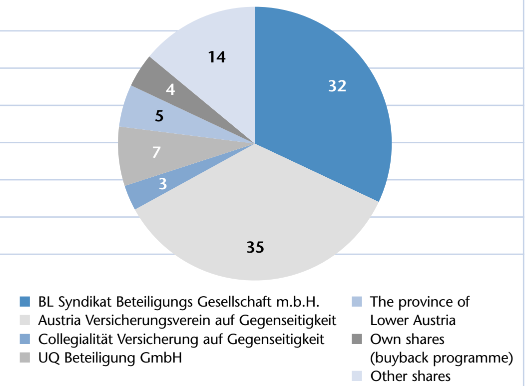
Financial Section

The consolidated financial statements are based on integrated spreadsheets in exact euro amounts. Through the formatting into thousands of euros, it is possible that automatic rounding differences may result.

UNIQA Group Management Report

Shareholding structure of UNIQA Versicherungen AG
in %



The UNIQA Group

With € 2,688.4 million (previous year € 2,644.6 million) gross premiums written and over 6,500 employees, the UNIQA Group is one of the leading insurance groups in Central Europe.

The UNIQA Group offers its products and services through all sales channels (own employees, brokers and general agencies, banks and direct sales). UNIQA is active in all insurance sectors, the clear market leader in Austria for personal injury insurance and one of the largest property insurers in the country.

Our shareholders

The largest shareholders of the UNIQA Group controlling company – UNIQA Versicherungen AG – are the Austria Versicherungsverein auf Gegenseitigkeit (34.91%), the BL Syndikat GmbH (31.95%), the UQ Beteiligung GmbH (6.97%) and the Collegialität Versicherung auf Gegenseitigkeit (3.19%). At the end of the 2002 financial year UNIQA Versicherungen AG held 4.4% of its own shares. Other shareholders jointly hold about 18.58% of UNIQA Versicherungen AG.

Share buyback programme

The purpose of our share buyback programme, which is expected to continue until 20 June 2003, is, in addition to improving the supply and demand of the UNIQA shares on the Vienna Stock Exchange, to also use our own shares as payment when acquiring companies, businesses, parts of businesses or company shares. UNIQA reserves the right, if necessary, to use our own purchased shares to implement an employee participation scheme programme.

Within the scope of the buyback programme we are authorised to buy up to 10% of the capital stock of UNIQA Versicherungen AG, i.e. 11,977,780 individual share certificates in the name of the bearer. By 31 December 2002 we had bought back 7,197,058 shares, equivalent to € 46.6 million. On 2 October 2002 in the course of acquiring the remaining shares of FinanceLife Lebensversicherung AG (previously MLP-Lebensversicherung AG Vienna) we transferred 1,925,792 shares to MLP Germany as part of the purchase price. This leaves a portfolio of own shares as at 31 December 2002 of 5,271,266 share certificates with a value of € 34.798 million.

Standard & Poor's confirm UNIQA's A rating

The international rating agency Standard & Poor's (S&P) confirmed our insurer financial strength rating once again as "A" despite the difficult general economic environment for insurance companies.

S&P also assumes that on attaining our goals, the UNIQA rating will in future be listed as "stable" – despite a continuous tenseness in the market environment and negative underlying conditions. In its rating S&P specifically praises UNIQA's progress in the Group-wide cost-saving programme that has been in effect since the beginning of 2001 and reflects the profit-led strategy of managing the core business.

The UNIQA Versicherungen AG is the only Austrian insurance company that undergoes this detailed analysis by S&P as a voluntary rating process each year and therefore has a rating in this form in its own right.

S&P cite the following as further important rating factors:

- The central strategic role of the company
- Its strong position in the Austrian market: as the largest group, second largest life assurance company, largest health insurer and fourth largest property insurer
- The strong improvement in operating results – in particular the clear improvement in the combined ratio in property insurance through the implementation of the profit-oriented strategy and a slight relaxation of the still difficult market situation as well as the implementation as planned of the increased earnings programme
- The strong capitalisation of the UNIQA Group – particularly important in difficult stock market times

Building the new UNIQA Group headquarters

The construction of the new UNIQA Group headquarters continued during the year under consideration. The project financing was developed in cooperation with Austrian leasing companies that are organised as a construction company. The contractual agreements on future use will be completed in the 2003 financial year.

Companies included in the IAS consolidated financial statements

The consolidated financial statements of the UNIQA Group contain – in addition to UNIQA Versicherungs AG – 20 domestic and 12 foreign companies. 26 affiliated companies whose influence on an accurate presentation of the actual financial status of the assets, financial position and profitability is insignificant were not included in the consolidated financial statements. In addition, we included eleven domestic and one foreign company as associated companies according to the equity accounting method; seven companies were of minor significance and we showed their shares at acquisition cost.

Details on the consolidated and associated companies are contained in the corresponding overview in the notes (note 3). The accounting and valuation methods used as well as the changes in the scope of consolidation are also described in the notes to the group financial statements.

The UNIQA Group's domestic companies

Domestically, the UNIQA Group operates its direct insurance business through UNIQA Personenversicherung AG, UNIQA Sachversicherung AG, Raiffeisen Versicherung AG, CALL DIRECT Versicherung AG, Salzburger Landes-Versicherung AG and FinanceLife Lebensversicherung AG (previously MLP-Lebensversicherung AG). UNIQA is one of the largest insurance groups in Austria. The listed Group controlling company – UNIQA Versicherungen AG – is the central reinsurer for the operating Group companies and assumes central strategic and service functions for all Group-operating insurance companies both domestically and internationally.

Successful bank sales

The cooperation, unique in Austria, of our subsidiary, Raiffeisen Versicherung – Austria's leading bank and life insurer – with around 2,500 Raiffeisen banks nationwide contributed substantially to the success of UNIQA Group Austria. Such cooperations are now being implemented more and more frequently in our international target markets as well, in order to take advantage there of the distribution channels that banks offer and that are important for insurance companies.

Our insurance companies abroad

The continuous strengthening of commitment to our strategic target markets is one of the UNIQA Group's key objectives. The names of all existing subsidiaries will be changed even in the current financial year. In the year under consideration we acquired the Hungarian insurance company Agrupacion Funeuropa Biztosito Rt., based in Budapest.

The international activities of the Group are controlled by UNIQA International Versicherungs-Holding GmbH, a 100% subsidiary of the listed Group holding company, UNIQA Versicherungen AG. As of 31 December 2002 we held, directly or indirectly, a majority shareholding in nine and a minority shareholding in two international insurance companies:

- UNIQA pojistovna, a.s., Prague
- UNIQA poistovna, a.s., Bratislava
- UNIQA osiguranje d.d, Zagreb
- UNIQA Assurances S.A., Geneva
- Austria Assicurazioni S.p.A., Milan
- Friuli Venezia Giulia Assicurazioni "La Carnica" S.p.A., Udine
- UNIQA Towarzystwo Ubezpieczien S.A., Lodz
- UNIQA Towarzystwo Ubezpieczien na Zycie S.A., Lodz
- Agrupacion Funeuropa Biztosito Rt., Budapest

- Cosalud S.A., Barcelona
- CapitalLeben Versicherung AG, Vaduz

In addition, the Italian subsidiary of UNIQA Personenversicherung AG, "Rappresentanza Generale per l'Italia", Milan, runs the life insurance business in Italy.

UNIQA Group business development

We have divided the following comments on business development into two areas. Under the section "Group business development", we describe business development from the Group's perspective by means of consolidated figures. Within the framework of segment reporting we portray the development of the business lines that cover life, health, and property and casualty insurance.

Group business development

Business activity

The UNIQA Group conducts life, retirement, and health insurance as well as most lines of property and casualty insurance as a direct insurer. With the acquisition of the FinanceLife Lebensversicherung AG (previously MLP-Lebensversicherung AG) the unit-linked life assurance sector is now completely covered within the Group.

Domestically, the following companies are active as direct insurers:

- UNIQA Personenversicherung AG
  Health, life and accident insurance
- UNIQA Sachversicherung AG
  Property/casualty insurance
- Raiffeisen Versicherung AG
  Life and property/casualty insurance for the Raiffeisen banking operations
- CALL DIRECT Versicherung AG
  Property/casualty, life and health insurance
- Salzburger Landes-Versicherung AG
  Property/casualty and life insurance
- FinanceLife Lebensversicherung AG (previously MLP-Lebensversicherung AG)
  Unit-linked life assurance

UNIQA Versicherungen AG, the only Group company listed on the stock exchange, is at the head of the Group and runs the reinsurance business for the whole Group. In addition, it is responsible for common service functions for the domestic and international insurance subsidiaries, i.e. all cross-border and cross-divisional activities within the scope of infrastructure management. This makes the best use of synergies and group advantages.

With over 7.4 million policies managed at home and abroad, gross premium written volume of € 2.7 billion (previous year € 2.6 billion) and € 11.7 billion (previous year € 11.2 billion) invested capital, the UNIQA Group is one of the leading insurance groups in the Austrian insurance market.

Profit on ordinary activities

In 2002, a very difficult year for the whole Austrian insurance industry, the UNIQA Group generated a profit on ordinary activities of € 35.3 million (previous year € 45.3 million). This was € 10.1 million or 22.2% less than 2001. The deterioration was mainly influenced by the fall in investment income because of the ongoing difficult capital market situation and the unusual claim burdens resulting from the catastrophic floods in Austria and the Czech Republic. The improvement in the actuarial results in the property and health insurance lines was only partially able to compensate for the above-mentioned effects.

Our shareholders will receive the same amount of dividends as last year.

Total premiums rose slightly

The gross premiums written increased in the year under consideration by a total of € 23.8 million or 0.9% to € 2,668.4 million (previous year € 2,644.6 million). In this context we must state that single-premium and special-products business in the life assurance sector were consciously reduced drastically in the financial year 2002. The retained Group premium earned decreased by 1.2% to € 2,405.6 million (previous year € 2,435.4 million).

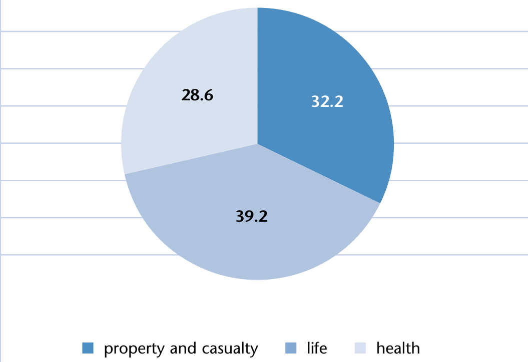
Of this, € 246.3 million (previous year € 219.8 million) or 10.2% of the total Group premium came from our international subsidiaries.

The premium developed as follows in the individual segments:

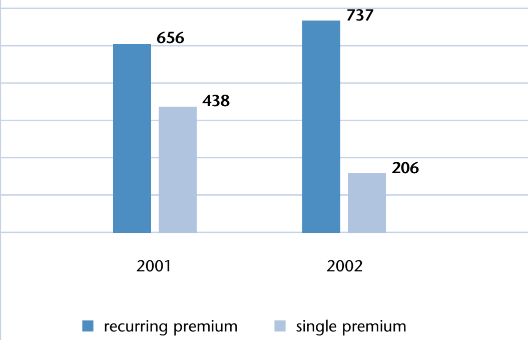
The earned premium income from the life assurance sector of the UNIQA Group decreased by 13.8% to € 942.8 million (previous year € 1,093.6 million).

In the 2002 financial year the volume of single-premium and special-product business (e. g. policies with a limited premium payment period) was consciously reduced drastically for reasons relating to risk and profitability. The premium income from single premium and special products went down accordingly by 52.9% to € 206.2 million (previous year € 438.1 million). On the other hand, recurring-premium life assurance business developed encouragingly. The earned recurring-premium income from life assurance increased by 12.4% to € 736.6 million (previous year € 655.5 million).

Composition of the earned premiums
in %



Premiums earned life – single and recurring premiums
in € million



The earned premium income increased by 3.9% to € 688.6 million (previous year € 662.7 million) for health insurance. With this development in premiums UNIQA, Austria's largest health insurer, again succeeded in maintaining its excellent position in Austria with a market share of around 50%.

The property and casualty insurance had earned premiums of € 774.3 million (previous year € 678.5 million) in the past financial year. This was 14.1% more than in the previous year.

Decreased benefits

The consolidated retained insurance benefits decreased by a total of € 177.4 million or 7.0% to € 2,351.9 million (previous year € 2,529.3 million).

In the individual segments the insurance benefits developed as follows:

Retained insurance benefits in the property and casualty sector increased by 18.8% to € 588.3 million (previous year € 495.2 million).

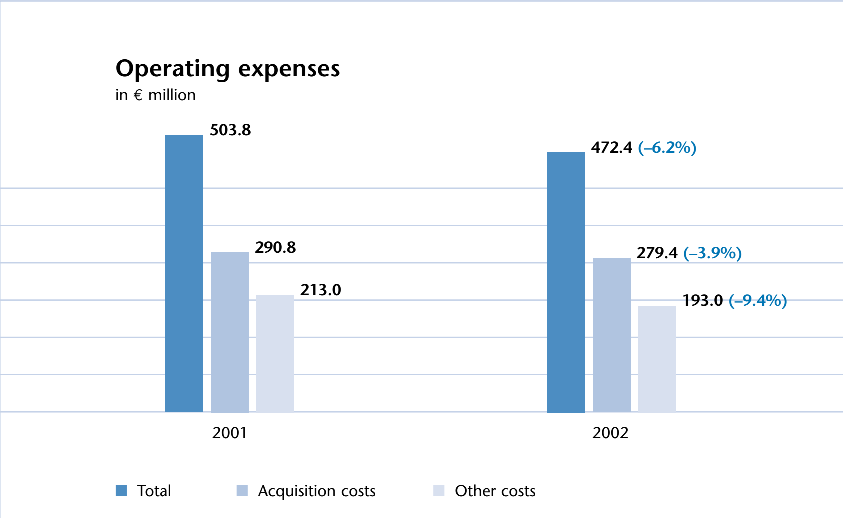
In the health insurance segment the retained insurance benefits increased by 4.7% to € 629.2 million (€ 600.7 million).

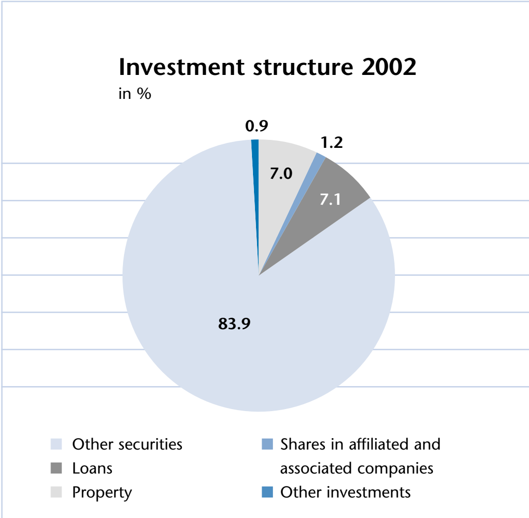
Insurance benefits in retained life assurance fell by a total of 20.9% to € 1,134.5 million (€ 1,433.8 million) due to the targeted withdrawal of the single-premium business and the reduction in profit sharing due to the tense capital market situation.

Cost ratio could be reduced

The total consolidated operating expenses decreased by 6.2% to € 472.4 million (previous year € 503.8 million). The expenses for underwriting, including changes in the capitalised acquisition costs and net of reinsurance commission, decreased by 3.9% to € 279.4 million (previous year € 290.8 million). Other operating expenses could be reduced by 9.4% to € 193.0 million (previous year € 213.0 million).

The total cost ratio was reduced in the reporting year to 19.6% (previous year 20.7%) because of the consistent implementation of our cost-reduction programme.





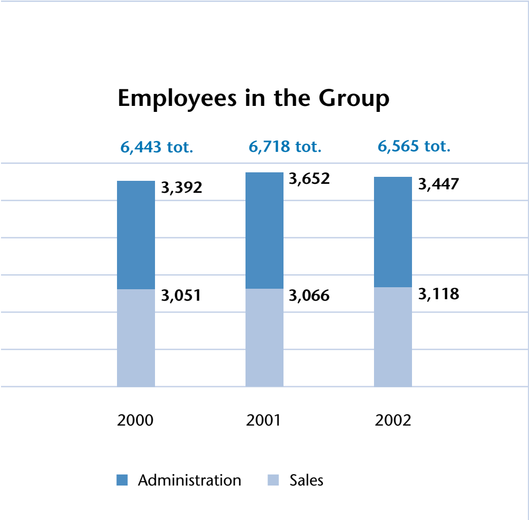
Capital investment results influenced by the difficult market situation

Total investments increased by € 494.2 million or 4.4% to € 11,682.1 million in 2002 (previous year € 11,188.0 million). Adjusted for the FinanceLife Lebensversicherung AG, which was included for the first time, the investments rose by 2.0% to € 11,413.3 million.

The net investment income decreased by € 184.1 million or 27.9% to €475.9 million (previous year € 660.0 million).

Ordinary (net) income from investments decreased by 7.9% to € 612.7 million (previous year € 665.6 million) over the past financial year. This deterioration resulted for the most part from the expiration or sale of high-interest bonds and loans.

The ongoing weak development of the stock markets led to a significant decrease in value in the UNIQA Group's share portfolio. Realised capital losses in variable-yield securities were for the most part offset by capital gains in fixed-interest securities. A detailed description of the investment income can be found in the notes to the financial statements (note 28).



Human resources

The average number of employees in the UNIQA Group fell during the 2002 financial year by 2.3% to 6,565 employees (previous year 6,718 employees). Of these, 3,118 (previous year 3,066) were employed in sales and 3,447 (previous year 3,652) in administration. In the past financial year UNIQA trained 23 apprentices in Austria. Total personnel expenses remained basically at last year's level of € 275.2 million (previous year € 275.8 million). While personnel costs in sales increased by 9.4% to € 111.5 million, administrative costs decreased by 5.6% to € 154.2 million.

We pay particular attention to the ongoing training and development of our employees. UNIQA wants to qualify and motivate because only employees that are very well trained, that do their job with joy and commitment, can bring the quality that makes UNIQA unique. We offer our employees a number of courses with final exams as well as – depending on the level of the qualification – attractive bonuses. The training and development of our employees is concentrated in the Group subsidiary, UNIQA Human Resources-Service GmbH, established at the end of 2002, when the Group personnel division was restructured. Based on the average number of employees, training costs in the Group in the financial year 2002 were around € 1,000 per employee. Adjusted for multiple participation, in the reporting year around 40% of our employees took advantage of the training and development programmes.

The business segments of the UNIQA Group

Life assurance

Acquisition of FinanceLife Lebensversicherung AG

In October of the past financial year UNIQA acquired the remaining 50% of FinanceLife Lebensversicherung AG (previously MLP-Lebensversicherung AG, Vienna) from MLP Deutschland and consequently owns 100% of the shares. Now the area of unit-linked life assurance is also covered completely within the UNIQA Group. The medium-term aim has been defined as the stronger organisational incorporation of FinanceLife into the Group.

Premium increase in the recurring-premium business

The earned premium income from the life assurance sector of the UNIQA Group decreased by 13.8% to € 942.8 million (previous year € 1,093.6 million). The decline is due to the targeted withdrawal from the single-premium and special-product business. The UNIQA Group remained one of the largest Austrian life insurers over the past financial year as well. The Group life insurers operating abroad had an earned premium income of € 24.5 million (previous year € 16.1 million); this meant they were able to increase their premium income by 52.2%. Unit-linked life assurance in Austria is exclusively conducted by FinanceLife Lebensversicherung AG, fully consolidated as of 1 October 2002. FinanceLife's risk premium share, as reflected in the Group consolidated financial statements for the last quarter of 2002, was € 9.3 million.

Single-premium and special-product business has been further reduced during the reporting period for reasons of risk and profitability. The premium volume in direct single-premium and special-product business fell domestically by 52.9% to € 206.2 million (previous year € 438.1 million). This decrease could be partially compensated by the continuing high growth in recurring-premium business (increased by 12.4% to € 736.6 million).

As a result of the continuing poor development on the capital markets, the profit share in Austria had to be reduced, as was the case across the entire industry (to 4.25% for UNIQA Personenversicherung and to 4.3% for Raiffeisen Versicherung).

Business segment life assurance

	2002 € million	2001 € million
Net premiums earned	942.8	1,093.6
Net investment income	337.0	536.3
Insurance benefits	1,134.5	1,433.8
Acquisition costs	71.2	82.6
Other operating expenses	45.9	50.4
Cost ratio	12.4%	12.2%
Net profit for the year	14.7	40.8

Decrease in benefits

The retained insurance benefits (expenditure for claims incurred, expenditure for increased actuarial provision as well as provisions for premium refunds and profit sharing) decreased by 20.9% to € 1,134.5 million (previous year € 1,433.8 million). The decrease was caused on the one hand by the targeted withdrawal from single-premium and special-product insurance business as well as by the necessary cutback in profit sharing due to the negative developments in the capital markets.

Encouraging cost reduction

The total operating expenses for life assurance were reduced by 12.0% to € 117.1 million (previous year € 133.0 million) during this reporting period. Whilst the other operating expenses fell by 8.9% to € 45.9 million (previous year € 50.4 million), acquisition expenses even fell by 13.8% to € 71.2 million (previous year € 82.6 million). In general, this can be attributed to a lower amortisation of the deferred acquisition costs compared to the previous year (note 30).

The cost ratio (operating expenses in relation to earned premiums) for life assurance increased slightly to 12.4% (previous year 12.2%).

Investment results

Net investment income decreased during the year in question by 37.2% to € 337.0 million (previous year € 536.3 million). Income from loans decreased by 78.7% to € 35.4 million (previous year € 165.9 million). Due to the change in asset allocation, which was modified during the previous year, current yield from loans shifted to the fixed-interest securities sector. For this reason an increase in current yield was recorded in fixed-interest securities amounting to 31.1%, from € 282.3 million to € 370.2 million. The extraordinary result from fixed-interest securities decreased from € 36.7 million to € 87.2 million. Capital losses from variable yield securities increased in the reporting year from € 51.0 million to € 184.5 million. Income from securities in the trading portfolio increased 66.1% to € 86.5 million (previous year € 29.3 million).

The life assurance investment portfolio of the UNIQA Group increased by 6.1% to € 8,965.0 million in 2002 (previous year € 8,448.6 million). Adjusted for the FinanceLife Lebensversicherung AG, which was included for the first time, the investments rose by 2.9% to € 8,696.2 million.

Net profit for the year

Profit on ordinary activities fell – despite the positive development in the actuarial business and strong cost reductions due to the capital income decrease – to € 22.3 million (previous year € 61.5 million).

The net profit for the year in life assurance fell to € 14.7 million (previous year € 40.8 million).

Health insurance

Market leadership consolidated

The UNIQA Group maintained its position as the market leader in health insurance in Austria in the 2002 financial year.

In comparison to the previous year, earned premiums in health insurance increased by 3.9% to € 688.6 million (previous year € 662.7 million). Our foreign companies had an earned premium volume of € 62.9 million (previous year € 61.5 million).

Business segment health insurance

	2002 € million	2001 € million
Net premiums earned	688.6	662.7
Net investment income	97.2	87.6
Insurance benefits	629.2	600.7
Acquisition costs	62.1	69.2
Other operating expenses	35.7	46.7
Cost ratio	14.2%	17.5%
Net profit for the year	36.2	19.5

Benefits payments increased below proportion, reserves strengthened

The retained insurance benefits grew by 4.7% to € 629.2 million (previous year € 600.7 million). This included the costs for claims incurred, the provision for premium refunds and the change in actuarial provision. The claims incurred came to € 546.4 million (previous year € 538.5 million) or 1.5% more than in the previous year.

Despite the fact that the increase in benefits payments was below proportion there was an increase in insurance benefits that was more than the growth in premiums due to the increased allocation to reserves. In the Austrian market the increase in benefits is closely related to the increase in hospital stays. The reorganisation of group insurance policies that have an ongoing poor loss history as well as policy negotiations with hospitals and doctors to curb the growth in numbers and costs of medical specialisation were also the focus of interest in the past financial year.

Cost ratio greatly improved

The operating expenses decreased by 15.6% to € 97.8 million (previous year € 115.9 million).

The other operating expenses decreased by 23.6% to € 35.7 million (previous year € 46.7 million). Underwriting expenses showed a positive development; despite increasing premium revenue they decreased by 10.3% to € 62.1 million (previous year € 69.2 million). This development can be explained by the smaller amortisation of acquisition costs in comparison to the previous year.

The cost ratio (operating expenses in relation to earned premiums) in health insurance improved over the past year to 14.2% (previous year 17.5%).

Increase in investment results

Net investment income increased during the reporting year by 11.0% to € 97.2 million (previous year € 87.6 million). Income from loans decreased by 71.7% to € 14.0 million (previous year € 49.5 million). Due to the change in asset allocation, which was modified during the previous year, current yield from loans shifted to the fixed-interest securities sector. For this reason an increase in current yield was recorded in fixed-interest securities amounting to 96.5%, from € 31.5 million to € 61.9 million. This extraordinary result from fixed-interest securities decreased from € 2.4 million to € 1.2 million. The investment results from variable-yield securities improved in the reporting year from € –7.7 million to € 9.0 million. Income from securities in the trading portfolio increased 25.8% to € 3.1 million (previous year € 3.9 million).

In the health insurance line, the capital investments grew by 2.7% to € 1,445.7 million (previous year € 1,407.7 million).

Marked increase in net profit for the year

The profit on ordinary activities in the health insurance line improved by 77.2% to € 58.0 million (previous year € 32.7 million). The net profit for the year increased by 85.5% to € 36.2 million (previous year € 19.5 million).

Property and casualty insurance

Premiums earned increased considerably

In the property and casualty insurance segment we improved the premiums earned by 14.1% to € 774.3 million (previous year € 678.5 million). It must, however, be taken into account that only half the business revenue of UNIQA Lodz, consolidated for the first time last year, was included in the comparative figure for 2001. In the property and casualty insurance segment in 2002 financial year, premiums earned in the domestic market increased by 5.6% to € 616.8 million (previous year € 583.9 million).

The motor vehicle industry was characterised in 2002 by a deterioration in the new-car market of around 7%. Nevertheless, we were able to increase premium income. The most important reasons for this were adjustments to the portfolio inventory, higher prices of new tariffs and the steady continuation of our reorganisation policies. In the past financial year the market continued to show a tendency towards profit-oriented and thus more restrictive discount behaviour. This applies in particular to fleet management.

The gross premiums earned increased by 22.9% to € 438.3 million (previous year € 356.5 million) for motor vehicle insurance.

Legal-expense insurance continues its pleasing and very dynamic growth. During the past financial year legal-expense insurance, which has sold increasingly well since mid 2000, has grown at the above-average rate of around 43%.

The strong growth in property insurance within the bank-sales segment contributed substantially to this positive development. Here the earned premium revenue could be increased by 24.3% to € 54.5 million (previous year € 43.8 million).

Business segment property and casualty insurance

	2002 € million	2001 € million
Net premiums earned	774.3	678.5
Net investment income	43.1	38.2
Insurance benefits	588.3	495.2
Loss ratio	76.1%	73.0%
Acquisition costs	146.1	138.9
Other operating expenses	111.6	115.9
Cost ratio	33.3%	37.6%
Combined ratio	109.3%	110.5%
Net loss for the year	–32.3	–34.1

Insurance benefits affected by natural disasters

There was an increase in retained insurance benefits in property and casualty insurance that amounted to 18.8% or € 588.3 million (previous year € 495.2 million). This notable increase is mainly due to the catastrophic floods in Austria and the Czech Republic in the months of July and August 2002, which made thousands of people homeless and destroyed much of their property. Over all of the property insurance lines in the Group, we paid benefits for domestic flood damage amounting to around € 25.5 million. Our Czech Group subsidiary had to make even more substantial payments to the sum of around € 29.2 million. The burden to the Group after reinsurance amounted to € 15.9 million. The heavy storms in 2002 also contributed to the deterioration in the loss ratio in the household/house owner's and business sector with a charge of € 5.0 million.

By comparison, the effects of the floods on the motor vehicle comprehensive insurance sector were mild. Here we introduced further steps in the reporting period to reduce the costs of losses with trade-in offers, accounting control and wreck management.

The results in housebreaking, burglary and robbery insurance were heavily burdened by the rising crime rate and higher average claims.

The loss ratio (insurance benefits in relation to premiums earned) decreased by 4.3% to 76.1% (previous year 73.0%).

Cost ratio reduced

The total operating expenses in the property and casualty insurance sector increased slightly by 1.2% to € 257.7 million (previous year € 254.8 million).

With an increase of 5.2% to € 146.1 million (previous year € 138.9 million), the underwriting cost development corresponded to the course of business in this segment. The other operating expenses fell by 3.7% to € 111.6 million (previous year € 115.9 million) as a result of action plans aimed at lowering costs implemented within the scope of our increased earnings programme.

The cost ratio (operating expenses in relation to premiums earned) decreased to 33.3% (previous year 37.6%) in the 2002 financial year.

Increased investment results

Net investment income rose in the past financial year by 12.8% to € 43.1 million (previous year € 38.2 million). The income from loans decreased by 61.6% to € 5.8 million (previous year € 15.1 million). Due to the change in asset allocation, which was modified during the previous year, current yield from loans shifted to the fixed-interest securities sector. For this reason an increase in current yield was recorded in fixed-interest securities amounting to 24.5%, from € 21.6 million to € 26.9 million. The extraordinary result from fixed-interest securities increased from € –1.2 million to € 5.4 million. The capital losses from variable-yield securities decreased in the reporting year from € 13.2 million to € 3.5 million. The income from securities in the trading portfolio fell from € 1.5 million to € –1.5 million.

Capital investments went down by 3.3% to € 1,344.5 million (previous year € 1,390.6 million).

Slight improvement in the annual results

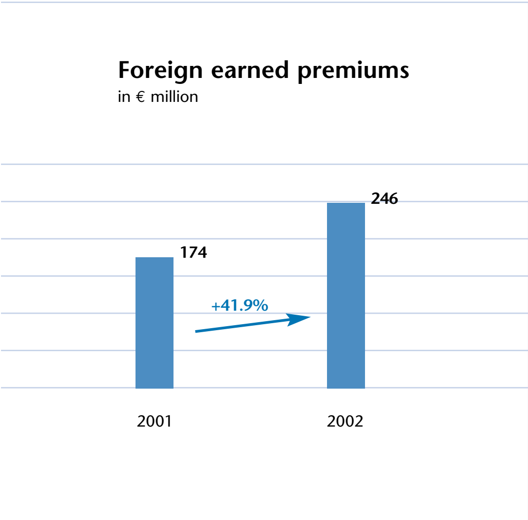
The continued improvement in actuarial results – despite the flood claims – also had an effect on the annual results. Through the further improvement in the combined ratio from 110.5% to 109.3%, the results on ordinary activities increased by 8.2% to € –45.0 million (previous year € –49.0 million) during the reporting year. The combined ratio, after adjustments for the net encumbrance on the Group results of the catastrophic floods and storms, is 106.6%. Taking deferred taxes into consideration, there is a net loss of € –32.3 million (previous year € –34.1 million) for the year.

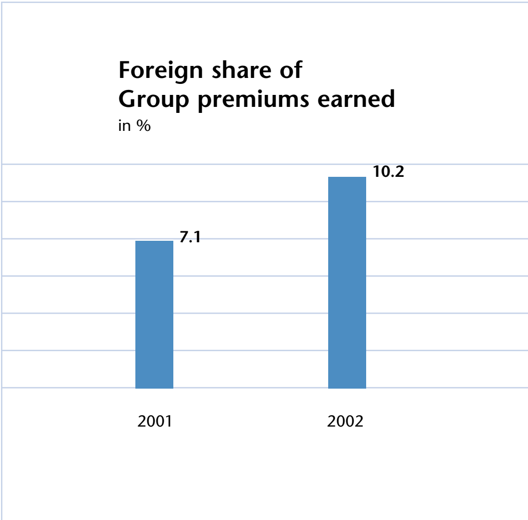
Renewed involvement in the Hungarian market

With the acquisition of Agrupacion Funeuropa Biztosito we are now represented again in the Hungarian market. Funeuropa, established in 1999 by Spanish companies with the goal of selling burial insurance, is a growing company that also offers health and accident insurance in addition to the basic products. In the two years since then it has established a country wide sales network with over 200 agents coordinated by a lean actuarial and commercial office. At present the company serves around 30,000 customers. With the acquisition of "Agrupacion Funeuropa Biztosito Rt." UNIQA has established a solid basis for participating in the growth of the most penetrated insurance market in Eastern Europe and hopes through its international expertise to substantially increase the earnings capacity of the acquired company.

Strong growth in international premium volume

The international premium volume grew strongly in the financial year 2002 particularly because of the above-average organic growth. The share of the international business in the total earned Group premium income therefore increased to 10.2% (previous year 7.1%) in the reporting period.





UNIQA international markets

	Retained premiums earned 2002 € million	Retained premiums earned 2001 € million	Share of UNIQA business (premiums earned)
Italy	83.9	55.8	3.5%
Switzerland	34.8	35.3	1.4%
Czech Republic	54.1	38.1	2.3%
Slovakia	26.9	20.7	1.1%
Poland	39.8	20.4	1.6%
Croatia	6.5	3.3	0.3%
Hungary	0.2	0	0.0%
Total	**246.3**	**173.6**	**10.2%**

Outlook for 2003

MLP-Lebensversicherung AG, Vienna, changes its name

MLP-Lebensversicherung AG, Vienna, which was wholly acquired in October of the past business year, changed its name to FinanceLife Lebensversicherung AG at the end of March 2003. This action was a first step towards adjusting the name of the company to be more in line with the UNIQA Group. It will be followed by successive steps towards the organisational incorporation of FinanceLife Lebensversicherung AG into our Group.

Within the scope of state-aided future provision we are selling our fund product, "Pension & Guarantee", through FinanceLife. When this product was first introduced to the market it was hailed by the domestic media as the most flexible solution available for reduced-premium old-age provision.

AXA acquisition

In December 2002 our core shareholders announced the acquisition of AXA Group Austria. In the course of this transaction it is intended to transfer AXA Group Austria together with its subsidiaries in Hungary and Liechtenstein to the UNIQA Group by the end of September 2003. We are awaiting the approval of the Hungarian regulatory and antitrust authorities within the next few weeks.

We believe that this integration, which is planned for 2003, will be a great step forwards for the UNIQA Group, not only with regards to the Hungarian market but also as the leading Austrian insurer. With a market share of around 5.3%, AXA Biztosito is the sixth-largest insurer in Hungary and has already built up a strong distribution structure that, in cooperation with one of the major pension funds, creates a solid foundation for success.

Targeted growth abroad

We will already achieve our target set for 2005 – for international business to reach a 15% share of Group premium income – in the current financial year because of the above-average organic growth of our international companies and the pending acquisition of Hungarian AXA Biztosito.

It looks certain that we will be able to attain and secure a 3–5% market share in all of the Central European target markets by 2005. In this context, smaller acquisitions are possible in the current financial year in Poland, Slovakia, Croatia or Slovenia.

In Slovenia we want – although not at any price – to enter the market by acquiring an existing company or cooperating with a national company in 2003 or 2004. At the end of March, after examining the existing, available information we made a non-binding offer for a majority acquisition of two Slovenian insurance companies, Slovenica and Adriatic. The two private insurers share about 14% of the extensively developed and straightforward Slovenian insurance market. The profitability of such a project cannot be judged precisely until all the details have been examined within the scope of the next phase.

In the scope of our expansion plans for the next five years, however, markets that are farther east than UNIQA's present Central European key market are of little interest to us over the medium term. For example, a penetration of the market in Bulgaria or Rumania will not be an issue for UNIQA until after the first two waves of consolidation have been completed in these countries in anticipation of the next EU expansion steps, i.e. not before 2007.

Bank sales begin in Slovakia

After the conclusion of talks with Slovakian Tatra-Bank in the autumn of 2002 the products and processes were entered into the IT systems of both companies. Pilot sales began after the cooperation agreement was signed on 24 February 2003 and are running in four selected branches located in and around Bratislava.

Common brand appearance in Poland, Hungary and Italy

In the middle of the past financial year the annual general meeting of our Polish subsidiaries decided to change their names to UNIQA S.A. (previously Polonia Sach) and UNIQA Zycie S.A. (previously Polonia Leben). These name changes represent the consistent continuation of steps begun in 1999 to establish a uniform brand appearance for the UNIQA Group. We want to consolidate our position in this country with further expansion steps in Poland.

As of 2003 the UNIQA brand, which is positioned as a quality brand, will also stand for safety, competence and quality in the insurance industry in Hungary (previously Funeuropa Biztosito) and in Italy (previously Austria Assicurazioni). Only our Italian subsidiary Carnica will continue for the time being for regional political reasons to use its present brand, although the corporate design will be adjusted to fit UNIQA's.

New strategic orientation in Salzburg

As part of our "concept of regions" which gives local management a broad range of competencies, we worked intensively in the past financial year on a new strategic orientation for our subsidiary, Salzburger Landes-Versicherung AG. We developed a concept that we have been implementing step by step since the beginning of 2003. It combines UNIQA expertise in health and life insurance plus our international reinsurance capacities for industrial risks with the advantages of a regional insurer. The sales organisations were already merged at the start of 2003. To increase the synergy potential in internal administration, the human resource functions were transferred to UNIQA, although they still fall under the hierarchical responsibility of the management of Salzburger Landes-Versicherung AG under a new logo in the UNIQA design, but with strong local components.

Increased earnings programme

We are still committed to applying the increased earnings programme that was introduced two years ago. The consistent orientation to income within the UNIQA Group should lead to a further improvement in actuarial results, on the one hand through growth and on the other through the continued attempts to reorganise poor risks.

The implementation of our carefully defined action plans led to a massive reduction in overhead costs in the past business year. In the current business year we are still consistently pursuing cost reductions as part of our increased earnings programme. We are also counting on reaping the first successes from the synergy plans relating to the AXA integration.

UNIQA's profit-led remuneration system

The implementation of a voluntary profit-led remuneration system for employees on the first level of management was successfully carried out over the past financial year. The vast majority of the qualifying employees are participating in this programme, proving their strong identification with UNIQA and the wide acceptance of the company's earnings-led goals with an entrepreneurial attitude. As planned, the UNIQA profit-led payment system will be offered this year to second- and third-level managers as well. From the reactions to date, we can expect a pleasingly high level of participation here as well.

UNIQA Go Ahead

"UNIQA Go Ahead – Grow with your company" is the motto of our new mobility programme. The name stands for internationalism and better career opportunities throughout the entire UNIQA Group. It is directed at those employees who see new tasks in Central Europe as a challenge to take on with flexibility and commitment. We are looking for team spirit and at the same time visionary thinking that crosses existing borders.

The cross-border management training implemented last year for the top 400 managers in the Group will continue in the current business year in order to support our employees in reaching their productivity and profitability targets and to monitor common strategy implementation with concrete action plans every six months.

Property insurance

We will consistently continue the reorganisation measures begun in the last few years during the coming financial year. Our goal is a lasting improvement in results, for example by further stabilising the loss ratio at a low level.

Legal-expense insurance, increasingly sold since mid-2000, will continue to grow at an above-average rate in the current business year. We expect similar gains in the art insurance sector, where we offer our customers the art-history service of our experts throughout Central Europe combined with specialist support. In the current business year the expansion of art exhibit insurance is being consolidated in cooperation with numerous Austrian museums.

We have also observed cost increases this business year in the motor vehicle insurance loss ratio, caused by higher repair costs and higher physical injury claims. We are counteracting this development with consistent optimisation in claims management as well as premium adjustments based on our customer segmentation. We will continue our activities to reduce the costs and raise the efficiency of policy and claims administration in 2003. The decrease in the new-car market of around 7% that was recorded in the past business year is likely to continue in the current year. In the market the tendency towards profit-led and thus more restrictive discount behaviour can still be observed.

Because of the aggravation of the reinsurance conditions and in order to bring premium levels closer to those required we will have to adjust industrial and big business premiums during the current business year. We continue to keep a close eye on risk management in acquisitions. We expect the market to be difficult for a further time in 2003, mainly because the commercial insurance sector was also strongly affected by the storm claims.

In order to better meet the needs of our large Central European customers a Key Account Management is being installed for big business and industry.

Innovation in the product sector: UNIQA developed a European product for household/house owners in 2002 that will be introduced step by step in our affiliates in 2003.

The Austrian pool for property damage caused by acts of terrorism was established in October 2002 and has been accepting risks since the start of 2003. It consists of three parts:

- € 50 million: self-retention capacity of Austrian property insurers
- € 150 million: reinsurance capacity bought additionally
- € 600 million: federal liability (in prospect)
- € 800 million: total pool capacity

The pool will cover up to € 5 million for insured property dangers caused by terrorism per total risk. An additional € 20 million can be bought at an extra premium. The maximum total loss potential for UNIQA amounts to around € 5.8 million per year; the contracts can be cancelled with two month's notice.

Health insurance

In the health insurance sector, group insurance is clearly not running as advantageously for UNIQA as individual insurance and, for this reason, is the object of reorganisation efforts. We have pursued these efforts consistently over the past business year, both with significant increases in premiums and by agreeing on cost-sharing with the insured. In many cases it is simply a question of decreasing advantages that group insurance had been granted as opposed to individual insurance, but that can no longer be justified for the group in question. Our efforts led to a clear improvement in the benefits ratio and contributed to the overall pleasing growth in the health insurance sector. We will continue this course – with moderate adjustments for our customers – in 2003 as well.

The private health insurance companies conclude policies with hospitals and doctors to the benefit of their customers that have hospital coverage. These policies include agreements on the prices to be charged for services performed. Such contracts exist with nearly all Austrian hospitals. Of course, the results of these negotiations – which are usually held once a year – have a considerable influence on the costs that the private health insurance company has to bear. It seems inevitable that the structure of the contracts will be improved with regard to medical services on the one hand and the hotel quality that should be offered in the hospitals on the other. Medical progress must be accounted for in order to ensure UNIQA's customers the quickest possible access to modern medicine. It seems to be extremely necessary that we transfer the emphasis from "technically oriented" benefits to personally oriented treatments. As a whole the results of the restructuring process must benefit the insured community; in any case they must be able to compensate for continuous increases in the benefit sums paid. A further important matter is that we standardise the catalogue of medical benefits; at present each province has its own catalogues, and in some cases they even vary within the same province. Although we obviously had many partial successes in the past business year, the process is not yet complete, but is rather an ongoing project that we must consistently continue in the coming years as well.

Life assurance

In the first months of 2003 health insurance premiums were clearly down, although we recorded good access to new business acquisition. This can be attributed to the campaign for single-premium insurance that ran during the comparative period last year.

As a result of the radical changes in the world's capital markets, we were forced to reduce profit sharing – as was the entire industry. However, pension provision continues to be of great importance so that an increase in premiums in ongoing business should be possible. In any case, we expect a reduction in premium revenue because it is extremely unlikely that there will be another single-premium campaign in 2003.

Since the beginning of 2003 UNIQA has been offering a product within the scope of the state-aided old-age provision that the government resolved in December 2002. In addition to the state-guaranteed bonus (9.5%, maximum amount to receive for this bonus is € 1,851 for 2003) we have incorporated some important services for our customers. As soon as the policy is taken out the insurer has a right to a guaranteed pension in accordance with the mortality tables and calculation bases, and for this product they remain valid for life even if the calculation bases should worsen. Furthermore, there is guaranteed interest of 3% p.a. after transference to the pension tariff and the capital is already guaranteed after ten completed calendar years.

Active customer relation management

Through our new customer advantage programme called both "QualityPartnership" (UNIQA) and "My sure Advantage" (offered by our subsidiary Raiffeisen Versicherung AG in the banking sector) and their accompanying activities (advertisements, road shows, raffles, etc), customers that own at least two UNIQA policies in different sectors can receive exclusive advantages such as a no-claim bonus in the form of premium reductions of up to 10% or a premium-free life insurance policy. The goal of the customer loyalty programme is to reach a cross-selling rate that is as high as possible, so it has a positive effect on the life insurance sector as well.

Trends in the current business year

The development of Group premium revenue was very satisfactory in the first two months of 2003. The results from recurring-premium business increased by 5.9% to € 535.8 million (previous year € 506.0 million). The growth was carried in particular by the 10.0% increase in property and casualty insurance to € 268.0 million.

The life insurance recurring-premium business at € 142.4 million (previous year € 143.1 million) remained the same as last year. Business in the classic life insurance line with single-premium and special-products was further targeted for withdrawal in the first two months of 2003 and fell 38.0% to € 43.2 million.

The motor vehicle sectors grew despite falls in the number of new cars registered domestically; premiums were clearly above last year's level – with an increase of 12.4%.

The premiums earned in the health insurance line increased by 5.2% in the first two months of 2003.

The international companies' share of the total premium volume in the first two months was € 56.2 million (previous year € 48.2 million), which is equivalent to 9.7% of the Group premium.

Total benefits paid in the Group increased to € 343.7 million or by 14.8% (previous year € 299.4 million) in the first two months of 2003. The share of the international companies amounts to 9.5%.

Results and proposed appropriation of profit of the UNIQA Versicherungen AG

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Commercial Code, show an annual net profit of € 76.0 million (previous year € 24.2 million) for the 2002 financial year. After consideration of the retained profits brought forward and the change in the reserves, it resulted in a total profit for the year of € 19.2 million (previous year € 19.2 million).

The management board recommends to the Annual General Meeting that the net profit for 2002 of € 19,173,931.16 (previous year € 19,226,204.94) be distributed as a dividend of 16 cents on each of the 119,777,808 individual share certificates issued by the due date and qualified to receive a dividend, and the remaining amount be carried forward to a new account.

Vienna, March 2003

The Management Board

Consolidated balance sheet

as at 31 December 2002

Assets

	Notes to the consolidated annual accounts	31 Dec. 2002 € '000	31 Dec. 2001 € '000
A. Intangible assets	1		
I. Goodwill		122,310	68,597
II. Other intangible assets		18,635	7,231
		140,945	**75,828**
B. Investments			
I. Land and buildings	2	793,244	796,208
II. Shares in affiliated and associated companies	3	138,572	131,086
III. Loans	4	813,484	930,097
IV. Other securities			
1. Held to maturity		0	0
2. Available for sale	5	8,689,383	7,584,920
3. Held for trading	6	881,406	795,742
		9,570,789	8,380,662
V. Other investments	7	97,180	949,935
		11,413,269	**11,187,988**
C. Investments held on account and at risk of life insurance policyholders		**268,860**	**0**
D. Receivables	8	**407,663**	**372,759**
E. Liquid funds		**104,881**	**140,504**
F. Deferred acquisition costs	9	**603,618**	**525,635**
G. Deferred tax assets	10	**107,010**	**83,355**
H. Other assets	11	**77,914**	**66,013**
Total assets		**13,124,160**	**12,452,082**

Liabilities

	Notes to the consolidated annual accounts	31 Dec. 2002 € '000	31 Dec. 2001 € '000
A. Shareholders' funds	**12**		
I. Subscribed capital and capital reserves		193,238	199,202
II. Revenue reserves		322,392	332,697
III. Revaluation reserves		–25,261	4,566
IV. Group total profit		19,174	19,226
		509,544	**555,691**
B. Minority interests in shareholders' funds	13	**99,057**	**130,273**
C. Post-ranking liabilities	14	**125,000**	**0**
D. Technical provisions (net)			
I. Provision for unearned premiums	15	170,994	167,476
II. Actuarial provision	16	9,782,018	9,218,385
III. Provision for outstanding claims	17	906,362	885,257
IV. Provision for profit-unrelated premium refund	18	10,961	11,367
V. Provision for profit-related premium refund, i.e. policyholders' profit participation	18	280,198	571,347
VI. Other technical provisions		32,180	16,373
		11,182,713	**10,870,204**
E. Technical provisions for life insurance where the investment risk is carried by policyholders	19	**153,539**	**0**
F. Other provisions			
I. Pension and similar provisions	20	309,123	296,977
II. Provisions for taxation		28,111	34,368
III. Other provisions	21	116,246	89,543
		453,479	**420,887**
G. Liabilities	22	**397,001**	**269,402**
H. Deferred tax liabilities	23	**188,218**	**195,844**
I. Other liabilities	24	**15,610**	**9,780**
Total liabilities		**13,124,160**	**12,452,082**

Consolidated profit and loss account

for the period from 1 January to 31 December 2002

	Notes to the consolidated annual accounts	2002 € '000	2001 € '000
1. Gross premiums written	25	2,668,399	2,644,605
2. Premiums earned	26	2,405,610	2,435,363
3. Net investment income	28		
a) Income from affiliated and associated companies		7,838	5,914
b) Other investment income		468,079	654,076
		475,917	**659,989**
4. Other income	27	19,238	29,639
Total income		**2,900,765**	**3,124,991**
5. Insurance benefits (net)	29	–2,351,899	–2,529,281
6. Operating expenses	30	–472,405	–503,773
7. Other expenses	31	–32,834	–42,070
8. Depreciation of goodwill		–8,348	–4,520
Total expenses		**–2,865,486**	**–3,079,644**
9. Profit on ordinary activities		35,279	45,347
10. Taxes on income	32	–16,768	–19,029
11. Net profit for the financial year		18,511	26,317
12. Year-end results apportionable to minority interests		–14,916	–13,305
13. Consolidated net profit for the financial year		**3,595**	**13,013**

Cash flow statement

for the period from 1 January to 31 December 2002

	2002 € '000	2001 € '000
Net profit for the financial year including minority interests		
Net profit for the financial year IAS	18,511	26,317
Year-end results apportionable to minority interests	–14,916	–13,305
Change in technical provisions	349,468	795,092
Change in deferred acquisition costs	–77,983	–39,256
Change in reinsurance deposits receivable and payable as well as current accounts receivable and payable	108,165	19,731
Change in other amounts receivable and payable	–26,242	53,030
Change in trading securities	–85,664	34,831
Realised capital gains/losses from the disposal of investments	–39,202	–97,118
Depreciation/appreciation of other investments	116,445	33,113
Change in provisions for pension and severance payment	12,146	9,955
Change in deferred tax assets/liabilities	–31,281	–25,231
Change in other balance sheet items	–3,344	22,639
Change in goodwill and intangible assets	–65,117	–6,518
Other income and expenses without impact on cash flow as well as accounting period adjustments	451	1,227
Cash flow from operating activities	**261,435**	**814,508**
Receipts due to the disposal of consolidated companies and other business units	110	95
Payments due to the acquisition of consolidated companies and other business units	–6,927	–65,548
Receipts due to the disposal and maturity of other investments	9,508,113	5,185,960
Payments due to the acquisition of other investments	–9,768,426	–5,862,142
Change in investments held on account and at risk of life insurance policyholders	–134,562	0
Cash flow from investing activities	**–401,692**	**–741,635**
Change in investments on own shares	–3,190	–31,608
Dividend payments	–19,164	–18,963
Receipts and payments from other financing activities	126,988	0
Cash flow from financing activities	**104,634**	**–50,571**
Change in cash position	**–35,623**	**22,302**
Effect of exchange rate changes and valuation on cash position		
Cash position at the beginning of the financial year	140,504	118,202
Cash position at the end of the financial year	**104,881**	**140,504**

Segment balance sheet

	Property and casualty		Life	
	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000
ASSETS				
A. Intangible assets	70,046	58,391	70,871	17,394
B. Investments	1,344,461	1,390,618	8,696,175	8,448,565
C. Investments held on account and at risk of life insurance policyholders	0	0	268,860	0
D. Receivables	194,472	149,808	270,747	223,665
E. Liquid funds	44,762	55,668	46,940	62,044
F. Deferred acquisition costs	53,587	36,997	354,567	294,897
G. Deferred tax assets	99,377	81,283	6,179	1,561
H. Other assets	77,572	27,233	3,353	19,733
Total segment assets	**1,884,277**	**1,799,998**	**9,717,691**	**9,067,859**
LIABILITIES				
C. Post-ranking liabilities	0	0	125,000	0
D. Technical provisions (net)	906,688	842,888	8,760,205	8,575,458
E. Technical provisions for life insurance where the investment risk is carried by policyholders	0	0	153,539	0
F. Other provisions	392,886	389,060	45,735	27,852
G. Liabilities	313,504	259,385	214,170	108,420
H. Deferred tax liabilities	134,496	134,810	14,031	19,615
I. Other liabilities	13,496	8,498	88,604	962
Total segment liabilities	**1,761,071**	**1,634,642**	**9,401,283**	**8,732,307**

	Health		Consolidation		Group	
	2002	2001	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
	28	43	0	0	140,945	75,828
	1,445,593	1,407,683	–72,959	–58,876	11,413,269	11,187,988
	0	0	0	0	268,860	0
	57,496	70,370	–115,051	–71,085	407,663	372,759
	13,179	22,793	0	0	104,881	140,504
	195,464	193,741	0	0	603,618	525,635
	1,454	511	0	0	107,010	83,355
	82,896	19,047	–85,907	0	77,914	66,013
	1,796,109	**1,714,187**	**–273,918**	**–129,961**	**13,124,160**	**12,452,082**
	0	0	0	0	125,000	0
	1,515,825	1,451,858	–5	0	11,182,713	10,870,204
	0	0	0	0	153,539	0
	14,873	4,011	–14	–36	453,479	420,887
	56,234	31,284	–186,907	–129,687	397,001	269,402
	39,691	41,419	0	0	188,218	195,844
	302	320	–86,793	0	15,610	9,780
	1,626,925	**1,528,892**	**–273,719**	**–129,723**	**12,515,560**	**11,766,119**
				Group equity and minority interests	608,600	685,964
				Total liabilities	**13,124,160**	**12,452,082**

The amounts indicated have been adjusted for eliminating the amounts resulting from segment internal transactions.

Therefore the balance between segment assets and segment liabilities does not allow conclusions with regard to the segment allocated equity.

Segment profit and loss account

	Property and casualty		Life	
	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000
1. Gross premiums written	1,018,428	872,104	958,604	1,107,423
2. Premiums earned	774,332	678,469	942,759	1,093,559
3. Net investment income	43,104	38,208	336,985	536,267
4. Other income	15,953	26,362	2,991	2,561
5. Insurance benefits	–588,268	–495,178	–1,134,470	–1,433,765
6. Operating expenses	–257,734	–254,802	–117,091	–132,993
7. Other expenses	–27,435	–37,929	–5,475	–3,764
8. Depreciation on goodwill	–4,936	–4,154	–3,412	–366
9. Profit on ordinary activities	–44,983	–49,024	22,288	61,500
10. Taxes on income	12,707	14,949	–7,630	–20,737
11. Net profit for the financial year	–32,276	–34,075	14,657	40,763
12. Year-end results apportionable to minority interests	–1,222	–7,257	–1,805	–3,746

	Health		Consolidation		Group	
	2002	2001	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
	693,516	666,259	–2,149	–1,180	2,668,399	2,644,605
	688,594	662,720	–75	615	2,405,610	2,435,363
	97,179	87,554	–1,352	–2,040	475,917	659,989
	504	626	–209	89	19,238	29,639
	–629,154	–600,698	–8	360	–2,351,899	–2,529,281
	–97,770	–115,884	190	–95	–472,405	–503,773
	–1,335	–1,580	1,410	1,202	–32,834	–42,070
	0	0	0	0	–8,348	–4,520
	58,018	32,738	–44	132	35,279	45,347
	–21,845	–13,241	0	0	–16,768	–19,029
	36,173	19,498	–44	132	18,511	26,317
	–11,888	–2,302	0	0	–14,916	–13,305

Regional structure

	Premiums earned		Net investment income	
	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000
Austria	2,159,315	2,261,800	462,205	647,503
Other Europe	246,295	173,563	13,712	12,487
Italy	83,939	55,800	–378	3,698
Switzerland	34,828	35,336	2,656	3,064
Poland	39,832	20,355	6,079	1,477
The Slovak Republic	26,860	20,665	1,691	1,516
The Czech Republic	54,141	38,094	1,719	2,559
Croatia	6,531	3,313	426	276
Hungary	165	0	1,519	–104
Group total	**2,405,610**	**2,435,363**	**475,917**	**659,989**

	Insurance benefits		Operating expenses		Profit on ordinary activities	
	2002 € '000	2001 € '000	2002 € '000	2001 € '000	2002 € '000	2001 € '000
	–2,153,317	–2,413,762	–397,915	–447,932	45,036	30,224
	–198,582	–115,519	–74,490	–55,841	–9,757	15,123
	–54,630	–33,556	–23,424	–14,457	4,534	10,898
	–32,986	–32,366	–1,802	–2,927	2,660	3,112
	–32,389	–11,694	–15,765	–9,009	–2,997	1,122
	–18,574	–11,611	–7,524	–9,432	5,918	1,112
	–56,896	–24,690	–17,894	–15,330	–17,820	675
	–3,045	–1,602	–6,762	–4,686	–2,154	–1,755
	–61	0	–1,320	0	102	–41
	–2,351,899	**–2,529,281**	**–472,405**	**–503,773**	**35,279**	**45,347**

Notes to the Group financial statements

for the financial year 2002

ACCOUNTING REGULATIONS

For the financial year 2002, as in the previous year, the Group consolidated financial statements and the Group management report were prepared in compliance with the International Accounting Standards (IAS), and not according to the regulations of the Insurance Supervisory Act. It is in accordance with the Insurance Accounting Directive RL 91/674/EWG as well as the 7th EU Directive on the basis of the interpretation of this directive by the Accounting Directives Committee of the European Commission. Its informative quality is equivalent to consolidated financial statements prepared according to the commercial code. In preparing these Group financial statements, all standards for which application was obligatory in this financial year have been applied. The recommendations of the IASB were observed, and therefore recommended standards were applied. To this extent, the previous year's figures have been restated for comparison.

The IAS do not yet include provisions regarding the representation of insurance-specific elements for the annual financial statements. Therefore the provisions of the US American Generally Accepted Accounting Principles (US GAAP) have been applied in line with the IAS framework. For balancing the accounts and evaluation of the insurance-specific entries of the life insurance with profit participation, SFAS 120 was observed; for specific items in the health, property and casualty insurance SFAS 60 and SFAS 113 for reinsurance were applied. For unit-linked life insurance where the investment risk is carried by policyholders SFAS 97 was applied.

CONSOLIDATION

Scope of consolidation

Included in the Group financial statements are – besides the annual financial statement of the UNIQA Versicherungen AG – the financial statements of all subsidiaries at home and abroad. 26 affiliated companies did not form part of the consolidated Group. They were not material, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. Therefore the scope of consolidation contains – in addition to the UNIQA Versicherungen AG – 20 domestic and 12 foreign subsidiaries in which the UNIQA Versicherungen AG has the majority voting rights.

Following the acquisition or the foundation in the reporting period the scope of consolidation was extended by:

		Date of first-time consolidation	Net profit in € million	Goodwill in € million	Amortisation of Goodwill in € million
Agrupacion Funeuropa Biztosito Rt.	Budapest, Hungary	30.09.2002	–1.06	3.97	0.10
UNIQA Human Resources-Services GmbH	1020 Vienna	31.12.2002	0.00	0.00	0.00
UNIQA Leasing GmbH	1020 Vienna	30.09.2002	0.00	0.00	0.00
UNIQA Alternative Investments GmbH	1020 Vienna	30.09.2002	0.00	0.01	0.00
FinanceLife Lebensversicherung AG (previously: MLP-Lebensversicherung Aktiengesellschaft)	1010 Vienna	01.10.2002	0.75	57.12	0.71

With the further acquisition of 50% of the shares, MLP-Lebensversicherung AG was fully consolidated for the first time in the financial year; in the previous year at equity. The associated companies refer to 11 domestic and 1 foreign company consolidated at equity, and there were 7 companies of minor significance, whose shares we showed at acquisition costs.

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

Consolidation principles

Capital consolidation principally follows the acquisition method. The acquisition costs of the shareholding in the subsidiaries are set off against the parent company's share in the revalued equity of the company concerned. For initial consolidation, the situation taken into account was in principle that existing at the moment of the acquisition of the shares in the consolidated subsidiary. To the extent other (non-Group) shareholders hold shares in the subsidiary's equity at the reporting date, these are dealt with under "minority interests". Any positive differences resulting from initial consolidation are split amongst hidden reserves and encumbrances attributable to the assets and liabilities as well as goodwill. The goodwill is capitalised and written off against the anticipated useful economic life.

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

Deviating from the basic principle, the merger of the "AUSTRIA-COLLEGIALITÄT ÖSTERREICHISCHE Versicherung AG" and the "Versicherungsanstalt der österreichischen Bundesländer, Versicherungs Aktiengesellschaft" in 1997 was balanced according to the pooling of interests method. Accordingly, the financial statements of the above-mentioned Group companies were merged without any additional consolidation measures.

Shares in associated companies are as a general rule measured according to the equity method (benchmark treatment) for the interest held by the Group. Any difference amounts are determined in line with the principles for capital consolidation. The updating of the associated companies takes place annually in arrears.

For determining the value of interests in associated companies, we decided not to adjust the line items of the annual financial statements of these companies to the uniform valuation yardsticks applied in the Group.

For debt consolidation, the receivables from group companies are set off against the payables to Group companies. As a rule, any difference amounts have an effect on income. Group internal results from supplies and services are eliminated if they are not of minor significance for giving a true and fair view of the Group's assets, financial position and income. Proceeds and other income from supplies and services within the Group are set off against the corresponding expenditure.

Presentation of balance sheet and income statement

IAS/US GAAP allow a shortened pattern of balance sheet and income statement. Aggregating many individual items into units enhances the informative quality of the financial statements. Supplementary information on these items is included in the Notes to the Consolidated Financial Statements. The technical provisions are stated in net amounts ceded in reinsurance. Likewise, the amounts in the income statement are shown on a net basis.

Currency conversion

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

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

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

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

	Closing date rate	
	2002	2001
Currencies	€ '000	€ '000
Swiss Francs SFR	1.4524	1.4829
Slovak Koruna SKK	41.503	42.7800
Czech Koruna CZK	31.577	31.9620
Hungarian Forint HUF	236.29	245.1800
Croatian Kuna HRK	7.5146	7.1416
Polish Zloty PLN	4.021	3.4953

METHODS OF ACCOUNTING AND MEASUREMENT

Basically the annual financial statements of the companies in Austria and abroad included in the Consolidated Financial Statements were prepared according to the reporting date of the UNIQA Versicherungen AG, 31 December. For recognition in the Consolidated Financial Statements, the annual financial statements of UNIQA Versicherungen AG and of the subsidiaries included, are modified on a uniform basis in conformity with the accounting and measurement principles of IAS and, as far as technical provisions, acquisition costs and technical expenses and income are concerned, according to the provisions of US GAAP.

Intangible assets

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

Goodwill is depreciated over its useful life. In general, this is 10 or 20 years. With regard to life insurance business acquired, the depreciation of the goodwill follows the progression of the estimated gross margins. Negative goodwill is set off against the positive difference amounts resulting from the initial consolidation. The other intangible assets include both purchased and self-developed software which is depreciated on a straight-line basis over its useful economic life of 4 to 10 years.

Land and buildings, including buildings on third-party land

are recognised at their acquisition or construction costs, reduced by the amounts of scheduled and non-scheduled depreciation. The depreciation term corresponds to the useful life, maximised at 50 years.

Shares in affiliated and associated companies

To the extent the annual financial statements of affiliated and associated companies are not consolidated for being of minor significance and/or included "at equity", these companies are recognised at acquisition costs.

Mortgage loans and other loans

These are recognised at amortised costs in the balance sheet. This means that the difference between acquisition costs and the redemption amount changes the carrying amount with an effect on income for the corresponding pro rata term or capital share. The items included under other loans are recognised at their nominal amount, while loans are shown at their nominal amount less any redemptions made in the meantime.

Securities available for sale

are recognised in the financial statements at their market value at the reporting date. Difference amounts between the market value and historical acquisition costs are dealt with under equity with a neutral effect on income, after deductions of the provisions and deferred taxes. There was only depreciation that affected the results (impairment) where we anticipate a lasting fall in value.

Trading portfolios

Derivatives

are used within the limits permitted by the Austrian Insurance Supervisory Act for hedging investments and for increasing earnings.

Structured products

are not split between the underlying transaction and derivative because of their minor significance, but are accounted for as a unity. All the structured products can be found in the "trading" line item of the balance sheet. Unrealised gains and losses are dealt with in the income statement.

Deposits with credit institutions and other investments are recognised at their nominal amounts.

Investments held on account and risk of life insurance policyholders

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

The reinsurers' shares
in the technical provisions are deducted taking into account the reinsurance contracts.

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

Liquid funds
are recognised at their nominal amounts.

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

Other assets
The tangible assets and inventories included under other assets in the balance sheet are recognised at acquisition and production costs, net of depreciation. Tangible assets are written off over their useful life (up to a maximum of 10 years).

Technical provisions

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

Actuarial provision

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

For policies with primarily investment character (e.g. unit-linked life insurance) the regulations in the Statement of Financial Accounting Standards No. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is determined by the allocation of the investment amounts, the development of the assets in the underlying investments and the contractual withdrawals.

In unit-linked insurance policies, where the policyholder carries the sole investment risk with the accompanying possibility that it might lose money, the actuarial provision is listed in the separate debit entry as "Technical provisions for life insurance where the investment risk is carried by policyholders".

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

Provision for outstanding claims

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

Life assurance 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 refund and profit participation

The provision for premium refund includes on the one hand the amounts for profit-related and profit-unrelated participation to which the policyholders are entitled on the basis of statutory or contractual regulations and on the other hand the amount resulting from the valuation of assets and obligations of life insurers deviating from valuation under commercial law. The allocation to the provision for deferred premium refund is 85% of the valuation difference before taxes.

Other technical provisions

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

Technical provisions for life insurance where the investment risk is carried by policyholders

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

Pension and similar provisions

For the performance-orientated old-age provision systems of the UNIQA Group, pension provisions are calculated in accordance with to IAS 19 according to the Projected Unit Credit Method. Future obligations are valued according to actuarial procedures with a conservative assessment of the relevant impacting factors and spread over the whole employment duration of the employees. The calculations are based on current mortality, disability and fluctuation probabilities, expected increases in salaries, pension entitlements and pension payments as well as a realistic technical interest rate. The technical interest rate, which is determined in conformity with the market and on the basis of the reporting date, is in line with the market yield of industrial or government bonds having a high quality on a long-term basis.

Deferred taxes

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

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

Payables and other liabilities are shown at the amounts to be paid.

Value adjustments (impairments)

In principle, the carrying amounts of assets in the balance sheet are checked with regard to possible impairment at least once a year. Securities with an expected lasting decrease in value were depreciated affecting net income. On the basis of a drawn-up schedule, the whole property portfolio will be valued over the next five years by external expert opinion through court-sworn appraisers. If there is a foreseeable durable impairment of assets, their carrying amount is reduced.

Classes of insurance

(direct business and partly accepted reinsurance business)

- Life assurance
- Unit- and index-linked life insurance
- Health insurance
- Accident insurance
- Liability insurance
- Motor TPL insurance
- Marine, aviation and transport insurance
- Legal-expenses insurance
- Fire and business interruption insurance
- Housebreaking, burglary and robbery insurance
- Water damage insurance
- Glass insurance
- Storm insurance
- Household insurance
- Hail insurance
- Livestock insurance
- Machine business interruption insurance
- Transport insurance
- Credit insurance
- Other insurance

MAJOR DIFFERENCES BETWEEN IAS AND AUSTRIAN ACCOUNTING RULES

Classification

The IAS do not provide any mandatory classification scheme. The balance sheet and profit and loss account are therefore presented in an abridged form in accordance with common international practice. Detailed explanations of the individual items are provided in the respective notes to the Group financial statements.

Goodwill

Goodwill is capitalised and depreciated over the expected useful life. According to the Austrian Commercial Code, it was to be set off against the revenue reserve with a neutral effect on income. According to IAS, no setting off against the revenue reserves is permissible for additions after 1 January 1995.

Real property

Land and buildings, including buildings on third-party land, are valued according to IAS 16, and by exercising the respective choice, also according to IAS 40, at amortised cost minus regular depreciation. These are geared towards the actual useful life. In accordance with the Austrian Commercial Code they are influenced by regulations pertaining to tax laws.

Shares in affiliated and associated companies

Basically, affiliated companies that are not consolidated are valued at fair value instead of purchase prices or the lower values.

Related companies, which are subject to the VAG's (Insurance Supervisory Act) consolidation prohibition and for which no provision for an evaluation "at equity" is provided under IAS, are valued at their acquisition costs.

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

Financial assets

According to IAS 39, a different classification system is applicable to financial assets. The main valuation difference which applies to the other securities – available for sale, which account for the majority of financial assets, and the other securities – held for trading is, namely, that these are stated at market value on the balance sheet date. According to the Austrian Commercial Code the acquisition costs constitute the maximum valuation limit.

With regard to the other securities – available for sale, the difference between book value and market value is treated within the shareholders' funds without affecting operating results, whereas in the case of the other securities – held for trading the difference regularly affects income. In contrast, according to the Austrian Commercial Code, also the depreciation, as stipulated by the strict lower-of-cost-or-market-principle because of a temporary reduction in value and the appreciation in value in line with the requirement to reinstate original values, always affects operating results. Expected permanent value reduction, posted as depreciation, affects income in both the IAS and the Austrian Commercial Code (e.g. value adjustment because of worsening debtor credit standing).

Reinsurance

The reinsurer's share in technical provisions is deducted directly from the technical provisions. The statement on the assets side of the balance sheet is also permitted under the IAS.

Acquisition costs

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

Actuarial provisions

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

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

Provision for premium refund and profit participation

Because of the difference in valuation of the assets and liabilities in the area of life assurance, a provision has to be made for deferred profit participation which complies with the national legal or contractually regulated profit sharing and is assessed in favour of the policyholder. The change of the provision for deferred premium refund compensates to a large extent for the revaluation effects in the profit and loss account and thus in the profits for the year.

Claims provisions

Provisions for outstanding claims in the property insurance line are no longer established with the principle of caution and on single-loss basis, but, in line with the US GAAP, on mathematical procedures on the basis of probability of future compliance amounts.

Provision for claims equalisation and major risks

The establishment of a provision for claims equalisation and major risks is not permitted under IAS or US GAAP, as it does not represent any current obligations to third parties at the balance sheet date. Accordingly, transfers or releases do not influence the profits for the year.

Pension commitments

For the calculation of the pension provision, other accounting principles are used for IAS than for the Austrian Commercial Code. These are listed in detail in IAS 19. The respective differences in total lead to a higher valuation than under the Austrian Commercial Code. This is most notably the result of more realistic actuarial assumptions such as, for example, the use of a market-related assumed rate of interest and anticipation of future demographic and economic developments.

Deferred taxes

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

In addition, deferred taxes are to be capitalised from taxable, still unused accumulated losses brought forward according to IAS, as long as they can be used with adequate probability in the future.

The annual financial statements according to IAS are not influenced by tax regulations.

DETAILS ON PERSONNEL

Management Board

Chairman
Konstantin Klien, Vienna

Members
Hannes Bogner, Vienna
Gottfried Wanitschek, St. Margarethen
Andreas Brandstetter, Vienna
Karl Unger, Teesdorf

Supervisory Board

Chairman
Christian Konrad, Vienna

Vice Chairmen
Klaus Braunegg, Vienna (First Vice Chairman)
Walter Rothensteiner, Vienna (Second Vice Chairman)
Heinz Kessler, Haid bei Ansfelden (Third Vice Chairman)
Georg Doppelhofer, Graz (Fourth Vice Chairman)
Ewald Wetscherek, Vienna (Fifth Vice Chairman)

Members

Dietrich Blahut, Vienna

Theodor Detter, Vienna

Konrad Fuchs, Maria Enzersdorf

Fritz Hakl, Innsbruck

Gottfried Holzer, Vienna

Karl Korinek, Vienna

Julius Marhold, Eisenstadt

Johannes M. Martinek, Vienna

Klaus Pekarek, Klagenfurt

Peter Püspök, Perchtoldsdorf

Georg Winckler, Vienna

Liselotte Wolf, Pressbaum

Assigned by the Central Employee Council

Irmin Gundl, Salzburg

Hans Hahnen, Absam

Ferdinand Hammerer, Wolfurt

Helmut Hanzlik, Vienna

Friedrich Katschnig, St. Kanzian

Franz Michael Koller, Graz

Friedrich Lehner, Gunskirchen

Walter Thurner, Vienna

Walter Zwiauer, Vienna

Supplementary information on the consolidated balance sheet 2002
Development of asset items

	Balance sheet values Preceding year € '000	Currency differences € '000	Additions € '000	Unrealised capital gains and losses € '000
A. Intangible assets				
I. Positive goodwill	**68,597**	**0**	**62,061**	**0**
II. Other intangible assets				
Self-developed software	842	0	0	0
Purchased intangible assets	6,388	–44	15,590	0
Total A.	**75,828**	**–44**	**77,651**	**0**
B. I. Land and buildings including buildings on third-party land	**796,208**	**106**	**33,045**	**0**
B. II. Shares in affiliated companies and associated companies				
1. Shares in affiliated companies	36,176	135	96	0
2. Shares in associated companies	94,910	0	7,758	0
Total B. II.	**131,086**	**135**	**7,854**	**0**
B. III. Loans				
1. Debt securities issued by and loans to affiliated companies	20,031	36	0	0
2. Debt securities issued by and loans to participating interests	771	0	0	0
3. Mortgage loans	14,443	32	701	95
4. Loans and advance payments on policies	11,327	0	4,601	0
5. Other loans	883,525	0	63,391	0
Total B. III.	**930,097**	**68**	**68,693**	**95**
B. IV. Other securities				
1. Shares, fund units and other variable-yield securities, including participating interests	1,385,779	5	498,973	–122,430
2. Debt securities and other fixed-interest securities	6,199,141	–4,911	9,071,004	–44,744
Total B. IV. 1–2/Securities – available for sale	**7,584,920**	**–4,906**	**9,569,977**	**–167,174**
3. Trading	795,742	0	221,853	0
Total B. IV.	**8,380,662**	**–4,906**	**9,791,830**	**–167,174**
B. V. Other investments				
1. Cash at banks	906,840	–2,536	0	0
2. Deposits with ceding companies	43,096	14	96,710	0
Total B. V.	**949,935**	**–2,522**	**96,710**	**0**
C. Investments held on account and at risk of life insurance policyholders	**0**	**0**	**512,388**	**–35,897**
Aggregate total	**11,263,816**	**–7,163**	**10,588,172**	**–202,976**

Amortisation € '000	Transfers € '000	Disposals € '000	Write-ups € '000	Depreciation € '000	Balance sheet values Business year € '000
0	**0**	**0**	**0**	**8,348**	**122,310**
0	0	0	0	561	281
0	0	89	0	3,491	18,354
0	**0**	**89**	**0**	**12,401**	**140,945**
0	**5,324**	**17,322**	**0**	**24,116**	**793,244**
0	0	179	0	0	36,229
0	–2,890	749	4,974	1,660	102,343
0	**–2,890**	**927**	**4,974**	**1,660**	**138,572**
0	0	668	0	0	19,398
0	0	130	0	0	641
0	0	2,663	0	0	12,608
0	0	4,760	0	0	11,167
0	0	177,247	0	0	769,670
0	**0**	**185,469**	**0**	**0**	**813,484**
346	154,576	511,181	11,699	38,658	1,379,109
–4,700	–176,602	7,660,232	104	68,787	7,310,274
–4,354	**–22,026**	**8,171,413**	**11,803**	**107,445**	**8,689,383**
2,764	21,979	158,137	0	2,795	881,406
–1,590	**–47**	**8,329,550**	**11,803**	**110,240**	**9,570,789**
0	0	860,992	0	0	43,312
0	0	85,952	0	0	53,867
0	**0**	**946,944**	**0**	**0**	**97,180**
0	**0**	**207,631**	**0**	**0**	**268,860**
–1,590	2,387	9,687,932	16,777	148,417	11,823,074

1

Intangible assets

	Other intangible assets Consolidated total € '000	Positive goodwill Consolidated total € '000
Acquisition value as at 1 Jan. 2002	71,296	111,011
Accumulated depreciation by 1 Jan. 2002	–64,065	–42,414
Book values as at 1 Jan. 2002	**7,231**	**68,597**
Acquisition value as at 31 Dec. 2002	87,992	173,366
Accumulated depreciation by 31 Dec. 2002	–69,358	–51,056
Book value as at 31 Dec. 2002	**18,635**	**122,310**

In addition to goodwill, the intangible assets also included the purchase price for an insurance portfolio taken over, purchased and self-developed data-processing software and licences. The depreciation of the other intangible assets is shown in the profit and loss account after cost allocation. Goodwill amortisation is shown separately.

2

Land and buildings, including buildings on third-party land

	31 Dec. 2002 Consolidated total € '000	31 Dec. 2001 Consolidated total € '000
Book value in the segment of		
Property and casualty insurance	392,017	401,448
Life assurance	217,901	201,101
Health insurance	183,326	193,659
	793,244	**796,208**
Market values in the segment of		
Property and casualty insurance	489,947	458,724
Life assurance	481,984	319,365
Health insurance	260,824	400,218
	1,232,756	**1,178,308**
Acquisition value	1,039,627	1,026,440
Accumulated depreciation	–246,383	–230,233
Book value	**793,244**	**796,208**
The balance sheet value of self-used land and buildings, including buildings on third-party land, was:	121,305	135,930

3

Shares in affiliated companies and companies valued at equity

	31 Dec. 2002 € '000	31 Dec. 2001 € '000
The book value for		
Shares in affiliated companies of minor significance was:	36,229	36,176
Shares in associated companies was:	102,343	94,910

Overview of the scope of consolidation 2002

Company	Type	Registered office	Share in equity in € million	in %
Domestic insurance companies				
UNIQA Versicherungen AG (Group holding company)	full	1020 Vienna		
UNIQA Sachversicherung AG	full	1020 Vienna	62.7	100.0
UNIQA Personenversicherung AG	full	1021 Vienna	280.7	63.4
Salzburger Landes-Versicherung Aktiengesellschaft	full	5020 Salzburg	25.7	100.0
Raiffeisen Versicherung Aktiengesellschaft	full	1020 Vienna	138.8	100.0
CALL DIRECT Versicherung AG	full	1020 Vienna	7.4	100.0
FinanceLife Lebensversicherung AG (previously: MLP-Lebensversicherung Aktiengesellschaft)	full	1020 Vienna	7.2	81.7
SK Versicherung Aktiengesellschaft	equity	1020 Vienna	6.1	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	full	Switzerland, Geneva	49.0	100.0
Austria Assicurazioni S.p.A.	full	Italy, Milan	23.4	100.0
UNIQA poistovna a.s.	full	The Slovak Republic, Bratislava	10.8	99.7
UNIQA pojistovna a.s.	full	The Czech Republic, Prague	10.3	83.3
UNIQA osiguranje d.d.	full	Croatia, Zagreb	2.7	80.0
Friuli-Venezia Giulia Assicurazioni "La Carnica" S.p.A.	full	Italy, Udine	14.4	86.0
UNIQA Towarzystwo Ubezpieczeñ S.A.	full	Poland, Lodz	14.9	99.2
UNIQA Towarzystwo Ubezpieczeñ na Zycie S.A.	full	Poland, Lodz	2.3	99.3
Agrupacion Funeuropa Biztosito Rt.	full	Hungary, Budapest	4.3	100.0
COSALUD, S.A. de Seguros	equity	Spain, Barcelona	8.7	45.0

Overview of the scope of consolidation 2002

Company	Type	Registered office	Share in equity in € million	Share in equity in %
Group domestic service companies				
UNIQA Immobilien-Service GmbH	full	1020 Vienna	0.3	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	full	1060 Vienna	0.2	100.0
VERGES Verwaltung von Versicherungsverträgen für die Abfertigungsvorsorge im Bereich der Wirtschaft Gesellschaft m.b.H.	*)	1020 Vienna		61.8
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	full	1010 Vienna	0.1	100.0
Raiffeisen Versicherungsmakler GmbH	*)	6900 Bregenz		50.0
Risikodienst und Schadensberatung Gesellschaft m.b.H.	*)	1020 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	full	1070 Vienna	1.0	51.0
UNIQA Software-Service GmbH	full	1020 Vienna	1.4	100.0
SYNTEGRA Softwarevertrieb und Beratung G.m.b.H.	full	1020 Vienna	0.1	100.0
UNIQA Küchen-Service GmbH	*)	1020 Vienna		100.0
TA-BE Taxibetriebsgesellschaft m.b.H.	*)	7001 Eisenstadt		100.0
UNIQA Finanz-Service GmbH	full	1020 Vienna	0.1	100.0
UNIQA Alternative Investments GmbH	full	1020 Vienna	0.4	100.0
ÖBW Bildungsmanagement für Wirtschaftsunternehmen GmbH	*)	1030 Vienna		80.0
UNIQA International Versicherungs-Holding GmbH	full	1020 Vienna	101.1	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	full	1020 Vienna	47.2	100.0
Alopex Organisation von Geschäftskontakten GmbH	*)	1010 Vienna		100.0
DCS Data Center Services GmbH	*)	1020 Vienna		40.0
Group foreign service companies				
Syntegra Szolgaltato es Tanacsado KFT	full	Hungary, Budapest	0.3	75.0
Insdata spol s.r.o.	*)	The Slovak Republic, Nitra		96.6
Grand Hotel Bohemia s.r.o.	*)	The Czech Republic, Prague		90.0
Racio s.r.o.	*)	The Czech Republic, Prague		83.3
InsService s.r.o.	*)	The Slovak Republic, Bratislava		99.7

*) Non-consolidated company

Overview of the scope of consolidation 2002

Company	Type	Registered office	Share in equity in € million	in %
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	equity	1010 Vienna	3.8	29.6
MEDICUR-Holding Gesellschaft m.b.H.	equity	1020 Vienna	6.6	25.0
ÖVK Holding	*)	1030 Vienna		25.0
PKB Privatkliniken Beteiligungs-GmbH	equity	1010 Vienna	1.1	50.0
BIBAG Bauindustrie-, Beteiligungs- und Verwaltungs-Aktiengesellschaft	equity	1220 Vienna	149.7	25.0
Humanomed Krankenhaus Management Gesellschaft m.b.H.	equity	1040 Vienna	0.3	44.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	*)	9020 Klagenfurt		34.9
ÖPAG Pensionskassen Aktiengesellschaft	equity	1203 Vienna	14.1	40.1
call us Assistance International GmbH	equity	1090 Vienna	0.5	31.0
EBV Leasing Gesellschaft m.b.H.	equity	1061 Vienna	–0.1	50.0
UNIQA Leasing GmbH	full	1061 Vienna	0.0	100.0
UNIQA Human Resources-Services GmbH	full	1020 Vienna	0.0	100.0
UNIQA Beteiligungs-Holding GmbH	full	1020 Vienna	97.0	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	full	1020 Vienna	7.0	100.0
Allrisk-SCS-Versicherungsdienst Gesellschaft.m.b.H.	equity	2334 Vösendorf-Süd	0.0	37.5
Privatklinik Wehrle Gesellschaft mbH	*)	5020 Salzburg		50.0
Financial and strategic shareholdings abroad				
POLONIA-Zycie Holding sp.z.oo.	full	Poland, Lodz	0.5	100.0
Real-estate companies				
Fundus Praha s.r.o.	*)	The Czech Republic, Prague		63.4
UNIQA Reality s.r.o.	*)	The Czech Republic, Prague		83.3
UNIQA Real s.r.o.	*)	The Slovak Republic, Bratislava		99.7
UNIQA Real II s.r.o.	*)	The Slovak Republic, Bratislava		99.7
Steigengraben-Gut Gesellschaft m.b.H.	*)	1020 Vienna		100.0
Raiffeisen Immobilienholding GmbH	*)	1030 Vienna		24.5
DIANA-BAD Errichtungs- und Betriebs GmbH	equity	1020 Vienna	0.7	33.0
Obertauern Liegenschaftsverwaltungs- Betriebs- und Verwertungsgesellschaft m.b.H.	*)	5020 Salzburg		100.0
Austria Österreichische Hotelbetriebs-Aktiengesellschaft	*)	1010 Vienna		99.5
Austria Österreichische Hotel-Betriebs-Beteiligungs GmbH	*)	1010 Vienna		99.95
"Wohnungseigentum", Tiroler gemeinnützige Wohnbaugesellschaft m.b.H.	*)	6020 Innsbruck		30.8
Bellevue Plaza Bürohaus und Liegenschaftsverwaltungs GmbH	full	Hungary, Budapest	1.4	100.0

*) Non-consolidated company

Note: For fully consolidated companies the value of the equity listed corresponds to the local financial statements, for companies valued at equity to the most recent financial statements.

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Loans

	Acquisition costs 31 Dec. 2002 € '000	Acquisition costs 31 Dec. 2001 € '000
1. Loans to affiliated companies	19,398	20,031
2. Loans to participating interests	641	771
3. Mortgage loans	12,608	14,443
4. Loans and advance payments on policies	11,167	11,327
5. Other loans	769,670	883,525
	813,484	**930,097**

Remaining contractual term	Acquisition costs 31 Dec. 2002 € '000	Acquisition costs 31 Dec. 2001 € '000
up to 1 year	24,067	69,286
of more than 1 year up to 5 years	599,985	457,816
of more than 5 years up to 10 years	108,863	311,465
more than 10 years	80,570	91,530
	813,484	**930,097**

	Market values 31 Dec. 2002 € '000	Market values 31 Dec. 2001 € '000
1. Loans to affiliated companies	19,398	20,031
2. Loans to participating interests	641	771
3. Mortgage loans	12,608	14,443
4. Loans and advance payments on policies	11,167	11,327
5. Other loans	796,167	883,525
	839,982	**930,097**

Remaining contractual term	Market values 31 Dec. 2002 € '000	Market values 31 Dec. 2001 € '000
up to 1 year	24,165	69,286
of more than 1 year up to 5 years	621,612	457,816
of more than 5 years up to 10 years	113,635	311,465
more than 10 years	80,570	91,530
	839,982	**930,097**

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Other securities – available for sale

	Acquisition costs		Unrealised gains/ losses resp. accumulated depreciation		Market values	
	31 Dec. 2002 € '000	31 Dec. 2001 € '000	31 Dec. 2002 € '000	31 Dec. 2001 € '000	31 Dec. 2002 € '000	31 Dec. 2001 € '000
Type of investment						
Shares	136,056	102,461	–24,764	2,419	111,291	104,880
Equity funds	1,419,287	1,202,420	–554,317	–167,399	864,970	1,035,021
Other variable-yield securities	146,412	34,301	–5,925	545	140,486	34,847
Participating interests and other investments	264,251	210,529	–1,890	502	262,361	211,032
Fixed-interest securities and annuity funds	7,444,752	6,198,727	–134,478	414	7,310,274	6,199,141
	9,410,757	**7,748,439**	**–721,374**	**–163,519**	**8,689,383**	**7,584,920**

	Allocation without effect on income recognised		Withdrawal due to disposals in income		Change in unrealised gains/losses	
	31 Dec. 2002 € '000	31 Dec. 2001 € '000	31 Dec. 2002 € '000	31 Dec. 2001 € '000	31 Dec. 2002 € '000	31 Dec. 2001 € '000
Change in equity as of 31 Dec. 2002						
Other securities						
available for sale	–53,825	–23,048	23,998	19,062	–29,827	–3,986

	Acquisition costs		Market values	
	31 Dec. 2002 € '000	31 Dec. 2001 € '000	31 Dec. 2002 € '000	31 Dec. 2001 € '000
Remaining contractual term				
up to 1 year	242,909	195,765	249,810	198,752
of more than 1 year up to 5 years	1,013,485	1,413,485	1,034,656	1,443,809
of more than 5 years up to 10 years	5,057,369	3,641,048	4,876,865	3,585,024
more than 10 years	1,130,989	948,430	1,148,943	971,556
	7,444,752	**6,198,727**	**7,310,274**	**6,199,141**

The remaining contractual terms referred to fixed-interest securities.

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Other securities, trading

Investments in derivatives
including structured products were of minor significance in relation to the total investments of the UNIQA Group. Derivative financial instruments incl. assessments concerning structured products were, in relation to the entire investments of the UNIQA Group, of relatively minor importance. However, it is certainly worth mentioning their contribution to the overall result because the interest yield of structured products is generally high.

Interest derivatives listed on the stock exchange and share-index derivatives were mainly used for duration control and hedge for the cash portfolio. On a smaller scale, derivatives were used to prepare for acquisitions or for synthetic long positions.

The following types of derivatives were found in the trading portfolio: options, futures, swaps (fixed/floating, asset swaps, structured swaps, total return swaps), swaptions, caps and floors, forwards.

The basis point risk of the whole bond portfolio (including funds and derivatives) amounted to € 4.52 million on average in the fourth quarter 2002.

With the structured products in loan format a small purchase was only made in the area of structures with stock risk; at the moment there are no structures with credit risk (credit-linked notes).

Because of the overall positive performance of the structured portfolio (due to the continuing rise on the bond markets) no new swaps were made and thus no additional interest risk built up in the structured portfolio.

However, gains were made in some areas and the currency linked bonds were restructured.

Volumes of structured products	Remaining term		Total	
	1–5 years	more than 5 years	2002	2001
	€ '000	€ '000	€ '000	€ '000
Structures involving an interest risk	114,226	459,270	573,497	512,433
Structures involving a share exposure	117,136	10,452	127,588	105,137
Structures involving a currency risk	0	180,321	180,321	178,172
	231,363	**650,043**	**881,406**	**795,742**

The risks of the structures with interest risks refer to the EUR swap curve and to a lesser extent to the GBP swap curve and EUR interest volatility.

The structures with share exposure represent exclusively reverse convertibles and step-down structures on the Euro STOXX 50, NASDAQ Index and Nikkei 225 Index. In addition, the portfolio contains a product that can be sold as an option based on the DAX that will profit from a fall in realised volatilities.

Volumes of structured swaps	Remaining term 1–5 years €	5–10 years €	more than 10 years €	Total 2002 €
Market values clean:				
Asset swaps	56,235,500	126,708,000	60,859,000	243,802,500
Interest swaps	93,068,562	20,000,000	126,190,500	239,259,062
Interest currency swaps			33,264,000	33,264,000
	149,304,062	**146,708,000**	**220,313,500**	**516,325,562**
Balance of provision:				
Asset swaps	–8,764,500	–3,448,000	542,500	–11,670,000
Interest swaps			–869,600	–869,600
Interest currency swaps			1,236,000	1,236,000
	–8,764,500	**–3,448,000**	**908,900**	**–11,303,600**

The structures with currency risks refer to the exchange rate development of the USD/JPY, EUR/JPY and CHF/EUR.

There was no substantial concentration of default risks. As a general rule, with the exception of hedging transactions, we were in the position of the option seller, whereby our counterpart risks were minimal. In addition, derivatives were only traded with credit institutions and banks with a minimum rating of A3/A- (in accordance with our internal investment guidelines) and on the basis of basic agreements for financial futures trading or ISDA Master Agreements.

There were no positions in raw materials or similar commodity futures or spot transactions.

The market risk of the individual portfolios as well as of the total portfolio is calculated on the basis of the internationally applied “value at risk” method (20 days, 95% confidence interval, Monte Carlo simulation, stress tests).

For an efficient risk surveillance, adequate valuation tools – in accordance to the complexity of the assessed instruments – are deployed. “KMV” is used as the risk controlling instrument for credit risk assessment so that the failure probability of debtors can be promptly assessed using this quantitative approach.

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Other investments

	31 Dec. 2002 € '000	31 Dec. 2001 € '000
The other investments included:		
deposits with credit institutions	43,312	906,840
deposits with ceding companies	53,867	43,096
	97,180	**949,935**

8

Receivables

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
I. Receivables under insurance business		
1. from policyholders	85,542	83,107
2. from intermediaries	11,412	16,085
3. from insurance companies	6,624	6,054
4. accounts receivable under reinsurance operations	48,562	40,255
	152,140	**145,500**
II. Other receivables		
Accrued interest and rent	181,420	176,346
Tax refund claims	17,664	13,252
Receivables due from employees	3,809	4,661
Other receivables	52,630	32,999
	255,524	**227,259**
Total receivables	**407,663**	**372,759**
of which receivables with a remaining term of		
up to 1 year	403,299	368,518
more than 1 year	4,364	4,241
	407,663	**372,759**

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Deferred acquisition costs

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Property and casualty insurance		
As at 1 Jan.	36,997	26,809
Changes due to extension of the consolidation scope	641	0
Amount capitalised	29,587	29,766
Interest charge	0	0
Write-off	–13,637	–19,579
As at 31 Dec.	**53,587**	**36,997**
Life assurance		
As at 1 Jan.	294,897	254,181
Amount capitalised	95,833	82,278
Interest charge	10,037	9,433
Write-off	–46,199	–50,994
As at 31 Dec.	**354,567**	**294,897**
Health insurance		
As at 1 Jan.	193,741	205,389
Amount capitalised	12,467	7,795
Interest charge	8,569	10,688
Write-off	–19,314	–30,131
As at 31 Dec.	**195,464**	**193,741**
In the consolidated financial statements		
As at 1 Jan.	525,635	486,379
Changes due to extension of the consolidation scope	641	0
Amount capitalised	137,887	119,839
Interest charge	18,606	20,121
Write-off	–79,151	–100,704
As at 31 Dec.	**603,618**	**525,635**

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Deferred tax asset

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Cause of origin		
Technical items	9,451	9,352
Social capital	27,856	27,258
Investments	9,332	0
Other	60,371	46,745
	107,010	**83,355**
Of which without effect on income	26,763	0

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Other assets

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Tangible assets	27,836	34,504
Inventories	10,117	4,033
Other	15,553	11,498
Accruals	24,408	15,978
	77,914	**66,013**

Tangible assets, development during the financial year

	Total consolidated € '000
Acquisition values as at 31 Dec. 2001	80,621
Accumulated depreciation up to 31 Dec. 2001	–46,118
Book values as at 31 Dec. 2001	**34,504**
Changes due to foreign currency translations	–58
Additions	9,330
Disposals	–5,862
Depreciation	–10,078
Book values as at 31 Dec. 2002	**27,836**
Accumulated depreciation up to 31 Dec. 2002	**53,937**
Acquisition values as at 31 Dec. 2002	**81,773**

The tangible assets refer mainly to furniture and equipment. A useful life of between 4 and 10 years was taken for their depreciation. The amounts of depreciation were reported in the profit and loss account after allocation of operating expenses.

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Group equity

	Subscribed capital and capital reserves € '000	Revaluation reserves € '000	Revenue reserves € '000	Profit brought forward and net profit for the year € '000	Equity € '000
Situation as at 31 Dec. 2001	**199,202**	**4,566**	**332,697**	**19,226**	**555,691**
Changes for:					
Foreign currency translation			103		103
Change in consolidation scope			2,457	–2,097	360
Dividends to shareholders				–19,164	–19,164
Own shares			–3,190		–3,190
Unrealised capital gains and losses		–29,827			–29,827
Net profit for the year				3,595	3,595
Changes in revenue reserves			–9,674	11,663	1,988
Changes in capital reserves	–5,964			5,964	
Other				–12	–12
Situation as at 31 Dec. 2002	**193,238**	**–25,261**	**322,392**	**19,174**	**509,544**

The subscribed capital corresponded to the share capital of the UNIQA Versicherungen AG. The profit carried forward contains the retained earnings of the Group companies included in the Group financial statements and the allocation of the consolidated net profit for the year. The difference amounts resulting from initial consolidation before 1 January 1995, were set off against the profit carried forward. Unrealised capital gains and losses from the revaluation of investments available for sale affected the revaluation reserves.

In addition to the subscribed capital, the UNIQA Versicherungen AG has at its disposal an approved capital to the value of € 50 million. The Management Board of the UNIQA Versicherungen AG was authorised by resolution at the Annual General Meeting of 20 June 2000 to increase the share capital with approval of the Supervisory Board up to and including 30 June 2005.

Moreover the Management Board was authorised at the Annual General Meeting of 20 June 2000 to purchase own shares according to § 65 Paragraph 1, Item 9 and Paragraph 1 a of the Stock Corporation Act on approval of the Supervisory Board. Up to 31 December 2002 5,271,266 own shares were purchased. The book value amounted to € 34.798 million (31 Dec. 2001 € 31.608 million).

In the code number "profit per share," the Group net profit is set against the average number of ordinary shares in circulation. Since 2000, as a result of the share split in the ratio of 1:8 and the conversion of the share capital to individual shares, the profit is shown per individual share.

Earnings per share	2002	2001
Group net profit (in thousand €)	3,595	13,013
of which shares (in thousand €)	3,595	13,013
Own shares as of 31 Dec. 2002	5,271,266	5,157,187
Average number of shares in circulation	114,563,582	117,199,215
Profit per share (in €)	0.03	0.11
Profit before taxes per share (in €)	0.17	0.27
Adjusted for the goodwill amortisation, the profit per share amounts to (in €)	0.10	0.15

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Minority interests

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
in the revaluation reserve	–7,038	631
in the net income for the year	14,916	13,305
in the other equity	91,179	116,337
	99,057	**130,273**

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Post-ranking liabilities

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Supplementary capital	125,000	0

In December 2002 the Raiffeisen Versicherung AG issued partial debentures with a face value of € 125,000,000 for deposited supplementary capital according to article 73 c paragraph 2 of the Austrian Insurance Supervisory Act. The partial debentures are valid for an unlimited time period, an ordinary or extraordinary notice of redemption to the issuer is not possible for at least 5 years. Subject to coverage in the annual net profit before the issuer's movements in reserves, the interest to December 2012 will be 5.7% plus a bonus interest payment depending on sales profitability of between 0.2% and 0.4%.

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Unearned premiums

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Property and casualty insurance		
Gross	197,098	171,797
Reinsurers' share	–39,707	–18,986
	157,391	**152,811**
Health insurance		
Gross	13,594	15,027
Reinsurers' share	9	–362
	13,603	**14,665**
In the consolidated financial statements		
Gross	210,692	186,824
Reinsurers' share	–39,698	–19,349
(fully consolidated figures)	**170,994**	**167,476**

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Actuarial provision

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Property and casualty insurance		
Gross	0	934
Reinsurers' share	0	–210
	0	**724**
Life assurance		
Gross	8,500,954	8,001,072
Reinsurers' share	–45,324	–42,798
	8,455,630	**7,958,274**
Health insurance		
Gross	1,328,029	1,261,135
Reinsurers' share	–1,641	–1,749
	1,326,388	**1,259,387**
In the consolidated financial statements		
Gross	9,828,983	9,263,141
Reinsurers' share	–46,965	–44,756
(fully consolidated figures)	**9,782,018**	**9,218,385**

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

for **according to**	**Life assurance SFAS 120** %	**Health insurance SFAS 60** %
2002		
for the actuarial provision	2.3–4.0	4.5
for the deferred acquisition costs	2.8–3.7	4.5
2001		
for the actuarial provision	2.3–4.0	5.5
for the deferred acquisition costs	5.6–5.8	5.5

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Provision for outstanding claims

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Property and casualty insurance		
Gross	951,444	876,524
Reinsurers' share	–229,776	–199,689
	721,668	**676,835**
Life assurance		
Gross	74,256	100,148
Reinsurers' share	–6,144	–6,469
	68,111	**93,678**
Health insurance		
Gross	116,631	114,950
Reinsurers' share	–48	–206
	116,583	**114,744**
In the consolidated financial statements		
Gross	1,142,330	1,091,622
Reinsurers' share	–235,968	–206,365
(fully consolidated figures)	**906,362**	**885,257**

The provision for outstanding claims (loss reserve) developed in the property and casualty insurance as follows:

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
1. Provision for outstanding claims, as at 1 Jan.		
a. Gross	876,524	805,367
b. Reinsurers' share	–199,689	–170,313
c. Retention	676,835	635,053
2. Plus retained claims expenditures		
a. Losses of the current year	704,084	592,242
b. Losses of the previous year	–27,200	–18,474
c. Total	**676,884**	**573,768**
3. Less retained losses paid		
a. Losses of the current year	–450,214	–360,180
b. Losses of the previous year	–179,424	–196,603
c. Total	**–629,638**	**–556,783**
4. Foreign currency translation	**–2,708**	**599**
5. Change in consolidation scope	**31**	**23,707**
6. Other changes	**265**	**490**
7. Provision for outstanding claims, as at 31 Dec.		
a. Gross	951,444	876,524
b. Reinsurers' share	–229,776	–199,689
c. Retention	721,668	676,835

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Provision for premium refunds

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Property and casualty insurance		
Gross	2,152	2,162
Reinsurers' share	–28	–27
	2,123	**2,134**
Life assurance		
Gross	235,412	522,446
Reinsurers' share	–100	–100
	235,312	**522,346**
Health insurance		
Gross	53,724	58,234
Reinsurers' share	0	0
	53,724	**58,234**
In the consolidated financial statements		
Gross	291,287	582,841
Reinsurers' share	–128	–127
(fully consolidated figures)	**291,159**	**582,714**
of which profit-unrelated	10,961	11,367
of which profit-related	280,198	571,347

Gross	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
a) Provision for profit-unrelated premium refunds	10,989	11,394
profit-related premium refunds and policyholder profit participation	214,680	365,431
b) deferred profit participation	65,618	206,016
	291,287	**582,841**

Gross	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1 Jan.	376,825	377,968
Changes for:		
Other changes:	–151,156	–1,143
As at 31 Dec.	**225,669**	**376,825**
b) Deferred profit participation		
As at 1 Jan.	206,016	188,329
Changes for:		
Market value fluctuations	–184,469	–85,146
Revaluation with an effect on income	44,071	102,833
As at 31 Dec.	**65,618**	**206,016**

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Technical provisions for life insurance where the investment risk is carried by policyholders

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Gross	268,860	0
Reinsurers' share	–115,321	0
	153,539	**0**

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Provisions for pensions and similar commitments

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Provision for pensions	219,592	211,482
Provision for severance payments	89,531	85,495
	309,123	**296,977**

The different pension commitments have been transferred to UNIQA Versicherungen AG within the context of earlier restructuring steps. These commitments have been allowed for by creating provisions for pensions, also taking into account the decisive future claims development to beneficiaries the capitalised present value of which corresponds to the expected rate of interest.

	2002 Total consolidated € '000
As at 1 Jan.	**296,977**
Change in consolidation scope	27
Withdrawal for pension payments	–16,459
Expenditure of the business year	28,578
As at 31 Dec.	**309,123**

Calculation factors applied	
Technical rate of interest	5.75%
Valorisation of earnings	3.00%
Valorisation of pensions	2.00%
Employee turnover deduction	0% resp. age dependant
Accounting principles	AVÖ 1999P – Pagler & Pagler/employee

Specification of pension expenditure included in the income statement	2002 Total consolidated € '000
Current service cost	9,077
Interest cost	17,048
Amortisation of profits/losses	2,453
Income/expenses of plan curtailments or settlements	0
	28,578

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Other provisions

	Balance sheet values preceding year € '000	Currency translation changes € '000	Amounts used € '000	Amounts wound up € '000	Amounts allocated € '000	Balance sheet values business year € '000
Provision for holiday entitlements	22,994	5	–114	–271	563	23,177
Provisions for anniversary payments	13,776	0	0	–180	16	13,612
Other personnel provisions	6,121	4	–1,284	–1,970	2,629	5,500
Provision for derivative transactions	6,708	0	0	–3,076	24,952	28,584
Provisions for customer relations and marketing	19,257	0	–10,179	–3,815	13,916	19,179
Other provisions	8,969	36	–5,883	–5,035	11,217	9,304
Provisions for compensation of the victims of the Nazi era	5,373	0	0	0	118	5,492
Provision for variable components of remuneration	872	0	–612	–260	3,156	3,156
Provision for legal and consulting expenses	2,278	0	–1,081	–90	1,831	2,938
Provision for premium adjustment from reinsurance contracts	1,394	0	0	0	1,370	2,765
Provision for portfolio maintenance commission	0	0	0	0	1,306	1,306
Provision for outstanding incoming invoices from the real estate area	1,800	0	–1,012	–567	1,012	1,233
	89,543	**44**	**–20,165**	**–15,265**	**62,088**	**116,246**

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Liabilities

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Liabilities under insurance business		
Deposits held under reinsurance business ceded	200,064	70,453
Liabilities under direct insurance business		
- to policyholders	63,190	73,428
- to intermediaries	47,895	47,701
- to insurance companies	4,416	5,056
Accounts payable under reinsurance business	17,107	10,459
Liabilities to credit institutions	0	1,388
Other liabilities	64,328	60,918
of which for taxes	28,193	28,040
of which for social security	5,998	6,167
	397,001	**269,402**
of which with a remaining term of		
up to 1 year	256,785	247,297
1–5 years	24,850	22,060
more than 5 years	115,366	46
	397,001	**269,402**

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Deferred tax liabilities

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Cause of origin		
Technical items	99,087	84,779
Untaxed reserves	48,026	49,527
Shares in affiliated companies	39,019	39,019
Investments	0	20,196
Other	2,087	2,324
	188,218	**195,844**
of which without effect on income	0	893

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Other liabilities

	31 Dec. 2002 Total consolidated € '000	31 Dec. 2001 Total consolidated € '000
Deferred income	15,610	9,780

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

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Supplementary information on the consolidated profit and loss account 2002

Premiums written

Direct business	2002 Total consolidated € '000	2001 Total consolidated € '000
1. Property and casualty insurance	978,164	832,474
2. Life assurance	936,905	1,086,519
3. Health insurance	689,236	663,225
	2,604,304	**2,582,218**
of which written in:		
1. Austria	2,299,401	2,363,214
2. Other member states of the EC and other signatory states of the Treaty on the European Economic Area	90,242	71,196
3. Other countries	214,661	147,808
	2,604,304	**2,582,218**

Indirect business	2002 Total consolidated € '000	2001 Total consolidated € '000
1. Property and casualty insurance	38,702	38,737
2. Life assurance	21,112	20,616
3. Health insurance	4,280	3,034
	64,095	**62,387**

	2002 Total consolidated € '000	2001 Total consolidated € '000
Total (fully consolidated figures)	**2,668,399**	**2,644,605**

Premiums written Property and casualty insurance	2002 Total consolidated € '000	2001 Total consolidated € '000
Direct business		
Fire and business-interruption insurance	80,802	71,731
Household insurance	60,198	55,421
Other property insurance	101,843	91,121
Motor TPL insurance	287,355	232,155
Other motor insurance	157,587	130,084
Accident insurance	128,220	118,644
Liability insurance	99,159	86,270
Legal expenses insurance	16,572	12,043
Marine, aviation and transport insurance	25,399	16,503
Other insurance	21,027	18,500
Total	**978,164**	**832,474**
Indirect business		
Marine, aviation and transport insurance	2,184	1,462
Other insurance	36,519	37,275
Total	**38,702**	**38,737**
Total direct and indirect business (fully consolidated figures)	**1,016,866**	**871,211**

Reinsurance premiums ceded	2002 Total consolidated € '000	2001 Total consolidated € '000
1. Property and casualty insurance	225,098	186,301
2. Life assurance	17,767	14,551
3. Health insurance	180	1,225
	243,045	**202,078**

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Premiums earned (net)

	2002 Total consolidated € '000	2001 Total consolidated € '000
1. Property and casualty insurance	**773,016**	**679,087**
Gross	989,286	864,712
Reinsurers' share	–216,270	–185,625
2. Life assurance	**942,684**	**1,093,045**
Gross	957,535	1,107,596
Reinsurers' share	–14,851	–14,551
3. Health insurance	**689,910**	**663,231**
Gross	690,117	664,469
Reinsurers' share	–208	–1,238
(fully consolidated figures)	**2,405,610**	**2,435,363**

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Other income

	2002 Total consolidated € '000	2001 Total consolidated € '000
a) Other technical income	**4,119**	**7,156**
Property and casualty insurance	3,107	5,157
Life assurance	726	1,638
Health insurance	286	361
b) Other non-technical income	**9,372**	**4,888**
Property and casualty insurance	7,062	3,202
Life assurance	2,093	1,421
Health insurance	218	265
of which		
Services rendered	3,228	2,011
Changes in exchange rates	2,519	162
Other	3,626	2,716
c) Other income	**5,747**	**17,595**
- from currency translation	4,612	13,525
- from other	1,135	4,070
(fully consolidated figures)	**19,238**	**29,639**

28 Net investment income

	Property and casualty		Life	
	2002 € '000	2001 € '000	2002 € '000	2001 € '000
I. Land and buildings, including buildings on third-party land	**12,731**	**12,626**	**6,874**	**4,341**
II. Shares in affiliated and associated companies	**7,689**	**6,451**	**0**	**23**
III. Loans	**5,571**	**16,397**	**31,809**	**163,220**
IV. Other securities				
1. Held to maturity	0	0	0	0
2. Available for sale				
a) variable-yield	–3,508	–13,213	–184,509	–50,975
b) fixed-interest	32,289	20,378	457,398	318,190
3. Trading	–1,489	1,491	29,266	86,509
V. Other investments	**2,918**	**6,710**	**3,490**	**16,802**
VI. Expenditure for the management of investments, interest expenditure and other investment expenditure	**–9,498**	**–8,375**	**–12,500**	**–7,635**
(fully consolidated figures)	**46,703**	**42,464**	**331,828**	**530,474**

	In the consolidated financial statements	
	2002 € '000	2001 € '000
Income from associated companies	**7,021**	**5,784**

	Health		In the consolidated financial statements	
	2002 € '000	2001 € '000	2002 € '000	2001 € '000
	7,055	**6,158**	**26,659**	**23,125**
	149	**–560**	**7,838**	**5,914**
	13,630	**49,143**	**51,010**	**228,760**
	0	0	0	0
	8,996	–7,688	–179,021	–71,876
	63,028	33,846	552,716	372,413
	3,903	3,148	31,680	91,147
	1,007	**2,290**	**7,416**	**25,802**
	–382	**715**	**–22,380**	**–15,295**
	97,386	**87,052**	**475,917**	**659,989**

	Ordinary income		Write-ups and unrealised capital gains	
	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000
I. Land and buildings, including buildings on third-party land	**48,673**	**42,865**	**0**	**1,831**
II. Shares in affiliated and associated companies	**9,567**	**7,080**	**0**	**0**
III. Loans	**51,010**	**137,944**	**0**	**0**
IV. Other securities				
1. Held to maturity	0	0	0	0
2. Available for sale				
a) variable-yield	32,331	59,222	11,700	0
b) fixed-interest	458,911	333,415	569	64
3. Trading	26,948	75,376	0	8,563
V. Other investments	**7,595**	**24,955**	**–180**	**0**
VI. Expenditure for the management of investments, interest expenditure and other investment expenditure	**–22,380**	**–15,295**	**0**	**0**
(fully consolidated figures)	**612,654**	**665,561**	**12,089**	**10,459**

	Realised capital gains		Depreciation and unrealised capital losses		Realised capital losses		In the consolidated financial statements	
	2002	2001	2002	2001	2002	2001	2002	2001
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
	2,674	**2,321**	**–24,477**	**–22,067**	**–210**	**–1,825**	**26,659**	**23,125**
	110	**95**	**–1,660**	**–1,261**	**–179**	**0**	**7,838**	**5,914**
	0	**96,540**	**0**	**–5,724**	**0**	**0**	**51,010**	**228,760**
	0	0	0	0	0	0	0	0
	26,977	13,132	–37,264	–82,534	–212,764	–61,696	–179,021	–71,876
	250,425	41,219	–69,333	–546	–87,857	–1,739	552,716	372,413
	9,340	7,218	–4,492	0	–115	–9	31,680	91,147
	0	**933**	**0**	**–87**	**0**	**0**	**7,416**	**25,802**
	0	**0**	**0**	**0**	**0**	**0**	**–22,380**	**–15,295**
	289,525	**161,458**	**–137,227**	**–112,219**	**–301,125**	**–65,269**	**475,917**	**659,989**

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Insurance benefits

	Gross 2002	Reinsurers' share 2002	Net 2002	Gross 2001	Reinsurers' share 2001	Net 2001
	€ '000	€ '000	€ '000	€ '000	€ '000	€ '000
Property and casualty insurance						
Expenditure for claims						
- claims paid	696,339	–156,059	540,280	610,171	–129,882	480,289
- change in the provision for outstanding claims	83,310	–36,924	46,386	27,128	–10,692	16,436
Total	**779,649**	**–192,984**	**586,666**	**637,299**	**–140,574**	**496,725**
Change in the other technical provisions	–372	–382	–753	–4,360	293	–4,067
Expenditure for profit-unrelated and related premium refunds	1,869	–181	1,689	2,279	–290	1,990
Total amount of benefits	**781,147**	**–193,546**	**587,601**	**635,219**	**–140,571**	**494,647**
Life assurance						
Expenditure for claims						
- claims paid	719,234	–7,365	711,869	724,447	–4,617	719,829
- change of the provision for outstanding claims	–25,659	304	–25,356	19,415	–945	18,470
Total	**693,575**	**–7,061**	**686,513**	**743,861**	**–5,562**	**738,300**
Change in the actuarial provision	325,818	923	326,741	412,118	–8,309	403,809
Change in the other technical provisions	–41	0	–41	145	0	145
Expenditure for profit-unrelated and related premium refunds, and/or deferred profit participation	121,260	0	121,260	291,320	0	291,320
Total benefits amount	**1,140,612**	**–6,139**	**1,134,473**	**1,447,444**	**–13,871**	**1,433,573**
Health insurance						
Expenditure for claims						
- claims paid	545,011	–613	544,398	539,115	–358	538,756
- change in the provision for outstanding claims	2,658	14	2,671	84	51	136
Total	**547,669**	**–600**	**547,069**	**539,199**	**–307**	**538,892**
Change in the actuarial provision	66,894	108	67,001	39,993	0	39,993
Change in the other technical provisions	1,325	–10	1,315	884	–8	875
Expenditure for profit-related and unrelated premium refunds	14,939	0	14,439	21,301	–2	21,300
Total benefits amount	**630,327**	**–502**	**629,824**	**601,377**	**–317**	**601,060**
(fully consolidated figures)	**2,552,086**	**–200,187**	**2,351,899**	**2,684,040**	**–154,759**	**2,529,281**

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Operating expenses

	2002 Total consolidated € '000	2001 Total consolidated € '000
Property and casualty insurance		
a) Acquisition costs		
- Payments	213,080	195,678
- Change in deferred acquisition costs	–16,078	–5,080
b) Other operating expenses	111,529	115,944
c) less		
reinsurance commission and profit shares received from reinsurance business ceded	51,794	52,182
	256,738	**254,360**
Life assurance		
a) Acquisition costs		
- Payments	132,030	122,923
- Change in deferred acquisition costs	–59,904	–40,569
b) Other operating expenses	45,840	50,407
c) less		
reinsurance commission and profit shares received from reinsurance business ceded	590	–636
	117,375	**133,398**
Health insurance		
a) Acquisition costs		
- Payments	63,778	58,195
- Change in deferred acquisition costs	–1,141	11,622
b) Other operating expenses	35,650	46,668
c) less		
reinsurance commission and profit shares received from reinsurance business ceded	–7	470
	98,293	**116,015**
(fully consolidated figures)	**472,405**	**503,773**

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Other expenses

	2002 Total consolidated € '000	2001 Total consolidated € '000
a) Other technical expenses	**18,344**	**15,950**
Property and casualty insurance	13,508	11,649
Life assurance	3,846	2,950
Health insurance	990	1,351
b) Other non-technical expenses	**9,079**	**8,189**
Property and casualty insurance	8,504	7,939
Life assurance	230	27
Health insurance	345	223
of which		
Services rendered	1,184	0
Exchange rate losses	1,486	1,128
Motor vehicle registration	4,749	4,861
Other	1,660	2,200
c) Other expenses	**5,411**	**17,931**
- for foreign-exchange translation	5,411	14,008
- for other	0	3,923
(fully consolidated figures)	**32,834**	**42,070**

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Tax expenditure

	2002 Total consolidated € '000	2001 Total consolidated € '000
Income tax		
- Actual tax	20,901	33,228
- Deferred tax	–4,133	–14,199
(fully consolidated figures)	**16,768**	**19,029**

Reconciliation statement	2002 Total consolidated € '000	2001 Total consolidated € '000
A. Profit on ordinary activities	**35,279**	**45,347**
B. Anticipated tax expenditure (A*Group tax rate)	**14,536**	**22,343**
Corrected for tax effects for		
1) tax-free income from investments	–2,999	–2,523
2) Other	5,232	-790
- non-deductible expenses/other tax-exempt income	1,553	–1,398
- change of tax rates	1,324	0
- loss of loss carry forward	1,328	0
- other	1,027	607
C. Income tax expenditure	**16,768**	**19,029**

The basic applicable corporate income tax rate was 34%. For life assurance, the implications of the minimum taxation were considered at a tax rate of 45.4% under the assumption of a profit participation to the amount of 85%.

OTHER DISCLOSURES

Employees

Personnel expenses	2002 Total consolidated € '000	2001 Total consolidated € '000
Salaries and wages	185,675	180,449
Expenses for severance payments	11,677	18,390
Expenses for employee pensions	17,455	15,457
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	58,771	59,934
Other social expenditure	1,651	1,564
	275,229	**275,793**
of which sales	111,500	101,928
of which administration	154,204	163,281

Average number of employees	2002	2001
Total	6,565	6,718
of which sales	3,118	3,066
of which administration	3,447	3,652

	2002 € '000	2001 € '000
Of the expenses for severance payments and employee pensions the following amounts went to severance payments and employee pensions for		
- members of the Management Board and executive employees in accordance with § 80 Paragraph 1 of the Stock Corporation Law	4,386	4,872
- other employees	24,746	28,976

Both figures include the expenditure for pensioners and surviving dependants (basis: Commercial Code – valuation).

Earnings of the Management and Supervisory Board

The members of the Management Board receive payment exclusively from the holding company of the Group, UNIQA Versicherungen AG.

	2002 € '000	2001 € '000
The Management Board members' remuneration amounted to:	1,699	2,355
Of this the following amounts were charged to the operating companies:	1,611	2,234
The remuneration of the members of the Supervisory Board amounted to:	328	331
Former members of the Supervisory Board did not receive any remuneration		
Former members of the Management Board and their surviving dependants were paid:	2,690	2,560
Because of pension commitments to these persons, the following provision was set up on 31 Dec. 2002:	26,887	24,603

Group holding company

The parent company of the UNIQA Group is the UNIQA Versicherungen AG. It is registered under the company number FN 92933 t in the Company Register of the Vienna Commercial Court. In addition to its function as a holding company for the Group, it also serves as the Group's reinsurer.

Related companies

Receivables and liabilities with affiliated and associated companies	2002 Total consolidated € '000	2001 Total consolidated € '000
B. III. Mortgage loans and other loans	**5,898**	**5,990**
D. Receivables		
Receivables under insurance business	37	0
Other receivables	8,498	4,876
G. Liabilities		
Liabilities under insurance business	472	7
Other liabilities	3,200	6,463

Other financial commitments and contingent liabilities

	2002 € '000	2001 € '000
The contingent liabilities amounted to	358	1,125

Profit and loss transfer agreements exist with the following companies:
UNIQA Sachversicherung AG, Raiffeisen Versicherung AG, CALL DIRECT Versicherung AG, Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H., Versicherungsmarkt-Servicegesellschaft m.b.H., UNIQA Küchen-Service GmbH, UNIQA Finanz-Service GmbH. There is also an agreement to cover losses of the UNIQA Alternative Investments GmbH.

Vienna, March 2003

The Management Board

Konstantin Klien

Hannes Bogner

Gottfried Wanitschek

Andreas Brandstetter

Karl Unger

Auditor's opinion

We have audited the German version of the attached Group Consolidated Financial Statements of the UNIQA Versicherungen AG and its subsidiaries for the financial year ending 31 December 2002. The company's Management Board is responsible for establishing the Group Consolidated Financial Statements. It is our task to give an opinion on the Group Consolidated Financial Statements on the basis of our audit.

Our audit was carried out according to the International Standards on Auditing. These standards require the audit to be planned and executed to allow a judgement to be made with reasonable assurance as to whether the Consolidated Financial statements are free from any fundamental false statements. The audit includes spot checks to verify the valuations and disclosures contained in the Consolidated Financial Statements. It also contains an evaluation of the applied accounting rules and the major estimates by Group Management as well as an appreciation of the overall presentation of the Group Consolidated Financial Statements. We believe that our audit provides a sufficiently certain basis for our audit opinion.

We are convinced that the Group Consolidated Accounts give a true and fair view of the assets and financial position of the Group as at 31 December 2002 as well as of the earnings position and cash flows in the year under review and that they comply with the requirements of the International Accounting Standards (IAS), of the International Accounting Standards Board.

We confirm that the statutory requirements for exemption from the prerequisite of preparing Group Consolidated Financial Statements and a Group Management Report according to Austrian law were met and that the Group Management Report is in keeping with the Group Consolidated Financial Statements.

Vienna, 4 April 2003

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Walter Knirsch
Austrian Chartered Accountant
and Tax Consultant

Michael Schlenk
Austrian Chartered Accountant
and Tax Consultant

Deloitte & Touche GmbH
Wirtschaftsprüfungs- und
Steuerberatungsgesellschaft

Nikolaus Schaffer
Austrian Chartered Accountant
and Tax Consultant

Bernhard Gröhs
Austrian Chartered Accountant
and Tax Consultant

Report by the Supervisory Board

During the past financial year, the Supervisory Board was continually kept informed of the business development and the situation of the Group and the company by the Management Board, and supervised the conduct of business of the Management Board. At the four Supervisory Board meetings held in 2002 the Management Board presented extensive quarterly reports, as well as additional verbal and written reports, to the Supervisory Board.

To facilitate the work of the Supervisory Board, and to improve its efficiency, the following committees (Working Committee, Investment Committee, Staff Committee) were set up in addition to the mandatory Financial Audit Committee. The Management Board provided comprehensive information about measures requiring the approval of the Supervisory Board or its committees.

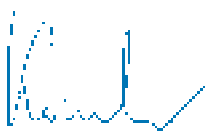
The Financial Statements 2002 prepared by the Management Board and the Annual Report of the UNIQA Versicherungen AG, as well as the Group's Financial Statements and the Group Management Report 2002, were prepared according to the International Accounting Standards (IAS and/or US GAAP), audited by KPMG Alpen-Treuhand GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and Deloitte & Touche GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and awarded an unqualified audit opinion. The Supervisory Board acknowledged and approved the auditing results and agreed to the Group's Financial Statements and the Group's Annual Report.

The Supervisory Board approved the Financial Statements of UNIQA Versicherungen AG and agreed to the Annual Report. The Financial Statements 2002 were thereby adopted in accordance to § 125 of the Stock Corporation Law. The Supervisory Board also agreed to the Group's Financial Statements and the Group Management Report.

The proposed appropriation of earnings submitted by the Management Board to the Supervisory Board was examined and approved by the Supervisory Board. On this basis, a dividend distribution of 16 cents per share will be proposed at the Shareholder's Meeting on 19 May 2003.

The Supervisory Board thanks the Management Board and all staff members for their commitment and their excellent work.

Vienna, April 2003
On behalf of the Supervisory Board



Christian Konrad

Glossary

Actuarial provisions

Provision at the amount of the existing obligation to pay insurance claims and premium refunds, mainly in life and health insurance. The provision is calculated in line with actuarial methods as the balance of the cash value of future obligations less the cash value of future premiums.

Affiliated companies

Affiliated companies are the parent and its subsidiaries. Subsidiaries are companies in which the parent may exercise a controlling influence on business policy. This is the case, for instance, if the parent directly or indirectly holds more than half of the voting rights, if control agreements have been concluded or if the parent is in a position to nominate the majority of the members of the Management Board or of other controlling bodies of the subsidiary.

Amortised acquisition costs

The original acquisition costs net of depreciation for durable impairment.

Associated companies

These are participating interests consolidated at equity, i.e. by including them in the consolidated financial statements with the corresponding share in the equity. The major prerequisite for doing so is the possibility of the Group exercising a decisive influence on the operating and financial policy of the associated company, independent of the Group actually acting upon that influence.

Benefits

Expenditure (net of reinsurers' shares) for insurance benefits, for premium refunds and for the change of actuarial and/or technical provisions.

Cash flow

Cash surplus from operating, investing and financing activities generated by the company during a specific period (source and application of funds).

Composite insurance

Term comprising property and casualty insurance. Due to the obligatory separation of insurance lines, it is necessary to have legally separate companies for operating composite, life and health insurance. For credit and fidelity insurance as well as legal expenses insurance there is no obligatory separation of insurance lines and therefore the latter can also be operated by property and casualty companies.

Contingent liabilities

Liabilities that do not have to be recognised in the balance sheet and where the probability of materialisation appears to be uncertain (e.g. contingent liabilities under guarantee commitments).

Counterparty risks

Risk of an obligation not being fulfilled by the counterparty, e.g. failure to pay or deliver the securities involved.

Deferred acquisition costs

These comprise the expenses incurred by an insurance company for concluding new insurance policies or renewing existing policies. Among other costs they include acquisition commissions and expenses for handling the proposal form and risk underwriting.

Deposits receivable/payable under reinsurance business

Amount receivable by the reinsurance company from the ceding company on the basis of the reinsurance business accepted by the reinsurer and which for the latter is similar to an investment. The amount equals the amount the ceding company provides as a collateral. Analogously: deposits payable.

Derivatives

Financial contracts whose value depends on the price development of an underlying asset. Examples are: options, futures, forwards, interest and currency swaps.

Direct insurance business

Insurance contract taken out by a direct (primary) insurance company with a private person or company as opposed to reinsurance business accepted (indirect business) which refers to the business accepted from another direct (primary) insurer or reinsurance company.

Earned premiums

The premiums for the business year which determine the income for the business year. For calculating the amount of earned premiums, in addition to gross premiums written, the change in unearned premiums in the business year, the provision for expected cancellations and other receivables from unwritten premiums are considered.

Equity method

Method used for recognising the interests in affiliated companies not consolidated, joint ventures and associated companies. They are in principle valued at the Group's share in the equity of these companies. In the case of interests in companies which also prepare consolidated financial statements, the valuation is based on the share in Group equity. Under current valuation, this measurement is to be adjusted for proportional equity changes, with the interest in the net income for the year being allocated to the consolidated result.

Futures

A future transaction is the commitment to sell or purchase a specific underlying item at a specific date and at an agreed price.

Goodwill

Excess over the purchase price for a subsidiary and the share in its equity after winding up the hidden reserves attributable to the purchaser at the date of acquisition. The goodwill is amortised over its useful life.

Gross figures

Recognition of balance sheet items before deduction of the amounts referring to reinsurance business ceded.

IAS

International Accounting Standards

Management approach

Under the management approach the internal organisational and controlling structure and the internal reporting of a company determine the definition and identification of individual segments with regard to segment reporting.

Market value

The amount that can be obtained in an active market by selling a financial investment.

Multitranches

Bonds involving a put option under which the seller can sell additional bonds (with an identical or shorter term) to the buyer. The buyer receives a premium which increases the yield on the security as opposed to a "normal" security having the same term and yield.

Operating expenses

This item includes the expenses for premium collection, the handling of the policy portfolio and reinsurance expenses. After deduction of commissions and profit participations received under reinsurance business ceded, the remaining expenses are the net operating expenses.

Options

By acquiring an option, the buyer acquires the right, but not the obligation, to buy or sell an underlying asset during a specific term or at a specific date at an agreed price.

Premiums

Gross premiums written. All premiums received in the business year under direct (primary) insurance business and reinsurance business accepted.

Provisions for outstanding claims

This provision includes the obligations for payment of insurance claims which have already occurred on the reporting date, but which are not yet completely settled.

Provisions for premium refunds and profit participation

The part of the profit to be distributed to the policyholders is appropriated to a provision for premium refunds, and/or profit participation. The provision also includes deferred amounts.

Reinsurance

The acceptance of a risk written by another insurance company.

Reinsurance premiums ceded

Share of the premiums paid to the reinsurer as a consideration for insuring certain risks.

Result per share

Key figure determined by dividing the consolidated net profit for the year by the average number of shares issued and outstanding. The diluted result per share includes options exercised or to be exercised in the number of shares and in the net profit. Options are created by the issue of convertible bonds or by subscription rights for shares.

Retrocession

Retrocession is the ceding of reinsurance business accepted to a retrocessionaire. Professional reinsurance companies and also other insurance companies, under their inwards reinsurance business, use retrocession as an instrument for spreading and controlling risks.

Revaluation reserves

Unrealised profits and losses resulting from the difference in the present market value and acquisition value and/or the amortised acquisition costs for fixed interest securities are allocated to this reserve without affecting income after the deduction of deferred taxes and – for life insurance – provisions for deferred profit participation.

SFAS

Statement of Financial Accounting Standards – regulations defining details with regard to US GAAP.

Share premium

The amount by which the price to be paid for a security exceeds its nominal value. As a general rule, the share premium is expressed as a percentage of the nominal value.

Swaps

Exchange transactions such as exchanging a fixed coupon for a variable one and vice versa.

Underlyings

Basic item, item of reference.

Unearned premiums

That part of the premium income of the year which refers to periods of insurance that lie after the reporting date, i.e. which have not yet been earned at reporting date. In the balance sheet, with the exception of life insurance, unearned premiums have to be shown as a separate line item under the technical provisions.

US GAAP

US – Generally Accepted Accounting Principles

Value at risk

A method for measuring market risks in order to calculate the expected value of a loss that might occur in an unfavourable market situation with a determined probability within a defined period of time.

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