

Report | Third Quarter 2002 | UNIQA Versicherungen AG

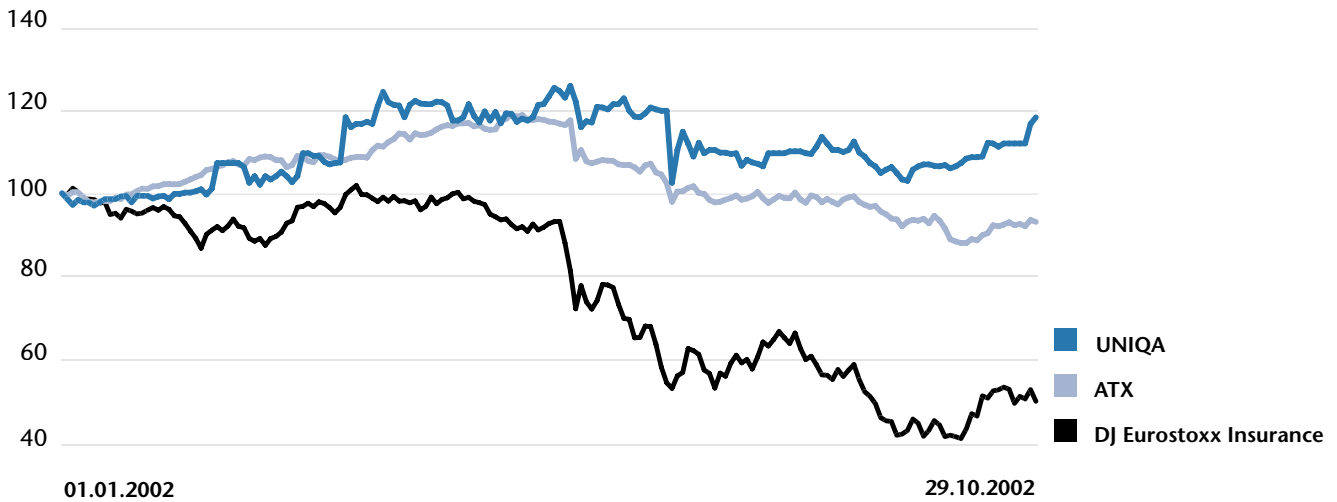


## Ratios of the UNIQA Group Austria (in million)

	January to Sept. 2001 €	January to Sept. 2002 €*	Change %
<b>Premiums written, direct business</b>			
Property and casualty	635.8	767.0	20.6
Life	801.6	670.5	-16.4
Recurring premium products	448.3	495.0	10.4
Single premium insurance and special products	353.3	175.5	-50.3
Health	498.7	518.2	3.9
<b>Total</b>	<b>1,936.1</b>	<b>1,955.7</b>	<b>1.0</b>
<b>Benefits and claims paid</b>			
Property and casualty	398.5	458.4	15.0
Life	470.9	483.5	2.7
Health	398.6	388.4	-2.6
<b>Total</b>	<b>1,268.0</b>	<b>1,330.3</b>	<b>4.9</b>
	30.9.2001 €	30.9.2002 €*	Change %
<b>Insured capital in life assurance</b>	<b>27,815.3</b>	<b>30,323.7</b>	<b>9.0</b>
<b>Investments</b>			
Land and buildings	762.4	781.9	2.6
Investments in affiliated companies and participations	828.9	987.9	19.2
Shares and other variable yield securities	2,326.1	4,576.2	96.7
Debt securities and other fixed interest securities	4,855.3	4,330.9	-10.8
Mortgage loans	14.5	13.1	-9.7
Advance payments on policies	11.9	12.2	2.5
Other loans	2,166.7	848.6	-60.8
Other investments	57.3	71.3	24.4
Cash at banks	97.2	40.5	-58.3
<b>Total</b>	<b>11,120.3</b>	<b>11,662.6</b>	<b>4.9</b>

\*Excluding deposits receivable from acquired reinsurance business

UNIQA share 2002 in %



## UNIQA Group Austria with strong operational business development

The UNIQA Group recorded a 12.5% increase to € 1,780.3 million in gross premiums written in direct recurring premium business in the first three quarters of the current financial year. This is a very encouraging development.

The continued targeted reduction of single premium life assurance business and special products was more than compensated for by the universal positive development in recurring premium business. The total premium income of the UNIQA Group increased to € 1,955.7 million. The growth was carried in particular by the premium increase of 20.6% to € 767.0 million in property and casualty insurance. It must, however, be taken into account that the business revenue of UNIQA, Poland, acquired in 2001, is included proportionally only in the comparative figure of the previous year. The adjusted increase is 13.4%. In the life assurance line, the recurring premiums in direct business increased by 10.4% to € 495.0 million. Single premium and special product business was further targeted for withdrawal in the third quarter because of profitability and risk considerations, and strategically reduced to € 175.5 million.

The premiums for health insurance increased by 3.9% to € 518.2 million.

The total benefits paid increased by 4.9% to € 1,330.3 million during the first three quarters of the current financial year.

The improvement in actuarial results continued in the third quarter of 2002. Besides the encouraging growth in premiums, the continued consistent implementation of the increased earnings measures, introduced in the actuarial area, in health as well as property and casualty insurance last year, also contributed to this.

The third quarter of the current financial year was, however, characterised, in the claims payment area, by the catastrophic storms and floods in large parts of Austria and the Czech Republic, whereby the encumbrance on the Group results on a net basis is limited because of sufficient reinsurance. From today's point of view of this damage, an expense to the value of € 17.2 million is to be expected after reinsurance.

### **Investments increased by 4.9% – continued weak stock markets burdened the financial results of the Group companies**

The total investments of the UNIQA Group increased by 4.9% during the first nine months of the 2002 financial year. At the end of September they were capitalised at € 11.7 billion – excluding the deposits receivable from the reinsurance business. The increase in the areas of stocks and non-fixed interest securities was not the result of an increase in the share ratio, but of the regrouping of the fixed-interest securities from our direct portfolio, by contributing these papers in investment funds to gain synergy effects and optimise costs. The share ratio (shares + equity funds) is 7.97% at present. Current investment income increased by 6.3% to € 476.9 million compared to the first nine months of 2001.

The stock market has shown strong negative performance since the beginning of the year, with the European stock exchanges reaching a new low in the third quarter, also burdening the extraordinary Group financial results with a clear drop in value. The volatile situation does, however, not allow any statements at present about the depreciation requirements for the year.

### **“Cost savings” programme continues to show positive effects**

The cost-saving measures introduced in the previous year also showed positive effects in the third quarter. The total costs of the Group companies – excluding commissions and considering social capital expenses – reduced by 4.5% to € 284.0 million compared to the same time period of the previous year. As a result the domestic companies managed to reduce their costs by 7.7% to € 257.6 million, while our foreign companies recorded a cost increase of 44.0% to € 26.4 million because of investments to strengthen their market position. Here too, the different inclusion of UNIQA, Poland for the comparable time period must be taken into account.

### **Encouraging development in the property insurance lines**

The premium volume written in direct business in property and casualty insurance increased by 20.6% to € 767.0 million in the first three quarters of the reporting period. Thereby it has to be taken into consideration that UNIQA, Poland, acquired in June 2001, was included only proportionally in the comparable time period (adjusted increase 13.4%). The domestic Group companies managed to increase the premium volume by 10.6% in this business segment compared to the reporting period the previous year. With that the premium development for the current year is clearly above the growth rates of the past financial year.

Paid benefits in property and casualty insurance increased by 15.0% to € 458.4 million in the first three quarters. With a 5.4% increase in benefits paid, the trend of improved actuarial results continued. The strong increase in benefits paid by our foreign companies can be explained by the pro rata consideration of UNIQA, Poland in the previous year's figure and the flood damages in the Czech Republic.

#### **Encouraging premium growth in recurring premium life assurance**

The satisfactory development in the life assurance business in recurring premium also continued in the third quarter. The recurring premiums written in the growth segment life were increased by 10.4% to € 495.0 million in the first three quarters of 2002. Single premium business as well as special products continued to be consciously withdrawn because of profitability and risk considerations in favour of promoting recurring business, whereby the premium volume was reduced by 50.3% to € 175.5 million. The increase in life assurance benefits paid was proportionally less with 2.7% to € 483.5 million.

#### **Continued upward trend in health insurance**

The positive trend in premium income in health insurance continued. The premium volume written increased by 3.9% to € 518.2 million in health insurance. As a result of conditional accounting, health insurance benefits paid reduced by 2.6% to € 388.4 million. Taking into consideration the appropriation to loss reserves there is an increase in benefits paid, that is, however, below of rise in premium volume.

#### **Domestic companies of the UNIQA Group Austria**

##### **UNIQA Versicherungen AG**

UNIQA Versicherungen AG, the Group holding company of the UNIQA Group Austria, is the only Group company listed on the stock exchange. It operates as the central reinsurer for the operative Group companies. UNIQA Versicherungen AG recorded premium income amounting to € 413.0 million from active reinsurance in the first nine months of 2002. Of this, € 384.9 million came from the Group. In the reporting period, claims occurred to the value of € 329.7 million, of which € 212.4 million were retained.

##### **UNIQA Personenversicherung AG**

UNIQA Personenversicherung AG operates the health, accident and life insurance lines. In the first three quarters of 2002, the company's premium volume written increased by 4.8% to € 795.8 million. Of this 58.9% apportioned to health insurance (+4.0%), 33.9% to life insurance (+4.3% recurring premium business and +8.2% for single premium business and special products) and 7.2% to accident insurance (+8.6%). During the reporting period, benefits to the value of € 623.9 million or 6.7% less than in the first nine months of 2002 were paid.

### **UNIQA Sachversicherung AG**

UNIQA Sachversicherung AG operates exclusively in casualty insurance. The direct written premium volume of the company improved by 10.5% to € 467.9 million in the first nine months of the current financial year. The benefits paid of € 292.3 million were 5.6% higher than in the first three quarters of 2001.

### **Raiffeisen Versicherung AG**

The Raiffeisen Versicherung AG offers its provision and insurance products to the clients of the over 2,500 Raiffeisen bank branches. The risk protection also covers the property insurance lines, including motor vehicle insurance. Austria's leading bank insurer once again showed encouraging growth in recurring life assurance in the first nine months of the current business year. The premiums written in the direct life assurance business increased by 13.4% to € 262.6 million. The premium volume from single premium and special products was reduced to € 111.1 million in the reporting period as a result of the further targeted withdrawal. The total premiums written in direct recurring premium business increased by 14.6% to € 303.6 million. The benefits paid, as a result of conditional accounting, increased by 26.3% to € 258.3 million.

### **Salzburger Landes-Versicherung AG**

The premium written increased by 3.9% to € 50.3 million in the first three quarters of 2002. Benefits paid fell by 6.6% to € 34.8 million in the reporting period.

### **CALL DIRECT Versicherung AG**

The premiums written by this direct insurer increased by 10.0% to € 3.3 million in the first nine months of 2002. At the same time, benefits to the value of € 0.6 million were paid.

### **Acquisition of MLP Lebensversicherung Austria**

In July 2002 UNIQA reached agreement with MLP Lebensversicherung AG Heidelberg, the joint venture partner, that UNIQA will also take over the remaining 50% of MLP Lebensversicherung AG Vienna.

### **Foreign companies of the UNIQA Group Austria**

With the acquisition of the Hungarian insurance company "Agrupacion Funeuropa Biztosito Rt." in October of the current financial year, we see a solid basis to participate in the growth of the most penetrated insurance market in Eastern Europe and to substantially increase the earnings capacity of the acquired company through our foreign know-how.

The encouraging development of our international Group companies continued in the first nine months of the current business year.

International companies	Premium written million €	Change in %	Benefits paid million €	Change in %
UNIQA, Czech Republic	41.8	41.7	24.9	104.1
UNIQA, Slovak Republic	21.2	29.3	9.7	38.6
UNIQA, Switzerland	28.2	2.9	23.9	-6.6
UNIQA, Italy	63.0	27.3	28.6	15.8
UNIQA, Croatia	4.7	147.4	0.3	200.0
UNIQA, Poland*	63.8	246.7	36.3	233.0

\*These companies were majoritarianly acquired in June 2001

## Outlook

### Standard and Poor's confirms "A" rating

The international rating agency, Standard and Poor's, confirmed the insurer financial strength rating of "A" on UNIQA Versicherungen AG during the current quarter. In a tense time for the insurance industry, with many rating downgrades, the confirmation of the rating is seen as very positive news and an explicit confirmation of the chosen strategy. S&P assumes that on attaining our goals, the UNIQA rating will in future be represented as "stable".

### "Quality partnership" as from October 2002

With the introduction of the "Quality Partnership", UNIQA and Raiffeisen Versicherung offer their private customers an entirely novel new product for cross-selling purposes. Depending on the business relationship composition, we enable our customers to access the various auxiliary services in three service categories. This solution is the basis of the customer relations management of the UNIQA Group.

### Formation of an employee provision fund (ÖVK)

With the introduction of the "severance payments new", UNIQA has participated with a 25% share in ÖVK Vorsorgekasse AG, one of the leading employee provision funds. UNIQA and Raiffeisen Versicherung started selling the only product on the market with guaranteed interest in September.

### Development in the current quarter

The most important question regarding the continued development of the result in the current financial year is without doubt the situation of the stock markets. Some of the setbacks in the third quarter could be recovered in the current quarter. The actual level is however well below the stock market levels at the beginning of the year, so that the Group result accordingly remains under pressure. A reliable forecast is however not possible because of the volatility of the stock markets and the continued prevailing uncertainty. From today's point of view we assume the dividend to be unchanged.

**UNIQA Versicherungen AG**

A-1021 Vienna, Praterstraße 1–7

Phone: +43 (0)1 211750

E-mail: [investor.relations@uniqa.at](mailto:investor.relations@uniqa.at)

[www.uniqa.at](http://www.uniqa.at)

**Concept and design**

Kirchhoff Consult AG, Hamburg, Germany

