

## Local European

*We are concentrating on profitable growth in the core insurance business in our core markets Austria and Central and Eastern Europe: UNIQA is both European and local.*

With our long-term strategy and our robust business model, we have created a solid basis for sustainable growth. In the summer of 2011, we repositioned the company and devised a growth strategy that we are now consistently implementing: we want to significantly increase the number of our customers. Therefore we are concentrating on our core insurance business in our core markets.

UNIQA is geared towards profitable growth and long-term value creation. Our business model is based on the profitable business in Austria and the growth potential in Central and Eastern Europe. With our two strong brands, UNIQA and Raiffeisen Versicherung, we are already among the most successful insurance companies on the market – both in Austria and CEE. We are counting on our strong customer proximity and our deep understanding of the regional markets: UNIQA is both European and local.

**Our UNIQA 2.0 growth strategy is based on five pillars that we are consistently working on:**

### **1. Doubling the number of customers**

We want to double the number of our customers from 7.5 million in 2010 to 15 million by 2020. We took the first step in 2011 by increasing the number of customers by 600,000 to 8.1 million.

### **2. Focus on core business**

Since 1811, i.e. for 200 years, we have been focusing on the thing we know best: providing our customers with safety. This means that our focus is on the core insurance business and our core markets in Austria and CEE. This is why we split from Mannheimer Versicherung in Germany; and why we plan to give up the management of our hotel holdings. In return, we intend to buy out the minority shareholders that are currently still invested in our CEE subsidiaries.

### **3. Four-point programme**

We have set up a four-point programme in order to improve our core business on a sustainable basis:

#### **a. UNIQA Austria – increase profitability:**

We want to improve the service quality for customers and partners by optimising structures and processes and expanding our regional presence. We will step up the number of “local insurers” from 300 to 400 by 2015. The reorganisation of the head office is complete. In 2012 and 2013, we will modify our regional headquarters and expand the service centres.

#### Highlights

Growth strategy  
UNIQA 2.0

Five pillars  
of UNIQA 2.0

Minimise risk,  
boost growth

#### Our strengths

UNIQA and Raiffeisen  
Versicherung: two  
strong brands

Focus on core business  
and core markets

Experienced management  
team “made by UNIQA”

**b. Raiffeisen Versicherung – significant increase in business volume:**

Our goal is to intensify the partnership by gearing our product portfolio to the needs of bank advisors and bank customers. We have made good progress here.

**c. UNIQA International – profitable growth:**

We want to grow clearly above market rates while maintaining a focus on profitability and value. Our 2020 CEE targets: 50 per cent of premiums, 30 to 40 per cent of profits. We outperformed market growth rates in 2011 yet again and increased our market share. We want to continue this sort of growth in 2012 as well.

**d. Risk management:**

We are the only Austrian insurance company with a Corporate Risk Officer on our Management Board, and we are in the process of setting up a value-based management system.

**4. Strengthening our equity base \***

For our ambitious growth strategy in Austria and CEE, we need sufficient amounts of capital. We want to make use of the current window of opportunity and maintain the high growth rates in CEE. We are therefore planning a capital increase of € 500 million for 2012 that will be offered for subscription to existing shareholders. In addition, in our Austrian business we will bundle UNIQA Personenversicherung (personal injury insurance) and UNIQA Sachversicherung (property insurance), which are wholly owned by the stock exchange-listed UNIQA Holding and which will be a sister company of Raiffeisen Versicherung. This will make our corporate structure more conducive to our planned capital market activities in the future. With these extensive measures, we are preparing the company for the re-IPO, during which we want to increase our free float significantly. This re-IPO is scheduled for 2013, attractive capital market conditions permitting.

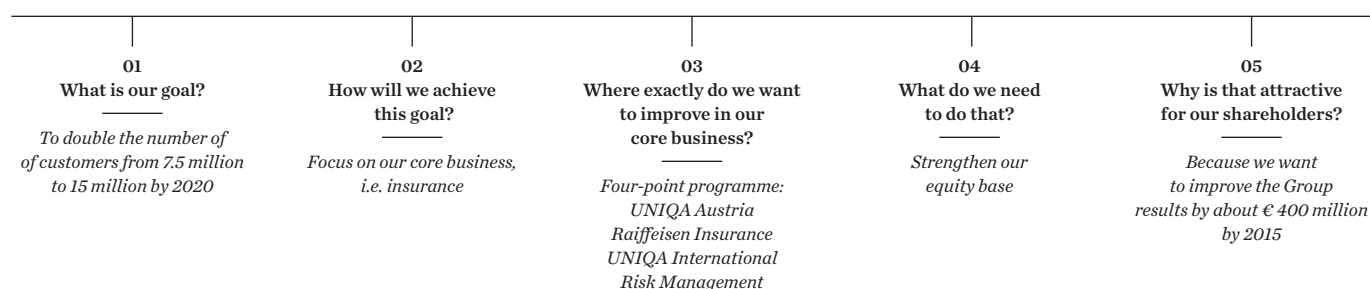
**5. Improving the results**

We want to improve our results by up to € 400 million by 2015 vs. 2010. For 2012, our profit target is above the 2010 level.

**Profitable growth, risk optimisation and ensuring long-term creation of value:**

Our future success must not be based on positive non-recurring items. We achieve our sustainable successes through hard work and by consistently implementing our plans. With UNIQA 2.0, we have set ourselves clear long-term goals. The focus is on sustainable growth.

### The UNIQA 2.0 growth strategy



\* Editorial amendments based on the ad-hoc notification of 27 April 2012.

## Corporate Governance Report

Since 2004, the UNIQA Group has committed compliance with the Austrian Code of Corporate Governance and publishes this compliance declaration both in the Group annual report and on the Group website, [www.uniqagroup.com](http://www.uniqagroup.com), in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly available at [www.corporate-governance.at](http://www.corporate-governance.at).

Implementation and compliance with the individual rules of the Code are annually evaluated by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Primarily on the basis of a questionnaire, this institution evaluates whether the company complies with the Austrian Code of Corporate Governance, as published by the Austrian “Working Group on Corporate Governance”. The report on the external evaluation in accordance with rule 62 of the Austrian Code of Corporate Governance can also be found at [www.uniqagroup.com](http://www.uniqagroup.com).

UNIQA declares its continued willingness to comply with the currently effective Austrian Code of Corporate Governance. The Code’s “L rules” (legal requirements) are all fully adhered to in accordance with the law. However, UNIQA deviates from the provisions of the Code in the version applicable for the reporting year with regard to the following “C rules” (comply or explain) and explains as follows:

### **Rule 27**

In connection with the current repositioning of the UNIQA Group, the criteria of rule 27 concerning the variable portions of the compensation of the Management Board will not be applied to individual members of the Management Board.

### **Rule 49**

Due to the shareholder structure of the UNIQA Group and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with companies related to individual members of the Supervisory Boards. As long as such contracts require approval by the Supervisory Board according to Section 95 paragraph 5 sub-para 12 of the Austrian Stock Corporation Act (rule 48), the details of these contracts cannot be made public for reasons of company policy and competition laws. In any case, all transactions are handled under customary market conditions.

**MEMBERS OF THE MANAGEMENT BOARD FROM 1 JULY 2011****Chairman*****Andreas Brandstetter***

1969\*, appointed since 1 January 2002 until 30 September 2013

Responsible for:

- Investor Relations
- Group HR
- Group Marketing & Communication
- Group IT & Process Organisation
- Group Audit
- General Secretariat
- Strategic Project Management
- Raiffeisen Insurance Austria

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements:

- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Wiener Börse AG, Vienna

**Members*****Hannes Bogner***

1959\*, appointed since 1 January 1998 until 30 September 2013

Responsible for:

- Group Accounting
- Group Asset Management
- Group Controlling (until 31 January 2012)

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements:

- Member of the Board of Directors of Takaful Emarat Insurance, UAE

***Wolfgang Kindl***

1966\*, appointed since 1 July 2011 until 30 September 2013

Responsible for:

- UNIQA International

***Hartwig Löger***

1965\*, appointed since 1 July 2011 until 30 September 2013

Responsible for:

- UNIQA Austria

***Kurt Svoboda***

1967\*, appointed since 1 July 2011 until 30 September 2013

Responsible for:

- Group Controlling (from 1 February 2012)
- Risk Management
- Value Management
- Investment Management
- Group Actuarial Office
- Reinsurance
- Market Risk Management

***Gottfried Wanitschek***

1955\*, appointed since 1 January 1997 until 30 September 2013

Responsible for:

- Group Audit
- Equity Holdings
- Real Estate
- Legal Affairs
- Corporate Business

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Consolidated Financial Statements:

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Epamedia – Europäische Plakat- und Aussenmedien GmbH, Vienna
- Vice Chairman of the Supervisory Board of Kurier Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Leipnik-Lundenburger Invest Beteiligungs Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H., Vienna
- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna

**MEMBERS OF THE MANAGEMENT BOARD UNTIL 30 JUNE 2011**

The members of the Management Board and their responsibilities as well as their Supervisory Board mandates in domestic and foreign listed companies are in line with the information given in the Corporate Governance Report in financial year 2010.

**THE WORK OF THE MANAGEMENT BOARD**

The work of the members of the Management Board is regulated by the rules of procedure. The division of the business responsibility as decided by the entire Management Board is then approved by the Supervisory Board. The rules of procedure regulate the members of the Management Board's disclosure and approval obligations to each other and to the Supervisory Board. A catalogue of

measures is laid out that requires the authorisation of the Supervisory Board. The Management Board meets regularly (weekly) and the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions.

In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

The Management Board informs the Supervisory Board at regular intervals, in a timely and comprehensive manner, about all relevant questions of business development, including the risk situation and the risk management of the Group. In addition, the Chairman of the Supervisory Board is in regular contact with the Chairman of the Management Board and discusses the strategy, business development and risk management of the company with him.

## MEMBERS OF THE SUPERVISORY BOARD

### Chairman

***Christian Konrad***

1943\*, appointed since 29 June 1990 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

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

### 1st Vice Chairman

***Georg Winckler***

1943\*, appointed since 17 September 1999 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- 1st Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

### 2nd Vice Chairman

***Walter Rothensteiner***

1953\*, appointed since 3 July 1995 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

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

### 3rd Vice Chairman

***Christian Kuhn***

1954\*, appointed since 15 May 2006 until the 16th Annual General Meeting (2015)

### 4th Vice Chairman

***Günther Reibersdorfer***

1954\*, appointed from 23 May 2005 until 25 May 2009 and since 31 May 2010 until the 16th Annual General Meeting (2015)

**5th Vice Chairman*****Ewald Wetscherek***

1944\*, appointed since 17 September 1999 until the 16th Annual General Meeting (2015)

**Members*****Ernst Burger***

1948\*, appointed since 25 May 2009 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- Vice Chairman of the Supervisory Board of Josef Manner & Comp. Aktiengesellschaft, Vienna

***Erwin Hameseder***

1956\*, appointed since 21 May 2007 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

- 1st Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Vice Chairman of the Supervisory Board of Agrana Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of Strabag SE, Villach
- Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport (since 31 August 2011)
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

***Eduard Lechner***

1956\*, appointed since 25 May 2009 until the 16th Annual General Meeting (2015)

***Hannes Schmid***

1953\*, appointed since 25 May 2009 until the 16th Annual General Meeting (2015)

Supervisory Board appointments in domestic and foreign listed companies:

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

**Assigned by the Central Employee Council*****Johann-Anton Auer***

1954\*, since 18 February 2008

***Doris Böhm***

1957\*, since 7 April 2005

***Anna Gruber***

1959\*, since 15 April 2009

***Franz Michael Koller***

1956\*, since 17 September 1999

***Friedrich Lehner***

1952\*, from 31 May 2000 to 1 September 2008 and since 15 April 2009

The Supervisory Board of UNIQA Versicherungen AG had five meetings in 2011.

## COMMITTEES OF THE SUPERVISORY BOARD

### Committee for Board Affairs

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn

### Working Committee

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm
- Franz Michael Koller

### Audit Committee

- Christian Konrad (Chairman)
- Georg Winckler
- Walter Rothensteiner
- Christian Kuhn
- Günther Reibersdorfer
- Ewald Wetscherek

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm
- Franz Michael Koller

### Investment Committee

- Erwin Hameseder (Chairman)
- Georg Winckler (Vice Chairman)
- Eduard Lechner
- Hannes Schmid

Assigned by the Central Employee Council

- Johann-Anton Auer
- Doris Böhm



## THE WORK OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The Supervisory Board advises the Management Board in its strategic planning and projects. It participates in the decisions assigned to it by statute, by the company articles and by its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board. A Committee for Board Affairs of the Supervisory Board has been formed for handling the relationships between the company and the members of its Management Board relating to employment and salary.

The appointed Working Committee of the Supervisory Board shall be called upon for decisions only if the urgency of the issue will not allow the decision to wait until the next meeting of the Supervisory Board. It is the chairman's responsibility to evaluate the urgency. The decisions passed must be reported in the next meeting of the Supervisory Board. The Working Committee decides, in principle, on all issues that are the responsibility of the Supervisory Board; issues of particular importance or which are stipulated by law are excepted, however.

The Audit Committee of the Supervisory Board has the same members as the Working Committee. The Audit Committee, including the activities of the Working Committee in its function as an audit committee, performs the duties assigned to it by law. Finally, the Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority.

At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board, in particular in conjunction with the repositioning of the UNIQA Group.

In its four meetings, the Working Committee mainly discussed the profit developments of the Group, assessed the company strategy and made the decision to circulate it in writing, due to its urgency.

The Audit Committee, including the Working Committee, which was also functioning as an audit committee, met in five sessions, dealt with all audit documents and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit regions and significant audit discoveries based on executed audits.

The Investment Committee had three meetings about the capital investment strategy and issues concerning the capital structure.

The respective chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

For information concerning the activities of the Supervisory Board and its committees, please see the explanations in the Report of the Supervisory Board.

## MEASURES TO PROMOTE WOMEN ON THE MANAGEMENT BOARD, THE SUPERVISORY BOARD AND IN TOP EXECUTIVE POSITIONS

As in recent years, in 2011 UNIQA continued to fill more and more top executive positions with women. Thus, during this year alone, five female employees were appointed to Management Board positions in the UNIQA Group (in Austria, Serbia and the Ukraine) or to positions directly reporting to the Management Board. This puts the Group-wide share of women in Management Board positions and the top executive level at 18 per cent. In the international Group companies, it is 25 per cent. With flexible work hours, part-time models and the option of teleworking, UNIQA gives its female employees the means to make their careers as compatible as possible with their families.

In the recruiting process, UNIQA pays attention not just to education, experience, personal qualities and equal gender treatment. As an international corporation active in 20 European countries, UNIQA places special emphasis on encouraging more female employees to spend a certain amount of their professional life in international Group companies. More and more female employees in the companies abroad are also being invited to work temporarily for the Austrian company. In 2011, female employees were successfully transferred from Romania and Poland to Vienna, where they hold strategic positions for UNIQA International Versicherungs-Holding AG. The Supervisory Board Committee for Board Affairs, which also acts as the Nominating Committee, strives to include equally qualified women for consideration for upcoming vacancies on the Supervisory Board and Management Board.

### INDEPENDENCE OF THE SUPERVISORY BOARD

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Code of Corporate Governance.

A Supervisory Board member is considered independent if he or she is not in any business or personal relationship with the company or its Management Board that represents a material conflict of interests and is therefore capable of influencing the behaviour of the member.

UNIQA has established the following points as additional criteria concerning the independence of a Supervisory Board member:

- The Supervisory Board member should not have been a member of the Management Board or a managing employee of the company or a subsidiary of the company in the past five years.
- The Supervisory Board member should not maintain or have maintained within the last year any business relationships significant for said Supervisory Board member with the company or a subsidiary of the company.
- This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest but does not perform executive functions in the company.
- The Supervisory Board member should not have been auditor of the partners or a shareholder or employee of the auditing company within the last three years.
- The Supervisory Board member should not be a Management Board member of another company in which a Management Board member of the company is a Supervisory Board member unless one of the companies is a member of the other company's group or holds a business interest in the company.
- The Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with an entrepreneurial stake or who are representing the interests of a party with such a stake.
- The Supervisory Board member should not be a close family relative (direct descendent, spouse, life companion, parent, uncle, aunt, sibling, niece, nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

## COMPENSATION REPORT

### Earnings of the Management Board and Supervisory Board

Members of the Management Board receive their remuneration exclusively from UNIQA Versicherungen AG, the Group holding company.

Figures in € thousand	2011	2010
The expenses for remuneration of Management Board members attributable to the financial year amounted to:		
Fixed payments	2,789	2,747
Variable payments	43 <sup>1)</sup>	1,959
Regular payments	2,832	4,705
Severance claims	2,785	—
<b>Total</b>	<b>5,617</b>	<b>4,705</b>
Of which was proportionally passed on to the operative subsidiaries:	5,336	4,470
Former members of the Management Board and their surviving dependants were paid:	2,598	2,556
For pension commitments to these persons the following provision was made on 31 December:	20,790	23,548

<sup>1)</sup> These variable payments were made for the 2010 financial year, together with the provisions made in the 2010 annual financial statements in the amount of € 1,959,000. The members of the Management Board are not receiving any variable payments for 2011.

Payments to the Management Board are divided up among the individual members as follows:

Name of the Management Board member	Fixed payments 2011	Variable payments 2011 <sup>1)</sup>	Severance claims 2011	Annual total
Figures in € thousand				
Andreas Brandstetter	491	—	—	491
Hannes Bogner	475	—	—	475
Wolfgang Kindl (from 1 July 2011)	229	—	—	229
Hartwig Löger (from 1 July 2011)	224	—	—	224
Kurt Svoboda (from 1 July 2011)	223	—	—	223
Gottfried Wanitschek	501	—	—	501
<b>Retired effective 30 June 2011</b>				
Konstantin Klien	368	—	2,337	2,705
Karl Unger	278	—	448	726

<sup>1)</sup> Adjusted for the € 42,575 paid out for the 2010 financial year.

The compensation to the members of the Supervisory Board for their work in the 2010 financial year was € 380,000. A provision of € 304,000 has been made for compensation of their work in the 2011 financial year. In 2011, € 33,375 (2010: € 39,225) were paid out in attendance fees and cash expenditures.

Figures in € thousand	2011	2010
For the current financial year (provision)	304	380
Meeting fees	33	39
<b>Total</b>	<b>337</b>	<b>419</b>

The Supervisory Board's compensation (including attendance fees) was split between the individual members of the Supervisory Board as follows:

Name of the Board member	Compensation 2011 <sup>1)</sup>	Compensation 2010
Figures in € thousand		
Christian Konrad	57	71
Georg Winckler	47	58
Walter Rothensteiner	41	51
Christian Kuhn	41	51
Markus Mair	—	17
Günther Reibersdorfer	36	28
Ewald Wetscherek	36	45
Ernst Burger	13	16
Erwin Hameseder	19	23
Eduard Lechner	19	24
Hannes Schmid	19	23

<sup>1)</sup> The Management Board and the Supervisory Board are recommending to the 2012 Annual General Meeting that a resolution be passed to reduce compensation.

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

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

#### Principles for profit participation by the Management Board

A variable income component was made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus will be provided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG. The Management Board reports to the Committee for Board Affairs on the balance sheet work involving the development of the Group's reserves. The Committee for Board Affairs can take changes to the reserves into account in determining the size of the bonus payments and establish an adjusted Group return on equity. No changes with respect to the previous year were made to the principles of the profit participation. No boni were paid out for the 2011 financial year.

#### Principles for the pension scheme provided by the company for the Management Board and its prerequisites

Retirement pensions, a pension for occupational disability as well as a widow's and orphan's pension have been established, whereby the pension entitlements are managed by Valida Pension AG. The retirement pension is due in principle upon meeting the requirements for the old-age pension according to the General Social Security Act. In the event of an earlier retirement, the pension claim is reduced. For the occupational disability pension and the pension for surviving dependants, basic amounts are provided as a minimum pension.

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

Severance payments have been agreed upon based partially on the provisions of the Salaried Employee Act. The agreed-upon termination packages on the occasion of premature termination of the work of the Board member conform with the criteria of rule 27a of the Austrian Code of Corporate Governance. The benefits are fundamentally retained in the event of termination of membership on the Management Board; however, a reduction rule applies.

**Supervisory Board compensation scheme**

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

**D&O insurance**

Such insurance exists, and the relevant costs are paid by UNIQA.

**RISK REPORT, DIRECTORS' DEALINGS**

A comprehensive risk report (rule 67) is included in the Group Notes beginning on page 101. A description of the announcements made about the directors' dealings (rule 73) can also be found at [www.uniqagroup.com](http://www.uniqagroup.com) in the Investor Relations section.

Vienna, 29 March 2012



Andreas Brandstetter  
Chairman of the Management Board



Hannes Bogner  
Member of the Management Board



Wolfgang Kindl  
Member of the Management Board



Hartwig Löger  
Member of the Management Board



Kurt Svoboda  
Member of the Management Board



Gottfried Wanitschek  
Member of the Management Board

## Report of the Supervisory Board

During 2011, 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 management of the 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 2011. In the meeting on 30 March, the Supervisory Board mainly discussed the preliminary Group results for the 2010 financial year. The Supervisory Board meeting on 28 April focused on the annual financial statements and consolidated financial statements as at 31 December 2010, the Management Board's report on Group developments during the 1st quarter of 2011, as well as the annual internal auditing report and the evaluation report on compliance with the Code of Corporate Governance. Furthermore, the proposal for the choice of an auditor for financial year 2012 was addressed. The reconstitution of the Supervisory Board, made necessary by changes to the Supervisory Board that took place at the Annual General Meeting, was completed on 30 May. In the course of this meeting, decisions were taken regarding the reorganisation of the Management Board as of 1 July 2011. The "UNIQA 2.0" strategic programme proposed by the "new Management Board" was approved by the Supervisory Board. The programme focuses on measures for the continual improvement of the results of the Group of companies. In the meeting on 20 September, the Supervisory Board primarily addressed the development of the company in the 1st half of 2011 and the planned strategic repositioning of the real estate and equity holdings areas. Furthermore, the Supervisory Board approved a capital increase in the Romanian UNIQA company. In addition to reporting on the Group results during the first three quarters of 2011, planning for the 2012 financial year, and medium-term planning up to 2015, the Supervisory Board discussed the results of the self-evaluation in its meeting on 23 November in accordance with the Code of Corporate Governance. Furthermore, a decision was taken regarding the establishment of a company pension fund for all Austrian employees of UNIQA.

### Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, other committees have been set up in addition to the mandatory financial Audit Committee. The Working Committee primarily discussed the profit development in the Group, examined the company strategy, and handled a number of tasks assigned to the Audit Committee since both committees share the same members. They had four meetings in 2011 and made one decision regarding steps to be taken by circulating it in writing. At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board, and with questions regarding compensation policies and succession planning, in particular the composition of the Management Board as of 1 July 2011. The Investment Committee had three meetings about the capital investment strategy, questions concerning the capital structure, and the repositioning of risk and asset liability management. The Audit Committee,

including the Working Committee, which was also functioning as an audit committee, met in five sessions, dealt with all audit documents and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit regions 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.

#### **Annual Financial Statements and Consolidated Financial Statements**

The Annual 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 2011 were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH and given an unqualified auditor's opinion. The Supervisory Board acknowledged and approved the results of the audit. The consistency check of the Corporate Governance Report according to Section 243b of the Austrian Commercial Code, as well as an evaluation of UNIQA's compliance with the Austrian Code of Corporate Governance rules in financial year 2011, was performed by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH, and the final results indicated that UNIQA complied with the rules of the Austrian Code of Corporate Governance in the financial year 2011, insofar as these were included in the compliance declaration. The Supervisory Board approved the consolidated financial statements and the annual financial statements of UNIQA Versicherungen AG and agreed to the Group management report and the management report. The 2011 annual financial statements were thereby adopted in accordance with Section 96 para 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, it will be proposed at the Annual General Meeting on 29 May 2012 that the annual profit for 2011 be carried forward to a new account. The Supervisory Board thanks the Management Board and all staff members for their commitment and hard work.

Vienna, April 2012



On behalf of the Supervisory Board  
Christian Konrad

## Growing with our customers

*UNIQA is at home in 20 countries, in Austria as well as in Central and Eastern Europe. We regard the close proximity to our customers and to our markets as important factors of success. It is our goal to grow sustainably along with them.*

Ours are ambitious growth targets. We want to double the number of our customers to 15 million by 2020. In our growth strategy, we focus on profitable business in Austria and on the growth markets in Central and Eastern Europe (CEE).

### **Austria: strong brands and proximity to the customer**

In Austria we are the second-largest insurance group with a market share of 22 per cent. In the health insurance segment, which is becoming more and more important, we are the clear number 1. The same goes for art insurance. Our good market position is based on our two brands, UNIQA and Raiffeisen Insurance: UNIQA is the strongest insurance brand in Austria, and Raiffeisen Insurance benefits from the enormous power of Raiffeisen, by far the strongest financial brand in the country. Both brands – UNIQA and Raiffeisen – were voted the most trustworthy brands in their respective sectors in Austria by consumers in the 1st quarter of 2012 (with UNIQA receiving the accolade for the tenth consecutive time).

The UNIQA brand symbolises proximity to the customer, high quality and innovation based on customer needs. To us, innovation is no end in itself. We offer our customers new solutions where they need them. For example, we set a new trend in motor vehicle insurance with our product SafeLine, as well as in old-age provisions with UNIQA FlexSolution, which enables our customers to combine the benefits of the classic and the unit-linked life insurance.

Our goal is to expand our proximity to the customer and to increase the number of service centres – we like to call them our “local insurers” – from 300 to 400 by 2015. We intend to further step up our market share and want to grow profitably.

### **Central and Eastern Europe: enormous potential**

The CEE markets harbour enormous growth potential. This is illustrated in particular by the per capita spending on insurance products, or the insurance density, as it is called. This sort of spending in CEE continues to fall significantly short of the referential figures in Western Europe: whereas an Austrian invests an average € 2,000 per annum in insurance security, an Albanian spends a meagre € 19 on coverage. Per capita spending on insurance amounts to € 41 in the Ukraine, € 300 in Hungary and € 1,000 in Slovenia. The common denominator across all CEE countries: the catch-up requirements, and thus the growth potential in the economic region served by UNIQA with a population of 300 million, are significant.

#### **Highlights 2011**

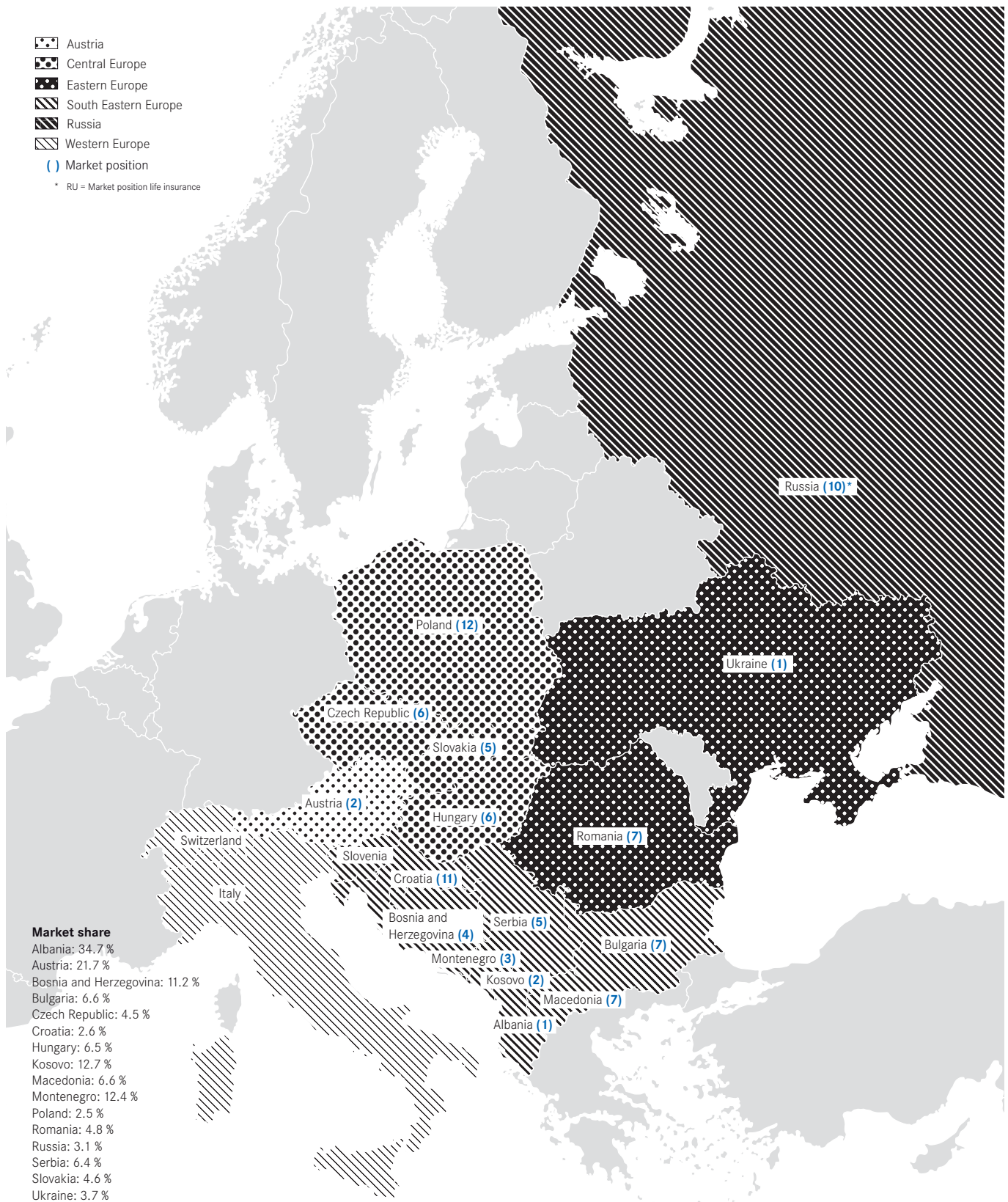
Number 2 in Austria

Strong brands: UNIQA and Raiffeisen Insurance

Number 1 in Albania and the Ukraine

Top 5 in Kosovo, Montenegro, Bosnia and Herzegovina, Serbia and Slovakia





### Enormous growth potential in CEE

#### Central Europe (CE)

- Population 63.8 million
- Insurance premium per capita (insurance density) € 368

#### Eastern Europe (EE)

- Population 74.1 million
- Insurance premium per capita (insurance density) € 66

#### South Eastern Europe (SEE)

- Population 28.0 million
- Insurance premium per capita (insurance density) € 171

#### Russia (RU)

- Population 140.1 million
- Insurance premium per capita (insurance density) € 117

#### Austria

- Population 8.4 million
- Insurance premium per capita (insurance density) € 1,993

Numerous economic forecasts support the notion of substantial growth potential in the region: the IMF, for example, expects the GDP growth rates in the CEE countries to outperform those in Western Europe significantly in the period from 2010 to 2020. While the Fund envisages economic growth of 28.3 per cent in Austria for those ten years, the comparable growth rates in Poland, Romania and Albania are 52.4 per cent, 54.1 per cent and even 84.9 per cent, respectively. The economic upswing in Central and Eastern Europe is a process in the corporate sector, in society, and the economy as a whole that takes decades. UNIQA is therefore in these markets for the long haul. We have come to stay, and we have come to grow.

UNIQA is well-positioned for future growth: we are represented in 16 CEE countries by a total of 1,580 service centres. We are the market leader in Albania and Ukraine and are among the top five in five other markets, i.e. Kosovo, Montenegro, Bosnia and Herzegovina, Serbia and Slovakia.

In the past five years, we have grown significantly faster than the market. Our subsidiaries have increased their premium volume in CEE by 55.3 per cent, while the market has grown by 24.1 per cent. We want to maintain that pace and to continue outgrowing our competitors in the years to come.

In 2011, our CEE companies were already serving 57.7 per cent of our customers and, at more than € 1.2 billion, accounted for 20.7 per cent of Group premiums. Our goal is to double CEE premiums by 2015 to € 2.5 billion and to achieve 50 per cent of premiums and 30 to 40 per cent of our results in the CEE region by 2020. Much like in Austria, in CEE we also focus on bank distribution via the Raiffeisen bank group. The “Preferred Partnership” with Raiffeisen encompasses 14 markets: Poland, Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Romania, Bulgaria, Ukraine, Albania, Kosovo and Russia.

### At home in Austria and in the CEE region

We are at home in Austria as well as in our 16 CEE markets. These are UNIQA's core markets. And we focus on these markets. We are a long-term investor with the goal of growing sustainably with our customers and the region and thus creating shareholder value.

## We are as good as our employees

*Our success depends on our employees. They have a determined and hands-on attitude and are filling our new strategies with life. Therefore we invest in them.*

Our employees did excellent work in 2011. And 2011 was not exactly an easy year for them: the difficult economic environment and the turbulences on the financial markets resulting from the government debt crisis in Europe were very challenging. And, particularly in these difficult times, our customers needed optimal advice. On top of that came the burden of the strategic repositioning of our company. Our employees managed to cope with all that with a huge amount of commitment. We would like to sincerely thank you all!

Whatever our employees' tasks – customer advisor, actuary or claim processor – one thing is always at the core of our endeavours: customer service. It is our employees that our customers ask for help when they wish to buy a product or register a claim. The satisfaction and the trust of our customers is our most important asset. Therefore we place emphasis on promoting talents, developing leaders and employees, as well as the transfer of know-how.

We rely on fair and respectful teamwork, and we are convinced that flexibility and mobility in connection with our efforts to maintain the highest levels of professionalism contribute to a situation where we can continuously improve the proximity as well as the service provided to our customers. We want to pinpoint international perspectives and develop concepts that help us achieve the qualifications needed in our markets today and tomorrow.

Our style of management and operations is shaped by our consistent orientation towards the requirements of the markets and the needs of our customers. We strive for efficiency and profitable growth. To this end, we require clearly defined qualities in our managers: they must have leadership skills, coach employees, give feedback, pinpoint perspectives, they must show fairness and transparency. We expect commitment, performance and flexibility from our employees. In return, we invest in the development of our employees, we promote talents, and offer our employees optimal access to know-how so as to ensure they can contribute their skills in the most efficient way.

### The strategic repositioning of the company

As part of the repositioning of the company, we have stepped up the focus on our customers. For example, we are planning to increase the number of our business outlets in Austria from the current 300 to 400 by 2015. At the same time, we are going through a process of optimisation in the administrative and back office areas, which is why we will have to cut the headcount in the back office throughout the entire UNIQA Group by 600 employees by the year 2015. We try to help the employees affected by this sharp break in their lives by offering them socially acceptable farewell packages.

#### Employees by region

*The headcount in the UNIQA Group was 22,275 in 2011 (15,081 employees and 7,194 general agents), who were advising more than 8 million customers in 21 markets.*

## From stage 2 to stage 4

*Sustainability is crucial to our long-term success. It is our goal to permanently make it an integral part of our strategy and our business model.*

We regard sustainable business practices as a decisive factor for our long-term corporate success. Therefore, in the summer of 2011, we were the first Austrian insurance company to firmly establish the concept of “value-based corporate management” as part of risk management at the Management Board level. But we also openly admit, that as far as sustainability is concerned, we have not yet reached the level that we would like to be at.

To UNIQA, sustainability means to accept responsibility on the basis of a clear, transparent governance system in three areas, i.e. the economy, society and the environment. In our opinion, there are four stages in the implementation of sustainability in the corporate strategy and the business model of a company (please also refer to the graph “The stages of sustainability”).

### Stage 1: The purely commercial approach

The focus is on purely commercial goals. Ecological or social aspects are not taken into consideration.

### Stage 2: Compliance

The company meets the minimum compliance criteria. In addition, it supports individual projects, but remains unstructured as far as the overall approach is concerned. Sustainability is still largely seen as a PR tool.

### Stage 3: Risk and value management

Sustainability is intertwined with the corporate strategy and integrated in processes and systems. Responsibility and value management has been set up. Compliance regulations go beyond the minimum statutory requirements and are an important part of corporate culture. The issue of sustainability is pursued actively and in a structured way.

### Stage 4: Strategic differentiation

Sustainability is fully integrated in the corporate strategy. Incentive systems and product innovation are consistently aligned with sustainability. New market segments are being developed. Until not long ago, UNIQA was in stage 2 – much like most of the companies in our sector. But in the meantime we have made progress, among other things by implementing value-based corporate management at board level in summer 2011 and by starting to set up the required infrastructure. We have not yet reached stage 3 – but we want to do so within the coming twelve months.

There are not many sectors where sustainability is clearly such an integral part of business as in the insurance sector. For 200 years, the most important task of UNIQA and its predecessors has been to give people security and to help them create a safe future for themselves. And this part

#### Initiatives and certificates 2011

*First electric car for the UNIQA fleet*

*New business insurance “Betrieb & Planen” (Business and Planning) with crisis clause*

*Raiffeisen insurance with new casualty tariff*

*Employees donate for Eastern Africa, and UNIQA doubles the money raised for the Red Cross*

*Call for ideas from students in cooperation with the Austrian Working Committee for Rehabilitation*

*Mobile healthcare centre UNIQA HealthCare Truck*

*Suppliers selected specifically on the basis of environmental criteria*

*Participation in TRIGOS 2011*

*Participation in the Energy Globe Award 2011*

*UNIQA continues in sustainability index VÖNIX*

*Green Building Certificate for the UNIQA Tower*

*“Green power” Certificate*

is becoming ever more important: the demographic shifts in the highly developed, industrialised countries has caused a situation where the public pension and healthcare systems can no longer perform their tasks to the same extent that we have been used to for many decades. This is where we as an insurance company will have to help our customers. It is up to us to provide them with products and services that allow them to react to these developments and to ensure long-term coverage in this area. We invest lots of energy in achieving that status.

### Helping sustainably

We have said it already: for us, sustainability is much more than ecological and social sponsoring. But both are important to us, and when we help, we help sustainably: UNIQA supports numerous initiatives in Austria and Central and Eastern Europe. Examples are Hilfswerk Austria, Light For The World, the Pink Ribbon Campaign, our sponsorship of the Austrian Integration Award, the sponsoring of mycentrope.com as well as a project that supports children in Montenegro. In addition, UNIQA promotes research and training by granting stipends.

### The stages of sustainability

	1 Purely commercial approach	2 Minimum Compliance criteria met	3 Risk and value management	4 Strategic differentiation	
Pioneer	<ul style="list-style-type: none"> <li>• Focus on short-term profit maximisation</li> <li>• Lack of reputation management</li> <li>• No measurement of ecological and social aspects</li> <li>• No structured compliance approach</li> </ul>	<ul style="list-style-type: none"> <li>• Focus on individual projects</li> <li>• Responsibility as "nice to have"</li> <li>• Philanthropic orientation</li> <li>• Reports with a strong PR spin</li> <li>• Compliance with the law</li> </ul>			
Value added	Risk		<ul style="list-style-type: none"> <li>• Measurement of ecological and social values</li> <li>• Intertwined with corporate strategy and core business</li> <li>• Implemented in processes and systems</li> <li>• Programmes and goals geared towards sustainability</li> <li>• Responsibility and value management</li> </ul>	<ul style="list-style-type: none"> <li>• Integration with strategy</li> <li>• Incentive systems based on sustainability</li> <li>• Product innovation</li> <li>• Develop new market segments</li> <li>• Active stakeholder dialogue</li> <li>• Sector pioneer</li> </ul>	Opportunity
Late adopter					

## UNIQA Shares

*UNIQA shares recorded a significant decline in 2011. Of course the conditions on the European stock exchanges were generally difficult last year, but we are still unhappy about the price development of our shares. We are working hard to get UNIQA ready for a re-IPO and to significantly improve the performance of the shares and the company.*

UNIQA shares, listed on the prime market of the Vienna Stock Exchange, fell by 35.9 per cent in 2011. This means its performance was in line with that of the leading index in Vienna, i.e. the ATX, which recorded a decrease of 34.9 per cent, but we are very unsatisfied with this development: for example, the DJ EURO STOXX Insurance index lost only 18.6 per cent over the same period of time.

Key ratios for UNIQA shares	2011	2010	2009	2008	2007
Figures in €					
Price of UNIQA shares on 31 Dec.	9.42	14.70	12.97	18.06	20.95
High	16.50	15.34	18.86	21.46	28.10
Low	9.00	10.68	12.21	13.50	20.36
Average turnover/day (in € millions)	0.1	0.5	0.5	1.0	3.4
Market capitalisation as at 31 Dec. (millions)	1,347	2,102	1,855	2,378	2,509
Result per share	-1.73	0.30	0.19	0.44	2.07
Dividend per share	0 <sup>1)</sup>	0.40	0.40	0.40	0.50

<sup>1)</sup> Proposal to the Annual General Meeting.

The weak performance of UNIQA's shares is, of course, crucially driven by the profit for the year, which was burdened by non-recurring items. On top of that, the shares are not represented in the ATX index due to the low free float and the resulting low liquidity. It is our clear goal to increase the free float to 49 per cent and to strengthen our capital base through a re-IPO, which is scheduled for 2013, subject to attractive capital market conditions. We are already preparing for this re-IPO: we are focused on implementing the growth strategy and work agendas we decided on during the summer of 2011, we are increasing efficiency and thus the earnings power of the company, and we are creating Group structures that will be appreciated even more by the capital markets.

The performance of the share price in detail: having opened at € 14.70, the share had already reached its year-high of € 16.50 on 7 February. In the second quarter, we saw a sideways movement, and from July onwards the shares lost ground substantially as a result of the crisis in the Eurozone. The shares hit their low for the year on 20 December 2011 at € 9.00 and closed the year at € 9.42. In the first quarter of 2012, the shares have rebounded noticeably, rising by 35.4 per cent in the year to date to € 12.75.

The shareholder structure of the UNIQA Group remained essentially unchanged in the reporting period: Austria Versicherungsverein Beteiligungs-Verwaltung GmbH holds 36.54 per cent, BL Syndikat Beteiligungs Gesellschaft m.b.H holds 32.82 per cent, UQ Beteiligung GmbH owns 7.15 per cent, RZB Versicherungsbeteiligung GmbH 5.70 per cent, followed by NÖ Landes-Beteiligungsholding GmbH (4.37 per cent), and Collegialität Versicherung auf Gegenseitigkeit owns 3.34 per cent of the share capital of the Group holding company UNIQA Versicherungen AG. The shares of Austria



Shareholder structure of  
UNIQA Versicherungen AG

36.54 %	Austria Versicherungsverein Beteiligungs-Verwaltung GmbH
32.82 %	BL Syndikat Beteiligungs Gesellschaft m.b.H
9.51 %	Free float
7.15 %	UQ Beteiligung GmbH
5.70 %	RZB Versicherungsbeteiligung GmbH
4.37 %	NÖ Landes-Beteiligungsholding GmbH
3.34 %	Collegialität Versicherung auf Gegenseitigkeit
0.57 %	Own shares

**Financial calendar**

25 May 2012

1st Quarterly Report 2012,  
Embedded Value

29 May 2012

Annual General Meeting

11 June 2012

Ex Dividend Day,  
Dividend Payment Day

29 August 2012

Half-Year Financial  
Report 2012

28 November 2012

Report on the  
1st to 3rd Quarter Report  
2012

Versicherungsverein Beteiligungs-Verwaltung GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., and Collegialität Versicherung auf Gegenseitigkeit are all part of the same voting syndicate. The portfolio of own shares is 0.57 per cent; the free float was 9.51 per cent.

**Information on UNIQA shares**

Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Prime market of the Vienna Stock Exchange
Trade segment	Official trading
Indices	ATX Prime, WBI, VÖNIX
Number of shares	142,985,217

**In dialogue with analysts and investors**

We attach utmost importance to providing our shareholders as well as the entire financial community with timely and comprehensive information about the ongoing development of the company on a frequent and transparent basis.

All reports and company information can be accessed online at [www.uniqagroup.com](http://www.uniqagroup.com). In addition, our investor relations team will be happy to answer individual questions.

At the moment, three investment banks cover the UNIQA shares on an ongoing basis: Erste Group Bank, Berenberg Bank and Main First Bank.

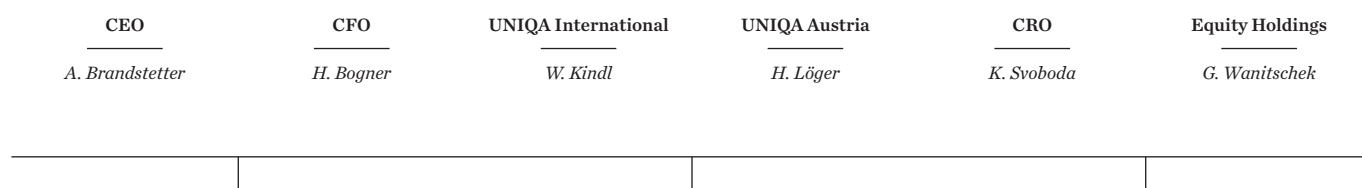
**Development of UNIQA shares**

Values in per cent



# Organisational model

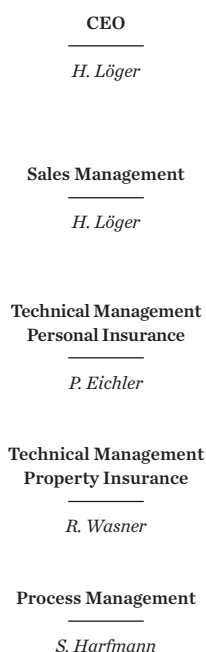
## UNIQA Holding



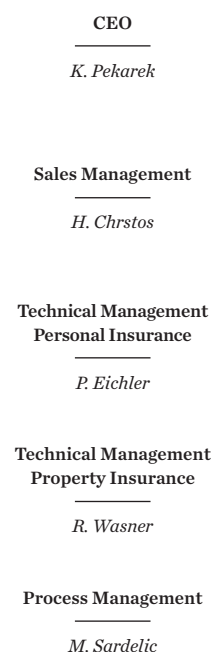
### UNIQA International



### UNIQA Austria



### Raiffeisen Austria



### Salzburger Landes-Versicherung

