

## Financial Section

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**€5,825 million** premium volume written

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**€90 million** profit on ordinary activities

**€53 million** consolidated profit

**€0.44** earnings per share

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# Consolidated Balance Sheet

as at 31 December 2007

Assets	Notes	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>A. Tangible assets</b>			
I. Self-used land and buildings	1	220,565	227,187
II. Other tangible assets	2	113,412	138,030
		<b>333,977</b>	<b>365,218</b>
<b>B. Land and buildings held as financial investments</b>	3	<b>1,147,634</b>	<b>1,014,259</b>
<b>C. Intangible assets</b>			
I. Deferred acquisition costs	4	872,003	873,462
II. Goodwill	5	500,969	293,458
III. Other intangible assets	6	34,424	39,273
		<b>1,407,396</b>	<b>1,206,193</b>
<b>D. Shares in associated companies</b>	7	<b>851,382</b>	<b>506,654</b>
<b>E. Investments</b>			
I. Variable-yield securities			
1. Available for sale	9	2,243,156	3,969,512
2. At fair value through profit or loss		948,998	975,953
		<b>3,192,154</b>	<b>4,945,465</b>
II. Fixed interest securities			
1. Held to maturity	8	448,957	0
2. Available for sale	9	7,760,272	10,072,617
3. At fair value through profit or loss		271,468	496,638
		<b>8,480,698</b>	<b>10,569,255</b>
III. Loans and other investments			
1. Loans	11	3,201,817	982,480
2. Cash at credit institutions	12	1,457,298	649,313
3. Deposits with ceding companies	12	129,405	118,908
		<b>4,788,519</b>	<b>1,750,700</b>
IV. Derivative financial instruments			
1. Variable-yield derivatives	10	15,898	17,977
2. Fixed interest derivatives	10	3,179	42,252
		<b>19,077</b>	<b>60,228</b>
		<b>16,480,448</b>	<b>17,325,648</b>
<b>F. Investments held on account and at risk of life insurance policyholders</b>	24	<b>2,642,462</b>	<b>2,470,340</b>
<b>G. Share of reinsurance in technical provisions</b>			
I. Provision for unearned premiums	19	28,776	7,902
II. Actuarial provision	20	431,387	408,653
III. Provision for outstanding claims	21	294,952	351,617
IV. Provision for profit-unrelated premium refunds	22	225	365
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	100	100
VI. Other technical provisions	23	5,529	3,029
		<b>760,970</b>	<b>771,666</b>
<b>H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders</b>	24	<b>382,480</b>	<b>346,868</b>
<b>I. Receivables including receivables under insurance business</b>	13		
I. Reinsurance receivables		46,766	67,795
II. Other receivables		835,119	695,198
III. Other assets		50,432	43,383
		<b>932,317</b>	<b>806,377</b>
<b>J. Receivables from income tax</b>	14	<b>54,077</b>	<b>51,253</b>
<b>K. Deferred tax assets</b>	15	<b>69,096</b>	<b>77,055</b>
<b>L. Liquid funds</b>		<b>567,853</b>	<b>647,133</b>
<b>Total assets</b>		<b>25,630,093</b>	<b>25,588,664</b>

Equity and liabilities	Notes	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>A. Total equity</b>			
I. Shareholders' equity	16		
1. Subscribed capital and capital reserves		390,681	206,305
2. Revenue reserves		809,227	885,532
3. Revaluation reserves		11,570	184,506
4. Group total profit		53,190	60,037
		<b>1,264,668</b>	<b>1,336,380</b>
II. Minority interests in shareholders' equity	17	194,108	195,843
		<b>1,458,776</b>	<b>1,532,223</b>
<b>B. Subordinated liabilities</b>	18	<b>580,544</b>	<b>575,000</b>
<b>C. Technical provisions</b>			
I. Provision for unearned premiums	19	523,561	429,985
II. Actuarial provision	20	15,601,625	15,166,700
III. Provision for outstanding claims	21	2,204,950	2,191,671
IV. Provision for profit-unrelated premium refunds	22	46,135	48,231
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	-5,129	389,796
VI. Other technical provisions	23	49,452	38,492
		<b>18,420,594</b>	<b>18,264,874</b>
<b>D. Technical provisions held on account and at risk of life insurance policyholders</b>	24	<b>2,579,997</b>	<b>2,412,937</b>
<b>E. Financial liabilities</b>			
I. Liabilities from loans	25	189,053	185,900
II. Derivatives	10	7,087	12,342
		<b>196,140</b>	<b>198,242</b>
<b>F. Other provisions</b>			
I. Pensions and similar provisions	26	436,478	509,541
II. Other provisions	27	207,919	194,272
		<b>644,397</b>	<b>703,813</b>
<b>G. Payables and other liabilities</b>	28		
I. Reinsurance liabilities		869,258	796,780
II. Other payables		567,129	720,778
III. Other liabilities		11,122	9,483
		<b>1,447,509</b>	<b>1,527,041</b>
<b>H. Liabilities from income tax</b>	29	<b>57,294</b>	<b>41,618</b>
<b>I. Deferred tax liabilities</b>	30	<b>244,841</b>	<b>332,916</b>
<b>Total equity and liabilities</b>		<b>25,630,093</b>	<b>25,588,664</b>

# Consolidated Income Statement

from 1 January to 31 December 2008

	Notes	2008 € 000	2007 € 000
<b>1. Premiums written (retained)</b>	31		
a) Gross		5,002,364	4,527,889
b) Reinsurers' share		-230,954	-388,449
		<b>4,771,410</b>	<b>4,139,440</b>
<b>2. Change due to premiums earned (retained)</b>			
a) Gross		-41,195	-38,243
b) Reinsurers' share		157	5,180
		<b>-41,038</b>	<b>-33,063</b>
<b>3. Premiums earned (retained)</b>	32		
a) Gross		4,961,169	4,489,647
b) Reinsurers' share		-230,796	-383,269
		<b>4,730,372</b>	<b>4,106,377</b>
<b>4. Income from fees and provisions</b>	33		
Reinsurance provisions and profit shares from reinsurance business ceded		<b>19,399</b>	<b>71,426</b>
<b>5. Net investment income</b>	34	<b>227,596</b>	<b>993,005</b>
of which profit from associated companies		143,142	303,075
<b>6. Other income</b>	35	<b>80,008</b>	<b>37,131</b>
<b>Total income</b>		<b>5,057,374</b>	<b>5,207,939</b>
<b>7. Insurance benefits</b>	36		
a) Gross		-3,704,463	-3,891,922
b) Reinsurers' share		142,842	294,897
		<b>-3,561,622</b>	<b>-3,597,024</b>
<b>8. Operating expenses</b>	37		
a) Acquisition costs		-869,703	-793,661
b) Other operating expenses		-387,102	-333,443
		<b>-1,256,805</b>	<b>-1,127,104</b>
<b>9. Other expenses</b>	38	<b>-99,416</b>	<b>-86,569</b>
<b>10. Amortisation of goodwill</b>		<b>-10,530</b>	<b>-19,095</b>
<b>Total expenses</b>		<b>-4,928,373</b>	<b>-4,829,792</b>
<b>11. Operating profit</b>		<b>129,002</b>	<b>378,147</b>
<b>12. Financing costs</b>		<b>-38,785</b>	<b>-37,891</b>
<b>13. Profit on ordinary activities</b>		<b>90,217</b>	<b>340,256</b>
<b>14. Income taxes</b>	39	<b>-23,470</b>	<b>-71,263</b>
<b>15. Net profit</b>		<b>66,748</b>	<b>268,993</b>
of which consolidated profit		53,308	247,103
of which minority interests		13,440	21,889
<b>Earnings per share<sup>1)</sup> in €</b>	16	<b>0.44</b>	<b>2.07</b>
<b>Average number of shares in circulation</b>		<b>121,064,534</b>	<b>119,427,808</b>

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

# Consolidated Cash Flow Statement

from 1 January to 31 December 2008

	2008 € 000	2007 € 000
Net profit including minority interests		
Net profit	66,748	268,993
of which interest and dividend payments	37,602	3,378
Minority interests	-13,440	-21,889
Change in technical provisions (net)	188,581	494,741
Change in deferred acquisition costs	1,459	-10,032
Change in amounts receivable and payable from direct insurance	-26,021	58,399
Change in other amounts receivable and payable	-156,183	-61,491
Change in securities at fair value through profit or loss	293,276	97,082
Realised gains/losses on the disposal of investments	-446,831	-144,154
Depreciation/appreciation of other investments	522,715	185,077
Change in provisions for pension and severance payments	-73,063	-32,878
Change in deferred tax assets/liabilities	-80,115	37,881
Change in other balance sheet items	60,063	465
Change in goodwill and intangible assets	-1,778	-32,078
Other non-cash income and expenses as well as accounting period adjustments	-68,448	6,067
<b>Net cash flow from operating activities</b>	<b>266,962</b>	<b>846,183</b>
of which cash flow from income tax	-43,177	-45,599
Receipts due to disposal of consolidated companies and other business units	449,309	207,869
Payments due to acquisition of consolidated companies and other business units	-928,619	-53,403
Receipts due to disposal and maturity of other investments	9,854,721	12,125,000
Payments due to acquisition of other investments	-9,687,349	-12,272,398
Change in investments held on account and at risk of life insurance policyholders	-172,123	-517,443
<b>Net cash flow used in investing activities</b>	<b>-484,061</b>	<b>-510,375</b>
Change in investments on own shares	184,375	0
Change in holding of own shares	-8,296	0
Dividend payments	-59,714	-41,800
Receipts and payments from other financing activities	8,698	92,375
<b>Net cash flow used in financing activities</b>	<b>125,063</b>	<b>50,575</b>
<b>Change in cash and cash equivalents</b>	<b>-92,036</b>	<b>386,384</b>
Change in cash and cash equivalents due to foreign currency translation	-215	-2,666
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	12,971	252
Cash and cash equivalents at beginning of period	647,133	263,164
<b>Cash and cash equivalents at end of period</b>	<b>567,853</b>	<b>647,133</b>
of which cash flow from income tax	-43,177	-45,599

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

## Development of Group Equity

	Subscribed capital and capital reserves € 000	Revaluation reserve € 000	Revenue reserves including reserves for own shares € 000
<b>As at 31 Dec. 2006</b>	<b>206,305</b>	<b>181,982</b>	<b>694,722</b>
Changes for:			
Foreign currency translation			3,771
Change in consolidation scope			
Unrealised capital gains and losses from evaluation at equity			1,894
Dividends to shareholders			
Own shares			
Unrealised capital gains and losses from investments		2,524	
Net profit for the period			
Changes in revenue reserves			187,304
Changes in capital reserves			
Other			402
<b>As at 31 Dec. 2007</b>	<b>206,305</b>	<b>184,506</b>	<b>888,093</b>
Changes for:			
Capital increase	184,375		
Foreign currency translation			-57,853
Change in consolidation scope			-6,527
Unrealised capital gains and losses from evaluation at equity			-3,943
Dividends to shareholders			
Own shares			
Unrealised capital gains and losses from investments		-172,937	
Net profit for the period			
Changes in revenue reserves			440
Changes in capital reserves			
Other			-125
<b>As at 31 Dec. 2008</b>	<b>390,681</b>	<b>11,570</b>	<b>820,085</b>

	Holding of own shares € 000	Profits carried forward and net profit for the year € 000	Equity € 000	Minority interests € 000	Total equity € 000
	-2,561	42,037	1,122,485	207,299	1,329,784
			3,771		3,771
				-5,355	-5,355
			1,894	244	2,137
		-41,800	-41,800	-10,304	-52,104
			2,524	-17,930	-15,406
		247,103	247,103	21,889	268,993
		-187,304			
			402		402
	-2,561	60,037	1,336,380	195,843	1,532,223
			184,375		184,375
			-57,853		-57,853
			-6,527	8,524	1,997
			-3,943	707	-3,237
		-59,714	-59,714	-8,913	-68,627
	-8,296		-8,296		-8,296
			-172,937	-15,492	-188,429
		53,308	53,308	13,440	66,748
		-440			
			-125		-125
	-10,857	53,190	1,264,668	194,108	1,458,776

# Segment Balance Sheet

## Classified by segment

	Property and casualty		Health	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Assets</b>				
A. Tangible assets	203,023	220,276	13,344	15,727
B. Land and buildings held as financial investments	354,144	329,023	186,666	179,540
C. Intangible assets	486,122	323,265	225,299	215,600
D. Shares in associated companies	191,928	367,836	103,781	59,048
E. Investments	2,731,826	2,848,992	2,026,471	1,854,097
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of reinsurance in technical provisions	316,949	350,810	2,268	2,482
H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	0	0
I. Receivables incl. receivables under insurance business	615,940	610,462	162,596	201,110
J. Receivables from income tax	25,341	21,108	3,397	3,108
K. Deferred tax assets	63,663	70,848	-429	3,210
L. Liquid funds	196,726	105,935	121,614	157,909
<b>Total segment assets</b>	<b>5,185,664</b>	<b>5,248,556</b>	<b>2,845,008</b>	<b>2,691,832</b>
<b>Equity and liabilities</b>				
B. Subordinated liabilities	340,544	335,000	0	0
C. Technical provisions	2,552,789	2,435,552	2,464,667	2,348,345
D. Technical provisions for life insurance policies held on account and at risk of policyholders	0	0	0	0
E. Financial liabilities	183,788	169,000	3,300	1,386
F. Other provisions	602,801	665,029	8,030	8,833
G. Payables and other liabilities	904,225	898,741	47,958	30,103
H. Liabilities from income tax	47,919	31,472	8,824	4,614
I. Deferred tax liabilities	196,759	233,629	43,747	64,226
<b>Total segment liabilities</b>	<b>4,828,825</b>	<b>4,768,424</b>	<b>2,576,526</b>	<b>2,457,506</b>



# Segment Income Statement

## Classified by segment

	Property and casualty		Health	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
1. a) Gross premiums written	2,438,009	2,199,785	947,644	907,761
1. Premiums written (retained)	2,282,537	1,887,344	946,177	906,356
2. Change due to premiums earned (retained)	-32,827	-32,238	315	-736
3. Premiums earned (retained)	2,249,710	1,855,105	946,492	905,620
4. Income from fees and provisions	15,563	63,482	116	106
5. Net investment income	60,597	278,876	17,475	137,181
6. Other income	74,573	29,961	1,204	1,047
7. Insurance benefits	-1,443,949	-1,253,528	-809,683	-811,254
8. Operating expenses	-762,816	-667,457	-134,285	-127,892
9. Other expenses	-71,353	-45,970	-1,808	-3,285
10. Amortisation of goodwill	0	-4,688	0	0
11. Operating profit	122,325	255,780	19,511	101,522
12. Financing costs	-24,220	-23,276	0	0
<b>13. Profit on ordinary activities</b>	<b>98,106</b>	<b>232,504</b>	<b>19,511</b>	<b>101,522</b>
14. Income taxes	-8,982	-45,386	-4,400	-24,425
<b>15. Net profit</b>	<b>89,124</b>	<b>187,118</b>	<b>15,110</b>	<b>77,097</b>
of which consolidated profit	68,836	179,418	9,574	55,813
of which minority interests	20,287	7,700	5,536	21,284

## Impairment by segment

	Property and casualty		Health	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
<b>Goodwill</b>				
Change in impairment for current year	0	-4,689	0	0
of which reallocation affecting income	0	-4,689	0	0
<b>Investments</b>				
Change in impairment for current year	-51,830	-50,359	-43,099	-17,063
of which reallocation/reinstatement of original values affecting income	-51,830	-50,359	-43,099	-17,063

	Life		Consolidation		Group	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	1,653,326	1,422,398	-36,615	-2,054	5,002,364	4,527,889
	1,573,420	1,342,880	-30,724	2,861	4,771,410	4,139,440
	-3,254	-480	-5,272	391	-41,038	-33,063
	1,570,166	1,342,401	-35,996	3,252	4,730,372	4,106,377
	6,377	11,484	-2,657	-3,646	19,399	71,426
	150,925	579,318	-1,401	-2,369	227,596	993,005
	14,548	7,283	-10,317	-1,160	80,008	37,131
	-1,328,260	-1,534,497	20,270	2,255	-3,561,622	-3,597,024
	-369,739	-332,376	10,035	622	-1,256,805	-1,127,104
	-43,408	-37,792	17,153	479	-99,416	-86,569
	-10,530	-14,407	0	0	-10,530	-19,095
	-9,921	21,412	-2,913	-567	129,002	378,147
	-14,565	-14,615	0	0	-38,785	-37,891
	-24,486	6,797	-2,913	-567	90,217	340,256
	-10,087	-1,452	0	0	-23,470	-71,263
	-34,573	5,345	-2,913	-567	66,748	268,993
	-22,189	12,440	-2,913	-567	53,308	247,103
	-12,383	-7,095	0	0	13,440	21,889

	Life		Consolidation		Group	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
	0	0	0	0	0	-4,689
	0	0	0	0	0	-4,689
	-387,373	-138,422	0	0	-482,302	-205,844
	-387,373	-138,422	0	0	-482,302	-205,844

## Classified by region

	Premiums earned (retained)		Net investment income	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
Western Europe (incl. Austria)	3,919,460	3,686,823	173,326	954,617
<b>Austria</b>	<b>2,957,792</b>	<b>2,889,769</b>	<b>97,602</b>	<b>863,864</b>
<b>Other Europe</b>	<b>1,808,576</b>	<b>1,213,356</b>	<b>138,569</b>	<b>138,176</b>
<b>Western Europe</b>	<b>961,668</b>	<b>797,053</b>	<b>75,724</b>	<b>90,754</b>
Italy	214,251	193,335	37,045	48,817
Germany	298,865	288,006	43,390	29,188
Switzerland	445,150	311,286	-6,761	9,612
Liechtenstein	3,402	4,426	2,049	3,026
The Netherlands	0	0	2	110
<b>Eastern Europe</b>	<b>846,908</b>	<b>416,303</b>	<b>62,846</b>	<b>47,422</b>
Poland	464,871	139,939	16,832	12,844
Hungary	87,916	86,788	31,526	20,953
Czech Republic	104,562	77,084	-557	5,176
Bulgaria	42,995	40,086	1,076	1,408
Slovakia	46,226	37,643	3,293	2,986
Ukraine	29,674	143	1,160	118
Romania	20,234	0	2,159	637
Serbia	19,953	12,896	4,493	1,501
Croatia	16,341	11,815	1,678	995
Bosnia and Herzegovina	13,464	9,800	1,737	799
Others	674	108	-551	4
<b>Total before consolidation</b>	<b>4,766,368</b>	<b>4,103,125</b>	<b>236,172</b>	<b>1,002,039</b>
Consolidation (based on geographic segments)	-35,996	3,252	-8,576	-9,035
<b>In the consolidated financial statements</b>	<b>4,730,372</b>	<b>4,106,377</b>	<b>227,596</b>	<b>993,005</b>

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

Insurance benefits		Operating expenses		Profit on ordinary activities	
2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
-2,971,455	-3,352,784	-1,066,143	-1,004,440	42,758	306,021
<b>-2,273,314</b>	<b>-2,754,509</b>	<b>-719,861</b>	<b>-671,928</b>	<b>-5,250</b>	<b>294,254</b>
<b>-1,308,578</b>	<b>-844,771</b>	<b>-671,579</b>	<b>-575,905</b>	<b>86,347</b>	<b>53,399</b>
<b>-698,141</b>	<b>-598,276</b>	<b>-346,283</b>	<b>-332,512</b>	<b>48,007</b>	<b>11,767</b>
-156,123	-160,667	-77,010	-78,653	18,182	4,400
-239,792	-222,918	-128,981	-127,864	14,859	4,024
-297,603	-209,950	-136,096	-123,622	18,764	3,021
-4,623	-4,741	-4,195	-2,374	-3,799	212
0	0	0	0	2	110
<b>-610,437</b>	<b>-246,495</b>	<b>-325,296</b>	<b>-243,393</b>	<b>38,339</b>	<b>41,632</b>
-409,869	-102,632	-74,519	-59,877	6,473	7,817
-30,953	-34,682	-74,339	-66,732	25,525	20,314
-51,680	-40,445	-55,399	-45,000	13,504	13,086
-23,402	-25,676	-26,725	-24,670	1,484	-2,259
-26,990	-19,981	-30,825	-23,821	4,600	7,341
-11,776	-2	-19,720	-680	-9,381	-372
-21,573	0	-9,732	0	-231	535
-12,899	-9,239	-15,301	-9,029	-3,062	-4,791
-12,887	-7,767	-10,981	-8,772	-175	-99
-8,003	-5,997	-6,233	-4,687	1,433	146
-405	-74	-1,523	-126	-1,831	-86
<b>-3,581,892</b>	<b>-3,599,279</b>	<b>-1,391,439</b>	<b>-1,247,833</b>	<b>81,097</b>	<b>347,653</b>
20,270	2,255	134,634	120,729	9,120	-7,398
<b>-3,561,622</b>	<b>-3,597,024</b>	<b>-1,256,805</b>	<b>-1,127,104</b>	<b>90,217</b>	<b>340,256</b>

# Notes to the Group Financial Statements

## Accounting regulations

As a publicly listed company, UNIQA is obligated to prepare its consolidated financial statements according to internationally accepted accounting principles. In accordance with Section 245a of the Austrian Business Code, the company has prepared the consolidated financial statements exclusively in agreement with the International Financial Reporting Standards (IFRS) as applied within the European Union. This means that these consolidated financial statements and the group management report do not follow the accounting principles according to the Insurance Supervisory Act but rather the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) in the versions applicable to this reporting period. IFRS 8 "Operating Segments" as issued in November 2006 was applied for the first time in the 1st quarter of 2008. This means that the main business fields described in the primary segment reporting – property and casualty insurance, health insurance and life insurance – were used for reporting according to IFRS 8. No early application of other modified standards was performed.

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

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

The financial instruments were balanced in accordance with IFRS 39 including the information required by IAS 7, as most recently amended in October 2008. In addition to the presentation of securities under "Held to maturity", "Available for sale", "At fair value through profit or loss" and "Derivative financial instruments (held for trading)", additional disclosures for securities available for sale are reported in the following investment categories, which were utilised for the internal risk reports:

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

## Consolidation

### Scope of consolidation

In addition to the annual financial statement of UNIQA Versicherungen AG, the Group financial statements include the financial statements of all subsidiaries at home and abroad. Thirty-eight affiliated companies did not form part of the consolidated Group. They were only of minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. Therefore the scope

of consolidation contains – in addition to UNIQA Versicherungen AG – 37 domestic and 77 foreign subsidiaries in which UNIQA Versicherungen AG held the majority of voting rights.

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

	Date of initial inclusion	Net profit € million <sup>1)</sup>	Acquired shares %	Acquisition costs € million	Goodwill 31 Dec. 2008 € million
UNIQA Real Estate Finanzierungs GmbH, Vienna	1.1.2008	-1.8	100.0	0.0	0.0
SIGAL Holding s.H.A., Tirana	1.1.2008	0.4	45.6	18.3	10.3
UNIQA Real Estate d.o.o., Belgrade	1.7.2008	-0.1	100.0	0.0	0.0
Renaissance Plaza d.o.o., Belgrade	1.7.2008	1.1	100.0	3.2	0.0
UNIQA Real Estate Alpha d.o.o., Belgrade	1.7.2008	0.0	100.0	0.0	0.0
UNIQA Real Estate Beta d.o.o., Belgrade	1.7.2008	0.0	100.0	0.0	0.0
GLM Errichtungs GmbH, Vienna	1.10.2008	0.3	100.0	6.4	0.0
UNIQA Group Audit GmbH, Vienna	1.10.2008	0.0	100.0	0.0	0.0
UNIQA Asigurari de Viata SA, Bucharest	1.10.2008	0.5	100.0	5.0	0.2
UNITA Vienna Insurance Group S.A., Bucharest	1.10.2008	1.6	100.0	208.7	188.7
AGRAS Vienna Insurance Group S.A., Bucharest	1.10.2008	-0.1	92.3	0.0	1.5
UNIQA Health Insurance AD, Sofia	1.10.2008	0.0	75.0	0.3	0.0
UNIQA Real Estate Albania Shpk., Tirana	1.10.2008	0.0	100.0	0.0	0.0
Albarama Limited, Nikosia	1.10.2008	0.0	100.0	12.5	9.7
Ave-Plaza LLC, Kharkiv	1.10.2008	0.0	50.0	0.0	0.0
Asena CJSC, Nikolaev	1.10.2008	1.6	100.0	4.2	0.0
UNIQA Real Estate Poland Sp.z.o.o., Warsaw	1.10.2008	0.0	100.0	0.0	0.0
Black Sea Investment Capital, Kiev	1.10.2008	-0.6	100.0	10.2	0.0
Legiwaton Investments Limited, Limassol	1.10.2008	0.0	100.0	0.3	0.1
UNIQA Real Estate Ukraine LLC, Kiev	1.10.2008	0.0	100.0	0.0	0.0
Reytarske LLC, Kiev	1.10.2008	0.2	100.0	0.0	0.0
Leipnik-Lundenburger Invest Beteiligungs AG, Vienna	31.12.2008	1.3	24.9	158.7	82.4

<sup>1)</sup> Net profit included in the consolidated financial statements

In the 1st quarter of 2008, the UNIQA Group acquired an additional 36.0% in the Albanian insurance holding SIGAL Holding sH.A. bringing the Group's share in the SIGAL Group up to 45.6%. This is recorded on the balance sheet under shares in associates. The holding in the Ukrainian company Credo-Classic was expanded from 35.5% to 61.0%. The company has been fully consolidated since 31 March 2008.

In the 4th quarter of 2008, the Group took over 100% of the share capital of the Romanian property insurer UNITA S.A., which also owns 92.3% of AGRAS S.A. Since the balance sheet of UNITA S.A. for the 2008 financial year has not yet been certified, it was not possible to perform a final apportioning of the acquisition costs to the purchased assets and debt items as at the reporting date. The final apportioning to assets, debt items and goodwill – i.e. purchase price allocation – will take place within twelve months of acquisition.

In December, the holding in Leipnik-Lundenburger Invest Beteiligungs AG was expanded to 24.9%; this is shown on the balance sheet as shares in associated companies.

The effects of the change to the scope of consolidation on the main asset and debt positions can be seen under No. 5 of the notes to the consolidated financial statements.

The associated companies refer to 15 domestic and two foreign companies consolidated at equity; of these, ten companies were of minor significance and were listed at current market value.

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

### Changes in the 1st quarter of 2009

Lebensversicherung Raiffeisen Life IC LLC is currently being founded with headquarters in Moscow.

### Consolidation principles

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

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

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

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

### Impairment Test

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

For the purpose of the impairment test, the UNIQA Group has apportioned the goodwill into "cash generating units" (CGU). These CGUs represent the lowest possible level of the company at which goodwill is observed for internal management purposes and in accordance with the strategy.

The impairment test implies a comparison between the realisable value of each CGU and its book valuation, consisting of goodwill and the proportional share capital. If this book valuation of the CGU exceeds the realisable value of the unit based on the earning power method, an impairment is performed.

The UNIQA Group has apportioned the goodwill into the following CGUs:

- Austria
- Bosnia
- Bulgaria
- Croatia
- Czech Republic
- Germany as sub-group
- Hungary
- Italy as sub-group
- Liechtenstein
- Poland
- Romania
- Serbia/Montenegro as sub-group
- Slovakia
- Switzerland
- Ukraine

The utility value is determined by the UNIQA Group through application of generally accepted valuation principles. The value of all CGUs is determined according to the earning power method. The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term results achievable by the CGUs (perpetuity) as well as the internal growth rates are used as the starting point for determination of the earning power.

The earning power is determined through discounting of the future profits with a suitable capitalisation interest rate. No differentiation of the valuation method according to balance sheet segment takes place here because the company is considered as a unit (CGU). As a basis for the valuation, the earning power of each individual CGU is calculated using a discounted cash flow model based on the planned future results.

The company plans used for the calculation are the result of a structured and standardised management dialogue between the UNIQA headquarters in Vienna and the operational units in combination with the reporting and documentation process integrated into this dialogue. The company planning generally encompasses a period of five years. If necessary for determination of the perpetuity, the planned results are adapted to correspond to the sustainably achievable long-term results.

Taxes on profit were assumed for the years 2009–2013 at the effective tax rate of the last three years.

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

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

The following studies and materials served as reference sources:

- SwissRe – Insurance density CEE
- Sigma – 3/2008 Insurance density CEE
- Raiffeisen Research – Inflation rate trends
- Eurostat – GDP growth, interest rate trends
- WIIW (Wiener Institut für internationale Wirtschaftsvergleiche) – Purchasing power parities, GDP growth CEE
- Damodaran – Country risks, growth rate estimates, multiples

The capitalisation interest rate and the internal growth rates are listed below for all significant CGUs:

Cash Generating Unit	Discount factor	Discount factor perpetuity
Austria	8.68%	7.68%
Bosnia	19.99%	10.49%
Bulgaria	12.51%	6.01%
Croatia	11.51%	10.51%
Czech Republic	10.66%	9.66%
Germany	8.25%	7.25%
Hungary	10.94%	9.94%
Italy	10.55%	8.55%
Liechtenstein	6.85%	6.35%
Poland	10.94%	9.94%
Romania	12.51%	5.51%
Serbia/Montenegro	19.99%	10.49%
Slovakia	10.66%	9.66%
Switzerland	6.85%	6.35%
Ukraine	18.58%	11.58%

Source: Damodaran and derived factors

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

These analyses show that sustained surpluses on the part of the individual CGUs are highly dependent on the actual development of these assumptions within the individual economies (GDP, insurance density, purchasing power parities), particularly in the CEE markets, as well as the associated implementation of the individual profit goals. These forecasts and the associated actual future market situation in the currently retrocessive markets and the impact of the continued economic crisis are the largest uncertainties in connection with the valuation results. The statistically demonstrable

development scenario according to which every crisis gives rise to a subsequent, sustained upward trend after two to three years is taken into account in the calculations in that an approximation of a weighted average level was applied in derivation of the perpetuity. Exchange rate risks were valued conservatively in that the rates as at 31 December 2008 were carried forward into the long term. For the event that the intensity and duration of the economic crisis turn out to be much greater than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs.

A history of GDP development in our markets since 2006 exhibits a development as shown in the table below. This forecast for 2010 and the following years supports the prediction of a renewed, consistent upward trend in the CEE markets and characterises the crisis of 2008 and 2009 as a real but temporary slowdown in economic growth such that no long term decline in these core markets for UNIQA is expected at this time.

	2006	2007	2008e	2009f	2010f
<b>Poland</b>					
GDP (% in annual comparison)	6.2	6.7	4.8	-0.8	0.0
<b>Hungary</b>					
GDP (% in annual comparison)	4.1	1.1	0.6	-5.0	-1.0
<b>Czech Republic</b>					
GDP (% in annual comparison)	6.9	6.0	3.1	-2.6	1.3
<b>Slovakia</b>					
GDP (% in annual comparison)	8.5	10.4	6.4	0.8	3.5
<b>Croatia</b>					
Real GDP (% in annual comparison)	4.8	5.6	2.0	-3.2	1.1
<b>Bosnia-Herzegovina</b>					
Real GDP (% in annual comparison)	6.9	6.8	5.5	0.5	2.8
<b>Serbia</b>					
Real GDP (% in annual comparison)	5.6	7.1	6.5	0.5	2.0
<b>Bulgaria</b>					
Real GDP (% in annual comparison)	6.3	6.2	6.0	-0.5	2.5
<b>Romania</b>					
Real GDP (% in annual comparison)	7.9	6.2	7.1	0.5	1.5
<b>Ukraine</b>					
GDP (% in annual comparison)	7.3	7.9	2.1	-8.0	-1.0
<b>Albania</b>					
Real GDP (% in annual comparison)	5.0	6.0	6.0	3.5	4.5

Source: Raiffeisen Research March 2009

In consideration of the data and statistics upon which these calculations are based (see above) and the trend scenarios such as GDP forecasts per CGU or the development of the insurance density per CGU upon which the budget projections and planning of the individual CGUs are based, no shortfalls were identified in the impairment test in the year 2008.

The economic outlook, particularly in the markets of the Ukraine, Serbia and Romania, but also in view of the general economic and financial market developments, provides justification for regular performance of impairment tests in 2009.

The purchase price allocation of the acquisition price for UNITA Vienna InsuranceGroup S.A. according to IFRS 3 was not yet completed at the time this Group annual report was created.

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

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

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

### Presentation of balance sheet and income statement

The International Financial Reporting Standards (IFRS) allow a shortened version of the balance sheet and income statement. Summarising many individual items into units enhances the informative quality of the financial statements. Explanatory notes to these items are contained in the notes to the consolidated financial statements. Rounding differences may result from the formatting to euro thousands.

### Segment reports

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

### Foreign currency translation

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

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

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

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

Closing date rate in €	2008	2007
Swiss franc CHF	1.4850	1.6547
Slovakian koruna SKK	30.1260	33.5830
Czech koruna CZK	26.8750	26.6280
Hungarian forint HUF	266.7000	253.7300
Croatian kuna HRK	7.3555	7.3308
Polish zloty PLN	4.1535	3.5935
Bosnia and Herzegovina convertible mark BAM	1.9687	1.9517
Romanian leu (new) RON	4.0230	3.6080
Bulgarian lev (new) BGN	1.9558	1.9558
Ukranian hryvnia UAH	10.9199	7.3633
Serbian dinar RSD	89.7909	78.7950

### Estimates

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

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

### Methods of accounting and valuation

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

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

### Intangible assets

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

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

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

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

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

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

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

The list of fair values can be found in the Notes under No. 1 and 3.

### Shares in affiliated and associated companies

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

### Investments

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

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

These are recognised as amortised costs in the balance sheet. This means that the difference between the acquisition costs and the repayment amount changes the book value with an effect on income in proportion to time and/or equity. The items included under other loans are recognised at their nominal amount less any redemptions made in the interim. On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of € 2,130 million were reclassified. The corresponding revaluation reserve as at 30 June 2008 was € -98 million.

### Securities available for sale

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

### Investments held for trade (trading portfolio)

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

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

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

### Deposits with credit institutions and other investments

are recognised at their fair value.

### Investments held for unit-linked and index-linked life insurance policyholders

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

### Shares of reinsurers in the technical provisions

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

### Receivables

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

### Liquid funds

are valued at their nominal amounts.

### Other tangible assets

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

### Equity

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

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

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

The **revenue reserves** include the withheld profit of the UNIQA Group and proceeds from transactions with UNIQA shares.

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

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

## Technical provisions

### Unearned premiums

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

### Actuarial provision

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

For policies of a mainly investment character (e.g. unit-linked life insurance), the regulations in the Statement of Financial Accounting Standards No. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy.

For unit-linked insurance policies, where the policyholder carries the sole risk of the value of the investment rising or falling, the actuarial provision is listed as a separate liability entry under "Technical provisions for life insurance where the investment risk is carried by policyholders".

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

### Provision for outstanding claims

The provision for outstanding claims in the property insurance line consists of the future payment obligations determined by realistic estimation using recognised statistical methods taking into account current or expected volumes, including the related expense of loss adjustment. This applies to claims already reported as well as for claims incurred, but not yet reported. In insurance lines where past experience does not allow the application of statistical procedures, individual loss provisions are made.

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

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

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

### Provision for premium refunds and profit sharing

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

### Other technical provisions

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

### Technical provisions for life insurance policies held on account and at risk of policyholders

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

### Other provisions for pensions and similar obligations

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

The amount of **other provisions** is determined by the extent to which the provisions will probably be made use of.

**Payables and other liabilities** are shown at the amount to be repaid.

### Deferred taxes

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

### Value adjustments (impairments)

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

### Premiums

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

### Classes of insurance

(direct business and partly accepted reinsurance business)

- Life insurance
- Unit-linked and index-linked life insurance
- Health insurance
- Casualty insurance
- General liability insurance
- Motor TPL insurance, vehicle and passenger insurance

- Marine, aviation and transport insurance
- Legal expenses insurance
- Fire and business interruption insurance
- Housebreaking, burglary and robbery insurance
- Water damage insurance
- Glass insurance
- Storm insurance
- Household insurance
- Hail insurance
- Livestock insurance
- Machinery and business interruption insurance
- Construction insurance
- Credit insurance
- Other forms of insurance

## Major differences between IFRS/IAS and Austrian accounting regulations

### Goodwill

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

### Intangible assets

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

### Land and buildings

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

### Shares in affiliated and associated companies

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

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

### Financial assets

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

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

### Reinsurance

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

### Acquisition costs

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

### Actuarial provision

For the calculation of the actuarial provisions in life and health insurance, regulations deviating from Austrian law apply, which affect valuation variances as well as the allocation between actuarial provisions and provisions for premium refund. In particular, this refers to the non-application of the zillmerisation of acquisition costs as well as the integration of the revalued unearned premiums and real final bonus in the life insurance line.

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

### Provision for premium refunds and profit sharing

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

### Provisions for outstanding claims

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

### Provisions for claims equalisation and catastrophes

The establishment of provisions for claims equalisation and catastrophes is not permitted under IFRS or US-GAAP regulations as it does not represent any current obligations to third parties on the balance sheet date. Accordingly, transfers or releases do not influence the results for the year.

### Pension commitments

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

### Deferred taxes

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

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

## Management and Supervisory Board members

### Management Board

#### Chairman

**Konstantin Klien**, Vienna

#### Members

**Hannes Bogner**, Vienna

**Andreas Brandstetter**, Vienna

**Karl Unger**, Teesdorf

**Gottfried Wanitschek**, St. Margarethen

All members of the Management Board are appointed until 30 September 2010.

### Supervisory Board

#### Chairman

**Christian Konrad**, Vienna

appointed from 29 June 1990 until the 12th AGM in 2011

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

#### First Vice Chairman

**Herbert Schimetschek**, Vienna

appointed from 15 May 2006 until 19 May 2008

- Member of the Board of Directors of SCOR, Paris

**Georg Winckler**, Vienna

appointed from 17 September 1999 until the 12th AGM in 2011

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

#### Second Vice Chairman

**Walter Rothensteiner**, Vienna

appointed from 3 July 1995 until the 12th AGM in 2011

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

#### Third Vice Chairman

**Heinz Kessler**, Vienna

appointed from 17 September 1999 until the 10th AGM in 2009

- Chairman of the Supervisory Board of Erste Group Bank AG, Vienna
- Vice Chairman of the Supervisory Board of Rath Aktiengesellschaft, Vienna

#### Fourth Vice Chairman

**Karl Wattle**, Bregenz

appointed from 25 June 1996 until 18 December 1996, and from 17 September 1999 until 19 May 2008

**Günther Reibersdorfer**, Salzburg

appointed from 23 May 2005 until the 12th AGM in 2011

#### Fifth Vice Chairman

**Ewald Wetscherek**, Vienna

appointed from 17 September 1999 until the 12th AGM in 2011

## Members

**Konrad Fuchs**, Maria Enzersdorf  
appointed from 17 September 1999 until the 10th AGM in 2009

**Erwin Hameseder**, Vienna

appointed from 21 May 2007 until the 12th AGM in 2011

- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- Vice Chairman of the Supervisory Board of VK Mühlen Aktiengesellschaft, Hamburg
- Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

**Christian Kuhn**, Vienna

appointed from 15 May 2006 until the 12th AGM in 2011

**Markus Mair**, Graz

appointed from 15 May 2006 until the 12th AGM in 2011

## Assigned by the Central Employee Council

**Johann-Anton Auer**, Ruprechtshofen  
(since 18 February 2008)

**Doris Böhm**, Strasshof

**Hans Hahnen**, Absam

(until 21 May 2008 and since 1 September 2008)

**Franz Michael Koller**, Graz

**Friedrich Lehner**, Günskirchen

(until 1 September 2008)

**Walter Vock**, Gumpoldskirchen

(until 18 February 2008)

**Walter Zwiauer**, Vienna

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Corporate Governance Code. The Supervisory Board appointments in domestic and foreign listed companies are given.

## Committees of the Supervisory Board

### Committee for Board Affairs

**Christian Konrad** (Chairman)

**Herbert Schimetschek** (until 19 May 2008)

**Georg Winckler** (since 19 May 2008)

**Walter Rothensteiner**

**Heinz Kessler**

### Working Committee

**Christian Konrad** (Chairman)

**Herbert Schimetschek** (until 19 May 2008)

**Georg Winckler** (since 19 May 2008)

**Walter Rothensteiner**

**Heinz Kessler**

**Karl Waltle** (until 19 May 2008)

**Günther Reibersdorfer** (since 19 May 2008)

**Ewald Wetscherek**

**Doris Böhm** (assigned by the Central Employee Council)

**Franz Michael Koller** (assigned by the Central Employee Council)

**Walter Zwiauer** (assigned by the Central Employee Council)

### Audit Committee

**Christian Konrad** (Chairman)

**Herbert Schimetschek** (until 19 May 2008)

**Georg Winckler** (since 19 May 2008)

**Walter Rothensteiner**

**Heinz Kessler**

**Karl Waltle** (until 19 May 2008)

**Günther Reibersdorfer** (since 19 May 2008)

**Ewald Wetscherek**

**Doris Böhm** (assigned by the Central Employee Council)

**Franz Michael Koller** (assigned by the Central Employee Council)

**Walter Zwiauer** (assigned by the Central Employee Council)

### Investment Committee

**Erwin Hameseder** (Chairman)

**Konrad Fuchs** (Vice Chairman)

**Karl Waltle** (until 19 May 2008)

**Günther Reibersdorfer** (since 19 May 2008)

**Georg Winckler**

**Doris Böhm** (assigned by the Central Employee Council)

**Walter Zwiauer** (assigned by the Central Employee Council)

## Risk report

The nature of an insurance company is to take on risks in return for premium payments. However, these risks arising from the insurance business are only part of the risks which can arise within an insurance company. In addition to general technical risks, there are also financial, operational and management risks. The term external risks refers to those risks that cannot be influenced by the insurance business.

In order to identify, measure, aggregate and control all risks, a UNIQA risk management system was created which is in use in all operating companies of the UNIQA Group in Austria. All Group companies in which UNIQA has a participating interest of more than 50% have been integrated into this risk management process since the end of 2007.

The risk management process of the UNIQA Group is centrally controlled.

Each subsidiary has a responsible risk manager who operates the risk management process and reports to the Group risk management team.

The company's risk situation in terms of market risks, technical risks and operational risks is evaluated and reported on in the half-yearly report. Measures to minimise risks are developed on this basis of this report.

The Group's actuarial office/risk management team consolidates the results of the half-yearly risk assessment in a Group Risk Report, which is made available to the Group management for the purpose of controlling risk.

The UNIQA Group places particular emphasis on the topic of risk management and is preparing the Group for Solvency 2. In 2009, the future standard approach to calculating solvency capital (Quantitative Impact Study 4) will be calculated Group-wide within the scope of these activities and all of the Group's insurance companies will participate in this.

### Management of actuarial and financial risks

#### 1 Actuarial and financial risks

The risk of an insurance contract is the occurrence of the insured event. By definition the occurrence of this risk takes place by chance and is therefore unpredictable. Using the law of large numbers, the risk can be calculated for a sufficiently large insurance portfolio. The larger the portfolio consisting of similar insurance policies, the more accurately the result (loss) can be estimated. For this reason, insurance companies strive for growth.

Premiums earned (gross)	€ 000
2008	4,961,169
2007	4,489,647
2006	4,500,985
2005	4,354,341
2004	3,613,794
2003	3,016,185
2002	2,636,938
2001	2,636,777

The principle of insurance is built on the law of large numbers: only a few of those at risk will actually suffer a loss. For the individual, the occurrence of loss is uncertain; for the collective, however, it is largely determined. The loss-bearing and loss-free risks theoretically cancel each other out. The actuarial risk now exists in the danger that the actual claims for a certain period deviate from those expected. This risk can be divided into the chance risk, the change risk and the error risk.

The chance risk means that higher than expected losses can occur by pure chance. Amongst other things, the change risk means that unforeseen changes to the risk factors have an impact on the actual loss payments. The error risk comes about from deviations arising through incorrect assessment of the risk factors.

#### 1.1 Property insurance

The discount given for household/own home, accident, motor vehicle liability and comprehensive insurance has been linked to risk and customer criteria since April 2007. The objective of this measure is for discounts offered outside of normal rates to be adapted to the risk situation and justified based on the risk level. The amount of the discount, linked to risk and customer criteria, is subject to an annual check.

Reinsurance policies reduce the retained earnings of the initial insurer and lead to a smoothing of results. On the one hand, they can lead to a reduction of the claim ratio in retained earnings in the event of extraordinary events; on the other, a good level of claims can worsen the claim ratio in retained earnings. The aim of an optimal reinsurance strategy is to find a structure that takes both of these points into consideration.

Claims ratio (gross)	%
2008	61.6
2007	68.1
2006	64.3
2005	66.7
2004	64.1
2003	68.9
2002	77.3
2001	73.7

With regard to unexpected claims, risk management makes assessments on elemental, major and cumulative losses in the areas of storms, floods and earthquakes that are based on accepted scenarios. Reinsurance contracts also considerably reduce the level at which any losses occur. Due to the possibility of the failure of reinsurers, the reinsurance structure of the UNIQA Group is described below.

For the exact determination of the reserve risk and premium risk, an internal model is implemented that indicates the risk based on the fundamental portfolio structure, the current reinsurance program and future developments. Detailed information regarding the future development of mass, major and catastrophic damages calculated based on historic data are used as the basis for this. This makes it possible to identify developments at an early point and take direct measures (structuring of premiums and scopes of coverage, adaptation of reinsurance structures) to minimise the risk and control financial results.

#### Excursus: Reinsurance

The total obligatory reinsurance requirement of operating UNIQA companies is covered with reinsurance policies at UNIQA Versicherungen AG or UNIQA Re. UNIQA Versicherungen AG in Vienna is the sole reinsurer of Austrian UNIQA companies, while UNIQA Re in Zurich act as sole risk bearer for UNIQA companies abroad. One exception is the cover against losses due to natural disasters suffered by Austrian companies. In this case, the Austrian companies assign claims to UNIQA Re.

Between 50% and 60% of the entire portfolio are covered by these reinsurance policies. Ratio figures, which reach between 25% and 90% depending upon the volatility of the respective insurance branch, are supplemented with excess loss policies. Two cumulative excess loss policies also exist which should cover major losses across the insurance branch ("umbrella") incurred through natural disasters (earthquakes, flooding, high water, storm, etc.)

In 2004, we created our own reinsurance line on a non-proportional basis for the large industrial business of all Group companies. This includes major risks in various branches of industrial insurance according to precise earnings limits and includes general liability insurance.

UNIQA Insurer AG and UNIQA Re pool the business acquired by the Group companies according to insurance branches and pass gross excess loss policies, which are supplemented by net ratios, on to international reinsurers as a "bouquet". The reinsurance structure, the conditions, the shares and all reinsurance partners in this bouquet are identical for both companies. The reinsurance policy is fully placed.

The effect of the reinsurance programme on the claim ratio in retained earnings can be seen in the following table:

Claims ratio (retained earnings)	%
2008	64.2
2007	67.6
2006	66.0
2005	68.0
2004	65.6
2003	69.8
2002	76.0
2001	73.0

The table below shows the reinsurance requirements for outstanding claims and incurred but not reported claims arranged according to ratings. This concerns the reinsurance business ceded by domestic subsidiaries and UNIQA Re from the property insurance lines to companies outside the Group. The cessions of international subsidiaries and the IWD portion of co-insurance are not included.

Rating	31 Dec. 2008 € 000
AAA	8,485
AA	105,188
A	78,917
BBB	72
Not rated	2,503

The creditworthiness of reinsurers is also very important, not least because of the long duration of claim settlement in the area of general liability insurance and motor vehicle liability insurance.

The problem of duration in reinsurance (initial insurance policies are often multi-year, while reinsurance policies are taken out for only one year) is primarily held in check by the reinsurance team, which controls this risk. Systematic analyses, supported by actuarial methods, are used to assess the appropriateness of the actuarial provisions.

In addition to the elemental lines, the commercial property business also includes liability and technical insurance. In the UNIQA Group, this is divided into three areas:

- Standardised bundled policies for small commercial businesses.
- Customised policies for medium-sized companies; however, the scope of coverage and exposure of these policies are such that they can be accepted decentrally in the Austrian regions and international subsidiaries.
- Large policies, or policies with a complicated scope of coverage, are decided on and arranged centrally both in Austria and for the international subsidiaries. These policies are selected according to quantitative criteria (e.g. €2 million insured sum in property insurance) as well as by content-based, qualitative criteria, such as asset damage coverage in the liability insurance.

Since 2004, the top risks (e.g. over €10.9 million probable maximum loss in property insurance) have been covered by our own, non-proportional reinsurance policy outside of the obligatory reinsurance. A team of experts at the International Desk in Vienna decides on the contribution to this policy for the entire Group.

In the property segment, major risks are evaluated for risk prior to acceptance and subsequently at regular intervals and documented in survey reports. In the liability insurance line, the portfolio for risks with high hazards is subject to permanent monitoring (e.g. planning risks and liability insurance in the medical segment).

The industry holdings of the international companies are regularly analysed for their exposure and composition (risk mix), and survey reports on the exposed risks are prepared.

## 1.2 Life insurance

The risk of an individual insurance contract lies in the occurrence of the insured event. The occurrence is considered random and therefore unpredictable. The insurance company takes on this risk for a corresponding premium paid by the policyholder. When calculating the premium, the actuary refers to the following carefully selected bases of calculation:

- Interest: The actuarial interest is set so low that it can be produced with certainty in each year.
- Mortality: The probabilities of dying are deliberately and carefully calculated for each type of insurance.
- Costs: The costs are calculated in such a way that the costs incurred by the policy can be permanently covered by the premium.

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

The calculation of the premium is also based on the acceptance of a large, homogenous inventory of independent risks, so that the randomness inherent in an individual insurance policy is balanced out by the law of large numbers.

The following risks exist for a life insurance company:

- The bases of calculation prove to be insufficient despite careful selection.
- Random fluctuations prove disadvantageous for the insurer.
- The policyholder exercises certain implicit options to his advantage.

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

### Capital and risk insurance

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

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

Number of insurance policies as at 31 Dec. 2008 Category <sup>1)</sup>	Capital insurance	Retirement annuity	Risk insurance
€0 to €20,000	900,492	99,235	157,471
€20,000 to €40,000	175,680	39,779	38,244
€40,000 to €100,000	71,255	23,430	129,620
€100,000 to €200,000	8,127	4,749	67,917
More than €200,000	1,930	1,556	9,193

<sup>1)</sup> Capital and risk insurance policies are based on the insured sum, for deferred pension annuities the redemption capital is included at maturity, for liquid pension annuities the category refers to the annuity.

### Mortality

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

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

### Homogeneity and independence of insurance risks

An insurance company takes great pains to compose a portfolio of the most homogenous, independent risks possible, in accordance with the classic, deterministic approach to calculating premiums. Because this is virtually impossible in practice, a considerable risk arises for the insurer due to random fluctuations, in particular from the outbreak of epidemic illnesses, as not only could the calculated mortality probabilities prove to be too low, the independence of the risks can also no longer be assumed.

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

### Antiselection

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

### Retirement annuities

#### Mortality

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

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

#### Antiselection

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

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

### Financial risks

The actuarial interest that may be used in the calculation for writing new business is based on the maximum interest rate ordinance and currently amounts to 1.75% per annum ("Lebensaktie", "Zukunftsplan") or 2.25% per annum (other life insurance policies). However, the portfolio also contains older contracts with actuarial interest of up to 4.0% per annum, while the average rate for the portfolio is 2.81%.

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

The interest risk functions in the following ways:

#### Investment and reinvestment risk

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

#### Ratio of assets to liabilities

For practical reasons, the goal of duration matching cannot be fully achieved on the assets and liability side. The duration of the assets is 3.9 years, while for liabilities it is considerably longer. This creates a duration gap, which means that the ratio of assets to liabilities reduces as interest rates fall.

### *Value of implicit options*

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

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

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

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

### **1.3 Health insurance**

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

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

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

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

The operational risks are extensively determined by the IT architecture and by errors that can arise from the business processes (policy formulation, risk assessment and benefit calculation). These risks should be kept to a minimum by using risk management.

The legal risks arise primarily from the effects that changes to legislation have on the existing private health insurance business model. This includes, in particular, changes to the legal framework that make it harder or impossible to adapt to changed circumstances or that sharply reduce the income opportunities. Developments in this area will be observed by the insurance association, and an attempt will be made where necessary to react to negative developments from the perspective of the private health insurer.

The EU Directive on the equal treatment of men and women in insurance, which is implemented in Austria by the Insurance Amendment Act 2006 (VersRÄG 2006), was also taken into account in the calculation of premiums in the last quarter of 2007. As the differences between men and women can be proven, only the childbirth costs had to be shared between men and women; these costs were explicitly defined in the EU Directive and VersRÄG as an exception to the risk-based calculation. No negative effects have been observed on business results to date.

### **2 Financial risks**

For numerous insurance products, a calculatory interest rate is taken into consideration for the investment period between expected deposit and expected payout. The risk therefore lies in a deviation between the expected or calculated interest and the return on capital actually achieved on the capital market. The main components of these capital market risks are:

- Interest rate change risk: possible losses caused by a change in the level and term-based structure of interest rates
- The share risk: possible losses due to price performance on the stock markets caused by macroeconomic and company-related changes
- The credit risk: possible losses caused by the inability to pay or the worsening creditworthiness of debtors or contractual partners
- The currency risk: possible losses caused by changes in exchange rates
- The liquidity risk: the danger of not having sufficient liquid funds on the date of scheduled payout

Model risks also exist with regard to the valuation of ABS securities ("Asset-Backed Securities") and the valuation of the participating interest in STRABAG SE; these are presented as an excursus to the risk report.

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

Investments	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	13,346,319	13,779,745
Long-term unit-linked and index-linked life insurance policies	2,642,462	2,470,340
Long-term health insurance policies	2,409,993	2,245,370
Short-term property and casualty insurance policies	3,511,571	3,695,766
<b>Total</b>	<b>21,910,345</b>	<b>22,191,221</b>

These values refer to the following balance sheet items:

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

Technical provisions and liabilities (retained)	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	13,377,737	13,463,170
Long-term unit-linked and index-linked life insurance policies	2,579,997	2,412,937
Long-term health insurance policies	2,463,975	2,347,571
Short-term property and casualty insurance policies	2,252,755	2,097,404
<b>Total</b>	<b>20,674,464</b>	<b>20,321,082</b>

These values refer to the following balance sheet items:

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

## 2.1 Interest rate change risk

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

Average interest coupon	€		USD		Other	
%	2008	2007	2008	2007	2008	2007
<b>Fixed interest securities</b>						
High-grade loans	4.30	4.05	5.31	5.22	5.22	5.31
Bank/company loans	5.16	4.74	8.51	7.75	3.87	3.80
Emerging markets loans	6.82	7.06	13.33	6.29	13.59	7.87
High-yield loans	7.10	6.68	12.97	8.71	7.98	7.92
Other investments	3.27	3.87	–	–	3.40	7.90
<b>Fixed interest liabilities</b>						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.81	2.86				
Debenture bonds	4.00	4.00				

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

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

Investments for long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Annuities	7,557,839	9,931,822
Shares	313,784	1,170,286
Alternatives	805,285	867,749
Holdings	577,484	82,040
Loans	2,129,470	232,801
Real estate	762,866	686,939
Liquidity	1,083,197	701,803
Deposits receivable	116,394	106,306
<b>Total</b>	<b>13,346,319</b>	<b>13,779,745</b>
Difference between book value and market value		
Real estate	394,791	168,648
Loans	–193,171	822

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial provision	12,902,136	12,614,575
Provision for profit-unrelated premium refunds	86,899	75
Provision for profit-related premium refunds and profit sharing	731	323,478
Other technical provisions	59,558	18,004
Provision for outstanding claims	24,532	106,159
Deposits payable	422,997	400,879
<b>Total</b>	<b>13,377,737</b>	<b>13,463,170</b>

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

Remaining term	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	832,864	828,204
Of more than 1 year up to 3 years	1,809,756	1,226,330
Of more than 3 years up to 5 years	1,100,915	1,154,581
Of more than 5 years up to 7 years	1,273,377	1,629,882
Of more than 7 years up to 10 years	2,013,252	2,228,364
Of more than 10 years up to 15 years	1,089,007	1,063,760
More than 15 years	1,568,138	2,033,502
<b>Total</b>	<b>9,687,309</b>	<b>10,164,623</b>

The capital-weighted average remaining term of technical liabilities is around 8.2 years (2007: 8.3 years).

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

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

Investments in unit-linked and index-linked life insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Share-based funds	555,066	825,456
Bond funds	1,970,756	1,551,188
Liquidity	101,294	92,882
Other investments	15,347	814
<b>Total</b>	<b>2,642,462</b>	<b>2,470,340</b>

#### Long-term health insurance policies

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

Investments for long-term health insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Annuities	1,055,277	1,130,606
Shares	58,456	191,601
Alternatives	109,241	111,703
Holdings	110,545	65,812
Loans	555,465	332,223
Real estate	199,048	193,687
Liquidity	321,961	219,737
<b>Total</b>	<b>2,409,993</b>	<b>2,245,370</b>
Difference between book value and market value		
Real estate	111,941	259,996
Loans	-19,156	-2,376

Provisions and liabilities from long-term health insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial provision	13,614	2,098,989
Provision for profit-unrelated premium refunds	2,225,819	22,199
Provision for profit-related premium refunds or profit sharing	156,396	58,904
Other technical provisions	19,477	694
Provision for unearned premiums	46,529	13,395
Provision for outstanding claims	564	151,683
Deposits payable	1,576	1,708
<b>Total</b>	<b>2,463,975</b>	<b>2,347,571</b>

#### Property and casualty insurance policies

Most property/casualty insurance policies are short-term. The technical provisions are not discounted, meaning that no interest is calculated for the short-term investment. The average terms of interest bearing securities and loans invested to cover technical provisions are shown in the following table:

Remaining term	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	184,216	162,102
More than 1 year up to 3 years	299,698	276,714
More than 3 years up to 5 years	373,621	223,488
More than 5 years up to 7 years	334,836	521,462
More than 7 years up to 10 years	367,359	298,433
More than 10 years up to 15 years	111,648	128,853
More than 15 years	162,944	157,516
<b>Total</b>	<b>1,834,322</b>	<b>1,768,569</b>

The investment structure in the property and casualty insurance is as follows.

Investments for short-term property and casualty insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Annuities	1,317,379	1,351,113
Shares	237,170	179,428
Alternatives	60,720	67,429
Holdings	289,335	866,147
Loans	516,882	417,456
Real estate	457,081	426,685
Liquidity	619,993	374,906
Deposits receivable	13,011	12,602
<b>Total</b>	<b>3,511,571</b>	<b>3,695,766</b>
Difference between book value and market value		
Real estate	214,617	180,553
Loans	-604	-5,695

Provisions and liabilities from short-term property and casualty insurance policies	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Provision for unearned premiums	481,171	408,688
Actuarial provision	42,283	44,482
Provision for outstanding claims	1,666,703	1,582,211
Provision for profit-unrelated premium refunds	25,702	25,591
Provision for profit-related premium refunds or profit sharing	7,800	7,315
Other technical provisions	18,827	16,765
Deposits payable	10,270	12,351
<b>Total</b>	<b>2,252,755</b>	<b>2,097,404</b>

The average policy term in property and casualty insurance is between three and five years.

## 2.2 Share risk

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

Share portfolio composition	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Shares in Europe	186,693	623,775
Shares in America	9,049	65,374
Shares in Asia	3,890	187,428
Shares international <sup>1)</sup>	1,457	3,089
Shares in emerging markets	6,708	127,480
Shares total return <sup>2)</sup>	171,959	496,507
Other shares	229,592	37,662
<b>Total</b>	<b>609,348</b>	<b>1,541,315</b>

<sup>1)</sup> Share-based funds with globally diversified investments.

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

## 2.3 Credit risk

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

Rating	31 Dec. 2008 € 000	31 Dec. 2007 € 000
AAA	3,447,058	3,345,244
AA	2,942,667	3,600,801
A	2,908,069	2,852,518
BBB	1,762,681	975,652
BB	793,953	976,920
B	76,110	424,227
CCC	20,645	30,366
Not rated	82,077	207,813
<b>Total</b>	<b>12,033,260</b>	<b>12,413,541</b>

The values as at 31 December 2008 also include the securities reclassified to the category of loans in the 3rd quarter with a value of €2,102,704,000.

## 2.4 Currency risk

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

31 Dec. 2008 € 000	€	USD	Other	Total
<b>Assets</b>				
Investments	19,862,084	442,885	1,605,376	21,910,345
Other tangible assets	97,421		15,991	113,412
Intangible assets	1,326,277		81,119	1,407,396
Share of reinsurance in the technical provisions	1,043,733		99,717	1,143,450
Other assets	806,685		248,781	1,055,466
<b>Total assets</b>	<b>23,136,200</b>	<b>442,885</b>	<b>2,050,984</b>	<b>25,630,069</b>
<b>Provisions and liabilities</b>				
Subordinated liabilities	575,000		5,544	580,544
Technical provisions	19,627,159		1,373,432	21,000,591
Other provisions	608,255		36,142	644,397
Liabilities	1,773,051		172,709	1,945,760
<b>Total liabilities</b>	<b>22,583,464</b>		<b>1,587,828</b>	<b>24,171,292</b>

31 Dec. 2007 € 000	€	USD	Other	Total
<b>Assets</b>				
Investments	20,133,079	233,523	1,824,619	22,191,221
Other tangible assets	125,686		12,345	138,030
Intangible assets	1,123,946		82,246	1,206,193
Share of reinsurance in the technical provisions	1,044,013		74,521	1,118,534
Other assets	771,964		162,721	934,685
<b>Total assets</b>	<b>23,198,688</b>	<b>233,523</b>	<b>2,156,452</b>	<b>25,588,664</b>
<b>Provisions and liabilities</b>				
Subordinated liabilities	575,000			575,000
Technical provisions	19,552,675		1,125,136	20,677,811
Other provisions	679,162		24,651	703,813
Liabilities	1,966,855		132,962	2,099,817
<b>Total liabilities</b>	<b>22,773,693</b>		<b>1,282,748</b>	<b>24,056,441</b>

The fair value of securities investments in USD amounted to €1,347 million as at 31 December 2008. The exchange rate risk was reduced using derivative financial instruments to €443 million, while the safeguard ratio was 67.1%. The safeguard was maintained in a range of between 63% and 93% during the financial year.

## 2.5 Liquidity risk

The UNIQA Group must satisfy its payment obligations on a daily basis. For this reason, a precise liquidity schedule for the immediately following months is used, and a minimum liquidity holding is defined by the Management Board and is available as a cash reserve on a daily basis. In addition, a majority of the securities portfolio is listed on liquid stock exchanges and can be sold quickly in the case of liquidity burdens.

Additional underwriting obligations exist for private equity investments in the amount of €206.7 million. Obligations of €30.0 million result from multitranch loans.

## 2.6 Sensitivities

The risk management for investments is done in a structured investment process in which the various market risks are controlled at the level of the strategic asset allocation with tactical weighting of the individual asset classes based on market opinion and in the form of timing and selection decisions. In particular, stress tests and sensitivity analyses are used as key figures for measuring, observing and actively controlling the risk.

The table below shows the most important market risks in the form of key sensitivity figures; the information is presented as available on the reporting date, meaning that only rough figures can be offered for future losses of fair value. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects between the individual market risks or counter-controlled measures taken in the various market scenarios.

Interest rate change risk	31 Dec. 2008		31 Dec. 2007	
	+100 basis points	-100 basis points	+100 basis points	-100 basis points
€ 000				
High-grade loans	-253,473	266,813	-235,989	248,409
Bank/company loans	-78,404	82,531	-120,139	126,462
Emerging markets loans	-22,902	24,108	-42,859	45,114
High-yield loans	-1,174	1,236	-2,862	3,013
<b>Total</b>	<b>-355,953</b>	<b>374,688</b>	<b>-401,849</b>	<b>422,998</b>

Share risk	31 Dec. 2008		31 Dec. 2007	
	+10%	-10%	+10%	-10%
€ 000				
Shares in Europe	17,607	-17,607	57,295	-57,295
Shares in America	651	-651	8,717	-8,717
Shares in Asia	1,518	-1,518	19,770	-19,770
International shares	1,117	-1,117	3,579	-3,579
Shares in emerging markets	920	-920	12,848	-12,848
Shares total return	15,897	-15,897	47,879	-47,879
Derivative financial instruments and other shares	4,386	-4,581	2,729	-2,084
<b>Total</b>	<b>42,096</b>	<b>-42,291</b>	<b>152,817</b>	<b>-152,172</b>

Currency risk	31 Dec. 2008		31 Dec. 2007	
	+10%	-10%	+10%	-10%
€ 000				
€	0	0	0	0
USD	46,670	-46,670	23,837	-23,837
Other	138,833	-138,833	153,465	-153,465
<b>Total</b>	<b>185,503</b>	<b>-185,503</b>	<b>177,302</b>	<b>-177,302</b>

Quality risk		31 Dec. 2008		31 Dec. 2007	
€ 000	Change to spread	+	-	+	-
AAA	0 basis points	0	0	0	0
AA	25 basis points	-21,193	21,193	-38,845	38,845
A	50 basis points	-64,090	64,090	-68,413	68,413
BAA	75 basis points	-54,524	54,524	-45,329	45,329
BA	100 basis points	-37,323	37,323	-46,665	46,665
B	125 basis points	-2,102	2,102	-24,830	24,830
CAA	150 basis points	-805	805	-1,376	1,376
Not rated	100 basis points	-4,331	4,331	-15,243	15,243
<b>Total</b>		<b>-184,368</b>	<b>184,368</b>	<b>-240,701</b>	<b>240,701</b>

## 2.7 Value at risk

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

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

Value at risk	Total value at risk € 000	Share risk € 000	Currency risk € 000	Interest risk € 000	Diversification € 000
31 Dec. 2008	799,466	408,289	110,635	802,303	-521,760
31 Dec. 2007	522,197	311,935	97,538	470,240	-357,516
Lowest	477,435	242,436	65,550	495,363	-334,325
Average	576,302	302,386	93,945	609,306	-396,431
Highest	799,466	411,813	149,332	802,303	-539,782

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

The UNIQA Group has placed a portion of its investments in Asset-Backed Securities (ABS).

The securities held in the direct portfolio and in the fund portfolio have been valued using a mark-to-model method. The proportion of investments valued under this model corresponds to 5.93% of total investments.

Within each of these variants, the individual transactions vary with regard to structure, risk profile, interest claims, rating and other parameters.

UNIQA is of the view that it will not be possible to ascertain a fair value for these securities on the basis of market prices or market transactions for the second half of 2008 due to the sharp fall in liquidity and the crisis on the financial markets. So-called market prices, insofar as these can even be identified in individual cases, pertain only in the rarest of cases to securities that are held directly in the portfolio, or even to securities from the same issuer, but rather generally to another paper that is similar in terms of rating and securitisation category. Direct transfer of such prices does not appropriately take into account either the complexity or the heterogeneity of the different structures. Moreover, the available prices regularly originate from distress sales, in which an investor is forced to sell larger quantities of similar securities under time pressure, mostly due to tight liquidity. For both reasons, UNIQA has decided to set the fair value of the specified papers by means of a model approach.

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

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

All parameters refer to the assets used to collateralise the transaction, i.e. to the corporate credits, bonds, preferential shares, etc.

UNIQA uses two objectively defined parameters to portray the failure risk when ascertaining the fair value. The future payments are calculated using the long-term average failure rates and severities.

The modelling system of Intex Solutions, Inc., which represents a widely accepted market standard, serves as the basis for the analysis. With regard to the choice of scenario, especially for the frequency of failure, information on corporate failures published by the rating agency Moody's Investors Service and extending back to 1920 is used. In addition, reference is made to the publicly accessible data of the Federal Deposit Insurance Corporation ("FDIC").

To this extent, the losses expected by a rational investor in a transaction over a longer period of holding are already taken into consideration when generating the payment streams. In order to take account of the current economic crisis, a risk premium was additionally added to the applied discount rate. This premium corresponds to the surcharge originally applied on execution of the individual transaction.

The sensitivity analysis of the ABS portfolio with regard to a rise in the failure rates in the investments underlying the ABS structures shows the following effects on the valuation of the ABS portfolio:

- **Scenario 1:** A 50% rise in the failure rates compared to the model leads to a drop of the model value by 8.03%.
- **Scenario 2:** A 100% rise in the failure rates compared to the model leads to a drop of the model value by 15.63%.

#### Valuation of STRABAG SE

UNIQA had a 13.74% share in STRABAG SE as at the reporting date of 31 December 2008 (31 Dec. 2007: 12.50%). Even following the entry of a new major investor, UNIQA retains a significant influence over the business activity of STRABAG SE. UNIQA is therefore continuing the participating interest in STRABAG SE as an associated share. The book value of the shareholding amounted to €531.7 million as at 31 December 2008. Following examination and valuation of the entire STRABAG SE group, UNIQA is convinced that the valuation of the investment is covered by the proportional value of STRABAG SE and therefore no depreciation to the stock market price of the reporting date is required. The development of the group equity of STRABAG SE anticipated by UNIQA also supports a similar conclusion.

It must be noted here that UNIQA assumes that STRABAG will benefit particularly well from the comprehensive stimulus packages due to a good equity base and broad diversification and will therefore survive the current economic crisis largely unscathed. Should this not turn out to be the case, depreciations will be required, which could lead to a reduction in the proportional equity of STRABAG SE.

## Supplementary information on the Consolidated Balance Sheet

### Development of asset items

	Balance sheet values previous year € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
<b>A. Tangible assets</b>				
I. Self-used land and buildings	227,187	17	19,205	0
II. Other tangible assets				
1. Tangible assets	43,425	-272	15,807	0
2. Inventories	4,269	0	27	0
3. Other assets	90,336	0	0	0
<b>Total A. II.</b>	<b>138,030</b>	<b>-272</b>	<b>15,834</b>	<b>0</b>
<b>Total A.</b>	<b>365,218</b>	<b>-254</b>	<b>35,039</b>	<b>0</b>
<b>B. Land and buildings held as financial investments</b>	<b>1,014,259</b>	<b>-4,708</b>	<b>202,460</b>	<b>0</b>
<b>C. Intangible assets</b>				
I. Deferred acquisition costs	873,462	-2,129	224,958	0
II. Goodwill				
1. Purchased positive goodwill	0	0	4,696	0
2. Positive goodwill	226,632	-28,490	241,835	0
3. Value of insurance policies	66,826	26	0	0
<b>Total C. II.</b>	<b>293,458</b>	<b>-28,463</b>	<b>246,531</b>	<b>0</b>
III. Other intangible assets				
1. Self-produced software	3,796	0	0	0
2. Acquired intangible assets	35,477	-134	10,805	0
<b>Total C. III.</b>	<b>39,273</b>	<b>-134</b>	<b>10,805</b>	<b>0</b>
<b>Total C.</b>	<b>1,206,193</b>	<b>-30,726</b>	<b>482,293</b>	<b>0</b>
<b>D. Shares in associated companies</b>	<b>506,654</b>	<b>0</b>	<b>637,599</b>	<b>-3,943</b>
<b>E. Investments</b>				
I. Variable-yield interest securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	3,969,512	-223	1,194,596	-327,052
2. At fair value through profit or loss	975,953	0	985,409	0
<b>Total E. I.</b>	<b>4,945,465</b>	<b>-223</b>	<b>2,180,005</b>	<b>-327,052</b>
II. Fixed interest securities				
1. Fixed interest securities, held to maturity	0	0	450,000	0
2. Debt securities and other fixed interest securities	10,072,617	5,493	7,091,181	-22,962
3. At fair value through profit or loss	496,638	-1,582	59,336	0
<b>Total E. II.</b>	<b>10,569,255</b>	<b>3,911</b>	<b>7,600,517</b>	<b>-22,962</b>
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	14,495	0	305	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	172,784	0	10,653	0
d) Loans and advance payments on policies	14,274	-12	3,588	0
e) Other loan receivables and registered bonds	780,374	1,829	183,851	20,811
<b>Total E. III. 1.</b>	<b>982,480</b>	<b>1,817</b>	<b>198,397</b>	<b>20,811</b>
2. Cash at credit institutions	649,313	-88	987,612	0
3. Deposits with ceding companies	118,908	0	13,217	0
<b>Total E. III.</b>	<b>1,750,700</b>	<b>1,729</b>	<b>1,199,225</b>	<b>20,811</b>
IV. Derivatives	60,228	4	36,126	0
<b>Total E.</b>	<b>17,325,648</b>	<b>5,421</b>	<b>11,015,873</b>	<b>-329,202</b>
<b>F. Investments held on account and at risk of life insurance policyholders</b>	<b>2,470,340</b>	<b>-6,017</b>	<b>2,095,966</b>	<b>-257,722</b>
<b>Aggregate total</b>	<b>22,888,312</b>	<b>-36,284</b>	<b>14,469,231</b>	<b>-590,868</b>

Amortisation € 000	Transfers € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Book values financial year € 000
0	353	18,801	0	7,397	220,565
0	60	2,833	36	13,323	42,900
0	0	0	0	0	4,296
0	0	24,121	0	0	66,216
0	60	26,954	36	13,323	113,412
0	414	45,754	36	20,720	333,977
0	-316	32,653	0	31,409	1,147,634
0	0	0	0	224,288	872,003
0	0	0	0	0	4,696
0	0	0	0	0	439,977
0	0	0	0	10,556	56,296
0	0	0	0	10,556	500,969
0	0	0	0	2,708	1,088
0	-98	1,493	0	11,221	33,336
0	-98	1,493	0	13,929	34,424
0	-98	1,493	0	248,773	1,407,396
0	-29,051	287,805	29,219	1,290	851,382
0	29,759	2,313,992	32,781	342,225	2,243,156
-1	0	829,275	124,501	307,589	948,998
-1	29,759	3,143,267	157,282	649,813	3,192,154
57	0	1,100	0	0	448,957
-1,010	-2,132,581	7,055,598	65,574	262,441	7,760,272
-211	0	242,631	13,523	53,605	271,468
-1,164	-2,132,581	7,299,329	79,097	316,046	8,480,698
0	0	14,309	0	0	491
0	0	0	0	0	552
0	-19,210	16,036	705	8,333	140,563
0	0	4,180	0	0	13,670
-67	2,148,808	82,709	958	7,315	3,046,540
-67	2,129,599	117,234	1,662	15,648	3,201,817
0	0	180,600	2,527	1,465	1,457,298
0	0	2,720	0	0	129,405
-67	2,129,599	300,554	4,189	17,113	4,788,519
0	0	113,480	119,880	83,681	19,077
-1,232	26,776	10,856,630	360,448	1,066,654	16,480,448
65	2,274	1,562,050	3,861	104,255	2,642,462
-1,166	0	12,786,386	393,563	1,473,101	22,863,300

### 1 | Self-used land and buildings

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Book values for</b>		
Property and casualty insurance	102,560	95,344
Life insurance	12,261	13,276
Health insurance	105,744	118,568
	<b>220,565</b>	<b>227,187</b>
<b>Market values for</b>		
Property and casualty insurance	129,237	123,217
Life insurance	13,913	17,870
Health insurance	122,391	140,332
	<b>265,542</b>	<b>281,419</b>
Acquisition values	318,820	323,285
Cumulative depreciation	-98,255	-96,098
<b>Book values</b>	<b>220,565</b>	<b>227,187</b>
Useful life for land and buildings	10–80 years	10–80 years
<b>Additions from company acquisition</b>	<b>31 Dec. 2008 € 000</b>	<b>31 Dec. 2007 € 000</b>
Self-used land and buildings	14,444	0

The market values are derived from expert reports.

### 2 | Other tangible assets

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Tangible assets	42,900	43,425
Inventories	4,296	4,269
Other assets	66,216	90,336
<b>Total</b>	<b>113,412</b>	<b>138,030</b>

<b>Tangible assets</b>	
<b>Development in financial year</b>	<b>€ 000</b>
Acquisition values as at 31 Dec. 2007	159,608
Cumulative depreciation up to 31 Dec. 2007	-116,183
<b>Book values as at 31 Dec. 2007</b>	<b>43,425</b>
Currency translation changes	-272
Additions	15,807
Disposals	-2,833
Transfers	60
Appreciation and depreciation	-13,288
<b>Book values as at 31 Dec. 2008</b>	<b>42,900</b>
Acquisition values as at 31 Dec. 2008	158,956
Cumulative depreciation up to 31 Dec. 2008	-116,057
<b>Book values as at 31 Dec. 2008</b>	<b>42,900</b>

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

<b>Additions from company acquisitions</b>	<b>31 Dec. 2008 € 000</b>	<b>31 Dec. 2007 € 000</b>
Tangible assets	12,735	56

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

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Book values for</b>		
Property and casualty insurance	354,144	329,023
Health insurance	186,666	179,540
Life insurance	606,823	505,697
	<b>1,147,634</b>	<b>1,014,259</b>
<b>Market values for</b>		
Property and casualty insurance	542,084	481,703
Health insurance	296,955	434,941
Life insurance	984,967	652,581
	<b>1,824,006</b>	<b>1,569,225</b>
Acquisition values	1,543,413	1,398,800
Cumulative depreciation	-395,779	-384,541
<b>Book values</b>	<b>1,147,634</b>	<b>1,014,259</b>
Useful life for land and buildings	10–80 years	10–80 years
<b>Additions from company acquisition</b>	<b>31 Dec. 2008 € 000</b>	<b>31 Dec. 2007 € 000</b>
Land and buildings used by third parties	66,474	42,879

The market values are derived from expert reports.

	31 Dec. 2008 € 000
Change on impairment for current year	1,004
of which reallocation	1,004

#### 4 | Deferred acquisition costs

	2008 € 000	2007 € 000
<b>Property and casualty insurance</b>		
As at 1 Jan.	121,671	110,050
Currency translation changes	-1,602	1,030
Changes to scope of consolidation	5,854	0
Capitalisation	68,044	60,583
Depreciation	-58,837	-49,992
As at 31 Dec.	135,129	121,671
<b>Health insurance</b>		
As at 1 Jan.	214,665	213,952
Currency translation changes	-26	1
Capitalisation	13,582	14,924
Interest surcharge	9,237	9,182
Depreciation	-21,602	-23,395
As at 31 Dec.	215,855	214,665
<b>Life insurance</b>		
As at 1 Jan.	537,126	539,428
Currency translation changes	-500	259
Capitalisation	113,082	104,734
Interest surcharge	15,159	18,750
Transfers	0	-10,126
Depreciation	-143,848	-115,920
As at 31 Dec.	521,019	537,126
<b>Consolidated financial statements</b>		
As at 1 Jan.	873,462	863,430
Currency translation changes	-2,129	1,291
Changes to scope of consolidation	5,854	0
Capitalisation	194,708	180,241
Interest surcharge	24,396	27,932
Transfers	0	-10,126
Depreciation	-224,288	-189,307
As at 31 Dec.	872,003	873,462

#### 5 | Goodwill

	€ 000
Acquisition values as at 31 Dec. 2007	414,487
Cumulative depreciation up to 31 Dec. 2007	-121,029
<b>Book values as at 31 Dec. 2007</b>	<b>293,458</b>
Acquisition values as at 31 Dec. 2008	633,479
Cumulative depreciation up to 31 Dec. 2008	-132,510
<b>Book values as at 31 Dec. 2008</b>	<b>500,969</b>

Main additions: Credo-Classic and UNITA S.A. – see also the information on the scope of consolidation on pages 58/59.

	€ 000
Cumulative depreciation up to 31 Dec. 2008	132,510
of which relating to impairment	21,337
of which current depreciation	111,174
31 Dec. 2008 € 000	
Change in impairment for current year	0
of which reallocation	0

The above values include the goodwill as well as the purchase price paid for the total insurance policies acquired.

Company acquisitions 2008	Amounts placed at the time of acquisition € 000	Book values of the acquired companies € 000
<b>Assets</b>	<b>314,036</b>	<b>314,036</b>
Tangible assets	26,062	26,062
Land and buildings held as financial investments	66,417	66,417
Intangible assets	6,759	6,759
Shares in associated companies	0	0
Investments	78,251	78,251
Investments held on account and at risk of life insurance policyholders	0	0
Share of reinsurance in the technical provisions	36,267	36,267
Receivables incl. receivables under insurance business	86,964	86,964
Receivables from income tax	346	346
Deferred tax assets	0	0
Liquid funds	12,971	12,971
<b>Equity and liabilities</b>	<b>314,036</b>	<b>314,036</b>
Total equity	90,473	90,473
Subordinated liabilities	5,881	5,881
Technical provisions	145,550	145,550
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	0	0
Other provisions	223	223
Payables and other liabilities	66,189	66,189
Liabilities from income tax	187	187
Deferred tax liabilities	5,429	5,429
Currency differences	105	105

## 6 | Other intangible assets

	Self-produced software € 000	Acquired intangible assets € 000
Acquisition values as at 31 Dec. 2007	35,536	154,575
Cumulative depreciation up to 31 Dec. 2007	-31,740	-119,098
<b>Book values as at 31 Dec. 2007</b>	<b>3,796</b>	<b>35,477</b>
Acquisition values as at 31 Dec. 2008	35,536	161,916
Cumulative depreciation up to 31 Dec. 2008	-34,448	-128,580
<b>Book values as at 31 Dec. 2008</b>	<b>1,088</b>	<b>33,336</b>

The other intangible assets are composed of:

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Computer software	30,129	34,361
Copyrights	0	30
Licences	1,271	1,844
Other intangible assets	3,024	3,039
	34,424	39,273
<b>Useful life</b>		
Self-produced software	2–5 years	2–5 years
Acquired intangible assets	2–5 years	2–5 years

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

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

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

Additions from company acquisition	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Self-produced software	0	0
Acquired intangible assets	906	1
		2008 € 000
Research and development expenditures recorded as an expense during the period under review		5,512

## 7 | Shares in affiliated companies valued at equity

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Current market values for</b>		
Shares in affiliated companies of minor importance <sup>1)</sup>	20,480	20,044
Shares in associated companies of minor importance	3,474	17,326
<b>Book values for</b>		
Shares in associated companies valued at equity	847,908	489,328
<b>Equity for</b>		
Shares in affiliated companies of minor importance	10,093	13,303
<b>Annual net profit/loss for the year</b>		
Shares in affiliated companies of minor importance	909	936

<sup>1)</sup> The shares in affiliated companies of minor importance are shown on the balance sheet as available for sale at any time under variable-yield securities (Assets E. I. 1.).

The increase in the shares in associated companies is mainly due to the increases in shares held in Leipnik-Lundenburger Invest Beteiligungs AG and STRABAG SE.

Shares in associated companies	31 Dec. 2008 € 000
Current market value of associated companies listed on a public stock exchange	547,132
Profits/losses for the period	29,488
Unrecorded, proportional loss, ongoing, if shares of loss are no longer recorded	0
Unrecorded, proportional loss, cumulative, if shares of loss are no longer recorded	0

## 8 | Fixed interest securities, held to maturity

	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Corporate bonds of domestic financial institutions	340,000	0
Other securities	108,957	0
<b>Total</b>	<b>448,957</b>	<b>0</b>

For the issue of Rasperia Trading Ltd. shown under other securities, UNIQA was pledged 6,815,218 shares in STRABAG SE as collateral.

	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Corporate bonds of domestic financial institutions	340,000	0
Other securities	110,000	0
<b>Total</b>	<b>450,000</b>	<b>0</b>

Contractual remaining term	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	108,957	0
More than 1 year up to 5 years	340,000	0
<b>Total</b>	<b>448,957</b>	<b>0</b>

Contractual remaining term	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Up to 1 year	110,000	0
More than 1 year up to 5 years	340,000	0
<b>Total</b>	<b>450,000</b>	<b>0</b>

## 9 | Securities available for sale

Type of investment	Acquisition costs		Fluctuation in value not affecting income		Accumulated value adjustments		Foreign currency differences affecting income		Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Shares in affiliated companies	20,480	20,044	0	0	0	0	0	0	20,480	20,044
Shares	643,486	869,012	170,795	26,810	-185,297	-29,449	0	0	628,984	866,373
Equity funds	232,785	825,940	-15,611	-28,623	-28,767	-7,869	0	0	188,408	789,449
Debenture bonds not capital-guaranteed	381,800	648,635	6,011	35,675	-67,964	0	-11,529	-38,612	308,318	645,699
Other variable-yield securities	1,062,174	1,139,130	-142,860	-40,257	0	0	5,574	0	924,888	1,098,873
Participating interests and other investments	170,857	249,205	21,944	316,570	-20,724	-16,700	0	0	172,078	549,075
Fixed-interest securities	8,455,630	10,765,259	-181,654	-325,920	-372,951	-235,797	-140,753	-130,926	7,760,272	10,072,617
<b>Total</b>	<b>10,967,213</b>	<b>14,517,225</b>	<b>-141,374</b>	<b>-15,745</b>	<b>-675,702</b>	<b>-289,815</b>	<b>-146,708</b>	<b>-169,538</b>	<b>10,003,428</b>	<b>14,042,129</b>

The market values listed for participating interests contain participating interest valuations, resulting in an appreciation in the amount of €117,877,000 in 2007. In 2008, it was decided to sell this participating interest (shares of Raiffeisen Zentralbank AG) and a recategorisation to the

Shares category was therefore carried out. The effect of the internal valuation results in a value reduction not affecting income in the amount of €133,311,000 in 2008.

Type of investment	Accumulated value adjustments		of which accumulated from previous years		of which from current year	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Shares in affiliated companies	0	0	0	0	0	0
Shares	-185,297	-29,449	30,019	4,534	-215,316	-33,982
Equity funds	-28,767	-7,869	7,486	-2,442	-36,252	-5,427
Debenture bonds not capital-guaranteed	-67,964	0	0	0	-67,964	0
Other variable-yield securities	0	0	0	-2,254	0	2,254
Participating interests and other investments	-20,724	-16,700	-16,483	-13,023	-4,241	-3,677
Fixed-interest securities	-372,951	-235,797	-215,425	-95,785	-157,526	-140,012
<b>Total</b>	<b>-675,702</b>	<b>-289,815</b>	<b>-194,404</b>	<b>-108,970</b>	<b>-481,298</b>	<b>-180,844</b>

Type of investment	Change in value adjustment current year	of which write-down/write-up affecting income	of which changes due to disposal	Write-up of equity
	31 Dec. 2008 € 000	31 Dec. 2008 € 000	31 Dec. 2008 € 000	31 Dec. 2008 € 000
Shares in affiliated companies	0	0	0	0
Shares	-155,849	-215,316	59,467	0
Equity funds	-20,898	-36,252	15,354	0
Debenture bonds not capital-guaranteed	-67,964	-67,964	0	0
Other variable-yield securities	0	0	0	0
Participating interests and other investments	-4,023	-4,241	217	0
Fixed-interest securities	-137,154	-157,526	20,372	0
<b>Total</b>	<b>-385,888</b>	<b>-481,298</b>	<b>95,410</b>	<b>0</b>

Change in equity as at 31 Dec. 2008	Allocation not affecting income		Withdrawal <sup>1)</sup> due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Other securities – available for sale<sup>2)</sup></b>						
Gross	-329,202	-277,967	121,172	-94,982	-208,030	-372,949
Deferred tax	90,846	52,640	-39,476	-43,667	51,371	8,973
Deferred profit participation	-31,516	70,182	8,555	278,388	-22,961	348,570
Minority interests	5,298	2,656	1,386	15,274	6,684	17,930
<b>Net</b>	<b>-264,575</b>	<b>-152,488</b>	<b>91,638</b>	<b>155,013</b>	<b>-172,937</b>	<b>2,524</b>

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

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

Remaining contractual term	Acquisition costs		Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Infinite	33,595	24,002	31,819	24,637
Up to 1 year	1,720,797	2,702,664	1,492,853	2,499,159
More than 1 year up to 5 years	3,277,055	3,185,270	3,110,079	3,090,701
More than 5 years up to 10 years	3,102,648	4,554,791	2,857,533	4,389,110
More than 10 years	1,765,507	2,086,297	1,501,195	1,813,582
<b>Total</b>	<b>9,899,603</b>	<b>12,553,024</b>	<b>8,993,478</b>	<b>11,817,188</b>

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

<b>Risk of default rating</b>	31 Dec. 2008 € 000
<b>Fixed-interest securities</b>	
Rating AAA	3,047,365
Rating AA	1,530,123
Rating A	2,312,366
Rating BBB	1,126,691
Rating <BBB	764,584
Not assigned	212,349
<b>Rating total of fixed-interest securities</b>	<b>8,993,478</b>
<b>Issuer countries</b>	
<b>Share securities</b>	
IE, NL, UK, US	216,489
AT, BE, CH, DE, DK, FR, IT	530,725
ES, FI, NO, SE	3,724
Remaining EU	44,254
Other countries	127,257
<b>Issuer countries total of share securities</b>	<b>922,449</b>
Other shareholdings	67,021
<b>Total variable-yield securities</b>	<b>989,470</b>

## 10 | Derivative financial instruments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Market values</b>		
Share risk	8,428	14,793
Interest rate change risk	1,083	536
Currency risk	-23,134	38,847
Structured risk	25,613	-6,289
<b>Total</b>	<b>11,990</b>	<b>47,887</b>
Structured risk – of which:		
Share risk	-13,552	6,903
Interest rate change risk	16,808	-15,612
Currency risk	22,357	2,420
Credit risk	0	0
<b>Balance sheet values</b>		
Investments	19,077	60,228
Financial liabilities	-7,087	-12,342

## 11 | Loans

	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Loans to affiliated companies	491	14,495
Loans to participating interests	552	552
Mortgage loans	140,563	172,784
Loans and advance payments on policies	13,670	14,274
Other loans	641,551	529,874
Registered bonds	302,285	250,500
Reclassified bonds	2,102,704	0
<b>Total</b>	<b>3,201,817</b>	<b>982,480</b>

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of €2,129,552,000 were reclassified. The corresponding revaluation reserve as at 30 June 2008 was €-98,208,000. The current market value as at 31 December 2008 is €1,889,108,000, which corresponds to a change in market value of €213,596,000 since 1 July 2008. In addition, an amortisation expense of €61,000 was posted in the income statement.

Remaining contractual term	Book values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Infinite	1,474	1,683
Up to 1 year	1,110,926	61,906
More than 1 year up to 5 years	740,557	224,772
More than 5 years up to 10 years	1,015,364	476,410
More than 10 years	333,495	217,709
<b>Total</b>	<b>3,201,817</b>	<b>982,480</b>

	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Loans to affiliated companies	491	14,495
Loans to participating interests	552	552
Mortgage loans	140,563	172,784
Loans and advance payments on policies	13,670	14,274
Other loans	642,216	522,624
Registered bonds	302,285	250,500
Reclassified bonds	1,889,108	0
<b>Total</b>	<b>2,988,886</b>	<b>975,230</b>

Remaining contractual term	Market values	
	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Infinite	1,474	1,683
Up to 1 year	979,700	61,733
More than 1 year up to 5 years	744,552	225,566
More than 5 years up to 10 years	933,883	470,536
More than 10 years	329,277	215,713
<b>Total</b>	<b>2,988,886</b>	<b>975,230</b>

## 12 | Other investments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Deposits with credit institutions	1,457,298	649,313
Deposits with ceding companies	129,405	118,908
<b>Total</b>	<b>1,586,702</b>	<b>768,221</b>

### 13 | Receivables incl. receivables under insurance business

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>I. Reinsurance receivables</b>		
1. Accounts receivable under reinsurance operations	46,766	67,795
	<b>46,766</b>	<b>67,795</b>
<b>II. Other receivables</b>		
Receivables under the insurance business		
1. from policyholders	277,514	219,145
2. from intermediaries	72,864	62,285
3. from insurance companies	4,985	6,828
	<b>355,363</b>	<b>288,258</b>
<b>Other receivables</b>		
Accrued interest and rent	239,538	205,764
Other tax refund claims	41,551	42,126
Receivables due from employees	3,552	3,614
Other receivables	195,117	155,437
	<b>479,756</b>	<b>406,940</b>
<b>Total other receivables</b>	<b>835,119</b>	<b>695,198</b>
<b>Subtotal</b>	<b>881,885</b>	<b>762,993</b>
of which receivables with a remaining term of		
up to 1 year	862,485	746,927
more than 1 year	19,376	16,067
	<b>881,861</b>	<b>762,993</b>
of which receivables with values not yet adjusted		
up to 3 months overdue	57,021	48,590
more than 3 months overdue	9,692	5,961
<b>III. Other assets</b>		
Accruals	50,432	43,383
	<b>50,432</b>	<b>43,383</b>
<b>Total receivables incl. receivables under insurance business</b>	<b>932,317</b>	<b>806,377</b>

### 14 | Receivables from income tax

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Receivables from income tax	54,077	51,253
of which receivables with a remaining term of		
up to 1 year	41,113	38,533
more than 1 year	12,964	12,720

### 15 | Deferred tax assets

Cause of origin	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial items	2,986	9,158
Social capital	32,228	45,901
Investments	1,276	2,636
Loss carried forward	6,986	3,514
Other	25,621	15,846
<b>Total</b>	<b>69,096</b>	<b>77,055</b>

### 16 | Subscribed capital

	31 Dec. 2008	31 Dec. 2007
Number of authorised and issued no-par shares	131,673,000	119,777,808
of which fully paid up	131,673,000	119,777,808

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

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

In addition to the subscribed capital, UNIQA Versicherungen AG has at its disposal an authorised capital in the amount of €50 million. The Annual General Meeting of 23 May 2005 extended the authorisation of the Management Board of UNIQA Versicherungen AG to increase the share capital, with the approval of the Supervisory Board, up to and including 30 June 2010.

The share capital was increased in the financial year in partial use of this authorisation by €11,895,192,000 to €131,673,000,000 (2007: €119,777,808,000).

Furthermore, the Management Board made use of its authorisation to buy back shares in accordance with the resolution of the 9th Annual General Meeting of 19 May 2008 and resolved on 19 May 2008 that UNIQA would buy back its own shares. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 19 May 2008. In this regard, the ongoing resale programme was ended. The programme for the repurchase of shares entered into effect on 22 May 2008. During the financial year, 469,650 of the company's own shares were acquired through the stock exchange.

#### Capital requirement

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

As at 31 December 2008, adjusted equity amounted to €1,694,988,000 (2007: €1,329,697,000). In ascertaining the adjusted equity, non-tangible economic goods (especially goodwill) and participating interests in banks and insurance companies are deducted from the equity and various forms of hybrid capital (especially supplementary capital) and latent reserves in investments (especially in real estate) are added. With a statutory requirement for adjusted equity of €1,028,992,000 (2007: €973,847,000), the statutory requirements were exceeded by €666,006,000 (2007: €355,851,000), resulting in a coverage rate of 164.7% (2007: 136.6%). With the change to Section 81h paragraph 2 of the Insurance Supervision Act, the volatility reserve was added as part of the available capital as of the 3rd quarter of 2008. This increased the adjusted equity by €203,473,000.

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

	2008 € 000	2007 € 000
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,694,998	1,520,247
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,491,525	1,329,697

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

	31 Dec. 2008	31 Dec. 2007
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € 000	10,857	2,561
Number of shares	819,650	350,000
Share of subscribed capital in %	0.68	0.29

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

Earnings per share	2008	2007
Consolidated profit in € 000	53,308	247,103
of which accounts for ordinary shares in € 000	53,308	247,103
Own shares as at 31 Dec.	819,650	350,000
Average number of shares in circulation	121,064,534	119,427,808
Earnings per share in € <sup>1)</sup>	0.44	2.07
Earnings before taxes per share in € <sup>1)</sup>	0.63	2.67
Earnings per share <sup>1)</sup> , adjusted for goodwill amortisation in €	0.53	2.23
Profit from ordinary activities per share, adjusted for goodwill amortisation in €	0.83	3.01
Dividend per share <sup>2)</sup>	0.40	0.50
Dividend payment in € 000 <sup>2)</sup>	52,341	59,714

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

<sup>2)</sup> Subject to the decision to be taken in the AGM.

The diluted earnings per share is equal to the undiluted earnings per share in the reporting year and in the previous year.

Change in the tax amounts included in the equity without affecting income	31 Dec. 2008 € 000
Effective tax	0
Deferred tax	48,346
<b>Total</b>	<b>48,346</b>

## 17 | Minority interests

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
In revaluation reserve	-30,288	-14,796
In net income for the year	13,440	21,889
In other equity	210,956	188,749
<b>Total</b>	<b>194,108</b>	<b>195,843</b>

## 18 | Subordinated liabilities

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Supplementary capital	580,544	575,000

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

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

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

## 19 | Unearned premiums

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Property and casualty insurance</b>		
Gross	509,876	416,518
Reinsurers' share	-28,705	-7,830
	<b>481,171</b>	<b>408,688</b>
<b>Health insurance</b>		
Gross	13,685	13,467
Reinsurers' share	-71	-72
	<b>13,614</b>	<b>13,395</b>
<b>Consolidated financial statements</b>		
Gross	523,561	429,985
Reinsurers' share	-28,776	-7,902
<b>Total (fully consolidated values)</b>	<b>494,785</b>	<b>422,083</b>

## 20 | Actuarial provision

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Property and casualty insurance</b>		
Gross	42,501	44,727
Reinsurers' share	-218	-244
	<b>42,283</b>	<b>44,482</b>
<b>Health insurance</b>		
Gross	2,227,395	2,100,697
Reinsurers' share	-1,576	-1,708
	<b>2,225,819</b>	<b>2,098,989</b>
<b>Life insurance</b>		
Gross	13,331,729	13,021,276
Reinsurers' share	-429,593	-406,701
	<b>12,902,136</b>	<b>12,614,575</b>
<b>Consolidated financial statements</b>		
Gross	15,601,625	15,166,700
Reinsurers' share	-431,387	-408,653
<b>Total (fully consolidated values)</b>	<b>15,170,238</b>	<b>14,758,046</b>

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

For	Health insurance acc. to SFAS 60 %	Life insurance acc. to SFAS 120 %
<b>2008</b>		
For actuarial provision	4.50 or 5.50	1.75–4.00
For deferred acquisition costs	4.50 or 5.50	4.70
<b>2007</b>		
For actuarial provision	4.50 or 5.50	1.75–4.00
For deferred acquisition costs	4.50 or 5.50	4.70

## 21 | Provision for outstanding claims

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Property and casualty insurance</b>		
Gross	1,948,996	1,921,373
Reinsurers' share	-282,293	-339,161
	<b>1,666,703</b>	<b>1,582,211</b>
<b>Health insurance</b>		
Gross	157,017	152,385
Reinsurers' share	-621	-702
	<b>156,396</b>	<b>151,683</b>
<b>Life insurance</b>		
Gross	98,937	117,913
Reinsurers' share	-12,038	-11,754
	<b>86,899</b>	<b>106,159</b>
<b>Consolidated financial statements</b>		
Gross	2,204,950	2,191,671
Reinsurers' share	-294,952	-351,617
<b>Total (fully consolidated values)</b>	<b>1,909,998</b>	<b>1,840,054</b>

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

	2008 € 000	2007 € 000
<b>1. Provisions for outstanding claims as at 1 Jan.</b>		
a. Gross	1,921,373	1,770,640
b. Reinsurers' share	-339,161	-312,033
c. Retention	<b>1,582,211</b>	<b>1,458,607</b>
<b>2. Plus (retained) claims expenditures</b>		
a. Losses of the current year	1,519,780	1,285,246
b. Losses of the previous year	-130,572	-73,252
c. Total	<b>1,389,208</b>	<b>1,211,994</b>
<b>3. Less (retained) losses paid</b>		
a. Losses of the current year	-801,099	-642,759
b. Losses of the previous year	-520,701	-453,194
c. Total	<b>-1,321,800</b>	<b>-1,095,953</b>
<b>4. Foreign currency translation</b>	<b>-14,216</b>	<b>7,615</b>
<b>5. Change in consolidation scope</b>	<b>35,604</b>	<b>1,720</b>
<b>6. Other changes</b>	<b>-4,305</b>	<b>-1,771</b>
<b>7. Provisions for outstanding claims as at 31 Dec.</b>		
a. Gross	1,948,996	1,921,373
b. Reinsurers' share	-282,293	-339,161
c. Retention	<b>1,666,703</b>	<b>1,582,211</b>

Claims payments	2003 € 000	2004 € 000	2005 € 000	2006 € 000	2007 € 000	2008 € 000	Total € 000
Financial year	543,803	553,145	599,941	649,881	707,965	786,435	
1 year later	833,341	858,620	929,990	987,438	1,098,378		
2 years later	897,309	934,490	1,009,898	1,078,898			
3 years later	926,464	967,315	1,047,823				
4 years later	943,778	986,079					
5 years later	956,777						
Accumulated payments	956,777	986,079	1,047,823	1,078,898	1,098,378	786,435	
Estimated final claims payments	1,003,489	1,043,265	1,218,152	1,247,508	1,370,109	1,467,246	
Current balance sheet reserve	46,713	57,186	170,329	168,610	271,731	680,811	1,395,380
Balance sheet reserve for the claims years 2002 and before							440,202
							<b>1,835,582</b>
Plus other reserve components (internal claims regulation costs, etc.)							113,414
<b>Provisions for outstanding claims (gross) as at 31 Dec. 2008</b>							<b>1,948,996</b>

## 22 | Provision for premium refunds

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Property and casualty insurance</b>		
Gross	33,568	33,271
Reinsurers' share	-65	-365
	<b>33,502</b>	<b>32,906</b>
<b>Health insurance</b>		
Gross	66,006	81,103
Reinsurers' share	0	0
	<b>66,006</b>	<b>81,103</b>
<b>Life insurance</b>		
Gross	-58,568	323,653
Reinsurers' share	-259	-100
	<b>-58,827</b>	<b>323,553</b>
<b>Consolidated financial statements</b>		
Gross	41,006	438,027
Reinsurers' share	-325	-465
<b>Total (fully consolidated values)</b>	<b>40,681</b>	<b>437,562</b>
of which profit-unrelated (retention)	45,911	47,865
of which profit-related (retention)	-5,229	389,696

Gross	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>a) Provision for profit-unrelated premium refunds</b>	<b>46,135</b>	<b>48,231</b>
of which property and casualty insurance	25,768	25,957
of which health insurance	19,477	22,199
of which life insurance	890	75
<b>b) Provision for profit-related premium refunds and/or policyholder profit participation</b>	<b>211,545</b>	<b>271,588</b>
of which property and casualty insurance	7,800	7,315
of which health insurance	46,529	58,904
of which life insurance	157,216	205,370
<b>Deferred profit participation</b>	<b>-216,675</b>	<b>118,208</b>
<b>Total (fully consolidated values)</b>	<b>41,006</b>	<b>438,027</b>

Gross	2008 € 000	2007 € 000
<b>a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation</b>		
<b>As at 1 Jan.</b>	<b>319,819</b>	<b>387,165</b>
Changes for:		
other changes	-62,139	-67,346
<b>As at 31 Dec.</b>	<b>257,680</b>	<b>319,819</b>
<b>b) Deferred profit participation</b>		
<b>As at 1 Jan.</b>	<b>118,208</b>	<b>413,510</b>
Changes for:		
fluctuation in value, securities available for sale	22,961	-348,570
revaluations affecting income	-357,844	53,268
<b>As at 31 Dec.</b>	<b>-216,675</b>	<b>118,208</b>

The latent profit sharing was changed to an asset item in financial year 2008. On the basis of the business model used in life insurance and the management rules applied in the Group, this asset item will be reduced against the technical liabilities over the term of the policy. The appropriateness of the entire technical liability will also be regularly checked under a discounted cashflow model ("liability adequacy test").

## 23 | Actuarial provisions

Gross	Unearned premiums	Actuarial provision	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other actuarial provisions	Group total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Property and casualty insurance</b>							
<b>As at 31 Dec. 2007</b>	<b>416,518</b>	<b>44,727</b>	<b>1,921,373</b>	<b>25,957</b>	<b>7,315</b>	<b>19,974</b>	<b>2,435,863</b>
Exchange rate differences	-13,647	-274	-16,306	106	-1	-3	-30,126
Changes in consolidation scope	68,006		43,438			1,185	112,629
Portfolio changes	-26		-4,305			-214	-4,544
Additions		1,644		1,280	712	9,109	12,745
Disposals		-3,595		-1,575	-226	-5,557	-10,953
Premiums written	1,772,493						1,772,493
Premiums earned	-1,733,468						-1,733,468
Claims in reporting year			1,600,635				1,600,635
Claims payments in reporting year			-835,614				-835,614
Change in claims from previous years			-154,070				-154,070
Claims payments in previous years			-606,157				-606,157
<b>As at 31 Dec. 2008</b>	<b>509,876</b>	<b>42,501</b>	<b>1,948,996</b>	<b>25,768</b>	<b>7,800</b>	<b>24,494</b>	<b>2,559,435</b>
<b>Health insurance</b>							
<b>As at 31 Dec. 2007</b>	<b>13,467</b>	<b>2,100,697</b>	<b>152,385</b>	<b>22,199</b>	<b>58,904</b>	<b>694</b>	<b>2,348,345</b>
Exchange rate differences	-42	15	-88	-4		-1	-120
Changes in consolidation scope	566		191				757
Portfolio changes	-4		-27			-4	-35
Additions		150,664		4,482	2,625	10	157,781
Disposals		-23,980		-7,199	-15,000	-134	-46,314
Premiums written	793,842						793,842
Premiums earned	-794,145						-794,145
Claims in reporting year			649,538				649,538
Claims payments in reporting year			-514,418				-514,418
Change in claims from previous years			8,065				8,065
Claims payments in previous years			-138,628				-138,628
<b>As at 31 Dec. 2008</b>	<b>13,685</b>	<b>2,227,395</b>	<b>157,017</b>	<b>19,477</b>	<b>46,529</b>	<b>564</b>	<b>2,464,667</b>
<b>Life insurance</b>							
<b>As at 31 Dec. 2007</b>	<b>0</b>	<b>13,021,276</b>	<b>117,913</b>	<b>75</b>	<b>323,578</b>	<b>17,824</b>	<b>13,480,666</b>
Exchange rate differences		5,732	-78	-4	-464	52	5,238
Changes in consolidation scope							0
Portfolio changes		-49,045	4	286	1	3,265	-45,488
Additions		446,684		532	123,059	3,477	573,752
Disposals		-92,919			-505,632	-225	-598,776
Claims in reporting year			1,455,107				1,455,107
Claims payments in reporting year			-1,389,595				-1,389,595
Change in claims from previous years			34,881				34,881
Claims payments in previous years			-119,294				-119,294
<b>As at 31 Dec. 2008</b>	<b>0</b>	<b>13,331,729</b>	<b>98,937</b>	<b>890</b>	<b>-59,458</b>	<b>24,393</b>	<b>13,396,492</b>
<b>Group total</b>							
<b>As at 31 Dec. 2007</b>	<b>429,985</b>	<b>15,166,700</b>	<b>2,191,670</b>	<b>48,231</b>	<b>389,797</b>	<b>38,491</b>	<b>18,264,873</b>
Exchange rate differences	-13,689	5,473	-16,472	98	-465	48	-25,008
Changes in consolidation scope	68,571		43,630			1,185	113,386
Portfolio changes	-29	-49,045	-4,327	286	1	3,047	-50,067
Additions		598,992		6,295	126,396	12,596	744,279
Disposals		-120,494		-8,774	-520,858	-5,916	-656,042
Premiums written	2,566,335						2,566,335
Premiums earned	-2,527,612						-2,527,612
Claims in reporting year			3,705,280				3,705,280
Claims payments in reporting year			-2,739,627				-2,739,627
Change in claims from previous years			-111,125				-111,125
Claims payments in previous years			-864,079				-864,079
<b>As at 31 Dec. 2008</b>	<b>523,561</b>	<b>15,601,625</b>	<b>2,204,950</b>	<b>46,135</b>	<b>-5,129</b>	<b>49,451</b>	<b>18,420,594</b>

Reinsurers' share	Unearned premiums	Actuarial provision	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other actuarial provisions	Group total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Property and casualty insurance</b>							
As at 31 Dec. 2007	7,830	244	339,161	365	0	3,209	350,810
Exchange rate differences	-58	-12	-2,089			-75	-2,234
Changes in consolidation scope	19,288		7,834			521	27,644
Portfolio changes			-3,462				-3,462
Additions						2,091	2,091
Disposals		-14		-300		-78	-393
Premiums written	105,089						105,089
Premiums earned	-103,445						-103,445
Claims in reporting year			84,317				84,317
Claims payments in reporting year			-34,515				-34,515
Change in claims from previous years			-23,498				-23,498
Claims payments in previous years			-85,456				-85,456
As at 31 Dec. 2008	28,705	218	282,293	65	0	5,668	316,949
<b>Health insurance</b>							
As at 31 Dec. 2007	72	1,708	702	0	0	0	2,482
Exchange rate differences			-5				-5
Changes in consolidation scope	1						1
Portfolio changes							0
Additions							0
Disposals		-132					-132
Premiums written	557						557
Premiums earned	-559						-559
Claims in reporting year			187				187
Claims payments in reporting year			-203				-203
Change in claims from previous years			-6				-6
Claims payments in previous years			-54				-54
As at 31 Dec. 2008	71	1,576	621	0	0	0	2,268
<b>Life insurance</b>							
As at 31 Dec. 2007	0	406,701	11,754	0	100	-180	418,374
Exchange rate differences		10	-5				5
Changes in consolidation scope							0
Portfolio changes		4,329	-1,274				3,055
Additions		18,918		159		42	19,119
Disposals		-364					-364
Claims in reporting year			19,407				19,407
Claims payments in reporting year			-12,394				-12,394
Change in claims from previous years			-1,056				-1,056
Claims payments in previous years			-4,393				-4,393
As at 31 Dec. 2008	0	429,593	12,038	159	100	-139	441,752
<b>Group total</b>							
As at 31 Dec. 2007	7,902	408,653	351,616	365	100	3,029	771,666
Exchange rate differences	-58	-2	-2,099			-75	-2,234
Changes in consolidation scope	19,290		7,834			521	27,645
Portfolio changes		4,329	-4,736				-407
Additions		18,918		159		2,132	21,209
Disposals		-511		-300		-78	-889
Premiums written	105,646						105,646
Premiums earned	-104,004						-104,004
Claims in reporting year			103,911				103,911
Claims payments in reporting year			-47,111				-47,111
Change in claims from previous years			-24,559				-24,559
Claims payments in previous years			-89,904				-89,904
As at 31 Dec. 2008	28,776	431,387	294,952	225	100	5,529	760,969

Retention	Unearned premiums	Actuarial provision	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other actuarial provisions	Group total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
<b>Property and casualty insurance</b>							
<b>As at 31 Dec. 2007</b>	<b>408,688</b>	<b>44,482</b>	<b>1,582,211</b>	<b>25,591</b>	<b>7,315</b>	<b>16,765</b>	<b>2,085,053</b>
Exchange rate differences	-13,589	-262	-14,216	106	-1	72	-27,891
Changes in consolidation scope	48,717		35,604			664	84,985
Portfolio changes	-26		-843			-214	-1,083
Additions		1,644		1,280	712	7,018	10,655
Disposals		-3,581		-1,275	-226	-5,478	-10,560
Premiums written	1,667,403						1,667,403
Premiums earned	-1,630,023						-1,630,023
Claims in reporting year			1,516,318				1,516,318
Claims payments in reporting year			-801,099				-801,099
Change in claims from previous years			-130,572				-130,572
Claims payments in previous years			-520,701				-520,701
<b>As at 31 Dec. 2008</b>	<b>481,172</b>	<b>42,283</b>	<b>1,666,703</b>	<b>25,702</b>	<b>7,800</b>	<b>18,826</b>	<b>2,242,486</b>
<b>Health insurance</b>							
<b>As at 31 Dec. 2007</b>	<b>13,395</b>	<b>2,098,989</b>	<b>151,683</b>	<b>22,199</b>	<b>58,904</b>	<b>694</b>	<b>2,345,863</b>
Exchange rate differences	-42	15	-83	-4		-1	-115
Changes in consolidation scope	564		191				756
Portfolio changes	-4		-27			-4	-35
Additions		150,664		4,482	2,625	10	157,781
Disposals		-23,849		-7,199	-15,000	-134	-46,182
Premiums written	793,286						793,286
Premiums earned	-793,586						-793,586
Claims in reporting year			649,351				649,351
Claims payments in reporting year			-514,216				-514,216
Change in claims from previous years			8,070				8,070
Claims payments in previous years			-138,574				-138,574
<b>As at 31 Dec. 2008</b>	<b>13,614</b>	<b>2,225,819</b>	<b>156,396</b>	<b>19,477</b>	<b>46,529</b>	<b>564</b>	<b>2,462,399</b>
<b>Life insurance</b>							
<b>As at 31 Dec. 2007</b>	<b>0</b>	<b>12,614,575</b>	<b>106,159</b>	<b>75</b>	<b>323,478</b>	<b>18,004</b>	<b>13,062,292</b>
Exchange rate differences		5,722	-73	-4	-464	52	5,233
Changes in consolidation scope							0
Portfolio changes		-53,374	1,278	286	1	3,265	-48,543
Additions		427,766		373	123,059	3,436	554,634
Disposals		-92,554			-505,632	-225	-598,411
Claims in reporting year			1,435,700				1,435,700
Claims payments in reporting year			-1,377,202				-1,377,202
Change in claims from previous years			35,937				35,937
Claims payments in previous years			-114,900				-114,900
<b>As at 31 Dec. 2008</b>	<b>0</b>	<b>12,902,136</b>	<b>86,899</b>	<b>731</b>	<b>-59,558</b>	<b>24,532</b>	<b>12,954,740</b>
<b>Group total</b>							
<b>As at 31 Dec. 2007</b>	<b>422,083</b>	<b>14,758,046</b>	<b>1,840,054</b>	<b>47,866</b>	<b>389,697</b>	<b>35,462</b>	<b>17,493,208</b>
Exchange rate differences	-13,631	5,475	-14,373	98	-465	123	-22,773
Changes in consolidation scope	49,282		35,796			664	85,741
Portfolio changes	-29	-53,374	408	286	1	3,047	-49,660
Additions		580,075		6,135	126,396	10,464	723,069
Disposals		-119,984		-8,474	-520,858	-5,838	-655,153
Premiums written	2,460,689						2,460,689
Premiums earned	-2,423,609						-2,423,609
Claims in reporting year			3,601,369				3,601,369
Claims payments in reporting year			-2,692,516				-2,692,516
Change in claims from previous years			-86,565				-86,565
Claims payments in previous years			-774,175				-774,175
<b>As at 31 Dec. 2008</b>	<b>494,784</b>	<b>15,170,238</b>	<b>1,909,998</b>	<b>45,911</b>	<b>-5,229</b>	<b>43,923</b>	<b>17,659,624</b>

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

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Gross	2,579,997	2,412,937
Reinsurers' share	-382,480	-346,868
<b>Total</b>	<b>2,197,518</b>	<b>2,066,069</b>

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

## 25 | Liabilities from loans

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Liabilities under issued debenture bonds		
UNIQA Versicherungen AG, Vienna		
4.00%, €150 million, bond 2004/2009	150,000	150,000
Loan liabilities	39,053	35,900
up to 1 year	27	88
more than 1 year up to 5 years	10,483	6,969
more than 5 years	28,543	28,842
<b>Total</b>	<b>189,053</b>	<b>185,900</b>

## 26 | Provisions for pensions and similar commitments

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Provisions for pensions	316,784	383,543
Provision for severance payments	119,693	125,998
<b>Total</b>	<b>436,478</b>	<b>509,541</b>
	2008 € 000	2007 € 000
<b>As at 1 Jan.</b>	<b>509,541</b>	<b>542,418</b>
Changes from foreign currency translation	-246	15
Withdrawal for pension payments	-60,867	-29,705
Expenditure in the financial year	-11,950	-3,187
<b>As at 31 Dec.</b>	<b>436,478</b>	<b>509,541</b>

Active special policyholders with direct assurances to pension benefits, including members of the Management Board and leading executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances to pension benefits according to the "trade association recommendation for in-house and field sales staff" who approved the offer to transfer existing vested pension rights to ÖPAG Pensionskassen AG on the basis of concluded works agreements, are included in a contribution-based pension fund. The corresponding transfer amounts (the assurance cover) were paid to the ÖPAG Pensionskassen AG in 2008 in accordance with Section 48 of the Pension Fund Act. For the purpose of guaranteeing the level of the pension fund pension according to the previous direct assurances to pension benefits, those entitled to vested rights have a claim to payment of a (one-time) final pension fund contribution at the time of pension eligibility. No contributions are made for the benefit phase.

Calculation factors applied	
<b>2008</b>	
Technical rate of interest	6.00%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler/employees
<b>2007</b>	
Technical rate of interest	5.00%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 1999 P – Pagler & Pagler/employees

Specification of pension expenditures for pensions and similar commitments included in the income statement	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Current service cost	14,371	16,929
Interest cost	25,447	24,434
Actuarial profit and loss	-51,738	-44,737
Income and expenditures from budget changes	-29	188
<b>Total</b>	<b>-11,950</b>	<b>-3,187</b>

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

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Contributions to company pension funds	1,318	1,134

## 27 | Other provisions

	Balance sheet figures previous year € 000	Currency translation changes € 000	Change in consolidation scope € 000	Utilisation € 000	Reversals € 000	Reclassifications € 000	Additions € 000	Balance sheet figures financial year € 000
Provisions for unconsumed holidays	35,242	2	-66	-1,583	-73	0	3,458	36,980
Provisions for anniversary payments	14,959	0	0	-23	-596	0	429	14,769
	<b>50,201</b>	<b>2</b>	<b>-66</b>	<b>-1,606</b>	<b>-669</b>	<b>0</b>	<b>3,886</b>	<b>51,748</b>
Other personnel provisions	16,209	32	31	-4,428	-7,234	0	10,925	15,534
Provisions for customer relations and marketing	31,365	-104	0	-27,767	-2,172	0	30,783	32,106
Provision for variable components of remuneration	16,193	15	-231	-14,726	-1,260	0	16,081	16,073
Provision for legal and consulting expenses	4,998	6	1	-3,723	-350	0	3,400	4,332
Provision for premium adjustment from reinsurance contracts	10,675	235	0	-8,923	182	0	14,829	16,998
Provision for portfolio maintenance commission	2,535	-5	0	-2,015	-381	0	3,690	3,824
Other provisions	62,096	-225	-75	-33,287	-16,674	0	55,470	67,304
	<b>144,071</b>	<b>-46</b>	<b>-274</b>	<b>-94,869</b>	<b>-27,889</b>	<b>0</b>	<b>135,177</b>	<b>156,171</b>
<b>Total</b>	<b>194,272</b>	<b>-44</b>	<b>-340</b>	<b>-96,475</b>	<b>-28,558</b>	<b>0</b>	<b>139,063</b>	<b>207,919</b>

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Other provisions <sup>1)</sup> with a high probability of utilisation (more than 90%)		
in up to 1 year	73,701	72,351
in more than 1 year up to 5 years	4,532	3,735
in more than 5 years	9,310	10,408
	<b>87,543</b>	<b>86,494</b>
Other provisions <sup>1)</sup> with a lower probability of consumption (less than 90%)		
in up to 1 year	64,736	55,629
in more than 1 year up to 5 years	3,618	1,621
in more than 5 years	274	327
	<b>68,628</b>	<b>57,577</b>
<b>Total</b>	<b>156,171</b>	<b>144,071</b>

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

## ■ 28 | Payables and other liabilities

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>I. Reinsurance liabilities</b>		
1. Deposits held under reinsurance business ceded	817,323	761,805
2. Accounts payable under reinsurance operations	51,934	34,975
	<b>869,258</b>	<b>796,780</b>
<b>II. Other liabilities</b>		
<b>Liabilities under insurance business</b>		
Liabilities under direct insurance business		
to policyholders	128,245	139,318
to intermediaries	93,026	123,603
to insurance companies	8,515	8,791
	<b>229,786</b>	<b>271,712</b>
<b>Liabilities to credit institutions</b>	<b>4,071</b>	<b>3,582</b>
<b>Other liabilities</b>	<b>333,272</b>	<b>445,484</b>
of which for taxes	48,821	46,379
of which for social security	10,370	10,381
of which from fund consolidation	142,560	260,874
<b>Total other liabilities</b>	<b>567,129</b>	<b>720,778</b>
<b>Subtotal</b>	<b>1,436,387</b>	<b>1,517,558</b>
of which liabilities with a remaining term of		
up to 1 year	766,578	885,731
more than 1 year up to 5 years	6,997	9,053
more than 5 years	662,812	622,774
	<b>1,436,387</b>	<b>1,517,558</b>
<b>III. Other liabilities</b>		
Deferred income	11,122	9,483
<b>Total payables and other liabilities</b>	<b>1,447,509</b>	<b>1,527,041</b>

The item "Deferred income" basically comprises the balance of the deferred income regarding the indirect business settlement.

## ■ 29 | Liabilities from income tax

	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Liabilities from income tax</b>	<b>57,294</b>	<b>41,618</b>
of which liabilities with a remaining term of		
up to 1 year	2,423	3,853
more than 1 year up to 5 years	54,871	37,281
more than 5 years	0	483

## ■ 30 | Deferred tax liabilities

Cause of origin	31 Dec. 2008 € 000	31 Dec. 2007 € 000
Actuarial items	172,747	142,052
Untaxed reserves	25,895	27,385
Shares in affiliated companies	28,425	28,425
Investments	2,702	120,952
Other	15,072	14,101
<b>Total</b>	<b>244,841</b>	<b>332,916</b>
of which not affecting income	6,891	55,238

## Notes to the Consolidated Income Statement

### 31 | Premiums written

	2008 € 000	2007 € 000
<b>Direct business</b>		
Property and casualty insurance	2,363,371	2,157,697
Health insurance	947,151	907,375
Life insurance	1,626,169	1,393,344
<b>Total (fully consolidated values)</b>	<b>4,936,692</b>	<b>4,458,416</b>
Of which written in:		
Austria	3,005,433	3,036,834
other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,684,410	1,271,167
other countries	246,849	150,415
<b>Total (fully consolidated values)</b>	<b>4,936,692</b>	<b>4,458,416</b>

<b>Indirect business</b>	2008 € 000	2007 € 000
Property and casualty insurance	38,107	40,052
Health insurance	420	384
Life insurance	27,144	29,037
<b>Total (fully consolidated values)</b>	<b>65,672</b>	<b>69,473</b>

	2008 € 000	2007 € 000
<b>Total (fully consolidated values)</b>	<b>5,002,364</b>	<b>4,527,889</b>

<b>Premiums written in property and casualty insurance</b>	2008 € 000	2007 € 000
<b>Direct business</b>		
Fire and business interruption insurance	198,175	179,233
Household insurance	177,946	166,501
Other property insurance	223,432	203,727
Motor TPL insurance	594,114	554,404
Other motor insurance	448,189	373,768
Casualty insurance	259,533	240,664
Liability insurance	229,254	219,831
Legal expenses insurance	54,084	49,568
Marine, aviation and transport insurance	108,659	102,136
Other insurance	69,985	67,865
<b>Total</b>	<b>2,363,371</b>	<b>2,157,697</b>

<b>Indirect business</b>		
Marine, aviation and transport insurance	2,856	2,407
Other insurance	35,252	37,645
<b>Total</b>	<b>38,107</b>	<b>40,052</b>

<b>Total direct and indirect business (fully consolidated values)</b>	<b>2,401,479</b>	<b>2,197,749</b>
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<b>Reinsurance premiums ceded</b>	2008 € 000	2007 € 000
Property and casualty insurance	149,660	307,547
Health insurance	1,461	1,397
Life insurance	79,833	79,505
<b>Total (fully consolidated values)</b>	<b>230,954</b>	<b>388,449</b>

The decrease in issued reinsurance premiums is due to the termination of the quota agreements on 31 December 2007.

### 32 | Premiums earned

	2008 € 000	2007 € 000
<b>Property and casualty insurance</b>	<b>2,213,783</b>	<b>1,858,355</b>
Gross	2,363,326	2,160,721
Reinsurers' share	-149,542	-302,366
<b>Health insurance</b>	<b>946,419</b>	<b>905,623</b>
Gross	947,882	907,028
Reinsurers' share	-1,463	-1,405
<b>Life insurance</b>	<b>1,570,170</b>	<b>1,342,399</b>
Gross	1,649,961	1,421,897
Reinsurers' share	-79,791	-79,498
<b>Total (fully consolidated values)</b>	<b>4,730,372</b>	<b>4,106,377</b>

<b>Premiums earned in indirect business</b>	2008 € 000	2007 € 000
posted immediately	10,004	10,457
posted after up to 1 year	28,022	29,512
posted after more than 1 year	0	0
<b>Property and casualty insurance</b>	<b>38,026</b>	<b>39,969</b>
posted immediately	420	384
posted after up to 1 year	0	0
posted after more than 1 year	0	0
<b>Health insurance</b>	<b>420</b>	<b>384</b>
posted immediately	3,859	4,131
posted after up to 1 year	23,285	24,906
posted after more than 1 year	0	0
<b>Life insurance</b>	<b>27,144</b>	<b>29,037</b>
<b>Total (fully consolidated values)</b>	<b>65,590</b>	<b>69,391</b>

<b>Earnings from indirect business</b>	2008 € 000	2007 € 000
Property and casualty insurance	-327	7,880
Health insurance	-33	-52
Life insurance	4,667	1,391
<b>Total (fully consolidated values)</b>	<b>4,308</b>	<b>9,218</b>

### 33 | Income from fees and provisions

<b>Reinsurance commission and profit shares from reinsurance business ceded</b>	2008 € 000	2007 € 000
Property and casualty insurance	13,626	59,842
Health insurance	116	106
Life insurance	5,657	11,478
<b>Total (fully consolidated values)</b>	<b>19,399</b>	<b>71,426</b>

### ■ 34 | Net investment income

By segment	Property and casualty insurance		Health insurance	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000
I. Properties held as financial investments	5,547	-19,336	21,922	8,399
II. Shares in associated companies	4,605	201,148	2,054	64,383
III. Variable-yield securities	-27,300	50,086	-45,839	14,454
1. Available for sale	-20,283	45,460	-23,191	9,886
2. At fair value through profit or loss	-7,017	4,626	-22,648	4,568
IV. Fixed interest securities	19,193	31,721	10,999	15,050
1. Held to maturity	494	0	1,129	0
2. Available for sale	20,535	31,509	15,807	14,570
3. At fair value through profit or loss	-1,836	212	-5,937	480
V. Loans and other investments	69,468	20,684	28,515	17,690
1. Loans	13,952	10,259	18,753	13,770
2. Other investments	55,516	10,425	9,762	3,920
VI. Derivative financial instruments (held for trading)	335	14,170	-1,068	14,851
VII. Expenditures for asset management, interest expenditures and other	-5,416	-16,777	-2,783	-1,306
<b>Total (fully consolidated values)</b>	<b>66,432</b>	<b>281,696</b>	<b>13,799</b>	<b>133,521</b>

The exceptionally high income from shares in associated companies resulted in the financial year from capital gains (€115,140,000), in the

previous year from capital gains (€72,937,000) and gains from dilution (€211,416,000) during the capital increases and floatation of STRABAG SE.

By income type	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
I. Properties held as financial investments	51,546	48,223	0	0	35,539	1,516
II. Shares in associated companies	29,488	18,288	0	211,416	115,140	73,593
III. Variable-yield securities	135,794	129,863	157,282	107,174	183,123	318,192
1. Available for sale	105,338	109,757	32,781	8,178	84,611	265,103
2. At fair value through profit or loss	30,457	20,106	124,501	98,996	98,512	53,089
IV. Fixed interest securities	498,573	518,154	81,154	75,851	5,014	38,099
1. Held to maturity	9,343	0	0	0	0	0
2. Available for sale	471,617	488,146	67,631	66,638	4,520	35,578
3. At fair value through profit or loss	17,612	30,008	13,523	9,213	494	2,521
V. Loans and other investments	195,952	62,171	4,518	162	295	0
1. Loans	79,092	39,703	1,662	0	279	0
2. Other investments	116,860	22,468	2,855	162	17	0
VI. Derivative financial instruments (held for trading)	-22,600	-22,707	157,681	117,997	19,798	153,434
VII. Expenditures for asset management, interest expenditures and other	-18,289	-27,152	0	0	0	0
<b>Total (fully consolidated values)</b>	<b>870,464</b>	<b>726,840</b>	<b>400,635</b>	<b>512,601</b>	<b>358,909</b>	<b>584,834</b>

The updating of the value adjustment concerns both appreciation and depreciation of financial assets, excluding assets held for trading and financial assets at fair value through profit or loss. Interest income from impaired assets amounts to €55,097,000 (2007: €42,415,000). The net investment income of €227,596,000 includes realised and unrealised profits

and losses amounting to €-642,868,000, which includes currency losses of €-64,089,000. In addition, positive currency effects amounting to €58,656,000 were recorded directly under equity. The effects are mainly the result of investments in USD and GBP.

Of which securities, available for sale Type of investment	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
III. Variable-yield securities						
1. Available for sale	105,338	109,757	32,781	8,178	84,611	265,103
Shares in associated companies	3,398	1,709	0	0	29,123	3,984
Shares	13,688	17,107	317	597	4,671	132,013
Equity funds	8,628	12,513	1,144	0	43	67,280
Debenture bonds, not capital-guaranteed	17,519	21,636	25,248	129	31,583	42,731
Other variable-yield securities	51,435	51,353	6,072	7,452	985	347
Participating interests and other investments	10,670	5,439	0	0	18,206	18,749
IV. Fixed-interest securities						
2. Available for sale						
Fixed interests	471,617	488,146	67,631	66,638	4,520	35,578

Life insurance		Group total	
2008 € 000	2007 € 000	2008 € 000	2007 € 000
25,597	6,344	53,065	-4,593
136,483	37,544	143,142	303,075
-307,631	222,522	-380,770	287,062
-226,558	168,165	-270,032	223,511
-81,072	54,357	-110,738	63,551
192,968	180,141	223,159	226,912
7,721	0	9,343	0
204,070	172,587	240,411	218,666
-18,823	7,554	-26,595	8,247
84,036	11,543	182,018	49,917
30,817	11,426	63,522	35,455
53,219	117	118,496	14,462
26,003	128,762	25,270	157,783
-10,090	-9,068	-18,289	-27,152
147,364	577,788	227,596	993,005

Write-offs and unrealised capital losses		Realised capital losses		Group total		of which value adjustment	
2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
-31,352	-54,251	-2,668	-81	53,065	-4,593	-1,004	-25,000
-1,000	0	-485	-222	143,142	303,075	0	0
-650,759	-192,286	-206,211	-75,881	-380,770	287,062	-323,773	-40,832
-343,170	-94,063	-149,591	-65,465	-270,032	223,511	-323,773	-40,832
-307,589	-98,223	-56,620	-10,416	-110,738	63,551	0	0
-316,891	-358,301	-44,691	-46,891	223,159	226,912	-157,526	-140,012
0	0	0	0	9,343	0	0	0
-263,861	-327,715	-39,495	-43,982	240,411	218,666	-157,526	-140,012
-53,030	-30,587	-5,195	-2,909	-26,595	8,247	0	0
-16,871	-12,414	-1,876	-3	182,018	49,917	0	0
-15,648	-4,245	-1,863	-3	63,522	35,455	0	0
-1,223	-8,169	-13	0	118,496	14,462	0	0
-118,508	-66,217	-11,102	-24,724	25,270	157,783	0	0
0	0	0	0	-18,289	-27,152	0	0
-1,135,380	-683,469	-267,032	-147,801	227,596	993,005	-482,302	-205,844

Write-offs and unrealised capital losses		Realised capital losses		Group total		of which value adjustment	
2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
-343,170	-94,063	-149,591	-65,465	-270,032	223,511	-323,773	-40,832
0	0	-10	-31	32,511	5,662	0	0
-224,615	-45,166	-38,165	-42,935	-244,104	61,615	-215,316	-33,982
-27,123	-8,501	-73,298	-12,174	-90,605	59,119	-36,252	-5,427
-80,773	-31,776	-4,910	-1,646	-11,334	31,075	-67,964	0
-6,840	-4,942	-32,304	-8,202	19,348	46,007	0	2,254
-3,820	-3,677	-905	-476	24,152	20,035	-4,241	-3,677
-263,861	-327,715	-39,495	-43,982	240,411	218,666	-157,526	-140,012

### 35 | Other income

	2008 € 000	2007 € 000
<b>a) Other actuarial income</b>	<b>19,585</b>	<b>13,247</b>
Property and casualty insurance	14,849	10,858
Health insurance	448	516
Life insurance	4,288	1,874
<b>b) Other non-actuarial income</b>	<b>43,518</b>	<b>22,263</b>
Property and casualty insurance	32,818	16,461
Health insurance	737	530
Life insurance	9,963	5,272
of which		
services rendered	13,009	7,619
changes in exchange rates	22,586	4,350
other	7,924	10,294
<b>c) Other income</b>	<b>16,905</b>	<b>1,621</b>
From foreign currency conversion	1,211	1,629
From other <sup>1)</sup>	15,693	-9
<b>Total (fully consolidated values)</b>	<b>80,008</b>	<b>37,131</b>

<sup>1)</sup> This item contains an income of €5,010,000 from the derecognition of the deferred difference due to the initial consolidation of Asena CJSC.

### 36 | Insurance benefits

	Gross		Reinsurers' share		Retention	
	2008 € 000	2007 € 000	2008 € 000	2007 € 000	2008 € 000	2007 € 000
<b>Property and casualty insurance</b>						
Expenditure for claims						
Claims paid	1,454,635	1,296,433	-120,073	-183,900	1,334,562	1,112,534
Change in provision for outstanding claims	-11,110	147,397	61,375	-32,660	50,265	114,737
<b>Total</b>	<b>1,443,525</b>	<b>1,443,830</b>	<b>-58,698</b>	<b>-216,559</b>	<b>1,384,827</b>	<b>1,227,271</b>
Change in actuarial provision	-1,890	-104	15	5	-1,874	-99
Change in other actuarial provisions	-460	-1,672	-401	-9	-862	-1,681
Expenditure for profit-unrelated and profit-related premium refunds	29,963	26,082	-77	-188	29,886	25,894
<b>Total amount of benefits</b>	<b>1,471,138</b>	<b>1,468,136</b>	<b>-59,161</b>	<b>-216,751</b>	<b>1,411,977</b>	<b>1,251,385</b>
<b>Health insurance</b>						
Expenditure for claims						
Claims paid	671,886	653,484	-1,091	-968	670,795	652,516
Change in provision for outstanding claims	4,719	996	57	58	4,776	1,053
<b>Total</b>	<b>676,606</b>	<b>654,480</b>	<b>-1,034</b>	<b>-910</b>	<b>675,571</b>	<b>653,570</b>
Change in actuarial provision	126,686	126,213	132	134	126,818	126,347
Change in other actuarial provisions	-4	0	0	0	-4	0
Expenditure for profit-unrelated and profit-related premium refunds	19,622	31,336	-3	-3	19,619	31,333
<b>Total amount of benefits</b>	<b>822,910</b>	<b>812,028</b>	<b>-905</b>	<b>-779</b>	<b>822,005</b>	<b>811,250</b>
<b>Life insurance</b>						
Expenditure for claims						
Claims paid	1,506,420	1,532,342	-69,965	-60,214	1,436,454	1,472,128
Change in provision for outstanding claims	-18,692	17,050	-296	-1,975	-18,987	15,074
<b>Total</b>	<b>1,487,728</b>	<b>1,549,392</b>	<b>-70,261</b>	<b>-62,190</b>	<b>1,417,467</b>	<b>1,487,202</b>
Change in actuarial provision	120,080	-144,232	-11,786	-15,136	108,294	-159,368
Change in other actuarial provisions	3,193	253	-558	-41	2,635	212
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	-200,586	206,344	-170	0	-200,756	206,344
<b>Total amount of benefits</b>	<b>1,410,415</b>	<b>1,611,757</b>	<b>-82,775</b>	<b>-77,367</b>	<b>1,327,640</b>	<b>1,534,390</b>
<b>Total (fully consolidated values)</b>	<b>3,704,463</b>	<b>3,891,921</b>	<b>-142,842</b>	<b>-294,897</b>	<b>3,561,622</b>	<b>3,597,024</b>

### 37 | Operating expenses

	2008 € 000	2007 € 000
<b>Property and casualty insurance</b>		
a) Acquisition costs		
Payments	507,717	455,648
Change in deferred acquisition costs	-11,145	-10,356
b) Other operating expenses	257,395	220,234
	<b>753,967</b>	<b>665,527</b>
<b>Health insurance</b>		
a) Acquisition costs		
Payments	87,879	86,806
Change in deferred acquisition costs	-1,232	-816
b) Other operating expenses	47,614	43,301
	<b>134,262</b>	<b>129,290</b>
<b>Life insurance</b>		
a) Acquisition costs		
Payments	270,769	269,870
Change in deferred acquisition costs	15,715	-7,492
b) Other operating expenses	82,094	69,909
	<b>368,577</b>	<b>332,287</b>
<b>Total (fully consolidated values)</b>	<b>1,256,805</b>	<b>1,127,104</b>

### 38 | Other expenses

	2008 € 000	2007 € 000
a) <b>Other actuarial expenses</b>	<b>59,121</b>	<b>58,586</b>
Property and casualty insurance	21,016	20,119
Health insurance	1,440	2,773
Life insurance	36,665	35,694
b) <b>Other non-actuarial expenses</b>	<b>28,247</b>	<b>26,875</b>
Property and casualty insurance	21,757	24,316
Health insurance	354	513
Life insurance	6,136	2,047
of which		
services rendered	3,882	1,391
exchange rate losses	4,416	6,703
motor vehicle registration	7,445	6,603
other	12,504	12,178
c) <b>Other expenses</b>	<b>12,048</b>	<b>1,107</b>
For foreign currency translation	7,991	469
For other	4,056	638
<b>Total (fully consolidated values)</b>	<b>99,416</b>	<b>86,569</b>

### 39 | Tax expenditure

	2008 € 000	2007 € 000
<b>Income tax</b>		
Actual tax in reporting year	61,735	33,052
Actual tax in previous year	-5,586	-9,600
Deferred tax	-32,680	47,811
<b>Total (fully consolidated values)</b>	<b>23,470</b>	<b>71,263</b>
<b>Reconciliation statement</b>		
	2008 € 000	2007 € 000
<b>A. Profit from ordinary activities</b>	<b>90,217</b>	<b>340,256</b>
<b>B. Anticipated tax expenditure (A. * Group tax rate)</b>	<b>23,283</b>	<b>85,206</b>
Adjusted by tax effects from		
1. Tax-free investment income	-8,222	-7,191
2. Other	8,409	-6,752
Amortisation of goodwill	91	4,622
Non-deductible expenses / other tax-exempt income	2,559	-3,446
Changes / deviations in tax rates	0	-6,028
Deviations in tax rates	11,194	6,336
Taxes previous years	-5,586	-9,600
Lapse of loss carried forward and other	151	1,364
<b>C. Income tax expenditure</b>	<b>23,470</b>	<b>71,263</b>
<b>Average effective tax burden in %</b>	<b>26.0</b>	<b>20.9</b>

The corporate income tax rate applicable to all Group segments was 25%, as expected. To the extent that the minimum taxation is applied in life insurance at an assumed profit participation of 85%, this leads to a different corporate tax rate.

## Other disclosures

### Employees

Personnel expenses <sup>1)</sup>	2008 € 000	2007 € 000
Salaries and wages	333,008	311,133
Expenses for severance payments	9,149	12,894
Expenses for employee pensions	-17,539	-14,985
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	90,158	90,259
Other social expenditures	9,411	5,630
<b>Total</b>	<b>424,188</b>	<b>404,931</b>
of which business development	131,952	126,745
of which administration	272,329	259,310

<sup>1)</sup> The data are based on an IFRS valuation.

Average number of employees	2008	2007
<b>Total</b>	<b>13,674</b>	<b>10,997</b>
of which business development	6,269	4,273
of which administration	7,405	6,724

	2008 € 000	2007 € 000
Expenses for severance payments and employee pensions amounted to:		
Members of the Management Board and executive employees, in accordance with Section 80 paragraph 1 of the Stock Corporation Act	3,076	5,786
Other employees	44,027	37,770

Both figures include the expenditure for pensioners and surviving dependants (basis: Austrian Business Code valuation). The indicated expenses were charged to the Group companies based on defined company processes.

### Earnings of the Management Board and Supervisory Board

Members of the Management Board receive remunerations exclusively from UNIQA Versicherungen AG.

	2008 € 000	2007 € 000
The expenses for remuneration of Management Board members attributable to the reporting year amounted to:		
Regular payments	2,370	2,236
Performance-related remunerations		1,815
<b>Total</b>	<b>2,370</b>	<b>4,051</b>
of which charged to operational subsidiaries	2,252	3,848
Former members of the Supervisory Board did not receive any remuneration		
Former members of the Management Board and their surviving dependants were paid	2,624	2,665
Because of pension commitments to these persons, the following provision was set up on 31 Dec.	20,513	21,054

The remuneration to members of the Supervisory Board amounted to:

	2008 € 000	2007 € 000
For the current financial year (provision)	391	410
Meeting attendance fee	44	41
<b>Total</b>	<b>435</b>	<b>451</b>

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

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

### Principles for profit participation by the Management Board

A variable income component was made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus will be provided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG.

### Principles for the pension scheme provided in the company for the Management Board and its requirements

Retirement pensions, a pension for occupational invalidity as well as a widow's and orphans' pension have been established. The retirement pension is due upon meeting the requirements for the old-age pension according to the General Social Security Act. The pension amount is calculated from a percentage of a contractually established assessment basis. In the event of early pension eligibility according to the transitional provisions included in the General Social Security Act, the pension claim is reduced. For the occupational invalidity pension and the pension for surviving dependants, flat rates are provided as a minimum pension.

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

Severance payments have been agreed upon based partially on the provisions of the Salaried Employee Act. The benefits are fundamentally retained in the event of termination of membership of the Management Board; however, a reduction rule based on the remaining time until meeting the claim requirements for the old-age pension according to the General Social Security Act applies.

### Supervisory Board remuneration scheme

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

### Group holding company

The parent company of the UNIQA Group is UNIQA Versicherungen AG. This company is registered in the company register of the Commercial Court of Vienna under FN 92933 t. In addition to its duties as Group holding company, this company also performs the duties of a group reinsurer.

Related companies and persons	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Receivables and liabilities with affiliated and associated companies, as well as related persons</b>		
<b>Mortgage loans and other loans</b>	<b>0</b>	<b>14,264</b>
Affiliated companies	0	14,264
<b>Receivables</b>	<b>13,027</b>	<b>5,098</b>
Other receivables	13,027	5,098
Affiliated companies	11,420	5,085
Associated companies	1,608	13
<b>Liabilities</b>	<b>7,595</b>	<b>2,226</b>
Other liabilities	7,595	2,226
Affiliated companies	7,595	2,226
Associated companies	0	0
<b>Income and expenses of affiliated companies as well as related persons</b>	<b>2008 € 000</b>	<b>2007 € 000</b>
<b>Income</b>	<b>23,401</b>	<b>92</b>
Investment income	23,348	19
Affiliated companies	0	19
Associated companies	23,348	0
Other income	53	73
Affiliated companies	53	73
<b>Expenses</b>	<b>53</b>	<b>69</b>
Other expenses	53	69
Affiliated companies	53	69

In December 2008, UNIQA Beteiligungs-Holding GmbH sold roughly 3.1 million shares in Leipnik-Lundenburger Invest Beteiligungs AG to Raiffeisen-Invest-Gesellschaft m.b.H., which is an associated company of Raiffeisen Zentralbank AG. As UNIQA Versicherungen AG is included in the Group consolidated financial statements of Raiffeisen Zentralbank as an associated company, this concerns a business with associated companies in accordance with IAS 24. UNIQA Beteiligungs-Holding GmbH realised capital gains of €23,348,000 from this transaction. Also in December 2008, Raiffeisen Versicherung AG and UNIQA Personenversicherung AG acquired roughly 5.0 million and 3.1 million shares respectively in Leipnik-Lundenburger Invest Beteiligungs AG from Raiffeisen-Invest-Gesellschaft m.b.H. There are no outstanding balances from these transactions as at 31 December 2008.

Other financial commitments and contingent liabilities	31 Dec. 2008 € 000	31 Dec. 2007 € 000
<b>Contingent liabilities from risks of litigation</b>	<b>5,175</b>	<b>7,981</b>
Foreign	5,175	7,981
<b>Other contingent liabilities (affiliated, not consolidated)</b>	<b>0</b>	<b>0</b>
Foreign	0	0
<b>Other contingent liabilities</b>	<b>1,389</b>	<b>1,425</b>
Foreign	1,389	1,425
<b>Total</b>	<b>6,565</b>	<b>9,405</b>

The companies of the UNIQA Group are involved in court proceedings in Austria and other countries in connection with their ordinary business operations as insurance companies. The result of the pending or threatened proceedings is often impossible to determine or predict.

In consideration of the provisions set aside for these proceedings, the management is of the opinion that these proceedings have no significant effects on the financial situation and the operating earnings of the UNIQA Group.

	2008 € 000	2007 € 000
Current leasing expenses	251	28
Future leasing payments due to the financing of the new UNIQA headquarters in Vienna		
up to 1 year	6,509	6,048
more than 1 year up to 5 years	25,226	24,279
more than 5 years	62,934	60,483
<b>Total</b>	<b>94,668</b>	<b>90,810</b>
Income from subleasing	479	489

UNIQA moved into the new UNIQA headquarters – the UNIQA Tower – in 2004. The aforementioned leasing obligations are based on the investment expenditures in connection with a specific calculatory rate of interest yield.

## Affiliated and associated companies in 2008

Company	Type	Location	Equity € million <sup>1)</sup>	Share in equity % <sup>2)</sup>
<b>Domestic insurance companies</b>				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	124.4	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	374.0	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.4	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	1.400.1	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	11.4	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	21.1	100.0
SK Versicherung Aktiengesellschaft	Equity	1020 Vienna	6.9	25.0
<b>Foreign insurance companies</b>				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	10.3	100.0
UNIQA Re AG	Full	Switzerland, Zurich	88.1	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	127.6	100.0
UNIQA poisťovňa a.s.	Full	Slovakia, Bratislava	24.5	99.9
UNIQA pojišťovna, a.s.	Full	Czech Republic, Prague	32.8	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	7.8	80.0
UNIQA Protezione SpA	Full	Italy, Udine	20.2	89.6
UNIQA Towarzystwo Ubezpieczeń S.A.	Full	Poland, Lodz	71.4	68.5
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Full	Poland, Lodz	11.6	80.1
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	45.5	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.1	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	4.0	100.0
Mannheimer AG Holding	Full	Germany, Mannheim	68.0	91.4
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.6	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	9.6	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	42.2	80.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	5.9	99.8
ASTRA S.A.	Equity	Romania, Bucharest	29.4	27.0
UNIQA Insurance plc	Full	Bulgaria, Sofia	9.1	62.5
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	5.4	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	7.5	89.6
Credo-Classic	Full	Ukraine, Kiev	8.3	61.0
UNIQA LIFE	Full	Ukraine, Kiev	2.0	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	0.8	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	10.0	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	2.3	100.0
UNIQA Asigurari de Viata SA	Full	Romania, Bucharest	4.9	100.0
UNITA Vienna Insurance Group S.A.	Full	Romania, Bucharest	35.7	100.0
AGRAS Vienna Insurance Group S.A.	Full	Romania, Bucharest	5.0	92.3
UNIQA Health Insurance AD	Full	Bulgaria, Sofia	0.4	75.0
SIGAL Holding sH.A.	Equity	Albania, Tirana	18.4	45.6

Company	Type	Location	Equity € million <sup>1)</sup>	Share in equity % <sup>2)</sup>
<b>Group domestic service companies</b>				
UNIQA Immobilien-Service GmbH	Full	1029 Vienna	0.3	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Full	1010 Vienna	0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Full	1010 Vienna	1.1	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.1	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	<sup>4)</sup>	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	<sup>3)</sup>	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.9	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.6	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.3	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	1.7	100.0
UNIQA International Versicherungs-Holding GmbH	Full	1029 Vienna	116.5	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	660.1	100.0
Alopex Organisation von Geschäftskontakten GmbH	<sup>3)</sup>	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	<sup>3)</sup>	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	<sup>3)</sup>	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.2	64.0
Real Versicherungs-Makler GmbH	<sup>3)</sup>	1220 Vienna		100.0
Together Internet Services GmbH	<sup>4)</sup>	1030 Vienna		24.0
FL-Vertriebs- und Service GmbH	<sup>3)</sup>	5020 Salzburg		100.0
UNIQA HealthService – Services im Gesundheitswesen GmbH	<sup>3)</sup>	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	15.2	100.0
Privatklinik Grinzing GmbH	<sup>3)</sup>	1190 Vienna		100.0
Wohnen mit Service Pflegedienstleistungen GmbH	<sup>3)</sup>	1029 Vienna		100.0
Versicherungsagentur Wilhelm Steiner GmbH	<sup>3)</sup>	1029 Vienna		51.0
CEE Hotel Development AG	<sup>4)</sup>	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	<sup>4)</sup>	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	<sup>4)</sup>	1010 Vienna		50.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	4.1	100.0
UNIQA Group Audit GmbH, Wien	Full	1029 Vienna	0.0	100.0
Vorsorge Holding AG	Equity	1020 Vienna	32.3	40.1
Leipnik-Lundenburger Invest Beteiligungs AG	Equity	1010 Vienna	158.7	24.9
<b>Group foreign service companies</b>				
Syntegra Szolgaltato es Tanacsado KFT	Full	Hungary, Budapest	0.3	60.0
Insdata spol s.r.o.	<sup>3)</sup>	Slovakia, Nitra		100.0
Racio s.r.o.	<sup>3)</sup>	Czech Republic, Prague		100.0
UNIQA partner, s.r.o	Full	Slovakia, Bratislava	0.0	100.0
UNIQA Pro	<sup>3)</sup>	Czech Republic, Prague		100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.3	100.0
UNIQA Penztarszolgalato Kft	Full	Hungary, Budapest	9.9	100.0
Dekra Expert Muszaki Szakertoi Kft	Full	Hungary, Budapest	0.9	74.9
UNIQA Szolgaltato Kft	Full	Hungary, Budapest	6.0	100.0
Profit-Pro Kft.	<sup>3)</sup>	Hungary, Budapest		100.0
RC Risk Concept Vaduz	<sup>3)</sup>	Liechtenstein, Vaduz		100.0
Első Közszolgálati Penzügyi Tanácsadó Kft	<sup>3)</sup>	Hungary, Budapest		92.4
Millennium Oktatási és Tréning Kft	Full	Hungary, Budapest	0.0	100.0
verscon GmbH Versicherungs- und Finanzmakler	<sup>3)</sup>	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
Carl C. Peiner GmbH	<sup>3)</sup>	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	<sup>3)</sup>	Germany, Hamburg		100.0
Hans L. Grauerholz GmbH	<sup>3)</sup>	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	<sup>3)</sup>	Germany, Hamburg		100.0
Skola Hotelnictvi A Gastronom	<sup>3)</sup>	Czech Republic, Prague		100.0

<sup>1)</sup> In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with \*), the latest Group accounts published.

<sup>2)</sup> The share in equity equals the share in voting rights before minorities, if any.

<sup>3)</sup> Unconsolidated company.

<sup>4)</sup> Accosiated not at equity valued company.

Company	Type	Location	Equity € million <sup>1)</sup>	Share in equity % <sup>2)</sup>
<b>Group foreign service companies</b>				
ITM Praha s.r.o.	<sup>4)</sup>	Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	<sup>4)</sup>	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	<sup>3)</sup>	Germany, Mannheim		100.0
UFL UNIQA Finance Life Service GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
Clariss Previdenza	<sup>3)</sup>	Italy, Milan		100.0
UNIQA Software Service d.o.o.	<sup>3)</sup>	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.1	100.0
Syntegra S.R.L.	<sup>3)</sup>	Romania, Cluj-Napoca		100.0
Agenta-Consulting Kft.	<sup>3)</sup>	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	<sup>3)</sup>	Poland, Lodz		100.0
AGENTA consulting s.r.o.	<sup>3)</sup>	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	<sup>3)</sup>	Poland, Lodz		100.0
UNIQA Software Service Bulgaria OOD	<sup>3)</sup>	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	<sup>3)</sup>	Ukraine, Kiev		99.0
<b>Financial and strategic domestic shareholdings</b>				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	23.1	29.6
Medicur-Holding Gesellschaft m.b.H.*)	Equity	1020 Vienna	6.3	25.0
ÖVK Holding GmbH	Equity	1030 Vienna	4.8	25.0
PKB Privatkliniken Beteiligungs-GmbH*)	Equity	1010 Vienna	27.2	50.0
STRABAG SE*)	Equity	9500 Villach	2922.7	13.7
Humanomed Krankenhaus Management Gesellschaft m.b.H.	Equity	1040 Vienna	0.4	44.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	<sup>4)</sup>	9020 Klagenfurt		34.9
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
EBV Leasing Gesellschaft m.b.H.	Equity	1061 Vienna	0.2	50.0
UNIQA Leasing GmbH	Full	1061 Vienna	0.1	100.0
UNIQA Human Resources-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	274.5	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.3	100.0
Austria Hotels Betriebs-GmbH <sup>5)</sup>	Full	1010 Vienna	8.2	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	<sup>4)</sup>	1010 Vienna		24.5
JALPAK International (Austria) Ges.m.b.H.	<sup>4)</sup>	1010 Vienna		25.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.1	37.5
<b>Real-estate companies</b>				
UNIQA Real Estate CZ, s.r.o. (formerly Fundus Praha s.r.o.)	Full	Czech Republic, Prague	12.3	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	1.2	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.1	100.0
Steigengraben-Gut Gesellschaft m.b.H.	<sup>3)</sup>	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	190.9	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	1.0	33.0
UNIQA Real Estate AG	Full	1029 Vienna	144.1	100.0
UNIQA Real Estate Zweite Beteiligungverwaltg. GmbH	Full	1020 Vienna	25.4	100.0
UNIQA Praterstraße ProjektErrichtungs GmbH	Full	1029 Vienna	53.1	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	8.6	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	70.5	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	10.9	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.8	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	9.8	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	-1.5	100.0
UNIQA Plaza Irohada es Ingatlankezelő Kft	Full	Hungary, Budapest	5.1	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.0	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG <sup>3)</sup>	Full	1010 Vienna	33.9	99.5
Passauerhof Betriebs-Ges.m.b.H. <sup>5)</sup>	Full	1010 Vienna	1.3	100.0
Austria Österreichische Hotelbetriebs s.r.o. <sup>5)</sup>	Full	Czech Republic, Prague	20.5	100.0
Grupo Borona Advisors, S.L. Ad	<sup>3)</sup>	Spain, Madrid		74.6

Company	Type	Location	Equity € million <sup>1)</sup>	Share in equity % <sup>2)</sup>
<b>Real-estate companies</b>				
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	4.1	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	6.1	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	5.2	100.0
HKM Immobilien GmbH	<sup>3)</sup>	Germany, Mannheim		100.0
CROSS POINT, a.s.	Full	Slovakia, Bratislava	5.2	100.0
Floresca Tower SRL	Full	Romania, Bucharest	0.5	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	6.3	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.4	100.0
UNIQA-Invest Kft	Full	Hungary, Budapest	13.9	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	0.4	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	3.1	100.0
UNIQA Real Estate BH nekretnine, d.o.o	Full	Bosnia and Herzegovina, Sarajevo	3.5	100.0
UNIQA Real Estate d.o.o	Full	Serbia, Belgrade	2.7	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	0.7	100.0
IPM International Property Management Kft	Full	Hungary, Budapest	1.8	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	3.5	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	1.1	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	13.0	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	5.4	100.0
UNIQA Real Estate d.o.o	Full	Slovenia, Ljubljana	0.0	100.0
UNIQA Real Estate BV	Full	Netherlands, Hoofddorp	15.1	100.0
UNIQA Real Estate Bulgaria Alpha EOOD	Full	Bulgaria, Sofia	0.0	100.0
UNIQA Real Estate P. Volfova	Full	Slovenia, Ljubljana	0.0	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	-4.3	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	3.9	100.0
UNIQA Real Estate Alpha d.o.o.	Full	Serbia, Belgrade	0.0	100.0
UNIQA Real Estate Beta d.o.o.	Full	Serbien, Belgrad	0.0	100.0
UNIQA Real Estate Albania Shpk.	Full	Albania, Tirana	0.0	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	-0.2	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	11.9	50.0
Asena CJSC	Full	Ukraine, Nikolaew	2.1	100.0
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0

<sup>1)</sup> In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with \*), the latest Group accounts published.

<sup>2)</sup> The share in equity equals the share in voting rights before minorities, if any.

<sup>3)</sup> Unconsolidated company.

<sup>4)</sup> Associated not at equity valued company.

<sup>5)</sup> Consolidated on the basis of a non-calendar financial year (balance sheet date 30 September).

### Approval for publication

These Group consolidated financial statements were compiled by the Management Board as of the date of signing and approved for publication.

Vienna, 15 April 2009

**Konstantin Klien**  
Chairman of the  
Management Board

**Hannes Bogner**  
Member of the  
Management Board

**Andreas Brandstetter**  
Member of the  
Management Board

**Karl Unger**  
Member of the  
Management Board

**Gottfried Wanitschek**  
Member of the  
Management Board

# Auditor's Opinion

(report of the independent auditor)

## Report on the consolidated financial statements

We have audited the German version of the **consolidated financial statements** of **UNIQA Versicherungen AG**, Vienna, for the **financial year from 1 January to 31 December 2008**. These Group consolidated financial statements include the consolidated balance sheet as at 31 December 2008, the consolidated income statement, the Group cash flow statement and the statement of changes in Group equity for the financial year ending 31 December 2008, as well as a summary of the most important methods of accounting and valuation applied and other notes.

## Legal representatives' responsibility for the consolidated financial statements

The legal representatives of the company are responsible for the preparation of consolidated financial statements that give a true and fair view of the net assets, the financial position and the profit situation of the Group, in agreement with the International Financial Reporting Standards (IFRS) as applied in the EU. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the consolidated statements and the negotiation of as true a picture as possible of the Group's net assets, financial position and profit situation, so that these consolidated statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. It also includes the choice and application of suitable accounting and valuation methods and the effecting of estimates that appear appropriate under the existing circumstances.

## The auditor's responsibility

We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us. Our audit was conducted in accordance with the prevailing statutory provisions and the International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge, with a sufficient degree of certainty, whether the consolidated financial statements are free from material misstatements.

An audit includes the execution of audit procedures to verify the amounts and other statements in the consolidated financial statements. The choice of audit procedures depends on the conscientious discretion of the auditor, taking into consideration his estimate of the chance that a material misstatement has been made, whether due to an intentional or an unintentional mistake. When estimating the level of this risk, the auditor takes the internal control system into consideration, to the extent that it is of significance for preparing the consolidated financial statements and providing as true and fair a view as possible of the Group's net assets, financial position and profit situation, in order to determine the appropriate audit procedures under the circumstances; the auditor does not, however, give an opinion on the effectiveness of the Group's internal control system. The audit also includes our evaluation of the adequacy of the accounting principles and valuation methods applied and the material estimates made by the legal representatives of the company, as well as an assessment of the overall tenor of the consolidated financial statements.

We believe that we obtained sufficient and suitable verification with our audit, so that our audit provides a reasonably sound basis for our opinion.

## Audit opinion

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the consolidated financial statements comply with the statutory requirements and give as accurate a view as possible of the net assets and financial position of the Group as of 31 December 2008, as well as the Group's profit situation and cash flow for the financial year from 1 January to 31 December 2008, in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU.

## Report on the Group management report

Due to the prevailing statutory provisions in Austria, the Group management report is to be audited as to whether it is in agreement with the consolidated financial statements and whether or not other statements in the Group management report give a false impression of the situation of the Group.

In our opinion, the Group management report agrees with the consolidated financial statements.

Vienna, 16 April 2009

KPMG Austria GmbH  
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft



Georg Weinberger  
Chartered Accountant

p.p. Alexander Knott  
Chartered Accountant

# Report of the Supervisory Board

During the past financial year, the Supervisory Board was regularly informed of the business development and the situation of the Group and the company by the Management Board. It also supervised the Management Board's conduct of business. In the Supervisory Board meetings held in 2008, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

## Focus of the meetings

The meetings focussed on the Group's earnings situation and its further strategic development. The Supervisory Board had six meetings in 2008. In the meeting on 11 March, the Supervisory Board mainly discussed the companies' 2007 results. The meeting of the Supervisory Board on 24 April focussed on a discussion of the annual financial statements and the Group's consolidated financial statements as at 31 December 2007, as well as the report of the Management Board about the development of the Group in the 1st quarter of 2008. Changes were made to the Supervisory Board at the Annual General Meeting, calling for a reorganisation of the Supervisory Board which took place on 19 May. In addition, the acquisition of treasury shares as part of the 4th buyback programme was approved and the takeover of UNITA in Romania was agreed. At the meeting on 16 September, the Supervisory Board dealt essentially with the development of the company in the 1st half of 2008 and approved the founding of a life insurance company in Russia. At the Supervisory Board meeting on 29 October, it was decided to increase the share capital by issuing 11,895,192 new shares from the approved capital. Aside from reporting on the results of the Group in the first three quarters of 2008 the Supervisory Board discussed the business plan for 2009 at its meeting on 25 November.

## Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, additional committees were set up in addition to the mandatory Audit Committee. The Working Committee mainly talked about the development of the Group's earnings and the company's long-term strategy, and made various decisions. They had five meetings in 2008, and made eight decisions by circulating them in writing. The Committee for Board Affairs met once to deal with the legal employment formalities of the members of the Management Board. The Investment Committee had four meetings about the capital investment strategy and questions of the capital structure. In its meeting, the Audit Committee concentrated on all audit documents and the Management Board's proposed appropriation of profit, and reported to the Supervisory Board. The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

## Financial statements and consolidated financial statements

The financial statements prepared by the Management Board and the management report of UNIQA Versicherungen AG, as well as the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) and the Group management report for the year 2008, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and given an unqualified audit opinion. The Supervisory Board noted the results of the audit with approval.

The Supervisory Board consented to the consolidated financial statements and the financial statements of UNIQA Versicherungen AG, and agreed to the Group management report and the management report. The 2008 financial statements were thereby adopted in accordance with Section 125 of the Stock Corporation Act.

The proposed appropriation of profit submitted by the Management Board to the Supervisory Board was examined and approved by the Supervisory Board. On this basis, a dividend distribution of 40 cents per share will be proposed at the Annual General Meeting on 25 May 2009.

The Supervisory Board thanks the Management Board and all staff members for their commitment and the work they have done.

Vienna, April 2009

On behalf of the Supervisory Board



Christian Konrad