



**UNIQA Group**

**H1 2012 highlights**

**29 August 2012**

**Andreas Brandstetter, CEO**

**Hannes Bogner, CFO**

**Kurt Svoboda, CRO**

# Presenters and Agenda

## Today's presenters



Andreas Brandstetter  
*CEO*



Hannes Bogner  
*CFO*



Kurt Svoboda  
*CRO*

## Agenda

1. Introduction
2. H1 2012 results
3. Summary
4. Your questions – Q&A



# Section 1

Introduction

# Introduction

- Overall solid performance in H1 2012 with earnings before tax increased by 43.2% y-o-y to €107m
- Strong investment result (improved by 51.8% y-o-y)
- Ongoing focus on cost optimisation and profitable growth as part of UNIQA 2.0

- Continued focus on de-risking and internal capital generation
  - PIIGS exposure reduced
  - Exposure to Greece and Portugal down to zero

- €500m capital increase successfully completed (July 2012)
- Preparation for envisaged Re-IPO ongoing

- Transparent Group structure without minorities
  - Buy-out of EBRD minorities in CEE completed
  - Sale of German Mannheimer Group completed
  - Contribution in kind of stake in UNIQA Personenversicherung to be completed by October 2012

**UNIQA is well on track with its ongoing restructuring and growth plan**

# Financial snapshot



€m	H1 2012	H1 2011	31.12.2011	▲%
Gross written premiums <sup>(a)</sup>	2,856	2,926		(2.4)%
(Recurring) gross written premiums <sup>(a)</sup>	2,583	2,562		0.8%
APE (Life) <sup>(c)</sup>	801	853		(6.0)%
Investment result	403	266		51.8%
Earnings before tax	107	74		43.2%
Net profit after minorities	57	34		67.1%
Combined ratio (net) (%)	100.7%	99.9%		0.8ppt
Shareholders' equity (incl minority interest) <sup>(b)</sup>	1,252		1,096	14.2%
Solvency I ratio <sup>(b)</sup>	147.5%		122.5%	25.0ppt

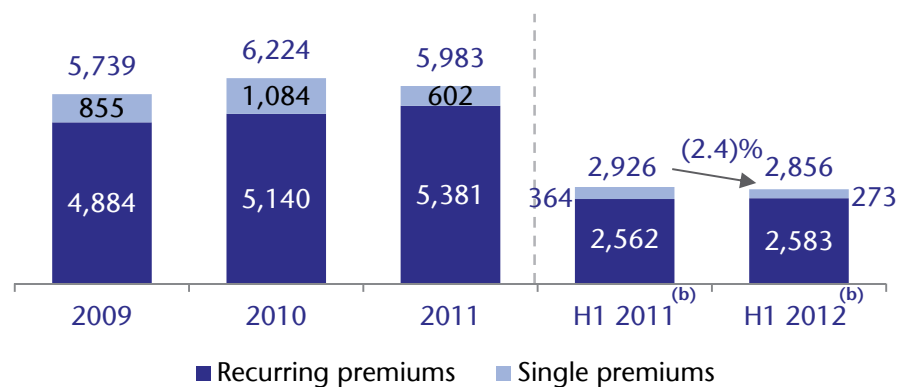
(a) Including savings position of premiums from unit- and index-linked life insurance

(b) Before completion of €500m capital increase. Pro-forma H1 2012 including €500m capital increase, shareholders' equity amounts to approximately €1,750m and Solvency I ratio is approximately 190%

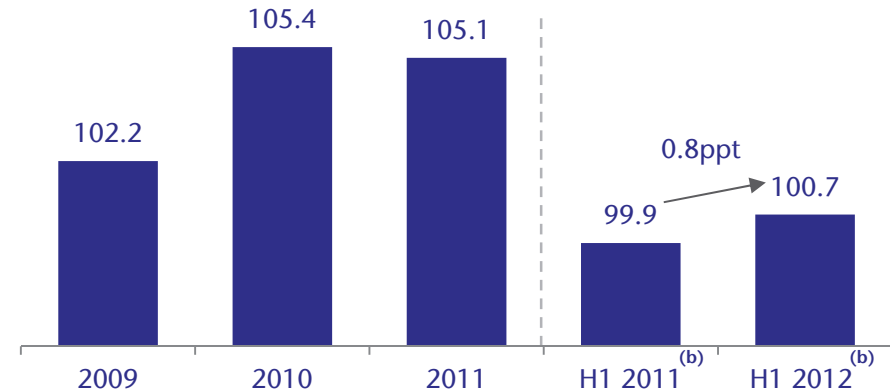
(c) Based on gross written premiums

# Financial snapshot

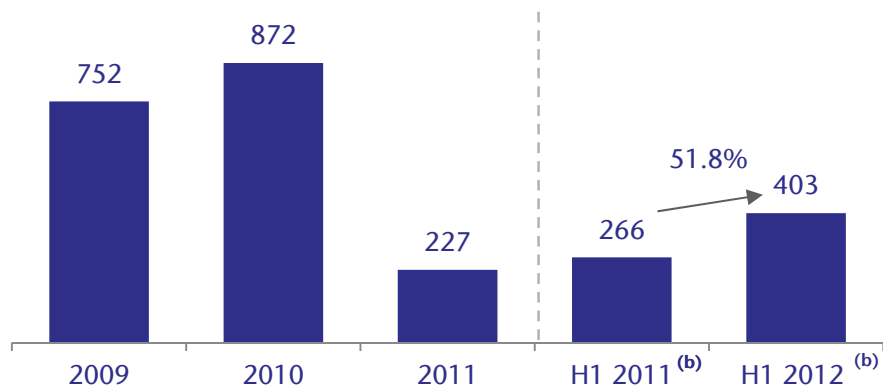
GWP<sup>(a)</sup> (€m)



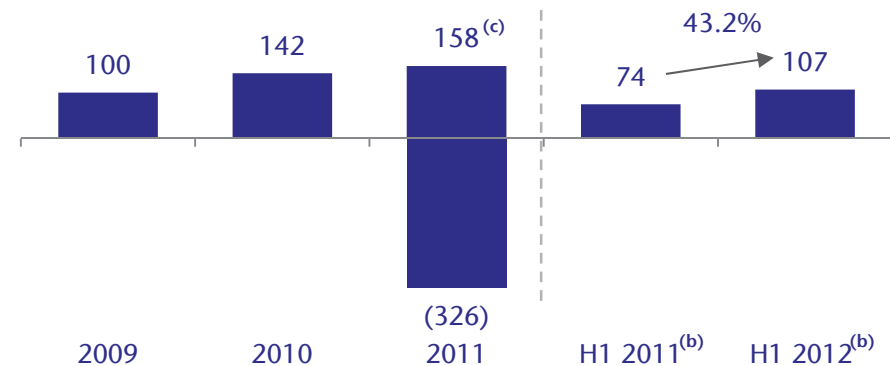
Combined ratio (net) (%)



Investment result (€m)



Earnings before tax (€m)



(a) Including savings portion of premiums from unit- and index-linked life insurance  
 (b) Excluding German Mannheimer Group

(c) Adjusted for Greek sovereign write-downs and restructuring costs

# Overview of key measures and initiatives

Rights issue 2012	<p>► <b>Strengthen balance sheet structure to capture short-term opportunities (buy-out of EBRD<sup>(a)</sup> minorities, M&amp;A) and finance organic growth</b></p> <ul style="list-style-type: none"> <li>• Rights issue of €500m successfully completed</li> </ul>	✓
Simplified corporate structure	<p>► <b>Clear and less complex Group structure as basis for UNIQA 2.0 success</b></p> <ul style="list-style-type: none"> <li>• Buy-out of EBRD minorities in CEE completed</li> <li>• Sale of German Mannheimer Group completed</li> <li>• Contribution in kind of stake in UNIQA Personenversicherung to be completed by October 2012</li> <li>• Creation of a new single entity “UNIQA Austria” by October 2012</li> </ul>	✓ ✓ on track on track
Priority programs	<p>► <b>Ongoing focus on cost optimisation and profitable growth as part of UNIQA 2.0 initiative</b></p> <ul style="list-style-type: none"> <li>• Restructuring of Austrian business to increase operating profitability</li> <li>• Increase of bancassurance productivity in Austria (Raiffeisen)</li> <li>• Optimisation of CEE platform to fully capture long-term growth trends</li> <li>• Optimise risk/return profile (exposure to Greece and Portugal already reduced to zero)</li> </ul>	on track
“Re-IPO”	<p>► <b>Funding of mid- to long-term growth and position for upcoming consolidation in core markets</b></p> <ul style="list-style-type: none"> <li>• Significant public offering envisaged</li> <li>• Leading to a substantial increase of the free float in UNIQA</li> </ul>	on track

(a) European Bank for Reconstruction and Development, transaction completed in June 2012



## Section 2

H1 2012 results

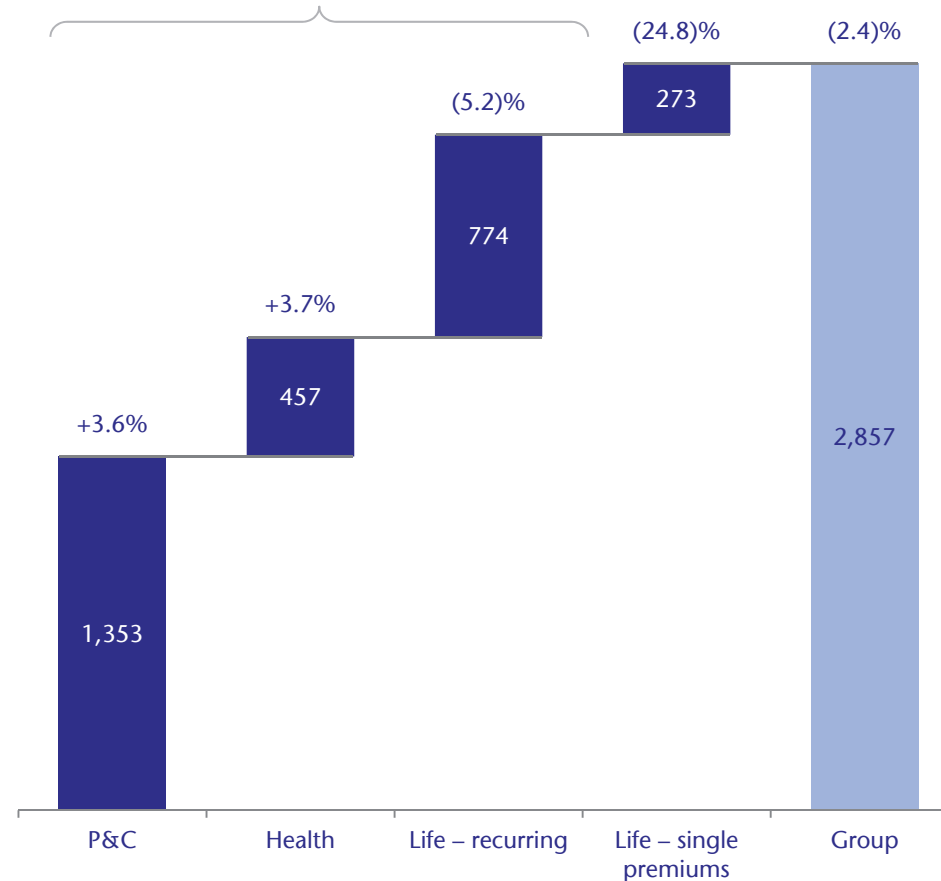


## Premium growth: business segments

- The premium volume written in property and casualty insurance grew by 3.6% to €1,353m
  - Premiums in Austria increased by 1.8% to €812m
  - Premium volume in CEE grew substantially by 4.2% to €456m
- The premium volume written in health insurance increased by 3.7% to €457m
  - In Austria, the premium volume grew by 2.7% to €422m
  - Internationally, premiums grew substantially by 17.6% to €35m
- In life insurance, the premium volume written decreased by 11.3% to €1,047m
  - Intentional decline in single premium business in Poland and also reduction in Italy due to the generally difficult economic situation
  - Strategy to focus on life insurance products that are more profitable in the long term and are at the same time optimised from a risk and capital perspective

Premiums by business segment (H1 2012 vs H1 2011) (€m)

Recurring premiums: €2,583m (+0.8%)

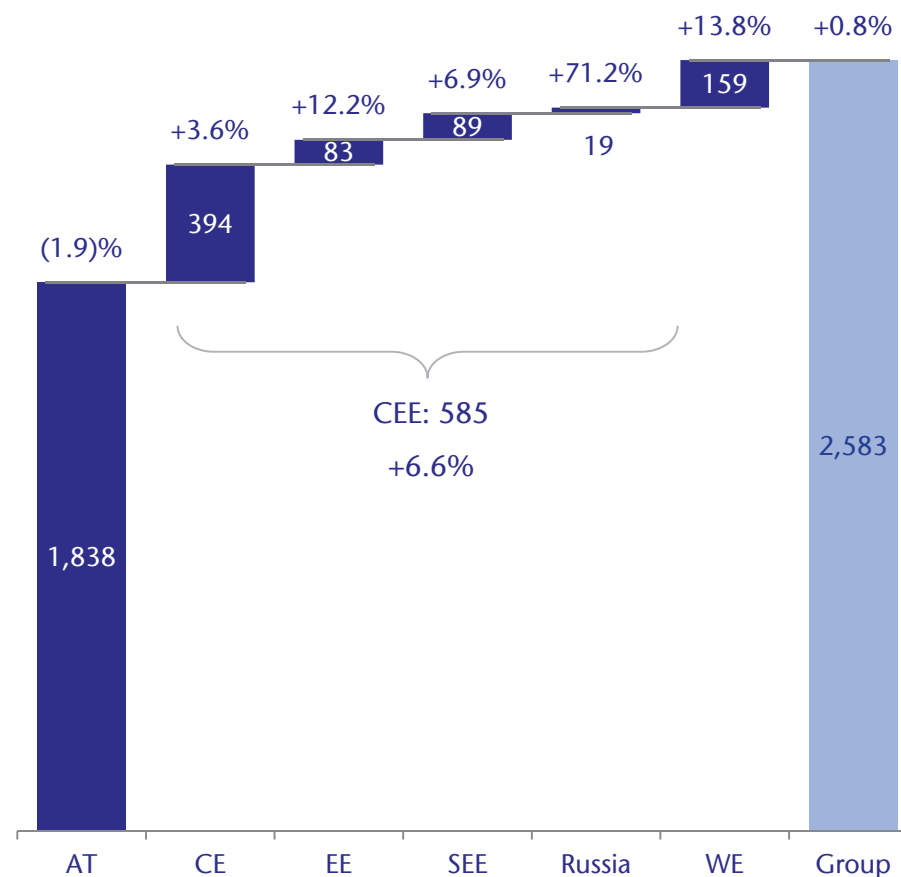


Note: Premiums written incl. the savings portion of premiums from unit- and index-linked life insurance

## Premium growth: regions

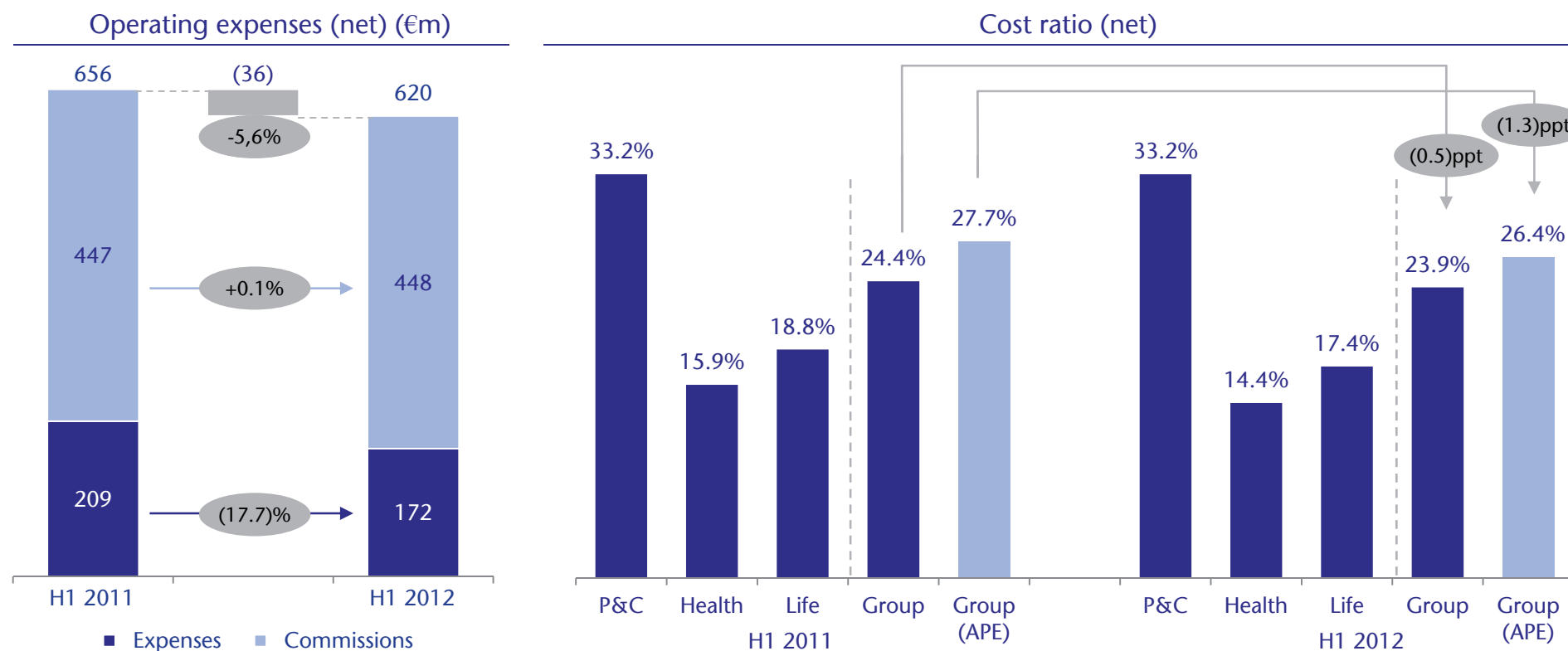
- In Austria, premiums written decreased by 2.0% to €1,897m due to lower single premiums in life insurance
  - Recurring premiums in Austria also declined by 1.9% to €1,838m
  - Single premiums declined by 5.2% to €58m due to the extension of the minimum term with tax privileges implemented during 2011
- In Central and Eastern Europe, premiums written increased marginally by 0.2% to €642m
  - Recurring premiums strongly increased by 6.6% to €585m
  - Single premiums declined significantly (especially in Poland) by 38.2% to €57m
- Premium volume in Western Europe (without Mannheimer Group) decreased by 9.3% to €317m due to a decrease in the Italian life insurance business
  - However, recurring premiums increased strongly in this region and rose by 13.8% to €159m
  - In contrast, single premiums declined by 24.7% to €158m

Recurring premiums by region (H1 2012 vs H1 2011) (€m)



Note: Premiums written incl. the savings portion of premiums from unit- and index-linked life insurance;  
 CE = Central Europe, EE = Eastern Europe, SEE = Southeastern Europe, WE = Western Europe

# Operating expenses

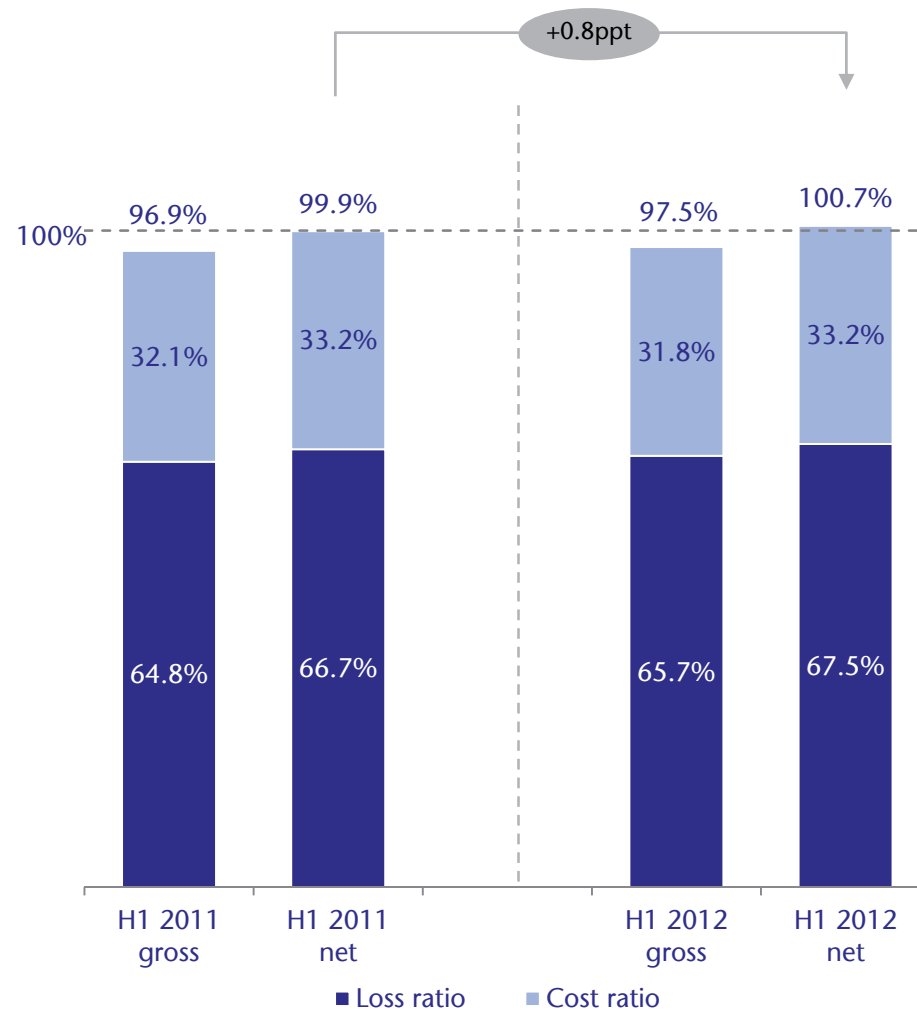


- Total operating expenses for the insurance business less reinsurance commissions received decreased by 5.6% to €620m
- Acquisition expenses remained stable at €448m
- Other operating expenses (administration costs) less reinsurance commissions received declined by 17.7% to €172m
- Due to the reduction of administration costs, the Group cost ratio decreased to 23.9%

Note: Figures in charts are net of the effect of reinsurance commissions and profit shares from reinsurance business ceded amounting to €21.1m

## Combined ratio (P&C)

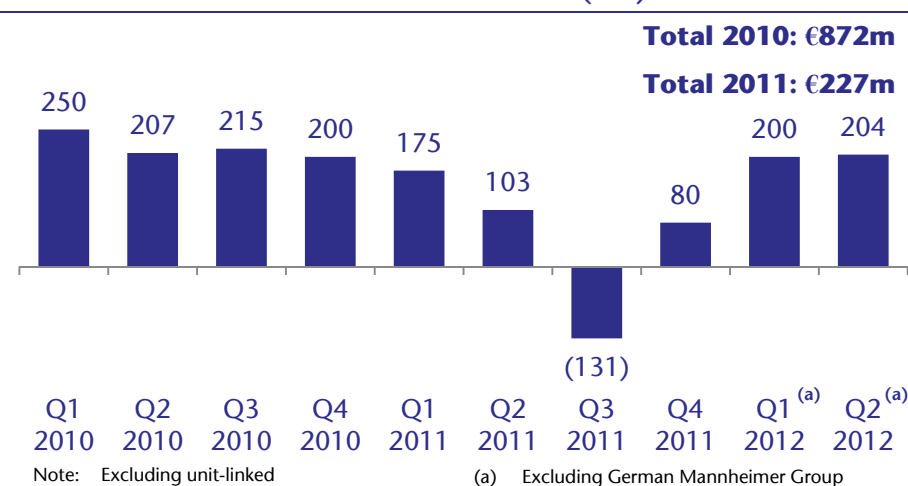
- Net claims ratio rose slightly (+0.8ppt) to 67.5% due to an increase in major claims and some NatCat claims
- Operating expenses stayed flat at the same level as in H1 2011
- The net combined ratio after reinsurance increased slightly in the 1st half-year 2012 to 100.7%
- The gross combined ratio increased correspondingly from 96.9% to 97.5%



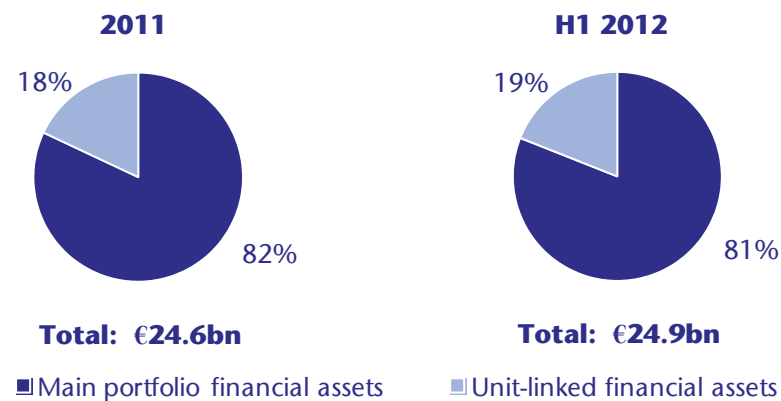
# Investment activity

- The net investment income increased by 51.8% to €403m due to good performance on capital markets
- The investment portfolio of the UNIQA Group amounted to €24.9bn at 30 June 2012, an increase of 1.0% compared to 31 December 2011

Investment revenues (€m)

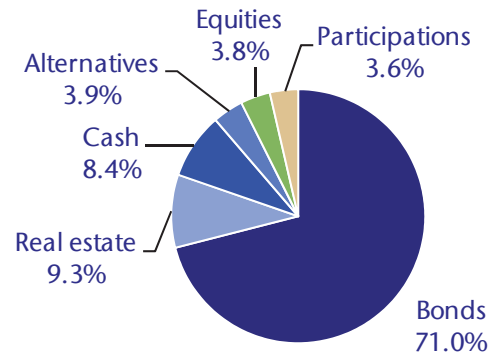


Investment breakdown

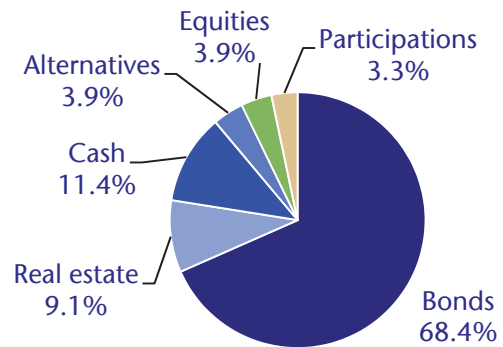


# Investment allocation

By product

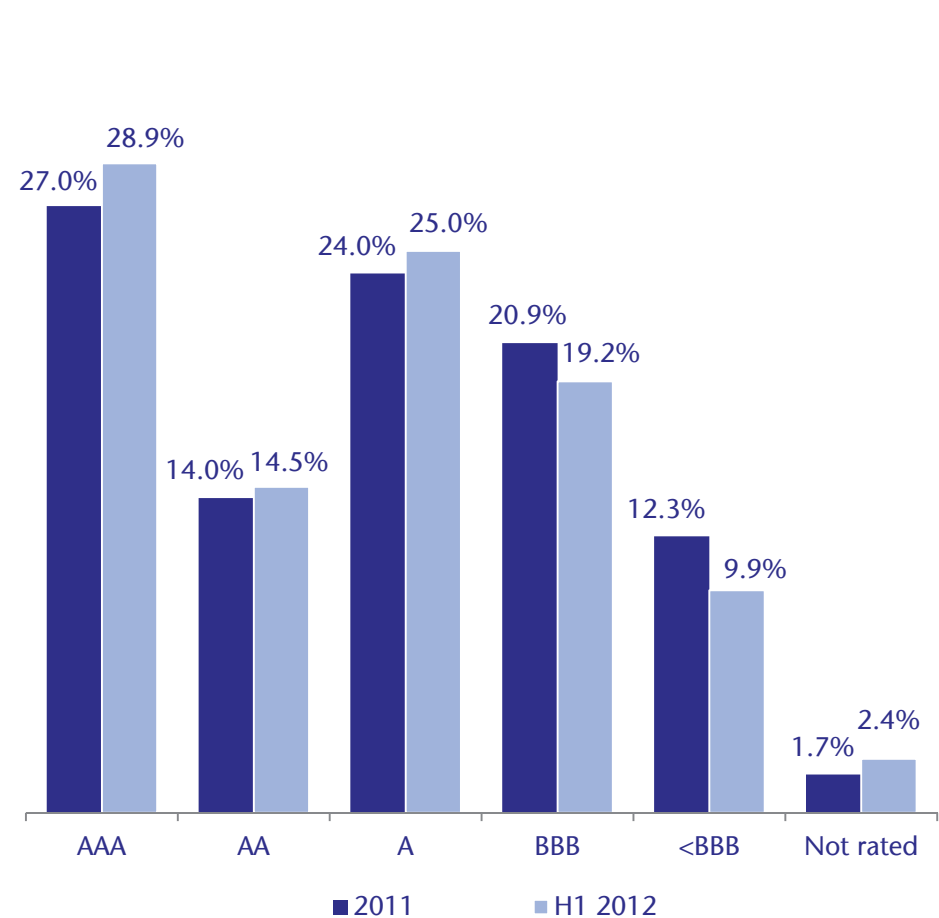


Total 2011: €20bn



Total H1 2012: €20bn

By rating



Note: Excluding unit-linked

## Reduced exposure to PIIGS

- Continued active de-risking in H1 2012 across countries
- Due to the participation of the private sector, UNIQA sold the majority of its holding in Greek debt instruments prior to the exchange opportunity and the rest in Q2 2012
- The Portuguese exposure was sold off at the beginning of Q2 2012
- Strong reduction in Italian government bonds

Issuer (€m)	Market value 30-Jun-2012	Acquisition costs 30-Jun-2012	Market value 31-Dec-11	Acquisition costs 31-Dec-2011
Portugal	0	0	56	102
Italy	636	727	790	943
Ireland	290	315	280	346
Greece	0	0	105	478
Spain	59	80	155	174
<b>Total</b>	<b>986</b>	<b>1,122</b>	<b>1,386</b>	<b>2,045</b>

Note: Only sovereign bonds

# Equity position (including minority interest)

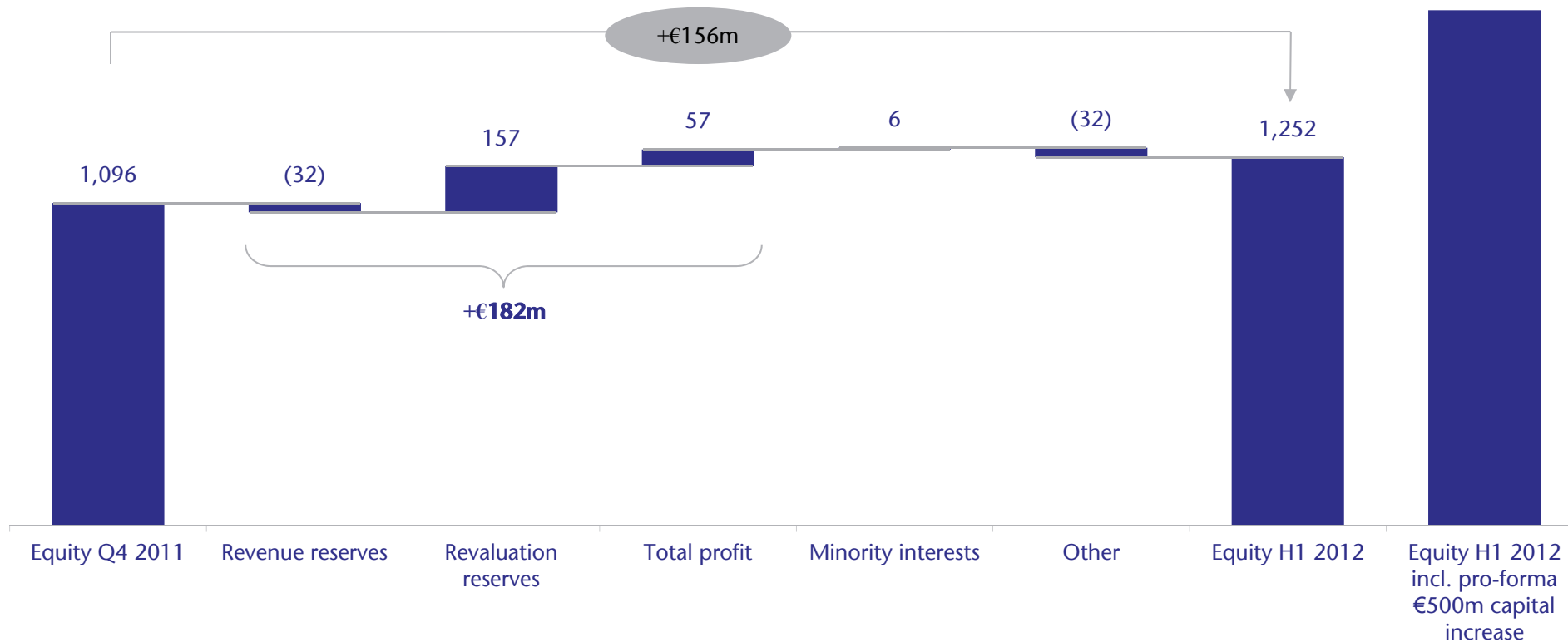
Solvency I ratio

123%

148%

~190%

In €m







## Section 3

Summary

## Outlook for H2 2012

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- Stable and sound underlying core operating business despite challenging market environment
- Continuing positive growth trend in P&C and Health partly offsets planned cutback of single premium business in Poland
- Building on a solid operating performance in our core business, we are well on track for 2012
- Ongoing focus on cost optimisation and profitable growth as part of UNIQA 2.0 initiative
- New Group structure and capital markets preparations well under way
  - Contribution in kind of stake in UNIQA Personenversicherung to be completed by October 2012
  - Preparation for Re-IPO ongoing



## Section 4

Your questions – Q&A

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