

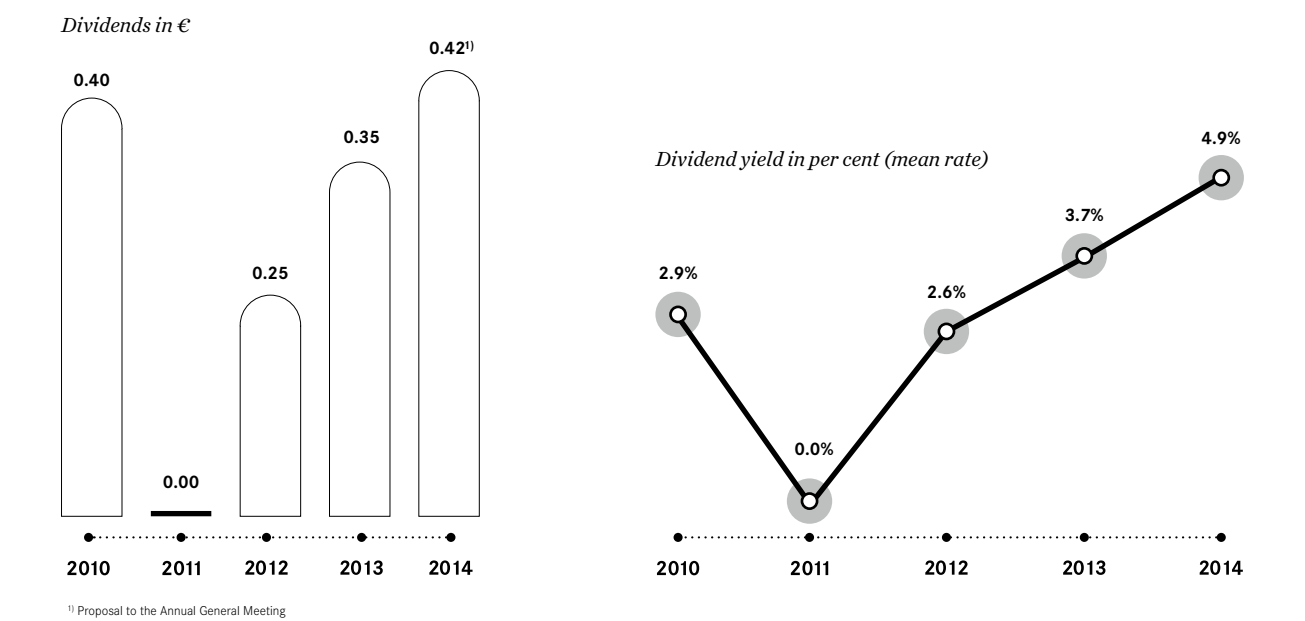
Shape.

UNIQA Group at a glance

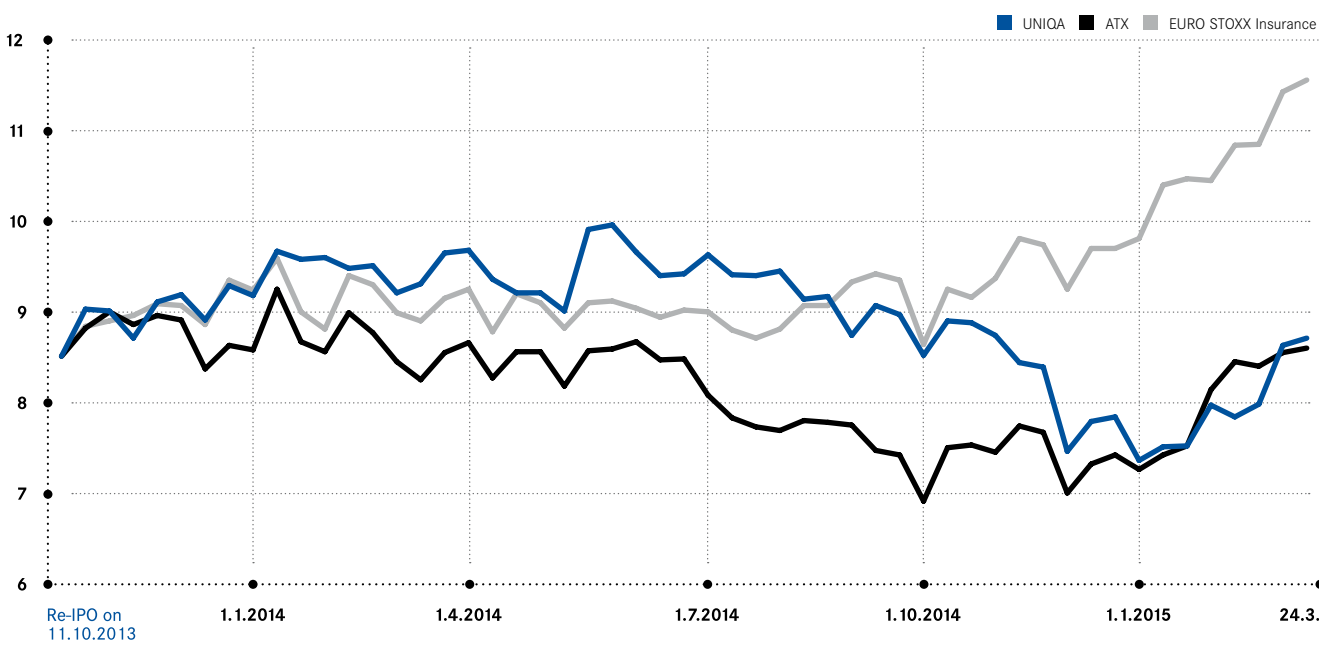
Consolidated key figures	2014	2013	Change
in € million			
Premiums written	5,519.7	5,157.6	+7.0%
Savings portions from unit-linked and index-linked life insurance (before reinsurance)	544.7	727.9	-25.2%
Premiums written including savings portions from unit-linked and index-linked life insurance	6,064.4	5,885.5	+3.0%
of which property and casualty insurance	2,620.9	2,590.5	+1.2%
of which health insurance	960.8	937.6	+2.5%
of which life insurance	2,482.7	2,357.4	+5.3%
of which income from regular premiums	1,521.0	1,674.6	-9.2%
of which single premiums	961.6	682.8	+40.8%
Premiums written including savings portions from unit-linked and index-linked life insurance	6,064.4	5,885.5	+3.0%
of which UNIQA Österreich	2,773.5	2,806.7	-1.2%
of which Raiffeisen Insurance	905.3	878.5	+3.1%
of which UNIQA International AG	2,353.1	2,162.4	+8.8%
of which reinsurance	1,189.3	1,633.1	-27.2%
of which of which Group functions and consolidation	-1,156.9	-1,595.1	-27.5%
Premiums earned (net)¹⁾	5,312.9	4,938.6	+7.6%
of which property and casualty insurance	2,482.9	2,441.5	+1.7%
of which health insurance	960.0	936.2	+2.5%
of which life insurance	1,870.0	1,560.9	+19.8%
Savings portions from unit-linked and index-linked life insurance (after reinsurance)	526.1	702.3	-25.1%
Premiums earned including savings portions from unit-linked and index-linked life insurance	5,839.0	5,640.9	+3.5%
Net insurance benefits	-4,383.7	-3,959.4	+10.7%
of which property and casualty insurance	-1,723.6	-1,633.8	+5.5%
of which health insurance	-780.5	-768.7	+1.5%
of which life insurance	-1,879.6	-1,556.9	+20.7%
Operating expenses (net)²⁾	-1,275.3	-1,354.2	-5.8%
of which property and casualty insurance	-746.1	-803.2	-7.1%
of which health insurance	-163.4	-162.1	+0.8%
of which life insurance	-365.9	-388.9	-5.9%
Cost ratio (after reinsurance)	21.8%	24.0%	-
Combined ratio (after reinsurance)	99.5%	99.8%	-
Net investment income	864.4	780.0	+10.8%
Profit/(loss) from ordinary activities	377.9	307.6	+22.9%
Profit/(loss) for the year	292.9	287.9	+1.7%
Consolidated profit/(loss)	289.9	284.7	+1.8%
Return on equity (ROE) after taxes and non-controlling interests	9.9%	11.9%	-
Investments³⁾	29,212.7	27,383.6	+6.7%
Equity	3,082.2	2,763.1	+11.5%
Total equity including non-controlling interests	3,102.4	2,785.1	+11.4%
Technical provisions (net) ⁴⁾	25,629.6	24,208.8	+5.9%
Total assets	33,038.2	31,001.7	+6.6%
Number of insurance contracts	19,214,570	18,556,615	+3.5%
Average number of employees	14,336	14,277	+0.4%

¹⁾ Consolidated amounts.
²⁾ Less reinsurance commission and share of profit from reinsurance ceded.
³⁾ Including land and buildings for own use, investment property, shares in associates, unit-linked and index-linked life insurance investments and current bank balances and cash-in-hand.
⁴⁾ Including technical provisions for unit-linked and index-linked life insurance.

History of UNIQA dividends



UNIQA share performance



UNIQA shares – key figures

in	2014	2013	2012	2011	2010
UNIQA share price as at 31 December	7.78	9.28	9.86	9.42	14.70
High	10.02	11.14	13.40	16.50	15.34
Low	7.34	8.12	8.75	9.00	10.68
Average turnover/day (in million)	3.2	1.5	0.1	0.1	0.5
Market capitalisation as at 31/12 (in million)	2,404.0	2,867.5	2,112.5	1,346.9	2,102.0
Earnings per share	0.94	1.21	0.75	-1.73	0.30
Dividend per share	0.42 ¹⁾	0.35	0.25	0	0.40

¹⁾ Proposal to the Annual General Meeting

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A very special year for Europe

BY AUREL SCHUBERT

2014 posed great challenges to the insurance industry. Aurel Schubert, chief statistician of the European Central Bank, gives an explanation of how monetary policy reacted to economic influences and why he is looking to the future with confidence.

2014 has now been the seventh year of the global economic and financial crisis, in particular in Europe and in the eurozone. In addition, the European real economy is still marked by a significant underutilisation of capacity. The inflation rate, and even the expectations of inflation over all time horizons, have not only sharply declined, they have reached historic lows. The inflation rate in the eurozone in December 2014 and subsequently at the beginning of 2015 even lay in the negative range. Lending also continued to decline, while development of the money supply was restrained.

Innovative monetary policy

Monetary policy reacted resolutely. The European Central Bank (ECB) took full advantage of the conventional tools, even including targeted longer-term refinancing transactions and negative interest rates on deposits. In June 2014, the interest rate on deposits, which had already hit zero in the middle of 2012, fell to –0.1 per cent, and then in September even to –0.2 per cent. At the same time, the main refinancing rate, which at the beginning of the crisis was still at 4.25 per cent, had dropped to the historic low of 0.05 per cent. The interest channel was thus fully exhausted. In order to achieve an even looser monetary policy, these interest-rate measures were supplemented by a series of unconventional expansionary steps, some of them quite innovative. They culminated in March 2015 with the beginning of the purchase of eurozone

government bonds on the secondary market (in addition to private asset-backed securities and covered bonds). All these measures, some of which entered new territory for central banks, pursue the same objective: to allow the ECB to fulfil its mandate. This means a correction of the course of inflation, which at the beginning of 2015 had even brought a reduction of consumer prices of 0.6 per cent, and bringing it back to the ECB target, namely close to but under 2 per cent. This should combat the dangers of deflation and continue to push the market expectations of inflation in the direction of the target value. The transmission mechanism of monetary policy is to be restored, thereby further improving the financing conditions for companies and private households in the eurozone. As a result, domestic demand should be strengthened, as well as foreign demand through the effects of exchange rates. At the same time, the positive effects of purging bad assets from many European bank balance sheets, which has meanwhile been completed – in connection with the start of the banking union and the related “asset quality review” – should be supported.

Side effects of the monetary policy

However, this situation and the measures that were taken also created completely new and unprecedented challenges in the form of “side effects” for many financial market actors, in particular insurance companies and pension funds. Negative yields on the money market and for government bonds – sometimes even for corporate bonds – with the best credit ratings in Europe, are symptoms that present an entirely new situation for investment policy for which there is no prior experience to fall back on. Simultaneously, the risk premiums for entities with lower credit ratings have declined, not least due to the purchase programmes of the central banks, while repayments and sales have created a need for reinvestment in this difficult market environment.

Asynchronous economic development

Economic trends in 2014 varied greatly among the major economic zones of the world, but also within the eurozone. Recovery in the eurozone, at least up to the beginning of 2015, remained restrained, being marked by significant unused capacity, ongoing high unemployment and an annual growth rate of under one per cent. At the same time, the economic recovery in the US made significant progress; the country is said to have achieved growth of around 2.5 per cent. This has been reflected in growing differences in the monetary policy cycle on either side of the Atlantic. While in the US the markets and analysts were beginning to consider the question of reducing the expansive monetary policy measures (“tapering”), in the eurozone the focus was on possible new expansive monetary policy decisions (“quantitative easing”).

Structural reforms as a motor of growth?

Now that the possibilities of monetary policy in the eurozone have been essentially exhausted, the long-standing pending structural reforms have taken on increased significance. Here policy is challenged to embrace measures that will bring about or at least support a long-term, sustainable increase of the growth path. The banking sector plays an outstanding role in the financing of the European real economy, in some ways different than in the US. Consequently, the health of the European banking sector is also of special significance for strengthening the European economy. A historical milestone was put in place in November 2014 with the establishment of the common European banking supervision by the ECB. With this supervisory approach, trust in the banking sector should be clearly strengthened and the normal transmission mechanism of monetary policy will be back in motion. 2014 brought a number of innovations for the finance market in Europe and in the eurozone, both in monetary policy and in institutions. These innovations emphasise the fact that Europe, when challenged, can act in a forceful manner. They will – if they are accompanied by structural reforms of similar strength – form a solid basis for a sustained economic upswing in Europe. That gives us hope in the face of future challenges.

AUREL SCHUBERT has been Director General Statistics at the European Central Bank since 2010. Previously, he was the chief economist at Oesterreichische Nationalbank. He directs the Statistical Committee of the European System of the central banks; he is a member of the European Statistical Advisory Committee (ESAC) and sits on the management board of the Irving Fisher Committee on Central Bank Statistics.

Note: This commentary gives the opinion of the author. It does not necessarily represent the official policy of the European Central Bank.

We are one-third of the way there

Dear Shareholders,

2014 was the third full year of our long-term strategic programme UNIQA 2.0, which we presented to you in the middle of 2011. We have accomplished a great deal over these past 12 months in a challenging environment, albeit not everything we set out to do. We are moving full steam ahead to fulfil our objectives and thus to continue UNIQA's step-by-step development towards its long-term goal of becoming the leading insurer in Central and Eastern Europe.

In the 19 European countries in which we are active, we have won the trust of a total of more than 10 million customers whom we have to thank for €6.1 billion in premium income. For this, I would like to sincerely thank those customers, as well as our approximately 22,000 employees and business associates.

The composition of this growth of around 3 per cent compared to 2013 is not entirely in line with our strategy: Strong growth in life insurance, carried above all by our Italian subsidiary, and systematic, solid growth in health insurance stand in contrast to the growth that was below expectations in property and casualty insurance. The reasons for this lie in currency losses in Eastern Europe and in turnaround measures in automobile insurance in several CEE countries.

2014 – Increased profitability and lower costs

We have further improved profitability of our technical results in our two core markets, Austria and CEE, in particular as a result of the first positive effects of strict cost management.

In property and casualty insurance, the combined ratio declined by 0.3 percentage points to 99.5 per cent, following 105.1 per cent in 2011. Despite a significantly reduced cost ratio, the improvement in the combined ratio moved more slowly than planned. The primary reason for this is found in run-off losses in Austria, Poland and Romania. In both life insurance and health insurance, where in Austria we are the market leader with a market share of 48 per cent, we were able to improve the technical results.

With regard to profit from ordinary activities (POA) in our operating segments, both of our companies that are active in the home market in Austria did very well. Both UNIQA Österreich and Raiffeisen Versicherung AG, with a POA of €273.9 million and €108.6 million respectively, not only clearly exceeded the previous year's results, they also performed better than planned. In addition to technical improvements in insurance, positive one-time effects in net investment income were at the centre of this development.

In contrast, with a loss from ordinary activities of €–1 million, UNIQA International came in under the previous year's results and also fell considerably short of the planned performance. Weak operating developments in Hungary and Romania, where we also recognised an impairment loss on goodwill of €25 million, clouded the outlook for otherwise marked positive performance in the other international markets. Special attention should be paid to the continued satisfying business trend in Ukraine and Russia, despite the difficult general conditions. Not only did we

generate double-digit growth in premiums here on the basis of the local currencies, we also had clearly positive contributions to net profit.

The overall good net profit before taxes of €377.9 million for 2014 allows us to propose an increase in the dividend from €0.35 per share to €0.42 per share to the Annual General Meeting.

2015 – The environment makes it a challenge

The operating goals for 2015 are clear: Maintaining good technical profitability in health and life insurance and in particular a clear improvement in property and casualty insurance. This is even more important in that in the medium term net investment income, which in 2014 turned out to be remarkably positive with a return of 3.8 per cent in a phase of realigning our asset allocation, cannot be maintained at this level.

At the end of November 2014, we resolved and communicated a reduction of our POA planning for 2015 by around 20 per cent from “up to €550 million” to a range of “between €425 and €450 million”, which still corresponds to a double-digit percentage increase. The determining factors for this were the low interest environment, the weak macroeconomic trend in some of our markets and the political instability around the armed conflict in eastern Ukraine.

We will attempt to compensate for a portion of the negative effects of these external factors through further improvement in the core underwriting business. Following years of intensive preparations within our Company, we are pleased that the Europe-wide regulatory framework Solvency II goes into effect beginning 1 January 2016, which will entail a stronger focus on the diligent, long-term economic approach to managing insurance undertakings.

In the name of the Management Board, I would like to express our sincere gratitude to our shareholders for their interest in UNIQA. We will continue to work consistently to fulfil your expectations.



Sincerely,
Andreas Brandstetter
CEO UNIQA Group

Our mission and our values

Closeness to our customers and corporate values put into practice: these are the cornerstones of our success. We will achieve the objectives of the UNIQA Group if we impress our customers with service that is second to none.

The UNIQA Group constantly strives for products and services of the highest quality. We also want to be a reliable partner for our customers. We are there to support them whatever their circumstances, providing them with the confidence and courage that will enable them to enjoy their lives.

OUR MISSION AND OUR VALUES – A SOUND BASIS

Just like in a family, we are dedicated to our customers so that they can enjoy life-long security and plan their lives with confidence. We abide by our four corporate values: we inspire, we shape the future, we are straightforward and we deliver. These values have grown from our business and determine our approach in all our areas of activity.

THE UNIQA AND RAIFFEISEN VERSICHERUNG BRAND NAMES – STRONG AND TRUSTWORTHY

The uniform brand strategy emphasises the common identity shared by the entities in the UNIQA Group. We operate in all markets (with the exception of Russia) under the UNIQA brand name. UNIQA and Raiffeisen Versicherung are the two strongest insurance brands in Austria; UNIQA is in first place by far, based on a score of 77 per cent for unprompted brand recognition. Raiffeisen Versicherung AG benefits from the strength of the Raiffeisen brand, the most recognised banking brand in Austria with an unprompted brand recognition score of 81 per cent. In 2014, both UNIQA and Raiffeisen were voted the most trustworthy brands in the industry for the twelfth time.

According to surveys, UNIQA is associated with positive emotions such as courage, happiness, innovation, curiosity and creativity. Building on this foundation, we initiated our first integrated international communications campaign in May 2014 entitled “Denk UNIQA – Denk Mut zum Glück” (Think UNIQA – Be Bold, Be Happy). In this campaign, we encourage our customers to take a proactive approach to shaping their lives. Following the launch in Austria, we then implemented the campaign in Slovakia, the Czech Republic, Hungary, Poland, Croatia and Serbia. The campaign will be rolled out in other markets in 2015. The cross-media campaign is supported by discussion forums such as denk.uniqua.at and initiatives for employees.

In 2014, 88 brand ambassadors in Austria and approximately 500 brand ambassadors in international markets were busy spreading the word on behalf of UNIQA. They are tasked with bringing UNIQA’s mission and values into their areas of activity and the organisations. We have begun to focus our actions more consistently than before on the needs of our customers: at workshops in six countries, employees worked out decisive moments in customer contact and there will be further country workshops in 2015. The objective is to achieve clear customer communications based on our corporate values. We are also actively including customers in the development of UNIQA Austria’s new claims management process, which is to continue until 2016.

A portrait of our Company

UNIQA’s roots go all the way back to the year 1811. Today, the UNIQA Group is one of the leading insurance groups in Austria and in Central and Eastern Europe (CEE).

With some 40 companies, we are represented in 19 countries. About 22,000 of our employees and exclusive sales partners look after around ten million customers. These customers place their trust in a strong partner that has its roots in Austria, but is at home throughout Central and Eastern Europe. We are the second largest insurance company in our home market, where we have a market share of over 21 per cent; in the fast-growing CEE region, we are among the top 5 in nine out of 15 markets. The UNIQA Group also includes insurance companies in Italy, Switzerland and Liechtenstein.

All types of insurance written

The UNIQA Group is a composite insurer offering its customers comprehensive products in property and casualty, life insurance, as well as health insurance. In UNIQA and Raiffeisen Versicherung AG, we have the two strongest insurance brands in Austria. In the CEE markets (with the exception of Russia), we work solely with the UNIQA brand – in line with our “one-brand-strategy”.

Our objective is profitable growth. We exploit the opportunities presented in our core insurance business in our key markets to continue the development of the UNIQA Group, building on one of UNIQA’s great strengths, namely closeness to its customers in the regions. We analyse the market and continuously develop innovative solutions for our customers.

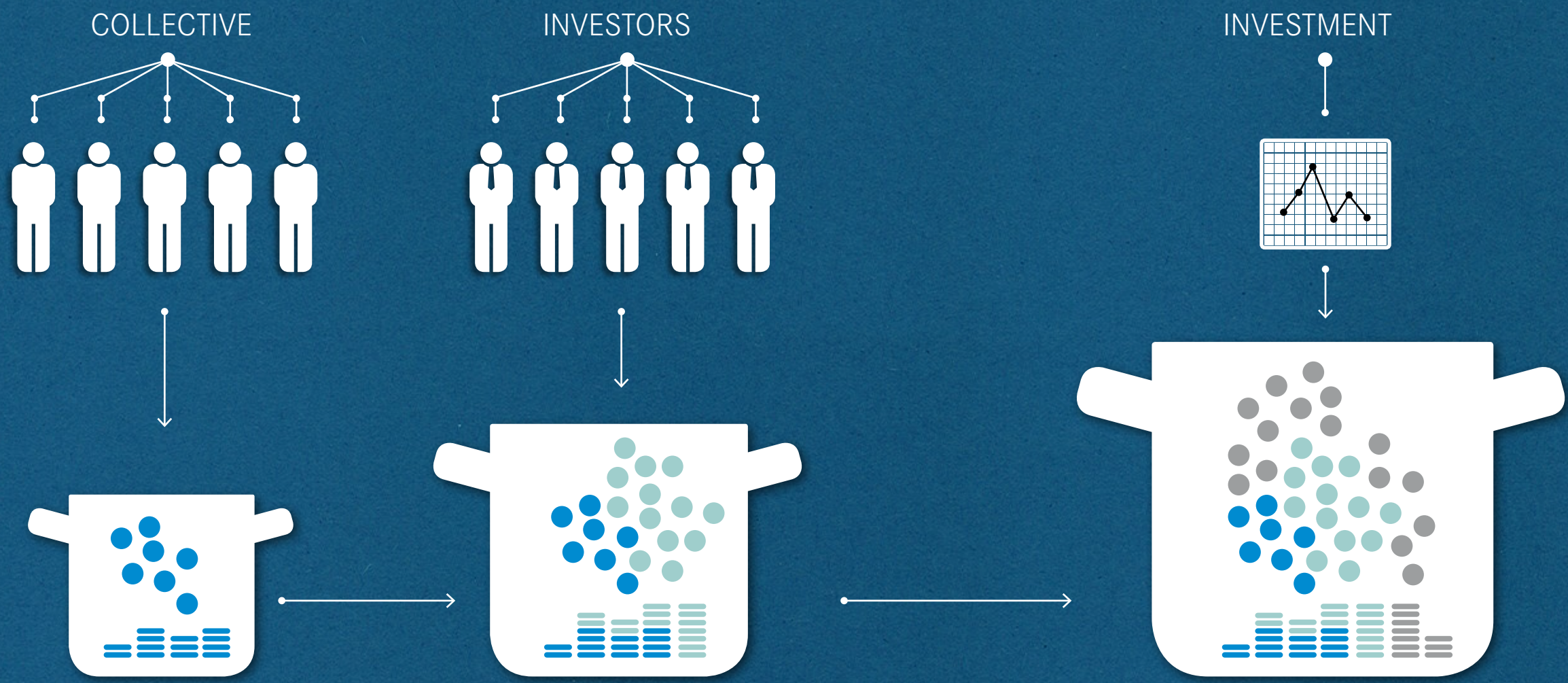
The history of UNIQA goes back more than 200 years to the establishment of Salzburger Landes-Versicherung AG in 1811. Since then, the business has developed into a Europe-wide insurance provider. The first steps towards becoming an insurer outside of Austria were made in 1991, and we have operated under the UNIQA brand name since 1999. The head office relocated to the UNIQA Tower in Vienna in 2004.

Strong parent company and five segments

UNIQA Insurance Group AG is now the parent company in the UNIQA Group. It directs the Group, handles the indirect insurance business and provides services for the individual companies. The operating business is managed through the following five segments: UNIQA Österreich, Raiffeisen Versicherung AG, UNIQA International, Reinsurance, and Group Functions & Consolidation.

UNIQA Insurance Group AG was founded in 1999 and has been listed in the Austrian Traded Index (ATX), the leading index of Wiener Börse, since March 2014. The successful capital increase through a re-IPO in the autumn of 2013 increased the free float to 35.4 per cent. The Company’s major shareholders are Raiffeisen Zentralbank (Group) with 31.4 per cent and UNIQA Versicherungsverein Privatstiftung (Group) with 30.6 per cent.

In short – the principle of insurance



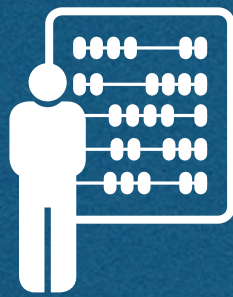
COLLECTIVE // With insurance the collective whole carries the risks together. Customers pay premiums into a pool of capital so that when an insured event happens, they can receive either a compensation payment or the agreed benefit. Since this event is very unlikely to happen to all the policyholders at the same time, the pool is usually enough to pay out the benefits.

INVESTORS // Investors participate in the company by buying shares. This way, they invest in a long-term, sustainably oriented business model with stable yields. In addition the insurer builds up equity and accumulates reserves. This ensures that all obligations can be met at any time.

INVESTMENT // The job of the insurance company is to invest the capital of the policyholder in the best way possible and to build the necessary reserves. With more than €105 billion in investments, insurance companies are among the largest institutional investors in Austria¹⁾. Security is the top priority here: customers must be absolutely sure that they will receive the agreed insurance benefits.

BENEFITS/EXPENSE/ DIVIDENDS // With the revenues from the insurance premiums, the insurance company finances first and foremost the benefits it must pay out. Beyond this, a portion of the money covers the expenses of running the business, e.g. for admin or human resources. Investors also usually have a share in the profit in the form of dividends.

¹⁾Source: Insurance Association of Austria (2013)

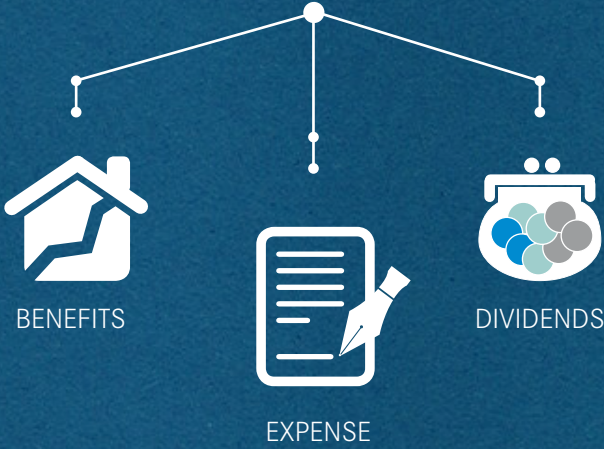


THE LAW OF LARGE NUMBERS

When a policy is signed the insurance company bears the risk for the policyholder. In the case of an insured event, he then receives either a compensation payment or the agreed-upon benefits.

In order to predict the claims and calculate the premiums we use actuarial methods. One important factor in this is the law of large numbers:

The more similar but independent risks the insurance company has in its portfolio, the more precise its predictions can be. The assumption is that specific events will recur with a certain regularity.



Our Management Board

UNIQA Insurance Group AG is the parent company in the UNIQA Group. At its head is an experienced five-person management team that leads our Group.

Andreas Brandstetter / *Chairman of the Management Board/CEO/* 1969*

With UNIQA since 1997. Previously he worked for Raiffeisen Group in Austria and Brussels. He was appointed to the Management Board in 2002 and has driven the development of the CEE network. He took over as Chief Executive Officer (CEO) on 1 July 2011.

Responsible for: Investor Relations, Group Communication, Group Marketing, Group Human Resources, Group Internal Audit and the Group General Secretary function.

Hannes Bogner / *Member of the Management Board/CIO/* 1959*

With UNIQA since 1994. Chief Financial Officer (CFO) from 1998 to 2014. Since 1 January 2015 he has been Chief Investment Officer (CIO) of the UNIQA Group. Previously he worked as a beeideter Wirtschaftsprüfer und Steuerberater (Austrian Certified Public Accountant and Tax Advisor).

Responsible for: Group Asset Management (Front Office), Real Estate, Investments/Equity Affairs, Legal & Compliance, Group Internal Audit.

Wolfgang Kindl / *Member of the Management Board/UNIQA International/* 1966*

With UNIQA since 1996 and in the international business since 1997. He was the CEO of UNIQA Assurances in Geneva from 2000 to 2004. In 2005 he took over as CEO of UNIQA International AG. He was appointed to the Management Board of UNIQA Insurance Group AG on 1 July 2011.

Responsible for: UNIQA International.

Thomas Münkel / *Member of the Management Board/COO/* 1959*

Appointed as Chief Operating Officer (COO) on 1 January 2013. Previously, he held various management positions in an international insurance group over a period of 20 years.

Responsible for: Group Processes, Group IT, Strategic Project Office.

Kurt Svoboda / *Member of the Management Board/CFRO/* 1967*

With UNIQA since 2003. Initially, he was a managing director of UNIQA Capital Markets GmbH. He was appointed to the Management Board as Chief Risk Officer (CRO) on 1 July 2011. On 1 January 2015, he also assumed responsibility for the role of Chief Financial Officer (CFO) of the UNIQA Group. Prior to 2003, he worked for international insurance companies and for an auditing firm.

Responsible for: Group Finance – Accounting, Group Finance – Controlling, Group Risk Management, Group Asset Management (Back Office), Group Actuary, Group Reinsurance, Regulatory Management Solvency II.



From left to right: Thomas Münkel, Andreas Brandstetter, Wolfgang Kindl, Hannes Bogner, Kurt Svoboda

Our long-term strategy UNIQA 2.0

In our core business, we focus on giving people peace of mind. We have our eyes on the future and plan to continue growing carefully, despite the challenging market environment.

We’ve set ourselves an ambitious goal: to become the best insurance company in Central and Eastern Europe in the long term. Our growth strategy UNIQA 2.0, which was developed in 2011 and implemented for a period of just under 10 years, is setting the course until 2020: We are concentrating exclusively on our core business and thus on our experience as a direct insurance company in our two core markets of Austria and CEE. This UNIQA 2.0 strategy is based on five pillars:

1) Double our customer count

Our success as a service enterprise depends on the trust of our customers, which we intend to earn on a daily basis. Therefore, the overriding objective of UNIQA 2.0 is to double the number of our customers – from 7.5 million in 2010 to 15 million by 2020. In 2014, the UNIQA Group added 0.7 million customers for a total of 10.0 million (in 2013, we added 0.6 million to reach 9.3 million). However, due to challenging structural conditions, economic growth slowed down in some of our core markets, in particular in Eastern Europe. Therefore, we are still anticipating steady customer growth, albeit at a more moderate pace than in the past three years.

2) Concentrate on core business

In order to be able to offer our customers first-class service, we intend to focus on our core business as a direct insurance company in Austria and CEE. We are therefore gradually extricating ourselves from equity investments that do not support the core business. With our modified investment strategy, we are also lowering our share of real estate in light of Solvency II down to around seven per cent from around ten per cent at current market values, which is relatively high in international comparison. In addition, the limited sale of real estate eases the pressure on equity as a percentage of assets, because in accordance with Solvency II we have to back up real estate with greater capital resources.

3) Implement the priority programmes

We want to improve our core business in a sustainable way. To do this, we have further pursued our four priority programmes:

a. UNIQA Austria: increase profitability

We are optimising assumption guidelines, structures and processes to increase the profitability of UNIQA Österreich Versicherungen AG. One example is the consolidation of Back Office functions into three centralised service centres at five locations. We pressed ahead with the bundling based on business lines, for example the Property and Life lines, in 2014. At the same time, we increased the number of offices to approximately 420 and further reduced administrative costs: in 2014, the UNIQA Austria segment saved a total of over €20 million, or 14 per cent, of its costs.

b. Raiffeisen Versicherung Austria: increase productivity

Raiffeisen Versicherung AG operates solely in the bank assurance segment and works exclusively for the Raiffeisen Banking Group on the basis of a cooperation agreement entered into for the first time in 2013 for a period of five years. It offers its products in a clear B2B business model exclusively over this banking network, which is by far the largest in Austria. Raiffeisen Versicherung AG’s objective is to grow profitably beyond the market and thereby gain additional market share. They managed to do so in all segments based on the results for 2014 and in comparison to forecasts by the Austrian Association of Insurance Companies. Premiums rose by 3.1 per cent. Productivity in sales increased to 2.21 products per month and bank employee (2013: 2 products per month). This can be attributed to products that are more closely tailored for bank sales as well as targeted sales support, training and further education. Defined Service Level Agreements and quality standards in processing also helped. These are documented by monitoring and further developed on an ongoing basis by means of process optimisation.

c. UNIQA International: grow profitably

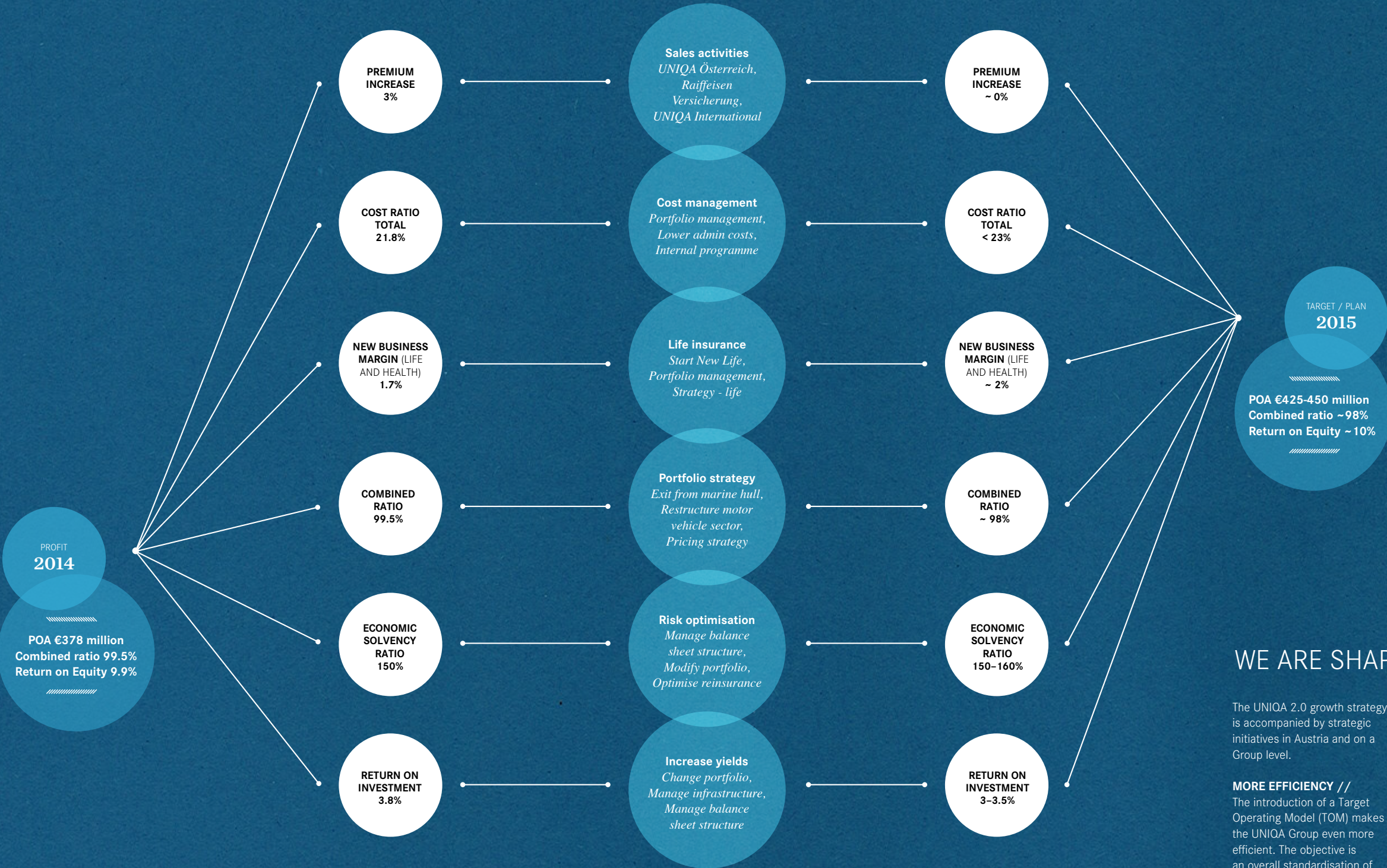
UNIQA International includes all of the subsidiaries outside of Austria. The goal in particular is to grow organically and profitably in the existing CEE markets as well as in Italy, Switzerland and Liechtenstein. In 2014, however, numerous factors curbed growth: weaker market growth in many countries in the region, the geopolitical conflict in Ukraine, negative currency effects and restructuring of the motor vehicle line in a few markets. Acquisitions in Eastern Europe are planned as part of our strategy; consequently, they will be carried out solely in existing markets and follow strict profitability objectives: In March 2014, we therefore completed our acquisition of the Baloise subsidiaries in Croatia and Serbia, which strengthened our market position in the Balkans (SEE region). The “Target Operating Model” (TOM) started in Southeastern Europe is being expanded gradually to the UNIQA Group. This enables us to harness cross-border synergies, improve our cost position, and expand customer service.

By standardising our products and core processes, we want to become even more efficient and create the foundation for developing uniform IT systems. Our aim is for at least 80 per cent of our processes to run on a standardised basis. In 2014, we started preparations for selecting a new core IT system for the UNIQA Group. We performed surveys in over 70 workshops, and we’ll take the next steps in the coming year.

d. Risk management: value-based management of risk

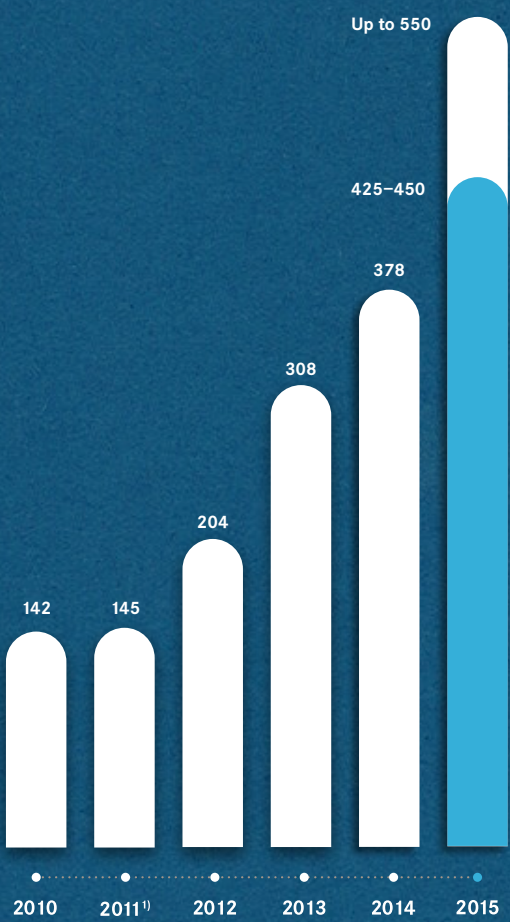
Solvency II will bring new oversight and equity requirements to European insurance companies beginning 2016. The UNIQA Group welcomes this change in the regulatory environment. We have reduced risk positions in the balance sheet and are strictly following the asset-liability management approach introduced in 2012. This means that we are already fulfilling the more stringent capital requirements of Solvency II. Preparations for introduction into all areas of the Company proceeded in 2014: one priority was the final integration of the ORSA process into the existing business planning process and the refined capital management built on top of it. This process integration creates the foundation for the value-based management of the Group as a whole.

Set for growth – UNIQA 2.0 strategy



GROWTH OF PROFIT THROUGH UNIQA 2.0

Growth in profit from ordinary activities (in € million)



¹⁾ Adjusted for one-time and special effects

WE ARE SHAPING THE FUTURE

The UNIQA 2.0 growth strategy is accompanied by strategic initiatives in Austria and on a Group level.

MORE EFFICIENCY //
The introduction of a Target Operating Model (TOM) makes the UNIQA Group even more efficient. The objective is an overall standardisation of 80 per cent of the products and core processes.

MORE PRODUCTIVITY //
Operational Excellence Programmes (OPEX) improve work processes, relieve employees and create potential for new tasks that increases productivity by about a quarter.

MORE SYNERGIES // With the transition to three Service Centres in Austria, capacities in the back office have been focussed. Steps taken during restructuring:

- 1,132 employee appraisal meetings
- 180 new hires
- Over 80 workshops
- 68 partial implementation steps

4) Strengthen equity

The Group’s total equity increased in the past financial year due to the increase in the revaluation reserve – driven by higher fair values in particular with respect to fixed interest securities – to a new high of €3,102.4 million. In the spring of 2014, we were the first Austrian insurance group to publish a Group Economic Capital Requirement Report. In this report, UNIQA publishes detailed supplements to the topic of economic solvency under Solvency II.

5) Improve profits

Profit/(loss) from ordinary activities rose in 2014 by 22.9 per cent to €377.9 million – despite challenging economic conditions and the impairment of Hypo Alpe-Adria bonds. The crucial factors included growth in premiums, lower administrative costs and a solid development of investment income. The second half of the year was dominated by the internal cost management programme, which will make itself felt in the 2015 results as well. The Group cost ratio fell further to 21.8 per cent (2013: 24.0 per cent). Administrative costs declined by 17.5 per cent or €77.2 million.

We had to adjust the UNIQA 2.0 target for 2015 that we were aiming for back in 2011 and affirmed in 2013 – profit from ordinary activities of “up to €550 million” – to account for the sharp decrease in interest rates and the strained economic environment. We are anticipating profit from ordinary activities to be between €425 and €450 million in 2015. This corresponds to a further double-digit percentage increase as compared to 2014.

Our customers and markets

The UNIQA Group wants to be a reliable partner for its customers in Austria as well as in Central and Eastern Europe. Therefore, we are focusing on the direct insurance business in our core markets.

The UNIQA Group, with its region-wide presence, is one of the leading insurance groups in Austria and CEE. The UNIQA Group also includes insurance companies in Italy, Liechtenstein and Switzerland. Over ten million customers have already placed their trust in UNIQA – 35 per cent of them in Austria, and 65 per cent in international markets.

OUR OBJECTIVE – WIN OVER NEW CUSTOMERS

In the UNIQA 2.0 strategy, we have set out to raise our number of customers to 15 million by 2020. We remain fully committed to this goal, even if things became complicated due to market trend in 2014. We remain convinced of the potential of the CEE area, and we want to develop a long-term relationship with customers in this region. This is why we are investing over the long term: to create value for our shareholders.

AUSTRIA – ANCHORED IN OUR HOME MARKET

The UNIQA Group is the second-largest insurance company in Austria, with a market share of more than 21 per cent based on premium volume. In 2014, we generated 61 per cent of Group premiums in our domestic market. UNIQA is the undisputed leader in the strategically important health insurance line, with a market share of about 48 per cent.

We are represented on the Austrian market by two brands: UNIQA and Raiffeisen Versicherung. Raiffeisen Versicherung AG products are sold by the Raiffeisen Banking Group. The Group has over 2.8 million customers and is the largest banking group in Austria, with about 2,150 locations. A “preferred partnership” agreement entered into in 2013 enables us to enjoy stable, long-term cooperation.

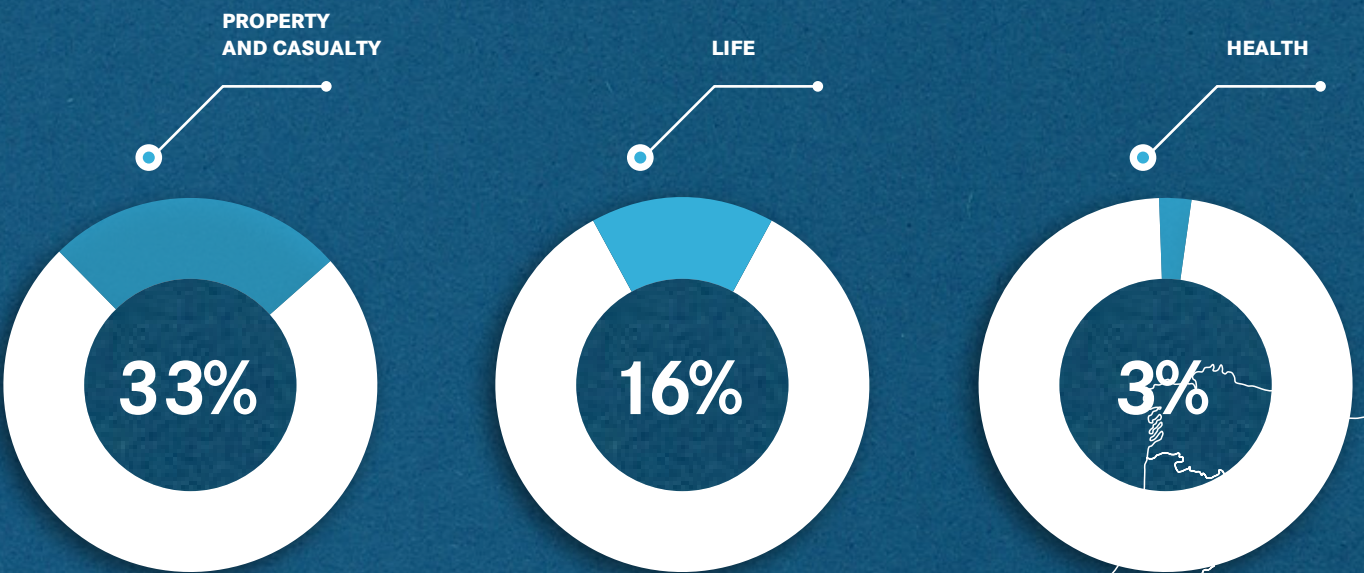
CEE – POISED FOR MORE GROWTH

The UNIQA Group and its subsidiaries are represented in 15 countries in Central and Eastern Europe. These companies operate around 1,500 service centres. In 2014, we generated more than 21 per cent of Group premiums in the CEE markets. We also work together with the subsidiaries of Raiffeisen Bank International AG in Eastern Europe as part of the preferred partnership that was renewed in 2013 for a period of 10 years.

Dense network in Central and Eastern Europe

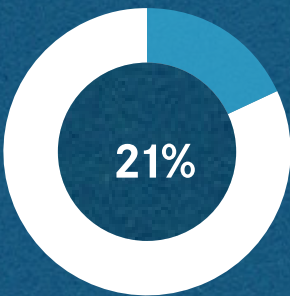
We have a solid market position: our companies are among the top five insurers in nine CEE countries. In addition to exclusive sales, brokers and direct sales, we rely on the aforementioned cooperation with Raiffeisen Bank International AG. They have the largest banking network of

Strong in Austria CEE - the UNIQA core markets



PREMIUM CONTRIBUTION OF CEE TO UNIQA GROUP

AREA-WIDE // The UNIQA Group and its subsidiaries are represented in 15 countries in Central and Eastern Europe. In 2014, we generated more than 21 per cent of Group premiums in the CEE markets. The UNIQA Group is active in CEE in all types of insurance. Property and casualty insurance contributed a little over a third of the premiums, life insurance almost a fifth and health insurance 3 per cent.



UNIQA'S MARKET SHARE IN AUSTRIA

2ND PLACE // In its home market Austria the UNIQA Group is the second-largest insurance company with about a fifth of the market share. In health insurance it has almost half of the market share, putting it clearly on top. Within the Group in 2014 about 61 per cent of premium volume came from Austria.

Regions/countries	Market position	Market share ¹⁾	Change in market share ²⁾
AUSTRIA	2	21.1	-1.1
CENTRAL EUROPE			
Poland	11	2.4	-0.2
Slovakia	5	5.1	+0.1
Czech Republic	6	3.9	-0.3
Hungary	7	6.8	-1.0
EASTERN EUROPE			
Romania	9	5.5	-1.6
Ukraine	1	4.9	+1.4
SOUTH EASTERN EUROPE			
Albania	1	31.6	-2.0
Bosnia and Herzegovina	2	12.0	-0.2
Bulgaria	8	6.0	-0.7
Kosovo	1	15.6	+1.1
Croatia	5	7.1	-
Macedonia	3	9.2	-0.6
Montenegro	3	16.1	+1.4
Serbia	5	8.0	-0.2
RUSSIA³⁾	8	3.4	+0.1

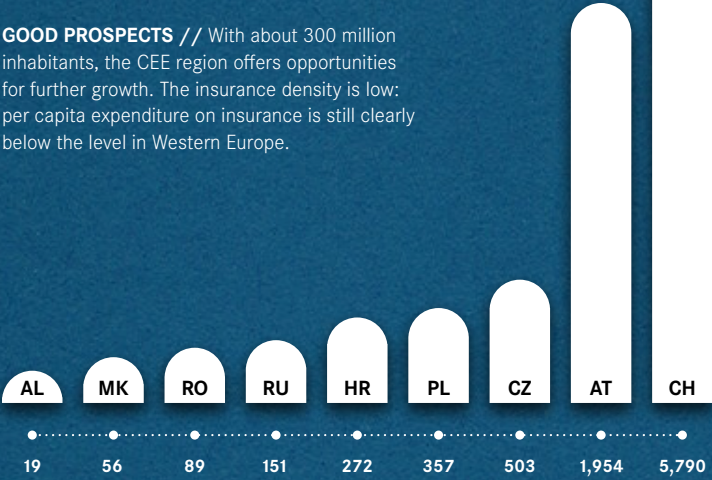
¹⁾ Market share: in per cent ²⁾ Change in market share: in percentage points ³⁾ Market position life insurance
Figures Austria and CEE 1-9/2014, ranking method CEE: insurance group totalled per country

The UNIQA Group is one of the leading insurance groups in Austria and in Central and Eastern Europe. The objective is to win over more customers in these core markets. The focus is on the direct insurance sector.

GROWTH POTENTIAL CEE

Annual premiums per capita in €

GOOD PROSPECTS // With about 300 million inhabitants, the CEE region offers opportunities for further growth. The insurance density is low: per capita expenditure on insurance is still clearly below the level in Western Europe.



a western bank in CEE. To strengthen our presence in Southeastern Europe, we acquired the insurance companies of the Baloise Group in Croatia and Serbia. The purchase was completed in March 2014.

We are pursuing a strong brand strategy in Central and Eastern Europe. In the spirit of our “one brand strategy”, we work in the CEE markets – with the exception of Russia – exclusively under the UNIQA brand name. In Russia, we rely exclusively on bank sales and operate under the “Raiffeisen Life” brand name.

Reaction to the current market trend

The trend in the CEE region was mediocre in 2014. Market growth remained below expectations in many countries. There were also the geopolitical tensions in Ukraine as well as the difficult market situation in Romania, in particular in the automobile insurance business.

We are responding to these challenges by focusing more closely on efficiency improvements and are also expanding our services for business customers: Since 2014, we have offered customised, cross-border insurance products aimed primarily at small to medium-sized enterprises in CEE.

Long-term growth outlook

We remain convinced of the potential for growth in Central and Eastern Europe. With about 300 million inhabitants, the region offers an interesting future for insurers. It has a competitive export industry, flexible labour markets, investment-friendly tax and wage systems, low labour costs and well-educated employees. All of this enables economic growth that will outpace Western Europe in the long run.

There is also the low insurance density: per capita expenditures for insurance products in CEE is significantly below comparable figures for Western Europe. While the average Austrian invests about €1,954 per year in his security, this figure is just €19 per capita in Albania. The figures per year for Ukraine are €53; for Hungary, €275; and for the Czech Republic, €503.

Growth rates in the CEE insurance markets are higher than those in markets that are already saturated. From UNIQA’s perspective, most of these markets still have room for expansion. The current economic outlook for 2015 may only allow us to expect moderate market development, but Central and Eastern Europe nevertheless remains the growth region for UNIQA – and the entire European continent.

POSITIVE DEVELOPMENTS IN ITALY

In addition to our core markets, we are also active in Western Europe in Italy, Liechtenstein and Switzerland. In 2014, the Western European market made a significant contribution to net profit in the international business – primarily in Italy and with small specialised units also in Switzerland and Liechtenstein. We work closely together on sales in Italy with the Veneto Banca Group. Single premiums in life insurance have developed particularly well. We continue to expect high demand in this segment.

Our employees and partners

We owe our success in the marketplace to our employees and sales partners. We are UNIQA, working together for the good of our customers.

Our approximately 22,000 employees and exclusive sales partners work hard to ensure that we reach our strategic objectives together as a team. Their commitment is a major contributing factor to the success of the UNIQA Group. Therefore, UNIQA promotes their professional development and offers them the best possible working conditions.

THE UNIQA TEAM – A PILLAR OF SUCCESS

In 2014, the UNIQA Group had approximately 14,300 salaried employees, of which some 6,300 were based in Austria. They all work towards the same objective: to provide our customers with security, thereby making their lives and those of their families easier. Our employees focus on the needs of customers and strive to implement our high standard of quality and service every day.

In recognition of their performance, employees are remunerated at market rates. They also have access to voluntary social benefits, such as special employee terms for insurance, a range of benefits linked to the promotion of employee health and an occupational retirement pension plan in Austria. Annual bonuses are paid to managers, depending on the performance of the Group and the attainment of individual objectives. All employees in Austria for whom there is no bonus agreement also participate financially in the success of the business. We are paying out around €3.6 million under our profit-sharing scheme for the 2014 financial year.

Forward-looking strategy requires cost management

We implemented a Group-wide cost management programme in 2014 in reaction to the economic environment and to prepare for the future. Socially acceptable steps are being taken in collaboration with the Works Council for the employees affected by the internal reorganisation.

Feedback from employees is important to us. In October 2014, we conducted the anonymous “UNIQA 2.0 Sensor” employee survey for the third time. Around 75 per cent of our employees in Austria took part. The findings demonstrate that the team is largely familiar with the goals in the growth strategy and that the steps we have taken regarding communications and the professional development of managers have had a positive effect. For over two thirds of the survey participants, the UNIQA brand values are now embedded in day-to-day working activities.

Striving for excellence

Ongoing training and professional development for the UNIQA team is a key component of our efforts to achieve our strategic objectives. In 2014, we continued to implement INSPIRE, our Group-wide leadership development programme: a total of 131 managers will have taken part by April 2016. The International Management Academy for Sales (IMAS) was expanded to include local options available in local languages. This ensures that we reach our target group in the individual countries.

We are constantly reinforcing our employees’ skills with new training formats and additional training days. One example is the bundling of back-office functions in centralised service centres

in Austria. The employees at UNIQA IT Services GmbH (UITS) also received intensive training. This company has been responsible for IT solutions in the UNIQA Group since the autumn of 2013.

Diversity and non-discrimination

We believe that the diversity of our teams is central to the success of the UNIQA Group. People from 30 different countries work at our Vienna corporate head office alone. We promote knowledge transfer and mobility between the countries in which we have a presence. With this in mind, for example, we offer the opportunity for international job rotation.

Just under half of the employees in the UNIQA Group are women. The proportion of women on Management Boards and in senior management positions is 19 per cent throughout the Group as a whole and 25 per cent in UNIQA International. In order to increase these proportions, recruitment processes give preference to women where they have the same skills and qualifications.

Work-life balance and social responsibility

We promote a work-life balance. A flexible, needs-based range of childcare options provides assistance for working parents. In Austria, UNIQA has joined with KibisCare to provide a comprehensive childcare service. We also offer flexible working time models and enable employees to use teleworking arrangements. In 2014, 21 per cent of the administrative employees in Austria made use of part-time working and 8 per cent opted for teleworking.

The “UNIQA Freiraum” service portal offers employees a range of opportunities related to health, sport, nutrition, recreation and the arts. This promotes togetherness while increasing enjoyment of life and vitality. In addition, there is a wide range of opportunities available at the UNIQA Sports Club, including running, ice hockey and table football.

Social responsibility is also part of our corporate culture. We encourage our employees to give something back to society and help disadvantaged fellow human beings. Since 2013, we have therefore been offering the UNIQA Social Responsibility Day. Each employee at the corporate head office is given one working day off each year, which they can use to help a charitable institution of their own choice. In 2014, regional offices also participated in this initiative for the first time.

Investing in young talent

We need the best employees so that we can achieve our strategic objectives, so we promote young talent and collaborate with universities in our core markets in Austria and CEE countries. Examples include the “WU Top League” high-potential programme with Vienna University of Economics and Business (WU), the “TU the Top” with Vienna University of Technology, the “Naturtalente” programme (Natural Talent programme) with the University of Vienna and the collaboration projects with Lodz University of Technology and the University of Lodz in Poland. To safeguard our future course, we foster young talent and work in partnership with universities and universities of applied sciences to enhance the profile of occupations in the insurance industry.

The UNIQA Group is regularly at career and student fairs, both in Austria and elsewhere. In 2014, we attended several events, e.g. “Career Calling” and “UNI SUCCESS” in Vienna. We offer internships for committed students and promote research and training by awarding grants.

UNIQA SALES – CLOSE TO THE CUSTOMER AT ALL TIMES

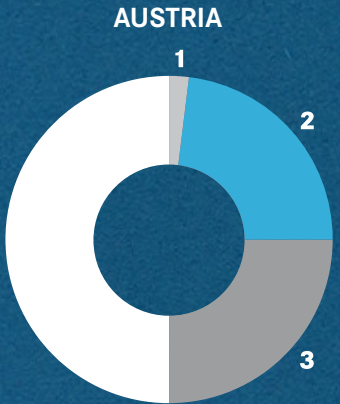
In our sales operations, we focus on being close to the customer and offering a personal service. In addition to top-class products and services, we have a countrywide sales network in Austria and in the countries of Central and Eastern Europe.

Working hard for customers – our employees and sales partners

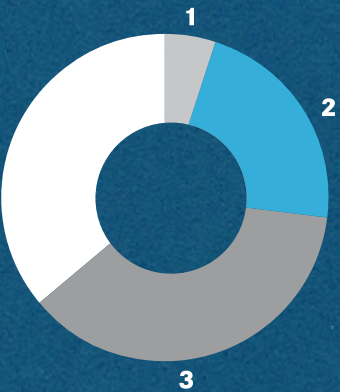
STRONG AT THE LOCAL LEVEL // In

Austria, exclusive sales are the strongest: half of the premiums come from our own employees and general agencies. A quarter of the premiums are contributed by broker sales. In third place are sales through the Raiffeisen Banking network.

- 1. Direct 5%
- 2. Banks 24%
- 3. Brokers and multiple agencies 24%
- 4. Field sales employees and general agencies 47%



CEE



STABLE NETWORK //

In the CEE area exclusive sales and sales by brokers are leading with more than one third of premiums. Through Raiffeisen Bank International, we generate more than a fifth of the premium volume.

- 1. Direct 6%
- 2. Banks 20%
- 3. Brokers 36%
- 4. Field sales employees and general agencies 38%

SALES CHANNELS IN AUSTRIA AND THE CEE REGION

AUSTRIA

EXCLUSIVE SALES // In Austria about 1,700 field sales employees and general agencies broker 47 per cent of premiums. UNIQA has about 420 locations throughout the country.

BROKERS // In Austria we are increasingly working with insurance brokers as sales partners. UNIQA is number one in this segment.

BANKS // The Raiffeisen Banking network enables an area-wide presence of UNIQA. Sales take place through about 2,200 bank locations.

DIRECT SALES // Five per cent of premiums in Austria come from the integrative direct sales.

CEE

EXCLUSIVE SALES // In CEE UNIQA has about 1,500 locations. Exclusive sales is the strongest pillar here as well – together with broker sales.

BROKERS // In the CEE area sales by brokers is just as strong as exclusive sales.

BANKS // UNIQA benefits from the cooperation with Raiffeisen Bank International. With about 3,000 bank locations, it has the largest network of any Western bank.

DIRECT SALES // Six per cent of premiums in CEE come from the integrative direct sales.

Multi-channel strategy appeals to customers

With our multi-channel strategy, we cover a variety of customer needs. We make use of any sales channel likely to produce successful results, e.g. exclusive sales, insurance brokers, banks and direct marketing. We pursue an integrated access approach: no matter how the customer finds us, they receive the same product at the same price and are assigned a personal contact person.

Strong exclusive sales form the foundation

A total of 37 per cent of the premiums generated by the UNIQA Group come from exclusive sales through our own employees and general agencies. In Austria, this sales channel brings in almost half of the premiums, with about 1,800 field sales employees in direct contact with customers locally.

General agencies are independent partners and their market presence is supported by UNIQA. In 2014, we fulfilled our expansion plan in Austria as set out in the UNIQA 2.0 growth strategy: with around 420 sites in Austria, we have the most locations. In the next stage, we intend to expand our IT infrastructure in order to provide the best possible support for our partners.

Service for insurance brokers

Insurance brokers are a growing sales segment. They contribute to the success of the UNIQA Group by generating 31 per cent of our premiums. The excellent level of collaboration with our partners has made us number one in brokered sales in Austria. The situation in the CEE region is even better: sales through this channel account for as much business as exclusive sales.

In Austria, our UNIQA TopPartners – brokers who work in close cooperation with us – benefit from additional services such as MaklerPlus24Service and VitalDays for their team. Brokers who cooperate with us occasionally are supported through UNIQA MaklerServiceDirekt. We also operate the UNIQA MaklerAkademie, an academy for brokers that is unique in Austria. We will be expanding this service in 2015 to include in-house seminars and courses for individual partners.

Comprehensive banking network in the regions

The banking sales channel enables the UNIQA Group to maintain an extensive local presence. Across the entire Group, 28 per cent of premiums are generated through this sales channel. The strategic partnership with the Raiffeisen banking group in Austria and the CEE region provides us with access to almost 17 million potential customers. In northern Italy, we have a successful cooperation arrangement with the Veneto Banca Group for the sale of life insurance.

Integrated direct marketing is growing

We currently earn 5 per cent of premiums through integrated direct marketing. Online sales are becoming increasingly important in this sales channel, as more customers use the internet to find the most suitable insurance for them. In Austria, the UNIQA Group is therefore increasingly offering property and casualty insurance products online. In some CEE countries, e.g. Hungary, most vehicle insurance is already sold online.

We also believe sales partnerships offer growth potential. In Austria, for example, we have partnerships with automobile clubs (ÖAMTC) and with opticians (Hartlauer), for eyewear insurance. Through our UNIQA Leasing subsidiary, we offer both business customers and consumers a one-stop shop covering leasing, insurance and registration.

Our business lines and products

We believe that insurance means giving our customers the best possible protection. This is why we offer them solutions for just about any need – from private automobile insurance to commercial storm insurance.

As a composite insurer, we stand ready to assist our customers in every circumstance. The UNIQA Group offers a comprehensive range of insurance and retirement products. Our services cover property and casualty insurance, life insurance and health insurance.

PROPERTY AND CASUALTY INSURANCE

Property and casualty insurance, in terms of premiums, is the largest insurance line in the UNIQA Group. This insurance line covers property insurance for private persons and companies, as well as private casualty insurance. In property and casualty insurance, we cleared €2.6 billion in premiums across the Group in 2014; this was about 43 per cent of total premium volume.

Fundamentals of property and casualty insurance

Property/casualty insurance covers needs arising from a loss. Examples of property insurance are fire insurance, comprehensive motor vehicle insurance, and liability insurance. The principle of meeting specific requirements applies here: the insurance benefit is determined by the insured sum, the insured value and the amount of the claim. In contrast, casualty insurance is a fixed-sum insurance product: the insurance benefit is precisely defined in advance.

The largest share by far in the volume of property and casualty insurance comes from the private customer business. Most property and casualty insurance policies are taken out at short notice, with a term of up to three years. Broad distribution across a great many customers and the relatively short duration of these products enables moderate capital requirements and makes this field of business attractive.

Profitability increased and combined ratio lowered

An important quantity for property and casualty insurance is the combined ratio: the relationship between insurance benefits and operating expenses as well as premiums. The lower this number is, the more profitable our business. Since the launch of our UNIQA 2.0 strategic programme, we have been working constantly on strengthening our operational profitability. We can see how successful our efforts have been in the improvement of the combined ratio, which we have been able to reduce every year since 2011. In 2014, we reached a combined ratio after reinsurance of 99.5 per cent for the Group, after 99.8 per cent in 2013, 101.3 per cent in 2012 and 104.9 per cent in 2011.

We were not able to fully attain our target for 2014 because of flooding in Southeastern Europe as well as major claims from small and medium-sized businesses. We are, however, well on our way to increasing operating profitability in property and casualty insurance even further: the UNIQA Group is aiming for a combined ratio of about 96 per cent beginning 2016.

Security and innovation

We are working constantly on innovations for the security of our customers. One example is SafeLine: this motor vehicle insurance, which is unique in Austria, came with a new, compact GPS box that includes a crash sensor in 2014. The emergency button is wireless and can be placed anywhere in the car. Another example is the UNIQA severe weather warning via text or e-mail, which we offer together with the UBIMET competence centre. This successful partnership was extended by six more years to 2020.

In 2014, we also added new components – for example, regarding advance directives and mediation – to legal expenses insurance and private home and flat insurance in Austria. We will conclude our revisions in commercial property insurance in 2015.

LIFE INSURANCE

Life insurance, in terms of premiums, is the second-largest insurance line in the UNIQA Group. It includes savings products such as classic or unit-linked life insurance. There are also biometric products to secure against such risks as occupational disability, nursing, or death. In life insurance, we cleared €2.5 billion in premiums written across the Group in 2014; this was about 41 per cent of total premium volume.

Fundamentals of life insurance

Life insurance covers economic risks that stem from the uncertainty as to how long a customer will live. The insured event is the attainment of a certain point in time, or the death of the insured during the insurance period. The customer or another authorised beneficiary then receives a capital sum or an annuity. The premium is calculated on the basis of the principle of equivalence: its amount conforms to the type of insurance, age at the time the contract was formed, the policy term and the duration of premium payments.

Long-term investment with rising demand

The life insurance business model is oriented towards the long term: policy terms are around 25 years on average. For our investors, this means stable income over a longer period of time. The cancellation rates in this field are moderate: between three and five per cent in Austria, and ten per cent in CEE.

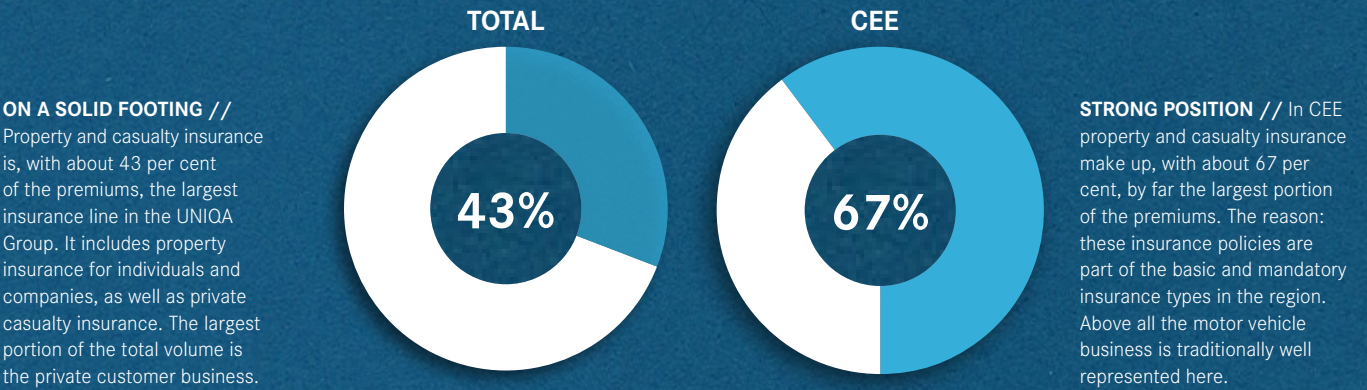
Private provisions have never been so important as now. Life expectancy is increasing and the pension systems of many European countries are being pushed to their limits. In Austria, we can expect people to start rethinking their long-term financial planning because of the online pension account: if people become aware of the pension gap – the difference between their last paycheck and their pension – then the demand for additional security will grow. We are also seeing a strong need for security among investors and a lack of attractive alternatives in the investment market.

The CEE region also offers growth potential in terms of life insurance. The constantly improving standard of living in CEE is leading to an increase in demand for additional insurance products. While the early focus in many markets was on the motor vehicle insurance business, more and more savings and investment products are being offered in the form of life insurance.

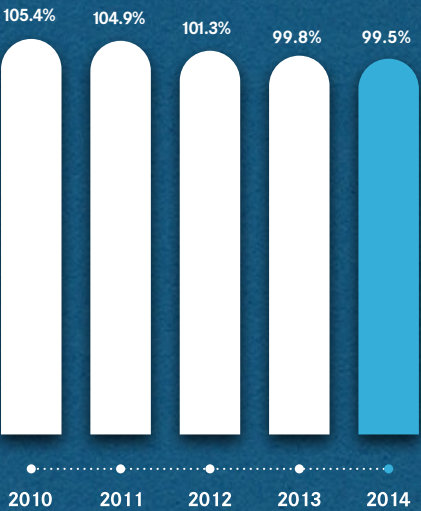
New model in Austria

The conventional life insurance model is currently facing major challenges in Central Europe. Historically low yield levels are adversely affecting all long-term forms of saving and investment, and therefore also life insurance. To meet the requirements of Solvency II, policies with guaranteed interest rates will require relatively high levels of equity. In addition, the conventional life insurance model is increasingly coming under criticism from consumer protection agencies.

Foundation for success – property and casualty insurance



CORE BUSINESS FURTHER IMPROVED



COMBINED RATIO // In property and casualty insurance the relation between insurance benefits and costs on the one hand, and premiums on the other, is called the combined ratio. This figure describes the ability of a property insurance company to generate profit from their core operating business. In 2014 the combined ratio in the UNIQA Group sank farther to 99.5 per cent.

Property and casualty insurance is growing steadily. Profitability is increasing, as can be seen for example in the combined ratio. UNIQA's innovative solutions are strengthening its leading role in various areas and attracting new customers.

SAFELINE FOR CARS // With SafeLine UNIQA is offering Austria a unique motor vehicle insurance. Over 50,000 customers have already placed their trust in this innovative GPS safety system that can save lives in an emergency: tools like the Emergency Button and the CrashSensor call for speedy assistance if technical problems, flat tires or accidents occur. If the vehicle is stolen, the CarFinder makes it easier to find the car again – both in Austria and abroad.

SEVERE WEATHER WARNING // UNIQA's Severe Weather Warning is a free informational service by text message and email for customers in Austria. An early, geographically precise warning increases safety and helps keep property damage down. About 400,000 registered users and almost 50 million sent messages confirm its success. Cooperation with the leading weather service provider (UBIMET) has been extended for six years until 2020.

We were the first insurance company in Austria to respond to these developments. In December 2014, UNIQA Austria and Raiffeisen Versicherung AG introduced a new model for classic life insurance to the market. It is flexible and transparent, and the costs are distributed fairly. The product does away with the discount rate, but offers a 100 per-cent capital guarantee on net premiums and high repurchase values from the beginning.

This new life insurance brings customer needs, the requirements of the capital market and of the regulatory environment down to one common denominator. From the beginning, customers receive a significantly higher savings premium because costs and fees are taken from earnings. This means that the full premium flows into the investment. For UNIQA, this new model requires lower capital backing, and capital requirements decrease, depending on the policy term and interest level.

Confront challenges, expand product portfolio

We are expanding our portfolio management in order to increase the profitability of the life insurance line of business. For life insurance to remain attractive to our customers, we also need the right structural conditions, along with solid product and cost management. Policymaking and regulatory authorities need to create the foundation for this in terms of taxation and regulations.

Unit-linked life insurance will be a priority, along with the new classic life insurance product. Our objective is to offer our customers flexible solutions for whatever circumstances they may find themselves in. We are also following the general trend in the insurance industry towards biometric products.

HEALTH INSURANCE

Health insurance, in terms of premiums, is the third-largest insurance line in the UNIQA Group. This insurance line includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain freelancers, such as lawyers, architects and chemists. In health insurance, we cleared just under €1.0 billion in premiums across the Group in 2014; this was about 16 per cent of total premium volume. We are the undisputed market leader in this line of insurance in Austria, with a 48 per cent market share. About 92 per cent of premiums come from Austria, with the remaining 8 per cent coming from international business.

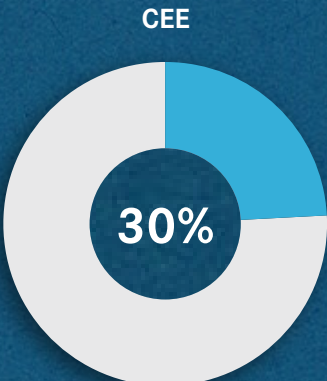
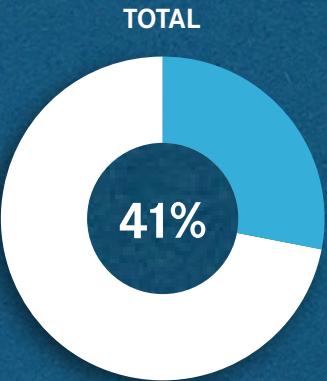
Fundamentals of health insurance

Private health insurance is a property/casualty insurance product. In Austria, however, it is calculated “as a type of life insurance.” This simply means that a policy reserve is set aside at the beginning of the policy term to finance benefits as they increase with age. Health insurance policies cannot be cancelled by the insurer. Because cost structures change over time, premiums are continuously adjusted.

About one-fifth of health insurance benefits go to stationary care (for example, premium category), around one-fifth to out-patient care and fixed-sum insurance products such as daily benefits for hospital stays. In Austria, the UNIQA Group also operates four private hospitals through the PremiQaMed Group, which is a wholly owned subsidiary of UNIQA Österreich Versicherungen AG.

More necessary than ever – life insurance

BROAD COVERAGE //
Life insurance is, with about 41 per cent of the premiums, the second largest insurance line in the UNIQA Group. It includes savings products such as classic or unit-linked life insurance. In addition there are biometric products to protect against risks like occupational disability, and cover care or death.



GROWTH OPPORTUNITIES //
In the CEE about 30 per cent of all premiums are in life insurance. With the rising standard of living, this line is becoming more important in many countries. In addition, private old-age insurance is even more necessary than in Western Europe because the government pension systems contribute less.

OLD-AGE PROVISION: DEMAND IS GROWING WITH THE RISING LIFE EXPECTANCY

57.5 years
is the average age for women when they retire; men are on average 59.6 years old. In an international comparison, Austria is in the lower range.

18.3%
of the Austrian population was already 65 years old or older in 2014. That means 1.55 million people.

22.5 years
is the average length of time an Austrian spends in retirement (2011). In comparison: in 1970 it was only about nine years.



11 years
is how much longer the average Austrian is expected to live today than in 1970. The retirement age has dropped over the same period by three years.

€1,053
was the average amount of statutory gross pension paid out in Austria each month in 2013.

27.9%
of the Austrian population will be 65 years or older by 2050. That's 2.66 million people.

Sources: Statistics Austria, Austrian Economic Chambers, Main Association of Austrian Social Security Organisations

The business model of life insurance is based on the long term: the maturities of the policies are on average about 25 years. For investors, this means stable yields over a longer period of time.



LIFE INSURANCE NEW //
UNIQA Österreich and Raiffeisen Versicherung AG launched a new model of the classic life insurance on the market in December 2014. The usual guaranteed interest rate no longer applies. Customers are given a capital guarantee on the net premium and high repurchase values from the beginning. In addition, during the term they can make variable payments and withdrawals. This makes the life insurance more flexible and transparent.

Stable long-term business model

Health insurance is characterised by stable contributions to earnings, long-term contracts and a positive growth outlook. Premiums rise in line with the development of health costs and life expectancy. Because health insurance provisions are not transferrable in the event of a withdrawal, the rate of cancellations in this line is low.

Health insurance, unlike property insurance, is scarcely influenced by elemental events. However, the current low interest rate environment in Europe also poses a challenge to this line of insurance. Future regulatory changes could also have an effect on health insurance. UNIQA is active in the insurance association, working together with other insurance companies to counter negative developments.

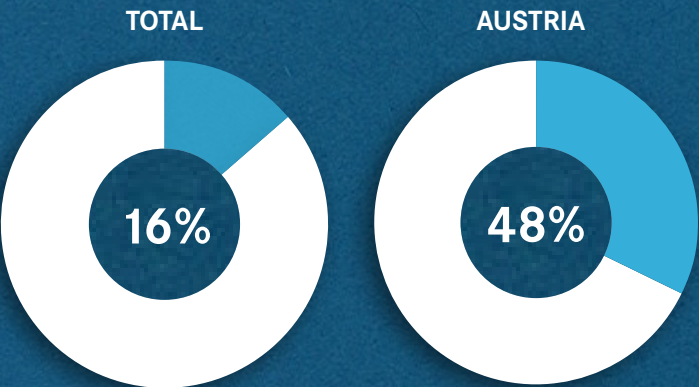
Focus on preventive healthcare

UNIQA strongly promotes prevention. We cooperate with leading companies in Austria in commercial health promotion. Some of our projects in this field include the UNIQA VitalTruck and the UNIQA HealthCare Truck, which toured through Austria as well as other countries such as Serbia and Montenegro in 2014. Since 2009, UNIQA VitalBilanz (“Vital Balance”) has been offering companies about 120 modules on fitness, nutrition, psychology, energy and the environment. We are working on expanding this programme, enhancing partnerships, and developing a Fitness Profile 2.0 for businesses.

The UNIQA VitalPlan also gives private customers in Austria a comprehensive range of preventive services, from supervision by VitalCoaches to a VitalCheck. Our MedPLUS 24service health hotline also offers a team of physicians to answer questions. We have also offered a three-level prevention plan since 2014 that can be associated with a premium healthcare plan. Because an active lifestyle has a positive effect on health, last spring we introduced the first health insurance tariff to the market that rewards health-conscious customers.

Long-term and stable – health insurance

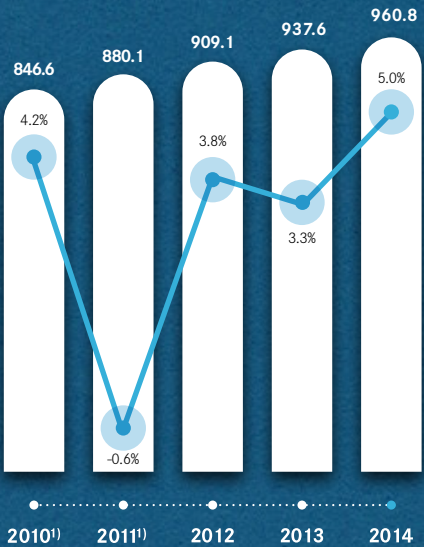
STABLE PILLAR // Health insurance is, with about 16 per cent of premiums, the third-largest insurance line in the UNIQA Group. It includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain independent contractors such as lawyers, architects, and chemists.



MARKET LEADERS // The largest portion of premiums in health insurance is generated in Austria. In this strategically important line, UNIQA is, with about a 48 per cent share of the market, the undisputed number one.¹⁾ About four-fifths of the benefits in health insurance flow into inpatient care.

¹⁾ Source: Insurance Association of Austria, Annual Report 2013

DEVELOPMENT FROM 2010–2014



STEADY GROWTH // The premiums in health insurance are increasing with the rise in health costs and life expectancy. Since 2010, the premium volume in the UNIQA Group has risen from €846.6 million to €960.8 million. At the same time, the margin – in this case the relationship of the profit to the technical provisions – has developed positively: It is currently at 5.0 per cent.

¹⁾ Exclusive Mannheimer Group

Health insurance is a core competence of the UNIQA Group. It is characterised by stable contributions to earnings, long-term contracts, and a positive growth outlook.



HEALTH ON WHEELS // New benchmarks in commercial health management: with the UNIQA Trucks, companies can offer their employees health checks on location. In 2014 we tested the fitness levels of about 1,600 people in the UNIQA VitalTruck. At the health check-up in the UNIQA Mobile HealthCare Truck about 1,600 people were checked. The trucks are also available abroad: they toured for example through Serbia and Montenegro.



3 TO 5 PER CENT // In Austria, the cancellation rate in health insurance is moderate.



25 YEARS // That's how long the average contract term is in Austria.



90 YEARS // The longest contract in health insurance has been in effect now for over 90 years.

We take on responsibility

Credibility, transparency and trust play a critical role for the UNIQA Group. Our core business has a long-term focus: we do not think in years, but in generations.

The UNIQA Group believes that success in terms of figures is not enough. Our objective is to balance the interests of our shareholders, employees, customers and society. We aim to meet the needs of these groups, taking into account economic, social and environmental considerations.

OUR FOUNDATION – CORPORATE SOCIAL RESPONSIBILITY

Over the past few years, we have systematically integrated corporate social responsibility into our organisation. To achieve this, we have analysed long-term opportunities and risks in our areas of business and recorded trends. We have created transparent responsibilities and speeded up decision-making channels. We have also a set up a clear code of conduct for the UNIQA Group.

We approach investment in a responsible manner and have pledged our commitment to the Austrian Code of Corporate Governance. The Code forms the regulatory framework for the management and supervision of publicly listed enterprises and aims to foster sustainable, long-term value creation. Our corporate governance activities are evaluated each year by external experts and the findings are published on the Group’s website.

The UNIQA Code of Conduct has been in force since January 2013. It governs conduct at all levels – just as much between employees as between UNIQA and its customers and business partners. The UNIQA Code of Conduct has been in force since January 2013. It governs conduct at all levels – just as much between employees as between UNIQA and its customers and business partners. It also covers gifts and donations, secondary occupations, non-discrimination and the protection of customer privacy. In the last year, approximately 50 managers and specialists completed compliance training to ensure that the requirements are integrated into day-to-day work. In 2014, we began to include the foreign subsidiaries; supported by special training sessions for employees in these subsidiaries. From 2015, e-learning training sessions will be offered in Austria, and new employees will receive personal instruction.

SOCIAL COMMITMENT – NURTURING PEOPLE

In the UNIQA Group, we put social commitment into practice at many levels. The initiatives described below are just a few examples of our commitment to people and society.

Wide variety of initiatives and projects

UNIQA supports a large number of social initiatives in Austria as well as in Central and Eastern Europe. Examples include the Austrian Business for Integration Association, the Caritas organisation, Hilfswerk Austria, Light for the World, the Pink Ribbon campaign, Austrian Integration Award partnership, Journey for the Dream Foundation and the promotion of sport in schools in a number of countries.

Since 2011, we have been supporting technical developments for the disabled with the UNIKATE ideas competition. In conjunction with the Austrian National Council of Disabled Persons, the

first practical solutions resulting from the translation of ideas were presented at the beginning of 2014: a handcam and telephony software.

Promotion of health and sport

As the largest provider of health insurance in Austria, we promote health by focussing on physical activity, nutrition and mental fitness. In 2014, we combined all activities under one initiative: “Denk Gesundheit, die Spaß macht” (Think Health, Think Fun). We are also supporting more health-related initiatives in CEE countries. One of the key areas is sport – on all levels. Successful athletes are role models and can have a positive impact on society. We therefore work together in many countries with local athletes as brand ambassadors; and have a partnership with the European Handball Federation.

The health of children and young people is an issue that is particular close to our hearts. “UNIQA Fit aufwachsen Camps” (UNIQA Grow-Up-Fit Camps) use play as a vehicle to help 10 to 14 year olds and their parents become more health conscious. Since 2012, we have been supporting Vital4Brain, an initiative to bring physical activity into schools, make learning less monotonous and promote concentration. We also invest in education and the arts. In the 2014/2015 school year, UNIQA is once again supporting the SAG’S MULTI speech competition for young people with or without a migrant background, marking the sixth time now that the Group has supported this competition. Since 2013, we have also been sponsoring the opera for children at the Salzburg Festival.

ENVIRONMENTAL AND CLIMATE PROTECTION – SAFEGUARDING OUR LIVING SPACE

We also acknowledge our responsibility for the environment. We are continuously reducing our energy consumption, protecting resources and enhancing employee awareness of environmental issues.

Acting responsibly

One example is the use of low-carbon or electric company cars in Austria. If employees decide to do without a car entirely, we subsidise the purchase of public transport passes.

Special insurance solutions reward customers for an environmentally conscious approach, one example being UNIQA SafeLine vehicle insurance. This innovative system promotes driver safety and measures the distance travelled. If the driver does not travel very far, this reduces carbon emissions – and also the premium for liability and comprehensive motor insurance.

Leading by example

Internal competitions – such as the Raiffeisen Sustainability Challenge in Austria – promote sustainability-related ideas. Another way to reduce environmental impact is the use of digital communications. More than 150,000 customers and about 150 employees in Austria have set an example: as UNIQA customers, they have taken it upon themselves to switch to electronic post-boxes. To save on paper and printing costs, the printers at 202 locations have been converted to state-of-the-art devices protected by passwords. Used ink and toner cartridges are recycled.

Green corporate facilities

UNIQA Tower in Vienna meets the latest requirements for energy efficiency and climate protection. Since 2008, the building has held a GreenBuilding certification from the European Union, as one of the first office building in Austria and one of the first in Europe. Further accolades include the Bauherrenpreis (Building Owners’ Prize) awarded by the Austrian Architects Association, the Facility Prize from ATGA GmbH and the U.S. Green Building Council LEED certification. In Austria, all UNIQA’s electricity suppliers have a Green Electricity label certification. The Company is also a founder member of the Raiffeisen climate protection initiative.

UNIQA shares

In 2014, the economic environment was very challenging: following significant volatility, UNIQA shares ended the year on an upward trajectory again.

UNIQA shares are listed in the prime market segment of the Vienna Stock Exchange. During the course of 2014, the share price fell by 16.2 per cent to €7.78. Firstly, UNIQA shares could not escape general trends in Austria. Secondly, they were adversely impacted by the geopolitical tension – arising from developments in Ukraine – and the further drop in yields. The ATX, the leading index of Wiener Börse, fell by almost the same amount (15.2 per cent) over the same period. In contrast, the benchmark index for European insurance companies, EURO STOXX Insurance, rose by 3.8 per cent.

SUCCESSFUL RE-IPO INCREASES FREE FLOAT

In October 2013, the UNIQA Group increased its capital by means of a re-IPO as part of its UNIQA 2.0 strategic programme. The gross proceeds amounted to €757 million. The re-IPO led to a significant increase in the proportion of UNIQA shares in free float to 35.4 per cent. As a consequence of the marked improvement in the liquidity of the shares, they were included in Austria’s leading ATX index in March 2014.

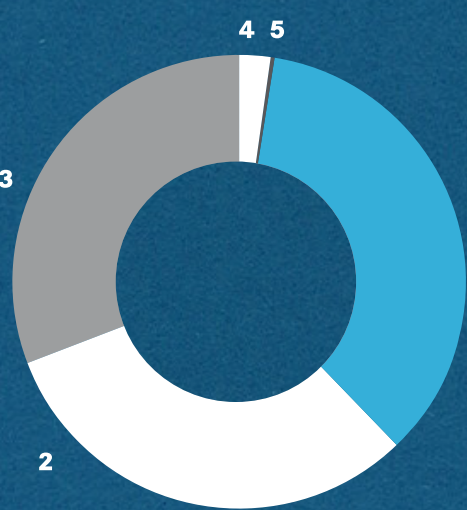
UNIQA shares – key figures in €	2014	2013	2012	2011	2010
UNIQA share price as at 31 December	7.78	9.28	9.86	9.42	14.70
High	10.02	11.14	13.40	16.50	15.34
Low	7.34	8.12	8.75	9.00	10.68
Average turnover/day (€ million)	3.2	1.5	0.1	0.1	0.5
Market capitalisation as at 31 December (€ million)	2,404.0	2,867.5	2,112.5	1,346.9	2,102.0
Earnings per share	0.94	1.21	0.75	-1.73	0.30
Dividend per share	0.42 ¹⁾	0.35	0.25	0	0.40

¹⁾ Proposal to the Annual General Meeting

SHAREHOLDER STRUCTURE REMAINS UNCHANGED

The shareholder structure of UNIQA remained unchanged in 2014. The free float amounted to 35.4 per cent, more than one third of the total number of shares. At the end of 2014, market capitalisation based on the free float therefore amounted to approximately €850 million. Raiffeisen Zentralbank (Group) continues to hold 31.4 per cent (BL Syndikat Beteiligungs Gesellschaft m.b.H. 22.8 per cent, RZB Versicherungsbeteiligung GmbH 8.6 per cent) as a core shareholder. The second core shareholder, now renamed UNIQA Versicherungsverein Privatstiftung (Group), holds 30.6 per cent (Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH 23.7 per cent, UNIQA Versicherungsverein Privatstiftung 6.9 per cent) and the core shareholder Collegialität Versicherungsverein Privatstiftung 2.3 per cent. The portfolio of treasury shares remained unchanged at 0.3 per cent.

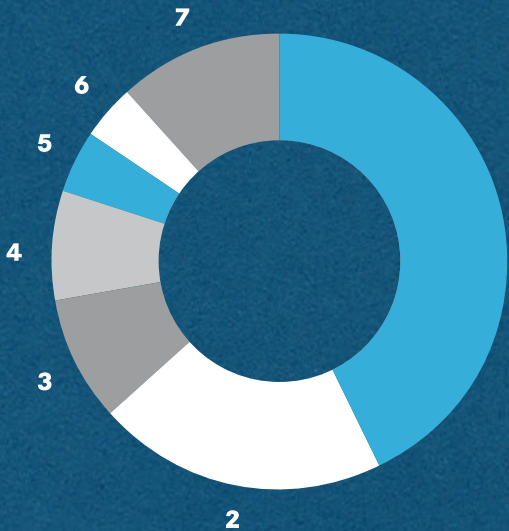
Investment with potential – UNIQA and the capital market



SHAREHOLDER STRUCTURE OF UNIQA INSURANCE GROUP AG

IN GOOD HANDS // Since March 2014, UNIQA shares have been listed on the leading index in Vienna, the ATX. The shareholder structure makes it clear: aside from the free float, three Austrian core shareholders set the tone.

- 1. Free float 35.4%
- 2. Raiffeisen Zentralbank 31.4%
- 3. UNIQA Versicherungsverein Privatstiftung 30.6%
- 4. Collegialität Versicherungsverein Privatstiftung 2.3%
- 5. Treasury shares 0.3%



GEOGRAPHIC FREE FLOAT DISTRIBUTION

IN DEMAND AROUND THE WORLD // The free float makes up more than a third of UNIQA’s shares. It increased noticeably after the re-IPO in 2013. The broad distribution of the shares reflects the international interest.

- 1. UK 42.8%
- 2. USA 20.7%
- 3. Poland 8.9%
- 4. Austria 7.7%
- 5. France 4.4%
- 6. Germany 3.9%
- 7. Other countries 11.6%

FINANCIAL CALENDAR 2015

22 May 2015	1st Quarter Report 2015
26 May 2015	Annual General Meeting
8 June 2015	Ex-Dividend Date, Dividend Payment Date
27 August 2015	Half-Year Financial Report 2015
27 November 2015	1st to 3rd Quarter Report 2015

UNIQA shares are listed in the Prime Market segment of the Vienna Stock Exchange. The demanding environment in 2014 made itself felt in the company’s growth. Following significant volatility, the shares ended the year on an upward trajectory again.

DYNAMIC SHARE PRICE PERFORMANCE

Following an opening share price of €9.17 on 2 January 2014, the shares quickly reached a high for the year of €10.02 on 21 January 2014. In the first eight months of the year, the shares then fluctuated between €9 to €10. A downward trend took hold from September 2014, reaching a low for the year of €7.34 on 16 December 2014. The UNIQA share price then rallied, ending the year at €7.78. At the end of January 2015, the shares initially fought to stay above the €7 mark but then recovered again subsequently. On 24 March 2015, the UNIQA share price was €8.70.

DIVIDENDS

One of our concerns is to make sure that the shareholders in UNIQA participate in the success of the business to an appropriate extent. We aim for a dividend distribution in the range of 40 to 50 per cent of the consolidated profit. On the basis of the separate financial statements of UNIQA Insurance Group AG, the Management Board will therefore propose to the Annual General Meeting the payment of a dividend of €0.42 per dividend-bearing share for the 2014 financial year. Beginning with the 2016 financial year, we are planning to increase the dividend distribution to at least 50 per cent, depending on the Group’s economic situation.

IN DIALOGUE WITH ANALYSTS AND INVESTORS

We attach the utmost importance to providing our shareholders as well as the entire financial community with regular, comprehensive, up-to-date information about the ongoing performance of the Company. The UNIQA management team was available to answer the questions of investors and analysts at numerous roadshows and banking conferences and also held a large number of one-to-one meetings during the year. All reports and corporate information can be accessed online at www.uniqagroup.com. In addition, our investor relations team is happy to answer individual questions.

UNIQA shares – information

Ticker symbol	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Vienna Stock Exchange, prime market
Trading segment	Official market
Indices	ATX, ATX FIN, MSCI Europe Small Cap
Number of shares	309,000,000

Currently, the following investment banks regularly publish research reports on UNIQA shares:

Bank (Analyst)	Recommendation	Target price (in €)
Berenberg Bank (Sami Taipalus)	BUY	10.40
Deutsche Bank (Olivia Brindle)	HOLD	8.70
Erste Group Bank (Thomas Unger)	ACCUMULATE	11.00
J.P. Morgan (Michael Huttner)	NEUTRAL	9.00
Main First Bank (Michael Haid)	UNDERPERFORM	8.40
Raiffeisen Centrobank (Bernd Maurer)	BUY	10.50
UBS (James Shuck)	NEUTRAL	8.10

Corporate Governance Report
Report of the Supervisory Board

Corporate Governance Report

Since 2004, the UNIQA Group has pledged to comply with the Austrian Code of Corporate Governance and publishes the declaration of conformity both in the Group annual report and on the Group website at www.uniqagroup.com in the Investor Relations section. The Austrian Code of Corporate Governance is also publically available at www.corporate-governance.at.

Implementation and compliance with the individual rules in the Code are evaluated by PwC Wirtschaftsprüfung GmbH – with the exception of Rules 77 to 83. Compliance with Rules 77 to 83 of the Code of Corporate Governance is evaluated by Schönherr Rechtsanwälte GmbH. The evaluation is carried out largely using the questionnaire for the evaluation of compliance with the Code published by the Austrian Working Group for Corporate Governance (as amended July 2012). The reports on the external evaluation in accordance with Rule 62 of the Austrian Code of Corporate Governance can also be found at www.uniqagroup.com.

UNIQA also declares its continued willingness to comply with the Austrian Code of Corporate Governance as currently amended. In accordance with statutory requirements, UNIQA complies with the “L rules” (legal requirements) in the Code in full. However, UNIQA deviates from the provisions of the Code as amended with regard to the following C rules (comply or explain rules) and the explanations are set out below.

Rule 49 of the Austrian Code of Corporate Governance

Due to the growth of UNIQA’s shareholder structure and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with companies related to the individual members of the Supervisory Board in which they discharge duties as members of governing bodies. If such contracts require approval by the Supervisory Board in accordance with Section 95 paragraph 5 no. 12 of the Austrian Stock Corporation Act (Rule 48), the details of these contracts cannot be made public for reasons of company policy and competition law. All transactions are in any case entered into and processed on an arm’s length basis.

COMPOSITION OF THE MANAGEMENT BOARD

Chairman

Andreas Brandstetter, Chief Executive Officer (CEO)

* 1969, appointed 1 January 2002 until 31 December 2016

Responsible for:

- Investor Relations
- Group Communications
- Group Marketing
- Group Human Resources
- Group Internal Audit
- Group General Secretary

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

- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna
- Member of the Board of Directors of SCOR SE, Paris

Number of UNIQA shares held as at 31 December 2014: 21,819

Members

Hannes Bogner, Chief Investment Officer (CIO)

* 1959, appointed 1 January 1998 until 31 December 2016

Responsible for:

- Group Asset Management (Front Office)
- Real Estate
- Investments/Equity Affairs
- Legal & Compliance
- Group Internal Audit

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

- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Niederösterreichische Versicherung AG, St. Pölten
- Member of the Supervisory Board of Wiener Börse AG, Vienna

Number of UNIQA shares held as at 31 December 2014: 4,812

Wolfgang Kindl

* 1966, appointed 1 July 2011 until 31 December 2016

Responsible for:

- UNIQA International

Number of UNIQA shares held as at 31 December 2014: 4,812

Thomas Münkel, Chief Operating Officer (COO)

* 1959, appointed 1 January 2013 until 31 December 2016

Responsible for:

- Group Processes
- Group IT
- Strategic Project Office

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

Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna

Number of UNIQA shares held as at 31 December 2014: 4,812

Kurt Svoboda, Chief Financial and Risk Officer (CFRO)

* 1967, appointed 1 July 2011 until 31 December 2016

Responsible for:

- Group Finance – Accounting
- Group Finance – Controlling
- Group Risk Management
- Group Asset Management (Back Office)
- Group Actuary
- Group Reinsurance
- Regulatory Management Solvency II

Number of UNIQA shares held as at 31 December 2014: 5,461

On 1 January 2015, Kurt Svoboda also took over the role of Chief Financial Officer (CFO) of UNIQA Insurance Group AG in addition to his responsibilities as Chief Risk Officer (CRO). Until 31 December 2014, Hannes Bogner held the role of CFO. Since 1 January 2015, responsibility for compliance has been held by Hannes Bogner (previously Kurt Svoboda).

THE WORK OF THE MANAGEMENT BOARD

The work of the members of the Management Board is regulated by the rules of procedure. The division of business responsibilities as decided by the full Management Board is approved by the Supervisory Board. The rules of procedure govern the obligations of the members of the Management Board to provide each other with information and approve each other’s activities and the obligations of the Management Board to provide information to, and seek consent from, the

Supervisory Board. The rules of procedure specify a list of activities that require consent from the Supervisory Board. The Management Board generally holds weekly meetings in which the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions. In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

The meetings of the Management Board of UNIQA Insurance Group AG are attended by the CEOs of UNIQA Österreich Versicherungen AG and Raiffeisen Versicherung AG – Hartwig Löger and Klaus Pekarek respectively – normally with an advisory vote. The resulting body is known as the Group Executive Board.

The Management Board informs the Supervisory Board at regular intervals, in a timely and comprehensive manner, about all relevant questions of business performance, including the risk situation and the risk management of the Group. In addition, the Chairman of the Supervisory Board is in regular contact with the CEO to discuss the Company’s strategy, business performance and risk management.

MEMBERS OF THE SUPERVISORY BOARD

Chairman

Walter Rothensteiner

* 1953, appointed 3 July 1995 until the 16th AGM (2015)

Supervisory Board appointments in domestic and foreign listed companies

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

First Vice Chairman

Christian Kuhn (since 26 May 2014)

* 1954, appointed 15 May 2006 until the 16th AGM (2015)

Georg Winckler (until 26 May 2014)

* 1943, appointed 17 September 1999 until the 15th AGM (2014)

Supervisory Board appointments in domestic and foreign listed companies

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

Second Vice Chairman

Erwin Hameseder

* 1956, appointed 21 May 2007 until the 16th AGM (2015)

Supervisory Board appointments in domestic and foreign listed companies

- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- First Vice Chairman of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna Airport
- First Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Second Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Third Vice Chairman

Eduard Lechner (since 26 May 2014)

* 1956, appointed 25 May 2009 until the 16th AGM (2015)

Christian Kuhn (until 26 May 2014)

* 1954, appointed 15 May 2006 until the 16th AGM (2015)

Fourth Vice Chairman

Günther Reibersdorfer (until 26 May 2014)

* 1954, appointed 23 May 2005 until 25 May 2009 and 31 May 2010 until the 16th AGM (2015)

Supervisory Board appointments in domestic and foreign listed companies

- Member of the Supervisory Board of Raiffeisen International AG, Vienna

Fifth Vice Chairman

Ewald Wetscherek (until 26 May 2014)

* 1944, appointed 17 September 1999 until the 15th AGM (2014)

Members

Markus Andréewitch

* 1955, appointed 26 May 2014 until the 16th AGM (2015)

Ernst Burger

* 1948, appointed 25 May 2009 until the 16th AGM (2015)

Supervisory Board appointments in domestic and foreign listed companies

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

Peter Gauper

* 1962, appointed 29 May 2012 until the 16th AGM (2015)

Eduard Lechner (until 26 May 2014)

* 1956, appointed 25 May 2009 until the 16th AGM (2015)

Johannes Schuster

* 1970, appointed 29 May 2012 until the 16th AGM (2015)

Supervisory Board appointments in domestic and foreign listed companies

- Member of the Supervisory Board of Raiffeisen International AG, Vienna

Kory Sorenson

* 1968, appointed 26 May 2014 until the 16th AGM (2015)

Supervisory Board appointments in domestic and foreign listed companies

- Member of the Board of Directors of SCOR SE, Paris
- Member of the Board of Directors of Phoenix Group Holdings, Cayman Islands

Delegated by the Central Works Council

Johann-Anton Auer

* 1954, since 18 February 2008

Number of UNIQA shares held as at 31 December 2014: 106

Peter Gattinger

* 1976, since 10 April 2013

Heinrich Kames

* 1962, since 10 April 2013

Number of UNIQA shares held as at 31 December 2014: 56

Franz-Michael Koller

*1956, since 17 September 1999

Number of UNIQA shares held as at 31 December 2014: 912

Friedrich Lehner

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

Number of UNIQA shares held as at 31 December 2014: 912

The Supervisory Board of UNIQA Insurance Group AG held six meetings in 2014.

COMMITTEES OF THE SUPERVISORY BOARD

Committee for Board Affairs

Chairman

- Walter Rothensteiner

Vice Chairman

- Christian Kuhn (since 26 May 2014)
- Georg Winckler (until 26 May 2014)

Members

- Erwin Hameseder
- Eduard Lechner (since 26 May 2014)
- Christian Kuhn (until 26 May 2014)

Working Committee

Chairman

- Walter Rothensteiner

Vice Chairman

- Christian Kuhn (since 26 May 2014)
- Georg Winckler (until 26 May 2014)

Members

- Erwin Hameseder
- Ernst Burger (since 26 May 2014)
- Eduard Lechner (since 26 May 2014)
- Johannes Schuster (since 26 May 2014)
- Christian Kuhn (until 26 May 2014)
- Günther Reibersdorfer (until 26 May 2014)
- Ewald Wetscherek (until 26 May 2014)

Delegated by the Central Works Council

- Johann-Anton Auer
- Heinrich Kames
- Franz-Michael Koller

Audit Committee

Chairman

- Walter Rothensteiner

Vice Chairman

- Christian Kuhn (since 26 May 2014)
- Georg Winckler (until 26 May 2014)

Members

- Erwin Hameseder
- Eduard Lechner (since 26 May 2014)
- Kory Sorenson (since 26 May 2014)
- Christian Kuhn (until 26 May 2014)
- Günther Reibersdorfer (until 26 May 2014)
- Ewald Wetscherek (until 26 May 2014)

Delegated by the Central Works Council

- Johann-Anton Auer
- Heinrich Kames
- Franz-Michael Koller

Investment Committee

Chairman

- Erwin Hameseder

Vice Chairman

- Christian Kuhn (since 18 September 2014)
- Georg Winckler (until 26 May 2014)

Members

- Eduard Lechner
- Peter Gauper (since 26 May 2014)
- Kory Sorenson (since 26 May 2014)
- Christian Kuhn (from 26 May 2014 to 18 September 2014)
- Günther Reibersdorfer (until 26 May 2014)

Delegated by the Central Works Council

- Johann-Anton Auer
- Heinrich Kames
- Franz-Michael Koller (since 26 May 2014)

THE WORK OF THE SUPERVISORY BOARD AND ITS COMMITTEES

The Supervisory Board advises the Management Board in its strategic planning and projects. It participates in the decisions assigned to it by law, the Articles of Association and its rules of procedure. The Supervisory Board is responsible for supervising the management of the Company by the Management Board.

The Supervisory Board has comprised nine shareholder representatives since the Annual General Meeting held on 26 May 2014 (previously ten shareholder representatives). Georg Winckler, Ewald Wetscherek and Günther Reibersdorfer stepped down from the Board. Kory Sorenson, satisfying the criteria of Rule 54 of the Austrian Corporate Governance Code for companies with a free float of more than 20 per cent, and Markus Andréewitch were elected to the Supervisory Board during the Annual General Meeting. Nadine Gatzert withdrew her candidacy. The Chairman’s Committee of the Supervisory Board was reduced in size from six to four shareholder representatives. The functions of the fourth and fifth Vice Chairmen were discontinued.

A *Committee for Board Affairs* was formed to handle the relationship between the Company and the members of its Management Board relating to employment and salary; this committee also acts as the *Nominating and Remuneration Committee*. In its three meetings, the Committee for Board Affairs dealt with personnel matters relating to Management Board members as well as with questions of remuneration policy and succession planning.

The appointed *Working Committee* is called upon to make decisions only if the urgency of the matter means that the decision cannot wait until the next meeting of the Supervisory Board. It is the Chairman’s responsibility to assess the urgency of the matter. The decisions passed must be reported in the next meeting of the Supervisory Board. Generally, the Working Committee can make decisions on any issue that is the responsibility of the Supervisory Board but this does not include issues of particular importance or matters that must be decided upon by the full Supervisory Board by law. The Working Committee did not convene for any meetings in 2014.

The *Audit Committee* of the Supervisory Board performs the duties assigned to it by law. The Audit Committee convened for three meetings in which the auditor of the consolidated financial statements also participated, dealt with all financial statement documents, the Corporate Governance Report and the Management Board’s proposal on the appropriation of profit. Furthermore, the planning of the audit of the 2014 financial statements of the companies of the consolidated group was carried out and the Audit Committee was informed of the results of the preliminary audits. In particular, the Audit Committee was provided on a quarterly basis with the reports of the Internal Auditing department concerning audit areas and material findings based on the audits conducted.

Finally, the *Investment Committee* advises the Management Board with regard to its investment policy; it has no decision-making authority. The Investment Committee held four meetings at which the members discussed the capital investment strategy, questions concerning capital structure and the focus of risk and asset liability management.

The various chairmen of the committees informed the members of the Supervisory Board about the meetings and the work of the respective committees.

For information concerning the activities of the Supervisory Board and its committees, please also refer to the details in the Report of the Supervisory Board.

INDEPENDENCE OF THE SUPERVISORY BOARD

All elected members of the Supervisory Board have declared their independence under Rule 53 of the Austrian Code of Corporate Governance. Kory Sorenson satisfies the criteria in Rule 54 for companies with a free float of more than 20 per cent.

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

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

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

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

UNIQA is convinced that the Group can enhance the level of success on a sustainable basis by encouraging a high degree of diversity. Diversity at management levels has a positive impact on the corporate culture. UNIQA defines diversity in this context as different nationalities, cultures and a mix of women and men.

This diversity also reflects the make-up of our customer base in Austria and 18 European countries and helps us to understand them better so we can offer suitable products and services. People from more than 30 different countries are employed by UNIQA at the Vienna corporate head office alone.

Over the course of 2014, the proportion of women on Management Boards and in senior executive positions throughout the Group improved by one percentage point to 19 per cent. The equivalent figure at an international level remained at 25 per cent.

We are particularly pleased to welcome Kory Sorenson, the first woman to be appointed as a shareholder representative on the Supervisory Board of UNIQA Insurance Group AG. Her presence makes the Supervisory Board more diverse. Kory Sorenson combines professional expertise with many years of experience and an international dimension. UNIQA has therefore taken a further step in the right direction but still needs to keep improving in this regard, and certainly intends to do so.

Enabling employees to achieve a work-life balance and providing them with straightforward access to services that make everyday life easier – especially for mothers – are key factors. In Austria, UNIQA has created a comprehensive range of services known as “Freiraum” (Latitude) that addresses these needs. In conjunction with an external partner (KibisCare), this range of services includes a comprehensive childcare service on “bridging days” (between a public holiday and the weekend), an advisory and agency service for childcare, private tuition and for the support and care of family members, together with a broad range of health and sports activities.

UNIQA also supports flexible working hours and offers the option of teleworking. In 2014, 21 per cent of the administrative employees in Austria made use of part-time working while 8 per cent opted for teleworking.

In terms of professional development for managers, UNIQA believes that the most promising approach is to undertake joint development activities for both women and men. Cooperation between men and women then becomes a matter of course and also works much better on a day-to-day basis. The “INSPIRE“ management development programme, which has been running since 2013, aims to put this joint development approach into practice: it brings together managers from all the markets in the UNIQA Group and a quarter of the participants are women. From a recruitment perspective however, UNIQA exercises positive discrimination, giving preference to female applicants where they have the same skills and qualifications.

REMUNERATION REPORT

Remuneration of the Management Board and Supervisory Board

The members of the Management Board receive their remuneration exclusively from UNIQA Insurance Group AG, the Group holding company.

in € thousand	2014	2013
The expenses attributable to the financial year in question for the remuneration of the members of the Management Board amounted to:		
Fixed remuneration ¹⁾	2,468	2,458
Variable remuneration	876	2,465
Current remuneration	3,344	4,923
Termination benefit entitlements	0	0
Total	3,344	4,923
of which proportionately recharged to the operating subsidiaries:	2,173	4,176
Former members of the Management Board and their surviving dependants received:	2,706	2,699

¹⁾ The fixed salary components included remuneration in kind equivalent to €85,463 (2013: €73,088).

The breakdown of the total Management Board remuneration among the individual members of the Management Board was as follows:

Name of Mgt. Board member <small>in € thousand</small>	Fixed remuneration	Variable remuneration ¹⁾	Total current remun.	Termination benefit entitlements	Total 2014	Total 2013
Andreas Brandstetter	608	218	826	0	826	1,164
Hannes Bogner	459	164	623	0	623	938
Wolfgang Kindl	459	166	624	0	624	900
Thomas Münkelt	485	164	649	0	649	972
Kurt Svoboda	457	164	622	0	622	949
Total 2014	2,468	876	3,344	0	3,344	0
Total 2013	2,458	2,465	4,923	0	0	4,923

¹⁾ Including long-term incentive provision in the amount of €89,380.

In addition to the remuneration listed above, the following pension fund contributions were paid in the financial year for the existing pension commitments to the members of the Management Board. The compensation payments arise if a member of the Management Board steps down before the age of 65 because pension entitlements are generally funded in full until the age of 65.

Pension fund contributions <small>in € thousand</small>	Regular contributions	Compensation payments	Total for the year
Andreas Brandstetter	84	0	84
Hannes Bogner	128	0	128
Wolfgang Kindl	119	0	119
Thomas Münkelt	245	0	245
Kurt Svoboda	105	0	105
Total 2014	681	0	681
Total 2013	681	0	681

The remuneration paid to the members of the Supervisory Board for their work in the 2013 financial year was €380,000. Provisions amounting to €443,750 were set aside for the remuneration to be paid for this work in 2014. A total of €32,700 was paid out in 2014 to cover attendance fees and out-of-pocket expenses (2013: €31,320).

<small>in € thousand</small>	2014	2013
Current financial year (provision)	444	380
Attendance fees	33	31
Total	476	411

The breakdown of the total remuneration (including attendance fees) paid to the individual shareholder representatives on the Supervisory Board was as follows:

Name of Supervisory Board member <small>in € thousand</small>	Remuneration 2014	Remuneration 2013
Walter Rothensteiner	72	71
Christian Kuhn	61	51
Georg Winckler	24	58
Erwin Hameseder	62	57
Eduard Lechner	53	23
Günther Reibersdorfer	22	50
Ewald Wetscherek	20	44
Markus Andréewitch	20	0
Ernst Burger	35	16
Peter Gauper	35	16
Johannes Schuster	35	16
Kory Sorenson	27	0
Remuneration paid to employee representatives	12	9
Total	476	411

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

The disclosures in accordance with Section 239 paragraph 1 of the Austrian Commercial Code in conjunction with Section 80b of the Austrian Insurance Supervisory Act, which must be included as mandatory disclosures in the notes to the financial statements for IFRS financial statements to release the Company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, are defined more broadly for the separate financial statements in accordance with the provisions of the Austrian Commercial Code. The separate financial statements include not only the remuneration for the decision-making functions (Management Board) of UNIQA Insurance Group AG, but also the remuneration paid to the Management Boards of the subsidiaries if such remuneration is based on a contract with UNIQA Insurance Group AG.

Principles of profit-sharing for the Management Board

A variable remuneration component is made available to the members of the Management Board in the form of bonus agreements and granted in the form of a one-off payment if the specified criteria for the entitlement to the bonus have been satisfied.

The system used to calculate the variable component of the remuneration for the Management Board was modified when the appointments to the Management Board were extended from the 2013 financial year. A short-term incentive (STI) is offered in which a one-off payment is made if the defined criteria for the payment of the incentive have been met, based on the Company’s earnings situation and agreed individual objectives for each financial year. A long-term incentive (LTI) is also made available in parallel with the STI. The LTI is a share-based payment arrangement with cash settlement and provides for one-off payments after a period of four years based on a virtual investment in UNIQA shares each year and the performance of UNIQA shares, ROE and total shareholder return over the period. This incentive is subject to agreed upper limits and an obligation on the members of the Management Board to make an annual investment in UNIQA shares with a holding period of four years in each case. The system complies with Rule 27 of the Austrian Code of Corporate Governance.

**Principles and requirements for the Company
pension scheme provided for the Management Board**

UNIQA has agreed retirement pensions, invalidity pension benefits and surviving dependants’ pensions for the members of the Management Board. The beneficiaries’ actual pension entitlements are a contractual arrangement with Valida Pension AG, which is responsible for managing the pensions. The retirement pension generally becomes due for payment when the beneficiary meets the requirements for receiving a retirement pension as specified in the Austrian General Social Security Act. In event of an earlier retirement, the pension entitlement is reduced. In the case of the occupational invalidity pension and the pension for surviving dependants, basic amounts are provided as a minimum pension.

The pension plan at Valida Pension AG is funded by UNIQA through ongoing contributions for the individual members of the Management Board. Compensation payments must be made to Valida Pension AG if members of the Management Board step down before the age of 65 (imputed contribution payment duration to prevent overfunding).

**Principles for vested rights and entitlements of the Management
Board of the Company in the event of termination of their position**

Severance payments have been agreed based on the provisions of the Austrian Salaried Employee Act. These severance payments, which are made if the employment contract of a member of the Management Board is terminated prematurely, comply with the criteria set out in Rule 27a of the Austrian Code of Corporate Governance. The member of the Management Board generally retains his or her pension entitlements if his or her function is terminated, but the entitlements are subject to curtailment rules.

Supervisory Board remuneration

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

D&O insurance, POSI insurance

UNIQA has taken out directors’ & officers’ (D&O) insurance and, in connection with the implementation of the re-IPO in 2013, public offering of securities insurance (POSI) for the members of the Management Board, Supervisory Board and senior executives. The costs are borne by UNIQA.

RISK REPORT, DIRECTORS’ DEALINGS

A comprehensive risk report (Rule 67 of the Austrian Code of Corporate Governance) is included in the notes to the consolidated financial statements. The notifications concerning directors’ dealings in the year under review (Rule 73 of the Austrian Code of Corporate Governance) can be found in the Investor Relations section of the Group website at www.uniqagroup.com.

EXTERNAL EVALUATION

Implementation of, and compliance with, the individual rules in the Austrian Code of Corporate Governance for the 2014 financial year has been evaluated by PwC Wirtschaftsprüfung GmbH – with the exception of Rules 77 to 83. Compliance with Rules 77 to 83 was evaluated by Schönherr Rechtsanwälte GmbH. The evaluation is carried out largely using the questionnaire for the evaluation of compliance with the Code published by the Austrian Working Group for Corporate Governance (as amended July 2012).

On completion of the evaluation, PwC Wirtschaftsprüfung GmbH and Schönherr Rechtsanwälte GmbH were able to confirm that UNIQA – to the extent that these rules were covered by UNIQA’s declaration of conformity – had complied with the rules of the Austrian Code of Corporate Governance in 2014. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 25 March 2015



Andreas Brandstetter
Chairman of the
Management Board



Hannes Bogner
Member of the
Management Board



Wolfgang Kindl
Member of the
Management Board



Thomas Munkel
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board

Report of the Supervisory Board

Dear Shareholders,

For UNIQA, the year 2014 continued to be dominated by the UNIQA 2.0 long-term strategic programme planned to run until 2020. This annual report gives an account of the programme’s third full year. Despite tough capital market conditions, the Group was once again able to increase profit from ordinary activities.

As a consequence of the substantial uncertainty surrounding the medium-term economic trend in Europe, the political crisis in parts of Eastern Europe and the persistent low level of interest rates, UNIQA decided in the late autumn of 2014 to revise its planning for the 2015 financial year. However, the revised budgets are still based on a significant year-on-year increase in net profit.

UNIQA continues to adhere to the cornerstones of the UNIQA 2.0 strategic programme. It plans to increase the number of customers in the existing markets to 15 million by 2020 by focusing on its core expertise as a direct insurance company. The Company is aiming for further gradual improvement in its underwriting business in Austria and careful profitable growth in Central and Eastern Europe.

Activities of the Supervisory Board

During 2014, the Supervisory Board was regularly informed by the Management Board about the business performance and position of UNIQA Insurance Group AG and the Group as a whole. It also supervised the Management Board’s management of the business and fulfilled all the tasks assigned to the Supervisory Board by law and the Articles of Association. At the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional verbal and written reports. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

The members of the Supervisory Board are regularly invited to participate in informative events on relevant topics. In 2014, there were two special seminars covering Solvency II and the new life insurance strategy.

Focus of the deliberations

The Supervisory Board met on six occasions in 2014. Discussions focused on the Group’s earnings situation and its further strategic development.

At the meeting held on 27 February, the Supervisory Board mainly discussed the Group’s preliminary results for 2013, the initial trends in 2014 and the future real estate strategy in the Group.

The Supervisory Board meeting on 9 April focused on the audit of the annual financial statements and consolidated financial statements for the year ended 31 December 2013 and on the reports from the Management Board with up-to-date information on the performance of the Group in the first quarter of 2014. The Supervisory Board also discussed the agenda for the 15th Annual General Meeting to be held on 26 May 2014.

The meeting of the Supervisory Board held on 22 May was dedicated to a discussion of the

Group’s earnings situation in the first quarter of 2014.

Following the retirement of members of the Supervisory Board and the election of new members, a constituent meeting of the Supervisory Board was held on 26 May. Given the membership changes and some changes in functions, new elections were held at this meeting for the positions of Vice Chairmen and for the members of the other committees appointed by the Supervisory Board. No successor appointments were made for the functions of the fourth and fifth Vice Chairmen in the Chairman’s Committee of the Supervisory Board.

At its meeting on 4 September, the Supervisory Board discussed the Group’s earnings situation in the first half of the year, the latest developments in the third quarter and the forecast for the whole of 2014. It also addressed the modification of the rules of procedure for the Supervisory Board and the Management Board.

The meeting of the Supervisory Board on 26 November held detailed discussions on the forecast for 2014 and on the planning for the 2015 financial year as well as receiving reports on the results of the Group in the first three quarters of 2014 and the latest performance information for the fourth quarter of 2014. The Supervisory Board also evaluated its activities in accordance with the Austrian Code of Corporate Governance.

In December 2014, the Supervisory Board consented to the sale of a property (Haas-Haus in Vienna) by adopting a written resolution circulated among the members.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, committees have been set up in addition to the statutory Audit Committee.

The Working Committee did not hold any meetings in 2014, nor did it take any decisions by circulating a written resolution.

At its three meetings, the Committee for Board Affairs dealt with employment legalities concerning the members of the Management Board and with questions relating to remuneration policy and succession planning.

The Investment Committee held four meetings at which the members discussed the capital investment strategy, questions concerning capital structure and the focus of risk and asset liability management.

The Audit Committee held three meetings in 2014 and these meetings were also attended by the auditors of the (consolidated) financial statements. The meeting held on 9 April discussed all the documents relating to the financial statements and the appropriation of profit proposed by the Management Board. The annual activity report for 2013 in accordance with Section 13 paragraph 6 of the Austrian Regulation on Compliance for Issuers was also submitted to the meeting. At the meeting held on 22 May, the auditor presented the planning and strategy for the audits of the 2014 financial statements prepared by the companies in UNIQA Insurance Group AG’s corporate group and coordinated this planning and strategy with the committee. At the meeting held on 26 November, the auditor informed the committee about the findings from its preliminary audits to date. The meeting acknowledged a report by the auditor on its assessment of the extent to which the risk management system was fully functioning. In addition, the Audit Committee received quarterly reports from Internal Audit on the areas audited by this department and any material findings that arose from these audits.

Each committee chairman informed the members of the Supervisory Board about the meetings and the work of the respective committees.

Separate and consolidated financial statements

The separate financial statements prepared by the Management Board, the management report for UNIQA Insurance Group AG, the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) – as adopted by the EU – and the Group management report for the year ended 31 December 2014 were audited by PwC Wirtschaftsprüfung GmbH, which issued an unqualified audit opinion.

The Supervisory Board noted the findings of the audit with approval.

The audit of the compliance of the Corporate Governance Report with Section 243b of the Austrian Commercial Code and the evaluation of UNIQA's compliance with the rules of the Austrian Code of Corporate Governance (with the exception of Rules 77 to 83) in the 2014 financial year was carried out by PwC Wirtschaftsprüfung GmbH. Schönherr Rechtsanwälte GmbH audited UNIQA's compliance with Rules 77 to 83 of the Austrian Code of Corporate Governance. The audits found that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in the 2014 financial year to the extent that the rules were included in UNIQA's declaration of conformity.

The Supervisory Board acknowledged the consolidated financial statements for 2014, approved the 2014 annual financial statements of UNIQA Insurance Group AG and endorsed both the management report and the Group management report. The 2014 annual financial statements were thereby adopted in accordance with Section 96 paragraph 4 of the Austrian Stock Corporation Act.

The Supervisory Board reviewed and approved the proposal for the appropriation of profit submitted by the Management Board. Accordingly, a dividend distribution of €0.42 per share will be proposed to the Annual General Meeting on 26 May 2015.

The Supervisory Board would like to take this opportunity to thank all employees of the UNIQA Group for the immense personal commitment and dedication they have shown over the past year.

Vienna, April 2015

On behalf of the Supervisory Board



Walter Rothensteiner
Chairman of the Supervisory Board

Financial Statements

Group management report

ECONOMIC ENVIRONMENT

Overall economic momentum in the insurance industry remained restrained in 2014. Although there was no new recession, the economic recovery in the euro zone remained hesitant and the change in gross domestic product (GDP) at 0.9 per cent in real terms was below the expectations of economic researchers. Private consumption is only recovering slowly and corporate investments were too low in many euro zone countries to provide significant momentum for growth and employment. Monetary easing and historically low real interest rates have not yet resulted in the boost in demand which had been hoped for. The development of disposable income in many European countries also remains somewhat stagnant. These factors also contributed to the fact that economic growth of 0.3 per cent in Austria in 2014 fell somewhat below the average in the euro zone. Austrian households responded with a lower tendency towards saving, and at 7.4 per cent the savings rate fell in the 1st half of the year below the average over many years. Italy's economy also remained below expectations in 2014 with a slight recession.

The high unemployment rates continue to point to low utilisation of available economic capacity. However, there has been some relief for the labour markets recently with unemployment rates falling to 11.5 per cent at year-end in the euro zone. The unemployment rate in Austria in 2014 was 5 per cent and 12.9 per cent in Italy according to calculations by Eurostat.

The yields on fixed interest securities from euro zone issuers again reached new lows in the past year. The effective interest return of German government bonds with a 10-year maturity fell to less than 0.4 per cent at the start of 2015. The compression of interest rates and risk premiums ran through virtually the entire range of investments. European corporate bonds and mortgage bonds were also affected by this. Deflationary price developments reached the euro zone towards the end of the year and the rate of inflation was minus 0.3 per cent in February 2015. The European Central Bank continued its process of monetary easing. The key interest rate is virtually zero and the ECB's deposit rate is minus 0.2 per cent. The ECB also started its process of high-volume, unlimited bond purchases ("quantitative easing"). It can be expected that interest rates will generally remain very low for a longer period of time as a result of the slow recovery in the euro zone, low levels of inflation and this major monetary policy stimulus.

The general economic settings in Central and Eastern Europe are becoming increasingly heterogeneous. Central Europe (Poland, Slovakia, Czech Republic and Hungary) is one of the more stable regions. The upturn in domestic demand is providing real momentum, the labour markets are improving and low inflation and interest rates are bolstering the economy. Economic growth was around 3 per cent on average in real terms in Poland, Slovakia, the Czech Republic and Hungary.

The slowdown in the Russian economy intensified in 2014, with GDP only rising by 0.6 per cent in real terms. A rapid fall in the price of oil, the international economic sanctions and a more restrictive monetary policy by the Russian Central Bank compounded the downturn and could lead to a recession in Russia. The slump in the Ukrainian economy was largely caused by the unresolved conflict that is being carried out increasingly by military means in eastern Ukraine. The country remains dependent on international financial aid despite a standby arrangement agreed with the International Monetary Fund (IMF) and financial aid received from the European Union in the last year. The tense economic situation triggered a dramatic correction in the currency markets. Both the Russian rouble and the Ukrainian hryvnia lost more than 50 per cent of their values against the euro over the course of 2014.

The process of economic transformation is unfolding at differing speeds in the countries of Southeastern Europe. Romania recovered economically with growth in GDP of 3 per cent in real terms. Bulgaria's economy is slowly overcoming the stagnation of recent years. Croatia has so far been unable to make the most of its membership in the European Union. The country has to bear the consequences of several years of recession and will also barely emerge from stagnation in 2015. Events in 2014 in Serbia as well as Bosnia and Herzegovina were overshadowed by the flood disasters in May. The consequences of the bad weather are expected to be overcome gradually and investments in reconstruction could provide some economic stimulus. The south-western Balkan countries (Albania, Kosovo, Macedonia and Montenegro) recently recorded economic growth which was slightly above the average for the region.

Overall, the process of convergence in the countries in Central and Eastern Europe is proceeding at a slower pace than that forecasted by the economic researchers, both after the 2008/09 financial crisis as well as after the 2011/12 euro crisis. The centre of conflict in eastern Ukraine and the tense geopolitical and economic situation in Ukraine and Russia are factors which are also expected to cast their shadow over the European economy in 2015. Positive effects are expected in the euro zone economy as a result of lower oil prices on the global market, the devaluation of the euro in relation to the currencies of important trading partners and in part through the quantitative easing by the ECB.

Single premiums drive premium revenue in Austria

The growth in premiums in the Austrian insurance market continued in 2014 following the positive turnaround in 2013. The insurance industry recorded an overall increase of 3.3 per cent in 2014, particularly as a result of strong growth in the area of single premiums. However, a decline in single premiums is expected for 2015, with associated lower levels of overall growth.

Ongoing premium revenue in life insurance is falling further (2014: minus 3.9 per cent). UNIQA therefore issued a new life insurance product in 2014 with benefits for customers and insurers that it expects to provide new stimulus for the insurance market.

The property and casualty sector showed positive premium growth of 2.8 per cent in 2014. The vehicle liability insurance line of business remained flat as a result of the decrease in vehicle registrations, while the comprehensive insurance business continued to experience strong growth. A sideways movement is expected in property and casualty insurance for 2015, although casualty insurance is expected to exceed the EUR 1 billion limit.

In health insurance, the 2014 gains of 3.3 per cent were slightly weaker than those in the previous years, a trend which is expected to continue in 2015. Health insurance is experiencing stronger permanent growth than the property and casualty sector with steady growth rates of around three per cent.

Insurance penetration – i.e. the proportion of premium revenue in gross domestic product – will see moderate growth once again following the declines in 2015, although this will still remain below the European average.

CEE remains the growth region with potential

The markets in the CEE region generally also experienced growth in 2014 which was mostly above the levels in Western Europe. The countries of Central Europe in particular – Poland, Slovakia, the Czech Republic and Hungary – recorded good GDP growth rates, which were also driven by strong domestic demand. UNIQA expects the convergence progress for the countries in Central and Eastern Europe to continue, albeit at a slower pace than previously predicted. A comparable trend is also expected for the insurance market in CEE.

Development in the insurance market for the region was only positive to a limited extent in 2014. The life insurance sector in particular recorded an overall decline in premium volumes, driven once again by heavy declines in business with short-term single premium products in Poland. However, the intense price competition, particularly in the vehicle and property insurance business in a series of markets in Central and Eastern Europe, also resulted in lower premium revenues in the non-life sector. In Ukraine, the political and economic events had a negative impact on the insurance market. In contrast, the Russian market remained virtually unaffected with growth in premium volumes both in the life as well as in the non-life sector.

The aggregate figures on market development were also impacted in 2014 by negative exchange rate trends in some of the major markets in Eastern Europe, such as in Russia, the Czech Republic, Ukraine and in Hungary.

The improvements in the economic situation should have a greater impact on consumer spending and investment activity by companies in 2015. The insurance markets in Central and Eastern Europe should therefore benefit from good growth figures and improved export opportunities. However, the additional effects of the current political crisis between Ukraine and Russia on the insurance industries of both these countries are extremely difficult to assess at the present time.

Despite the patchy development, the CEE region remains a growth region with high potential. The need to catch up for insurance products can also be seen, among other things, from the indicators which are still seriously lagging behind, such as those for insurance density and insurance penetration in the region: while the annual insurance premium in Southeastern Europe is only around €100 per capita for instance, it is more than €2,000 per person in Western Europe. Many people in CEE remain underinsured or have no insurance at all. Yet the higher economic growth in CEE as compared with Western Europe with the resulting increased prosperity in the population offers very good growth opportunities for the insurance industry that significantly surpass those in the already saturated insurance markets of Western Europe.

UNIQA GROUP

With a premium volume written (including the savings portion from the unit-linked and index-linked life insurance) of €6,064.4 million, the UNIQA Group is among the leading insurance groups in Central and Eastern Europe. The savings portion from the unit-linked and index-linked life insurance in the amount of €544.7 million was set off against the change in actuarial reserves, pursuant to FAS 97 (US-GAAP). Without taking the savings portion from the unit-linked and index-linked life insurance into consideration, the premium volume written amounted to €5,519.7 million.

UNIQA in Europe

UNIQA offers its products and services via all distribution channels (hired sales force, general agencies, brokers, banks and direct sales) and covers the entire range of insurance lines.

The listed holding company, UNIQA Insurance Group AG, manages the Group and also operates the indirect insurance business. In addition, it carries out numerous service functions for the Austrian and international insurance companies, in order to take best advantage of synergy effects and to consistently implement the Group's long-term corporate strategy.

UNIQA International AG manages the international activities of the Group. This entity is also responsible for the ongoing monitoring and analysis of the international target markets and for acquisitions and post-merger integration.

New responsibilities on the Management Board of UNIQA Insurance Group AG

On 1 January 2015, Kurt Svoboda took over the role of Chief Financial Officer (CFO) in addition to his responsibilities as Chief Risk Officer (CRO). Hannes Bogner, who was the CFO up until that point, became the Chief Investment Officer (CIO) and his main responsibility is to focus on the area of Investments as well as Legal & Compliance.

Rating

In October 2014, the rating agency Standard & Poor's confirmed the rating of UNIQA Insurance Group AG as "A-". The ratings of UNIQA Österreich Versicherungen AG and the Group's reinsurer, UNIQA Re AG in Switzerland, also remained "A". UNIQA Versicherung AG in Liechtenstein was rated for the first time and received an "A-". The rating of the UNIQA supplementary capital bond continues to be "BBB". The outlook for all the companies is considered by Standard & Poor's to be "stable".

Standard & Poor's substantiates this confirmation of their ratings with the continued strong competitive position and the very strong capital base. The rating agency recognises an improvement in liquid funds: in this area the rating was raised from "strong" to "exceptional".

Companies included in the IFRS consolidated financial statements

In addition to UNIQA Insurance Group AG, UNIQA's 2014 consolidated financial statements include 53 Austrian and 70 international companies. A total of 27 affiliated companies whose influence on a true and fair presentation of the financial position, financial performance and cash flows was immaterial were not included in the consolidated financial statements. In addition, nine Austrian companies were recognised as associates using equity method accounting. Seven associates were of minor importance, and shares held in these companies are recognised at fair value.

Details on the consolidated companies and associates are contained in the corresponding overview in the notes to the consolidated financial statements. The accounting policies are also described in the notes to the consolidated financial statements.

Risk report

UNIQA's comprehensive risk report is included in the notes to the consolidated financial statements 2014.

Corporate Governance Report

Since 2004, UNIQA has pledged to comply with the Austrian Code of Corporate Governance and publishes the Corporate Governance Report at www.uniqagroup.com in the Investor Relations section.

BUSINESS PERFORMANCE IN THE GROUP

UNIQA provides life and health insurance, and is active in almost all lines of property and casualty insurance. It serves about 10.0 million customers, over 19.2 million insurance contracts with a premium volume written (including the savings portion from the unit-linked and index-linked life insurance) of about €6.1 billion (2013: €5.9 billion) and investments of €29.2 billion (2013: €27.4 billion). UNIQA is the second-largest insurer in Austria, has a strong network in Central and Eastern Europe with a presence in 15 countries and is additionally active in Italy, Liechtenstein and Switzerland.

Premium development

UNIQA's total premium volume increased in 2014, taking into account the savings portions of the unit-linked and index-linked life insurance in the amount of €544.7 million (2013: €727.9 million), by 3.0 per cent to €6,064.4 million (2013: €5,885.5 million). The total consolidated premium volume written rose by 7.0 per cent to €5,519.7 million (2013: €5,157.6 million). The continuing noticeable decline in premiums in the unit-linked life insurance was a dampening factor. The main causes of this are subsequent effects of maturing life insurance policies in conjunction with the decision that was already made back in 2011 to withdraw completely from the German market and not to underwrite any more new business.

In the area of insurance policies with recurring premium payments, there was a deterioration of 1.9 per cent to €5,102.7 million (2013: 5,202.8 million). In the single premium business, on the other hand, the premium volume increased by 40.8 per cent to €961.6 million (2013: €682.8 million) due to very strong growth in Austria and Italy.

The Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance (after reinsurance) in the amount of €526.1 million (2013: €702.3 million), rose by 3.6 per cent to €5,839.0 million (2013: €5,640.9 million). The retained premiums earned (according to IFRSs) rose by 7.6 per cent to €5,312.9 million (2013: €4,938.6 million).

In the 2014 financial year, 43.2 per cent (2013: 44.0 per cent) of the premium volume written (including the savings portion from the unit-linked and index-linked life insurance) can be attributed to property and casualty insurance, 15.8 per cent (2013: 15.9 per cent) to health insurance and 40.9 per cent (2013: 40.1 per cent) to life insurance.

Development of insurance benefits

The insurance benefits before reinsurance (see Note 36 in the consolidated financial statements) rose in the 2014 financial year by 10.8 per cent to €4,517.7 million (2013: 4,078.1 million). Consolidated insurance benefits retained also rose in the past year by 10.7 per cent to €4,383.7 million (2013: €3,959.4 million), above all due to the sharp rise in the single premium business.

Operating expenses

Total consolidated operating expenses (see Note 37 in the consolidated financial statements) less reinsurance commissions received and the share of profit from reinsurance ceded (see Note 33 in the consolidated financial statements) decreased clearly in the 2014 financial year by 5.8 per cent to €1,275.3 million (2013: €1,354.2 million). Expenses for the acquisition of insurance less reinsurance commissions received and the share of profit from reinsurance ceded in the amount of €26.0 million (2013: €28.3) fell by 0.2 per cent to €912.5 million (2013: €914.2 million). Other operating expenses decreased due to the systematic implementation of cost savings measures as part of the UNIQA 2.0 strategy programme by 17.5 per cent to €362.8 million (2013: €439.9 million). The figures from the past year include extraordinary expenses related to strategic projects in the amount of €25 million.

UNIQA's cost ratio after reinsurance, i.e. the relation of total operating expenses less reinsurance commissions received and the share of profit from reinsurance ceded to the Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance, dropped to 21.8 per cent during the past year (2013: 24.0 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance was 21.4 per cent (2013: 23.5 per cent).

Investment results

Total investments including land and buildings used by the Group, investment property, shares in associates and investments of the unit-linked and index-linked life insurance and current cash held at banks and cash-in-hand rose in the 2014 financial year by €1,829.0 million to €29,212.7 million (31 December 2013: €27,383.6 million).

Net investment income rose despite the burden of the impairment of bonds of Hypo Alpe-Adria-Bank International AG in an amount of €35.4 million by 10.8 per cent to €864.4 million (2013: 780.0 million). Other drivers of this development were gains on the sale of property and fixed interest securities due to modifications of the strategic asset allocation for the economic optimisation of capital. A detailed description of the investment income can be found in the consolidated financial statements (Note 34).

Other income and Other expenses

Other income rose in 2014 mainly due to differences in the exchange rate of the US dollar by 53.8 per cent to €62.4 million (2013: €40.6 million). However, other expenses also rose in the reporting period due to exchange rate differences of the Russian rouble and Ukrainian hryvnia and amounted to €70.3 million (2013: €32.4 million).

Profit/(loss) from ordinary activities

The technical result of the UNIQA Group rose in 2014 clearly to €151.5 million (2013: €48.8 million). Operating profit increased to €447.6 million (2013: €347.2 million). Profit/(loss) from ordinary activities of UNIQA was very satisfactory, above all due to the welcome trend in the operative segments UNIQA Austria and Raiffeisen Versicherung AG, and rose by 22.9 per cent to €377.9 million (2013: €307.6 million). Net profit for the reporting period only rose by 1.7 per cent to €292.9 million (2013: €287.9 million), because the net profit for the previous year included a result from discontinued operations in the amount of €50.0 million that arose as a result of the reversal of an other provision related to the sale of the Mannheimer Group. The consolidated profit/(loss) amounted to €289.9 million (2013: €284.7 million). Earnings per share fell, however, due to the rise in the average number of shares in circulation to €0.94 (2013: €1.21). The return on equity after tax and non-controlling interests in the reporting period was 9.9 per cent (2013: 11.9 per cent).

The Management Board will therefore propose a dividend of €0.42 per share to the Supervisory Board and the Annual General Meeting.

Own funds and total assets

The Group's total equity increased in the past financial year due to the rise in the revaluation reserve – driven by higher fair values in particular of fixed interest securities – by 11.4 per cent or €317.3 million to €3,102.4 million (31 December 2013: €2,785.1 million). This included non-controlling interests in the amount of €20.2 million (31 December 2013: €22.0 million). The solvency ratio (Solvency I) increased accordingly to 295.4 per cent (31 December 2013: 286.7 per cent). The total assets of the Group rose in the reporting period by 6.6 per cent and amounted to €33,038.2 million on 31 December 2014 (31 December 2013: €31,001.7 million).

Cash flow

UNIQA's cash flows from operating activities amounted to €182.4 million in 2014 (2013: €628.0 million). The cash flow from investing activities amounted to €283.4 million (2013: minus €1,781.3 million). The financing cash flow dropped to minus €109.7 million (2013: €813.0 million).

In total, liquid funds changed by €356.0 million (2013: minus €340.3 million). Financial resources available at the end of 2014 amounted to €975.8 million (2013: €617.0 million).

Employees

In 2014, the average number of employees at UNIQA rose slightly as a result of the acquisition of the insurance companies in the Baloise Group in Croatia and Serbia to 14,336 (2013: 14,277). Of these, 5,821 (2013: 5,893) were employed in sales positions. The number of employees in administration amounted to 8,515 (2013: 8,384).

In the Central European region (CE) – Poland, Slovakia, Czech Republic and Hungary – the Group had 2,806 employees in the 2014 financial year (2013: 2,899), 2,412 people (2013: 2,028) were employed in the Southeastern Europe region (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – and 2,328 people (2013: 2,489) in the Eastern European region (EE) – Romania and Ukraine. There were 103 employees (2013: 94) in Russia. The average number of employees in the Western European markets rose slightly to 360 (2013: 348). A total of 6,327 people were employed in Austria (2013: 6,419). Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the Group amounts to about 22,000.

In 2014, 51 per cent of the staff working in administrative positions at UNIQA Insurance Group AG in Austria were women. In sales, the ratio was 80 per cent men to 20 per cent women. Twenty-one per cent (2013: 19 per cent) of the employees in administration were working part time. The average age in the past year was 43 years (2013: 42 years). In 2014, a total of 15.3 per cent (2013: 14.4 per cent) of the employees participated in UNIQA's bonus system – a variable remuneration system that is tied both to the success of the Company and to personal performance. In addition, UNIQA offers young people in training the opportunity to get to know foreign cultures and make international contacts. Currently, 28 apprentices are being trained. Ten new apprentices were accepted in 2014.

OPERATIONAL SEGMENTS

UNIQA Austria

Premiums

At UNIQA Austria, the premiums written, including the savings portion from the unit-linked and index-linked life insurance, decreased slightly in 2014 by 1.2 per cent to €2,773.5 million (2013: €2,806.7 million). This was due to the continued clear decrease in premiums in unit-linked life insurance. The main causes of this development are subsequent effects of maturing life insurance policies in conjunction with the decision that was already made back in 2011 to withdraw completely from the German market and not to underwrite any more new business. Recurring premiums decreased by 1.2 per cent to €2,741.7 million (2013: €2,774.6 million). Single premiums remained more or less at the level of the previous year of €31.9 million (2013: €32.1 million).

Including the savings portion from the unit-linked and index-linked life insurance, the volume of premiums earned at UNIQA Austria amounted to €2,137.0 million (2013: €2,196.2 million). Retained premiums earned (according to IFRS) declined slightly in 2014 by 0.3 per cent to €1,993.9 million (2013: €1,999.2 million).

Whereas premiums written in property and casualty insurance rose by 2.7 per cent to €1,362.6 million (2013: €1,326.2 million), they increased in health insurance by 2.4 per cent to €887.3 million (2013: €866.2 million). In contrast, in life insurance (including the savings portion from the unit-linked and index-linked life insurance), they decreased by 14.7 per cent to €523.7 million (2013: €614.2 million).

Retained premiums earned (according to IFRS) rose in property and casualty insurance by 0.7 per cent to €753.0 million (2013: €747.6 million); in health insurance, they increased by 2.5 per cent to €886.9 million (2013: €865.2 million). They fell 8.4 per cent in life insurance to €353.9 million (2013: €386.4 million). Including the savings portion from the unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €497.0 million (2013: €583.5 million).

Benefits

Retained insurance benefits at UNIQA Austria fell by 2.6 per cent in 2014 to €1,637.2 million (2013: €1,680.5 million). However, driven by settlement losses in marine hull insurance, they rose in property and casualty insurance by 4.7 per cent to €516.5 million (2013: €493.5 million) and in health insurance they increased by 1.1 per cent to €744.3 million (2013: €736.2 million). In contrast, they fell 16.5 per cent in life insurance, in line with the premiums earned, to €376.4 million (2013: €450.7 million). Consequently, in 2014 the loss ratio in property and casualty insurance amounted to 68.6 per cent (2013: 66.0 per cent).

Operating expenses

Operating expenses, less reinsurance commissions received and the share of profit from reinsurance ceded, amounting to €175.8 million (2013: €179.4 million) decreased in the 2014 financial year by 5.8 per cent to €394.0 million (2013: €418.1 million). In the previous year, this figure contained extraordinary expenses related to strategic projects. They fell 9.3 per cent in property and casualty insurance to €173.1 million (2013: €190.9 million). In health insurance, they increased by 6.0 per cent to €130.0 million (2013: €122.6 million). The main driver of this development is the change in the cost allocation due to the new business model in Austria. On the other hand, in life insurance they fell 13.1 per cent to €90.9 million (2013: €104.6 million).

The cost ratio of UNIQA Austria after reinsurance, i.e. the relation of total operating expenses, less reinsurance commissions received and the share of profit from reinsurance ceded, to the premiums earned, including the savings portion from the unit-linked and index-linked life insurance, amounted to 18.4 per cent during the past year (2013: 19.0 per cent).

Investment results

Net investment income in the UNIQA Austria segment dropped by 4.2 per cent to €363.0 million (2013: 379.1 million).

Profit/(loss) from ordinary activities

Profit/(loss) from ordinary activities of UNIQA Austria rose in the reporting period, driven by the solid profit development in property and casualty insurance as well as health insurance, by 18.6 per cent to €273.9 million (2013: €231.0 million). It rose in property and casualty insurance by 21.8 per cent to €100.7 million (2013: €82.7 million); in health insurance, profit increased by 37.6 per cent to €130.2 million (2013: €94.6 million). In contrast, profit/(loss) from ordinary activities fell by 19.9 per cent in life insurance to €43.0 million (2013: €53.7 million). The main reason for this development was net investment income, which was 25.1 per cent lower at €180.8 million (2013: €241.5 million).

Raiffeisen Versicherung AG

Premiums

The Raiffeisen Insurance segment increased the premiums written, including the savings portion from the unit-linked and index-linked life insurance in 2014, by 3.1 per cent to €905.3 million (2013: €878.5 million), despite the noticeable decline recorded in premiums in unit-linked life insurance. The main causes of this development are subsequent effects of maturing life insurance policies in conjunction with the decision that was already made back in 2011 to withdraw completely from the German market and not to underwrite any more new business. The strong trend in the Austrian core business with Raiffeisen as a partner bank was able to overcompensate for that deterioration. Although recurring premiums dropped by 8.6 per cent to €754.0 million (2013: €825.3 million), single premiums rose 184.7 per cent to €151.3 million (2013: €53.1 million).

Including the savings portion from the unit-linked and index-linked life insurance, the volume of premiums earned at Raiffeisen Versicherung AG amounted to €794.0 million (2013: €767.7 million). The volume of premiums earned (net, according to IFRS) rose in 2014 by 14.1 per cent to €650.8 million (2013: €570.6 million).

While premiums written rose in property and casualty insurance by 5.1 per cent to €153.2 million (2013: €145.7 million); in life insurance they increased by 2.6 per cent to €752.1 million (2013: €732.8 million). Health insurance is not offered in the Raiffeisen Insurance segment.

Retained premiums earned (according to IFRS) rose in property and casualty insurance by 3.9 per cent to €79.8 million (2013: €76.8 million); in life insurance, they increased by 15.6 per cent to €571.1 million (2013: €493.9 million). Including the savings portion from the unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €714.2 million (2013: €690.9 million).

Benefits

Retained insurance benefits in the Raiffeisen Insurance segment increased in 2014 by 8.8 per cent to €685.2 million (2013: €630.0 million). They rose 8.1 per cent in property and casualty insurance to €57.1 million (2013: €52.9 million). In life insurance, this increase was noticeably less than the premiums earned: they rose 8.8 per cent to €628.1 million (2013: €577.1 million). The previous year's figure was impacted as a result, among other things, of an increase in the free provision for premium refunds. This expense did not repeat itself to the same extent in the 2014 financial year. Overall, in 2014 the loss ratio in property and casualty insurance amounted to 71.6 per cent (2013: 68.8 per cent).

Operating expenses

Operating expenses, not including reinsurance commissions received and the share of profit from reinsurance ceded, which amounted to €30.5 million (2013: €26.2 million), decreased in 2014 by 9.2 per cent to €101.5 million (2013: €111.7 million). They fell in property and casualty insurance by 27.9 per cent to €12.0 million (2013: €16.6 million); in life insurance, they increased by 6.0 per cent to €89.5 million (2013: €95.2 million).

The cost ratio in the Raiffeisen Insurance segment after reinsurance, i.e. the relation of total operating expenses, less reinsurance commissions received and the share of profit from re-

insurance ceded, to the premiums earned, including the savings portion from the unit-linked and index-linked life insurance, fell to 12.8 per cent in 2014 (2013: 14.6 per cent).

Net investment income

Net investment income in the Raiffeisen Insurance segment rose in 2014 by 6.1 per cent to €267.0 million (2013: 251.6 million). Among other things, the gains from the disposal of property had a positive effect on net investment income in the 2014 financial year.

Profit/(loss) from ordinary activities

Profit/(loss) from ordinary activities in the Raiffeisen Insurance segment climbed by 68.2 per cent to €108.6 million (2013: €64.6 million). It rose in property and casualty insurance by 55.4 per cent to €14.1 million (2013: €9.1 million); in life insurance, profit increased by 70.3 per cent over the previous year's level to €94.6 million (2013: €55.5 million). The main drivers of this positive trend in profit or loss were the drop in expenses connected with the policyholders' dividend reserve, the reduced costs and the increase in net investment income.

UNIQA International

Premiums

UNIQA International increased the premiums written, including the savings portion from the unit-linked and index-linked life insurance, in 2014 by 8.8 per cent to €2,353.1 million (2013: €2,162.4 million). Recurring premiums fell here by 0.6 per cent to €1,574.6 million (2013: €1,564.9 million). Single premiums rose despite the decline in Poland and Hungary due to the very strong business in Italy, where they grew 30.3 per cent to reach €778.5 million (2013: €597.5 million). That means that in 2014 the international companies contributed a total of 38.8 per cent (2013: 36.7 per cent) to total Group premiums.

Including the savings portion from the unit-linked and index-linked life insurance, UNIQA International's volume of premiums earned amounted to €1,822.2 million (2013: 1,634.1 million). The volume of retained premiums earned (according to IFRS) rose in 2014 by 19.3 per cent to €1,582.3 million (2013: 1,325.9 million).

While premiums written in property and casualty insurance decreased slightly due to negative currency effects and the restraint in the highly competitive motor vehicle segment in CEE by 0.8 per cent to €1,084.9 million (2013: €1,093.7 million), they rose in health insurance by 3.0 per cent to €73.5 million (2013: 71.4 million). In life insurance (including the savings portion from the unit-linked and index-linked life insurance) they rose, driven by the positive course of business in Italy, by 19.8 per cent to €1,194.6 million (2013: €997.3 million).

Retained premiums earned (according to IFRS) fell in property and casualty insurance by 1.8 per cent to €588.2 million (2013: €599.2 million), in health insurance they rose by 2.7 per cent to €71.7 million (2013: €69.8 million) and in life insurance by 40.4 per cent to €922.5 million (2013: €656.8 million). Including the savings portion from the unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €1,162.4 million (2013: €965.1 million).

In the Central Europe region (CE) – Poland, Slovakia, the Czech Republic and Hungary – premiums earned, including the savings portion from the unit-linked and index-linked life insurance, decreased in the 2014 financial year by 13.5 per cent to €524.7 million (2013: €606.8 million). The reduction of the very short-term-oriented single premium business in Poland, the marked withdrawal from single premium business in Hungary and the weaker exchange rate of the Czech koruna were the main factors responsible for this decrease. In Eastern Europe (EE) – comprising Romania and Ukraine – premiums earned, including the savings portion from the unit-linked and index-linked life insurance, fell above all due to the significant loss in value of the Ukrainian hryvnia and the restraint in the highly competitive Romanian motor vehicles business by 23.0 per cent to €117.4 million (2013: €152.5 million). In the South-eastern Europe region (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – in 2014 premium growth was generated in the amount of 29.6 per cent, to €205.7 million (2013: €158.7 million). One driver of this was the acquisition of the insurance companies in the Baloise Group in Croatia and Serbia. In Russia (RU), the premiums earned, including the savings portion from the unit-linked and index-linked life insurance, rose despite the decrease in value of the Russian rouble by 1.9 per cent to €65.6 million (2013: €64.3 million). In Western Europe (WE) – Italy, Liechtenstein and Switzerland – the premiums earned, including the savings portion from the unit-linked and index-linked life insurance, rose in particular due to the increase in single premiums in Italy by 39.2 per cent to €908.9 million (2013: €652.9 million).

Benefits

Retained insurance benefits of UNIQA International increased in 2014 by 30.6 per cent to €1,253.6 million (2013: €960.1 million). In property and casualty insurance they rose by 1.8 per cent to €372.7 million (2013: €366.1 million); in health insurance, profit increased by 7.5 per cent to €45.7 million (2013: €42.5 million). They increased 51.4 per cent in life insurance to €835.2 million (2013: €551.5 million) due to the strong rise in premium revenue. In 2014 the loss ratio in property and casualty insurance rose 63.4 per cent (2013: 61.1 per cent).

In the CE region, benefits rose by 3.1 per cent in 2014 to €245.8 million (2013: €238.5 million); however, in the EE region they fell by 25.1 per cent to €69.6 million (2013: €92.9 million). In SEE, due to the acquisition of the insurance companies in the Baloise Group in Croatia and Serbia, they rose 33.8 per cent to €128.9 million (2013: €96.3 million). In Russia, benefits amounted to €44.2 million (2013: €40.4 million); and in Western Europe, the volume of benefits rose due to the strong growth in premiums in life insurance by 55.5 per cent to €765.2 million (2013: €492.0 million).

Operating expenses

Operating expenses, not including reinsurance commissions received and the share of profit from reinsurance ceded, which amounted to €147.9 million (2013: €147.3 million), decreased in the 2014 financial year by 4.4 per cent to €434.8 million (2013: €454.7 million). They fell by 8.5 per cent in property and casualty insurance to €228.9 million (2013: €250.2 million). In health insurance, benefits rose on the other hand by 7.0 per cent to €30.7 million (2013: €28.7 million). They decreased by 0.3 per cent in life insurance to €175.3 million (2013: €175.8 million).

The cost ratio of UNIQA International after reinsurance, i.e. the relation of total operating expenses, less reinsurance commissions received and the share of profit from reinsurance ceded, to premiums earned, including the savings portion from the unit-linked and index-linked life insurance, decreased during the past year for the reasons mentioned above to 23.9 per cent (2013: 27.8 per cent).

In CE, operating expenses, not including reinsurance commissions received and the share of profit from reinsurance ceded, decreased in the reporting year by 10.9 per cent to €159.7 million (2013: €179.1 million) and in EE by 16.7 per cent to €64.9 million (2013: €77.9 million). In SEE, due to the acquisition of the insurance companies in the Baloise Group in Croatia and Serbia, they increased by 18.2 per cent to €89.7 million (2013: €75.9 million). In Russia, costs amounted to €16.8 million (2013: €24.4 million), while expenses increased in Western Europe by 11.0 per cent to €78.3 million (2013: €70.5 million). In administration (UNIQA International AG), costs decreased by 5.1 per cent to €25.4 million (2013: €26.8 million).

Net investment income

Net investment income rose during 2014 by 21.8 per cent to €174.3 million (2013: 143.1 million).

Profit/(loss) from ordinary activities

In the reporting period, profit/(loss) from ordinary activities in the UNIQA International segment amounted to minus €1.2 million (2013: €21.5 million). The main reason for this was the impairment of goodwill in Romania in the amount of €25 million. Profit (net of tax) in property and casualty insurance declined due to the impairment of goodwill mentioned above to minus €21.4 million (2013: €1.0 million). In health insurance, it came to minus €1.3 million (2013: €1.6 million). On the other hand, in life insurance the profit/(loss) from ordinary activities improved by 13.7 per cent to €21.5 million (2013: €18.9 million).

Reinsurance

In the reinsurance segment, the premium volume written fell in 2014 by 27.2 per cent to €1,189.3 million (2013: €1,633.1 million). On the other hand, the volume of retained premiums earned (according to IFRS) rose slightly by 0.7 per cent to €1,080.9 million (2013: €1,073.6 million).

Retained insurance benefits increased in 2014 by 2.3 per cent to €800.8 million (2013: €782.5 million). This includes the burden of losses (retained) due to flood damage in Austria, Bosnia and Herzegovina and Serbia as well as an increased burden due to major claims amounting to about €96 million.

Operating expenses, not including reinsurance commissions received and the share of profit from reinsurance ceded, which amounted to €8.2 million (2013: €3.9 million), increased marginally by 0.5 per cent to €335.1 million (2013: €333.6 million).

Net investment income rose in 2014 to €31.3 million (2013: €21.8 million).

Due to the rise in the volume of benefits, profit/(loss) from ordinary activities in the reinsurance segment decreased to minus €30.5 million (2013: minus €18.0 million).

Group Functions and Consolidation

In the Group Functions and Consolidation segment, profit/(loss) from ordinary activities increased due to the rise in investment income to €27.0 million (2013: €8.4 million).

Net investment income rose in 2014 among other things due to gains from the sale of property to €28.7 million (2013: minus €15.6 million).

EVENTS AFTER THE BALANCE SHEET DATE (SUPPLEMENTARY REPORT)

As a consequence of the decision made on 1 March 2015 by the Austrian Financial Market Authority (FMA) to impose a moratorium on debt and interest payments by Heta Asset Resolution AG, UNIQA anticipates that it will need to recognise an impairment loss in the first quarter of 2015 for senior bonds issued by former Hypo Alpe-Adria-Bank International AG. The amount of the impairment loss will be determined on the basis of the edict from the FMA and the change in the legal situation. However, the amounts will not be material.

OUTLOOK

Economic outlook

UNIQA expects a moderate upturn in the euro zone in 2015, with positive momentum in terms of general demand as a result of the lower price of oil, a lower euro exchange rate and the quantitative easing by the ECB. The expectations for growth in CEE are now more heterogeneous. In Central Europe (CE), the economic structural conditions remain positive overall, with expectations in terms of economic growth above average when compared with the whole of Europe. The outlook for Russia has changed significantly: Russia's economy is expected to fall into a deep recession as a result of the fall in the price of oil, the western sanctions and a more restrictive monetary policy. Ukraine remains in recession and requires stabilising political measures and international financial aid. Structural problems prevent some countries in Southeastern Europe (SEE) from fully exploiting their growth potential. Romania is continuing its recovery as is Bulgaria, although at a more moderate pace. Politicians in Croatia and Serbia are faced with structural reforms and budget consolidation, which are expected to keep GDP growth at virtually zero.

The ECB announced an expanded bond acquisition programme in January 2015 (quantitative easing). As part of the expanded programme, the ECB will make monthly purchases of securities beginning in March from public and private issuers amounting to €60 billion. The programme is to run at least until September 2016 or even longer if the ECB sees no sustainable development in inflation, which is consistent with its mandate of achieving price stability.

The capital market has already to some extent anticipated the ECB programme: benchmark interest rates have reached new historic lows in the euro zone over the past year. Yields on German government bonds with 10 year maturities fell below 0.4 per cent in December 2014. UNIQA expects a long period of low interest rates as a result of the slow economic recovery, low inflation and major stimulus through monetary policy.

Consolidated profit or loss

UNIQA expects moderate economic growth for 2015. The very low level of interest rates is also placing a strain on the insurance industry as a whole, with no reversal in this trend expected in the near future. UNIQA believes that there are exceptionally high levels of uncertainty in relation to medium-term economic developments in Europe in combination with the geopolitical tensions.

Nevertheless, UNIQA still expects growth in profit from ordinary activities in the double-digit percentage range of 425 to 450 million euros for 2015 as compared with 2014, steady premium performance and further improvement in the combined ratio. UNIQA is continuing to focus its attention on increasing profitability in its core insurance market and to concentrate more heavily on cost and capital management.

DISCLOSURES REQUIRED UNDER SECTION 243A PARAGRAPH 1 OF THE AUSTRIAN COMMERCIAL CODE

1. The share capital of UNIQA Insurance Group AG amounts to €309,000,000 and is comprised of 309,000,000 individual no-par value bearer shares. €285,356,365 of the share capital was fully paid in cash and €23,643,635 was paid in non-cash contributions. All shares confer the same rights and obligations.
2. Due to their voting commitments, the shares of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungsgesellschaft m.b.H., Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH are counted together. Reciprocal preemptive rights have been agreed upon between the first four shareholders listed.
3. Raiffeisen Zentralbank Österreich Aktiengesellschaft holds indirectly, via BL Syndikat Beteiligungsgesellschaft m.b.H. and RZB Versicherungsbeteiligung GmbH, a total of 31.40 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the Company's share capital; UNIQA Versicherungsverein Privatstiftung holds directly and indirectly through Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH a total of 30.58 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the Company's share capital.
4. No shares with special control rights have been issued.
5. The employees that have share capital exercise their voting rights directly.
6. No provisions of the Articles of Association or other provisions exist that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the Articles of Association with the exception of the rule that when a Supervisory Board member turns 70 years of age, they retire from the Supervisory Board at the end of the next Annual General Meeting.
7. The Management Board is authorised to increase the Company's share capital once or multiple times up to and including 30 June 2019 with the approval of the Supervisory Board by a total of no more than €81,000,000 by issuing up to 81,000,000 no-par value bearer or registered shares in exchange for payment in cash or in kind. The Management Board is further authorised until 27 November 2015 to buy back up to 21,424,790 treasury shares through the Company and/or through subsidiaries of the Company (Section 66 of the Stock Corporation Act). As at 31 December 2014, the Company held 819,650 treasury shares.
8. With regard to the holding company STRABAG SE, corresponding agreements with other shareholders of this holding company exist.
9. No compensation agreements exist for the event of a public takeover offer.

DISCLOSURES REQUIRED UNDER SECTION 243A PARAGRAPH 2 OF THE AUSTRIAN COMMERCIAL CODE

The most important features of the internal control and risk management system with regard to the financial reporting process are described in the notes to the consolidated financial statements (Risk Report).

PROPOSED APPROPRIATION OF PROFIT

The individual accounts of UNIQA Insurance Group AG, prepared in accordance with the Austrian Commercial Code, report an annual net profit for the 2014 financial year in the amount of €130,571,950.61 (2013: €108,208,827.81). The Management Board will propose to the Annual General Meeting on 26 May 2015 that this net profit be used for a dividend of €0.42 for each of the 309,000,000 dividend-entitled no-par value shares issued as at the reporting date and the remaining amount carried forward to a new account.

Vienna, 25 March 2015



Andreas Brandstetter
Chairman of the
Management Board



Hannes Bogner
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board



Wolfgang Kindl
Member of the
Management Board



Thomas Munkel
Member of the
Management Board

Consolidated Statement of Financial Position as at 31 December 2014

Assets	Notes	31/12/2014	31/12/2013 ¹⁾	01/01/2013 ¹⁾
in € thousand				
A. Property, plant and equipment				
I. Land and buildings for own use	1	187,746	198,433	194,151
II. Other property, plant and equipment	2	95,760	88,156	112,604
		283,506	286,589	306,755
B. Investment property	3	1,504,483	1,652,485	1,690,763
C. Intangible assets				
I. Deferred acquisition costs	4	998,952	994,501	931,981
II. Goodwill	5	490,059	510,174	523,753
III. Other intangible assets	6	28,046	24,455	25,170
		1,517,058	1,529,131	1,480,903
D. Investments in associates	7	528,681	545,053	544,522
E. Investments				
I. Variable-income securities				
1. Available-for-sale	9	625,189	863,810	1,399,352
2. At fair value through profit or loss		98,005	131,264	371,262
		723,194	995,074	1,770,614
II. Fixed-income securities				
1. Available-for-sale	9	18,016,323	15,136,246	13,186,622
2. Assessed at fair value through profit or loss		364,630	439,374	441,623
		18,380,953	15,575,620	13,628,244
III. Loans and other investments				
1. Loans	11	835,603	944,813	1,089,649
2. Bank balances	12	390,046	1,273,852	1,189,217
3. Deposits retained on assumed reinsurance	12	123,554	126,761	129,755
		1,349,202	2,345,426	2,408,621
IV. Derivative financial instruments (trading portfolio)				
1. Variable-rate	10	0	98	6,363
2. Fixed-rate	10	122,340	73,283	55,844
		122,340	73,381	62,206
V. Investments under investment contracts		53,664	48,590	43,064
		20,629,354	19,038,091	17,912,749
F. Unit-linked and index-linked life insurance investments	24	5,386,650	5,332,611	5,023,764
G. Reinsurers' share of technical provisions				
I. Unearned premiums	19	16,030	14,643	9,869
II. Insurance provision	20	394,307	413,385	434,379
III. Provision for unsettled claims	21	151,240	123,620	159,763
IV. Other technical provisions		1,964	1,604	1,836
	23	563,540	553,252	605,847
H. Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	24	332,974	389,206	408,818
I. Receivables including insurance receivables	13			
I. Reinsurance receivables		45,883	84,821	42,623
II. Other receivables		1,014,694	856,146	845,186
III. Other assets		33,967	38,778	48,369
		1,094,544	979,746	936,179
J. Income tax receivables	14	53,917	69,881	55,098
K. Deferred tax assets	15	6,630	8,695	6,673
L. Current bank balances and cash-in-hand		975,764	616,976	960,065
M. Assets in disposal groups held for sale	8	161,053	0	63,661
Total assets		33,038,153	31,001,715	29,995,797

¹⁾ Prior-year amounts have been adjusted in accordance with IAS 8.42.

Equity and liabilities	Notes	31/12/2014	31/12/2013 ¹⁾	01/01/2013 ¹⁾
in € thousand				
A. Total equity				
I. Shareholders' equity	16			
1. Subscribed capital and capital reserves		1,789,920	1,789,920	1,064,594
2. Retained earnings		894,474	792,204	656,708
3. Revaluation reserve		410,778	177,133	309,232
4. Actuarial gains and losses on defined benefit obligations		-143,503	-116,081	-95,260
5. Consolidated profit		130,572	119,951	78,258
		3,082,242	2,763,127	2,013,533
II. Non-controlling interests	17	20,193	22,012	20,675
		3,102,434	2,785,139	2,034,208
B. Subordinated liabilities	18	600,000	600,000	450,000
C. Technical provisions				
I. Unearned premiums	19	626,641	631,588	629,480
II. Insurance provision	20	16,773,299	16,447,408	16,191,990
III. Provision for unsettled claims	21	2,584,844	2,367,882	2,365,841
IV. Provision for non-profit related premium refunds	22	49,743	46,479	44,578
V. Provision for profit-related premium refunds and/or policyholder profit participation	22	1,141,282	360,676	566,721
VI. Other technical provisions		44,260	46,182	48,929
	23	21,220,068	19,900,215	19,847,540
D. Technical provisions for unit-linked and index-linked life insurance	24	5,306,000	5,251,035	4,939,966
E. Financial liabilities				
I. Liabilities from loans	25	16,692	18,535	27,494
II. Derivative financial instruments	10	32,489	8,301	7,471
		49,181	26,836	34,965
F. Other provisions				
I. Provisions for pensions and similar obligations	26	611,670	586,757	566,620
II. Other provisions	27	222,245	249,924	304,389
		833,914	836,681	871,009
G. Liabilities and other items classified as equity and liabilities	28			
I. Reinsurance liabilities		758,583	834,056	887,405
II. Other liabilities		583,539	505,022	613,707
III. Other items classified as equity and liabilities		26,628	23,040	31,226
		1,368,751	1,362,117	1,532,338
H. Income tax liabilities	29	43,272	40,712	28,623
I. Deferred tax liabilities	30	355,424	198,980	245,956
J. Liabilities in disposal groups held for sale	8	159,107	0	11,191
Total equity and liabilities		33,038,153	31,001,715	29,995,797

¹⁾ Prior-year amounts have been adjusted in accordance with IAS 8.42.

Consolidated Income Statement from 1 January until 31 December 2014

in € thousand	Notes	2014	2013 ¹⁾
Premiums written (gross)	31	5,519,700	5,157,576
1. Premiums earned (net)	32		
a) Gross		5,523,218	5,149,467
b) Reinsurers' share		- 210,322	- 210,867
		5,312,896	4,938,600
2. Technical interest income		560,384	489,799
3. Other insurance income			
a) Gross		32,595	22,305
b) Reinsurers' share		1,897	1,203
		34,492	23,508
4. Insurance benefits	33		
a) Gross		- 4,517,700	- 4,078,083
b) Reinsurers' share		134,038	118,635
		- 4,383,662	- 3,959,448
5. Operating expenses	34		
a) Expenses for the acquisition of insurance		- 938,593	- 942,528
b) Other operating expenses		- 362,782	- 439,941
c) Reinsurance commission and share of profit from reinsurance ceded		26,044	28,302
		- 1,275,330	- 1,354,167
6. Other technical expenses			
a) Gross		- 71,304	- 56,921
b) Reinsurers' share		- 25,994	- 32,600
		- 97,298	- 89,521
7. Technical result		151,482	48,772
8. Net investment income	35	864,375	780,002
of which profit from associates		23,583	22,229
9. Other income	36	62,428	40,589
10. Reclassification of technical interest income		- 560,384	- 489,799
11. Other operating expenses	37	- 70,334	- 32,413
12. Non-technical result		296,084	298,379
13. Operating profit/(loss)		447,566	347,151
14. Amortisation of goodwill and impairment losses		- 32,292	- 7,301
15. Finance costs		- 37,343	- 32,281
16. Profit/(loss) from ordinary activities		377,932	307,569
17. Income taxes	38	- 85,055	- 69,711
18. Profit/(loss) from discontinued operations (after tax)		0	50,000
19. Profit for the year		292,877	287,858
of which attributable to shareholders of UNIQA Insurance Group AG		289,863	284,660
of which attributable to non-controlling interests		3,014	3,198
Earnings per share (in €)²⁾	16	0.94	1.21
Average number of shares in circulation		308,180,350	235,294,119

¹⁾ Prior-year amounts have been adjusted in accordance with IAS 8.42.

²⁾ Diluted earnings per share equates to basic earnings per share. Calculated based on consolidated profit.

Profit/loss from discontinued operations in the previous year originates from the reversal of a provision for liability in connection with the sale of Mannheimer AG Holding and has been allocated entirely to the shareholders of the parent company.

Consolidated Statement of Comprehensive Income from 1 January until 31 December 2014

in € thousand	2014	2013 ¹⁾
Profit for the year	292,877	287,858
Items not to be reclassified to profit or loss in subsequent periods		
Actuarial gains and losses on defined benefit obligations		
Gains (losses) recognised in equity	- 46,042	- 32,157
Gains (losses) recognised in equity - deferred taxes	8,841	6,757
Gains (losses) recognised in equity - deferred profit participation	9,779	4,579
	- 27,422	- 20,821
Items to be reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	- 64,364	- 24,897
Recognised in the consolidated income statement	0	- 6,332
Unrealised gains and losses on investments		
Gains (losses) recognised in equity	1,318,234	- 170,192
Gains (losses) recognised in equity - deferred taxes	- 127,346	21,194
Gains (losses) recognised in equity - deferred profit participation	- 893,479	76,778
Recognised in the consolidated income statement	- 174,736	- 239,082
Recognised in the consolidated income statement - deferred tax	11,112	28,104
Recognised in the consolidated income statement - deferred profit participation	98,135	150,511
Change from measurement under the equity method		
Gains (losses) recognised in equity	- 7,445	- 10,979
Recognised in the consolidated income statement	0	- 1,710
Other changes ²⁾	2,238	- 1,540
	162,350	- 178,143
Other comprehensive income	134,928	- 198,964
Total comprehensive income	427,805	88,894
of which attributable to shareholders of UNIQA Insurance Group AG	426,516	86,282
of which attributable to non-controlling interests	1,289	2,612

¹⁾ Prior-year amounts have been adjusted in accordance with IAS 8.42.

²⁾ Diluted earnings per share equates to basic earnings per share. Calculated based on consolidated profit.

In the 2014 financial year the presentation of the income statement was expanded to include the key management indicator "technical result" as a subtotal.

The items other income and other expenses were split and recorded as other technical and other non-technical income and/or expenses.

The portion of the technical interest income that is financed from capital gains was also reclassified as technical income, since the corresponding expense is also included in the insurance benefits. The technical interest is the amount that we earned in insurance business from investing the assets that cover technical provisions.

The item Amortisation of goodwill and impairment losses has also been reclassified under operating profit/(loss).

The values as at 31 December 2013 and 2012 have been adjusted in accordance with IAS 8.42. Equity as at 31 December 2013 decreased by EUR 4,788 thousand, whereas equity as at 31 December 2012 increased by EUR 4,258 thousand. The adjusted profit/(loss) for 2013 increased by EUR 1,081 thousand. The adjustments related to:

- * Reclassification of deferred acquisition costs previously calculated in the insurance provision, the provision for pending losses and in the premiums brought forward to the asset side of the statement of financial position, and presentation as deferred acquisition costs,
- * Change in the determination and amortisation of deferred acquisition costs,
- * Taking into account deferred profit sharing in the Italian classic life insurance business for cumulative value increases of investments shown in the revaluation reserve.
- * Netting of deferred tax assets and liabilities on account of duration matching and identical financial management.
- * Separate presentation of investments under investment contracts, which had previously been reported under investments held for unit-linked and index-linked life insurance investments. The liabilities resulting from this have been reclassified from technical provisions for unit-linked and index-linked life insurance to other liabilities.

Consolidated statement of financial position In € thousand	31/12/2013 After adjustment	31/12/2013 Before adjustment	31/12/2013 Adjustment
Assets			
C. Intangible assets	1,529,131	1,462,530	66,601
I. Deferred acquisition costs	994,501	927,900	66,601
E. Investments	19,038,091	18,989,501	48,590
V. Investments under investment contracts	48,590	0	48,590
F. Unit-linked and index-linked life insurance investments	5,332,611	5,381,201	-48,590
K. Deferred tax assets	8,695	142,215	-133,520
Total assets	31,001,715	31,068,634	-66,919
Equity and liabilities			
A. Total equity	2,785,139	2,789,927	-4,788
I. Shareholders' equity	2,763,127	2,767,717	-4,590
3. Revaluation reserve	177,133	193,465	-16,331
5. Consolidated profit	119,951	108,209	11,742
II. Non-controlling interests	22,012	22,210	-199
C. Technical provisions	19,900,215	19,826,710	73,505
I. Unearned premiums	631,588	621,986	9,602
II. Insurance provision	16,447,408	16,409,428	37,980
V. Provision for profit-related premium refunds and/or policyholder profit participation	360,676	334,753	25,922
D. Technical provisions for unit-linked and index-linked life insurance	5,251,035	5,299,625	-48,590
G. Liabilities and other items classified as equity and liabilities	1,362,117	1,313,527	48,590
II. Other liabilities	505,022	456,432	48,590
I. Deferred tax liabilities	198,980	334,616	-135,636
Total equity and liabilities	31,001,715	31,068,634	-66,919

Consolidated income statement In € thousand	2013 After adjustment	2013 Before adjustment	2013 Adjustment
1. Premiums earned (net)	4,938,600	4,935,888	2,712
a) Gross	5,149,467	5,146,755	2,712
4. Insurance benefits	-3,959,448	-3,955,268	-4,180
a) Gross	-4,078,083	-4,073,903	-4,180
5. Operating expenses	-1,354,167	-1,357,589	3,422
a) Expenses for the acquisition of insurance	-942,528	-945,950	3,422
7. Technical result	48,772	46,817	1,955
13. Operating profit/(loss)	347,151	345,195	1,955
16. Profit/(loss) from ordinary activities	307,569	305,614	1,955
17. Income taxes	-69,711	-68,837	-874
19. Profit for the year	287,858	286,777	1,081
of which attributable to shareholders of UNIQA Insurance Group AG	284,660	283,447	1,213
of which attributable to non-controlling interests	3,198	3,330	-132
Earnings per share (in €)^a	1.21	1.20	0.01

Consolidated statement of financial position <small>(in € thousand)</small>	31/12/2012 After adjustment	31/12/2012 Before adjustment	31/12/2012 Adjustment
Assets			
C. Intangible assets	1,480,903	1,417,725	63,179
I. Deferred acquisition costs	931,981	868,802	63,179
E. Investments	17,912,749	17,869,686	43,064
V. Investments under investment contracts	43,064	0	43,064
F. Unit-linked and index-linked life insurance investments	5,023,764	5,066,828	- 43,064
K. Deferred tax assets	6,673	128,608	- 121,936
Total assets	29,995,797	30,054,554	- 58,757
Equity and liabilities			
A. Total equity	2,034,208	2,029,950	4,258
I. Shareholders' equity	2,013,533	2,009,299	4,233
3. Revaluation reserve	309,232	315,528	- 6,295
5. Consolidated profit	78,258	67,729	10,529
II. Non-controlling interests	20,675	20,651	25
C. Technical provisions	19,847,540	19,790,921	56,618
I. Unearned premiums	629,480	617,165	12,315
II. Insurance provision	16,191,990	16,158,189	33,801
V. Provision for profit-related premium refunds and/or policyholder profit participation	566,721	556,218	10,503
D. Technical provisions for unit-linked and index-linked life insurance	4,939,966	4,983,029	- 43,064
G. Liabilities and other items classified as equity and liabilities	1,532,338	1,479,065	53,273
II. Other liabilities	613,707	560,434	53,273
I. Deferred tax liabilities	245,956	365,590	- 119,633
Total equity and liabilities	29,995,797	30,054,554	- 58,757

Consolidated Statement of Cash Flows from 1 January until 31 December 2014

<small>(in € thousand)</small>	2014	2013
Profit/(loss) for the year including share attributable to non-controlling interests		
Profit for the year	292,877	287,858
of which interest and dividend payments	- 25,372	- 12,261
Non-controlling interests	- 3,014	- 3,198
Change in technical provisions (net)	1,140,249	435,952
Change in deferred acquisition costs	- 4,451	- 62,520
Change in direct insurance receivables and liabilities	19,526	- 105,070
Change in other receivables and liabilities	- 110,874	- 116,718
Change in securities at fair value through profit or loss	59,044	231,072
Gain/(loss) on the disposal of investments	- 1,347,215	- 181,034
Impairment losses/reversal of impairment losses on other investments	- 13,490	195,233
Change in pension and termination benefit provision	24,913	20,137
Change in deferred tax assets and liabilities	156,461	- 42,104
Change in other statement of financial position items	12,615	20,406
Change in goodwill and intangible assets	52,260	14,293
Other non-cash income and expenses as well as adjustments to profit for the year	- 95,051	- 66,279
Net cash flows from operating activities	183,849	628,027
of which cash flows from income taxes	- 35,141	- 72,844
Proceeds from disposal of consolidated companies	34,303	17,659
Payments for acquisition of consolidated companies	- 72,247	- 7,988
Proceeds from disposal and maturity of other investments	9,614,624	5,393,791
Payments for acquisition of other investments	- 9,236,185	- 6,875,941
Change in unit-linked and index-linked life insurance investments	- 54,039	- 308,847
Net cash flows used in investing activities	286,457	- 1,781,325
Increase in share capital	0	725,326
Change in treasury shares held	0	0
Dividend payments	- 109,342	- 53,357
Proceeds and payments from other financing activities	- 1,843	141,041
Net cash flows used in financing activities	- 111,185	813,009
Change in cash and cash equivalents	359,121	- 340,289
Change in cash and cash equivalents due to movements in exchange rates	- 334	- 2,800
Cash and cash equivalents at beginning of the year	616,976	960,065
Cash and cash equivalents at end of period	975,764	616,976
of which cash flow from income taxes	- 35,141	- 72,844

Cash and cash equivalents correspond to item L. of the assets: Current bank balances and cash-in-hand

Consolidated Statement of Changes in Equity

	Subscribed capital and capital reserves	Revaluation reserve	Actuarial gains and losses on defined benefit obligations
in € thousand			
At 31/12/2012	1,064,594	315,528	-95,260
IAS 8 restatement	0	- 6,295	0
At 1/1/2013	1,064,594	309,232	-95,260
Changes due to:			
Increase in capital	725,326		
Change in basis of consolidation			
Dividends to shareholders			
Total comprehensive income		- 132,099	- 20,821
Currency translation			
Unrealised gains and losses from measurement under the equity method			
Unrealised gains and losses on investments		- 132,099	
Actuarial gains and losses on defined benefit obligations			- 20,821
Profit for the year			
Other			
Change in retained earnings			
At 31/12/2013	1,789,920	177,133	- 116,081
Changes due to:			
Change in basis of consolidation			
Dividends to shareholders			
Total comprehensive income		233,645	- 27,422
Currency translation			
Unrealised gains and losses from measurement under the equity method			
Unrealised gains and losses on investments		233,645	
Actuarial gains and losses on defined benefit obligations			- 27,422
Profit for the year			
Other			
Change in retained earnings			
At 31/12/2014	1,789,920	410,778	- 143,503

Consolidated profit at 31 December 2014 corresponds with the separate financial statements of UNIQA Insurance Group AG and reflects the distribution potential of the listed Company. The change in retained earnings is the adjusting item in order to achieve this presentation.

Retained earnings including treasury share provision	Treasury shares	Consolidated profit	Shareholders' equity	Non-controlling interests	Total equity
667,565	- 10,857	67,729	2,009,299	20,651	2,029,950
0	0	10,529	4,233	25	4,258
667,565	- 10,857	78,258	2,013,533	20,675	2,034,208
			725,326		725,326
- 8,656			- 8,656	- 168	- 8,824
		- 53,357	- 53,357	- 1,108	- 54,465
- 45,458		284,660	86,282	2,612	88,894
- 31,229			- 31,229		- 31,229
- 12,689			- 12,689	0	- 12,689
0			- 132,099	- 586	- 132,685
0			- 20,821	0	- 20,821
0		284,660	284,660	3,198	287,858
- 1,540		0	- 1,540		- 1,540
189,610		- 189,610	0		0
803,061	- 10,857	119,951	2,763,127	22,012	2,785,139
			462	- 1,629	- 1,167
		- 107,863	- 107,863	- 1,479	- 109,342
- 69,570		289,863	426,516	1,289	427,805
- 64,364			- 64,364		- 64,364
- 7,445			- 7,445		- 7,445
			233,645	- 1,725	231,920
0			- 27,422	0	- 27,422
		289,863	289,863	3,014	292,877
2,238			2,238		2,238
171,379		- 171,379	0		0
905,332	- 10,857	130,572	3,082,242	20,193	3,102,434

Notes to the Consolidated Financial Statements

GENERAL DISCLOSURES

UNIQA Insurance Group AG is a company domiciled in Austria. The address of the Company's registered office is Untere Donaustraße 21, 1029 Vienna. The Company's consolidated financial statements for the year ending 31 December 2014 cover UNIQA Insurance Group AG and its subsidiaries (together: the UNIQA Group). The Group primarily conducts business with property, casualty, health and life insurance.

UNIQA Insurance Group AG, as the parent company of the UNIQA Group, is domiciled in Vienna and is registered in the company registry of the Commercial Court of Vienna under FN 92933t. The shares of UNIQA Insurance Group AG are listed on the Vienna Stock Exchange.

The consolidated financial statements were prepared in line with the International Financial Reporting Standards (IFRSs) as adopted by the European Union (EU). The additional requirements of Section 245a paragraph 1 of the Austrian Commercial Code (UGB) were also met. The consolidated financial statements were approved for publication by the Management Board on 25 March 2015.

They are presented in euros, the Company's functional currency. All financial information shown in euros has been rounded to the nearest thousand unless otherwise indicated.

ACCOUNTING REGULATIONS

1. Accounting principles

With the exception of the changes described in the section titled "Changes in major accounting policies" (page 103), the Group applied the following accounting policies consistently to all periods presented in these consolidated financial statements.

2. Consolidation principles

Business combinations

If the Group has obtained control, it accounts for business combinations in line with the acquisition method. The consideration transferred for the acquisition and the identifiable net assets acquired are measured at fair value. All goodwill arising is tested for impairment annually. Any profit from an acquisition at a price below market value is recognised directly in profit or loss. Transaction costs are recognised as expenses immediately.

The consideration transferred includes no amounts associated with the fulfilment of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent obligation to pay consideration is measured at fair value as of the acquisition date. If the contingent consideration is classified as equity, it is not remeasured, and a settlement is accounted for within equity. Otherwise, later changes in the fair value of the contingent consideration are recognised in profit or loss.

Non-controlling interests

Non-controlling interests are measured as at the acquisition date with their proportionate share in the identifiable net assets of the acquired entity.

Changes in the Group's share in a subsidiary that do not result in a loss of control are recognised directly in equity as equity transactions with non-controlling interests.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls a company if

- the Group is able to exercise power over the company in which investments are held
- it is exposed to fluctuating returns from its participation and
- it is able to influence the amount of the returns as a result of its power.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the date control ends.

Loss of control

If the Group loses control of a subsidiary, it derecognises the subsidiary's assets and liabilities and all associated non-controlling interests and other equity components. Any resulting profit or loss is recognised in the profit for the year. Any retained interest in the former subsidiary is measured at fair value as of the date of the loss of control.

Investment in associates that are equity-accounted

Associates are entities over which the Group has significant influence, but not control or joint control, as regards financial and operating policies. This is generally provided once there is a voting share of between 20 and 50 per cent or a comparable crucial influence is guaranteed via other contractual regulations.

Investments in associates are equity-accounted. They are initially recognised at cost, which also includes transaction costs. After the first-time recognition, the consolidated financial statements include the Group's share in the comprehensive income of the financial investments recognised using the equity method until the date the significant influence or joint control ends.

Transactions eliminated on consolidation

Intragroup balances and transactions and all unrealised income and expenses from intragroup transactions are eliminated in the preparation of the consolidated financial statements.

Discontinued operations

A discontinued operation is a part of the Group whose operations and cash flows can be clearly distinguished from the rest of the Group and which

- represents a separate, major line of business or geographical area of operations,
- is part of a single coordinated plan to dispose of a separate, major line of business or geographical area of operations, or
- is a subsidiary acquired exclusively with a view to resale.

An operation is classified as discontinued when it is disposed of or as soon as the criteria for classification as “held for sale” are met, whichever is earlier.

If an operation is classified as a discontinued operation, the consolidated statement of comprehensive income for the comparative year is adjusted so that it were as if the operation had been discontinued from the start of the comparative year.

Assets held for sale

Non-current assets or disposal groups that include assets and liabilities are classified as held for sale if it is highly probable that they will be realised through sale rather than continued use.

In general, these assets or disposal groups are recognised at the lower of their carrying amounts or fair values less costs to sell. Any impairment loss of a disposal group is firstly attributed to goodwill and then to the remaining assets and liabilities on a proportional basis – with the exception that no loss is attributed to financial assets, deferred tax assets, assets in connection with employee benefits or investment property that continues to be measured based on the Group's other accounting policies. Impairment losses on the first-time classification as held for sale and future profit or loss on remeasurement are recognised in the profit for the year.

As soon as they are classified as held for sale, intangible assets and property, plant and equipment are no longer amortised or depreciated and any investees recognised using the equity method are no longer equity-accounted.

3. Currency translation***Transactions in foreign currencies***

Transactions in foreign currencies are translated into the functional currency of the Group entity at the spot exchange rate on the date of the transaction.

Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the rate valid on the date the fair value is calculated. Currency translation differences are recognised in profit or loss for the period. Non-monetary items measured at historical cost in a foreign currency are not trans-lated.

For the following items, currency translation differences are recognised in other comprehensive income in deviation from the policy:

- Available-for-sale equity instruments (except in the case of impairment, for which currency translation differences are reclassified from other comprehensive income into profit or loss),
- Financial liabilities designated as a hedge of a net investment in a foreign operation, provided the hedge is effective,
- Qualified cash flow hedges, provided they are effective.

Foreign operations

Assets and liabilities from foreign operations, including the goodwill and fair value adjustments that result from the acquisition, are translated into euros at the closing rate on the reporting date. Income and expenses from foreign operations are translated at the average rate for the year.

Currency translation differences are reported in other comprehensive income and recognised in the foreign currency translation as a part of the retained earnings in equity if the foreign exchange difference is not attributable to non-controlling interests.

On the disposal of a foreign operation that results in loss of control, joint control or significant influence, the corresponding cumulative amount recognised in the currency translation reserve up to this date is reclassified to profit or loss as part of the result on disposal. In the case of only partial disposal without loss of control over a subsidiary that includes a foreign operation, the corresponding portion of the cumulative exchange difference is attributed to the non-controlling interests. If the Group partially disposes of an associated or jointly controlled company that includes a foreign operation, but retains significant influence or joint control respectively, the corresponding portion of the cumulative currency translation difference is reclassified to profit or loss.

If the settlement of monetary items in the form of receivables or liabilities from or to a foreign operation is neither planned nor probable in the foreseeable future, the resulting foreign currency gains and losses are considered part of the net investment in the foreign operation. The foreign currency gains and losses are then reported in other comprehensive income and recognised in the currency translation reserve in equity.

Major exchange rates

EUR closing rates	31/12/2014	31/12/2013
Swiss franc CHF	1.2024	1.2276
Czech koruna CZK	27.7350	27.4270
Hungarian forint HUF	315.5400	297.0400
Croatian kuna HRK	7.6580	7.6265
Polish zloty PLN	4.2732	4.1543
Bosnia and Herzegovina convertible mark BAM	1.9558	1.9558
Romanian leu RON	4.4828	4.4710
Bulgarian lev BGN	1.9558	1.9558
Ukranian hryvnia UAH	19.1492	11.3252
Serbian dinar RSD	121.3495	114.5734
Russian rouble RUB	72.3370	45.3246
Albanian lek ALL	139.8700	140.4900
Macedonian denar MKD	61.4218	61.3938

4. Insurance items

UNIQA Insurance Group AG has applied IFRS 4 published in 2004 for insurance contracts since 1 January 2005. This standard demands that the accounting policies be largely unaltered with regard to the actuarial items.

The IFRSs contain no specific regulations that comprehensively govern the recognition and measurement of insurance and reinsurance policies and investment contracts with a discretionary participation feature. Therefore, in accordance with IAS 8, the provisions of US Generally Accepted Accounting Principles (US GAAP) in the version applicable on 1 January 2005 were applied to all cases for which IFRS 4 contains no specific regulations. For balancing the accounts and evaluation of the insurance-specific entries of life insurance with profit sharing, FAS 120 was observed; FAS 60 was applied for specific items in health, property and casualty insurance and FAS 113 for reinsurance. Unit-linked life insurance, where the policyholder bears the entire investment risk, was accounted for in accordance with FAS 97.

Based on the regulations, technical items must be covered using suitable assets (cover funds). As is standard in the insurance industry, values dedicated to the cover funds are subject to a limitation as regards availability in the group.

Insurance and investment contracts

Insurance contracts, i.e. contracts through which significant insurance risk is assumed, and investment contracts with a discretionary participation feature are treated in accordance with IFRS 4, i.e. under application of US GAAP. Investment contracts, i.e. contracts that do not transfer a significant insurance risk and that do not include a discretionary participation feature, fall under the scope of IAS 39 (Financial Instruments).

Reinsurance contracts

Assumed reinsurance (indirect business) is recognised as an insurance contract in accordance with IFRS 4.

Ceded reinsurance is also subject to the application of IFRS 4 and is presented in a separate item under assets in accordance with IFRS 4. The profit and loss items (premiums and payments) are deducted openly from the corresponding items in the gross account, while commission income is reported separately as its own item.

Deferred acquisition costs

Deferred acquisition costs are accounted for in accordance with IFRS 4 in conjunction with US GAAP. In the case of property and casualty insurance contracts, costs directly attributable to the acquisition are deferred and distributed over the expected contract term or according to the unearned premiums. In life insurance, the deferred acquisition costs are amortised in line with the pattern of expected gross profits or margins.

Unearned premiums

For short-term insurance contracts, such as most property and casualty insurance policies, the premiums relating to future years are reported as unearned premiums in line with the applicable regulations of US GAAP. The amount of these unearned premiums corresponds to the insurance cover granted proportionally in future periods.

Premiums levied upon entering into certain long-term contracts (e.g. upfront fees) are recognised as unearned premiums. In line with the applicable regulations of US GAAP, these fees are recorded in the same manner as the amortisation of deferred acquisition costs.

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 insurance provision.

Insurance provision

Insurance provisions are established in the casualty, life and health insurance lines. Their carrying amount is determined based on 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 insurance provision of the life insurer is calculated by taking into account prudent and contractually agreed calculation principles.

For policies of a mainly investment character (e.g. unit-linked life insurance), the provisions of FAS 97 are used to measure the insurance provision. The insurance 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 insurance provision is listed as a separate liability entry under "Technical provisions for unit-linked and index-linked life insurance".

The insurance provisions for health insurance are determined based on calculation principles that correspond to the “best estimate”, taking into account safety margins. Once calculation principles have been determined, they have to be applied to the corresponding partial portfolio for the whole duration (locked-in principle).

Provisions for losses and unsettled claims

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

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 the amounts for profit-related and non-profit related profit sharing to which the policyholders are entitled on the basis of statutory or contractual provisions.

In life insurance policies with a discretionary participation feature, differences between local measurement and measurement in accordance with IFRSs are presented with deferred profit participation taken into account, whereby this is also reported in profit or loss or in the statement of comprehensive income depending on the recognition of the change in the underlying measurement differences. The amount of the provision for deferred profit participation generally comes to 85 per cent of the measurement differentials before tax.

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 defaults.

Technical provisions for unit- and index-linked life insurance

This item relates to the insurance 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 unit-linked and index-linked life insurance investments written at current market values.

5. Employee benefits

Short-term employee benefits

Obligations from short-term employee benefits are recognised as expenses as soon as the associated work is performed. A liability must be recognised for the expected amount to be paid if the Group currently has a legal or de facto obligation to pay this amount on the basis of work performed by the employee and the obligation can be reliably estimated.

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as expenses as soon as the associated work is performed. Prepaid contributions are recognised as assets if an entitlement to refund or reduction of future payments arises.

Defined benefit plans

The Group's net obligation with regard to defined benefit plans is calculated separately for each plan by estimating the future benefits that the employees have earned in the current and in earlier periods. This amount is discounted and the fair value of any plan assets is deducted.

The calculation of defined benefit obligations is carried out annually by a qualified actuary using the projected unit credit method. If the calculation results in a potential asset for the Group, the asset recognised is limited to the present value of any economic benefit available in the form of future refunds from the plan or reductions in future contributions to the plan. Any valid minimum funding requirements are included in the calculation of the present value of the economic benefit.

Remeasurements of the net liability from defined benefit plans are recognised directly in other comprehensive income. The remeasurement includes the actuarial gains and losses, the income from plan assets (not including interest) and the effect of any asset ceiling (not including interest). The Group calculates net interest expenses (income) on the net liability (asset) from defined benefit plans for the reporting period by applying the discount rate used to measure the defined benefit obligation at the start of the annual reporting period. This discount rate is applied to net liabilities (assets) from defined benefit plans on this date. Any changes in the net liabilities (assets) from defined benefit plans resulting from contribution and benefit payments over the course of the reporting period are taken into account. Net interest expenses and other expenses for defined benefit plans are recognised in profit or loss.

If a plan's benefits are changed or a plan is curtailed, the resulting change in the benefit relating to past service or the gain or loss on the curtailment is recognised directly in net profit for the year. The Group recognises gains and losses from the settlement of a defined benefit plan at the date of the settlement.

Other long-term employee benefits

The Group's net obligation with regard to long-term employee benefits comprises the future benefits that the employees have earned in return for work performed in the current and in earlier periods. These benefits are discounted to determine their present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Post-employment benefits

Post-employment benefits are recognised as expenses on the earlier of the following dates: when the Group can no longer withdraw the offer of such benefits or when the Group recognises costs for restructuring. If benefits are not expected to be settled within twelve months of the end of the reporting period, they are discounted.

Share-based payments with cash settlement (share appreciation rights)

The fair value on the date share-based payment awards are granted to employees is recognised as expense over the period in which the employees become unconditionally entitled to the awards. The amount recognised as expense is adjusted in order to reflect the number of awards expected to fulfil the corresponding service conditions and non-market performance conditions, so that the expense recognised is ultimately based on the number of awards that fulfil the corresponding service conditions and non-market performance conditions at the end of the vesting period. Changes in measurement assumptions likewise result in an adjustment of the recognised provision amounts through profit or loss.

6. Income taxes

Tax expense includes actual and deferred tax. Actual tax and deferred tax is recognised in profit or loss, with the exception of any amount associated with a business combination or with an item recognised directly in equity or other comprehensive income.

Actual tax

Actual tax is the expected tax liability or tax receivable on taxable income for the financial year or the tax loss on the basis of interest rates that apply on the reporting date or will soon apply, plus all adjustments of the tax liability relating to previous years. Actual tax liabilities include all tax liabilities resulting from the determination of dividends.

Deferred taxes

Deferred taxes are recognised with regard to temporary differences between the carrying amounts of assets and liabilities for Group financial accounting purposes and the amounts used for tax purposes. Deferred taxes are not recognised for:

- Temporary differences on the first-time recognition of assets or liabilities in the event of a transaction that is not a business combination and that affects neither net profit before taxes nor taxable income,

- Temporary differences in connection with shares in subsidiaries, associates and jointly controlled entities, provided the Group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future,
- Taxable temporary differences on the first-time recognition of goodwill.

A deferred tax asset is recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profit will be available for which they can be used. Deferred tax assets are reviewed on every reporting date and reduced to the extent that it is no longer probable that the associated tax advantage will be realised.

Deferred taxes are measured on the basis of the tax rates expected to be applied to temporary differences as soon as they reverse, and using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The measurement of deferred taxes reflects the tax consequences arising from the Group's expectation of the manner in which it will recover the carrying amounts of its assets or settle its liabilities on the reporting date. For investment property measured at fair value, the presumption that the carrying amount will be recovered through sale was not rebutted.

Deferred tax assets and debts are netted out if the conditions for a legal claim to offsetting are met and the deferred tax claims and liabilities relate to income tax that is levied by the same tax authority, either for the same taxable item or different taxable items, aimed at achieving a settlement on a net basis.

7. Property, plant and equipment***Recognition and measurement***

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

If parts of an item of property, plant and equipment have different useful lives, they are recognised as separate items (main components) of property, plant and equipment.

Any gain or loss from the disposal of an item of property, plant and equipment is recognised in the net profit for the year.

Reclassification as investment property

If the use of a property changes and an owner-occupied property becomes an investment property, the property is reclassified as investment property with the carrying amount as at the date of the change.

Subsequent costs

Subsequent costs are only capitalised when it is probable that the future economic benefit associated with the expense will flow to the Group. Ongoing repairs and maintenance are recognised as expenses immediately.

Depreciation

The depreciation is calculated in order to write down the costs of property, plant and equipment less their estimated residual values on a straight-line basis over the period of their estimated useful lives. The depreciation is recognised in profit or loss. Land is not depreciated.

The estimated useful lives of significant property, plant and equipment for the current year and comparative years are as follows:

• Buildings:	10–80 years
• Plant and equipment:	4–10 years
• Fixtures and fittings:	4–10 years

Depreciation methods, useful lives and residual values are reviewed on every reporting date and adjusted if necessary.

8. Intangible assets**Deferred acquisition costs**

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 amortised over the term of the insurance contracts they relate to. If they are attributable to property and casualty insurance, they are amortised over the probable contractual term, with a maximum of five years. In life insurance, the acquisition costs are amortised over the duration of the contract 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 contracts. For long-term health insurance contracts, the amortisation 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.

Goodwill

The goodwill arising in the context of business combinations is measured at cost less accumulated impairment losses. Goodwill arises upon acquisition of subsidiaries and represents the surplus of the consideration transferred for acquisition of the company above the fair value of the Group's share in the identifiable assets acquired, the liabilities assumed, contingent liabilities and all non-controlling shares in the acquired company at the time of the acquisition.

Value of insurance contracts

Values of life, property and casualty insurance policies relate to expected future margins from purchased operations and are recognised at the fair value at the acquisition date.

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

Other intangible assets

Other intangible assets include both purchased and internally-developed software, which is depreciated on a straight-line basis over its useful economic life of 2 to 5 years.

9. Investment property

Land and buildings, including buildings on third-party land, held as long-term investments to generate rental income and/or for the purpose of capital appreciation are measured at cost when they are acquired. Subsequent measurement follows the cost model in accordance with IAS 40.56.

10. Financial instruments**Classification**

The Group classifies non-derivative financial assets to the following categories: Financial assets measured at fair value through profit or loss, loans and receivables, and financial assets available for sale.

The Group categorises non-derivative financial liabilities as other financial liabilities.

Investments

With the exception of the mortgages and other loans, 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.

Investments held for trade (trading portfolio)

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

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

Structured products are not split between the underlying transaction and derivative, but are accounted for as a unit. All the structured products can therefore be found in the "Financial instruments at fair value through profit or loss" item of the statement of financial position. Unrealised profits and losses are recognised 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 recognised under the items for securities at fair value through profit or loss.

Unit-linked and index-linked life insurance investments

These investments concern life insurance contracts 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 contracts. The investments in question are collected in asset pools, recognised 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 recognised investments strictly corresponds to the insurance 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 offset by the appropriate changes in these provisions.

Non-derivative financial assets and liabilities – recognition and derecognition

The Group recognises loans, receivables and issued debt securities from the date on which they arise. All other financial assets and liabilities are recognised for the first time on the trade date. The Group derecognises a financial asset when the contractual rights to cash flows from an asset expire or it transfers the rights to receive the cash flows in a transaction in which all major risks and opportunities connected with the ownership of the financial asset are transferred. Derecognition also occurs when the Group neither transfers nor retains all major risks and opportunities connected with ownership and does not retain control over the transferred asset. Every share in such transferred financial assets that arise or remain in the Group is recognised as a separate asset or separate liability.

Financial liabilities are derecognised when the contractual obligation is fulfilled, extinguished or expired.

Financial assets and liabilities are set off and recognised in net amounts in the statement of financial position if the Group has a legal right to set off the reported amounts against each other and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Loans and receivables

When first recognised, such assets are measured at their fair value plus directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

Cash and cash equivalents

In the consolidated cash flow statement, cash and cash equivalents includes bank balances available upon demand, which are a central component of the management of the Group's payment transactions.

Available-for-sale financial assets

Available-for-sale financial assets are initially measured at fair value plus directly attributable transaction costs. Subsequently, available-for-sale financial assets are measured at fair value and corresponding value changes are, with the exception of impairment and foreign exchange differences in the case of available-for-sale debt securities, recognised in other comprehensive income and in the revaluation reserve in equity. When an asset is derecognised, the accumulated other comprehensive income is reclassified to profit or loss.

Non-derivative financial liabilities – measurement

When first recognised, non-derivative financial liabilities are measured at fair value less directly attributable transaction costs. Subsequently, these financial liabilities are measured at amortised cost using the effective interest method.

11. Impairment

Non-derivative financial assets

Financial assets not designated as at fair value through profit or loss, including interests in entities accounted for using the equity method, are tested on every reporting date to determine whether there is any objective indication of impairment.

Objective indications that financial assets are impaired are:

- The default or delay of a debtor,
- The restructuring of an amount owed to the Group at conditions that the Group would otherwise not consider,
- Indications that a debtor or issuer will become insolvent,
- Adverse changes in the payment status of borrowers or issuers,
- The disappearance of an active market for a security,
- Observable data that indicate a significant decrease in the expected payments from a group of financial assets.

In the case of an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment. The Group considers a decline of 20 per cent as significant and a period of nine months as prolonged.

Financial assets measured at amortised cost

The Group considers indications of impairment for these financial assets both at the level of the individual assets and collectively. All assets significant in themselves are tested for specific impairment. Those that prove not to be specifically impaired are then collectively tested for impairment that has occurred but not yet been identified. Assets not significant in themselves are collectively tested for impairment by pooling assets with similar risk characteristics in one group.

When testing for collective impairment, the Group uses historical information on the timing of payments and the value of the incurred losses, adjusted by a judgement on the part of the Management Board on whether the current economic conditions and credit conditions are such that the actual losses are probably higher or lower than the losses to be expected on the basis of historical trends.

Impairment is calculated as the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate of the asset. Losses are recognised in profit or loss. If the Group has no realistic hope of recovering the asset, the amounts are written off. If an event occurring after the recognition of impairment reduces the level of impairment, the reduction is recognised in profit or loss.

Available-for-sale financial assets

Impairment of available-for-sale financial assets is recognised by reclassifying the losses accumulated in the revaluation reserve accumulated in equity to profit or loss. The accumulated loss that is reclassified from equity to profit or loss is the difference between the acquisition cost, net of any redemptions, and current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired, available-for-sale debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment was recognised, the impairment is reversed, with the amount of the reversal recognised in profit or loss. In other cases, impairment reversal is recognised in other comprehensive income.

Associates accounted for using the equity method

An impairment loss relating to an associate accounted for using the equity method is measured by comparing the recoverable amount of the shares with their carrying amount. An impairment loss is recognised in profit or loss. An impairment loss is reversed in the event of an advantageous change in the estimates used to determine the recoverable amount.

Non-financial assets

The carrying amounts of the Group's non-financial assets – excluding inventories and deferred tax assets – are tested on every reporting date to determine whether there is an indication of impairment. If this is the case, the recoverable amount of the asset is estimated. The goodwill and intangible assets with indefinite useful lives are tested for impairment annually.

In order to test for impairment, assets are grouped into the smallest groups of assets whose continued use generates cash flows that are to the greatest possible extent independent of cash flows from other assets or cash-generating units (CGUs). Goodwill acquired in a business combination is allocated to the CGUs or groups of CGUs expected to benefit from the synergies of the combination.

The recoverable amount of an asset or a CGU is the higher of its value in use or its fair value less costs to sell. When calculating value in use, the estimated future cash flows are discounted to their present value, whereby a pre-tax discount rate is used that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised when the carrying amount of an asset or a CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. Impairment recognised for CGUs is first allocated to any goodwill allocated to the CGU and then allocated to the carrying amount of the other assets of the CGU (group of CGUs) on a proportional basis.

An impairment loss on goodwill is not reversed. In the case of other assets, an impairment loss is reversed only to the extent that it does not increase the carrying amount of the asset above the carrying amount that would have been determined net of depreciation or amortisation had no impairment loss been recognised.

12. Other provisions

The level of the provisions is calculated by discounting the expected future cash flows at a pre-tax interest rate that reflects current market assessments of the time value of money and the risks specific to the liability. The unwinding of the discount is recognised as a finance cost.

13. Determination of fair value

A range of Group accounting policies and disclosures require the determination of the fair value of financial and non-financial assets and liabilities. The Group has defined a control framework with regard to the determination of fair value. This includes a measurement team, which bears general responsibility for monitoring all major measurements of fair value, including Level 3 fair values, and reports directly to the Management Board.

The measurement team carries out a regular review of the major unobservable input factors and the measurement adjustments. If information from third parties (e.g. price quotations from brokers or price information services) is used to determine fair values, the measurement team examines the evidence obtained from the third parties for the conclusion that such measurements meet the requirements of IFRS, including the level in the fair value hierarchy to which these measurements are attributable. Major items in the measurement are reported to the Audit Committee.

As far as possible, the Group uses data that are observable on the market when determining the fair value of an asset or a liability. On the basis of the input factors used in the valuation techniques, the fair values are assigned to different levels in the fair value hierarchy:

- Level 1: Quoted prices (unadjusted) on active markets for identical assets and liabilities.
- Level 2: Measurement parameters that are not quoted prices included in level 1 but which can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices).
- Level 3: Measurement parameters for assets or liabilities that are not based on observable market data.

If the input factors used to determine the fair value of an asset or a liability can be assigned to different levels of the fair value hierarchy, the entire fair value measurement is assigned to the level of the fair value hierarchy that corresponds to the lowest input factor significant for the measurement overall.

The Group recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

Further information on the assumptions used in the determination of fair values is included in the following notes:

- Note 3 – Investment property
- Note 9 – Available-for-sale securities

14. Operating segments

The Management Board of the UNIQA Insurance Group controls the Group based on the reporting for the following five operating segments:

- **UNIQA Austria** – this segment includes UNIQA Österreich Versicherungen AG, Salzburger Landesversicherung AG and 50 per cent of FINANCE LIFE Lebensversicherung AG.
- **Raiffeisen Versicherung** – this includes the remaining 50% of FINANCELIFE Lebensversicherung AG together with Raiffeisen Versicherung AG.
- **UNIQA International** – includes the Austrian holding companies UNIQA International AG and UNIQA Internationale Beteiligungs-Verwaltungs GmbH in addition to all foreign insurance companies (with the exception of UNIQA RE). This segment is divided into the following main areas on a regional basis:
 - Western Europe (WE – Switzerland, Italy and Liechtenstein)
 - Central Europe (CE – Czech Republic, Hungary, Poland and Slovakia)

- Eastern Europe (EE – Romania and Ukraine)
- Southeastern Europe (SEE – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Montenegro, Macedonia, Serbia and Kosovo)
- Russia (RU)
- Administration (the Austrian holding companies)
- **Reinsurance** – includes UNIQA Re (Switzerland) and the reinsurance company of UNIQA Insurance Group AG
- **Group functions and consolidation** – this segment includes the remaining items for UNIQA Insurance Group AG (investment result and administrative costs) as well as all other remaining Austrian and foreign service companies.

CHANGES IN MAJOR ACCOUNTING POLICIES

With the exception of the following changes, the Group applied the accounting policies outlined consistently to all periods presented in these consolidated financial statements.

The Group applied the following new standards and amendments to standards, including all of the following amendments to other standards, with these first being applied as of 1 January 2014.

IFRS	10	Consolidated Financial Statements
IFRS	11	Joint Arrangements
IFRS	10-12	Transition Guidance - Amendment to IFRS 10-12
IFRS	10, 12	Investment Entities - Amendment to IFRS 10, 12 and IAS 27
IFRS	12	Disclosures of Interests in Other Entities
IAS	27	Separate Financial Statements (2011)
IAS	28	Investments in Associates and Joint Ventures (2011)
IAS	32	Offsetting Financial Assets and Financial Liabilities - Amendments to IAS 32
IAS	39	Novation of Derivatives and Continuation of Hedge Accounting (Amendment)
IFRIC	21	Leases

Application of these new mandatory IFRSs has the following impact on the financial statements:

Control

IFRS 10 “Consolidated financial statements” is based on the existing definition of control in terms of controlling subsidiaries to determine whether a company is to be included in the parent company’s consolidated financial statements. The standard includes a series of additional features and application guidelines in complex cases in order to determine whether there is control.

The Group’s basis of consolidation has not changed even under the new control model.

Joint Arrangements

In the assessment as to whether there is joint management, IFRS 11 “Joint Arrangements” focuses on the parties’ actual rights and obligations in relation to the entities involved. IFRS 11 makes a distinction between two types of joint arrangements: joint operations and joint ventures. Joint operations are provided if the shareholders acquire rights to the assets and obligations for the liabilities under the joint arrangement. A shareholder accounts for their share in the assets, liabilities, sales revenues and expenses managed jointly. In contrast, joint ventures

are provided if the shareholder has rights to the net assets in the joint arrangement. Joint ventures are accounted for at equity

The Group does not currently have any joint arrangements to which IFRS 11 applies.

Disclosure of Interests in Other Entities

IFRS 12 “Disclosure of Interests in Other Entities” consolidates the revised disclosure obligations related to IAS 27, IFRS 10, IAS 31 and/or IFRS 11 and IAS 28 into one standard, including structured entities and other off-balance-sheet constructions.

Additional disclosures have been made based on the new application of IFRS 12 “Disclosure of Interests in Other Entities”, essentially for associates (Table 7).

Any other new mandatory IFRSs were either inapplicable for the Group or had no material impact on it.

NEW STANDARDS AND INTERPRETATIONS WHICH HAVE NOT YET BEEN APPLIED

A series of new standards, amendments to standards and interpretations were due to be applied for the first time in the first reporting period of a financial year starting after 1 January 2014 and were not applied in preparing these consolidated financial statements. Those which could be relevant for the Group are outlined below. The Group does not intend to early apply these standards.

IFRS	9	Financial Instruments	not yet adopted by the EU
IFRS	14	Regulatory Deferral Accounts	not yet adopted by the EU
IFRS	15	Revenue Recognition	not yet adopted by the EU

IFRS 9 “Financial Instruments” is deals with the classification, recognition and measurement of financial assets and financial liabilities. The full version of IFRS 9 was published in July 2014. This standard replaces the regulations of those sections of the existing IAS 39 that address the classification and measurement of financial instruments. IFRS 9 adheres to a mixed measurement model, but it simplifies this and sets out three principal measurement categories for financial assets: measurement at amortised cost, measurement at fair value with value fluctuations recognised in profit and loss (fair value through profit and loss) and measurement at fair value with value fluctuations recognised in other comprehensive income (fair value through OCI). The classification depends directly on the company’s business model as well as on the features of the contractually agreed payment flows for the financial assets. Shares of equity instruments must be measured at fair value, with fluctuations in fair value recognised in profit and loss, or with fluctuations in fair value recognised in other comprehensive income if the company irrevocably opts to do so upon first-time recognition of the equity instruments (with no subsequent reclassification in net profit for the year). There is also a new measurement model for impairments based on expected losses (expected credit losses model) which replaces the existing measurement model of actual losses incurred that was used in IAS 39 (incurred loss model). With financial liabilities there are no changes in the classification and measurement, with the exception of mandatory reporting of own creditworthiness risk in other comprehensive income for financial liabilities designated at fair value and recognised in profit and loss. IFRS 9 eases the requirements in relation to hedging effectiveness by removing the previous narrow limits of hedging effectiveness. There is now a requirement for an economic relation-

ship between the underlying transaction and the hedging instrument, and also that the hedged part (hedged ratio) corresponds with the assumptions and conditions with which the Company manages the items as part of its risk management activities. Furthermore, hedging documentation must be prepared as currently prescribed, whereby it will differ from the documentation required under IAS 39. The standard applies to reporting periods beginning on or after 1 January 2018. Earlier application is permitted. The Group is currently ascertaining the impact of IFRS 9.

IFRS 15 “Revenue from Contracts with Customers” governs revenue recognition and sets out the basic principles for reporting of meaningful information on the type, amount, recognition date and uncertainties regarding revenues and payment flows from contracts with customers. Sales revenues are recorded if a customer has control over a delivered item or a service provided and has the ability to enjoy these goods and services and derive benefits from them. The standard replaces IAS 18 “Revenue” and IAS 11 “Construction Contracts” and the associated interpretations. The standard applies to reporting periods beginning on or after 1 January 2017. The Group is currently ascertaining the impact of IFRS 15.

There are no other standards or IFRIC interpretations that will have a material impact on UNIQA’s consolidated financial statements from a current perspective.

USE OF DISCRETIONARY DECISIONS AND ESTIMATES

The consolidated financial statements require the Management Board to make discretionary decisions, estimates and assumptions that relate to the application of accounting policies and the amounts stated for the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recorded prospectively.

The items below carry a not insignificant level of risk that significant adjustments to assets or liabilities may be necessary in the following year:

- Deferred acquisition costs
- Goodwill
- Shares in associates/investments – insofar as the valuation does not take place based on stock exchange prices or other market prices
- Technical provisions
- Provisions for pensions and similar obligations

Sensitivity analyses are shown in the Risk report in relation to the most significant uncertainties surrounding estimates.

BASIS OF CONSOLIDATION

In addition to the annual financial statement of UNIQA Insurance Group AG, the consolidated financial statements include the financial statements of all subsidiaries in Austria and abroad. In addition to UNIQA Insurance Group AG, the basis of consolidation included 52 Austrian and 70 foreign subsidiaries. Page 203 shows a complete list of the subsidiaries and associates.

The associates relate to eight domestic and one foreign company that were included in the consolidated financial statements using equity method accounting.

In applying IAS 39, fully controlled investment funds were included in the consolidation, insofar as their fund volumes were not of minor importance when viewed separately and as a whole.

The group of consolidated companies was expanded with the following companies in the reporting period as a result of the acquisition of the insurance companies of the Baloise Group in Croatia and Serbia.

in € thousand	Date of first-time inclusion	Acquired shares (in per cent)	Costs	Goodwill
Basler osiguranje Zagreb d.d.	31/03/2014	100.0	67,000	15,733
Neživotno osiguranje Basler a.d.o	31/03/2014	100.0	5,000	199
Životno osiguranje Basler a.d.o	31/03/2014	100.0	3,000	340
Poliklinika Medico	31/03/2014	100.0	0	0
Sedmi element d.o.o.	31/03/2014	100.0	3	405
Deveti element d.o.o.	31/03/2014	100.0	152	53

UNIQA is consolidating its market position in the Southeastern Europe region (SEE) with the acquisition and integration of these companies,

Basler osiguranje Zagreb d.d. was merged with UNIQA osiguranje d.d. in the third quarter of 2014. In the fourth quarter, the Serbian companies Neživotno osiguranje Basler a.d.o were merged with UNIQA neživotno osiguranje a.d. and Životno osiguranje Basler a.d.o with UNIQA životno osiguranje a.d. In Italy, UNIQA Protezione S.p.A. was merged with UNIQA Assicurazioni S.p.A. effective retrospectively as of 1 January 2014. The initial consolidation of the Baloise Group in Croatia and Serbia which took place on 31 March 2014 was based on preliminary figures and was adjusted as at 31 December 2014 to reflect the final valuation of the incorporated assets and liabilities. The adjustment reflecting the final valuation mainly pertained to the items goodwill, the insurance contract portfolio, deferred acquisition costs and deferred taxes.

The sale of UNIQA Lebensversicherung AG, Vaduz, was decided in the fourth quarter of 2014. Until this transaction has been completed (expected completion in first half of 2015) the assets and liabilities for this company will be stated as separate items in the statement of financial position: see No. 8 of the notes to the consolidated financial statements for details.

The changes to the basis of consolidation stated above all relate to the UNIQA International segment.

Following the mergers in Croatia and Serbia described above, separate disclosure of the revenues and profits or losses of the acquired companies that are included in the consolidated statement of comprehensive income is no longer possible. The premiums earned along with the profit/(loss) on ordinary activities for Croatia and Serbia as a whole can be seen in the breakdown of the UNIQA International segment by region.

RISK REPORT

1. Risk strategy

Principles

We have set ourselves ambitious goals in connection with our corporate strategy UNIQA 2.0. In summary, we are working towards sustainable and profitable growth. We are taking the initiative, optimising processes and building on innovations. We are doing this in order keep the promises we made to our customers, our shareholders and our employees. In addition, we make sure we have a business strategy that knows the right answer to all of our Company's risks. The Management Board has therefore adopted a risk strategy borne by four principles:

- We know our responsibility
- We know our risk
- We know our capacity to take on risk
- We know our opportunities

With these four principles, we will move confidently into the future and maintain a financial strength that allows us to achieve our corporate goals, keep our promises and fulfil our obligations even in turbulent times.

Organisation

Our core business is to relieve our customers of risk, pool the risk to reduce it, and thereby generate profit for our Company. At the heart of this business is an understanding of risks and their specific attributes.

In order to ensure that we keep our focus on risk, we have created a separate risk function in the Group's Management Board with a Group Chief Risk Officer and made the function of Chief Risk Officer a part of the Management Board in our regional companies. This ensures that decision-making is risk-based in all relevant bodies. We have established processes that allow us to identify, analyse and manage risks. Our business involves a large range of different risk types, so we employ specialists to identify and manage them.

We regularly validate our risk profile at all levels of the hierarchy and hold discussions in specially instituted committees with the members of the Management Board. We draw on internal and external sources to obtain a complete picture of our risk position. We regularly check for new threats both in the Group and in our subsidiaries.

Risk-bearing capacity and risk appetite

We take risks and do so in full knowledge of our risk-bearing capacity. We define risk-bearing capacity as our ability to absorb potential losses from extreme events so that our medium- and long-term objectives are not put in danger.

Our risk decisions centre on our economic capital model (ECM), which we use to quantify risk and determine economic capital. The ECM is based on the standard model according to Solvency II and also reflects our own risk assessment. This is expressed in the quantification of the risks from the non-life sectors, in which we focus on a stochastic cash flow model, additional capital requirements of government bonds and a mark-to-market valuation of asset-backed securities. Based on this model, we are aiming in the medium term for risk capital cover (capital ratio) of 150–160 per cent in 2015. In the medium term, the capital ratio should be at least 170 per cent.

We also seek external confirmation of the path we have chosen. Standard & Poor's has given us a credit rating of A-. One of our key objectives is to maintain the rating at least at this level and to improve it over the long term as the corporate strategy is implemented.

Non-quantifiable risks, in particular operational risk, litigation risk and strategic risk are identified as part of the risk assessment process and then assessed using scenario-based techniques. This assessment is then used as the basis for implementing any necessary risk mitigation measures.

Our risk strategy specifies the risks we intend to assume and those we plan to avoid. As part of our strategy process, we define our risk appetite on the basis of our risk-bearing capacity. This risk appetite is then used to determine tolerances and operational limits, which provide us with an early warning system sufficient for us to initiate prompt corrective action should we deviate from our targets. We also consider risks outside our defined appetite. We counter risks that fall into this category, such as reputational risk, with proactive measures, transparency and careful assessment.

We focus on risks that we understand and can actively manage. We divest ourselves of any investments in which the business principles are inconsistent with our core business. We consciously take on risk associated with life, health and non-life underwriting in order to consistently generate our income from our core business. We aim for a balanced mix of risk to achieve the greatest possible effect from diversification.

We analyse our income and the underlying risk, optimizing our portfolio using value-based principles. We therefore strive for a balance between risk and return.

Opportunities

Risk also means opportunity. We regularly analyse trends, risks and phenomena that influence our society and thus our customers and ourselves. We involve our employees in the whole of the business to identify and analyse trends at an early stage, produce suitable action plans and develop innovative approaches.

2. Risk management system

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.

The UNIQA Group's Risk Management Guidelines form the basis for a uniform standard at various company levels. The guidelines are approved by the Group CRO and the full Management Board and 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.

In addition to the Group Risk Management Guidelines, similar guidelines have also been prepared and approved for the Company's subsidiaries. The Risk Management Guidelines at subsidiary level were approved by the Management Board of the UNIQA subsidiaries and are consistent with the UNIQA Group Risk Management Guidelines.

They aim to 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 these guidelines is required in order to ensure that risk management is incorporated in everyday business activities. Very extensive informative and training measures have therefore been taken since 2012; they will be continued in the future and extended to additional target groups.

2.1. Organisational structure (governance)

The detailed set-up of the process and organisational structure of risk management is set out in the UNIQA Group's Risk Management Guidelines. These reflect the principles embodied in the concept of "three lines of defence" and the clear differences between the individual lines of defence.

First line of defence: risk management within the business activity

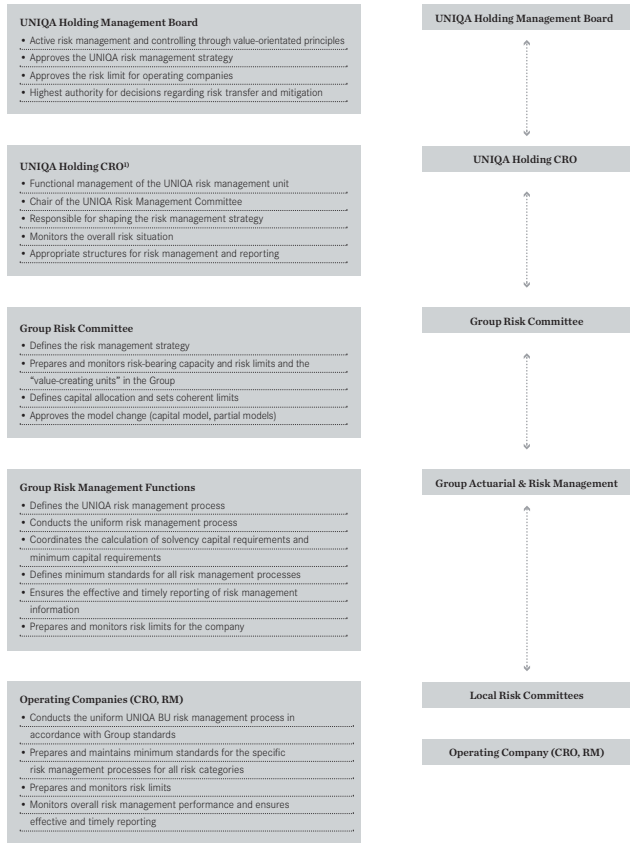
Those responsible for business activities must develop and put into practice an appropriate risk control environment to identify and monitor the risks that arise in connection with the business and processes.

Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory functions, such as managerial accounting and financial control, must monitor business activities without encroaching on operational activities.

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 comprises risk management and compliance (e.g. internal auditing).



¹⁾ Beginning 1 January 2015 in an interlocking directorate together with the CFO

Management Board and Group functions

The UNIQA Group Management Board is responsible for establishing the business policy objectives and determining the associated risk strategy. The core components of the risk management system and the associated governance are embedded in the UNIQA Group Risk Management Policy adopted by the Management Board.

The function of Chief Risk Officer (CRO) is a separate area of responsibility at the Group Management Board level. This ensures that risk management is represented on the Management Board. The CRO is supported in the implementation and fulfilment of risk management duties by the following units: Group Risk Management, Group Actuarial and Group Financial Risk Management. During the course of 2015, refinements in the organisational structure will lead to a merger of these units so that the Company can progress as efficiently as possible in the final implementation phase of Solvency II.

A central component of the risk management organisation is the risk management committee for the UNIQA Group. This committee carries out monitoring and initiates appropriate action in relation to the current development as well as the short- and long-term management of the risk profile. The risk management committee establishes the risk strategy, monitors and controls compliance with risk-bearing capacity and limits, and therefore plays a central role in the management process implemented under the UNIQA Group's risk management system.

Operative insurance companies

In the operative insurance companies, the CRO function has also been established at the Management Board level, with the functions of the risk manager at the next level down. A consistent, uniform risk management system has therefore been set up throughout the Group.

As at Group level, each of the operative insurance companies has its own risk management committee, which forms a central element of the risk management organisation. This committee is responsible for the management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

At its meetings, the Supervisory Board of the UNIQA Group receives comprehensive risk reports.

2.2. Risk management process

The UNIQA Group's risk management process delivers periodic information about the risk profile and enables the top management to make the decisions for the long-term achievement of objectives.

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 Management risk (ALM risk)
- Credit risk/default risk
- Liquidity risk
- Concentration risk
- Strategic risk
- Reputational risk
- Operational risk
- Contagion risk

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 management process in the UNIQA Group



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 as possible, different approaches are used in parallel, and all risk categories, subsidiaries, processes and systems are included.

Evaluation/measurement:

The risk categories of market risk, actuarial risk, 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 and the ECM approach (economic capital model) approach. 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 quantitatively or qualitatively 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 based on the economic, internal and external risk situation of the UNIQA Group.

A scenario is a possible internal or external event that has a short-term or medium-term effect on consolidated profit or loss, the solvency position or sustainability. The scenario is formulated with respect to its inherent characteristic (e.g. the start of Greece's insolvency) and evaluated in terms of its financial effect on the UNIQA Group. The likelihood that the scenario will actually occur is also considered.

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 aim of which is to bring the level of solvency coverage back 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 reporting form is also available for the UNIQA Group and all subsidiaries, which provides the management with a monthly update regarding the most significant risks.

2.3. Activities and objectives in 2014

Based on external and internal developments, activities in 2014 focused on the following:

- Preparation work for the implementation of Solvency II
- Further development and implementation of the liability-driven ALM approach

Preparation work for the implementation of Solvency II

Solvency II is an EU-wide project, the objective of which is to achieve a fundamental reform of solvency regulations (capital requirements) for insurance companies. The existing static system for determining capital requirements is to be superseded by a risk-based system. One of the main changes in the new system is that it is to take greater account of qualitative elements such as internal risk management.

Following publication of the preparation guidelines by the European Insurance and Occupational Pensions Authority (EIOPA) in October 2013 and the implementation of these guidelines in the Austrian Insurance Supervision Act (VAG) of June 2014, there is now clarity regarding the necessary preparation work required before Solvency II comes into force on 1 January 2016. The following topics are addressed in the preparation guidelines:

- Requirements for the risk management system¹⁾
- Assessment of the entity-specific risk²⁾
- Requirements for the reporting system³⁾
- Pre-application for internal models⁴⁾

¹⁾ "System of governance" (EIOPA-CP-13/008).

²⁾ "Forward-looking assessment of the undertaking's own risks (based on the own risk and solvency assessment (ORSA) principles)" (EIOPA-CP-13/009).

³⁾ "Submission of information to national competent authorities" (EIOPA-CP-13/010).

⁴⁾ "Pre-application for internal models" (EIOPA-CP-13/011).

In 2014, further specific preparatory steps were taken both in the UNIQA Group and in the operating units based on this information. The steps primarily consisted of modifications to the governance structure to satisfy the requirements for key functions under Solvency II, the preparation of an initial ORSA report (Own Risk and Solvency Assessment), which was submitted for information to the Supervisory Board in November 2014, and the preparation of the infrastructure to meet future reporting requirements. A significant portion of the preparatory work was also accounted for by the activities related to the partial internal model in connection with the actuarial risk arising from property/casualty insurance.

In addition, a comprehensive training programme for senior managers, other managers, and employees in key functions is a core component of a fully functioning Group-wide risk management framework. Understanding of the objectives and the impact of the risk management approach in the context of value-based management should be achieved. A great deal of importance is also attached to training the Supervisory Board of the UNIQA Group so that the members of the Supervisory Board are well informed about the ongoing developments in the management approach (economic management) and can take these developments into account with respect to their supervisory activities.

In both cases, the discussion about the use of the information from the risk capital models, in particular from the partial internal model relating to property/casualty insurance, is a relevant point, allowing users to make the connection between this information and the ongoing business.

Further development and implementation of the liability-driven ALM approach

In 2014, further development work was carried out on the ALM processes and associated governance developed over the last few years. The priority was on stabilising the processes that have been introduced and on implementing a project to gradually reduce the AL mismatch, especially in life insurance.

The option of running a regular/year-round procedure to draw up the risk profile and associated limits represents a key element of the ALM process in the UNIQA Group. Management is carried out on the basis of risk capital consumption and associated limits, which enables the Group to make strategic decisions on the basis of a value-based risk/return analysis.

In 2014, the Group focused not only on the necessary standard processes but also on scenario analyses, especially the possible changes in the liabilities profile depending on different interest rate situations. In this case, the analysis of the life insurance business plays a central role because it is difficult to predict a change in the lapse or surrender pattern for customer policies in response to a specific trend in interest rates. Associated risks were analysed and action implemented to cushion these risks.

3. Challenges and priorities in risk management for 2015

Challenges

The period of low interest rates continued throughout 2014, with rates falling to historically low levels in some cases. This situation has a particularly marked effect in life insurance. Depending on the investment strategy, the persistently low interest rates can lead to a situation in which the income generated is insufficient to finance the guarantees made to policyholders. The topic of low interest rates continues to be of concern to the entire European insurance industry and is leading to intensive discussions about how insurance companies can ensure that customer options and guarantees (in both existing and new business) are financed over the long term.

Significant measures taken by the UNIQA Group within the defined life strategy have been to focus on implementing the ALM approach including stringent management rules (e.g. regarding the management of profit sharing) and to provide continuous portfolio management to support the new business strategy in the personal injury insurance business.

One specific issue is the question of requirements (which vary from country to country) to recognise supplementary discount rate provisions, i.e. requirements to set aside special provisions in the respective local accounting if interest rates are low. As at 31 December 2014, UNIQA had set aside a provision in the amount of €34.1 million in its Austrian companies because there is a statutory requirement in Austria to recognise this special provision. As the supplementary discount rate provision is to be built up over a period of 10 years in Austria, corresponding expenses are to be expected (in local accounting) over the coming years. This special provision in the local accounting is to be seen alongside the liability adequacy test (LAT) to check whether the provisions in the IFRS financial statements are adequate. Depending on the interest rate situation and the resulting planning of investment income, there is the fundamental risk in the future of a potential provision requirement as a consequence of the LAT.

With regard to the insurance market in CEE countries, the expected economic situation in the Eastern European markets poses a certain challenge to the Group to achieve disproportionately high growth in the short term and compared to the Western European insurance markets. For example, the Group was unable to record any premium growth in this region in 2014. The premium volume for the entire region contracted, mainly in the life insurance business, although this also continued to be attributable to a sharp drop in single premium business in Poland and a deliberate reduction in the volume of motor vehicle insurance in selected markets. Given this disappointing trend in the past year, expectations of higher premium revenue in 2015 remain moderate.

The continued political uncertainty in Ukraine caused by the separatist movement in the east of the country raises questions about whether the country will be able to go on servicing some of its borrowing. As at 31 December 2014, the UNIQA Group's portfolio of Ukrainian government bonds came to a nominal value of €34.1 million and a fair value of €25.2 million. Of these, a nominal value of €30.1 million are invested in the Ukrainian subsidiary.

The Ukrainian currency, the hryvnia (UAH), weakened by approximately 41 per cent against the euro during the course of 2014 (exchange rate as at 31 December 2014: 0.0523; as at 31 December 2013: 0.088). The total value of all the UAH securities in the UNIQA Group amounts to a fair value of €4.0 million.

Together with the fall in the price of oil in December 2014, the EU sanctions imposed on Russia caused an immediate and sharp drop in the value of the rouble against the euro (exchange rate as at 31 December 2014: 0.0142, as at 31 December 2013: 0.0221). In turn, this led to a volatile interest rate environment and the devaluation of government bonds. The total value of all the RUB securities in the UNIQA Group amounts to a fair value of €47.9 million, of which €37.7 million are invested in the Russian subsidiary. The nominal value of Russian government bonds in the UNIQA Group's portfolio amounts to €123.0 million (of which €55.7 million in the Russian subsidiary), with a fair value of €102.3 million.

In terms of actuarial risk, the further development of the motor business in CEE countries (comprehensive vehicle insurance, including liability insurance) continues to represent the greatest challenge because this business segment accounts for a considerable proportion of the property/casualty insurance in the CEE region. The most significant difficulties are, firstly, that there is a continuously changing legal environment leading to higher benefit payments in the

event of personal injury claims and, secondly, that many markets are still subject to a price war as companies vie to win customer segments. UNIQA increasingly relies on a professional pricing approach. In addition to conducting ongoing market analyses, the Group carries out standardised profitability tests to ensure that pricing is appropriate. In addition, guidelines are intended to ensure that international insurance claims (known as green card claims) are settled within UNIQA affiliated companies or in conjunction with specified partners.

After the Solvency II Directive (Directive 2009/138/EC) has been implemented into Austrian law with the Insurance Supervision Act 2016, which is a complete revision of the existing Austrian legislation, new versions of all existing regulations will also be enacted. One of the main challenges in 2015 will be to provide detailed support for this process. The new Insurance Supervision Act was published in the Austrian Federal Gazette on 20 February 2015 and will come into force on 1 January 2016.

The preparatory work in connection with Solvency II is closely associated with the Insurance Supervision Act 2016. In addition to the new reporting obligations, the biggest challenge in this preparatory work is the project being undertaken by the UNIQA Group to promptly apply for a partial internal model relating to property/casualty insurance. This project is subject to a very narrow timeframe because of the late publication of the regulatory requirements. Sufficient resources must therefore be dedicated to the project to enable the Group to submit an approval application in a timely manner.

As regards operational risk, there is a need for some capital investment in the renewal of IT infrastructure and systems. In the short- and medium terms, the Group is faced in numerous instances with a switch between generations of technologies to enable it to maintain the proper operation of the business and respond to changing customer and market expectations.

A strategic question for 2015 is how to proceed with the handling of the changing circumstances in CEE countries in relation to associated partners. In February 2015, UNIQA's key partner in international banking sales (Raiffeisen Bank International) announced its intention to withdraw from the Polish and Slovenian markets. Even though the impact is immaterial because the business involved represents a small proportion of the Group's overall business, there remains the issue of the subsequent strategic direction of bank sales in these markets. Another ongoing challenge is the question of reputational risk. This is the risk of an unexpected adverse change in enterprise value caused by damage to UNIQA's reputation. The identification of reputational risk is an important part of the risk management process. These risks are discussed in the quarterly committee meetings and the Management Board initiates appropriate corrective action. A risk assessment in accordance with a risk map, i.e. a presentation of the key risks faced by the UNIQA Group across all risk classes, is also presented for information purposes to the Supervisory Board.

Priorities

As in the past year, further preparatory work relating to Solvency II will continue to have a very high priority in 2015. In accordance with the transition guidelines that have been put in place (section 130c of the Insurance Supervision Act), the Group will have to meet a range of first-time reporting obligations to the supervisory authorities in 2015. Quantitative information in connection with the solvency calculation and also qualitative information, particularly in relation to governance requirements, must be prepared at Group level by mid-July 2015. In addition, we will continue to expand our partial internal model as part of the advance approval process and adapt processes and models in line with the evolving Solvency II standards. The forward-looking own risk and solvency assessment (ORSA) also forms a core component of the preparation for Solvency II. Whereas the ORSA requirements in 2014 were focused on the assessment of the overall solvency requirement, further elements will be added in 2015 to facilitate the presentation of a complete picture of the risk assessment: Firstly, an in-depth analysis of the extent to which the solvency requirements and technical provisions are satisfied on an ongoing basis; secondly, a review to establish whether the calculation used for the solvency capital requirement appropriately reflects the risk profile of the Company.

Further developments at UNIQA in connection with value-based management are also closely linked to the implementation of Solvency II. In the future, capital management and also the planning of estimated income will be extensively based on the risk capital position in the Group, the individual operating units and their areas of business. We have set ourselves the objective of achieving a transparent presentation of our approach to capital, the most significant risks and related stress, the associated target returns and an appropriate dividend policy. From the starting point of a defined risk-bearing capacity, the target returns are to be selected such that the return on risk capital permanently exceeds the cost of capital, ensuring ongoing dividend payments, while at the same time not jeopardising risk-bearing capacity.

A further priority for 2015 is to continue the strategic programmes relating to cost management, the further development of the life insurance strategy, including portfolio management (in-force management), capital investment from an ALM perspective and the associated internal processes. The use of the latest standards in underwriting the risk in the property and casualty insurance business, primarily in connection with international insurance claims (green card insurance), is another area of focus. All programmes are to make a contribution to enable the Group to achieve the planned profits in 2015 and sustain this level in the years ahead. Particularly in this period of low interest rates and significant volatility in capital markets, the successful implementation of projects that stabilise or improve net profit in the core operating business is central to our activities.

In life insurance, another important milestone was achieved in the area of new product design in December 2014. At UNIQA Österreich and Raiffeisen Versicherung AG, the lowering of the maximum permissible discount rate (as of 1 January 2015 to 1.50 per cent) was used to completely revise the products in the classic life insurance line, and give them a new title: "New Classic". The "New Classic" will give customers a 100 per cent capital guarantee on net premiums, high repurchase values from the beginning, along with the possibility of making variable additional payments and withdrawals during the term. In addition, costs and fees are spread out proportionally over the entire term and no longer taken from the premium but rather from the profit. The entire premium amount (excl. insurance tax) thus flows directly into the investment, resulting in a considerably higher savings premium from the beginning than is offered by con-

ventional life insurance. This means the product offers customers much more transparency and flexibility.

From the Company's point of view, this product concept has the advantage that, among other things, the discount rate is set at 0 per cent, which leads, in particular on longer terms, to a reduction of the guarantee requirement. In addition, this new product concept also meets the future legal requirements concerning transparency and capital adequacy. The sales success in the first three months after the launch of this product are impressive proof that the concept has been understood and accepted by both customers and the sales people. The successful positioning of the product on the Austrian market and the transfer of the ideas on which it is based into other markets are a priority for 2015 – at the same time offering the opportunity to make life insurance future-oriented.

4. Capitalisation

On the basis of the current regulatory requirements, available own funds and the risk capital requirement are calculated in accordance with Solvency I.

When Solvency II comes into force, the definitions and methods used to calculate available own funds as well as capital requirements and management standards will be replaced by Solvency II standards.

As at 31 December 2014, the solvency ratio on the basis of the regulatory provisions was 295.4 per cent. Eligible equity amounted to €3,442.2 million; which included eligible subordinated liabilities of €250.0 million up to half of the equity requirement and eligible subordinated liabilities of €286.5 million up to a quarter of the equity requirement. The solvency requirement is €1,165.2 million.

4.1. Statutory requirements

Risk capital requirements and available equity are currently calculated according to Solvency I regulations. These will be replaced when the Solvency II provisions take effect. In order to guarantee a smooth transition between these two different calculation methods, the UNIQA Group has performed parallel calculations since 2008. One consequence of these efforts is an early Group-wide introduction of the new methods and processes. Gaps and shortcomings will thus be identified early and promptly rectified.

4.2. Internal capital adequacy

The UNIQA Group defines its risk appetite on the basis of an economic capital model (ECM). The cover for quantifiable risks with eligible own funds (capital ratio) should lie between 150 and 160 per cent in 2015. In the medium term, the capital ratio should be at least 170 per cent.

As at 31 December 2013, the solvency ratio in accordance with the ECM was 160.9 per cent. Details for the reporting date of 31 December 2014, including a detailed analysis of changes, can be found in the ECM report.

4.3. Standard and Poor's model

In addition to regulatory and internal provisions, the Group also takes into account the capital requirements specified by an external rating agency to ensure that the Group's credit quality is presented objectively and can be compared with other entities. Therefore, the UNIQA Group is regularly rated by the rating agency Standard & Poor's. UNIQA Insurance Group AG has been given an "A–" credit rating by Standard & Poor's. UNIQA Österreich Versicherung AG and

UNIQA Re AG each have a rating of "A"; UNIQA Versicherung AG in Liechtenstein is rated with "A–" and the supplementary capital bond with "BBB". Standard & Poor's rates the outlook for all the companies as stable. The UNIQA Group includes the impact on its rating in its capital planning process with the objective of improving the rating over the long term as the corporate strategy is implemented.

5. Risk profile

The risk profile of the UNIQA Group is very strongly influenced by life insurance and health insurance portfolios in the Austrian life and health insurance companies UNIQA Österreich and Raiffeisen Versicherung AG. 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 business in the property and casualty segment and in the life and health insurance segment.

In the South Eastern Europe (SEE) and Eastern Europe (EE) regions, insurance business is currently conducted primarily in the property/casualty segment, in particular in the motor vehicle insurance segment.

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

The distinctive risk features of the regions are also reflected in the risk profiles determined by using the internal measurement approach.

After every calculation for the life, non-life and composite insurers in the UNIQA Group, benchmark profiles are created and compared with the risk profile for each company. The benchmark profiles show that, for composite insurers, there is a balance between market and actuarial risk. Composite insurers are also in a position to achieve the highest diversification effect.

Market risk

Based on the categories defined in the Solvency II standard formula, market risk comprises interest rate, spread, equity, real property, currency and liquidity risk. Market risk is very heavily influenced by interest rate risk, which arises if there is a mismatch between asset and liability maturities. This particularly affects life insurance business. UNIQA has considerably reduced interest rate risk in the last two years by establishing an ALM process as the foundation for creating an ALM-based asset allocation approach.

Aside from a substantial reduction in interest rate risk, the implementation of ALM-based asset allocation caused an increase in spread risk, which is now the greatest single risk faced by UNIQA. Spread risk is defined as the risk of price volatility from changes in credit risk premiums. In the case of fixed-income securities, this risk increases under the Solvency II standard formula depending on rating and duration.

In the last few years, the UNIQA Group has sharply reduced its equity risk, which now plays a rather subordinate role in the same way as currency and concentration risk.

All market risks are actively managed using the existing market risk management tools in the context of risk-bearing capacity and are integrated into company decision-making and management (for example, in quarterly ALM committee meetings at the highest management level).

Asset allocation in € thousand	31/12/2014	31/12/2013
Fixed-income securities	19,281,012	16,741,493
Equities	280,652	298,839
Alternative investments	41,087	59,077
Equity investments	830,185	896,285
Loans	119,946	125,156
Real estate	1,702,738	1,864,010
Liquid funds	1,359,072	1,890,828
Total	23,614,692	21,875,688

Market risk categories

Interest rate risk

Interest rate risk arises on all statement of financial position asset and liability items whose value fluctuates as a result of changes in risk-free yield curves or associated volatility. Given the investment structure and the high proportion of interest-bearing securities in the asset allocation, interest rate risk forms an important part of market risk. The average coupon on fixed-income securities is 3.2 per cent.

The following table shows the maturity structure of interest-bearing securities and bonds reclassified as loans.

Exposure by term in € thousand	31/12/2014	31/12/2013
Up to 1 year	1,315,407	2,271,242
More than 1 year up to 3 years	2,874,526	2,084,284
More than 3 years up to 5 years	2,681,542	2,477,658
More than 5 years up to 7 years	3,388,525	1,598,831
More than 7 years up to 10 years	3,209,569	2,706,676
More than 10 years up to 15 years	2,553,315	1,647,191
More than 15 years	3,073,726	3,915,063
Total	19,096,609	16,700,944

Spread risk:

Spread risk refers to the risk of changes in the price of statement of financial position asset or liability items as a consequence of changes in credit risk premiums or associated volatility. When investing in securities, UNIQA chooses securities with a wide variety of ratings, taking into consideration the potential risks and returns. The following table shows the credit quality structure for interest-bearing investments.

Exposure by rating in € thousand	31/12/2014	31/12/2013
AAA	4,964,965	4,569,254
AA	3,986,746	2,837,120
A	4,130,316	3,519,567
BBB	3,648,213	3,713,019
BB	1,394,028	963,252
B	363,890	615,865
<=CCC	158,390	113,790
Not rated	450,061	369,076
Total	19,096,609	16,700,944

Equity risk

Equity risk arises from movements in the value of equities and similar investments as a result of fluctuations in international stock markets. The effective equity weighting is controlled by hedging with the use of derivatives.

Currency risk

Currency risk is caused by fluctuations in exchange rates and associated volatility. Given the international nature of the insurance business, UNIQA invests in securities denominated in different currencies, thus following the principle of matching liabilities with assets in the same currency to cover liabilities created by the products. Despite the use of derivative financial instruments for hedging purposes, the currency risks of the investments do not always match the currency risks in the technical provisions and liabilities. The greatest component of this risk arises from investments in US dollars. The following table shows a breakdown of assets and liabilities by currency.

Currency risk in € thousand	31/12/2014	
	Assets	Provisions and liabilities
EUR	29,492,947	27,734,138
USD	960,329	50,569
CZK	450,157	411,716
HUF	463,492	434,998
PLN	906,474	804,231
RON	183,090	121,490
Other	581,380	378,291
Total	33,037,868	29,935,434

Currency risk in € thousand	31/12/2013	
	Assets	Provisions and liabilities
EUR	26,570,544	25,954,856
USD	1,782,967	25,523
CZK	379,970	371,157
HUF	435,743	399,856
PLN	1,062,974	967,111
RON	178,334	179,335
Other	591,183	318,739
Total	31,001,715	28,216,576

Liquidity risk

UNIQA has payment obligations that it must meet on a daily basis. It therefore carries out detailed liquidity planning covering a period of one year. A minimum liquidity balance is specified by the Management Board and is made available as a cash reserve on a day-to-day basis.

In addition, a majority of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required. When investing in fixed-income securities and choosing the contractual maturities, UNIQA takes into account the existing contractual maturities in the business segment concerned.

In relation to private equity investments, there are further payment obligations amounting to €1.0 million (2013: €1.0 million).

Sensitivities

Market and credit risk management is integrated as a fixed part of the structured investment process. Key figures used to measure, monitor and actively manage investment risk include, in particular, data from stress tests and sensitivity analyses in addition to figures from the established market and credit risk models (MCEV, SCR, ECR, etc.).

The following table shows the most important market risks in the form of key sensitivity figures. These key figures represent a snapshot on the reporting date and are only intended as an indication of future changes in fair value. Depending on the recognition and measurement principles that need to be applied, any future losses in fair value could lead to different changes in equity to be recognised in profit or loss or in other comprehensive income. 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 countermeasures taken in the various market scenarios.

Sensitivities Interest rate risk	31/12/2014		31/12/2013	
	+100 basis points	- 100 basis points	+100 basis points	- 100 basis points
in € thousand				
High grade	- 960,306	813,246	- 669,323	746,714
Corporates	- 159,784	86,179	- 128,246	128,288
Other	- 26,440	16,721	- 40,717	54,234
Total	- 1,146,530	916,146	- 838,286	929,236

Spread risk:	31/12/2014		31/12/2013	
	+	-	+	-
in € thousand				
AAA (0 basis points)	0	0	0	0
AA (25 basis points)	- 90,756	89,770	- 51,287	53,207
A (50 basis points)	- 106,631	87,171	- 64,108	66,281
BBB (75 basis points)	- 152,255	116,279	- 161,979	182,828
BB (100 basis points)	- 40,909	19,747	- 29,373	31,249
B (125 basis points)	- 11,567	7,480	- 9,622	- 437
<=CCC (150 basis points)	- 28,209	8,239	16,910	26,417
NR (100 basis points)	- 14,539	11,371	50,247	- 8,902
Total	- 444,866	340,058	- 249,213	350,644

Equity risk	31/12/2014		31/12/2013	
	30%	- 30%	30%	- 30%
in € thousand				
Total	206,603	- 134,989	165,785	- 143,457

Currency risk	31/12/2014		31/12/2013	
	10%	- 10%	10%	- 10%
in € thousand				
USD	30,688	- 28,308	33,794	- 33,740
HUF	19,016	- 19,042	8,079	- 8,108
RON	14,314	- 14,337	5,749	- 5,769
CZK	30,455	- 30,512	14,840	- 14,893
PLN	40,800	- 40,877	20,663	- 20,737
Other	39,624	- 37,819	26,458	- 26,554
Total	174,897	- 170,896	109,582	- 109,801

Effect of the ascertained changes in fair value on the income statement/equity

2014 in € thousand	Interest rate shock (+100 bp)	Interest rate shock (-100 bp)	Spread shock (increase in spread)	Spread shock (decrease in spread)	Equity shock (+30%)	Equity shock (-30%)	Currency shock* (+10%)	Currency shock* (-10%)
Income statement	12,303	- 3,801	247	6,451	120,821	- 134,989	150,908	- 146,889
Equity	- 1,158,833	919,947	- 445,113	333,607	85,781	0	7,481	- 7,496
Total	- 1,146,530	916,146	- 444,866	340,058	206,603	- 134,989	158,390	- 154,385

* Currency shock from real estate amounting to €16.5 million (+10%) and €16.5 million (-10%) will not be incurred either on the income statement or in equity because real estate is recognised at the carrying amount and shocks on a fair value basis.

2013 in € thousand	Interest rate shock (+100 bp)	Interest rate shock (-100 bp)	Spread shock (increase in spread)	Spread shock (decrease in spread)	Equity shock (+30%)	Equity shock (-30%)	Currency shock* (+10%)	Currency shock* (-10%)
Income statement	33,978	- 38,669	37,280	- 35,214	36,548	- 93,666	103,843	- 104,051
Equity	- 872,264	967,905	- 286,492	385,858	129,237	- 49,790	3,118	- 3,124
Total	- 838,286	929,236	- 249,213	350,644	165,785	- 143,457	106,961	- 107,175

* Currency shock from real estate amounting to €2.6 million (+10%) and €2.6 million (-10%) will not be incurred either on the income statement or in equity because real estate is recognised at the carrying amount and shocks on a fair value basis.

Sensitivities – sensitivity analysis covering the market consistent embedded value for the life and health insurance business

The market consistent embedded value (MCEV) is calculated in accordance with the market consistent embedded value principles defined by the CFO Forum and in accordance with the Basis For Conclusions published in the UNIQA Group in October 2009. The embedded value comprises the assets by fair value and the portfolio value of the insurance business. The portfolio value of the business equates to the present value of distributable profits after tax, net of the costs of capital. The MCEV corresponds to an actuarial valuation of the insurance company on a going concern basis, although the value of future new business is specifically excluded.

The assumptions used in the projection to determine the portfolio value are based on best estimates, i.e. realistic estimates using operating and economic assumptions based on future expectations and historical observations. An embedded value calculation requires a number of economic and operating assumptions. Although UNIQA believes these assumptions to be reasonable and sensible, they cannot be predicted with any certainty because of numerous influencing factors beyond the Company's control. For this reason, actual results may differ materially from the profits forecast in the assessment of embedded value.

The shareholder portion calculation takes into account all available income sources; in classic life insurance in Austria, the requirements of the Austrian Profit-Sharing Regulation are taken into account in particular. In all other countries for which the calculation is carried out, the most realistic growth in future profit participation is assumed, likewise taking into account the relevant legal framework. The projected profits are influenced by assumptions relating to mortality, policy cancellation, costs, capital selection, inflation and investment income.

The assumed interest rate depends on the capital market on the measurement date and is determined using the latest derivation method for yield curves under Solvency II. To facilitate an assessment of the impact from the interest rate assumption, two yield curve sensitivities were calculated in the embedded value, with +/- 100 bp applied to the capital market data for the interest rates. For the interest rate assumptions in accordance with the latest liquid market data, the calculation assumes a convergence within 40 years to a long-term interest rate of 4.2 per cent per cent. This corresponds to the latest requirements from EIOPA relating to the derivation method for risk-free interest rates and is also applied in the sensitivity analyses; consequently, the calculation does not produce mere parallel shifts in the yield curves.

The sensitivities specified below only relate to those companies in the UNIQA Group that have been measured using projection calculations (Austria, Italy, Czech Republic, Slovakia, Hungary, Poland, Russia). As at 31 December 2014, the scope of this measurement process covered more than 96 per cent of the life insurance business reserves in the UNIQA Group.

Market consistent embedded value sensitivities	2014	2013
Change in % of base value		
Equities and real estate – 10%	- 5.82	- 5.01
Yield curve + 1%	8.82	4.98
Yield curve – 1%	- 19.60	- 10.08
Administration expenses – 10%	2.32	2.22
Rate of cancellations – 10%	1.40	1.75
Mortality – endowment assurance and life insurance – 5%	1.51	1.33
Mortality – pension insurance – 5%	- 0.31	- 0.14

Further risks

The investment in STRABAG SE, the portfolio of asset-backed securities and the assets related to Hypo Group Alpe Adria (HGAA) and HETA Asset Resolution AG (HETA) continue to be carefully monitored.

As at 31 December 2014, UNIQA held a 13.8 per cent stake in STRABAG SE (31 December 2013: 14.7 per cent). UNIQA is continuing to treat STRABAG SE as an associate due to contractual arrangements. The carrying amount of the investment in STRABAG SE at 31 December 2014 amounted to €456.5 million (31 December 2013: 471.4 million), which equated to €29.1 per share.

The UNIQA Group held 1.8 per cent (2013: 1.8 per cent) of its investments in asset-backed securities (ABSs). The valuation of ABSs is subject to model risk because most of the securities included in the direct portfolio and in the funds portfolio are priced using a mark-to-model method. There is a run-off in the ABS portfolio and, due to the general recovery of the asset class, carries a declining risk in comparison to previous years.

In 2014, the nationalised Hypo Alpe-Adria-Bank (HAA) was transferred to the “bad bank” Heta Asset Resolution AG, which is owned by the Republic of Austria. The function of this bad bank is to wind down the non-performing portion of HAA, which was nationalised in 2009, in the most effective way while at the same time preserving as much value as possible. In addition, the Austrian parliament passed the HAA Recovery and Resolution Act. This act wiped out HAA's subordinated debt, including debt guaranteed by the Austrian federal state of Carinthia. The bail-in affected subordinated bonds held by UNIQA with a nominal value of €36 million and a loss of €-34.1 million, which is a total impairment loss. Legal action was already initiated in 2014 to protect the interests of the beneficiaries of the cover pool and those of UNIQA.

As a consequence of the decision on 1 March 2015 issued by the Austrian Financial Market Authority (FMA) to impose a moratorium on debt and interest payments by Heta Asset Resolution AG, UNIQA anticipates that it will need to recognise an impairment loss in the first quarter of 2015 for senior bonds issued by the former HAA. At the end of 2014, UNIQA had still classified this debt as recoverable because of the guarantee from the state of Carinthia. The amount of the impairment loss will be determined on the basis of the edict from the FMA and the change to the legal position. Within UNIQA's portfolio, this affects bonds with a nominal value of €25 million and an amortised cost of €21.3 million.

Asset liability management (ALM)

Market and credit risks have different weightings and various degrees of seriousness, depending on the investment structure. The effects of the financial risks on the value of the investments also influence the level of technical liabilities. There is therefore – particularly in life insurance – a dependence between the growth of assets and debts from insurance contracts. UNIQA monitors the income expectations and risks of assets and liabilities arising from insurance policies as part of the asset liability management (ALM) process. The objective is to achieve a return on capital that is sustainably higher than the technical liabilities carried forward while retaining the greatest possible security. To do this, assets and debts are allocated to different accounting groups. The following table shows the main accounting groups generated by the various product categories.

Investments in € thousand	31/12/2014	31/12/2013
Long-term life insurance contracts with guaranteed interest and profit sharing	16,500,617	15,242,429
Long-term unit-linked and index-linked life insurance contracts	5,386,650	5,332,611
Long-term health insurance contracts	3,128,747	2,748,864
Short-term property and casualty insurance contracts	4,196,663	4,059,744
Total	29,212,677	27,383,649

These values refer to the following statement of financial position items:

- A. I. Land and buildings for own use
- B. Investment property
- D. Investment in associates
- E. Investments
- F. Investments in unit-linked and index-linked life insurance
- L. Current bank balances and cash-in-hand

Technical provisions and liabilities (retained) in € thousand	31/12/2014	31/12/2013
Long-term life insurance contracts with guaranteed interest and profit sharing	15,607,593	14,577,386
Long-term unit-linked and index-linked life insurance contracts	5,306,000	5,251,035
Long-term health insurance contracts	2,677,684	2,571,458
Short-term property and casualty insurance contracts	2,757,870	2,606,084
Total	26,349,146	25,005,963

These values relate to the following statement of financial position items:

- C. Technical provisions
- D. Technical provisions for unit-linked and index-linked life insurance
- G. I. Reinsurance liabilities (only securities account liabilities from reinsurance ceded)
- G. Reinsurers' share of technical provisions
- H. Reinsurers' share of technical provisions for unit-linked and index-linked life insurance

Due to the particular importance of the ALM process in life insurance, the focus below is placed on this segment. For practical reasons, it is not possible to fully achieve the objective of matching cash flows for assets and liabilities. The duration of the assets in life insurance is 6.7 years (2013: 5.8 years), while for liabilities it is considerably longer. This is referred to as a duration gap. It gives rise to interest rate risk and this risk is backed by capital in the ECR model. The discount rate that may be used in the costing when new business is written is based in most UNIQA companies on a maximum discount rate imposed by the relevant local supervisory authority. In all those countries in which the maximum permissible discount rate is not imposed in this way, appropriate prudent, market-based assumptions are made by the actuaries responsible for the calculation. In the core market of Austria, the maximum discount rate is currently 1.5 per cent per year. However, the portfolio also includes older contracts with different discount rates. In the relevant markets of the UNIQA Group, these rates amount to as much as 4.0 per cent per year.

The following table provides an indication of the average discount rates for each region.

Average technical discount rates, core business by region and currency	EUR	USD	CHF	Local currency
in per cent				
Austria (AT)	2.5	-	-	-
Western Europe (WE)	2.0	-	2.6**	-
Central Europe (CE)	3.6	-	-	3.3
Southeastern Europe (SEE)	3.1	-	-	2.9
Eastern Europe (EE)	3.4	4.0	-	3.5
Russia (RU)	3.0	3.0	-	4.0

Definition of regions:
 AT - Austria
 WE - Italy, Liechtenstein
 CE - Poland, Hungary, Czech Republic, Slovakia
 SEE - Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Albania, Montenegro*, Kosovo, Macedonia
 EE - Romania, Ukraine*
 RU - Russia
 *Not included
 ** 2.6 restated value in 2013

As these discount rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Because classic life insurance business predominantly invests in interest-bearing securities (bonds, loans, etc.), the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. Investment and reinvestment risk arises from the fact that premiums received in the future must be invested to achieve the rate of return guaranteed when a policy is written. However, it is entirely possible that no appropriate securities will be available at the time the premium is received. In the same way, future income must be reinvested to achieve a return equivalent to at least the original discount rate. For this reason, UNIQA has already decided to offer products to its key markets that are only based on a low or zero discount rate.

Actuarial risks

Non-life

The actuarial risk in the non-life segment is broken down into the three risk categories of premium, reserve and catastrophe risk.

Premium risk is defined as the risk that future benefits and expenses in connection with insurance operations will exceed the premiums collected for the insurance concerned. Such a loss may also be caused in insurance operations by exceptionally significant, but rare loss events, known as major claims or shock losses. Appropriate distribution assumptions are made to ensure that these events are also adequately incorporated into risk modelling.

Natural disasters represent a further threat from events that are infrequent but that nevertheless cause substantial losses. This risk includes financial losses caused by natural hazards, such as floods, storms, hail or earthquakes. In contrast to major individual claims, insurance companies in this case refer to cumulative losses.

Reserve risk refers to the risk that technical provisions recognised for claims that have already occurred will turn out to be inadequate. The loss in this case is referred to as run-off loss. The claims reserve is calculated using actuarial methods. External factors, such as changes in the amount or frequency of claims, legal decisions, repair and/or handling costs, can lead to differences compared with estimates.

To counter and actively manage these risks, UNIQA runs a number of processes integrated into its insurance operations. For example, Group guidelines specify that new products may only be launched if they satisfy certain profitability criteria. Major claims and losses from natural disasters are appropriately managed by means of special risk management in the underwriting process (primarily in corporate activities) and by the provision of suitable reinsurance capacity.

In connection with claim reserves, guidelines also specify the procedures to be followed by local units when recognising such reserves in accordance with IFRS. A quarterly monitoring system and an internal validation process safeguard the quality of the reserves recognised in the whole of the Group.

An essential element in risk assessment and further risk management is the use of the non-life partial model. This risk model uses stochastic simulations to quantify the risk capital requirement for each risk class at both Company and Group levels. The model also produces further key figures that are then used as part of the risk- and value-based management of the insurance business.

Life

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

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

Carefully selecting the calculation bases gives rise to well-planned 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 calculation bases prove to be insufficient despite careful selection.
- Random fluctuations prove disadvantageous for the insurer.
- Policyholders exercise certain implicit options to their advantage.

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

Long-term life insurance contracts with guaranteed interest and profit sharing	31/12/2014	31/12/2013
in € thousand		
Austria (AT)	12,035,723	11,879,899
Western Europe (WE)	2,702,524	2,085,404
Central Europe (CE)	296,710	303,144
Eastern Europe (EE)	26,320	35,019
Southeastern Europe (SEE)	458,006	195,052
Russia (RU)	88,310	78,867
	15,607,593	14,577,386

Long-term unit-linked and index-linked life insurance contracts	31/12/2014	31/12/2013
in € thousand		
Austria (AT)	4,458,977	4,335,070
Western Europe (WE)	419,192	515,550
Central Europe (CE)	425,899	399,218
Eastern Europe (EE)	0	0
Southeastern Europe (SEE)	1,932	1,198
Russia (RU)	0	0
	5,306,000	5,251,035

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

The table below shows the distribution of the premium portfolio by type and region.

Premium portfolio in %	Endowment assurance		Life insurance		Pension insurance	
	2014	2013	2014	2013	2014	2013
Austria (AT)	46.3	43.9	9.0	9.0	14.1	16.1
Western Europe (WE)	72.2	73.3	8.0	8.5	16.3	16.5
Central Europe (CE)	18.2	20.5	2.8	3.2	0.2	0.2
Southeastern Europe (SEE)	85.4	81.7	5.1	6.6	0.6	0.4
Eastern Europe (EE)	53.8	49.3	9.1	21.8	0.0	0.0
Russia (RU)	94.4	90.9	0.0	0.0	0.0	0.0
Total	49.2	46.4	7.7	8.0	11.3	13.5

Premium portfolio in %	Unit-linked and index-linked		Residual debt insurance		Other	
	2014	2013	2014	2013	2014	2013
Austria (AT)	29.6	30.1	0.0	0.0	1.1	0.9
Western Europe (WE)	3.5	1.8	0.0	0.0	0.0	0.0
Central Europe (CE)	56.1	55.6	10.9	7.5	11.8	13.1
Southeastern Europe (SEE)	1.4	1.5	0.8	0.9	6.7	8.8
Eastern Europe (EE)	0.0	0.0	30.4	28.9	6.7	0.0
Russia (RU)	0.0	0.0	5.6	9.1	0.0	0.0
Total	27.5	28.7	1.9	1.1	2.4	2.3

Definition of regions:
AT - Austria
WE - Italy, Liechtenstein
CEE - Poland, Hungary, Czech Republic, Slovakia
EE - Romania, Ukraine*
SEE - Bulgaria, Serbia, Bosnia and Herzegovina, Croatia, Albania, Montenegro**, Kosovo*, Macedonia*
RU - Russia
* Not included in 2013
** Not included in 2013 or 2014

Mortality

With respect to assurance involving death risk, premiums are calculated based on an accounting table, implicitly allowing for the safety loading of risk premiums.

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 improvement of mortality rates means that the real mortality probabilities are consistently smaller than the values shown in the accounting table. Analyses of mortality data carried out at Group level show that, historically, the level of premiums has been sufficient to cover the death benefits.

Due to the large number of lives insured by the UNIQA Group in the Austrian market, the development of mortality is of particular importance here. According to the 2010/2012 mortality table published by Statistics Austria, life expectancy has increased and is over 80 years for new-borns for the first time.

Life expectancy at birth		
Mortality table	Men	Women
1970-72	66.6	73.7
1980-82	69.2	76.4
1990-92	72.5	79.0
2000-02	75.5	81.5
2010-12	78.0	83.3

The reduction in the probability of dying for any given age is causing a huge amount of uncertainty in the annuities business. Improvements in mortality rates as a result of medical progress and changed lifestyles are 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. In the UNIQA Group, longevity risk relates mainly to the Austrian life insurance companies because very few pension products are sold in the regions covered by the international business.

Homogeneity and independence of insurance risks

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

Antiselection

The portfolios of the UNIQA Group, above all in Austria, contain large quantities of risk insurance policies with a premium adjustment clause. This allows the insurer to raise the premiums in case of an (unlikely) 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.

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. from the insurer's point of view 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.

Costs

Besides the risks discussed above, the cost risk must also be mentioned: 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).

Health

The health insurance business is operated primarily in Austria (92.4 per cent is domestic and 7.6 per cent is international). As a result, the focus lies on risk management in Austria.

Health insurance is a loss insurance which is calculated under consideration of biometric risks and is operated in Austria “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 calculation bases.

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 (“aging 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 discount rate for this actuarial reserve is 3.0 or 2.5 per cent. If the discount rate of 3.0 per cent is not achieved by the investment, there are safety margins in the premiums that can be used to cover the insufficient investment results. Because a guideline was published by the FMA in October 2013 about the discount rate in health insurance, starting in January 2014 new business has been calculated with a discount rate of 2.5 per cent. This results in an improvement of the risk in cases where the investment results are insufficient. In addition, an additional sub-portfolio of business at older rates has been based on the discount rate of 2.5 per cent. The average discount rate was approximately 2.97 per cent as at 31 December 2014.

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 at the end of the 2nd quarter of 2007. This stipulated that the costs of birth and pregnancy be distributed across both sexes. No significant risk to profit has been identified here.

In the meantime, a European Court of Justice decision regarding insurance policies results in a new situation as of 21 December 2012: as of that date only completely identical premiums are allowed for men and women, excluding considerations such as age and individual pre-existing conditions. Experience in 2013 and 2014 has shown that this has not resulted in any negative development of the portfolio structure of new business.

The risk of the health insurance business outside Austria is currently dominated primarily by UNIQA Assicurazioni in Milan (approx. €34.3 million in annual premiums). This Company presently has stable portfolios, meaning that insurance risk scarcely changes. For tariffs with outdated calculation bases, whose holdings are aging, the insured will be converted in the coming years to tariffs with a modern calculation basis. Because this affects tariffs that are not life-long, the conversion problem is less significant than it is for life-long tariffs.

The remaining premiums (approx. €39.2 million) are divided among multiple companies and are of only minor importance there. Only in Switzerland (Geneva) is health insurance the primary business (approx. €8.6 million); however, the Swiss Solvency Test showed there was 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.

Other risks

Operational risk

Operational risk includes losses that are caused by insufficient or failed internal processes, as well as losses caused by systems, human resources or external events.

Operational risk includes legal risk, but not reputation or strategic risk. Legal risk is the risk of uncertainty due to lawsuits 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, workflow and responsibilities. The risk manager is responsible for compliance in all subsidiaries.

A distinctive feature of operational risk is that it can surface in all processes and departments. This is why operational risk is identified and evaluated in every operational company at a very broad level in the UNIQA Group. Risks are identified with the help of a standardised risk catalogue that is regularly checked for completeness. Scenarios are defined for evaluating these risks; these scenarios are meant to convey the likelihood of occurrence and the possible amount of the claim. The results are then presented by the risk manager in the form of a summarised risk report.

This process is usually conducted twice a year.

Business continuity management

According to international standards, the UNIQA Group – as a financial service provider – forms part of the critical infrastructure of key importance to the national community. If this infrastructure were to fail or become impaired, it would cause considerable disruption to public safety and security or lead to other drastic consequences.

As a rule, emergencies, crises and disasters are unexpected events for which it is impossible to plan. However, systems and processes can be put in place to deal with such events. The systems and processes must then be treated as a special responsibility of management and must be dealt with professionally, efficiently and as quickly as possible.

UNIQA has implemented a Business Continuity Management system (BCM) covering the issues of crisis prevention, crisis management and business recovery (including business continuity plans). The main objectives are as follows:

- to prevent personal injury to, or death of, employees or third parties,
- to minimise the impact from failure of key business processes,
- to be appropriately prepared with continuously updated emergency and recovery plans.

The UNIQA BCM model is based on international rules and standards and will continue to be implemented in 2015. The implementation of a BCM system forms part of UNIQA's response to the requirements imposed by relevant authorities (solvency, critical infrastructure) and the market (calls for tender). This holistic approach to a risk management system not only reduces potential losses following an event but also enhances the quality of day-to-day operations.

Reputational and strategic risks

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

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

The most important reputational 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 reputational risks, strategic risks are evaluated twice a year. Furthermore, important decisions in various committees, such as the Risk Committee, are discussed with the Management Board. As outlined in the explanation of the risk management process, the management receives a monthly update regarding the most significant risks in the form of a heat map.

6. Impairment test

Goodwill arises from company mergers and acquisitions. It represents the difference between the acquisition costs and the proportional and current corresponding net fair value of identifiable assets, debts and specific contingent liabilities. In accordance with IAS 36, goodwill is not subject to amortisation, but reported at the acquisition cost less any accrued impairments.

For the purpose of the impairment test, the UNIQA Group has allocated the goodwill into "cash-generating units" (CGUs). These CGUs are the smallest identifiable groups of assets that generate cash flows that are to the greatest possible extent independent from the cash generating units of other assets or other groups of assets. The impairment test involves a comparison between the amount that can be generated by selling or using each CGU, the present value of future cash flows with its value to be covered, consisting of goodwill, the proportional net assets and any capital increases and internal loans. If the resulting value exceeds the realisable value of

the unit based on the discounted cash flow method, an impairment loss is recognised. The impairment test was carried out on 1 October 2014. If there were any particular deviations from the planned performance in the fourth quarter, the CGUs were updated individually. The UNIQA Group has allocated goodwill to the following CGUs, which coincide with the countries in which UNIQA is active, with the exception of the Sigal Group, in which the three countries of Albania, Kosovo and Macedonia were combined as one CGU due to their similar development and organisational connection:

- Albania/Kosovo/Macedonia as "Sigal Group" sub-group (SEE)
- Bosnia and Herzegovina (SEE)
- Bulgaria (SEE)
- Italy as sub-group (WE)
- Croatia (SEE)
- Liechtenstein (WE)
- UNIQA Österreich (AT)
- Poland (CE)
- Romania (EE)
- Russia (RU)
- Switzerland (WE)
- Serbia (SEE)
- Montenegro (SEE)
- Slovakia (CE)
- Czech Republic (CE)
- Ukraine (EE)
- Hungary (CE)
- UNIQA Re

Goodwill breakdown

Cash-generating unit – insurance	30/9/2014
in € thousand	
Bosnia and Herzegovina	1,887
Bulgaria	55,811
Italy	121,718
Croatia*	32,206
Liechtenstein	-
Montenegro	81
UNIQA Österreich	37,737
Poland	28,457
Romania	127,990
Russia	72
Switzerland	-
Serbia*	19,829
"Sigal Group"	20,253
Slovakia	120
Czech Republic	7,712
Ukraine	18,774
Hungary	17,219
UNIQA Re	-

Breakdown of total Group goodwill	30/9/2014	30/9/2013
Region		
in € thousand		
Austria (AT)	37,737	37,737
Western Europe (WE)	121,718	123,455
Central Europe (CE)	53,508	54,411
Eastern Europe (EE)	146,764	152,120
Southeastern Europe (SEE)*	130,068	98,251
Russia (RU)	72	87
Total	489,867	466,061

*Due to the final purchase price allocation from the acquisition of the Baloise Group, the goodwill for Croatia was reduced by €14,040 thousand and for Serbia increased by €10 thousand as at 31 December 2014. Consequently, the goodwill for the region of Southeastern Europe also decreased by €16,030 thousand.

The UNIQA Group calculates the recoverable amount on the basis of value in use by applying generally accepted valuation principles by means of the discounted cash flow method (DCF). The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term net profits achievable by the CGUs and long-term growth rates (perpetuity) are used as the starting point for determination of the capitalised value.

The capitalised value is determined by discounting the future profits with a suitable capitalisation rate after assumed retention to strengthen the capital base. In the process, the capitalised values are separated by statement of financial position segments, which are then totalled to yield the value for the entire Company.

Taxes on operating income 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 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 rate was calculated as follows: a uniform, risk-free interest rate according to the Svensson method (German treasury bonds with 30 year maturities) was used as a base interest rate.

In the reporting period, the beta factor was determined for the first time on the basis of the monthly betas over the last five years for a defined peer group. The betas for the non-life, life and health segments were determined using the revenues in the relevant segments of the individual peer group companies. The health insurance segment, which is strongly focused on the Austrian market, is operated in a manner similar to life insurance. A uniform beta for personal injury insurance is therefore used in relation to the life and health insurance business.

The market risk premium was determined conservatively on the basis of the current standards issued by the Kammer der Wirtschaftstreuhänder (Austrian Chamber of Public Accountants and Tax Advisors). The calculations published by Damodaran were used to determine the country risk premium. The country risk premium in accordance with the Damodaran method is calculated as follows: starting from the rating of the country concerned (from Moody's), UNIQA obtains the yield spread from credit default swap spreads with the same rating as risk-free government bonds and adjusts this spread to reflect the volatility difference between equity and bond markets. UNIQA also assumes that country risk will decline over the next few years on the basis of subsequent trends.

The calculation in 2014 also factored in the inflation differential for countries outside the euro zone. In general, the inflation differential represents inflation trends in different countries and is used as a key indicator in assessing competitiveness. In order to calculate the inflation differential, the deviation of the inflation forecast for the country of the CGU in question in relation to the inflation forecast for a risk-free environment (Germany, in this case) was used. This is adjusted annually in the detailed planning with the expected inflation and subsequently applied for perpetuity with the value of the last year of the detailed planning phase.

The capitalisation rate is listed below for all CGUs:

Cash-generating unit <small>in per cent</small>	Discount factor		Discount factor perpetuity	
	Property/ casualty	Life & health	Property/ casualty	Life & health
Bosnia and Herzegovina	17.8	18.6	14.1	14.9
Bulgaria	8.4	9.2	10.6	11.4
Italy	11.2	11.9	10.1	10.9
Croatia	10.7	11.5	11.5	12.3
Liechtenstein	7.1	7.8	7.6	8.4
Montenegro	15.3	16.0	11.3	12.1
UNIQA Austria	8.3	9.1	8.3	9.1
Poland	8.5	9.2	10.2	10.9
Romania	11.9	12.6	11.7	12.5
Russia	16.7	17.4	12.9	13.7
Switzerland	7.1	7.8	7.6	8.4
Serbia	16.5	17.3	14.4	15.1
"Sigal Group"	14.2–15.5	14.9–16.3	11.5–13.4	12.2–14.1
Slovakia	9.6	10.4	9.4	10.1
Czech Republic	8.5	9.3	9.5	10.3
Ukraine	27.0	27.7	17.4	18.1
Hungary	10.9	11.7	12.0	12.8
Regions				
Austria	8.3	9.1	8.3	9.1
Western Europe (WE)	7.1–11.2	7.8–11.9	7.6–10.1	8.4–10.9
Central Europe (CE)	8.5–10.9	9.2–11.7	9.4–12.0	10.1–12.8
Eastern Europe (EE) including Russia	11.9–27.0	12.6–27.7	11.7–17.4	12.5–18.1
South Eastern Europe (SEE)	8.4–17.8	9.2–18.6	10.6–14.4	11.4–15.1

The discount rate ranges listed for the Sigal Group and the regions relate to the spread over the respective countries grouped under these headings.
Source: Damodaran and derived factors

The following discount rates were applied in the previous year (reporting date impairment test 31 December 2013):

Cash-generating unit <small>in per cent</small>	Discount factor		Discount factor perpetuity	
	Property/ casualty	Life & health	Property/ casualty	Life & health
Albania	15.1	16.4	15.5	16.7
Bosnia and Herzegovina	19.1	20.4	18.9	20.1
Bulgaria	11.5	12.7	11.5	12.7
Italy	10.5	11.7	10.6	11.8
Kosovo	14.4	15.6	13.9	15.2
Croatia	13.2	14.5	12.9	14.2
Liechtenstein	6.1	7.3	7.7	9.0
Macedonia	14.8	16.0	13.9	15.2
Montenegro	13.4	14.6	13.1	14.4
UNIQA Austria	8.0	9.2	8.9	10.1
Poland	9.2	10.4	10.9	12.2
Romania	12.6	13.8	13.3	14.5
Russia	14.7	15.9	12.4	13.6
Switzerland	6.1	7.3	7.7	9.0
Serbia	15.9	17.1	14.9	16.2
Slovakia	10.1	11.3	11.1	12.4
Czech Republic	10.0	11.3	10.7	12.0
Ukraine	22.3	23.6	19.7	20.9
Hungary	12.9	14.2	13.6	14.9

Source: Damodaran and derived factors

Cash flow forecast (multi-phase model)

Phase 1: five-year company planning

The detailed company planning generally encompasses a period of five years. The company plans used for the calculation are the result of a structured and standardised management dialogue in the UNIQA Group with the participation of UNIQA International, in combination with the reporting and documentation process integrated into this dialogue. The plans are formally approved by the Management Board and also include material assumptions regarding the combined ratio, investment income, market shares and the like.

Phase 2: perpetuity

The last year of the detailed planning phase is used as the basis for determining the cash flows in phase 2. The growth in the start-up phase leading up to phase two was determined using a projection of the growth in insurance markets. It was assumed that the insurance markets would come into line with the Austrian level in terms of density and penetration in 40 to 60 years.

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 reference sources included the following studies and materials:

- Internal research at UNIQA Capital Markets GmbH
- Raiffeisen Research
- Wiener Institut für Internationale Wirtschaftsvergleiche
- Österreichische Nationalbank
- Business Monitor International
- Damodaran – country risks, growth rate estimations, multiples
- VVO
- Insurance Europe
- Swiss Re Sigma Report

Sensitivity analyses

In order to substantiate the results of the calculation and estimation of the value in use, random sensitivity analyses with regard to the capitalisation rate and the main value drivers are performed.

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 in particular in the CEE markets), as well as the associated implementation of the individual profit goals. These forecasts and the related assessment of how the situation in the markets will develop in the future, under the influence of the continuing financial crisis in individual markets, are the largest uncertainties in connection with valuation results.

In the event that the recovery from the economic crisis turns out to be much weaker and slower than assumed in the business plans and fundamental forecasts, and the insurance market trends differ entirely from the assumptions made in those business plans and forecasts, the individual CGUs may incur impairment losses. Despite slower economic growth, income expectations have not changed significantly compared to previous years.

A sensitivity analysis shows that if there is a rise in interest rates of 50 basis points in the countries of Bulgaria, Croatia and Romania, there could be a convergence between the value in use and the carrying amount or a value in use that is lower than the carrying amount. If there were a stronger rise in interest rates of 100 basis points or more, Bosnia/Herzegovina would also be affected. If the underlying cash flows change by -5.0 per cent, there will also be a risk of a convergence or a value in use that is lower than the carrying amount in the countries of Bulgaria, Croatia and Romania. This list expands to include Herzegovina when there is a deviation of more than -10.0 per cent in the cash flows.

In 2014, an impairment loss of €25 million was recognised for Romania.

Backtesting:

Backtesting is regularly carried out on the planning for the individual countries. The objective is to obtain information for internal purposes on the extent to which the operating units plan their results accurately and on the extent to which details useful with regard to subsequent develop-

ment are highlighted. This backtesting can also be used to draw conclusions to be applied to the latest round of planning, thereby enhancing planning accuracy in forthcoming financial plans.

7. 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 the required risk capital and the management of the use of this risk capital. Great importance is attached to the maximum use of diversification effects. Decisions regarding all reinsurance business ceded are taken with special consideration of their effects on the 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 issuing Group-wide guidelines governing 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. Naturally, internal risk transfers 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 exposure of the portfolios assumed by the Group companies is of central importance. Periodic risk assessments have been performed for years in the interest of a value-based management of the capital commitment. Extensive data are used to assess risk capital requirements for affected units. Reinsurance programmes are consistently structured systematically in accordance with their influence on the cedent's risk situation.

For the property and casualty insurer, promises of performance for protection against losses resulting from natural disasters frequently represent the greatest stress on risk capital by far 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 the country and Group levels in cooperation with internal and external authorities. The UNIQA Group substantially eases the pressure on its risk capital through the targeted utilisation of all applicable diversification effects and the launching of a highly efficient retrocession programme.

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 carried out on a non-proportional basis. The Group assumes reasonable deductibles in the affected programmes based on risk and value-based approaches.

Segment reporting

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CLASSIFIED BY SEGMENT

in € thousand	Property and casualty insurance		Health insurance	
	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Assets				
A. Property, plant and equipment	136,214	137,423	27,494	29,609
B. Investment property	219,380	216,642	312,145	287,568
C. Intangible assets	483,441	498,087	225,769	225,324
D. Investment in associates	43,374	43,397	173,520	192,025
E. Investments	4,013,081	3,840,288	2,507,148	2,177,347
F. Unit-linked and index-linked life insurance investments	0	0	0	0
G. Reinsurers' share of technical provisions	155,799	129,348	1,002	1,067
H. Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	0	0	0	0
I. Receivables including insurance receivables	1,089,632	1,504,734	193,922	258,416
J. Income tax receivables	38,209	53,146	1,111	164
K. Deferred tax assets	1,409	5,835	394	519
L. Current bank balances and cash-in-hand	234,646	242,382	143,859	107,219
M. Assets in disposal groups held for sale	0	0	0	0
Total assets by segment	6,415,185	6,671,282	3,586,364	3,279,258
Equity and liabilities				
B. Subordinated liabilities	604,187	604,132	0	0
C. Technical provisions	2,914,745	2,737,773	2,677,800	2,571,539
D. Technical provisions for unit-linked and index-linked life insurance	0	0	0	0
E. Financial liabilities	11,485	6,288	28,557	29,716
F. Other provisions	772,838	773,153	17,520	21,013
G. Liabilities and other items classified as equity and liabilities	671,877	1,209,137	190,034	148,204
H. Income tax liabilities	30,774	28,775	597	1,572
I. Deferred tax liabilities	77,773	41,183	141,392	92,563
J. Liabilities in disposal groups held for sale	0	0	0	0
Total equity and liabilities by segment	5,083,679	5,400,440	3,055,901	2,864,606

Life insurance		Consolidation		Group	
31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
119,798	119,557	0	0	283,506	286,589
972,958	1,148,275	0	0	1,504,483	1,652,485
807,848	809,018	0	- 3,299	1,517,058	1,529,131
311,788	309,631	0	0	528,681	545,053
14,666,728	13,596,815	- 557,603	- 576,359	20,629,354	19,038,091
5,386,650	5,332,611	0	0	5,386,650	5,332,611
406,739	422,837	0	0	563,540	553,252
332,974	389,206	0	0	332,974	389,206
647,154	401,575	- 836,164	- 1,184,979	1,094,544	979,746
14,596	16,571	0	0	53,917	69,881
4,827	2,342	0	0	6,630	8,695
597,258	267,375	0	0	975,764	616,976
161,053	0	0	0	161,053	0
24,430,371	22,815,812	- 1,393,767	- 1,764,637	33,038,153	31,001,715
310,000	310,000	- 314,187	- 314,132	600,000	600,000
15,628,701	14,594,771	- 1,178	- 3,867	21,220,068	19,900,215
5,306,000	5,251,035	0	0	5,306,000	5,251,035
267,312	246,531	- 258,173	- 255,699	49,181	26,836
43,557	42,515	0	0	833,914	836,681
1,325,680	1,203,440	- 818,840	- 1,198,664	1,368,751	1,362,117
11,901	10,366	0	0	43,272	40,712
136,259	65,234	0	0	355,424	198,980
159,107	0	0	0	159,107	0
23,188,517	21,723,892	- 1,392,378	- 1,772,362	29,935,719	28,216,576
Consolidated equity and non-controlling interests				3,102,434	2,785,139
Total equity and liabilities				33,038,153	31,001,715

The amounts indicated have been adjusted to eliminate amounts resulting from segment-internal transactions. Therefore, the balance of segment assets and segment liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective segment.

OPERATING SEGMENTS

	UNIQA Austria		Raiffeisen Versicherung		UNIQA International	
in € thousand	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
Premiums written (gross), including savings portion from the unit-linked and index-linked life insurance.	2,773,542	2,806,699	905,290	878,474	2,353,062	2,162,358
Premiums earned (net), including savings portion from the unit-linked and index-linked life insurance	2,137,021	2,196,206	793,957	767,663	1,822,239	1,634,118
Savings portion in unit-linked and index-linked life insurance (gross)	152,378	209,844	152,378	209,844	239,898	308,243
Savings portion in unit-linked and index-linked life insurance (net)	143,121	197,015	143,121	197,015	239,898	308,243
Premiums written (gross)	2,621,163	2,596,856	752,912	668,630	2,113,164	1,854,115
1. Premiums earned (net)	1,993,900	1,999,191	650,837	570,648	1,582,342	1,325,874
2. Technical interest income	229,055	242,023	219,626	209,939	96,615	85,966
3. Other insurance income	3,137	7,268	917	526	25,931	10,164
4. Insurance benefits	-1,637,225	-1,680,518	-685,206	-629,983	-1,253,637	-960,118
5. Operating expenses	-393,975	-418,113	-101,457	-111,748	-434,847	-454,669
6. Other technical expenses	-37,881	-40,762	-14,841	-15,978	-50,823	-40,345
7. Technical result	157,010	109,088	69,876	23,404	-34,419	-33,128
8. Net investment income	363,015	379,086	267,048	251,636	174,330	143,106
9. Other income	7,513	2,240	1,736	837	26,774	15,707
10. Reclassification of technical interest income	-229,055	-242,023	-219,626	-209,939	-96,615	-85,966
11. Other operating expenses	-12,049	-8,663	-123	-1,091	-40,688	-12,947
12. Non-technical result	129,424	130,640	49,035	41,443	63,800	59,900
13. Operating profit/(loss)	286,434	239,728	118,911	64,848	29,381	26,772
14. Amortisation of goodwill and impairment losses	-1,875	-1,916	-189	-261	-30,228	-5,124
15. Finance costs	-10,627	-6,812	-10,094	0	-317	-109
16. Profit/(loss) from ordinary activities	273,932	231,001	108,628	64,587	-1,164	21,539
Combined ratio (property and casualty insurance, after reinsurance)	91.6%	91.6%	86.6%	90.4%	102.3%	102.8%
Cost ratio (after reinsurance)	18.4%	19.0%	12.8%	14.6%	23.9%	27.8%

IMPAIRMENT BY SEGMENT

	UNIQA Austria		Raiffeisen Versicherung		UNIQA International	
in € thousand	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
Goodwill						
Change in impairment in current year	0	0	0	0	-25,000	0
of which recognised in profit or loss	0	0	0	0	-25,000	0
Investments						
Change in impairment in current year	-11,599	-33,608	-25,796	-33,551	-193	-1,157
of which recognised in profit or loss	-20,665	-38,509	-37,458	-39,202	-193	-1,157
of which reversed in profit or loss	9,066	4,901	11,662	5,652	0	0

	Reinsurance		Group functions and consolidation		Group	
	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
	1,189,327	1,633,116	-1,156,866	-1,595,140	6,064,355	5,885,506
	1,080,886	1,073,625	4,932	-30,739	5,839,035	5,640,873
	0	0	0	0	544,654	727,931
	0	0	0	0	526,139	702,272
	1,189,327	1,633,116	-1,156,866	-1,595,140	5,519,700	5,157,576
	1,080,886	1,073,625	4,932	-30,739	5,312,896	4,938,600
	0	0	15,088	-48,128	560,384	489,799
	1,115	9,333	3,392	-3,784	34,492	23,508
	-800,808	-782,508	-6,785	93,680	-4,383,662	-3,959,448
	-335,108	-333,557	-9,943	-36,081	-1,275,330	-1,354,167
	-12,193	-12,215	18,440	19,779	-97,298	-89,521
	-66,109	-45,321	25,124	-5,272	151,482	48,772
	31,325	21,813	28,657	-15,640	864,375	780,002
	5,270	5,842	21,135	15,964	62,428	40,589
	0	0	-15,088	48,128	-560,384	-489,799
	-975	-311	-16,499	-9,402	-70,334	-32,413
	35,621	27,344	18,204	39,051	296,084	298,379
	-30,488	-17,976	43,328	33,779	447,566	347,151
	0	0	0	0	-32,292	-7,301
	0	0	-16,304	-25,360	-37,343	-32,281
	-30,488	-17,976	27,024	8,419	377,932	307,569
	104.8%	103.6%			99.5%	99.8%
	31.0%	31.1%			21.8%	24.0%

	Reinsurance		Group functions and consolidation		Group	
	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
	0	0	0	0	-25,000	0
	0	0	0	0	-25,000	0
	0	0	-31,489	-12,921	-69,077	-81,236
	0	0	-31,628	-13,049	-89,944	-91,917
	0	0	139	128	20,867	10,681

OPERATIONAL SEGMENTS – CLASSIFIED BY SEGMENT

Property and casualty insurance	UNIQA Austria		Raiffeisen Versicherung		UNIQA International	
In € thousand	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
Premiums written (gross)	1,362,614	1,326,241	153,154	145,664	1,084,898	1,093,683
1. Premiums earned (net)	753,037	747,573	79,775	76,779	588,155	599,210
2. Technical interest income	0	0	0	0	0	0
3. Other insurance income	2,278	3,896	139	169	19,818	6,000
4. Insurance benefits	-516,544	-493,546	-57,140	-52,852	-372,714	-366,053
5. Operating expenses	-173,126	-190,869	-11,963	-16,584	-228,898	-250,232
6. Other technical expenses	-16,556	-20,496	-992	-892	-34,283	-22,819
7. Technical result	49,089	46,559	9,820	6,619	-27,921	-33,894
8. Net investment income	58,264	44,010	3,539	3,521	38,178	39,071
9. Other income	4,886	1,543	827	2	13,385	7,237
10. Reclassification of technical interest income	0	0	0	0	0	0
11. Other operating expenses	-11,516	-7,663	-120	-1,090	-16,851	-8,731
12. Non-technical result	51,634	37,891	4,246	2,432	34,713	37,577
13. Operating profit/(loss)	100,723	84,450	14,066	9,051	6,791	3,683
14. Amortisation of goodwill and impairment losses	0	0	0	0	-27,847	-2,549
15. Finance costs	0	-1,758	0	0	-313	-109
16. Profit/(loss) from ordinary activities	100,723	82,692	14,066	9,051	-21,368	1,025

Health insurance	UNIQA Austria		Raiffeisen Versicherung		UNIQA International	
In € thousand	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
Premiums written (gross)	887,275	866,218	0	0	73,547	71,413
1. Premiums earned (net)	886,949	865,169	0	0	71,725	69,821
2. Technical interest income	70,555	67,257	0	0	0	0
3. Other insurance income	118	556	0	0	1,406	65
4. Insurance benefits	-744,309	-736,231	0	0	-45,724	-42,522
5. Operating expenses	-129,966	-122,605	0	0	-30,669	-28,669
6. Other technical expenses	-6,685	-5,942	0	0	-371	-414
7. Technical result	76,662	68,203	0	0	-3,632	-1,719
8. Net investment income	123,906	93,588	0	0	1,714	1,596
9. Other income	193	85	0	0	2,039	2,193
10. Reclassification of technical interest income	-70,555	-67,257	0	0	0	0
11. Other operating expenses	-21	0	0	0	-1,380	-434
12. Non-technical result	53,522	26,415	0	0	2,374	3,355
13. Operating profit/(loss)	130,185	94,618	0	0	-1,258	1,636
14. Amortisation of goodwill and impairment losses	0	0	0	0	0	0
15. Finance costs	0	0	0	0	0	0
16. Profit/(loss) from ordinary activities	130,185	94,618	0	0	-1,258	1,636

	Reinsurance	Group functions and consolidation			Group	
	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
	1,136,028	1,578,152	-1,115,771	-1,553,211	2,620,922	2,590,529
	1,055,646	1,047,894	6,325	-29,965	2,482,938	2,441,490
	0	0	0	0	0	0
	631	8,990	3,807	-4,954	26,674	14,101
	-775,981	-756,390	-1,205	34,995	-1,723,584	-1,633,846
	-330,550	-329,045	-1,529	-16,506	-746,065	-803,236
	-7,677	-7,761	11,716	13,301	-47,791	-38,666
	-57,930	-36,313	19,115	-3,130	-7,828	-20,159
	19,532	9,658	15,182	2,354	134,696	98,614
	5,237	5,822	10,785	7,088	35,119	21,692
	0	0	0	0	0	0
	-926	-293	-6,649	-5,669	-36,061	-23,446
	23,843	15,187	19,318	3,773	133,753	96,860
	-34,088	-21,126	38,433	643	125,926	76,702
	0	0	0	0	-27,847	-2,549
	0	0	-36,791	-25,025	-37,104	-26,891
	-34,088	-21,126	1,642	-24,382	60,975	47,261

Reinsurance		Group functions and consolidation			Group
1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
1,544	1,585	-1,591	-1,642	960,776	937,574
1,424	1,258	-112	-63	959,986	936,184
0	0	0	0	70,555	67,257
0	0	0	0	1,524	621
-252	-268	9,762	10,285	-780,523	-768,736
-503	-364	-2,231	-10,439	-163,368	-162,077
0	0	-247	-440	-7,302	-6,796
669	626	7,172	-658	80,872	66,451
6	7	-8,612	-15,792	117,014	79,399
0	0	1,819	3,601	4,051	5,879
0	0	0	0	-70,555	-67,257
0	0	0	0	-1,401	-434
7	7	-6,794	-12,190	49,109	17,586
676	632	379	-12,848	129,981	84,038
0	0	0	0	0	0
0	0	-234	-298	-234	-298
676	632	144	-13,146	129,747	83,740

Life insurance	UNIQA Austria		Raiffeisen Versicherung		UNIQA International	
	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
in € thousand						
Premiums written (gross), including savings portion from the unit-linked and index-linked life insurance.	523,653	614,240	752,137	732,810	1,194,618	997,262
Premiums earned (net), including savings portion from the unit-linked and index-linked life insurance	497,034	583,464	714,182	690,884	1,162,360	965,087
Savings portion in unit-linked and index-linked life insurance (gross)	152,378	209,844	152,378	209,844	239,898	308,243
Savings portion in unit-linked and index-linked life insurance (net)	143,121	197,015	143,121	197,015	239,898	308,243
Premiums written (gross)	371,274	404,396	599,758	522,966	954,720	689,019
1. Premiums earned (net)	353,913	386,449	571,062	493,870	922,462	656,843
2. Technical interest income	158,500	174,766	219,626	209,939	96,615	85,966
3. Other insurance income	740	2,815	778	357	4,706	4,099
4. Insurance benefits	- 376,372	- 450,741	- 628,066	- 577,131	- 835,200	- 551,543
5. Operating expenses	- 90,884	- 104,638	- 89,494	- 95,163	- 175,280	- 175,769
6. Other technical expenses	- 14,639	- 14,324	- 13,849	- 15,086	- 16,170	- 17,112
7. Technical result	31,259	- 5,674	60,056	16,785	- 2,866	2,485
8. Net investment income	180,845	241,488	263,509	248,115	134,437	102,439
9. Other income	2,434	612	909	835	11,350	6,277
10. Reclassification of technical interest income	- 158,500	- 174,766	- 219,626	- 209,939	- 96,615	- 85,966
11. Other operating expenses	- 512	- 1,000	- 3	0	- 22,458	- 3,782
12. Non-technical result	24,267	66,334	44,789	39,011	26,714	18,968
13. Operating profit/(loss)	55,526	60,660	104,846	55,797	23,848	21,453
14. Amortisation of goodwill and impairment losses	- 1,875	- 1,916	- 189	- 261	- 2,381	- 2,575
15. Finance costs	- 10,627	- 5,054	- 10,094	0	- 5	0
16. Profit/(loss) from ordinary activities	43,024	53,690	94,563	55,536	21,462	18,878

	Reinsurance	Group functions and consolidation			Group	
	1-12/2014	1-12/2013	1-12/2014	1-12/2013	1-12/2014	1-12/2013
	51,755	53,379	- 39,505	- 40,288	2,482,657	2,357,403
	23,815	24,474	- 1,280	- 710	2,396,111	2,263,199
	0	0	0	0	544,654	727,931
	0	0	0	0	526,139	702,272
	51,755	53,379	- 39,505	- 40,288	1,938,002	1,629,472
	23,815	24,474	- 1,280	- 710	1,869,971	1,560,927
	0	0	15,088	- 48,128	489,829	422,542
	484	344	- 415	1,171	6,294	8,786
	- 24,574	- 25,850	- 15,342	48,400	- 1,879,555	- 1,556,865
	- 4,056	- 4,147	- 6,183	- 9,136	- 365,897	- 388,854
	- 4,516	- 4,454	6,970	6,918	- 42,205	- 44,058
	- 8,848	- 9,633	- 1,163	- 1,484	78,438	2,479
	11,787	12,148	22,087	- 2,202	612,665	601,989
	33	20	8,532	5,275	23,258	13,019
	0	0	- 15,088	48,128	- 489,829	- 422,542
	- 49	- 18	- 9,851	- 3,732	- 32,872	- 8,533
	11,771	12,150	5,680	47,469	113,222	183,932
	2,924	2,517	4,517	45,985	191,660	186,411
	0	0	0	0	- 4,445	- 4,752
	0	0	20,721	- 38	- 5	- 5,092
	2,924	2,517	25,238	45,947	187,210	176,568

UNIQA INTERNATIONAL CLASSIFIED ACCORDING TO REGIONS

	Premiums earned (net)		Net investment income	
in € thousand	2014	2013	2014	2013
Switzerland	8,592	7,817	251	219
Italy	777,831	514,900	79,525	73,801
Liechtenstein	1,223	2,342	1,616	2,288
Western Europe (WE)	787,646	525,059	81,392	76,308
Czech Republic	111,833	119,161	7,178	8,486
Hungary	56,556	58,915	5,152	8,021
Poland	181,181	192,406	15,136	14,907
Slovakia	57,566	55,488	4,201	3,573
Central Europe (CE)	407,136	425,970	31,667	34,988
Romania	58,081	71,893	4,526	5,394
Ukraine	59,278	80,576	9,766	5,883
Eastern Europe (EE)	117,358	152,469	14,292	11,277
Albania	20,229	17,360	733	778
Bosnia and Herzegovina	22,683	21,448	2,404	2,044
Bulgaria	38,715	35,696	649	1,322
Croatia	54,445	23,745	17,282	6,207
Montenegro	9,918	8,653	594	525
Macedonia	9,977	9,343	343	323
Serbia	37,400	31,821	6,579	3,066
Kosovo	11,255	9,976	246	459
Southeastern Europe (SEE)	204,623	158,044	28,828	14,723
Russia	65,578	64,332	19,541	6,006
Russia (RU)	65,578	64,332	19,541	6,006
Austria	0	0	-1,389	-196
Administration	0	0	-1,389	-196
UNIQA International	1,582,342	1,325,874	174,330	143,106
of which				
Profit/(loss) from ordinary activities				
Insurance				
Impairment (Romania)				

	Insurance benefits		Operating expenses		Profit/(loss) from ordinary activities	
	2014	2013	2013	2014	2013	
	-6,718	-6,493	-3,162	-3,010	910	460
	-751,926	-484,717	-73,009	-65,436	21,444	24,478
	-6,527	-811	-2,125	-2,098	-4,656	-88
	-765,172	-492,021	-78,296	-70,545	17,698	24,850
	-68,989	-69,026	-39,182	-47,992	10,283	10,823
	-25,329	-15,743	-32,890	-40,870	-4,642	1,717
	-116,624	-122,167	-67,078	-68,988	9,852	9,423
	-34,879	-31,517	-20,547	-21,294	6,474	6,996
	-245,821	-238,454	-159,698	-179,143	21,967	28,958
	-44,889	-54,689	-23,621	-34,605	-35,533	-15,972
	-24,697	-38,178	-41,279	-43,316	7,273	5,914
	-69,586	-92,866	-64,899	-77,921	-28,261	-10,058
	-8,179	-7,795	-9,602	-9,682	3,225	907
	-16,638	-14,742	-8,105	-8,347	1,004	1,045
	-25,887	-19,957	-17,907	-16,418	-4,587	329
	-42,722	-18,769	-22,292	-9,426	3,985	1,197
	-5,312	-4,736	-5,088	-5,255	-334	-1,162
	-5,152	-3,937	-4,934	-6,293	535	-115
	-20,218	-21,989	-17,153	-14,815	2,820	-3,371
	-4,787	-4,404	-4,618	-5,655	1,192	405
	-128,895	-96,329	-89,699	-75,891	7,840	-766
	-44,163	-40,448	-16,826	-24,375	5,693	5,373
	-44,163	-40,448	-16,826	-24,375	5,693	5,373
	0	0	-25,429	-26,793	-26,102	-26,819
	0	0	-25,429	-26,793	-26,102	-26,819
	-1,253,637	-960,118	-434,847	-454,669	-1,164	21,539
					49,938	48,358
					-25,000	0

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DISCLOSURES 2014

Changes in asset items

in € thousand	Carrying amounts 31/12/2013	Currency difference	Additions	Unrealised gains and losses
A. Property, plant and equipment				
I. Land and buildings for own use	198,433	- 2,269	10,488	0
II. Other property, plant and equipment				
1. Other property, plant and equipment	59,496	- 1,293	20,221	0
2. Inventories	5,661		0	
3. Other assets	22,998		13,317	
Total A. II.	88,156	- 1,293	33,539	0
Total A.	286,589	- 3,562	44,026	0
B. Investment property	1,652,485	- 23,126	57,482	0
C. Intangible assets				
I. Deferred acquisition costs	994,501	- 18,263	265,859	0
II. Goodwill				
1. Goodwill	471,780	- 11,553	16,739	0
2. Insurance contract portfolio	38,394	- 34	7,025	0
Total C. II.	510,174	- 11,587	23,764	0
III. Other intangible assets				
1. Internally-developed software	2,881	- 226	7,158	0
2. Purchased intangible assets	21,574	- 682	37,703	0
Total C. III.	24,455	- 908	44,861	0
Total C.	1,529,131	- 30,758	334,483	0
D. Investment in associates	545,053	0	18	- 7,445
E. Investments				
I. Variable-income securities				
1. Shares, units and other variable-income securities, including equity investments and shares in affiliated companies	863,810	- 586	190,550	- 19,834
2. At fair value through profit or loss	131,264	0	16,705	0
Total E. I.	995,074	- 586	207,255	- 19,834
II. Fixed-income securities				
1. Debt securities and other fixed-income securities	15,136,246	- 47,113	9,053,049	1,336,461
2. At fair value through profit or loss	439,374	- 30	110,607	0
Total E. II.	15,575,620	- 47,142	9,163,656	1,336,461
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to affiliated companies	1,759	0	143	0
b) Debt securities issued by and loans to other long-term investees and investors	1,955	0	57	0
c) Mortgage receivables	42,831	0	2,920	0
d) Loans and advance payments on policies	12,051	24	11,658	0
e) Other loan receivables and registered bonds	886,217	167	3,518	3,057
Total E. III. 1.	944,813	191	18,296	3,057
2. Bank balances	1,273,852	- 16,636	8,843	- 1,449
3. Deposits retained on assumed reinsurance	126,761	0	1,197	0
Total E. III.	2,345,426	- 16,445	28,336	1,608
IV. Derivative financial instruments (trading portfolio)	73,381	14	97,330	0
V. Investments under investment agreements	48,590	- 557	5,631	0
Total E.	19,038,091	- 64,716	9,502,208	1,318,234
F. Unit-linked and index-linked life insurance investments	5,332,611	- 15,076	2,345,571	25,956
Grand total	28,383,959	- 137,237	12,283,789	1,336,745

Redemption	Reclassifications	Disposals	Reversal of impairment losses	Depreciation, amortisation and impairment losses	Carrying amount 31/12/2014
0	- 3,421	7,216	0	8,268	187,746
0	- 4,151	3,674	0	16,462	54,138
		354			5,307
		0			36,315
0	- 4,151	4,028	0	16,462	95,760
0	- 7,573	11,244	0	24,731	283,506
0	7,573	110,905	38	79,066	1,504,483
0	0	0	0	243,145	998,952
0	0	0	0	25,000	451,966
0	0	0	0	7,292	38,093
0	0	0	0	32,292	490,059
0	0	5,161	0	637	4,014
0	0	4,461	0	30,103	24,032
0	0	9,621	0	30,740	28,046
0	0	9,621	0	306,177	1,517,058
0	0	28,554	21,390	1,781	528,681
1	6,257	392,988	6,315	28,335	625,189
0	- 121	48,803	10,851	11,891	98,005
1	6,136	441,792	17,166	40,226	723,194
- 24,674	279	7,529,555	121,530	29,901	18,016,323
- 460	121	159,566	32,833	58,249	364,630
- 25,134	400	7,689,121	154,363	88,149	18,380,953
0	0	101	0	0	1,800
0	0	2,012	0	0	0
0	0	10,723	642	1,019	34,651
0	0	9,488	0	9	14,236
2,391	- 7,056	100,031	931	4,279	784,916
2,391	- 7,056	122,356	1,574	5,306	835,603
- 41	0	881,524	8,096	1,096	390,046
0	0	4,405	0	0	123,554
2,350	- 7,056	1,008,285	9,670	6,402	1,349,202
0	0	55,049	46,657	39,993	122,340
0	0	0	0	0	53,664
- 22,783	- 520	9,194,247	227,857	174,770	20,629,354
0	520	2,467,813	269,202	104,321	5,386,650
- 22,783	0	11,822,385	518,487	690,845	29,849,731

CONSOLIDATED STATEMENT OF FINANCIAL POSITION DISCLOSURES 2013

Changes in asset items

in € thousand	Carrying amount 31/12/2012	Currency difference	Additions	Unrealised gains and losses
A. Property, plant and equipment				
I. Land and buildings for own use	194,151	- 2,381	24,651	0
II. Other property, plant and equipment				
1. Other property, plant and equipment	58,342	- 375	19,303	0
2. Inventories	5,465		196	
3. Other assets	48,796		0	
Total A. II.	112,604	- 375	19,499	0
Total A.	306,755	- 2,756	44,150	0
B. Investment property	1,690,763	- 5,772	61,315	0
C. Intangible assets				
I. Deferred acquisition costs	931,981	- 4,117	265,135	0
II. Goodwill				
1. Goodwill	477,964	- 3,691	0	0
2. Insurance contract portfolio	45,789	- 94	0	0
Total C. II.	523,753	- 3,785	0	0
III. Other intangible assets				
1. Internally-developed software	2,460	- 47	852	0
2. Purchased intangible assets	22,709	- 472	10,595	0
Total C. III.	25,170	- 519	11,447	0
Total C.	1,480,903	- 8,420	276,582	0
D. Investment in associates	544,522	0	0	- 11,367
E. Investments				
I. Variable-income securities				
1. Shares, units and other variable-income securities, including equity investments and shares in affiliated companies	1,399,352	- 814	284,264	- 7,807
2. At fair value through profit or loss	371,262	- 2	89,534	0
Total E. I.	1,770,614	- 816	373,797	- 7,807
II. Fixed-income securities				
1. Debt securities and other fixed-income securities	13,186,622	- 31,434	6,429,167	- 166,901
2. At fair value through profit or loss	441,623	1	33,259	0
Total E. II.	13,628,244	- 31,433	6,462,426	- 166,901
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to affiliated companies	1,421	- 2	482	0
b) Debt securities issued by and loans to other long-term investees and investors	552	0	4,082	0
c) Mortgage receivables	51,399	0	1,045	0
d) Loans and advance payments on policies	13,011	- 6	3,753	0
e) Other loan receivables and registered bonds	1,023,265	- 366	7,880	3,636
Total E. III. 1.	1,089,649	- 374	17,243	3,636
2. Bank balances	1,189,217	- 10,593	84,959	881
3. Deposits retained on assumed reinsurance	129,755	0	1,126	0
Total E. III.	2,408,621	- 10,966	103,327	4,517
IV. Derivative financial instruments (trading portfolio)	62,206	- 36	78,784	0
V. Investments under investment agreements	43,064	0	5,526	0
Total E.	17,912,749	- 43,252	7,023,861	- 170,192
F. Unit-linked and index-linked life insurance investments	5,023,764	- 10,859	1,988,256	1,272
Grand total	26,959,457	- 71,060	9,394,164	- 180,286

Redemption	Reclassifications	Disposals	Reversal of impairment losses	Depreciation, amortisation and impairment losses	Carrying amounts 31/12/2013
0	- 10,673	229	0	7,087	198,433
0	- 376	2,297	0	15,101	59,496
		0			5,661
		25,799			22,998
0	- 376	28,095	0	15,101	88,156
0	- 11,049	28,324	0	22,188	286,589
0	11,045	41,142	0	63,723	1,652,485
0	0	0	0	198,498	994,501
0	0	2,493	0	0	471,780
0	0	0	0	7,301	38,394
0	0	2,493	0	7,301	510,174
0	351	102	0	633	2,881
0	- 347	2,091	21	8,842	21,574
0	3	2,193	21	9,474	24,455
0	3	4,687	21	215,272	1,529,131
0	0	7,964	24,471	4,609	545,053
- 5	0	778,690	3,954	36,443	863,810
- 339	0	329,133	15,688	15,746	131,264
- 344	0	1,107,823	19,643	52,189	995,074
2,199	- 303	4,154,517	86,079	214,665	15,136,246
1,848	0	37,111	16,638	16,884	439,374
4,047	- 303	4,191,628	102,717	231,549	15,575,620
0	0	142	0	0	1,759
0	0	2,679	0	0	1,955
0	- 1,293	9,433	1,112	0	42,831
0	0	4,718	31	21	12,051
922	1,293	149,647	16	783	886,217
922	0	166,620	1,159	804	944,813
41	0	0	9,926	579	1,273,852
0	0	4,119	0	0	126,761
963	0	170,739	11,086	1,383	2,345,426
0	0	52,114	43,736	59,194	73,381
0	0	0	0	0	48,590
4,667	- 303	5,522,305	177,181	344,316	19,038,091
790	303	1,727,634	130,114	73,395	5,332,611
5,456	0	7,332,056	331,787	723,502	28,383,959

1. Land and buildings for own use

in € thousand	31/12/2014	31/12/2013
Carrying amount by segment		
Property and casualty insurance	82,868	85,728
Health insurance	10,963	11,545
Life insurance	93,915	101,159
	187,746	198,433
Fair value by segment		
Property and casualty insurance	105,658	115,391
Health insurance	13,849	14,648
Life insurance	150,082	148,060
	269,589	278,098
Cost	288,860	295,133
Accumulated depreciation	- 101,114	- 96,701
Carrying amounts	187,746	198,433
Useful life of land and buildings	10-80 years	10-80 years
Additions from company acquisitions	31/12/2014	31/12/2013
in € thousand		
Land and buildings for own use	4,589	0

The fair values are derived from expert reports.

2. Other property, plant and equipment

in € thousand	31/12/2014	31/12/2013
Other property, plant and equipment	54,138	59,496
Inventories	5,307	5,661
Other assets	36,315	22,998
Total	95,760	88,156
Other property, plant and equipment		
Changes in the financial year		
in € thousand		
Cost at 31/12/2013		205,775
Accumulated depreciation at 31/12/2013		- 146,278
Carrying amount at 31/12/2013		59,496
Changes due to currency translation	- 1,293	
Additions	20,221	
Disposals	- 3,674	
Reclassifications	- 4,151	
Depreciation, impairment losses and reversal of impairment losses	- 16,462	
Carrying amount as at 31/12/2014	54,138	
Cost as at 31/12/2014	212,585	
Accumulated depreciation at 31/12/2014	- 158,447	
Carrying amount as at 31/12/2014	54,138	

Property, plant and equipment refers mainly to operating and office equipment. It is depreciated over its useful life of 4 to 10 years. The depreciation charges are recognised in the income statement on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

in € thousand	31/12/2014	31/12/2013
Additions from company acquisitions		
Other property, plant and equipment	2,118	0

3. Investment property

in € thousand	31/12/2014	31/12/2013
Carrying amount by segment		
Property and casualty insurance	219,380	216,642
Health insurance	312,145	287,568
Life insurance	972,958	1,148,275
	1,504,483	1,652,485
Fair value by segment		
Property and casualty insurance	384,130	343,874
Health insurance	497,845	366,289
Life insurance	1,354,047	1,662,408
	2,236,021	2,372,571
Cost	2,109,251	2,217,125
Accumulated depreciation	- 604,769	- 564,640
Carrying amounts	1,504,483	1,652,485
Useful lives for land and buildings	10-80 years	10-80 years
Additions from company acquisitions	31/12/2014	31/12/2013
in € thousand		
Investment property	9,835	0

The fair values are derived from expert reports.

in € thousand	31/12/2014
Change in impairment in current year	33,282
of which recognised in profit or loss	33,282

4. Deferred acquisition costs

in € thousand	2014	2013
Property and casualty insurance		
At 1/1	162,718	163,273
Changes due to currency translation	- 3,507	- 2,231
Change in basis of consolidation	564	0
Additions	99,338	97,783
Amortisation	- 95,005	- 96,107
At 31/12	164,107	162,718
Health insurance		
At 1/1	222,472	222,889
Changes due to currency translation	- 142	- 284
Change in basis of consolidation	0	0
Additions	10,152	12,300
Interest capitalised	7,571	7,466
Amortisation	- 17,122	- 19,898
At 31/12	222,933	222,472
Life insurance		
At 1/1	609,311	545,819
Changes due to currency translation	- 14,614	- 1,602
Change in basis of consolidation	10,564	0
Additions	128,751	132,608
Interest capitalised	8,918	14,978
Amortisation	- 131,019	- 82,492
At 31/12	611,912	609,311
In the consolidated financial statements		
At 1/1	994,501	931,981
Changes due to currency translation	- 18,263	- 4,117
Change in basis of consolidation	11,128	0
Additions	238,241	242,691
Interest capitalised	16,490	22,444
Amortisation	- 243,145	- 198,498
At 31/12	998,952	994,501

5. Goodwill

	Goodwill	Insurance contract portfolio
in € thousand		
Cost at 31/12/2013	567,646	175,942
Accumulated amortisation and impairment losses at 31/12/2013	- 95,866	- 137,548
Carrying amount at 31/12/2013	471,780	38,394
Cost as at 31/12/2014	572,951	169,340
Accumulated amortisation at 31/12/2014	- 120,985	- 131,246
Carrying amount at 31/12/2014	451,966	38,093

There were additions in 2014 in Croatia and Serbia – see also information on the basis of consolidation, page 106. An impairment loss of €25,000 thousand was recognised on the goodwill of the Romanian company UNIQA Asigurari S.A. (UNIQA International segment). This amount is

included in item 14 amortisation of goodwill and impairment losses on the consolidated income statement.

	Goodwill	Insurance contract portfolio
in € thousand		
Accumulated amortisation at 31/12/2014	120,985	131,246
of which impairment losses	82,661	0
of which current amortisation	38,324	131,246

in € thousand	31/12/2014
Change in impairment in current year	25,000
of which recognised in profit or loss	25,000

Due to the continuing difficult market environment in Romania, the budget figures were revised, resulting in a need for impairment.

Goodwill per country	31/12/2014	31/12/2013
in € thousand		
Austria	39,757	39,757
Germany	930	930
Italy	121,718	121,718
Western Europe (WE)	122,647	122,647
Czech Republic	7,647	7,733
Hungary	16,996	18,063
Poland	27,828	28,624
Slovakia	1,423	1,423
Central Europe (CE)	53,894	55,842
Romania	105,198	126,394
Ukraine	16,223	28,438
Eastern Europe (EE)	121,421	154,832
Albania	20,259	20,170
Bosnia and Herzegovina	1,887	1,887
Bulgaria	55,926	55,926
Croatia	16,578	384
Montenegro	81	81
Serbia	19,403	20,104
Cyprus	63	63
Southeastern Europe (SEE)	114,197	98,614
Russia (RU)	49	87
Total	451,966	471,780

Company acquisitions 2014
in € thousand

	Amounts recognised at the time of acquisition	Carrying amount of the acquired companies
Assets	357,816	357,816
Property, plant and equipment	6,706	6,706
Investment property	9,835	9,835
Intangible assets	18,987	18,987
Investment in associates	0	0
Investments	298,986	298,986
Unit-linked and index-linked life insurance investments	4	4
Reinsurers' share of technical provisions	2,867	2,867
Receivables including insurance receivables	17,199	17,199
Income tax receivables	0	0
Deferred tax assets	131	131
Current bank balances and cash-in-hand	3,100	3,100
Equity and liabilities	357,816	357,816
Total equity	58,405	58,405
Subordinated liabilities	0	0
Technical provisions	283,375	283,375
Technical provisions for unit-linked and index-linked life insurance	4	4
Financial liabilities	0	0
Other provisions	136	136
Liabilities and other items classified as equity and liabilities	13,716	13,716
Income tax liabilities	0	0
Deferred tax liabilities	2,180	2,180
Currency difference at first entry	0	0

6. Other intangible assets

in € thousand	Internally-developed software	Purchased intangible assets
Cost at 31/12/2013	40,560	137,329
Accumulated amortisation at 31/12/2013	-37,679	-115,755
Carrying amount at 31/12/2013	2,881	21,574
Cost as at 31/12/2014	14,253	168,705
Accumulated amortisation at 31/12/2014	-10,238	-144,673
Carrying amount as at 31/12/2014	4,014	24,032

The other intangible assets comprise:

in € thousand	31/12/2014	31/12/2013
Computer software	22,561	20,432
Copyrights	13	0
Licences	904	1,655
Other intangible assets	4,569	2,369
	28,046	24,455

Useful life

Internally-developed software	2-5 years	2-5 years
Purchased intangible assets	2-5 years	2-5 years

The intangible assets include purchased and internally developed computer software as well as licenses and copyrights.

The amortisation and impairment losses of the other intangible assets were 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 amortised using the straight-line method.

in € thousand	31/12/2014	31/12/2013
Self-developed software	0	0
Acquired intangible assets	825	0

in € thousand	2014	2013
Research and development expenditure recognised as an expense during the reporting period	2,500	642

7. Investments in companies accounted for under the equity method

in € thousand	31/12/2014	31/12/2013
Carrying amounts for		
Investments in companies accounted for under the equity method	528,681	545,053

Investments in associates of minor importance are shown on the balance sheet under variable-income securities as available for sale (Assets E. I. 1.). The Group now owns just 50 per cent of Dekra Expert Muszaki Szakertői Kft., which was consolidated up until now. Therefore, this company is managed as a company accounted for under equity method accounting as of 31 December 2014.

Investment in associates	31/12/2014	31/12/2013
in € thousand		
Fair value of associates listed on a public stock exchange (STRABAG SE)	285,029	355,040
Profits/losses for the period	19,970	20,023

Because of the later publication of Strabag SE's financial accounting that is relevant for the stock exchange, the information regarding the 2014 financial year was published in accordance with IFRS 12 with the amounts from 30 September 2014. To estimate the profit/(loss) for the full year, information was used that is available to the Group because of its significant influence.

Statement of financial position and profit/(loss) figures for companies accounted for under the equity method	Strabag (30/9/2014)	Other (31/12/2013)	Strabag (30/9/2013)	Other (31/12/2012)
in € thousand				
Statement of financial position				
Cash and cash equivalents	1,135,414	25,133	1,064,745	33,273
Other current assets	4,955,002	422,304	4,732,573	472,510
Current assets	6,090,416	447,437	5,797,318	505,783
Non-current assets	4,404,058	173,038	4,501,962	157,449
Total assets	10,494,474	620,475	10,299,280	663,232
Current financial liabilities	2,324,559	103,325	396,380	84,992
Other current liabilities	1,517	59,487	4,284,157	33,992
Current liabilities	2,326,076	162,812	4,680,537	118,984
Non-current financial liabilities	4,608,441	248,955	1,377,912	301,652
Other non-current liabilities	391,310	16,079	1,129,817	32,143
Non-current liabilities	4,999,751	265,034	2,507,729	333,795
Total liabilities	7,325,827	427,846	7,188,266	452,779
Consolidated income statement				
Sales	8,892,290	161,955	8,806,467	147,226
Depreciation, amortisation and impairment losses	- 285,543	- 3,277	- 289,222	- 1,940
Interest income	44,177	15,224	45,850	47
Interest expenses	69,031	- 32,776	- 64,456	- 10,320
Profit before taxes	39,425	3,126	21,021	- 72,996
Taxes on income	- 19,150	- 10,972	- 12,459	- 3,581
Profit after taxes	20,275	- 7,917	8,562	- 77,780
Other comprehensive income	- 32,463	6	- 13,467	0
Total comprehensive income	- 12,188	- 7,911	- 4,905	- 77,780

Shares in equity-accounted companies	2014	2013
in € thousand		
Carrying amount at 1/1	545,053	544,522
Additions	18	0
Disposals	- 20,690	- 4,017
Total adjustment to comprehensive income	12,164	8,495
dividends received	- 7,865	- 3,947
Carrying amount at 31/12	528,681	545,053

8. Assets and liabilities in disposal groups held for sale

in € thousand	31/12/2014	31/12/2013
Assets		
A. Property, plant and equipment		
II. Other property, plant and equipment	7	0
E. Investments		
II. Fixed-income securities		
1. Available for sale	43,909	0
III. Loans and other investments		
1. Loans	8,317	0
F. Unit-linked and index-linked life insurance investments	96,368	0
I. Receivables, including insurance receivables		
II. Other receivables	1,485	0
III. Other assets	6	0
J. Income tax receivables	4	0
K. Deferred tax assets	58	0
L. Current bank balances and cash-in-hand	10,899	0
M. Assets in disposal groups held for sale	161,053	0

in € thousand	31/12/2014	31/12/2013
Equity and liabilities		
C. Technical provisions		
II. Insurance provision	58,682	0
III. Provision for unsettled claims	983	0
V. Provision for profit-related premium refunds and/or policyholder profit participation	2,573	0
D. Technical provisions for unit-linked and index-linked life insurance	96,072	0
F. Other provisions		
II. Other provisions	38	0
G. Liabilities and other items classified as equity and liabilities		
II. Other liabilities	380	0
H. Income tax liabilities	1	0
I. Deferred tax liabilities	377	0
J. Liabilities in disposal groups held for sale	159,107	0

The sale of UNIQA Lebensversicherung AG, Vaduz, was decided in the fourth quarter of 2014, and the asset and liability items for this company are broken down here.

9. Available-for-sale securities

Type of investment	Cost		Fluctuation in value not recognised in profit or loss		Accumulated valuation allowances		Exchange differences through profit or loss		Fair values	
in € thousand	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013	31/12/2014	31/12/2013
Shares in affiliated companies	21,708	17,587	0	0	0	0	0	0	21,708	17,587
Equity	48,393	134,805	4,278	99,297	-22,155	-21,578	0	0	30,516	212,524
Equity funds	267,141	271,512	29,567	32,889	-19,386	-18,926	0	0	277,322	285,475
Bonds not capital-guaranteed	27,812	207,731	-122	-840	-11,842	-24,903	0	0	15,848	181,987
Other variable-income securities	30,097	34,094	-3,696	-32	0	0	0	0	26,402	34,063
Equity investments and other investments	217,430	139,759	65,833	10,909	-29,869	-18,495	0	0	253,394	132,174
Fixed-income securities	16,647,139	15,143,349	1,536,105	335,193	-190,599	-246,556	23,677	-95,741	18,016,323	15,136,246
Total	17,259,720	15,948,837	1,631,966	477,417	-273,851	-330,458	23,677	-95,741	18,641,512	16,000,055

Type of investment	Accumulated valuation allowances	of which prior year cumulative	of which current year
in € thousand	31/12/2014	31/12/2014	31/12/2014
Shares in affiliated companies	0	0	0
Equity	-22,155	-21,578	-1,543
Equity funds	-19,386	-18,926	-1,362
Bonds not capital-guaranteed	-11,842	-24,903	-8,436
Other variable-income securities	0	0	0
Equity investments and other investments	-29,869	-18,495	-16,007
Fixed-income securities	-190,599	-246,556	-180,485
Total	-273,851	-330,458	-243,564

Type of investment	Change in valuation allowance current year	of which impairment/reversal of impairment loss through profit or loss	of which change due to disposal	Reversal of impairment loss - equity
in € thousand	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Shares in affiliated companies	0	0	0	0
Equity	-576	-1,543	945	22
Equity funds	-461	-1,362	703	198
Bonds not capital-guaranteed	13,061	-3,406	16,467	0
Other variable-income securities	0	0	0	0
Equity investments and other investments	-11,374	-13,862	2,488	0
Fixed-income securities	55,957	-10,114	66,071	0
Total	56,607	-30,287	86,674	220

Change in equity	Recognised directly in equity	Withdrawal through profit or loss ¹⁾	Change in unrealised gains/losses
in € thousand	31/12/2014	31/12/2013	31/12/2014
Other available-for-sale securities²⁾			
Gross	1,318,234	-170,192	-174,736
Deferred tax	-127,346	21,194	11,112
Deferred profit participation	-893,479	76,778	98,135
Proportion of non-controlling interests	1,326	158	399
Net	298,735	-72,062	-60,038

¹⁾ Withdrawals through profit or loss due to disposals and impairments.

²⁾ Including reclassified securities.

Hierarchy for instruments that are reported in the statement of financial position at current fair value

The table below depicts the financial instruments for which subsequent valuation is performed at the current market value.

Assets at fair value	Level 1	Level 2	Level 3	Group total
in € thousand	31/12/2014	31/12/2014	31/12/2014	31/12/2014
Available-for-sale securities	14,164,806	3,852,616	624,090	18,641,512
Shares in affiliated companies	103	21,593	12	21,708
Shares	6,908	23,285	323	30,516
Equity funds	224,880	52,442	0	277,322
Bonds not capital-guaranteed	3,506	12,342	0	15,848
Other variable-income securities	0	26,402	0	26,402
Equity investments and other investments	0	59,359	194,035	253,394
Fixed-income securities	13,929,409	3,657,195	429,719	18,016,323
Assessed at fair value through profit or loss	158,976	295,468	8,191	462,635
Derivative financial instruments¹⁾	0	89,851	0	89,851
Total	14,323,782	4,237,935	632,281	19,193,998

¹⁾ See Table 10 for details

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 within fixed-income securities. Other shares and equity investments (RZB shares) for which there is a valuation report were also classified in Level 3. Otherwise, there are no other Level 3 assets as at 31 December 2014.

Assets at fair value	Level 1	Level 2	Level 3	Group total
in € thousand	31/12/2013	31/12/2013	31/12/2013	31/12/2013
Available-for-sale securities	13,266,081	2,006,732	727,242	16,000,055
Shares in affiliated companies	175	17,400	12	17,587
Shares	13,868	21,663	176,993	212,524
Equity funds	260,289	25,185	1	285,475
Bonds not capital-guaranteed	7,946	174,042	0	181,987
Other variable-income securities	0	34,063	0	34,063
Equity investments and other investments	1,119	61,527	69,527	132,174
Fixed-income securities	12,982,685	1,672,853	480,708	15,136,246
Assessed at fair value through profit or loss	182,152	382,768	5,718	570,638
Derivative financial instruments¹⁾	561	64,519	0	65,079
Total	13,448,794	2,454,019	732,959	16,635,773

¹⁾ See Table 10 for details

There were also no transfers made between Levels 1 and 2 in the previous year. The entire portfolio of asset-backed securities was classified as Level 3 within fixed-income securities. Other shares (RZB shares) and equity investments for which there is a valuation report were also classified in Level 3. Otherwise there are no other Level 3 assets as at 31 December 2013.

Reconciliation of Level 3 fair value measurements for financial assets:

Level 3 assets at fair value in € thousand	Available-for-sale securities	Assessed at fair value through profit or loss	Derivative financial instruments	Total
At 1/1/2014	727,242	5,718	0	732,959
Foreign exchange differences	-1	0	0	-1
Total gains/losses included in income statement	24,244	1,762	0	26,006
Total gains/losses included in equity (revaluation reserve)	-6,404	0	0	-6,404
Purchases	7,864	901	0	8,766
Sales	-128,993	-52	0	-129,045
Issues	0	0	0	0
Redemptions	0	0	0	0
Amounts carried forward	138	-138	0	0
At 31/12/2014	624,090	8,191	0	632,281

The sensitivity analysis is mainly concerned with the ABS portfolio and the RZB shares.

The sensitivity analysis of the ABS portfolio with regard to a rise or a fall in the default rates in the investments underlying the ABS structures is based on the forecast values from Moody's Investors Service.

The sensitivities for these model-based analyses of the securities are also determined using Moody's default scenarios. According to Moody's, these default scenarios correspond to the 10 per cent quantile or the 90 per cent quantile of the distribution function of the defaults.

Sensitivity analysis ABS 2014 in € thousand	Upside	Downside
Total gains/losses	195	-1,245
Through profit or loss	65	-260
Through equity	130	-985

The sensitivity analysis of the RZB shares was determined in the course of a valuation report and relates to a change in the discount interest rate and the increase or decrease in the growth rate.

Sensitivity analysis RZB 2014 in € thousand	Upside	Downside
Effect of changes in the discount insurance rate (+/- 1 per cent)	18,600	-14,900
Through profit or loss	0	0
Through equity	18,600	-14,900
Effect of changes in the growth rate (+/- 1 per cent)	300	-400
Through profit or loss	0	0
Through equity	300	-400

Level 3 assets at fair value in € thousand	Available-for-sale securities	At fair value through profit or loss	Derivative financial instruments	Total
As at 1/1/2013	598,483	4,659	0	603,143
Foreign exchange differences	11	0	0	11
Total gains/losses included in income statement	-19,916	1,047	0	-18,869
Total gains/losses included in equity (revaluation reserve)	10,393	0	0	10,393
Purchases	2,858	386	0	3,244
Sales	-147,400	0	0	-147,400
Issues	0	0	0	0
Redemptions	-2	-100	0	-103
Amounts carried forward	282,815	-274	0	282,541
At 31/12/2013	727,242	5,718	0	732,959

The sensitivity analysis is mainly concerned with the ABS portfolio and the RZB shares.

The sensitivity analysis of the ABS portfolio with regard to a rise or a fall in the default rates in the investments underlying the ABS structures is based on the forecast values from Moody's Investors Service.

The sensitivities for these model-based analyses of the securities are also determined using Moody's default scenarios. According to Moody's, these default scenarios correspond to the 10 per cent quantile or the 90 per cent quantile of the distribution function of the defaults.

Sensitivity analysis ABS 2013 in € thousand	Upside	Downside
Total gains/losses	300	-2,300
Through profit or loss	0	-2,800
Through equity	300	500

The sensitivity analysis of the RZB shares was determined in the course of a valuation report and refers to a change in the discount interest rate and the increase or decrease of the growth rate.

Sensitivity analysis RZB 2013 in € thousand	Upside	Downside
Effect of changes in the discount insurance rate (+/- 1 per cent)	15,500	-13,600
Through profit or loss	0	0
Through equity	15,500	-13,600
Effect of changes in the growth rate (+/- 1 per cent)	13,600	-9,700
Through profit or loss	0	0
Through equity	13,600	-9,700

Default risk rating in € thousand	31/12/2014
Issuer countries	
Equity securities	
IE, NL, UK, US	92,286
AT, BE, CH, DE, DK, FR, IT	75,889
ES, FI, NO, SE	0
Remaining EU	106,859
Other countries	32,803
Issuer countries equity securities total	307,837
Other equity investments	253,394
Total variable-income securities	561,231

10. Derivative financial instruments

in € thousand	31/12/2014	31/12/2013
Fair values		
Equity risk	60,975	37,950
Interest rate risk	10,977	-7,021
Foreign currency risk	17,899	34,150
Total	89,851	65,079

Statement of financial position disclosures

Investments	122,340	73,381
Financial liabilities	-32,489	-8,301

11. Loans

in € thousand	Carrying amounts	
	31/12/2014	31/12/2013
Loans to affiliated companies	1,800	1,759
Loans to other long-term investees and investors	0	1,955
Mortgages	34,651	42,831
Loans and advance payments on policies	14,236	12,051
Other loans	69,260	91,100
Registered bonds	0	7,056
Reclassified bonds	715,656	788,061
Total	835,603	944,813

Impairments	31/12/2014	31/12/2013
in € thousand		
Cumulative impairment losses	30,382	31,094

On 1 July 2008, securities previously available for sale were reclassified in accordance with IAS 39/50E as other loans. Overall, fixed-income securities with a carrying amount of €2,129,552 thousand were reclassified. The corresponding revaluation reserve as at 30 June 2008 was €98,208 thousand.

Reclassified bonds	2014	2013	2012	2011	2010	2009	2008
in € thousand							
Carrying amount at 31/12	715,656	788,061	906,435	1,089,093	1,379,806	1,796,941	2,102,704
Fair value at 31/12	759,872	812,455	928,162	981,394	1,345,580	1,732,644	1,889,108
Change in fair value	19,822	129,426	129,426	-73,987	30,586	149,299	-213,596
Redemption income/expense	2,391	348	348	332	473	5,917	-61
Impairment	-3,539	0	0	-25	-8,043	0	0

Contractual maturities	Carrying amounts	
in € thousand	31/12/2014	31/12/2013
No maturity date	10,647	10,542
Up to 1 year	432,470	439,866
More than 1 year up to 5 years	256,381	271,800
More than 5 years up to 10 years	56,880	135,993
More than 10 years	79,225	86,612
Total	835,603	944,813

	Fair values	
in € thousand	31/12/2014	31/12/2013
Loans to affiliated companies	1,800	1,759
Loans to other long-term investees and investors	0	1,955
Mortgages	34,651	42,831
Loans and advance payments on policies	14,236	12,051
Other loans	69,260	91,100
Registered bonds	0	7,056
Reclassified bonds	759,872	812,455
Total	879,818	969,206

Contractual maturities	Fair values	
in € thousand	31/12/2014	31/12/2013
No maturity date	10,647	10,542
Up to 1 year	426,904	424,837
More than 1 year up to 5 years	282,047	294,004
More than 5 years up to 10 years	61,301	145,356
More than 10 years	98,920	94,466
Total	879,818	969,206

Impairment	31/12/2014	31/12/2013
in € thousand		
Change in impairment in current year	5,507	804
of which recognised in profit or loss	5,507	804

12. Other investments

	31/12/2014	31/12/2013
in € thousand		
Bank deposits	390,046	1,273,852
Deposits retained on assumed reinsurance	123,554	126,761
Total	513,600	1,400,614

13. Receivables including insurance receivables

in € thousand	31/12/2014	31/12/2013
I. Reinsurance receivables		
1. Reinsurance settlement receivables	45,883	84,821
	45,883	84,821
II. Other receivables		
Insurance receivables		
1. from policyholders	298,295	270,650
2. from insurance brokers	66,628	77,463
3. from insurance companies	19,842	21,262
	384,765	369,374
Other receivables		
Interest and rent	244,462	232,116
Other tax refund claims	58,583	37,776
Receivables from employees	3,055	3,208
Other receivables	323,829	213,672
	629,929	486,772
Total other receivables	1,014,694	856,146
Subtotal	1,060,577	940,968
of which receivables with a remaining maturity of		
up to 1 year	1,048,215	913,004
more than 1 year	12,362	27,963
	1,060,577	940,968
of which receivables which are not yet impaired		
up to 3 months past due	12,774	13,096
more than 3 months past due	2,515	2,880
III. Other assets		
Prepaid expenses and deferred charges	33,967	38,778
	33,967	38,778
Total receivables including insurance receivables	1,094,544	979,746
Impairments	31/12/2014	31/12/2013
in € thousand		
Cumulative impairment losses	- 11,563	- 8,961

14. Income tax receivables

in € thousand	31/12/2014	31/12/2013
Income tax receivables	53,917	69,881
of which receivables with a remaining maturity of		
up to 1 year	52,536	69,881
more than 1 year	1,381	0

15. Deferred tax assets

Recognition originates from	31/12/2014	31/12/2013
in € thousand		
Insurance items	781	- 103
Investments	- 521	- 2,070
Loss carryforwards	2,495	5,185
Other	3,875	5,683
Total	6,630	8,695
of which not recognised in profit or loss	0	0
Deferred tax assets	31/12/2014	31/12/2013
in € thousand		
up to 1 year	4,314	6,479
more than 1 year	2,316	2,216
Total	6,630	8,695

For loss carryforwards in the amount of €66,530 thousand, the deferred tax of €10,179 thousand was not capitalised because utilisation will not be possible in the foreseeable future.

16. Subscribed capital

	31/12/2014	31/12/2013
Number of authorised and issued no-par shares	309,000,000	309,000,000
of which fully paid up	309,000,000	309,000,000

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

On 9 October 2013, the Management Board of UNIQA Insurance Group AG determined the subscription and offer price and the total number of shares to be issued as part of the capital increase (re-IPO) with the approval of the Working Committee of the Supervisory Board of UNIQA. The subscription and offer price was set at €8.00 per share, with a total of 94,752,100 shares (including 6,650,000 greenshoe shares) placed with investors.

The Company's share capital was increased from €214,247,900 to €309,000,000 by issuing a total of 94,752,100 shares. Each share conveys one vote. The change in the total number of voting rights and the increase in the share capital took effect on 22 October 2013.

As part of the capital increase (re-IPO) in October 2013, employees of UNIQA Insurance Group AG and of its affiliated Austrian Group companies subscribed for 564,315 new no-par value shares. This represented a benefit of 20 per cent compared with the subscription and offer price.

The new shares have been admitted for public trading in the Prime Market segment on the Vienna Stock Market.

The costs of the capital increase have been deducted directly from the share premium at an amount of €32,691 thousand, minus tax effects.

In accordance with the resolution of the Annual General Meeting dated 27 May 2013, the Management Board is authorised to increase the Company's share capital up to and including 30 June 2018 with the approval of the Supervisory Board by a total of up to €12,371,850 by issuing up to 12,371,850 no-par value bearer or registered shares in exchange for payment in cash or in kind, one time or several times.

In accordance with the resolution of the Annual General Meeting dated 26 May 2014, the Management Board is authorised to increase the Company's share capital up to and including 30 June 2019 with the approval of the Supervisory Board by a total of up to €81,000,000 by issuing up to 81,000,000 no-par value bearer or registered shares in exchange for payment in cash or in kind, one time or several times.

Unrealised gains and losses from the revaluation of available-for-sale investments impacted the revaluation reserve, taking into account deferred profit participation (for life insurance) and deferred taxes.

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

Capital requirements

Business performance as a result of organic growth and acquisitions influences the capital requirements of the UNIQA Group. In the context of Group management, the appropriate coverage of the solvency requirement on a consolidated basis is constantly monitored.

As at 31 December 2014, the adjusted equity amounted to €3,442,237 thousand (2013: €3,285,612 thousand). In ascertaining the adjusted equity, intangible economic assets (in particular goodwill) and equity investments in banks and insurance companies are deducted from equity and various forms of hybrid capital (in particular supplemental capital) and latent reserves in investments (in particular in land and buildings) are added.

With a statutory requirement for adjusted equity of €1,165,169 thousand (2013: €1,145,891 thousand), the statutory requirements were exceeded by €2,277,068 thousand (2013: €2,139,722 thousand), resulting in a coverage rate of 295.4 per cent (2013: 286.7 per cent). With the change to Section 81h paragraph 2 of the Insurance Supervisory Act (VAG), the volatility reserve was added as part of the available capital as of the third quarter of 2008. This increased the adjusted equity by €135,391 thousand (2013: €103,767 thousand).

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

in € thousand	31/12/2014	31/12/2013
Adjusted own funds without deduction pursuant to section 86h paragraph 5 of the Austrian Insurance Supervision Act (VAG)	3,442,237	3,285,612
Adjusted own funds with deduction pursuant to section 86h paragraph 5 of the VAG	3,306,846	3,181,846

The Management Board is also authorised until 27 November 2015 to acquire treasury shares up to a maximum of 10 per cent of the share capital, including with repeated utilisation of the 10 per cent limit, both via the Stock Exchange as well as over the counter, while also disapplying the proportionate modification rights of shareholders. In the financial year and in the previous year, none of the Company's treasury shares were acquired over the stock exchange. At the reporting date, treasury shares can be broken down as follows:

	31/12/2014	31/12/2013
Shares held by:		
UNIQA Insurance Group AG		
Cost in € thousand	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in %	0.27	0.27

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

Earnings per share	2014	2013
Consolidated profit in € thousand	289,863	284,660
Treasury shares at the reporting date	819,650	819,650
Average number of shares in circulation	308,180,350	235,294,119
Earnings per share (in euros) ¹⁾	0.94	1.21
Dividend per share ²⁾	0.42	0.35
Dividend payment in € thousand ²⁾	129,436	107,863

¹⁾ Calculated based on consolidated profit.

²⁾ For the financial year, subject to resolution being passed by the Annual General Meeting.

Without taking into consideration the profit/(loss) from discontinued operations (after taxes), this result amounted to €1.00 per share in the 2013 financial year.

The diluted earnings per share is equal to the basic earnings per share in the financial year and in the previous year.

Change in the tax amounts taken directly to equity in € thousand	31/12/2014	31/12/2013
Effective tax	0	10,596
Deferred taxes	- 107,319	50,765
Total	- 107,319	61,362

17. Adjustment item for non-controlling interests

In € thousand	31/12/2014	31/12/2013
In revaluation reserve	- 1,377	503
In actuarial gains and losses on defined benefit obligations	0	0
In net retained profit	4,685	4,128
In other equity	16,884	17,381
Total	20,193	22,012

18. Subordinated liabilities

In € thousand	31/12/2014	31/12/2013
Supplementary capital	600,000	600,000

Fair value in € thousand	31/12/2014	31/12/2013
Supplementary capital	663,648	631,491

In December 2006, UNIQA Insurance Group AG issued bearer debentures with a nominal value of €150,000 thousand for deposited supplementary capital in accordance with section 73c paragraph of the Austrian Insurance Supervisory Act. According to the terms and conditions of the bearer debentures, the contributed capital of UNIQA Insurance Group AG is agreed to remain at the Company's disposal for at least 5 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 2007, UNIQA Insurance Group AG issued bearer debentures with a nominal value of €100,000 thousand for deposited supplementary capital in accordance with section 73c paragraph of the Austrian Insurance Supervisory Act. According to the terms and conditions of the bearer debentures, the deposited capital of UNIQA Insurance Group AG is agreed to remain at the Company's disposal for at least 5 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.

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond in the volume of €350 million with institutional investors in Europe. The bond has a maturity period of 30 years and may only be cancelled after 10 years. The coupon equals 6.875 per cent per annum. The supplementary capital bond meets both the current supervisory requirements related to equity netting (supplementary capital under Solvency I) along with the foreseeable requirements for equity netting under the Solvency II regime which comes into force in 2016. The issue was also aimed at replacing older supplementary capital bonds from Austrian insurance groups and at bolstering UNIQA's capital resources and capital structure in preparation for Solvency II and optimising these over the long term. The supplementary capital bond has been listed on the Luxembourg Stock Exchange since the end of July 2013. The issue price was set at 100 per cent.

19. Unearned premiums

In € thousand	31/12/2014	31/12/2013
Property and casualty insurance		
Gross	607,373	612,723
Reinsurers' share	-15,939	-14,592
	591,435	598,131
Health insurance		
Gross	19,268	18,865
Reinsurers' share	-92	-51
	19,176	18,815
In the consolidated financial statements		
Gross	626,641	631,588
Reinsurers' share	-16,030	-14,643
Total (amount consolidated)	610,611	616,945

20. Insurance provision

In € thousand	31/12/2014	31/12/2013
Property and casualty insurance		
Gross	12,565	13,154
Reinsurers' share	-135	-383
	12,431	12,772
Health insurance		
Gross	2,436,865	2,327,656
Reinsurers' share	-886	-985
	2,435,979	2,326,671
Life insurance		
Gross	14,323,869	14,106,599
Reinsurers' share	-393,286	-412,018
	13,930,583	13,694,581
In the consolidated financial statements		
Gross	16,773,299	16,447,408
Reinsurers' share	-394,307	-413,385
Total (amount consolidated)	16,378,992	16,034,023

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

In the area of Figures in per cent	Health insurance under SFAS 60	Life insurance under SFAS 120
2014		
For insurance provision	2.50 - 5.50	0.00 - 4.00
For deferred acquisition costs	2.50 - 5.50	3.20 - 3.77
2013		
For insurance provision	3.50 - 5.50	1.75 - 4.00
For deferred acquisition costs	3.50 - 5.50	3.03 - 3.28

21. Provision for unsettled claims

In € thousand	31/12/2014	31/12/2013
Property and casualty insurance		
Gross	2,240,465	2,054,700
Reinsurers' share	-137,605	-112,623
	2,102,860	1,942,077
Health insurance		
Gross	165,204	169,787
Reinsurers' share	-25	-32
	165,179	169,756
Life insurance		
Gross	179,174	143,395
Reinsurers' share	-13,590	-10,965
	165,584	132,429
In the consolidated financial statements		
Gross	2,584,844	2,367,882
Reinsurers' share	-151,220	-123,620
Total (amount consolidated)	2,433,623	2,244,262

The provision for unsettled claims (claim provision) developed in the property and casualty insurance as follows:

In € thousand	2014	2013
1. Claim provision as at 1/1		
a) Gross	2,054,700	2,056,950
b) Reinsurers' share	-112,623	-148,311
c) Net	1,942,077	1,908,640
2. Plus (net) claim expenditure		
a) Current year claims	1,584,660	1,547,165
b) Prior-year claims	-1,077	-104,311
c) Total	1,583,583	1,442,854
3. Less (net) claims paid		
a) Current year claims	-748,529	-758,952
b) Prior-year claims	-691,517	-640,675
c) Total	-1,440,046	-1,399,627
4. Currency translation	-13,638	-10,036
5. Change in basis of consolidation	32,736	0
6. Other changes	-1,851	246
7. Claim provision as at 31/12		
a) Gross	2,240,465	2,054,700
b) Reinsurers' share	-137,605	-112,623
c) Net	2,102,860	1,942,077

Claim payments	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	Total
in € thousand												
Reporting year	506,496	541,992	602,454	640,900	733,524	800,899	812,528	767,970	833,321	863,097	818,529	
1 year later	780,215	837,533	911,628	989,944	1,107,920	1,203,704	1,203,796	1,150,350	1,234,282	1,280,246		
2 years later	850,270	910,475	994,915	1,075,422	1,201,811	1,307,286	1,301,263	1,264,883	1,357,738			
3 years later	881,472	940,400	1,033,923	1,118,974	1,248,251	1,369,236	1,351,569	1,316,791				
4 years later	900,848	960,224	1,059,268	1,153,137	1,276,853	1,397,631	1,378,128					
5 years later	913,592	977,093	1,073,369	1,172,272	1,298,363	1,416,009						
6 years later	924,652	987,368	1,086,018	1,187,312	1,312,041							
7 years later	930,303	998,753	1,096,696	1,198,564								
8 years later	935,653	1,006,642	1,103,398									
9 years later	942,387	1,012,799										
10 years later	946,791											
Claim payments and provisions	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	
in € thousand												
Reporting year	989,932	1,064,483	1,166,028	1,262,285	1,368,208	1,496,034	1,476,426	1,442,967	1,552,546	1,616,122	1,650,376	
1 year later	999,530	1,064,413	1,169,667	1,238,345	1,359,204	1,494,769	1,481,053	1,447,808	1,556,176	1,605,972		
2 years later	997,010	1,066,230	1,155,653	1,242,653	1,374,094	1,502,903	1,487,140	1,454,252	1,570,091			
3 years later	997,180	1,045,615	1,158,182	1,244,311	1,378,045	1,499,063	1,477,384	1,457,201				
4 years later	997,125	1,044,507	1,155,169	1,254,712	1,376,275	1,495,039	1,482,301					
5 years later	983,521	1,047,170	1,155,577	1,262,541	1,374,344	1,498,206						
6 years later	982,851	1,050,113	1,150,713	1,264,911	1,382,112							
7 years later	982,121	1,049,680	1,150,517	1,268,575								
8 years later	982,638	1,050,616	1,153,108									
9 years later	978,483	1,049,903										
10 years later	981,729											
Settlement gains/losses	- 3,246	713	- 2,591	- 3,663	- 7,767	- 3,166	- 4,917	- 2,948	- 13,915	10,150	- 31,351	
Settlement gains/losses before 2004											- 11,371	
Total settlement gains/losses											- 42,722	
Statement of financial position provision	34,937	37,104	49,710	70,011	70,071	82,197	104,173	140,410	212,353	325,726	831,847	1,958,539
Statement of financial position provision for claim years before 2004											234,765	
Plus other provision components (internal loss adjustment costs, etc.)											47,161	
Claim provision (gross as at 31/12/2014)											2,240,465	

22. Provision for premium refunds

Provision for non-profit related premium refunds		
Gross	2014	2013
in € thousand		
At 1/1	46,479	44,578
Changes for:		
Other changes	3,264	1,901
At 31/12	49,743	46,479

Provision for profit-related premium refunds and/or policyholder profit participation:

Gross	2014	2013
in € thousand		
a) Provision for profit-related premium refunds and/or profit participation		
At 1/1	218,323	198,857
Changes for:		
Other changes	- 29,842	19,466
At 31/12	188,481	218,323
b) Deferred profit participation		
At 1/1	142,353	367,864
Changes for:		
Fluctuations in value, available-for-sale securities	- 251,708	589,950
Actuarial gains and losses on defined benefit obligations	- 4,579	- 21,084
Revaluations through profit or loss	1,066,736	- 794,377
At 31/12	952,801	142,353
Total	1,141,282	360,676

23. Technical provisions

Gross	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit related premium refunds	Provision for non-profit related premium refunds and/or policyholder profit participation	Other technical provisions	Total for Group
in € thousand							
Property and casualty insurance							
At 31/12/2013	612,723	13,154	2,054,700	33,648	580	19,175	2,733,981
Foreign exchange differences	- 12,683	- 667	- 13,730	- 43	- 6	- 59	- 27,188
Change in basis of consolidation	12,616	0	33,252	0	0	0	45,868
Portfolio changes	5,073		- 1,801			0	3,271
Additions		387		2,388	2,050	5,276	10,101
Disposals		- 309		- 525	- 1,671	- 7,567	- 10,073
Premiums written	2,328,252						2,328,252
Premiums earned	- 2,338,607						- 2,338,607
Claims - reporting year			1,647,629				1,647,629
Claim payments - reporting year			- 763,303				- 763,303
Change in claims - previous years			6,805				6,805
Claim payments - previous years			- 723,086				- 723,086
At 31/12/2014	607,373	12,565	2,240,465	35,468	952	16,825	2,913,649
Health insurance							
At 31/12/2013	18,865	2,327,656	169,787	10,108	44,319	806	2,571,540
Foreign exchange differences	652	- 61	- 502	- 24	0	- 3	61
Change in basis of consolidation	0	0	0	0	0	0	0
Portfolio changes	1,007		424			0	1,431
Additions		109,405		9,756	17,507	200	136,868
Disposals		- 135		- 9,017	- 17,173	- 13	- 26,339
Premiums written	945,778						945,778
Premiums earned	- 947,034						- 947,034
Claims - reporting year			672,269				672,269
Claim payments - reporting year			- 478,830				- 478,830
Change in claims - previous years			- 20,418				- 20,418
Claim payments - previous years			- 177,525				- 177,525
At 31/12/2014	19,268	2,436,865	165,204	10,823	44,652	989	2,677,800
Life insurance							
At 31/12/2013	0	14,106,599	143,395	2,723	315,777	26,201	14,594,694
Foreign exchange differences		- 43,531	- 784	- 16	10,738	- 189	- 33,781
Change in basis of consolidation		217,633	2,600		0		220,233
Portfolio changes		547,416	345		- 59	501	548,203
Additions		102,350		745	774,392	1,342	878,829
Disposals		- 606,598		0	- 5,170	- 1,409	- 613,178
Premiums written							0
Premiums earned							0
Claims - reporting year			2,395,353				2,395,353
Claim payments - reporting year			- 2,196,339				- 2,196,339
Change in claims - previous years			14,404				14,404
Claim payments - previous years			- 179,798				- 179,798
At 31/12/2014	0	14,323,869	179,174	3,452	1,095,678	26,446	15,628,619
Total for Group							
At 31/12/2013	631,588	16,447,408	2,367,882	46,479	360,676	46,182	19,900,215
Foreign exchange differences	- 12,031	- 44,258		- 83	10,732	- 251	- 60,907
Change in basis of consolidation	12,616	217,633	35,851	0	0	0	266,100
Portfolio changes	6,079	547,416	- 1,033		- 59	501	552,904
Additions		212,142		12,889	793,948	6,818	1,025,798
Disposals		- 607,043		- 9,542	- 24,015	- 8,989	- 649,589
Premiums written	3,274,030						3,274,030
Premiums earned	- 3,285,642						- 3,285,642
Claims - reporting year			4,715,251				4,715,251
Claim payments - reporting year			- 3,438,472				- 3,438,472
Change in claims - previous years			791				791
Claim payments - previous years			- 1,080,410				- 1,080,410
At 31/12/2014	626,641	16,773,299	2,584,844	49,743	1,141,282	44,260	21,220,068

Reinsurers' share	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit related premium refunds	Provision for non-profit related premium refunds and/or policyholder profit participation	Other technical provisions	Total for Group
in € thousand							
Property and casualty insurance							
At 31/12/2013	14,592	383	112,623	0	0	1,750	129,348
Foreign exchange differences	- 204	- 22	- 92			- 29	- 347
Change in basis of consolidation	507		516	0		0	1,024
Portfolio changes	- 115		50				- 65
Additions		0		0		634	634
Disposals		- 226		0		- 235	- 461
Premiums written	124,829						124,829
Premiums earned	- 123,670						- 123,670
Claims - reporting year			62,969				62,969
Claim payments - reporting year			- 14,774				- 14,774
Change in claims - previous years			7,882				7,882
Claim payments - previous years			- 31,569				- 31,569
At 31/12/2014	15,938	135	137,605	0	0	2,120	155,798
Health insurance							
At 31/12/2013	51	985	32	0	0	0	1,067
Foreign exchange differences	0		8				8
Change in basis of consolidation	0						0
Portfolio changes							0
Additions							0
Disposals		- 99					- 99
Premiums written	456						456
Premiums earned	- 415						- 415
Claims - reporting year			121				121
Claim payments - reporting year			- 138				- 138
Change in claims - previous years			2				2
Claim payments - previous years			0				0
At 31/12/2014	92	886	25	0	0	0	1,002
Life insurance							
At 31/12/2013	0	412,018	10,965	0	0	- 147	422,837
Foreign exchange differences		- 13	33	0			20
Change in basis of consolidation		0	0				0
Portfolio changes		- 19,535	2,903				- 16,631
Additions		1,311				5	1,315
Disposals		- 495		0		- 14	- 509
Premiums written							0
Premiums earned							0
Claims - reporting year			26,946				26,946
Claim payments - reporting year			- 24,981				- 24,981
Change in claims - previous years			1,685				1,685
Claim payments - previous years			- 3,942				- 3,942
At 31/12/2014	0	393,286	13,610	0	0	- 156	406,739
Total for Group							
At 31/12/2013	14,643	413,385	123,620	0	0	1,604	553,252
Foreign exchange differences	- 205	- 35	- 51	0		- 29	- 319
Change in basis of consolidation	507	0	516	0		0	1,024
Portfolio changes	- 115	- 19,535	2,953				- 16,697
Additions		1,311		0		639	1,950
Disposals		- 820		0		- 250	- 1,070
Premiums written	125,285						125,285
Premiums earned	- 124,085						- 124,085
Claims - reporting year			90,036				90,036
Claim payments - reporting year			- 39,893				- 39,893
Change in claims - previous years			9,568				9,568
Claim payments - previous years			- 35,512				- 35,512
At 31/12/2014	16,030	394,307	151,240	0	0	1,964	563,540

Net	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit related premium refunds	Provision for non-profit related premium refunds and/or policyholder profit participation	Other technical provisions	Total for Group
in € thousand							
Property and casualty insurance							
At 31/12/2013	598,131	12,772	1,942,077	33,648	580	17,425	2,604,633
Foreign exchange differences	- 12,478	- 645	- 13,638	- 43	- 6	- 30	- 26,841
Change in basis of consolidation	12,108	0	32,736	0	0	0	44,844
Portfolio changes	5,188		- 1,851	0		0	3,336
Additions		387		2,388	2,050	4,641	9,466
Disposals		- 84		- 525	- 1,671	- 7,332	- 9,611
Premiums written	2,203,423						2,203,423
Premiums earned	- 2,214,937						- 2,214,937
Claims - reporting year			1,584,660				1,584,660
Claim payments - reporting year			- 748,529				- 748,529
Change in claims - previous years			- 1,077				- 1,077
Claim payments - previous years			- 691,517				- 691,517
At 31/12/2014	591,435	12,431	2,102,860	35,468	952	14,704	2,757,850
Health insurance							
At 31/12/2013	18,815	2,326,671	169,755	10,108	44,319	806	2,570,473
Foreign exchange differences	652	- 61	- 510	- 24	0	- 3	54
Change in basis of consolidation	0	0	0	0	0	0	0
Portfolio changes	1,007		424	0	0	0	1,431
Additions		109,405		9,756	17,507	200	136,868
Disposals		- 36		- 9,017	- 17,173	- 13	- 26,240
Premiums written	945,322						945,322
Premiums earned	- 946,619						- 946,619
Claims - reporting year			672,148				672,148
Claim payments - reporting year			- 478,693				- 478,693
Change in claims - previous years			- 20,420				- 20,420
Claim payments - previous years			- 177,525				- 177,525
At 31/12/2014	19,176	2,435,979	165,179	10,823	44,652	989	2,676,798
Life insurance							
At 31/12/2013	0	13,694,581	132,429	2,723	315,777	26,347	14,171,858
Foreign exchange differences		- 43,518	- 817	- 16	10,738	- 189	- 33,801
Change in basis of consolidation		217,633	2,600	0	0	0	220,233
Portfolio changes		566,951	- 2,558	0	- 59	501	564,834
Additions		101,039		745	774,392	1,338	877,514
Disposals		- 606,103		0	- 5,170	- 1,395	- 612,669
Premiums written							0
Premiums earned							0
Claims - reporting year			2,368,407				2,368,407
Claim payments - reporting year			- 2,171,358				- 2,171,358
Change in claims - previous years			12,719				12,719
Claim payments - previous years			- 175,857				- 175,857
At 31/12/2014	0	13,930,583	165,565	3,452	1,095,678	26,603	15,221,880
Total for Group							
At 31/12/2013	616,946	16,034,023	2,244,261	46,479	360,676	44,578	19,346,963
Foreign exchange differences	- 11,826	- 44,223	- 14,965	- 83	10,732	- 222	- 60,588
Change in basis of consolidation	12,108	217,633	35,335	0	0	0	265,077
Portfolio changes	6,195	566,951	- 3,986	0	- 59	501	569,601
Additions		210,832		12,889	793,948	6,179	1,023,848
Disposals		- 606,223		- 9,542	- 24,015	- 8,740	- 648,519
Premiums written	3,148,745						3,148,745
Premiums earned	- 3,161,557						- 3,161,557
Claims - reporting year			4,625,215				4,625,215
Claim payments - reporting year			- 3,398,580				- 3,398,580
Change in claims - previous years			- 8,778				- 8,778
Claim payments - previous years			- 1,044,898				- 1,044,898
At 31/12/2014	610,611	16,378,992	2,433,604	49,743	1,141,282	42,296	20,656,528

24. Technical provisions for unit-linked and index-linked life insurance

in € thousand	31/12/2014	31/12/2013
Gross	5,306,000	5,251,035
Reinsurers' share	- 332,974	- 389,206
Total	4,973,026	4,861,830

As a general rule, the valuation of the actuarial 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 fair values. The share of reinsurers is accompanied by a liability for deposits in the same amount.

25. Liabilities from loans

in € thousand	31/12/2014	31/12/2013
Loan liabilities	16,692	18,535
up to 1 year	184	1,126
more than 1 year up to 5 years	0	1
more than 5 years	16,507	17,407
Total	16,692	18,535

26. Provisions for pensions and similar obligations

Changes in the carrying amount	31/12/2014	31/12/2013
in € thousand		
Pension provisions	432,407	391,952
Provision for termination benefits	179,263	194,805
Total	611,670	586,757

in € thousand	2014	2013
At 1/1	586,757	566,620
Change in basis of consolidation	0	0
Changes due to currency translation	- 10	- 11
Withdrawal for payments	- 50,397	- 54,736
Expenditure in the financial year	35,400	56,853
Disposals (including disposals from consolidated group)	- 6,122	- 15,069
Actuarial gains and losses not recognised in profit or loss	46,042	33,100
of which based on demographic assumptions	- 3	265
of which based on financial assumptions	44,799	22,532
of which based on experience assumptions	1,246	10,302
At 31/12	611,670	586,757

Weighted average duration	Pension funds	Pensions	Termination benefits
in years	30.2	13.7	8.4

Present value of obligations in € thousand	2014	2013
At 1/1	649,573	630,834
Current service cost	23,412	52,350
Interest expense	17,195	18,265
Payments	-55,856	-69,805
Past service cost	4,737	0
Disposals (including disposals from consolidated group)	-6,122	-15,069
Actuarial gains and losses not recognised in profit or loss	50,225	32,997
of which based on demographic assumptions	-3	10,302
of which based on financial assumptions	48,981	265
of which based on experience assumptions	1,246	22,429
At 31/12	683,162	649,573

Sensitivity analysis 2014 Figures in per cent	Pension funds	Pensions	Termination benefits
Remaining life expectancy			
Change in DBO (+ 1 year)	2.9	4.4	
Change in DBO (- 1 year)	-3.2	-4.7	
Discount rate			
Change in DBO (+ 1%)	-24.6	-11.6	-8.0
Change in DBO (- 1%)	35.3	14.5	9.1
Rate of increase for future salary delta			
Change in DBO (+ 0.75%)	4.0	0.4	6.6
Change in DBO (- 0.75%)	-3.8	-0.4	-6.1
Rate of increase for future pensions			
Change in DBO (+ 0.25%)	4.2	2.9	
Change in DBO (- 0.25%)	-4.0	-2.8	

Sensitivity analysis 2013 Figures in per cent	Pension funds	Pensions	Termination benefits
Remaining life expectancy			
Change in DBO (+ 1 year)	2.8	3.9	
Change in DBO (- 1 year)	-3.0	-4.1	
Discount rate			
Change in DBO (+ 1%)	-24.0	-11.5	-8.1
Change in DBO (- 1%)	34.2	14.3	9.2
Rate of increase for future salary delta			
Change in DBO (+ 0.75%)	4.0	0.4	6.7
Change in DBO (- 0.75%)	-3.7	-0.4	-6.2
Rate of increase for future pensions			
Change in DBO (+ 0.25%)	4.1	2.8	
Change in DBO (- 0.25%)	-3.9	-2.7	

Final pension funds contribution:

Board members, special policyholders and active employees in Austria who meet the criteria for inclusion are subject to a defined contribution pension fund scheme. The beneficiaries are entitled to a final pension fund contribution. The works council agreement states the extent to which a final pension fund contribution is provided to the beneficiary's individual assurance cover account in the event of a transfer to the old-age pension or of an incapacity to work or the death as a participant.

There are individual contractual pension obligations, pension allowances in accordance with association recommendations and administrative pensions. Individuals who have an individual contractual obligation can generally claim a pension when they reach the age of 65, but not before the age of 62, and in the event of an inability to work. The amount of the pension generally depends on the number of their years of service and their last salary before leaving their active employment. In the event of death, the spouse of the individual entitled to the claim receives a pension at 60%, 50% or 40% depending on the policy. The pensions are suspended for any period in which a termination benefit is paid and their value is generally guaranteed.

The defined contribution plan is financed completely by Uniqa. The pensions are financed through provisions that are based on individual policies or on the association recommendations. For the final pension contribution, the financing is carried out over a pension fund. The financing is specified in the business plan, in the works council agreement and in the pension fund contract.

Termination benefit entitlements:

If the employment lasted three years without interruption, the employee is entitled to termination benefits when the employment is terminated, unless the employee quits, leaves without an important reason or is guilty of something resulting in early dismissal. The amount is double the salary owed to the employee in the last month of the employee relationship and increases after five years of employment to three times, after ten years of employment to four times, after fifteen years of employment to six times, after twenty years of employment to nine times and after twenty-five years of employment to twelve times the monthly salary.

If the employment ends due to the death of the employee, the termination benefit only amounts to half of the above-mentioned amounts and is only owed to the legal beneficiaries who were legal dependents of the deceased.

For employees who joined the Company after 31 December 2002, the statutory provisions of the BMSFB apply. These people are therefore, as instructed, not included in the calculation of the termination benefits.

The UNIQA Group's repositioning led to an expected reduction of staff which is covered by provisions for social capital amounting to €17,088 thousand (2013: €42,136 thousand).

Calculation factors applied In per cent	2014	2013
Discount rate	2.50%	3.00%
Valorisation of remuneration	3.00%	3.00%
Valorisation of pensions	2.00%	2.00%
Employee turnover rate	dependent on years of service	dependent on years of service
	AVÖ 2008 P - Pagler & Pagler/salaried employees	AVÖ 2008 P - Pagler & Pagler/salaried employees
Calculation principles		

Details of expenses for pensions and similar obligations recognised in the income statement in € thousand	31/12/2014	31/12/2013
Current service cost	15,441	38,794
Past service cost	4,737	0
Interest expense	15,259	18,259
Income and expenses from plan changes	-35	-201
Total	35,400	56,853

Movement in pension provision's plan assets	2014	2013
Fair value of plan assets at 1/1	62,816	64,214
Interest income	1,936	2,135
Allocation to fund	7,971	8,586
Payments	- 5,413	- 10,244
Gain/loss Other comprehensive income	4,182	- 1,876
Fair value of plan assets at 31/12	71,492	62,816

Classes of plan assets	2014	2013
In per cent		
Bonds – euro	35.1	28.6
Bonds – Euro High Yield	3.3	5.1
Corporate bonds – euro	17.8	18.1
Equities – euro	7.4	8.3
Equities – non-euro	6.9	7.7
Equities – emerging markets	3.6	2.0
Alternative investment instruments	0.9	3.1
Land and buildings	0.0	1.9
Cash	6.4	0.0
Synthetic cash position	0.0	3.3
HTM bonds/term deposits	18.6	22.0
Total	100.0	100.0

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

	31/12/2014	31/12/2013
Contributions to company pension funds	2,293	2,199

27. Other provisions

	Carrying amounts 31/12/2013	Changes from currency translation	Changes in the basis of consolidation	Requirement	Reversals	Reclas- sifications	Additions	Carrying amount 31/12/2014
Jubilee benefit provision	15,343	0	0	- 50	- 674	0	265	14,884
Customer services and marketing provisions	73,775	- 163	0	- 63,336	- 3,539	0	69,026	75,763
Provision for variable remuneration components	27,485	0	0	- 26,676	- 377	0	18,005	18,438
Provision for legal and consulting expenses	10,720	- 6	- 38	- 2,324	- 792	- 1,228	2,705	9,037
Provision for premium adjustments from reinsurance contracts	9,354	- 10	0	- 4,922	0	0	3,489	7,911
Provision for portfolio maintenance commission	2,667	- 25	0	- 173	0	0	705	3,174
Other provisions	110,579	- 195	- 222	- 59,232	- 31,887	1,228	72,767	93,038
Total	249,924	- 399	- 260	- 156,714	- 37,269	0	166,963	222,245

Other provisions include a provision of €10,000 thousand (2013: €10,000 thousand) for liability in connection with the sale of Mannheimer AG Holding.

The provision for variable salary components includes a provision for share-based compensation amounting to €600 thousand. Further disclosures concerning the underlying “Long Term Incentive Programme (LTI)” can be found under Other Information (page 198).

	31/12/2014	31/12/2013
Other provisions with a high probability of utilisation (more than 90 per cent)		
in up to 1 year	116.655	128.805
in more than 1 year up to 5 years	9.453	11.726
in more than 5 years	11.981	12.961
	138.088	153.491
Other provisions with a low probability of utilisation (less than 90 per cent)		
in up to 1 year	81.640	93.510
in more than 1 year up to 5 years	2.517	2.899
in more than 5 years	0	23
	84.156	96.432
Total	222.245	249.924

28. Liabilities and other items classified as equity and liabilities

	31/12/2014	31/12/2013
I. Reinsurance liabilities		
1. Deposits retained on assumed reinsurance	719,592	797,171
2. Reinsurance settlement liabilities	38,991	36,885
	758,583	834,056
II. Other liabilities		
Insurance liabilities		
Direct insurance liabilities		
to policyholders	178,926	116,486
to insurance brokers	70,611	70,778
to insurance companies	12,781	6,811
	262,317	194,076
Liabilities to banks	0	350
Other liabilities	321,222	310,596
of which for taxes	46,814	55,179
of which for social security	12,605	11,564
of which from fund consolidation	2,645	19,204
Total other liabilities	583,539	505,022
Subtotal	1,342,123	1,339,077
of which liabilities with a maturity of		
up to 1 year	951,566	896,119
more than 1 year up to 5 years	3,033	4,378
more than 5 years	387,524	438,580
	1,342,123	1,339,077
III. Other items classified as equity and liabilities		
Deferred income	26,628	23,040
Liabilities and other items classified as equity and liabilities	1,368,751	1,362,117

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

29. Income tax liabilities

Losses from foreign subsidiaries were also included within the scope of group taxation as part of the determination of taxable income. The tax realisation for these losses is accompanied by a future tax obligation to pay income taxes at an unspecified point in time. These tax liabilities are assessed at zero from a discounted perspective unless the sale of an equity investment or own loss realisation on the part of subsidiaries can be foreseen.

in € thousand	31/12/2014	31/12/2013
Income tax liabilities	43,272	40,712
of which liabilities with a maturity of		
up to 1 year	18,545	14,187
more than 1 year up to 5 years	24,303	26,525
more than 5 years	425	0

30. Deferred tax liabilities

Recognition originates from	31/12/2014	31/12/2013
in € thousand		
Insurance items	175,411	164,575
Untaxed reserves	34,145	35,591
Investments	227,683	43,583
Social capital	- 74,497	- 68,745
Loss carryforwards	- 6,018	- 6,227
Other	- 1,300	30,203
Total	355,424	198,980
of which not recognised in profit or loss	124,189	16,871

Deferred tax liabilities	31/12/2014	31/12/2013
in € thousand		
up to 1 year	29,924	1,109
more than 1 year	325,500	197,871
Total	355,424	198,980

NOTES TO THE CONSOLIDATED INCOME STATEMENT**31. Premiums written**

Direct insurance	2014	2013
in € thousand		
Property and casualty insurance	2,581,315	2,553,745
Health insurance	960,775	937,572
Life insurance	1,923,396	1,614,051
Total (amount consolidated)	5,465,486	5,105,368
of which from:		
Austria	3,362,882	3,254,807
Remaining EU member states and other states which are party to the Agreement on the European Economic Area	1,751,709	1,529,803
Other countries	350,894	320,758
Total (amount consolidated)	5,465,486	5,105,368

Indirect insurance	2014	2013
in € thousand		
Property and casualty insurance	39,608	36,784
Health insurance	1	2
Life insurance	14,606	15,421
Total (amount consolidated)	54,215	52,207

	2014	2013
in € thousand		
Total (amount consolidated)	5,519,700	5,157,576

Property and casualty insurance premiums written	2014	2013
in € thousand		
Direct insurance		
Fire and business interruption insurance	255,537	247,932
Household insurance	146,551	140,524
Other property insurance	238,409	236,768
Motor TPL insurance	658,865	653,490
Other motor insurance	471,215	494,020
Casualty insurance	326,029	320,953
Liability insurance	245,851	237,162
Legal expense insurance	76,905	73,633
Marine, aviation and transport insurance	87,285	81,353
Other insurance	74,667	67,910
Total	2,581,315	2,553,745

Indirect insurance		
Marine, aviation and transport insurance	2,036	3,638
Other insurance	37,571	33,146
Total	39,608	36,784
Total direct and indirect insurance (amount consolidated)	2,620,922	2,590,529

Reinsurance premiums ceded	2014	2013
in € thousand		
Property and casualty insurance	142,388	144,600
Health insurance	961	3,588
Life insurance	67,938	68,539
Total (amount consolidated)	211,288	216,727

32. Premiums earned

	2014	2013
in € thousand		
Property and casualty insurance	2,482,938	2,441,490
Gross	2,624,349	2,579,647
Reinsurers' share	- 141,411	- 138,157
Health insurance	959,986	936,184
Gross	960,949	940,327
Reinsurers' share	- 962	- 4,143
Life insurance	1,869,971	1,560,927
Gross	1,937,919	1,629,493
Reinsurers' share	- 67,948	- 68,567
Total (amount consolidated)	5,312,896	4,938,600

Premiums earned indirect insurance	2014	2013
in € thousand		
Recognised simultaneously	6,581	8,838
Recognised with a delay of up to 1 year	32,229	26,795
Recognised with a delay of more than 1 year	0	0
Property and casualty insurance	38,810	35,633
Recognised simultaneously	0	2
Recognised with a delay of up to 1 year	1	0
Recognised with a delay of more than 1 year	0	0
Health insurance	1	2
Recognised simultaneously	0	111
Recognised with a delay of up to 1 year	14,606	15,310
Recognised with a delay of more than 1 year	0	0
Life insurance	14,606	15,421
Total (amount consolidated)	53,417	51,056

Result – indirect insurance	2014	2013
in € thousand		
Property and casualty insurance	7,616	7,093
Health insurance	-9	7
Life insurance	768	470
Total (amount consolidated)	8,375	7,570

33. Insurance benefits

	Gross		Reinsurers' share		Retention	
	2014	2013	2014	2013	2014	2013
in € thousand						
Property and casualty insurance						
Claims expenses						
Claims paid	1,583,498	1,596,362	- 45,185	- 87,734	1,538,314	1,508,628
Change in provision for unsettled claims	164,927	48,797	- 23,849	35,963	141,078	84,761
Total	1,748,425	1,645,160	- 69,034	- 51,771	1,679,391	1,593,389
Change in insurance provision	58	1,051	14	- 14	72	1,036
Change in other technical provisions	2,001	- 979	0	0	2,001	- 979
Non-profit related and profit-related premium refund expenses	42,120	40,400	0	0	42,120	40,400
Total benefits	1,792,604	1,685,632	- 69,020	- 51,785	1,723,584	1,633,846
Health insurance						
Claims expenses						
Claims paid	647,507	629,130	- 152	- 21	647,355	629,109
Change in provision for unsettled claims	- 3,843	5,176	- 3	- 4	- 3,846	5,172
Total	643,664	634,305	- 155	- 25	643,509	634,280
Change in insurance provision	109,281	108,219	99	106	109,380	108,325
Change in other technical provisions	77	318	0	0	77	318
Profit-related and non-profit related refund expenses	27,557	25,813	0	0	27,557	25,813
Total benefits	780,579	768,655	- 56	81	780,523	768,736
Life insurance						
Claims expenses						
Claims paid	1,857,028	1,467,988	- 154,102	- 127,339	1,702,925	1,340,650
Change in provision for unsettled claims	89,726	- 3,161	- 2,437	255	87,289	- 2,906
Total	1,946,754	1,464,827	- 156,540	- 127,083	1,790,214	1,337,744
Change in insurance provision	- 72,149	38,130	91,577	60,152	19,428	98,283
Change in other technical provisions	480	738	0	0	480	738
Non-profit related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	69,432	120,100	0	0	69,432	120,100
Total benefits	1,944,517	1,623,796	- 64,962	- 66,931	1,879,555	1,556,865
Total (amount consolidated)	4,517,700	4,078,083	- 134,038	- 118,635	4,383,662	3,959,448

34. Operating expenses

in € thousand		2014	2013
Property and casualty insurance			
a) Acquisition costs			
Payments	560,109		553,481
Change in deferred acquisition costs	- 4,908		- 5,072
b) Other operating expenses	201,362		265,627
c) Reinsurance commissions and share of profit from reinsurance ceded	- 10,499		- 10,799
	746,065		803,236
Health insurance			
a) Acquisition costs			
Payments	101,717		92,918
Change in deferred acquisition costs	- 532		117
b) Other operating expenses	62,647		69,725
c) Reinsurance commissions and share of profit from reinsurance ceded	- 463		- 683
	163,368		162,077
Life insurance			
a) Acquisition costs			
Payments	294,000		355,696
Change in deferred acquisition costs	- 11,794		- 54,612
b) Other operating expenses	98,773		104,590
c) Reinsurance commissions and share of profit from reinsurance ceded	- 15,082		- 16,820
	365,897		388,854
Total (amount consolidated)	1,275,330		1,354,167

35. Net investment income

By segment	Property and casualty insurance		Health insurance		Life insurance		Group	
in € thousand	2014	2013	2014	2013	2014	2013	2014	2013
I. Investment property	15,440	5,691	7,933	25,390	95,198	69,457	118,571	100,538
II. Investment in associates	435	3,056	11,715	8,679	11,434	10,494	23,583	22,229
III. Variable-income securities	16,880	27,795	5,769	7,043	17,856	101,468	40,505	136,305
1. Available for sale	16,352	27,369	5,229	6,520	11,228	96,695	32,809	130,583
2. At fair value through profit or loss	528	426	540	523	6,628	4,773	7,696	5,722
IV. Fixed-income securities	111,341	64,099	113,181	37,381	540,680	374,331	765,202	475,811
1. Available for sale	111,680	63,243	112,651	35,258	558,091	355,046	782,422	453,548
2. At fair value through profit or loss	- 339	856	530	2,122	- 17,412	19,285	- 17,221	22,263
V. Loans and other investments	10,461	19,615	6,715	7,372	54,802	68,334	71,977	95,320
1. Loans	1,501	3,174	3,684	5,331	18,825	30,327	24,009	38,832
2. Other investments	8,960	16,441	3,031	2,041	35,977	38,007	47,968	56,488
VI. Derivative financial instruments (trading portfolio)	- 6,674	1,140	- 19,388	3,662	- 71,190	23,976	- 97,252	28,779
VII. Investment administration expenses, interest paid and other investment expenses	- 13,187	- 22,781	- 8,909	- 10,128	- 36,114	- 46,071	- 58,210	- 78,981
Total (amount consolidated)	134,696	98,614	117,014	79,399	612,665	601,989	864,375	780,002

Income from available-for-sale fixed-income securities includes gains of €37,388 thousand and income from fixed income securities at fair value through profit or loss includes gains of €1,762 thousand from Level 3 valuations (hierarchy for instruments recognised at fair value in the statement of financial position).

By income type	Current income		Reversal of impairment losses		Gains on disposals	
in € thousand	2014	2013	2014	2013	2014	2013
I. Investment property	77,458	75,008	38	0	126,508	93,168
II. Investment in associates	19,970	20,023	0	0	3,613	2,207
III. Variable-income securities	44,338	57,621	17,180	19,643	32,760	133,030
1. Available for sale	34,803	52,369	6,329	3,954	32,063	129,707
2. At fair value through profit or loss	9,535	5,252	10,851	15,688	696	3,323
IV. Fixed-income securities	528,699	529,973	159,182	104,221	210,754	80,740
1. Available for sale	511,492	509,601	126,345	87,591	206,831	78,384
2. At fair value through profit or loss	17,207	20,372	32,837	16,629	3,923	2,355
V. Loans and other investments	67,595	83,440	9,709	11,134	4,515	3,760
1. Loans	27,101	36,371	1,604	1,160	3,942	3,353
2. Other investments	40,493	47,069	8,104	9,974	572	408
VI. Derivative financial instruments (trading portfolio)	-10,285	-5,779	38,059	33,952	84,538	73,489
VII. Investment administration expenses, interest paid and other investment expenses	-58,210	-78,981	0	0	0	0
Total (amount consolidated)	669,565	681,306	224,168	168,949	462,686	386,394

The adjustment of valuation allowances relates both the reversal of impairment losses as well as the impairment 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 €19,148 thousand (2013: €45,935 thousand). The net investment income of €864,375 thousand includes realised and unrealised gains and losses amounting to €194,809 thousand, which include currency gains of €25,776 thousand. These are essentially the result of investments in US dollars amounting to €36,738 thousand. The currency gains in the underlying US dollar securities amounted to around €128,912 thousand, and these were accompanied by expenditures from derivative financial instruments within the scope of hedging transactions amounting to €92,174 thousand. In addition, currency effects amounting to €9,277 thousand were recognised directly in equity.

Income from investment property includes rent revenue in the amount of €112,048 thousand (2013: €114,898 thousand) and direct operational expenses in the amount of €34,591thousand (2013: €39,890 thousand).

Of which available-for-sale securities Type of investment	Current income		Reversal of impairment losses		Gains on disposals	
in € thousand	2014	2013	2014	2013	2014	2013
III. Variable-income securities						
1. Available for sale	34,803	52,369	6,329	3,954	32,063	129,707
Shares in affiliated companies	702	331	0	0	11	14,790
Equity	1,745	27,478	1,066	118	2,626	55,911
Equity funds	12,353	4,898	0	1,719	29,104	14,995
Bonds not capital-guaranteed	9,098	8,707	5,263	2,117	188	2,441
Other variable-income securities	1,525	912	0	0	0	0
Equity investments and other investments	9,380	10,043	0	1	135	41,569
IV. Fixed-income securities						
1. Available for sale						
Fixed-income securities	511,492	509,601	126,345	87,591	206,831	78,384

Depreciation and impairment losses		Losses on disposals		Group		of which adjustment to valuation allowance	
2014	2013	2014	2013	2014	2013	2014	2013
-79,066	-63,723	-6,368	-3,916	118,571	100,538	-33,282	-11,226
0	0	0	0	23,583	22,229	0	0
-41,776	-52,254	-11,997	-21,735	40,505	136,305	-20,173	-29,999
-29,885	-36,507	-10,501	-18,940	32,809	130,583	-20,173	-29,999
-11,891	-15,746	-1,495	-2,795	7,696	5,722	0	0
-86,168	-232,788	-47,266	-6,334	765,202	475,811	-10,114	-39,208
-27,919	-215,899	-34,327	-6,131	782,422	453,548	-10,114	-39,208
-58,249	-16,890	-12,939	-204	-17,221	22,263	0	0
-6,615	-1,431	-3,226	-1,582	71,977	95,320	-5,507	-804
-5,507	-804	-3,132	-1,248	24,009	38,832	-5,507	-804
-1,108	-628	-94	-335	47,968	56,488	0	0
-31,908	-39,470	-177,657	-33,413	-97,252	28,779	0	0
0	0	0	0	-58,210	-78,981	0	0
-245,533	-389,666	-246,512	-66,981	864,375	780,002	-69,077	-81,236

Depreciation, amortisation and impairment losses		Losses on disposals		Group		of which adjustment to valuation allowance	
2014	2013	2014	2013	2014	2013	2014	2013
-29,885	-36,507	-10,501	-18,940	32,809	130,583	-20,173	-29,999
-3	0	0	-1,736	710	13,386	0	0
-2,261	-12,946	-31	-13,019	3,146	57,542	-1,543	-10,470
-3,649	-7,724	-4,839	-349	32,968	13,540	-1,362	-5,941
-8,669	-12,749	-5,629	-2,685	251	-2,169	-3,406	-10,500
0	0	0	0	1,525	912	0	0
-15,304	-3,089	-2	-1,151	-5,791	47,373	-13,862	-3,088
-27,919	-215,899	-34,327	-6,131	782,422	453,548	-10,114	-39,208

36. Other income

in € thousand	2014	2013
a) Other non-insurance income	55,669	37,086
Property and casualty insurance	28,360	18,188
Health insurance	4,051	5,879
Life insurance	23,258	13,019
of which		
services	5,797	7,379
changes in exchange rates	28,862	13,217
other	21,010	16,490
b) Other income	6,758	3,504
from currency translation	517	490
other	6,242	3,014
Total (amount consolidated)	62,428	40,589

37. Other expenses

in € thousand	2014	2013
a) Other non-technical expenses	64,182	30,186
Property and casualty insurance	29,909	21,219
Health insurance	1,401	434
Life insurance	32,872	8,533
of which		
services	467	1,288
exchange rate losses	34,816	7,372
motor vehicle registration	9,028	6,892
special tax on the financial sector (Hungary)	0	0
other	19,870	14,634
b) Other expenses	6,153	2,227
For currency translation	4,611	1,474
Other	1,541	753
Total (amount consolidated)	70,334	32,413

38. Tax expense

Income taxes	2014	2013
in € thousand		
Actual tax – reporting year	66,877	60,614
Actual tax – previous years	-13,212	2,641
Deferred taxes	31,390	6,456
Total (amount consolidated)	85,055	69,711

Reconciliation statement	2014	2013
in € thousand		
A. Profit/(loss) from ordinary activities	377,932	307,569
B. Expected tax expense (A. * Group tax rate)	94,483	76,892
Adjusted by tax effects from		
1. Tax-exempt investment income	-7,103	-7,653
2. Other	-2,325	86
Amortisation of goodwill and impairment losses	6,250	0
Tax-neutral consolidation effects	-1,112	-3,388
Other non-deductible expenses/other tax-exempt income	3,866	13,007
Changes in tax rates	-237	-1,796
Deviations in tax rates	196	-5,422
Prior-year taxes	-13,212	2,641
Loss carryforwards no longer applicable and other	1,925	-4,570
C. Income tax expense	85,055	69,711
Average effective tax rate in per cent	22.5	22.7

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

The calculation of deferred taxes is based on the specific tax rates of each country that the Group companies are based in, which were between 9 and 35 per cent in 2014. Changes in tax rates already decided effective 31 December 2014 are taken into account.

OTHER DISCLOSURES**Employees**

Personnel expenses ¹⁾	2014	2013
in € thousand		
Salaries and wages	388,352	389,930
Termination benefit expenses	3,573	63
Pension expenses	52,375	28,091
Statutory social security contributions as well as remuneration-dependent levies and mandatory contributions	108,676	110,429
Other social expenses	8,498	8,981
Total	561,473	537,494
of which selling	160,183	151,388
of which administration	368,358	355,487

¹⁾ Data is based on IFRS measurement.

Average number of employees	2014	2013
Total	14,336	14,277
of which selling	5,821	5,893
of which administration	8,515	8,384

in € thousand	2014	2013
Termination benefit and pension expenses were attributable to		
Members of the Management Board and executives as defined by section 80(1) of the Aktiengesetz (AktG Austrian Stock Corporation Act)	8,319	8,352
Other employees	39,013	41,331

Both figures include the expenses for pensioners and surviving dependants (basis: Austrian Commercial Code measurement). The indicated expenses were recharged to operating subsidiaries based on defined company processes.

The active salaries of the members of the Management Board at UNIQA Insurance Group AG amounted to €3,344 thousand in the reporting period (2013: €4,923 thousand). The amount expended on pensions in the reporting period for former members of the Management Board and their survivors was €2,706 thousand (2013: €2,699 thousand).

The compensation to the members of the Supervisory Board for their work in the 2013 financial year was €380 thousand. Provisions of €444 thousand have been recognised for the remuneration to be paid for this work in 2014. The amount paid out in attendance fees and cash expenditures in the financial year was €33 thousand (2013: €31 thousand).

There are no advance payments or loans to or liabilities for members of the Management Board and the Supervisory Board.

Share-based remuneration agreement with cash settlement

In the 2013 financial year, the UNIQA Group introduced a share-based remuneration programme for members of the Management Board of UNIQA Insurance Group AG and for selected members of the Management Board of UNIQA Österreich Versicherungen AG, Raiffeisen Versicherung AG and UNIQA International AG. In accordance with this programme, entitled employees are conditionally awarded virtual shares effective 1 January of the relevant financial year which give them the right to a cash payment after the end of the benefit period. The first conditional award took place retrospectively effective 1 January 2013 and included 246,888 virtual shares in the UNIQA Insurance Group AG. The length of the benefit period for each tranche runs until 31 December 2016. No further shares were awarded.

The precise payment amount is contingent upon achieving performance targets, building up and holding UNIQA ordinary shares in real terms and holding an employment contract as a member of the Management Board by the end of the relevant benefit period. The amount of the cash payment at the end of the fourth year is linked to the average price for the ordinary share in the second half of 2016 and on achieving both performance targets, which are both weighted 50%.

- **Performance Target 1 – Total Shareholder Return (TSR):** The degree of target achievement depends on the rank of the TSR of the UNIQA ordinary share among the companies managed in the DJ EuroStoxx TMI Insurance index.
- **Performance Target 2 – Return on Equity (ROE):** The degree of target achievement depends on the rank of the ROE of UNIQA among the companies managed in the DJ EuroStoxx TMI Insurance index.

Determination of the fair values

Determination of the first component (Performance Target 1) is based purely on market-based criteria (TSR), which results in an expected degree of achievement of 45%. The fair value was determined using Monte Carlo modelling. No employment and market independent performance conditions (Performance Target 2) linked to business transactions were taken into account in determining the fair value. Measurement of the second component (Performance Target 2) is contingent upon non-market based criteria. The expected degree of achievement of 80% was determined based on performance as at 31 December 2013 and 31 December 2014, resulting in 80% target achievement.

The provision amount determined at year-end is split up into both components of the share-based obligation as follows:

In € thousand	1/1/2014	31/12/2014
TSR tranche (Performance Target 1)	209	214
ROE tranche (Performance Target 2)	218	380
Total provision	427	594

The following parameters were used to determine the fair value on the date of the award and on the measurement date for the virtual shares:

	Award date 1/1/2013	Valuation date 31/12/2014
TSR tranche (Performance Target 1)		
Fair value (in EUR)	6.69	3.47
Share price (in EUR)	9.32	7.78
Simulated share price as at 31/12/2016		7.71
Exercise price (in EUR)	0.00	0.00
Expected volatility (weighted average, in per cent)	-	19.7
Expected life (weighted average, in years)	4.0	2.0
Discount rate (based on AA corporate bonds, in per cent)	1.2	0.1
ROE tranche (Performance Target 2)		
Fair value (in EUR)	8.75	6.17
Share price (in EUR)	9.32	7.78
Exercise price (in EUR)	0.00	0.00
Expected volatility (weighted average, in per cent)	0.0	0.0
Expected life (weighted average, in years)	4.0	2.0
Discount rate (based on AA corporate bonds, in per cent)	1.2	0.1

The expected volatility is based on an assessment of historical volatility for the Company's share price over the past year.

No virtual shares were forfeited or exercised in the current financial year.

The obligations from share-based remuneration are stated under Other provisions (Note 27) and are also included under the statements on Related party transactions – individuals.

Group holding company

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

Related companies and persons

Companies in the UNIQA Group maintain various relationships with related companies and persons.

In accordance with IAS 24, related companies are identified as those companies which either exercise a controlling or crucial influence on the UNIQA Group. The group of companies also includes the non-consolidated subsidiaries, associates and joint ventures of the UNIQA Group.

The related individuals include the members of management holding key positions for the purposes of IAS 24 along with their close family members. This also includes in particular the members of management in key positions at those companies which either exercise a controlling or crucial influence on the UNIQA Group, along with their close family members.

Related party transactions – companies

	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other companies	Total
Transactions 2014					
Premiums written (gross)	318	1,592	812	58,659	61,381
Interest income and expenses from loans with companies that are related parties	0	1,400	0	1,546	2,946
Interest income and expenses from loans with banks that are related parties and from investments in companies that are related parties	374	4,366	10,110	30,874	45,724
At 31/12/2014					
Investments at fair value	138,935	198,305	519,123	385,211	1,241,574
Bank deposits	0	417,723	261	358,177	776,161

	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other companies	Total
Transactions 2013					
Premiums written (gross)	0	1,642	1,258	115,243	118,143
Interest income and expenses from loans with companies that are related parties	572	185	0	602	1,359
Interest income and expenses from loans with banks that are related parties and from investments in companies that are related parties	374	728	5,358	44,730	51,189
At 31/12/2013					
Investments at fair value	168,989	16,507	535,039	882,640	1,445,370
Bank deposits	32	1,099	2,207	1,103,302	1,106,640

Related party transactions – individuals

in € thousand	2014	2013
Premiums written (gross)	824	837
Salaries and short-term benefits due in the short term ¹⁾	3,725	5,108
Pension expenses	857	1,571
Post-employment benefits	45	1,424
Share-based payments	89	226
Other income	251	300

¹⁾ This item includes fixed and variable Management Board and Supervisory Board remuneration components.

Other financial obligations and contingent liabilities

in € thousand	31/12/2014	31/12/2013
Contingent liabilities from litigation risks	24,189	19,720
Austria	0	0
Outside of Austria	24,189	19,720
Other contingent liabilities	12,125	10,830
Austria	12,125	10,570
Outside of Austria	0	261
Total	36,313	30,550

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.

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 entered into which obligate UNIQA Internationale Beteiligungs-Verwaltungs GmbH to purchase share packages of the local non-controlling shareholders through option agreements on the basis of a predefined purchase price formula. It was initially agreed to exercise the option in the second quarter of 2012, and this was postponed to the 2016 financial year as part of an amendment of the transaction contracts in 2011. In the 2013 financial year, these non-controlling interests were reclassified as equity within the scope of an adjustment for the previous year in accordance with IAS 8 and were stated as other Liabilities with rectification of the proportionate goodwill. The liability amounts to €4,844 thousand, unchanged from the previous year.

Lease expenses

in € thousand	2014	2013
Current lease expenses	7,826	6,825

Future lease payments in connection with the financing of the UNIQA Group headquarters in Vienna

up to 1 year	5,102	5,090
more than 1 year up to 5 years	17,859	20,360
more than 5 years	0	2,545
Total	22,961	27,996
Income from subleases	550	692

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 interest rate.

Expenses for the auditor of the financial statements

The auditor fees in the financial year were €1,100 thousand (2013: €4,423 thousand); of which €280 thousand (2013: €223 thousand) is attributable to the annual audit, €652 thousand (2013: €4,110 thousand) to other auditing services and €168 thousand (2013: €90 thousand) to other services.

Affiliated companies and associates at 31 December 2014

Company	Type	Domicile	Equity in € million ¹⁾	Share of equity in per cent ²⁾
Austrian insurance companies				
UNIQA Insurance Group AG (Group holding company)		1029 Vienna		
UNIQA Österreich Versicherungen AG	Consolidated	1029 Vienna	- 699.9	100.0
Salzburger Landes-Versicherung AG	Consolidated	5020 Salzburg	- 29.0	100.0
Raiffeisen Versicherung AG	Consolidated	1029 Vienna	- 762.1	100.0
FINANCELIFE Lebensversicherung AG	Consolidated	1029 Vienna	- 87.0	100.0
SK Versicherung Aktiengesellschaft	Equity-accounted	1050 Vienna	11.7	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Consolidated	Switzerland, Geneva	- 14.0	100.0
UNIQA Re AG	Consolidated	Switzerland, Zurich	- 250.2	100.0
UNIQA Assicurazioni S.p.A.	Consolidated	Italy, Milan	- 239.5	100.0
UNIQA pojišťovna a.s.	Consolidated	Slovakia, Bratislava	- 42.0	99.9
UNIQA pojišťovna, a.s.	Consolidated	The Czech Republic, Prague	- 58.9	100.0
UNIQA osiguranje d.d.	Consolidated	Croatia, Zagreb	- 60.4	100.0
UNIQA Towarzystwo Ubezpieczeń S.A.	Consolidated	Poland, Lodz	- 84.4	98.6
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Consolidated	Poland, Lodz	- 13.8	99.8
UNIQA Biztosító Zrt.	Consolidated	Hungary, Budapest	- 17.9	100.0
UNIQA Lebensversicherung AG	Consolidated	Liechtenstein, Vaduz	- 4.4	100.0
UNIQA Versicherung AG	Consolidated	Liechtenstein, Vaduz	- 8.5	100.0
UNIQA Previdenza S.p.A.	Consolidated	Italy, Milan	- 153.5	100.0
UNIQA Osiguranje d.d.	Consolidated	Bosnia and Herzegovina, Sarajevo	- 7.5	99.8
UNIQA Insurance plc.	Consolidated	Bulgaria, Sofia	- 6.9	99.9
UNIQA Life Insurance plc.	Consolidated	Bulgaria, Sofia	- 5.6	99.7
UNIQA životno osiguranje a.d.	Consolidated	Serbia, Belgrade	- 7.4	100.0
Insurance company "UNIQA"	Consolidated	Ukraine, Kiev	- 10.4	100.0
UNIQA LIFE	Consolidated	Ukraine, Kiev	- 10.3	100.0
UNIQA životno osiguranje a.d.	Consolidated	Montenegro, Podgorica	- 1.8	100.0
UNIQA neživotno osiguranje a.d.	Consolidated	Serbia, Belgrade	- 11.1	100.0
UNIQA neživotno osiguranje a.d.	Consolidated	Montenegro, Podgorica	- 3.9	100.0
UNIQA Asigurari S.A.	Consolidated	Romania, Bucharest	- 42.4	100.0
UNIQA Life S.A.	Consolidated	Romania, Bucharest	- 5.9	100.0
Raiffeisen Life Insurance Company LLC	Consolidated	Russia, Moscow	0.7	75.0
UNIQA Life S.p.A.	Consolidated	Italy, Milan	- 57.3	90.0
SIGAL UNIQA GROUP AUSTRIA Sh.a.	Consolidated	Albania, Tirana	- 22.7	68.6
UNIQA AD Skopje	Consolidated	Macedonia, Skopje	- 5.2	100.0
SIGAL Life UNIQA Group AUSTRIA Sh.a.	Consolidated	Albania, Tirana	- 4.5	100.0
SIGAL UNIQA Group AUSTRIA Sh.a.	Consolidated	Kosovo, Priština	- 3.7	100.0
UNIQA Life AD Skopje	Consolidated	Macedonia, Skopje	- 3.0	100.0
SIGAL Life UNIQA Group AUSTRIA Sh.a	Consolidated	Kosovo, Priština	- 3.8	100.0
SH.A.F.P SIGAL Life UNIQA Group AUSTRIA Sh.A.	Consolidated	Albania, Tirana	- 0.1	51.0
Austrian Group service companies				
UNIQA Real Estate Management GmbH	Consolidated	1029 Vienna	- 2.2	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Consolidated	1010 Vienna	- 0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Consolidated	1010 Vienna	- 1.2	100.0
Raiffeisen Versicherungsmakler Vorarlberg GmbH	Equity-accounted	6900 Bregenz	0.3	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.	Consolidated	1070 Vienna	0.0	100.0
UNIQA IT Services GmbH	Consolidated	1029 Vienna	- 0.7	100.0

Company	Type	Domicile	Equity in € million ⁽¹⁾	Share of equity in per cent ⁽²⁾
UNIQA Capital Markets GmbH	Consolidated	1020 Vienna	- 4.5	100.0
UNIQA International AG	Consolidated	1029 Vienna	- 196.7	100.0
UNIQA Internationale Beteiligungs-Verwaltungs GmbH	Consolidated	1029 Vienna	- 553.8	100.0
Alopex Organisation von Geschäftskontakten GmbH	³⁾	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	³⁾	1029 Vienna		100.0
Assistance Beteiligungs-GmbH	Consolidated	1010 Vienna	- 0.3	64.0
Real Versicherungsvermittlung GmbH (previously: Real Versicherungs-Makler GmbH)	³⁾	1220 Vienna		100.0
Together Internet Services GmbH	⁴⁾	1030 Vienna		22.6
UNIQA HealthService – Services im Gesundheitswesen GmbH	³⁾	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Consolidated	1029 Vienna	- 16.6	100.0
Privatklinik Grinzing GmbH	³⁾	1190 Vienna		100.0
Versicherungsagentur Wilhelm Steiner GmbH	³⁾	1029 Vienna		100.0
UNIQA Real Estate Finanzierungs GmbH	Consolidated	1029 Vienna	- 3.7	100.0
UNIQA Group Audit GmbH	Consolidated	1029 Vienna	- 0.1	100.0
Valida Holding AG	Equity-accounted	1020 Vienna	81.1	40.1
RVCM GmbH	⁴⁾	1010 Vienna		50.0
NewMoove GmbH (previously: F&R Multimedia GmbH)	³⁾	1060 Vienna		61.0
PremiaFIT Facility und IT Management u. Service GmbH	³⁾	1190 Vienna		75.0
RHG Management GmbH	Consolidated	1020 Vienna	- 25.1	100.0
UNIQA Finanzbeteiligung GmbH	Consolidated	1020 Vienna	- 136.3	100.0
UNIQA International Corporate Business GmbH	³⁾	1029 Vienna		100.0

Foreign Group service companies

UNIQA Raiffeisen Software Service Kft.	Consolidated	Hungary, Budapest	- 0.5	60.0
InsData spol. s.r.o.	Consolidated	Slovakia, Nitra	- 2.2	98.0
ProUNIQA s.r.o.	³⁾	The Czech Republic, Prague		100.0
UNIPARTNER s.r.o.	Consolidated	Slovakia, Bratislava	0.1	100.0
UNIQA InsService spol. s.r.o.	Consolidated	Slovakia, Bratislava	- 0.2	100.0
UNIQA Ingatlanhasznosító Kft.	Consolidated	Hungary, Budapest	- 4.7	100.0
UNIQA Szolgáltató Kft.	Consolidated	Hungary, Budapest	3.7	100.0
UNIQA Claims Services International Kft.	³⁾	Hungary, Budapest		100.0
RC Risk Concept Vaduz	³⁾	Liechtenstein, Vaduz		100.0
Első Közfizetési Pénzügyi Tanácsadó Kft.	³⁾	Hungary, Budapest		92.4
UNIQA Számítástechnikai Szolgáltató Kft.	Consolidated	Hungary, Budapest	- 0.1	100.0
UNIQA Intermediazioni S.r.l.	³⁾	Italy, Milan		100.0
Vitosha Auto OOD	Consolidated	Bulgaria, Sofia	- 0.1	100.0
UNIQA Raiffeisen Software Service S.R.L.	Consolidated	Romania, Klausenburg	- 0.2	60.0
UNIQA Software Service Bulgaria OOD	³⁾	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	³⁾	Ukraine, Kiev		99.0
UNIQA Assistance doo Sarajevo	³⁾	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Agent doo za zastupanje u osiguranju Banja Luka	³⁾	Bosnia and Herzegovina, Banja Luka		99.8
UNIQA Agent doo za zastupanje u osiguranju Sarajevo	³⁾	Bosnia and Herzegovina, Sarajevo		99.8
UNIQA Software Service Kft.	³⁾	Hungary, Budapest		100.0
UNIPROINS CONSULTANTA SA	³⁾	Romania, Bucharest		100.0
sTech d.o.o.	³⁾	Serbia, Belgrade		100.0
UNIQA Services Sp. z o.o.	³⁾	Poland, Lodz		100.0
Poliklinika Medico	Consolidated	Croatia, Rijeka	- 0.2	100.0
Dekra-Expert Műszaki Szakértői Kft.	Equity-accounted	Hungary, Budapest	0.7	50.0

Company	Type	Domicile	Equity in € million ⁽¹⁾	Share of equity in per cent ⁽²⁾
Financial and strategic equity investments – Austria				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity-accounted	1010 Vienna	31.3	29.6
PremiQaMed Holding GmbH ⁷⁾	Consolidated	1010 Vienna	- 75.5	100.0
PremiQaMed Immobilien GmbH	Consolidated	1010 Vienna	- 19.8	100.0
PremiQaMed Privatkliniken GmbH	Consolidated	1190 Vienna	- 7.0	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Consolidated	1190 Vienna	- 0.6	100.0
STRABAG SE ⁷⁾	Equity-accounted	9500 Villach	2,986.3	13.8
PremiQaMed Management GmbH	Consolidated	1190 Vienna	- 0.4	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
Privatklinik Villach Gesellschaft m.b.H.	⁴⁾	9020 Klagenfurt		25.0
call us Assistance International GmbH	Equity-accounted	1090 Vienna	0.9	61.0
UNIQA Lessing GmbH	⁴⁾	1061 Vienna		25.0
UNIQA Internationale Anteilsverwaltung GmbH	Consolidated	1020 Vienna	- 163.4	100.0
UNIQA Beteiligungs-Holding GmbH	Consolidated	1029 Vienna	- 50.1	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Consolidated	1029 Vienna	- 11.5	100.0

Real-estate companies

UNIQA Real Estate CZ, s.r.o.	Consolidated	The Czech Republic, Prague	15.0	100.0
UNIQA Real s.r.o.	Consolidated	Slovakia, Bratislava	0.5	100.0
UNIQA Real II s.r.o.	Consolidated	Slovakia, Bratislava	1.0	100.0
Steigengraben-Gut Gesellschaft m.b.H.	³⁾	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity-accounted	1030 Vienna	131.9	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity-accounted	1020 Vienna	1.1	33.0
UNIQA Real Estate AG	Consolidated	1029 Vienna	- 168.1	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Consolidated	1020 Vienna	- 19.6	100.0
Design Tower GmbH	Consolidated	1029 Vienna	- 87.0	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Consolidated	1029 Vienna	- 10.2	99.0
UNIQA Real Estate Holding GmbH	Consolidated	1029 Vienna	- 42.7	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Consolidated	1029 Vienna	- 12.3	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Consolidated	1029 Vienna	- 4.6	100.0
“Hotel am Bahnhof” Errichtungs GmbH & Co KG	Consolidated	1020 Vienna	- 10.5	100.0
GLM Errichtungs GmbH	Consolidated	1010 Vienna	- 1.6	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Consolidated	1029 Vienna	- 37.2	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Consolidated	1020 Vienna	- 7.4	100.0
Praterstraße Eins Hotelbetriebs GmbH	Consolidated	1020 Vienna	- 2.5	100.0
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Consolidated	Hungary, Budapest	1.2	100.0
HKM Immobilien GmbH	³⁾	Germany, Mannheim		100.0
Floreasca Tower SRL	Consolidated	Romania, Bucharest	16.8	100.0
Pretium Ingatlan Kft.	Consolidated	Hungary, Budapest	4.9	100.0
UNIQA poslovni centar Korzo d.o.o.	Consolidated	Croatia, Rijeka	2.5	100.0
UNIQA-Invest Kft.	Consolidated	Hungary, Budapest	9.4	100.0
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Consolidated	Germany, Berlin	2.2	100.0
UNIQA Real Estate Bulgaria EOOD	Consolidated	Bulgaria, Sofia	1.3	100.0
UNIQA Real Estate BH nekretnine, d.o.o.	Consolidated	Bosnia and Herzegovina, Sarajevo	3.7	100.0
UNIQA Real Estate d.o.o.	Consolidated	Serbia, Belgrade	2.6	100.0

Company	Type	Domicile	Equity in € million ¹⁾	Share of equity in per cent ²⁾
Renaissance Plaza d.o.o.	Consolidated	Serbia, Belgrade	2.5	100.0
IPM International Property Management Kft.	Consolidated	Hungary, Budapest	1.3	100.0
UNIQA Real Estate Polska Sp. z o.o.	Consolidated	Poland, Warsaw	7.4	100.0
Black Sea Investment Capital	Consolidated	Ukraine, Kiev	- 10.3	100.0
LEGIWATON INVESTMENTS LIMITED	Consolidated	Cyprus, Limassol	0.1	100.0
UNIQA Real III, spol. s.r.o.	Consolidated	Slovakia, Bratislava	4.1	100.0
UNIQA Real Estate BV	Consolidated	Netherlands, Hoofddorp	10.5	100.0
UNIQA Real Estate Ukraine	Consolidated	Ukraine, Kiev	0.0	100.0
Reytarske	Consolidated	Ukraine, Kiev	- 9.7	100.0
ALBARAMA LIMITED	Consolidated	Cyprus, Nicosia	5.1	100.0
AVE-PLAZA LLC	Consolidated	Ukraine, Kharkiv	- 1.7	100.0
Asena CJSC	Consolidated	Ukraine, Nikolaev	- 3.7	100.0
BSIC Holding GmbH	Consolidated	Ukraine, Kiev	0.0	100.0
Suoreva Ltd.	Consolidated	Cyprus, Limassol	0.0	100.0
Sedmi element d.o.o.	Consolidated	Croatia, Zagreb	0.4	100.0
Deveti element d.o.o.	Consolidated	Croatia, Zagreb	- 1.1	100.0
Kremser Landstraße Projektentwicklung GmbH	Consolidated	1020 Vienna	- 9.4	100.0
Schöpferstraße Projektentwicklung GmbH	Consolidated	1020 Vienna	- 5.6	100.0
„BONADEA“ Immobilien GmbH	Consolidated	1020 Vienna	- 3.2	100.0
“Graben 27-28“ Besitzgesellschaft m.b.H.	Consolidated	1010 Vienna	- 25.7	100.0
Hotel Burgenland Betriebs GmbH	Consolidated	1029 Vienna	0.0	100.0
R-FMZ Immobilienholding GmbH	Consolidated	1020 Vienna	- 30.8	100.0
Neue Marktgasse Einkaufspassage Stockerau GmbH	Consolidated	1020 Vienna	- 4.0	100.0
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H.	Consolidated	1020 Vienna	- 9.2	100.0
Railfeisen-Fachmarktzentrum Mercurius GmbH	Consolidated	1020 Vienna	- 12.2	100.0
Railfeisen-Fachmarktzentrum ZWEI GmbH	Consolidated	1020 Vienna	- 13.2	100.0
Railfeisen-Fachmarktzentrum Ivesis GmbH	Consolidated	1020 Vienna	- 10.1	100.0
Railfeisen-Fachmarktzentrum VIER GmbH	Consolidated	1020 Vienna	- 24.0	100.0
Railfeisen-Fachmarktzentrum SIEBEN GmbH	Consolidated	1020 Vienna	- 6.7	100.0
R-FMZ “MERCATUS” Holding GmbH	Consolidated	1020 Vienna	- 50.5	100.0

¹⁾ For consolidated companies, equity disclosed corresponds to the local annual, or, for companies marked *), consolidated financial statements, and for equity-accounted companies, equity corresponds to the last available annual, or, for companies marked *), consolidated financial statements.
²⁾ Share of equity corresponds to control before taking account of any non-controlling interests in the Group.
³⁾ Affiliated unconsolidated companies (due to immateriality)
⁴⁾ Associates not accounted for under the equity method (due to immateriality)

Approval for publication

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

Declaration of the legal representatives

Pursuant to Section 82 paragraph 4 of the Austrian Stock Market Act, the Management Board of UNIQA Insurance Group AG hereby confirms, that, to the best of our knowledge, the consolidated financial statements, which were prepared in accordance with the relevant accounting standards, give a true and fair view of the financial position, financial performance and cash flows of the group, and that the Group management report describes the relevant risks and uncertainties which the Group faces.

Vienna, 25 March 2015



Andreas Brandstetter
Chairman of the Management Board



Hannes Bogner
Member of the
Management Board



Wolfgang Kindl
Member of the
Management Board



Thomas Münkel
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board

Auditor's Report

Report on the consolidated financial statements

We have audited the German version of the accompanying consolidated financial statements of UNIQA Insurance Group AG, Vienna, for the financial year from 1 January to 31 December 2014. These consolidated financial statements comprise the consolidated balance sheet as at 31 December 2014, the separate consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the financial year ending 31 December 2014, as well as the notes.

Management's Responsibility for the Consolidated Financial Statements and for the Accounting System

The Company's management is responsible for the Group accounting system and for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a UGB (Austrian Commercial Code) and Section 80b VAG (Austrian Insurance Supervisory Act). This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility and Description of Type and Scope of the Statutory Audit

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

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

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

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 December 2014 and of its financial performance and its cash flows for the financial year from 1 January to 31 December 2014 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the supplementary requirements of Section 80b VAG.

Comments on the Management Report for the Group

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

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

Vienna, 25 March 2015

PwC Wirtschaftsprüfung GmbH



Mag. Liane Hirner
Wirtschaftsprüfer

(Austrian Certified Public Accountant)

Disclosure, publication and duplication of the consolidated financial statements together with the auditor's report according to Section 281 paragraph 2 UGB in a form not in accordance with statutory requirements and differing from the version audited by us is not permitted. Reference to our audit may not be made without prior written permission from us.

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Information

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.