positive surprises in the region, with general economic activity increasing by 3.3 per cent. By contrast, Ukraine remained in recession in the past year, not least as a result of the instability of the macroeconomic and political situation in the country. Towards the end of the year, there were signs that the Ukrainian government was becoming increasingly dependent on official financial aid. As previously, the Russian economy was driven to a large extent by private consumption in 2013. However, general economic activity slowed slightly, with GDP rising by just 1.3 per cent.

Southeastern Europe also saw an upturn in 2013. Bulgaria pulled free from economic stagnation in the second half of the year, recording moderate full-year GDP growth of 0.6 per cent. In both Bulgaria and Serbia, the export industry is helping to drive economic development. Economic growth in Serbia accelerated to 2.5 per cent. The Croatian economy lagged behind its neighbours, contracting by 1.0 per cent, while the southern Balkan nations (Albania, Kosovo, Macedonia and Montenegro) enjoyed a slight economic upturn as against the previous year.

Low interest rate environment continues

2013 was characterised by further quantitative easing on the part of the main central banks. The European Central Bank (ECB) reduced its headline interest rate to 0.25 per cent in two steps of 25 basis points and announced that the rate would remain at close to zero for some time to come. Inflation in the euro zone declined during the course of the year, falling to a historical low of just 0.8 per cent in February 2014. In January and February 2014, the US Fed began to gradually reduce its monthly bond purchases from USD 85 billion to USD 65 billion. The headline interest rate in the USA is expected to remain extremely low until 2015.

Long-term interest rates retreated slightly from their historical lows during the course of the year. The effective yield on ten-year German government bonds rose to 1.9 per cent at year-end, while the yield for ten-year US Treasury bonds amounted to 3 per cent.

Most of the central banks in Central and Eastern Europe initiated or pressed ahead with cycles of interest rate cuts in 2013. Inflation declined sharply throughout almost the entire region on the back of falling food and energy prices, thereby supporting real household income. The lower interest rates also provided an incentive for increased private consumption and capital expenditure. Unlike the industrialised nations, however, many countries in Central and Eastern Europe are also maintaining positive real interest rates with a view to boosting capital formation in the longer term.

Macroeconomic stability in Central and Eastern Europe

The upturn in Central and Eastern Europe is slowly gaining momentum once more. While GDP in the euro zone contracted by 0.4 per cent in 2013, the CEE region generated growth of around 1.1 per cent. Although this does not yet represent a return to the high growth rates seen prior to the 2008 financial crisis, which were stimulated by international investment to a large extent, many economists are of the opinion that the region now has a more balanced growth model. Public finances in most of the countries are now enjoying healthy development. Romania and Hungary were among the first countries to leave the EU's excessive deficit procedure in 2012. With the exception of Poland and Croatia, all of the EU member states in Central and Eastern Europe met the Maastricht deficit criteria. Indeed, with a very small number of exceptions, government debt ratios are significantly below the equivalent figures for Western Europe.

At present, there is only a limited risk that the economy in Central and Eastern Europe will overheat due to the excessive expansion of credit. Poland, the Czech Republic and Slovakia have stable banking sectors, and most countries are gradually reducing the burdens dating back to the financial crisis. There has also been a correction in terms of external imbalance: the current account deficits that accumulated prior to 2008/09, some of which were extremely far-reaching, have been eliminated or turned into surpluses in almost all CEE nations. Accordingly, the likelihood of corresponding adjustment processes and crises in the coming years has fallen, with developments in Ukraine representing the sole exception.

Austrian insurance industry returns to growth

Having fallen for two years in succession, the premium volume in the Austrian insurance market achieved a turnaround in 2013. Total premiums increased by 2.0 per cent to €16.6 billion. Similar growth is forecast for 2014, with the market again set to grow by around 1.9 per cent.

The fact that the Austrian insurance market is not enjoying even stronger growth is due to the sustained downturn in life insurance premiums, which fell by a further 0.3 per cent in 2013. This development was driven in particular by lower income from single premiums, which contracted by 1.0 per cent, while recurring premiums stagnated. The continued low interest rate environment means that forecasts for life insurance remain muted. One factor that could have a positive impact is the restructuring of subsidised-premium retirement provision. Due to the positive development of the single premium business, the growth forecast for life insurance for 2014 was recently upwardly revised to 1.5 per cent.

By contrast, property and casualty insurance saw further substantial premium growth of 3.4 per cent in 2013, thereby exceeding the strong performance recorded in the previous year. There was stagnation in the motor vehicle liability insurance segment, with portfolio growth accompanied by a reduction in average premiums. On the other hand, comprehensive motor vehicle insurance made a strong contribution to premium growth, while legal expenses insurance and technical and transport insurance also enjoyed dynamic development. Meanwhile, total premiums in the health insurance segment again rose substantially, with the growth rate increasing as against the previous year to 3.8 per cent.

With economic growth remaining extremely weak on the whole, the level of insurance penetration is set to decline further. The figure for 2014 is forecast at around 5.1 per cent (compared with 6 per cent in 2009).

Muted growth in CEE in 2013, positive outlook for 2014

The nations of Central and Eastern Europe are expected to benefit from the fact that the overall economic situation in Europe, and particularly in the euro zone, is slowly easing and the financial crisis looks to have been largely overcome. Generally speaking, most of the countries in the region are enjoying good growth rates in excess of those recorded in Western Europe, driven by extremely healthy export performance that has picked up again now that many trading partners in the euro zone have regained their financial strength. Although not all of the countries in the region emerged from recession in the year under review, significantly higher GDP growth rates are forecast for the entire CEE region in 2014.

The CEE insurance market is expected to see similar development. In 2013, premium growth in the region was still muted, while the life insurance sector in particular saw falling premiums throughout the region as a whole on the back of a substantial downturn in single premiums in Poland. The performance of the non-life segment was positive overall, but growth rates also failed to meet expectations in most cases. There are two reasons for this: the macro-economic situation remains sluggish, leading to restrained spending on insurance, while price competition in many countries is extremely pronounced – particularly in the motor vehicle and property sectors – resulting in a lower level of premiums earned.

The improved economic situation is not expected to have an impact on private consumption and capital expenditure in particular prior to 2014. The insurance market will benefit from this development, with the premium volume increasing to a greater extent as a result. Non-life insurance is expected to see higher growth rates in 2014 and 2015 on the back of the stronger economic performance in the rest of Europe, as the nations of Central and Eastern Europe are extremely export-oriented and hence are reliant on the development of their trading partners in the West of the continent. However, there are signs that price competition will remain intensive, which could prevent strong premium growth. Life insurance in the CEE region will also return to positive development in 2014.

In spite of its muted development at present, CEE remains a growth region with significant potential thanks to its levels of insurance penetration and density, both of which still offer considerable room for improvement, and the fact that the regulatory situation is improving. As such, UNIQA is confident that, in the longer term, the CEE region will see increased growth rates that are well in excess of those achievable in the saturated insurance markets.

UNIQA GROUP

With a premium volume written (including the savings portion of unit- and index-linked life insurance) of €5,885.5 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 €727.9 million is offset against the changes in actuarial provisions in accordance with FAS 97 (U.S. GAAP). Adjusted for the savings portion of unit- and index-linked life insurance, the premium volume written amounted to €5,157.6 million.

UNIQA in Europe

UNIQA 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 Insurance Group AG, manages the Group and handles its indirect insurance business. It also performs various service functions for the Austrian and international insurance companies with a view to taking best advantage of synergy effects and consistently implementing the Group's long-term corporate strategy.

UNIQA International 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.

Holding company renamed UNIQA Insurance Group AG

After the UNIQA Group established a streamlined, capital market-friendly Group structure with no significant minority interests in 2012, the Annual General Meeting in May 2013 additionally resolved to change the name of UNIQA Versicherungen AG to UNIQA Insurance Group AG in order to reflect its role as the holding company of a listed international insurance group.

The renaming of UNIQA International Versicherungs-Holding AG to UNIQA International AG was also resolved and implemented.

UNIQA places supplementary capital bond

In July 2013, UNIQA Insurance Group AG placed a supplementary capital bond with a volume of €350 million with institutional investors in Europe. The bond has a term of 30 years and can be called in ten years at the earliest. The coupon is 6.875 per cent per year. With this measure, UNIQA strengthened and optimised its capital base and capital structure in preparation for Solvency II.

Re-IPO successfully completed

In October 2013, the UNIQA Group successfully implemented the capital increase (re-IPO) planned as part of the strategic programme UNIQA 2.0, generating gross proceeds of €757 million. A total of 94,752,100 new shares were placed with Austrian and international investors at a price of €8.00 per share. The share capital of UNIQA Insurance Group AG increased to €309,000,000 as a result, leading to a considerable expansion in UNIQA's free float to 35.4 per cent.

The proceeds from the issue will be used to strengthen UNIQA Group's capital in order to facilitate the further implementation of UNIQA 2.0 while also providing strategic flexibility for future growth.

Rating

After the capital structure was strengthened, the rating agency Standard & Poor's upgraded the rating for UNIQA Insurance Group AG to "A-" (from "BBB+"). UNIQA Österreich Versicherungen AG and the Group reinsurance company UNIQA Re AG, Switzerland, were upgraded to "A". At the same time, the rating for the supplementary capital bond was raised to "BBB". Standard & Poor's considers the outlook for all of the companies to be "stable".

Acquisition in Croatia and Serbia

In October 2013, the UNIQA Group signed an agreement to acquire the Baloise Group's insurance companies in Croatia and Serbia. This will result in a significant consolidation of UNIQA Group's market position in the entire Southeastern European region, and particularly in Croatia. The purchase price was €75 million. The acquisition was completed in the first quarter of 2014.

Companies included in the IFRS consolidated financial statements

UNIQA Insurance Group AG's consolidated financial statements for 2013 include 53 Austrian companies (including UNIQA Insurance Group AG) and 69 international companies. A total of 25 affiliated companies whose influence on the presentation of a true and fair view of the net assets, financial position and results of operation was immaterial were not included in consolidation. In addition, eight Austrian companies were recognised at equity as associates. Eight associates were of minor importance; the equity interests in these companies are recognised at fair value.

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 policies are also described in the notes to the consolidated financial statements (from page 70).

Risk report

UNIQA's comprehensive risk report can be found in the notes to the 2013 consolidated financial statements (from page 91).

GROUP BUSINESS DEVELOPMENT

UNIQA provides life and health insurance and is active in almost all areas of property and casualty insurance. UNIQA serves around 9.3 million customers and has over 18.6 million insurance policies with a premium volume written (including the savings portion of unit- and index-linked life insurance) of €5.9 billion (2012: €5.5 billion) and investments of €27.4 billion (2012: €26.3 billion). UNIQA is the second-largest insurance group in Austria and has a strong network in Central and Eastern Europe with a presence in 15 countries.

Premium development

In 2013, UNIQA's total premium volume, including the savings portion of unit- and index-linked life insurance in the amount of €727.9 million (2012: €679.0 million), increased significantly by 6.2 per cent to €5,885.5 million (2012: €5,543.1 million). The total consolidated premium volume written rose by 6.0 per cent to €5,157.6 million (2012: €4,864.2 million).

There was extremely satisfactory development in the area of insurance policies with recurring premiums, which grew by 3.9 per cent to €5,202.8 million (2012: €5,009.7 million). Single premiums enjoyed even stronger performance, with the premium volume increasing by 28.0 per cent to €682.8 million (2012: €533.5 million) due to strong growth in Italy.

Group premiums earned, including the savings portion of unit- and index-linked life insurance (after reinsurance) in the amount of €702.3 million (2012: €649.9 million), rose by 6.9 per cent to €5,638.2 million (2012: €5,273.8 million). Retained premiums earned (in accordance with IFRS) increased by 6.7 per cent to €4,935.9 million (2012: €4,623.9 million).

In the 2013 financial year, 44.0 per cent (2012: 45.9 per cent) of the premium volume written was attributable to property and casualty insurance, 15.9 per cent (2012: 16.4 per cent) to health insurance and 40.1 per cent (2012: 37.7 per cent) to life insurance.

Development of insurance benefits

Insurance benefits before reinsurance (see note 36 of the notes to the consolidated financial statements) increased by 5.2 per cent to €4,073.9 million in the 2013 financial year (2012: €3,873.8 million). Consolidated retained insurance benefits also rose by 5.2 per cent to €3,955.3 million in the past financial year (2012: €3,758.5 million).

Operating expenses

Total consolidated operating expenses (see note 37 of the notes to the consolidated financial statements) less reinsurance commission received and profit shares from reinsurance business ceded (see note 33 of the notes to the consolidated financial statements) increased slightly by 2.9 per cent to €1,357.6 million in the 2013 financial year (2012: €1,319.3 million). Acquisition costs less reinsurance commission received fell by 0.3 per cent to €917.6 million (2012: €920.1 million). Other operating expenses increased by 10.2 per cent to €439.9 million (2012: €399.2 million) due to performance-based employee participation and provisions in connection with strategic projects.

UNIQA's cost ratio after reinsurance, i.e. the ratio of total operating expenses less reinsurance commission received and profit shares from reinsurance business ceded to Group premiums earned including the savings portion of unit- and index-linked life insurance, decreased to 24.1 per cent in the past year as a result of the developments mentioned above (2012: 25.0 per cent). The cost ratio before reinsurance was 23.1 per cent (2012: 23.9 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 increased by 4.0 per cent to €27,383.6 million in the 2013 financial year (31 December 2012: €26,326.0 million).

Net investment income fell slightly by 1.4 per cent to €780.0 million (2012: €791.4 million) due to the sustained low interest rate environment. A detailed presentation of investment income can be found in the notes to the consolidated financial statements (note 34).

Earnings before taxes of €305.6 million

In 2013, UNIQA recorded an extremely satisfactory profit from ordinary activities of €305.6 million, up 49.7 per cent on the previous year (2012: €204.2 million); this was due to the encouraging developments in all operational segments. The net profit for the period amounted to €286.8 million (2012: €166.5 million). This figure includes the result from discontinued operations in the amount of €50.0 million (2012: €9.9 million) from the reversal of a provision reported under other provisions in connection with the sale of the Mannheimer Group. As a result, consolidated profit increased significantly by 123.0 per cent to €283.4 million (2012: €127.1 million), while earnings per share rose to €1.20 (2012: €0.75). In 2013, the return on equity (ROE) after taxes and minority interests increased to 11.9 per cent (2012: 8.8 per cent).

The Management Board will therefore propose the payment of a dividend of €0.35 per share to the Supervisory Board and the Annual General Meeting.

Group equity and total assets

In the past financial year, total Group equity increased by 37.4 per cent or €760.0 million to €2,789.9 million as a result of the re-IPO (31 December 2012: €2,030.0 million). This figure includes minority interests of €22.2 million (31 December 2012: €20.7 million). Accordingly, the solvency ratio (Solvency I) increased to 287.1 per cent (31 December 2012: 216.0 per cent). Total Group assets increased by 3.3 per cent in the year under review to total €31,068.6 million as of 31 December 2013 (31 December 2012: €30,054.6 million).

Cash flow

In 2013, net cash from operating activities amounted to €633.6 million (2012: €1,133.0 million). Net cash used in investing activities amounted to €1,786.9 million (2012: €1,185.5 million). The increase in the share capital meant that net cash from financing activities rose to €813.0 million (2012: €335.0 million).

The total change in cash and cash equivalents was minus €340.3 million (2012: €282.5 million). At the end of 2013, the Group had cash and cash equivalents in the amount of €617.0 million (2012: €960.1 million).

Employees

In 2013, the average number of employees at UNIQA fell to 14,277 as a result of the sale of the Austria Hotels International Group (2012: 14,795). Of this figure, 5,893 (2012: 6,308) were employed in sales positions. The number of employees in administrative roles decreased to 8,384 (2012: 8,487).

In the 2013 financial year, the Group had 2,899 employees (2012: 2,963) in the Central European (CE) region – consisting of Poland, Slovakia, the Czech Republic and Hungary – 2,028 employees (2012: 2,279) in the Southeastern European (SEE) region – consisting of Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro and Serbia – and 2,489 employees (2012: 2,509) in the Eastern European (EE) region, i.e. Romania and Ukraine. There were 94 employees (2012: 61) in Russia (RU). The average number of employees in the Western European markets increased slightly to 348 (2012: 334). A total of 6,419 people were employed in Austria (2012: 6,649). Including the employees of the general agencies working exclusively for UNIQA, the total number people working for the Group amounted to 21,928.

In 2013, 51 per cent of the employees working in administrative positions at UNIQA Insurance Group AG in Austria were female. In sales, the male-female ratio was 80:20. 19 per cent (2012: 21 per cent) of employees worked on a part-time basis. The average age of the workforce remained at 42 years in the year under review (2012: 42 years). All in all, 14.4 per cent of the employees participated in UNIQA's bonus system in 2013 (2012: 14.1 per cent), a variable remuneration system that is linked both to the success of the company and to personal performance. UNIQA also offers young people in training the opportunity to get to know foreign cultures and make international contacts. 39 apprentices are currently being trained, and a total of 10 new apprentices were accepted in 2013.

OPERATIONAL SEGMENTS

UNIQA Austria

Premiums

In 2013, UNIQA Austria increased the premium volume written, including the savings portion of unit- and index-linked life insurance, by 3.6 per cent to €2,806.7 million (2012: €2,708.2 million). Recurring premiums increased by 4.0 per cent to €2,774.6 million (2012: €2,668.3 million). However, single premiums declined slightly to €32.1 million (2012: €39.9 million).

Including the savings portion of unit- and index-linked life insurance, premiums earned by UNIQA Austria amounted to €2,196.2 million (2012: €2,087.4 million). Retained premiums earned (in accordance with IFRS) increased by 4.7 per cent to €1,999.2 million in 2013 (2012: €1,908.6 million).

The premium volume written in property and casualty insurance rose by 3.5 per cent to €1,326.2 million (2012: €1,280.9 million), while the corresponding figure for health insurance increased by 3.7 per cent to €866.2 million (2012: €835.4 million). The premium volume written in life insurance (including the savings portion of unit- and index-linked life insurance) grew by 3.8 per cent to €614.2 million (2012: €591.9 million).

Retained premiums earned (in accordance with IFRS) increased by 7.6 per cent to €747.6 million in property and casualty insurance (2012: €694.6 million), by 3.5 per cent to €865.2 million in health insurance (2012: €835.8 million) and by 2.2 per cent to €386.4 million in life insurance (2012: €378.2 million). Including the savings portion of unit- and index-linked life insurance, premiums earned in life insurance amounted to €583.5 million (2012: €557.0 million).

Benefits

Retained insurance benefits at UNIQA Austria increased by 3.8 per cent to €1,680.5 million in 2013 (2012: €1,618.9 million). Retained insurance benefits rose by 3.4 per cent to €493.5 million in property and casualty insurance (2012: €477.3 million), by 2.4 per cent to €736.2 million in health insurance (2012: €719.1 million) and by 6.7 per cent to €450.7 million in life insurance (2012: €422.4 million). This meant that the loss ratio in property and casualty insurance amounted to 66.0 per cent in 2013 (2012: 68.7 per cent).

Operating expenses

Operating expenses less reinsurance commission received and profit shares from reinsurance business in the amount of €179.4 million (2012: €186.0 million) increased by 6.4 per cent to €418.1 million in the 2013 financial year (2012: €393.0 million). Operating expenses rose by 10.6 per cent to €190.9 million in property and casualty insurance (2012: €172.5 million) and by 9.0 per cent to €122.6 million in health insurance (2012: €112.5 million), whereas the figure for life insurance declined by 3.1 per cent to €104.6 million (2012: €108.0 million).

UNIQA Austria's cost ratio after reinsurance, i.e. the ratio of total operating expenses less reinsurance commission received and profit shares from reinsurance business ceded to premiums earned, including the savings portion of unit- and index-linked life insurance, remained essentially unchanged at 19.0 per cent in the year under review (2012: 18.8 per cent).

Investment result

Net investment income in the UNIQA Austria segment increased by 10.8 per cent to €379.1 million in 2013 (2012: €342.2 million).

Profit from ordinary activities

UNIQA Austria's profit from ordinary activities increased by 23.0 per cent to €231.0 million in the year under review due to the improved investment result (2012: €187.8 million). The profit from ordinary activities increased by 22.2 per cent to €82.7 million in property and casualty insurance (2012: €67.7 million), whereas the figure for health insurance fell slightly by 0.7 per cent to €94.6 million (2012: €95.3 million). UNIQA Austria more than doubled its profit from ordinary activities in the life insurance segment, which rose by 116.6 per cent to €53.7 million (2012: €24.8 million).

Raiffeisen Insurance

Premiums

In 2013, Raiffeisen Insurance increased the premium volume written, including the savings portion of unit- and index-linked life insurance, by 7.2 per cent to €878.5 million (2012: €819.4 million). Recurring premiums rose by 7.6 per cent to €825.3 million (2012: €767.1 million), while single premiums increased by 1.7 per cent to €53.1 million (2012: €52.3 million).

Including the savings portion of unit- and index-linked life insurance, premiums earned in the Raiffeisen Insurance segment amounted to €767.7 million (2012: €705.2 million). Retained premiums earned (in accordance with IFRS) increased by 8.4 per cent to €570.6 million in 2013 (2012: €526.5 million).

The premiums written in property and casualty insurance rose by 8.6 per cent to €145.7 million (2012: €134.1 million), while the corresponding figure for life insurance increased by 6.9 per cent to €732.8 million (2012: €685.2 million). The Raiffeisen Insurance segment does not offer health insurance.

Retained premiums earned (in accordance with IFRS) increased by 6.1 per cent to €76.8 million in property and casualty insurance (2012: €72.3 million) and by 8.7 per cent to €493.9 million in life insurance (2012: €454.2 million). Including the savings portion of unit- and index-linked life insurance, premiums earned in life insurance amounted to €690.9 million (2012: €632.9 million).

Benefits

Retained insurance benefits in the Raiffeisen Insurance segment increased by 9.2 per cent to €630.0 million in 2013 (2012: €577.0 million). Retained insurance benefits in property and casualty insurance rose by 11.3 per cent to €52.9 million (2012: €47.5 million), while the figure for life insurance increased by 9.0 per cent to €577.1 million (2012: €529.5 million). This meant that the loss ratio in property and casualty insurance amounted to 68.8 per cent in 2013 (2012: 65.6 per cent).

Operating expenses

Operating expenses less reinsurance commission received and profit shares from reinsurance business in the amount of €26.2 million (2012: €33.5 million) declined by 16.6 per cent to €11.7 million in 2013 (2012: €134.0 million) due to the annual adjustment of assumptions for the calculation of deferred acquisition costs. Operating expenses in property and casualty insurance fell by 11.7 per cent to €16.6 million (2012: €18.8 million), while the figure for life insurance declined by 17.4 per cent to €95.2 million (2012: €115.3 million).

The cost ratio after reinsurance in the Raiffeisen Insurance segment, i.e. the ratio of total operating expenses less reinsurance commission received and profit shares from reinsurance business ceded to premiums earned, including the savings portion of unit- and index-linked life insurance, decreased to 14.6 per cent in 2013 (2012: 19.0 per cent).

Investment result

In 2013, net investment income in the Raiffeisen Insurance segment declined slightly by 7.3 per cent to €251.6 million (2012: €271.4 million).

Profit from ordinary activities

Raiffeisen Insurance's profit from ordinary activities increased by 7.0 per cent to €64.6 million in the year under review (2012: €60.4 million). The profit from ordinary activities in property and casualty insurance rose by 74.9 per cent to €9.1 million (2012: €5.2 million), while the figure in life insurance remained essentially unchanged year-on-year at €55.5 million (2012: €55.2 million).

UNIQA International

In 2013, UNIQA International increased the premium volume written, including the savings portion of unit- and index-linked life insurance, by 11.3 per cent to €2,162.4 million (2012: €1,942.8 million). Recurring premiums rose by 4.2 per cent to €1,564.9 million (2012: €1,501.5 million), while single premiums increased by 35.4 per cent to €597.5 million (2012: €441.4 million).

Including the savings portion of unit- and index-linked life insurance, premiums earned by UNIQA International amounted to €1,631.4 million (2012: €1,414.3 million). Retained premiums earned (in accordance with IFRS) increased by 17.9 per cent to €1,323.2 million in 2013 (2012: €1,122.0 million).

While the premiums written in property and casualty insurance rose by 1.9 per cent to €1,093.7 million (2012: €1,073.1 million), the corresponding figure for health insurance declined slightly by 3.2 per cent to €71.4 million (2012: €73.8 million). The premiums written in life insurance (including the savings portion of unit- and index-linked life insurance) increased substantially by 25.3 per cent to €997.3 million (2012: €795.9 million).

Retained premiums earned (in accordance with IFRS) increased by 1.6 per cent to €596.6 million in property and casualty insurance (2012: €587.3 million), by 5.6 per cent to €69.7 million in health insurance (2012: €66.0 million) and by 40.2 per cent to €656.8 million in life insurance (2012: €468.7 million). Including the savings portion of unit- and index-linked life insurance, premiums earned in life insurance amounted to €965.1 million (2012: €761.0 million).

In Central Europe (CE) – Poland, Slovakia, the Czech Republic and Hungary – premiums earned, including the savings portion of unit- and index-linked life insurance, increased by 5.5 per cent to €606.8 million in the 2013 financial year (2012: €575.4 million). In Eastern Europe (EE) – consisting of Romania and Ukraine – premiums earned, including the savings portion of unit- and index-linked life insurance, rose by 27.8 per cent to €148.8 million (2012: €116.4 million). In Southeastern Europe (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro and Serbia – premiums grew by 9.1 per cent to €158.7 million in 2013 (2012: €145.5 million). In Russia (RU), premiums earned, including the savings portion of unit- and index-linked life insurance, increased by 51.2 per cent to €64.3 million (2012: €42.5 million), while the figure for Western Europe (WE) – Italy, Liechtenstein and Switzerland – rose by 22.1 per cent to €652.9 million due to the increase in single premiums in Italy (2012: €534.5 million).

Benefits

Retained insurance benefits at UNIQA International increased by 23.9 per cent to €955.9 million in 2013 (2012: €771.5 million). Retained insurance benefits in property and casualty insurance rose by 6.6 per cent to €366.1 million (2012: €343.5 million), whereas the figure for health insurance declined by 3.3 per cent to €42.5 million (2012: €44.0 million). Retained insurance benefits in life insurance increased by 42.5 per cent to €547.4 as a result of the sharp rise in the premium volume (2012: €384.0 million). The loss ratio in property and casualty insurance increased slightly to 61.4 per cent in 2013 (2012: 58.5 per cent).

In the CE region, benefits fell by 12.9 per cent to €239.1 million in 2013 (2012: €274.5 million), while the figure for the EE region rose by 46.8 per cent to €92.9 million (2012: €63.3 million). In SEE, benefits increased by 11.4 per cent to €95.6 million (2012: €85.8 million). Benefits amounted to €36.3 million in Russia (2012: €23.3 million), while the benefit volume in Western Europe also rose by 51.5 per cent to €492.1 million on the back of the strong growth in the premium volume (2012: €324.7 million).

Operating expenses

Operating expenses less reinsurance commission received and profit shares from reinsurance business in the amount of €147.3 million (2012: €128.7 million) increased slightly by 1.2 per cent to €458.1 million in the 2013 financial year (2012: €452.5 million). Operating expenses fell by 4.7 per cent to €250.4 million in property and casualty insurance (2012: €262.8 million), whereas the figures for health insurance and life insurance increased by 17.9 per cent to €28.6 million (2012: €24.2 million) and 8.3 per cent to €179.1 million (2012: €165.4 million) respectively.

UNIQA International's cost ratio after reinsurance, i.e. the ratio of total operating expenses less reinsurance commission received and profit shares from reinsurance business ceded to premiums earned, including the savings portion of unit- and index-linked life insurance, de-

creased to 28.1 per cent in the past year as a result of the developments mentioned above (2012: 32.0 per cent).

In 2013, operating expenses less reinsurance commission received and profit shares from reinsurance business fell by 0.4 per cent to €178.5 million in CE (2012: €179.3 million), increased by 12.5 per cent to €74.2 million in EE (2012: €66.0 million) and rose by 10.6 per cent to €76.5 million in SEE (2012: €69.2 million). Operating expenses in Russia amounted to €27.3 million (2012: €20.6 million), while the figure for Western Europe declined by 11.2 per cent to €74.8 million (2012: €84.2 million). Operating expenses attributable to administration (UNIQA International AG) decreased by 19.5 per cent to €26.8 million (2012: €33.3 million).

Investment result

Net investment income decreased slightly by 4.5 per cent to €143.1 million in 2013 (2012: €149.8 million).

Profit from ordinary activities

The profit from ordinary activities in the UNIQA International segment improved significantly in the year under review to €19.6 million (2012: loss of €17.6 million). The loss on ordinary activities in property and casualty insurance amounted to €1.8 million (2012: €22.5 million), whereas the profit from ordinary activities in health insurance increased to €1.6 million (2012: €0.9 million) and the corresponding figure for life insurance quadrupled to €19.7 million (2012: €4.0 million).

Reinsurance

The premium volume written in the reinsurance segment increased by 27.6 per cent to €1,633.1 million in 2013 (2012: €1,280.0 million), whereas retained premiums earned (in accordance with IFRS) fell by 2.1 per cent to €1,073.6 million (2012: €1,096.5 million).

Retained insurance benefits in the reinsurance segment declined by 6.1 per cent to €782.5 million in 2013 (2012: €833.3 million). This includes a loss (retained) due to the flooding in the second quarter of 2013 in the amount of €23 million.

Operating expenses less reinsurance commission received and profit shares from reinsurance business in the amount of €3.9 million (2012: €2.8 million) increased slightly by 3.0 per cent to €333.6 million (2012: €323.8 million).

As a result of this development, the loss on ordinary activities in the reinsurance segment improved by €35.6 million to €18.0 million (2012: loss of €53.5 million).

Group Functions and Consolidation

The profit from ordinary activities in the Group Functions and Consolidation segment fell by 69.1 per cent to €8.4 million (2012: €27.2 million). One reason for this development was the lower level of investment income.

Net investment income decreased to minus €15.6 million in 2013 (2012: €13.0 million). This figure includes the book profit on the disposal of the Austria Hotels International Group, which amounted to around €52 million.

SIGNIFICANT POST-BALANCE SHEET DATE EVENTS

There were no events requiring reporting after the balance sheet date.

OUTLOOK

Economic outlook

UNIQA expects the economic environment to continue to improve in 2014. The euro zone emerged from recession in the past year. Economists are forecasting moderate growth in real GDP of around 1 per cent in 2014. With sentiment among households and companies slowly improving, UNIQA expects private consumption and capital expenditure to make a stronger contribution to growth. This is also likely to benefit the insurance industry. Economic experts are forecasting GDP growth of 1.5 per cent for Austria in 2014.

UNIQA also expects the economic upturn to continue in CEE in 2014. Growth for the region as a whole is forecast at around 2 per cent. The improved economic conditions in the euro zone are particularly beneficial for those EU member states in the CEE region that have a large export sector. Although wage development remains moderate, purchasing power and domestic demand are being boosted by the low level of inflation.

An escalation of the security crisis in Ukraine would primarily affect Russia. The risk of contagion for the wider region appears to be comparatively low at present. Growth prospects in Romania and Bulgaria have improved generally. In Croatia and Serbia, UNIQA is focusing on the long-term catch-up potential in connection with the economic reforms initiated as part of the former country's accession to the EU last year and the latter country's ongoing accession negotiations. UNIQA also expects the smaller nations of Southeastern Europe to see a slight economic upturn in 2014.

Austrian insurance market

In the 1st quarter of 2014, the Austrian legislature has cut the contractual minimum commitment period for insurance-tax-privileged single premiums in life insurance back to ten years. However, this is limited to persons above the age of 50. This should result in an increase in single premium business in Austria.

Despite this, UNIQA expects moderately positive development in the Austrian insurance market. Growth in line with the multi-year trend is expected in the health insurance business especially.

International insurance markets

Expectations for premium growth in the CEE region in 2014 are only cautiously optimistic. The effects of current political crises such as in Ukraine cannot yet be estimated with confidence. Similarly, motor vehicle insurance in particular is subject to intensive price pressure in some countries, especially in Romania. Nevertheless, UNIQA will consistently implement its strategic growth and profitability programmes and thus grow faster than the market.

In the longer term, the markets in the CEE region continue to offer major growth potential. The catch-up requirements with regard to insurance products are made apparent by indicators such as a significantly below-average insurance density relative to developed markets in the region.

Profit on ordinary activities

For 2014, the UNIQA Group has set itself the objective of significantly increasing its profit on ordinary activities once again compared with 2013. This assumes that the capital market environment will be stable, that economic development will continue to improve and that losses caused by natural disasters will remain within a normal range.

INFORMATION IN ACCORDANCE WITH SECTION 243A (1) OF THE AUSTRIAN COMMERCIAL CODE

1. The share capital of UNIQA Insurance Group AG (“the Company”) amounts to €309,000,000 and is composed of 309,000,000 no-par value bearer shares. Of the share capital, €285,356,365 is fully paid up and €23,643,635 is contributed by way of non-cash contributions. All shares offer the same rights and obligations.
2. Due to their voting commitments, the shares of Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherungsverein Privatstiftung, UQ Assekuranz Holding GmbH and RZB Versicherungsbeteiligung GmbH are counted together. Reciprocal purchase option rights have been agreed between the first four of these shareholders.
3. Raiffeisen Zentralbank Österreich Aktiengesellschaft indirectly holds a total of 31.40 per cent of the share capital of the Company (allocated in accordance with the Austrian Stock Exchange Act) via BL Syndikat Beteiligungs Gesellschaft m.b.H., RZB Versicherungsbeteiligung GmbH and UQ Assekuranz Holding GmbH; Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung holds a total of 30.58 per cent of the share capital of the Company (allocated in accordance with the Austrian Stock Exchange Act) directly and indirectly via Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH (equity interests as of 25 October 2013).
4. No shares with special control rights have been issued.
5. As part of the capital increase (re-IPO) in October 2013, employees of UNIQA Insurance Group AG and its affiliated Group companies in Austria subscribed for a total of 564,315 new no-par value bearer shares at a discount of 20 per cent off of the offer and subscription price.
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 as of 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, by a total of up to €12,371,850 up to and including 30 June 2018. The Management Board is also authorised to buy back up to 21,424,790 treasury shares via the Company and/or via subsidiaries of the Company (section 66 of the Austrian Stock Corporation Act) up to and including 27 November 2015. The Company held 819,650 treasury shares as of 31 December 2013.
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 (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).

PROPOSAL FOR THE APPROPRIATION OF PROFIT

The single-entity financial statements of UNIQA Insurance Group AG prepared in accordance with the Austrian Commercial Code report a net retained profit for the 2013 financial year of €108,208,827.81 (2012: €53,739,218.05). The Management Board will propose to the Annual General Meeting on 26 May 2014 that this net retained profit be used to pay a dividend of €0.35 for each of the 309,000,000 issued no-par value shares with dividend rights at the reporting date and that the remaining amount be carried forward to new account.

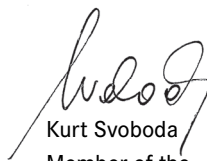
Vienna, 25 March 2014



Andreas Brandstetter
Chairman of the
Management Board



Hannes Bogner
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board



Wolfgang Kindl
Member of the
Management Board



Thomas Munkel
Member of the
Management Board

Consolidated Balance Sheet as at 31 December 2013

Assets	Notes	31.12.2013	31.12.2012 ¹⁾	1.1.2012 ¹⁾
Figures in € thousand				
A. Tangible assets				
I. Self-used land and buildings	1	198,433	194,151	252,288
II. Other tangible assets	2	88,156	112,604	131,261
		286,589	306,755	383,549
B. Land and buildings held as financial investments	3	1,652,485	1,690,763	1,566,958
C. Intangible assets				
I. Deferred acquisition costs	4	927,900	868,802	899,732
II. Goodwill	5	510,174	523,753	573,367
III. Other intangible assets	6	24,455	25,170	30,551
		1,462,530	1,417,725	1,503,649
D. Shares in associated companies	7	545,053	544,522	545,390
E. Investments				
I. Variable-yield securities				
1. Available for sale	9	863,810	1,399,352	1,639,707
2. At fair value through profit or loss		131,264	371,262	549,296
		995,074	1,770,614	2,189,002
II. Fixed interest securities				
1. Available for sale	9	15,136,246	13,186,622	11,215,448
2. At fair value through profit or loss		439,374	441,623	389,645
		15,575,620	13,628,244	11,605,094
III. Loans and other investments				
1. Loans	11	944,813	1,089,649	2,189,439
2. Cash at credit institutions/cash at banks	12	1,273,852	1,189,217	1,023,133
3. Deposits with ceding companies	12	126,761	129,755	140,657
		2,345,426	2,408,621	3,353,229
IV. Derivative financial instruments				
1. Variable-yield	10	98	6,363	4,160
2. Fixed interest	10	73,283	55,844	24,338
		73,381	62,206	28,498
		18,989,501	17,869,686	17,175,822
F. Investments held on account and at risk of life insurance policyholders	24	5,381,201	5,066,828	4,396,016
G. Share of reinsurance in technical provisions				
I. Provision for unearned premiums	19	14,643	9,869	18,542
II. Actuarial provision	20	413,385	434,379	455,835
III. Provision for outstanding claims	21	123,620	159,763	207,271
IV. Provision for profit-unrelated premium refunds	22	0	0	4
V. Other technical provisions		1,604	1,836	2,494
	23	553,252	605,847	684,146
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	24	389,206	408,818	405,513
I. Receivables, including receivables under insurance business	13			
I. Reinsurance receivables		84,821	42,623	58,825
II. Other receivables		856,146	845,186	870,767
III. Other assets		38,778	48,369	58,404
		979,746	936,179	987,996
J. Receivables from income tax	14	69,881	55,098	51,586
K. Deferred tax assets	15	142,215	128,608	198,748
L. Liquid funds		616,976	960,065	683,094
M. Assets in disposal groups available for sale	8	0	63,661	0
Total assets		31,068,634	30,054,554	28,582,469

¹⁾ The figures as of 31 December 2012 and 31 December 2011 were adjusted in accordance with IAS 8.42.

Equity and liabilities	Notes	31.12.2013	31.12.2012 ¹⁾	1.1.2012 ¹⁾
Figures in € thousand				
A. Total equity				
I. Shareholders' equity	16			
1. Subscribed capital and capital reserves		1,789,920	1,064,594	540,681
2. Revenue reserves		792,204	656,708	414,397
3. Revaluation reserves		193,465	315,528	-44,663
4. Actuarial gains and losses on defined benefit plans		-116,081	-95,260	-36,147
5. Group total profit		108,209	67,729	18,704
		2,767,717	2,009,299	892,971
II. Minority interests in shareholders' equity	17	22,210	20,651	218,309
		2,789,927	2,029,950	1,111,281
B. Subordinated liabilities	18	600,000	450,000	575,000
C. Technical provisions				
I. Provision for unearned premiums	19	621,986	617,165	616,034
II. Actuarial provision	20	16,409,428	16,158,189	16,706,249
III. Provision for outstanding claims	21	2,367,882	2,365,841	2,456,528
IV. Provision for profit-unrelated premium refunds	22	46,479	44,578	51,533
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	334,753	556,218	7,786
VI. Other technical provisions		46,182	48,929	49,982
	23	19,826,710	19,790,921	19,888,111
D. Technical provisions held on account and at risk of life insurance policyholders	24	5,299,625	4,983,029	4,318,331
E. Financial liabilities				
I. Liabilities from loans	25	18,535	27,494	47,114
II. Derivatives	10	8,301	7,471	26,598
		26,836	34,965	73,711
F. Other provisions				
I. Pensions and similar provisions	26	586,757	566,620	593,019
II. Other provisions	27	249,924	304,389	158,957
		836,681	871,009	751,976
G. Payables and other liabilities	28			
I. Reinsurance liabilities		834,056	887,405	902,472
II. Other payables		456,432	570,643	617,402
III. Other liabilities		23,040	31,226	43,318
		1,313,527	1,489,275	1,563,192
H. Liabilities from income tax	29	40,712	28,623	19,224
I. Deferred tax liabilities	30	334,616	365,590	281,642
J. Liabilities in disposal groups available for sale	8	0	11,191	0
Total equity and liabilities		31,068,634	30,054,554	28,582,469

¹⁾ The figures as of 31 December 2012 and 31 December 2011 were adjusted in accordance with IAS 8.42.

Consolidated Income Statement from 1 January to 31 December 2013

Figures in € thousand	Notes	2013	2012 ¹⁾
1. Premiums written (retained)	31		
a) Gross		5,157,576	4,864,151
b) Reinsurers' share		- 216,727	- 213,504
		4,940,849	4,650,647
2. Change in unearned premiums (retained)			
a) Gross		- 10,821	- 18,435
b) Reinsurers' share		5,860	- 8,302
		- 4,961	- 26,738
3. Premiums earned (retained)	32		
a) Gross		5,146,755	4,845,715
b) Reinsurers' share		- 210,867	- 221,806
		4,935,888	4,623,909
4. Income from fees and commissions	33		
Reinsurance commission and profit shares from reinsurance business ceded		28,302	35,731
5. Net investment income	34	780,002	791,437
of which profit from associated companies		22,229	16,499
6. Other income	35	64,097	46,562
Total income		5,808,289	5,497,640
7. Insurance benefits	36		
a) Gross		- 4,073,903	- 3,873,806
b) Reinsurers' share		118,635	115,261
		- 3,955,268	- 3,758,545
8. Operating expenses	37		
a) Acquisition costs		- 945,950	- 955,802
b) Other operating expenses		- 439,941	- 399,204
		- 1,385,891	- 1,355,006
9. Other expenses	38	- 121,934	- 124,020
10. Amortisation of goodwill		- 7,301	- 24,937
Total expenses		- 5,470,394	- 5,262,509
11. Operating profit		337,895	235,131
12. Financing costs		- 32,281	- 30,955
13. Profit on ordinary activities		305,614	204,176
14. Income taxes	39	- 68,837	- 47,576
15. Result from discontinued operations (after taxes)		50,000	9,873
16. Net profit		286,777	166,473
of which consolidated profit/loss		283,447	127,120
of which minority interests		3,330	39,353
Earnings per share (in €)²⁾	16	1.20	0.75
Average number of shares in circulation		235,294,119	169,599,813

¹⁾ The figures of the previous year were adjusted according to IAS 8.42.

²⁾ The diluted earnings per share is 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 2013

Figures in € thousand	2013	2012 ¹⁾
Net profit	286,777	166,473
Not included in the income statement in the subsequent period		
Actuarial gains and losses on defined benefit plans		
Gains (losses) recognised in equity	-32,157	-94,757
Gains (losses) recognised in equity – deferred tax	6,757	18,049
Gains (losses) recognised in equity – deferred profit participation	4,579	21,096
	-20,821	-55,612
Included in the income statement in the subsequent period		
Foreign currency translation		
Gains (losses) recognised in equity	-24,897	11,650
Included in the income statement	-6,332	0
Unrealised gains and losses on investments		
Gains (losses) recognised in equity	-170,192	1,234,070
Gains (losses) recognised in equity – deferred tax	21,194	-168,733
Gains (losses) recognised in equity – deferred profit participation	76,778	-652,986
Included in the income statement	-239,082	-100,122
Included in the income statement – deferred tax	22,813	10,948
Included in the income statement – deferred profit participation	165,931	72,291
Change resulting from valuation at equity		
Gains (losses) recognised in equity	-10,979	-2,241
Included in the income statement	-1,710	0
Other changes ²⁾	-1,540	-360
	-168,016	404,516
Other result	-188,837	348,904
Comprehensive income	97,940	515,377
of which attributable to UNIQA Insurance Group AG shareholders	95,105	445,810
of which minority interests	2,835	69,566

¹⁾ The figures of the previous year were adjusted according to IAS 8.42.

²⁾ The other changes result primarily from currency fluctuations.

The figures as of 31 December 2012 and 31 December 2011 were adjusted in accordance with IAS 8.42.

As a result of a reclassification of regulatory reserves of the associated company VALIDA Holding AG from external funds to equity, the at-equity recognition was adjusted in the amount of € 18,371 thousand.

Furthermore, the balance of a clearing account of the Hungarian subsidiary was derecognised. This adjustment increased other liabilities by € 4,829 thousand.

Additionally, the effects of forward purchase agreements and put options connected to past company acquisitions were recognised. This resulted in a change of goodwill, minority interests in shareholders' equity and other liabilities with a total net effect of € 1,526 thousand.

Finally, deferred taxes (deferred tax assets and liabilities) were adjusted on several grounds. This caused a total net effect of € 353 thousand.

Overall, the adjustments made resulted in an increase of equity of € 12,369 thousand as of 31 December 2012.

In addition, shares in associated companies and other provisions were reclassified as investments available for sale and other liabilities respectively.

The table below shows the effects of the adjustments on the individual items of the consolidated balance sheet, the consolidated income statement and the earnings per share.

Consolidated Balance Sheet Figures in € thousand	31.12.2012 Adjusted	31.12.2012 As published in annual report	31.12.2012 Adjustment
Assets			
C. Intangible assets	1,417,725	1,414,406	3,318
II. Goodwill	523,753	520,435	3,318
D. Shares in associated companies	544,522	529,602	14,921
E. Investments	17,869,686	17,866,236	3,450
I. Variable-yield securities	1,770,614	1,767,164	3,450
1. Available for sale	1,399,352	1,395,902	3,450
J. Receivables from income tax	55,098	54,561	537
K. Deferred tax assets	128,608	133,504	-4,896
Total assets	30,054,554	30,037,224	17,330
Equity and liabilities			
A. Total equity	2,029,950	2,017,581	12,369
I. Shareholders' equity	2,009,299	1,995,309	13,990
5. Group total profit	67,729	53,739	13,990
II. Minority interests in shareholders' equity	20,651	22,272	-1,621
F. Other provisions	871,009	915,637	-44,627
II. Other provisions	304,389	349,017	-44,627
G. Payables and other liabilities	1,489,275	1,434,438	54,837
II. Other payables	570,643	515,807	54,837
H. Liabilities from income tax	28,623	28,557	67
I. Deferred tax liabilities	365,590	370,905	-5,316
Total equity and liabilities	30,054,554	30,037,224	17,330
Consolidated Income Statement			
Figures in € thousand	2012 after change	2012 before change	2012 change
5. Net investment income	791,437	791,546	-109
of which profit from associated companies	16,499	19,053	-2,555
9. Other expenses	-124,020	-122,954	-1,066
11. Operating profit	235,131	236,306	-1,175
13. Profit on ordinary activities	204,176	205,351	-1,175
14. Income taxes	-47,576	-45,423	-2,153
16. Net profit	166,473	169,801	-3,328
of which consolidated profit/loss	127,120	130,225	-3,106
of which minority interests	39,353	39,575	-222
Earnings per share (in €)	0.75	0.77	-0.02

Consolidated Balance Sheet Figures in € thousand	31.12.2011 Adjusted	31.12.2011 As published in Annual Report	31.12.2011 Adjustment
Assets			
C. Intangible assets	1,503,649	1,500,331	3,318
II. Goodwill	573,367	570,048	3,318
D. Shares in associated companies	545,390	530,485	14,906
E. Investments	17,175,822	17,172,249	3,574
I. Variable-yield securities	2,189,002	2,185,429	3,574
1. Available for sale	1,639,707	1,636,133	3,574
J. Receivables from income tax	51,586	51,156	430
K. Deferred tax assets	198,748	206,166	-7,417
Total assets	28,582,469	28,567,658	14,811
Equity and liabilities			
A. Total equity	1,111,281	1,095,584	15,697
I. Shareholders' equity	892,971	875,876	17,096
5. Group total profit	18,704	1,608	17,096
II. Minority interests in shareholders' equity	218,309	219,708	-1,399
F. Other provisions	751,976	788,109	-36,133
II. Other provisions	158,957	195,090	-36,133
G. Payables and other liabilities	1,563,192	1,517,916	45,276
II. Other payables	617,402	572,126	45,276
H. Liabilities from income tax	19,224	19,157	67
I. Deferred tax liabilities	281,642	291,739	-10,096
Total equity and liabilities	28,582,469	28,567,658	14,811

Consolidated Cash Flow Statement from 1 January to 31 December 2013

Figures in € thousand	2013	2012
Net profit/loss, including minority interests		
Net profit	286,777	166,473
of which interest and dividend payments	- 12,261	- 10,296
Minority interests	- 3,330	- 39,353
Change in technical provisions (net)	424,592	1,673,315
Change in deferred acquisition costs	- 59,098	- 19,401
Change in amounts receivable and payable from direct insurance	- 105,070	- 15,859
Change in other amounts receivable and payable	- 122,245	- 14,601
Change in securities at fair value through profit or loss	231,072	92,347
Realised gains/losses on the disposal of investments	- 165,248	- 1,349,865
Depreciation/appreciation of other investments	195,233	127,053
Change in provisions for pensions and severance payments	20,137	99,546
Change in deferred tax assets/liabilities	- 37,686	148,464
Change in other balance sheet items	20,406	125,394
Change in goodwill and intangible assets	14,293	180,960
Other non-cash income and expenses as well as accounting period adjustments	- 66,279	- 41,501
Net cash flow from operating activities	633,553	1,132,971
of which cash flow from income tax	- 72,844	- 27,828
Receipts due to disposal of consolidated companies	17,659	180,020
Payments due to acquisition of consolidated companies	- 7,988	- 388,167
Receipts due to disposal and maturity of other investments	5,393,791	9,651,286
Payments due to acquisition of other investments	- 6,875,941	- 9,957,761
Change in investments held on account and at risk of life insurance policyholders	- 314,373	- 670,890
Net cash flow used in investing activities	- 1,786,852	- 1,185,513
Share capital increase	725,326	523,913
Change in investments in own shares	0	0
Dividend payments	- 53,357	0
Receipts and payments from other financing activities	141,041	- 188,904
Net cash flow used in financing activities	813,009	335,009
Change in cash and cash equivalents	- 340,289	282,466
Change in cash and cash equivalents due to foreign currency translation	- 2,800	1,039
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	0	- 6,534
Cash and cash equivalents at beginning of period	960,065	683,094
Cash and cash equivalents at end of period	616,976	960,065
of which cash flow from income tax	- 72,844	- 27,828

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

Development of Group Equity

	Subscribed capital and capital reserves	Revaluation reserve	Actuarial gains and losses on defined benefit plans
Figures in € thousand			
As at 31.12.2011	540,681	-44,663	-36,147
Restatement IAS 8	0	0	0
As at 1.1.2012	540,681	-44,663	-36,147
Changes due to:			
Capital increase	523,913		
Change in consolidation scope			
Dividends to shareholders			
Comprehensive income		360,191	-59,113
Foreign currency translation			
Unrealised gains and losses from valuation at equity			
Unrealised capital gains and losses from investments		360,191	
Actuarial gains and losses on defined benefit plans			-59,113
Net profit			
Other			
Changes in revenue reserves			
As at 31.12.2012	1,064,594	315,528	-95,260
Changes due to:			
Capital increase	725,326		
Change in consolidation scope			
Dividends to shareholders			
Comprehensive income		-122,063	-20,821
Foreign currency translation			
Unrealised gains and losses from valuation at equity			
Unrealised capital gains and losses from investments		-122,063	
Actuarial gains and losses on defined benefit plans			-20,821
Net profit			
Other			
Changes in revenue reserves			
As at 31.12.2013	1,789,920	193,465	-116,081

Revenue reserves, including reserves for own shares	Holding of own shares	Group total profit	Shareholders' equity	Minority interests	Total equity
425,255	- 10,857	1,608	875,876	219,708	1,095,584
0	0	17,096	17,096	-1,399	15,697
425,255	- 10,857	18,704	892,971	218,309	1,111,281
			523,913		523,913
146,604			146,604	-266,335	-119,731
		0	0	-890	-890
17,612		127,120	445,810	69,566	515,377
11,650			11,650		11,650
-2,241			-2,241	0	-2,241
0			360,191	35,276	395,467
8,563			-50,549	-5,062	-55,612
0		127,120	127,120	39,353	166,473
-360		0	-360		-360
78,094		-78,094	0		0
667,565	- 10,857	67,729	2,009,299	20,651	2,029,950
			725,326		725,326
-8,656			-8,656	-168	-8,824
		-53,357	-53,357	-1,108	-54,465
-45,458		283,447	95,105	2,835	97,940
-31,229			-31,229		-31,229
-12,689			-12,689		-12,689
			-122,063	-495	-122,558
0			-20,821	0	-20,821
		283,447	283,447	3,330	286,777
-1,540			-1,540		-1,540
189,610		-189,610	0		0
803,061	- 10,857	108,209	2,767,717	22,210	2,789,927

Notes to the consolidated financial statements

GENERAL DISCLOSURES

UNIQA Insurance Group AG is a company based in Austria. The address of the company's registered office is Untere Donaustraße 21, 1029 Vienna. The company's consolidated financial statements for the year ending 31 December 2013 cover UNIQA Insurance Group AG and its subsidiaries (together: the UNIQA Group). The Group primarily conducts business with property, casualty, health and life insurance.

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

The consolidated financial statements were prepared in line with the International Financial Reporting Standards (IFRSs) as endorsed by the European Union (EU). The additional requirements of Section 243a paragraph 2 of the Austrian Commercial Code (UGB) were also met. The consolidated financial statements were approved for publication by the Management Board on 25 March 2014.

They are presented in euros, the company's functional currency. All financial information shown in euros has been rounded to the nearest thousand unless otherwise indicated.

ACCOUNTING REGULATIONS

1. Basis

With the exception of the changes described in the section titled "Changes in major accounting policies" (page 86), the Group applied the following accounting policies consistently to all periods presented in these consolidated financial statements.

2. Consolidation principles

Business combinations

If the Group has obtained control, it accounts for business combinations in line with the acquisition method. The consideration transferred for the acquisition and the identifiable net assets acquired are measured at fair value. All goodwill arising is tested for impairment annually. Any profit from an acquisition at a price below market value is recognised directly in profit or loss. Transaction costs are recognised immediately as expenses if they are not related to the issue of debt securities or equity securities.

The consideration transferred includes no amounts associated with the fulfilment of pre-existing relationships. Such amounts are recognised in profit or loss.

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

Non-controlling interests

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

Changes in the Group's share in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity if it has the power to govern its financial and operating policies so as to obtain benefits from its activities. Control exists when the Group directly or indirectly holds more than half of the voting rights in a subsidiary or when control can otherwise be legally demonstrated via agreements with other investors or the articles of association. Potential voting rights that are currently exercisable or convertible are considered when assessing whether control exists.

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

Loss of control

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

Shares in associated companies recognised at equity

Associated companies are entities over which the Group has significant influence, but not control or joint control, as regards financial and operating policies.

Shares in associated companies are recognised at equity. They are initially recognised at cost, which also includes transaction costs. After the first-time recognition, the consolidated financial statements include the Group's share in the comprehensive income of the financial investments recognised at equity until the date the significant influence or joint control ends.

Transactions eliminated on consolidation

Intragroup balances and transactions and all unrealised income and expenses from intragroup transactions are eliminated in the preparation of the consolidated financial statements.

Discontinued operations

A discontinued operation is a part of the Group whose operations and cash flows can be clearly distinguished from the rest of the Group and which

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

An operation is classified as discontinued when it is disposed of or as soon as the criteria for classification as “held for sale” are met, whichever is earlier.

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

Assets held for sale

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

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

As soon as they are classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any investees recognised at equity are no longer recognised at equity.

3. Currency translation***Transactions in foreign currencies***

Transactions in foreign currencies are translated into the functional currency of the Group entity at the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the rate valid on the date the fair value is calculated. Foreign exchange differences are recognised in profit or loss for the period. Non-monetary items measured at historical cost in a foreign currency are not translated.

For the following items, foreign exchange differences are recognised in other comprehensive income in deviation from the policy:

- Available-for-sale equity instruments (except in the case of impairment, for which foreign exchange differences are reclassified from other comprehensive income into profit or loss),
- Financial liabilities designated as a hedge of a net investment in a foreign operation, provided the hedge is effective,
- Qualified cash flow hedges, provided they are effective.

Foreign operations

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

Foreign exchange differences are reported in other comprehensive income and recognised in the foreign currency translation reserve in equity if the foreign exchange difference is not attributable to non-controlling interests.

On the disposal of a foreign operation that results in loss of control, joint control or significant influence, the corresponding cumulative amount recognised in the foreign currency translation reserve up to this date is reclassified to profit or loss as part of the result on disposal. In the case of only partial disposal without loss of control over a subsidiary that includes a foreign operation, the corresponding portion of the cumulative exchange difference is attributed to the non-controlling interests. If the Group partially disposes of an associated or jointly controlled company that includes a foreign operation, but retains significant influence or joint control respectively, the corresponding portion of the cumulative foreign exchange difference is reclassified to profit or loss.

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

Major exchange rates

€ rates on balance sheet closing date	31.12.2013	31.12.2012
Swiss franc CHF	1.2276	1.2072
Czech koruna CZK	27.4270	25.1510
Hungarian forint HUF	297.0400	292.3000
Croatian kuna HRK	7.6265	7.5575
Polish zloty PLN	4.1543	4.0740
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9558
Romanian leu (new) RON	4.4710	4.4445
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hryvnia UAH	11.3252	10.6208
Serbian dinar RSD	114.5734	112.3722
Russian rouble RUB	45.3246	40.3295
Albanian lek ALL	140.4900	140.1400
Macedonian denar MKD	61.3938	62.2353

4. Actuarial items

Since 1 January 2005, UNIQA Insurance Group 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 IFRSs contain no specific regulations that comprehensively govern the recognition and measurement of insurance and reinsurance policies and investment contracts with a discretionary participation feature. Therefore, in accordance with IAS 8, the provisions of the US Generally Accepted Accounting Principles (US GAAP) in the version valid on 1 January 2005 were applied to all cases for which IFRS 4 contains no specific regulations. For balancing the accounts and evaluation of the insurance-specific entries of 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.

Insurance and investment contracts

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

Reinsurance contracts

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

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

Deferred acquisition costs

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

Unearned premiums

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

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

They 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 provisions

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 provisions of the life insurer are 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 provisions. The actuarial provisions are 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 provisions are listed as a separate liability entry under "Technical provisions held on account and at risk of life insurance 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 partial portfolio for the whole duration (locked-in principle).

Provisions for losses and outstanding claims

The provisions for outstanding claims in property and casualty insurance contain 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 (IBNR). 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 provisions 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 provisions for the assumed reinsurance business generally comply with the figures of the cedents.

Provisions for premium refunds and profit sharing

The provisions for premium refunds include the amounts for profit-related and profit-unrelated profit sharing to which the policyholders are entitled on the basis of statutory or contractual regulations.

For life insurance policies with a discretionary participation feature, differences between local measurement and IFRS measurement are presented with deferred profit participation taken into account, whereby this too is reported in profit or loss or in the statement of comprehensive income depending on the recognition of the change in the underlying valuation differences. The amount of the provisions for deferred profit participation amount 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 actuarial provisions

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

Provisions held on account and at risk of life insurance policyholders

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.

5. Employee benefits

Short-term employee benefits

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

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as expenses as soon as the associated work is performed. Prepaid contributions are recognised as assets if an entitlement to refund or reduction of future payments arises.

Defined benefit plans

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

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

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

If a plan's benefits are changed or a plan is curtailed, the resulting change in the benefit relating to past service or the gain or loss on the curtailment is recognised directly in profit or loss. The Group recognises gains and losses from the settlement of a defined benefit plan at the date of the settlement.

Other long-term employee benefits

The Group's net obligation with regard to long-term employee benefits comprises the future benefits that the employees have earned in return for work performed in the current and in earlier periods. These benefits are discounted to determine their present value. Remeasurements are recorded in profit or losses in the period in which they arise.

Termination benefits

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

Cash-settled share-based payment transactions (share appreciation rights)

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

6. Income taxes

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

Actual tax

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

Deferred tax

Deferred tax is recognised with regard to temporary differences between the carrying amounts of assets and liabilities for Group accounting purposes and the amounts used for tax purposes. Deferred taxes are not recognised for:

- Temporary differences on the first-time recognition of assets or liabilities in the event of a transaction that is not a business combination and that affects neither accounting profit before taxes nor taxable profit,
- Temporary differences in connection with shares in subsidiaries, associated companies and jointly controlled entities, provided the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future,
- Taxable temporary differences on the first-time recognition of goodwill.

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

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

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

Deferred tax assets and deferred tax liabilities are netted when certain conditions are met.

7. Property, plant and equipment

Recognition and measurement

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

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

Any profit or loss from the disposal of an item of property, plant and equipment is recognised in profit or loss.

Reclassification as investment property

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

Subsequent costs

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

Depreciation

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

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

- | | |
|--------------------------|-------------|
| • Buildings: | 10–80 years |
| • Plant and equipment: | 4–10 years |
| • Fixtures and fittings: | 4–10 years |

Depreciation methods, useful lives and residual values are reviewed on every reporting date and adjusted if necessary.

8. Intangible assets and goodwill

Goodwill

The goodwill arising in the context of business combinations is measured at cost less accumulated impairment losses.

Value of insurance policies

Values of life, property and casualty insurance policies relate to expected future margins from purchased operations.

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

Other intangible assets

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 two to five years.

9. Investment property

Land and buildings, including buildings on third-party land, held as long-term investments to generate rental income and/or for the purpose of capital appreciation are measured at cost when they are acquired. Subsequent measurement follows the cost model according to IAS 40.56.

10. Deferred acquisition costs

Deferred acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised and 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.

11. Financial instruments

Classification

The Group classifies non-derivative financial assets to the following categories:

Financial assets measured at fair value through profit or loss, loans and receivables and available-for-sale financial assets.

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

Investments

With the exception of 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.

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.

Investments held on account and at risk of 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.

Non-derivative financial assets and liabilities – recognition and derecognition

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

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

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

Loans and receivables

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

Cash and cash equivalents

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

Available-for-sale financial assets

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

Non-derivative financial liabilities – measurement

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

12. Impairment

Non-derivative financial assets

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

Objective indications that financial assets are impaired are:

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

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

Financial assets measured at amortised cost

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

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

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

Available-for-sale financial assets

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

Associated companies accounted for using the equity method

An impairment loss relating to an associated company accounted for using the equity method is measured by comparing the recoverable amount of the shares with their carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed in the event of an advantageous change in the estimates used to determine the recoverable amount.

Non-financial assets

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

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

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

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

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

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

13. Other provisions

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

14. Calculation of fair value

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

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

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

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

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

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

Further information on the assumptions used in the determination of fair values is included in the following notes:

- Note 3 – Investment property
- Note 9 – Securities available for sale

CHANGES IN MAJOR ACCOUNTING POLICIES

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

The Group applied the following new standards and amendments to standards, including all subsequent amendments to other standards whose date of first-time application is 1 January 2013.

IFRS	1	Amendment Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters
IAS	12	Amendment Deferred Tax: Recovery of Underlying Assets
IFRS	13	Fair Value Measurement
IAS	19	Employee Benefits (2011)
IAS	1	Presentation of Items of Other Comprehensive Income (Amendment)
IFRIC	20	Stripping Costs in the Production Phase of a Surface Mine
IFRS	7	Disclosures - Offsetting Financial Assets and Financial Liabilities - Amendments to IFRS 7
IFRS	1	Government Loans - Amendment
IFRS	All	Annual Improvements 2011

The application of these new mandatory IFRSs has the following effects on the consolidated financial statements:

Fair value measurement

IFRS 13 creates a standard framework for the measurement of fair value and disclosures of fair value measurements when such measurements are required or permitted by other IFRSs. This standard defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The standard replaces and enhances the disclosure requirements regarding fair value measurements in other IFRSs, including IFRS 7. As a result, the Group made additional disclosures in this regard.

In compliance with the transitional provisions of IFRS 13, the Group applied the new fair value measurement regulations prospectively and made no comparative information from the previous year available for new disclosures. Nonetheless, the change had no material effects on the measurement of the Group's assets and liabilities.

Presentation of Items of Other Comprehensive Income

As a result of the amendments to IAS 1, the Group changed the presentation of items of other comprehensive income in its statement of comprehensive income in order to report items to be reclassified to profit or loss separately from items that will never be reclassified. The comparative information was adjusted accordingly.

Defined benefit plans for post-employment benefits

As a result of IAS 19, the Group had already changed its accounting policy regarding the principles of calculating income or expenses connected to its defined benefit plans for post-employment benefits in 2011.

Pursuant to IAS 19 (2011), the Group calculates net interest expenses (net interest income) on the net liability (asset) from defined benefit plans for the reporting period by applying the discount rate used to measure the defined benefit obligation at the start of the annual reporting period to the net liability (asset) from defined benefit plans on this date. Any changes in the net liabilities (assets) from defined benefit plans that resulted from contribution and benefit payments over the course of the reporting period are taken into account. As a result, net interest on the net liability (asset) from defined benefit plans now includes: interest expense for the defined benefit obligation, interest income from plan assets and interest on the effect of the asset ceiling. Previously, the Group determined the interest income from plan assets on the basis of the expected long-term rate of return.

As the Group already recognised actuarial gains and losses in OCI in line with the former IAS 19, this has no quantitative effects.

All other new mandatory IFRSs were either inapplicable for the Group or had no effects.

NEW STANDARDS AND INTERPRETATIONS NOT YET APPLIED

A range of new standards, amendments to standards and interpretations are first applicable in the first reporting period of a financial year beginning after 1 January 2013 and were not applied as these consolidated financial statements were prepared. Those that may be relevant to the Group are shown below. The Group does not intend to apply these standards early.

IAS	27	Separate Financial Statements (2011)	1 Jan. 2014
IAS	28	Investments in Associates and Joint Ventures (2011)	1 Jan. 2014
IFRS	10	Consolidated Financial Statements	1 Jan. 2014
IFRS	11	Joint Arrangements	1 Jan. 2014
IFRS	12	Disclosures of Interests in Other Entities	1 Jan. 2014
IFRS	10-12	Transition Guidance - Amendment to IFRS 10-12	1 Jan. 2014
IFRS	9	Financial Instruments	Not yet endorsed
IAS	32	Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32	1 Jan. 2014
IFRS	9	Mandatory Effective Date and Transition Disclosures - Amendments to IFRS 9 and IFRS 7	Not yet endorsed
IFRS	10, 12	Investment Entities - Amendment to IFRS 10, 12 and IAS 27	1 Jan. 2014
IFRIC	21	Levies	Not yet endorsed
IAS	36	Amendment IAS 36 Recoverable Amount Disclosures for Non-Financial Assets	1 Jan. 2014
IAS	39	Novation of Derivatives and Continuation of Hedge Accounting (Amendment)	1 Jan. 2014
IAS	19	Defined Benefit Plans: Employee Contributions	Not yet endorsed
IFRS	9	Hedge Accounting and amendments to IFRS 9, IFRS 7 and IAS 39	Not yet endorsed
IFRS	All	Annual Improvements 2011-2013	Not yet endorsed
IFRS	All	Annual Improvements 2010-2012	Not yet endorsed
IFRS	14	Regulatory Deferral Accounts	1 Jan. 2016

The application of these new IFRSs is expected to have the following effects on the consolidated financial statements:

Consolidation standard IFRS 9

IFRS 9 follows a new approach to the categorisation and measurement of financial assets and now differentiates between only two measurement categories (measurement at fair value or amortised cost) on the basis of the entity's business model or on the characteristic features of the contractual cash flows of the respective financial asset. Impairment must be measured in line with a standard method.

UNIQA is observing the development but cannot yet describe precise effects, because of the ongoing endorsement process.

Consolidation standards IFRS 10-12

IFRS 10 (2011) introduces a new control model that focuses on whether the Group has control over an investee, is exposed to risks from or has rights to variable returns from its involvement with the investee, and can use its control to influence these returns. In accordance with the transitional provisions of IFRS 10 (2011), the Group must re-evaluate the control of its investees as of 1 January 2014.

The new control model will not change the Group's scope of consolidation.

In accordance with IFRS 11, the Group has classified its interests in joint arrangements either as joint operations (when the Group has rights to the assets attributable to a joint operation and obligations for its liabilities) or as joint ventures (when the Group has rights only to the net assets of an arrangement). In this assessment, the Group considered the structure of the arrangements, the legal form of all independent vehicles, the conditions of the contractual arrangements and other matters and circumstances. Previously, the classification focused exclusively on the structure of the arrangement.

At present, the Group has no joint arrangements to which IFRS 11 is applicable.

As a result of IFRS 12, the Group will expand its disclosures regarding its interests in subsidiaries and in financial investments recognised at equity.

Recoverable amount disclosures for non-financial assets

As a result of this amendment to IAS 36, the Group must expand its disclosures on recoverable amounts when these are based on fair value less costs to sell and impairment is recognised.

For all other IFRSs to be applied in future, there are either no relevant transactions or no effects on the consolidated financial statements are expected.

USE OF JUDGEMENTS AND ESTIMATES

Preparing the consolidated financial statements requires the Management Board to make judgements, estimates and assumptions that affect the application of accounting policies and the amounts recognised for assets, liabilities, income and expenses. Actual results can differ from these estimates. Estimates and underlying assumptions are monitored on an ongoing basis. Revisions of estimates are reported prospectively.

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
- 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
- Provisions for pensions and similar commitments

The risk report contains sensitivity analyses for the most important estimate uncertainties.

SCOPE OF CONSOLIDATION

In addition to the annual financial statements of UNIQA Insurance Group AG, the consolidated financial statements include the financial statements of all subsidiaries at home and abroad. Alongside UNIQA Insurance Group AG, the scope of consolidation included 52 domestic and 69 foreign subsidiaries. A full list of subsidiaries and associated companies is shown on page 193.

Eight associated companies were domestic companies consolidated at equity.

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

The scope of consolidation was not extended in the reporting period. In the 3rd quarter of 2013, the remaining shares amounting to 6 per cent in UNIQA životno osiguranje a.d. in Serbia were acquired.

In the 3rd quarter of 2012, the UNIQA Group resolved to sell the companies of the Austria Hotels International Group. The sale was settled in the 1st half of 2013.

On 16 April 2012, the UNIQA Group entered into agreements to sell Mannheimer AG Holding including its subsidiaries and the associated real estate holdings. These transactions were conducted in the 2nd quarter of 2012 and related to 91.68 per cent of the shares of Mannheimer AG Holding, its subsidiaries Mannheimer Versicherung AG, Mannheimer Krankenversicherung AG and mamax Lebensversicherung AG. The result from discontinued operations is composed as follows:

Figures in € thousand	Property and casualty insurance		Health insurance		Life insurance		Consolidation		Group	
	1-12/2013	1-12/2012	1-12/2013	1-12/2012	1-12/2013	1-12/2012	1-12/2013	1-12/2012	1-12/2013	1-12/2012
Gross premiums written	0	197,613	0	72,739	0	9,933	0	0	0	280,285
Premiums earned (retained)	0	152,640	0	69,788	0	7,299	0	115	0	229,842
Income from fees and commissions	0	422	0	30	0	1,273	0	-41	0	1,684
Net investment income	0	7,482	0	12,098	0	1,231	0	1	0	20,811
Other income	0	18,363	0	402	0	194	0	-14,466	0	4,494
Insurance benefits (net)	0	-105,777	0	-71,306	0	-5,916	0	384	0	-182,616
Operating expenses	0	-57,896	0	-9,218	0	-2,776	0	0	0	-69,890
Other expenses	0	-16,690	0	-2,249	0	-1,680	0	12,680	0	-7,939
Amortisation of goodwill	0	0	0	0	0	0	0	0	0	0
Operating profit/loss	0	-1,456	0	-455	0	-376	0	-1,328	0	-3,615
Financing costs	0	0	0	0	0	0	0	0	0	0
Profit/loss on ordinary activities	0	-1,456	0	-455	0	-376	0	-1,328	0	-3,615
Income taxes	0	-518	0	69	0	-161	0	0	0	-610
Current result from discontinued operations (after taxes)	0	-1,974	0	-386	0	-537	0	-1,328	0	-4,225
Disposal proceeds from discontinued operations	50,000	14,098	0	0	0	0	0	0	50,000	14,098
Result from discontinued operations (after taxes)	50,000	12,124	0	-386	0	-537	0	-1,328	50,000	9,873
of which consolidated profit/loss	50,000	12,603	0	-354	0	-492	0	-1,328	50,000	10,429
of which minority interests	0	-478	0	-32	0	-45	0	0	0	-555

The disposal proceeds in 2013 originate from the reversal of provisions for liabilities in connection with the sale of Mannheimer AG Holding.

RISK REPORT

1. Risk strategy

We have set ourselves ambitious targets in connection with our corporate strategy UNIQA 2.0. In summary, we aspire to sustainable and profitable growth; we take the initiative, optimise processes and back innovation. We do this with a view to keeping the promise we made to our customers, our shareholders and our employees. In addition, we are mindful of a business strategy that knows the right answer to all of our company's risks. The Management Board has therefore adopted a risk strategy borne by four principles.

- We know our responsibility
- We know our risk
- We know our capacity
- We know our opportunities

With these four principles, we will move confidently into the future and maintain a financial strength that allows us to achieve our corporate goals, keep our promises and fulfil our obligations.

1.1. We know our responsibility – we are under obligation to various stakeholders

We understand that our responsibility as one of the largest insurance groups in Central and Eastern Europe involves a great deal more than complying with regulations. We bear responsibility to our customers' requirements, our owners' capital, our employees' jobs, the value of our brand and the future of our next generation.

Always committed to the customer.

For more than 150 years, our customers have travelled through life with a sense of security. We want to continue enabling this worry-free existence in the future.

The owners can rely on UNIQA.

We promise growth and profit in our core business. We want to be a long-term, stable and profitable investment for our owners.

Creating a solid basis for our employees' lives.

We want to remain an attractive employer in future.

Preserving the brand's values.

UNIQA stands for innovation, stability and reliability. We take care of our image and will continue to protect it with all available means.

Leaving behind a future worth living for the next generation.

We make a great contribution to the stability of our society and thus for the next generation. We want to keep living up to our high aspirations of sustainable business.

Our responsibilities include our strategic objectives. We want to grow profitably and service 15 million customers by 2020, and report EBT of up to € 550 million in 2015 on the basis of a leaner corporate structure.

1.2. We know our risks – we see risk as the heart of our business

The origin of the word risk is as uncertain as its meaning. Risk is also the central element around which our business revolves. Our core business is to accept risk from our customers, pool it in order to reduce it and thus to generate profit for our company. This centres on the understanding of risks and their particular attributes.

Risk is a top-level matter for us. In order to guarantee a focus on risk, we have created a separate risk function in the Group's Management Board with a Group Chief Risk Officer and made the function of Chief Risk Officer a part of the Management Board in our local companies. We thus guarantee risk-based decision-making in all relevant bodies.

We have established processes that allow us to identify, analyse and manage risks retrospectively and prospectively. Our business involves a diverse range of different risk types, so we employ specialists to identify and manage them.

We regularly validate our risk profile on all levels of the hierarchy and hold discussions in specially instituted committees with members of the Management Board. We draw on internal and external sources to obtain a complete picture of our risk situation. We regularly check for new threats in the Group and in our subsidiaries.

1.3. We know our risk-bearing capacity – we have a clear idea of our capabilities

We take risks and do so in full knowledge of our risk-bearing capacity. We define risk-bearing capacity as our ability to absorb potential losses from extreme events so that our medium- and long-term objectives are not put in danger. Our risk-bearing capacity is a significant central component of our business planning and sets out the necessary framework within which we can achieve our strategic goals. We achieve our goal of sustainable value creation by regularly evaluating our need for risk and checking it against our capacity to bear it.

Our risk decisions centre on our "economic capital model" (ECM), which we use to quantify our risks and determine economic capital. The ECM is based on the standard model according to Solvency II, supplemented with our own risk assessment. This is expressed in the quantification of the risks from the non-life sectors, where we use a stochastic cash flow model, additional capital requirements of government bonds and a valuation of asset-backed securities in greater keeping with the market.

Based on this model, we are aiming for excess cover of the quantifiable risks of over 150 per cent for 2015. In the medium term, we are targeting excess cover of roughly 170 per cent. In our view, this guarantees a sufficient buffer for us to remain on track even after extreme events.

We are also looking for external confirmation of our course. Standard & Poor's gives us a credit rating of "A-". One of our central targets is to keep the rating at least at this level or to improve it if possible.

Non-quantifiable risks, especially operations risks, litigation risks and strategic risks are assessed in the risk assessment process and by means of scenario planning. When required, risk mitigation measures are taken on the basis of this assessment.

Our risk strategy defines which risks we assume and which we want to avoid. As part of our strategy process, we define our risk appetite on the basis of our risk-bearing capacity. From this we derive tolerances and operational limits that provide us with an early warning system sufficient for us to take prompt countermeasures should we deviate from our targets. Moreover, we also consider risks outside of our defined appetite. Although there is no appetite for reputation risk, we are aware that we bear a risk in this regard and take measures to mitigate or control it.

We focus on risks that we understand and can manage actively. We part with investments whose business principle does not fit with our core business. We knowingly take risks from life, health and non-life actuarial practice in order to generate our income from our core business in a targeted manner. We work on a balanced mix of risks to achieve the strongest possible diversification effects.

In addition, we set ourselves clear goals that ensure us an adequate level of risk in relation to our business strategy.

Examples of this are:

- We want to reduce our market risk to a share ranging between 60 per cent and 65 per cent of our total risk.
- For our new business in the personal sectors, we expect a minimum margin of 2.0 per cent (new business margin).

We analyse our profit and the underlying risk and optimise our portfolio with regard to value-orientated principles. We thus aim for a balanced ratio of risk to profit.

Our risk analyses are highly significant for the development of our business strategy. For example, we are reducing our risk for the current low-interest phase by optimising our products from the life sector with regard to mortality risk. Our unit-linked products are also strengthened as a result of our analyses.

We implement measures to reduce and avoid risks. Some of these are:

- We have implemented stringent acceptance procedures for the introduction of new insurance products. New life and property insurance products are tested for impairment using actuarial methods. We thus guarantee sustainable value creation for our company.

- We have introduced a Code of Conduct that helps our employees conduct themselves in compliance with our values in everyday situations. We thus take measures to reduce our reputation risk.
- We are a liability-driven investor. Our investment strategy reflects the requirement for future expected payments from our liabilities. This reduces the probability of liquidity shortages and the risk of losses from interest-rate fluctuations.
- We centralise our reinsurance. The pooling of risks allows us to reduce risks significantly via targeted diversification. Furthermore, risk pooling provides advantages when setting prices with external reinsurance partners.
- We painstakingly monitor regulatory developments. Among other things, the goodwill analysis was subjected to a critical inspection in order to prepare for the requirements of the new enforcement panel.

We have valid guidelines on the underwriting of private customers and corporate business. We thus control an adequate risk selection and promote understanding of our risk strategy among our employees.

1.4. We know our opportunities – we identify new paths

Risk also means opportunity. We have taken this old adage particularly to heart. In our processes, we constantly examine whether the results of the risk evaluation allow new lines of business to be tapped into, risk-mitigation measures to be developed or advantages to be gained in general. Offensive and defensive strategy are closely linked for us.

In order to be equipped for all future challenges, our actuarial models, data warehouse solutions and investment management tools are kept constantly up to date.

We can thus develop and advance our products and innovations with the aid of cutting-edge technology.

We regularly analyse trends, risks and phenomena that influence our society and thus our customers and ourselves. We involve our employees in the whole company in order to identify and analyse trends early and to develop suitable measures and innovations.

The direction is right – only the territory is uncharted

We are certain that we are taking the right course. However, we also know that we are working in a volatile environment, which can lead to rapid changes in the overall conditions. In order not to be knocked off course, we set standards with our risk management and risk strategy. We can thus look confidently into the future and keep the promise we made to our customers, our shareholders and our employees.

2. Risk management system

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.

The UNIQA Group's Risk Management Guidelines form the basis for a uniform standard at various company levels. The guidelines are approved by the Group CRO and Management Board and describe the minimum requirements in terms of organisational structure and process structure. They also provide a framework for all risk management processes for the most important risk categories.

In addition to Group Risk Management Guidelines, a set of Risk Management Guidelines have also been prepared and approved for the company's subsidiaries. The Risk Management Guidelines at subsidiary level were approved by the Management Board of the UNIQA subsidiaries and are consistent with the UNIQA Group Risk Management Guidelines.

They aim to 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 these guidelines is required in order to enshrine risk management in everyday business activities. Very extensive information and training measures have therefore been implemented since 2012, which will be continued in 2014 and extended to further target groups.

2.1. Organisational structure (governance)

The detailed set-up of the risk management process and organisational structure is set out in the UNIQA Group's Risk Management Guidelines. These reflect the principles of "three lines of defence" and the clear differences between the individual "lines of defence".

First line of defence: risk management within the business activity

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

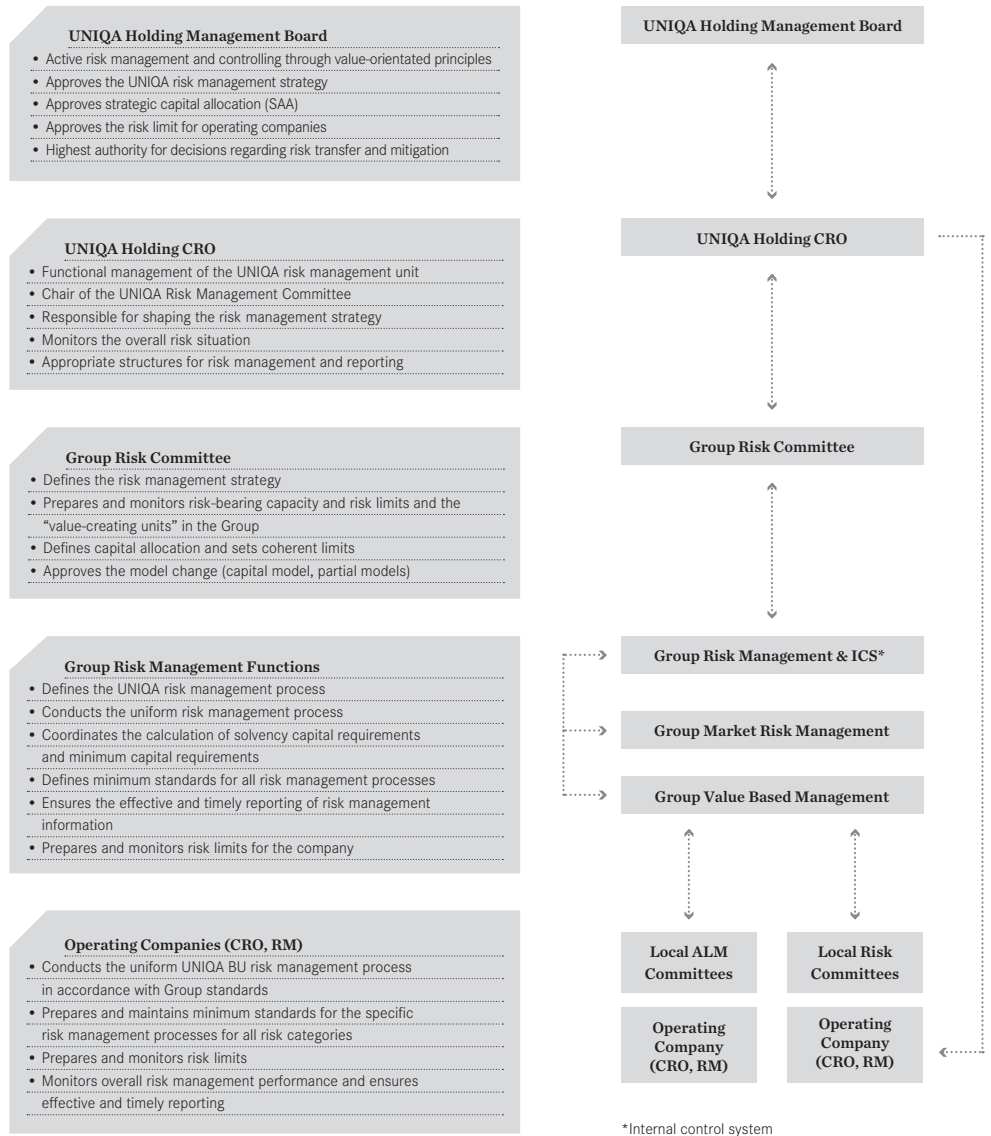
Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory functions, such as controlling, must monitor business activities without encroaching on operational activities.

Third line of defence: internal and external auditing

This enables an independent review of the formation and effectiveness of the entire internal control system, which comprises risk management and compliance (e.g. internal auditing).

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 is responsible for establishing business policy targets.

The Chief Risk Officer (CRO) function has its own department on the Management Board of the holding company. This ensures that the topic of risk management is represented on the Management Board. 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.

Furthermore, CRO and risk manager functions were also established at Management Board level in the operative insurance companies. 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, at both Group level and 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 risk management committee establishes the risk strategy, monitors and steers compliance with 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 in depth of the preparation of the risk report at Supervisory Board meetings.

2.2. Risk management process

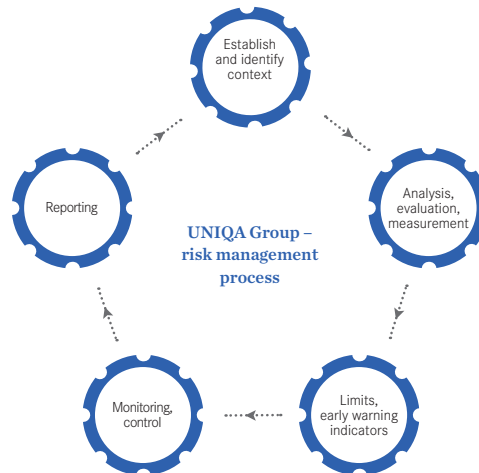
The UNIQA Group's risk management process (UNIQA ORSA process) delivers periodic information about the risk profile and enables the top management to make the right decisions for the long-term achievement of objectives.

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

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

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.

UNIQA Group risk management process



Risk identification:

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

Evaluation/measurement:

The risk categories of market risk, 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 and the ECM (economic capital model) approach. Furthermore, risk drivers are identified for the results from the standard approach and analysed to assess whether the risk situation is adequately represented (in accordance with 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 based on the economic, internal and external 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 Greece's 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 measures are taken on a proactive basis for potential threats.

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 reporting form is also available for the UNIQA Group and all subsidiaries, which provides the management with a monthly update regarding the most significant risks.

2.3. Activities and targets of 2013***ORSA (Own Risk and Solvency Assessment) development***

The interim guideline FLOOR (Forward Looking Own Assessment of Risk) is being implemented in all EU countries in 2014 and introduces the Own Risk and Solvency Assessment process to the European Union's insurance companies. In Austria, this interim guideline will be incorporated into the Insurance Supervisory Act by way of an amendment (expected 1 July 2014) and is thus legally binding.

As part of the ORSA process, the business strategy process is linked with the risk management process and the capital management process.

Major components of the ORSA process are

- An estimate of the development of economic capital and the solvency requirement derived from the corporate strategy,
- A valid assessment of the risk situation of the UNIQA Group and its companies, and
- Stress tests and scenario calculations.

In 2013, the UNIQA Group developed the corresponding process model and the required tools, which will be rolled out to the Group subsidiaries in 2014. The processes are described in the UNIQA Group's ORSA policy.

A major factor when this was being conceived was to rely on existing process elements in order to make use of company processes that function well. Therefore, the existing planning process was used as a supporting process and synchronised with the existing risk management process. The comprehensive rollout of the process with an extensive information initiative is planned for 2014.

R3 training

A major success factor for a functioning Group-wide risk management framework is a good understanding of the objectives and effects of the risk management approach on the UNIQA Group. For this purpose, a comprehensive training programme was launched for top management, management and employees in key functions.

It deals with the regulatory framework of Solvency II, internal risk management governance and its processes, the calculation methods and their effects on the business model, IFRS accounting issues, the essentials of rating and reservation, and compliance issues.

Furthermore, a risk management case designed especially for the training programme is simulated.

Training the Supervisory Board of the UNIQA Group is a high priority, so that the members of the Supervisory Board are informed of the ongoing developments in the management approach (economic management) and can consider these developments while performing their supervisory function. These include the issues of “embedded value”, the UNIQA Group’s capital model and economic management indicators.

Internal control system

Implementing a Group-wide internal control system was a major project for the risk management process in 2013.

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 in 2013, 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 internal control system was implemented in accordance with the ICS guidelines for the following core processes (and their sub-processes):

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

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.

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 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. Operational and litigation risks are prevented or considerably reduced using the internal control system according to the UNIQA Group's ICS framework. In order to guarantee a higher security level, a standardised internal control system has also been set up for the upstream processes.

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.

Phasing in/Solvency II – governance

According to Article 41 (1) Solvency II, every insurance company must have an effective governance system that guarantees sound and careful management of the business. This system entails at least an appropriate, transparent organisational structure with a clear allocation and appropriate separation of responsibilities and an effective information system.

In order to satisfy the many-faceted requirements of Solvency II regarding the governance system, UNIQA developed the governance model as a first step in 2012. The model consolidates major governance principles and clearly defines the competencies and responsibilities of individual executive bodies in the process of making decisions on major issues by applying a clearly structured decision matrix. This model applies to Austrian companies. In 2013, the UNIQA Group's governance model was reviewed for the first time after a year of effective application. This review detected potential for improvement in some areas. These improvements will be included in the new version of the governance model, which is planned for 2014.

The extension of the governance model to UNIQA subsidiaries began in 2013. At the same time, a separate governance model is being prepared for all foreign subsidiaries, which anchors general governance principles in the particular attributes of the individual countries. In autumn 2013, two countries had the opportunity to examine the prescribed international governance model in a test phase and to comment on the content. The countries' input was discussed in detail with the Uniqa International working group and incorporated into the initial version of the model.

Compliance

In the second half of 2013, the Group Compliance department began setting up and harmonising the compliance structures abroad. The goal is to establish a standard set of specifications and guidelines within the Group.

As a first step, local compliance officers were appointed in all subsidiaries. After creating this structure, the compliance risks of individual countries must be identified and assessed. A lean central structure to create the necessary tools and processes helps to prepare the organisation of UNIQA accordingly.

ALM/market and credit risk model

In 2013, the ALM process and the associated governance were enhanced. Further improvements were made, in particular regarding capital allocation to various sub-risks in the context of market and credit risk and regarding the measurement of capacity utilisation. A central ALM authority was established for all subsidiaries.

In addition, the models developed in 2012 to measure capital requirements were finally implemented or automated. This enabled regular/in-year depiction of the risk profile and limits based thereon. In connection with developments regarding evaluation (especially of complex financial instruments), important measures were implemented for the better, more transparent presentation of the current financial risk situation. It is managed on the basis of risk capital consumption and associated limits, which enables strategic decisions on the basis of the value-oriented risk/return analysis.

Actuarial practice

Products & profitability

The Group guidelines introduced in the last two years on standardised and mandatory profitability analyses, especially regarding life insurance and the motor vehicle sectors of property and casualty insurance, were implemented consistently in 2013 and have increased in importance in the product acceptance process. The target of high coverage of new tariffs was achieved in particular for the motor vehicle sectors, which were included in the analysis for the first time in 2013. In addition, clear improvements were made to profitability, primarily in life insurance, where the process is already established. As a next step, the minimum profitability requirement will be raised in 2014 and 2015.

Actuarial monitoring of core business

The implemented actuarial monitoring was enhanced in 2013, especially with regard to the increase of data quality and automation of the resulting reports. The two core analyses – source-of-profit analysis for life insurance and detailed analysis of settlement results in property and

casualty insurance – are included in excerpts in corresponding committee meetings and decision-making processes.

Reinsurance

In 2013, one focus was bolstering expertise on the issue of natural hazard models. The medium-term priority in this segment is to establish and communicate in-depth knowledge of the structure and operation of individual natural hazard models, to develop validation methods at both market and company level, to improve the quality of input data on an individual company basis, and to prepare a training plan for the UNIQA Group companies.

The first internally generated documents with basic knowledge regarding individual natural hazards were compiled in 2013. In addition, a database structure was developed, which will include standardised technical specifications for each natural hazard model relevant to the Group. There are also initial plans for detailed model evaluations, which are already being implemented at the moment. The targeted deployment and management of the external service providers consulted on this are also the responsibility of this segment at UNIQA Re AG.

3. The greatest challenges in the coming year (internal and external)

Implementation of life strategy in low interest rate environment

A constant decline in the interest rate curve has been observed since 2009. This effect has had a particularly severe impact on life insurance. Depending on the investment strategy adopted, these persistently low interest rates may lead to a situation where the income generated is not sufficient to finance policyholders' guarantees. The issue of low interest rates is currently affecting the entire European insurance industry, which is resulting in scrutiny and possibly a reassessment of the current life product landscape. A central topic of the discussion is options and guarantees that customers receive. For the insurance industry this raises the question of sustainable financing for these options and guarantees. As a significant measure in the context of the defined life strategy, the UNIQA Group has begun to focus on implementing the ALM approach including stringent management rules (e.g. management of profit participation) and on aligning the new business strategy regarding personal insurance accompanied by continual portfolio management.

CEE economy

The strained economic situation in Europe and especially the euro zone as a result of the financial crisis is currently picking up, which is having a corresponding positive effect on the economic development of the countries in Central and Eastern Europe. This trend is reflected in the good growth rates in the countries of this region, which are above those of Western Europe. As many trading partners based in the euro zone have overcome the financial crisis and regained their former strength, Central and Eastern European countries are reporting very good export performance. This is making a significant contribution to their economic upturn. Not every country, however, successfully escaped recession this year. But due to the much higher forecast GDP growth rates for the entire CEE region in 2014, a positive trend has been identified for these countries too.

A similar development is expected in the CEE insurance market. In 2013, only moderate premium growth was recorded in this region. Premiums fell in the region as a whole, especially in life insurance, which is attributable to a substantial downturn in single premiums in Poland. After this disagreeable development last year, expectations for a higher premium volume in 2014 remain dampened. In contrast, the non-life segment looked back at a growing market, but failed to meet expectations in terms of growth rates. One reason for this development is the fierce price competition dominating the motor vehicle and property sectors in many countries. This meant that less income was generated from premiums. For 2014, price pressure will remain a challenge for the UNIQA Group.

Solvency II

The rollout and implementation of the interim guidelines on Solvency II is one of the greatest operational challenges in 2014. The new regime affects insurance companies, supervisory authorities, customers and other stakeholders. How to deal with the new standards will have to be trained intensively over the next few years in order to prevent any misinterpretations or impetus to mismanagement. Communication of the major KPIs to specific target groups and a transparent explanation of their interrelationships is a major success factor.

4. Capitalisation

On the basis of the current supervisory requirements, the available equity and risk capital requirements are calculated according to Solvency I.

As soon as Solvency II takes effect, the definition and calculation of available equity, capital requirements and management will be replaced by the standards of Solvency II.

The solvency ratio based on supervisory provisions was 287.1 per cent as at 31 December 2013. Eligible equity amounted to € 3,290.2 million, which includes eligible subordinated liabilities of € 250.0 million up to half of the equity requirement and eligible subordinated liabilities of € 286.5 million up to a quarter of the equity requirement. The solvency requirement was € 1,145.9 million. The supervisory and internal minimum capitalisation of 135.0 per cent has therefore been surpassed considerably.

4.1. Statutory requirements

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

4.2. Internal capital base

The UNIQA Group defines its risk appetite on the basis of an “economic capital model” (ECM). The excessive coverage of quantifiable risks with eligible equity should soon amount to at least 150 per cent. In the long term, excess coverage of up to 170 per cent can be achieved.

On 30 June 2013, and therefore before the placement of the supplementary capital bond in July 2013 and the capital increase in October 2013, the solvency ratio according to the ECM was 118.7 per cent. Taking into account the capital increase and the supplementary capital of € 150.0 million, the “pro forma solvency ratio” is 149.9 per cent. Further details can be found in the ECM report (from May 2014).

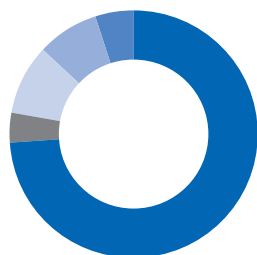
4.3. Standard & Poor’s model

In addition to regulatory and internal provisions, capital requirements of an external rating agency are also considered in order to present creditworthiness objectively/make it comparable. Therefore, the UNIQA Group is regularly rated by the rating agency Standard & Poor’s. In October 2013, the latter upgraded the UNIQA Group’s rating to “A-” and those of UNIQA Österreich Versicherungen AG and UNIQA Re AG to “A”, each with a stable outlook. At the same time, the rating of the hybrid capital bond issued by UNIQA in July this year was raised a notch to “BBB”. The UNIQA Group considers the effects on its rating in its capital planning process with the aim of improving it in future.

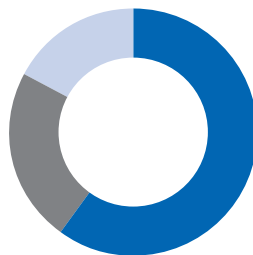
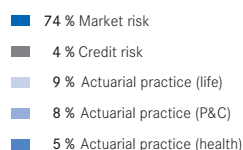
UNIQA operates the purely quantitative rating model of Standard & Poor’s independently. The firm goal is to hold a minimum rating of “AA” mathematically.

5. Risk profile

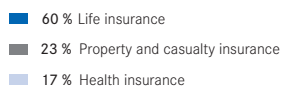
The methods of the internal ECM model are used to determine the risk profile in the UNIQA Group. The last assessment produced the following risk profile for the UNIQA Group:



Risk profile of the UNIQA Group
30 June 2013



Capital allocation by segment
30 June 2013



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 Österreich and Raiffeisen Versicherung. 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 the life and health 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 reference profiles show that, for composite insurers, the relationship between market and actuarial risk is balanced. In addition, the highest diversification effect was achieved among the composite insurers.

Market risk

Market risk is powerfully influenced by the risk of changing interest rates, particularly in the life insurance line. This is primarily the result of different terms of assets and liabilities. The course has already been successfully set for a substantial reduction of the interest rate risk by establishing an ALM process and implementing an ALM-based asset allocation. The measures taken in 2013 have already significantly reduced the interest rate risk and the strategic decisions for 2014 intend to make further improvements in this area.

Spread risk represents another major risk. This is the risk of price volatility due to changes in credit risk premiums. On the basis of equity requirements under Solvency II, structured securitisations constitute a particularly significant risk. In the case of bonds, it is primarily securities with lower ratings and longer durations that contribute to a heightened spread risk. The implemented ALM processes and the liability-driven investment approach are associated with a partial increase in spread risk in addition to the significant reduction of the interest rate risk. This is managed actively on the basis of the available market risk management tools in the context of risk-bearing capacity and included in the decision-making and management.

The UNIQA Group's share risk was greatly reduced because of the reduction in asset classes such as hedge funds and private equity and now plays a more superordinate role similar to currency and concentration risk.

Several measures were implemented in previous years with regard to the methods and processes for managing these risks. These included the introduction of quarterly ALM committee meetings at the top management level, the restructuring and continuous development of investment limits, the improvement of existing market and credit risk models and their automation.

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	EUR		USD		Other
Figures in per cent	2013	2012	2013	2012	2012
Fixed interest securities					
High-grade bonds	3.1	3.4	3.8	3.1	4.8
Bank/company bonds	3.4	3.7	5.4	5.2	4.5
Emerging markets bonds		3.7		5.6	6.3
High-yield bonds		7.5		5.3	4.5
Other investments	3.1	3.1	2.3	2.4	0.0

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	31.12.2013	31.12.2012
Figures in € thousand		
Annuities	11,692,539	10,492,471
Shares	209,640	393,948
Alternatives	51,851	506,641
Holdings	389,504	397,019
Loans	693,791	781,614
Real estate	1,262,475	1,292,474
Liquidity	769,876	1,192,161
Deposits receivable	124,163	128,078
Total	15,193,839	15,184,406
Difference between book value and market value		
Real estate	561,033	489,308
Loans	19,869	15,277

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31.12.2013	31.12.2012
Figures in € thousand		
Actuarial provision	13,656,600	13,493,296
Provision for profit-unrelated premium refunds	2,723	2,388
Provision for profit-related premium refunds, i.e. policyholder profit sharing	289,855	511,310
Other technical provisions	26,347	25,563
Provision for outstanding claims	132,429	129,117
Deposits payable	405,528	426,886
Total	14,513,483	14,588,559

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

Remaining term	31.12.2013	31.12.2012
Figures in € thousand		
Up to 1 year	1,534,645	861,944
Of more than 1 year up to 3 years	1,456,554	1,503,088
Of more than 3 years up to 5 years	1,791,829	2,225,739
Of more than 5 years up to 7 years	1,125,538	1,381,584
Of more than 7 years up to 10 years	2,048,289	3,112,406
Of more than 10 years up to 15 years	1,383,222	864,415
More than 15 years	3,046,253	1,324,909
Total	12,386,330	11,274,086

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	31.12.2013	31.12.2012
Figures in € thousand		
Share-based funds	1,148,769	1,069,691
Bond funds	4,040,844	3,846,087
Liquidity	99,776	66,904
Other investments	91,811	84,145
Total	5,381,201	5,066,828

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 3.0 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	31.12.2013	31.12.2012
Figures in € thousand		
Annuities	1,759,068	1,466,342
Shares	39,044	38,076
Alternatives	5,564	92,450
Holdings	200,575	201,955
Loans	176,935	193,036
Real estate	299,113	311,661
Liquidity	268,565	188,717
Total	2,748,864	2,492,237
Difference between book value and market value		
Real estate	81,824	86,477
Loans	-24,821	6,106

Provisions and liabilities from long-term health insurance policies	31.12.2013	31.12.2012
<i>Figures in € thousand</i>		
Actuarial provision	2,326,671	2,218,575
Provision for profit-unrelated premium refunds	10,108	10,298
Provision for profit-related premium refunds, i.e. policyholder profit sharing	44,319	43,927
Other technical provisions	806	885
Provision for unearned premiums	17,362	20,395
Provision for outstanding claims	169,756	168,322
Deposits payable	985	1,091
Total	2,570,006	2,463,495

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	31.12.2013	31.12.2012
<i>Figures in € thousand</i>		
Up to 1 year	601,828	325,267
Of more than 1 year up to 3 years	448,551	506,506
Of more than 3 years up to 5 years	375,405	446,859
Of more than 5 years up to 7 years	298,517	266,051
Of more than 7 years up to 10 years	243,908	372,516
Of more than 10 years up to 15 years	95,876	72,932
More than 15 years	471,277	146,623
Total	2,535,362	2,136,754

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	31.12.2013	31.12.2012
<small>Figures in € thousand</small>		
AAA	4,569,254	4,072,974
AA	2,837,120	2,528,971
A	3,519,567	3,137,296
BBB	3,713,019	3,309,737
BB	963,252	858,631
B	615,865	548,974
CCC	113,790	101,431
Not rated	369,076	328,990
Total	16,700,944	14,887,004

The values as at 31 December 2013 include the securities reclassified to the category of loans with a value of € 788,061 thousand (2012: € 906,435 thousand).

Equity price 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	31.12.2013	31.12.2012
<small>Figures in € thousand</small>		
Shares in Europe	313,384	391,321
Shares in America	62,511	26,964
Shares in Asia	40,267	9,091
Shares international ¹⁾	3,556	18,224
Shares in emerging markets	7,393	10,270
Shares total return ²⁾	15,486	179,200
Other shares	28,840	17,532
Total	471,437	652,603

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. Investments in US dollars bring about the greatest amount at risk. The following table shows a breakdown of assets and debts by currency.

31.12.2013	EUR	USD	Other	Total
Figures in € thousand				
Assets				
Investments	23,676,605	1,805,019	1,902,025	27,383,649
Other tangible assets	70,320		17,836	88,156
Intangible assets	1,303,297		159,233	1,462,530
Share of reinsurance in the technical provisions	909,780		32,678	942,458
Other assets	960,261		231,582	1,191,842
Total	26,920,262	1,805,019	2,343,353	31,068,634
Provisions and liabilities				
Subordinated liabilities	600,000		0	600,000
Technical provisions	23,213,343		1,912,992	25,126,335
Other provisions	820,804		15,876	836,681
Liabilities	1,569,638		146,053	1,715,691
Total	26,203,786	0	2,074,921	28,278,707

31.12.2012	EUR	USD	Other	Total
Figures in € thousand				
Assets				
Investments	23,863,863	444,210	2,017,941	26,326,015
Other tangible assets	90,682		21,922	112,604
Intangible assets	1,271,890		145,835	1,417,725
Share of reinsurance in the technical provisions	945,169		69,495	1,014,665
Other assets	894,620		288,926	1,183,546
Total	27,066,224	444,210	2,544,119	30,054,554
Provisions and liabilities				
Subordinated liabilities	450,000		0	450,000
Technical provisions	22,931,199		1,842,751	24,773,950
Other provisions	844,174		26,835	871,009
Liabilities	1,747,899		181,744	1,929,644
Total	25,973,272	0	2,051,331	28,024,603

The fair value of securities investments in US dollars amounted to € 1,805 million as at 31 December 2013 (2012: € 2,176 million). The exchange rate risk decreased through derivative financial instruments to € 355 million (2012: € 444 million), and the hedging ratio was 80 per cent (2012: 61.6 per cent). This decline is based on a deliberate reduction of the foreign currency risk.

Liquidity risk

As the UNIQA Group is required to satisfy its payment obligations on a daily basis, a precise liquidity schedule is prepared for a period of one year. A minimum liquidity holding is defined by the Management Board and made available as a cash reserve on a daily basis.

In addition, the majority of the securities portfolio is listed on liquid stock exchanges and can be sold quickly in the case of liquidity burdens without significant liquidity deductions. 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 payment obligations exist for private equity investments in the amount of € 1.0 million (2012: € 61.0 million).

Sensitivities

Market and credit risk management is a fixed component in the structured investment process. In particular, stress tests and sensitivity analyses are used as key figures for measuring, observing and actively controlling the risk in addition to the established market and credit risk models (SCR, ECR, etc.).

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	31.12.2013		31.12.2012	
	+ 100 basis points	- 100 basis points	+ 100 basis points	- 100 basis points
Figures in € thousand				
High-grade bonds	- 669,323	746,714	- 494,579	566,752
Bank/company bonds	- 128,246	128,288	- 92,036	99,447
Emerging markets bonds			- 59,715	66,150
High-yield bonds	- 40,717	54,234	- 1,575	1,728
Total	- 838,286	929,236	- 647,905	734,077

Equity risk	31.12.2013		31.12.2012	
	10%	- 10%	10%	- 10%
Figures in € thousand				
Shares in Europe	30,930	- 30,930	28,359	- 28,364
Shares in America	6,213	- 6,166	3,405	- 3,405
Shares in Asia			3,145	- 3,145
Shares international			135	- 135
Shares in emerging markets			2,911	- 2,911
Shares total return			1,515	- 1,515
Derivative financial instruments and other shares	11,639	- 11,862	195	- 195
Total	48,782	- 48,958	39,665	- 39,671

Currency risk	31.12.2013		31.12.2012	
	10%	- 10%	10%	- 10%
Figures in € thousand				
EUR	0	0	0	0
USD	33,794	- 33,740	44,390	- 44,390
Other	75,787	- 76,061	159,981	- 159,981
Total	109,582	- 109,801	204,371	- 204,371

Credit risk		31.12.2013		31.12.2012	
		+	-	+	-
Figures in € thousand					
AAA	0 basis points	0	0	0	0
AA	25 basis points	- 51,287	53,207	- 23,691	24,314
A	50 basis points	- 64,108	66,281	- 72,696	76,358
BAA	75 basis points	- 161,979	182,828	- 99,814	107,158
BA	100 basis points	- 29,373	31,249	- 26,255	28,594
B	125 basis points	- 9,622	- 437	- 16,613	18,580
CAA	150 basis points	16,910	26,417	- 1,771	2,740
Not rated	100 basis points	50,247	- 8,902	1,006	24,324
Total		- 249,213	350,644	- 239,834	282,069

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 95.0 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
Figures in € thousand					
31.12.2013	1,014,436	56,835	227,817	1,010,510	- 280,726
31.12.2012	959,523	236,108	219,466	940,800	- 436,851
Lowest	917,218	56,835	227,817	912,696	- 200,441
Average	963,689	158,914	288,175	952,190	- 334,034
Highest	1,014,436	242,528	365,953	1,010,510	- 610,148

Evaluation of the stock of Asset-Backed Securities

The UNIQA Group holds 1.8 per cent (2012: 2.3 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.

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 Moody's Analytics, 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 depict 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 10.0 per cent quantile or the 90.0 per cent quantile of the distribution function of the failures.

Sensitivity analysis Figures in € million	Upside	Downside
Total profit/loss	0.3	-2.3
on P&L	0.0	-2.8
on equity	0.3	0.5

Valuation of STRABAG SE

UNIQA has a participating interest in STRABAG SE of 14.7 per cent as at the reporting date of 31 December 2013 (31 December 2012: 14.9 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, purchase options were conceded to a strategic investor for an additional 1.4 million individual shares of STRABAG SE. They can be exercised between July 2012 and July 2014. In 2013, 0.2 million of these options were exercised.

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 Figures in € thousand	2013
As at 1 Jan.	468,953
Disposal	- 4,017
Updating affecting income ¹⁾	20,951
Updating not affecting income	- 11,343
Dividends	- 3,136
As at 31 Dec.	471,407
Value in € per share	28.1

¹⁾ The estimate for the as-yet-unpublished 4th quarter of 2013 was also worked on during the financial year.

Information on Hypo Alpe Adria

In mid-March 2014, the Austrian federal government announced that the nationalised Hypo Alpe Adria bank is to be wound down via a “bad bank”. A default on the part of the bank has been ruled out of the time being. Currently, the impact of this solution on bonds held by UNIQA cannot be reliably estimated, as information on any involvement of government- or state-guaranteed bonds is pending both politically and legally.

Collateralisation	market value	book value
Figures in € thousand		IFRS
Federal guarantee	13,549	13,549
Guarantee of province	52,215	52,720
No guarantee	1,000	1,000
Total	66,765	67,269

Shown excluding liquidity.

Information on investments in Ukrainian government bonds

The current political uncertainty in Ukraine due to the fall of the government and the dispute with Russia over Crimea puts further servicing of government debts into question to some extent. In early March 2014, the European Union held out the prospect of assisting Ukraine with up to € 11 billion. This would mean all payments from government bonds could be serviced in 2014. The relatively low exposure to Ukrainian government bonds is also due to the fact that high liquidity holdings are held in UNIQA's Ukrainian subsidiaries because of the uncertainty/poor rating of government bonds.

Ukraine	Market values	IFRS book value
Figures in € thousand		
Ukrainian government bonds	9,958	9,958

Asset Liability Management (ALM)

Market and credit risks have different weightings and various degrees of seriousness, depending on the investment structure. The effects of the financial risks on the value of the investments also influence the level of technical liabilities. A partial dependence therefore exists between the growth of assets and liabilities from insurance policies. UNIQA monitors the income expectations and risks of assets and liabilities arising from insurance policies as part of the asset liability management (ALM) process. The aim is to achieve a return on capital that is sustainably higher than the updated 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	31.12.2013	31.12.2012
<small>Figures in € thousand</small>		
Long-term life insurance policies with guaranteed interest and profit sharing	15,193,839	15,184,406
Long-term unit-linked and index-linked life insurance policies	5,381,201	5,066,828
Long-term health insurance policies	2,748,864	2,492,237
Short-term property and casualty insurance policies	4,059,744	3,582,544
Total	27,383,649	26,326,015

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)	31.12.2013	31.12.2012
<small>Figures in € thousand</small>		
Long-term life insurance policies with guaranteed interest and profit sharing	14,513,483	14,588,559
Long-term unit-linked and index-linked life insurance policies	5,299,625	4,983,029
Long-term health insurance policies	2,570,006	2,463,495
Short-term property and casualty insurance policies	2,597,934	2,561,018
Total	24,981,048	24,596,101

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 technical provisions
- H. Share of reinsurance in technical provisions for unit-linked and index-linked life insurance

Actuarial risks

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 Österreich and UNIQA Re. In CEE, SEE and EE, non-life business, particularly motor vehicle insurance, is at the forefront; 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 of Austria and the Czech Republic.

In addition, risks of catastrophic flooding and earthquakes are 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.

Use of the internal non-life partial model will represent an essential element in risk assessment and further risk management in the medium term. 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 subsequently 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.

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 20.0 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 generated 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.

Long-term life insurance policies with guaranteed interest and profit sharing	31.12.2013	31.12.2012
<small>Figures in € thousand</small>		
Austria (AT)	11,879,899	12,197,791
Western Europe (WE)	2,063,940	1,864,220
Central Europe (CE)	287,773	314,393
Eastern Europe (EE)	35,019	18,238
Southeastern Europe (SEE)	178,614	152,716
Russia (RU)	68,237	41,200
	14,513,483	14,588,559
Long-term unit-linked and index-linked life insurance policies	31.12.2013	31.12.2012
<small>Figures in € thousand</small>		
Austria (AT)	4,335,070	4,050,543
Western Europe (WE)	515,550	564,641
Central Europe (CE)	447,808	366,938
Eastern Europe (EE)	0	0
Southeastern Europe (SEE)	1,198	907
Russia (RU)	0	0
	5,299,625	4,983,029

Capital and term insurance

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

The table below shows the distribution of the total premium by rate group and region.

Total premium in %	Endowment		Life		Annuity	
	2013	2012	2013	2012	2013	2012
Austria (AT)	43.9	38.3	9.0	7.8	16.1	13.7
Western Europe (WE)	73.3	76.1	8.5	7.2	16.5	16.2
Central Europe (CE)	20.5	25.8	3.2	4.4	0.2	0.3
Southeastern Europe (SEE)	81.7	83.4	6.6	6.9	0.4	0.5
Eastern Europe (EE)	49.3	53.3	21.8	25.5	0.0	0.0
Russia (RU)	90.9	89.4	0.0	0.0	0.0	0.0
Total	46.4	42.4	8.0	7.4	13.5	12.4

Total premium in %	Unit- and index-linked		Payment protection		Other	
	2013	2012	2013	2012	2013	2012
Austria (AT)	30.1	39.5	0.0	0.0	0.9	0.7
Western Europe (WE)	1.8	0.6	0.0	0.0	0.0	0.0
Central Europe (CE)	55.6	44.9	7.5	9.6	13.1	15.0
Southeastern Europe (SEE)	1.5	1.1	0.9	1.7	8.8	6.4
Eastern Europe (EE)	0.0	0.0	28.9	21.2	0.0	0.0
Russia (RU)	0.0	0.0	9.1	10.6	0.0	0.0
Total	28.7	35.3	1.1	0.8	2.3	1.6

Definition of regions:

AT - Austria

WE - Italy, Liechtenstein*

CEE - Poland, Hungary, Czech Republic, Slovakia

EE - Romania, Ukraine*

SEE - Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Albania, Montenegro*, Kosovo, Macedonia*

RU - Russia

* Not included

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.

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.

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

Life expectancy at birth

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

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.

Antiselection

The portfolios of the UNIQA Group, especially in Austria, contain large portfolios of term 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.

The 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. With the exception of Austrian life insurance companies, no other relevant longevity risks exist within the UNIQA Group as barely any pension products are underwritten in regions where international business activities take place.

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

In most UNIQA companies, the actuarial interest that may be used in the calculation for writing new business is based on the maximum interest rate ordinance of the respective local supervisory authority. In any countries where the highest permitted actuarial interest is not governed by a regulation, prudent and market-appropriate assumptions are made accordingly by the actuaries responsible. The maximum interest rate in the core market of Austria is currently 1.75 per cent per annum. However, the portfolio also contains older contracts with actuarial interest rates. These are up to 4.0 per cent per annum in the UNIQA Group's relevant markets.

The following table gives an indication of average actuarial interest rates in each region.

Avg. techn. interest rates, traditional business by region and currency	EUR	USD	CHF	Local currency
Figures in per cent				
Austria (AT)	2.6	-	-	-
Western Europe (WE)	2.5	-	1.9	-
Central Europe (CE)	3.8	-	-	3.3
Southeastern Europe (SEE)	3.3	-	-	3.3
Eastern Europe (EE)	2.5	-	-	3.5
Russia (RU)	3.0	3.0	-	4.0

Definition of regions:

AT - Austria

WE - Italy, Liechtenstein*

CEE - Poland, Hungary, Czech Republic, Slovakia

EE - Romania, Ukraine*

SEE - Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Albania, Montenegro*, Kosovo, Macedonia*

RU - Russia

* Not included

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 (debenture bonds, 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.

Asset liability management

For practical reasons, the goal of cash flow matching of assets and liabilities cannot be fully achieved. The duration of the life insurance assets is 5.8 (2012: 5.0), while for liabilities it is considerably longer. This is called the "duration gap", which results in interest rate risk that must be backed with capital in the ECR model.

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).

Market Consistent Embedded Value sensitivity analyses for the life and health insurance business

In the UNIQA Group, Market Consistent Embedded Value is calculated according to the Market Consistent Embedded Value Principles defined by the CFO Forum and according to the “Basis for Conclusions” published in October 2009. Embedded value comprises assets by fair value and the present value of the insurance business. The present value is the present value of distributable profits after taxes less cost of capital. The Market Consistent Embedded Value is an actuarial valuation of an insurance company assuming it is a going concern, explicitly excluding the value of future new business.

The assumptions underlying the projection to determine the present value are based on the best estimate approach, i.e. a realistic estimate of operating and economic assumptions on the basis of future expectations and historical observations. An embedded value calculation involves many economic and operating assumptions, which UNIQA rates as reasonable and sensible but which cannot be predicted with certainty due to numerous influencing factors outside the company’s control. For this reason, the actual developments can differ materially from the expected profits in the measurement of embedded value.

Shareholders’ interest is calculated under consideration of all available sources of income, whereby in traditional life insurance in Austria, the profit participation regulation is paid particular attention. The most realistic possible development of future profit sharing is also assumed under the legal conditions in all other evaluated countries. The projected profits are influenced by assumptions regarding mortality, cancellation, costs, capital selection, inflation and investment income.

The assumed interest rate depends on the capital market on the measurement date and is derived via the current derivation method for yield curves under Solvency II. In order to estimate the effects of the assumed interest rate, two sensitivities of the interest rate curve were calculated in the embedded value, with +/-100 basis points being applied to the capital market data of the interest rates. For assumed interest rates according to the latest liquid market data, convergence to a long-term interest rate level of 4.2 per cent is assumed within 40 years. This corresponds with the current EIOPA standards on the derivation method for risk-free interest rates and is also applied to the sensitivity calculations, so the latter do not exclusively relate to parallel shifts of the interest rate curve.

The sensitivities indicated below relate only to those companies in the UNIQA Group that are evaluated via projections (Austria, Italy, Czech Republic, Slovakia, Hungary, Poland, Russia). As of 31 December 2013, this evaluation covers more than 98.0 per cent of the reserve of the UNIQA Group's life business. As of 31 December 2012, the sensitivities were measured excluding the Russian subsidiary:

Sensitivities of Market Consistent Embedded Value	2013	2012
Change in per cent of basic value		
Equity and property - 10 %	- 5.01	- 8.03
Interest rate +1 %	4.98	14.13
Interest rate - 1 %	- 10.08	- 18.13
Cost rate - 10 %	2.22	3.26
Lapse rate - 10 %	1.75	1.34
Mortality and health endowment +5 %	1.33	1.36
Mortality annuities +5 %	- 0.14	- 0.29

Health

The health insurance business is operated primarily in Austria (92.0 per cent domestic and 8.0 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 "similarly 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 3.0 per cent. If 3.0 per cent is not achieved by the investment, premiums contain safety margins that may be used in the event of insufficient investment results. As an FMA guideline regarding actuarial interest in health insurance was issued in October 2013, from 1 January 2014 new business is calculated with an actuarial interest rate of 2.5 per cent. This results in an improvement of the risk of insufficient investment results.

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 at the end of the second 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 resulted in a new situation as of 21 December 2012. By this point in time, only completely identical premiums are allowed for men and women, excluding considerations such as age and individual pre-existing conditions. Experience in 2013 has shown that no negative development of the portfolio structure of new business has resulted.

The risk of the health insurance business outside Austria is dominated primarily by UNIQA Assicurazioni in Milan (approximately € 33.0 million in annual premiums). This company currently has stable holdings, meaning that actuarial risk scarcely changes. For tariffs with an outdated calculation basis, with aging holdings, the insured will be converted to tariffs with a modern calculation basis in the coming years. Because this affects tariffs that are not life-long, the conversion problem is less significant than it is for life-long tariffs.

The remaining premiums (approximately € 42.0 million) are divided among multiple companies and are of only minor importance there. Only in Switzerland (Geneva) is health insurance the primary business (approximately € 8.3 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.

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 Board. As outlined in the explanation of the risk management process, the management receives a monthly update regarding the most significant risks in the form of a heat map.

6. Impairment test

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, goodwill is not subject to scheduled depreciation, but is 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, the present value of future cash flows, and the value to be covered, consisting of goodwill, the proportional net assets and any capital increases and internal loans. If the resulting value exceeds the realisable value of the unit based on the earning power method, an impairment loss is recognised.

The UNIQA Group has apportioned goodwill into the following CGUs, which coincide with the countries in which UNIQA is active, with the exception of the Sigal Group, in which the three countries of Albania, Kosovo and Macedonia were combined as one CGU due to their similar development and organisational connection:

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

Goodwill breakdown:**Cash-Generating Unit Insurance**

Figures in € thousand	31.12.2013
Bosnia-Herzegovina	1,887
Bulgaria	55,811
Italy	121,718
Croatia	384
Liechtenstein	-
Montenegro	81
UNIQA Austria	37,737
Poland	28,616
Romania	126,249
Russia	87
Switzerland	-
Serbia	20,104
„Sigal Group“	20,170
Slovakia	120
Czech Republic	7,733
Ukraine	25,059
Hungary	18,003
UNIQA Re	-

Goodwill Group Total

Region	31.12.2013	31.12.2012
Figures in € thousand		
Austria (AT)	39,757	40,513
Western Europe (WE)	122,647	124,385
Central Europe (CE)	55,842	59,041
Eastern Europe (EE)	154,832	154,877
Southeastern Europe (SEE)	98,614	99,062
Russia (RU)	87	87
Total	471,780	477,964

The UNIQA Group calculates the recoverable amount on the basis of value in use 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, the estimate of the long-term results achievable by the CGUs and long-term growth rates (perpetuity) are used as the starting point for determining the earning power.

The earning power is determined by discounting the future profits with a suitable capitalisation interest rate after assumed retention to strengthen the capital base. 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 reflect 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 (German treasury bonds with terms of 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.
- In Austria, the market risk premium was defined conservatively on the basis of the current standards of the Kammer der Wirtschaftstreuhänder (Austrian Chamber of Public Accountants and Tax Advisors). The country risk premium was defined based on calculations according to Damodaran. The calculation was performed as follows: starting with the rating of the respective country (Moody's), the yield spread of corporate bonds with the same rating to risk-free government bonds is determined and adjusted by the volatility difference between the stock and bond markets. In addition, a reduction of the country risk is assumed on the basis of further development over the course of the coming years.
- The inflation differential was also taken into consideration. In general, the inflation differential represents inflation trends in different countries and is used as a key indicator in assessing competitiveness. In order to calculate the inflation differential, the deviation of the inflation forecast for the country of the CGU in question in relation to the inflation forecast for a risk-free environment (Germany in this case) was used. This is adjusted annually in the detailed planning with the expected inflation and then applied unvaryingly as an average for the medium- and long-term phase.

The capitalisation interest rate is listed below for all CGUs:

Cash-Generating Unit <small>Figures in per cent</small>	Discount factor		Discount factor perpetuity	
	Property and casualty	Life & Health	Property and casualty	Life & Health
Bosnia-Herzegovina	19.1	20.4	18.9	20.1
Bulgaria	11.5	12.7	11.5	12.7
Italy	10.5	11.7	10.6	11.8
Croatia	13.2	14.5	12.9	14.2
Liechtenstein	6.1	7.3	7.7	9.0
Montenegro	13.4	14.6	13.1	14.4
Austria	8.0	9.2	8.9	10.1
Poland	9.2	10.4	10.9	12.2
Romania	12.6	13.8	13.3	14.5
Russia	14.7	15.9	12.4	13.6
Switzerland	6.1	7.3	7.7	9.0
Serbia	15.9	17.1	14.9	16.2
„Sigal Group“	14.4–15.2	15.6–16.4	13.9–15.5	15.2–16.7
Slovakia	10.1	11.3	11.1	12.4
Czech Republic	10.0	11.3	10.7	12.0
Ukraine	22.3	23.6	19.7	20.9
Hungary	12.9	14.2	13.6	14.9
Regions				
Austria	8.0	9.2	8.9	10.1
Western Europe (WE)	6.1–10.5	7.3–11.7	7.7–10.6	9.0–11.8
Central Europe (CE)	9.2–12.9	10.4–14.2	10.7–13.6	12.0–14.9
Eastern Europe (EE) including Russia	12.6–22.3	13.8–23.6	13.3–19.7	14.5–20.9
Southeastern Europe (SEE)	11.5–19.1	12.7–20.4	11.5–18.9	12.7–20.1

The indicated discount rate intervals relate to the spread over the countries grouped together in the case of the Sigal Group and the regions.
Source: Damodaran and derived factors

The following interest rates were applied in the previous year:

Cash-generating Unit <small>Figures in per cent</small>	Discount factor		Discount factor perpetuity	
	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	13.9	15.3	13.7	15.2
Bosnia-Herzegovina	14.1	15.5	14.9	16.5
Bulgaria	10.5	11.4	9.2	10.1
Italy	8.2	8.9	8.2	9.1
Kosovo	12.9	14.1	12.4	13.7
Croatia	10	10.9	9.7	10.7
Liechtenstein	7.3	7.9	6.3	6.9
Macedonia	12.9	14.1	12.4	13.7
Montenegro	12.9	14.1	12.4	13.7
Austria	7.3	7.9	6.3	6.9
Poland	9.5	10.4	8.5	9.4
Romania	10.4	11.3	11.5	12.8
Russia	12.6	13.8	9.2	10.1
Switzerland	7.3	7.9	6.3	6.9
Serbia	12.9	14.1	12.4	13.7
Slovakia	8.9	9.6	8.2	9.1
Czech Republic	8.4	9.1	7.9	8.7
Ukraine	17.2	18.9	13.7	15.2
Hungary	11.6	12.7	11.5	12.8

Source: Damodaran and derived factors

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

Phase 2: Extended seven-year planning phase

Following the strategic detailed planning, the earning power model was extended by a seven-year period in order to avoid giving too much weight and influence to the perpetuity and to produce longer-term growth potential. The further development of each country is determined firstly by internal economic analyses and secondly by assumptions of insurance market developments and market trends in the individual sectors and the comparison of the expected growth in phase 1. The growth rates decrease on a straight-line basis over the seven years and lead to the perpetual growth rate.

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. Insurance markets that are at a similar stage of development measured against key indicators such as insurance density and insurance penetration have been pooled in categories and have an identical expected growth for perpetuity.

Scenarios

The earning power of the individual CGUs is determined by a weighted probability scenario. Three scenarios were calculated:

Scenario 1 “base case” reflects detailed five-year Group planning.

Scenario 2 “best case” is the result of positive expectations with regard to the achievement of objectives contained in detailed Group planning and includes the over-fulfilment of detailed Group planning by plus 15.0 per cent.

Scenario 3 “worst case” is the result of negative expectations with regard to the achievement of objectives contained in detailed Group planning and includes a negative deviation from detailed Group planning by minus 35 per cent.

In scenarios 1 and 2, the discount factor applied decreases over the years, as a slight decline in country risk is assumed. A stronger decline of the country risk is assumed for the best case and a somewhat weaker one for the base case. It is assumed in the third scenario that the credit spreads in the first phase remain at the same level and a very weak reduction of the country risk is assumed only thereafter.

The weighting of the three scenarios is again defined by country groups and remains the same over the three phases, whereby the categorisation uses the same groups that were applied to determine the perpetual growth rates. The values are categorised and determined under the assumption that countries are more volatile and can exhibit greater growth spreads depending on their stage of development.

Expected value

The company value was calculated on the basis of discounting the cash flow forecasts less an assumed retention of profit after taxes and with the defined weightings for each scenario according to the probabilities of occurrence of the three scenarios by country group. This results in an expected company value, which is lower than the present value of the base case because of the assumption of corresponding probabilities of occurrence and is thus recognised more conservatively.

Uncertainty and sensitivity

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

The reference sources included the following studies and materials:

- UNIQA Capital Markets
- Raiffeisen Research
- Wiener Institut für Internationale Wirtschaftsvergleiche
- Österreichische Nationalbank
- Business Monitor International
- Damodaran – country risks, growth rate estimations, multiples
- VVO
- Insurance Europe
- Swiss Re Sigma Report

Sensitivity analyses with regard to the capitalisation interest rate and the main value drivers are also performed on a sample basis in order to verify the results from the calculation of value in use and the assessment of these 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 economic crisis, constitute the greatest uncertainty in connection with measurement results.

For the event that the intensity and duration of the recovery from the economic crisis turns out to be much slower and the insurance markets develop completely differently than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs. Despite slower economic growth, income expectations have not changed significantly compared to previous years.

No impairment was necessary in 2013.

The following table shows key GDP developments in markets of relevance to UNIQA. As such, no loss of these core markets for UNIQA is expected over the long term.

	2011	2012	2013e	2014e
Poland				
GDP (% in annual comparison)	4.5	1.9	1.4	2.9
Hungary				
GDP (% in annual comparison)	1.6	-1.7	0.7	1.8
Czech Republic				
GDP (% in annual comparison)	1.8	-0.9	-1.3	1.7
Slovakia				
GDP (% in annual comparison)	3.0	1.8	1.0	2.2
Croatia				
GDP (% in annual comparison)	0.0	-2	-0.6	0.9
Bosnia-Herzegovina				
GDP (% in annual comparison)	1.0	-1.1	1.0	1.5
Serbia				
GDP (% in annual comparison)	1.6	-1.7	2.2	1.0
Bulgaria				
GDP (% in annual comparison)	1.8	0.8	0.5	1.8
Romania				
GDP (% in annual comparison)	2.3	0.6	2.5	2.5
Ukraine				
GDP (% in annual comparison)	5.2	0.2	-1.0	1.5
Albania				
GDP (% in annual comparison)	3.1	1.6	1.7	2.0
Russia				
GDP (% in annual comparison)	4.3	3.4	1.5	2.4

Source: UNIQA Capital Markets, Raiffeisen Research February 2014

7. 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.

8. Risk management aims for 2014

8.1. Risk management

With the publication of the interim guidelines, major elements of Solvency II are already legally binding in 2014. This means the UNIQA Group is focusing on implementing the ORSA process and the concluding ORSA report.

The preparations are complete and the rollout is being accompanied by intensive information and training measures.

The data warehousing issue is a major success factor for risk management. Here, the integration of the Solvency II approach in the finance data warehouse will be completed in 2014. All subsidiaries will therefore be able to make their solvency calculation with a standardised and modern system.

The training initiatives and awareness measures will be continued and extended to sales executives with the same intensity. Since the basic, broad-based training has already been carried out, more in-depth courses will be offered in 2014.

8.2. Market risk management

In market risk management, the overhaul of the sensitivity calculations and stress testing, among other things, will continue in 2014. This includes improved models for VaR calculation, their extension to the entire investment portfolio and initial developments towards “reverse stress testing”.

In addition, an even greater expansion of the market and credit risk processes and the limit system to the international companies is targeted.

Processes and governance to ensure the highest possible data quality shall also be advanced. This relates both to the consistent rollout of the existing IT solution and the expansion of data sources for actuarial models and to the establishment of a Data Governance Committee for better organisation of data quality issues.

The above sets of issues are the major development goals for 2014 in addition to the major set of issues relating to phasing in and preparing for Solvency II and ORSA/FLAOR, which are of course also highly significant for market and credit risk management.

8.3. Group actuarials

Life insurance valuation models (Prophet)

Since 2005, the UNIQA Group has used the Prophet software for actuarial valuation in the context of profit testing, balance sheet projections, ALM modelling and especially stochastic modelling. At the heart of these applications are projections of the cash flows relevant for estimating future income or liabilities.

Because the Group's Austrian companies have historically insured the greatest number of lives, the development of the models was always closely linked to these companies. Due to the increasing importance of the life insurance business in the international companies and the increasing qualitative requirements regarding risk capital calculations, the target is to establish a unified standard model in the Group. The standard model for stochastic modelling in the UNIQA Group is *Prophet ALS* (Asset Liability Strategy). This environment enables shared and efficient modelling of liabilities and assets.

Prophet ALS was already successfully implemented for the Austrian companies in 2012 and for the companies in Slovakia, Czech Republic and Hungary (Central Europe region) in 2013. The priority in 2014 is the further rollout of the standard model to the Italian companies, which account for a significant portion of the international life insurance business. Credit risk modelling is particularly important here in order to reflect corresponding risks in the values of financial options and guarantees. In the long term, all relevant life insurance portfolios are to be modelled under the Group standard in order to meet a high quality standard for all regulatory requirements and also to enable internal analyses – for example to support the ALM process.

Independent reserve review

As part of the consolidated financial statements according to IFRS, the provision for outstanding claims is valued according to actuarially accepted methods. This realistic estimate forms a relevant item on the liabilities side of the balance sheet, and how good the original estimate was is eventually verified by the settlement of the claims. In this respect, settlement gains or losses can be made.

In order to objectivise internal quality assurance (review of locally generated realistic estimates by Group actuaries), an independent analysis of the appropriateness of the reserve for outstanding claims in property and casualty insurance was commissioned. The analysis is to be carried out between January and May 2014 and cover around 90 per cent of the Group's reserve for outstanding claims as of 31 December 2013. In addition to the specified sectors analysed in all companies covered by the analysis, additional focus areas will be looked at in specific countries.

8.4. Reinsurance

The work for natural hazards begun in 2013 will be pursued continuously in 2013. In addition to deepening knowledge of the structure and specifications of individual Group-relevant natural hazard models, establishing and implementing validation concepts and sensitivity tests are now also priorities. In order to implement a distinct second-opinion culture, UNIQA Re AG will strengthen the network of external service providers and experts in the field of natural hazards and intensify the cooperation.

To supplement UNIQA's own documentation, a comprehensive knowledge database will be compiled to provide additional basic and detailed literature on individual topics.

In 2014, additional attention will be paid to the development of training concepts to implement the transfer of knowledge to the companies. Alongside basic knowledge building, great value is placed on introducing analysis and decision-making instruments to the responsible parties in the companies. Furthermore, individual local technical support will continue unchanged from previous years in order to guarantee the companies adequate assistance even for very specific requirements.

8.5. Business continuity management

According to international standards, the UNIQA Group – as a financial service provider – is part of the critical infrastructure of great importance for the governmental community, whose failure or impairment would result in considerable disruption to public security or other dramatic consequences.

Emergencies, crises and disasters usually occur unexpectedly and cannot be planned. However, procedures and processes for handling such events can. Nonetheless, they must be handled as a special task for the management – professionally, efficiently and as quickly as possible.

At UNIQA the issues of crisis prevention, crisis management and business recovery (including contingency plans) are being dealt with by implementing a Business Continuity Management (BCM) system.

Its main objectives are:

- To prevent injury and loss of life of employees and third parties
- To minimise the impact of the failure of important business processes by being prepared with constantly updated contingency and recovery plans

The UNIQA BCM model is based on international regulations and standards and will continue to be implemented in 2014. By implementing BCM, UNIQA is responding to the requirements of the authorities (solvency, critical infrastructure) and the market (tendering). This comprehensive risk management approach not only reduces the potential loss after an event but also increases the quality of everyday operations.

8.6. IT security at UNIQA

As a financial service provider, UNIQA Insurance AG – like nearly all companies today – relies on the high availability of its IT infrastructure as support for its business processes.

At UNIQA, there are numerous measures to secure the operation of the IT infrastructure and, for example, to protect the data stored there.

In addition to the existing security measures customary for the industry, UNIQA I is implementing an Information Security Management System (ISMS). This ISMS, by establishing procedures and rules within a company, allows information security to be defined, managed, controlled, maintained and improved on an ongoing basis in the long term.

8.7. Compliance

The compliance rollout is continuing in 2014. All EU countries are to implement the UNIQA Code of Conduct by the end of the year. The pilot countries, together with Group Compliance, are tasked with consolidating the compliance structure in 2014 and beginning the implementation and practical application of the selected compliance tools. The second group of countries (the remaining EU countries) are beginning the rollout and shall implement the UNIQA Code of Conduct and the Group Compliance Policy (while taking account of compulsory local requirements) and apply selected compliance tools by the end of the year.

Segment reporting

CONSOLIDATED BALANCE SHEET – CLASSIFIED BY SEGMENT

Figures in € thousand	Property and casualty insurance		Health insurance	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Assets				
A. Tangible assets	137,423	150,970	29,609	25,855
B. Land and buildings held as financial investments	216,642	224,654	287,568	299,825
C. Intangible assets	492,271	495,898	223,872	223,973
D. Shares in associated companies	43,397	31,783	192,025	193,582
E. Investments	3,840,288	2,986,598	2,177,347	1,974,050
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of reinsurance in technical provisions	129,348	159,887	1,067	1,737
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	1,486,884	943,964	258,525	346,006
J. Receivables from income tax	53,146	47,656	164	124
K. Deferred tax assets	96,368	98,080	8,809	7,817
L. Liquid funds	242,382	354,142	107,219	88,743
M. Assets in disposal groups available for sale	0	63,661	0	0
Total segment assets	6,738,148	5,557,294	3,286,205	3,161,713
Equity and liabilities				
B. Subordinated liabilities	604,132	339,064	0	0
C. Technical provisions	2,729,623	2,726,699	2,570,086	2,464,137
D. Technical provisions held on account and at risk of life insurance policyholders	0	0	0	0
E. Financial liabilities	6,288	238,514	29,716	26,911
F. Other provisions	773,153	792,234	21,013	18,686
G. Payables and other liabilities	1,191,286	670,174	148,313	74,120
H. Liabilities from income tax	28,775	17,712	1,572	1,084
I. Deferred tax liabilities	132,026	145,018	100,854	111,615
J. Liabilities in disposal groups available for sale	0	11,191	0	0
Total segment liabilities	5,465,282	4,940,605	2,871,553	2,696,552

	Life insurance		Consolidation		Group		
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	
	119,557	129,930	0	0	286,589	306,755	
	1,148,275	1,166,284	0	0	1,652,485	1,690,763	
	749,686	697,854	-3,299	0	1,462,530	1,417,725	
	309,631	319,157	0	0	545,053	544,522	
	13,548,225	13,427,756	-576,359	-518,719	18,989,501	17,869,686	
	5,381,201	5,066,828	0	0	5,381,201	5,066,828	
	422,837	444,223	0	0	553,252	605,847	
	389,206	408,818	0	0	389,206	408,818	
	401,849	393,192	-1,167,511	-746,984	979,746	936,179	
	16,571	7,318	0	0	69,881	55,098	
	37,039	22,711	0	0	142,215	128,608	
	267,375	517,180	0	0	616,976	960,065	
	0	0	0	0	0	63,661	
	22,791,450	22,601,249	-1,747,169	-1,265,702	31,068,634	30,054,554	
	310,000	145,000	-314,132	-34,064	600,000	450,000	
	14,530,868	14,614,658	-3,867	-14,573	19,826,710	19,790,921	
	5,299,625	4,983,029	0	0	5,299,625	4,983,029	
	246,531	239,177	-255,699	-469,637	26,836	34,965	
	42,515	60,090	0	0	836,681	871,009	
	1,155,124	1,486,496	-1,181,196	-741,514	1,313,527	1,489,275	
	10,366	9,828	0	0	40,712	28,623	
	101,737	108,957	0	0	334,616	365,590	
	0	0	0	0	0	11,191	
	21,696,766	21,647,235	-1,754,894	-1,259,789	28,278,707	28,024,603	
					Shareholders' equity and minority interests	2,789,927	2,029,950
					Total equity and liabilities	31,068,634	30,054,554

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.

OPERATIONAL SEGMENTS

Figures in € thousand	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
1. a) Gross premium written	2,596,856	2,514,864	668,630	626,043	1,854,115	1,650,435
1. Premiums written (retained)	2,001,770	1,906,503	570,886	526,085	1,320,138	1,140,187
2. Change in unearned premiums (retained)	- 2,579	2,117	- 238	413	3,024	- 18,220
3. Premiums earned (retained)	1,999,191	1,908,620	570,648	526,498	1,323,162	1,121,967
4. Income from fees and commissions	179,403	185,969	26,192	33,525	147,293	128,746
5. Net investment income	379,086	342,211	251,636	271,429	143,106	149,827
6. Other income	9,508	3,489	1,363	1,994	25,871	19,915
7. Insurance benefits	- 1,680,518	- 1,618,897	- 629,983	- 577,006	- 955,939	- 771,538
8. Operating expenses	- 597,515	- 578,953	- 137,939	- 167,566	- 605,384	- 581,208
9. Other expenses	- 49,425	- 44,415	- 17,069	- 21,019	- 53,292	- 63,028
10. Amortisation of goodwill	- 1,916	- 1,956	- 261	- 698	- 5,124	- 22,197
11. Operating profit	237,813	196,068	64,587	67,158	19,692	- 17,516
12. Financing costs	- 6,812	- 8,318	0	- 6,775	- 109	- 120
13. Profit on ordinary activities	231,001	187,751	64,587	60,384	19,584	- 17,636

The presentation of the operational segments was adjusted to the current management concept following completion of the Group's reorganisation.

IMPAIRMENT BY SEGMENT

Figures in € thousand	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
Goodwill						
Change in impairment for current year	0	0	0	0	0	- 15,000
of which reallocation affecting income	0	0	0	0	0	- 15,000
Investments						
Change in impairment for current year	- 33,608	- 17,965	- 33,551	- 15,928	- 1,157	- 8
of which reallocation/reinstatement of original values	- 33,608	- 17,965	- 33,551	- 15,928	- 1,157	- 8

Reinsurance		Group Functions and Consolidation		Group	
1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
1,633,116	1,280,023	-1,595,140	-1,207,214	5,157,576	4,864,151
1,075,899	1,148,311	-27,845	-70,439	4,940,849	4,650,647
-2,274	-51,821	-2,894	40,774	-4,961	-26,738
1,073,625	1,096,490	-30,739	-29,665	4,935,888	4,623,909
3,927	2,795	-328,512	-315,304	28,302	35,731
21,813	14,979	-15,640	12,992	780,002	791,437
15,176	3,616	12,180	17,548	64,097	46,562
-782,508	-833,268	93,680	42,163	-3,955,268	-3,758,545
-337,484	-326,614	292,431	299,334	-1,385,891	-1,355,006
-12,526	-11,537	10,378	15,980	-121,934	-124,020
0	0	0	-87	-7,301	-24,937
-17,976	-53,541	33,779	42,961	337,895	235,131
0	0	-25,360	-15,743	-32,281	-30,955
-17,976	-53,541	8,419	27,218	305,614	204,176

Reinsurance		Group Functions and Consolidation		Group	
1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
0	0	0	0	0	-15,000
0	0	0	0	0	-15,000
0	0	-12,921	-10,870	-81,236	-44,772
0	0	-12,921	-10,870	-81,236	-44,772

OPERATIONAL SEGMENTS – CLASSIFIED BY SEGMENT

Property and casualty insurance	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
	1– 12/2013	1– 12/2012	1– 12/2013	1– 12/2012	1– 12/2013	1– 12/2012
Figures in € thousand						
1. a) Gross premium written	1,326,241	1,280,865	145,664	134,128	1,093,683	1,073,084
1. Premiums written (retained)	749,588	692,816	76,953	71,920	596,251	601,994
2. Change in unearned premiums (retained)	-2,015	1,789	-175	427	318	-14,720
3. Premiums earned (retained)	747,573	694,605	76,779	72,346	596,569	587,275
4. Income from fees and commissions	173,830	180,009	20,858	19,126	139,649	121,089
5. Net investment income	44,010	43,991	3,521	-1,024	39,071	42,469
6. Other income	5,440	3,236	170	1,176	13,237	10,483
7. Insurance benefits	-493,546	-477,320	-52,852	-47,476	-366,053	-343,544
8. Operating expenses	-364,699	-352,525	-37,442	-37,900	-390,026	-383,900
9. Other expenses	-28,158	-22,170	-1,982	-1,071	-31,550	-38,709
10. Amortisation of goodwill	0	0	0	0	-2,549	-17,569
11. Operating profit	84,450	69,826	9,051	5,176	-1,651	-22,405
12. Financing costs	-1,758	-2,146	0	0	-109	-111
13. Profit on ordinary activities	82,692	67,679	9,051	5,176	-1,760	-22,515

Health insurance	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
	1– 12/2013	1– 12/2012	1– 12/2013	1– 12/2012	1– 12/2013	1– 12/2012
Figures in € thousand						
1. a) Gross premium written	866,218	835,413	0	0	71,413	73,789
1. Premiums written (retained)	865,858	835,034	0	0	66,960	69,781
2. Change in unearned premiums (retained)	-690	754	0	0	2,789	-3,740
3. Premiums earned (retained)	865,169	835,788	0	0	69,749	66,041
4. Income from fees and commissions	0	0	0	0	1,049	231
5. Net investment income	93,588	95,201	0	0	1,596	1,559
6. Other income	641	151	0	0	2,258	2,305
7. Insurance benefits	-736,231	-719,137	0	0	-42,522	-43,956
8. Operating expenses	-122,605	-112,501	0	0	-29,645	-24,479
9. Other expenses	-5,942	-4,217	0	0	-849	-799
10. Amortisation of goodwill	0	0	0	0	0	0
11. Operating profit	94,618	95,286	0	0	1,636	902
12. Financing costs	0	0	0	0	0	0
13. Profit on ordinary activities	94,618	95,286	0	0	1,636	902

Life insurance	UNIQA Austria		Raiffeisen Insurance		UNIQA International	
	1– 12/2013	1– 12/2012	1– 12/2013	1– 12/2012	1– 12/2013	1– 12/2012
Figures in € thousand						
1. a) Gross premium written	404,396	398,585	522,966	491,915	689,019	503,562
1. Premiums written (retained)	386,324	378,653	493,933	454,166	656,926	468,411
2. Change in unearned premiums (retained)	126	-426	-63	-14	-83	240
3. Premiums earned (retained)	386,449	378,227	493,870	454,152	656,843	468,651
4. Income from fees and commissions	5,572	5,960	5,334	14,399	6,595	7,427
5. Net investment income	241,488	203,019	248,115	272,453	102,439	105,798
6. Other income	3,427	102	1,192	818	10,376	7,126
7. Insurance benefits	-450,741	-422,441	-577,131	-529,530	-547,363	-384,038
8. Operating expenses	-110,211	-113,927	-100,497	-129,666	-185,714	-172,829
9. Other expenses	-15,325	-18,028	-15,087	-19,948	-20,894	-23,520
10. Amortisation of goodwill	-1,916	-1,956	-261	-697	-2,575	-4,628
11. Operating profit	58,744	30,956	55,536	61,982	19,708	3,987
12. Financing costs	-5,054	-6,171	0	-6,775	0	-9
13. Profit on ordinary activities	53,690	24,785	55,536	55,207	19,708	3,977

Reinsurance		Group Functions and Consolidation		Group	
1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
1,578,152	1,223,567	-1,553,211	-1,165,694	2,590,529	2,545,949
1,050,078	1,120,216	-26,941	-69,038	2,445,929	2,417,907
-2,184	-51,771	-3,024	40,817	-7,080	-23,458
1,047,894	1,068,445	-29,965	-28,221	2,438,850	2,394,449
143	539	-323,681	-311,913	10,799	8,850
9,658	3,033	2,354	-3,278	98,614	85,191
14,812	3,219	2,134	4,520	35,792	22,634
-756,390	-805,546	34,995	35,062	-1,633,846	-1,638,824
-329,189	-320,211	307,176	298,886	-814,180	-795,650
-8,054	-7,072	7,632	15,297	-62,112	-53,725
0	0	0	0	-2,549	-17,569
-21,126	-57,593	643	10,353	71,367	5,357
0	0	-25,025	-15,375	-26,891	-17,632
-21,126	-57,593	-24,382	-5,022	44,475	-12,275

Reinsurance		Group Functions and Consolidation		Group	
1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
1,585	1,327	-1,642	-1,379	937,574	909,150
1,225	1,327	-57	-54	933,987	906,088
33	-146	-6	-2	2,125	-3,134
1,258	1,181	-63	-56	936,112	902,954
0	0	-366	-223	683	8
7	7	-15,792	-4,185	79,399	92,583
0	1	3,601	5,661	6,500	8,119
-268	-689	10,285	7,301	-768,736	-756,480
-364	-221	-10,073	-1,384	-162,688	-138,584
0	-8	-440	14	-7,231	-5,009
0	0	0	-87	0	-87
632	273	-12,848	7,041	84,038	103,502
0	0	-298	-368	-298	-368
632	273	-13,146	6,673	83,740	103,135

Reinsurance		Group Functions and Consolidation		Group	
1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012	1- 12/2013	1- 12/2012
53,379	55,130	-40,288	-40,141	1,629,472	1,409,052
24,596	26,769	-847	-1,347	1,560,932	1,326,651
-122	96	137	-41	-6	-146
24,474	26,864	-710	-1,388	1,560,927	1,326,505
3,783	2,255	-4,465	-3,168	16,820	26,873
12,148	11,938	-2,202	20,455	601,989	613,664
364	395	6,446	7,367	21,805	15,809
-25,850	-27,033	48,400	-200	-1,552,685	-1,363,241
-7,930	-6,182	-4,671	1,832	-409,023	-420,771
-4,472	-4,458	3,186	669	-52,591	-65,286
0	0	0	0	-4,752	-7,281
2,517	3,779	45,985	25,567	182,490	126,271
0	0	-38	0	-5,092	-12,955
2,517	3,779	45,947	25,567	177,398	113,316

UNIQA INTERNATIONAL CLASSIFIED BY SEGMENT

Figures in € thousand	Premiums earned (retained)		Net investment income	
	2013	2012	2013	2012
Switzerland	7,817	7,352	219	246
Italy	515,898	359,817	73,801	77,380
Liechtenstein	2,342	3,006	2,288	2,841
Western Europe (WE)	526,057	370,175	76,308	80,468
Czech Republic	119,161	123,989	8,486	9,708
Hungary	58,915	60,658	8,021	10,892
Poland	192,406	208,807	14,907	16,469
Slovakia	55,488	54,381	3,573	4,225
Central Europe (CE)	425,970	447,836	34,988	41,294
Romania	68,183	52,378	5,394	6,049
Ukraine	80,576	64,012	5,883	4,775
Eastern Europe (EE)	148,759	116,389	11,277	10,824
Albania	17,360	17,420	778	660
Bosnia-Herzegovina	21,448	18,404	2,044	1,735
Bulgaria	35,696	35,067	1,322	1,462
Croatia	23,745	19,623	6,207	5,751
Montenegro	8,653	7,319	525	444
Macedonia	9,343	8,101	323	266
Serbia	31,821	30,403	3,066	5,270
Kosovo	9,976	8,690	459	489
Southeastern Europe (SEE)	158,044	145,026	14,723	16,077
Russia	64,332	42,540	6,006	1,807
Russia (RU)	64,332	42,540	6,006	1,807
Austria	0	0	-196	-644
Administration	0	0	-196	-644
UNIQA International	1,323,162	1,121,967	143,106	149,827

Insurance benefits (net)		Operating expenses			Profit/loss on ordinary activities	
2013	2012	2013	2012	2013	2012	
-6,493	-6,490	-3,012	-2,793	460	236	
-484,798	-316,449	-97,939	-93,132	21,180	22,329	
-811	-1,795	-3,171	-5,259	-88	806	
-492,101	-324,734	-104,122	-101,183	21,551	23,371	
-71,154	-77,164	-66,302	-70,392	10,823	9,336	
-15,743	-19,745	-61,542	-63,449	1,717	-3,635	
-122,167	-149,009	-97,389	-91,338	9,423	5,407	
-30,022	-28,547	-39,917	-36,353	6,996	8,877	
-239,086	-274,465	-265,150	-261,532	28,958	19,985	
-54,689	-35,154	-49,167	-40,353	-15,972	-21,700	
-38,178	-28,126	-43,316	-39,620	5,914	1,696	
-92,866	-63,279	-92,483	-79,973	-10,058	-20,004	
-7,795	-7,671	-9,619	-9,152	971	1,579	
-14,917	-12,212	-8,685	-7,857	531	644	
-18,813	-22,862	-24,302	-22,974	329	-2,857	
-19,291	-15,321	-12,500	-11,815	1,197	1,224	
-4,736	-3,354	-5,319	-5,022	-889	-263	
-3,937	-2,875	-6,330	-5,725	-152	-73	
-21,672	-18,096	-17,295	-17,288	-3,273	786	
-4,404	-3,370	-5,387	-4,728	673	1,110	
-95,565	-85,761	-89,437	-84,563	-612	2,149	
-36,319	-23,298	-27,399	-20,668	6,563	1,119	
-36,319	-23,298	-27,399	-20,668	6,563	1,119	
0	0	-26,793	-33,289	-26,819	-44,256	
0	0	-26,793	-33,289	-26,819	-44,256	
-955,939	-771,538	-605,384	-581,208	19,584	-17,636	

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
A. Tangible assets				
I. Self-used land and buildings	194,151	- 2,381	24,651	0
II. Other tangible assets				
1. Tangible assets	58,342	- 375	19,303	0
2. Inventories	5,465		196	
3. Other assets	48,796		0	
Total A. II.	112,604	- 375	19,499	0
Total A.	306,755	- 2,756	44,150	0
B. Land and buildings held as financial investments	1,690,763	- 5,772	61,315	0
C. Intangible assets				
I. Deferred acquisition costs	868,802	- 4,117	261,712	0
II. Goodwill				
1. Positive goodwill	477,964	- 3,691	0	0
2. Value of insurance policies	45,789	- 94	0	0
Total C. II.	523,753	- 3,785	0	0
III. Other intangible assets				
1. Self-developed software	2,460	- 47	852	0
2. Acquired intangible assets	22,709	- 472	10,595	0
Total C. III.	25,170	- 519	11,447	0
Total C.	1,417,725	- 8,420	273,160	0
D. Shares in associated companies	544,522	0	0	- 11,367
E. Investments				
I. Variable-yield securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	1,399,352	- 814	284,264	- 7,807
2. At fair value through profit or loss	371,262	- 2	89,534	0
Total E. I.	1,770,614	- 816	373,797	- 7,807
II. Fixed interest securities				
1. Debt securities and other fixed interest securities	13,186,622	- 31,434	6,429,167	- 166,901
2. At fair value through profit or loss	441,623	1	33,259	0
Total E. II.	13,628,244	- 31,433	6,462,426	- 166,901
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	1,421	- 2	482	0
b) Debt securities issued by and loans to participating interests	552	0	4,082	0
c) Mortgage loans	51,399	0	1,045	0
d) Loans and advance payments on policies	13,011	- 6	3,753	0
e) Other loan receivables and registered bonds	1,023,265	- 366	7,880	3,636
Total E. III. 1.	1,089,649	- 374	17,243	3,636
2. Cash at credit institutions/cash at banks	1,189,217	- 10,593	84,959	881
3. Deposits with ceding companies	129,755	0	1,126	0
Total E. III.	2,408,621	- 10,966	103,327	4,517
IV. Derivative financial instruments	62,206	- 36	78,784	0
Total E.	17,869,686	- 43,252	7,018,334	- 170,192
F. Investments held on account and at risk of life insurance policyholders	5,066,828	- 10,859	1,993,783	1,272
Aggregate total	26,896,278	- 71,060	9,390,742	- 180,286

Amortisation	Transfers	Disposals	Write-ups	Depreciation	Book value financial year
0	-10,673	229	0	7,087	198,433
0	-376	2,297	0	15,101	59,496
		0			5,661
		25,799			22,998
0	-376	28,095	0	15,101	88,156
0	-11,049	28,324	0	22,188	286,589
0	11,045	41,142	0	63,723	1,652,485
0	0	0	0	198,498	927,900
0	0	2,493	0	0	471,780
0	0	0	0	7,301	38,394
0	0	2,493	0	7,301	510,174
0	351	102	0	633	2,881
0	-347	2,091	21	8,842	21,574
0	3	2,193	21	9,474	24,455
0	3	4,687	21	215,272	1,462,530
0	0	7,964	24,471	4,609	545,053
-5	0	778,690	3,954	36,443	863,810
-339	0	329,133	15,688	15,746	131,264
-344	0	1,107,823	19,643	52,189	995,074
2,199	-303	4,154,517	86,079	214,665	15,136,246
1,848	0	37,111	16,638	16,884	439,374
4,047	-303	4,191,628	102,717	231,549	15,575,620
0	0	142	0	0	1,759
0	0	2,679	0	0	1,955
0	-1,293	9,433	1,112	0	42,831
0	0	4,718	31	21	12,051
922	1,293	149,647	16	783	886,217
922	0	166,620	1,159	804	944,813
41	0	0	9,926	579	1,273,852
0	0	4,119	0	0	126,761
963	0	170,739	11,086	1,383	2,345,426
0	0	52,114	43,736	59,194	73,381
4,667	-303	5,522,305	177,181	344,316	18,989,501
790	303	1,727,634	130,114	73,395	5,381,201
5,456	0	7,332,056	331,787	723,502	28,317,358

1. Self-used land and buildings

Figures in € thousand	31.12.2013	31.12.2012
Book values for		
Property and casualty insurance	85,728	74,501
Health insurance	11,545	11,836
Life insurance	101,159	107,814
	198,433	194,151
Market values for		
Property and casualty insurance	115,391	104,669
Health insurance	14,648	14,749
Life insurance	148,060	149,852
	278,098	269,269
Acquisition values	295,133	287,231
Cumulative depreciation	-96,701	-93,080
Book values	198,433	194,151
Useful life for land and buildings	10–80 years	10–80 years
Additions from company acquisition	31.12.2013	31.12.2012
Figures in € thousand		
Self-used land and buildings	0	0

The market values are derived from expert reports.

2. Other tangible assets

Figures in € thousand	31.12.2013	31.12.2012
Tangible assets	59,496	58,342
Inventories	5,661	5,465
Other assets	22,998	48,796
Total	88,156	112,604

Tangible assets Development in financial year

Figures in € thousand	
Acquisition values as at 31.12.2012	215,534
Cumulative depreciation up to 31.12.2012	-157,192
Book values as at 31.12.2012	58,342
Currency translation changes	-375
Additions	19,303
Disposals	-2,297
Transfers	-376
Appreciation and depreciation	-15,100
Book values as at 31.12.2013	59,496
Acquisition values as at 31.12.2013	205,775
Cumulative depreciation up to 31.12.2013	-146,278
Book values as at 31.12.2013	59,496

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	31.12.2013	31.12.2012
Figures in € thousand		
Other tangible assets	0	696

3. Land and buildings held as financial investments

Figures in € thousand	31.12.2013	31.12.2012
Book values for		
Property and casualty insurance	216,642	224,654
Health insurance	287,568	299,825
Life insurance	1,148,275	1,166,284
	1,652,485	1,690,763
Market values for		
Property and casualty insurance	343,874	352,562
Health insurance	366,289	383,390
Life insurance	1,662,408	1,613,554
	2,372,571	2,349,505
Acquisition values	2,217,125	2,228,217
Cumulative depreciation	-564,640	-537,454
Book values	1,652,485	1,690,763
Useful life for land and buildings	10- 80 years	10- 80 years
Additions from company acquisition	31.12.2013	31.12.2012
Figures in € thousand		
Land and buildings held as financial investments	0	173,324

The market values are derived from expert reports.

Figures in € thousand	31.12.2013
Change in impairment for current year	11,226
of which reallocation affecting income	11,226

4. Deferred acquisition costs

Figures in € thousand	2013	2012
Property and casualty insurance		
As at 1.1.	154,103	169,364
Currency translation changes	-2,231	2,051
Change in consolidation scope	0	-31,457
Capitalisation	101,137	119,545
Depreciation	-96,107	-105,400
As at 31.12.	156,901	154,103
Health insurance		
As at 1.1.	221,365	232,680
Currency translation changes	-284	114
Change in consolidation scope	0	-18,875
Capitalisation	12,372	18,432
Interest surcharge	7,466	9,041
Depreciation	-19,898	-20,027
As at 31.12.	221,020	221,365
Life insurance		
As at 1.1.	493,334	497,687
Currency translation changes	-1,602	1,211
Change in consolidation scope	0	0
Capitalisation	125,760	113,799
Interest surcharge	14,978	17,381
Depreciation	-82,492	-136,744
As at 31.12.	549,979	493,334
In the Consolidated Financial Statements		
As at 1.1.	868,802	899,732
Currency translation changes	-4,117	3,376
Change in consolidation scope	0	-50,332
Capitalisation	239,269	251,776
Interest surcharge	22,444	26,421
Depreciation	-198,498	-262,171
As at 31.12.	927,900	868,802

5. Goodwill

Figures in € thousand	Goodwill	Capitalised portfolio values- insurance contracts
Acquisition values as at 31.12.2012	581,852	176,112
Cumulative depreciation up to 31.12.2012	-103,888	-130,323
Book values as at 31.12.2012	477,964	45,789
Acquisition values as at 31.12.2013	567,646	175,942
Cumulative depreciation up to 31.12.2013	-95,866	-137,548
Book values as at 31.12.2013	471,780	38,394

There were no additions in 2013.

	Goodwill	Capitalised portfolio values- insurance contracts
Figures in € thousand		
Cumulative depreciation up to 31.12.2013	95,866	137,548
of which relating to impairment	57,661	0
of which current depreciation	38,205	137,548

Figures in € thousand		31.12.2013
Change in impairment for current year		0
of which reallocation affecting income		0

Goodwill by country	31.12.2013	31.12.2012
figures in € thousand		
Austria	39,757	40,513
Germany	930	930
Italy	121,718	123,455
Western Europe (WE)	122,647	124,385
Czech Republic	7,733	8,432
Hungary	18,063	19,997
Poland	28,624	29,188
Slovakia	1,423	1,423
Central Europe (CE)	55,842	59,041
Romania	126,394	124,773
Ukraine	28,438	30,104
Eastern Europe (EE)	154,832	154,877
Albania	20,170	20,220
Bosnia-Herzegovina	1,887	1,887
Bulgaria	55,926	55,926
Croatia	384	387
Montenegro	81	81
Serbia	20,104	20,497
Cyprus	63	63
Southeastern Europe (SEE)	98,614	99,062
Russia (RU)	87	87
Total	471,780	477,964

6. Other intangible assets

	Self-developed software	Acquired intangible assets
Figures in € thousand		
Acquisition values as at 31.12.2012	39,160	153,009
Cumulative depreciation up to 31.12.2012	-36,700	-130,300
Book values as at 31.12.2012	2,460	22,709
Acquisition values as at 31.12.2013	40,560	137,329
Cumulative depreciation up to 31.12.2013	-37,679	-115,755
Book values as at 31.12.2013	2,881	21,574

The other intangible assets are composed of:

Figures in € thousand	31.12.2013	31.12.2012
Computer software	20,432	21,405
Copyrights	0	0
Licences	1,655	1,417
Other intangible assets	2,369	2,348
	24,455	25,170

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.

Figures in € thousand	31.12.2013	31.12.2012
Self-developed software	0	0
Acquired intangible assets	0	86

Figures in € thousand	2013	2012
Research and development expenditure recorded as an expense during the period under review	642	2,360

7. Shares in companies valued at equity

Figures in € thousand	31.12.2013	31.12.2012
Book values for		
Shares in associated companies valued at equity	545,053	544,522

The shares in associated companies of minor importance are shown on the balance sheet as available for disposal at any time under variable-yield securities (Assets E. I. 1.).

Figures in € thousand	31.12.2013
Current market value of associated companies listed on a public stock exchange	355,040
Profits/losses for the period	20,023
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	1,834,053
Proportional liabilities of shares in associated companies valued at equity	1,277,588

8. Assets in disposal groups available for sale

Figures in € thousand	31.12.2013	31.12.2012
Assets		
A. Tangible assets		
II. Other tangible assets	0	2,485
B. Land and buildings held as financial investments	0	48,885
C. Intangible assets		
III. Other intangible assets	0	40
D. Shares in associated companies	0	82
E. Investments		
I. Variable-yield securities		
1. Available for sale	0	6
II. Fixed interest securities		
1. Available for sale	0	280
I. Receivables, including receivables under insurance business		
II. Other receivables	0	4,537
III. Other assets	0	214
K. Deferred tax assets	0	-434
L. Liquid funds	0	7,565
M. Assets in disposal groups available for sale	0	63,661

Figures in € thousand	31.12.2013	31.12.2012
Equity and liabilities		
E. Financial liabilities		
I. Liabilities from loans	0	2,480
F. Other provisions		
I. Pensions and similar provisions	0	2,301
II. Other provisions	0	2,008
G. Payables and other liabilities		
II. Other payables	0	3,913
H. Liabilities from income tax	0	44
I. Deferred tax liabilities	0	445
J. Liabilities in disposal groups available for sale	0	11,191

In the 2012 financial year, the Austria Hotels companies up for sale were reclassified to a separate balance sheet item. The sale was settled in the first half of 2013.

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	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Figures in € thousand										
Shares in affiliated companies	17,587	10,594	0	0	0	0	0	0	17,587	10,594
Shares	134,805	480,863	99,297	201,576	-21,578	-74,656	0	0	212,524	607,783
Equity funds	271,512	217,458	32,889	13,832	-18,926	-15,333	0	0	285,475	215,957
Debenture bonds not capital-guaranteed	207,731	234,122	-840	3,718	-24,903	-14,403	0	-2,790	181,987	220,647
Other variable-yield securities	34,094	33,750	-32	0	0	-7,300	0	0	34,063	26,450
Participating interests and other investments	139,759	306,299	10,909	65,917	-18,495	-54,295	0	0	132,174	317,921
Fixed-interest securities	15,143,349	12,874,825	335,193	619,638	-246,556	-247,182	-95,741	-60,659	15,136,246	13,186,622
Total	15,948,837	14,157,911	477,417	904,680	-330,458	-413,169	-95,741	-63,449	16,000,055	14,585,974

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Figures in € thousand						
Shares in affiliated companies	0	0	0	0	0	0
Shares	-21,578	-74,656	-11,109	-66,219	-10,470	-8,437
Equity funds	-18,926	-15,333	-12,985	-12,064	-5,941	-3,268
Debenture bonds not capital-guaranteed	-24,903	-14,403	-14,403	-19,994	-10,500	5,591
Other variable-yield securities	0	-7,300	0	-4,900	0	-2,400
Participating interests and other investments	-18,495	-54,295	-15,407	-51,353	-3,088	-2,943
Fixed-interest securities	-246,556	-247,182	-207,349	-221,355	-39,208	-25,827
Total	-330,458	-413,169	-261,252	-375,884	-69,206	-37,285

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
Figures in € thousand				
Shares in affiliated companies	0	0	0	0
Shares	53,077	-10,470	62,345	1,202
Equity funds	-3,593	-5,941	-880	3,227
Debenture bonds not capital-guaranteed	-10,500	-10,500	0	0
Other variable-yield securities	7,300	0	7,300	0
Participating interests and other investments	35,800	-3,088	38,889	0
Fixed-interest securities	626	-39,208	39,834	0
Total	82,711	-69,206	147,488	4,429

Change in equity	Allocation not affecting income		Withdrawal ¹⁾ due to disposals affecting income		Change in unrealised gains/losses	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Figures in € thousand						
Other securities - available for sale²⁾						
Gross	-170,192	1,234,070	-239,082	-100,122	-409,274	1,133,947
Deferred tax	21,194	-168,733	22,813	10,948	44,007	-157,785
Deferred profit participation	76,778	-652,986	165,931	72,291	242,709	-580,695
Minority interests	158	-28,038	337	-7,238	495	-35,276
Net	-72,062	384,312	-50,002	-24,121	-122,063	360,191

¹⁾ Withdrawals affecting the income statement due to disposals and impairments.

²⁾ 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.

Investments at fair value	Level 1	Level 2	Level 3	Group total
Figures in € thousand	31.12.2013	31.12.2013	31.12.2013	31.12.2013
Securities available for sale	13,266,081	2,006,732	727,242	16,000,055
Shares in affiliated companies	175	17,400	12	17,587
Shares	13,868	21,663	176,993	212,524
Equity funds	260,289	25,185	1	285,475
Debenture bonds not capital-guaranteed	7,946	174,042	0	181,987
Other variable-yield securities	0	34,063	0	34,063
Participating interests and other investments	1,119	61,527	69,527	132,174
Fixed-interest securities	12,982,685	1,672,853	480,708	15,136,246
At fair value through profit and loss	182,152	382,768	5,718	570,638
Derivative financial instruments	561	64,519	0	65,079
Total	13,448,794	2,454,019	732,959	16,635,773

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. Other shares and investments for which a valuation appraisal exists were also classified as level 3. No other major level 3 assets existed as at 31 December 2013.

Investments at fair value	Level 1	Level 2	Level 3	Group total
Figures in € thousand	31.12.2012	31.12.2012	31.12.2012	31.12.2012
Securities available for sale	11,640,654	2,346,836	598,483	14,585,974
Shares in affiliated companies	36	10,558	0	10,594
Shares	432,936	174,523	324	607,783
Equity funds	193,497	22,458	1	215,957
Debenture bonds not capital-guaranteed	20,048	200,599	0	220,647
Other variable-yield securities	0	26,450	0	26,450
Participating interests and other investments	1,141	316,780	0	317,921
Fixed-interest securities	10,992,996	1,595,468	598,158	13,186,622
At fair value through profit and loss	169,447	638,779	4,659	812,885
Derivative financial instruments	-346	55,082	0	54,736
Total	11,809,755	3,040,697	603,143	15,453,595

No transfers between levels 1 and 2 took place in the previous year either. The entire portfolio of asset-backed securities was classified as level 3. No other major level 3 assets existed as at 31 December 2013.

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

Level 3 Investments at fair value Figures in € thousand	Securities available for sale	At fair value through profit and loss	Derivative financial instruments	Total
As at 1.1.2013	598,483	4,659	0	603,143
Exchange rate differences	11	0	0	11
Total gains or losses for the period recognised in profit or loss	- 19,916	1,047	0	- 18,869
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	10,393	0	0	10,393
Purchase	2,858	386	0	3,244
Sales	- 147,400	0	0	- 147,400
Issues	0	0	0	0
Settlements	- 2	- 100	0	- 103
Transfers	282,815	- 274	0	282,541
As at 31.12.2013	727,242	5,718	0	732,959

Level 3 Investments at fair value Figures in € thousand	Securities available for sale	At fair value through profit and loss	Derivative financial instruments	Total
As at 1.1.2012	647,862	10,269	0	658,131
Exchange rate differences	- 32	0	0	- 32
Total gains or losses for the period recognised in profit or loss	- 2,800	- 1,699	0	- 4,499
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	47,254	0	0	47,254
Purchase	5,878	5	0	5,883
Sales	- 99,677	- 3,915	0	- 103,593
Issues	0	0	0	0
Settlements	- 2	0	0	- 2
Transfers	0	0	0	0
As at 31.12.2012	598,483	4,659	0	603,143

Contractual remaining term Figures in € thousand	Acquisition costs		Market values	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Infinite	40,215	48,577	41,392	40,636
Up to 1 year	2,575,313	1,947,601	2,443,456	1,815,336
more than 1 year up to 5 years	4,038,686	4,329,458	4,096,619	4,405,487
More than 5 years up to 10 years	4,925,849	4,541,607	5,078,617	4,857,911
More than 10 years	3,805,112	2,275,454	3,692,211	2,314,348
Total	15,385,174	13,142,697	15,352,296	13,433,719

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

Risk of default rating	31.12.2013
Figures in € thousand	
Fixed-interest securities	
Rating AAA	3,843,380
Rating AA	3,450,375
Rating A	2,660,844
Rating BBB	3,705,738
Rating < BBB	1,331,700
Not assigned	360,260
Rating total of fixed-interest securities	15,352,296
Issuer countries	
Share securities	
IE, NL, UK, US	75,475
AT, BE, CH, DE, DK, FR, IT	246,415
ES, FI, NO, SE	397
Remaining EU	123,419
other countries	52,311
Issuer countries total of share securities	498,016
Other shareholdings	132,156
Total variable-yield securities	630,173

10. Derivative financial instruments

Figures in € thousand	31.12.2013	31.12.2012
Market values		
Equity price risk	-2,991	-2,216
Interest rate risk	0	0
Currency risk	11,904	31,600
Structured risk	56,166	25,351
Total	65,079	54,736
Structured risk - of which:		
Equity price risk	40,941	10,970
Interest rate risk	-7,021	-5,896
Currency risk	22,246	13,570
Credit risk		0
Commodity risk		6,708
Balance sheet values		
Investments	73,381	62,206
Financial liabilities	-8,301	-7,471

11. Loans

Figures in € thousand	Book values	
	31.12.2013	31.12.2012
Loans to affiliated companies	1,759	1,421
Loans to participating interests	1,955	552
Mortgage loans	42,831	51,399
Loans and advance payments on policies	12,051	13,011
Other loans	91,100	112,436
Registered bonds	7,056	4,394
Reclassified bonds	788,061	906,435
Total	944,813	1,089,649

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	2013	2012	2011	2010	2009	2008
Figures in € thousand						
Book value as at 31.12.	788,061	906,435	1,089,093	1,379,806	1,796,941	2,102,704
Market value as at 31.12.	812,455	928,162	981,394	1,345,580	1,732,644	1,889,108
Change of current market value	2,667	129,426	- 73,987	30,586	149,299	- 213,596
Amortisation income/expense	922	348	332	473	5,917	- 61
Impairment	0	0	- 25	- 8,043	0	0

Contractual remaining term	Book values	
	31.12.2013	31.12.2012
Figures in € thousand		
Infinite	10,542	15,592
Up to 1 year	439,866	470,866
More than 1 year up to 5 years	271,800	325,659
More than 5 years up to 10 years	135,993	174,812
More than 10 years	86,612	102,720
Total	944,813	1,089,649

Figures in € thousand	Market values	
	31.12.2013	31.12.2012
Loans to affiliated companies	1,759	1,421
Loans to participating interests	1,955	552
Mortgage loans	42,831	51,399
Loans and advance payments on policies	12,051	13,011
Other loans	91,100	112,436
Registered bonds	7,056	4,394
Reclassified bonds	812,455	928,162
Total	969,206	1,111,376

Figures in € thousand	Market values	
	31.12.2013	31.12.2012
Contractual remaining term		
Infinite	10,542	15,592
Up to 1 year	424,837	442,338
More than 1 year up to 5 years	294,004	348,756
More than 5 years up to 10 years	145,356	193,334
More than 10 years	94,466	111,355
Total	969,206	1,111,376

Figures in € thousand	31.12.2013	31.12.2012
	Impairment	
Change in impairment for current year	804	774
of which reallocation affecting income	804	774

12. Other investments

Figures in € thousand	31.12.2013	31.12.2012
	Deposits with credit institutions	1,273,852
Deposits with ceding companies	126,761	129,755
Total	1,400,614	1,318,972

13. Receivables including receivables under the insurance business

Figures in € thousand	31.12.2013	31.12.2012
I. Reinsurance receivables		
1. Accounts receivables under reinsurance operations	84,821	42,623
	84,821	42,623
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	270,650	303,466
2. from intermediaries	77,463	73,186
3. from insurance companies	21,262	19,171
	369,374	395,824
Other receivables		
Accrued interest and rent	232,116	219,255
Other tax refund claims	37,776	57,113
Receivables due from employees	3,208	3,653
Other receivables	213,672	169,342
	486,772	449,363
Total other receivables	856,146	845,186
Subtotal	940,968	887,810
of which receivables with a remaining term of		
Up to 1 year	913,004	849,324
More than 1 year	27,963	38,486
	940,968	887,810
of which receivables with values not yet adjusted		
Up to 3 months overdue	13,096	15,051
More than 3 months overdue	2,880	5,257
III. Other assets		
Accruals	38,778	48,369
	38,778	48,369
Total receivables incl. receivables under insurance business	979,746	936,179

14. Receivables from income tax

Figures in € thousand	31.12.2013	31.12.2012
Receivables from income tax	69,881	55,098
of which receivables with a remaining term of		
Up to 1 year	69,881	53,033
More than 1 year	0	2,065

15. Deferred tax assets

Cause of origin	31.12.2013	31.12.2012
Figures in € thousand		
Actuarial items	7,099	1,904
Social capital	68,745	69,505
Investments	22,810	3,806
Loss carried forward	11,412	36,154
Other	32,150	17,240
Total	142,215	128,608
of which not affecting income	38,323	31,566
Deferred tax assets	31.12.2013	31.12.2012
figures in € thousand		
Up to 1 year	12,662	15,712
More than 1 year	129,554	112,896
Total	142,215	128,608

For losses carried forward in the amount of €11,188 thousand, the deferred tax of €1,911 thousand was not capitalised because utilisation will not be possible in the foreseeable future.

16. Subscribed capital

	31.12.2013	31.12.2012
Number of authorised and issued no-par shares	309,000,000	214,247,900
of which fully paid up	309,000,000	214,247,900

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

In the 2012 financial year, the share capital was increased to € 190,604,265 by means of a cash capital increase of € 47,619,048. The subscription price was € 10.50 per share. The cost of the capital increase, less tax effects, amounting to € 7,244 thousand was deducted directly from the capital reserves.

In order to create a streamlined Group structure that is conducive to stock exchange activities in preparation for the re-IPO, Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung (Austria Privatstiftung) and Collegialität contributed their shareholdings in UNIQA Österreich Versicherungen AG to UNIQA Insurance Group AG, which is listed on the stock exchange, as part of a non-cash capital increase in September 2012. These companies received 23,643,635 new shares with voting rights in return.

On 9 October 2013, the Management Board of UNIQA Insurance Group AG, with the approval of the UNIQA Supervisory Board, set the offer and subscription price and the number of shares to be issued in connection with the capital increase (re-IPO). The offer and subscription price was set at € 8.00 per share, whereby a total of 94,752,100 shares (including 6,650,000 over-allotment shares) were placed with investors.

The company's share capital was increased from € 214,247,900 to € 309,000,000 by the issue of a total of 94,752,100 shares. Each share grants one vote. The change in the number of voting rights and the increase of the share capital took effect on 22 October 2013.

As part of the capital increase (re-IPO) in October 2013, employees of UNIQA Insurance Group AG and its affiliated Group companies in Austria subscribed for a total of 564,315 new no-par value bearer shares at a discount of 20 per cent to the offer and subscription price.

The new shares are admitted for trading in the prime market segment of official trading at the Vienna Stock Exchange.

The cost of the capital increase, less tax effects, amounting to € 32,691 thousand was deducted directly from the capital reserves.

According to a resolution made by the Annual General Meeting on 27 May 2013, the Management Board is authorised, with the approval of the Supervisory Board, to increase the share capital by a total of up to € 12,371,850 through the issue of up to 12,371,850 bearer or registered shares with voting rights in return for cash contributions or contributions in kind on one or more occasions up to and including 30 June 2018.

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.

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 2013, the adjusted equity amounted to € 3,290,202 thousand (2012: € 2,446,817 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 € 1,145,891 thousand (2012: € 1,132,671 thousand), the statutory requirements were exceeded by € 2,144,311 thousand (2012: € 1,314,146 thousand), resulting in a coverage rate of 287.1 per cent (2012: 216.0 per cent). 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 € 103,767 thousand (2012: € 142,564 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).

<small>Figures in € thousand</small>	<small>31.12.2013</small>	<small>31.12.2012</small>
Adjusted equity without deduction in accordance with Section 86h paragraph 5 of the Insurance Supervision Act	3,290,202	2,446,817
Adjusted equity with deduction in accordance with Section 86h paragraph 5 of the Insurance Supervision Act	3,186,435	2,304,253

Until 27 November 2015, the Management Board is also authorised to purchase treasury shares amounting to no more than 10 per cent of the share capital, and again utilising the 10 per cent limit, both via the stock exchange and over the counter disapplying the shareholders' proportional right of amendment. During the financial year and in the previous year, none of the company's own shares were acquired through the stock exchange. At the reporting date, own shares are accounted for as follows:

	31.12.2013	31.12.2012
Shares held by:		
UNIQA Insurance Group AG		
Acquisition costs in € thousand	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in %	0.27	0.38

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

Earnings per share	2013	2012
Consolidated profit in € thousand	283,447	127,120
Own shares as at 31st. Dec.	819,650	819,650
Average number of shares in circulation	235,294,119	169,599,813
Earnings per share (in €) ¹⁾	1.20	0.75
Dividend per share ²⁾	0.35	0.25
Dividend payment in € thousand ²⁾	107,863	53,357

¹⁾ Calculated on the basis of the consolidated profit of the year.

²⁾ 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	31.12.2013	31.12.2012
Figures in € thousand		
Effective tax	10,596	2,415
Deferred tax	50,765	- 132,671
Total	61,362	- 130,257

17. Minority interests

Figures in € thousand	31.12.2013	31.12.2012
In revaluation reserve	1,188	1,702
In actuarial gains and losses on defined benefit plans	0	-1
In balance sheet profit	3,641	1,424
In other equity	17,381	17,525
Total	22,210	20,651

18. Subordinated liabilities

Figures in € thousand	31.12.2013	31.12.2012
Supplementary capital	600,000	450,000

In July 2003, UNIQA Insurance Group AG issued partial debentures with a face value of € 45,000 thousand and UNIQA Österreich Versicherungen AG issued partial debentures with a face value of € 155,000 thousand for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. In the 4th quarter of 2013, these supplementary capital bonds with a face value of € 200,000 thousand were called in and repurchased.

In December 2006, UNIQA Insurance Group 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 Insurance Group 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 2007, UNIQA Insurance Group 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 Insurance Group 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.

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond with a volume of € 350 million with institutional investors in Europe. The bond has a term of 30 years and can be called in after ten years at the earliest. The coupon is 6.875 per cent per year. The supplementary capital loan meets the current supervisory requirements for recognition as own funds (supplementary capital under Solvency I) and the foreseeable requirements for recognition as own funds under the Solvency II regime expected to come into force in 2016. The issue also served to replace older supplementary capital bonds from Austrian insurance group companies and to strengthen and optimise UNIQA's capital base and capital structure in the long term in preparation for Solvency II. The supplementary capital bond has been listed at the Stock Exchange in Luxembourg since the end of July. The issuing rate was set at 100 per cent.

19. Unearned premiums

Figures in € thousand	31.12.2013	31.12.2012
Property and casualty insurance		
Gross	604,573	596,152
Reinsurers' share	-14,592	-9,250
	589,981	586,902
Health insurance		
Gross	17,413	21,014
Reinsurers' share	-51	-619
	17,362	20,395
In the Consolidated Financial Statements		
Gross	621,986	617,165
Reinsurers' share	-14,643	-9,869
Total (fully consolidated values)	607,343	607,297

20. Actuarial provisions

Figures in € thousand	31.12.2013	31.12.2012
Property and casualty insurance		
Gross	13,154	12,310
Reinsurers' share	-383	-371
	12,772	11,939
Health insurance		
Gross	2,327,656	2,219,667
Reinsurers' share	-985	-1,091
	2,326,671	2,218,575
Life insurance		
Gross	14,068,618	13,926,212
Reinsurers' share	-412,018	-432,917
	13,656,600	13,493,296
In the Consolidated Financial Statements		
Gross	16,409,428	16,158,189
Reinsurers' share	-413,385	-434,379
Total (fully consolidated values)	15,996,043	15,723,810

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

For	Health insurance according to SFAS 60	Life insurance according to SFAS 120
Figures in per cent		
2013		
For actuarial provisions	3.50 - 5.50	1.75 - 4.00
For deferred acquisition costs	3.50 - 5.50	3.03 - 3.28
2012		
For actuarial provisions	3.50 - 5.50	1.75 - 4.00
For deferred acquisition costs	3.50 - 5.50	3.76

21. Provisions for outstanding claims

Figures in € thousand	31.12.2013	31.12.2012
Property and casualty insurance		
Gross	2,054,700	2,056,950
Reinsurers' share	- 112,623	- 148,311
	1,942,077	1,908,640
Health insurance		
Gross	169,787	168,349
Reinsurers' share	- 32	- 27
	169,756	168,322
Life insurance		
Gross	143,395	140,542
Reinsurers' share	- 10,965	- 11,425
	132,429	129,117
In the Consolidated Financial Statements		
Gross	2,367,882	2,365,841
Reinsurers' share	- 123,620	- 159,763
Total (fully consolidated values)	2,244,262	2,206,078

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

Figures in € thousand	2013	2012
1. Provisions for outstanding claims as at 1 Jan.		
a) Gross	2,056,950	2,157,714
b) Reinsurers' share	- 148,311	- 193,749
c) Retention	1,908,640	1,963,965
2. Plus (retained) claims expenditures		
a) Losses in the current year	1,547,165	1,494,954
b) Losses in the previous year	- 104,311	- 78,697
c) Total	1,442,854	1,416,257
3. Less (retained) losses paid		
a) Losses in the current year	- 758,952	- 756,385
b) Losses in the previous year	- 640,675	- 547,151
c) Total	- 1,399,627	- 1,303,536
4. Foreign currency translation	- 10,036	14,507
5. Change in consolidation scope	0	- 182,674
6. Other changes	246	121
7. Provisions for outstanding claims as at 31 Dec.		
a) Gross	2,054,700	2,056,950
b) Reinsurers' share	- 112,623	- 148,311
c) Retention	1,942,077	1,908,640

Claims payments	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	Total
Figures in € thousand												
Financial year	486,350	486,339	517,335	578,833	617,120	708,441	773,807	783,463	744,380	806,151	839,843	
1 year later	744,024	752,582	802,439	880,122	955,425	1,075,631	1,169,683	1,168,414	1,121,377	1,202,540		
2 years later	802,700	821,451	873,117	962,093	1,039,281	1,168,835	1,273,370	1,265,613	1,236,019			
3 years later	829,483	852,069	902,266	1,000,724	1,082,443	1,214,945	1,335,351	1,315,773				
4 years later	846,226	870,842	921,202	1,025,679	1,116,551	1,243,007	1,363,744					
5 years later	858,678	883,217	937,803	1,039,389	1,135,449	1,264,760						
6 years later	865,880	894,068	947,879	1,051,800	1,150,472							
7 years later	871,887	899,612	959,008	1,062,050								
8 years later	878,330	904,932	966,729									
9 years later	883,290	911,651										
10 years later	887,501											
Cumulated payments and provisions for outstanding claims												
figures in € thousand												
Financial year	910,433	944,353	1,028,050	1,134,143	1,228,427	1,337,778	1,461,317	1,445,001	1,418,522	1,526,757	1,590,115	
1 year later	923,149	962,319	1,027,048	1,137,782	1,204,487	1,328,775	1,460,052	1,445,763	1,420,156	1,523,628		
2 years later	926,874	961,355	1,025,447	1,120,611	1,204,950	1,340,409	1,467,606	1,451,877	1,424,182			
3 years later	922,191	960,499	1,003,981	1,119,103	1,205,807	1,342,815	1,463,717	1,440,430				
4 years later	918,946	958,968	1,002,057	1,117,972	1,214,756	1,340,974	1,460,077					
5 years later	910,797	945,122	1,003,763	1,118,282	1,222,454	1,339,844						
6 years later	909,754	944,907	1,005,652	1,112,631	1,225,711							
7 years later	912,829	944,137	1,005,567	1,114,355								
8 years later	911,894	945,306	1,010,073									
9 years later	912,669	947,711										
10 years later	914,661											
Run-off	-1,992	-2,404	-4,506	-1,724	-3,257	1,130	3,640	11,447	-4,026	3,129	1,435	
Run-off for accident years before 2003												21,841
Total run-off												23,276
Provisions for outstanding claims	27,160	36,060	43,344	52,305	75,239	75,084	96,333	124,657	188,163	321,088	750,271	1,789,706
Provisions for outstanding claims for accident years before 2003												226,629
Plus other reserve components (internal claims regulation costs, etc.)												38,365
Provisions for outstanding claims (gross) as at 31.12.2013												2,054,700

22. Provisions for premium refunds

Figures in € thousand	31.12.2013	31.12.2012
Property and casualty insurance		
Gross	34,228	32,873
Reinsurers' share	0	0
	34,228	32,873
Health insurance		
Gross	54,427	54,225
Reinsurers' share	0	0
	54,427	54,225
Life insurance		
Gross	292,578	513,698
Reinsurers' share	0	0
	292,578	513,698
In the Consolidated Financial Statements		
Gross	381,233	600,796
Reinsurers' share	0	0
Total (fully consolidated values)	381,233	600,796
of which profit-unrelated (retention)	46,479	44,578
of which profit-related (retention)	334,753	556,218

Gross	31.12.2013	31.12.2012
Figures in € thousand		
a) Provisions for profit-unrelated premium refunds	46,479	44,578
of which property and casualty insurance	33,648	31,893
of which health insurance	10,108	10,298
of which life insurance	2,723	2,388
b) Provisions for profit-related premium refunds and /or policyholder profit participation	218,323	198,857
of which property and casualty insurance	580	981
of which health insurance	44,319	43,927
of which life insurance	173,424	153,949
Deferred profit participation	116,430	357,361
of which health insurance	0	0
of which life insurance	116,430	357,361
Total (fully consolidated values)	381,233	600,796

Gross	2013	2012
Figures in € thousand		
a) Provisions for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1.1.	243,435	237,477
Changes due to:		
Other changes	21,367	5,958
As at 31.12.	264,802	243,435
b) Deferred profit participation		
As at 1.1.	357,361	- 178,158
Changes due to:		
Fluctuation in value, securities available for sale	- 251,708	589,950
Actuarial gains and losses on defined benefit plans	- 4,579	- 21,084
Revaluations affecting income	15,357	- 33,347
As at 31.12.	116,430	357,361

23. Technical provisions

Gross	Provisions for unearned premiums	Actuarial provisions	Provisions for outstanding claims	Provisions for profit-unrelated premium refunds	Provisions for profit-related premium refunds and /or policyholder profit participation	Other actuarial provisions	Group total
Figures in € thousand							
Property and casualty insurance							
As at 31.12.2012	596,152	12,310	2,056,950	31,893	981	22,600	2,720,885
Exchange rate differences	-8,037	-230	-11,037	-25	-79	-1,164	-20,571
Change in consolidation scope	0	0	0	0	0	0	0
Portfolio changes	2,117					0	2,117
Additions		1,333		3,077	2,162	28,254	34,826
Disposals		-260		-1,296	-2,483	-30,515	-34,554
Premiums written	2,281,001						2,281,001
Premiums earned	-2,266,659						-2,266,659
Claims in reporting year			1,618,727				1,618,727
Claims payments in reporting year			-803,414				-803,414
Change in claims from previous years			-127,368				-127,368
Claims payments in previous years			-679,159				-679,159
As at 31.12.2013	604,573	13,154	2,054,700	33,648	580	19,175	2,725,831
Health insurance							
As at 31.12.2012	21,014	2,219,667	168,349	10,298	43,927	885	2,464,140
Exchange rate differences	-390	-192	-240	-5	0	-2	-828
Change in consolidation scope	0	0	0	0	0	0	0
Portfolio changes	356		491			0	848
Additions		121,290		8,491	17,125	198	147,105
Disposals		-13,109		-8,676	-16,734	-276	-38,795
Premiums written	888,189						888,189
Premiums earned	-891,756						-891,756
Claims in reporting year			705,339				705,339
Claims payments in reporting year			-502,286				-502,286
Change in claims from previous years			-78,041				-78,041
Claims payments in previous years			-123,826				-123,826
As at 31.12.2013	17,413	2,327,656	169,787	10,108	44,319	806	2,570,088
Life insurance							
As at 31.12.2012	0	13,926,212	140,542	2,388	511,310	25,444	14,605,896
Exchange rate differences		-20,154	-556	-4	-948	-80	-21,741
Change in consolidation scope		0	0		0		0
Portfolio changes		192,107	302		-17,799	732	175,343
Additions		111,555		296	87,240	13,274	212,366
Disposals		-141,103		42	-289,948	-13,169	-444,178
Premiums written							0
Premiums earned							0
Claims in reporting year			1,794,970				1,794,970
Claims payments in reporting year			-1,630,210				-1,630,210
Change in claims from previous years			34,914				34,914
Claims payments in previous years			-196,567				-196,567
As at 31.12.2013	0	14,068,618	143,395	2,723	289,855	26,201	14,530,791
Group total							
As at 31.12.2012	617,165	16,158,189	2,365,841	44,578	556,218	48,929	19,790,921
Exchange rate differences	-8,427	-20,575	-11,833	-34	-1,027	-1,245	-43,141
Change in consolidation scope	0	0	0	0	0	0	0
Portfolio changes	2,474	192,107	793		-17,799	732	178,308
Additions		234,179		11,865	106,526	41,727	394,297
Disposals		-154,471		-9,930	-309,165	-43,961	-517,527
Premiums written	3,169,189						3,169,189
Premiums earned	-3,158,416						-3,158,416
Claims in reporting year			4,119,036				4,119,036
Claims payments in reporting year			-2,935,910				-2,935,910
Change in claims from previous years			-170,495				-170,495
Claims payments in previous years			-999,552				-999,552
As at 31.12.2013	621,986	16,409,428	2,367,881	46,479	334,754	46,182	19,826,710

Reinsurers' share	Provisions for unearned premiums	Actuarial provisions	Provisions for outstanding claims	Provisions for profit-unrelated premium refunds	Provisions for profit-related premium refunds and /or policyholder profit participation	Other actuarial provisions	Group total
Figures in € thousand							
Property and casualty insurance							
As at 31.12.2012	9,250	371	148,311	0	0	1,955	159,887
Exchange rate differences	-166	-7	-1,001			-7	-1,182
Change in consolidation scope	0		0	0		0	0
Portfolio changes	2,633		411				3,044
Additions		18		0		62	80
Disposals		0		0		-259	-259
Premiums written	127,919						127,919
Premiums earned	-125,043						-125,043
Claims in reporting year			70,905				70,905
Claims payments in reporting year			-44,462				-44,462
Change in claims from previous years			-23,057				-23,057
Claims payments in previous years			-38,484				-38,484
As at 31.12.2013	14,592	383	112,623	0	0	1,750	129,348
Health insurance							
As at 31.12.2012	619	1,091	27	0	0	0	1,737
Exchange rate differences	-37		-1				-38
Change in consolidation scope	0						0
Portfolio changes							0
Additions							0
Disposals		-106					-106
Premiums written	2,332						2,332
Premiums earned	-2,863						-2,863
Claims in reporting year			0				0
Claims payments in reporting year			7				7
Change in claims from previous years			-1				-1
Claims payments in previous years			-1				-1
As at 31.12.2013	51	985	32	0	0	0	1,067
Life insurance							
As at 31.12.2012	0	432,917	11,425	0	0	-119	444,223
Exchange rate differences		-60	-28	0			-88
Change in consolidation scope		0	0				0
Portfolio changes		-20,115	-658				-20,774
Additions		1,576				0	1,576
Disposals		-2,300		0		-27	-2,328
Premiums written							0
Premiums earned							0
Claims in reporting year			20,072				20,072
Claims payments in reporting year			-18,388				-18,388
Change in claims from previous years			2,905				2,905
Claims payments in previous years			-4,362				-4,362
As at 31.12.2013	0	412,018	10,965	0	0	-147	422,837
Group total							
As at 31.12.2012	9,869	434,379	159,763	0	0	1,836	605,847
Exchange rate differences	-204	-66	-1,030	0		-7	-1,307
Change in consolidation scope	0	0	0	0		0	0
Portfolio changes	2,633	-20,115	-248				-17,729
Additions		1,594		0		62	1,656
Disposals		-2,407		0		-287	-2,693
Premiums written	130,251						130,251
Premiums earned	-127,906						-127,906
Claims in reporting year			90,978				90,978
Claims payments in reporting year			-62,843				-62,843
Change in claims from previous years			-20,153				-20,153
Claims payments in previous years			-42,847				-42,847
As at 31.12.2013	14,643	413,385	123,620	0	0	1,604	553,252

Retention	Provisions for unearned premiums	Actuarial provisions	Provisions for outstanding claims	Provisions for profit-unrelated premium refunds	Provisions for profit-related premium refunds and /or policyholder profit participation	Other actuarial provisions	Group total
Figures in € thousand							
Property and casualty insurance							
As at 31.12.2012	586,903	11,939	1,908,640	31,893	981	20,645	2,560,999
Exchange rate differences	-7,870	-223	-10,036	-25	-79	-1,156	-19,390
Change in consolidation scope	0	0	0	0	0	0	0
Portfolio changes	-516		-411	0		0	-927
Additions		1,315		3,077	2,162	28,192	34,746
Disposals		-260		-1,296	-2,483	-30,256	-34,295
Premiums written	2,153,082						2,153,082
Premiums earned	-2,141,617						-2,141,617
Claims in reporting year			1,547,822				1,547,822
Claims payments in reporting year			-758,952				-758,952
Change in claims from previous years			-104,311				-104,311
Claims payments in previous years			-640,675				-640,675
As at 31.12.2013	589,982	12,772	1,942,077	33,648	580	17,425	2,596,483
Health insurance							
As at 31.12.2012	20,395	2,218,575	168,322	10,298	43,927	885	2,462,403
Exchange rate differences	-353	-192	-239	-5	0	-2	-791
Change in consolidation scope	0	0	0	0	0	0	0
Portfolio changes	356		491	0	0	0	848
Additions		121,290		8,491	17,125	198	147,105
Disposals		-13,003		-8,676	-16,734	-276	-38,689
Premiums written	885,856						885,856
Premiums earned	-888,893						-888,893
Claims in reporting year			705,339				705,339
Claims payments in reporting year			-502,293				-502,293
Change in claims from previous years			-78,040				-78,040
Claims payments in previous years			-123,825				-123,825
As at 31.12.2013	17,362	2,326,671	169,756	10,108	44,319	806	2,569,021
Life insurance							
As at 31.12.2012	0	13,493,296	129,116	2,388	511,310	25,563	14,161,673
Exchange rate differences		-20,094	-527	-4	-948	-80	-21,653
Change in consolidation scope		0	0	0	0	0	0
Portfolio changes		212,222	961	0	-17,799	732	196,116
Additions		109,979		296	87,240	13,274	210,790
Disposals		-138,802		42	-289,948	-13,142	-441,850
Premiums written							0
Premiums earned							0
Claims in reporting year			1,774,898				1,774,898
Claims payments in reporting year			-1,611,822				-1,611,822
Change in claims from previous years			32,009				32,009
Claims payments in previous years			-192,205				-192,205
As at 31.12.2013	0	13,656,600	132,429	2,723	289,855	26,347	14,107,955
Group total							
As at 31.12.2012	607,296	15,723,810	2,206,078	44,578	556,218	47,093	19,185,074
Exchange rate differences	-8,222	-20,509	-10,803	-34	-1,027	-1,238	-41,833
Change in consolidation scope	0	0	0	0	0	0	0
Portfolio changes	-160	212,222	1,041	0	-17,799	732	196,037
Additions		232,585		11,865	106,526	41,665	392,641
Disposals		-152,065		-9,930	-309,165	-43,674	-514,834
Premiums written	3,038,938						3,038,938
Premiums earned	-3,030,510						-3,030,510
Claims in reporting year			4,028,058				4,028,058
Claims payments in reporting year			-2,873,067				-2,873,067
Change in claims from previous years			-150,342				-150,342
Claims payments in previous years			-956,705				-956,705
As at 31.12.2013	607,343	15,996,043	2,244,262	46,479	334,753	44,578	19,273,458

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

Figures in € thousand	31.12.2013	31.12.2012
Gross	5,299,625	4,983,029
Reinsurers' share	-389,206	-408,818
Total	4,910,420	4,574,212

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	31.12.2013	31.12.2012
Loan liabilities	18,535	27,494
Up to 1 year	1,126	2,690
More than 1 year up to 5 years	1	9,088
More than 5 years	17,407	15,716
Total	18,535	27,494

26. Provisions for pensions and similar commitments

Figures in € thousand	31.12.2013	31.12.2012
Provisions for pension	391,952	365,177
Provisions for severance payments	194,805	201,443
Total	586,757	566,620

Figures in € thousand	2013	2012
As at 1.1.	566,620	593,019
Change in consolidation scope	0	-123,915
Currency translation changes	-11	25
Withdrawals for payments	-69,805	-79,740
Expenditure in the financial year	56,853	44,778
Actuarial profit and loss not affecting income	33,100	132,453
of which based on demographic assumptions	265	
of which based on financial assumptions	22,532	
of which experience based assumptions	10,302	
As at 31.12.	586,757	566,620

Average weighted remaining term	Pension schemes	Pension payments	Severance payments
In years	27.6	13.6	5.9

Defined benefit obligation	2013	2012
<small>Figures in € thousand</small>		
As at 1.1.	630,834	652,122
Current service cost	52,350	42,746
Interest cost	18,265	21,125
Payments	- 69,805	- 79,740
Disposal (including consolidated companies)	- 15,069	- 128,307
Remeasurement on DBO - gain/loss	32,997	122,888
of which based on demographic assumptions	10,302	21,031
of which based on financial assumptions	265	- 23
of which experience based assumptions	22,429	101,879
As at 31.12.	649,573	630,834

Sensitivity analysis	Pension schemes	Pension payments	Severance payments
<small>Figures in per cent</small>			
Retirement age			
Change in DBO (+3 years)	- 6.8	- 1.5	- 3.9
Average remaining Life Expectancy			
Change in DBO (+1 year)	2.8	3.9	
Change in DBO (-1 year)	- 3.0	- 4.1	
Technical rate of interest			
Change in DBO (+1%)	- 24.0	- 11.5	- 8.1
Change in DBO (-1%)	34.2	14.3	9.2
Future salary Increase Delta			
Change in DBO (+0.75%)	4.0	0.4	6.7
Change in DBO (-0.75%)	- 3.7	- 0.4	- 6.2
Future pension Increase			
Change in DBO (+0.25%)	4.1	2.8	
Change in DBO (-0.25%)	- 3.9	- 2.7	

Active special policyholders with direct assurances of pension benefits, including members of the Management Board and executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances of 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.

The UNIQA Group's repositioning led to an expected reduction of staff, which is covered by provisions for so-called "social capital" amounting to € 26,136 thousand (2012: € 49,147 thousand).

Calculation factors applied	2013	2012
<i>Figures in per cent</i>		
Technical rate of interest	3.00%	3.25%
Valorisation of wages and salaries	3.00%	3.00%
Valorisation of pensions	2.00%	2.00%
Employee turnover rate	dependent on years of service	dependent on years of service
Accounting principles	AVÖ 2008 P - Pagler & Pagler / employees	AVÖ 2008 P - Pagler & Pagler / employees

Specification of pension expenditures for pensions and similar commitments included in the income statement	31.12.2013	31.12.2012
<i>Figures in € thousand</i>		
Current service cost	38,794	23,917
Interest cost	18,259	20,871
Income and expenditures due to budget changes	- 201	- 10
Total	56,853	44,778

Development of plan assets of pension provisions	2013
Market value of plan assets as at 1.1.	64,214
Interest income	2,135
Fund allocation	8,586
Payments	- 10,244
Periodic increase/(decrease) of OCI	- 1,876
Plan assets at fair value as at 31.12.	62,816

Categories of Plan assets	
<i>Figures in per cent</i>	
Bonds - euro	28.6
Bonds - euro high yield	5.1
Corporate bonds - euro	18.1
Shares - euro	8.3
Shares - non-euro	7.7
Shares - emerging markets	2.0
Alternative investment securities	3.1
Real estate	1.9
Synthetic cash	3.3
Bonds HTM / term deposit	22.0
Total	100.0

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.

	31.12.2013	31.12.2012
<i>Figures in € thousand</i>		
Contributions to company pension funds	2,199	2,257

27. Other provisions

	Balance sheet values previous year	Currency translation changes	Change in consolidation scope	Utilisation	Reversals	Transfers	Additions	Balance sheet values financial year
Figures in € thousand								
Provisions for anniversary payments	15,449	-2	-508	473	-437	0	368	15,343
Provisions for customer relations and marketing	85,967	-80	0	-79,794	-4,694	0	72,277	73,675
Provisions for variable components of remuneration	25,412	-2	0	-24,938	-472	0	27,485	27,485
Provisions for legal and consulting expenses	8,724	-173	-248	-4,607	-583	0	7,606	10,720
Provisions for premium adjustment of insurance contracts	8,952	-191	0	-4,699	-8	0	5,299	9,354
Provisions for portfolio maintenance commission	3,907	-277	0	-177	0	0	-786	2,667
Other provisions	155,978	-418	-748	-49,431	-79,343	0	84,641	110,679
Total	304,389	-1,144	-1,504	-163,172	-85,536	0	196,890	249,924

In line with IAS 8 (previous year adjustment), provisions for unconsumed holidays and other personnel provisions were transferred to other liabilities.

Other provisions include a provision of € 10,000 thousand for liabilities in connection with the sale of Mannheimer AG Holding (2012: € 60,000 thousand).

Provisions for variable components of remuneration contain provisions of € 430 thousand for share-based remuneration. For more information on the underlying “Long Term Incentive Programme (LTI)” refer to Other disclosures (page 188).

	31.12.2013	31.12.2012
Figures in € thousand		
Other provisions with a high probability of utilisation (more than 90 per cent)		
Up to 1 year	128,805	188,316
More than 1 year up to 5 years	11,726	7,137
More than 5 years	12,961	13,001
	153,491	208,454
Other provisions with a lower probability of consumption (less than 90 per cent)		
Up to 1 year	93,510	92,740
More than 1 year up to 5 years	2,899	2,183
More than 5 years	23	1,012
	96,432	95,935
Total	249,924	304,389

28. Payables and other liabilities

Figures in € thousand	31.12.2013	31.12.2012
I. Reinsurance liabilities		
1. Deposits held under reinsurance business ceded	797,171	836,815
2. Accounts payable under reinsurance operations	36,885	50,591
	834,056	887,405
II. Other payables		
Liabilities under insurance business		
Liabilities under direct insurance business		
to policyholders	116,486	150,400
to intermediaries	70,778	72,113
to insurance companies	6,811	10,528
	194,076	233,041
Liabilities to credit institutions	350	0
Other liabilities	262,006	337,603
of which for taxes	55,179	49,735
of which for social security	11,564	12,473
of which from fund consolidation	19,204	105,840
Total other liabilities	456,432	570,643
Subtotal	1,290,487	1,458,049
of which liabilities with the remaining term of		
Up to 1 year	896,119	772,811
More than 1 year up to 5 years	4,378	8,622
More than 5 years	389,990	676,616
	1,290,487	1,458,049
III. Other liabilities		
Deferred income	23,040	31,226
Total payables and other liabilities	1,313,527	1,489,275

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	31.12.2013	31.12.2012
Liabilities from income tax	40,712	28,623
of which liabilities with the remaining term of		
Up to 1 year	14,187	15,200
More than 1 year up to 5 years	26,525	13,423
More than 5 years	0	0

30. Deferred tax liabilities

Cause of origin	31.12.2013	31.12.2012
Figures in € thousand		
Actuarial items	171,777	162,599
Untaxed reserves	35,591	36,451
Investments	68,462	116,512
Other	58,785	50,028
Total	334,616	365,590
of which not affecting income	64,099	108,108

Deferred tax liabilities	31.12.2013	31.12.2012
figures in € thousand		
Up to 1 year	56,551	35,347
More than 1 year	278,065	330,242
Total	334,616	365,590

NOTES TO THE CONSOLIDATED INCOME STATEMENT

31. Premiums written

Direct business	2013	2012
Figures in € thousand		
Property and casualty insurance	2,553,745	2,480,889
Health insurance	937,572	909,147
Life insurance	1,614,051	1,391,809
Total (fully consolidated values)	5,105,368	4,781,845

Of which written in:

Austria	3,254,807	3,131,724
Other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,529,803	1,374,213
Other countries	320,758	275,908
Total (fully consolidated values)	5,105,368	4,781,845

Indirect business	2013	2012
Figures in € thousand		
Property and casualty insurance	36,784	65,060
Health insurance	2	3
Life insurance	15,421	17,243
Total (fully consolidated values)	52,207	82,306

Figures in € thousand	2013	2012
Total (fully consolidated values)	5,157,576	4,864,151

Premiums written in property and casualty insurance	2013	2012
Figures in € thousand		

Direct business

Fire and business interruption insurance	247,932	238,562
Household insurance	140,524	133,001
Other property insurance	236,768	226,028
Motor TPL insurance	653,490	652,338
Other motor insurance	494,020	492,950
Casualty insurance	320,953	296,605
Liability insurance	237,162	227,037
Legal expenses insurance	73,633	69,404
Marine, aviation and transport insurance	81,353	77,746
Other insurance	67,910	67,219
Total	2,553,745	2,480,889

Indirect business

Marine, aviation and transport insurance	3,638	160
Other insurance	33,146	64,900
Total	36,784	65,060
Total direct and indirect business (fully consolidated values)	2,590,529	2,545,949

Reinsurance premiums ceded	2013	2012
<small>Figures in € thousand</small>		
Property and casualty insurance	144,600	128,042
Health insurance	3,588	3,061
Life insurance	68,539	82,401
Total (fully consolidated values)	216,727	213,504

32. Premiums earned

	2013	2012
<small>Figures in € thousand</small>		
Property and casualty insurance	2,438,850	2,394,449
Gross	2,577,007	2,528,286
Reinsurers' share	-138,157	-133,837
Health insurance	936,112	902,954
Gross	940,255	908,558
Reinsurers' share	-4,143	-5,604
Life insurance	1,560,927	1,326,505
Gross	1,629,493	1,408,871
Reinsurers' share	-68,567	-82,365
Total (fully consolidated values)	4,935,888	4,623,909

Premiums earned in indirect business	2013	2012
<small>Figures in € thousand</small>		
Posted immediately	8,838	48,259
Posted after up to 1 year	26,795	28,329
Posted after more than 1 year	0	0
Property and casualty insurance	35,633	76,587
Posted immediately	2	3
Posted after up to 1 year	0	0
Posted after more than 1 year	0	0
Health insurance	2	3
Posted immediately	111	321
Posted after up to 1 year	15,310	16,921
Posted after more than 1 year	0	0
Life insurance	15,421	17,243
Total (fully consolidated values)	51,056	93,833

Earnings from indirect business	2013	2012
<small>Figures in € thousand</small>		
Property and casualty insurance	7,093	7,863
Health insurance	7	-62
Life insurance	470	1,567
Total (fully consolidated values)	7,570	9,368

33. Income from fees and commissions

Reinsurance commission and profit shares from reinsurance business ceded	2013	2012
<small>Figures in € thousand</small>		
Property and casualty insurance	10,799	8,850
Health insurance	683	8
Life insurance	16,820	26,873
Total (fully consolidated values)	28,302	35,731

34. Net investment income

By segment	Property and casualty insurance		Health insurance		Life insurance		Group	
	2013	2012	2013	2012	2013	2012	2013	2012
Figures in € thousand								
I. Properties held as investments	5,691	5,030	25,390	9,486	69,457	38,355	100,538	52,871
II. Shares in associated companies	3,056	4,723	8,679	8,389	10,494	3,387	22,229	16,499
III. Variable-yield securities	27,795	18,207	7,043	10,245	101,468	117,821	136,305	146,273
1. Available for sale	27,369	17,492	6,520	8,029	96,695	97,330	130,583	122,852
2. At fair value through profit or loss	426	715	523	2,216	4,773	20,491	5,722	23,422
IV. Fixed interest securities	64,099	60,697	37,381	53,316	374,331	454,689	475,811	568,702
1. Available for sale	63,243	58,518	35,258	49,688	355,046	403,135	453,548	511,341
2. At fair value through profit or loss	856	2,179	2,122	3,628	19,285	51,554	22,263	57,361
V. Loans and other investments	19,615	15,550	7,372	7,014	68,334	50,860	95,320	73,424
1. Loans	3,174	4,251	5,331	6,429	30,327	25,885	38,832	36,565
2. Other investments	16,441	11,299	2,041	585	38,007	24,975	56,488	36,859
VI. Derivative financial instruments (held for trading)	1,140	2,865	3,662	11,763	23,976	-10,346	28,779	4,282
VII. Expenditure for asset management, interest charges and other expenses	-22,781	-21,880	-10,128	-7,630	-46,071	-41,103	-78,981	-70,613
Total (fully consolidated values)	98,614	85,191	79,399	92,583	601,989	613,664	780,002	791,437

Based on stage 3 valuations (hierarchy for instruments that are recognised at the reconciled current value), income from available-for-sale fixed-income securities included losses in the amount of € 18,812 thousand, while income from fixed-income securities valued at current value in the income statement included profits in the amount of € 1,047 thousand.

By income type	Ordinary income		Write-ups		Realised capital gains	
	2013	2012	2013	2012	2013	2012
Figures in € thousand						
I. Properties held as investments	75,008	79,610	0	2,816	93,168	23,185
II. Shares in associated companies	20,023	16,503	0	0	2,207	4
III. Variable-yield securities	57,621	53,838	19,643	69,557	133,030	92,597
1. Available for sale	52,369	48,354	3,954	13,173	129,707	88,861
2. At fair value through profit or loss	5,252	5,484	15,688	56,384	3,323	3,736
IV. Fixed interest securities	529,973	550,063	104,221	113,131	80,740	182,248
1. Available for sale	509,601	530,828	87,591	58,573	78,384	180,997
2. At fair value through profit or loss	20,372	19,236	16,629	54,559	2,355	1,251
V. Loans and other investments	83,440	87,417	11,134	1,770	3,760	4,374
1. Loans	36,371	44,772	1,160	6	3,353	3,550
2. Other investments	47,069	42,644	9,974	1,764	408	824
VI. Derivative financial instruments (held for trading)	-5,779	-1,615	33,952	71,779	73,489	42,128
VII. Expenditure for asset management, interest charges and other expenses	-78,981	-70,613	0	0	0	0
Total (fully consolidated values)	681,306	715,202	168,949	259,053	386,394	344,536

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. Interest income from impaired portfolio items amounts to € 45,935 thousand (2012: € 55,668 thousand). Net investment income of € 780,002 thousand includes realised and unrealised profits and losses amounting to € 98,696 thousand, which include currency losses of € 64,805 thousand. The effects mainly resulted from investments in US dollars, British pounds, Australian dollars, Russian roubles and Turkish lira. Investments in US dollars generated currency losses of € 30,647 thousand. The currency losses in the underlying US dollar securities amounted to approximately € 66,746 thousand. These losses were partly offset by gains from derivative financial instruments in the amount of € 36,099 thousand in connection with hedging transactions. In addition, negative currency effects amounting to € 6,698 thousand were recorded directly as equity.

The income from properties held as financial investments include rent revenue in the amount of € 114,898 thousand (2012: € 113,687 thousand) and direct operational expenses in the amount of € 39,890 thousand (2012: € 34,077 thousand).

Of which securities, available for sale type of investment	Ordinary income		Write-ups		Realised capital gains	
	2013	2012	2013	2012	2013	2012
Figures in € thousand						
III. Variable-yield securities						
1. Available for sale	52,369	48,354	3,954	13,173	129,707	88,861
Shares in affiliated companies	331	360	0	0	14,790	3,907
Shares	27,478	14,940	118	2	55,911	40,187
Equity funds	4,898	4,009	1,719	3,573	14,995	24,271
Debenture bonds not capital-guaranteed	8,707	16,439	2,117	9,599	2,441	1,313
Other variable-yield securities	912	1,215	0	0	0	0
Participating interests and other investments	10,043	11,391	1	0	41,569	19,183
IV. Fixed interest securities						
1. Available for sale						
Fixed-interest securities	509,601	530,828	87,591	58,573	78,384	180,997

Depreciation		Realised capital losses		Group		of which value adjustment	
2013	2012	2013	2012	2013	2012	2013	2012
-63,723	-52,132	-3,916	-608	100,538	52,871	-11,226	-6,714
0	-8	0	0	22,229	16,499	0	0
-52,254	-66,806	-21,735	-2,913	136,305	146,273	-29,999	-11,457
-36,507	-25,799	-18,940	-1,738	130,583	122,852	-29,999	-11,457
-15,746	-41,007	-2,795	-1,174	5,722	23,422	0	0
-232,788	-138,901	-6,334	-137,840	475,811	568,702	-39,208	-25,827
-215,899	-121,300	-6,131	-137,756	453,548	511,341	-39,208	-25,827
-16,890	-17,600	-204	-84	22,263	57,361	0	0
-1,431	-8,825	-1,582	-11,311	95,320	73,424	-804	-774
-804	-774	-1,248	-10,989	38,832	36,565	-804	-774
-628	-8,051	-335	-322	56,488	36,859	0	0
-39,470	-27,182	-33,413	-80,827	28,779	4,282	0	0
0	0	0	0	-78,981	-70,613	0	0
-389,666	-293,855	-66,981	-233,499	780,002	791,437	-81,236	-44,772

Depreciation		Realised capital losses		Group		of which value adjustment	
2013	2012	2013	2012	2013	2012	2013	2012
-36,507	-25,799	-18,940	-1,738	130,583	122,852	-29,999	-11,457
0	0	-1,736	-341	13,386	3,926	0	0
-12,946	-9,399	-13,019	-216	57,542	45,514	-10,470	-8,437
-7,724	-6,862	-349	-1,066	13,540	23,925	-5,941	-3,268
-12,749	-4,134	-2,685	-116	-2,169	23,101	-10,500	5,591
0	-2,400	0	0	912	-1,185	0	-2,400
-3,089	-3,004	-1,151	0	47,373	27,570	-3,088	-2,943
-215,899	-121,300	-6,131	-137,756	453,548	511,341	-39,208	-25,827

35. Other income

Figures in € thousand	2013	2012
a) Other actuarial income	23,508	11,781
Property and casualty insurance	14,101	8,260
Health insurance	621	139
Life insurance	8,786	3,383
b) Other non-actuarial income	37,086	33,662
Property and casualty insurance	18,188	13,255
Health insurance	5,879	7,981
Life insurance	13,019	12,426
of which		
Services rendered	7,379	4,014
Changes in exchange rates	13,217	12,162
Other	16,490	17,486
c) Other income	3,504	1,119
from foreign currency conversion	490	262
from other	3,014	857
Total (fully consolidated values)	64,097	46,562

36. Insurance benefits

Figures in € thousand	Gross		Reinsurers' share		Retention	
	2013	2012	2013	2012	2013	2012
Property and casualty insurance						
Expenditure for claims						
Claims paid	1,596,362	1,481,937	- 87,734	- 58,275	1,508,628	1,423,662
Change in provisions for outstanding claims	48,797	161,921	35,963	13,335	84,761	175,256
Total	1,645,160	1,643,858	- 51,771	- 44,941	1,593,389	1,598,918
Change in actuarial provisions	1,051	312	- 14	19	1,036	331
Change in other actuarial provisions	- 979	732	0	0	- 979	732
Expenditure for profit-unrelated and profit-related premium refunds	40,400	38,843	0	0	40,400	38,843
Total amount of benefits	1,685,632	1,683,746	- 51,785	- 44,922	1,633,846	1,638,824
Health insurance						
Expenditure for claims						
Claims paid	629,130	566,389	- 21	- 77	629,109	566,312
Change in provisions for outstanding claims	5,176	53,386	- 4	4	5,172	53,390
Total	634,305	619,776	- 25	- 73	634,280	619,703
Change in actuarial provisions	108,219	111,097	106	113	108,325	111,210
Change in other actuarial provisions	318	- 4	0	0	318	- 4
Expenditure for profit-related and profit-unrelated premium refunds	25,813	25,572	0	0	25,813	25,572
Total amount of benefits	768,655	756,440	81	40	768,736	756,480
Life insurance						
Expenditure for claims						
Claims paid	1,467,988	1,557,970	- 127,339	- 104,005	1,340,650	1,453,965
Change in provisions for outstanding claims	- 3,161	68,495	255	- 796	- 2,906	67,699
Total	1,464,827	1,626,464	- 127,083	- 104,801	1,337,744	1,521,663
Change in actuarial provisions	33,951	- 298,574	60,152	34,422	94,103	- 264,151
Change in other actuarial provisions	738	1,559	0	0	738	1,559
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	120,100	104,170	0	0	120,100	104,170
Total amount of benefits	1,619,616	1,433,620	- 66,931	- 70,379	1,552,685	1,363,241
Total (fully consolidated values)	4,073,903	3,873,806	- 118,635	- 115,261	3,955,268	3,758,545

37. Operating expenses

Figures in € thousand	2013	2012
Property and casualty insurance		
a) Acquisition costs		
Payments	553,481	553,358
Change in deferred acquisition costs	- 4,927	- 6,736
b) Other operating expenses	265,627	249,028
	814,180	795,650
Health insurance		
a) Acquisition costs		
Payments	92,918	95,558
Change in deferred acquisition costs	45	- 7,194
b) Other operating expenses	69,725	50,220
	162,688	138,584
Life insurance		
a) Acquisition costs		
Payments	355,696	315,306
Change in deferred acquisition costs	- 51,263	5,509
b) Other operating expenses	104,590	99,956
	409,023	420,771
Total (fully consolidated values)	1,385,891	1,355,006

38. Other expenses

Figures in € thousand	2013	2012
a) Other actuarial expenses	89,521	83,653
Property and casualty insurance	38,666	28,465
Health insurance	6,796	4,739
Life insurance	44,058	50,450
b) Other non-actuarial expenses	30,186	39,311
Property and casualty insurance	21,219	24,204
Health insurance	434	271
Life insurance	8,533	14,836
of which		
Services rendered	1,288	46
Exchange rate losses	7,372	14,414
Mortor vehicle registration	6,892	6,937
Extraordinary tax on the financial sector (Hungary)	0	5,664
Other	14,634	12,249
c) Other expenses	2,227	1,056
For foreign currency translation	1,474	162
For other	753	894
Total (fully consolidated values)	121,934	124,020

39. Tax expenditure

Income tax Figures in € thousand	2013	2012
Actual tax in reporting year	60,614	33,304
Actual tax in previous year	2,641	412
Deferred tax	5,582	13,860
Total (fully consolidated values)	68,837	47,576

Reconciliation statement	2013	2012
Figures in € thousand		
A. Profit from ordinary activities	305,614	204,176
B. Anticipated tax expenditure (A.*Group tax rate)	76,403	51,044
Adjusted by tax effects from		
1. Tax-free investment income	-7,653	-10,408
2. Other	86	6,941
Amortisation of goodwill	0	3,767
Tax-neutral consolidation effect	-3,388	1,151
Other non-deductible expenses/other tax-exempt income	13,007	8,175
Changes in tax rates	-1,796	146
Deviations in tax rates	-5,807	-4,915
Taxes previous years	2,641	412
Lapse of loss carried forward and other	-4,570	-1,795
C. Income tax expenditure	68,837	47,576
Average effective tax burden Figures in per cent	22.5	23.3

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 are applied with an assumed profit participation of 85 per cent.

Deferred taxes are calculated on the basis of the respective national tax rates. In 2013, these were between 9 per cent and 35 per cent. Changes to tax rates already adopted as at 31 December 2013 were taken into account.

OTHER DISCLOSURES

Employees

Personnel expenses ¹⁾	2013	2012
Figures in € thousand		
Salaries and wages	389,930	405,625
Expenses for severance payments	63	1,791
Expenses for employee pensions	28,091	30,063
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	110,429	112,460
Other social expenditures	8,981	10,372
Total	537,494	560,312
of which sales	151,388	159,353
of which administration	355,487	363,421

¹⁾ The data are based on an IFRS valuation.

Average number of employees	2013	2012
Total	14,277	14,795
of which sales	5,893	6,308
of which administration	8,384	8,487

Figures in € thousand	2013	2012
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	8,352	11,292
Other employees	41,331	40,665

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.

For the period, expenses for remuneration of Management Board members of UNIQA Insurance Group AG amounted to € 4,923 thousand (2012: € 7,149 thousand). In the reporting year, former members of the Management Board and their surviving dependents received pensions of € 2,699 thousand (2012: € 2,644 thousand).

The remuneration paid to the members of the Supervisory Board for their work in the 2012 financial year was € 380 thousand. Provisions of € 380 thousand have been recognised for the remuneration of their work in the 2013 financial year. In the financial year, a total of € 31 thousand (2012: € 36 thousand) was paid out in attendance fees and cash expenditures.

There are no advances or loans or liabilities assumed for members of the Management Board or the Supervisory Board.

Agreement on cash-settled share-based payment

In the financial year 2013, the UNIQA Group introduced a share-based remuneration program for the members of the Management Board of UNIQA Insurance Group AG and selected Management Board members of UNIQA Österreich Versicherungen AG, Raiffeisen Versicherung AG and UNIQA International AG. In line with the programme, as of 1 January of the respective financial year entitled employees are granted virtual shares on a contingent basis, which grant entitlement to a cash payment at the end of the performance period. The first contingent grant took place retroactively to 1 January 2013. The duration of the performance period of each tranche is to 31 December 2016.

The condition for the payment of the virtual shares is achieving performance targets, buying and holding real UNIQA ordinary shares and an employment agreement with UNIQA as member of the Management Board to the end of the respective performance period. The level of the cash payment at the end of the fourth year is tied to achieving the two performance targets. Each of the performance targets has a weighting of 50%.

- **Performance Target 1 – Total Shareholder Return (TSR):** The final number of virtual shares depends on the ranking of the TSR of the UNIQA ordinary share among the companies included in the *DJ EuroStoxx TMI Insurance* Index.
- **Performance Target 2 – Return on Equity (ROE):** The final number of virtual shares depends on the ranking of the ROE of UNIQA among the companies included in the *DJ EuroStoxx TMI Insurance* Index.

Determination of the fair values

The allocation volume of the first component (Performance Target 1) depends entirely on market-based criteria (TSR). Fair value is determined using a Monte-Carlo simulation. Performance targets which are independent of employment and market (Performance Target 2), but which relate to transactions are not included in determining the fair value.

As at the end of the year, the provisions recorded break down among the two components of the share-based commitment as follows.

Figures in € thousand	01.01.2013	31.12.2013
Tranche TSR (Performance Target 1)	0	209
Tranche ROE (Performance Target 2)	0	218
Total amount of the provisions	0	427

The following parameters are used in determining the fair values on the day of grant and on the date the virtual shares are measured:

	Grant date 01.01.2013	Valuation date 31.12.2013
Tranche TSR (Performance Target 1)		
Fair value (in euros)	6.69	6.77
Share price (in euros)	9.32	9.28
Exercise price (in euros)	0.00	0.00
Expected volatility (weighted average, in per cent)	-	25.2
Expected remaining term (weighted average, in years)	4.0	3.0
Discounting interest rate (based on AA corporate bonds, in per cent)	1.2	1.2
Tranche ROE (Performance Target 2)		
Fair value (in euros)	8.75	8.85
Share price (in euros)	9.32	9.28
Exercise price (in euros)	0.00	0.00
Expected volatility (weighted average, in per cent)	0.0	0.0
Expected remaining term (weighted average, in years)	4.0	3.0
Discounting interest rate (based on AA corporate bonds, in per cent)	1.2	1.2

The expected volatility is based on an assessment of the historical volatility of the company's share price, particularly in the period equivalent to the expected duration.

The final allocation volume of the second component (Performance Target 2) does not depend on market-based criteria (TSR). The expected performance achievement is based on the historical performance of the last four years.

Transition of the outstanding virtual shares

The number and weighted average of the exercise price of the virtual shares in the share-based programme develops as follows:

	Number of phantom shares 2013	Average fair value per phantom share (in €)
Tranche TSR (Performance Target 1)		
Outstanding as at 1 January	0	
Committed during the Reporting Year	30,861	6.77
Outstanding as at 31 December	30,861	6.77
Exercisable as at 31 December		
Tranche ROE (Performance Target 2)		
Outstanding as at 1 January	0	
Committed during the Reporting Year	24,689	8.85
Outstanding as at 31 December	24,689	8.85

For the TSR tranche, expected adjustments in the allocation level are reflected in the fair value of the options. On the other hand, there is an adjustment in the number of options allocated for the ROE tranche.

In the current financial year, no options expired or were exercised.

Obligations from share-based payments are reported under Other provisions (Notes 27) and are included in the context of transactions with related parties.

Group holding company

The parent company of the UNIQA Group is UNIQA Insurance Group AG. This company is registered in the company registry of the Commercial Court of Vienna under FN 92933t. In addition to its duties as Group holding company, this company also performs the duties of a Group reinsurer.

Related companies and persons

Companies of the UNIQA Group enter into various transactions with related companies and persons.

In line with IAS 24, related companies are identified as those companies, which exercise either a controlling or significant influence on the UNIQA Group. Related parties also include non-consolidated subsidiaries, associates and joint ventures of the UNIQA Group.

Related parties also include persons in key management positions in line with IAS 24, as well as close family members. In particular, this includes key management personnel and their family members as well as family members of those companies which exercise either a controlling or significant influence on the UNIQA Group.

Transactions with related companies

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions 2013					
Gross premiums written	0	1,642	1,258	115,243	118,143
Interest income/expenses due to loans given by UNIQA Group	572	185	0	602	1,359
Interest income/expenses due to loans given by a bank as a related party (e.g. loans, time deposits, giro) and capital investments (e.g. subscription of bonds) in a related party	374	728	5,358	44,730	51,189
As at 31.12.2013					
Investments at market value	11,185	16,507	535,039	882,640	1,445,370
Deposits with credit institutions	32	1,099	2,207	1,103,302	1,106,640

Transactions 2012	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions 2012					
Gross premiums written	8	1,104	1,258	99,927	102,297
Interest income/expenses due to loans given by UNIQA Group	504	56	0	618	1,177
Interest income/expenses due to loans given by a bank as a related party (e.g. loans, time deposits, giro) and capital investments (e.g. subscription of bonds) in a related party	1,096	809	11,836	44,217	57,957
As at 31.12.2012					
Investments at market value	22,159	12,851	396,954	890,078	1,322,042
Deposits with credit institutions	14	6,259	3,484	1,139,123	1,148,880

Transactions with related persons

Figures in € thousand	2013	2012
Gross premiums written	837	713
Remuneration and short term benefits ¹⁾	5,108	5,699
Expenses for employee pensions	1,571	3,016
Compensation on termination of employment contract	1,424	1,415
Share-based compensation	226	0
Other income	300	293

¹⁾ This item includes fixed and variable Management Board remuneration and Supervisory Board remuneration.

Other financial commitments and contingent liabilities

Figures in € thousand	31.12.2013	31.12.2012
Contingent liabilities from risks of litigation	19,720	14,700
Austria	0	0
Foreign	19,720	14,700
Other contingent liabilities	10,830	9,254
Austria	10,570	9,040
Foreign	261	214
Total	30,550	23,954

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.

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 UI-BV 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. In financial year 2013, this minority interest was reclassified in the context of a previous-year correction in line with IAS 8. What was pro rata goodwill was posted under other liabilities.

Figures in € thousand	2013	2012
Current leasing expenses	6,825	7,257
Future leasing payments due to the financing of the UNIQA Headquarters in Vienna		
Up to 1 year	5,090	5,188
More than 1 year up to 5 years	20,360	20,754
More than 5 years	2,545	7,783
Total	27,996	33,725
Income from subleasing	692	537

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 € 4,423 thousand (2012: € 2,988 thousand). Of these, € 223 thousand (2012: € 274 thousand) were for the audit, € 0 (€ 655 thousand) were for tax advice, € 4,110 thousand (2012: € 1,757 thousand) were for other certification services and € 90 thousand (2012: € 302 thousand) were for other services.

Affiliated and associated companies in 2013

Company	Type	Location	Equity Figures in € million ¹⁾	Share in equity Figures in per cent ¹⁾
Domestic insurance companies				
UNIQA Insurance Group AG (Group Holding Company, formerly: UNIQA Versicherungen AG)		1029 Vienna		
UNIQA Österreich Versicherungen AG	Full	1029 Vienna	724.9	100.0
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	29.2	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	747.6	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	85.9	100.0
SK Versicherung Aktiengesellschaft	Equity	1050 Vienna	11.1	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	13.4	100.0
UNIQA Re AG	Full	Switzerland, Zurich	219.6	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	235.8	100.0
UNIQA poisťovňa a.s.	Full	Slovakia, Bratislava	37.1	99.9
UNIQA pojišťovna, a.s.	Full	Czech Republic, Prague	57.5	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	14.5	100.0
UNIQA Protezione S.p.A.	Full	Italy, Udine	26.5	94.7
UNIQA Towarzystwo Ubezpieczeń S.A.	Full	Poland, Lodz	73.0	98.5
UNIQA Towarzystwo Ubezpieczeń na Zycie S.A.	Full	Poland, Lodz	13.8	99.8
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	23.7	100.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	4.6	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	9.4	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	141.8	100.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	7.2	99.8
UNIQA Insurance plc	Full	Bulgaria, Sofia	10.1	99.9
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	5.1	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	4.0	100.0
Insurance company "UNIQA"	Full	Ukraine, Kiev	15.6	92.2
UNIQA LIFE	Full	Ukraine, Kiev	9.3	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	1.7	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	7.9	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	4.4	100.0
UNIQA Asigurari S.A.	Full	Romania, Bucharest	28.8	100.0
UNIQA Life S.A.	Full	Romania, Bucharest	6.4	100.0
Raiffeisen Life Insurance Company LLC	Full	Russia, Moscow	15.6	75.0
UNIQA Life S.p.A.	Full	Italy, Milan	47.0	90.0
SIGAL UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	21.0	68.6
UNIQA AD Skopje	Full	Macedonia, Skopje	4.8	100.0
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	4.7	100.0
SIGAL UNIQA GROUP AUSTRIA SH.A.	Full	Kosovo, Pristina	3.6	100.0
UNIQA Life AD Skopje	Full	Macedonia, Skopje	3.0	100.0
SIGAL Life UNIQA GROUP AUSTRIA sh.a	Full	Kosovo, Pristina	3.6	100.0
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A.	Full	Albania, Tirana	0.1	51.0
Group domestic service companies				
UNIQA Real Estate Management GmbH	Full	1029 Vienna	2.2	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	0.3	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	⁴⁾	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	³⁾	1029 Vienna		100.0

Company	Type	Location	Equity	Share in equity
			Figures in € million ¹⁾	Figures in per cent ¹⁾
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.0	100.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.7	100.0
UNIQA Capital Markets GmbH	Full	1020 Vienna	4.5	100.0
UNIQA International AG	Full	1029 Vienna	171.5	100.0
UNIQA Internationale Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	648.3	100.0
Alopex Organisation von Geschäftskontakten GmbH	³⁾	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	³⁾	1029 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.3	64.0
Real Versicherungs-Makler GmbH	³⁾	1220 Vienna		100.0
Together Internet Services GmbH	⁴⁾	1030 Vienna		22.6
UNIQA HealthService – Services im Gesundheitswesen GmbH	³⁾	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	16.4	100.0
Privatklinik Grinzing GmbH	³⁾	1190 Vienna		100.0
Versicherungsagentur Wilhelm Steiner GmbH	³⁾	1029 Vienna		100.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	11.3	100.0
UNIQA Group Audit GmbH	Full	1029 Vienna	0.1	100.0
Valida Holding AG	Equity	1020 Vienna	82.0	40.1
RVCM GmbH	⁴⁾	1010 Vienna		50.0
NewMoove GmbH (vormals: F&R Multimedia GmbH)	⁴⁾	1060 Vienna		36.1
PremiaFIT Facility und IT Management u. Service GmbH	³⁾	1190 Vienna		75.0
RHG Management GmbH	Full	1020 Vienna	24.7	100.0
UNIQA Finanzbeteiligung GmbH	Full	1020 Vienna	173.9	100.0
UNIQA International Corporate Business GmbH	³⁾	1029 Vienna		100.0
Group foreign service companies				
UNIQA Raiffeisen Software Service Kft.	Full	Hungary, Budapest	0.6	60.0
Insdata spol s.r.o.	Full	Slovakia, Nitra	2.2	98.0
ProUNIQA s.r.o.	³⁾	Czech Republic, Prague		100.0
UNIPARTNER s.r.o.	Full	Slovakia, Bratislava	-0.1	100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.2	100.0
UNIQA Ingatlanhasznosító Kft.	Full	Hungary, Budapest	5.0	100.0
Dekra Expert Muszaki Szakertői Kft.	Full	Hungary, Budapest	1.0	50.0
UNIQA Szolgáltató Kft.	Full	Hungary, Budapest	4.5	100.0
UNIQA Claims Services International Kft.	³⁾	Hungary, Budapest		100.0
RC Risk Concept Vaduz	³⁾	Liechtenstein, Vaduz		100.0
Első Közszolgálati Pénzügyi Tanácsadó Kft.	³⁾	Hungary, Budapest		92.4
UNIQA Számítástechnikai Szolgáltató Kft.	Full	Hungary, Budapest	0.1	100.0
UNIQA Intermediazioni S.r.l.	³⁾	Italy, Milan		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.0	100.0
UNIQA Raiffeisen Software Service S.R.L.	Full	Romania, Cluj-Napoca	0.2	60.0
UNIQA Software Service Bulgaria OOD	³⁾	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	³⁾	Ukraine, Kiev		99.0
UNIQA Assistance doo Sarajevo	³⁾	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Agent doo za zastupanje u osiguranju Banja Luka	³⁾	Bosnia and Herzegovina, Banja Luka		99.8
UNIQA Agent doo za zastupanje u osiguranju Sarajevo	³⁾	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Software Service Kft.	³⁾	Hungary, Budapest		100.0
UNIPROINS CONSULTANTA SA	³⁾	Romania, Bucharest		100.0
sTech d.o.o.	³⁾	Serbia, Belgrade		100.0

Company	Type	Location	Equity Figures in € million ¹⁾	Share in equity Figures in per cent ¹⁾
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	31.3	29.6
PremiQaMed Holding GmbH ¹⁾	Full	1010 Vienna	71.1	100.0
PremiQaMed Immobilien GmbH	Full	1010 Vienna	18.6	100.0
PremiQaMed Privatkliniken GmbH	Full	1190 Vienna	9.0	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Full	1190 Vienna	0.6	100.0
STRABAG SE ¹⁾	Equity	9500 Villach	2,948.7	14.7
PremiaMed Management GmbH	Full	1190 Vienna	0.8	100.0
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	³⁾	1190 Vienna		74.0
R-SKA Baden Betriebs-GmbH	⁴⁾	2500 Baden		49.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	⁴⁾	9020 Klagenfurt		34.9
Privatklinik Villach Gesellschaft m.b.H.	⁴⁾	9020 Klagenfurt		25.0
call us Assistance International GmbH	Equity	1090 Vienna	0.8	61.0
UNIQA Leasing GmbH	⁴⁾	1061 Vienna		25.0
UNIQA Internationale Anteilsverwaltung GmbH	Full	1020 Vienna	163.4	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	161.2	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.5	100.0
Real-estate companies				
UNIQA Real Estate CZ, s.r.o.	Full	Czech Republic, Prague	14.7	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	0.5	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	0.9	100.0
Steigengraben-Gut Gesellschaft m.b.H.	³⁾	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	138.8	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.9	33.0
UNIQA Real Estate AG	Full	1029 Vienna	121.3	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Full	1020 Vienna	19.1	100.0
Design Tower GmbH	Full	1029 Vienna	190.1	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	10.1	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	72.5	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	11.7	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.6	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	10.2	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	1.7	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Full	1029 Vienna	37.0	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Full	1020 Vienna	9.3	100.0
Praterstraße Eins Hotelbetriebs GmbH	Full	1020 Vienna	2.5	100.0
UNIQA Plaza Irohadaž es Inगतlankezelő Kft.	Full	Hungary, Budapest	2.0	100.0
HKM Immobilien GmbH	³⁾	Germany, Mannheim		100.0
Floreasca Tower SRL	Full	Rumania, Bucharest	12.2	100.0
Pretium Inगतlan Kft.	Full	Hungary, Budapest	5.5	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	2.6	100.0
UNIQA-Invest Kft.	Full	Hungary, Budapest	10.8	100.0
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	1.9	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	3.6	100.0
UNIQA Real Estate d.o.o.	Full	Serbia, Belgrade	2.6	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	2.3	100.0

Company	Type	Location	Equity	Share in equity
			Figures in € million ¹⁾	Figures in per cent ¹⁾
IPM International Property Management Kft.	Full	Hungary, Budapest	1.2	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	7.9	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	- 2.2	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	0.2	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	4.8	100.0
UNIQA Real Estate BV	Full	Niederlande, Hoofddorp	10.5	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	- 6.0	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	5.0	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	8.3	100.0
Asena CJSC	Full	Ukraine, Nikolaew	0.5	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	8.9	100.0
Schöpferstraße Projektentwicklung GmbH	Full	1020 Vienna	5.4	100.0
"Bonadea" Immobilien GmbH	Full	1020 Vienna	7.2	100.0
"Graben 27-28" Besitzgesellschaft m.b.H.	Full	1010 Vienna	25.5	100.0
Hotel Burgenland Betriebs GmbH	Full	1029 Vienna	0.0	100.0
R-FMZ Immobilienholding GmbH	Full	1020 Vienna	30.2	100.0
Neue Marktgassee Einkaufspassage Stockerau GmbH	Full	1020 Vienna	4.5	100.0
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H.	Full	1020 Vienna	9.1	100.0
Raiffeisen-Fachmarktzentrum Mercurius GmbH	Full	1020 Vienna	12.2	100.0
Raiffeisen-Fachmarktzentrum ZWEI GmbH	Full	1020 Vienna	13.5	100.0
Raiffeisen-Fachmarktzentrum Ivesis GmbH	Full	1020 Vienna	10.6	100.0
Raiffeisen-Fachmarktzentrum VIER GmbH	Full	1020 Vienna	24.1	100.0
Raiffeisen-Fachmarktzentrum SIEBEN GmbH	Full	1020 Vienna	7.0	100.0
R-FMZ "MERCATUS" Holding GmbH	Full	1020 Vienna	51.0	100.0

¹⁾ 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.

²⁾ The share in equity equals the share in voting rights before minorities, if any.

³⁾ Unconsolidated company (because not material).

⁴⁾ Associated not at equity valued company (because not material)

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 Insurance Group 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, 25 March 2014



Andreas Brandstetter
Chairman of the
Management Board



Hannes Bogner
Member of the
Management Board



Wolfgang Kindl
Member of the
Management Board



Thomas Munkel
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board

Auditor's Opinion

Report on the Consolidated Financial Statements

We audited the consolidated financial statements of UNIQA Insurance Group AG, Vienna (previously UNIQA Versicherungen AG), Vienna, for the financial year from 1 January to 31 December 2013. These consolidated financial statements include the consolidated balance sheet as at 31 December 2013, the separate consolidated income statement, the consolidated statement of comprehensive income and the statement of changes in Group equity for the financial year ending 31 December 2013, as well as the notes to the consolidated financial statements.

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 (IFRSs) as applied in the EU and the additional requirements of Section 245a of the Austrian Commercial Code in connection with section 80b of the Austrian Insurance Supervisory Act. 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 2013, as well as the results of operations and cash flow for the financial year from 1 January to 31 December 2013 in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the EU, and the supplementary requirements of section 80b of the Austrian Insurance Supervisory Act.

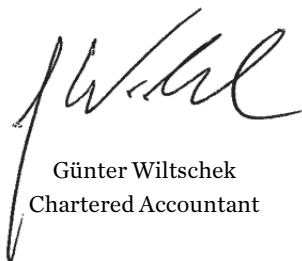
Report on the Group Management Report

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, 25 March 2014

PwC Wirtschaftsprüfung GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft



Günter Wiltschek
Chartered Accountant



Liane Hirner
Chartered Accountant

Disclosure, publication and reproduction in a form deviating from the legal regulations in the sense of Section 281 paragraph 2 of the Austrian Commercial Code in a form different from the confirmed version including the audit opinion is not permitted. In the case of the mere reference to our audit, this requires our prior approval in writing.

IMPRINT

Owner and publisher

UNIQA Insurance Group AG
Commercial registry no.: 92933t
Data processing register: 0055506

Concept, advice and design

NEA OG: Katharina Ehrenmüller, Jo Santos

Video

Springer & Jacoby Österreich GmbH

Paper

Munken Pure, 240/120/90g

Printed by

AV+Astoria Druckzentrum GmbH

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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.

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.



