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 the 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 actuarial items.

The present Consolidated 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 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 2011 financial year, the following new and modified IFRS have become mandatory for the first time:

The modification of IAS 24 (revised 11/2009) – information regarding relationships with associated companies and persons – simplified the reporting obligations of companies in which the state owns shares. The new regulation does not affect UNIQA.

The revision of IAS 32 (revised 10/2009), Financial Instruments: Presentation, dictates that certain subscription rights, such as options and subscription warrants in foreign currency (in a currency other than the functional currency) for issuer countries whose equity instruments refer to such rights, are now to be presented in the balance sheet as equity and not as liabilities. This modification does not affect UNIQA.

Standards and modifications to standards that are not yet in effect

Modifications to IFRS 7 (revised 10/2010), Financial Instruments: Disclosures, Improved Disclosures on Financial Instruments, includes expanded disclosure requirements for the transfer of financial assets. This should create additional transparency with regard to the influence of such transactions on risk exposure and the financial situation of companies. The new regulations must be applied to all financial years that begin on or after 1 July 2011; they were integrated into European law in November 2011.

Modifications to IAS 12 (revised 12/2010), Income Tax, Deferred Tax: Recovery of Underlying Assets, address the dependency of deferred tax valuation on whether the book value of an asset is realised through use or through sale. This distinction is frequently vague in practice. The introduction of a rebuttable presumption clarifies that the realisation of book value is normally attained via sale. These modifications are mandatory for financial years that begin on or after 1 January 2012; they have not yet been integrated into European law.

Due to modifications of IAS 1 (revised 06/2011), Presentation of Financial Statements, Presentation of Items in Other Comprehensive Income, items in other comprehensive income that are reclassified at a later time into the income statement, as well as those items for which this is not the case, must be presented separately. This is designed to improve the presentation of these items and to further align IFRS and US GAAP standards. The modifications must be applied for all financial years that begin on or after 1 July 2012, and they have not yet been integrated into European law.

CONSOLIDATION – SCOPE OF CONSOLIDATION

In addition to the annual financial statement of UNIQA Versicherungen AG, the Consolidated Financial Statements include the financial statements of all subsidiaries at home and abroad. Forty affiliated companies did not form part of the scope of consolidation. They were of only 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 the UNIQA Versicherungen AG, 52 domestic and 83 foreign subsidiaries in which the UNIQA Versicherungen AG has the majority voting rights.

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

Figures in € million	Date of initial inclusion	Net profit/ loss	Acquired shares %	Acquisition costs	Goodwill
UNIQA Life AD Skopje, Macedonia	1 Jan. 2011	0.0	100.0	3.5	0.0
RHG Management GmbH, Vienna	30 Sep. 2011	0.0	100.0	4.6	0.0
UNIQA Finanzbeteiligung GmbH, Wien	1 Oct. 2011	0.0	100.0	0.0	0.0
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A., Tirana	1 Oct. 2011	0.0	51.0	0.1	0.0
SIGAL Life UNIQA GROUP AUSTRIA sh.a, Pristina	1 Oct. 2011	0.0	100.0	3.5	0.0
Kremser Landstraße Projektentwicklung GmbH, Wien	31 Dec. 2011	0.0	100.0	18.7	0.0
Schöpferstraße Projektentwicklung GmbH, Wien	31 Dec. 2011	0.0	100.0	12.7	0.0
"Bonadea" Immobilien GmbH, Wien	31 Dec. 2011	0.0	100.0	8.8	0.0

UNIQA Life AD Skopje in Macedonia was founded in the 1st quarter, and SIGAL Life UNIQA GROUP AUSTRIA sh.a, Pristina was founded in Kosovo in the 4th quarter. Fifty-one per cent of shares were purchased in SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A. in Albania.

The effects of the change to the scope of consolidation on the main asset and debt positions can be seen under number 5 of the Notes to the Consolidated Financial Statements.

The associated companies refer to ten domestic companies consolidated at equity; of these, fifteen 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 2012

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 re-valued. The conditions at the time of acquiring the shares in the consolidated subsidiary are taken into consideration for the initial consolidation. To the extent other (non-Group) shareholders hold shares in the subsidiary's equity at the reporting date, these are dealt with under minority interests.

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

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

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

Shares in associated companies

Shares in associated companies are, as a general rule, 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 deliveries 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 deliveries and services within the Group are set off against the corresponding expenditure.

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 Group Notes. Because of formatting to thousand €, there may be rounding differences.

Segment reporting

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 conversion

The reporting currency of UNIQA Versicherungen AG is the euro. All annual financial statements of foreign subsidiaries that 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 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:

€ rates on balance sheet closing date	31 Dec. 2011	31 Dec. 2010
Swiss franc CHF	1.2156	1.2504
Czech koruna CZK	25.7870	25.0610
Hungarian forint HUF	314.5800	277.9500
Croatian kuna HRK	7.5370	7.3830
Polish złoty PLN	4.4580	3.9750
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9592
Romanian leu (new) RON	4.3233	4.2620
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	10.3708	10.4950
Serbian dinar RSD	107.0795	106.1300
Russian ruble RUB	41.7650	40.8200
Albanian lek ALL	138.5500	139.1900
Macedonian denar MKD	61.7613	62.6973

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
- Current value and 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

These 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 a subsidiary and the Group's share in the equity after the disclosure of hidden reserves at the time of acquisition.

Deferred 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 to which they refer. 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 at the same proportion as the actuarial 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 deferred 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 2 to 5 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 amortizations and depreciation. Self-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 number 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 or on the basis of estimates of what amounts could be achieved under current market conditions in event of proper liquidation.

Securities held to maturity, mortgage loans and other loans

These are recognised at amortised cost 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. A sustained impairment is assumed for variable-yield securities if the highest quoted price within the last nine months lies below the acquisition costs or the difference of acquisition costs less fair value is greater than 20 per cent. 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-interest 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 an impairment test. 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 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 fair value.

Capital 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 kept separately from the remaining investments of the company. 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 values of the investment pools are thus counterbalanced by the appropriate changes in these reserves.

Shares of reinsurers in the technical provisions
These are recognised on the assets page, taking the reinsurance contracts into consideration.

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

Liquid funds
Liquid funds are valued at their nominal amounts.

Other tangible assets
The tangible assets and inventories included on the balance sheet under other assets are recognised at acquisition and production costs, net of depreciation. Tangible assets are depreciated on a straight-line basis over their useful lifetime (up to a maximum of 10 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.

Thus, 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 benefits*.

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

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

Technical provisions

Unearned premiums

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

Actuarial provision

Actuarial provisions are established in the casualty, 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 calculation bases.

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

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

Provision for outstanding claims

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

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

As 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 per cent 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 basically contains the provision for contingent losses for acquired reinsurance portfolios as well as a provision for expected cancellations and premium losses.

Technical provisions for unit- and index-linked life insurance policies

This item concerns the actuarial provisions and the remaining technical provisions for obligations from life insurance policies where the 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. 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.

From now on, the amount of the actuarial gains and losses will therefore be reported as shareholders' equity in accordance with IAS 19.93A ff, 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 a probable tax burden affecting cash flow in the future. These are to be accounted for independent 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 major 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 durable impairment 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 liability insurance, vehicle and passenger insurance
- Marine, aviation and transport insurance
- Legal expense 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 to its market 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 by exercising the respective choice, also 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 per cent and 50 per cent. 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' equity 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 the Austrian Commercial Code, depreciation always affects income, even in the case of a temporary reduction in value and appreciations in line with the requirement to reinstate original values. In the case of the mitigated lower-of-cost-or-market principle, the write-off 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 page of the balance sheet in accordance with IFRS 4.

Acquisition costs

Commission as well as other variable costs which are directly related to the acquisition or extension of existing policies are deferred and distributed over the insurance contract terms and/or the premium payment period. The deferred 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 refunds. This especially refers to the non-application of the zillmerisation of acquisition costs as well as the integration of the re-valued unearned premiums and real final bonus in the life insurance.

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

Because of the difference in valuation of the assets and liabilities in the area of life insurance, a provision has to be made for deferred profit participation 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 probability of future compliance amounts.

Provision for claims equalisation and catastrophes

The establishment of a provision for claims equalisation and catastrophes is not permitted under IFRS or US-GAAP regulations, because it does not represent any current obligations to third parties on the balance sheet date. Accordingly, additions or reversals do not influence the profit 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 an anticipated future tax burden or relief on taxes on income (temporary differences), which are to be reported regardless of the day of the revaluation. 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

1. Overview – risk framework

The UNIQA Group defines all risks that endanger the financial strength and thereby the needs of its customers, as well as the long-term growth of shareholder value, as major risks.

Therefore, the management of the UNIQA Group places particular focus on regular monitoring of risk-bearing capacity in order to ensure that it can react quickly, adequately and with foresight to changes in the business environment.

The risk-bearing capacity concept therefore always takes into account the following requirements:

1) Compliance with adequate, prudential capital resource requirements as a minimal requirement;
2) Valuation by third parties, such as ratings agencies;
3) Internal company goals;
4) Accounting purposes.

The Group's management has declared its primary objective to be a balance between turnover, profit and risk. The required organisational measures were undertaken in the reorientation of the UNIQA Group.

UNIQA was the first insurer in Austria to define risk management as an independent department in the Management Board at the holding Group level. This step and the associated initiation of numerous internal projects for the establishment of a new, modern and value-oriented risk culture in the UNIQA Group underscores the central importance of this strategic orientation.

2. Risk management system

Risk management is a core competency for the UNIQA Group and is therefore an important component of its business process. The focus of risk management with management structures and defined processes is the attainment of the strategic goals of the UNIQA Group and its subsidiaries by minimising the likelihood of non-attainment.

The Risk Management Guidelines for the UNIQA Group were created in 2011 and approved by CRO and the Management Board as a basis for the introduction of risk management.

The guidelines describe the minimum requirements in terms of organisational structure and process structure; they also provide a framework for all risk management processes for the most important risk categories.

The Risk Management Guidelines were created and approved at both Group and company level.

The Risk Management Guidelines at company level were approved by the Management Board of the UNIQA subsidiaries and are consistent with the UNIQA Group Risk Management Guidelines.

The UNIQA Group Risk Management Guidelines ensure that risks relevant to the UNIQA Group are identified in advance and evaluated; if necessary, proactive measures are introduced to transfer or minimise the risk.

Intensive training on the content and utilisation of the risk management system is required to guarantee that employees embody the risk culture in their working environment. This training is conducted in information and educational measures in a successive, stakeholder-related manner. An essential goal in this programme is to address complex topics for different recipients in a customised manner.

2.1. Organisational structure (governance)

As described above, the passage of the UNIQA Risk Management Guidelines provides structure for processes and organisation related to risk management.

The risk management structure is established to reflect the principles of “three lines of defence” and the clear differences between them.

First line of defence: risk management within the business activity

Those responsible for business activities must build up and embody a reasonable monitoring environment to identify and monitor the risks that arise in connection with such business processes.

Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory function, such as controlling, must monitor business activities without having expertise in operational implementation.

Third line of defence: internal and external auditing

This enables an independent review of the formation and effectiveness of the entire internal control system, which includes risk management and compliance (e.g. internal auditing).

The following describes the organisational structure and the most essential process responsibilities within the UNIQA Group. Functional tasks and obligations are described precisely in the Risk Management Guidelines.

UNIQA Holding Management Board

- Active risk management and controlling through value-orientated principles
- Approves the UNIQA risk management strategy
- Approves the strategic capital allocation
- Approves the risk limits for operating companies
- Highest authority for decisions regarding risk transfer and mitigation

UNIQA Holding CRO

- Functional leadership of the UNIQA risk management unit
- Chairs the UNIQA risk management committee
- Responsible for shaping the risk management strategy
- Monitors the overall risk situation
- Appropriate structures for risk management and reporting

Group Risk Committee

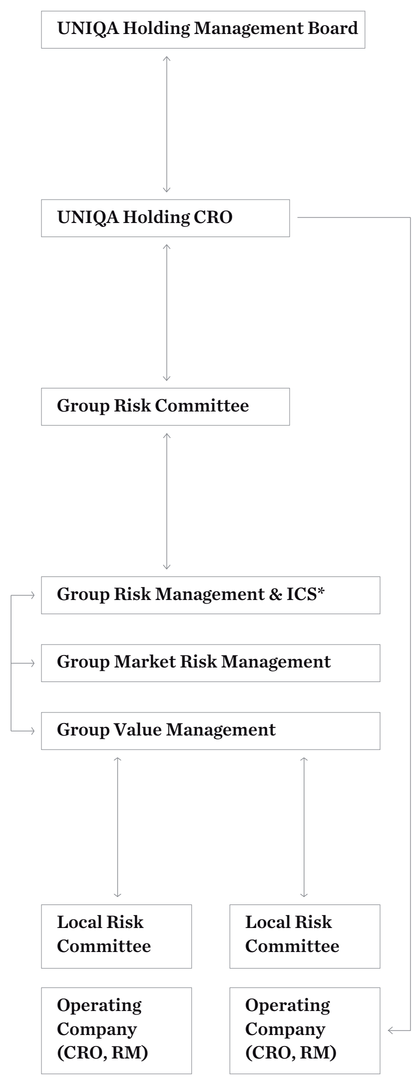
- Defines the risk management strategy
- Prepares and monitors the risk-bearing capacity and risk limits as well as the Group's value-creating units
- Defines the capital allocation and sets coherent limits
- Approves model amendments (capital model, partial models)

Group Risk Management Functions

- Defines the UNIQA risk management process
- Executes the uniform risk management process
- Coordinates the calculation of the solvency capital requirement and the minimum capital requirement
- Defines the minimum standards for all risk management processes
- Ensures that risk management information is reported effectively and promptly
- Prepares the risk limits for the company and monitors the limits
- Market risk management (qualitative and quantitative)

Operating Company (CRO, RM)

- Executes the uniform UNIQA risk management process in accordance with the Group standards
- Prepares and maintains the minimum standards for the specific risk management processes for all risk categories
- Prepares and monitors the risk limits
- Monitors overall risk management performance and ensures effective and prompt reporting



*Internal control system

The UNIQA Group Management Board establishes business policy targets and the Group risk strategy, and is responsible for Group-wide risk management.

The position of Chief Risk Officer (CRO) was introduced at holding Group Management Board level in 2011. This ensures that the topic of risk management is represented on the Management Board. Furthermore, CRO functions were established at Management Board level in the operative insurance companies.

In his risk management activities, the CRO is supported in the implementation and fulfilment of his duties in particular by the departments of risk management & internal control system, market risk management, and value-based management & compliance.

Each UNIQA Group subsidiary has CRO and risk manager functions. This ensures a continuous and uniform risk management system within the Group.

The risk management committees constitute a central element in the risk management organisation, as well as in every UNIQA company. The risk management committee is the management body for controlling and both short- and long-term steering of the risk profile for UNIQA companies. The committee monitors and steers compliance with risk targets (risk-bearing capacity and limits) and therefore plays a central role in the UNIQA Group's risk management system steering process.

The Supervisory Board of the UNIQA Group is informed comprehensively regarding risk report preparation, which represents an independent thematic block in Supervisory Board meetings.

2.2. Risk management process

The risk management process in the UNIQA Group (UNIQA ORSA process) delivers periodic information about the risk situation across the UNIQA Group and enables the top management to set governing measures to attain/retain long-term strategic aims.

The process concentrates on risks relevant to the company and is defined for the following risk categories:

- Actuarial risk (property and casualty insurance, health and life insurance)
- Market risk / asset–liability mismatch risk
- Credit risk / default risk
- Liquidity risk
- Concentration risk
- Strategic risk
- Reputation risk
- Operational risk
- Risk of contagion

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks to the UNIQA Group and its subsidiaries within these risk categories.

Risk identification:

Risk identification is the starting point for the risk management process, systematically recording all major risks and describing them in as much detail as possible. In order to conduct as complete a risk identification process as possible, parallel different approaches are used, and all risk categories, subsidiaries, processes and systems are included.

Evaluation / measurement:

The risk categories of market risk, actuarial risks, counterparty default risk and concentration risk are evaluated in the UNIQA Group framework by means of a quantitative method based on the standard approach of Solvency II. Furthermore, risk drivers are identified for the results from the standard approach and analysed to assess whether the risk situation is adequately represented (in accordance with ORSA).

All other risk categories are evaluated with their own risk scenarios.

Scenario analysis in UNIQA risk management

One essential element of the risk management process is the derivation and development of risk scenarios specific to UNIQA and the risk situation of the UNIQA Group.

A scenario is a possible internal or external event that causes a short-term or medium-term effect on the Group profit, solvency position or sustainability. The scenario is formulated in accordance with its expression (e.g. the start of Greek insolvency) and evaluated in terms of its financial effect on the UNIQA Group. The likelihood that the scenario will actually occur is also considered.

These scenarios are developed, assessed and constantly monitored by the experts in the UNIQA risk management department.

Risk mitigation and risk management procedures are developed on a proactive basis for potentially threatening situations.

Limits / early warning indicators:

The limit and early warning system determines risk-bearing capacity (available equity according to IFRS, financial equity) and capital requirements on the basis of the risk situation at ongoing intervals, thereby deriving the level of coverage. If critical coverage thresholds are reached, then a precisely defined process is set in motion, the purpose of which is to reduce the level of solvency coverage to a non-critical level.

Reporting:

A risk report is prepared twice a year for each operational company and for the UNIQA Group on the basis of detailed risk analysis and monitoring. The risk report for each individual UNIQA subsidiary and the UNIQA Group itself has the same structure, providing an overview of major risk indicators such as risk-bearing capacity, solvency requirements and risk profile.

A new reporting form was introduced in the UNIQA Group and for all subsidiaries in 2011. This new form provides management with a monthly update regarding the greatest risks.

Standard and Poor's Model

Both regulatory capital requirements and the capital requirements associated with ratings are of central importance to the UNIQA Group.

In addition to the regulatory capital models for Solvency I and Solvency II, the Standard & Poor's capital model is calculated at periodic intervals, resulting in capital requirements that are oriented towards a target rating.

This information is incorporated in the capital planning process.

3. The greatest challenges

3.1. EU debt crisis

A few European member states have continued to experience financial pressure in 2011 due to the financial market crisis of recent years. Greece, Ireland, Italy, Portugal, Spain and Hungary have been named again and again in this context.

In particular, European and international initiatives should be mentioned with regard to risk assessment in terms of creditworthiness and collectability. Among others, in this context the European Financial Stabilisation Mechanism (EFSM), the European Financial Stability Facility (EFSF), the International Monetary Fund (IMF) and the European Central Bank (ECB) should be mentioned. Altogether, the EFSF, EFSM and IMF can currently raise €750 billion. Ireland and Portugal have applied for and received financial aid through this mechanism.

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. In the case of Greece, the European states and the Institute of International Finance (IIF) have agreed to a partial debt waiver for private creditors. Even if the details of the debt refinancing arrangements at the balance sheet date are not yet set out in detail, we may proceed on the assumption that there will be a lasting reduction in the value of Greek bonds.

These aid measures are available to all member states. In the cases of Portugal 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, and collectability remains stable despite increased quality risk.

For direct and indirect investments in state bonds from the aforementioned countries, we refer to the chapter on disclosure and explanation of accounting and valuation methods in the Notes to the Group Financial Statements.

Significant events subsequent to the balance sheet date

Major risk positions were dismantled in the course of a "de-risking" programme in the first quarter of 2012. The Group risk positions were oriented towards solid Group solvency. In the investments area, all PIIGS bonds were sold and all Greek bonds held in the Austrian and international companies of the UNIQA Group were sold.

Furthermore, exposure in Portugal was almost halved, and holdings in Hungarian and Italian bonds were reduced.

3.2. Solvency II

The introduction of Solvency II is a major strategic element for the UNIQA Group. The UNIQA Group is intentionally preparing for future challenges related to Solvency II with specially designed Group projects.

One of UNIQA Group's declared objectives is to meet all Solvency II requirements within the proper time frame and to implement them on the foundation of a business model. All implementation projects are designed in such a way that application will be possible by January 2014 at the latest.

The major challenge for UNIQA will be the punctual implementation of comprehensive requirements for risk management processes, associated documentation requirements and reporting requirements, especially because regulators have not yet fully clarified all of these requirements.

The implementation process is proceeding across the Group, and the challenge is to implement a uniform minimum standard in all UNIQA companies. A central topic in this task is the standardisation of processes, data structures, definitions and expertise.

The UNIQA Group is placing great value on the implementation of pillars r 2 and 3 – risk management processes. An essential aspect is the acceptance of the risk management system within the UNIQA subsidiaries. This is why we are communicating broadly within the company about the essence and utility of the risk management framework.

3.3. Reorientation of the UNIQA Group

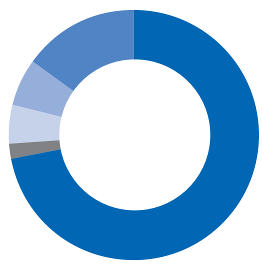
We implemented the new strategy for the UNIQA Group in the summer of 2011. We are now implementing this growth strategy: we are optimising structures and accelerating processes to increase the company's proximity to both customers and markets. These measures include human resources and process risks that are normal for such change processes. The UNIQA Group is therefore proceeding very carefully and is establishing internal controls to monitor risks.

Our goal in Austria with regard to bank assurance is to intensify cooperation between Raiffeisen insurance and the Raiffeisen banks significantly by aligning ourselves clearly with the needs of bank advisors and customers. If adjustments to collaboration among partners in the Raiffeisen banks are not adopted, then our growth targets cannot be met.

4. Risk profile

4.1. General risk profile

A standard methodical approach was used to determine the risk profile in the UNIQA Group. The last assessment produced the following risk profile for the UNIQA Group:



Risk profile of the UNIQA Group

- 72 % Market risk
- 2 % Credit risk
- 5 % Actuarial practice (life)
- 6 % Actuarial practice (health)
- 15 % Actuarial practice (damage and accident)

The risk profile of the UNIQA Group is very strongly influenced by life insurance and health insurance holdings in the Austrian life and health insurance companies, UNIQA Personenversicherung (UPV) and Raiffeisen Versicherung (RV). This situation means that market risk plays a central role in the UNIQA Group's risk profile. The composition of market risk is described in the section "Market risk".

The subsidiaries in Central Europe (CE: Hungary, Czech Republic, Slovakia and Poland) operate insurance businesses in the property and casualty segment and life insurance segment.

In the Southeastern European (SEE) and Eastern European (EE) regions, insurance business is currently primarily in the property and casualty segment and particularly in motor vehicle insurance.

This situation is important to the UNIQA Group because it creates a high level of diversification for the life and health insurance lines, which are dominated by the Austrian companies.

The risk-specific particularities of the regions are also manifested in the risk profiles ascertained by the internal measurement approach.

After every calculation for life, non-life and composite insurers in the UNIQA Group, reference profiles are created and compared with the risk profile for the respective companies.

The benchmark profile shows that, for composite insurers, the relationship between market and actuarial risk is balanced out. In addition, the highest diversification effect was achieved among the composite insurers.

4.2. Risk categories

4.2.1. Market risk

Market risk is powerfully influenced by the risk of changing interest rates, particularly in the life insurance line. The risk of changing interest rates results from the "duration gap" between assets and liabilities. The revision of the current ALM strategy should bring significant improvements to this situation in the medium term.

Another major risk is the spread risk, which also affects comparable peer companies. In this category, very high capital requirements for credit structures (ABS) in the calculation methodology for future equity requirements under Solvency II are particularly important. Moreover, portfolio components such as emerging markets bonds or poorly rated state bonds are a risk driver.

The share risk of the UNIQA Group is driven especially by alternative investments such as hedge funds and private equity.

About 10 per cent of market risk comes from risks associated with land and buildings.

Other market risks, such as concentration and currency risks, play a minimal role in the UNIQA Group at this time.

There were no major year-on-year changes in terms of the methods and processes for managing and measuring these risks. Adjustments with regard to Solvency II are in the draft stage.

Description of market risk categories:

Interest 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	
%	2011	2010	2011	2010	2011	2010
Fixed-interest securities						
High-grade bonds	3.76	3.89	3.55	3.90	5.34	5.18
Bank/company bonds	3.89	3.91	4.28	5.26	4.14	4.13
Emerging markets bonds	5.13	5.71	7.49	9.67	8.39	10.06
High-yield bonds	8.74	7.63	9.48	10.07	4.45	5.44
Other investments	3.36	3.48	0.00	0.00	0.00	0.00
Fixed-interest liabilities						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.66	2.71				

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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Annuities	9,278,517	9,440,828
Shares	479,685	642,456
Alternatives	636,199	708,594
Holdings	399,464	411,382
Loans	1,019,325	1,267,004
Real estate	1,198,798	1,107,667
Liquidity	769,018	743,515
Deposits receivable	127,334	123,284
Total	**13,908,340**	**14,444,730**
Difference between book value and market value		
Real estate	478,042	264,055
Loans	– 96,541	– 27,812

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Actuarial provision	13,521,141	13,459,510
Provision for profit-unrelated premium refunds	2,084	1,869
Provision for profit-related premium refunds, i.e. policyholder profit sharing	– 62,826	112,060
Other technical provisions	23,516	23,858
Provision for outstanding claims	108,152	108,309
Deposits payable	441,620	436,200
Total	**14,033,687**	**14,141,806**

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

Remaining term Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Up to 1 year	689,448	810,676
Of more than 1 year up to 3 years	1,067,439	1,052,770
Of more than 3 years up to 5 years	1,932,150	1,792,639
Of more than 5 years up to 7 years	2,159,205	2,192,915
Of more than 7 years up to 10 years	2,289,454	2,208,519
Of more than 10 years up to 15 years	859,164	1,361,612
More than 15 years	1,300,982	1,288,702
Total	**10,297,842**	**10,707,832**

The capital-weighted average remaining term of technical liabilities is around 9.0 years (2010: 8.0 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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Share-based funds	951,241	988,689
Bond funds	3,274,938	3,044,113
Liquidity	89,318	81,107
Other investments	80,519	78,821
Total	**4,396,016**	**4,192,730**

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 per cent. 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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Annuities	1,094,340	1,238,629
Shares	85,793	53,963
Alternatives	88,812	93,450
Holdings	207,349	199,705
Loans	732,758	710,918
Real estate	331,258	318,529
Liquidity	387,256	169,333
Total	**2,927,567**	**2,784,528**
Difference between book value and market value		
Real estate	119,825	144,441
Loans	–9,931	3,828

Provisions and liabilities from long-term health insurance policies Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Actuarial provision	2,693,400	2,533,728
Provision for profit-unrelated premium refunds	17,264	16,578
Provision for profit-related premium refunds, i.e. policyholder profit sharing	63,495	50,092
Other technical provisions	574	548
Provision for unearned premiums	16,338	15,914
Provision for outstanding claims	177,139	172,279
Deposits payable	1,204	1,323
Total	**2,969,414**	**2,790,463**

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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Up to 1 year	89,885	102,103
Of more than 1 year up to 3 years	248,730	182,759
Of more than 3 years up to 5 years	337,581	325,941
Of more than 5 years up to 7 years	428,767	358,017
Of more than 7 years up to 10 years	507,654	570,630
Of more than 10 years up to 15 years	192,734	186,249
More than 15 years	21,748	223,849
Total	**1,827,098**	**1,949,547**

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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
AAA	3,516,927	3,317,270
AA	1,826,334	3,062,155
A	3,156,654	2,979,241
BBB	2,722,147	2,655,684
BB	875,010	874,895
B	461,888	577,764
CCC	262,460	168,868
Not rated	227,397	30,047
Total	**13,048,817**	**13,665,924**

The values as at 31 December 2011 also include the securities reclassified to the category of loans in the 3rd quarter with a value of €1,089,093 thousand (2010: €1,379,806 thousand).

The leading ratings agencies revised and reclassified their state ratings in 2011, which also led to changes in the distribution of inventories by rating. Furthermore, the internal maintenance of ratings began to implement Solvency II methodologies in 2011.

Share risk: when investing in stock markets, the risk is diversified by using various management styles (total return approach, benchmark-oriented approach, value growth approach and industry- and region-specific and fundamental 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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Shares in Europe	475,699	438,554
Shares in America	32,778	48,112
Shares in Asia	11,051	26,802
Shares international[1]	22,153	4,932
Shares in emerging markets	12,485	32,149
Shares total return[2]	217,840	158,228
Other shares	21,313	208,872
Total	**793,319**	**917,648**

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.

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 US dollars. The following table shows a breakdown of assets and debts by currency.

31 Dec. 2011 Figures in € thousand	€	USD	Other	Total
Assets				
Investments	21,923,947	791,089	1,886,053	24,601,090
Other tangible assets	108,794		22,467	131,261
Intangible assets	1,370,121		130,210	1,500,331
Share of reinsurance in the technical provisions	1,022,996		66,663	1,089,658
Other assets	1,009,404		235,913	1,245,318
Total	**25,435,263**	**791,089**	**2,341,306**	**28,567,658**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,654,008		1,552,434	24,206,442
Other provisions	761,816		26,294	788,109
Liabilities	1,751,991		150,531	1,902,522
Total	**25,742,815**	**0**	**1,729,259**	**27,472,074**

31 Dec. 2010 Figures in € thousand	€	USD	Other	Total
Assets				
Investments	22,304,559	466,618	2,007,505	24,778,682
Other tangible assets	116,976		21,681	138,657
Intangible assets	1,413,996		107,881	1,521,877
Share of reinsurance in the technical provisions	1,030,609		79,892	1,110,501
Other assets	884,477		269,519	1,153,996
Total	**25,750,618**	**466,618**	**2,486,478**	**28,703,713**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,250,871		1,629,686	23,880,557
Other provisions	709,230		23,536	732,766
Liabilities	1,852,190		141,747	1,993,936
Total	**25,387,290**	**0**	**1,794,969**	**27,182,259**

The fair value of securities investments in US dollars amounted to €1,766 million as at 31 December 2011 (2010: €1,625 million). The exchange rate risk decreased through derivative financial instruments to €791 million (2010: €467 million), and the safeguard ratio was 71.1 per cent (2010: 71.0 per cent). The safeguard was maintained in a range of between 55 per cent and 80 per cent (2010: 56 per cent and 81 per cent) during the financial year.

Additional market risks that are being handled in the context of the ORSA process:

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 the remaining maturities stipulated by contract for investing fixed-interest securities (see Notes number 9) are chosen, the existing remaining contractual maturities (see 4.2.1 interest rate risk) are taken into consideration in the various business segments.

Additional underwriting obligations exist for private equity investments in the amount of €72 million (2010: €102 million).

Sensitivities: risk management for investments takes place in a structured investment process, in which the various market risks are controlled at the levels of the selection of a strategic asset allocation, the tactical weighting of the individual asset classes depending 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. 2011		31 Dec. 2010	
Figures in € thousand	+ 100 basis points	– 100 basis points	+ 100 basis points	– 100 basis points
High-grade bonds	– 350,679	375,014	– 382,196	410,964
Bank/company bonds	– 64,335	68,799	– 55,312	59,475
Emerging markets bonds	– 42,649	45,609	– 71,990	77,408
High-yield bonds	– 372	397	– 912	981
Total	**– 458,034**	**489,819**	**– 510,410**	**548,828**

Equity risk	31 Dec. 2011		31 Dec. 2010	
Figures in € thousand	+ 10 %	– 10 %	+ 10 %	– 10 %
Shares in Europe	31,158	– 31,158	38,221	– 37,744
Shares in America	4,526	– 4,526	6,117	– 6,117
Shares in Asia	1,587	– 1,587	2,053	– 2,053
Shares international	2,288	– 2,288	2,175	– 2,175
Shares in emerging markets	1,404	– 1,404	3,403	– 3,403
Shares total return	16,128	– 16,128	16,663	– 16,663
Derivative financial instruments and other shares	2,195	– 2,210	3,448	– 3,448
Total	**59,286**	**– 59,300**	**72,080**	**– 71,603**

Currency risk	31 Dec. 2011		31 Dec. 2010	
Figures in € thousand	+ 10 %	– 10 %	+ 10 %	– 10 %
€	0	0	0	0
USD	83,052	– 83,052	45,924	– 45,924
Other	123,712	– 123,712	161,797	– 161,797
Total	**206,765**	**– 206,765**	**207,721**	**– 207,721**

Credit risk		31 Dec. 2011		31 Dec. 2010	
Figures in € thousand		+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	– 71,134	71,134	– 38,313	38,313
A	50 basis points	– 125,820	125,820	– 53,030	53,030
BAA	75 basis points	– 103,462	103,462	– 70,948	70,948
BA	100 basis points	– 34,066	34,066	– 34,735	34,735
B	125 basis points	– 17,494	17,494	– 30,641	30,641
CAA	150 basis points	– 6,575	6,575	– 7,453	7,453
Not rated	100 basis points	– 9,085	9,085	– 13,098	13,098
Total		**– 367,635**	**367,635**	**– 248,219**	**248,219**

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 per cent 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 Figures in € thousand	Total value at risk	Equity risk	Currency risk	Interest rate risk	Diversification
31 Dec. 2011	1,026,235	389,567	282,699	751,008	– 397,039
31 Dec. 2010	676,337	342,165	116,127	713,066	– 495,021
Lowest	715,474	169,249	121,059	643,602	– 251,122
Average	864,041	323,642	227,616	756,543	– 375,962
Highest	1,026,235	403,376	311,141	802,930	– 746,111

Evaluation of the stock of Asset-Backed Securities

The UNIQA Group held 2.5 per cent (2010: 2.6 per cent) of its investments in Asset-Backed Securities (ABS). Model risks are associated with the valuation of ABS securities.

The securities held in the direct portfolio and fund portfolio are mostly valued 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 2011 due to low liquidity. So-called market prices, insofar as these can even be identified in individual cases, pertain only in the rarest of cases to securities that are held directly in the portfolio or even to securities from the same issuer, but rather generally to another paper that is similar in terms of rating and securitisation category.

Direct transfer of such prices does not appropriately take into account either the complexity or the heterogeneity of the different structures. For these reasons, UNIQA has decided to set the fair value of the specified papers by means of a model approach.

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

The main parameters of the model for assessing the value of ABS are estimates of the future development of the (financial) economic environment, especially 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. UNIQA now uses the forecasts of Moody's Investors Service for forecasting the failure rates of companies. These forecasts encompass a period of five years each. 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 the payment streams are generated. In order to represent an additional risk discount, a risk premium above the pure interest rate was 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 per cent quantile or the 90 per cent quantile of the distribution function of the failures.

Sensitivity analysis Figures in € million	Upside	Downside
Total profit/loss	8.1	– 105.1
on P&L	0.5	– 74.7
on equity	7.5	– 30.4

Valuation of STRABAG SE

UNIQA has a participating interest in STRABAG SE of 14.97 per cent as at the reporting date of 31 December 2011 (31 December 2010: 14.97 per cent). 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 fourth quarter of 2010, a purchase option was conceded to a strategic investor for an additional 1.4 million individual 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 the option was determined as the difference between the current book value and the price for exercising the option.

Book value STRABAG SE Figures in € thousand	2011
As at 1 Jan.	453,079
Disposal	0
Updating affecting income[1]	23,168
Updating not affecting income	– 5,338
Dividends	– 9,389
As at 31 Dec.	461,521
Value in € per share	27.04

1) The estimate for the as-yet-unpublished 4th quarter of 2011 was also worked on during the financial year.

Information about investments in the PIIGS nations

Issuer Figures in € thousand	Current market value 31 Dec. 2011
Spain	155,040
Greece	105,265
Ireland	279,554
Italy	789,803
Portugal	56,214
Total	**1,385,876**

The EU accompanying measures by euro zone countries for Greece also anticipates participation from private investors. This is why devaluations of Greek bonds took place at the market exchange rate as at 31 December 2011. This led to depreciation of € 387,622 thousand. Currently it must be assumed that government bonds from other member countries will be completely paid back and the current risk reduction on bond prices in some European countries will not last.

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

ALM

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. A partial dependence therefore exists 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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Long-term life insurance policies with guaranteed interest and profit sharing	13,908,340	14,444,730
Long-term unit-linked and index-linked life insurance policies	4,397,379	4,192,730
Long-term health insurance policies	2,927,567	2,784,528
Short-term property and casualty insurance policies	3,367,805	3,356,695
Total	**24,601,090**	**24,778,682**

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) Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Long-term life insurance policies with guaranteed interest and profit sharing	14,033,687	14,141,806
Long-term unit-linked and index-linked life insurance policies	4,318,331	4,142,636
Long-term health insurance policies	2,969,414	2,790,463
Short-term property and casualty insurance policies	2,655,562	2,540,917
Total	**23,976,994**	**23,615,822**

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

4.2.2. Actuarial risks

Actuarial risk non-life

Actuarial risk in non-life includes premium, reserve and catastrophic risk.

Premium risk is defined as the risk of future benefits from insured events exceeding the assumptions of the premium calculation. The result is incorrect pricing for an insurance product that leads to a loss.

The reserve risk is defined as the risk that actuarial provisions for damage claims that have already occurred were not sufficient.

Catastrophic risk is defined as the risk that financial losses may occur due to natural disaster events such as storms, hail, flooding or earthquakes. These events affect a number of policyholders at once, yet do not occur on a constant basis. These events are described as low-frequency/high-severity claims.

The greatest actuarial risk in non-life in the Group is held by UNIQA property insurance and UNIQA RE. In CEE, SEE and EE, non-life business, particularly motor vehicle insurance, is in the foreground; this means that the actuarial risk of non-life is foremost in these companies.

A major risk for the UNIQA Group is the risk of natural disasters. Storm-related catastrophes are especially relevant for the north Austrian and Czech regions.

The risk of catastrophic flooding is of major significance for markets in Austria, Czech Republic, Poland, Hungary, Romania and Bulgaria.

This risk is managed accordingly with analyses of exposure to catastrophes and inclusion of such considerations in product and price formation, as well as the provisioning of appropriate reinsurance capacity.

Profitability in the core business is a decisive factor.

In the risk management process for actuarial risks in the non-life segment, standardised monitoring systems supervise Group risk management and Group actuarials monitor actuarial risks of premium risk and reserve risk on a periodic basis.

The Group segments for risk management and Group actuarials support the local companies by providing Group-wide standardised tools and professional training and education.

An essential element in risk assessment and further risk management is the use of the NON-life partial model. This risk model quantifies premium, reserve and catastrophic risk by means of a Monte Carlo simulation procedure. This quantification is conducted at insurance branch level (sector), at company level and Group level.

In addition to risk figures relevant for risk management, this risk model also delivers the economic earnings figures (RoRAC: Return of Risk Adjusted Capital) and an EVA (Economic Value Added), which are then indispensable for goal- and values-oriented company management.

These economic figures provide information about how much capital expenditure is necessary for the underwriting of various insurance products and how much profit is earned on the required risk capital.

Actuarial risk life

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 (approximately 20 per cent). 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: the costs are calculated in such a way that the costs incurred by the policy can always be covered by the premium.

The careful selection of 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 AG, Raiffeisen Versicherung AG, Salzburger Landes-Versicherung AG and CALL DIRECT Versicherung AG.

Number of insurance policies as at 31 Dec. 2011 Category[1]	Capital insurance	Retirement annuity deferred	Retirement annuity in payment	Risk insurance
€ 0 to € 20,000	767,944	79,633	8,131	134,526
€ 20,000 to € 40,000	168,793	31,883	3,395	38,306
€ 40,000 to € 100,000	71,899	18,802	2,476	126,806
€ 100,000 to € 200,000	8,404	5,046	755	68,955
More than € 200,000	2,008	1,821	262	9,307

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 or for 2000/02).

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

Homogeneity and independence of insurance risks

An insurance company takes great pains to compose a portfolio of the most homogenous, independent risks possible, in accordance with the classic, deterministic approach to calculating premiums. Because this is virtually impossible in practice, a considerable risk arises for the insurer due to random fluctuations, in particular from the outbreak of epidemic illnesses, because 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 Versicherungen AG operates with a retained risk of € 200,000 per insured life; the excesses are mostly re-insured with Swiss Re, Münchener Rück 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, which meant that subsequent reservations had to be made for retirement annuity contracts.

Antiselection

The right to choose 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 cent per annum ("Lebensaktie", "Zukunftsplan") or 2.25 per cent per annum (other life insurance policies). However, the portfolio also contains older contracts with actuarial interest of up to 4.0 per cent per annum, while the average rate for the portfolio is 2.66 per cent (2010: 2.71 per cent).

Since these interest rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Since classic life insurance predominantly invests in interest-bearing titles (loans, credits etc.), the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. The interest risk weighs especially heavily on retirement annuities, because 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 investment and liability side. The duration of the assets is 4.0 years (2010: 5.1 years), while for liabilities it is considerably longer. This creates a duration gap, which means that the ratio of assets to liabilities reduces as interest rates fall.

Value of implicit options

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

The question of whether a capital or an 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, which means 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).

The capital-weighted average remaining term of technical liabilities is around 9.0 years (2010: 8.0 years).

Actuarial risk health

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

Health insurance is a loss insurance calculated under consideration of biometric risks and is operated in Austria “similar to 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 coverage ("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 per cent, which means that the investment risk of health insurance in Austria is relatively low. If it were expected, for example, that 3 per cent 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 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 4th quarter of 2007. This means that the costs of birth and pregnancy had to be distributed across both sexes. No significant risk to profit has been identified here.

In the meantime, a decision reached by the European Court of Justice regarding insurance policies results in a new situation as of 21 December 2012: by this point in time at the latest, only completely identical premiums are allowed for men and women, excluding considerations such as age and individual pre-existing conditions. Because yearly new business in the health insurance line does not have a very high share of the overall portfolio in this sector, we do not anticipate a high risk of miscalculation from this angle. It is more difficult to assess the problem of converting existing female policies to the new UNISEX tariff, but we can expect, based on our experience with the (partial) unisex tariff since 2007, that this risk will remain within a limited range.

The risk of the health insurance business outside Austria is dominated primarily by Mannheimer Krankenversicherung (approximately €124.8 million in annual premiums) as well as UNIQA Assicurazioni in Milan (approximately €31.9 million in annual premiums). Both companies currently have relatively stable holdings, meaning that risk scarcely changes. For tariffs with an outdated calculation basis, with aging holdings, the insured should be converted in the coming years to tariffs with a modern calculation basis. Because this affect tariffs that are not life-long, the conversion problem is less significant than it is for life-long tariffs.

The remaining premiums (approximately € 33.3 million) are divided among multiple companies and are of only minor importance there. Only in Switzerland (Geneva) is health insurance the primary business (approximately € 6.8 million); however, the Swiss Solvency Test resulted in sufficient risk capital.

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.

4.2.3. Other risks

Operational risks

Operational risks include losses that are caused by insufficient or failed internal processes, as well as losses caused by systems, personnel resources or external events.

Operational risk includes legal risk, but not reputation and strategic risk. Legal risk is the risk of uncertainty due to complaints or uncertainty in the applicability or interpretation of contracts, laws or other legal requirements.

The UNIQA Group's risk management process also defined the risk process for operational risks in terms of methodology, expiration and responsibilities. The risk manager is responsible for compliance in all subsidiaries.

The particularity of operational risks is that they can surface in all processes and departments. This is why operational risks are identified and evaluated in every operational company at a very broad level in the UNIQA Group. Risk identification is carried out with the aid of a standardised risk catalogue that is regularly checked for completeness. Scenarios are defined for evaluating these risks; these scenarios are designed to convey the likelihood of occurrence and the amount of damages. The results are then presented by the risk manager in the form of an aggregated risk report.

This process is conducted twice a year on a standard basis.

Reputation and strategic risks

Reputation risk describes the risk of loss that arises due to possible damage to the company's reputation, deterioration in prestige, or a negative overall impression due to negative perception by customers, business partners, shareholders or supervisory agencies.

Reputation risks that occur during the course of core processes such as claims processing or advising and service quality are identified, evaluated and managed as operational risks in our subsidiaries.

The most important reputation risks are presented, like operational risks, in an aggregated form in the risk report.

Group risk management then analyses whether the risk observed in the Group or in another unit may occur, and whether the danger of "contagion" within the Group is possible.

Strategic risk describes the risk that results from management decisions or insufficient implementation of management decisions that may influence current / future income or solvency. This includes the risk that arises from management decisions that are inadequate because they ignore a changed business environment.

Like operational and reputation risks, strategic risks are evaluated twice a year. Furthermore, important decisions in various committees, such as the Risk Committee, are discussed with the Management Boards.

5. Impairment Test 2011

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 amount 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, impairment is performed.

The UNIQA Group has apportioned goodwill into the following CGUs:

- Albania/Kosovo/Macedonia as sub-group (SEE)
- Bosnia and Herzegovina (SEE)
- Bulgaria (SEE)
- Germany as sub-group (WE)
- Italy as sub-group (WE)
- Croatia (SEE)
- Liechtenstein (WE)
- Montenegro (SEE)
- Austria
- Poland as sub-group (CE)
- Romania (EE)
- Russia (Russia)
- Switzerland (WE)
- Serbia (SEE)
- Slovakia (CE)
- Czech Republic (CE)
- Ukraine (EE)
- Hungary (CE)

Region Figures in € thousand	31 Dec. 2011
Austria	59,214
Western Europe (WE)	147,513
Central Europe (CE)	37,552
Eastern Europe (EE)	169,101
Southeastern Europe (SEE)	100,331
Russia (RU)	87
Total	**513,798**

The UNIQA Group calculates the recoverable amount by applying generally accepted valuation principles by means of the earning power method (Discounted Cash Flow – DCF). The budget projections (based on the detailed planning phase) of the CGUs and 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 average effective 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:

- A uniform, risk-free interest rate according to the Svennson method was used (term: 30 years) as a base interest rate.
- 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 was figured based on countries with AAA ratings according to Damodaran.
- The national risk premium was figured based on the country ratings of Standard & Poor's in February 2012, 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:

Cash-Generating Unit	Discount factor		Discount factor perpetuity	
	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	13.2%	16.4%	11.2%	14.0%
Bosnia-Herzegovina	15.6%	19.5%	12.1%	15.2%
Bulgaria	9.2%	11.1%	7.6%	9.3%
Germany	6.3%	7.4%	5.3%	6.4%
Italy	8.2%	9.8%	6.9%	8.3%
Kosovo	12.8%	15.8%	10.1%	12.7%
Croatia	10.0%	12.2%	8.0%	9.9%
Liechtenstein	6.3%	7.4%	5.3%	6.4%
Macedonia	12.8%	15.8%	10.1%	12.7%
Montenegro	12.8%	15.8%	10.1%	12.7%
Austria	6.3%	7.4%	5.3%	6.4%
Poland	8.4%	10.1%	7.1%	8.6%
Romania	11.6%	14.2%	9.4%	11.7%
Russia	9.2%	11.1%	7.6%	9.3%
Switzerland	6.3%	7.4%	5.3%	6.4%
Serbia	12.8%	15.8%	10.1%	12.7%
Slovakia	8.2%	9.8%	6.9%	8.3%
Czech Republic	7.9%	9.4%	6.6%	8.0%
Ukraine	13.2%	16.4%	11.2%	14.0%
Hungary	11.6%	14.2%	9.4%	11.7%

Source: UNIQA

The following interest rates were applied in the previous year:

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: UNIQA

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, the management team of UNIQA International 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: 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 by 2015 the credit spreads will have returned to an average level as before the crisis. The cash value of the perpetuity was calculated in scenario 1 with a growth deduction of 1 per cent and in scenario 2 with a growth deduction of 2 per cent. 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 per cent 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
- Raiffeisen Research – Inflation rate trends
- Eurostat – GDP growth, interest rate trends
- WIIW (Wiener Institut für internationale Wirtschaftsvergleiche) – Purchasing power parities, GDP growth CEE
- Prof. Damodaran, Stern School, USA – national risks, market betas, risk surcharges for discount factors
- Thomson Reuters, Business Climate Index, Central and Eastern Europe

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

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 or regional 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 uncertainty in individual markets, are the largest influence in connection with measurement results.

All the budgeted profit was calculated with the exchange rates as at 31 November 2011.

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 (exception: Romania) give no cause for applying unscheduled depreciations. Tight coverage is currently in place in Bulgaria, Croatia, Montenegro and Albania. An amortisation of goodwill in Romania was conducted in the amount of €15 million. Corresponding measures for stabilisation and to promote the required upward trend in company development have already been initiated by the UNIQA Group.

The following table shows GDP development in the relevant markets since 2009. A mixed picture emerged for 2011 in which countries such as the Czech Republic and Slovakia experienced a clear slowdown in growth. On the other hand, countries such as the Ukraine, Bulgaria and Romania continued to grow.

A general weakening in growth is expected for 2012. In the long term, however, we can assume an upward trend and stabilisation in the CEE markets. As such, no loss of these core markets for UNIQA is expected over the long term.

	2009	2010	2011e	2012f	2013f
Poland					
GDP (% in annual comparison)	1.7	3.8	3.9	2.2	3.3
Hungary					
GDP (% in annual comparison)	– 6.8	1.3	1.5	– 2.0	1.5
Czech Republic					
GDP (% in annual comparison)	– 4.7	2.7	1.9	– 1.2	1.2
Slovakia					
GDP (% in annual comparison)	– 4.8	4.0	3.3	– 0.5	2.5
Slovenia					
GDP (% in annual comparison)	– 8.0	1.4	0.4	– 1.5	1.5
Croatia					
GDP (% in annual comparison)	– 6.0	1.2	0.5	– 1.0	1.5
Bosnia-Herzegovina					
GDP (% in annual comparison)	– 2.9	0.7	1.9	0.0	2.0
Serbia					
GDP (% in annual comparison)	– 3.5	1.0	2.0	1.0	2.0
Bulgaria					
GDP (% in annual comparison)	– 5.5	0.2	2.0	1.2	2.5
Romania					
GDP (% in annual comparison)	– 6.6	– 1.9	2.5	0.5	2.5
Ukraine					
GDP (% in annual comparison)	– 14.8	4.2	4.7	3.5	4.0
Albania					
GDP (% in annual comparison)	3.3	3.9	3.0	2.5	3.5
Russia					
GDP (% in annual comparison)	– 7.9	4.0	3.8	3.2	4.0

Source: Raiffeisen Research January 2012.

The expected global development graph of the CEE-17 countries also exhibits a positive 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 and insurance density development per CGU, no situations of insufficient coverage were identified in 2011 within the impairment test, with the exception of Romania.

The general economic situation as well as the development of the national economies continues 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 has already taken the necessary steps for accomplishing this.

A few expansions are planned for the review process in 2012: regular auditing will be expanded in order to optimise real-time monitoring for individual companies. A central location will also be set up in future to analyse the development of individual markets from a national economic perspective and to provide a consistent, uniform model for forecasting market developments. The results of this model will then be used in the calculation of company figures and in the regular planning process.

6. Reinsurance

The Management Board of the holding company determines, directly and indirectly, the strategic contents of reinsurance policy with its decisions regarding risk and capital policy. The following principles can be derived from external reinsurance to inform purchasing. Reinsurance structures sustainably support the optimisation of required risk capital and management of the use of this risk capital. Major significance accrues to the maximum use of diversification effects. Decisions regarding all reinsurance business ceded are taken with special consideration of their effects on required risk capital. Continuous analysis of reinsurance purchasing for efficiency characteristics is an essential component of internal risk management processes.

UNIQA Re AG in Zurich is responsible for the operational implementation of these tasks. It is responsible for and guarantees the implementation of reinsurance policies issued by the Management Board of the holding company. It is responsible for central guideline expertise on all activities, organisation and questions regarding internal and external reinsurance relationships. UNIQA Re AG is available to all Group companies as the risk carrier for their reinsurance needs. Internal risk transfers, of course, are subject to the same requirements and valuation processes in terms of efficiency measurement, risk capital optimisation and diversification as retrocessions to external reinsurance partners.

The assessment of the risk check of the portfolios assumed by the Group companies is of central importance. Periodic risk assessments have been performed for years in order to facilitate value-oriented management of capital expenditure. Extensive data are used to assess risk capital requirements for affected units. Reinsurance programmes are constantly structured in a goal-oriented manner in accordance with their influence on the assignor's risk situation.

For the property and casualty insurer, promises of performance for protection against damages from natural disasters represent by far the highest stress on risk capital due to the volatile nature of such claims and the conceivable amount of catastrophic damages. The UNIQA Group has set up a specialised unit within UNIQA Re AG in order to deal with this problem. Exposure is constantly monitored and evaluated at country and Group level in cooperation with internal and external bodies. With goal-oriented use of all applicable diversification effects and the positioning of a highly efficient retrocession programme, the UNIQA Group achieves a substantial relief of the load on risk capital.

UNIQA Re AG has assumed almost all of the UNIQA Group's required reinsurance business ceded in the reporting period. Only in the life insurance line was a portion of the necessary cessions given directly to external reinsurance partners. The Group's retrocessions in the non-life insurance line were done on a non-proportional basis. The Group assumes moderate excesses in the affected programmes according to risk and value-oriented approaches.

7. Risk management aims for 2012

7.1. Internal monitoring system

The implementation of a Group-wide internal control system is a major project for the risk management process in 2012. The objective of an internal control system is to secure efficient process workflows, as well as availability and reliability in financial and non-financial reporting.

In addition to prudential requirements, the UNIQA Group places a particularly high value on transparent and efficient processes, which are a prerequisite for attaining the strategic goals defined in the course of the UNIQA Group's reorientation.

The ICS guidelines, which were adopted at both the Group and company level, define the minimum requirements of an internal control system in terms of methods and scope. Central elements of these guidelines are in accordance with the framework that was developed by COSO ("Committee of Sponsoring Organizations of the Treadway Commission").

The ICS guidelines stipulate that the internal control system must be implemented for the following core processes (and their sub-processes):

- Accounting
- Asset management
- Product development
- Collection / disbursement
- Underwriting
- Processing of claims
- Risk management process

The objective is to recognise in a timely manner risks that can occur during a process and prevent them. After the risk identification phase, key controls should be defined for all major risks, and these controls should reduce or eliminate risks. In addition to accounting processes, in which we want to minimise the risk of errors in the consolidated statements by means of appropriate controls, we also place great emphasis on error-free process procedures from the core business.

Our goal for 2012 is to document the most important elements of the internal control system, such as process flows, identified risks and controls, across the Group and in a uniform manner. Furthermore, our ICS system is audited each year and adjusted as necessary.

Description of the most important features of the internal control system (ICS) with regard to the accounting process according to Section 243a paragraph 2 of the Austrian Commercial Code

In terms of accounting processes, an ICS process has been defined and in operation since 2009. 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. Processing is largely centralised for domestic affiliated companies. For international Group companies, the accounting process is largely decentralised.

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. 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 so that corrective measures can be taken. The procedure for identifying and monitoring the risks is regularly evaluated by an independent, external consultant.

7.2 ALM
UNIQA strives, in the context of an existing ALM process, for adequate duration matching between assets and liabilities. A major further development of existing ALM processes should take place in 2012 in the course of establishing the risk management department, and market and credit risk management in particular. A project is deriving strategic asset allocation tailored to fit the business model from given technical requirements, while also creating the necessary organisational structures and conditions for a functioning, interdepartmental ALM process. The ALM project includes strategically important topics such as the allocation of risk capital to individual risk types, the different structural conditions for deriving strategic asset allocation, comprehensive further development of existing limit and threshold systems, a Group-wide concept for efficient liquidity management, nominating rights for an ALM committee for the topics of profit sharing in the life insurance line and the development of new products, as well as the organisation and structural conditions of the ALM committee itself. ALM is an essential tool for UNIQA for providing the core business with efficient support by means of asset management. In the future, the focus on sustainability and economic risk/return assessments will become even more important with the introduction of Solvency II. In the context of this project, UNIQA wants to establish a state-of-the-art ALM process, thereby ensuring maximum benefits for policyholders, shareholders and other stakeholders.

7.3 Value-based management

On 1 January 2012, a new area called “value-based management” was established within the risk management department. The core task of this area is to support the company over the long term to make the greatest possible progress towards defined company goals. These goals include not only target profits, but also topics such as regulatory and economic equity and the Group’s rating.

Managing the company should be guided by the assessment of value creation by means of value-oriented key figures, whereby the relation of profits and risks form the core of new analytical methods.

This area will also be responsible for developing national economic themes. The focus here is on the analysis of the insurance markets in individual countries in Central and Southern Europe, as well as the expansion of the forecast model.

The area also covers the topics of compliance, code of conduct rules and sustainability. In order to protect the high reputation of the UNIQA brand, measures and existing processes for the prevention of money laundering, insider trading, corruption, theft and data protection will be expanded in the coming months.

7.4 ORSA (Own Risk and Solvency Assessment)

One focus in 2012 is the further development of the ORSA process. In addition to preparing internal guidelines, our focus is on addressing the entanglement of existing elements in the risk management framework.

Along with the internal evaluation of the risk situation in terms of risk sources and the evaluation of these risks, structured and strategic risk scenario development plays a central role here, as do the resulting implications on medium-term solvency, equity and profit positions.

7.5 Sustainability

We understand sustainable action as a major factor for our long-term economic success. This is why we were the first Austrian insurer to introduce the concept of “value-oriented company management” at Management Board level in a risk management department in the summer of 2011. For UNIQA, sustainability means working within a clear, transparent system of governance that assumes responsibility for three areas: the economy, society and the environment.

Our objective is to implement sustainability comprehensively in our strategy and business model. However – and we say this quite openly – we are not yet where want to be. In the next 12 months, we will begin anchoring risk and values management in the company. This means sustainability is linked with the strategy and is integrated into processes and systems. Responsibility and values management exists. Compliance rules not only meet legal requirements, but are also an important component of the company culture. The topic of sustainability is treated in an active and structured manner.

SUPPLEMENTARY INFORMATION ON THE CONSOLIDATED BALANCE SHEET

Development of asset items

Figures in € thousand

	Balance sheet values previous year	Currency differences	Additions	Unrealised capital gains and losses
A. Tangible assets				
I. Self-used land and buildings	268,563	– 4,793	3,445	0
II. Other tangible assets				
1. Tangible assets	68,866	– 1,050	18,882	0
2. Inventories	5,956		0	
3. Other assets	63,835		0	
Total A. II.	**138,657**	**– 1,050**	**18,882**	**0**
Total A.	**407,220**	**– 5,844**	**22,327**	**0**
B. Land and buildings held as financial investments	**1,465,297**	**– 9,709**	**177,221**	**0**
C. Intangible assets				
I. Deferred acquisition costs	891,131	– 4,028	263,561	0
II. Goodwill				
1. Purchased positive goodwill	175	0	0	0
2. Positive goodwill	533,913	– 7,633	2,945	0
3. Value of insurance policies	65,555	– 320	0	0
Total C. II.	**599,643**	**– 7,952**	**2,945**	**0**
III. Other intangible assets				
1. Self-developed software	1,612	– 17	497	0
2. Acquired intangible assets	29,491	– 754	14,734	0
Total C. III.	**31,103**	**– 771**	**15,231**	**0**
Total C.	**1,521,877**	**– 12,752**	**281,737**	**0**
D. Shares in associated companies	**546,444**	**0**	**3,337**	**– 5,851**
E. Investments				
I. Variable-yield securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	1,751,520	– 2,050	706,059	37,229
2. At fair value through profit or loss	694,424	0	42,534	0
Total E. I.	**2,445,944**	**– 2,050**	**748,593**	**37,229**
II. Fixed-interest securities				
1. Fixed-interest securities, held to maturity	340,000	0	0	0
2. Debt securities and other fixed-interest securities	11,198,539	– 32,221	6,016,769	– 60,671
3. At fair value through profit or loss	317,335	– 14	87,535	– 25
Total E. II.	**11,855,874**	**– 32,235**	**6,104,304**	**– 60,696**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	451	0	169	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	96,497	0	13	0
d) Loans and advance payments on policies	14,652	– 18	4,327	0
e) Other loan receivables and registered bonds	2,330,078	485	173,428	13,209
Total E. III. 1.	**2,442,231**	**467**	**177,937**	**13,209**
2. Cash at credit institutions/cash at banks	863,652	– 16,515	172,138	0
3. Deposits with ceding companies	136,794	0	5,999	0
Total E. III.	**3,442,677**	**– 16,048**	**356,074**	**13,209**
IV. Derivative financial instruments	28,252	– 111	56,446	0
Total E.	**17,772,746**	**– 50,444**	**7,265,417**	**– 10,259**
F. Investments held on account and at risk of life insurance policyholders	**4,192,730**	**– 29,917**	**1,604,957**	**– 20,675**
Aggregate total	**25,906,313**	**– 108,665**	**9,354,997**	**– 36,785**

Amortisation	Transfers	Disposals	Appreciation	Depreciation	Book value financial year
0	– 1,575	3,129	0	10,222	252,288
0	597	2,636	0	17,068	67,591
		84			5,872
		6,036			57,798
0	**597**	**8,756**	**0**	**17,068**	**131,261**
0	**– 979**	**11,886**	**0**	**27,290**	**383,549**
0	**819**	**4,198**	**0**	**62,471**	**1,566,958**
0	0	0	0	250,932	899,732
0	0	0	0	87	87
0	0	427	0	15,000	513,798
0	0	0	0	9,073	56,163
0	**0**	**427**	**0**	**24,160**	**570,048**
0	0	– 23	0	110	2,005
0	159	5,074	0	10,010	28,545
0	**159**	**5,051**	**0**	**10,120**	**30,551**
0	**159**	**5,478**	**0**	**285,212**	**1,500,331**
0	**0**	**12,365**	**24,555**	**25,635**	**530,485**
– 12	7,713	808,951	18,230	73,605	1,636,133
0	0	171,977	68,998	84,684	549,296
– 12	**7,713**	**980,928**	**87,229**	**158,289**	**2,185,429**
0	0	340,000	0	0	0
10,621	– 12,818	5,510,165	25,495	420,099	11,215,448
902	0	14,599	34,227	35,716	389,645
11,522	**– 12,818**	**5,864,764**	**59,722**	**455,815**	**11,605,094**
0	– 150	349	0	0	121
0	0	0	0	0	552
0	– 6,937	10,317	0	2,215	77,042
0	0	5,272	8	1	13,697
337	7,087	424,278	742	3,061	2,098,026
337	**0**	**440,216**	**750**	**5,276**	**2,189,439**
– 34	2,785	0	1,985	878	1,023,133
0	0	2,136	0	0	140,657
303	**2,785**	**442,351**	**2,735**	**6,155**	**3,353,229**
0	0	47,271	63,874	72,691	28,498
11,813	**– 2,320**	**7,335,314**	**213,560**	**692,950**	**17,172,249**
– 1	**2,320**	**1,257,883**	**62,334**	**157,849**	**4,396,016**
11,812	**0**	**8,627,125**	**300,449**	**1,251,407**	**25,549,588**

1. Self-used land and buildings

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Book values for		
Property and casualty	77,066	81,601
Health	11,415	15,369
Life	163,808	171,593
	252,288	**268,563**
Market values for		
Property and casualty	101,030	100,776
Health	13,903	17,919
Life	208,023	197,614
	322,955	**316,309**
Acquisition values	379,396	387,630
Cumulative depreciation	– 127,108	– 119,068
Book values	**252,288**	**268,563**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Self-used land and buildings	0	0

The market values are derived from expert reports.

2. Other tangible assets

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Tangible assets	67,591	68,866
Inventories	5,872	5,956
Other assets	57,798	63,835
Total	**131,261**	**138,657**

Tangible assets Development in financial year Figures in € thousand	
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**
Currency translation changes	– 1,050
Additions	18,882
Disposals	– 2,636
Transfers	597
Appreciation and depreciation	– 17,068
Book values as at 31 Dec. 2011	**67,591**
Acquisition values as at 31 Dec. 2010	242,014
Cumulative depreciation up to 31 Dec. 2011	– 174,424
Book values as at 31 Dec. 2011	**67,591**

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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Other tangible assets	29	0

3. Land and buildings held as financial investments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Book values for		
Property and casualty	282,815	289,959
Health	294,744	288,647
Life	989,399	886,690
	1,566,958	**1,465,297**
Market values for		
Property and casualty	455,630	603,044
Health	412,081	430,538
Life	1,423,226	1,124,723
	2,290,937	**2,158,305**
Acquisition values	2,135,243	1,968,476
Cumulative depreciation	– 568,284	– 503,179
Book values	**1,566,958**	**1,465,297**
Useful life for land and buildings	10– 80 years	10– 80 years

Additions from company acquisition Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Land and buildings held as financial investments	112,960	0

The market values are derived from expert reports.

Figures in € thousand	31 Dec. 2011
Change in impairment for current year	18,242
of which reallocation affecting income	18,242

4. Deferred acquisition costs

Figures in € thousand	2011	2010
Property and casualty		
As at 1 Jan.	**162,092**	**152,824**
Currency translation changes	– 2,920	438
Capitalisation	114,921	119,389
Depreciation	– 104,729	– 110,559
As at 31 Dec.	**169,364**	**162,092**
Health		
As at 1 Jan.	**227,185**	**224,414**
Currency translation changes	– 121	57
Capitalisation	18,138	16,083
Interest surcharge	8,833	8,710
Depreciation	– 21,356	– 22,079
As at 31 Dec.	**232,680**	**227,185**
Life		
As at 1 Jan.	**501,854**	**506,614**
Currency translation changes	– 987	249
Capitalisation	107,064	96,006
Interest surcharge	14,605	17,375
Depreciation	– 124,848	– 118,390
As at 31 Dec.	**497,687**	**501,854**
In the consolidated financial statements		
As at 1 Jan.	**891,131**	**883,851**
Currency translation changes	– 4,028	744
Capitalisation	240,123	231,479
Interest surcharge	23,438	26,085
Depreciation	– 250,932	– 251,028
As at 31 Dec.	**899,732**	**891,131**

5. Goodwill

Figures in € thousand	
Acquisition values as at 31 Dec. 2010	767,781
Cumulative depreciation up to 31 Dec. 2010	– 168,138
Book values as at 31 Dec. 2010	**599,643**
Acquisition values as at 31 Dec. 2010	761,677
Cumulative depreciation up to 31 Dec. 2011	– 191,629
Book values as at 31 Dec. 2011	**570,048**

There were no major additions in 2011 – see also the Notes on the scope of consolidation, page 89.

Figures in € thousand	
Cumulative depreciation up to 31 Dec. 2011	191,629
of which relating to impairment	43,767
of which current depreciation	147,862

Figures in € thousand	31 Dec. 2011
Change in impairment for current year	15,000
of which reallocation affecting income	15,000

The values mentioned above include the goodwill and the purchase price paid for the total acquired insurance policies.

Company acquisitions 2011 Figures in € thousand	Amounts placed at the time of acquisition	Book values of the acquired companies
Assets	**122,214**	**122,214**
Tangible assets	29	29
Land and buildings held as financial investments	112,960	112,960
Intangible assets	653	653
Shares in associated companies	0	0
Investments	3,824	3,824
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	76	76
Receivables from income tax	0	0
Deferred tax assets	0	0
Liquid funds	4,671	4,671
Equity and liabilities	**122,214**	**122,214**
Total equity	51,914	51,914
Subordinated liabilities	0	0
Technical provisions	5	5
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	0	0
Other provisions	503	503
Payables and other liabilities	63,359	63,359
Liabilities from income tax	11	11
Deferred tax liabilities	6,422	6,422
Currency differences	0	0

6. Other intangible assets

Figures in € thousand	Self-developed software	Acquired intangible assets
Acquisition values as at 31 Dec. 2010	37,752	182,263
Cumulative depreciation up to 31 Dec. 2010	– 36,140	– 152,772
Book values as at 31 Dec. 2010	**1,612**	**29,491**
Acquisition values as at 31 Dec. 2010	38,230	179,796
Cumulative depreciation up to 31 Dec. 2011	– 36,224	– 151,251
Book values as at 31 Dec. 2011	**2,005**	**28,545**

The other intangible assets are composed of:

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Computer software	26,865	27,656
Copyrights	0	0
Licences	1,276	512
Other intangible assets	2,410	2,935
	30,551	**31,103**

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 licenses 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 Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Self-developed software	0	0
Acquired intangible assets	653	0

Figures in € thousand	2011
Research and development expenditure recorded as an expense during the period under review	6,525

7. Shares in affiliated companies and companies valued at equity

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Current market values for		
Shares in affiliated companies of minor importance [1)]	21,845	21,235
Shares in associated companies of minor importance	3,574	3,574
Book values for		
Shares in associated companies valued at equity	526,911	542,870
Equity for		
Shares in affiliated companies of minor importance	22,959	21,595
Annual net profit/loss for the year		
Shares in affiliated companies of minor importance	1,189	1,508

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 deterioration in the shares in associated companies was mainly due to the depreciation of Medicur-Holding Gesellschaft m.B.H. and Valida Holding AG.

Shares in associated companies Figures in € thousand	31 Dec. 2011
Current market value of associated companies listed on a public stock exchange	373,455
Profits/losses for the period	13,522
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	1,813,765
Proportional liabilities of shares in associated companies valued at equity	1,288,158

8. Fixed-interest securities, held to maturity

	Book values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Corporate bonds of domestic financial institutions	0	340,000
other securities	0	0
Total	**0**	**340,000**

	Market values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Corporate bonds of domestic financial institutions	0	340,000
other securities	0	0
Total	**0**	**340,000**

Contractual remaining term	Book values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Up to 1 year	0	340,000
More than 1 year up to 5 years	0	0
Total	**0**	**340,000**

Contractual remaining term	Market values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Up to 1 year	0	340,000
More than 1 year up to 5 years	0	0
Total	**0**	**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	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Shares in affiliated companies	21,845	21,235	0	0	0	0	0	0	21,845	21,235
Shares	505,854	799,655	216,309	197,862	– 149,916	– 139,796	0	0	572,247	857,721
Equity funds	480,823	356,651	1,929	29,634	– 27,881	– 24,826	0	0	454,871	361,459
Debenture bonds not capital-guaranteed	251,826	252,986	2,733	2,044	– 19,994	– 17,471	– 2,812	– 3,379	231,753	234,180
Other variable-yield securities	48,278	41,875	– 1,143	– 352	– 5,350	– 3,400	0	0	41,785	38,123
Participating interests and other investments	314,233	237,222	32,324	36,298	– 32,927	– 34,718	0	0	313,631	238,802
Fixed-interest securities	12,375,993	11,943,303	– 501,848	– 415,099	– 629,291	– 288,634	– 29,405	– 41,030	11,215,448	11,198,539
Total	**13,998,852**	**13,652,927**	**– 249,696**	**– 149,614**	**– 865,357**	**– 508,845**	**– 32,218**	**– 44,409**	**12,851,581**	**12,950,059**

Valuations based on internal calculations are included in the market values of shares. The effect of the internal valuation for 2011 results in a value increase not affecting income in the amount of € 53,500 thousand (2010: value increase € 33,546 thousand).

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Shares in affiliated companies	0	0	0	0	0	0
Shares	– 149,916	– 139,796	– 108,381	– 113,763	– 41,535	– 26,033
Equity funds	– 27,881	– 24,826	– 23,792	– 24,567	– 4,089	– 259
Debenture bonds not capital-guaranteed	– 19,994	– 17,471	– 17,471	– 14,326	– 2,523	– 3,145
Other variable-yield securities	– 5,350	– 3,400	– 3,400	– 3,400	– 1,950	0
Participating interests and other investments	– 32,927	– 34,718	– 30,462	– 34,475	– 2,464	– 243
Fixed-interest securities	– 629,291	– 288,634	– 239,825	– 280,351	– 389,466	– 8,283
Total	**– 865,357**	**– 508,845**	**– 423,331**	**– 470,882**	**– 442,027**	**– 37,963**

Type of investment	Change in value adjustment current year	of which write-down/write-up affecting income	of which changes due to disposal	Write-up of equity
Figures in € thousand	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011
Shares in affiliated companies	0	0	0	0
Shares	– 10,119	– 41,535	31,416	0
Equity funds	– 3,055	– 4,089	1,034	0
Debenture bonds not capital-guaranteed	– 2,523	– 2,523	0	0
Other variable-yield securities	– 1,950	– 1,950	0	0
Participating interests and other investments	1,791	– 2,464	4,256	0
Fixed-interest securities	– 340,657	– 389,466	48,809	0
Total	**– 356,513**	**– 442,027**	**85,514**	**0**

Change in equity	Allocation not affecting income		Withdrawal[1] due to disposals affecting income		Change in unrealised gains/losses	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Other securities – available for sale[2]						
Gross	– 10,259	– 90,086	– 61,289	– 67,425	– 71,547	– 157,511
Deferred tax	18,984	11,863	7,757	3,656	26,741	15,519
Deferred profit participation	– 35,391	53,072	41,774	52,768	6,382	105,839
Minority interests	– 5,366	5,980	1,638	3,880	– 3,728	9,861
Net	**– 32,032**	**– 19,171**	**– 10,120**	**– 7,121**	**– 42,152**	**– 26,292**

[1] Withdrawals affecting the income statement due to disposals and impairments.
[2] Including 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
Figures in € thousand	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011
Securities available for sale	**9,599,898**	**2,603,821**	**647,862**	**12,851,581**
Shares in affiliated companies	83	21,762	0	21,845
Shares	410,997	160,942	308	572,247
Equity funds	275,275	179,595	1	454,871
Debenture bonds not capital-guaranteed	32,711	199,042	0	231,753
Other variable-yield securities	0	41,785	0	41,785
Participating interests and other investments	29	313,602	0	313,631
Fixed-interest securities	8,880,803	1,687,093	647,553	11,215,448
At fair value through profit and loss	**159,731**	**768,940**	**10,269**	**938,941**
Derivative financial instruments	**– 236**	**2,136**	**0**	**1,900**
Total	**9,759,393**	**3,374,898**	**658,131**	**13,792,422**

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 2011.

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
Figures in € thousand	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011	31 Dec. 2011
As at 1 Jan. 2011	**643,945**	**12,813**	**0**	**656,758**
Exchange rate differences	22	0	0	22
Total gains or losses for the period recognised in profit or loss	8,312	– 1,079	0	7,234
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	36,407	0	0	36,407
Purchase	26,737	0	0	26,737
Sales	– 16,021	– 40	0	– 16,061
Issues	0	0	0	0
Settlements	– 51,541	– 1,425	0	– 52,966
Transfers	0	0	0	0
As at 31 Dec. 2011	**647,862**	**10,269**	**0**	**658,131**

Contractual remaining term	Acquisition costs		Market values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010	31 Dec. 2011	31 Dec. 2010
Infinite	95,838	103,414	71,265	88,908
Up to 1 year	1,752,823	1,542,452	1,583,690	1,374,544
More than 1 year up to 5 years	4,164,715	3,731,367	3,940,069	3,634,209
More than 5 years up to 10 years	4,694,029	4,396,211	4,414,907	4,233,496
More than 10 years	1,968,691	2,464,720	1,479,056	2,139,685
Total	**12,676,097**	**12,238,163**	**11,488,987**	**11,470,842**

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

Risk of default rating Figures in € thousand	31 Dec. 2011
Fixed-interest securities	
Rating AAA	3,257,974
Rating AA	1,415,136
Rating A	2,644,193
Rating BBB	2,288,974
Rating < BBB	1,431,621
Not assigned	451,089
Rating total of fixed-interest securities	**11,488,987**
Issuer countries	
Share securities	
IE, NL, UK, US	339,568
AT, BE, CH, DE, DK, FR, IT	590,531
ES, FI, NO, SE	16,254
Remaining EU	140,941
other countries	122,973
Issuer countries total of share securities	**1,210,268**
Other shareholdings	130,482
Total variable-yield securities	**1,340,750**

10. Derivative financial instruments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Market values		
Equity price risk	2,097	4,321
Interest rate risk	0	2,217
Currency risk	– 22,057	7,008
Structured risk	21,861	11,044
Total	**1,900**	**24,589**
Structured risk – of which:		
Equity price risk	7,022	2,788
Interest rate risk	1,258	2,821
Currency risk	13,581	5,435
Credit risk	0	0
Balance sheet values		
Investments	28,498	28,252
Financial liabilities	– 26,598	– 3,663

11. Loans

Figures in € thousand	Book values 31 Dec. 2011	31 Dec. 2010
Loans to affiliated companies	121	451
Loans to participating interests	552	552
Mortgage loans	77,042	96,497
Loans and advance payments on policies	13,697	14,652
Other loans	619,015	613,679
Registered bonds	389,918	336,592
Reclassified bonds	1,089,093	1,379,806
Total	**2,189,439**	**2,442,231**

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 thousand were reclassified. The corresponding revaluation reserve as at 30 June 2008 was minus €98,208 thousand.

Reclassified bonds Figures in € thousand	2011	2010	2009	2008
Book value as at Dec. 31	1,089,093	1,379,806	1,796,941	2,102,704
Market value as at Dec. 31	981,394	1,345,580	1,732,644	1,889,108
Change of current market value	– 73,987	30,586	149,299	– 213,596
Amortisation income/expense	332	473	5,917	– 61
Impairment	– 25	– 8,043	0	0

Contractual remaining term Figures in € thousand	Book values 31 Dec. 2011	31 Dec. 2010
Infinite	5,797	4,878
Up to 1 year	655,397	789,704
More than 1 year up to 5 years	524,064	599,738
More than 5 years up to 10 years	781,837	827,016
More than 10 years	222,344	220,895
Total	**2,189,439**	**2,442,231**

	Market values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Loans to affiliated companies	121	451
Loans to participating interests	552	552
Mortgage loans	77,042	96,497
Loans and advance payments on policies	13,697	14,652
Other loans	621,135	627,032
Registered bonds	389,918	336,592
Reclassified bonds	981,394	1,345,580
Total	**2,083,860**	**2,421,357**

Contractual remaining term	Market values	
Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Infinite	5,797	4,878
Up to 1 year	556,906	734,687
More than 1 year up to 5 years	536,068	625,244
More than 5 years up to 10 years	766,164	835,704
More than 10 years	218,926	220,843
Total	**2,083,860**	**2,421,357**

Impairment Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Change in impairment for current year	5,288	20,302
of which reallocation affecting income	5,288	20,302

12. Other investments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Deposits with credit institutions	1,023,133	863,652
Deposits with ceding companies	140,657	136,794
Total	**1,163,790**	**1,000,446**

13. Receivables including receivables under the insurance business

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
I. Reinsurance receivables		
1. Accounts receivables under reinsurance operations	58,825	39,741
	58,825	**39,741**
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	271,784	317,444
2. from intermediaries	83,461	75,569
3. from insurance companies	15,227	12,832
	370,472	**405,845**
Other receivables		
Accrued interest and rent	241,553	254,254
Other tax refund claims	50,976	64,535
Receivables due from employees	4,079	4,300
Other receivables	203,687	180,990
	500,295	**504,079**
Total other receivables	**870,767**	**909,924**
Subtotal	**929,592**	**949,665**
of which receivables with a remaining term of		
Up to 1 year	904,334	934,420
More than 1 year	25,257	15,245
	929,592	**949,665**
of which receivables with values not yet adjusted		
Up to 3 months overdue	47,240	65,863
More than 3 months overdue	12,657	9,285
III. Other assets		
Accruals	58,404	54,819
	58,404	**54,819**
Total receivables incl. receivables under insurance business	**987,996**	**1,004,484**

14. Receivables from income tax

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Receivables from income tax	51,156	46,111
of which receivables with a remaining term of		
Up to 1 year	51,156	44,104
More than 1 year	0	2,007

15. Deferred tax assets

Cause of origin Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Actuarial items	6,194	8,358
Social capital	61,345	44,856
Investments	60,516	8,901
Loss carried forward	52,737	16,908
other	25,374	24,379
Total	**206,166**	**103,401**
of which not affecting income	13,548	8,325

For losses carried forward in the amount of €76,823 thousand, the deferred tax of €18,422 thousand was not capitalised because utilisation will not be possible in the foreseeable future.

16. Subscribed capital

	31 Dec. 2011	31 Dec. 2010
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 profit and loss from pension and severance payment provisions was posted as "actuarial profit and loss from performance-based pension commitments" after deducting deferred policyholder profit participation and deferred taxes.

On 21 September 2010 the Management Board made use of its authorisation in accordance with the decision of the 11th Annual General Meeting on 31 May 2010 and decided on a share repurchase programme. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 21 September 2010. According to which the Management Board is authorised to purchase up to 14,298,521 notional no-par shares made out to the bearer. The programme for repurchasing shares entered into effect on 19 November 2010. During the financial year, none of the company's own shares were acquired through the stock exchange.

Capital requirement

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

As at 31 December 2011, the adjusted equity amounted to €1,404,065 (2010: €1,644,202 thousand). In ascertaining the adjusted equity, non-tangible economic goods (especially goodwill) and shares 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 €1,145,813 thousand (2010: €1,117,254 thousand), the statutory requirements were exceeded by €258,252 thousand (2010: €526,948 thousand), resulting in a coverage rate of 122.5% (2010: 147.2%). 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 3rd quarter of 2008. This increased the adjusted equity by €277,882 thousand (2010: €221,895 thousand).

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).

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,404,065	1,644,202
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,126,184	1,422,307

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

	31 Dec. 2011	31 Dec. 2010
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € thousand	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in per cent	0.57	0.57

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

Earnings per share	2011	2010
Consolidated profit Figures in € thousand	– 245,614	42,266
of which accounts for ordinary shares Figures in € thousand	– 245,614	42,266
Own shares as at 31 Dec.	819,650	819,650
Average number of shares in circulation	142,165,567	142,165,567
Earnings per share (in €)[1]	– 1.73	0.30
Earnings before taxes per share (in €)[1]	– 2.30	0.66
Earnings per share[1], adjusted for goodwill amortisation (in €)	– 1.56	0.40
Profit from ordinary activities per share, adjusted for goodwill amortisation (in €)	– 2.12	1.10
Dividend per share[2]	0.00	0.40
Dividend payment Figures in € thousand[2]	0	56,866

[1] Calculated on the basis of the consolidated profit of the year.
[2] Subject to the decision to be taken in the Annual General Meeting.

The diluted earnings per share are equal to the undiluted earnings per share in the financial year and in the previous year.

Change in the tax amounts included in the equity without affecting income Figures in € thousand	31 Dec. 2011
Effective tax	0
Deferred tax	31,965
Total	**31,965**

17. Minority interests

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
In revaluation reserve	– 15,253	– 18,982
In actuarial gains and losses on defined benefit plans	– 5,731	– 4,816
In net income/loss for the year	1,765	48,597
In other equity	238,927	219,500
Total	**219,708**	**244,299**

18. Subordinated liabilities

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Supplementary capital	575,000	575,000

Partial debentures with a nominal value of €325,000 thousand 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 Supervisory 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 per cent, except in the case of Raiffeisen Versicherung AG, where the interest to December 2012 will be 5.7 per cent, plus a bonus interest payment of between 0.2 and 0.4 per cent 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 €150,000 thousand 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 5.079 per cent.

In January of 2007 UNIQA Versicherungen AG issued bearer debentures with a face value of €100,000 thousand 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 per cent.

19. Unearned premiums

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Property and casualty		
Gross	596,506	581,427
Reinsurers' share	– 15,352	– 20,933
	581,154	**560,494**
Health		
Gross	19,528	17,220
Reinsurers' share	– 3,190	– 1,305
	16,338	**15,914**
In the consolidated financial statements		
Gross	616,034	598,646
Reinsurers' share	– 18,542	– 22,238
Total (fully consolidated values)	**597,493**	**576,408**

20. Actuarial provision

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Property and casualty		
Gross	36,264	38,336
Reinsurers' share	– 390	– 376
	35,874	**37,959**
Health		
Gross	2,694,604	2,535,051
Reinsurers' share	– 1,204	– 1,323
	2,693,400	**2,533,728**
Life		
Gross	13,975,382	13,906,519
Reinsurers' share	– 454,241	– 447,009
	13,521,141	**13,459,510**
In the consolidated financial statements		
Gross	16,706,249	16,479,906
Reinsurers' share	– 455,835	– 448,708
Total (fully consolidated values)	**16,250,414**	**16,031,197**

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

For Figures in per cent	Health insurance acc. to SFAS 60	Life insurance acc. to SFAS 120
2011		
For actuarial provision	4.50 or 5.50	1.75 – 4.00
For deferred acquisition costs	4.50 or 5.50	3.88
2010		
For actuarial provision	4.50 or 5.50	1.75 – 4.00
For deferred acquisition costs	4.50 or 5.50	4.34

21. Provision for outstanding claims

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Property and casualty		
Gross	2,157,714	2,095,287
Reinsurers' share	– 193,749	– 223,336
	1,963,965	**1,871,952**
Health		
Gross	177,169	172,834
Reinsurers' share	– 30	– 555
	177,139	**172,279**
Life		
Gross	121,645	124,393
Reinsurers' share	– 13,493	– 16,084
	108,152	**108,309**
In the consolidated financial statements		
Gross	2,456,528	2,392,514
Reinsurers' share	– 207,271	– 239,975
Total (fully consolidated values)	**2,249,257**	**2,152,539**

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

Figures in € thousand	2011	2010
1. Provisions for outstanding claims as at 1 Jan.		
a) Gross	2,095,287	2,028,238
b) Reinsurers' share	– 223,336	– 281,334
c) Retention	**1,871,952**	**1,746,904**
2. Plus (retained) claims expenditures		
a) Losses of the current year	1,703,383	1,760,000
b) Losses of the previous year	– 57,977	– 60,022
c) Total	**1,645,405**	**1,699,977**
3. Less (retained) losses paid		
a) Losses of the current year	– 883,040	– 946,201
b) Losses of the previous year	– 649,498	– 620,472
c) Total	**– 1,532,538**	**– 1,566,673**
4. Foreign currency translation	**– 22,930**	**– 8,920**
5. Change in consolidation scope	**0**	**0**
6. Other changes	**2,077**	**664**
7. Provisions for outstanding claims as at 31 Dec.		
a) Gross	2,157,714	2,095,287
b) Reinsurers' share	– 193,749	– 223,336
c) Retention	**1,963,965**	**1,871,952**

Claims payments Figures in € thousand	2006	2007	2008	2009	2010	2011	Total
Financial year	650,567	709,038	788,545	847,918	878,224	845,112	
1 year later	989,360	1,099,037	1,201,570	1,287,309	1,311,879		
2 years later	1,080,882	1,192,934	1,301,383	1,397,156			
3 years later	1,122,027	1,239,116	1,350,531				
4 years later	1,147,738	1,275,262					
5 years later	1,161,511						
Accumulated payments	1,161,511	1,275,262	1,350,531	1,397,156	1,311,879	845,112	
Estimated final claims payments	1,235,978	1,369,063	1,474,621	1,592,720	1,607,330	1,580,721	
Current balance sheet reserve	74,467	93,800	124,090	195,565	295,451	735,609	1,518,981
Balance sheet reserve for the claims years 2005 and before							450,445
							1,969,427
Plus other reserve components (internal claims regulation costs, etc.)							188,287
Provisions for outstanding claims (gross) as at 31 Dec. 2011							**2,157,714**

22. Provision for premium refunds

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Property and casualty		
Gross	39,302	38,784
Reinsurers' share	– 4	– 33
	39,298	**38,751**
Health		
Gross	80,759	66,671
Reinsurers' share	0	0
	80,759	**66,671**
Life		
Gross	– 60,742	113,929
Reinsurers' share	0	0
	– 60,742	**113,929**
In the consolidated financial statements		
Gross	59,319	219,383
Reinsurers' share	– 4	– 33
Total (fully consolidated values)	**59,315**	**219,351**
of which profit-unrelated (retention)	51,529	49,439
of which profit-related (retention)	7,786	169,912

Gross Figures in € thousand	31 Dec. 2011	31 Dec. 2010
a) Provision for profit-unrelated premium refunds	**51,533**	**49,472**
of which property and casualty insurance	32,185	31,024
of which health insurance	17,264	16,578
of which life insurance	2,084	1,869
b) Provision for profit-related premium refunds and / or policyholder profit participation	**185,944**	**217,463**
of which property and casualty insurance	7,117	7,760
of which health insurance	55,242	44,876
of which life insurance	123,585	164,827
Deferred profit participation	**– 178,158**	**– 47,551**
of which health insurance	8,253	5,217
of which life insurance	– 186,411	– 52,767
Total (fully consolidated values)	**59,319**	**219,383**

Gross Figures in € thousand	2011	2010
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1 Jan.	**266,934**	**234,866**
Changes due to:		
Other changes	– 29,457	32,069
As at 31 Dec.	**237,477**	**266,934**
b) Deferred profit participation		
As at 1 Jan.	**– 47,551**	**9,287**
Changes due to:		
fluctuation in value, securities available for sale	– 6,645	– 105,922
actuarial gains and losses on defined benefit plans	– 451	– 8,712
revaluations affecting income	– 123,511	57,796
As at 31 Dec.	**– 178,158**	**– 47,551**

The deferred profit participation was an asset item for the years 2011 und 2010. Based on the business model used in life insurance and the management rules applied in the Group, this asset item will be reduced 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”).

The change that took place during the financial year due to the revaluations affecting income resulted mainly from capital gains that were realised in accordance with local law, and were then eliminated in the Group as a temporary result.

23. Technical provisions

Gross Figures in € thousand	Provision for 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
Property and casualty							
As at 31 Dec. 2010	**581,427**	**38,336**	**2,095,287**	**31,024**	**7,760**	**23,228**	**2,777,061**
Exchange rate differences	– 17,002	– 1,029	– 24,378	– 139	– 11	– 791	– 43,350
Change in consolidation scope	0		0				0
Portfolio changes	436					0	436
Additions		1,104		2,276	906	27,746	32,032
Disposals		– 2,146		– 976	– 1,538	– 24,137	– 28,798
Premiums written	1,796,098						1,796,098
Premiums earned	– 1,764,452						– 1,764,452
Claims in reporting year			1,735,237				1,735,237
Claims payments in reporting year			– 897,361				– 897,361
Change in claims from previous years			– 61,380				– 61,380
Claims payments in previous years			– 689,691				– 689,691
As at 31 Dec. 2011	**596,506**	**36,264**	**2,157,714**	**32,185**	**7,117**	**26,047**	**2,855,832**
Health							
As at 31 Dec. 2010	**17,220**	**2,535,051**	**172,834**	**16,578**	**50,092**	**548**	**2,792,323**
Exchange rate differences	– 156	– 42	– 76	– 26		– 4	– 305
Change in consolidation scope							0
Portfolio changes	57		167			– 3	220
Additions		167,950		2,784	14,911	44	185,689
Disposals		– 8,355		– 2,073	– 1,509	– 11	– 11,947
Premiums written	834,119						834,119
Premiums earned	– 831,711						– 831,711
Claims in reporting year			662,879				662,879
Claims payments in reporting year			– 509,582				– 509,582
Change in claims from previous years			– 19,836				– 19,836
Claims payments in previous years			– 129,216				– 129,216
As at 31 Dec. 2011	**19,528**	**2,694,604**	**177,169**	**17,264**	**63,495**	**574**	**2,972,634**
Life							
As at 31 Dec. 2010	**0**	**13,906,519**	**124,393**	**1,869**	**112,060**	**23,696**	**14,168,537**
Exchange rate differences		– 23,135	– 672	– 37	– 277	– 447	– 24,568
Change in consolidation scope		0	0				0
Portfolio changes		181,114	1,050		0	1,842	184,006
Additions		128,652		331	54,505	3,828	187,316
Disposals		– 217,768		– 79	– 229,113	– 5,558	– 452,518
Premiums written							0
Premiums earned							0
Claims in reporting year			1,529,141				1,529,141
Claims payments in reporting year			– 1,453,923				– 1,453,923
Change in claims from previous years			48,483				48,483
Claims payments in previous years			– 126,829				– 126,829
As at 31 Dec. 2011	**0**	**13,975,382**	**121,645**	**2,084**	**– 62,826**	**23,362**	**14,059,647**
Group total							
As at 31 Dec. 2010	**598,646**	**16,479,906**	**2,392,514**	**49,472**	**169,912**	**47,472**	**19,737,921**
Exchange rate differences	– 17,158	– 24,207	– 25,126	– 202	– 288	– 1,242	– 68,224
Change in consolidation scope	0	0	0				0
Portfolio changes	493	181,114	1,216		0	1,839	184,662
Additions		297,706		5,392	70,322	31,619	405,038
Disposals		– 228,269		– 3,128	– 232,160	– 29,705	– 493,262
Premiums written	2,630,217						2,630,217
Premiums earned	– 2,596,164						– 2,596,164
Claims in reporting year			3,927,257				3,927,257
Claims payments in reporting year			– 2,860,866				– 2,860,866
Change in claims from previous years			– 32,732				– 32,732
Claims payments in previous years			– 945,736				– 945,736
As at 31 Dec. 2011	**616,034**	**16,706,249**	**2,456,527**	**51,533**	**7,786**	**49,982**	**19,888,112**

Reinsurers' share Figures in € thousand	Provision for 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
Property and casualty							
As at 31 Dec. 2010	**20,933**	**376**	**223,336**	**33**	**0**	**3,168**	**247,845**
Exchange rate differences	117	– 18	– 1,448			– 182	– 1,530
Change in consolidation scope	0		0				0
Portfolio changes	– 323		– 62				– 385
Additions		31		0		559	591
Disposals		0		– 29		– 897	– 926
Premiums written	109,670						109,670
Premiums earned	– 115,045						– 115,045
Claims in reporting year			29,839				29,839
Claims payments in reporting year			– 14,320				– 14,320
Change in claims from previous years			– 3,402				– 3,402
Claims payments in previous years			– 40,194				– 40,194
As at 31 Dec. 2011	**15,352**	**390**	**193,749**	**4**	**0**	**2,648**	**212,143**
Health							
As at 31 Dec. 2010	**1,305**	**1,323**	**555**	**0**	**0**	**0**	**3,183**
Exchange rate differences	15		– 4				11
Change in consolidation scope							0
Portfolio changes							0
Additions							0
Disposals		– 119					– 119
Premiums written	5,159						5,159
Premiums earned	– 3,290						– 3,290
Claims in reporting year			13				13
Claims payments in reporting year			– 519				– 519
Change in claims from previous years			– 6				– 6
Claims payments in previous years			– 9				– 9
As at 31 Dec. 2011	**3,190**	**1,204**	**30**	**0**	**0**	**0**	**4,424**
Life							
As at 31 Dec. 2010	**0**	**447,009**	**16,084**	**0**	**0**	**– 163**	**462,930**
Exchange rate differences		– 21	– 22	0			– 43
Change in consolidation scope		0					0
Portfolio changes		– 1,634	1,168				– 466
Additions		9,237				4	9,241
Disposals		– 351		0		5	– 346
Premiums written							0
Premiums earned							0
Claims in reporting year			25,407				25,407
Claims payments in reporting year			– 20,965				– 20,965
Change in claims from previous years			– 2,023				– 2,023
Claims payments in previous years			– 6,156				– 6,156
As at 31 Dec. 2011	**0**	**454,241**	**13,493**	**0**	**0**	**– 154**	**467,579**
Group total							
As at 31 Dec. 2010	**22,238**	**448,708**	**239,974**	**33**	**0**	**3,005**	**713,959**
Exchange rate differences	133	– 39	– 1,475	0		– 182	– 1,562
Change in consolidation scope	0	0	0				0
Portfolio changes	– 323	– 1,634	1,106				– 850
Additions		9,269		0		563	9,832
Disposals		– 470		– 29		– 893	– 1,391
Premiums written	114,829						114,829
Premiums earned	– 118,335						– 118,335
Claims in reporting year			55,260				55,260
Claims payments in reporting year			– 35,805				– 35,805
Change in claims from previous years			– 5,431				– 5,431
Claims payments in previous years			– 46,359				– 46,359
As at 31 Dec. 2011	**18,542**	**455,835**	**207,271**	**4**	**0**	**2,494**	**684,146**

Retention Figures in € thousand	Provision for 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
Property and casualty							
As at 31 Dec. 2010	**560,494**	**37,959**	**1,871,952**	**30,991**	**7,760**	**20,060**	**2,529,216**
Exchange rate differences	–17,118	–1,012	–22,930	–139	–11	–609	–41,819
Change in consolidation scope	0		0				0
Portfolio changes	759		62			0	820
Additions		1,073		2,276	906	27,187	31,441
Disposals		–2,146		–948	–1,538	–23,240	–27,872
Premiums written	1,686,428						1,686,428
Premiums earned	–1,649,407						–1,649,407
Claims in reporting year			1,705,398				1,705,398
Claims payments in reporting year			–883,040				–883,040
Change in claims from previous years			–57,977				–57,977
Claims payments in previous years			–649,498				–649,498
As at 31 Dec. 2011	**581,155**	**35,874**	**1,963,965**	**32,181**	**7,117**	**23,398**	**2,643,690**
Health							
As at 31 Dec. 2010	**15,914**	**2,533,728**	**172,279**	**16,578**	**50,092**	**548**	**2,789,139**
Exchange rate differences	–172	–42	–72	–26		–4	–316
Change in consolidation scope							0
Portfolio changes	57		167			–3	220
Additions		167,950		2,784	14,911	44	185,689
Disposals		–8,236		–2,073	–1,509	–11	–11,828
Premiums written	828,960						828,960
Premiums earned	–828,421						–828,421
Claims in reporting year			662,866				662,866
Claims payments in reporting year			–509,063				–509,063
Change in claims from previous years			–19,829				–19,829
Claims payments in previous years			–129,207				–129,207
As at 31 Dec. 2011	**16,338**	**2,693,400**	**177,139**	**17,264**	**63,495**	**574**	**2,968,210**
Life							
As at 31 Dec. 2010	**0**	**13,459,510**	**108,309**	**1,869**	**112,060**	**23,858**	**13,705,607**
Exchange rate differences		–23,114	–650	–37	–277	–447	–24,525
Change in consolidation scope		0	0				0
Portfolio changes		182,747	–118		0	1,842	184,471
Additions		119,415		331	54,505	3,825	178,075
Disposals		–217,417		–79	–229,113	–5,562	–452,172
Premiums written							0
Premiums earned							0
Claims in reporting year			1,503,734				1,503,734
Claims payments in reporting year			–1,432,957				–1,432,957
Change in claims from previous years			50,506				50,506
Claims payments in previous years			–120,672				–120,672
As at 31 Dec. 2011	**0**	**13,521,141**	**108,152**	**2,084**	**–62,826**	**23,516**	**13,592,067**
Group total							
As at 31 Dec. 2010	**576,408**	**16,031,197**	**2,152,539**	**49,439**	**169,912**	**44,467**	**19,023,962**
Exchange rate differences	–17,290	–24,168	–23,651	–202	–288	–1,060	–66,660
Change in consolidation scope	0	0	0				0
Portfolio changes	816	182,747	110		0	1,839	185,512
Additions		288,437		5,392	70,322	31,055	395,206
Disposals		–227,799		–3,099	–232,160	–28,813	–491,871
Premiums written	2,515,388						2,515,389
Premiums earned	–2,477,828						–2,477,828
Claims in reporting year			3,871,998				3,871,998
Claims payments in reporting year			–2,825,061				–2,825,061
Change in claims from previous years			–27,301				–27,301
Claims payments in previous years			–899,377				–899,377
As at 31 Dec. 2011	**597,492**	**16,250,414**	**2,249,256**	**51,529**	**7,786**	**47,488**	**19,203,966**

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

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Gross	4,318,331	4,142,636
Reinsurers' share	– 405,513	– 396,542
Total	**3,912,818**	**3,746,094**

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

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Loan liabilities	**47,114**	**48,505**
Up to 1 year	3,158	1,440
More than 1 year up to 5 years	8,259	8,387
More than 5 years	35,697	38,678
Total	**47,114**	**48,505**

26. Provisions for pensions and similar commitments

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Provisions for pension	374,990	388,659
Provision for severance payments	218,029	135,717
Total	**593,019**	**524,376**

Figures in € thousand	2011	2010
As at 1 Jan.	**524,376**	**466,837**
Change in consolidation scope	0	738
Currency translation changes	– 39	9
Withdrawals for pension payments	– 66,580	– 37,072
Expenditure in the financial year	118,179	41,080
Actuarial profit and loss not affecting income	17,083	52,784
As at 31 Dec.	**593,019**	**524,376**

Active special policyholders with direct assurances to pension benefits, including members of the Management Board and leading executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances to pension benefits according to the "trade association recommendation for in-house and field sales staff" who, in

2008 and 2011, approved the offer to transfer existing vested pension rights to Valida Pension AG (formerly 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 Valida Pension AG in 2008 and 2011 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. In 2011, € 31,092 thousand was transferred.

The UNIQA Group's repositioning led to an expected reduction of staff, which is covered by provisions for social capital amounting to €75,000 thousand.

Calculation factors applied
Figures in per cent

2011	
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
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

Specification of pension expenditures for pensions and similar commitments included in the income statement Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Current service cost	92,261	15,266
Interest cost	25,956	25,872
Income and expenditures due to budget changes	– 38	– 59
Total	**118,179**	**41,080**

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

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Contributions to company pension funds	2,011	1,814

27. Other provisions

Figures in € thousand	Balance sheet values previous year	Currency translation changes	Change in consolidation scope	Utilisation	Reversals	Transfers	Additions	Balance sheet values financial year
Provision for unconsumed holidays	22,798	– 49	0	– 2,625	– 454	0	2,044	21,714
Provision for anniversary payments	15,969	0	0	– 85	– 99	0	224	16,009
	38,767	**– 49**	**0**	**– 2,709**	**– 554**	**0**	**2,268**	**37,722**
Other personnel provisions	15,678	– 56	0	– 4,637	– 4,148	0	7,583	14,419
Provision for customer relations and marketing	40,970	– 471	0	– 34,015	– 5,013	0	40,259	41,730
Provision for variable components of remuneration	13,715	0	0	– 12,621	– 1,095	0	13,918	13,918
Provision for legal and consulting expenses	4,326	2	9	– 3,156	– 593	– 1	7,826	8,415
Provision for premium adjustment of insurance contracts	11,154	31	0	– 6,702	– 267	0	3,956	8,172
Provision for portfolio maintenance commission	2,933	– 69	0	– 577	– 27	0	887	3,146
Other provisions	80,847	– 269	7	– 47,549	– 13,042	1	47,573	67,568
	169,623	**– 832**	**16**	**– 109,258**	**– 24,185**	**0**	**122,003**	**157,368**
Total	**208,390**	**– 881**	**16**	**– 111,967**	**– 24,739**	**0**	**124,270**	**195,090**

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Other provisions[1] with a high probability of utilisation (more than 90 per cent)		
Up to 1 year	77,596	82,612
More than 1 year up to 5 years	6,205	10,113
More than 5 years	4,759	5,307
	88,560	98,032
Other provisions[1] with a lower probability of consumption (less than 90 per cent)		
Up to 1 year	63,660	70,434
More than 1 year up to 5 years	3,952	807
More than 5 years	1,196	350
	68,808	**71,591**
Total	**157,368**	**169,623**

[1] Excl. unconsumed holidays and anniversary benefits.

28. Payables and other liabilities

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
I. Reinsurance liabilities		
1. Deposits held under reinsurance business ceded	860,209	845,767
2. Accounts payable under reinsurance operations	42,262	43,783
	902,472	**889,550**
II. Other payables		
Liabilities under insurance business		
Liabilities under direct insurance business		
to policyholders	133,545	134,321
to intermediaries	108,858	109,426
to insurance companies	12,594	10,147
	254,997	**253,893**
Liabilities to credit institutions	**393**	**1,270**
Other liabilities	**316,736**	**412,217**
of which for taxes	63,657	63,640
of which for social security	11,510	11,477
of which from fund consolidation	99,343	197,156
Total other liabilities	**572,126**	**667,380**
Subtotal	**1,474,598**	**1,556,930**
of which liabilities with the remaining term of		
Up to 1 year	778,562	867,120
More than 1 year up to 5 years	7,911	8,588
More than 5 years	688,125	681,222
	1,474,598	**1,556,930**
III. Other liabilities		
Deferred income	43,318	21,617
Total payables and other liabilities	**1,517,916**	**1,578,547**

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

29. Liabilities from income tax

Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Liabilities from income tax	**19,157**	**56,170**
of which liabilities with the remaining term of		
Up to 1 year	3,626	4,765
More than 1 year up to 5 years	15,531	51,405
More than 5 years	0	0

30. Deferred tax liabilities

Cause of origin Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Actuarial items	200,599	198,187
Untaxed reserves	25,766	25,842
Shares in affiliated companies	28,430	28,430
Investments	1,614	24,431
other	35,329	30,161
Total	**291,739**	**307,051**
of which not affecting income	– 42,581	– 15,840

NOTES TO THE CONSOLIDATED INCOME STATEMENT

31. Premiums written

Direct business Figures in € thousand	2011	2010
Property and casualty	2,683,295	2,559,004
Health	1,004,866	970,355
Life	1,607,809	1,797,586
Total (fully consolidated values)	**5,295,970**	**5,326,946**
Of which written in:		
Austria	3,141,299	3,111,528
other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,918,574	2,021,791
Other countries	236,097	193,626
Total (fully consolidated values)	**5,295,970**	**5,326,946**

Indirect business Figures in € thousand	2011	2010
Property and casualty	30,589	31,081
Health	3	4
Life	22,265	21,108
Total (fully consolidated values)	**52,857**	**52,193**

Figures in € thousand	2011	2010
Total (fully consolidated values)	**5,348,827**	**5,379,138**

Premiums written in property and casualty insurance Figures in € thousand	2011	2010
Direct business		
Fire and business interruption insurance	231,919	216,218
Household insurance	206,131	194,057
Other property insurance	245,211	236,108
Motor TPL insurance	655,415	638,285
Other motor insurance	512,883	491,548
Casualty insurance	305,136	280,717
Liability insurance	254,687	242,943
Legal expenses insurance	65,390	62,067
Marine, aviation and transport insurance	122,996	116,535
Other insurance	83,527	80,527
Total	**2,683,295**	**2,559,004**
Indirect business		
Marine, aviation and transport insurance	1,481	2,628
Other insurance	29,108	28,452
Total	**30,589**	**31,081**
Total direct and indirect business (fully consolidated values)	**2,713,883**	**2,590,085**

Reinsurance premiums ceded Figures in € thousand	2011	2010
Property and casualty	118,585	120,945
Health	6,147	3,742
Life	79,826	77,728
Total (fully consolidated values)	**204,558**	**202,414**

32. Premiums earned

Figures in € thousand	2011	2010
Property and casualty	**2,556,386**	**2,431,051**
Gross	2,680,437	2,551,325
Reinsurers' share	– 124,051	– 120,275
Health	**997,900**	**966,213**
Gross	1,002,299	969,450
Reinsurers' share	– 4,399	– 3,237
Life	**1,551,192**	**1,741,357**
Gross	1,631,009	1,819,102
Reinsurers' share	– 79,818	– 77,745
Total (fully consolidated values)	**5,105,478**	**5,138,622**

Premiums earned in indirect business Figures in € thousand	2011	2010
Posted immediately	3,122	4,529
Posted after up to 1 year	27,285	27,045
Posted after more than 1 year	0	0
Property and casualty	**30,408**	**31,574**
Posted immediately	3	4
posted after up to 1 year	0	0
Posted after more than 1 year	0	0
Health	**3**	**4**
Posted immediately	3,907	4,003
Posted after up to 1 year	18,358	17,105
Posted after more than 1 year	0	0
Life	**22,265**	**21,108**
Total (fully consolidated values)	**52,676**	**52,686**

Earnings from indirect business Figures in € thousand	2011	2010
Property and casualty	1,440	5,835
Health	15	– 7
Life	4,322	4,229
Total (fully consolidated values)	**5,777**	**10,057**

33. Income from fees and commissions

Reinsurance commission and profit shares from reinsurance business ceded Figures in € thousand	2011	2010
Property and casualty	10,267	7,114
Health	54	55
Life	21,498	7,315
Total (fully consolidated values)	**31,820**	**14,483**

34. Net investment income

By segment	Property and casualty		Health		Life		Group	
Figures in € thousand	2011	2010	2011	2010	2011	2010	2011	2010
I. Properties held as investments	**7,761**	**3,932**	**3,639**	**6,065**	**–8,402**	**6,006**	**2,998**	**16,003**
II. Shares in associated companies	**–15,897**	**984**	**11,619**	**12,726**	**6,212**	**8,302**	**1,934**	**22,012**
III. Variable-yield securities	**4,097**	**33,699**	**–15,193**	**10,018**	**9,177**	**102,707**	**–1,919**	**146,424**
1. Available for sale	5,918	29,998	–12,000	5,618	81	37,211	–6,000	72,827
2. At fair value through profit or loss	–1,822	3,701	–3,193	4,400	9,096	65,496	4,081	73,597
IV. Fixed-interest securities	**38,643**	**52,262**	**–8,328**	**94,424**	**195,916**	**583,085**	**226,231**	**729,771**
1. Held to maturity	1,076	1,392	2,218	2,870	14,044	18,169	17,338	22,431
2. Available for sale	37,608	50,210	–11,710	89,600	165,096	541,361	190,993	681,170
3. At fair value through profit or loss	–41	660	1,164	1,955	16,777	23,555	17,900	26,170
V. Loans and other investments	**30,022**	**25,946**	**29,331**	**24,948**	**79,778**	**75,286**	**139,131**	**126,181**
1. Loans	16,473	16,372	25,115	23,892	37,918	36,054	79,506	76,318
2. Other investments	13,548	9,575	4,216	1,056	41,861	39,232	59,625	49,863
VI. Derivative financial instruments (held for trading)	**–8,208**	**–8,247**	**–9,827**	**–13,333**	**–80,009**	**–91,421**	**–98,044**	**–113,001**
VII. Expenditure for asset management, interest charges and other expenses	**–5,812**	**–17,252**	**–7,182**	**–7,327**	**–30,761**	**–30,494**	**–43,755**	**–55,073**
Total (fully consolidated values)	**50,606**	**91,323**	**4,058**	**127,521**	**171,912**	**653,472**	**226,576**	**872,316**

Stage 3 valuations (hierarchy for instruments, which are recognized at the reconciled current value) include profit in the amount of €8,312 thousand as income from available-for-sale fixed-income securities and losses in the amount of €1,079 thousand as income from fixed-income securities valuated at current value in the income statement.

By income type Figures in € thousand	Ordinary income 2011	Ordinary income 2010	Write-ups and unrealised capital gains 2011	Write-ups and unrealised capital gains 2010	Realised capital gains 2011	Realised capital gains 2010
I. Properties held as investments	**64,863**	**57,338**	**0**	**0**	**648**	**378**
II. Shares in associated companies	**13,522**	**19,785**	**0**	**0**	**0**	**2,234**
III. Variable-yield securities	**48,276**	**44,316**	**87,229**	**131,676**	**46,923**	**90,282**
1. Available for sale	37,324	34,070	18,230	27,730	34,253	70,017
2. At fair value through profit or loss	10,952	10,246	68,999	103,946	12,670	20,266
IV. Fixed-interest securities	**532,727**	**504,341**	**60,218**	**175,204**	**112,335**	**177,871**
1. Held to maturity	17,338	22,431	0	0	0	0
2. Available for sale	496,897	464,482	25,987	154,207	111,411	176,153
3. At fair value through profit or loss	18,491	17,428	34,231	20,997	924	1,718
V. Loans and other investments	**150,131**	**152,744**	**2,761**	**3,344**	**4,642**	**14,799**
1. Loans	91,603	102,853	750	557	4,642	14,799
2. Other investments	58,528	49,890	2,010	2,788	0	0
VI. Derivative financial instruments (held for trading)	**– 16,794**	**– 12,766**	**82,092**	**63,267**	**40,402**	**48,680**
VII. Expenditure for asset management, interest charges and other expenses	**–43,755**	**–55,073**	**0**	**0**	**0**	**0**
Total (fully consolidated values)	**748,968**	**710,684**	**232,300**	**373,491**	**204,949**	**334,244**

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. The interest income from impaired portfolio items amounts to €25,994 thousand (2010: €25,173 thousand). The net investment income of €226,576 thousand includes realised and unrealised profits and losses amounting to €-522,392 thousand, which include currency losses of €28,016 thousand. In addition, currency effects amounting to €1,063 thousand were recorded directly as equity. The effects largely resulted from investments in US Dollars.

The income from properties held as financial investments include rent revenue in the amount of €96,634 thousand (2010: €86,526 thousand) and direct operational expenses in the amount of €31,772 thousand (2010: €29,188 thousand).

Of which securities, available for sale type of investment Figures in € thousand	Ordinary income 2011	Ordinary income 2010	Write-ups and unrealised capital gains 2011	Write-ups and unrealised capital gains 2010	Realised capital gains 2011	Realised capital gains 2010
III. Variable-yield securities						
1. Available for sale	37,324	34,070	18,230	27,730	34,253	70,017
Shares in affiliated companies	– 1,357	62	0	4	1,103	1,279
Shares	21,301	16,615	401	6,473	8,681	44,616
Equity funds	7,257	2,520	170	3,942	699	11,522
Debenture bonds not capital-guaranteed	4,726	7,652	17,642	17,311	1,611	183
Other variable-yield securities	1,533	2,166	0	0	0	1,231
Participating interests and other investments	3,863	5,055	17	0	22,160	11,185
IV. Fixed-interest securities						
2. Available for sale						
Fixed-interest securities	496,897	464,482	25,987	154,207	111,411	176,153

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2011	2010	2011	2010	2011	2010	2011	2010
–62,471	**–40,493**	**–41**	**–1,219**	**2,998**	**16,003**	**–19,158**	**–5,704**
–11,588	**–7**	**0**	**0**	**1,934**	**22,012**	**0**	**0**
–158,290	**–110,410**	**–26,056**	**–9,440**	**–1,919**	**146,424**	**–52,561**	**–29,680**
–73,606	–53,029	–22,201	–5,961	–6,000	72,827	–52,561	–29,680
–84,684	–57,381	–3,855	–3,479	4,081	73,597	0	0
–455,852	**–96,908**	**–23,196**	**–30,736**	**226,231**	**729,771**	**–389,466**	**–8,283**
0	0	0	0	17,338	22,431	0	0
–420,106	–84,027	–23,196	–29,645	190,993	681,170	–389,466	–8,283
–35,746	–12,882	0	–1,091	17,900	26,170	0	0
–6,201	**–23,117**	**–12,201**	**–21,590**	**139,131**	**126,181**	**–5,288**	**–20,302**
–5,288	–20,302	–12,201	–21,589	79,506	76,318	–5,288	–20,302
–913	–2,815	0	0	59,625	49,863	0	0
–80,042	**–37,218**	**–123,702**	**–174,964**	**–98,044**	**–113,001**	**0**	**0**
0	**0**	**0**	**0**	**–43,755**	**–55,073**	**0**	**0**
–774,445	**–308,154**	**–185,197**	**–237,949**	**226,576**	**872,316**	**–466,473**	**–63,969**

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2011	2010	2011	2010	2011	2010	2011	2010
–73,606	–53,029	–22,201	–5,961	–6,000	72,827	–52,561	–29,680
–205	–657	–59	–422	–518	267	0	0
–43,019	–31,835	–9,866	–5,922	–22,501	29,946	–41,535	–26,033
–4,295	–438	–12,153	403	–8,322	17,948	–4,089	–259
–20,122	–19,855	–110	–20	3,747	5,271	–2,523	–3,145
–1,950	0	0	0	–417	3,397	–1,950	0
–4,015	–243	–13	0	22,012	15,997	–2,464	–243
–420,106	–84,027	–23,196	–29,645	190,993	681,170	–389,466	–8,283

35. Other income

Figures in € thousand		2011	2010
a)	**Other actuarial income**	**19,251**	**18,369**
	Property and casualty	14,945	14,582
	Health	721	463
	Life	3,585	3,324
b)	**Other non-actuarial income**	**55,090**	**87,772**
	Property and casualty	21,293	66,694
	Health	5,660	5,025
	Life	28,137	16,053
	of which		
	Services rendered	9,833	12,586
	Changes in exchange rates	14,146	54,674
	Other	31,112	20,511
c)	**Other income**	**17,336**	**9,401**
	From foreign currency conversion	999	618
	From other	16,337	8,783
Total (fully consolidated values)		**91,677**	**115,542**

36. Insurance benefits

Figures in € thousand	Gross		Reinsurers' share		Retention	
	2011	2010	2011	2010	2011	2010
Property and casualty						
Expenditure for claims						
Claims paid	1,645,703	1,669,218	– 57,875	– 79,731	1,587,828	1,589,487
Change in provision for outstanding claims	84,771	61,464	27,940	52,034	112,711	113,498
Total	**1,730,474**	**1,730,682**	**– 29,935**	**– 27,697**	**1,700,539**	**1,702,985**
Change in actuarial provisions	– 1,111	– 1,910	– 36	37	– 1,147	– 1,872
Change in other actuarial provisions	2,201	1,465	1	18	2,202	1,483
Expenditure for profit-unrelated and profit-related premium refunds	39,803	38,231	– 18	1	39,786	38,232
Total amount of benefits	**1,771,368**	**1,768,469**	**– 29,988**	**– 27,641**	**1,741,380**	**1,740,828**
Health						
Expenditure for claims						
Claims paid	650,180	643,186	– 786	– 581	649,394	642,605
Change in provision for outstanding claims	5,959	5,090	529	– 23	6,488	5,067
Total	**656,139**	**648,276**	**– 256**	**– 604**	**655,883**	**647,673**
Change in actuarial provisions	159,640	159,659	119	124	159,759	159,783
Change in other actuarial provisions	– 23	– 8	0	0	– 23	– 8
Expenditure for profit-related and profit-unrelated premium refunds	37,924	31,951	0	0	37,924	31,951
Total amount of benefits	**853,680**	**839,879**	**– 137**	**– 479**	**853,543**	**839,399**
Life						
Expenditure for claims						
Claims paid	1,557,848	1,740,769	– 98,079	– 77,363	1,459,769	1,663,406
Change in provision for outstanding claims	– 2,230	20,005	2,575	– 4,189	346	15,816
Total	**1,555,618**	**1,760,773**	**– 95,504**	**– 81,552**	**1,460,114**	**1,679,222**
Change in actuarial provisions	– 59,584	– 16,787	19,342	1,824	– 40,242	– 14,963
Change in other actuarial provisions	1,024	– 4	0	0	1,024	– 4
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	– 23,760	213,803	0	0	– 23,760	213,803
Total amount of benefits	**1,473,297**	**1,957,785**	**– 76,161**	**– 79,728**	**1,397,136**	**1,878,057**
Total (fully consolidated values)	**4,098,345**	**4,566,133**	**– 106,287**	**– 107,848**	**3,992,058**	**4,458,285**

37. Operating expenses

Figures in € thousand	2011	2010
Property and casualty		
a) Acquisition costs		
Payments	583,030	551,109
Change in deferred acquisition costs	– 10,676	– 8,732
b) Other operating expenses	383,068	286,879
	955,422	**829,256**
Health		
a) Acquisition costs		
Payments	100,167	91,974
Change in deferred acquisition costs	– 5,702	– 2,780
b) Other operating expenses	68,088	52,300
	162,553	**141,494**
Life		
a) Acquisition costs		
Payments	342,548	299,169
Change in deferred acquisition costs	2,242	5,007
b) Other operating expenses	117,357	87,051
	462,147	**391,227**
Total (fully consolidated values)	**1,580,123**	**1,361,977**

The increase in operating expenses primarily resulted from one-time expenditures for the repositioning of the UNIQA Group in the amount of €130,600 thousand.

38. Other expenses

Figures in € thousand	2011	2010
a) Other actuarial expenses	**99,366**	**85,340**
Property and casualty	43,433	34,628
Health	7,123	5,418
Life	48,810	45,293
b) Other non-actuarial expenses	**52,333**	**36,083**
Property and casualty	31,061	27,628
Health	495	470
Life	20,776	7,984
of which		
Services rendered	1,565	3,633
Exchange rate losses	10,929	6,623
Motor vehicle registration	10,771	9,971
Extraordinary tax on the financial sector (Hungary)	5,263	6,771
Other	23,804	9,084
c) Other expenses	**1,104**	**11,477**
For foreign currency translation	1,104	3,639
For other	0	7,838
Total (fully consolidated values)	**152,803**	**132,899**

39. Tax expenditure

Income tax Figures in € thousand	2011	2010
Actual tax in reporting year	13,532	31,425
Actual tax in previous year	– 370	1,905
Deferred tax	– 94,881	17,637
Total (fully consolidated values)	**– 81,719**	**50,967**

Reconciliation statement Figures in € thousand	2011	2010
A. Profit from ordinary activities	**– 325,568**	**141,830**
B. Anticipated tax expenditure (A.*Group tax rate)	**– 81,392**	**35,457**
Adjusted by tax effects from		
1. Tax-free investment income	5,878	– 12,641
2. Other	– 6,205	28,150
Amortisation of goodwill	3,774	652
Tax-neutral consolidation effect	– 2,019	1,960
Other non-deductible expenses/other tax-exempt income	7,268	2,972
Changes in tax rates	1,584	0
Deviations in tax rates	– 10,667	17,079
Taxes previous years	– 370	1,905
Lapse of loss carried forward and other	– 5,776	3,583
C. Income tax expenditure	**– 81,719**	**50,967**
Average effective tax burden in %	**25.1**	**35.9**

The basic applicable corporate income tax rate for all segments was 25 per cent. Deviating corporate tax rates arise in life insurances in which minimum taxation is applied – with an assumed profit participation of 85 per cent.

OTHER DISCLOSURES

Employees

Personnel expenses[1)] Figures in € thousand	2011	2010
Salaries and wages	401,546	374,056
Expenses for severance payments	91,902	17,457
Expenses for employee pensions	31,308	23,672
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	108,652	103,659
Other social expenditures	12,691	11,434
Total	**646,099**	**530,280**
of which business development	191,231	142,651
of which administration	432,630	367,647

1) The data are based on an IFRS valuation.

Average number of employees	2011	2010
Total	**15,081**	**15,066**
of which business development	6,179	6,148
of which administration	8,902	8,918

Figures in € thousand	2011	2010
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	9,018	4,820
Other employees	154,615	44,092

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 registry 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
Figures in € thousand

Receivables and liabilities with affiliated and associated companies as well as related persons	**31 Dec. 2011**	**31 Dec. 2010**
Receivables	**8,493**	**7,732**
Other receivables	8,493	7,732
Affiliated companies	8,493	7,732
Liabilities	**1,605**	**2,848**
Other liabilities	1,605	2,848
Affiliated companies	1,546	2,749
Associated companies	60	98

Income and expenses of affiliated companies as well as related persons	2011	2010
Income	**0**	**25**
Investment income	0	25
Affiliated companies	0	25
Expenses	**4**	**4**
Other expenses	4	4
Affiliated companies	4	4

There were no significant transactions with affiliated companies in this financial year or the previous one.

Other financial commitments and contingent liabilities Figures in € thousand	31 Dec. 2011	31 Dec. 2010
Contingent liabilities from risks of litigation	**12,059**	**11,398**
Austria	0	0
Foreign	12,059	11,398
Other contingent liabilities	**61**	**100**
Austria	0	0
Foreign	61	100
Total	**12,121**	**11,499**

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.

Serbia (Life) – Option to purchase granted

The Purchase Contract dated 30 March 2006 grants the Seller ("Zepter") a Put Option and the Buyer "UNIQA" a Call Option for the shares that remain with the Seller. These options can be exercised during the period 1 January 2012 to 30 June 2012 on the basis of an independent evaluation at the end of the previous quarter.

Ukraine (Non-Life) – Option to purchase granted

During the incorporation of portions of the Ukrainian company "Closed JSC Credo-Classic Insurance Company" (now "Private JSC UNIQA"), agreements were concluded which obligate UNIQA International Beteiligungs-Verwaltungs GmbH to purchase share packages of the local minority shareholders through option agreements on the basis of a predefined purchase price formula. It was initially agreed to exercise the option in the 2nd quarter of 2012, and this was postponed to the financial year 2016 during an amendment of the transaction contracts in 2011.

Figures in € thousand	2011	2010
Current leasing expenses	2,276	2,099
Future leasing payments due to the financing of the UNIQA Headquarters in Vienna		
Up to 1 year	5,339	5,256
More than 1 year up to 5 years	21,364	20,831
More than 5 years	13,361	18,157
Total	**40,063**	**44,244**
Income from subleasing	528	343

We moved into the UNIQA Group 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 auditor fees in this financial year were €2,601 thousand (2010: €1,818 thousand). Of these, €268 thousand (2010: €262 thousand) were for the audit, €538 (€487 thousand) were for tax advice, €1,499 thousand (2010: €901 thousand) were for other certification services and €296 thousand (2010: €169 thousand) were for other services.

Affiliated and associated companies in 2011

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
Domestic insurance companies				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	137.5	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	393.1	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.7	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	688.1	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	12.3	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	55.8	100.0
SK Versicherung Aktiengesellschaft	Equity	1050 Vienna	8.8	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	13.4	100.0
UNIQA Re AG	Full	Switzerland, Zurich	74.8	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	224.4	100.0
UNIQA poistovňa a.s.	Full	Slovakia, Bratislava	29.3	99.9
UNIQA pojišťovna, a.s.	Full	Czech Republic, Prague	51.5	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	8.4	80.0
UNIQA Protezione S.p.A.	Full	Italy, Udine	15.7	93.9
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	54.6	68.5
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	11.9	69.8
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	31.5	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.1	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	6.2	100.0
Mannheimer AG Holding	Full	Germany, Mannheim	57.4	91.7
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	14.9	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	117.9	100.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	6.7	99.8
UNIQA Insurance plc	Full	Bulgaria, Sofia	9.6	99.9
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	3.9	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	6.8	94.0
Insurance company "UNIQA"	Full	Ukraine, Kiev	9.1	92.2
UNIQA LIFE	Full	Ukraine, Kiev	3.5	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	1.5	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	5.5	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	3.0	100.0
UNIQA Asigurari S.A.	Full	Rumania, Bucharest	36.3	100.0
UNIQA Life S.A.	Full	Rumania, Bucharest	6.5	100.0
UNIQA Health Insurance AD	Full	Bulgaria, Sofia	0.4	100.0
Raiffeisen Life Insurance Company LLC	Full	Russia, Moscow	9.0	75.0
UNIQA Life S.p.A.	Full	Italy, Milan	24.9	90.0
SIGAL UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	20.2	68.6
UNIQA AD Skopje	Full	Macedonia, Skopje	4.4	100.0
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	4.1	100.0
SIGAL UNIQA GROUP AUSTRIA SH.A.	Full	Kosovo, Pristina	3.1	100.0
UNIQA Life AD Skopje	Full	Macedonia, Skopje	3.4	100.0
SIGAL Life UNIQA GROUP AUSTRIA sh.a	Full	Kosovo, Pristina	3.5	100.0
SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A.	Full	Albania, Tirana	0.1	51.0

Company	Type	Location	Equity Figures in € million[1)]	Share in equity Figures in per cent[2)]
Group domestic service companies				
UNIQA Real Estate Management GmbH (formerly UNIQA Immobilien-Service GmbH)	Full	1029 Vienna	– 0.4	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 Vorarlberg 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	0.4	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.7	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.3	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.5	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	3.5	100.0
UNIQA International Versicherungs-Holding AG	Full	1029 Vienna	113.8	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	645.3	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	0.3	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	16.4	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	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	9.4	100.0
UNIQA Group Audit GmbH	Full	1029 Vienna	0.1	100.0
Valida Holding AG	Equity	1020 Vienna	19.3	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
RHG Management GmbH	Full	1020 Vienna	6.1	100.0
UNIQA Finanzbeteiligung GmbH	Full	1020 Vienna	202.3	100.0
UNIQA International Corporate Business GmbH	3)	1029 Vienna		100.0
Group foreign service companies				
UNIQA Raiffeisen Software Service Kft.	Full	Hungary, Budapest	0.5	60.0
Insdata spol s.r.o.	Full	Slovakia, Nitra	1.9	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	0.3	100.0
UNIQA Ingatlanhasznosító Kft.	Full	Hungary, Budapest	4.7	100.0
Dekra Expert Muszaki Szakertöi Kft.	Full	Hungary, Budapest	0.8	74.9
UNIQA Szolgaltato Kft.	Full	Hungary, Budapest	4.0	100.0
UNIQA Claims Services International Kft. (formerly Profit-Pro Kft.)	3)	Hungary, Budapest		100.0
RC Risk Concept Vaduz	3)	Liechtenstein, Vaduz		100.0

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
Elsö Közszolgalati Penzügyi Tanacsado Kft.	3)	Hungary, Budapest		92.4
UNIQA Számítástechnikai Szolgáltató Kft. (formerly UNIQA Software Service 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
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.	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.	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
Bosnia and Herzegovina, Sarajevo	3)	Bosnia and Herzegovina, Sarajevo		99.8
Bosnia and Herzegovina, Banja Luka	3)	Bosnia and Herzegovina, Banja Luka		99.8
Bosnia and Herzegovina, Sarajevo	3)	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Software Service Kft.	3)	Hungary, Budapest		100.0
UNIPROINS CONSULTANTA SA	3)	Rumania, Bucharest		100.0
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	– 50.3	25.0
PKB Privatkliniken Beteiligungs-GmbH *)	Full	1010 Vienna	60.2	100.0
Privatklinik Wehrle GmbH	Full	5020 Salzburg	1.3	100.0
PKM Handels- und Beteiligungsgesellschaft m.b.H.	Full	1010 Vienna	14.2	100.0
Privatklinik Döbling GmbH	Full	1190 Vienna	2.1	100.0
Privatklinik Josefstadt GmbH	Full	1080 Vienna	1.1	100.0
Privatklinik Graz Ragnitz GmbH	Full	1010 Vienna	0.9	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Full	1190 Vienna	0.4	100.0
STRABAG SE*)	Equity	9500 Villach	3,161.5	15.0
PremiaMed Management GmbH (formerly PremiaMed Management GmbH)	Full	1190 Vienna	1.5	100.0
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 International Anteilsverwaltung GmbH (formerly UNIQA Human Resources-Service GmbH)	Full	1020 Vienna	163.4	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	95.1	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.5	100.0
Austria Hotels Betriebs-GmbH	Full	1010 Vienna	8.6	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

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
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	0.6	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	227.7	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.9	33.0
UNIQA Real Estate AG	Full	1029 Vienna	114.5	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Full	1020 Vienna	26.4	100.0
Design Tower GmbH (formely UNIQA Praterstraße Projekterrichtungs GmbH)	Full	1029 Vienna	131.8	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	9.6	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	66.6	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	11.5	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.8	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	10.4	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	0.6	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Full	1029 Vienna	38.5	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Full	1020 Vienna	9.5	100.0
Praterstraße Eins Hotelbetriebs GmbH	Full	1020 Vienna	2.5	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft.	Full	Hungary, Budapest	2.3	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	27.5	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	21.4	100.0
Grupo Borona Advisors, S.L. Ad	[3]	Spain, Madrid		74.6
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	0.0	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	4.5	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	1.6	100.0
HKM Immobilien GmbH	[3]	Germany, Mannheim		100.0
Floreasca Tower SRL	Full	Rumania, Bucharest	5.0	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	3.2	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.0	100.0
UNIQA-Invest Kft.	Full	Hungary, Budapest	9.8	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	1.4	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	1.7	100.0
IPM International Property Management Kft.	Full	Hungary, Budapest	1.3	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	6.6	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	4.6	100.0
UNIQA Real Estate BV	Full	Niederlande, Hoofddorp	10.6	100.0
AGENTA Svetovanje d.o.o.	Full	Slovenia, Ljubljana	0.1	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	–1.4	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	2.1	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	8.4	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	12.2	100.0
Asena CJSC	Full	Ukraine, Nikolaew	1.3	100.0

Company	Type	Location	Equity Figures in € million[1]	Share in equity Figures in per cent[2]
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0
BSIC Holding GmbH	Full	Ukraine, Kiev	0.0	100.0
Suoreva Ltd.	Full	Cyprus, Limassol	0.0	100.0
Kremser Landstraße Projektentwicklung GmbH	Full	1020 Vienna	8.2	100.0
Schöpferstraße Projektentwicklung GmbH	Full	1020 Vienna	5.7	100.0
“Bonadea” Immobilien GmbH	Full	1020 Vienna	7.0	100.0

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, 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

Auditor's Opinion

(Report of the independent auditor)

Report on the Consolidated Financial Statements

We audited the Consolidated Financial Statements of UNIQA Versicherungen AG, Vienna, for the financial year from 1 January to 31 December 2011. These Consolidated Financial Statements include the Consolidated Balance Sheet as at 31 December 2011, the Consolidated Income Statement, the Group Cash Flow Statement and the statement of changes in Group equity for the financial year ending 31 December 2011, as well as a summary of the most important methods of accounting and valuation applied and other notes.

Legal representatives' responsibility for the consolidated financial statements and accounting

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

Responsibility of the auditor and specification of the type and Scope of the mandatory audit

We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us. We executed our audit with due attention to the legal regulations applicable in Austria and the generally accepted auditing standards as well as the International Standards on Auditing (ISAs) issued by the International Auditing and Assurance Standards Board (IAASB) of the Federation of Accountants (IFAC). These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge with a sufficient degree of certainty whether the consolidated financial statements are free from material misstatements.

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

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

Audit opinion

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the Consolidated Financial Statements give an accurate view of the net assets and financial position of the Group as of 31 December 2011 as well as the results of operations and cash flow for the financial year from 1 January to 31 December 2011 in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the EU.

Report on the Group Management Report

Due to the prevailing statutory provisions (in Austria) the Group Management Report must be audited as to whether it is in agreement with the Consolidated Financial Statements and whether or not other statements in the Group Management Report give a false impression of the situation of the Group. The Auditor's Opinion must also contain a statement on whether the Group Management Report is in accordance with the Consolidated Financial Statements and whether the statements comply with Section 243a UGB (Austrian Commercial Code).

The Group Management Report agrees with the Consolidated Financial Statements. The statements comply with Section 243a UGB (Austrian Commercial Code).

Vienna, 29 March 2012
KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Michael Schlenk
Chartered Accountant

p.p. Hans-Ulrich Brandes
Chartered Accountant

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Infomation
UNIQA's Group Report is published in German and English and can be downloaded as a PDF file from the Investor Relations area on our Group website. The interactive online version is also available at reports.uniqagroup.com.

Clause regarding predictions about the future
This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached upon the basis of all of the information available to us at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

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