Supplementary Company Information

September 2013

UNIQA

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UNIQA Insurance Group AG

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The Group's New Operating Segments

Prior to January 1, 2013, the Group's operating segments in accordance with IFRS 8 were the Company's primary lines of business: Property and Casualty, Health and Life. The Company also reported financial results for the geographical regions Austria, CEE and Western Europe. As of January 1, 2013, in conjunction with the Company's long-term strategic program UNIQA 2.0 and reflecting the Company's steering of its operations, the Group's business operations were reorganized into the following five new operating segments in accordance with IFRS 8: UNIQA Austria, Raiffeisen Insurance, UNIQA International, Reinsurance and Group Functions and Consolidation. Consequently, beginning with the first quarter 2013, the Company manages the Group's business and publishes its results in line with such new operating segments. The Company also monitors the results of each line of business (Property and Casualty, Health and Life) within these new operating segments.

The following is a description of the five new operating segments:

- UNIQA Austria, which comprises UNIQA Österreich Versicherungen AG, Salzburger Landes-Versicherung AG and 50% of FINANCE LIFE Lebensversicherung AG.

- Raiffeisen Insurance, which comprises Raiffeisen Versicherung AG and 50% of FINANCE LIFE Lebensversicherung AG.

- UNIQA International, which comprises UNIQA International AG, UNIQA International Beteiligungs-Verwaltungs GmbH and primary insurance companies located in 18 countries. The results of UNIQA International are further subdivided into the following regions:

  – Central Europe (CE): Czech Republic, Hungary, Poland, Slovakia;

  – Southeastern Europe (SEE): Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Macedonia, Montenegro, Serbia;

  – Eastern Europe (EE): Romania, the Ukraine;

  – Russia (RU); and

  – Western Europe (WE): Italy, Liechtenstein and Switzerland (excluding reinsurance).

  UNIQA International AG and UNIQA International Beteiligungs-Verwaltungs GmbH are responsible for the management and administration of the Group's subsidiaries outside of Austria. Financial information related to such management activities is shown in the line item "Administration".

- Reinsurance, which comprises the reinsurance operation UNIQA Re in Switzerland and the reinsurance results of UNIQA Insurance Group AG as a single entity.

- Group Functions and Consolidation, which includes the results of UNIQA Insurance Group AG (excluding reinsurance), which serves Group administrative functions, other non-insurance holding and service companies and consolidation effects.

The following table shows the adjustments to profit on ordinary activities made in the course of the reclassification of the Group's former geographical reporting in effect prior to December 31, 2012 into its new geographical reporting in effect since January 1, 2013:

Profit on ordinary activities	**UNIQA Austria**	**Raiffeisen Insurance**	**UNIQA International**	**Reinsurance**	**Group Functions & Consolida-tion**(1)	**Total**
Amounts in EUR million	**As of December 31, 2012**					
	(unaudited)	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Austria	186.2	90.3	-44.1	-77.6	-2.2	152.6
CEE and Western Europe .	-	-	41.7	24.1	-3.3	62.5
New operating segments ...	187.8	60.4	1.9	-53.5	8.9	205.4

(1) The operating segments UNIQA Austria, Raiffeisen Insurance, UNIQA International and Reinsurance comprise only of entities that have insurance operations. Results generated from non-insurance related entities are included in the segment Group Functions and Consolidation. Notwithstanding the above, the operating segments UNIQA Austria, Raiffeisen Insurance, UNIQA International and Reinsurance also include dividends and interest income received from entities included in the segment Group Functions and Consolidation.

(Source: Company information)

The results relating to the former geographical region Austria are now presented under the new operating segments UNIQA Austria and Raiffeisen Insurance. As a result, of the profit on ordinary activities for the geographical region Austria in the amount of EUR 152.6 million as of December 31, 2012, (i) a profit on ordinary activities of EUR 186.2 million was allocated to UNIQA Austria; (ii) a profit on ordinary activities of EUR 90.3 million was allocated to Raiffeisen Insurance; (iii) a loss on ordinary activities of EUR 44.1 million was allocated to UNIQA International; (iv) a loss on ordinary activities of EUR 77.6 million was allocated to Reinsurance; and (v) a loss on ordinary activities of EUR 2.2 million was allocated to Group Functions and Consolidation.

The results relating to the former geographical regions CEE and Western Europe are now presented under the new operating segment UNIQA International. As a result, of the profit on ordinary activities for the geographical region CEE and Western Europe in the amount of EUR 62.5 million as of December 31, 2012, (i) a profit on ordinary activities of EUR 41.7 million was allocated to UNIQA International; (ii) a profit on ordinary activities of EUR 24.1 million was allocated to Reinsurance; and (iii) a loss on ordinary activities of EUR 3.3 million was allocated to Group Functions and Consolidation. The results of UNIQA International now also include the results relating to the management and administration of the Group's subsidiaries outside of Austria (which were previously included in the results of the geographical region Austria).

Financial years ending December 31, 2012 and December 31, 2011

The following table shows certain income statement line items for each operating segment for the financial years 2012 and 2011.

SEGMENT INCOME Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**		**Group Functions and Consolidation**		**Group**	
	Financial year ending December 31,											
	2012	**2011[(1)]**	**2012**	**2011[(1)]**	**2012**	**2011[(1)]**	**2012**	**2011[(1)]**	**2012**	**2011[(1)]**	**2012**	**2011[(1)]**
Gross premiums written	2,514.9	2,500.8	626.0	648.0	1,650.4	1,711.4	1,280.0	1,275.8	-1,207.2	-1,235.8	4,864.2	4,900.2
Premiums written (retained)	1,906.5	1,916.8	526.1	562.2	1,140.2	1,222.1	1,148.3	1,094.2	-70.4	-92.0	4,650.6	4,703.3
Change due to premiums earned (retained)	2.1	-0.2	0.4	-0.1	-18.2	-25.8	-51.8	-7.9	40.8	-4.3	-26.7	-38.4
Premiums earned (retained)	1,908.6	1,916.5	526.5	562.1	1,122.0	1,196.4	1,096.5	1,086.3	-29.7	-96.3	4,623.9	4,665.0
Income from fees and commissions	186.0	176.0	33.5	27.2	128.7	135.0	2.8	17.5	-315.3	-326.5	35.7	29.3
Net investment income	342.2	134.8	271.4	114.7	149.8	103.2	15.0	11.6	13.1	-162.4	791.5	201.8
Other income	3.5	5.9	2.0	3.0	19.9	23.2	3.6	0.8	17.5	43.9	46.6	76.8
Insurance benefits (net)	-1,618.9	-1,515.4	-577.0	-574.9	-771.5	-923.7	-833.3	-760.7	42.2	116.9	-3,758.5	-3,657.9
Operating expenses	-579.0	-653.9	-167.6	-195.2	-581.2	-506.6	-326.6	-366.2	299.3	279.8	-1,355.0	-1,442.1
Other expenses	-44.4	-44.5	-21.0	-17.2	-62.0	-56.6	-11.5	-14.8	16.0	-5.9	-123.0	-139.0
Amortization of goodwill	-2.0	-2.0	-0.7	-0.1	-22.2	-22.0	0.0	0.0	-0.1	-0.1	-24.9	-24.2
Operating profit/loss	**196.1**	**17.4**	**67.2**	**-80.4**	**-16.4**	**-51.1**	**-53.5**	**-25.6**	**43.1**	**-150.7**	**236.3**	**-290.3**
Financing costs	-8.3	-8.3	-6.8	-7.1	-0.1	-0.2	0.0	0.0	-15.7	-16.4	-31.0	-32.0
Profit/loss on ordinary activities	**187.8**	**9.1**	**60.4**	**-87.5**	**-16.6**	**-51.3**	**-53.5**	**-25.6**	**27.3**	**-167.0**	**205.4**	**-322.3**

Note:

(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

In the financial year 2012, UNIQA Austria's premiums earned (retained) decreased by 0.4%, or EUR 7.9million, to EUR 1,908.6 million, compared to EUR 1,916.5 million in the financial year 2011. Solid growth of the Property and Casualty business (an increase of 0.7% from EUR 688.2 million in 2011 to EUR 692.8 million in 2012) as well as the Health business (an increase of 2.6% from EUR 813.9 million in 2011 to EUR 835.4 million in 2012) could not compensate the decline in the Life business (a decrease of 8.5% from EUR 435.7 million in 2011 to EUR 398.6 million in 2012). The decline in Life business resulted mainly from a decrease in the single-premium business in Austria due to the extension of the minimum holding period to benefit from tax advantages in Austria from 10 to 15 years. This was also the main reason for the decrease in premiums earned (retained) in Raiffeisen Insurance, which decreased by 6.3%, or EUR 35.6 million, from EUR 562.1 million in the financial year 2011 to EUR 526.5 million in the financial year 2012. In UNIQA International, premiums earned (retained) decreased by 6.2%, or EUR 74.4 million, from EUR 1,196.4 million in the financial year 2011 to EUR 1,122.0 million in the financial year 2012 primarily as a result of a decline in the single-premium Life business in Poland, which was partially offset by an increase in the Property and Casualty business, primarily in the motor and corporate lines of business, of EUR 50.1 million. In Reinsurance, premiums earned (retained) increased by 0.9%, or EUR 10.2 million, from EUR 1,086.3 in the financial year 2011 to EUR 1,096.5 million in the financial year 2012 due to an increase in intra-Group reinsurance mainly from Austria, Italy, Poland and Romania. In Group

Functions and Consolidation, premiums earned (retained) increased by 69.2%, or EUR 66.6 million, from negative 96.3 million in the financial year 2011 to negative EUR 29.7 million due to the removal of the Mannheimer Group as a consolidated entity of the Group.

In UNIQA Austria, income from fees and commissions increased by 5.7%, or EUR 10.0 million, from EUR 176.0 million in the financial year 2011 to EUR 186.0 million in the financial year 2012. In Raiffeisen Insurance, income from fees and commissions increased by 23.0%, or EUR 6.3 million, from EUR 27.2 million in the financial year 2011 to EUR 33.5 million in the financial year 2012. The increase in income from fees and commissions in UNIQA Austria and Raiffeisen Insurance was primarily as a result of a new Life reinsurance treaty which was entered into in late 2011 and for which UNIQA Austria and Raiffeisen Insurance received the full benefit in 2012. In UNIQA International, income from fees and commissions decreased by 4.7%, or EUR 6.3 million, from EUR 135.0 million in the financial year 2011 to EUR 128.7 million in the financial year 2012, primarily resulting from an decrease in income from fees and commissions in the Italian Property and Casualty business. In Reinsurance, income from fees and commissions declined by 84.0%, or EUR 14.7 million, from EUR 17.5 million in the financial year 2011 to 2.8 million in the financial year 2012 primarily resulting from reduction of intercompany commission expenses between UNIQA Re and the Company, which also led to a lower commission expense in operating expenses. In Group Functions and Consolidation, income from fees and commissions increased by 3.4%, or EUR 11.2 million, from negative EUR 326.5 million in the financial year 2011 to negative EUR 315.3 million in the financial year 2012, due to the removal of the Mannheimer Group as a consolidated entity of the Group.

In the financial year 2012, the Group's net investment income increased by 292.2%, or EUR 589.7 million, from EUR 201.8 million to EUR 791.5 million, mainly resulting from an increase in the value of the Group's fixed-income and variable-yield instruments, driven by general upward trends in the capital markets.

In the financial year 2012, the UNIQA Austria's insurance benefits increased by 6.8%, or EUR 103.5 million, from EUR 1,515.4 million in the financial year 2011 to EUR 1,618.9 million in the financial year 2012. In Raiffeisen Insurance, insurance benefits increased by 0.3%, or EUR 2.1 million, from EUR 574.9 million in the financial year 2011 to EUR 577.0 million in the financial year 2012. These increases mainly resulting from higher expenditures in the Property and Casualty business in Austria. The higher expenditures were mainly due to an increased number of claims relating to natural disasters. On the other hand, insurance benefits decreased considerably in UNIQA International by 16.5%, or EUR 152.2 million, from EUR 923.7 million in the financial year 2011 to EUR 771.5 million in the financial year 2012 because of improved underwriting and reduced premiums earned in the single-premium Life business. In Reinsurance, insurance benefits increased by 9.5%, or EUR 72.6 million, from EUR 760.7 million in the financial year 2011 to EUR 833.3 million in the financial year 2012, primarily due to the increase in claims in UNIQA Austria. In Group Functions and Consolidation, insurance benefits decreased 63.9%, or EUR 74.7 million, from EUR 116.9 million to EUR 42.2 million in the financial year 2012 due to the removal of the Mannheimer Group as a consolidated entity of the Group and deferred profit participation in the Life business of EUR 46.2 million resulting from the elimination of intra-Group profits due to the sale of certain assets within the Group in 2011.

Operating expenses in UNIQA Austria decreased in the financial year 2012 by 11.5%, or EUR 74.9 million, from EUR 653.9 million in the financial year 2011 to EUR 579.0 million in the financial year 2012, mainly resulting from the higher operating expenses incurred in 2011 as a result of the restructuring of the Group (UNIQA 2.0). For the same reason, operating expenses in Raiffeisen Insurance decreased by 14.1%, or EUR 27.6 million, from EUR 195.2 million in the financial year 2011 to EUR 167.6 million in the financial year 2012. In UNIQA International operating expenses increased in the financial year 2012 by 14.7%, or EUR 74.6 million, from EUR 506.6 million in the financial year 2011 to EUR 581.2 million in the financial year 2012, mainly as a result of higher acquisition costs of EUR 40.2 million (mainly in the Czech Republic, Italy, Poland, Russia and the

Ukraine) and higher operating expenses of EUR 34.5 million (mainly from administration in Austria). In Reinsurance, operating expenses decreased by 10.8%, or EUR 39.6 million, from EUR 366.2 million in the financial year 2011 to EUR 326.6 million in the financial year ended 2012, due to the reduction of intercompany commission expenses on reinsurance. Expenses also decreased in Poland, Italy and Romania. In Group Functions and Consolidation, operating expenses increased by 7.0%, or EUR 19.5 million, from positive EUR 279.8 million in the financial year 2011 to positive EUR 299.3 million in the financial year 2012 due to a reduction in UNIQA Versicherungen AG following higher operating expenses incurred in 2011 in connection with UNIQA 2.0.

The following table shows selected financial data for each operating segment for the financial years 2012 and 2011.

SEGMENT SUPPLEMENTAL DATA Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**		**Group Functions and Consolidation**		**Group**	
	Financial year ending December 31,											
	2012	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**
Gross written premiums[2]	2,708.2	2,749.2	819.4	896.4	1,942.8	1,848.5	1,280.0	1,275.8	-1,207.2	-1,235.8	5,543.1	5,534.2
of which recurring premiums[3]	2,668.3	2,686.6	767.1	819.0	1,501.5	1,387.6	1,280.0	1,275.8	-1,207.2	-1,235.8	5,009.6	4,933.3
of which single premiums[3]	39.9	62.6	52.3	77.4	441.4	460.9	0.0	0.0	0.0	0.0	533.5	600.9
Annual premium equivalent (APE)[3][4]	2,672.3	2,692.9	772.3	826.8	1,545.6	1,433.7	1,280.0	1,275.8	-1,207.2	-1,235.8	5,063.0	4,993.4
Premiums earned retained[2]	2,087.4	2,147.8	705.2	793.4	1,414.3	1,328.3	1,138.4	1,086.3	-71.6	-91.2	5,273.8	5,264.7
Net investment income	342.2	134.8	271.4	114.7	149.8	103.2	15.0	11.6	13.1	-162.4	791.5	201.8
Profit/loss on ordinary activities	187.8	9.1	60.4	-87.5	-16.6	-51.3	-53.5	-25.6	27.3	-167.0	205.4	-322.3
Net profit/loss after minorities and taxes	-	-	-	-	-	-	-	-	-	-	130.2	-245.6
Shareholders' equity	-	-	-	-	-	-	-	-	-	-	1,995.3	875.9
Return on equity (ROE) after taxes and minority interests[2][5]	-	-	-	-	-	-	-	-	-	-	9.1%	-22.8%
Cost ratio (net after reinsurance)[2][3][6]	18.8%	22.2%	19.0%	21.2%	32.0%	28.0%	28.4%	32.1%	23.3%	51.2%	25.0%	26.8%
Solvency I ratio[3][7]	-	-	-	-	-	-	-	-	-	-	214.9%	122.5%
Technical provisions net (by operating segment)[2][8]	9,455.9	8,897.2	9,286.1	8,735.4	3,748.6	4,363.0	1,419.6	1,234.8	-150.9	-113.7	23,759.3	23,116.8

Notes:

(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

(2) Figures include savings portion of premiums from unit- and index-linked life insurance.

(3) Figures presented in this line item have not been audited.

(4) Annual premium equivalent is calculated as 100% recurring premiums plus 10% single premiums.

(5) Return on equity (ROE) after taxes and minority interests is calculated as net profit/loss after minorities and tax divided by average shareholder's equity.

(6) Cost ratio equals operating expenses divided by premiums earned (retained).

(7) Amounts indicated have been adjusted to eliminate amounts from segment internal transactions.

(8) Figures presented in this line-item are unconsolidated and net after reinsurance, both intra-Group and external, with respect to each operating segment.

(Source: Audited Consolidated Financial Statements, Company information)

The following tables show selected financial data of each operating segment within each product segment (Property and Casualty, Health and Life) for the financial years 2012 and 2011.

PROPERTY AND CASUALTY INCOME Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**
Gross premiums written	1,280.9	1,251.2	134.1	128.1	1,073.1	1,006.6	1,223.6	1,212.1
Premiums written (retained)	692.8	688.2	71.9	68.6	602.0	562.7	1,120.2	1,060.4
Change due to premiums earned (retained)	1.8	-0.4	0.4	-0.3	-14.7	-25.5	-51.8	-8.0
Premiums earned (retained)	694.6	687.8	72.3	68.3	587.3	537.2	1,068.4	1,052.3
Income from fees and commissions	180.0	172.3	19.1	18.3	121.1	127.1	0.5	16.1
Net investment income	44.0	21.9	-1.0	2.4	42.5	28.3	3.0	-0.1
Other income	3.2	5.4	1.2	0.2	10.5	11.5	3.2	0.4
Insurance benefits (net)	-477.3	-461.7	-47.5	-43.1	-343.5	-351.8	-805.5	-726.4
Operating expenses	-352.5	-369.7	-37.9	-39.1	-383.9	-345.2	-320.2	-361.2
Other expenses	-22.2	-24.4	-1.1	-1.7	-38.7	-33.5	-7.1	-10.5
Amortization of goodwill	0.0	0.0	0.0	0.0	-17.6	-17.6	0.0	0.0
Operating profit/loss	**69.8**	**31.6**	**5.2**	**5.4**	**-22.4**	**-44.1**	**-57.6**	**-29.4**
Financing costs	-2.1	-2.1	0.0	0.0	-0.1	-0.1	0.0	0.0
Profit/loss on ordinary activities	**67.7**	**29.5**	**5.2**	**5.4**	**-22.5**	**-44.3**	**-57.6**	**-29.4**

Notes:

(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

PROPERTY AND CASUALTY SUPPLEMENTAL DATA Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**
Gross written premiums(2)(4)	1,280.9	1,251.2	134.1	128.1	1,073.1	1,006.6	1,280.9	1,251.2
Premiums earned(2)(4)	694.6	687.8	72.3	68.3	587.3	537.2	694.6	687.8
Insurance benefits	477.3	461.7	47.5	43.1	343.5	351.8	477.3	461.7
Loss ratio(3) (5)	68.7%	67.1%	65.6%	63.0%	58.5%	65.5%	75.4%	69.0%
Operating expenses(2)	172.5	197.4	18.8	20.8	262.8	218.1	172.5	197.4
Cost ratio(2)(3)(6)	24.8%	28.7%	26.0%	30.4%	44.8%	40.6%	29.9%	32.8%
Combined ratio(3)	93.6%	95.8%	91.6%	93.5%	103.2%	106.1%	105.3%	101.8%
Net investment income	44.0	21.9	-1.0	2.4	42.5	28.3	44.0	21.9
Profit/loss on ordinary activities	67.7	29.5	5.2	5.4	-22.5	-44.3	67.7	29.5
Technical provisions net (by operating segment)(7)	696.0	721.8	73.5	73.2	658.8	849.8	696.0	721.8

Notes:

(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

(2) Figures presented in this line item are net figures after the effect of reinsurance.

(3) Figures presented in this line item have not been audited.

(4) Amounts indicated have been adjusted to eliminate amounts from segment internal transactions.

(5) Loss ratio equals insurance benefits divided by premiums earned (retained).

(6) Cost ratio equals operating expenses divided by premiums earned (retained).

(7) Figures presented in this line-item are unconsolidated and net after reinsurance, both intra-Group and external, with respect to each operating segment.

(Source: Audited Consolidated Financial Statements, Company information)

HEALTH INCOME Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**
Gross premiums written	835.4	813.9	0.0	0.0	73.8	66.3	1.3	1.3
Premiums written (retained)	835.0	813.5	0.0	0.0	69.8	59.8	1.3	1.3
Change due to premiums earned (retained)	0.8	0.0	0.0	0.0	-3.7	-0.8	-0.1	0.0
Premiums earned (retained)	835.8	813.5	0.0	0.0	66.0	59.0	1.2	1.4
Income from fees and commissions	0.0	0.0	0.0	0.0	0.2	0.4	0.0	0.0
Net investment income	95.2	32.6	0.0	0.0	1.6	1.4	0.0	0.0
Other income	0.2	0.3	0.0	0.0	2.3	2.1	0.0	0.0
Insurance benefits (net)	-719.1	-706.7	0.0	0.0	-44.0	-39.9	-0.7	-0.4
Operating expenses	-112.5	-121.8	0.0	0.0	-24.5	-21.6	-0.2	-0.4
Other expenses	-4.2	-5.0	0.0	0.0	-0.8	-0.6	0.0	0.0
Amortization of goodwill	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Operating profit/loss	**95.3**	**12.8**	**0.0**	**0.0**	**0.9**	**0.9**	**0.3**	**0.6**
Financing costs	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Profit/loss on ordinary activities	**95.3**	**12.8**	**0.0**	**0.0**	**0.9**	**0.9**	**0.3**	**0.6**

Notes:
(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

HEALTH SUPPLEMENTAL DATA Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**
Gross written premiums[2][4]	835.4	813.9	0.0	0.0	73.8	66.3	1.3	1.3
Premiums earned[2][4]	835.8	813.5	0.0	0.0	66.0	59.0	1.2	1.4
Insurance benefits	719.1	706.7	0.0	0.0	44.0	39.9	0.7	0.4
Operating expenses[2]	112.5	121.8	0.0	0.0	24.2	21.1	0.2	0.4
Cost ratio[2][5]	13.5%	15.0%	0.0%	0.0%	36.7%	35.8%	18.7%	29.1%
Net investment income	95.2	32.6	0.0	0.0	1.6	1.4	0.0	0.0
Profit/loss on ordinary activities	95.3	12.8	0.0	0.0	0.9	0.9	0.3	0.6
Technical provisions net (by operating segment)[6]	2,398.9	2,279.5	0.0	0.0	62.6	676.2	1.0	0.7

Notes:
(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").
(2) Figures presented in this line item are net figures after the effect of reinsurance.
(3) Figures presented in this line item have not been audited.
(4) Amounts indicated have been adjusted to eliminate amounts from segment internal transactions.
(5) Cost ratio equals operating expenses divided by premiums earned (retained).
(6) Figures presented in this line-item are unconsolidated and net after reinsurance, both intra-Group and external, with respect to each operating segment.
(Source: Audited Consolidated Financial Statements, Company information)

LIFE INCOME Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**	**2012**	**2011[1]**
Gross premiums written	398.6	435.7	491.9	519.9	503.6	638.6	55.1	62.3
Premiums written (retained)	378.7	415.1	454.2	493.6	468.4	599.6	26.8	32.4

LIFE INCOME Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**
Change due to premiums earned (retained)	-0.4	0.2	0.0	0.2	0.2	0.5	0.1	0.1
Premiums earned (retained)	378.2	415.3	454.2	493.8	468.7	600.2	26.9	32.5
Income from fees and commissions	6.0	3.7	14.4	9.0	7.4	7.4	2.3	1.4
Net investment income	203.0	80.3	272.5	112.3	105.8	73.5	11.9	11.7
Other income	0.1	0.2	0.8	2.8	7.1	9.6	0.4	0.5
Insurance benefits (net)	-422.4	-347.0	-529.5	-531.9	-384.0	-532.0	-27.0	-33.9
Operating expenses	-113.9	-162.4	-129.7	-156.1	-172.8	-139.7	-6.2	-4.7
Other expenses	-18.0	-15.1	-19.9	-15.6	-22.5	-22.4	-4.5	-4.3
Amortization of goodwill	-2.0	-2.0	-0.7	-0.1	-4.6	-4.4	0.0	0.0
Operating profit/loss	**31.0**	**-27.0**	**62.0**	**-85.8**	**5.1**	**-7.8**	**3.8**	**3.2**
Financing costs	-6.2	-6.2	-6.8	-7.1	0.0	0.0	0.0	0.0
Profit/loss on ordinary activities	**24.8**	**-33.2**	**55.2**	**-92.9**	**5.0**	**-7.9**	**3.8**	**3.2**

Notes:

(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

LIFE SUPPLEMENTAL DATA Amounts in EUR million	**UNIQA Austria**		**Raiffeisen Insurance**		**UNIQA International**		**Reinsurance**	
	Financial year ending December 31,							
	2012	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**	**2012**	**2011(1)**
Gross written premiums(2)(4)	398.6	435.7	491.9	519.9	503.6	638.6	55.1	62.3
Savings portion of premiums from unit-linked and index-linked life insurance	193.3	248.4	193.3	248.4	292.4	137.1	0.0	0.0
Premiums written including savings portion of premiums from unit-linked and index-linked life insurance	591.9	684.1	685.2	768.4	795.9	775.7	55.1	62.3
Recurring premiums(6)	552.0	621.5	633.0	691.0	354.6	314.8	55.1	62.3
Single premiums(6)	39.9	62.6	52.3	77.4	441.4	460.9	0.0	0.0
Annual premium equivalent(4)(5)(6)	556.0	627.8	638.2	698.7	398.7	360.8	55.1	62.3
Premiums earned(2)(4)(6)	557.0	646.6	632.9	725.1	761.0	732.1	26.9	32.5
Insurance benefits	-422.4	-347.0	-529.5	-531.9	-384.0	-532.0	-27.0	-33.9
Operating expenses(2)	-108.0	-158.6	-115.3	-147.1	-165.4	-132.3	-3.9	-3.2
Cost ratio(2)(3)(6)(7)	19.4%	24.5%	18.2%	20.3%	21.7%	18.1%	14.6%	9.9%
Net investment income	203.0	80.3	272.5	112.3	105.8	73.5	11.9	11.7
Profit/loss on ordinary activities	24.8	-33.2	55.2	-92.9	5.0	-7.9	3.8	3.2
Technical provisions net (by operating segment)(8)	6,360.9	5,896.0	9,212.5	8,662.2	3,027.2	2,837.0	238.4	233.0

Notes:

(1) Figures for the financial year ending December 31, 2011 have been adjusted in view of the IFRS 5 Adjustment 2011 (see "*Management's Discussion and Analysis of Financial Condition and Results of Operations—Limited Comparability of Financial Information—IFRS 5 Adjustment 2011*").

(2) Figures presented in this line item are net figures after the effect of reinsurance.

(3) Figures presented in this line item have not been audited.

(4) Amounts indicated have been adjusted to eliminate amounts from segment internal transactions.

(5) Annual premium equivalent is calculated as 100% recurring premiums plus 10% single premiums.

(6) Figures include savings portion of premiums from unit- and index-linked life insurance.

(7) Cost ratio equals operating expenses divided by premiums earned (retained).

(8) Figures presented in this line-item are unconsolidated and net after reinsurance, both intra-Group and external, with respect to each operating segment.

(Source: Audited Consolidated Financial Statements, Company information)

The following is an overview of the new regional split of UNIQA International:

Financial years ending December 31, 2012 and December 31, 2011

GEOGRAPHIC REGIONS INCOME	**Premiums earned (retained)**		**Net investment income**		**Insurance benefits (net)**		**Operating expenses**		**Profit/loss on ordinary activities**	
Amounts in EUR million	**Financial year ending December 31,**									
	2012	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**	**2012**	**2011**
	(un-audited)	*(un-audited)*	*(un-audited)*	*(un-audited)*	*(un-audited)*	*(un-audited)*	*(un-audited)*	*(un-audited)*	*(un-audited)*	*(un-audited)*
Western Europe (WE)	370.2	459.9	80.5	54.7	-324.7	-440.9	-101.2	-89.6	23.4	-4.2
Central Europe (CE)	447.8	477.2	41.3	32.0	-274.5	-315.9	-261.5	-251.1	21.1	11.0
Eastern Europe (EE)	116.4	98.9	10.8	5.4	-63.3	-68.3	-80.0	-63.1	-20.0	-40.5
Southeastern Europe (SEE)	145.0	133.9	16.1	12.0	-85.8	-84.3	-84.6	-79.1	2.1	-5.4
Russia (RU)	42.5	26.5	1.8	1.5	-23.3	-14.3	-20.7	-15.7	1.1	-1.9
Administration	0.0	0.0	-0.6	-2.4	0.0	0.0	-33.3	-8.0	-44.3	-10.3
Total	**1,122.0**	**1,196.4**	**149.8**	**103.2**	**-771.5**	**-923.7**	**-581.2**	**-506.6**	**-16.6**	**-51.3**

(Source: Company information)

In the financial year 2012, premiums earned (retained) in UNIQA International decreased by 6.2%, or EUR 74.4 million, from EUR 1,196.4 million in the financial year 2011 to EUR 1,122.0 million. In Western Europe, premiums earned (retained) decreased by 19.5%, or EUR 89.7 million, from EUR 459.9 million in the financial year 2011 to EUR 370.2 million in the financial year 2012 due to a reduction of single-premium Life business in Italy. In Central Europe, premiums earned (retained) decreased by 6.2%, or EUR 29.4 million, from EUR 477.2 million in the financial year 2011 to EUR 447.8 million in the financial year 2012 mainly as a result of a reduction of single-premium Life business in Poland which was partly offset by an increase in single premiums in index-linked life insurance in Poland. In Eastern Europe, premiums earned (retained) increased by 17.7%, or EUR 17.5 million, from EUR 98.9 million in the financial year 2011 to EUR 116.4 million in the financial year 2012 mainly resulting from an increase in business volume in the Ukraine (Life and Property and Casualty). In Southeastern Europe, premiums earned (retained) increased by 8.3%, or EUR 11.1 million, from EUR 133.9 million in the financial year 2011 to EUR 145.0 million in the financial year 2012 in line with market growth in the region. The strongest growth in premiums earned (retained) was generated in the Russian market, where premiums earned (retained) increased by 60.4%, or EUR 16.0 million, from EUR 26.5 million in the financial year 2011 to EUR 42.5 million in the financial year 2012 mainly due to a fast growing customer base and increasing productivity.

In the financial year 2012, insurance benefits (net) decreased by 16.5%, or EUR 152.2 million, from EUR 923.7 million in the financial year 2011 to EUR 771.5 million mainly due to a reduction of single-premium Life business in Italy and Poland resulting in a decrease of actuarial provisions. In Western Europe, insurance benefits (net) decreased by 26.4%, or EUR 116.2 million, from EUR 440.9 million in the financial year 2011 to EUR 324.7 million in the financial year 2012 due to the reduction of single-premium Life business in Italy. In Central Europe, insurance benefits (net) decreased by 13.1%, or EUR 41,4 million, from EUR 315.9 million in financial year 2011 to EUR 274.5 million in financial year 2012 as a result of the reduction of single-premium Life business in Poland. In Eastern Europe, insurance benefits (net) decreased by 7.3%, or EUR 5.0 million, from EUR 68.3 million in the financial year 2011 to EUR 63.3 million in the financial year 2012 due primarily to positive effects from the revaluation of reserves and the ongoing claims restructuring program. In Southeastern Europe, insurance benefits (net) increased by 1.8%, or EUR 1.5 million, from EUR 84.3 million in the financial year 2011 to EUR 85.8 million in the financial year 2012, which was in line with premium growth. In Russia, insurance benefits increased by 63.5%, or EUR 9.0 million, from EUR 14.3 million in the financial year 2011 to EUR 23.3 million in the financial year 2012 primarily due to the growth of the Group's Life insurance business.

In the financial year 2012, operating expenses increased by 14.7%, or EUR 74.6 million, from EUR 506.6 million in the financial year 2011 to EUR 581.2 million mainly as a result of higher acquisition costs of EUR 40.2 million (mainly in the Czech Republic, Italy, Poland, Russia and the Ukraine) and higher operating expenses of EUR 34.5 million (mainly from administration in Austria). In Western Europe, operating expenses increased by 12.9%, or EUR 11.6 million from EUR 89.6 million in financial year 2011 to EUR 101.2 million in financial year 2012 due to an increase in acquisition costs in Italy. In Central Europe, operating expenses increased by 4.1%, or EUR 10.4 million, from EUR 251.1 million in the financial year 2011 to EUR 261.5 million in the financial year 2012 primarily as a result of an increase of commissions (mainly in the Czech Republic and Poland) and cost inflation. In Eastern Europe, operating expenses increased by 26.8%, or EUR 16.9 million, from EUR 63.1 million in financial year 2011 to EUR 80.0 million in financial year 2012 due to the expansion of business volume in the Ukraine in 2012. In Southeastern Europe, operating expenses increased by 7.0%, or EUR 5.5 million, from EUR 79.1 million in the financial year 2011 to EUR 84.6 million in the financial year 2012 in line with business volume. In Russia, operating expenses increased by 32.0%, or EUR 5.0 million, from EUR 15.7 million in the financial year 2011 to EUR 20.7 million in the financial year 2012 due to an increase in commissions.

Retention Ratio

The retention ratio measures the volume of protection relative to gross written premium and indicates the proportion of written risks retained for the Group's risk. The table below shows the Group's retention ratios in Property and Casualty insurance for the six months ended June 30, 2013 and 2012 and for the financial years 2012, 2011 and 2010:

RETENTION RATIO IN PROPERTY AND CASUALTY (IN %)

	Six months ended June 30,		**Financial year ended December 31,**		
	2013	**2012**	**2012**	**2011**	**2010**
	(unaudited)			*(audited)*	
UNIQA Austria	[•]	53.7	54.1	55.0	56.8
Raiffeisen Insurance	[•]	53.6	53.6	53.6	53.4
UNIQA International	[•]	54.6	56.1	55.9	55.2
Reinsurance	[•]	87.2	91.6	87.5	91.7
Group Functions and Consolidation	[•]	9.8	5.9	7.3	9.3
Total	[•]	**94.4**	**95.0**	**95.2**	**94.8**

(Source: Company information)

UNIQA Austria, Raiffeisen Insurance and UNIQA International include all of the Group's operating subsidiaries that are primarily involved in the property and casualty insurance market. These subsidiaries are reinsured with significant quota share agreements and non-proportional treaties to strengthen their risk capital positions. This structure results in a retention level for these three subsidiaries of slightly above 50%.

UNIQA Insurance Group AG and UNIQA Re act as the primary reinsurers for the operating segments. Any external reinsurance cessions are therefore only reflected in the line item "Reinsurance" and subsequently also in the "Total" line item. The Group's retrocessions are for significant large claims and natural catastrophe events under non-proportional programs. As a result, Reinsurance and Group-level retention rates are higher than for other primary insurers. The Group believes that it has achieved a highly efficient retrocession program by internally sourcing reinsurance through UNIQA Re. This allows the Group to optimize risk capital, often through specialized reinsurance programs for its entities, and to take advantage of diversification effects. The Group's centralized reinsurance function also allows the Group to implement a Group-wide reinsurance policy and strategy. UNIQA Re also carries out periodic risk assessments to determine the reinsurance needs of the Group. Internal risk transfers are still subject to the same requirements and valuation processes in terms of efficiency measurement, risk capital optimization and diversification as retrocessions are to external reinsurance partners.

In 2012, retention at the Group level decreased by 0.2%, from 95.2% in the financial year 2011 to 95.0% in the financial year 2012. There are two main reasons for the increase in ceded premium. First, the frequency cover was paid for the whole year. Second, although the Group sold its shareholding in the Mannheimer Group mid-year 2012, UNIQA Re remained its reinsurer for the entire year. To avoid any negative effects on the profit and loss account during the second half of 2012, coverage of Mannheimer was protected with external reinsurers. As a result of implementing UNIQA 2.0, improvements on reinsurance increased by EUR 1 million from 2011 to 2012.

In 2011, retention at the Group level increased by 0.4%, from 94.8% in the financial year 2010 to 95.2% in the financial year 2011. This increase reflects initial results of changes to risk and capital strategy. Due to the size of UNIQA Re, non-proportional treaty coverage was able to be increased. This reduced external cessions by approximately EUR 6 million. As a result of implementing UNIQA 2.0, improvements on reinsurance increased by EUR 3.7 million from 2010 to 2011.

Loss Reserves and Development in the Property and Casualty Business

Loss Reserves

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

In accordance with industry practice as well as accounting and regulatory requirements, the Group maintains provisions to cover anticipated future claims payments and related administrative expenses with respect to losses or injuries incurred but not fully settled at the end of any year. These include both losses and injuries that:

- have been reported to the Group (RBNS), and
- that have not yet been reported (IBNR).

Claims provisions represent estimates of the ultimate cost, including related expenses, to bring all pending and incurred, but not reported, claims to final settlement. These estimates are based on actuarial and statistical projections and assumptions, including the time required to identify and settle claims, facts and circumstances known at a given time, as well as estimates of trends in claims severity. The estimates are also based on other variable factors, including changes in the legal and regulatory environment, results of litigation, changes in medical costs, the cost of repairs and replacement, and general economic conditions as far as such factors can be determined at the evaluation date.

Loss reserves for claims reported by the balance sheet date are based on actuarial methods used to estimate future claims expenditure including expenses associated with loss adjustment. They are recognized according to best estimate principles with the amount that will probably be utilized. In order to measure the "ultimate liability", the expected ultimate loss is calculated for all lines of Non-Life insurance with the aid of actuarial methods (e.g., chain ladder and Bornhuetter Ferguson). The development of a claim until settlement is projected on the basis of statistical triangles.

Loss reserves associated with new underwriting are best current estimates at a given point in time of what an insurer expects to pay to claimants and the cost of claims settlement, based on facts and circumstances known, and as such, are inherently uncertain. A considerable period of time may elapse between the occurrence of an insured loss, notification by the insured and pro-rata payment of the loss by the insurer. During the loss adjustment period, which may cover many years in some cases, the inherent uncertainty associated with these accident years declines as the Group learns additional facts regarding individual claims and potential future claims, and consequently it often becomes necessary to refine and adjust its estimates of liability. The Group reflects any adjustments to its liabilities for losses and settlement expenses in its operating results in the period in which the changes in estimates are made. The difference between last year's estimate and the current appraisal of the reserve is expressed in terms of a run-off result.

The realistically estimated future settlement amount ("best estimate"), calculated in principle on the basis of the information available at the due date, is therefore brought to account. This estimate draws on past experience and assumptions as to the future development, taking account of market information. The amount of the reserves and their allocation to occurrence years are determined using established non-life actuarial methods.

Reserves for claims that have occurred but not yet been notified at the balance sheet date are constituted in the same way as reserves for claims that have already occurred. The Group draws on empirical values adjusted according to historic observations and other relevant factors. These reserves are constituted using actuarial and statistical models of the expected costs for final settlement and handling of claims. The analyses are based upon currently known facts and circumstances, projections of future events, estimates of the future inflationary trend as well as other social and economic factors. The latest trends observed in claim notifications, the extent of losses and increases in risk are also considered.

For major losses, sufficient statistical data is not available. In these instances appropriate reserves are established after analysis of the portfolio exposed to such risks and, as appropriate, after individual scrutiny. These reserves represent the best estimates in such cases

The Group established a Group-wide calculation of "best estimate"-reserves for claims outstanding starting with the year 2003. The Group uses an internally developed tool which supports the standard actuarial methods as described above. Over the last three years, there has been no material change in significant reserve assumptions.

With the exception of a few reserves (e.g. annuities), the loss and loss adjustment expense reserves are not discounted. The impact of future inflation is already implicitly taken into account in the calculation model.

Despite the inherent uncertainties of estimating loss and settlement expense reserves, Management believes that the Group's reserves are being calculated in accordance with sound actuarial practices and, based upon current information, that the reserve for losses and settlement expenses at June 30, 2013 represents Management's best estimate of the Group's overall liability.

Loss and Loss Adjustment Expense Reserve by Segments

The following table shows the loss and loss adjustment expense reserves (gross, after consolidation) of the Non-Life business for the Group's operating segments as of June 30, 2013 and December 31, 2012, 2011 and 2010:

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

in EUR million	**As of December 31,**		
	2012	**2011**	**2010**
		(audited)	
UNIQA Austria	1,220.0	1,177.0	1,150.6
Raiffeisen International	120.4	112.8	108.3
UNIQA International	613.9	826.1	797.9
Reinsurance	1,060.0	944.4	844.8
Group Functions and Consolidation	-957.4	-902.6	-806.4
Total	**2,057.0**	**2,157.7**	**2,095.3**

(Source: Company information)

Comparison of the Financial Years Ending December 31, 2012, 2011 and 2010

As of December 31, 2012, the Group's loss and loss adjustment expense reserves (gross) decreased by 4.7%, or EUR 100.7 million, from EUR 2,157.7 million as of December 31, 2011 to EUR 2,057.0 million. The decrease in loss and loss adjustment expense reserves is primarily due to a decrease in reserves in UNIQA International, which is primarily driven by the sale of Mannheimer. After the sale of the Mannheimer Group, the Mannheimer Group was recognized as an external reinsurance cedent, which resulted in an increase in reserves in Reinsurance. Excluding Mannheimer, loss and loss adjustment expense reserves in UNIQA International would have been EUR 1,882.2 million in 2011, which reflects the growth of the Group's operations in Central and Eastern Europe. Reserves in UNIQA Austria increased primarily due to smaller catastrophic events and large extraordinary claims.

As of December 31, 2011, the Group's loss and loss adjustment expense reserves (gross) increased by 3.0%, or EUR 62.4 million, from EUR 2,095.3 million as of December 31, 2010 to EUR 2,157.7 million. This increase is generally in line with the growth of the Group's underlying Non-Life portfolio.

Reconciliation of Loss and Loss Adjustment Expense Reserve

LOSS AND LOSS ADJUSTMENT EXPENSE RESERVES

in EUR million	2012			2011			2010		
	Gross	**Reinsur-ance ceded**	**Net**	**Gross**	**Reinsur-ance ceded**	**Net**	**Gross**	**Reinsur-ance ceded**	**Net**
Balance at January 1	**2,157.7**	**193.7**	**1,964.0**	**2,095.3**	**223.3**	**1,872.0**	**2,028.4**	**281.3**	**1,747.0**
Change in consolidated group	-214.8	-32.1	-182.7	0.0	0.0	0.0	0.0	0.0	0.0
Portfolio entries/withdrawals	0.0	0.0	0.0	0.0	-0.1	0.1	0.0	-1.0	1.0
Plus incurred claims and claims expenses (net)									
Year under review ...	1,527.1	32.0	1,495.1	1,735.2	29.8	1,703.4	1,783.0	23.5	1,760.0
Previous years	-69.2	9.5	-78.7	-61.4	-3.4	-58.0	-60.8	-0.8	-60.0
Total	**1,457.9**	**41.5**	**1,416.4**	**1,673.9**	**26.4**	**1,645.4**	**1,722.2**	**22.7**	**1,700.0**
Less claims and claims expenses paid (net)									
Year under review ...	-764.9	-8.5	-756.4	-897.4	-14.3	-883.0	-955.9	-9.7	-946.2
Previous years	-594.5	-47.3	-547.2	-689.7	-40.2	-649.5	-690.8	-70.3	-620.5
Total	**-1,359.4**	**-55.8**	**-1,303.5**	**-1,587.1**	**-54.5**	**-1,532.5**	**-1,646.6**	**-79.9**	**-1,566.7**
Other changes	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Currency exchange rate differences	15.5	1.0	14.5	-24.4	-1.4	-22.9	-8.6	0.3	-8.9
Balance at December 31...........	**2,057.0**	**148.3**	**1,908.6**	**2,157.7**	**193.7**	**1,964.0**	**2,095.3**	**223.3**	**1,872.0**

(Source: Company information)

Loss Reserve Development

The Group uses claims-triangles to establish the loss reserves on a gross basis. Therefrom a correlation between loss occurrence year and the loss run-off year can be established. For every occurrence year it is then possible to track the development of the losses paid and the loss adjustment reserve, i.e. the claims development. The following tables present the claims development on gross and net basis.

The tables show the changes made over time in the established loss reserve as at each due date, due to payments made and changes in the outstanding claims. The difference between the initial loss reserve and the claims incurred (payments made plus changes in the loss reserve) present the run-off result for the observation period.

The figures show the values of the primary incurrence companies and additionally the small part of indirect business which is run by UNIQA Insurance Group AG. All figures are shown after the elimination of intra-Group transactions. Furthermore, the figures are shown after giving effect to the sale of Mannheimer in 2012. Other subsidiaries which were acquired during the financial year 2012 are shown with their historic amounts.

The foreign currency run-off triangles returned by the various reporting units are translated into euros at the rates of exchange on the balance sheet date, so as to allow run-off results to be presented at constant exchange rates. In cases where the original loss estimate corresponds to the actual final loss in the original currency, efforts are taken to avoid a purely indexed run-off result being returned even after the figure has been translated into the Group reporting currency (euro).

The following table shows the calendar year development of the loss reserves of the Group's Property and Casualty insurance operations. Amounts presented are on a net basis with (i) a reconciliation of the net loss reserves to the gross amounts and (ii) disclosure of the gross re-estimated loss reserves and the related re-estimated reinsurance receivables.

In evaluating the table, it should be noted that each cumulative redundancy/(deficiency) amount includes the effects of all changes in reserves from prior periods. Conditions and trends that have affected development of the liability in the past may not necessarily occur in the future. Accordingly, it may not be appropriate to project future development of reserves based on this table.

PROPERTY AND CASUALTY SIX YEAR NET LOSS RESERVE DEVELOPMENT WITH SUPPLEMENTAL GROSS DATA IN PRIMARY INSURANCE SEGMENTS(1)

in EUR million	2006	2007	2008	2009	2010	2011	2012
Cumulative payments for the year in question							
At the end of the year	554.4	582.3	671.6	711.1	773.1	731.5	752.1
One year later	841.5	905.5	1,015.4	1,057.8	1,145.7	1,084.6	
Two years later	921.0	985.9	1,104.2	1,146.7	1,237.5		
Three years later	958.4	1,027.3	1,149.4	1,187.7			
Four years later	981.6	1,060.6	1,173.9				
Five years later	994.5	1,078.1					
Six years later	1,005.9						
Loss and loss adjustment expense reserve (net) for the year in question, plus payments made to date on the original reserve							
At the end of the year	1,087.6	1,163.5	1,259.5	1,313.8	1,417.3	1,385.8	1,491.7
One year later	1,090.8	1,142.4	1,250.6	1,302.8	1,414.8	1,379.2	
Two years later	1,074.6	1,143.9	1,262.6	1,311.2	1,422.2		
Three years later	1,071.8	1,143.3	1,267.1	1,307.6			
Four years later	1,068.8	1,152.0	1,264.8				
Five years later	1,065.7	1,159.8					
Six years later	1,063.4						
Run-off result(2)	2.2	(7.8)	2.3	3.6	(7.4)	6.6	-
Net cumulative redundancy/(deficiency)	24.2	3.7	(5.3)	6.2	(4.9)	6.6	0.0
Net cumulative redundancy/(deficiency) (in %)	2.2%	0.3%	0.4%	0.5%	0.3%	0.5%	0.0%
Gross liability—end of year	1,137.2	1,230.1	1,338.0	1,458.3	1,445.7	1,418.0	1,524.2
Reinsurance recoverables	49.6	66.6	78.5	144.5	28.4	32.2	32.5
Net liability—end of year	1,087.6	1,163.5	1,259.5	1,313.8	1,417.3	1,385.8	1,491.7
Gross re-estimated liability—latest	1,112.6	1,222.9	1,337.5	1,457.9	1,451.0	1,420.2	
Re-estimated reinsurance recoverables—latest	49.2	63.1	72.7	150.3	28.8	41.0	
Net re-estimated liability—latest	1,063.4	1,159.8	1,264.8	1,307.6	1,422.2	1,379.2	
Gross cumulative redundancy/(deficiency)	24.6	7.2	0.5	0.4	(5.3)	(2.2)	
Gross cumulative redundancy/(deficiency) (in %)	2.2%	0.6%	0.0%	0.0%	0.4%	0.2%	

Notes:

(1) The 7-year table excludes loss reserves and its run-off related to Mannheimer, which was sold in 2012. The net reserves related to this business for the years 2006 through 2011 were as follows: in 2006, EUR 201 million; in 2007, EUR 213 million; in 2008, EUR 204 million; in 2009, EUR 240 million; in 2010, EUR 232 million; in 2011, EUR 240 million. As this business was sold in 2012, there were no gross reserves as of December 31, 2012.

(2) Run-off result is presented here as the difference of the loss and loss adjustment expense reserve (net) amounts for the final two years of each of the periods shown.

(Source: Company information)

GOVERNMENT BONDS (EXPOSURE TO SELECTED COUNTRIES)

	As of June 30,		**As of December 31,**					
	2013		**2012**		**2011**		**2010**	
Amounts in EUR million	**Market values** *(unaudited)*	**Nominal values** *(unaudited)*	**Market values** *(audited)*	**Nominal values** *(audited)*	**Market values** *(audited)*	**Nominal values** *(audited)*	**Market values** *(audited)*	**Nominal values** *(audited)*
Austria			1,580.2	1,440.8	718.8	686.1	250.0	236.0
Germany			246.8	223.5	217.2	197.0	484.1	516.6
Romania			321.0	306.8	179.1	182.5	125.3	108.2
Poland			689.3	640.2	367.3	396.5	310.2	306.4
United Kingdom			30.0	27.0	0.0	0.0	0.0	0.0
United States			57.4	56.8	40.4	38.6	55.8	59.9
GIIPS Nations								
Greece			0.0	0.0	105.3	480.3	319.4	507.7
Italy			671.8	705.2	789.8	948.2	883.1	918.0
Ireland			197.3	192.9	279.6	346.4	257.3	346.4
Portugal			0.0	0.0	56.2	103.0	84.0	103.0
Spain			68.3	85.5	155.0	170.4	154.2	173.5
Total government bonds			**5,982.3**	**5,588.3**	**4,316.8**	**4,978.9**	**4,636.7**	**4,989.4**

(Source: Audited Consolidated Financial Statements, Interim Consolidated Financial Statements, Company information)

The following table shows the asset duration of the Group's Life and Health fixed income assets as of June 30, 2013 and December 31, 2012, 2011 and 2010 in Austrian Group companies:

FIXED INCOME SECURITIES ASSET DURATION

in years	**As of June 30, 2013**	**As of December 31, 2012**	**2011**	**2010**
High grade	7.7	7.4	5.8	6.7
Corporate	3.3	3.6	2.8	2.9
Emerging market	5.7	5.2	3.7	3.4
High yield	2.7	3.1	2.6	2.4
Total return	2.5	3.3	3.5	4.2
Liquidity	0.4	0.4	0.5	0.9
Total fixed income	5.6	5.4	4.1	4.7

(Source: Company information)

Alternative Investments

The following table shows the book value of the Group's alternative investments as of June 30, 2013 and December 31, 2012, 2011 and 2010:

ALTERNATIVE INVESTMENTS

	As of June 30,	**As of December 31,**		
	2013	**2012**	**2011**	**2011**
Amount in EUR millions	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Private equity investments		382.8	369.0	378.3
Hedge fund investments		257.1	412.3	481.0
Total		**639.9**	**781.3**	**859.3**

(Source: Company information.)

Equities

The following table shows the book value of the Group's equity investments by type as of June 30, 2013 and December 31, 2012, 2011 and 2010:

EQUITY INVESTMENTS

	As of June 30,	**As of December 31,**		
	2013	**2012**	**2011**	**2011**
Amount in EUR millions	*(unaudited)*	*(unaudited)*	*(unaudited)*	*(unaudited)*
Europe		391.3	475.7	438.6
America		27.0	32.8	48.1
Asia		9.1	11.1	26.8
International		18.2	22.2	4.9
Emerging markets		10.3	12.5	32.1
Total returns		179.2	217.8	158.2
Others		17.6	21.3	208.9
Total		**652.6**	**793.3**	**917.6**

(Source: Audited Consolidated Financial Statements;Interim Consolidated Financial Statement; Company information)

Principal Investments in Land and Buildings held as Financial Investments

The following table shows the Group's investments in land and buildings by geography as of June 30, 2013 and December 31, 2012, 2011 and 2010:

REAL ESTATE INVESTMENTS

	As of June 30,	**As of December 31,**		
Amounts in EUR million	**2013**	**2012**	**2011**	**2010**
	(unaudited)	*audited unless otherwise indicated)*	*audited unless otherwise indicated)*	*audited unless otherwise indicated)*
Real estate investments		1,690.8	1,567.0	1,465.3
In Austria [(1)]		1,525.7	1,386.4	1,271.8
Other [(1)]		165.0	180.5	193.4
Market value		2,349.5	2,290.9	2,158.3

Note:

(1) Figures presented in this line are unaudited.

(*Source: Audited Consolidated Financial Statements;Interim Consolidated Financial Statement; Company information*)

BUSINESS

Overview

UNIQA is the second largest composite insurer in Austria and one of the leading international insurance groups and across CEE based on gross premiums written of EUR 5,543.1 million in 2012 (including the savings portion of unit-linked and index-linked life insurance). The Group is active in all lines of the insurance business and organizes its operations in three product segments: Property and Casualty insurance, Life insurance and Health insurance.

The Group is active in 16 core markets in Austria and CEE, as well as in Italy. UNIQA is the second largest insurance group in Austria, with a market share of 21.6% in 2012 (source: VVO data 2012), and ranks as the sixth largest insurance group in CEE based on gross written premiums in 2012 (source: Company information). The focus of UNIQA's international activities is on CEE where the Group has operations in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Macedonia, Montenegro, Poland, Romania, Russia, Serbia, Slovakia and the Ukraine, with top-five market positions in seven countries. To a lesser extent, the Group is also active in Western Europe. UNIQA's largest regional markets based on premiums earned are Austria, Italy, Poland and the Czech Republic.

Prior to January 1, 2013, the Group's operating segments in accordance with IFRS 8 were the Company's primary lines of business: Property and Casualty, Health and Life. The Company also reported financial results for the geographical regions Austria, CEE and Western Europe. As of January 1, 2013, in conjunction with the Company's long-term strategic program UNIQA 2.0 and reflecting the Company's steering of its operations, the Group's business operations were reorganized into the following five new operating segments in accordance with IFRS 8: UNIQA Austria, Raiffeisen Insurance, UNIQA International, Reinsurance and Group Functions and Consolidation. Consequently, beginning with the first quarter 2013, the Company manages the Group's business and publishes its results in line with such new operating segments. The Company also monitors the results of each line of business (Property and Casualty, Health and Life) within these new operating segments. The Group's insurance operations in Austria are conducted through UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG, while its international operations are organized under UNIQA International AG. UNIQA International is split into the following operating regions Central Europe, Eastern Europe, Southeastern Europe, Russia and Western Europe. The Reinsurance segment comprises the reinsurance operation UNIQA Re in Switzerland and the reinsurance activities of UNIQA Insurance Group AG. Group Functions and Consolidation includes the non-insurance related activities of UNIQA Insurance Group AG, which performs the Group's administrative functions, and of other non-insurance holding and service companies. For further details on the Group's new segmentation, please refer to "*Management's Discussion and Analysis of Financial Condition and Results of Operations—The Group's New Operating Segments*".

UNIQA has focused primarily on serving retail and SME customers. In connection with UNIQA 2.0, UNIQA is expanding its corporate customer base, particularly in CEE. UNIQA offers its products and services through all customary sales and distribution channels, including its own sales force, exclusive agencies, brokers, bancassuarance and direct sales. The Group particularly benefits from its longstanding and recently formalized bancassuarance cooperation and distribution partnership with the Raiffeisen Banking Group in Austria and with Raiffeisen Bank International AG across CEE. For additional information, see "*Business—Material Contracts—Cooperation and Joint Venture Agreements*".

In 2012, UNIQA generated gross premiums written of EUR 5,543.1 million (2011: EUR 5,534.2 million, in each case including the savings portion of unit-linked and index-linked life insurance), of which 45.9% (2011: 43.5%) was attributable to Property and Casualty insurance, followed by 37.7% (2011: 40.6%) attributable to Life insurance and 16.4% (2011: 15.9%) attributable to Health insurance. In the first six months of 2013, UNIQA generated gross premiums written of

EUR [●] million (2012: EUR 2,856.4 million, in each case including the savings portion of unit-linked and index-linked life insurance), of which [●]% (2012: 47.3%) was attributable to Property and Casualty insurance, followed by [●]% (2012: 36.7%) attributable to Life insurance and [●]% (2012: 16.0%) attributable to Health insurance.

The largest share of the Group's gross premiums written is generated in Austria (2012: 64.3%; 2011: 66.6%), followed by CEE (2012: 23.4%; 2011: 22.4%) and Western Europe (2012: 12.3%; 2011: 11.0%). In Austria, each of the three product segments delivers a significant share of the gross premiums written. The contribution of the product segments varies to a much greater extent in CEE, where Property and Casualty is by far the largest segment, and Western Europe, where Life insurance is the most significant contributor. In CEE and Western Europe, the Health segment delivers only a minor part of the gross premiums written.

In 2012, the Group generated an operating profit of EUR 236.3 million (2011 (adjusted): operating loss of EUR 290.3 million), profit on ordinary activities of EUR 205.3 million (2011 (adjusted): loss on ordinary activities of EUR 322.3 million), and net profit of EUR 169.8 million (2011 (adjusted): net loss of EUR 243.8 million). In the first six months of 2013, the Group generated an operating [profit] of EUR [●] million (the first six months of 2012: operating profit of EUR 122.1 million), [profit] on ordinary activities of EUR [●] million (the first six months of 2012: profit on ordinary activities of EUR 106.5 million), and net [profit] of EUR [●] million (the first six months of 2012: net profit of EUR 82.9 million).

Competitive Strengths and Strategy

Strengths

Management believes that the Group has a number of competitive strengths which will allow the Group to capitalize on attractive market opportunities as it develops and grows its business in a consistent and prudent manner.

Leading Composite Insurer in Austria

The Group is the second largest composite insurer in its home market in Austria (based on gross premiums written in 2012), having a market share of 21.6% (source: VVO data 2012), with a diversified portfolio of property and casualty, life and health insurance products to service the entire spectrum of retail, small and medium enterprises (SME) and corporate clients. The Austrian insurance market is highly concentrated, as only four companies share more than 70% of gross written premiums in the property and casualty, life and health insurance markets (source: VVO data 2012), with the distribution of market shares remaining relatively stable over the last few years. Austria maintains a positive macroeconomic environment, with high gross domestic product per capita, low unemployment rates and healthy public finances, underpinning the continued development of the insurance market. In particular, the Group expects the positive long-term growth trend for the Austrian health insurance market, where the Group is by far the largest market operator, to continue.

As of December 31, 2012, the Group had approximately 3.3 million policyholders and approximately 9.1 million written policies outstanding in Austria. In 2012, the Group had a market share in Austria of 21.6% (of which 5.0% was attributable to its Raiffeisen Insurance operations) based on gross written premiums (source: VVO data 2012). In the Austrian health insurance market, the Group is the market leader with a market share of 47.6% in 2012 (source: VVO data 2012). In Property and Casualty and Life insurance, the Group is the second largest provider in Austria, with market shares in 2012 of 17.6% and 19.6%, respectively (source: VVO data 2012).

Broad Platform and Strong Track Record of Growth in Central and Eastern Europe

The Group operates in 16 core markets in CEE and Austria, as well as in Italy, with a total potential customer base of 310 million people and 8.7 million UNIQA customers as of December 31, 2012. During the last decade, the Group has grown significantly in CEE to serve approximately 5.0 million customers under 7.8 million contracts as of December 31, 2012, representing 58% of the customers and 45% of the contracts of the Group as of December 31, 2012.

The insurance markets in CEE have been characterized by relatively low insurance penetration and high economic growth. The Group has enlarged its business in all insurance segments, having expanded from basic property and casualty insurance (e.g. motor) to a broader property and casualty portfolio and life insurance, with health insurance being a long-term opportunity in the region. In 2012, CEE represented 36% of the Group's Property and Casualty premiums, 17% of its Life premiums and 4% of its Health premiums. The Group's premiums in CEE have increased significantly over the last ten years. The Group is the sixth largest insurance group in the region, with a top-five market position in seven of the 15 CEE markets in which it operates.

Furthermore, the Group maintains a large agency network, and through its strategic preferred bancassurance partnership with Raiffeisen Bank International in CEE, it is able to reach approximately 14.0 million Raiffeisen customers. The Group believes that its long history, broad platform, wide distribution network and solid market positions in the CEE region will allow it to continue grow faster than competitors and gain market share in the region.

Two Market Leading Brands

The Group operates with two market leading brands, UNIQA and Raiffeisen Versicherung, which are both well recognized in the retail and corporate insurance markets in Austria and CEE. In 2012, UNIQA won the Reader's Digest's "Most Trusted Brand" award in the Austrian insurance category for the tenth time in a row, as well as the ASSCompact Award for "best service for brokers". In addition, in Austria, UNIQA has the highest spontaneous recognition among the top four insurers and a brand recognition of approximately 96% in 2012, according to Fessel-GfK. Raiffeisen Versicherung also won the 2012 "Recommender Award" from the Austrian Financial Marketing Association (*Finanzmarketing Verband Österreich*) for "outstanding customer orientation". The Group believes that it will continue to be able to leverage its strong brand recognition to maintain its leading market positions and expand its operations in Austria and internationally.

Extensive Multi-Channel Distribution Capabilities and Strategic Bancassurance Agreement

The Group believes that complex and diverse markets require different approaches to establish strong relationships with customers. The Group offers its products through an extensive multi-channel distribution network comprising its own sales force, exclusive agencies, brokers, bancassurance and direct sales. The Group believes that its extensive multi-channel distribution network is the key to its success and future growth potential.

In Austria, as of December 31, 2012, the Group employed approximately 1,900 sales personnel, had approximately 900 exclusive agents, collaborated with over 3,800 brokers and has a proven, long-lasting bancassurance partnership with Raiffeisen Banking Group, which was recently strengthened through the conclusion of exclusive cooperation agreements. Raiffeisen Banking Group is the largest banking group in Austria in terms of branch network, servicing approximately 2.8 million customers through over 2,200 outlets as of December 31, 2012 (source: Raiffeisen Banking Group, RZB Annual Report 2012).

In CEE, as of December 31, 2012, the Group employed approximately 4,000 sales personnel, and collaborated with 450 exclusive agencies. In June 2013, the Group strengthened its bancassurance partnership with Raiffeisen Bank International, becoming the strategic preferred partner in 13 CEE countries for the next ten years. Raiffeisen Bank International is one of the leading bank groups in CEE, servicing 14 million customers in over 3,000 outlets as of March 31, 2013. In 11 of the 13 countries where both Raiffeisen Bank International and UNIQA are present, Raiffeisen Bank International is one of the top five largest banks in terms of total assets as of March 31, 2013 (source: Raiffeisen Bank International investor presentation Q1 2013).

Substantially Improved Risk Management and Robust Capitalization

Risk management is a strategic priority and an integral component of the strategic steering of the Group. Over the past few years, and in connection with the Group's restructuring plan (see "—*Strategy*" below), the Group has taken decisive action to enhance the Group's risk management and to reduce and optimize its risk exposure. Among others, these actions included:

- establishing a risk management committee and asset liability management committee at the Management Board level and implementing a defined risk management strategy that integrated all aspect of the Group's business, including its product portfolio and investment strategy;

- implementing profit testing for life and non-life products to ensure the quality of products from a risk perspective and to strengthen the emphasis on prudent product development;

- introducing risk-/return-based asset liability management processes to reduce duration mismatch and reduce interest rate risk. As a result of these introduction of these measures, asset duration has increased by 1.3 years from 4.1 in 2011 to 5.4 in 2012, and interest rate sensitivity has decreased significantly, from a 45% decrease in embedded value assuming a 100 basis point decrease in the risk free interest rate in 2011 to a 18% decrease in embedded value assuming a 100 basis point decrease in the risk free interest rate in 2012;

- de-risking actions to substantially reduce credit risk exposure to certain countries. The Group sold its entire Greek and Portuguese sovereign bond portfolio, thus curtailing its direct exposure to these markets, and made material reductions in its exposure to the sovereign bonds of Italy, Hungary, Ireland and Spain. The Group is also in the process of exiting its alternative investment holdings, such as private equity and hedge fund investments, which is expected to be completed by the end of 2013. Overall exposure to equities (including equities, alternative investment holdings and participations) has decreased by 2.0% of the Group's investment portfolio, from 11.4% in 2011 to 9.4% in 2012; and

- pooling of risks through UNIQA Re in order to maximize diversification effects, which reduced Value at Risk (Non-Life) by up to 54.3% during 2012; and

- undertaking a EUR 500 million capital increase in 2012 to strengthen its capital position.

The Group's Solvency I and economic capital position also demonstrates its solid risk capital position. As of December 31, 2012, the Group's Solvency I position was 215% (December 31, 2011: 123%). As of December 31, 2012, the Group's economic capital ratio was 108%. The Group has a long-term target of approximately 150% post-offering.

Highly Experienced Management Team

The Group believes that it has a talented and experienced management team led by its Chief Executive Officer, Andreas Brandstetter, who has more than 16 years of experience in the insurance industry. The senior management team has worked in the insurance industry for an average of 17 years and has an extensive track record of profitably underwriting, growing and acquiring retail and corporate lines of business. The current management team developed, initiated and manages the Group's restructuring program (UNIQA 2.0) and is fully committed to achieving its ambitious targets.

Strategy

In summer 2011, the Group launched a long-term strategic program titled "UNIQA 2.0", with the goal of improving the Group's profit on ordinary activities by up to EUR 400 million by 2015, compared to 2010, and doubling the number of the Group's customers to 15 million by 2020, compared to 2010. The Group's current target, after implementing a number of steps in connection with UNIQA 2.0 and achieving a profit on ordinary activities in the financial year 2012 of EUR 205.4 million (2011: loss of EUR 322.3 million; 2010: profit of EUR 173.3 million), is to improve earnings by up to EUR 350 million by 2015 (compared to 2012). The Group is concentrating on its core business as a primary insurer in its two core markets of Austria and CEE, and aims to be a leading primary insurer in both markets with significantly improved efficiency and profitability. The Group believes that its business model is geared towards profitable growth and long-term value creation in these markets.

UNIQA 2.0 Financial Targets

In connection with UNIQA 2.0, the Group has adopted certain financial targets both at Group and segment levels.

Group Targets

Management has established the following targets for the Group:

- increase in consolidated profit on ordinary activities of up to EUR 350 million by 2015, compared to profit on ordinary activities of EUR 205 million in 2012;
- decrease in the total net cost ratio from 25% in 2012 to approximately 22% in 2015;
- improvement in the Property and Casualty net combined ratio from 101% in 2012 to approximately 95% in 2015;
- achievement of a net earned premiums compound annual growth rate of approximately 5% from 2012 to 2015;
- improvement of the Group's new business margin in Life and Health to over 2.0% in 2015;
- improvement of the ordinary investment return (defined as ordinary income on all financial and non-financial assets under management excluding expenditure for asset management, interest charges and other expenses) of non-performing assets from 2012 to 2015 by approximately EUR 50 million;
- release of risk-based capital; and
- achieve a return on equity after tax for the Group of approximately 13% in 2015.

UNIQA Austria Targets

Management has established the following targets for UNIQA Austria:

- decrease in the total net cost ratio from 19% in 2012 to approximately 16% in 2015; and
- improvement in the Property and Casualty net combined ratio from 94% in 2012 to approximately 90% in 2015;

each assuming a net earned premiums compound annual growth rate of approximately 1% from 2012 to 2015.

Raiffeisen Insurance Targets

Management has established the following targets for Raiffeisen Insurance:

- decrease in the total net cost ratio from 18% in 2012 to approximately 17% in 2015 assuming a net earned premiums compound annual growth rate of approximately 3% from 2012 to 2015.

UNIQA International Targets

Management has established the following targets for UNIQA International:

- decrease in the total net cost ratio from 32% in 2012 to approximately 25% in 2015; and
- improvement in the Property and Casualty net combined ratio from 103% in 2012 to approximately 96% in 2015;

each assuming a net earned premiums compound annual growth rate of approximately 10% from 2012 to 2015.

See also "*Management's Discussion and Analysis of Financial Condition and Results of Operations—The Group's New Operating Segments*" for financial information regarding the Group's operating segments.

UNIQA aims to meet these financial targets through the implementation of its four-point restructuring program developed under UNIQA 2.0.

Restructuring of UNIQA Austria

The Group intends to significantly increase the profitability of UNIQA Austria by transforming its business model from a product-orientated organization to a functional and highly customer-focused organizational structure and thereby optimize processes, improve customer service and increase cost efficiency. To meet these goals, UNIQA Austria has commenced a number of reorganization initiatives. UNIQA Austria has undertaken a review of its underwriting and product portfolio to improve its underwriting results by reducing its exposure to unprofitable clients, restructuring underperforming products, reducing product complexity through a standardized product platform, and streamlining its claims handling process. Furthermore, improved organizational and operational efficiencies are planned to be achieved through the centralization of back-office activities, which have reduced from eleven to three administrative centers (and re-focused as central service centers), headcount reductions of 185 full-time employees serving back-office functions by 2015, additional non-personnel cost savings, and improvements in IT, including unification of IT platforms, in-sourcing of IT services, and improvement of client data management. Through this reorganization, UNIQA seeks to reduce administration costs, increase cross-selling opportunities, increase standardization of products and processes, enhance claims management by regional service centers and customer support, and improve quality of service with a clear allocation of resources and know-how.

Increase Productivity of Raiffeisen Insurance

The Group intends to substantially leverage its distribution capabilities through its strategic bancassurance agreements with the Raiffeisen Banking Group in Austria. Raiffeisen Insurance sells its products exclusively through the Raiffeisen Banking Group in Austria, which operates approximately 2,200 outlets and represents the largest banking network in Austria in terms of customers as of December 31, 2012 (source: RZB Annual Report). The Group believes that there is significant potential to increase property and casualty and life product penetration within Raiffeisen Banking Group customers. Moreover, the Group believes that there is significant cross-product selling potential. To take advantage of this relationship, Raiffeisen Insurance has reorganized itself by focusing systematically on the needs of bank advisers and their customers, with a small number of core products adapted to bancassurance distribution, streamlined and efficient processes, and a new brand identity (under the name "Raiffeisen Meine Bank") that is aligned with Raiffeisen banks. In the third quarter of 2012, Raiffeisen Insurance concluded exclusive cooperation agreements with eight Raiffeisen regional banks, which set forth a number of joint goals agreed between the Group and the Raiffeisen regional banks, including, gross written premium targets for each segment, sales support and a clear split of responsibilities, simplification of the product range, launch of new products, joint product development, IT system integration, centralized management of back offices, quality assurance, and optimized claim management processing in Property and Casualty. The Group expects that through leveraging its relationship with Raiffeisen Banking Group, the Group will be able to attract new customers and enhance its profitability.

Profitable Growth in Central and Eastern Europe

The Group intends to grow its operations in CEE while maintaining a focus on profitability. The Group believes that the CEE region offers a unique opportunity to capture an under-penetrated insurance market with significant growth potential. As part of its growth strategy, the Group is expanding its sales activities by further growing its sales force and exclusive agent network, intensifying the corporate business by exploiting its one brand strategy and existing presence in CEE and leveraging its strategic preferred bancassurance partnership with Raiffeisen Bank International, one of the largest banking groups in CEE with over 3,000 branches and approximately 14 million customers as of March 31, 2013. In addition to these initiatives aimed at fostering growth in gross written premiums, which drives further cost efficiencies as individual countries reach scale, the Group launched several projects to achieve economies of scale and cross-border synergies by implementing the Group's target operating model, or TOM. The objective of TOM is to establish a common operating model by streamlining and simplifying processes and products on standardized regional platforms based on clear objectives for all regions, best-practice sharing, and measures to reduce claim quota and handling costs. Through this approach, the Group aims to meet its premium growth targets, substantially improve its customer service, leverage cross-border synergies and significantly improve cost efficiency. In addition, the Group may also opportunistically pursue add-on acquisitions in the region which the Company believes to be accretive.

Improve Risk and Return Profile

The Group focuses on maintaining levels of capital adequacy, liquidity and leverage that allow it to pursue attractive growth opportunities. The Group is committed to disciplined underwriting, earnings growth, effective investment management and capital generation. With this in mind, the Group has become the first Austrian insurance company to set up an independent department for risk management in the Management Board and is implementing a consistent risk/return approach for management. A guiding principle for risk management is to ensure value creation through all activities within a pre-defined risk tolerance level and an adequate risk/return profile. The functions of risk management are to support the operational units, to target those risks that will generate value in the long term from economic capital, and to generate maximum value increases from capital employed.

An important element in enhancing the Group's risk/return profile is improving the Group's reinsurance results through pooling the Group's risk exposures in order to achieve better terms on external reinsurance. Pooling risk exposures will also allow the Group to internalize the benefits of diversification, both geographical and across lines of business.

The Group is also seeking to optimize its Life insurance strategy. UNIQA has implemented a Group-wide profit testing for new products/business as well as renewals and prolongations. The profit testing in Life insurance business is a best estimate projection of future profits and losses (following market standards) to judge whether the product is adding economic value or not. The clear aim is to increase new business margin by avoiding non-profitable products and to reduce exposure to products with guarantees. Furthermore, the Group implemented clearly defined management rules for profit participation to enable UNIQA to balance risk mitigation and volatility buffers in a more efficient way. UNIQA has revised its profit sharing strategy to closely follow the minimum requirements under applicable regulation (e.g. participation rate of 85% in Austrian business) based on a market driven approach (i.e., to maintain the difference from the peer-group average by less than 25 basis points) with a target profit participation ratio of between 85% and 95%. Additionally, the target for the so called volatility buffer (unallocated profit participation reserve) amounts to the expenses of a one year profit sharing amount.

The Group is also implementing strengthened asset liability management procedures. UNIQA aims to optimize the asset profile to increase the duration of the Group's investment portfolio to better match its liabilities. UNIQA seeks to reduce exposure to low-yield, capital-intensive assets with volatile returns, such as private equity, hedge funds and, to a degree, real estate.

The Group believes that implementation of these measures will establish value-oriented goals for management across both financial and technical functions. In addition, the Group believes that focus on both the asset and liability side of the balance sheet will translate to higher and more stable investment income.

Assumptions of UNIQA 2.0 Financial Targets

The ability of the Group to meet its financial and operational targets in connection with UNIQA 2.0 depends on the accuracy of various assumptions involving factors that are, in part, significantly or entirely beyond the Group's control and are subject to known and unknown risks, uncertainties and other factors that may result in the Group being unable to achieve these targets. These assumptions include: that the macro-economic environment in Austria and CEE will exhibit moderate but stable growth (with the CEE generating reasonably higher levels of gross domestic product growth than Austria); that there are no adverse developments in the capital markets, in particular no intensified sovereign debt crises and no further increase in capital markets volatility levels; that there are no material deviations in foreign exchange rates compared to 2012 exchange rate levels; that there are no unfavorable shifts in the yield curve (term structure of interest rates); that sales volumes will remain in line with previous years, with decreases in the single-premium and unit-linked life insurance business; that claims and cost development will be in line with past experience and multi-year averages; that there will be no major deviations in multi-year claims developments and no extraordinary claim events; that cost development will grow in accordance with ordinary consumer price inflation; that there are no unexpected changes in the regulatory and legal framework, including with respect to Solvency II; that there are no significant changes in policyholder behavior, in particular with respect to lapse and surrender rates; that there are no adverse changes in the nature, scope of cover or reinsurance costs or the willingness of reinsurers to provide reinsurance and meet their contractual obligations; that there are no unforeseen demographic developments and in particular no higher than projected life expectancy; that the restructuring of the Group's Austrian business can be successfully implemented; that the Group can increase productivity of Raiffeisen Versicherung AG through its bancassurance relationship with Raiffeisen Banking Group and Raiffeisen Bank International AG; that the Group can further penetrate the Central and Eastern European market and its corporate operations; and that the Group can optimize its risk/return profile through successfully implementing its asset liability management investment strategy. If one or more of these assumptions are inaccurate, the Group may be unable to achieve one or more of its targets. See also "*Risk Factors—Risks Related to the Group's Business—As part of its long-term strategy, the Group is currently implementing a significant corporate restructuring and integration program and may be* *unable to manage the level of change efficiently and as a result not reach its 2015 profit targets*" and "*Report on Examination of Prospective Financial Information of UNIQA Insurance Group AG*."