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 Commercial 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. These consolidated financial statements and Group management report therefore do not follow the accounting principles according to the Insurance Supervisory Act, rather the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) in the versions applicable to this reporting period. No early application of 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 in 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 the life insurer 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. The unit-linked life insurance, where the policyholder bears the investment risk, is stated according to FAS 97.

The financial instruments were balanced in accordance with IAS 39 including the information required by IFRS 7, as most recently amended in November 2009. Aside from recording the 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

In the 2010 financial year the following new and modified IFRS have become mandatory for the first time:
The modification of IFRS 2 (rev. 06/2009), share-based compensation, clarifies the way the share-based compensation with cash settlement is entered on the balance sheet. The new regulation does not affect UNIQA.

The revision of IFRS 3 (rev. 01/2008), mergers, and IAS 27 (rev. 01/2008), Group and individual company annual reports, particularly affects modifications in the balance sheet representation of non-dominant shares, successive acquisition of holdings, costs related to acquisitions and conditional purchase price components. The impact of these new regulations on UNIQA in the 2010 financial year stems mainly from the costs related to acquisitions that can no longer be capitalised.

The amendment of IAS 39 (rev. 07/2008), financial instruments: recognition and measurement - eligible hedged items, clarifies how the designation of portions of cash flows or of risk affects the hedged item and to what extent inflation risks can be designated as a hedged item. The new regulation does not affect UNIQA.

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. 37 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 – 47 domestic and 82 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	Acquired shares %	Acquisition costs € million	Goodwill € million
Suoreva Ltd., Limassol	1.1.2010	0.0	100.0	6.4	0.0

In the 1st quarter the Romanian company UNIQA Asigurari de Viata SA with its headquarters in Bucharest was merged with the Romanian life insurance UNIQA Life S.A. With the acquisition of Soureva Ltd., Limassol, the remaining 50% of the AVE-PLAZA LLC were brought into the Group.

In the 4th quarter the Albanian SIGAL Holding Sh.A. with its headquarters in Tirana was merged with the SIGAL UNIQA Group AUSTRIA Sh.A. 25% of Raiffeisen Life Insurance Company LLC was sold to ZAO Raiffeisen Bank Moscow. In addition, because of the intention to sell the Romanian property and casualty insurer Astra S.A. with its headquarters in Bucharest in 2011, it was transferred from the balance sheet item "shares in associated companies" to the item "variable yield securities available for sale".

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 ten domestic companies consolidated at equity; 15 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 2011

There have been no significant changes to the scope of consolidation.

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 reappraisal.

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

The goodwill arises from company mergers and acquisitions. It represents the difference between the acquisition costs and the proportional and current corresponding net market value of identifiable assets, debts and specific contingent liabilities. In accordance with IAS 36, 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 are the smallest identifiable groups of assets that generate cash which is to the greatest possible extent independent from the cash generating units of other assets or other groups of assets. The impairment test implies a comparison between the realisable value that can be generated by selling or using each CGU and its book value, consisting of the stock value and goodwill and the proportional net assets. If the book value 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:

- Albania/Kosovo/Macedonia as sub-group (EEM)
- Austria
- Bosnia-Herzegovina (CEE)
- Bulgaria (EEM)
- Croatia (CEE)
- Czech Republic (CEE)
- Germany as sub-group (WEM)
- Hungary (CEE)
- Italy as sub-group (WEM)
- Liechtenstein (WEM)
- Poland as sub-group (CEE)
- Romania (EEM)
- Russia (EEM)
- Serbia (EEM)
- Montenegro (EEM)
- Slovakia (CEE)
- Switzerland (WEM)
- Ukraine (EEM)

Breakdown of goodwill

Region	31 Dec. 2010 € 000
Austria	40,562
Western European Markets (WEM)	147,293
Central Eastern Europe (CEE)	62,663
Eastern Emerging Markets (EEM)	276,155
Total	**526,672**

The realisable value is determined by the UNIQA Group according to the earning power method (discounted cash flow method – DCF) and through application of generally accepted valuation principles. The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term results achievable by the CGUs (perpetuity) 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. The earning power values here are separated by balance sheet segments, which are then totalled to yield the value for the entire company.

Taxes on profit were set at the effective average tax rate of the past three years.

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

In order to depict the economic situation and the financial crisis in the income values as accurately as possible in consideration of the volatility on the markets, the capitalisation interest rate was calculated as follows:

- As a base interest rate a uniform, risk-free interest rate according to the Svennson method was used (term 30 years).
- The beta factor was based on the levered betas of European + emerging markets, according to Damodaran, whereby a differentiation was made between betas for life and health insurance and betas for property insurance.
- The market risk premium continued to be figured based on countries with AAA ratings according to Damodaran.
- The national risk premium was based on the country ratings of Standard & Poor's as at January 2011, and the calculation was performed as follows: starting with the rating of the respective country, the yield spread of corporate bonds with the same rating to risk-free government bonds (AAA rating) is determined and adjusted by the volatility difference between the stock and bond markets. In addition, a rating improvement by one level within four to five years is assumed.

The capitalisation interest rate is listed below for all CGUs – compared to the previous year the interest rates are generally lower:

Cash-Generating Unit	Discount factor		Discount factor perpetuity	
	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	12.9%	15.8%	10.4%	12.9%
Bosnia-Herzegovina	12.9%	15.8%	10.4%	12.9%
Bulgaria	8.9%	10.6%	7.4%	9.0%
Germany	6.8%	7.8%	5.8%	6.8%
Italy	8.0%	9.4%	6.9%	8.2%
Kosovo	11.1%	13.4%	8.3%	10.1%
Croatia	9.6%	11.5%	7.7%	9.3%
Liechtenstein	6.8%	7.8%	5.8%	6.8%
Macedonia	11.1%	13.4%	8.3%	10.1%
Montenegro	11.1%	13.4%	8.3%	10.1%
Austria	6.8%	7.8%	5.8%	6.8%
Poland	8.5%	10.0%	7.1%	8.5%
Romania	11.0%	13.3%	7.9%	9.6%
Russia	8.9%	10.6%	7.4%	9.0%
Switzerland	6.8%	7.8%	5.8%	6.8%
Serbia	12.8%	15.7%	9.7%	12.0%
Slovakia	8.0%	9.4%	6.9%	8.2%
Czech Republic	8.2%	9.6%	6.9%	8.2%
Ukraine	12.9%	15.8%	10.4%	12.9%
Hungary	9.6%	11.5%	7.7%	9.3%

Source: Damodaran and derived factors

Cash flow forecast (multi-phase model)
Phase 1: Five-year company planning
The detailed company planning generally encompasses a period of five years. The company plans used for the calculation are the result of a structured and standardised management dialogue between the UNIQA headquarters in Vienna and the operational units in combination with the reporting and documentation process integrated into this dialogue.

Phase 2: Extended seven-year planning phase
The phases of the earning power model with no operational or strategic planning were extended to a seven-year period in order to avoid giving too much weight and influence to the perpetuity.

Phase 3: Perpetuity
The cash flows determined at the end of phase 2 were used as the basis for the perpetuity and therefore correspond to results that can be realistically achieved and sustained over the long term.

Scenarios
The earning power of the individual CGUs is determined by a weighted probability scenario. Three scenarios were calculated, whereby scenario 1 depicts the base case according to the current and strategic planning, scenario 2 the best case for expected market and company development and scenario 3 the worst case.

Scenarios 1 and 2 assume that the credit spreads as of 2014 will return to an average level as before the crisis and that a rating improvement will take place after two years and then once after five years. Scenarios 1 and 2 assume that by 2014 the credit spreads will have returned to an average level as before the crisis and that a rating improvement will take place after two years and then once again after five years. The cash value of the perpetuity was calculated in scenario 1 with a growth deduction of 1% and in scenario 2 with a growth deduction of 2%.It is assumed in the third scenario that the credit spreads also remain at the same level in the future and no rating improvement takes place relative to the current situation. A growth deduction of 1.5% was also applied here in the perpetuity in order to appropriately counteract the decline in growth in the purely negatively oriented scenario.

Expected value
The company value was calculated individually based on the discounting of the cash flow forecasts and the individual weighting of the probability of occurrence of the various scenarios based on the business development of the individual CGUs.

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

The following studies and materials served as reference sources:
- SwissRe – Insurance density CEE
- Sigma – 3/2009 Insurance density CEE
- Raiffeisen Research – Inflation rate trends
- Eurostat – GDP growth, interest rate trends
- WIIW (The Vienna Institute for International Economic Studies) – Purchasing power parities, GDP growth CEE
- Damodaran – Country risks, growth rate estimates, multiples
- Thomson Reuters, Business Climate Index, Central and Eastern Europe, III/2009
- IRZ, volume 4/2009, "Consequences of the Financial Market Crisis on Company Valuation"
- IMF, "World Economic Outlook", April 2009
- Arthur D Little, "Global CEO Survey", 2009
- Arthur D Little, "Global Insight, World Market Passenger Cars, February 2009,
- money.at, "Eastern Europe is, has been and will remain a region of the future"
- handelsblatt.de, Oct 2009 "Institutional investors see upward spirals"
- Presse 18 November 2010: "The biggest losers step on the gas most" – outlook for the economy in Eastern Europe

Sensitivity analyses with regard to the capitalisation interest rate and the main value drivers are performed in order to verify the results of the calculation and estimation of the realisable 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 national economies (GDP, insurance density, purchasing power parities, particularly in the CEE markets), as well as the associated implementation of the individual profit goals. These forecasts and the related assessment of how the situation in the markets will develop in the future, under the influence of the continuing financial crisis in individual markets, are the largest uncertainties in connection with measurement results.

All the budgeted profit was calculated with the exchange rates as at 31 December 2010.

For the event that the intensity and duration of the recovery from the economic crisis turns out to be much slower than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs. At this time, the current developments and the cautiously, slowly growing improvement estimates of the individual CGUs and the markets give no cause for applying unscheduled depreciations. Very tight coverage is currently being achieved in Bulgaria, Romania, Croatia and Albania. Corresponding measures for stabilisation and to promote the required upward trend in company development have already been initiated by the Group.

The table below shows the historical GDP development in the relevant markets since 2008. Viewed in conjunction with this forecast for 2010 and the subsequent years, these figures give reason to expect a sustained upward trend again in the CEE markets and make the crisis of 2008 and 2009 appear as a real but only temporary slowdown to economic growth. As such, no loss of these core markets for UNIQA is expected over the long term.

	2008	2009	2010e	2011f	2012f
Poland					
GDP (% in annual comparison)	5.1	1.7	3.6	3.9	4.5
Hungary					
GDP (% in annual comparison)	0.6	–6.7	1.0	2.5	4.0
Czech Republic					
GDP (% in annual comparison)	2.3	–4.0	2.2	1.5	2.3
Slovakia					
GDP (% in annual comparison)	5.8	–4.8	4.2	4.0	4.5
Slovenia					
GDP (% in annual comparison)	3.7	–8.1	0.9	2.0	2.5
Croatia					
GDP (% in annual comparison)	2.4	–5.8	–1.5	1.5	2.0
Bosnia-Herzegovina					
GDP (% in annual comparison)	5.7	–2.9	0.5	2.0	4.5
Serbia					
GDP (% in annual comparison)	5.5	–3.0	1.5	2.5	3.0
Bulgaria					
GDP (% in annual comparison)	6.2	–4.9	–0.2	2.7	4.5
Romania					
GDP (% in annual comparison)	7.3	–7.1	–1.9	1.5	3.5
Ukraine					
GDP (% in annual comparison)	2.3	–15.1	5.0	4.5	5.0
Albania					
GDP (% in annual comparison)	7.8	3.3	2.6	3.3	5.0
Russia					
GDP (% in annual comparison)	5.2	–7.9	3.7	3.5	4.0

Source: Raiffeisen Research January 2011.

The expected global development graph of the CEE-17 countries also exhibits a positive prospective future trend in comparison with the USA and the EU.

In consideration of the data and statistical sources on which these calculations were based and trend scenarios such as GDP forecasts per CGU, insurance density development per CGU and significantly lower interest rates, no situations of insufficient coverage were identified in 2010 within the impairment test.

The general economic situation as well as the developments of the national economies continue to call for constant observation and the implementation of measures to achieve a balanced mix of stability, growth and profitability. With its ongoing profit improvement programme and with the sales focus on the profitable retail business in Eastern Europe, UNIQA took the necessary steps for accomplishing this even before the crisis years.

The purchase price allocation of the acquisition price for the subgroup of SIGAL Holding Sh.A. according to IFRS 3 was not yet completed at the time this Group annual report was written in 2009; in 2010 a purchase price adjustment of € –1,292,000 was made.

Shares in associated companies

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.

Debt consolidation

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:

Euro rates on balance sheet closing date	31.12.2010	31.12.2009
Swiss franc CHF	1.2504	1.4836
Czech koruna CZK	25.0610	26.4730
Hungarian forint HUF	277.9500	270.4200
Croatian kuna HRK	7.3830	7.3000
Polish złoty PLN	3.9750	4.1045
Bosnia-Herzegovina convertible mark BAM	1.9592	1.9533
Romanian leu (new) RON	4.2620	4.2360
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	10.4950	11.5281
Serbian dinar RSD	106.1300	96.2300
Russian ruble RUB	40.8200	43.1540
Albanian Lek ALL	139.1900	137.6894
Macedonian denar MKD	62.6973	61.0103

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). 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.

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.

Valuation methods and assumptions on which the current market valuation was based

The current market value of assets traded on the active markets is determined with respect to the listed market prices (includes government bonds, corporate bonds, listed shares).

The current market value of other financial assets (excluding derivative instruments) is determined in accordance with generally accepted valuation models, based on discounted cash flow analyses and using prices of observable current market transactions and trader listings for similar instruments.

The current market value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are performed with application of the corresponding interest yield curves for the term of the instruments in the case of derivatives without optional components as well as option price models in the case of derivatives with optional components. Currency futures are valued based on listed forward rates and interest yield curves that are derived from listed market interest rates in consideration of the contact maturity dates. Interest swaps are valued with the cash value of the estimated future payment flows. The discounting took place using the pertinent interest yield curves, which were derived from listed interest rates.

Deposits with credit institutions and other investments

These 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 side of the balance sheet, 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

These 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.

The amount of the actuarial gains and losses from the provisions for pensions and similar obligations will be reported in the shareholders' equity, after deducting deferred taxes and deferred profit participation and without affecting income under the item **actuarial gains and losses from defined retirement benefit.**

The **portfolio of own 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 accident, 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 policies held on account and at risk of 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 property insurance 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 gains and losses due to changed parameters were so far 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.

To increase transparency in the reporting process, the UNIQA Group has decided to exercise the right stipulated in IAS 19.93A ff concerning balancing the accounts of pension and severance reserves, and to implement this change as of 31 December 2010. From now on, the amount of the actuarial gains and losses will therefore be reported as shareholders' equity, after deducting deferred taxes and deferred profit participation and without affecting income.

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 and/or significant 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 Commercial 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 Commercial 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 Commercial 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 Commercial Code.

Reinsurance

The shares of reinsurers in actuarial provisions are shown on the assets side 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 Commercial Code. These are listed in detail in IAS 19. Overall, the individual differences result in greater detail than under the Austrian Commercial Code. This is most notably the result of the stronger weighting of future salary increases and the use of the project-unit-credit method, anticipating 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.

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 additional 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 the 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 II. Within the framework of these activities, the Group takes part in all quantitative impact studies. The results of the already performed quantitative impact studies enter into the corresponding projects that prepare the Group for Solvency II.

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
2010	5,343,587
2009	4,994,207
2008	4,901,214
2007	4,432,436
2006	4,444,802
2005	4,299,227
2004	3,560,558
2003	2,967,476

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

A great deal of attention is paid to the profitability of the insurance portfolio. In order to ensure this, the product premiums are appropriately calculated and the profitability is continuously evaluated throughout the entire Group with the help of monitoring systems. In this regard, the discounts offered outside of normal rates are adapted to the risk situation in the segments of household/home, legal expenses protection, casualty, motor vehicle liability and motor vehicle comprehensive.

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)	%
2010	68.8%
2009	69.9%
2008	61.6%
2007	68.1%
2006	64.3%
2005	66.7%
2004	64.1%
2003	68.9%

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 on the basis of 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 and of UNIQA Versicherungen AG is covered with Group internal reinsurance policies at UNIQA Re AG.

Within these internal reinsurance policies ratio figures, which reach from 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.).

UNIQA Re AG pools the business acquired by the Group companies according to insurance segments and passes gross excess loss policies, which are supplemented by net ratios, on to international reinsurers as a “bouquet”.

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

Claims ratio (retained earnings)	%
2010	71.5%
2009	68.0%
2008	64.2%
2007	67.6%
2006	66.0%
2005	68.0%
2004	65.6%
2003	69.8%

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 from the property insurance lines to companies outside the Group. The cessions of the international Group subsidiaries are not included.

Rating	31 Dec. 2010 € 000	31 Dec. 2009 € 000
AAA	0	0
AA	92,350	72,653
A	58,343	122,485
BBB	13	23
Not rated	6,190	6,747

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.

Systematic analyses, supported by actuarial methods, are used to assess the appropriateness of the actuarial provisions.

The Group’s central actuarial office supports the operational domestic and foreign UNIQA companies on a quarterly basis with the introduction of adequate processes and by checking the results of the analyses.

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 liability insurance.

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 Group-wide for their exposure and composition (risk mix), and survey reports on the exposed risks are prepared.

The most important decisions are made here on a central basis in coordination with the experts at the Group headquarters (International Desk).

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 risk in life insurance outside of Austria is of minor importance due to the low volume (approx. 20%). Various risks exist in Austria, particularly in classic life insurance. The insurance company takes on this risk for a corresponding premium paid by the policyholder. When calculating the premium, the actuary refers to the following carefully selected bases of calculation:

- Interest: The actuarial interest is set so low that it can be produced with certainty in each year.
- Mortality: The probabilities of dying are deliberately and carefully calculated for each type of insurance.
- Costs: These 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. 2010 Category[1]	Capital insurance	Retirement annuity deferred	Retirement annuity in payment	Risk insurance
€ 0 to € 20,000	767,070	84,657	7,548	139,658
€ 20,000 to € 40,000	173,036	31,235	3,359	37,493
€ 40,000 to € 100,000	72,468	18,070	2,474	125,609
€ 100,000 to € 200,000	8,598	4,347	761	67,935
More than € 200,000	2,032	1,528	272	9,113

[1] For capital assurance and risk insurance, the insurance total is used as basis; for deferred retirement annuities, the redemption capital at the start of the pension payment phase is used. For liquid pension annuities, the category refers to ten times 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 and for 2000/02 respectively).

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 2.71% (2009: 2.75%).

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 (bonds, loans 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 are extremely long-term policies.

The interest risk functions in the following ways:

Investment and reinvestment risk

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

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 5.1 years (2009: 4.9), 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 actuarial and financial risks, the cost risk must also be specified. The insurer guarantees that it will deduct only the calculated costs for the entire term of the policy. The business risk here is that the cost premiums are insufficient (e.g. due to cost increases resulting from inflation).

1.3 Health insurance

The health insurance business is operated primarily in Austria (82% domestic and 18% international). As a result, the focus lies on risk management in Austria.

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.

The risk of the health insurance business outside Austria is dominated primarily by Mannheimer Krankenversicherung (approx. € 123.7 million in annual premiums) as well as UNIQA Assicurazioni in Milan (approx. € 31.4 million in annual premiums). The remaining premiums (approx. € 23.8 million) are divided among multiple companies and are of only minor importance there. Life-long health insurance policies without termination options by the insurer rarely exist outside of Austria, meaning that the risk can be considered low for this reason as well.

The greatest risk for Mannheimer Krankenversicherung is a result of the legal situation in Germany. Due to the future inclusion of ageing provisions in some cases, there could be a danger that good risks might leave Mannheimer Krankenversicherung. However, it should be possible to avert the majority of this risk through rate adjustments.

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. 2010 € 000	31 Dec. 2009 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	14,444,730	13,937,185
Long-term unit-linked and index-linked life insurance policies	4,192,730	3,473,553
Long-term health insurance policies	2,784,528	2,605,618
Short-term property and casualty insurance policies	3,356,743	3,422,140
Total	**24,778,730**	**23,438,496**

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. 2010 € 000	31 Dec. 2009 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	14,141,590	13,893,689
Long-term unit-linked and index-linked life insurance policies	4,142,636	3,416,231
Long-term health insurance policies	2,785,246	2,620,930
Short-term property and casualty insurance policies	2,538,406	2,370,291
Total	**23,607,879**	**22,301,142**

These values refer to the following balance sheet items:

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

2.1 Interest 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	
%	2010	2009	2010	2009	2010	2009
Fixed interest securities						
High-grade bonds	3.89	4.23	3.90	3.92	5.18	5.64
Bank/company bonds	3.91	3.82	5.26	8.63	4.13	4.36
Emerging markets bonds	5.71	5.97	9.67	12.88	10.06	9.70
High-yield bonds	7.63	8.27	10.07	11.29	5.44	4.30
Other investments	3.48	4.44	0.00	0.00	0.00	1.63
Fixed interest liabilities						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.71	2.75				

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. 2010 € 000	31 Dec. 2009 € 000
Annuities	9,440,828	8,220,882
Shares	642,456	392,346
Alternatives	708,594	674,353
Holdings	411,382	680,592
Loans	1,267,004	1,728,081
Real estate	1,107,667	946,261
Liquidity	743,515	1,172,910
Deposits receivable	123,284	121,760
Total	14,444,730	13,937,185
Difference between book value and market value		
Real estate	264,055	361,773
Loans	–27,812	38,695

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial provision	13,459,346	13,193,063
Provision for profit-unrelated premium refunds	1,869	226
Provision for profit-related premium refunds, i.e. policyholder profit sharing	112,060	146,659
Other technical provisions	23,806	23,451
Provision for outstanding claims	108,309	92,365
Deposits payable	436,200	437,925
Total	14,141,590	13,893,689

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

Remaining term	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	810,676	660,875
Of more than 1 year up to 3 years	1,052,770	1,125,700
Of more than 3 years up to 5 years	1,792,639	1,069,452
Of more than 5 years up to 7 years	2,192,915	1,672,212
Of more than 7 years up to 10 years	2,208,519	1,889,945
Of more than 10 years up to 15 years	1,361,612	1,644,980
More than 15 years	1,288,702	1,696,312
Total	10,707,832	9,759,476

The capital-weighted average remaining term of technical liabilities is around 8.0 years (2009: 7.9 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 provisions arising from unit-linked and index-linked life insurance policies.

Investments in unit-linked and index-linked life insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Share-based funds	988,689	805,713
Bond funds	3,044,113	2,536,917
Liquidity	81,107	86,935
Other investments	78,821	43,987
Total	4,192,730	3,473,553

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 any lower capital income that may be expected. The following table shows the investment structure available to cover insurance liabilities.

Investments for long-term health insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Annuities	1,238,629	1,203,938
Shares	53,963	58,105
Alternatives	93,450	64,839
Holdings	199,705	8,666
Loans	710,918	693,555
Real estate	318,529	301,341
Liquidity	169,333	275,175
Total	2,784,528	2,605,618
Difference between book value and market value		
Real estate	144,441	116,426
Loans	3,828	–54,466

Provisions and liabilities from long-term health insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial provision	2,533,728	2,373,869
Provision for profit-unrelated premium refunds	16,578	20,252
Provision for profit-related premium refunds, i.e. policyholder profit sharing	44,876	42,224
Other technical provisions	548	596
Provision for unearned premiums	15,914	15,629
Provision for outstanding claims	172,279	166,913
Deposits payable	1,323	1,447
Total	2,785,246	2,620,930

Property and casualty insurance policies

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

Remaining term	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	102,103	169,807
Of more than 1 year up to 3 years	182,759	232,867
Of more than 3 years up to 5 years	325,941	270,080
Of more than 5 years up to 7 years	358,017	273,275
Of more than 7 years up to 10 years	570,630	507,728
Of more than 10 years up to 15 years	186,249	293,120
More than 15 years	223,849	335,114
Total	1,949,547	2,081,993

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

Investments for short-term property and casualty insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Annuities	1,606,661	1,451,018
Shares	221,229	140,508
Alternatives	62,332	64,162
Holdings	120,430	215,805
Loans	464,308	521,471
Real estate	384,524	463,290
Liquidity	483,748	551,497
Deposits receivable	13,510	14,389
Total	3,356,743	3,422,140
Difference between book value and market value		
Real estate	332,259	197,569
Loans	3,110	–35,805

Provisions and liabilities from short-term property and casualty insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Provision for unearned premiums	558,153	516,599
Actuarial provision	37,959	39,837
Provision for outstanding claims	1,871,810	1,746,904
Provision for profit-unrelated premium refunds	30,991	27,011
Provision for profit-related premium refunds, i.e. policyholder profit sharing	7,760	7,682
Other technical provisions	20,032	19,980
Deposits payable	11,701	12,278
Total	2,538,406	2,370,291

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. 2010 € 000	31 Dec. 2009 € 000
Shares in Europe	438,554	268,481
Shares in America	48,112	11,275
Shares in Asia	26,802	6,049
Shares international[1)]	4,932	623
Shares in emerging markets	32,149	10,805
Shares total return[2)]	158,228	156,531
Other shares	208,872	199,247
Total	917,648	653,010

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

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. 2010 € 000	31 Dec. 2009 € 000
AAA	3,317,270	3,037,727
AA	3,062,155	3,490,318
A	2,979,241	3,351,431
BBB	2,655,684	1,834,494
BB	874,895	437,410
B	577,764	352,635
CCC	168,868	127,070
Not rated	30,047	50,534
Total	13,665,924	12,681,619

The values as at 31 December 2010 also include the securities reclassified to the category of loans in the 3rd quarter of 2008 with a value of € 1,379,806,000 (2009: € 1,796,941,000).

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. 2010 € 000	€	USD	Other	Total
Assets				
Investments	22,304,607	466,618	2,007,505	24,778,730
Other tangible assets	116,976		21,681	138,657
Intangible assets	1,401,567		107,881	1,509,448
Share of reinsurance in the technical provisions	1,029,126		79,892	1,109,018
Other assets	889,829		269,519	1,159,348
Total	**25,742,104**	**466,618**	**2,486,478**	**28,695,200**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,241,444		1,629,686	23,871,130
Other provisions	701,989		23,536	725,526
Liabilities	1,845,157		141,747	1,986,904
Total	**25,363,590**	**0**	**1,794,969**	**27,158,559**

31 Dec. 2009 € 000	€	USD	Other	Total
Assets				
Investments	21,400,489	336,507	1,701,499	23,438,496
Other tangible assets	112,148		20,299	132,447
Intangible assets	1,413,610		102,850	1,516,459
Share of reinsurance in the technical provisions	1,040,996		107,793	1,148,788
Other assets	892,315		264,229	1,156,544
Total	**24,859,557**	**336,507**	**2,196,670**	**27,392,735**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	21,230,666		1,385,275	22,615,941
Other provisions	629,390		29,773	659,164
Liabilities	1,811,277		166,570	1,977,848
Total	**24,246,334**	**0**	**1,581,618**	**25,827,952**

The fair value of securities investments in USD amounted to € 1,625 million as at 31 December 2010 (2009: € 1,344 million). The exchange rate risk was reduced using derivative financial instruments to € 467 million (2009: € 337 million), while the safeguard ratio was 71.0% (2009: 75.0%). The safeguard was maintained in a range of between 56% and 81% during the financial year (2009: 67% and 96%).

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. When choosing the remaining maturities stipulated by contract for investing variable-interest securities (cf. notes no. 9), the existing remaining contractual maturities (cf. 2.1 interest rate risk) are taken into consideration in the various business segments.

Additional underwriting obligations exist for private equity investments in the amount of € 102 million (2009: € 168 million).

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. Depending on the assessment principle to be applied, if there are any future fair value losses, they can lead to different fluctuations in equity that are with or without an effect on the income statement. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects between the individual market risks or counter-controlled measures taken in the various market scenarios.

Interest rate risk	31 Dec. 2010		31 Dec. 2009	
€ 000	+100 basis points	–100 basis points	+100 basis points	–100 basis points
High-grade bonds	–382,196	410,964	–407,638	429,092
Bank/company bonds	–55,312	59,475	–55,555	58,479
Emerging markets bonds	–71,990	77,408	–49,408	52,008
High-yield bonds	–912	981	–1,745	1,837
Total	**–510,410**	**548,828**	**–514,345**	**541,416**

Equity risk	31 Dec. 2010		31 Dec. 2009	
€ 000	+10%	–10%	+10%	–10%
Shares in Europe	38,221	–37,744	23,331	–23,331
Shares in America	6,117	–6,117	1,714	–1,714
Shares in Asia	2,053	–2,053	389	–389
Shares international	2,175	–2,175	1,950	–1,950
Shares in emerging markets	3,403	–3,403	1,320	–1,320
Shares total return	16,663	–16,663	15,646	–15,646
Derivative financial instruments and other shares	3,448	–3,448	4,615	–4,615
Total	**72,080**	**–71,603**	**48,965**	**–48,965**

Currency risk	31 Dec. 2010		31 Dec. 2009	
€ 000	+10%	–10%	+10%	–10%
€	0	0	0	0
USD	45,924	–45,924	32,817	–32,817
Other	161,797	–161,797	140,959	–140,959
Total	**207,721**	**–207,721**	**173,775**	**–173,775**

Credit risk		31 Dec. 2010		31 Dec. 2009	
€ 000		+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	–38,313	38,313	–49,296	49,296
A	50 basis points	–53,030	53,030	–69,170	69,170
BAA	75 basis points	–70,948	70,948	–43,105	43,105
BA	100 basis points	–34,735	34,735	–14,196	14,196
B	125 basis points	–30,641	30,641	–16,588	16,588
CAA	150 basis points	–7,453	7,453	–5,901	5,901
Not rated	100 basis points	–13,098	13,098	–6,756	6,756
Total		–248,219	248,219	–205,011	205,011

2.7 Value at Risk (VaR)

The overall market risk of the investment portfolio is determined on the basis of the value-at-risk approach. The key figure is calculated for a confidence interval of 95% 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	Equity risk € 000	Currency risk € 000	Interest rate risk € 000	Diversification € 000
31.12.2010	676,337	342,165	116,127	713,066	–495,021
31.12.2009	819,743	315,354	93,564	860,208	–449,382
Lowest	619,672	256,201	74,627	683,922	–330,302
Average	690,723	311,046	121,869	735,232	–438,202
Highest	792,199	344,586	168,371	846,673	–513,715

Evaluation of the stock of Asset-Backed Securities

The UNIQA Group has placed a 2.6% (2009: 2.7%) of its investments in asset-backed securities (ABS).

The securities held in the direct portfolio and in the fund portfolio have been valued mostly using a mark-to-model method.

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 year 2010 due to low 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 investment 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. For both reasons, UNIQA has decided to set the fair value of the specified papers by means of a model approach.

ABS investments 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. The future payments are calculated using external forecasts for failure rates. The modelling system of Intex Solutions, Inc., which represents a widely accepted market standard, serves as the basis for the analysis. For forecasting the failure rates of companies, UNIQA now uses the forecasts of Moody's Investors Service. These forecasts encompass a period of five years. Other parameters besides the failure rates are calibrated with the help of the data history. Objective and predetermined values are used for the discounting.

To this extent, the losses expected by an investor on a transaction are already taken into consideration when 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 or a fall in the failure rates in the investments underlying the ABS structures is also based on the forecast values from Moody's Investors Service.

The sensitivities for these securities subjected to model-based analysis are also determined using Moody's failure scenarios. According to Moody's, these failure scenarios correspond to the 10% quantile or the 90% quantile of the distribution function of the failures.

Sensitivity analysis (in € million)	Upside	Downside
Total profit/loss	5.8	–40.0
on P&L	0.8	–19.4
on equity	5.0	–20.6

Valuation of STRABAG SE

UNIQA has a participating interest in STRABAG SE of 14.97% as at the reporting date of 31 December 2010 (31 December 2009: 21.91%). Even following the re-entry of a major investor, UNIQA retained a significant influence over the business activity of STRABAG SE. UNIQA is therefore continuing the participating interest in STRABAG SE as an associated share. In the 4th quarter of 2010, a purchase option was conceded to a strategic investor for an additional 1.4 million shares of STRABAG SE. It can be exercised between July 2012 and July 2014.

The valuation on the reporting date takes place in consideration of the option agreement and the expected proportional equity on the reporting date. The current market value of this option was determined as the difference between the current book value and the price for exercising the option.

Book value STRABAG SE	2010 € 000
As at 1 Jan.	601,644
Disposal	–164,907
Updating affecting income[1)]	24,274
Updating not affecting income	4,536
Dividends	–12,467
As at 31 Dec.	453,079
Value in € per share	26.54

1) The estimate for the as-yet-unpublished 4th quarter of 2010 was also worked on during the financial year.

Information about investments in the PIIGS nations

Selected government bond risks

Issuer	Current market value 31 Dec. 2010 € 000
Spain	154,249
Greece	319,407
Ireland	257,281
Italy	883,130
Portugal	83,955
Total	1,698,022

The difference to the cost of acquisition of this investment affects mainly the revaluation reserve, reduced by the deferred profit-sharing arrangement (in life insurance) and deferred taxes.

Currently it must be assumed that government bonds from member countries will be completely paid back and the current risk reduction on bond prices in some European countries will not last.

In particular, European and international initiatives should be mentioned in this regard. Among others, in this context the European Financial Stabilisation Mechanism (EFSM), the European Financial Stability Facility (EFSF), the International Money Fund (IMF) and the European Central Bank (ECB) should be mentioned.

As early as May 2010 €110 billion were made available to Greece within the framework of the EFSM and €30 billion through the IMF. Furthermore, the placement of the first European bonds via the EFSF in January 2011 made it possible to refinance at very favourable rates (AAA rating; interest warrant: 2.75%, volume: €5 billion), thus demonstrating the availability of this venue for providing financial assistance to distressed member states. Altogether, the EFSF, EFSM and IMF can currently raise €750 billion.

Ireland also applied for and received financial aid through this mechanism in November 2010.

In an additional step, the ECB's Security Markets Programme is contributing to the stabilisation of the secondary market for government bonds by purchasing bonds from member states that are under pressure.

These aid measures are available to all member states. In the cases of Greece and Ireland, the measures have proven their practicality. Hence, it does not currently look like we can assume there will be a long-lasting reduction in value of the affected government bonds.

Description of the most important features of the internal controlling and risk management system (RMS) with regard to the accounting process according to Section 243a paragraph 2 of the Austrian Commercial Code

The RMS of UNIQA Versicherungen AG is a well documented system covering all company activities that includes a systematic and permanent process based on the defined risk strategy with the following elements: identification, analysis, evaluation, controlling, documentation and communication of risks and monitoring of these activities. The scope and orientation of the established systems were designed based on the company-specific requirements. Despite the creation of appropriate frameworks, a certain residual risk always remains since even appropriately and functionally erected systems cannot guarantee absolute certainty in the identification and management of risks.

The goals in connection with the RMS are

- Identification and evaluation of risks that could oppose the goal of Group financial statements that conform to the rules
- Limitation of known risks, e.g. by procuring the assistance of external specialists
- Evaluation of identified risks with regard to their influence on the Group financial statements and the corresponding depiction of these risks

The goal of the accounting process internal control system is to implement controls to ensure that a proper report can be reliably produced despite the identified risks. In addition to the risks described in the risk report, the RMS also deals with additional risks as well as those in operational processes, compliance, internal reporting, etc.

Organisational structure and controlling scope

The accounting process of the UNIQA Group is standardised throughout the Group. Compliance guidelines, operational organisation manuals, balance sheet and consolidation manuals exist to ensure a reliable process. The processing is largely centralised for domestic affiliated companies. For international Group companies, the accounting process is largely decentralised.

Identification and controlling of risks

An inventory of the existing risks was taken and appropriate monitoring measures were defined for the identification of existing risks. The most important checks were defined in guidelines and instructions and coupled with an authorisation concept. The checks cover both manual coordination and reconciliation routines as well as acceptance inspections of system configurations for connected IT systems. Identified risks and weak points in monitoring the accounting process are reported quickly to management in order for corrective measures to be taken. The procedure for identification and monitoring of the risks is regularly evaluated by an independent, external consultant.

Information and communication

Deviations from expected results and analyses are monitored in monthly reports and figures and are the basis for the continuing supply of information to management.

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
A. Tangible assets				
I. Self-used land and buildings	230,077	986	12,577	0
II. Other tangible assets				
1. Tangible assets	61,054	–68	24,123	0
2. Inventories	5,211		745	
3. Other assets	66,182		0	
Total A. II.	**132,447**	**–68**	**24,868**	**0**
Total A.	**362,524**	**918**	**37,445**	**0**
B. Land and buildings held as financial investments	**1,433,091**	**1,586**	**134,189**	**0**
C. Intangible assets				
I. Deferred acquisition costs	877,394	744	257,564	0
II. Goodwill				
1. Purchased positive goodwill	3,632	–89	0	0
2. Positive goodwill	527,284	546	1,301	0
3. Value of insurance policies	76,274	382	0	0
Total C. II.	**607,191**	**839**	**1,301**	**0**
III. Other intangible assets				
1. Self-developed software	1,688	–157	685	0
2. Acquired intangible assets	30,187	126	15,746	0
Total C. III.	**31,875**	**–31**	**16,431**	**0**
Total C.	**1,516,459**	**1,552**	**275,296**	**0**
D. Shares in associated companies	**717,163**	**0**	**9,696**	**7,268**
E. Investments				
I. Variable-yield securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	1,321,142	775	795,832	172,521
2. At fair value through profit or loss	706,219	0	179,961	0
Total E. I.	**2,027,361**	**775**	**975,794**	**172,521**
II. Fixed interest securities				
1. Fixed interest securities, held to maturity	340,000	0	0	0
2. Debt securities and other fixed interest securities	9,879,620	67,308	8,039,883	–268,948
3. At fair value through profit or loss	246,936	0	80,856	0
Total E. II.	**10,466,556**	**67,308**	**8,120,739**	**–268,948**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	472	0	17	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	119,216	0	116	0
d) Loans and advance payments on policies	19,091	–7	4,773	0
e) Other loan receivables and registered bonds	2,803,776	3,325	184,317	6,341
Total E. III. 1.	**2,943,107**	**3,318**	**189,222**	**6,341**
2. Cash at credit institutions/cash at banks	1,201,925	7,290	0	0
3. Deposits with ceding companies	136,149	0	6,168	0
Total E. III.	**4,281,180**	**10,608**	**195,390**	**6,341**
IV. Derivative financial instruments	11,858	9	56,830	0
Total E.	**16,786,955**	**78,700**	**9,348,752**	**–90,086**
F. Investments held on account and at risk of life insurance policyholders	**3,473,553**	**6,074**	**1,799,768**	**42,729**
Aggregate total	24,289,744	88,830	11,605,145	–40,089

Amortisation € 000	Reclassifications € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Book value financial year € 000
0	46,199	9,188	0	12,088	268,563
0	5,816	3,386	0	18,672	68,866
		0			5,956
		2,348			63,835
0	5,816	5,733	0	18,672	138,657
0	52,015	14,921	0	30,760	407,220
0	–52,157	10,919	0	40,493	1,465,297
0	0	0	0	250,055	885,646
0	0	0	0	3,368	175
0	0	2,448	0	11	526,672
0	0	0	0	11,101	65,555
0	**0**	**2,448**	**0**	**14,481**	**592,402**
0	0	0	0	306	1,909
0	143	5,242	0	11,469	29,491
0	**143**	**5,242**	**0**	**11,775**	**31,400**
0	**143**	**7,690**	**0**	**276,311**	**1,509,448**
0	**0**	**206,666**	**25,559**	**6,575**	**546,444**
–15	–9,421	504,140	27,869	53,043	1,751,520
0	0	238,321	103,946	57,381	694,424
–15	**–9,421**	**742,461**	**131,815**	**110,424**	**2,445,944**
0	0	0	0	0	340,000
7,782	6,879	6,602,873	156,393	87,506	11,198,539
–233	0	18,290	20,997	12,882	317,383
7,549	**6,879**	**6,621,164**	**177,390**	**100,387**	**11,855,922**
0	0	38	0	0	451
0	0	0	0	0	552
0	–644	20,341	0	1,848	96,497
0	0	9,205	0	0	14,652
473	644	650,901	557	18,454	2,330,078
473	**0**	**680,485**	**557**	**20,302**	**2,442,231**
0	0	345,329	2,688	2,921	863,652
0	0	5,522	0	0	136,794
473	**0**	**1,031,337**	**3,244**	**23,223**	**3,442,677**
0	0	39,031	58,123	59,537	28,252
8,007	**–2,542**	**8,433,993**	**370,572**	**293,572**	**17,772,793**
0	**2,542**	**1,233,899**	**149,923**	**47,961**	**4,192,730**
8,007	0	9,908,087	546,054	695,673	25,893,932

Financial Section

1. Self-used land and buildings

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Book values for		
Property and casualty	81,601	86,265
Life	171,593	128,012
Health	15,369	15,800
	268,563	**230,077**
Market values for		
Property and casualty	100,776	109,015
Life	197,614	156,861
Health	17,919	17,979
	316,309	**283,855**
Acquisition values	387,630	324,749
Cumulative depreciation	–119,068	–94,673
Book values	**268,563**	**230,077**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Self-used land and buildings	0	5,624

The market values are derived from expert reports.

2. Other tangible assets

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Tangible assets	68,866	61,054
Inventories	5,956	5,211
Other assets	63,835	66,182
Total	**138,657**	**132,447**

Tangible assets Development in financial year	€ 000
Acquisition values as at 31 Dec. 2009	215,388
Cumulative depreciation up to 31 Dec. 2009	–154,334
Book values as at 31 Dec. 2009	**61,054**
Currency translation changes	–68
Additions	24,123
Disposals	–3,386
Transfers	5,816
Appreciation and depreciation	–18,672
Book values as at 31 Dec. 2010	**68,866**
Acquisition values as at 31 Dec. 2010	234,568
Cumulative depreciation up to 31 Dec. 2010	–165,702
Book values as at 31 Dec. 2010	**68,866**

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

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Other tangible assets	0	18,322

3. Land and buildings held as financial investments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Book values for		
Property and casualty	289,959	377,011
Health	288,647	285,541
Life	886,690	770,539
	1,465,297	**1,433,091**
Market values for		
Property and casualty	603,044	551,830
Health	430,538	399,788
Life	1,124,723	1,103,463
	2,158,305	**2,055,081**
Acquisition values	1,968,476	1,884,787
Cumulative depreciation	–503,179	–451,696
Book values	**1,465,297**	**1,433,091**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Land and buildings held as financial investments	0	165,546

The market values are derived from expert reports.

	31 Dec. 2010 € 000
Change in impairment for current year	3,125
of which reallocation affecting income	3,125

4. Deferred acquisition costs

	2010 € 000	2009 € 000
Property and casualty		
As at 1 Jan.	**146,366**	**135,129**
Currency translation changes	438	–451
Change in consolidation scope	0	258
Capitalisation	119,389	91,273
Depreciation	–109,586	–79,843
As at 31 Dec.	156,606	146,366
Health		
As at 1 Jan.	**224,414**	**215,855**
Currency translation changes	57	–8
Capitalisation	16,083	17,883
Interest surchage	8,710	9,476
Depreciation	–22,079	–18,793
As at 31 Dec.	227,185	224,414
Life		
As at 1 Jan.	**506,614**	**521,019**
Currency translation changes	249	–108
Change in consolidation scope	0	474
Capitalisation	96,006	102,066
Interest surchage	17,375	14,595
Depreciation	–118,390	–131,432
As at 31 Dec.	501,854	506,614
In the consolidated financial statements		
As at 1 Jan.	**877,394**	**872,003**
Currency translation changes	744	–567
Change in consolidation scope	0	732
Capitalisation	231,479	211,223
Interest surchage	26,085	24,071
Depreciation	–250,055	–230,068
As at 31 Dec.	885,646	877,394

5. Goodwill

	€ 000
Acquisition values as at 31 Dec. 2009	759,240
Cumulative depreciation up to 31 Dec. 2009	–152,049
Book values as at 31 Dec. 2009	**607,191**
Acquisition values as at 31 Dec. 2010	760,540
Cumulative depreciation up to 31 Dec. 2010	–168,138
Book values as at 31 Dec. 2010	592,402

There were no major additions in 2010 – see also the information on the scope of consolidation beginning on page 74.

	€ 000
Cumulative depreciation up to 31 Dec. 2010	168,138
of which relating to impairment	28,767
of which current depreciation	139,371

	31 Dec. 2010 € 000
Change in impairment for current year	11
of which reallocation affecting income	11

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

Company acquisitions 2010	Amounts placed at the time of acquisition € 000	Book values of the acquired companies € 000
Assets	**8,941**	**8,941**
Tangible assets	0	0
Land and buildings held as financial investments	0	0
Intangible assets	0	0
Shares in associated companies	0	0
Investments	8,937	8,937
Investments held on account and at risk of life insurance policyholders	0	0
Share of reinsurance in technical provisions	0	0
Receivables including receivables under insurance business	2	2
Receivables from income tax	0	0
Deferred tax assets	0	0
Liquid funds	2	2
Equity and liabilities	**8,941**	**8,941**
Total equity	8,924	8,924
Subordinated liabilities	0	0
Technical provisions	0	0
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	0	0
Other provisions	0	0
Payables and other liabilities	17	17
Liabilities from income tax	0	0
Deferred tax liabilities	0	0
Currency differences	0	0

6. Other intangible assets

	Self-developed software € 000	Acquired intangible assets € 000
Acquisition values as at 31 Dec. 2009	37,224	171,757
Cumulative depreciation up to 31 Dec. 2009	–35,536	–141,571
Book values as at 31 Dec. 2009	**1,688**	**30,187**
Acquisition values as at 31 Dec. 2010	37,752	182,263
Cumulative depreciation up to 31 Dec. 2010	–35,843	–152,772
Book values as at 31 Dec. 2010	1,909	29,491

The other intangible assets are composed of:

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Computer software	27,954	27,652
Copyrights	0	0
Licences	512	764
Other intangible assets	2,935	3,459
	31,400	31,875

Useful life		
Self-developed software	2–5 years	2–5 years
Acquired intangible assets	2–5 years	2–5 years

The intangible assets include paid-for and self-produced computer software as well as 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. 2010 € 000	31 Dec. 2009 € 000
Self-developed software	0	0
Acquired intangible assets	0	1,024

	2010 € 000
Research and development expenditure recorded as an expense during the period under review	5,656

7. Shares in affiliated companies valued at equity

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Current market values for		
Shares in affiliated companies of minor importance [1]	21,235	19,820
Shares in associated companies of minor importance	3,574	2,049
Book values for		
Shares in associated companies valued at equity	542,870	715,113
Equity for		
Shares in affiliated companies of minor importance	21,595	20,197
Annual net profit/loss for the year		
Shares in affiliated companies of minor importance	1,508	–5,315

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

The decline in the shares in associated companies resulted mainly from the disposal of the STRABAG shares and the transfer of the shares held in Astra S.A., which were reclassified as variable-yield securities – available for sale due to the decision to sell.

Shares in associated companies	31 Dec. 2010 € 000
Current market value of associated companies listed on a public stock exchange	434,499
Profits/losses for the period	19,785
Unrecorded, proportional loss, ongoing, if shares of loss are no longer recorded	0
Unrecorded, proportional loss, cumulative, if shares of loss are no longer recorded	0
Proportional asset value of shares in associated companies valued at equity	1,724,179
Proportional liabilities of shares in associated companies valued at equity	1,190,095

8. Fixed interest securities, held to maturity

	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Corporate bonds of domestic financial institutions	340,000	340,000
Other securities	0	0
Total	340,000	340,000

	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Corporate bonds of domestic financial institutions	340,000	340,000
Other securities	0	0
Total	340,000	340,000

Contractual remaining term	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	340,000	0
more than 1 year up to 5 years	0	340,000
Total	340,000	340,000

Contractual remaining term	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	340,000	0
more than 1 year up to 5 years	0	340,000
Total	340,000	340,000

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. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Shares in affiliated companies	21,235	19,820	0	0	0	0	0	0	21,235	19,820
Shares	799,655	628,161	197,862	107,072	–139,796	–145,979	0	0	857,721	589,254
Equity funds	356,651	240,373	29,634	13,260	–24,826	–29,945	0	0	361,459	223,688
Debenture bonds not capital-guaranteed	252,986	244,448	2,044	–4,823	–17,471	–14,326	–3,379	–4,109	234,180	221,190
Other variable-yield securities	41,875	41,870	–352	–359	–3,400	–3,400	0	0	38,123	38,110
Participating interests and other investments	237,222	240,534	36,298	25,125	–34,718	–36,579	0	0	238,802	229,079
Fixed-interest securities	11,943,303	10,615,617	–415,099	–117,183	–288,634	–501,477	–41,030	–117,338	11,198,539	9,879,620
Total	13,652,927	12,030,821	–149,614	23,092	–508,845	–731,705	–44,409	–121,446	12,950,059	11,200,762

Valuations based on internal calculations are included in the market values of shares. The effect of the internal valuation for 2010 results in a value reduction not affecting income in the amount of € 33,546,000 (2009: value reduction of € 113,938,000).

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Shares in affiliated companies	0	0	0	0	0	0
Shares	–139,796	–145,979	–113,763	–80,437	–26,033	–65,542
Equity funds	–24,826	–29,945	–24,567	–18,855	–259	–11,091
Debenture bonds not capital-guaranteed	–17,471	–14,326	–14,326	–65,900	–3,145	51,574
Other variable-yield securities	–3,400	–3,400	–3,400	0	0	–3,400
Participating interests and other investments	–34,718	–36,579	–34,475	–20,229	–243	–16,350
Fixed-interest securities	–288,634	–501,477	–280,351	–307,869	–8,283	–193,608
Total	–508,845	–731,705	–470,882	–493,290	–37,963	–238,415

Type of investment	Change in value adjustment current year	of which write-off/write-up affecting income	of which changes due to disposal	Write-up of equity
	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000
Shares in affiliated companies	0	0	0	0
Shares	6,183	–26,033	32,216	0
Equity funds	5,119	–259	5,378	0
Debenture bonds not capital-guaranteed	–3,145	–3,145	0	0
Other variable-yield securities	0	0	0	0
Participating interests and other investments	1,861	–243	2,104	0
Fixed-interest securities	212,843	–8,283	221,125	0
Total	222,860	–37,963	260,824	0

Change in equity	Allocation not affecting income		Withdrawal[1] due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Other securities - available for sale[2]						
Gross	–90,086	231,601	–67,425	–10,533	–157,511	221,068
Deferred tax	11,863	–21,962	3,631	7,576	15,494	–14,386
Deferred profit participation	53,072	–170,142	52,850	–16,362	105,922	–186,504
Minority interests	5,980	–14,362	3,875	–6,784	9,856	–21,147
Net	–19,171	25,134	–7,069	–26,103	–26,240	–969

[1] Withdrawals affecting the income statement due to disposals and impairments.
[2] Incl. reclassified securities.

Hierarchy for instruments that are reported in the balance sheet at current market value

The table below depicts the financial instruments for which subsequent valuation is performed at the current market value. These are divided into levels 1 to 3, depending on the extent to which the current market value can be observed.

Level 1 valuations at current market value are ones that result from listed prices (unadjusted) on the active markets for identical financial assets and liabilities.

Level 2 valuations at current market value are those based on parameters that do not correspond to listed prices for assets and liabilities as in level 1 (data) and are derived either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 valuations at current market value are those arising from models using parameters for the valuation of assets and liabilities that are not based on observable market data (unobservable prices, assumptions).

Investments at fair value	Level 1	Level 2	Level 3	Group total
	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000
Securities available for sale	**9,692,736**	**2,613,378**	**643,945**	**12,950,059**
Shares in affiliated companies	0	21,235	0	21,235
Shares	439,962	417,436	322	857,721
Equity funds	238,264	123,193	2	361,459
Debenture bonds not capital-guaranteed	34,101	200,079	0	234,180
Other variable-yield securities	0	38,123	0	38,123
Participating interests and other investments	0	238,802	0	238,802
Fixed-interest securities	8,980,409	1,574,508	643,621	11,198,539
At fair value through profit and loss	**179,913**	**819,081**	**12,813**	**1,011,807**
Derivative financial instruments	**425**	**24,163**	**0**	**24,589**
Total	9,873,074	3,456,621	656,758	13,986,454

No transfers between levels 1 and 2 took place during the reporting period. The entire portfolio of asset-backed securities was classified as level 3. No other level 3 assets existed as at 31 December 2010.

Transition of the level 3 valuations at current market value of financial assets:

Level 3 Investments at fair value	Securities available for sale	At fair value through profit and loss	Derivative financial instruments	Total
	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000
As at 1 Jan. 2010	**592,185**	**20,174**	**0**	**612,359**
Exchange rate differences	291	0	0	291
Total gains or losses for the period recognised in profit or loss	44,484	–1,192	0	43,292
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	49,314	0	0	49,314
Purchase	27,442	6	0	27,448
Sales	–83,086	–6,175	0	–89,261
Issues	0	0	0	0
Settlements	13,315	0	0	13,315
Transfers	0	0	0	0
As at 31 Dec. 2010	643,945	12,813	0	656,758

Contractual remaining term	Acquisition costs		Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Infinite	103,414	57,667	88,908	58,489
Up to 1 year	1,542,452	1,984,978	1,374,544	1,709,230
more than 1 year up to 5 years	3,731,367	2,518,608	3,634,209	2,454,377
More than 5 years up to 10 years	4,396,211	3,182,603	4,233,496	3,074,097
More than 10 years	2,464,720	3,158,079	2,139,685	2,842,728
Total	12,238,163	10,901,934	11,470,842	10,138,921

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

Risk of default rating	31 Dec. 2010 € 000
Fixed-interest securities	
Rating AAA	2,997,688
Rating AA	1,904,314
Rating A	2,934,754
Rating BBB	1,887,992
Rating < BBB	1,513,125
Not assigned	232,970
Rating total of fixed-interest securities	11,470,842
Issuer countries	
Share securities	
IE, NL, UK, US	392,828
AT, BE, CH, DE, DK, FR, IT	623,043
ES, FI, NO, SE	33,288
Remaining EU	108,889
Other countries	167,619
Issuer countries total of share securities	**1,325,666**
Other shareholdings	132,315
Total variable-yield securities	1,457,981

10. Derivative financial instruments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Market values		
Equity price risk	4,321	–11,528
Interest rate risk	2,217	1,348
Currency risk	7,008	–10,928
Structured risk	11,044	6,026
Total	24,589	–15,081
Structured risk - of which:		
Equity price risk	2,788	2,750
Interest rate risk	2,821	–2,653
Currency risk	5,435	5,929
Credit risk	0	0
Balance sheet values		
Investments	28,252	11,858
Financial liabilities	–3,663	–26,939

11. Loans

	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Loans to affiliated companies	451	472
Loans to participating interests	552	552
Mortgage loans	96,497	119,216
Loans and advance payments on policies	14,652	19,091
Other loans	613,679	684,926
Registered bonds	336,592	321,909
Reclassified bonds	1,379,806	1,796,941
Total	2,442,231	2,943,107

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.

Reclassified bonds	2010 € 000	2009 € 000	2008 € 000
Book value 31 Dec.	1,379,806	1,796,941	2,102,704
Market value 31 Dec.	1,345,580	1,732,644	1,889,108
Change in market value	30,586	149,299	–213,596
Amortisation income/expense	473	5,917	–61

Contractual remaining term	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Infinite	4,878	1,361
Up to 1 year	789,704	1,102,383
more than 1 year up to 5 years	599,738	632,270
More than 5 years up to 10 years	827,016	958,837
More than 10 years	220,895	248,256
Total	2,442,231	2,943,107

	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Loans to affiliated companies	451	472
Loans to participating interests	552	552
Mortgage loans	96,497	119,216
Loans and advance payments on policies	14,652	19,091
Other loans	627,032	697,647
Registered bonds	336,592	321,909
Reclassified bonds	1,345,580	1,732,644
Total	2,421,357	2,891,530

Contractual remaining term	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Infinite	4,878	1,361
Up to 1 year	734,687	1,023,561
more than 1 year up to 5 years	625,244	658,445
More than 5 years up to 10 years	835,704	963,145
More than 10 years	220,843	245,019
Total	2,421,357	2,891,530

Impairment	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Change in impairment for current year	20,302	8,711
of which reallocation affecting income	20,302	8,711

12. Other investments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Deposits with credit institutions	863,652	1,201,925
Deposits with ceding companies	136,794	136,149
Total	1,000,446	1,338,073

13. Receivables incl. receivables under insurance business

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
I. Reinsurance receivables		
1. Accounts receivables under reinsurance operations	39,741	52,558
	39,741	**52,558**
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	320,375	296,340
2. from intermediaries	75,569	71,292
3. from insurance companies	12,832	9,368
	408,776	**377,000**
Other receivables		
Accrued interest and rent	254,254	220,754
Other tax refund claims	64,535	49,900
Receivables due from employees	4,300	3,507
Other receivables	180,990	265,492
	504,079	**539,653**
Total other receivables	**912,855**	**916,653**
Subtotal	**952,596**	**969,211**
of which receivables with a remaining term of		
Up to 1 year	937,351	942,005
more than 1 year	15,245	27,206
	952,596	**969,211**
of which receivables with values not yet adjusted		
up to 3 months overdue	65,863	67,350
more than 3 months overdue	9,285	12,068
III. Other assets		
Accruals	54,819	50,690
	54,819	**50,690**
Total receivables incl. receivables under insurance business	1,007,415	1,019,902

14. Receivables from income tax

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Receivables from income tax	46,111	40,348
of which receivables with a remaining term of		
Up to 1 year	44,104	38,341
more than 1 year	2,007	2,007

15. Deferred tax assets

Cause of origin	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial items	8,358	213
Social capital	47,276	37,268
Investments	8,901	9,254
Loss carried forward	16,908	20,694
Other	24,379	28,866
Total	105,821	96,295
of which not affecting income	8,325	–2,386

For losses carried forward in the amount of € 103,609,000, the deferred tax of € 26,764,000 was not capitalised because utilisation will not be possible in the foreseeable future.

16. Subscribed capital

	31 Dec. 2010	31. Dec. 2009
Number of authorised and issued no-par shares	142,985,217	142,985,217
of which fully paid up	142,985,217	142,985,217

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.

Actuarial gains and losses from pension and severance payment provisions were posted as "actuarial gains and losses from defined benefit pensions plans" after deducting deferred policyholder profit participation and deferred taxes.

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 previous financial year in partial use of this authorisation by € 11,312,217 to € 142,985,217.

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 2010 and the previous year no 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 2010, the adjusted equity amounted to € 1,665,788,000 (2009: € 1,600,580,000). 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 supplemental capital) and latent reserves in investments (especially in real estate) are added. With a statutory requirement for adjusted equity of € 1,117,246,000 (2009: € 1,058,638,000), the statutory requirements were exceeded by € 548,542,000 (2009: € 541,942,000), resulting in a coverage rate of 149.1% (2009: 151.2%). With the change to Section 81h Paragraph 2 of the Insurance Supervisory Act, the volatility reserve was added as part of the available capital as of the third quarter of 2008. This increased the adjusted equity by € 221,895,000 (2009: € 218,668,000).

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

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,665,788	1,600,580
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,443,894	1,381,912

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

	31 Dec. 2010	31. Dec. 2009
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € 000	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in %	0.57	0.57

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

Earnings per share	2010	2009
Consolidated profit (in € 000)	46,434	25,672
of which accounts for ordinary shares (in € 000)	46,434	25,672
Own shares as at 31st. Dec.	819,650	819,650
Average number of shares in circulation	142,165,567	131,723,521
Earnings per share (in €)[1]	0.33	0.19
Earnings before taxes per share (in €)[1]	0.69	0.53
Earnings per share[1], adjusted for goodwill amortisation (in €)	0.43	0.34
Profit from ordinary activities per share, adjusted for goodwill amortisation (in €)	1.13	0.90
Dividend per share[2]	0.40	0.40
Dividend payment (€ 000)[2]	56,866	56,866

[1] Calculated on the basis of the consolidated profit of the year.
[2] 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. 2010 € 000
Effective tax	0
Deferred tax	26,205
Total	26,205

17. Minority interests

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
In revaluation reserve	–18,997	–9,142
In actuarial gains and losses on defined benefit plans	–4,816	–798
In net income for the year	48,618	29,993
In other equity	220,247	211,667
Total	245,051	231,720

18. Subordinated liabilities

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Supplementary capital	575,000	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. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	577,602	536,212
Reinsurers' share	–19,449	–19,613
	558,153	**516,599**
Health		
Gross	17,220	16,357
Reinsurers' share	–1,305	–728
	15,914	**15,629**
In the consolidated financial statements		
Gross	594,822	552,569
Reinsurers' share	–20,755	–20,341
Total (fully consolidated values)	574,067	532,228

20. Actuarial provision

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	38,336	40,280
Reinsurers' share	–376	–443
	37,959	**39,837**
Health		
Gross	2,535,051	2,375,317
Reinsurers' share	–1,323	–1,447
	2,533,728	**2,373,869**
Life		
Gross	13,906,355	13,639,771
Reinsurers' share	–447,009	–446,708
	13,459,346	**13,193,063**
In the consolidated financial statements		
Gross	16,479,742	16,055,368
Reinsurers' share	–448,708	–448,599
Total (fully consolidated values)	16,031,033	15,606,769

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

For	Health insurance acc. to SFAS 60 %	Life insurance acc. to SFAS 120 %
2010		
For actuarial provision	4.50 or 5.50	1.75 –4.00
For deferred acquisition costs	4.50 or 5.50	4.34
2009		
For actuarial provision	4.50 or 5.50	1.75 –4.00
For deferred acquisition costs	4.50 or 5.50	4.63

21. Provision for outstanding claims

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	2,095,145	2,028,238
Reinsurers' share	–223,336	–281,334
	1,871,810	**1,746,904**
Health		
Gross	172,834	167,447
Reinsurers' share	–555	–534
	172,279	**166,913**
Life		
Gross	124,393	104,259
Reinsurers' share	–16,084	–11,894
	108,309	**92,365**
In the consolidated financial statements		
Gross	2,392,372	2,299,943
Reinsurers' share	–239,975	–293,762
Total (fully consolidated values)	2,152,397	2,006,182

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

		2010 € 000	2009 € 000
1.	**Provisions for outstanding claims as at 1 Jan.**		
	a) Gross	2,028,238	1,919,387
	b) Reinsurers' share	–281,334	–252,684
	c) **Retention**	**1,746,904**	**1,666,703**
2.	**Plus (retained) claims expenditures**		
	a) Losses of the current year	1,759,858	1,582,095
	b) Losses of the previous year	–60,022	–88,493
	c) **Total**	**1,699,835**	**1,493,601**
3.	**Less (retained) losses paid**		
	a) Losses of the current year	–946,201	–845,587
	b) Losses of the previous year	–620,472	–576,343
	c) **Total**	**–1,566,673**	**–1,421,930**
4.	**Foreign currency translation**	**–8,920**	**–1,814**
5.	**Change in consolidation scope**	**0**	**10,343**
6.	**Other changes**	**664**	**0**
7.	**Provisions for outstanding claims as at 31 Dec.**		
	a) Gross	2,095,145	2,028,238
	b) Reinsurers' share	–223,336	–281,334
	c) **Retention**	**1,871,810**	**1,746,904**

Claims payments	2005 € 000	2006 € 000	2007 € 000	2008 € 000	2009 € 000	2010 € 000	Total € 000
Financial year	600,769	651,046	709,247	786,074	848,670	879,761	
1 year later	931,472	990,164	1,099,380	1,196,623	1,288,176		
2 years later	1,011,823	1,081,757	1,193,312	1,296,470			
3 years later	1,049,911	1,122,965	1,239,518				
4 years later	1,067,332	1,148,725					
5 years later	1,086,589						
Accumulated payments	1,086,589	1,148,725	1,239,518	1,296,470	1,288,176	879,761	
Estimated final claims payments	1,159,572	1,243,192	1,371,515	1,476,000	1,590,990	1,616,056	
Current balance sheet reserve	72,983	94,466	131,997	179,530	302,813	736,294	1,518,083
Balance sheet reserve for the claims years 2004 and before							445,624
							1,963,708
Plus other reserve components (internal claims regulation costs, etc.)							131,437
Provisions for outstanding claims (gross) as at 31 Dec. 2010							**2,095,145**

22. Provision for premium refunds

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	38,784	34,792
Reinsurers' share	–33	–99
	38,751	**34,693**
Health		
Gross	61,454	62,476
Reinsurers' share	0	0
	61,454	**62,476**
Life		
Gross	113,929	146,885
Reinsurers' share	0	0
	113,929	**146,885**
In the consolidated financial statements		
Gross	214,167	244,153
Reinsurers' share	–33	–99
Total (fully consolidated values)	**214,134**	**244,054**
of which profit-unrelated (retention)	49,439	47,489
of which profit-related (retention)	164,695	196,565

Gross		31 Dec. 2010 € 000	31 Dec. 2009 € 000
a)	**Provision for profit-unrelated premium refunds**	**49,472**	**47,588**
	of which property and casualty insurance	31,024	27,110
	of which health insurance	16,578	20,252
	of which life insurance	1,869	226
b)	**Provision for profit-related premium refunds and /or policyholder profit participation**	**217,463**	**187,277**
	of which property and casualty insurance	7,760	7,682
	of which health insurance	44,876	42,224
	of which life insurance	164,827	137,372
	Deferred profit participation	**–52,767**	**9,287**
Total (fully consolidated values)		**214,167**	**244,153**

Gross		2010 € 000	2009 € 000
a)	**Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation**		
	As at 1 Jan.	**234,866**	**257,680**
	Changes due to:		
	Other changes	32,069	–22,815
As at 31 Dec.		**266,934**	**234,866**
b)	**Deferred profit participation**		
	As at 1 Jan.	**9,287**	**–216,675**
	Changes due to:		
	fluctuation in value, securities available for sale	–105,922	186,504
	actuarial gains and losses on defined benefit plans	–8,712	–2,004
	revaluations affecting income	52,580	41,461
As at 31 Dec.		**–52,767**	**9,287**

The latent profit sharing was changed to an asset item in the financial year 2010. 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 cash-flow model ("liability adequacy test").

23. Actuarial provisions

Gross	Unearned premiums € 000	Actuarial provisions € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and /or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty							
As at 31 Dec. 2009	**536,212**	**40,280**	**2,028,238**	**27,110**	**7,682**	**23,775**	**2,663,298**
Exchange rate differences	4,381	–162	–8,628	39	18	376	–3,977
Change in consolidation scope	0		0				0
Portfolio changes	78					0	78
Additions		1,564		4,346	245	23,581	29,736
Disposals		–3,347		–471	–185	–24,532	–28,535
Premiums written	2,230,033						2,230,033
Premiums earned	–2,193,102						–2,193,102
Claims in reporting year			1,782,966				1,782,966
Claims payments in reporting year			–955,866				–955,866
Change in claims from previous years			–60,808				–60,808
Claims payments in previous years			–690,756				–690,756
As at 31 Dec. 2010	577,602	38,336	2,095,145	31,024	7,760	23,200	2,773,067
Health							
As at 31 Dec. 2009	**16,357**	**2,375,317**	**167,447**	**20,252**	**42,224**	**596**	**2,622,192**
Exchange rate differences	223	71	94	–4		–2	382
Change in consolidation scope							0
Portfolio changes	0					–8	–8
Additions		169,785		1,231	8,746	–28	179,733
Disposals		–10,122		–4,900	–6,094	–10	–21,126
Premiums written	804,930						804,930
Premiums earned	–804,290						–804,290
Claims in reporting year			646,568				646,568
Claims payments in reporting year			–496,184				–496,184
Change in claims from previous years			–8,961				–8,961
Claims payments in previous years			–136,130				–136,130
As at 31 Dec. 2010	17,220	2,535,051	172,834	16,578	44,876	548	2,787,106
Life							
As at 31 Dec. 2009	**0**	**13,639,771**	**104,259**	**226**	**146,659**	**23,305**	**13,914,220**
Exchange rate differences		22,911	127	–6	350	–37	23,345
Change in consolidation scope		0	0				0
Portfolio changes		262,440	0		50	1,326	263,817
Additions		204,825		1,649	84,086	5,336	295,896
Disposals		–223,592		0	–119,085	–6,287	–348,964
Premiums written							0
Premiums earned							0
Claims in reporting year			1,680,679				1,680,679
Claims payments in reporting year			–1,592,981				–1,592,981
Change in claims from previous years			52,054				52,054
Claims payments in previous years			–119,745				–119,745
As at 31 Dec. 2010	0	13,906,355	124,393	1,869	112,060	23,644	14,168,321
Group total							
As at 31 Dec. 2009	**552,569**	**16,055,368**	**2,299,943**	**47,588**	**196,565**	**47,677**	**19,199,710**
Exchange rate differences	4,604	22,820	–8,407	28	368	337	19,750
Change in consolidation scope	0	0	0				0
Portfolio changes	78	262,440	0		50	1,318	263,887
Additions		376,174		7,226	93,077	28,889	505,366
Disposals		–237,060		–5,371	–125,364	–30,830	–398,625
Premiums written	3,034,963						3,034,963
Premiums earned	–2,997,392						–2,997,392
Claims in reporting year			4,110,213				4,110,213
Claims payments in reporting year			–3,045,031				–3,045,031
Change in claims from previous years			–17,715				–17,715
Claims payments in previous years			–946,631				–946,631
As at 31 Dec. 2010	594,822	16,479,742	2,392,372	49,472	164,696	47,392	19,728,495

Reinsurers' share	Unearned premiums € 000	Actuarial provisions € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and /or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty							
As at 31 Dec. 2009	**19,613**	**443**	**281,334**	**99**	**0**	**3,795**	**305,285**
Exchange rate differences	396	–30	291			–48	610
Change in consolidation scope	0		0				0
Portfolio changes	–560		–1,034				–1,594
Additions		0		0		37	37
Disposals		–37		–66		–616	–719
Premiums written	159,178						159,178
Premiums earned	–159,179						–159,179
Claims in reporting year			23,478				23,478
Claims payments in reporting year			–9,665				–9,665
Change in claims from previous years			–785				–785
Claims payments in previous years			–70,284				–70,284
As at 31 Dec. 2010	**19,449**	**376**	**223,336**	**33**	**0**	**3,168**	**246,362**
Health							
As at 31 Dec. 2009	**728**	**1,447**	**534**	**0**	**0**	**0**	**2,710**
Exchange rate differences	67		1				68
Change in consolidation scope							0
Portfolio changes							0
Additions							0
Disposals		–124					–124
Premiums written	2,866						2,866
Premiums earned	–2,355						–2,355
Claims in reporting year			62				62
Claims payments in reporting year			–32				–32
Change in claims from previous years			12				12
Claims payments in previous years			–23				–23
As at 31 Dec. 2010	**1,305**	**1,323**	**555**	**0**	**0**	**0**	**3,183**
Life							
As at 31 Dec. 2009	**0**	**446,708**	**11,894**	**0**	**0**	**–146**	**458,456**
Exchange rate differences		41	1	0			43
Change in consolidation scope		0					0
Portfolio changes		–11,316	1,303				–10,013
Additions		12,182				–17	12,165
Disposals		–606		0		0	–606
Premiums written							0
Premiums earned							0
Claims in reporting year			26,506				26,506
Claims payments in reporting year			–18,436				–18,436
Change in claims from previous years			–1,733				–1,733
Claims payments in previous years			–3,451				–3,451
As at 31 Dec. 2010	**0**	**447,009**	**16,084**	**0**	**0**	**–163**	**462,930**
Group total							
As at 31 Dec. 2009	**20,341**	**448,599**	**293,762**	**99**	**0**	**3,649**	**766,450**
Exchange rate differences	463	12	294	0		–48	720
Change in consolidation scope	0	0	0				0
Portfolio changes	–560	–11,316	269				–11,607
Additions		12,182		0		20	12,202
Disposals		–768		–66		–616	–1,450
Premiums written	162,044						162,044
Premiums earned	–161,533						–161,533
Claims in reporting year			50,046				50,046
Claims payments in reporting year			–28,133				–28,133
Change in claims from previous years			–2,507				–2,507
Claims payments in previous years			–73,758				–73,758
As at 31 Dec. 2010	**20,755**	**448,708**	**239,974**	**33**	**0**	**3,005**	**712,475**

Retention	Unearned premiums	Actuarial provisions	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
Property and casualty							
As at 31 Dec. 2009	**516,599**	**39,837**	**1,746,904**	**27,011**	**7,682**	**19,980**	**2,358,013**
Exchange rate differences	3,986	–133	–8,920	39	18	424	–4,586
Change in consolidation scope	0		0				0
Portfolio changes	638		1,034			0	1,672
Additions		1,564		4,346	245	23,544	29,699
Disposals		–3,309		–405	–185	–23,917	–27,816
Premiums written	2,070,855						2,070,855
Premiums earned	–2,033,923						–2,033,923
Claims in reporting year			1,759,488				1,759,488
Claims payments in reporting year			–946,201				–946,201
Change in claims from previous years			–60,022				–60,022
Claims payments in previous years			–620,472				–620,472
As at 31 Dec. 2010	558,154	37,959	1,871,810	30,991	7,760	20,032	2,526,706
Health							
As at 31 Dec. 2009	**15,629**	**2,373,869**	**166,912**	**20,252**	**42,224**	**596**	**2,619,482**
Exchange rate differences	156	71	92	–4		–2	314
Change in consolidation scope							0
Portfolio changes	0					–8	–8
Additions		169,785		1,231	8,746	–28	179,733
Disposals		–9,998		–4,900	–6,094	–10	–21,001
Premiums written	802,064						802,064
Premiums earned	–801,935						–801,935
Claims in reporting year			646,507				646,507
Claims payments in reporting year			–496,153				–496,153
Change in claims from previous years			–8,973				–8,973
Claims payments in previous years			–136,107				–136,107
As at 31 Dec. 2010	15,914	2,533,728	172,279	16,578	44,876	548	2,783,923
Life							
As at 31 Dec. 2009	**0**	**13,193,063**	**92,365**	**226**	**146,659**	**23,451**	**13,455,764**
Exchange rate differences		22,870	126	–6	350	–37	23,303
Change in consolidation scope		0	0				0
Portfolio changes		273,757	–1,303		50	1,326	273,830
Additions		192,643		1,649	84,086	5,353	283,731
Disposals		–222,985		0	–119,085	–6,287	–348,358
Premiums written							0
Premiums earned							0
Claims in reporting year			1,654,173				1,654,173
Claims payments in reporting year			–1,574,545				–1,574,545
Change in claims from previous years			53,787				53,787
Claims payments in previous years			–116,294				–116,294
As at 31 Dec. 2010	0	13,459,346	108,309	1,869	112,060	23,806	13,705,390
Group total							
As at 31 Dec. 2009	**532,228**	**15,606,770**	**2,006,182**	**47,490**	**196,565**	**44,028**	**18,433,260**
Exchange rate differences	4,142	22,808	–8,702	28	368	385	19,029
Change in consolidation scope	0	0	0				0
Portfolio changes	638	273,757	–269		50	1,318	275,494
Additions		363,992		7,226	93,077	28,869	493,163
Disposals		–236,292		–5,304	–125,364	–30,214	–397,175
Premiums written	2,872,919						2,872,919
Premiums earned	–2,835,859						–2,835,859
Claims in reporting year			4,060,167				4,060,167
Claims payments in reporting year			–3,016,898				–3,016,898
Change in claims from previous years			–15,208				–15,208
Claims payments in previous years			–872,873				–872,873
As at 31 Dec. 2010	574,067	16,031,033	2,152,398	49,439	164,695	44,387	19,016,019

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

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Gross	4,142,636	3,416,231
Reinsurers' share	–396,542	–382,338
Total	**3,746,094**	**3,033,893**

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

25. Liabilities from loans

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Loan liabilities	**48,505**	**55,356**
Up to 1 year	1,440	1,608
more than 1 year up to 5 years	8,387	9,213
more than 5 years	38,678	44,535
Total	**48,505**	**55,356**

26. Provisions for pensions and similar commitments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Provisions for pension	388,659	344,468
Provision for severance payments	135,717	122,369
Total	**524,376**	**466,837**

	2010 € 000	2009 € 000
As at 1 Jan.	**466,837**	**436,728**
Change in consolidation scope	738	5,364
Currency translation changes	9	–246
Withdrawals for pension payments	–37,072	–36,207
Expenditure in the financial year	41,080	41,496
Actuarial profit and loss not affecting income	52,784	19,701
As at 31 Dec.	**524,376**	**466,837**

Active employees 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	
2010	
Technical rate of interest	4.75%
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
2009	
Technical rate of interest	5.50%
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

Specification of pension expenditures for pensions and similar commitments included in the income statement	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Current service cost	15,266	14,244
Interest cost	25,872	27,282
Income and expenditures due to budget changes	–59	–30
Total	**41,080**	**41,496**

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. 2010 € 000	31 Dec. 2009 € 000
Contributions to company pension funds	1,814	1,564

27. Other provisions

	Balance sheet values previous year € 000	Currency translation changes € 000	Change in consolidation scope € 000	Utilisation € 000	Reversals € 000	Reclassifications € 000	Additions € 000	Balance sheet values financial year € 000
Provision for unconsumed holidays	27,310	73	0	–2,173	–4,910	–3	2,499	22,798
Provision for anniversary payments	14,882	0	0	–91	–69	0	1,248	15,969
	42,192	**73**	**0**	**–2,264**	**–4,979**	**–3**	**3,747**	**38,767**
Other personnel provisions	16,803	105	0	–7,111	–3,770	3	9,648	15,678
Provision for customer relations and marketing	37,248	–74	0	–33,912	–1,773	0	39,480	40,970
Provision for variable components of remuneration	14,444	0	0	–11,265	–2,732	0	13,268	13,715
Provision for legal and consulting expenses	4,491	15	0	–2,706	–491	–7	3,023	4,326
Provision for premium adjustment of insurance contracts	20,167	1,517	0	–14,957	–206	0	4,633	11,154
Provision for portfolio maintenance commission	5,106	103	0	–551	–2,800	0	1,075	2,933
Other provisions	51,876	184	0	–25,317	–14,735	7	61,592	73,607
	150,135	**1,849**	**0**	**–95,818**	**–26,506**	**3**	**132,721**	**162,383**
Total	**192,327**	**1,922**	**0**	**–98,082**	**–31,485**	**0**	**136,468**	**201,149**

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Other provisions[1] with a high probability of consumption (more than 90%)		
up to 1year	82,612	70,027
more than 1 year up to 5 years	2,872	4,311
more than 5 years	5,307	4,854
	90,791	79,192
Other provisions[1] with a lower probability of consumption (less than 90%)		
up to 1 year	70,434	66,745
more than 1 year up to 5 years	807	763
more than 5 years	350	3,435
	71,591	**70,943**
Total	**162,383**	**150,135**

[1] Excl. unconsumed holidays and anniversary benefits.

28. Payables and other liabilities

		31 Dec. 2010 € 000	31 Dec. 2009 € 000
I.	**Reinsurance liabilities**		
	1. Deposits held under reinsurance business ceded	845,767	833,989
	2. Accounts payable under reinsurance operations	43,783	38,598
		889,550	**872,587**
II.	**Other payables**		
	Liabilities under insurance business		
	Liabilities under direct insurance business		
	to policyholders	134,321	145,887
	to intermediaries	102,385	92,873
	to insurance companies	10,147	8,546
		246,852	**247,306**
	Liabilities to credit institutions	**1,270**	**5,378**
	Other liabilities	**412,217**	**398,197**
	of which for taxes	63,640	57,734
	of which for social security	11,477	11,134
	of which from fund consolidation	197,156	174,585
	Total other liabilities	**660,339**	**650,881**
Subtotal		**1,549,889**	**1,523,468**
	of which liabilities with the remaining term of		
	Up to 1 year	860,080	846,241
	more than 1 year up to 5 years	8,588	8,512
	more than 5 years	681,222	668,715
		1,549,889	**1,523,468**
III.	**Other liabilities**		
	Deferred income	14,662	10,854
Total payables and other liabilities		**1,564,551**	**1,534,321**

The item “Deferred income” comprises the balance of the deferred income regarding the indirect business settlement.

29. Liabilities from income tax

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Liabilities from income tax	**56,170**	**48,732**
of which liabilities with the remaining term of		
Up to 1 year	4,765	5,192
more than 1 year up to 5 years	51,405	43,540
more than 5 years	0	0

30. Deferred tax liabilities

Cause of origin	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial items	198,187	192,846
Untaxed reserves	25,842	26,062
Shares in affiliated companies	28,430	28,431
Investments	31,394	38,059
Other	30,161	27,102
Total	**314,014**	**312,499**
of which not affecting income	–2,959	12,535

Notes to the Consolidated Income Statement

31. Premiums written

Direct business	2010 € 000	2009 € 000
Property and casualty	2,559,004	2,417,138
Health	970,355	937,417
Life	1,797,586	1,602,929
Total (fully consolidated values)	**5,326,946**	**4,957,485**
Of which written in:		
Austria	3,111,528	3,083,846
other member states of the EU and other signatory states of the Treaty on the European Economic Area	2,021,791	1,743,680
Other countries	193,626	129,959
Total (fully consolidated values)	5,326,946	4,957,485

Indirect business	2010 € 000	2009 € 000
Property and casualty	31,081	29,080
Health	4	15
Life	21,108	25,072
Total (fully consolidated values)	52,193	54,167

	2010 € 000	2009 € 000
Total (fully consolidated values)	5,379,138	5,011,651

Premiums written in property and casualty insurance	2010 € 000	2009 € 000
Direct business		
Fire and business interruption insurance	216,218	204,989
Haushold insurance	194,057	183,968
Other property insurance	236,108	229,600
Motor TPL insurance	638,285	590,316
Other motor insurance	491,548	480,211
Casualty insurance	280,717	265,765
Liability insurance	242,943	231,979
Legal expenses insurance	62,067	58,698
Marine, aviation and transport insurance	116,535	103,134
Other insurance	80,527	68,478
Total	**2,559,004**	**2,417,138**
Indirect business		
Marine, aviation and transport insurance	2,628	3,070
Other insurance	28,452	26,010
Total	**31,081**	**29,080**
Total direct and indirect business (fully consolidated values)	2,590,085	2,446,218

Reinsurance premiums ceded	2010 € 000	2009 € 000
Property and casualty	120,945	134,184
Health	3,742	2,344
Life	77,728	80,726
Total (fully consolidated values)	202,414	217,254

32. Premiums earned

	2010 € 000	2009 € 000
Property and casualty	**2,433,276**	**2,290,120**
Gross	2,555,034	2,431,782
Reinsurers' share	–121,758	–141,662
Health	**966,213**	**933,867**
Gross	969,450	935,521
Reinsurers' share	–3,237	–1,655
Life	**1,741,357**	**1,546,171**
Gross	1,819,102	1,626,904
Reinsurers' share	–77,745	–80,733
Total (fully consolidated values)	5,140,847	4,770,158

Premiums earned in indirect business	2010 € 000	2009 € 000
Posted immediately	4,529	3,389
posted after up to 1 year	27,045	25,699
posted after more than 1 year	0	0
Property and casualty	**31,574**	**29,088**
Posted immediately	4	15
posted after up to 1 year	0	0
posted after more than 1 year	0	0
Health	**4**	**15**
Posted immediately	4,003	3,960
posted after up to 1 year	17,105	21,112
posted after more than 1 year	0	0
Life	**21,108**	**25,072**
Total (fully consolidated values)	52,686	54,175

Earnings from indirect business	2010 € 000	2009 € 000
Property and casualty	5,835	3,425
Health	–7	19
Life	4,229	4,262
Total (fully consolidated values)	10,057	7,706

33. Income from fees and commissions

Reinsurance commission and profit shares from reinsurance business ceded	2010 € 000	2009 € 000
Property and casualty	9,204	9,656
Health	55	90
Life	7,315	5,076
Total (fully consolidated values)	16,574	14,821

34. Net investment income

By segment	Property and casualty 2010 € 000	Property and casualty 2009 € 000	Health 2010 € 000	Health 2009 € 000
I. Properties held as investments	**3,932**	**17,005**	**6,065**	**5,571**
II. Shares in associated companies	**984**	**5,140**	**12,726**	**227**
III. Variable-yield securities	**33,699**	**8,352**	**10,018**	**5,534**
1. Available for sale	29,998	6,990	5,618	4,590
2. At fair value through profit and loss	3,701	1,361	4,400	944
IV. Fixed interest securities	**52,262**	**80,024**	**94,424**	**57,117**
1. Held to maturity	1,392	1,575	2,870	3,269
2. Available for sale	50,210	76,664	89,600	49,781
3. At fair value through profit or loss	660	1,785	1,955	4,066
V. Loans and other investments	**25,946**	**34,353**	**24,948**	**27,053**
1. Loans	16,372	17,441	23,892	25,700
2. Other investments	9,575	16,911	1,056	1,353
VI. Derivative financial instruments (held for trading)	**–8,247**	**–2,602**	**–13,333**	**2,790**
VII. Expenditure for asset management, interest charges and other expenses	**–17,252**	**–24,508**	**–7,327**	**–3,375**
Total (fully consolidated values)	91,323	117,764	127,521	94,917

The expenditures for shares in associated companies in the previous year result from depreciations of STRABAG SE and Medicur-Holding Gesellschaft m.b.H.

By income type	Ordinary income 2010 € 000	Ordinary income 2009 € 000	Write-ups and unrealised capital gains 2010 € 000	Write-ups and unrealised capital gains 2009 € 000	Realised capital gains 2010 € 000	Realised capital gains 2009 € 000
I. Properties held as investments	**57,338**	**62,099**	**0**	**0**	**378**	**75,838**
II. Shares in associated companies	**19,785**	**39,672**	**0**	**0**	**2,234**	**2,391**
III. Variable-yield securities	**44,316**	**91,323**	**131,676**	**145,904**	**90,282**	**91,641**
1. Available for sale	34,070	30,617	27,730	57,526	70,017	55,693
2. At fair value through profit or loss	10,246	60,706	103,946	88,378	20,266	35,948
IV. Fixed interest securities	**504,341**	**477,922**	**175,204**	**38,467**	**177,871**	**204,415**
1. Held to maturity	22,431	25,170	0	0	0	1,257
2. Available for sale	464,482	438,533	154,207	3,337	176,153	200,954
3. At fair value through profit or loss	17,428	14,220	20,997	35,130	1,718	2,204
V. Loans and other investments	**152,744**	**175,724**	**3,344**	**10,976**	**14,799**	**19,826**
1. Loans	102,853	137,536	557	1,043	14,799	19,826
2. Other investments	49,890	38,188	2,788	9,933	0	0
VI. Derivative financial instruments (held for trading)	**–12,766**	**1,128**	**63,267**	**57,262**	**48,680**	**146,763**
VII. Expenditure for asset management, interest charges and other expenses	**–55,073**	**–37,314**	**0**	**0**	**0**	**0**
Total (fully consolidated values)	710,684	810,554	373,491	252,609	334,244	540,874

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 € 25,173,000 (2009: € 33,583,000). The net investment income of € 872,316,000 includes realised and unrealised profits and losses amounting to € 161,632,000, which includes currency profits of € 12,292,000. In addition, positive currency effects amounting to € 28,256,000 were recorded directly under equity. The effects are mainly the result of investments in USD and GBP.

The current income from properties held as financial investments includes rental income of € 86,526,000 (2009: € 83,649,000) and direct operational expenses of € 29,188,000 (2009: € 21,602,000).

Of which securities, available for sale type of investment	Ordinary income 2010 € 000	Ordinary income 2009 € 000	Write-ups and unrealised capital gains 2010 € 000	Write-ups and unrealised capital gains 2009 € 000	Realised capital gains 2010 € 000	Realised capital gains 2009 € 000
III. Variable-yield securities						
1. Available for sale	34,070	30,617	27,730	57,526	70,017	55,693
Shares in affiliated companies	62	–1,127	4	0	1,279	2,503
Shares	16,615	16,490	6,473	33	44,616	38,902
Equity funds	2,520	2,950	3,942	88	11,522	10,221
Debenture bonds not capital-guaranteed	7,652	9,829	17,311	57,331	183	3,051
Other variable-yield securities	2,166	1,822	0	0	1,231	0
Participating interests and other investments	5,055	653	0	74	11,185	1,015
IV. Fixed interest securities						
2. Available for sale						
Fixed-interest securities	464,482	438,533	154,207	3,337	176,153	200,954

Life		Group	
2010 € 000	2009 € 000	2010 € 000	2009 € 000
6,006	**73,917**	**16,003**	**96,493**
8,302	**–67,662**	**22,012**	**–62,295**
102,707	**57,469**	**146,424**	**71,355**
37,211	10,836	72,827	22,417
65,496	46,633	73,597	48,938
583,085	**345,431**	**729,771**	**482,571**
18,169	21,583	22,431	26,427
541,361	296,961	681,170	423,407
23,555	26,887	26,170	32,738
75,286	**121,063**	**126,181**	**182,469**
36,054	96,163	76,318	139,305
39,232	24,900	49,863	43,164
–91,421	**18,188**	**–113,001**	**18,376**
–30,494	**–9,431**	**–55,073**	**–37,314**
653,472	538,976	872,316	751,656

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
–40,493	**–41,382**	**–1,219**	**–62**	**16,003**	**96,493**	**–5,704**	**–2,612**
–7	**–104,253**	**0**	**–105**	**22,012**	**–62,295**	**0**	**0**
–110,410	**–227,757**	**–9,440**	**–29,755**	**146,424**	**71,355**	**–29,680**	**–44,807**
–53,029	–110,352	–5,961	–11,067	72,827	22,417	–29,680	–44,807
–57,381	–117,405	–3,479	–18,688	73,597	48,938	0	0
–96,908	**–206,712**	**–30,736**	**–31,520**	**729,771**	**482,571**	**–8,283**	**–193,608**
0	0	0	0	22,431	26,427	0	0
–84,027	–189,649	–29,645	–29,767	681,170	423,407	–8,283	–193,608
–12,882	–17,063	–1,091	–1,753	26,170	32,738	0	0
–23,117	**–13,669**	**–21,590**	**–10,388**	**126,181**	**182,469**	**–20,302**	**–8,711**
–20,302	–8,711	–21,589	–10,388	76,318	139,305	–20,302	–8,711
–2,815	–4,958	0	0	49,863	43,164	0	0
–37,218	**–84,509**	**–174,964**	**–102,267**	**–113,001**	**18,376**	**0**	**0**
0	**0**	**0**	**0**	**–55,073**	**–37,314**	**0**	**0**
–308,154	–678,283	–237,949	–174,098	872,316	751,656	–63,969	–249,738

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
–53,029	–110,352	–5,961	–11,067	72,827	22,417	–29,680	–44,807
–657	–154	–422	–226	267	997	0	0
–31,835	–77,973	–5,922	–4,372	29,946	–26,921	–26,033	–65,542
–438	–10,980	403	–3,337	17,948	–1,057	–259	–11,091
–19,855	–10,801	–20	–23	5,271	59,388	–3,145	51,574
0	–3,400	0	–3,035	3,397	–4,613	0	–3,400
–243	–7,044	0	–75	15,997	–5,377	–243	–16,350
–84,027	–189,649	–29,645	–29,767	681,170	423,407	–8,283	–193,608

35. Other income

		2010 € 000	2009 € 000
a)	**Other actuarial income**	**18,369**	**16,175**
	Property and casualty	14,582	12,666
	Health	463	466
	Life	3,324	3,043
b)	**Other non-actuarial income**	**87,772**	**40,755**
	Property and casualty	66,694	23,963
	Health	5,025	2,217
	Life	16,053	14,575
	of which		
	Services rendered	12,586	12,068
	Changes in exchange rates	54,674	7,047
	Other	20,511	21,639
c)	**Other income**	**9,401**	**3,695**
	From foreign currency translation	618	1,621
	From other	8,783	2,073
Total (fully consolidated values)		115,542	60,624

36. Insurance benefits

	Gross		Reinsurers' share		Retention	
	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
Property and casualty						
Expenditure for claims						
Claims paid	1,669,218	1,563,552	–79,731	–117,552	1,589,487	1,446,000
Change in provision for outstanding claims	61,464	99,616	52,034	–25,608	113,498	74,008
Total	**1,730,682**	**1,663,167**	**–27,697**	**–143,160**	**1,702,985**	**1,520,008**
Change in actuarial provisions	–1,910	–2,514	37	38	–1,872	–2,475
Change in other actuarial provisions	1,465	310	18	15	1,483	325
Expenditure for profit-unrelated and profit-related premium refunds	38,231	34,620	1	–159	38,232	34,461
Total amount of benefits	**1,768,469**	**1,695,583**	**–27,641**	**–143,265**	**1,740,828**	**1,552,318**
Health						
Expenditure for claims						
Claims paid	643,186	628,850	–581	–880	642,605	627,970
Change in provision for outstanding claims	5,090	10,632	–23	83	5,067	10,715
Total	**648,276**	**639,482**	**–604**	**–797**	**647,673**	**638,685**
Change in actuarial provisions	159,659	147,911	124	129	159,783	148,039
Change in other actuarial provisions	–8	–6	0	0	–8	–6
Expenditure for profit-related and profit-unrelated premium refunds	31,906	25,046	0	0	31,906	25,046
Total amount of benefits	**839,833**	**812,433**	**–479**	**–668**	**839,354**	**811,765**
Life						
Expenditure for claims						
Claims paid	1,740,769	1,440,216	–77,363	–80,300	1,663,406	1,359,916
Change in provision for outstanding claims	20,005	4,851	–4,189	149	15,816	5,001
Total	**1,760,773**	**1,445,067**	**–81,552**	**–80,151**	**1,679,222**	**1,364,917**
Change in actuarial provisions	–16,951	147,371	1,824	–4,020	–15,127	143,351
Change in other actuarial provisions	–4	602	0	0	–4	602
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	213,803	183,341	0	151	213,803	183,492
Total amount of benefits	**1,957,621**	**1,776,382**	**–79,728**	**–84,020**	**1,877,893**	**1,692,362**
Total (fully consolidated values)	4,565,923	4,284,398	–107,848	–227,953	4,458,075	4,056,445

37. Operating expenses

	2010 Mio. €	2009 Mio. €
Property and casualty		
a) Acquisition costs		
Payments	552,335	521,664
Change in deferred acquisition costs	–9,704	–2,975
b) Other operating expenses	286,879	279,562
	829,510	**798,251**
Health		
a) Acquisition costs		
Payments	91,974	87,624
Change in deferred acquisition costs	–2,780	–8,670
b) Other operating expenses	52,300	47,109
	141,494	**126,063**
Life		
a) Acquisition costs		
Payments	299,169	242,272
Change in deferred acquisition costs	5,007	14,438
b) Other operating expenses	87,051	86,182
	391,227	**342,892**
Total (fully consolidated values)	1,362,231	1,267,206

38. Other expenses

	2010 € 000	2009 € 000
a) Other actuarial expenses	**85,408**	**85,234**
Property and casualty	34,749	37,124
Health	5,418	4,509
Life	45,241	43,601
b) Other non-actuarial expenses	**29,312**	**32,874**
Property and casualty	24,055	26,046
Health	470	297
Life	4,787	6,531
of which		
Services rendered	3,633	3,278
Exchange rate losses	6,623	4,315
Motor vehicle registration	9,971	9,871
Other	9,084	15,410
c) Other expenses	**11,477**	**1,839**
For foreign currency translation	3,639	129
For other	7,838	1,710
Total (fully consolidated values)	126,196	119,947

39. Tax expenditure

Income tax	2010 € 000	2009 € 000
Actual tax in reporting year	31,425	32,580
Actual tax in previous year	1,905	–6,241
Deferred tax	17,651	18,022
Total (fully consolidated values)	50,981	44,362

Reconciliation statement	2010 € 000	2009 € 000
A. Profit from ordinary activities	**146,033**	**100,026**
B. Anticipated tax expenditure (A.*Group tax rate)	**36,508**	**25,007**
Adjusted by tax effects from		
1. Tax-free investment income	–12,641	4,369
2. Other	27,113	14,986
Amortisation of goodwill	652	1,945
Tax-neutral consolidation effect	1,960	–227
Other non-deductible expenses/other tax-exempt income	2,972	697
Changes in tax rates	0	0
Deviations in tax rates	17,079	23,423
Taxes previous years	1,905	–6,241
Lapse of loss carried forward and other	2,546	–4,611
C. Income tax expenditure	**50,981**	**44,362**
Average effective tax burden in %	**34.9**	**44.4**

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 deviating higher corporate tax rate.

Other disclosures

Employees

Personnel expenses[1]	2010 € 000	2009 € 000
Salaries and wages	374,056	351,141
Expenses for severance payments	17,457	18,084
Expenses for employee pensions	23,672	27,993
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	103,659	100,397
Other social expenditures	11,434	10,237
Total	530,280	507,852
of which business development	142,651	142,055
of which administration	367,647	343,175

[1] The data are based on an IFRS valuation.

Average number of employees	2010	2009
Total	15,066	15,107
of which business development	6,148	6,345
of which administration	8,918	8,762

	2010 € 000	2009 € 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	4,820	4,224
Other employees	44,092	30,052

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

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. 2010 € 000	31 Dec. 2009 € 000
Receivables and liabilities with affiliated and associated companies, as well as related persons		
Receivables	**7,732**	**10,719**
Other receivables	7,732	10,719
Affiliated companies	7,732	10,430
Associated companies	0	289
Liabilities	**2,848**	**5,742**
Other liabilities	2,848	5,742
Affiliated companies	2,749	5,677
Associated companies	98	65

Income and expenses of affiliated companies as well as related persons	2010 Tsd. €	2009 Tsd. €
Income	**25**	**1,949**
Investment income	25	1,941
Affiliated companies	25	0
Related companies	0	1,941
Other income	0	8
Affiliated companies	0	8
Expenses	**4**	**8**
Other expenses	4	8
Affiliated companies	4	8

There were no major transactions with related companies during this financial year. In July 2009, Raiffeisen Versicherung AG and UNIQA Personenversicherung AG each sold roughly 2.4 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. Raiffeisen Versicherung AG and UNIQA Personenversicherung AG realised capital gains of € 1,941,000 from this transaction. There are no outstanding balances from these transactions as at 31 December 2009.

Other financial commitments and contingent liabilities	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Contingent liabilities from risks of litigation	**11,398**	**19,704**
Austria	0	0
Foreign	11,398	19,704
Other contingent liabilities	**100**	**1,390**
Austria	0	0
Foreign	100	1,390
Total	11,499	21,094

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.

	2010 € 000	2009 € 000
Current leasing expenses	2,099	1,017
Future leasing payments due to the financing of the new UNIQA Headquarters in Vienna		
Up to 1 year	5,256	5,287
more than 1 year up to 5 years	20,831	21,034
more than 5 years	18,157	33,574
Total	44,244	59,895
Income from subleasing	343	508

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

The expenses for the auditor in the financial year were €1,818,000 (2009: € 1,895,000), of which € 262,000 (2009: € 265,000) can be attributed to expenses for the audit, € 487,000 (2009: € 406,000) for consultancy services, € 901,000 (2009: € 1,153,000) for other confirmation services, and € 169,000 (2009: € 72,000) to other services.

Affiliated and associated companies in 2010

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Domestic insurance companies				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	127.4	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	424.2	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.6	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	1,336.4	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	12.2	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	42.0	100.0
SK Versicherung Aktiengesellschaft	Equity	1050 Vienna	7.7	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	13.0	100.0
UNIQA Re AG	Full	Switzerland, Zurich	53.5	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	218.6	100.0
UNIQA poistovńa a.s.	Full	Slovakia, Bratislava	31.3	99.9
UNIQA pojištovna, a.s.	Full	Czech Republic, Prague	47.8	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	9.2	80.0
UNIQA Protezione S.p.A.	Full	Italy, Udine	16.2	89.8
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	62.1	68.5
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	12.8	69.8
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	43.6	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.7	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	5.5	100.0
Mannheimer AG Holding	Full	Germany, Mannheim	66.0	91.4
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.7	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	14.8	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	122.9	100.0
UNIQA Osiguranje d.d.	Full	Bosnia-Herzegovina, Sarajevo	6.4	99.8
UNIQA Insurance plc	Full	Bulgaria, Sofia	7.0	99.9
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	4.1	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	7.9	91.4
Insurance company "UNIQA"	Full	Ukraine, Kiev	6.1	80.3
UNIQA LIFE	Full	Ukraine, Kiev	1.0	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	1.8	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	6.4	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	2.7	100.0
UNIQA Asigurari S.A.	Full	Rumania, Bucharest	25.1	100.0
UNIQA Life S.A. (formerly AGRAS Asigurari S.A.)	Full	Rumania, Bucharest	7.8	100.0
UNIQA Health Insurance AD	Full	Bulgaria, Sofia	0.4	100.0
Raiffeisen Life Insurance Company LLC	Full	Russia, Moscow	5.8	75.0
UNIQA Life S.p.A.	Full	Italy, Milan	21.1	90.0
SIGAL UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	20.5	68.6
UNIQA A.D. Skopje	Full	Macedonia, Skopje	3.8	100.0
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	3.6	100.0
SIGAL UNIQA GROUP AUSTRIA SH.A.	Full	Kosovo, Pristina	3.4	100.0

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Group domestic service companies				
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	1.2	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.2	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	[4]	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	[3]	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.9	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.7	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.2	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.5	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	2.8	100.0
UNIQA International Versicherungs-Holding GmbH	Full	1029 Vienna	115.9	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	671.6	100.0
Alopex Organisation von Geschäftskontakten GmbH	[3]	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	[3]	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	[3]	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.2	64.0
Real Versicherungs-Makler GmbH	[3]	1220 Vienna		100.0
Together Internet Services GmbH	[4]	1030 Vienna		22.6
FL-Vertriebs- und Service GmbH	[3]	5020 Salzburg		75.0
UNIQA HealthService – Services im Gesundheitswesen GmbH	[3]	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	16.1	100.0
Privatklinik Grinzing GmbH	[3]	1190 Vienna		100.0
Wohnen mit Service Pflegedienstleistungs GmbH	[4]	1029 Vienna		50.0
Versicherungsagentur Wilhelm Steiner GmbH	[3]	1029 Vienna		51.0
CEE Hotel Development GmbH (formerly CEE Hotel Development AG)	[4]	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	[4]	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	[4]	1010 Vienna		50.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	8.2	100.0
UNIQA Group Audit GmbH	Full	1029 Vienna	0.0	100.0
Valida Holding AG	Equity	1020 Vienna	25.4	40.1
RVCM GmbH	[4]	1010 Vienna	0.0	50.0
F&R Multimedia GmbH	[4]	1060 Vienna	0.0	28.0
PremiaFIT Facility und IT Management u. Service GmbH	[4]	1190 Vienna	0.0	75.0
Group foreign service companies				
UNIQA Raiffeisen Software Service Kft. (formerly SYNTEGRA Tanácsadó és Szolgáltató KFT.)	Full	Hungary, Budapest	0.5	60.0
Insdata spol s.r.o.	Full	Slovakia, Nitra	1.4	98.0
ProUNIQA s.r.o.	[3]	Czech Republic, Prague		100.0
UNIPARTNER s.r.o.	Full	Slovakia, Bratislava	–0.1	100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.4	100.0
UNIQA Ingatlanhasznosító Kft.	Full	Hungary, Budapest	5.3	100.0
Dekra Expert Muszaki Szakertöi Kft.	Full	Hungary, Budapest	1.0	74.9
UNIQA Szolgaltato Kft.	Full	Hungary, Budapest	4.3	100.0
Profit-Pro Kft.	[3]	Hungary, Budapest		100.0
RC Risk Concept Vaduz	[3]	Liechtenstein, Vaduz		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft.	[3]	Hungary, Budapest		92.4
UNIQA Software Service Kft. (formerly Millennium Oktatási és Tréning Kft.)	Full	Hungary, Budapest	0.1	100.0
verscon GmbH Versicherungs- und Finanzmakler	[3]	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	[3]	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	[3]	Germany, Mannheim		100.0
Carl C. Peiner GmbH	[3]	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	[3]	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	[3]	Germany, Hamburg		100.0
Skola Hotelnictivi A Gastronom	[3]	Czech Republic, Prague		100.0

Company	Type	Location	Equity € mllion[1)]	Share in equity %[2)]
Group foreign service companies				
ITM Praha s.r.o.	4)	Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	4)	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	3)	Germany, Mannheim		100.0
UNIQA Intermediazioni S.r.l. (formerly Claris Previdenza S.r.l.)	3)	Italy, Milan		100.0
UNIQA Software Service d.o.o.	3)	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.1	100.0
UNIQA Raiffeisen Software Service S.R.L. (formerly SYNTEGRA S.R.L.)	Full	Romania, Cluj-Napoca	0.1	60.0
Agenta-Consulting Kft.	3)	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	3)	Poland, Lodz		100.0
AGENTA consulting s.r.o.	3)	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	3)	Poland, Lodz		100.0
UNIQA Software Service Bulgaria OOD	3)	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	3)	Ukraine, Kiev		99.0
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	31.3	29.6
Medicur-Holding Gesellschaft m.b.H.[*)]	Equity	1020 Vienna	23.2	25.0
PKB Privatkliniken Beteiligungs-GmbH [*)]	Full	1010 Vienna	51.9	75.0
Privatklinik Wehrle GmbH	Full	5020 Salzburg	1.4	100.0
PKM Handels- und Beteiligungsgesellschaft m.b.H.	Full	1010 Vienna	14.3	100.0
Privatklinik Döbling GmbH	Full	1190 Vienna	2.0	100.0
Privatklinik Josefstadt GmbH	Full	1080 Vienna	1.1	100.0
Privatklinik Graz Ragnitz GmbH	Full	1010 Vienna	0.8	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Full	1190 Vienna	0.4	100.0
STRABAG SE[*)]	Equity	9500 Villach	3,057.3	15.0
PremiaMed Management GmbH	Full	1190 Vienna	1.2	75.0
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	3)	1190 Vienna		74.0
R-SKA Baden Betriebs-GmbH	4)	2500 Baden		49.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	4)	9020 Klagenfurt		34.9
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
UNIQA Leasing GmbH	4)	1061 Vienna		25.0
UNIQA Human Resources-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	120.9	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.5	100.0
Austria Hotels Betriebs-GmbH	Full	1010 Vienna	8.2	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	4)	1010 Vienna		25.0
JALPAK International (Austria) Ges.m.b.H.	4)	1010 Vienna		25.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.0	37.5
Real-estate companies				
UNIQA Real Estate CZ, s.r.o.	Full	Czech Republic, Prague	15.6	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	0.9	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.0	100.0
Steigengraben-Gut Gesellschaft m.b.H.	3)	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	218.5	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.7	33.0
UNIQA Real Estate AG	Full	1029 Vienna	120.0	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Full	1020 Vienna	26.3	100.0
UNIQA Praterstraße Projekterrichtungs GmbH	Full	1029 Vienna	141.5	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	9.2	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	70.7	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	11.5	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.6	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	10.4	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	–0.1	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Full	1029 Vienna	40.3	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Full	1230 Vienna	9.3	100.0
Praterstraße Eins Hotelbetriebs GmbH	Full	1020 Vienna	2.5	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft.	Full	Hungary, Budapest	4.2	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.2	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG[5)]	Full	1010 Vienna	25.6	99.5
Passauerhof Betriebs-Ges.m.b.H.[5)]	Full	1010 Vienna	1.3	100.0
Austria Hotels Liegenschaftsbesitz CZ s.r.o.[5)]	Full	Czech Republic, Prague	21.6	100.0
Grupo Borona Advisors, S.L. Ad	3)	Spain, Madrid		74.6

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Real-estate companies				
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	2.8	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	4.5	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	4.0	100.0
HKM Immobilien GmbH	3)	Germany, Mannheim		100.0
CROSS POINT, a.s.	Full	Slovakia, Bratislava	0.2	100.0
Floreasca Tower SRL	Full	Rumania, Bucharest	2.5	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	6.1	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.2	100.0
UNIQA-Invest Kft.	Full	Hungary, Budapest	13.1	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	1.7	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	1.3	100.0
UNIQA Real Estate BH nekretnine, d.o.o.	Full	Bosnia and Herzegovina, Sarajevo	3.4	100.0
UNIQA Real Estate d.o.o.	Full	Serbia, Belgrade	2.6	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	1.2	100.0
IPM International Property Management Kft.	Full	Hungary, Budapest	2.1	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	9.7	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	0.6	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	0.3	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	5.1	100.0
UNIQA Real Estate BV	Full	Niederlande, Hoofddorp	12.6	100.0
AGENTA Svetovanje d.o.o. (formerly UNIQA Real Estate P. Volfova)	Full	Slovenia, Ljubljana	0.1	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	–2.9	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	1.9	100.0
UNIQA Real Estate Albania Shpk.	Full	Albania, Tirana	0.0	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	8.4	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	11.9	100.0
Asena CJSC	Full	Ukraine, Nikolaew	–0.9	100.0
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0
BSIC Holding GmbH	Full	Ukraine, Kiev	1.6	100.0
Suoreva Ltd.	Full	Cyprus, Limassol	8.9	100.0
UNIQA Assistance doo Sarajevo	3)	Bosnia-Herzegovina, Sarajevo		99.8
UNIQA Agent doo za zastupanje u osiguranju Banja Luka	3)	Bosnia-Herzegovina, Banja Luka		99.8
UNIQA Agent doo za zastupanje u osiguranju Sarajevo	3)	Bosnia-Herzegovina, Sarajevo		99.8

1) In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with *), the latest Group accounts published.
2) The share in equity equals the share in voting rights before minorities, if any.
3) Unconsolidated company.
4) Associated not at equity valued company.
5) Consolidated on the basis of a non-calendar financial year (balance sheet date 30 September).

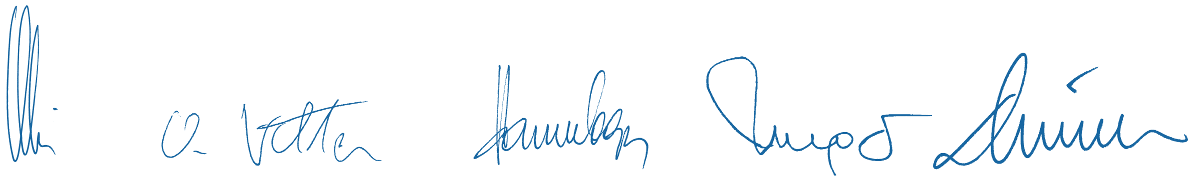
Approval for publication

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

Statement by the Legal Representatives

Pursuant to Section 82 paragraph 4 of the Austrian Stock Exchange Act the Management Board of UNIQA Versicherungen AG confirms, that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, 6 April 2011



Konstantin Klien	**Andreas Brandstetter**	**Hannes Bogner**	**Karl Unger**	**Gottfried Wanitschek**
Chairman of the Management Board	Vice Chairman of the Management Board	Member of the Management Board	Member of the Management Board	Member of the Management Board

Auditor's Opinion

(report of the independent auditor)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of UNIQA Versicherungen AG, Vienna, for the year from 1 January 2010 to 31 December 2010. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2010, the consolidated income statement, consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2010 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements and for the accounting system

The company's management is responsible for the Group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2010 and of its financial performance and its cash flows for the year from 1 January to 31 December 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the management report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 6 April 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

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 and fulfilled all the tasks assigned to the Supervisory Board by legislation and the company articles. In the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

Focus of the meetings

The meetings focused on the Group's earnings situation and its further strategic development. The Supervisory Board had five meetings in 2010. In the meeting on 16 March, the Supervisory Board mainly discussed the preliminary Group results for 2009. The Supervisory Board meeting on 29 April focused on the annual financial statements and consolidated financial statement as at 31 December 2009 as well as the reporting of the Management Board regarding Group developments during the 1st quarter of 2010. The reconstitution of the Supervisory Board made necessary by changes to the Supervisory Board that took place at the Annual General Meeting took place on 31 May. In the meeting on 21 September, the Supervisory Board primarily addressed the development of the company in the 1st half of 2010 and the extension of the share buyback programme; Andreas Brandstetter was named as the successor of Konstantin Klien as Chairman of the Management Board, effective 1 July 2011. In addition to the reporting on the Group results during the first three quarters of 2010 and planning for the 2011 business year, the Supervisory Board discussed the results of the self-evaluation in the meeting on 23 November. Furthermore, a decision was taken to appoint Hartwig Löger, Wolfgang Kindl and Kurt Svoboda to the Management Board of the company, effective 1 July 2011.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, other committees were set up in addition to the mandatory Audit Committee. The Working Committee primarily discussed the profit developments of the Group, examined the company strategy and handled a number of tasks assigned to the Audit Committee since both committees share the same members. The committee held five meetings in 2010 and made one decision by circulating it in writing. The Committee for Board Affairs met two times to deal with the legal employment formalities of the members of the Management Board. The Investment Committee had five meetings about the capital investment strategy and questions of the capital structure. The Audit Committee, including the Working Committee, which was also functioning as the Audit Committee, met in six sessions, dealt with all audit documents and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit topics and significant audit discoveries based on executed audits. 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 2010, 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 consistency check of the Corporate Governance Report according to Section 243b of the Austrian Commercial Code was performed by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH, and the final results yielded no significant grounds for objections.

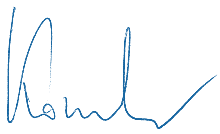
The Supervisory Board consented to the consolidated financial statements and the financial statements of UNIQA Versicherungen AG, and agreed to the Group management report and the management report. The 2010 financial statements were thereby adopted in accordance with Section 96 paragraph 4 of the Stock Corporation Law.

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 30 May 2011.

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

Vienna, April 2011

On behalf of the Supervisory Board



Christian Konrad