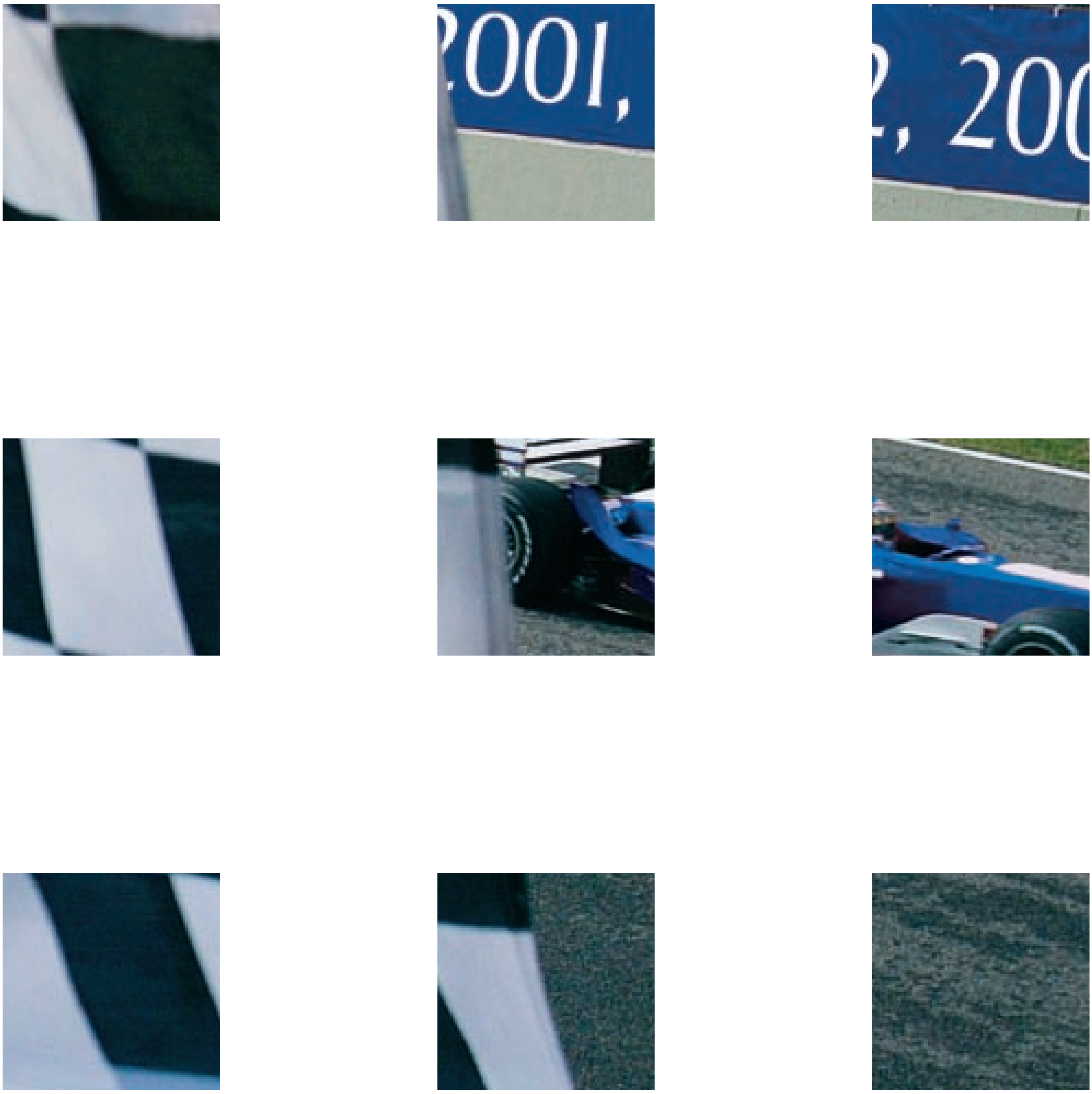
Group Report 2003
UNIQA Versicherungen AG

UNIQA



Key figures

	Page in Group Report	2003 € million	2002 € million	2001 € million	2000 € million	1999 € million
Premiums written	138	3,030.5	2,668.4	2,644.6	2,505.2	2,289.6
Premiums earned (net)[1]	139	2,778.6	2,405.6	2,434.8	2,321.0	2,110.8
of which property and casualty insurance		1,025.4	774.3	678.5	646.4	619.3
of which health insurance		716.4	688.6	662.7	633.8	603.5
of which life insurance		1,036.7	942.8	1,093.6	1,040.8	888.0
from single premium business and special products[2]		234.8	206.2	438.1	465.6	269.5
from recurring premium business		801.9	736.6	655.5	575.2	618.5
Insurance benefits	142	2,484.1	2,351.9	2,529.3	2,453.8	2,213.7
Operating expenses	143	601.5	472.4	503.8	470.2	475.7
Investments (incl. investments held on account and at risk of life insurance policyholders)	118	13,233.8	11,682.1	11,188.0	10,415.0	9,815.8
Equity	130	540.5	509.5	555.7	595.3	612.1
Profit on ordinary activities	100	68.3	35.3	45.3	41.9	45.6
Net profit for the year	100	56.2	18.5	26.3	24.3	26.2
Cost ratio	83	19.7 %	19.6 %	20.7 %	20.3 %	22.5 %
Cost ratio unadjusted		21.6 %				
Profit per share (in €)	131	0.42	0.03	0.11	0.15	0.11
Profit before taxes per share (in €)	131	0.53	0.17	0.27	0.25	0.27
Profit per share adjusted for depreciation in goodwill (in €)	131	0.58	0.10	0.15	0.18	0.14
Dividend per share (in €)	97	0.20	0.16	0.16	0.16	0.16
Average number of employees	145	8,335	6,565	6,718	6,443	6,318
Average number of employees adjusted		6,614				
Insurance policies		9,834,256	7,441,574	7,240,498	6,160,470	5,856,732
Number of Group companies	121					
Fully consolidated		59	33	30	26	25
Equity consolidated		15	12	14	14	13

Automatic rounding may result from formatting into million €.

[1] Without consideration of consolidation effects between the segments.

[2] Direct business.

Pole Position

Pole Position.

Joining all our forces in a high-power training over the past three years has made us top fit for a challenging future. We are starting the race for first place in the international insurance markets between the Baltic and the Adriatic in pole position. Our chances of victory are excellent. Because, with one foot on the brake for costs and the other on the gas pedal we will keep on the course we planned and master the most difficult passages of the high speed track that lies ahead of us. And with the ambition of staying the best by always becoming better, we set ourselves apart from the competition over the long run.

Contents

Group and Profit

Staff and Partners

Foreword by the Chairman of the Supervisory Board

Dear Shareholders,
Dear Readers of the UNIQA Group Report,

The motto of the UNIQA report on the financial year 2003 is "pole position". It gives an account of the goals we have reached in our increased earnings programme begun in 2001. Just as it is hard work to hold the leading position in motor sports, the competition in the insurance industry requires from the management to proceed with consistency along a wisely chosen path, and to ensure and sustain the improved earnings strategy. This holds particularly true for the future development within international markets. Internationally recognised independent experts such as the rating agency Standard & Poor's consider this goal to be one of the most important for the coming years and decades.

It is, indeed, reassuring that Standard & Poor's have again confirmed the UNIQA Group's excellent "A" rating. It underlines the company's financial strength and makes the UNIQA Group one of the very few insurance companies in Europe that can still display a stable rating despite all the turbulences that affected the insurance industry in the past years. This is particularly important as it further strengthens our customers' trust in the security and stability of their insurance partner.

With the acquisition of the AXA Austria insurance company and its subsidiaries, the UNIQA Group has strengthened its market position in Austria and further built up its presence in the EU accession countries through the newly acquired Hungarian companies. A further significant asset in the Central Eastern European markets will be the probable integration of the Polish and Slovakian companies of the German company R+V Versicherung, which will bring the UNIQA Group closer to its major goal of reaching the so-called critical market size in these two countries.

The continued and vigorous development of our market position in the EU accession countries will be an important engine for the sustained and profitable growth of UNIQA in the coming years. For this reason, we will continue to identify and grasp opportunities for growth. Since the condition for such investments is their profitability, management is faced with the need for a well-balanced strategy between growth and earnings in order to maintain UNIQA's pole position.

Meeting the changing challenges of the market requires timely and continuous adjustments of corporate structures. To this effect, the transfer from a product-oriented to an even stronger customer-oriented strategy in the UNIQA Group will have more and more meaning in the future.

Christian Konrad

Foreword

Foreword by the Management Board

Ladies and Gentlemen,

Despite a prevailing difficult economic environment, UNIQA was able to end the financial year 2003 with a significant improvement in the Group results.

With € 68.3 million, the result from ordinary operations for 2003 was almost twice the figure of the previous year. Profit per share increased significantly from € 0.03 to € 0.42.

This substantial improvement was based on the increased earnings programme launched in 2001 and completed at the end of 2003, which was consistently implemented in all business areas of the Group. The resulting corporate synergy effect amounted to about € 140 million, and was both reinvested into our service areas to strengthen our position in the future and passed on to our shareholders in return for their trust in the Group.

Many components of the increased earnings programme include structural adjustments that will have a long-term and lasting effect.

One of our focal interests is the development of our Group strategy and corporate culture. The integration of our new colleagues from AXA Austria was accompanied by extensive information and communications efforts. A cross-border exchange project for our future managers, the "Go Ahead" programme, was launched at the beginning of 2004 and brings us one step closer to our goal of being a truly Central European corporation.

UNIQA has used the past few difficult years to actively position itself for the opportunities of the future – in pole position.

The insurance industry is without doubt a growth sector. Last year, it grew four times faster than the overall Austrian economy. The demographic and economic data clearly indicate that the times when everybody could rely on sufficiently high retirement benefits from the state are drawing to an end. There is now an open political discussion about a private procurement system which will be the key growth driver for the Austrian economy and a social responsibility of the insurance industry in the years to come.

We are a trusted and reliable partner for our customers with out attractive range of products and services. We are in a strong strategic position in sales – with our own team of sales representatives, our broad network of tied agencies, the largest network of brokers, and the most widely provided bank assurance services for our Raiffeisen products.

The insurance industries of our neighbouring states in Central Eastern Europe are growing at an above-average rate. This accelerated growth is presently concentrated on the motor vehicle and property lines, but visibly gaining momentum in pension procurement and health precaution.

Essential components of the increased earnings programme include structural changes that will have a long-term and lasting effect.

At UNIQA we certainly have a competitive advantage in the countries that are about to join the EU, because we apply a well-balanced policy that considers the specific economic and cultural characteristics of each country in which we are present.

UNIQA does not restrict its operations to its own selected performance criteria, but strives to make these the benchmark for the industry.

- Trust has to be gained customer by customer, project by project, and day by day.
- Earnings go before volume. This applies to acquisitions at home and abroad.

In 2003, we succeeded in implementing our dual strategy "growth plus increase in earnings", which is at the centre of our long-term corporate goal to prevail as a strong and independent Central European insurer "from the Baltic to the Adriatic".

Standard & Poor's recently confirmed the UNIQA Group's strength with their "A" rating in a difficult economic environment. The capital market honoured this success with an increase in the UNIQA share price of almost 30% since January 1, 2003, which established it among the leading Austrian financial stocks.

2004 is the year to further proceed along the road taken and to prove that our improved earnings will be sustained. The fact that UNIQA scores top results in market research on innovative power, friendliness, services, and brand loyalty is the result of these permanent efforts and constitutes a good basis for a further dynamic development of the Group's financial strength.

Vienna, April 2004

Konstantin Klien

In 2003 UNIQA was able to successfully implement a double-sided strategy "growth plus increase in earnings".

Management Board

The Management Board of UNIQA Versicherungen AG

Andreas Brandstetter

Member of the Management Board
International Business and Direct Sales

Hannes Bogner

Member of the Management Board
Group Accounting, Controlling, Asset Management (back office) and Investor Relations

Konstantin Klien

Chairman of the Management Board
Group Control, Distribution Policy, Human Resources, Marketing, Communication and Internal Audit

Gottfried Wanitschek

Member of the Management Board
Asset Management, Equity Holdings, Property Management, Legal Affairs and General Administration

Karl Unger

Member of the Management Board
Information Technology, Customer Services and Actuarial Control

UNIQA Company profile

The UNIQA Group Austria is one of the leading insurance groups in Central Europe and consciously combines its Austrian individuality with European stature. In 2003 the Group had more than 8,000 employees in Austria and abroad and generated more than € 3 billion in premiums. The UNIQA Group offers its products and services through all sales channels (own employees, general agencies, brokers, banks and direct sales). UNIQA is active in all insurance sectors, the clear market leader in Austria for personal insurance and one of the largest property insurers in the country.

The UNIQA Group Austria is a company with a strong international orientation and is actively aware of the opportunities that the Central European markets have to offer. At the moment UNIQA is represented through the UNIQA International Versicherungs-Holding GmbH with subsidiaries in Croatia, the Czech Republic, Hungary, Italy, Liechtenstein, Poland, Slovakia, and Switzerland.

The following companies operate in Austria under the Group holding company, UNIQA Versicherungen AG, which is listed on the stock exchange: UNIQA Sachversicherung AG, UNIQA Personenversicherung AG, Raiffeisen Versicherung AG, Salzburger Landes-Versicherung AG, CALL DIRECT Versicherung AG, FinanceLife Lebensversicherung AG as well as diverse service and financial companies. UNIQA Versicherung AG is the central reinsurer of the operating domestic Group companies.

The company structure of the leading Austrian insurance group represents the new standards throughout the entire insurance spectrum. It differentiates between the holding, competence centres and regional sectors. The holding company acts as a service provider for the Group and is responsible for strategy.

All the areas within the holding company assume central control and service functions for the domestic and international operating insurance subsidiaries so as to take optimal advantage of synergy effects.

In the competence centres the key actuarial competencies are handled by sector or bundled for the entire Group in order to make sales easier.

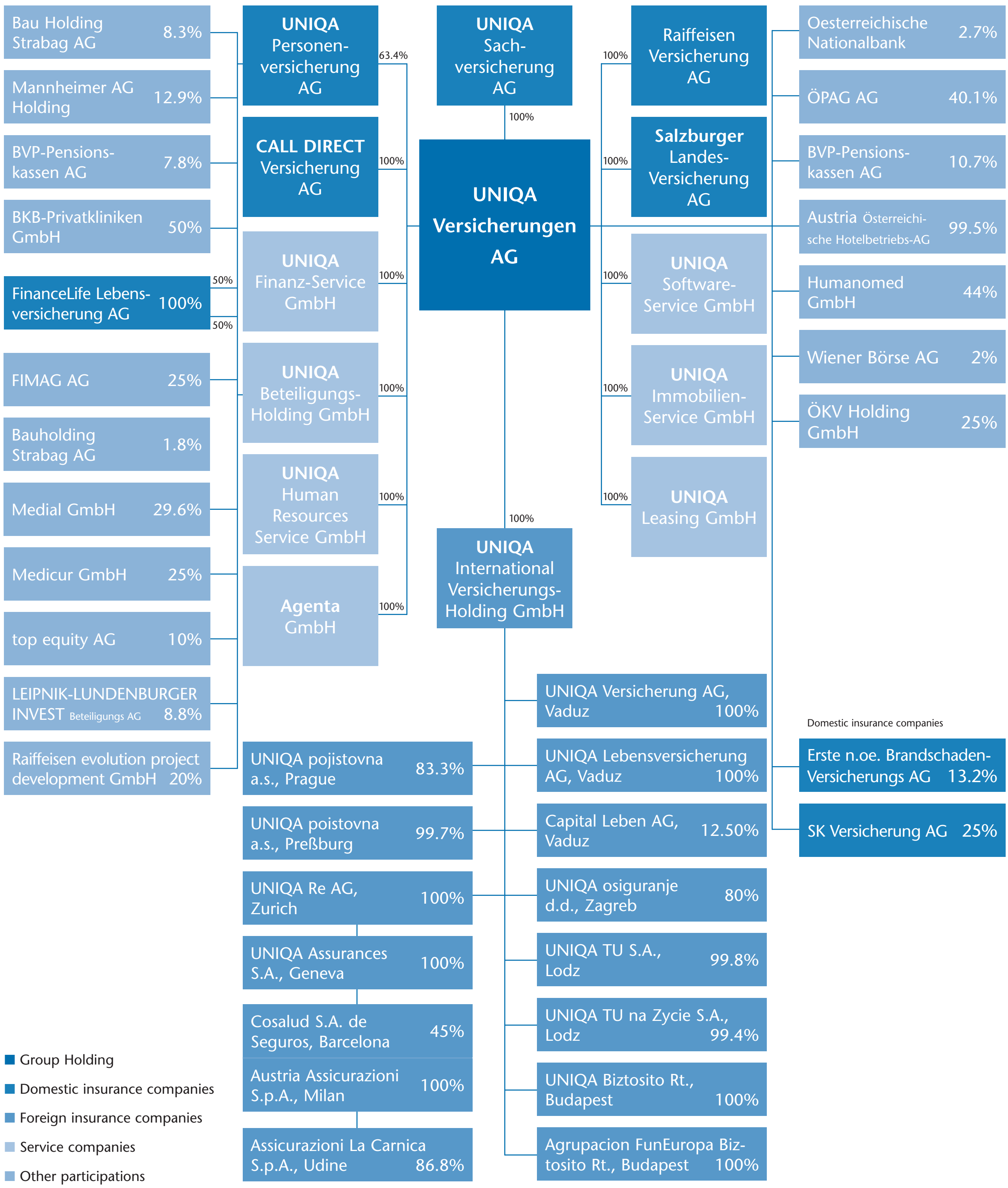
The regions play the most important role within the Group structure. The international companies and the Austrian regional offices have extensive local competencies and are fully responsible for their own operating sales results.

For the UNIQA Group, with its many years of experience on the Central and Eastern European insurance market, it is important that none of the companies that are incorporated domestically or internationally into the Group lose their regional identity. It is the task of the Group to create tools that enable them to benefit from synergies and yet remain true to their local uniqueness and requirements.

Group Austria

Group organisational chart

as at 31 December 2003



Customers and Markets

take the hurdles

The race in the insurance market is getting tougher and tougher. Today's customers have high expectations. They want customised solutions for their insurance and provision requirements, offers of quality at favourable prices, as well as speed and efficiency in all-round service. A company that actively takes these developments of the future into account is clearly ahead of the competition.

Take the hurdles successfully: just like these two athletes, we have almost always made it in the past few years. Our customers, shareholders and employees all profit from this

In pole position in the race for customers and markets

Our hard training in the race for customers and markets has paid off. Based on our strategy of growth through optimised cost and profit, we were able to use our highly modern product portfolio both domestically and on the foreign markets to gain points impressively under the successful Austrian brand name UNIQA.

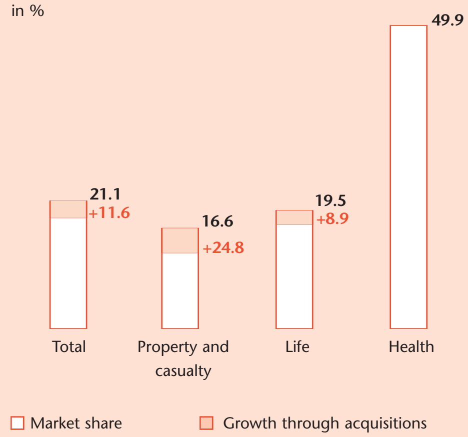
Through the integration of AXA Austria and further acquisitions abroad we have become the leading Austrian insurance group. With the expansion of our business platform and attracting new customer potential we are therefore starting the race for the newly expanded markets between the Baltic Sea and the Adriatic Sea in pole position. We are already among the top 35 of the 3,000 insurers operating in the EU.

21.1%

share of the market is a clear sign of our strong presence in Austria

Increase in market shares in Austria through acquisitions

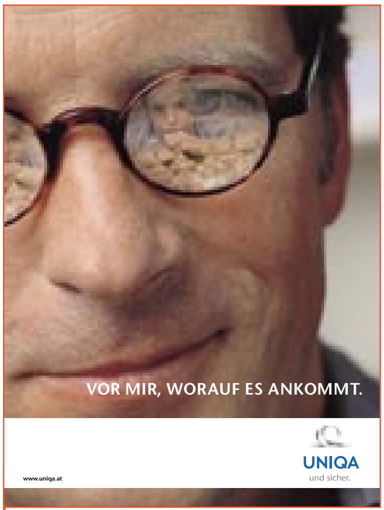
in %



Commitment to quality pays off

One of our central company values and the key to our success is quality. Quality is the focus of our relationships with our partners and customers. And this is why our QualityPartnership was received so enthusiastically on the market – by more than 85,000 customers.

This unique concept incorporates service and price advantages in an intelligent combination product: the "PartnerAccount" is the financial core, offering an up-to-date overview of the entire scope of insurance protection and current premium payments, from the no-claims bonus to the guarantee of an annual assessment of all policies by the UNIQA Exclusive representatives, and VitalPoints for the total customers.



"Pension & Guarantee": private old-age provision is becoming increasingly important

Free Fitness Programme included

The QualityPartnership also includes free participation in our VitalClub, with its more than 800,000 members. Here we inform our customers about the best health precautions for them and give them the chance to stay fit with their personal VitalCoach.

In addition, we distribute VitalPoints on a regular basis to those customers who have entered a QualityPartnership with us, corresponding to the amount of their total premiums. These give them the right to access a comprehensive range of health products. For example, customers can buy innovative fitness items or spend a weekend in a top health and fitness hotel. We also provide – on the Internet or through the responsible Exclusive Representative – an overview of the services for which they can currently redeem their VitalPoints.

Advantages for Raiffeisen customers

Under the name "Mein sicherer Vorteil" our Group's Raiffeisen Versicherung is offering a counterpart to the QualityPartnership through the branches of the Austrian Raiffeisen banks with great success. In the year 2003 more than 30,000 customers joined the programme.

Customers enjoy threefold benefits when they have (or when they sign up for) at least two policies in different sectors at Raiffeisen Versicherung. They receive a no-claims bonus in the form of premium reduction of up to 10% plus a premium-free life insurance policy. In addition, the customer can decide for himself when to have the collective premium debited from his account.

Raiffeisen customers feel that their needs are being met when their bank also offers comprehensive insurance protection with special advantages from one source. A market survey by Fessel & GfK confirmed that almost every second insurance customer in Austria takes out all his policies with a single company.

Flexible private and company old-age provisions

Financial provision for old-age is relying more and more on private and company supplementary pensions, because of the growing problems with the government's social insurance system and the upcoming harmonisation of the pension systems. For this reason, we have been quick to develop a compendium of customised and flexible old-age provision products and product packages for our customers. This gives them a choice between individual solutions with a high level of security or the chance of a greater profit with a higher risk.

Thus, UNIQA and Raiffeisen Versicherung offer an old-age provision with subsidised premiums that has multiple guarantees and attractive, tax-free pensions. Payments of up to € 1,851 annually were rewarded by the government in the year 2003 with a promotion of 9.5%. Right from the inception of the policy the customer is entitled to a guaranteed lifetime pension in accordance with the current mortality tables and calculation bases. Furthermore, after ten years he receives a capital guarantee on the contributions he has made.

FactBox: Raiffeisen Versicherung

- 34,000 policies in 2003 for state assisted pension provision
- 100,000 policies in property insurance since the start of the year 2000
- 30,000 customers use "Mein sicherer Vorteil"
- Market leader for life insurance with recurring premiums
- Growth in accident insurance line above market average at 5.4%

Securing life style according to plan

With the "FuturePlan" we have developed a new kind of product for our customers to ensure their standard of living in old age with a medium-risk profile. It is a mixture of classic and unit-linked life insurance.

The "FuturePlan" is distinguished by its higher earnings expectations. Instead of a maximum of 10%, as is the case with the traditional form of life insurance, up to 30% of the assets to be invested are placed in shares, opening up possibilities of a higher pension in old age.

As an additional option, the "FuturePlan" also offers occupational disability insurance and the opportunity of having a monthly supplemental annuity paid out to dependents for ten years after the death of the insured.

Active provision with fund policies

Those who want to stake on getting above average returns are best off with the innovative unit-linked life insurance of our Group's FinanceLife. This company operates in Austria as a competence and development centre for various forms of unit-linked life insurance as well as for other products that can be characterised as investments for securing the future, such as the "Prämiengeförderte Zukunftsvorsorge".

Following its introduction in March 2003, FinanceLife was able to sell 51,400 policies with over € 980 million total premiums paid. In December alone more than 21,000 policies with an average annual premium of € 996 were issued. Despite the overwhelming success with the reduced premium old-age provision FinanceLife, whose total portfolio increased by 85% to 131,000 policies in 2003, also generated an additional increase in the classical area of unit-linked life insurance.

51,400 sales:

our "Zukunftsvorsorge" boasted over € 980 million total premiums paid in 2003

Still great potential for the “new indemnity” law

Supplementary company pensions received additional impulses as a necessary addition to the three pillars of old-age pension through the improved legal framework known as the “new indemnity” law.

About 42,000 companies have chosen ÖVK, the provision company of UNIQA and Raiffeisen that set new standards with its capital and minimum interest guarantee for the first three years. That equals a market share of 25%. But so far only 70% of all companies have taken out policies for their employees with a provision company. So there is still great growth potential. We intend to use it to the advantage of all those employees that are eligible for benefits.

New standards set with VitalPlan

As the No. 1 in Austrian health insurance we offer our customers a wide choice of individual solutions. We have now supplemented our modern flagship product – the premium category insurance – with a unique innovation: the VitalPlan.

The VitalPlan is an integrated service package consisting of health promotion, medical prevention and well-being measures. It is based on the principle of mutual benefit. If our personal insurance customers have been leading a healthy life style we reward them at every step along their path towards more activity and fitness.

Make a healthy life style normal

It is our goal to make lots of exercise and reasonable nutrition a normal part of daily life. So our customers have their fitness level tested once a year.

After completing the test, one of our specially trained health and life consultants works out a personal training plan. At this point the customer already receives his first bonus services such as training units with a VitalCoach and discounts at chosen fitness centres. For questions about health and health provision customers can call Austria’s largest medical hotline MedPLUS24 to get second opinions and information from a team of doctors.

VitalPlan

VitalPlan PLUS: the three step plan to better health and more well-being

Fitness programme for Sparkasse employees

The health of a company's employees has become an important competitive factor. About one eighth of the value added is lost to domestic companies through the sick days of their employees. So having employees that are in good shape is turning into a meaningful company asset.

For this reason, as Austria's largest personal insurer we have started the "Vitalis" programme together with the Tiroler Sparkasse. This pilot project, developed by the Institute for Health Management, demonstrates the advantages of commercial health precautions for both management and employees.

"Vitalis" is a multi-level programme. It ranges from power training for managers, identifying special training methods and how to communicate the topic in the business, all the way to putting together a personal fitness profile on a test course. Subsequently, any health deficits of the employees can be eliminated through a targeted individual training programme.

Health check-up and ReCheck help save on premiums

The second step in the VitalPlan is the annual expanded medical health check-up to help us detect illnesses early. A network of 80 top quality internists are available for this in all parts of the country.

When the customer confirms his good health annually at a ReCheck and regularly takes advantage of the health exam, he receives in the third step a free stay at a Vital partner hotel of his choice.

Customers can also receive up to € 150 in premium vouchers for taking out hospital stay insurances or daily benefit insurances with us. That corresponds on average to about two months' premiums. Furthermore, if the customer does not need to make use of any of our services in that year he can also save up to 16% of his annual premium through premium refunds.

800,000

members of the UNIQA VitalClub take advantage of the comprehensive service offered, from the VitalCoach and the VitalDays to the VitalTravel Services

Real pros wear a helmet: "snow safe" with Stephan Eberharter

European Products are becoming increasingly important

In our modern product architecture, the European policies are becoming increasingly important for the markets in Central and Eastern Europe. This generation of unified products shares the same structure and has the same core content for all regions. It is being adapted to accommodate regional situations such as, for example, country specific mortality tables in the countries between the Baltic and the Adriatic Seas. Thus they are applying unified central European standards with optimal efficiency. Since autumn 2003 we have been offering a European Product for homeowners and apartment insurance in Croatia, Austria, Slovakia and the Czech Republic.

Long-standing tradition of commitment to world-class sports

Sport stands for dynamics, activity, energy, team spirit and is a source of health, fitness and power output. These core elements are part of our corporate identity and are reflected in all our business areas. For this reason, sports sponsorship has a long-standing tradition with us.

We have extended our partnership with the Austrian Ski Association and the Olympic and World Cup champion, Stephan Eberharter, for the 2003/2004 season.

In cooperation with the Austrian Broadcasting Corporation, the Austrian Ski Association and Stephan Eberharter, a campaign was started to keep children safe in the snow. Part of this campaign was the promotion of UNIQA children's helmets, intended to prevent head injuries in winter sports.

Sponsoring cycling and tennis

As sponsor of the Austrian Cycling Association our company logo is visible at important cycling sport events such as the Tour of Austria and the UNIQA Classic. Sponsored by UNIQA, Franz Stocher gained a surprising victory and the title of World Champion at the Track World Championships in Stuttgart. And at the International "Rathauskriterium" in Vienna, 15,000 cycling fans admired the international and Austrian cycle-sport elite with UNIQA presence.

We have rounded off our long-standing sponsorship of the Austrian Tennis Association with our commitment to the international ATP tournament in St. Pölten, as one of the main sponsors.

Art and Business

Protection and promotion of museums

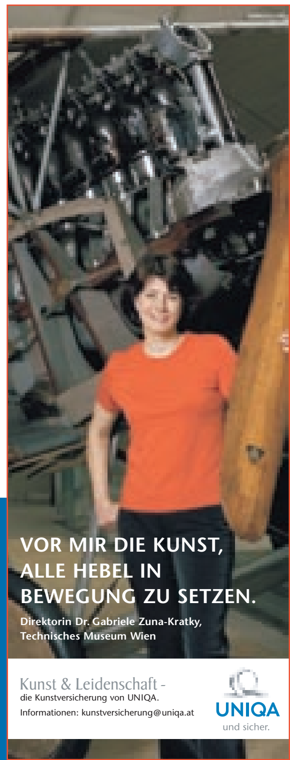
The grand reopening of the Albertina in Vienna that was combined with an exhibit of Edvard Munch's life's work offered a successful opportunity for us to emphasise our important role as art and culture sponsor, and as Austria's leading art insurer.

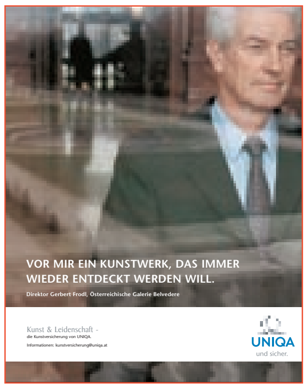
For private collectors and about 200,000 households that own and are purchasing paintings, antiques or other collectibles we developed an appropriate insurance protection with our product "Art & Passion". Combined with a comprehensive art history service it offers financial protection not only against thieves but also against loss or damage.

UNIQA supports museums like the Austrian Gallery in Upper Belvedere, the Museum of Modern Art and the Technical Museum.

Helped shape the climax of the Salzburg Festival

Our sponsoring partnership with the Salzburg Festival, borne by our shared values of quality and internationality, experienced a new climax in 2003. We supported the performance of Mozart's opera "La Clemenza di Tito" with the Vienna Philharmonic Orchestra, conducted by Nikolaus Harnoncourt and directed by Martin Kusej. The splendid premiere received rave reviews from the critics. It was named Best Opera Production of the Salzburg Festival 2003 by the international press.





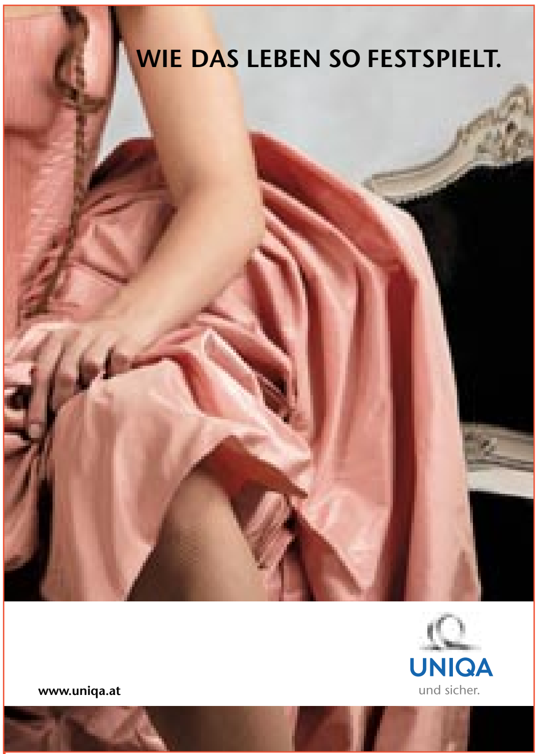
Symbiosis of art and business

Our cooperation with the Salzburg Festival has not only been a long-term investment in our image as a quality insurer for art and culture. It has also been a success from a business point of view. About a third of all the hotels and restaurant businesses including the supplier companies in Salzburg have insured themselves with us. This makes our commitment as main sponsor of the Festival an advantageous symbiosis of art and business.

With the prominent guests from all over the world that come to Austria each year to enjoy this cultural event of the highest international standard we were above all able to create a new platform for additional contacts in Austria and abroad.

Bridges built to Central and Eastern Europe

Our clear orientation towards the core markets of Central and Eastern Europe and the efforts of the Salzburg Festival to find new guests particularly in these future markets compliment each other ideally.



UNIQA as a partner of the Salzburg Festival – Quality and Internationality

Together with the Salzburg Festival UNIQA started the “Promotion of Art and Business” in the Eastern European countries with cultural evenings in Warsaw and Prague. The repetition of the “UNIQA College of Journalists” was also extremely positive. It brought together 19 young journalists from Central and Eastern European countries in the framework of the Salzburg Festival for one week to learn the basics of cultural journalism in personal contact with stage stars and editors.

No. 1

UNIQA was able to win over prominent personalities from important cultural institutions to act as testimonials for a cultural campaign. Succinct statements underscored UNIQA’s claim to being the No. 1 art insurer.

91%

of the Austrian population knows UNIQA only four years after the brand was introduced

UNIQA is known to nine out of ten Austrians

Our diverse activities as a sponsor and patron in the most varied artistic, communal and social areas of life have definitely helped to anchor the brand and the image of UNIQA within a short time in the minds of Austrians.

Only four years after its foundation, nine out of ten Austrians know UNIQA. We are considered to be a top company, far ahead of our competition, with high image ratings in employee competence, orientation towards the future, modernity and innovation. And we achieve top ratings for service, compassion and brand loyalty.

Brand leadership despite sinking advertising costs

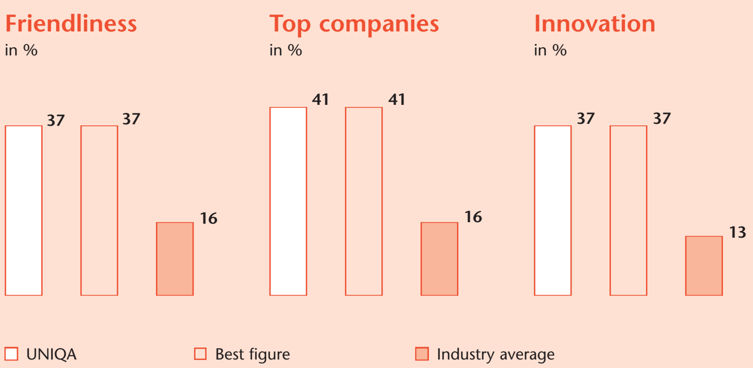
Despite the fact that we have reduced our advertising costs the largest current European-wide survey, done by Reader's Digest, confirmed our brand leadership in Austria. According to this survey, UNIQA is considered the brand among insurers that Austrians trust the most. This means that we have already achieved the ranking of a traditional brand in Austria. In the area of financial services we are the paradigm of successful branding.

Our customers give us a lot of praise too

UNIQA's first class ratings did not just come from external sources. Our customers and business partners are overall more than satisfied with our performance in service and support and, in a direct comparison with the competition, ranked us clearly higher in all points. 63% consider UNIQA's ServiceCenter and 68% our processing of damage claims better than those of the competition.

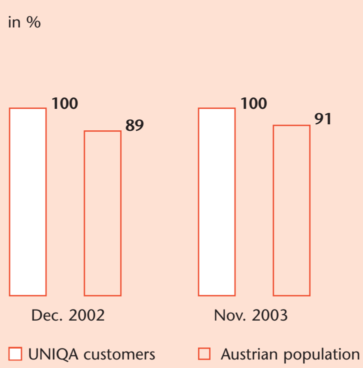
Our customers also place great value on telephone contact, on technical competence, and on the feeling that they are being well advised and given sufficient time.

UNIQA among the competition



Source: Marken-Monitoring; Industry survey "Insurance Agencies" in July 2003

Recognition value of UNIQA



Source: market Institut 11/2003

The future needs mobility

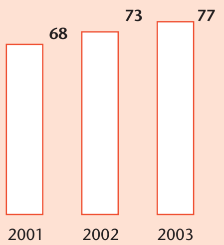
Orientation towards the future is an image that UNIQA has consistently upheld since the brand was introduced. As a logical consequence of the first large survey of the future in 1999, at UNIQA we have studied the future of those topics and areas that are relevant for us.

In the spring of 2003 a study on mobility was done, for the most part on the Internet, in which Austrians were asked about the effects of mobility trends on their personal lives. It was accompanied by announcements on television, on the radio and in advertisements.

More than 10,000 Austrians provided interesting insights into the changes in personal life phases, on knowledge and personal learning as a motor of the mobile society, as well as the area of conflict between the mobile future and the desire for security.

In June 2003 the campaign was concluded with a symposium in the Technical Museum, with numerous prominent personalities from market research, technology, top management and futurology. UNIQA's book "Mobility – the stuff of the future" is a concise summing-up of the results.

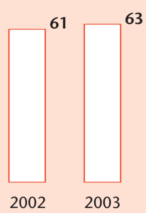
UNIQA customers "know their representatives by name"
in %



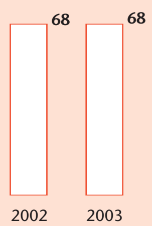
Source: market Institut 10/2003

Customer satisfaction with…

ServiceCenter
in %



Taking care of claims/ benefits payments
in %



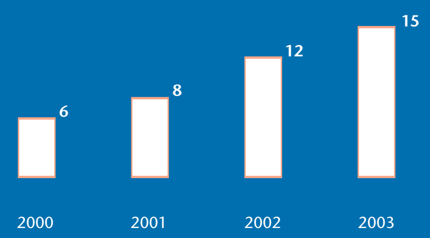
Source: Customer Satisfaction Survey UNIQA 2003

International goals for growth reached early

Broadening our company platform through consequential internationalisation is the decisive catalyst for growth in our business. In 2003, in part through the purchase of new companies, we were able to reach our goal two years ahead of our plan of producing at least 15% of our annual premium revenue in foreign countries. The expansion is supported by innovative power, product quality and our brand strategy.

UNIQA from the Baltic to the Adriatic (2003 incl. AXA)

International share of total premiums
in %



Poland	€ 75.0 million
Hungary	€ 114.0 million
Italy	€ 99.8 million
Czech Republic	€ 77.1 million
Slovakia	€ 35.8 million
Switzerland	€ 37.2 million
Liechtenstein	€ 41.3 million
Croatia	€ 7.5 million
Austria	€ 2,812.5 million

Already in 2003, 15% of overall sales came from markets outside of Austria.

The path is set for further expansion

In October 2003, the general meeting of our Polish subsidiaries, UNIQA TU (property insurance) and UNIQA TU na Zycie (life insurance) made a motion that the EBRD (European Bank for Reconstruction and Development) carry a 30% share in each of these two of the Group's companies, as part of a capital increase.

Polish companies remain on course

In March 2003, our subsidiaries Polonia and Polonia Zycie were renamed UNIQA TU (property insurance) and UNIQA TUnZ (life insurance). Both companies continued to make progress in a difficult environment in which the insurance business, with a rise in premiums of about 6%, showed a better than average development despite a stubborn recession and a high level of unemployment in Poland.

Of the 37 companies in property insurance – dominated by the motor vehicle sector with its still weak dynamics – we are among the six largest suppliers. UNIQA TU increased its compulsory premium to € 73.6 million and compensations by 4.1%. The company restructured its sales network as per 1 January 2004 and introduced new commission regulations for its representatives.

UNIQA TUnZ, active on the Polish life insurance market with a premium growth of 10.7% and 35 competitors, was able to noticeably expand its growing business. The compulsory premium grew by almost 19%, compensations paid out climbed to just under 22%. All in all, we want to increase our market share in Poland to 5% during the next three years.

Example from the UNIQA kick off campaign 2003 in Poland

Abroad

High growth potential in the Czech Republic

In the Czech Republic this past year the insurance business was again – despite the after-effects of the catastrophic flood damages from 2002 – among the economic growth drivers. While the total economic output, with almost stable prices and a continued high attraction for foreign investors, increased by almost 3%, the over 40 insurance companies were able to increase their compulsory total premiums by almost 16% to around € 3.25 billion.

The market share of life insurance of just 39% indicates that there is a considerable need to increase the density of coverage compared to the EU average. This potential will become more concrete in the future with the realisation of the imminent pension reform and the role of private suppliers in the structuring of old-age provision. In the reinsurance line, the days of low premiums ended with the high indemnities that had to be paid for flooding damages. This also resulted in a noticeable increase in the price of insurance policies, in particular in the industrial sectors.

New products kept the speed up

Our Czech company, UNIQA pojistovna, remained on its exceptional growth course. With a compulsory premium of € 76.6 million and up almost 37%, it in turn grew at more than double the speed of the insurance industry in the Czech Republic, further expanding its market share to 2.4%.

More than four fifths of the premium revenue came from non-life insurances; trade and industrial risks showed a particular dynamism here. We were able to gain points with private customers with our new household and homeowner's insurance as a first step to building up modern European Products.

We expect further stimuli for the life insurance business in the Czech Republic when we launch our unit-linked life insurance in the spring of 2004. We are aiming for a market share of around 3% by 2005. Definitely a realistic goal if we can gain new customers and expand the relationships to already existing customers through continuous improvements in service.

Slovakian life insurance booming

The Slovakian insurance market expanded at an above average rate of 15.3% with a total economic growth at almost 3.9% despite the high unemployment. Business in property insurance showed a strong upward curve of 17.2%; the premiums in life insurance increased by 9.3%.

Our Group subsidiary, UNIQA poistovna, used the opportunity with success. To be sure, premiums in the property insurance line, dominated by the motor vehicle sector, rose less in comparison to the development of the market by 17.2%. On the other hand, we exceeded the average growth rate in life insurance with a premium increase of 24.3% by more than double. We owe this success both to the company's own field force as well as to external structural sales forces.

Altogether, the annual premium for 2003 increased by 21.4% to € 35.8 million (SKK 1.48 bn). Our market share of about 6% should rise visibly with the new products and bank sales. The successfully launched cooperation with Tatra Bank is contributing to this. It offers a risk insurance that can be combined with funds, a capital life insurance like a household insurance as a protection for loans.

When Slovakia joins the EU in May 2004 the potential for life insurances and private health insurances will grow even more. We intend to make good use of these opportunities by offering new products.

24.3%

growth in 2003 for UNIQA's life insurance in Slovakia. We are counting on further stimuli in 2004 due to the successful start of bank sales and the EU expansion

The main office of UNIQA poistovna in Bratislava, Slovakia

High rate of expansion in Hungary

The Hungarian insurance market is still very dynamic. The increase in the overall economy of 2.6% is accompanied by rising inflation, but with a tendency of a falling unemployment rate; the property line showed an increase of up to 18%, especially all in the compulsory motor vehicle premiums. Life and accident insurance also clearly remained on their course of expansion.

Our niche insurer Agrupacion FunEuropa Biztosito continued its positive development. We will merge the company into UNIQA Biztosito in 2004.

The company, renamed after the fusion with AXA as UNIQA Biztosito, continues its years of booming business with over 330 employees in the office, 850 in the field and 50 agencies. The sixth largest insurance company in Hungary, with a market share of 5.3%, improved the compulsory premium for 2003 by 10.9% to € 109 million.

In property insurance the compulsory premium climbed at an above average rate of 11.7% to € 84 million. The number of life insurance policies increased partially through the successful sales of products from the unit-linked life insurance line – by 5.1% to € 25 million.

Croatian subsidiary growing faster than the market

In 2003, UNIQA osiguranje in Zagreb again proved itself to be one of the most dynamic insurance companies on the Croatian market. The company, in which the European Bank for Reconstruction and Development has a 20% share, was founded in 1999 and has profited from the positive environment with its historically low inflation and stable currency.

The insurance market expanded in 2003 by about 10%. However, the continuing high growth in life insurance levelled off at below 20%. With an approximately 22.5% share in premiums on the overall market the sector still needs to catch up. The year 2004 is sure to bring a concentration among the 23 companies on the market.

In 2003 UNIQA osignuranje improved its compulsory premium by 36.1% to € 7.6 million (HRK 57.2 mill.). Through the fact that the premium in life insurance rose disproportionally by 34% we were able to increase our market share in this segment to about 3%. We are supplementing our already broad range of products in 2004 with additional offers in personal injury insurance, and we are intensifying their sales in a cooperative effort. In addition, we are concentrating on reorganizing sales in order to strengthen our regional presence and the quality of the cooperation with our chosen partners.

Europe is growing. UNIQA has already been present in the accession countries Poland, Slovakia, the Czech Republic and Hungary for several years

A strong impetus for Liechtenstein

Both of our UNIQA companies taken over from AXA in the middle of 2003 in Liechtenstein are experiencing a strong impetus. Earned premium income rose by 300%. The life insurance line was the main catalyst. This shows how much the top brokers and investment advisors value our products and services.

Working together with the Group subsidiary FinanceLife we developed new unit-linked policies for Liechtenstein and built up a sales cooperation with the savings banks in Liechtenstein. In addition, we have been offering with great success an exclusive security package for home, apartment, art objects and musical instruments under the name "CasaArte".

Successful niche strategy in Switzerland

Our subsidiary in Geneva, UNIQA Assurances, has concentrated on a specialised business area since its foundation: group health insurance for employees of international organisations, embassies and diplomatic missions that are not included in the Swiss government's social insurance. Through strategic alliances to penetrate new markets and service-oriented campaigns to win over new customers using international advertising, the company was able to realise growing success. In the meantime, their product range has been expanded to include accident insurance.

300%

premium increase in Liechtenstein in 2003

In the past year the company addressed 35 international organisations as part of a direct marketing campaign. Their employees were informed about our products and services, in particular about the ISO certification we recently received, and about our insurance group receiving an "A" rating from Standard & Poor's. Furthermore, our Geneva company supported a conference of the International Society for Social Security, held in cooperation with the International Labour Organisation (ILO). Since the beginning of 2003 our Swiss company has also been accessible online through our Group's uniform web design.

In 2003, within the framework of the quality management system implemented henceforth at UNIQA Assurances, process measurement categories were introduced in benefits payments, a standardised complaint management system, methods for identifying sources of mistakes and potentials for optimisation, as well as a modern employee suggestion system. In agreement with the representatives of CERN Health Insurance Schemes the approximately 6,000 policyholders were sent a questionnaire on customer satisfaction.

In addition, at the beginning of the year 2004 our Swiss subsidiary was the second foreign company to implement a regional UNIQA ScoreCard. It takes company specific features into account based on the ScoreCard, which is used throughout the Group.

Italy expands its distributions network

Italy's economic situation – characterised by stagnation, sinking industrial production, high unemployment, and growing national debt – also compromised the development of the insurance industry. There was a strong market shakeout, through fusions and take-overs. However, the compulsory premium in the insurance industry rose by about 10%; growth was spurned by the increase in the life insurance line of about 13% – in particular capital life insurance was very dynamic, with an approximately 45% share of all life insurance premiums.

Distribution channels

UNIQA's subsidiary Carnica Assicurazioni, based in Udine, developed stronger than the market. Their compulsory premium grew by a total of 13.7%.

In Milan UNIQA Assicurazioni, which was renamed during the financial year, was able to hold up its market share of about 2% in the health insurance line with a 3.5% increase.

Speed up growth abroad

We want to optimally tap into the enormous growth potential of the heterogeneous markets of Central and Eastern Europe in the course of the change from being a product-focussed insurer to a solution oriented service supplier based on the highest level of quality. For this we must quickly develop attractive products for general business in our Central European target countries. These products need to have the flexibility to differentiate between and adapt to regional circumstances in the various countries and specific distribution channels.

Differentiated products and distribution channels

The combination of price and service advantages gives us a unique competitive position on the market to turn new and single sector customers into total customers.

We use these advantages throughout an integrated mix of distribution channels. We rely on our own ExclusiveSales, agents, brokers, and more and more on direct sales, internal and external sales companies as well as banks and leasing partners.

New impulses for ExclusiveSales

Our ExclusiveSales were given a strong boost through the implementation of the QualityPartnership and the integration of Salzburger Landes-Versicherung's sales and AXA Austria. With the QualityPartnership we have created a new dimension in the high quality relationship between our customers and our consultants.

Mobile with UNIQA Leasing

Our subsidiary UNIQA Leasing offers customers leasing inclusive of insurance and licensing from one source through a UNIQA partner. In addition to the classic leasing package they can choose "comfort leasing". With this product we simplify the mobility that comes with a car with our all-inclusive financing plus service, tyres and personal petrol card.

High new business premium in ExclusiveSales

With the QualityPartnership our customers' satisfaction has improved even more. 75% of these customers say that their representative does his job better than the competitions' representatives. These top results in customer satisfaction give us a clear lead on the market. Based on this, we increased our sales team by 475 employees through the AXA integration, and by 102 employees by increasing the number of sales reps. This not only ensured us extraordinary success in sales, through the improvement in productivity, it also sank our sales costs.

In ExclusiveSales we attained a portfolio growth of over 5%. We were even able to increase the premiums of new business by over 10%. Of this, general agencies contributed in their area 23.4%.

Push for quality together with the brokers

Particularly in private client business we want to strengthen our position on the market, with the active help of our brokers. To this end, we have taken a first step in a push for quality together. With the BrokerService bonus we support our business partners in decisively improving their position with customers and in extending their cooperation with us.

In addition to this, we provide our brokers in a second step with cross-sector products that have been tuned to meet international trends. This firms up our common relationships with the customers.

Successful bank sales

The Raiffeisen banks are offering their own insurance products conceived exclusively for this distribution channel. In 2000 the range of products was expanded to include the property business, and since then they have already been able to acquire 100,000 customers. However, the emphasis of the sales activities is still on the area of private pension provision. 2003 marked the highest production result in the life insurance line since the Raiffeisen Insurance was founded. Despite the introduction of the state assisted pension plans, 70% is from the classic life insurance products.

Since 2003 the banks are being serviced through a new and innovative intranet solution, the RV-Web. This gives bank employees online access to all the policy data of insurance customers, so they can draw up their offers and transmit them directly to Raiffeisen Insurance.

85,000

QualityPartnerships have already been formed. Every third customer with a QualityPartnership has already received a no-claim bonus by now. And 56% of these customers are members of the VitalPoints Programme. At the VitalPoints Shop installed on the sales platform every representative can cash in his customers' Vital Points for them

Highlights

- 85,000 QualityPartnerships have been established so far. By the end of 2004 we hope to have 150,000 QualityPartnerships.
- At present, our VitalClub has 800,000 members. We are planning a further qualitative expansion of VitalClub services for 2004.
- Awareness of our brand is already at 91%. During the year 2004 we want to increase this brand awareness to 92%.
- In 2003 we were also very successful at sponsoring sports and cultural events. This will continue to be a fixed part of our marketing activities in the future.
- The foreign share of the Group at the end of 2003 was about 15% and we plan to increase it to 20% by 2006.

Processes and Products

We use IT technology and the Internet as a platform for our growth based on optimised profit. By integrating all the business procedures we improve the productivity and efficiency of our process structures, optimise quality and speed in customer support, and at the same time lower our costs.

Sailing looks easier than it is! You need a lot of experience to steer into the wind in just the right way. We also try to optimise our processes in such a way that we are always a boat's length ahead of the competition

optimise

IT technology and the Internet make us fit for the future

An efficient IT basis is the foundation for the success of our company strategy of cost-controlled and profit-oriented growth in all target markets. It is geared strictly towards the latest technology, the decentralised need for information and the inclusion of new companies in Central Europe.

The employee portal tower.uniqa.at was awarded the silver "at-award" as one of the best Austrian websites

A symbol of our innovative power is our new UNIQA Tower on the Vienna Danube Canal that we will be moving into in the summer of 2004. The 75-metre-high building with its 21 storeys, whose outline is modelled after the UNIQA logo, enriches Vienna's skyline with a prominent architectural accent. The two-shell glass façade and the rooms flooded with light are a signal of openness, transparency and modernity. An environmentally friendly heating and cooling system uses geothermal energy to ensure optimal room climate.

Pay the UNIQA Tower a virtual visit on the Internet

Generous parking spaces as well as an ultra-modern fitness centre can be found on the lower levels. On the ground floor an open gallery awaits our employees and visitors, with access to space that can be shaped flexibly for seminars and meetings, as well as a restaurant and café.

The progress of the construction can be observed virtually on the Internet at tower.uniqa.at.

Document management system tested successfully

Our novel integrated document management system (DMS) will be put into operation in the new Group head office. In five chosen pilot projects we have already tested the requirements of this company-wide system.

FactBox: UNIQA Tower

- 75 m high, 21 storeys
- 31,200 m^2 floor space
- Space for 1,500 employees
- 50,000 m^3 excavated
- 33,000 m^3 cement used
- 4,200 tonnes of steel
- 200 garage spaces
- 44,000 m absorbing wires
- 38 m deep support piles and subterraneous walls

The emphasis of the system is on supporting company processes, taking the soft- and hardware landscape of the Group into consideration, as well as legal aspects such as a storage system that fulfils the audit requirements and client specific access rights.

The test phase brought clear results: it is possible to install EDP-supported structures and unified filing methods for documents of every format, at the same time ensuring that they are available to the entire organization at all times. DMS also provides the prerequisites for efficient teleworking.

Diverse filing and search functions

The innovative system offers an abundance of options. Using it, paper documents can not only be scanned in, electronic documents can also be filed directly into or taken out of the DMS.

Users with the proper access rights can then search for the filed documents in many different ways. The search request is activated directly from host or client server EDP applications that are used to conduct the insurance business.

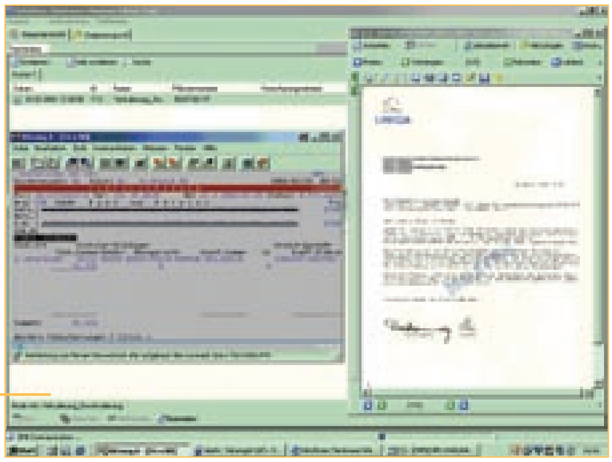
Solutions for reduced paper organisation in the new Tower

The orders to develop the necessary infrastructure and realise the company specific requirements were given in 2003. We have set up preliminary operations for two pilot projects.

In the past year we designed solutions for the electronic transmission of information from the external paper archive into the DMS in order to guarantee that administrative and operational processes in the new UNIQA Tower use as little paper as possible. This year a parallel project was also launched at our subsidiary in Prague, based on the same technology.

DMS stops the build-up of mountains of paper

The Document Management System will go into operation in 2004 in parts of the insurance business throughout Austria. In the process, we are focussing on working out sensible filing and search criteria for department archives in order to prevent a further build-up of the paper mountains in the new Tower. We plan to expand this to include “virtual files” that will offer access rights to customers and partners by 2005.



With our new Document Management System, the “paperless” office is becoming a reality

60,000

experts' reports on cars were processed electronically in 2003

In the lead, thanks to modern motor vehicle claims management

The successful innovation in our motor vehicles claims management system, its electronic integration of over 1,600 auto workshops with motor vehicle experts and our damage specialists via the Internet, has also made us the most modern motor vehicle insurer in Austria.

The advantages of the system are impressive in every regard. The data required for the claim file is already entered electronically at the workshop, so that many car damages can be judged based on the digital photographs without having to send an expert to the workshop. In the year 2003 about 17,000 workshop requests were made through the medium of the Eurotax Quick Check, and 60,000 motor vehicle experts' reports were compiled in electronic form.

The optimisation of our system, through the fully electronic exchange of information and digital pictures, speeds up the processing of motor vehicle claims enormously. At the same time, it improves the productivity for all contracting partners and – not least – increases the satisfaction of our customers.

WEB Focus supports sales partners

With the customer and policy data that can be called up on the sales platform along with the tariffs, conditions, articles, and ranking lists, we have implemented a novel instrument for sales statistics. The sales force can call up their personal sales successes and results on the so-called WEB Focus at any time.

Quality management pays

First class quality is also necessary at the operational switch point between customer and company – the central CallCenter – as well as with Internet contact.

For this reason we place the highest demands on our CallCenter in the new UNIQA Tower, where it will have even better working facilities.

We can be proud of the result. According to a survey, about 74% of our customers are completely satisfied with us and give us a grade of 1.4.

FactBox: CallCenter

- Available 24 hours a day
- 55 employees
- 404,800 answered calls
- 14,159 car and property claims dealt with
- 11,087 VitalPlan orders handled
- 10,348 emails processed

The Internet portal MyUNIQA gives our customers a comprehensive overview of their policies

Found the right tone on the phone

We are rated better still for friendliness, competence and availability on the telephone. This is proof to us that we have found the right tone in dealing with customers on the telephone, and at the same time it is an incentive to become even better in the future.

We have made speedy progress in incorporating the Internet even more than previously in the workday of our 1,000-plus colleagues in ExclusiveSales. In the past year they used the different service functions of our Internet sales platform intensely, changed about 18,160 pieces of customer data online, set up about 7,800 claim files, and worked on and completed 5,671 claims through the sales platform.

Agencies and brokers tied in electronically

Now our employees in agency sales also have access to the Internet sales platform. The next step is to activate it for our brokers. Their support through our employees has been considerably simplified with the implementation of the new system. Furthermore, in bank sales, the switch to Internet Technology means that all information and consulting services are now available online. The advantages: We are quicker to identify potential for optimisation and can produce new functions much faster and at clearly lower prices than previously.

Own homepage for representatives

The functionality of the sales platform on the Internet is being constantly expanded. Thus, our representatives can use the sales platform, for example, to cash in VitalPoints or to book a weekend at a spa for customers with the QualityPartnership. With the access to the sales platform, employees in ExclusiveSales now also have the opportunity of setting up their own representative's homepage, which is continuously updated.

Customers will soon be looking at policy data online

In addition, starting in the summer of 2004 our customers will be able to get an up-to-date overview of the services offered within the framework of the QualityPartnership. At the customer portal MyUNIQA they can call up a personalised summary of all policy data, payment plans and balances of VitalPoints at the click of a mouse. In addition, through MyUNIQA the customer has the opportunity to contact his customer representative directly.

AXA successfully integrated into our systems

We made a huge effort in 2003 to tie in the AXA systems as part of our "building bridges" project. Among the most important goals were: avoiding complex data migration and installing a common data storage system.

We managed to do this according to plan. Among other things we included all of the agents' information in the UNIQA systems.

Unified Internet presence

In 2003 we modified the Internet presence of our international Group companies in Poland, Switzerland, Liechtenstein and Hungary, step by step to conform to our modern UNIQA layout. During the current year we will also be reworking the websites of our companies in Italy, Slovakia and Croatia to match the principles in our Web Style Guide.

The upgrading of claim management on the Internet is also on the agenda of our eBusiness activities for 2004. We will expand the functionalities of our sales platform to include offer calculations and the transfer of applications. And in the future, our broker platform TOGETHER will also make it possible to handle administrative functions online.

Top medical portal with a virtual consultation hour

Our health portal MedUNIQA has turned out to be Austria's most successful medical Internet platform. The most extensive service, knowledge and information database in this area is available to our customers and anyone who is interested in health and well-being.

This Internet offer, used annually by more than 330,000 visitors, ranges from an online search for the right doctor with a perfect overview of the supply of health professionals in Austria to an encyclopaedia with 100,000 technical terms on the topic of health. During the virtual consultation hour it offers our customers on request the speedy help of top quality doctors from all parts of the country through the MedPLUS24 service around the clock, invites the viewer to go on an online expedition through the human body, and offers tips for diets and healthy nutrition.

Innovative accounting system developed

We have proved our high level of competence in optimising IT supported processes with our Internet platform for the electronic processing of accounts with our contracted hospitals. Other well-known Austrian insurers are interested in using this solution.

The web portal MedUNIQA offers everything on the topic of good health: from the search for the right doctor to the VitalClub

www.meduniqa.at

Highlights

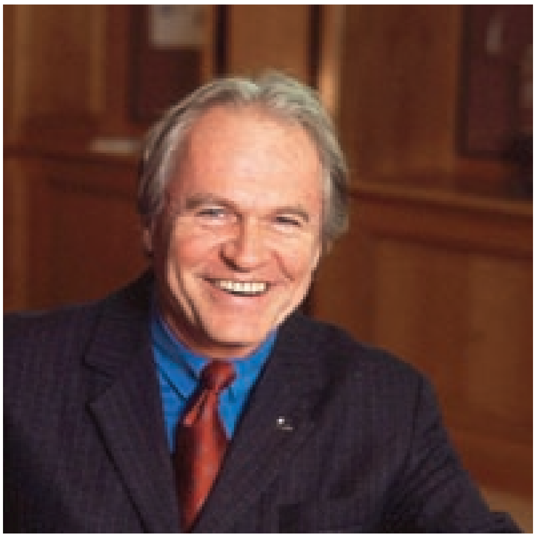
- The construction of UNIQA Tower continued rapidly in 2003 as well. In the summer of 2004 about 1,500 employees will move into the Tower.
- With our new Document Management System the "paperless" office will become a reality in 2004.
- Our quality and service management, successfully implemented in Austria, will become the standard throughout the Group.
- Direct contact with the customer will be expanded in 2004 through our customer portal MyUNIQA.
- Our web portal MedUNIQA remains, in addition to the MedPLUS24 telephone service, an essential part of the service our customers receive on the topic of health.

Group and Profit

After several years of consistently reducing costs and improving profit domestically, we are now in good shape to expand successfully abroad as well. Now we are starting from the pole position in the race for the markets of the future between the Baltic and the Adriatic.

Move forward, reflecting and using the power of nature optimally – like this athlete does – setting an example for our daily business as well

reflecting

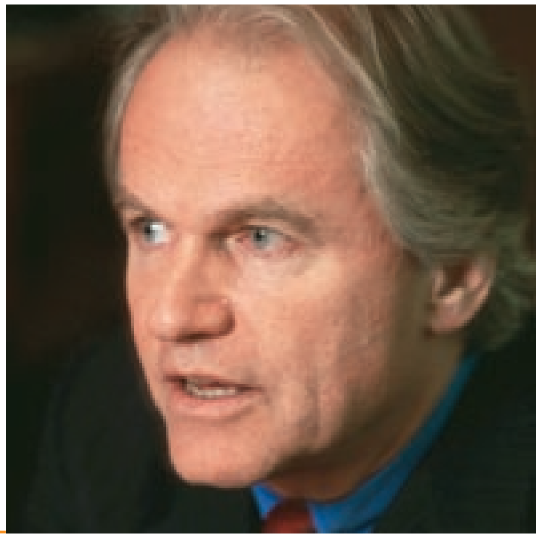
Interview

Step on the gas and curb the costs at the same time

Our company's strategy of growth based on optimised cost and profit combined with progressing internationalisation took full effect in 2003 in what was once again a difficult economic environment. Is UNIQA already optimally prepared for the opportunities that the expansion of the European Union offers in Eastern Europe? Konstantin Klien, UNIQA's Chairman and CEO, gives us answers.

On its way to becoming one of the most attractive insurance groups between the Baltic and the Adriatic for customers and shareholders alike, did UNIQA achieve its goals in the past year with its new Group strategy?

Dr. Klien: We were able to reach our goals for some important stages earlier than planned. In three years we were able to increase our profits by more than the € 130 million aimed for, mainly by energetically reducing costs and improving technical results. Through acquisitions we reached our goal for 2005, of raising the foreign share of our premiums to 15%, in 2003. Now we are also heading for a 15% contribution to earnings of our international business. All in all, we are in an excellent position to use the opportunities of the EU expansion to the East to drive the growth of our Group.



Konstantin Klien, CEO

A high level of expansion through acquisitions has its price. Has the financial expense paid off?

Dr. Klien: Our Group grew by about 25% in the past one and a half years – quite certainly through acquisitions and takeovers in other countries. And we paid around € 350 million for them. That is equal to slightly more than 50% of the premium volume purchased. A healthy relation, with which we not only defended our pole position in Austria, we even improved on it.

Does this mean that the time for acquisitions has ended?

Dr. Klien: Not yet. We will continue to keep UNIQA on its expansion course in the next few years, both through organic growth as well as through additional healthy and absorbable acquisitions.

Done earning capacity and profitability not suffer from the ongoing high rate of expansion?

Dr. Klien: On the contrary. Despite our high growth rate we were able to visibly improve our results in the past three years – through our high capacity, IT-supported operational structures such as ultra-modern claim processing, a slimmer administration and optimised actuarial practices. We tackle difficult sections of the road on our ambitious course of expansion with a technique used by rally drivers: stay on the gas in the curves but be ready to curb and control the costs. In this manner we can stay on the course we planned despite our high speed.

What role does providing the customer with high quality products and service play at this expansion rate?

Dr. Klien: An unchanging central role. The focus of our company strategy, of course, continues to be the customer, both in Austria and abroad. To convince him with better and better products and modern service, binding him to us as a total customer who takes advantage of all the financial services our Group has to offer, is and will remain our ultimate ambition. This is why we moved the QualityPartnership, the epitome of a modern product generation combining price and service advantages in a unique way, to a broader platform. In addition, we have designed products that are useful throughout Europe, that can be applied – supplemented by the unique country, sector, and sales features – in many regions and in all distribution channels.

After the impressive successes it has had, is UNIQA now entering a quieter phase of development?

Dr. Klien: We still have a lot to do. We must work continuously on further reducing costs, still do some restructuring in sectors such as motor vehicles, breaking and entering, tap water and health insurance, and transfer our efficient structure to the foreign companies that are still in development. So we cannot just rest on our laurels.

But UNIQA has achieved top marks as a leading quality brand in Austria as well as for image, brand awareness, innovative power, brand loyalty and service – all within a short period. Is that not enough?

Dr. Klien: We don't just want to be at the forefront. We have to hold our ground at the forefront – and to do this we must constantly improve. A symbol of our high expectations is our future main office in the new UNIQA Tower that we will be moving into this year. It not only sets new architectural standards in Vienna, it documents to the world our company culture of openness, modernity and transparency characterised by an increasingly international market integration and growing mobility.

Are the employees able to keep up with the enormous demands made by the expansion of the markets?

Dr. Klien: UNIQA is on the move. And our employees must also keep up with the pace mentally. We help them to continuously further qualify themselves using modern information technology and to take on new responsibilities. For example, in future our broker employees will be supporting Slovakia in addition to Lower Austria, and the Czech Republic in addition to Upper Austria. Within the framework of our mobility programme "Go Ahead" we offer our technical and management personnel the chance to get to know the mentality of their foreign target groups on location and to gather experience for their professional future. We consider the advancement of our employees to be a lasting challenge and an important element in our company strategy.

What is your message to employees and to the market for the current year?

Dr. Klien: We will continue to work in all areas with commitment and determination on consistantly using our pole position for take off into a successful future on the markets which are growing together from the Baltic to the Adriatic. We will continue to make fundamental progress along this path in 2004. ■

€488 million

was contributed to the Group premium by our international companies in 2003. By the year 2006 we plan to increase the foreign share to 20%

On the way to being an international quality insurer

The UNIQA ScoreCard has impressively proved itself as a target-oriented instrument for realising our growth strategy.

Through the ScoreCard all employees are informed about the visions of our Group, they know our current goals and can make their contributions towards reaching them. Our main goal is: position UNIQA as top brand and quality insurer in Central and Eastern Europe with a clear orientation towards shareholder value.

Strong growth abroad through takeovers

The markets in Central and Eastern Europe make a decisive contribution to our development. Ahead of schedule, in 2003 we had already reached our goal for this stage – to increase the foreign share of our premiums to 15%. We succeeded at this through above average organic growth as well as through acquisitions.

The markets outside of Austria by 2006

Goals:

- 20% share of overall sales
- 3–5% market share in each country
- further development of Group strategy
- uniform market approach

Means:

- primarily organic growth
- in some cases small, fitting, and profitable acquisitions

More committed in Poland and Slovakia

The R+V subsidiaries in Poland (Filar) and Slovakia (R+V) will be transferred to UNIQA in the year 2004. Both companies provide an excellent supplement to our already existing commitment in these countries. In Poland, Filar opens up a unique new distribution channel for us through the company's close relations with the housing cooperatives there, enriching our mixture of sales channels.

R+V poistovna in Bratislava has successfully positioned itself in bank sales and is strengthening our position in this area through the new ground in sales channels it has broken, in cooperation with Tatra Bank. The complete integration of the R+V subsidiary is the focus of events in Slovakia in 2004. By incorporating both companies in Poland and Slovakia we are further strengthening our competency and competitive position in the Central and Eastern European market.

Concentrating forces in Hungary

With the takeover of the former AXA Company in Hungary we acquired the sixth largest insurer on the dynamically growing insurance market. In the course of integrating it into our Group the company was renamed UNIQA Biztosito in November 2003. The niche insurer we took over in the summer of 2002, Agrupaciaon FunEuropa, will be merged into UNIQA Biztosito in 2004. By combining their business strengths we are hoping for cost-reducing and performance-increasing synergies for our further expansion in Hungary.

With the strategic orientation of covering both general business and market niches, as well as with the expansion of the total customer principle, we want to achieve a balanced development of life and non-life business. In 2003 UNIQA Biztosito took over, in addition to the administration of a pension fund, the maintenance of the Millennium Medicina health fund. As with our first class products for private and business customers we also emphasise top quality in our market approach. To convey our image in UNIQA Biztosito's advertising campaign in Hungary in 2003 we were able to win over the first Hungarian Formula 1 driver, Zsolt Baumgartner.

Zsolt Baumgartner promotes UNIQA Biztosito in Hungary as image carrier in Formula I

€ 70 million

was made available to UNIQA by the EBRD (European Bank for Reconstruction and Development) for further acquisitions in Central and Eastern Europe. The EBRD's participation in the two Polish subsidiaries of the UNIQA Group was already decided upon at the end of 2003

Life insurance boom in Liechtenstein

With the acquisition of AXA Austria in 2003 we also purchased two companies in the life, property and casualty insurance line in Liechtenstein. Our business there is booming, above all the life insurance line. In Liechtenstein we profit to a high degree from the advantages of having access to the Swiss market. This gives valuable momentum to our still high level of expansion abroad.

€ 70 million for further expansion in the East

A milestone on the path to faster expansion in Eastern Europe was the signing of a framework agreement with the European Bank for Reconstruction and Development (EBRD). It gave us the largest investment commitment ever granted to an insurance company for the expansion of its Eastern European activities.

This agreement confirms once again that we are on course with our company strategy and our concentration on the Central European core market. Altogether the EBRD is providing us with € 70 million for further acquisitions in the countries of their operational area in Central and Eastern Europe.

Commitment in Germany secured

At the end of 2003 we decided – subject to the approval of the appropriate bodies – to supply the German Mannheimer AG Holding equity amounting to € 79.5 million as part of a recapitalisation plan. This gives us the opportunity to increase our existing minority shareholdings to 87%.

Improve earning capacity in Eastern Europe

After building new bridgeheads abroad it is now necessary to strengthen the competitive position and earning capacity of our companies in those countries. We must noticeably expand their market shares in all fields of business in order to reach the critical mass for growing profitability as quickly as possible. Thus, the markets outside of Austria should be contributing about 5% of Group earnings and 20% of the Group premium by 2006.

Integration

Domestically, the purchase of AXA Austria was not only one of the largest acquisitions on the Austrian insurance market, the deal was also an enormous challenge for us. For it to be successful, we had to ensure that the integration into the UNIQA Group was carefully and comprehensively planned, and that it went as precisely and as smoothly as possible.

Successful implementation of the AXA integration

For this reason, we prepared a detailed plan of procedures, taking into consideration the ten "commandments" of successful integration after a full-scale legal fusion.

The ten commandments of successful integration

- Clear definition of goals
- Speedy identification of top performers
- Consideration of structural conditions
- Creation of new values
- Tight project management
- Transparent information policies
- Rapid integration
- Unification of market approach
- Consolidation of distribution channels
- Pragmatism more important than securing assets

In accordance with the Master Plan, the AXA Group Austria, including its subsidiaries in Hungary and Liechtenstein, was transferred by cash purchase at the end of 2002 from its German owners first to the UNIQA core shareholders – the Raiffeisen Group Austria (Vulcania Holding) and Austria Versicherungsverein. This left us with sufficient time to prepare the integration into the UNIQA Group. In a further step at mid-year 2003, UNIQA paid back the advanced purchase price to its core shareholders, thereby taking over the AXA Group Austria, including all its employees.

UNIQA enhances its leading position

The AXA inventory was transferred to UNIQA Personenversicherung (life insurance), UNIQA Sachversicherung (property and casualty insurance) and to FinanceLife AG (fund and index-linked life insurance). Furthermore, the foreign participations were transferred to UNIQA International Versicherungs-Holding and UNIQA International Beteiligungs-Verwaltung. In October 2003 the company was rebranded as UNIQA. The integration was formally completed as on 1 January 2004.

The shared total insurance policies reach dimensions in which we can profit above all from economies of scale. In addition, there are positive effects for former AXA customers: new products with better price/performance ratios, full-coverage service, the security of a large partner and the combination of focussed, specialised knowledge.

A decisive growth jump

Our position as Austria's leading insurance group with European format has not only been strengthened by the integration of AXA Austria, it has also been extended. We will make excellent use of these new capacities and their knowledge for our further expansion in Central and Eastern Europe.

There are synergies from combining the production and distribution, the administration and processing systems and from incorporating their unique know-how. They are making a decisive contribution towards saving costs throughout the Group without losing quality, and with this they are promoting our yield-orientated growth.



Optimising profit is an ongoing task

Our three-year programme to reduce costs and raise profit focussed on the continuous improvement of the quality of our products, service and convenience for customers, as well as the sustained improvement of our profitability. At € 138 million, the success we achieved outdid even our own hopes – not least due to the further optimisation of our technical results.

The situation for motor vehicle insurance relaxed slightly due to the premium adjustments that resulted from the new instruments of risk selection. However, in 2003 we also took additional steps to reorganise motor vehicle comprehensive insurance in order to reduce the claims expenses. Our efforts to improve the technical results must be continued in the current year.

Group health insurance must be further reorganised

As Austria's leading health insurer, we are always interested in further improving the group health insurance business, which contributes approximately one third of our health insurance premium revenue. In the past year we held 650 negotiation rounds concerning general agreements with companies and public service organisations. Our goal is still to optimise group business as compared to individual health insurance because, despite attaining the additional premium, the results remain unsatisfactory.

Furthermore, we have made an effort in all nine provinces – based on the now almost homogeneous structure of fee contracts with public hospitals – to cushion price increases in health services, and the constant increase in costs by processing hospital cases more efficiently. This remains a task for the coming year.

Group reinsurance optimised

Up until now UNIQA Versicherungen AG operated as the reinsurer for all domestic and foreign Group companies. The reinsurance takeovers were combined here and passed on to external reinsurers as required.

To optimise our reinsurance concept we founded UNIQA Re AG in Zurich. Since the beginning of 2003 it has been acting as an internal Group reinsurer for all companies not located in Austria.

€ 138 million **earned in the course of our programme to reduce costs and increase earnings**

First class rating by Standard & Poor's

In an environment that continued to be difficult, our yield-oriented growth policies in the past year led to an improvement in profit and a reduction of costs. In a detailed analysis that we, the only Austrian insurance group to do so, regularly undergo, the international rating agency Standard & Poor's once again confirmed our "A" rating.

The S & P Insurer Financial Strength Rating evaluates the financial stability of the UNIQA Group and with it our capacity to fulfil our duties from insurance policies at all times. The company's strategy also plays a major role in the evaluation and, not least, the Group's capitalisation that is calculated by S & P with a special risk-based capital model.

Professional asset liability management

Our financial strength and superior all-round credit standing, confirmed for years by S & P, is also the result of our professional asset liability management. This makes it possible, both on a Group level and for the individual business segments, to measure the major risks for our Group – insurance technical and operational risks as well as capital market risks, to simulate alternative risk scenarios and create an integrated risk controlling system. An ongoing process of creating economic value added and the smallest possible chance of losing liability capital are the central goals of this important controlling system.

Further increase in earnings on the agenda until 2006

Despite the success that we achieved with our increased earnings programme by the end of 2003, the further improvement of profitability will continue to be on our agenda from 2004 to 2006. We will increase our Group profit in the next three years through continuous reduction of cost ratios as well as the constant optimisation of productivity and loss ratios by about € 70 million.

Project groups at home and abroad will define plans of action for this and check up on compliance with them in order that we reach our goals. Among the 46 action plans are the implementation of our innovative document management system, the expansion of the Group-wide sales platform and the QualityPartnership for several customer segments, the advancement of the total customer approach in broker sales, and generating new products and product combinations based on a unified European Product.

S & P confirms "A" rating

Highlights

- The international rating agency Standard & Poor's confirmed again in 2004 our excellent "A" rating.
- UNIQA has already been present in four EU accession countries – Poland, Slovakia, the Czech Republic and Hungary – for several years.
- We will be expanding this foreign commitment over the next few years. To do this, we will also use money that the EBRD has made available to us.
- Our efforts to improve technical results in motor vehicle insurance will be continued in 2004.
- In a new increased earnings programme, Group earnings will be increased by about € 70 million by 2006.

Staff and Partners

Our motivated and well-qualified employees are one of the keys to our success. Recognising their capabilities and talents and continuously developing them further is both a duty and a challenge for us.

training

We keep pushing the pedals, with all our power, we don't just rest on our laurels! Our employees continue to further educate themselves and are committed to their work, so that we can stay in pole position

Employees moving forward towards new goals

For us, integrating AXA Austria was not only a quantum leap strategically, it was an enormous challenge for all the employees in both companies. It was crucial to take them with us on our time trip together into the future and motivate them to move forward in the direction of new goals.

The sensitive process of integrating both companies was professionally prepared and communicated step by step with managers and employees. For the second section of our long-term growth programme we need everyone to make an optimum contribution towards reaching the goals we have set ourselves.

Together we are stronger

Thus, we informed the 150 managers in detail during the integration process about strategies, principles and the course we would be taking in the future. In particular about the advantages for our customers through the mutual strengths in our product and service range, and the synergies for reducing costs and improving efficiency through combining sales, administration and maintenance under one unified brand.

Employees motivated by a road show

At the same time we informed the employees of AXA, who were taken over by UNIQA at the beginning of July, about all the details of the assimilation into the UNIQA Group, and explained the positive perspectives of the fusion to them. A road show with the motto "We are moving into the future – together into new dimensions", with four national employee events and one in Hungary, rounded off this information campaign.

The fact that the fusion was received positively across the board showed us that even in difficult economic times, if the most important ten integration "commandments" are upheld, successful merger management is possible – accompanied by a high level of acceptance from all participants. The high level of assimilation know-how that we shared in both companies made this process considerably easier.

We are moving into the future – together into

Konstantin Klien and Vera Russwurm, who hosted the programme on the four evenings

All employees and sales partners were invited to integration events in Vienna, Linz, Innsbruck and Graz in October 2003

future
new dimensions

Great need for talented employees

Because of the strong potential for expansion in Central Europe, UNIQA has a great need for talented employees who are eager for action. For this reason, and also not least because we need to quickly fill a number of positions due to retirement, the integration needs not be combined with a reduction of jobs. When filling positions we clearly give qualified personnel from our own ranks preference over external applicants.

In order to make the internal recruiting in the Group more efficient we installed our internal skill database. In it UNIQA employees can document their capabilities – be it knowledge of the insurance industry, languages, general economic or legal knowledge.

Grow with your company

UNIQA | Go Ahead

Go Ahead mobility programme boosts careers

The presentations of our mobility programme UNIQA Go Ahead also received a positive response at home and abroad. This modern instrument for optimising our personnel development with the sub-heading “Grow with your company” has to date been taken as an invitation by more than 100 interested participants to grow across borders with the company, take on new challenges and accelerate their careers.

By analysing their potential we offer candidates the opportunity to identify their developmental chances, strengths and talents as aspiring managers. Those who make the jump over the test hurdles can become qualified for management and expert tasks in the Group through a multi-level training and development programme, short or long-term deployments abroad or an ongoing cultural exchange in the “Go Ahead Club”.

More efficient learning through eLearning

Independent study through computer-supported eLearning has proved to be an effective and time saving addition to the ongoing courses, particularly for basic training. During the integration of the AXA employees, eLearning played a decisive role in conveying knowledge quickly and yet efficiently, for example, about our products.

Product knowledge is a prerequisite for the successful assimilation of the new employees into our Group. The response to the modern training method through eLearning was very positive.

Working between home and office

Some of our employees have also been trying out new forms of work organisation. Voluntarily, they decided to do their jobs alternately in the office and from home as teleworkers. We offer this opportunity in the most diverse areas, tuned to the personal preferences above all in office work in combination with desk sharing in collective offices.

Teleworking

In the meantime, about 90 of our employees are taking advantage of this offer. Our employees are very interested in teleworking. According to our estimates, 25% of all the jobs are appropriate for teleworking.

Taking advantage of employee appraisals

As in the past years, in 2003 we took advantage of our most effective motivational and communicational instrument in personnel management – "MAG", the employee appraisal. In the regular annual talks between employees and supervisors personal goals and needs as well as necessary training and further development measures are discussed. The aim of the "MAG" employee appraisals is to promote employees in a goal-oriented way and to optimise their output and efficiency through clear description of their job tasks.

Elisabeth Stadler moves up to the Board

Openness is not only characteristic of the way we deal with one another, it also describes the opportunities for personal development which the Group offers. Thus Elisabeth Stadler, actuarial mathematician and expert in life and accident insurance, became the first woman to move up to the Board of UNIQA Personenversicherung AG. The new head of the cross-border competence centre for life and accident insurance is responsible with her team for the development of this business area in both Austria and the growth markets of Eastern Europe.

Elisabeth Stadler doesn't only know our home market from many years of professional activity. In the past years she has also intensively studied on location the distinctive regional features of the countries of Central Europe.

UNIQA is pointing the way: Elisabeth Stadler has been appointed to the Board of UNIQA Personenversicherung AG

Brokers informed in detail about the integration

The successful integration of AXA into our Group was also a central challenge for the BrokerService in the year 2003. With a road show under the motto "Come together" we informed more than 1,000 TopPartners nationally, at nine events, about the details and new potentials that have opened up for them under the shared umbrella of UNIQA. The huge amount of interest and positive feedback confirm that we were able to impressively convey the advantages of the integration. Our invitation to the TopForum International 2003 in Madrid was accepted by 85 TopPartners.

Successful TopPartner strategy

Our TopPartner strategy was the basis for the exceptional success of the BrokerService in the year 2003. This strategy focuses on the intensive support, with defined service guarantees, of the one third of our brokers that generate about nine tenths of the business in the UNIQA BrokerService. The other two thirds of our broker partners are tied in to the "BrokerService direct".

All in all, we are very popular with the brokers. We get the best grades for the quality of our information and broker support. Our seminars offered at the Broker Academy are very well received.

FactBox: Brokers

- TopPartner strategy as basis of success
- Portfolio growth far above market level
- AXA integration completed with success
- Starting signal for "BrokerService International"
- Broker questionnaire: excellent results

The intensive support resulted in the broker business contributing € 88.4 million in new premiums to UNIQA's overall success in the year 2003. Our BrokerService accounted for noticeably more than half of the entire new business premium in the property and life insurance lines and has expanded its total insurance policies by 56% since 2001 – following the successful AXA integration – to the present € 529 million.

Annual managers' meeting

For our managers, the regular ManagerCircle, held twice a year, is a central meeting, a strategy and discussion forum, an employee talk, a motivation and training event – all in one. 150 managers from the UNIQA Group came together at the two Top Meetings that took place in Bratislava and Budapest. The Board informed them about company strategy and principles of integration in all business field and areas of activity.

The 150 best customer advisors and managers in ExclusiveSales that made it into the EliteClub this past year were honoured at the fourth Elite Forum in St. Wolfgang. Under the motto "Go far with the UNIQA QualityPartnership" the Board showed its appreciation of their unusual achievements in the individual business sectors.

Social responsibility taken seriously

As part of our central company values we also take on many different forms of social responsibilities. Thus, we doubled the profits from the Charity Quiz that was part of the integration event. This enabled us to donate sizeable amounts to numerous charitable organizations such as the St. Anna Children's Hospital, a number of hospice movements as well as the "Médecins sans Frontiers".

In the course of our mobility project we also supported the Austrian Automobile Club ÖAMTC in an attempt to promote safety on the streets.

Highlights

- Integrating the new employees into the UNIQA Group was completed successfully in 2003.
- More than 100 interested employees applied for international assignments within the framework of our mobility programme Go Ahead.
- In the year 2003, 90 employees took advantage of the opportunity to do teleworking. We will continue to encourage this new form of work organisation in 2004.
- In the year 2004 we will also continue our TopPartner strategy in broker sales and internationalise our BrokerService.
- Our EliteClub will continue as the platform for the best customer advisors and managers in ExclusiveSales.

Markets and UNIQA shares

analyse

The world economy has recovered and the situation on the international financial markets has relaxed, with the support of the central banks of the Western countries. As the insurance industry remains a growth industry due to the increasing need for additional old-age provisions, the perspectives for our shareholders are excellent.

Analytical capabilities are not only of value for the best athletes. We also use these capabilities to achieve the best possible result for our customers and shareholders.

Economic environment

World economy with growing dynamism

The recovery of the world economy began to gather speed after the end of the military conflict in Iraq in the further course of the year 2003.

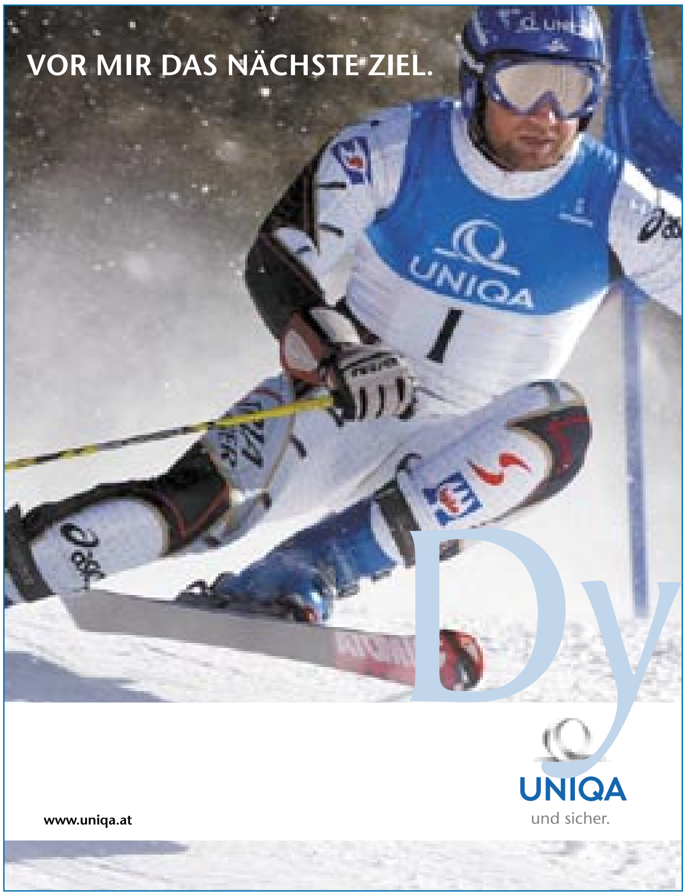
Accompanied by expansive monetary and financial policies in the leading industrial nations, the continuing dynamism in the newly emerging Eastern Asian countries and a sustained upturn on the international financial markets, the increasingly positive mood indicators for consumers and investors were reflected more and more in the growing number of orders received and in the production results. Inflation remains dampened; unemployment continues to be high.

After a weak first quarter, the worldwide production increase accelerated to 3.5%. World trade in goods and services increased by about the same amount. However, growth remained at 3.7%, about three percentage points behind the average of the past ten years.

The USA remained the motor of the international economic cycle

However, in 2003 the world economy grew in a highly asymmetrical manner. The motor of the economic cycle was once again the USA. Their total economic output improved after an above average acceleration in the third quarter by 3.1% in real terms.

Thanks to the pronounced dynamics in equipment investments, the economic upturn – even though it resulted from stimulating monetary and financial policies – stood on solid ground. A stable price environment, a strong increase in productivity and only a slight decrease in unemployment were the typical signals for the beginning of a sustainable upturn in the USA.



Dynamics

High growth rate in Asia unchanged

The Asian economic area owes its continued high growth rate above all to the robust expansion of exports. They also provided substantial stimulation in Japan where the economy was burdened by deflation risks.

Despite the continuously generous supply of liquidity from the Japanese central bank in an attempt to slow down the appreciation of the yen against the US dollar, there was still no noticeable change in the trend among private investments and consumption. It remains questionable whether the deflationary weak growth has yet been overcome for the long term, because of the high burdens of the banks with non-performing loans, the risks in the national budget and the imminent social cuts.

Non-stop dynamics in China

In the Asian emerging markets, domestic demand continued to contribute more and more to the above average economic vitality. In China in particular, investment activity came into swing because of the high promise of profit. As a result of the increase in real wages, private consumption and retail sales were also up noticeably. This meant that total economic output in China accelerated its expansion rate to more than 8.5%.

Euro zone was the rear-guard of this upswing

The economy in the twelve Euro zone countries made up the rear guard of the global economic upswing. After the stagnation in the first half of 2003, however, the outlook brightened somewhat. However, total economic output only increased with the clear recovery in the third quarter by 0.4% in real terms, mainly due to the noticeable rise in exports despite the appreciation of the Euro. Imports stagnated as a result of the weak domestic demand.

Marginal increases in wages and unchangingly high unemployment slowed down private consumption while the public consumption expenditures continued to grow noticeably. Investment activity has not started up yet, despite the stabilisation towards year end and the steady improvement in the general mood.

The state of the public budget in the Euro zone worsened in 2003 because of the decreased tax revenue as a result of the weak economy and the lack of discipline in spending. The budget deficit probably increased to 2.8% of the gross domestic product.

In the accession countries, the race to catch up goes on

With clearly higher growth rates than the average in the Euro zone, the Eastern European accession countries continued their race to catch up economically. Thanks to the considerable increase in private consumption due to the continuing rise in productivity and real wages, they were almost able to retain their enormous growth rate. In 2003 exports to the Euro zone continued to rise, aided by the nominal and real devaluations of most of the Eastern European currencies. This affected the Polish currency most.

While the inflation rates in Slovakia, Slovenia and Hungary were clearly above the EU average, consumer prices in the other Eastern European countries rose moderately. The noticeable convergence of the above average unemployment rates in Eastern Europe and the EU average had no effect because of the enormous advances in productivity in most of the accession countries.

Export buoys Austria's economy

Austria's economy experienced its third year in a row of ongoing weak growth. Total economic output recovered in real terms by about 0.7%. Although this rate was still clearly under the long term average, it was almost double the amount of the average expansion in the Euro zone.

The economic growth was buoyed by capital expenditure and export. Pulled by the global rise in demand, particularly in Asia and Central and Eastern Europe, Austrian exports climbed by 2% in real terms, despite the fact that the international competitive position was more difficult due to the almost 2.25% higher exchange rate for industrial goods. However, in relation to the relative unit labour costs, the ability of prices to compete in the export industry has improved over the past years. Thus the importance of exports for total economic expansion will increase.

Imports in Austria went up faster than exports in 2003 because of the unexpectedly strong increase in capital expenditures. Goods imports were up by 3.3%, above all due to the brisker ordering of vehicles, machines and electric appliances resulting from the government investment grants. The balance of trade was clearly worse.

Boost from upgrading the infrastructure

Construction investments also gave the Austrian economy a boost; they increased by 1.7% in real terms. The upgrading of the infrastructure in rail and road transportation played a decisive role in this figure.

Private consumption did not demonstrate much of an improvement yet, with an increase of 1.3%. Due to the restraint of consumers, prices only rose 1.3%, a smaller increase than in the previous year. The fact that this weak growth has held for a few years led to a clear increase in the unemployment rate, now at 4.5% of the labour force.

Increasing public budget deficit

Because the tax revenues were below average due to the weak economy, yet at the same time the costs of childcare and partial retirement called for higher expenditures, the deficit in the public budget increased. Nevertheless, at 0.9% of the gross domestic product it remained clearly below the average of the countries of the Euro zone.

4.1%

growth in premium revenue in the Austrian insurance industry in 2003

Trends in the insurance industry

The insurance industry is a growth industry

The Austrian insurance industry almost doubled its growth rate compared to 2002, giving the economy a healthy stimulus. Premiums rose in the previous year by 4.1% to € 13.2 billion, thus growing in real terms four times faster than the total economic output.

Payments of claims and benefits increased with strong differentiation between the individual market segments by 5.2% to € 9.5 billion. Capital investment rose to almost € 61 billion, or by 4.9%.

The life insurance line profits from "Zukunftsvorsorge"

After the slight deterioration in the year 2002, premiums in the life assurance line improved by 1.7% to € 5.8 billion.

The upward trend was only stopped by the one-off payments that sank by 15.7% to € 1.6 billion; they were even 30.5% less for retirement annuities. On the other hand, recurring premium life insurance showed clear growth with an increase of 10.1% to € 4.2 billion.

The new work-horse in the product line of the life insurers was "Zukunftsvorsorge", available since the beginning of 2003. Slightly more than 280,000 of these policies with a premium volume of over € 238 million were signed.

High acceptance of fund policies

Unit-linked life insurance also continued to be broadly accepted in 2003 despite the past turbulences on the stock markets. Insurance customers paid about € 891 million, or 5.1% more than in the previous year, into fund policies. Above average growth of 20.8% was also seen in the area of additional pension insurance which still has, with its current premium volume of € 12 million, a great potential for development.

Payments from life insurance policies increased in 2003 by 19.1% to € 4.4 billion. One of the major reasons for this was the extension of the binding period for the tax subsidy of capital life insurance from 15 to 20 years which took effect at the beginning of 1989. A large portion of the policies that were signed in 1988 matured in 2003.

Increase in benefits in health insurance barely curbed

Despite the efforts to curb the increase in hospital costs, the benefits of the private health insurers increased with a premium revenue that was up by 3.8% to € 1.3 billion on an average of 2.8%, to € 954 million. In some of the provinces the benefits climbed even higher. This is due above all to the increasing life expectancy of the policyholders.

4.9%

growth in premium revenue forecast for 2004 in the Austrian insurance industry

Normalisation in property and casualty insurance

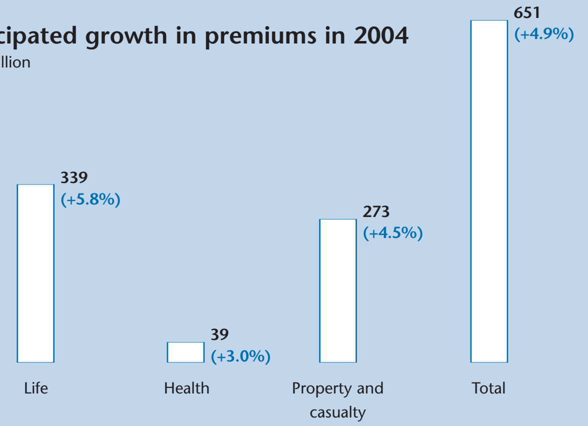
After the natural disasters of the year 2002 the situation in property and casualty insurance has returned to normal. The premium volume grew by 6.5% to € 6.1 billion. Benefits paid sank in comparison to 2002 by 5.8% to a volume of € 4.2 billion.

Motor vehicle liability insurance was still in the red in 2003 despite reorganisation efforts. Premiums did improve, however, by 7.3% to € 1.6 billion. The combined ratio nevertheless was still above 100% although the claims payments sank slightly by 1.5% to € 1.2 billion. This was due to the above average increase in expenses for motor vehicle claims as well as higher benefits for the growing number of accident victims in road traffic.

Growth continues to gain momentum in 2004

In the current year the Austrian insurance industry will again be among the growth drivers with a forecast increase in premiums of about 4.9%. It profits from the unbroken upward trend in the life insurance line with an increase in premiums by an anticipated 5.8%. In the health insurance line premiums should improve by about 3%, in the property and casualty line by about 4.5% and in the motor vehicle liability insurance by about 3.8%.

Anticipated growth in premiums in 2004
in € million



Source: Austrian Association of Insurance Companies

International financial markets

All-clear after the war in Iraq ended

The situation on the international financial markets relaxed noticeably after the end of the war in Iraq. The European Central Bank cut the minimum refinancing rate on 6 March 2003 to 2.5% and on 6 June 2003 again to 2%. A few weeks later, the US Federal Reserve lowered the Federal Funds Rate to 1%. That was the lowest rate in 45 years.

The Euro appreciated vigorously in the first months of 2003 above all against the US dollar and the Japanese yen. After a short recovery by the US dollar, it continued its upward trend under the impression of the USA's hugely billowing deficits in the current account balance and the federal budget. The Euro reached a record high of slightly over USD 1.28. At year-end it closed at just under 1.25 dollars.

Monetary policy supports economic upswing

Along with the prime rate, money market interest rates sank in the Euro zone and the USA. They remained favourable until the end of the year due to the minimal risk of an abrupt change in course from the central banks. In the USA, short-term real interest rates were even slightly negative because of the moderate price developments.

Returns on loans and bonds also remained stubbornly low until mid-year, subject to the economic and deflationary risks in the Euro zone and the USA. With the ongoing improvement in both the general mood and the economic data, however, the long-term returns went up during the rest of the year.

Top quality government bonds and corporate bonds of first class issuers – which are growing more and more popular as a financing instrument – remained attractive as low risk investments, even if the mood on the stock markets did get noticeably warmer in the second half of the year, thanks to the improved economic perspectives and rising profit expectations of the companies.

ATX

FactBox: Vienna Stock Market

- ☐ Performance 2003: +35%
- ☐ All-time-high on 31 March 2004: 1,866.76 points
- ☐ Stock exchange capitalisation 2003: € 44,8 billion
- ☐ New listings 2003: 9
- ☐ Volume Corporate Bonds 2003: € 2.4 billion

Stock markets looking up

Stock markets showed strong recovery

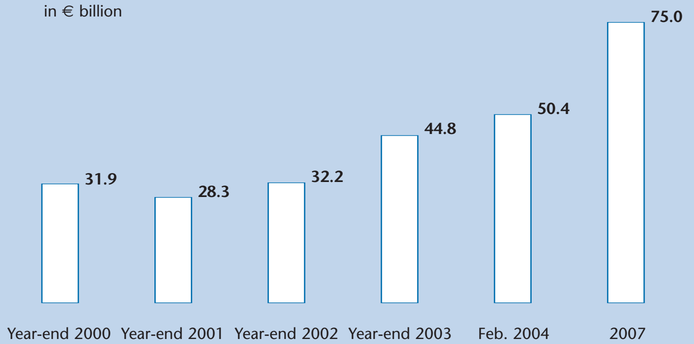
After three years of continuous losses, a drastic change of mood took place on the international stock markets. On Wall Street the Dow Jones rose 25.3% and Nasdaq 100 went up by 49.1%. In Europe, in addition to the standard shares, growth and second-line shares posted particularly clear profits.

Top year for the Vienna Stock Exchange

The Vienna Stock Exchange was once again able to assert itself as a top performer in Europe. The ATX ended the year 2003 with 1,545.15 points and a gain of almost 35%. The market capitalisation increased compared to the end of the year 2002 by 39% to € 44.8 billion. Overall sales rose in 2003 by more than 50% to € 20.6 billion.

The activities of the board of trustees (founded in 2002 for the Austrian capital market with the participation of significant institutions and business) strengthened the competitive position of the Austrian capital market in the European environment. The product for old-age provisions that was developed under the leadership of the capital market agent of the federal government also made an important contribution to helping the market regain its momentum.

Market capitalisation on the Vienna Stock Exchange
in € billion



Source: Vienna Stock Market

Financial investment strategy in the insurance industry

Careful investment policies prove their value

In 2003 the Austrian insurance industry continued its capital investment strategy aimed at security and risk minimisation. The share of bonds in the total tied assets increased from 39% at the end of 2002 to about 41.6% at the end of 2003. The share of stock including investment funds rose insignificantly to about 10% With this, the share of pure stock sank from 6.3% to 5.2%, the share of investment funds from 27% to 25.1%. Loans made up 15.1% and real estate an unchanged 8% of the tied assets of the Austrian insurance industry.

Successful investment strategy

Our diversification and our investment strategy oriented toward spreading the risks in bonds, stock, and real estate proved their value in the past financial year. Through the clear recovery on the stock markets in the last three quarters of the year we could balance out the drop in price of our stock of shares from the first three months of 2003. We further optimised the profitability of our real estate portfolio. Securities produced a profit of 6.2%, which definitely exceeded the benchmark on which they were based. Through active management UNIQA was also able to profit above average in the year 2003 from the positive development of government bonds and corporate bonds. The strategic coverage of currency risks also paid off effectively. This enabled us to optimise the income from regional diversification as well. Altogether, UNIQA looks back on a very successful investment year and we see our long-term investment policy confirmed.

UNIQA Alternative Investments

In addition, with great success we are now offering a bundle of management services in the areas of asset-backed securities and alternative instruments – not only for our Group companies. In the past year we built up a global investor base of banks, savings banks, insurance companies, and pension funds in Europe, the USA and the Middle East. They use the expertise of our ten highly specialised employees who professionally manage the asset-backed securities and structured credit products compiled on the basis of quantitative and qualitative models and analyses.

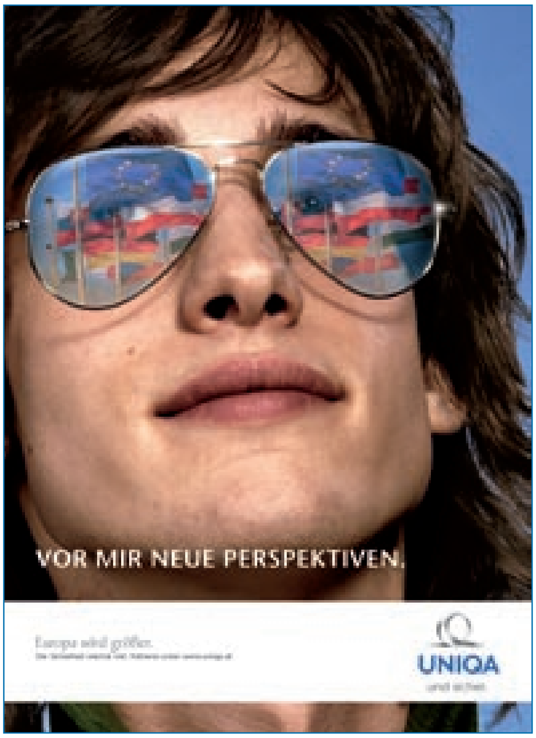
Market leader for structured credit risk management

Through the additional mandates of third parties from outside the group in the form of collateralised debt obligations and investment funds, the volume administered increased to over € 1 billion. Our performance was above the market average. UNIQA Alternative Investments has thus established itself as a market leader in managing structured credit risks in Europe. In the coming years we expect to see a growing interest on the side of institutional investors and a sustained growth in this area.

6.2%

performance of securities

Forecast for the year 2004



upturn

We expect the global upturn to continue in the current year and to become broader and stronger. The USA and the newly emerging Eastern Asian countries will continue to drive this growth. The US economy should increase its rate of expansion to over 4% in real terms, with continuing lively investment activity and sinking unemployment rates.

China's total economic output is also picking up speed and will grow to about 9%. Japan, on the other hand, will likely lose a bit of momentum. In Latin America, Argentina continues to recover from the aftermath of the financial crisis in 2001. The economy in Brazil is stabilising.

Euro zone feels the pull of global upswing

The vitality of the leading growth regions is also affecting Europe. The EU Commission expects an economic growth rate of 1.8% for the Euro zone in 2004. However, this is not sufficient to effectively improve capacity utilisation and employment. Among the hazards to the economic recovery is the continuing strength of the Euro against the US dollar. On the other hand, this dampens import prices and contributes to the stabilisation of the low inflation rate.

Austria also overcomes economic weakness

The Austrian economy has also profited from the global growth momentum. It increased its expansion rate in the current year to about 1.7%. The upswing is driven by exports, which are increasing at 5%, more than twice as fast as in 2003. But capital expenditure is also up about 4%, contributing to the revival of the economy in Austria, as does manufacturing which is up by 3%.

The deficit in the public budget in relation to the gross domestic product remains 0.9% in 2004, still clearly under the average for the Euro zone. The average annual running yield of 4.3% has barely changed compared to 2003.

Expecting a turn-around in interest rates

Since the Bank of England raised the prime rate at the beginning of February 2004 from 3.75% to 4% in reaction to the growing inflation potential, the US Federal Reserve Board is also likely to announce a monetary policy change in the course of the year. They will carefully raise the Federal Funds Rate from the present 1% when the economic recovery has gained more size and momentum. The European Central Bank will not be able to ignore the change in direction with the sustained economic recovery, and will raise interest rates moderately.

Corporate Governance

Our commitment to the Code of Corporate Governance

The Austrian Code of Corporate Governance was introduced on 1 October 2002. This set of regulations was worked out in the "Austrian Working Group for Corporate Governance" in which representatives of the Institute of Austrian Auditors (IWP), the Austrian Association for Financial Analysis and Investment Advisory Services (ÖVFA), issuers, investors, the Vienna Stock Exchange, the social partners and experts were involved.

UNIQA recognizes and abides by the Austrian Corporate Governance Code. By voluntarily committing ourselves to this Code we want to help promote the trust of shareholders with additional transparency and a quality improvement through the interaction of the Supervisory Board, the Board of Management and the shareholders.

The basis for the Austrian Corporate Governance Code are the regulations of Austrian stock corporation law, stock market and capital market law, and international standards. The Code consists of a total of 79 regulations that, with very few exceptions, UNIQA already fulfils.

UNIQA does not comply with the following "Comply or Explain" regulations from the provisions of the Austrian Corporate Governance Code and explains as follows:

Regulation 38

UNIQA does not consider the statutory provision of a separate age limit for members of the board to be necessary, meaningful, or advisable.

Regulation 45

A deviation from the regulation that members of the Supervisory Board may not hold seats on the boards of other companies that compete with UNIQA is only made in exceptional cases. At present, only CEO Georg Doppelhofer holds supervisory positions with GRAWE-Vermögensverwaltung and the Grazer Wechselseitige Versicherung AG.

Regulation 49

Because of the way UNIQA's shareholder structure has grown, and because of the singularity of the insurance industry concerning the investment of insurance assets, there are a series of contracts and in some cases advisory relationships with the businesses of the core shareholders of the company that are close to the persons that have been voted onto the supervisory board of the company. For reasons of business policy and competition laws the details of these contracts cannot be disclosed. In any case, all relationships are handled under customary market conditions and the agreement of the Supervisory Board is sought regularly.

Regulation 51

The number of members of the Supervisory Board (without employee representatives) should not be more than ten. At present, there are sixteen elected shareholders' representatives on UNIQA's Supervisory Board. This number is a result of the company's grown shareholder structure.

Regulation 54

Since capital management is an important part of the insurance business, there are usually individual members on the management boards of large insurance companies who deal specifically with participation and asset management. Within the framework of our investment strategy, and as a result of the department responsibility of the specialised board member in question, it is possible that more than four supervisory board mandates be held in corporations not belonging to the Group.

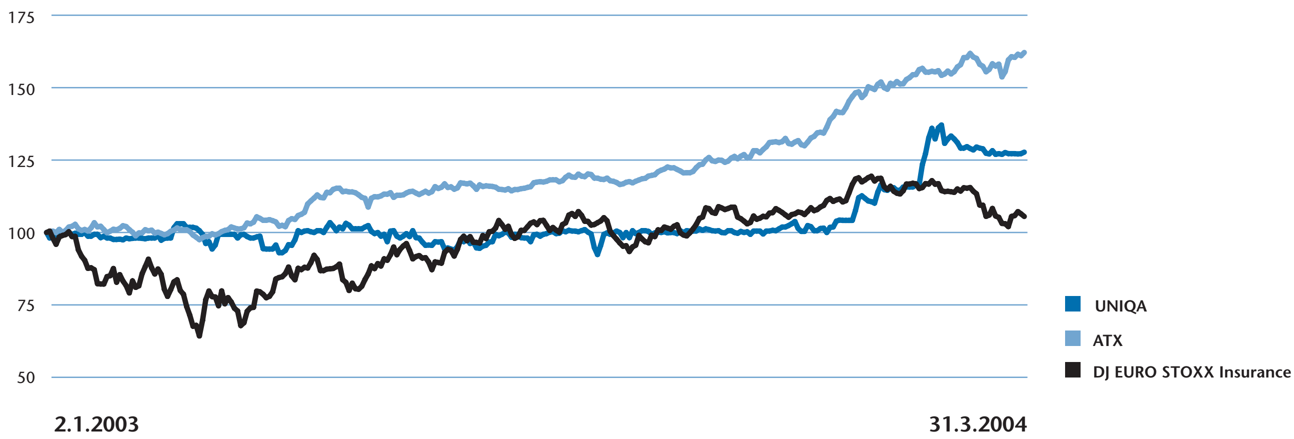
UNIQA shares

Taking off in the new year

Shares of UNIQA Versicherungen AG have been listed on the Vienna Stock Exchange since 18 November 1999 and since the beginning of 2002 in the new top segment, the ATX Prime Market. In 2003 they ranged between a low of € 7.25 and a high of € 8.1, in a relatively narrow price corridor. At the end of 2003 the value of our shares was almost unchanged compared to the beginning of the year, at € 7.97.

However in the year 2004 UNIQA shares have taken off. In February they broke through the € 10 barrier and on 18 February they hit the ATX benchmark € 10.43 with an increase in value since the beginning of the year of almost 33%. We consider this proof that our corporate strategy of controlled growth with sustainable reduction of costs and a simultaneous improvement of profits is taking shape for the financial community, and investors in our shares see considerable potential for them to catch up.

The UNIQA share in 2003/2004 in %



Programme for the repurchase and resale of shares

By the end of 2003 we owned 9,157,910 of our own shares. This corresponds to a portion of 7.7% of the share capital of UNIQA Versicherungen AG. On 17 February 2003 the Management Board decided that UNIQA would resell 2.78% of the shares it had purchased from the share capital in order to take over the R+V Allgemeine Versicherung AG (R+V) Wiesbaden, including their shares in the Slovakian R+V poistovna a.s. and the Polish Korporacja Ubezpieczeniowa Filar Spólka Akcyjna. After the decision by the UNIQA Supervisory Board the transaction was wound up at the end of 2003.

Shareholder information on the Internet

We inform our shareholders about the development of our company using all the modern communication methods. In doing this we set new standards in the comfort, shareholder-friendliness and service departments. Annual and quarterly reports, ad hoc press releases and other information are not only available in hard copy, they can also be called up under www.uniqagroup.com. As it was in 2003, our annual report is also available this year in an online version. In the year 2003 about 4,000 visitors accessed our interactive annual report, which received top placement in an external evaluation.

Here, the presentation of the texts, tables, pictures and graphs from the printed annual report have been optimised for the Internet in a user-friendly manner. The information from our investor relations department and our online annual report are also available for our partners, analysts and investors from all over the world in the English language.

Technical details about UNIQA shares:

- Security grammalogue: UQA
- Market segment:
  Prime Market of the Vienna Stock Exchange
- Trade Segment: Official trading
- ISIN: AT0000821103
- Component of the following indices:
  WBI, ATX, ATX Prime

Financial calendar for the year 2004:

Publication of the Group Annual Report 2003 on www.uniqagroup.com	30 April 2004
Annual General Meeting	24 May 2004
1. Quarterly Report	28 May 2004
Ex dividend day	7 June 2004
2. Quarterly Report	31 August 2004
3. Quarterly Report	30 November 2004

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

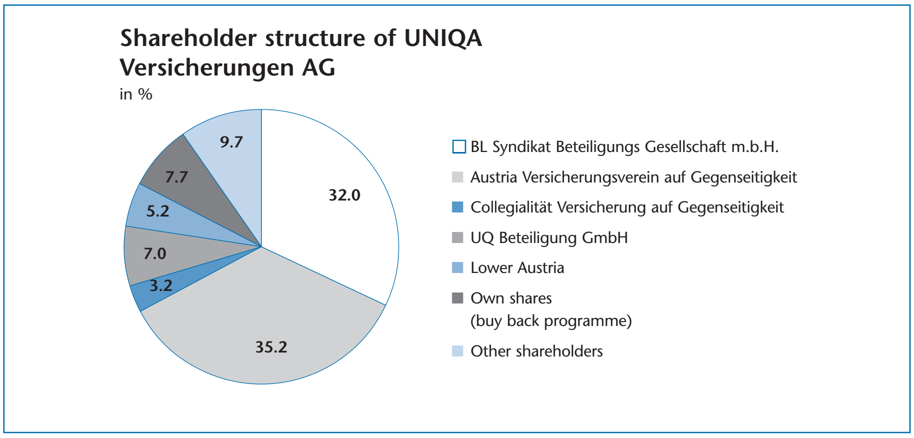
The UNIQA Group

The UNIQA Group is one of the leading insurance groups in Central Europe with a gross written premium volume of € 3,030.5 million (previous year € 2,668.4 million) and over 8,000 employees.

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

Our shareholders

The largest shareholders of the UNIQA Group holding company UNIQA Versicherungen AG are Austria Versicherungsverein auf Gegenseitigkeit (35.2%), BL Syndikat GmbH (32.0%), UQ Beteiligung GmbH (7.0%) and Collegialität Versicherung auf Gegenseitigkeit (3.2%). At the end of the 2003 financial year UNIQA Versicherungen AG held 7.7% of its own shares. Other shareholders jointly hold about 14.9% of UNIQA Versicherungen AG.



Integration of the Austrian AXA Group complete

The subsequent transfer to UNIQA was already planned at the time when AXA Konzern AG, Austria was taken over by the core shareholders of the UNIQA Group at the end of 2002. In April 2003 UNIQA's Supervisory Board approved the purchase of 100% of the share capital of AXA Konzern AG. After the conclusion of the reorganisation contracts the former AXA companies were integrated as follows:

- AXA Konzern AG was merged as the transferring company with AXA Versicherung AG, the accepting company
- Spin-off of AXA Versicherung AG to UNIQA Sachversicherung AG to take on the "property and casualty insurance" portfolio
- Spin-off of the shareholdings of AXA Versicherung AG (formerly AXA Konzern AG) to UNIQA International Versicherungs-Holding GmbH and UNIQA International Beteiligungs-Verwaltungs GmbH
- Sale of AXA Versicherung AG's "unit- and index-linked life insurance" portfolio to FinanceLife Lebensversicherung AG
- Sale of the total share capital of AXA Versicherung AG to UNIQA Personenversicherung AG
- AXA Versicherung AG, as the transferring company, merged with UNIQA Personenversicherung AG, as the accepting company (transfer of "life insurance" portfolio)

With the conclusion of these procedures all existing insurance policies of the Austria AXA companies were taken over by the applicable UNIQA companies. The former AXA companies in Hungary and Liechtenstein now belong to UNIQA International Versicherungs-Holding and UNIQA International Beteiligungs-Verwaltung GmbH, and were renamed as UNIQA during the course of 2003.

The actual decisions about the corporate structure were made in mid-September 2003. The appropriate entries were made in the company register in mid October 2003.

Already as of 1 July 2003 the entire staff of AXA Versicherung AG was taken over by UNIQA, including all rights and responsibilities.

Share buyback programme

The purpose of our share buyback programme, which is expected to continue until 20 December 2004, is, in addition to improving the supply and demand of the UNIQA shares on the Vienna Stock Exchange, to be able to use our own shares as payment when acquiring companies, businesses, parts of businesses or company shares. UNIQA reserves the right, if desired, to use our own purchased shares to implement an employee shareholding scheme.

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 2003 we had bought back 9,157,910 shares, equivalent to € 67.0 million. On 15 December 2003, 3,329,213 shares equivalent to € 36.6 million were transferred over the counter from UNIQA to R+V Allgemeine Versicherung AG, Wiesbaden, as a prepayment of the purchase price of the shares of R+V poistovna, a.s. in Slovakia and Korporacja Ubezpieczeniowa Filar Spólka Akcyjna in Poland.

Standard & Poor's confirm UNIQA's "A" rating

The international rating agency Standard & Poor's (S & P) has again given UNIQA Versicherungen AG an "A" insurer financial strength rating. Standard and Poor's thus confirms the UNIQA group's financial strength and also its rating of the previous years, despite continuously difficult conditions for the insurance business which have led to numerous downgradings internationally.

UNIQA's ability to keep the "A" rating is clear confirmation of our strategy and must be interpreted as extremely positive, particularly because we managed this through the successful continuation of our increased earnings programme, despite the massive acquisitions and strong fluctuations on the capital market.

Standard & Poor's cite the following essential rating factors:

- improvement in actuarial results due to a consistent increased earnings programme
- the UNIQA Group's leading position on the Austrian market
- the positive development in property insurance and successful reduction of expenses
- UNIQA is benefiting from its high degree of diversification in the various insurance sectors and sales channels

UNIQA's increased involvement in Central and Eastern Europe is considered to be a strategically correct decision, because Standard & Poor's views a continued dependence on the Austrian market with a critical eye. UNIQA will continue the cost reduction and increased earnings programme this year in Austria and will expand it to the Group's international companies. Our interest in any possible further acquisitions will focus on the profitability of the commitment.

UNIQA Versicherungen AG is the only Austrian insurance company to subject itself voluntarily to Standard & Poor's rating process on the basis of a detailed annual audit, and therefore to have its own rating of this kind.

The UNIQA Tower

The construction of the new UNIQA group headquarters continued during the reporting year. The project financing was worked out in cooperation with Austrian leasing companies that are building the property as a construction company. The new UNIQA Tower will be opened in the summer of 2004.

Companies included in the IAS-consolidated financial statements

The consolidated financial statements of the UNIQA Group contain – besides the UNIQA Versicherungs AG – 29 domestic and 29 foreign companies. 13 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 14 domestic and one foreign company as associated companies according to the equity accounting method, 5 companies were of minor significance and we showed their shares at current market value.

The acquisition of the Austrian AXA Group took place during the 2003 financial year. We took control of these companies on 1 July 2003. From this key date the Austrian AXA Group was included in our group of consolidated companies.

In addition, in the year 2003 the companies that belong to the AUSTRIA Österreichische Hotelbetriebs-AG Group (UNIQA Hotel group) were included in the consolidation. A list of the companies belonging to this hotel group can be found in the Notes, No. 3.

Details on the consolidated and associated companies can be found in the corresponding overview in the Notes (cf. Notes, No. 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

Within Austria 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 as well as FinanceLife Lebensversicherung AG. UNIQA is one of the largest insurance groups in Austria. The Group holding company, UNIQA Versicherungen AG, is listed on the stock exchange and acts as the central reinsurer for the operative domestic Group companies, assuming central strategic and service functions for all Group operative insurance companies both domestically and internationally. UNIQA Re AG was established as the central reinsurer for the Group's operating international companies in the 2003 financial year.

Successful bank sales

The cooperation – unique in Austria – with our subsidiary Raiffeisen Versicherung, Austria's leading bank and life insurer with around 2,300 Raiffeisen banks nationwide, contributed substantially to the success of the UNIQA Group Austria. Such cooperative efforts are being implemented more and more frequently in our foreign target markets as well, in order to take advantage of the distribution channels of banks, which are so important to insurance companies. For example, in 2003 cooperations were successfully launched with Raiffeisenbank in Croatia and with Tatra Bank in Slovakia.

Our insurance companies abroad

A 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.

UNIQA International Versicherungs-Holding GmbH, a 100% subsidiary of the listed Group holding company, UNIQA VERSICHERUNGEN AG, controls the international activities of the Group. As of 31 December 2003 we held, directly or indirectly, shares in 13 international insurance companies, all of which have been included in the scope of consolidation.

- UNIQA pojistovna a.s., Prague
- UNIQA poistovna a.s., Bratislava
- UNIQA osiguranje d.d, Zagreb
- UNIQA Assurances S.A., Geneva
- UNIQA Re AG, Zurich
- UNIQA Assicurazioni S.p.A., Milan
- Carnica Assicurazioni S.p.A., Udine
- UNIQA TU S.A., Lodz
- UNIQA TU na Zycie S.A., Lodz
- UNIQA Biztosito Rt., Budapest
- Agrupacion Funeuropa Biztosito Rt., Budapest
- UNIQA Versicherung AG, Vaduz
- UNIQA Lebensversicherung 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. As part of the segment reports we will portray the development of business in life, health, as well as property and casualty insurance, being careful to take into consideration any connections that exist between the various segments.

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.

In Austria the following companies are active as direct insurers:

- UNIQA Personenversicherung AG
  Health, life and accident insurance
- UNIQA Sachversicherung AG
  Property and casualty insurance
- Raiffeisen Versicherung AG
  Life and property and casualty insurance for Raiffeisen bank sales
- CALL DIRECT Versicherung AG
  Property and casualty, life and health insurance
- Salzburger Landes-Versicherung AG
  Property and casualty, accident and life insurance
- FinanceLife Lebensversicherung AG
  Unit-linked life insurance
  Index-linked life insurance
  Pension provision with subsidised premiums

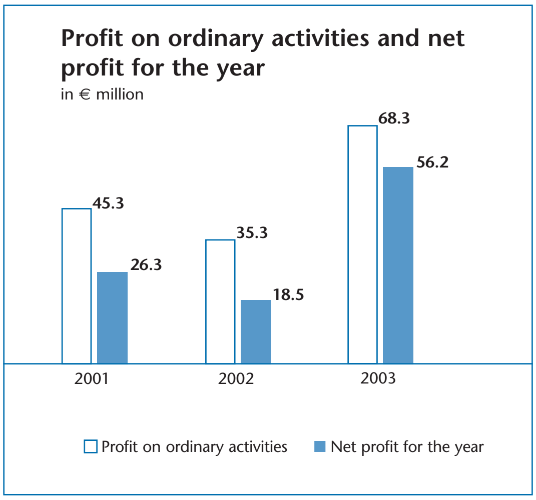
UNIQA Versicherungen AG is listed on the stock exchange, stands at the head of the Group and runs the reinsurance business for the Group. In addition, it is responsible for common service functions for the domestic and international insurance subsidiaries, i.e. all cross-border and cross-divisional activities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

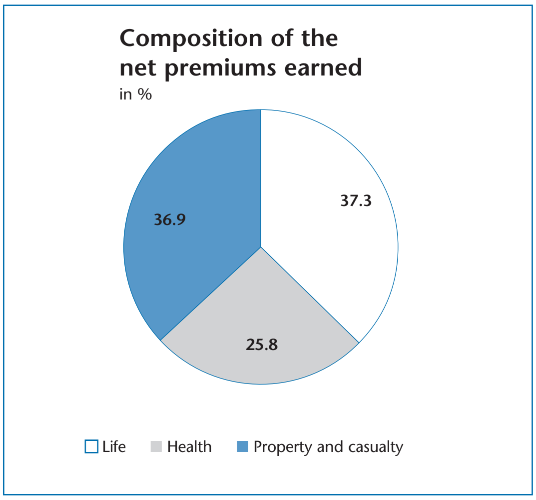
With over 9.8 million policies managed at home and abroad, a gross written premium volume of € 3.0 billion (previous year € 2.7 billion) and more than € 13.2 billion (previous year € 11.7 billion) of capital investments, the UNIQA Group is one of the leading insurance groups in the Austrian insurance market.

Profit on ordinary activities almost doubled

Despite the continuing difficult economic environment in the Austrian insurance industry and the uncertainties on the capital markets, in the year 2003 the UNIQA Group realised a profit on ordinary activities of € 68.3 million (previous year € 35.3 million).

At the Annual General Meeting the Management Board will propose a distribution of a 25% higher dividend compared to the previous year, amounting to 20 cents per share.





Total premiums rose

The gross premiums written increased in the year under consideration by a total of € 362.1 million or 13.6% to € 3,030.5 million (previous year € 2,668.4 million). The retained Group premium earned grew by 15.5% to € 2,778.6 million (previous year € 2,405.6 million). The share contributed by the former AXA Group amounted to € 199.5 million.

Of this, € 342.2 million came from our international subsidiaries (previous year € 246.3 million) or 12.3% of the Group premium, although the premium volume of the former AXA companies was only included for six months – from the date of consolidation on 1 July 2003.

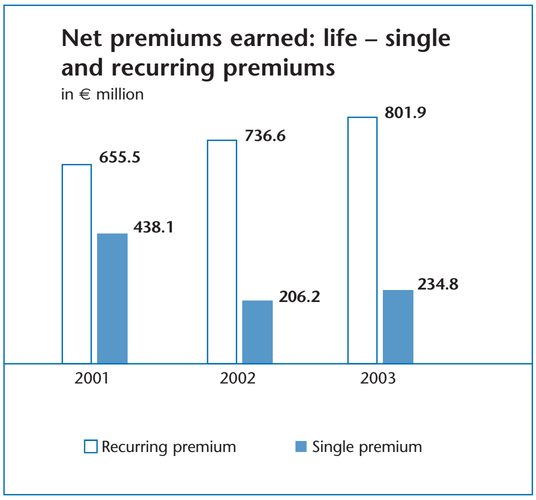
The premiums developed as follows in the individual segments (cf. Notes, No. 26):

The earned premium income from the life insurance sector of the UNIQA Group increased by 10.0% to € 1,036.7 million (previous year € 942.7 million).

The premium income from single premium and special products (e.g. policies with a limited premium payment period) went up by 13.9% to € 234.8 million (previous year € 206.2 million). The earned recurring premium income from life insurance increased by 8.9% to € 801.9 million (previous year € 736.6 million).

The earned premium income increased by 3.8% to € 716.4 million (previous year € 689.9 million) for health insurance. The companies of the former Austrian AXA Group did not sell health insurance. With this development in premiums UNIQA, Austria's largest health insurer, again succeeded in maintaining and even extending its leading position in Austria with a market share of around 50%.

The property and casualty insurance had earned premiums of € 1,025.4 million (previous year € 773.0 million) in the past financial year. This was 32.7% more than in the previous year.



Rise in insurance benefits was disproportionally low

The consolidated retained insurance benefits increased by a total of € 132.2 million or 5.6% to € 2,484.1 million (previous year € 2,351.9 million). The share contributed by the former AXA Group amounted to € 138.3 million.

The insurance benefits developed as follows in the individual segments (cf. Notes, No. 29):

Insurance benefits in retained life insurance are at last year's level, with a decrease of 0.9% to € 1,124.8 million (previous year € 1,134.5 million).

In the health insurance segment the retained insurance benefits increased by 2.1% to € 643.1 million (previous year € 629.8 million).

Retained insurance benefits in property and casualty insurance increased due to the first time inclusion of the former AXA company by 21.9% to € 716.2 million (previous year € 587.6 million).

Development of the cost ratio

Total consolidated operating expenses rose by 27.3% to € 601.5 million (previous year € 472.4 million) because of the first-time inclusion of the former AXA companies and the fact that FinanceLife was considered for the total 2003 financial year (consolidation in 2002 was not until the 4th quarter). The share contributed by the former AXA Group amounted to € 62.1 million. In Austria, our successful cost reduction programme has already led to a total saving of € 73.3 million since it was started in the year 2001. The expenses for underwriting, including changes in the capitalised acquisition costs and net of reinsurance commission, increased by 36.5% to € 381.3 million (previous year € 279.4 million).

This change in acquisition costs had an exceptional influence on net acquisition costs compared to 2002 with additional expenses of € 19.4 million. In addition, the deterioration of reinsurance conditions also puts a burden on expenses. Other operating expenses increased by 14.1% over the previous year, from € 193.0 million to € 220.2 million (cf. Notes, No. 30).

Because of the special effects mentioned above, the total cost ratio in the reporting year rose to 21.6% (previous year 19.6%). Adjusted for these effects, the total cost ratio amounts to 19.7%.

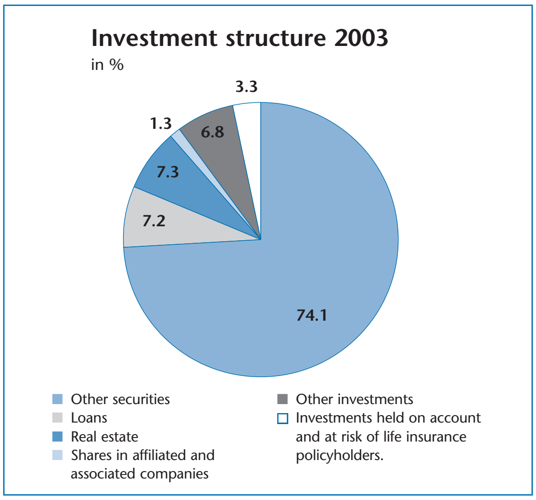
Capital investment results influenced by the uncertain market situation

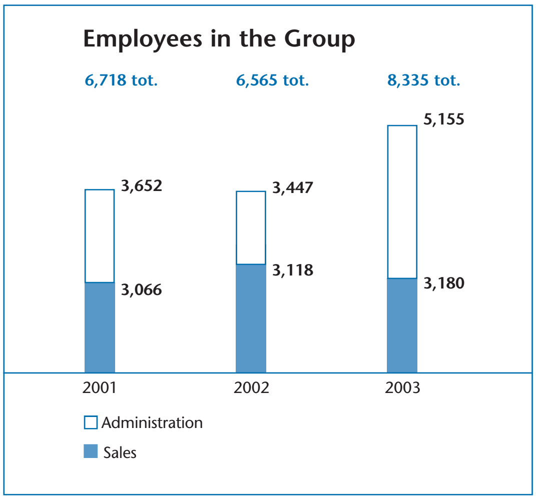
Total investments increased by € 1,551.7 million or 13.3% in 2003 to € 13,233.8 million (previous year € 11,682.1 million).

Net investment income decreased by € 55.0 million or 11.6% to € 420.9 million (previous year € 475.9 million). The share contributed by the former AXA Group amounted to € 32.1 million. This deterioration is mainly due to the write-off of the stake in Mannheimer Versicherung at the stock market price of 31 December 2003, as well as to regrouping in the investment area. In addition, the continuing low interest level within the framework of new investments dampened the capital investment results.

The ordinary (net) income from investments increased by 12.9% during the past financial year to € 691.6 million (previous year € 612.7 million). This increase is mainly a result of the first-time inclusion of the Austria AXA Group in the Group's consolidated financial statements.

A detailed description of the investment income can be found in the notes to the financial statements (cf. Note No. 28).





Human Resources

The average number of employees in the UNIQA Group increased in the financial year 2003 to 8,335 (previous year 6,565 employees). Of these, 3,180 (previous year 3,118) were employed in sales and 5,155 (previous year 3,447) in administration. The increase was due to the first-time consolidation of the former AXA Group and the UNIQA Hotel group. Adjusted for these effects, it only increased marginally by 0.7% to 6,614 employees.

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, and do their job with joy and commitment can bring the quality that makes UNIQA unique. For this reason, we offer our employees a series of technical, sales and personal development courses that are optimally adapted to complement each other. Our employees achieved above average results on industry-wide tests.

The training and development of our employees is concentrated in our Group subsidiary, UNIQA Human-Resources-Service GmbH. Based on the average number of employees, training costs in the Group in the financial year 2003 amounted to about € 1,030 per employee. On average, each of our employees completed three training days during the past financial year. Adjusted for multiple participation, in the reporting year around 45% of our employees took advantage of the training and development programmes.

The Business Segments of the UNIQA Group

Life insurance

Pension provision

In January 2003 UNIQA introduced "Pension & Guarantee", a new government-aided pension product with attractive profit opportunities, tax advantages and a guarantee on the capital. Up to an annual premium of a maximum of € 1,851 the Austrian government currently subsidises the product to a level of 9%. In addition, you do not have to pay insurance tax or income tax on this form of private pension provision. Of the payments received, 40% are invested in Austrian stock. The remaining 60% is divided among various forms of low risk investments. This mix means our customers enjoy excellent earning opportunities with maximum security through the capital guarantee on their payments. In the year 2003 more than 50,000 policies offering this type of old-age provision were taken out with UNIQA. This is equal to over € 980 million total premiums paid.

Premium increase in the life insurance line

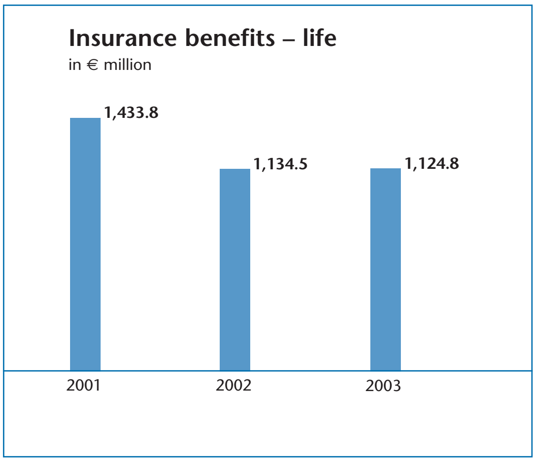
The earned premium income from the life insurance sector of the UNIQA Group increased by 9.9% to € 1,036.2 million (previous year € 942.8 million). With the acquisition of the Austrian AXA Group in the year 2003, UNIQA took over a premium volume of € 68.7 million in classic as well as fund- and index-linked life insurance policies for the 2nd half of 2003. The UNIQA Group remained one of the largest Austrian life insurers in the past financial year. The Group life insurers operating abroad had an earned premium income of € 50.0 million (previous year € 24.5 million); this meant they were able to increase their premium revenue by 104.1%. Fund- and index-linked life insurance policies are only sold in Austria by FinanceLife Lebensversicherung AG. The risk premium share of fund- and index-linked life insurance included in the Group's consolidated financial statements for 2003 amounted to € 31.3 million (previous year € 9.3 million).

The premium volume in direct single premium and special product business increased domestically by 13.9% to € 234.8 million (previous year € 206.2 million). The earned premium income from the recurring life insurance line increased by 8.8% to € 801.4 million.

Business segment life insurance	2003 € million	2002 € million
Net premiums earned	1,036.2	942.8
Net investment income	281.7	337.0
Insurance benefits	1,124.8	1,134.5
Acquisition costs	96.2	71.2
Other operating expenses	55.9	45.9
Cost ratio	14.7%	12.4%
Net profit for the year	19.3	14.7

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 0.9% to € 1,124.8 million (previous year € 1,134.5 million). The share contributed by the former AXA Group amounted to € 53.4 million.



Development of costs

The total operating expenses in life insurance went up – due to the acquisition of AXA and the inclusion of FinanceLife for the total financial year 2003 – by 29.9% to € 152.1 million (previous year € 117.1 million). The share contributed by the former AXA Group amounted to € 20.4 million. Whilst the other operating expenses rose by 21.8% to € 55.9 million (previous year € 45.9 million), acquisition expenses went up by 35.1% to € 96.2 million (previous year € 71.2 million). Adjusted for the effects mentioned above there was a reduction in costs of 0.1% (operational) and 6.6% (acquisition).

The cost ratio (operating expenses in relation to premiums earned) for life insurance increased slightly due to the above-mentioned special factors to 14.7% (previous year 12.5%). Adjusted for these effects, the total cost ratio amounts to 12.1%.

Investment results

Net investment income decreased during the year in question by 16.4% to € 281.7 million (previous year: € 337.0 million). The share contributed by the former AXA Group amounted to € 21.1 million. Yield from loans rose by 49.7% to € 53.0 million (previous year € 35.4 million) due to the acquisition of the loan portfolio of the former AXA companies. Because of the change in asset allocation during the financial year – a reduction of pension items and the expiration of high yield securities – the interest risk was down, but this reduction was accompanied by a decrease in the current yield of 3.2% from € 370.2 million to € 358.5 million. The balance of extraordinary income from fixed-income securities decreased from € 87.2 million to € –29.9 million because of reduced profits from the disposal of fixed-income securities. Net income from variable yield interest securities improved during the reporting year despite the life insurance line's portion of the depreciation of UNIQA's stake in the Mannheimer Versicherung from € –184.5 million to € –153.0 million. Income from securities in the trading portfolio decreased 91.8% from € 29.3 million to € 2.4 million.

The life insurance investment portfolio of the UNIQA Group increased by 12.3% to € 10,066.6 million in 2003 (previous year € 8,965.1 million).

Annual net profit rose clearly

The profit on ordinary activities improved by 18.4% to € 26.4 million (previous year € 22.3 million).

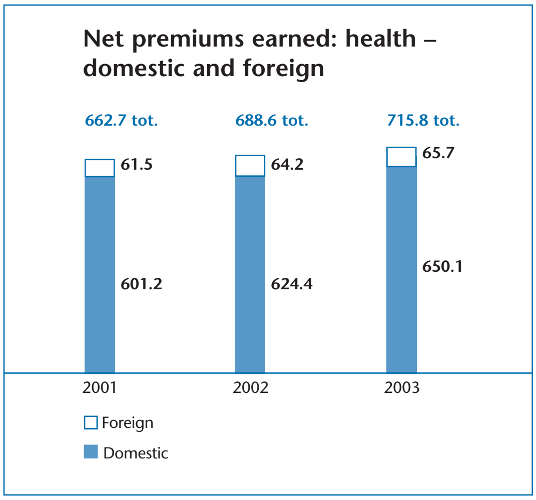
The net profit for the year in the life insurance line increased by 31.3% to € 19.3 million (previous year € 14.7 million).

Health insurance

Market leadership strengthened

In the 2003 financial year the UNIQA Group maintained its position as the market leader in health insurance in Austria with a market share of about 50%.

In comparison to the previous year, earned premiums in health insurance increased by 4.0% to € 715.8 million (previous year € 688.6 million). Our foreign companies had an earned premium volume of € 65.7 million (previous year: € 64.2 million).



Business segment Health insurance	2003 € million	2002 € million
Net premiums earned	715.8	688.6
Net investment income	61.9	97.2
Insurance benefits	642.8	629.2
Acquisition costs	66.1	62.1
Other operating expenses	39.2	35.7
Cost ratio	14.7%	14.2%
Net profit for the year	19.9	36.2

Rise in insurance benefits was disproportionally low

Retained insurance benefits increased 2.2%, disproportionally less than premiums increased, to € 642.8 million (previous year € 629.2 million). This included the costs for claims incurred, the provision for premium refunds and the change in actuarial provision. The claims incurred came to € 562.5 million (previous year € 546.4 million), or 3.0% more than in the previous year.

Slight rise in cost ratio

The other operating expenses increased by 7.7% to € 105.3 million (previous year € 97.8 million).

The other operating expenses increased by 9.8% to € 39.2 million (previous year € 35.7 million). Acquisition costs increased, corresponding to the development in premiums, by 6.4% to € 66.1 million (previous year € 62.1 million). In addition, the trend of expenses was influenced by the higher amortisation of deferred acquisition costs, in comparison to the previous year.

The cost ratio (operating expenses in relation to earned premiums) in health insurance improved slightly over the past year to 14.7% (previous year 14.2%).

Investment results

Net investment income decreased during the year in question by 36.3% to € 61.9 million (previous year € 97.2 million). Capital gains from variable yield securities decreased from € 25.7 million to € 5.5 million. As far as income from fixed-income securities is concerned there was a reduction from € 63.0 million to € 53.9 million. Income from securities in the trading portfolio increased 38.5% to € 3.9 million (previous year € 2.4 million). The write-off of the stake in Mannheimer Versicherung also had a negative influence on the investment results in health insurance.

In the health insurance line, the capital investments grew by 0.4% to € 1,451.1 million (previous year € 1,445.6 million).

Net profit for the year

The profit on ordinary activities in health insurance decreased by 53.8% to € 26.8 million (previous year € 58.0 million) due to the reduction in the net income from investments.

Property and casualty insurance

Premiums earned increased considerably

In the property and casualty insurance segment we improved the premiums earned by 32.6% to € 1,026.8 million (previous year € 774.3 million). With the acquisition of the Austrian AXA Group in the year 2003 we took over a premium volume in property and casualty insurance for the 2nd half of the year of € 130.8 million. On the domestic market for the financial year 2003 in the property and casualty insurance segment, premiums earned increased by 29.8% to € 798.9 million (previous year € 615.4 million).

A detailed description of premium volume written in the most important risk sectors can be found in the Notes on the Group's consolidated financial statements (cf. Notes, No. 25).

In the year 2003 Austria's motor vehicle industry experienced growth in the new car market of about 7.7%, and we manage to increase Group premium income in the motor vehicle sector by 20.9% The most important reasons for this were premium 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.

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 54.8%.

The encouraging growth in property insurance within the bank sales segment also contributed substantially to this positive development. Here the earned premium revenue could be increased by 15.2% to € 62.9 million (previous year € 54.6 million).

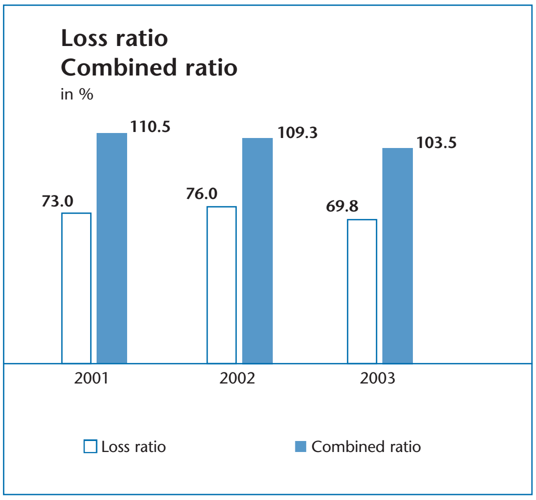
Business segment property and casualty insurance	2003 € million	2002 € million
Net premiums earned	1,026.8	774.3
Net investment income	77.6	43.1
Insurance benefits	716.2	588.3
Loss ratio	69.8%	76.0%
Acquisition costs	219.8	146.1
Other operating expenses	125.7	111.6
Cost ratio	33.7%	33.3%
Combined ratio	103.5%	109.3%
Annual net profit/deficit	15.5	–32.3

Rise in insurance benefits was disproportionally low

The increase in retained insurance benefits in property and casualty insurance was disproportionally low compared to the premiums, amounting to 21.7% or € 716.2 million (previous year € 588.3 million). The share contributed by the former AXA Group amounted to € 84.9 million.

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) increased by 6.2 percentage points to 69.8% (previous year 76.0%). The improvement in the loss ratio is due to our consistent implementation of reorganisation measures, improvements in security measures and risk oriented acquisition policies.



Cost ratio rose marginally

The total operating expenses in the property and casualty insurance increased by 34.1% to € 345.5 million (previous year € 257.7 million). The share contributed by the former AXA Group amounted to € 41.9 million.

Acquisition costs recorded an increase of 50.4% caused by the first-time inclusion of the Austrian AXA Group, and a considerable reduction in relief compared to 2002 from the change of deferred acquisition costs – to € 219.8 million (previous year € 146.1 million). In addition, the deterioration of reinsurance conditions also puts a burden on expenses. The other operating expenses increased below proportion by 12.6% to € 125.7 million (previous year € 111.6 million) with the consistent continuation of our increased earnings programme.

The cost ratio (operating expenses in relation to premiums earned) increased marginally from 33.3% to 33.7% in the financial year 2003. Adjusted for the above mentioned special factors the total cost ratio amounts to 32.1%.

Investment results

Net investment income rose in the past financial year by 80.0% to € 77.6 million (previous year € 43.1 million). The share contributed by the former AXA Group amounted to € 11.0 million. Current income from shares in associated companies increased in the financial year 2003 from € 6.9 million to € 38.5 million. This increase is mainly due to switching the consolidated balance sheet of FIMAG Finanz Industrie Management AG to the International Accounting Standards (IAS) and the subsequent higher profit from equity consolidation. The income from securities in the trading portfolio fell from € –1.5 million to € –2.2 million.

The investment portfolio increased by 35.2% to € 1,818.4 million (previous year € 1,344.5 million).

Strong improvement in the annual results

The continued improvement in actuarial results also had a corresponding effect on the annual results. Through the further significant improvement in the combined ratio from 109.3% to 103.5% and the increase in investment results, profit on ordinary activities went up in the reporting year by € 58.4 million to € 13.4 million (previous year € –45.0 million). Taking taxes on income and profit into consideration, this results in an annual net profit of € 15.5 million (previous year € –32.3 million).

International markets

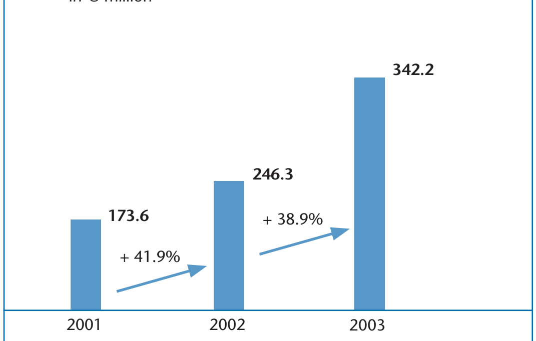
Renewed involvement in the Hungarian market

In purchasing the former Austrian AXA Group we expanded our commitment particularly strongly on the Hungarian market. In the year 2003 the former AXA Biztosito was renamed UNIQA Biztosito. Agrupacion Funeuropa Biztosito, which belongs to the Group, will be merged into UNIQA Biztosito in the year 2004. Thus we have created a good foundation for participating in the future in the growth on the one Eastern European insurance market that has been penetrated most, and for further strengthening the earning capacity of the acquired company with our international expertise.

Strong growth in international premium volume

In the financial year 2003 premium volumes abroad have grown considerably, mainly because of the above average organic growth and the purchase of the former AXA companies in Hungary and Liechtenstein. The share of the international business in the total earned Group premium income therefore increased to 12.3% (previous year 10.2%) in the reporting period. It must be taken into account here that the premium volume of the former AXA companies was only included for six months – from the first-time consolidation as of 1 July 2003. Calculated on a basis of 12 months, the foreign share of the entire Group premium revenue already amounts to almost 15%.

Foreign earned premiums
in € million



UNIQA international markets	Retained premiums earned 2003 € million	Retained premiums earned 2002 € million	Share in UNIQA business (premiums earned)
Italy	95.9	83.9	3.5%
Switzerland[1)]	2.7	34.8	0.1%
Czech Republic	67.3	54.1	2.4%
Slovakia	34.6	26.9	1.2%
Poland	73.5	39.8	2.6%
Croatia	7.1	6.5	0.3%
Liechtenstein	12.1	0	0.4%
Hungary	49.0	0.2	1.8%
Total	**342.2**	**246.3**	**12.3%**

[1)] The drop in premiums earned can be explained by the consolidation effects from the Group reinsurance for our foreign Group companies set up for the first time in the financial year 2003.

Outlook for 2004

UNIQA expands commitment in Eastern Europe

In the middle of 2003, UNIQA Group Austria and the German insurer R+V Allgemeine Versicherung AG concluded a contract in which R+V transfers all shares in its companies in Poland and Slovakia to UNIQA. In return, R+V now has a 2.78% share in UNIQA Versicherungen AG.

The two companies in Poland and Slovakia constitute a meaningful addition to our existing commitments in these countries and are ideally suited to support our growth and development strategy in these markets. The current transaction underscores our strategy and confirms our competence in the EU accession countries.

After receiving the necessary approvals from the Boards and authorities, UNIQA will hold 90% of the Polish Filar S.A. and 100% of the Slovakian R+V poistovna a.s. The transaction is scheduled to be completed some time in mid 2004.

Filar S.A. was founded in 1992 by Polish residential building associations in Stettin. Filar employs a staff of about 620 in the office. 15 delegations, that take care of most of the portfolio administration and damage claims, and about 1,830 agents constitute the sales network. In addition, Filar has more than 100 branches and customer offices. With its close relationship to the residential building associations Filar has access to a very important sales channel, unique in this form. This makes an excellent addition to and expansion of UNIQA's sales channels in Poland. In 2003 Filar attained a premium volume in property insurance of € 47.9 million, corresponding to a market share of 1.6%. The largest share of its portfolio comes from property insurance, with about 45%. The motor vehicle portion is, at 34%, relatively small. The life insurance business – which is still being developed – is conducted through Filar Zycie, a 100% subsidiary of Filar S.A. Filar Zycie's premium volume in 2003 was € 0.9 million.

Together UNIQA and Filar achieved a market share of about 4% of the Polish property insurance business, putting them in 4th place in the Polish insurance market.

Within the framework of the cooperation agreed upon between the UNIQA Group and the EBRD, the EBRD also intends to take a share in Filar.

R+V poistovna a.s., seated in Bratislava, was founded in 1997. The company has about 90 employees working in the office. Its sales force consists of 177 people. Aside from its own customer advisory network, the company has also successfully positioned itself as a bank insurer. Their premiums of € 13.5 million are divided almost evenly between life insurance and property and casualty insurance. Altogether, their market share is about 1.3%. In the life insurance line, in which the company records its strongest growth numbers, they offer above all endowment insurance and credit insurance. In property and casualty insurance the strongest areas are those dealing with natural catastrophes and motor vehicle liability insurance, each with one quarter of the premium revenue.

Together, UNIQA and R+V have a 5% share of the Slovakian insurance market.

UNIQA's concept for reorganising Mannheimer Versicherung

During the financial year 2003 the German company Mannheimer Holding AG was forced, because of their high losses in the life insurance business and the danger of not being able to fulfil the supervisory solvency requirements, to transfer their life insurance business to Protektor Lebensversicherungs-AG.

In the UNIQA Group, Mannheimer Holding AG has now found a partner who is willing to provide the funds required for a restructuring program. This should enable Mannheimer to continue along its original course as a successful specialist for property insurance and to expand it in a sustainable manner.

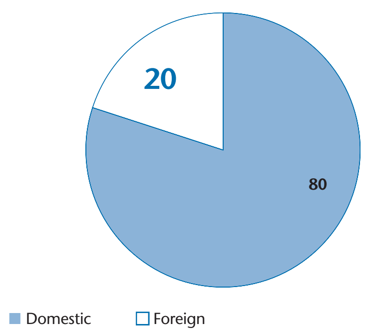
The recapitalisation plan involves a capital increase to the amount of € 79.5 million, and repayment of the loan that Protektor Lebensversicherungs-AG granted in connection with the transfer of the insurance stock held by Mannheimer Lebensversicherung AG through a compensation of € 25 million. In return, Protektor Lebensversicherungs-AG will surrender their rights to the remainder of the loan. The decisions of the general meeting – approved on 27 February 2004 by the shareholders of Mannheimer Versicherung with a high level of approval – are to make the registration of the capital increase official as of 30 June 2004, assuming no opposition proceedings are filed against the decisions up until that point in time.

International goals for growth reached early

We have already achieved 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 acquisition of the former AXA companies in Hungary and Liechtenstein. So we have set ourselves a new goal: by 2006 we plan to increase the share of our foreign subsidiaries in Group premiums to 20%.

Reaching and securing a market share of 3–5% in the various countries and the further development of our group strategy, combined with a uniform brand appearance, are further goals in our Central and Eastern European core markets. In this context, smaller acquisitions in Central and Eastern Europe are possible during the current financial year.

Planned foreign share of group premium income written by 2006
in %



Increased earnings programme

The increased earnings programme was introduced in 2001 and, by implementing concrete action plans, resulted in a considerable cost reduction and improvement in the actuarial results in the domestic market – through growth on the one hand and persistent attempts to reorganise poor risks on the other hand. We will continue to be committed to this plan during the current financial year.

In the years 2004 to 2006 the increased earnings programme will also be expanded to include our foreign subsidiaries. In accordance with the main emphasis of the UNIQA ScoreCard, the goals are based on increased productivity, reduced costs and improvements in claims. In total, we hope that the new strategy at home and abroad will bring an improvement in results in the next three years amounting to € 70 million.

UNIQA's profit-led remuneration system

Following its successful start and the positive feedback it received, the performance-related UNIQA remuneration system – closely tied to the strategic goals of the UNIQA ScoreCard – will now be expanded to include employees in the second and third management level. In 2004 the managers in our foreign subsidiaries will also be included in the UNIQA performance-related remuneration system. Over 98% of the qualifying employees are participating in this programme, proving their strong identification with UNIQA and their broad acceptance of the company's profit-oriented goals with an entrepreneurial attitude.

UNIQA Go Ahead

Our mobility programme "UNIQA Go Ahead – Grow with your company" stands for internationality and better career chances throughout the entire UNIQA Group and serves as a modern instrument for us to optimise our human resources. It is directed at those employees and managers who see new tasks in Central and Eastern Europe as a challenge to take on with flexibility and commitment. More than 100 interested parties are a clear sign of employees who want to grow across the borders with their company and take on new challenges.

International meetings

In the current financial year we will also continue the principle of holding cross-border ManagerMeetings for our top 150 managers in alternating regional locations of our subsidiaries in Central and Eastern Europe. The goal of these events is to support our employees in reaching their productivity and profitability targets and to monitor common strategy implementation with concrete action plans every six months.

Life insurance

In the first months of the year 2004 the life insurance line continued to record strong growth in premiums. Because of the changes in the capital market we were forced, along with the entire industry, to reduce guaranteed interest as of 1 January 2004. However, pension provision continues to be important, so we can still assume that there will be an increase in premiums in the current year.

For policies with insurance coverage beginning in 2004, the highest possible guaranteed interest payment is limited to 2.75%.

In the year 2004 UNIQA is planning to expand its financial service product range to include several innovative features.

- Mortgage loans plus life insurance
- Savings book with telephone access for the interim investment of endowment policies that have matured, so they can later be transferred to other innovative products
- Savings with a building society combined with old-age provision subsidised by the government

In the summer of 2004 we will offer a new index-linked single premium product with special guaranteed benefits through our FinanceLife company. With this, we intend to push the single premium business (without guaranteed interest) more in our Group in 2004.

The market launch of the new accident insurance product is planned for October 2004. For the first time in the insurance industry, independent brokers have also been included in the product design in addition to the brokers in the field and the agencies. This inclusion of our "customers" in the development process (personal fabbing) underscores the positive relations we have with our sales partners. IT means that a product will be developed that is clearly oriented to the needs of the consumer.

Health insurance
Health insurance developed satisfactorily in the past financial year 2003 and brought us a further step on the path towards the necessary improvement in our results. We were able to achieve this, above all, with our consistent reorganisation of group insurance policies that were not running well, and through successfully led negotiations with our contractual partners in hospital expense insurance, the doctors and hospitals.

The current year will also be marked by intense efforts in these areas. The restructuring of the direct settlement contracts, which should be as uniform as possible throughout Austria, is an ambitious and difficult yet absolutely necessary task. On the product side, UNIQA has broken new ground with the introduction of the VitalPlanPLUS at the start of 2004. For the first time in Austria – and probably in Europe – an inclusive health support programme is not only being offered but also being actively encouraged by offering premium reductions and a stay in a health and fitness hotel for customers who take advantage of the programme. This makes UNIQA a leader of a development that will more than likely be imitated by other health insurers and in the political realm. Building up health support and prevention offers for UNIQA VitalClub members and for group insurance partners such as, for example, the UNIQA FitnessProfile, health check-ups, VitalSeminars, VitalTravel and much more, will therefore receive particular attention in the current year.

Other activities planned for the year 2004 will take place abroad: In the new neighbouring EU-member countries we will be offering health insurance products, in some cases for the first time. It makes sense to utilise Austria's high level of expertise in this area, adjusted to meet the various market situations in these countries as well.

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, an area that has been expanding 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.

The European product of homeowners and flat insurance, a unified core product which can be adjusted to meet regional requirements, was successfully introduced in Austria, Croatia, the Czech Republic and Slovakia.

In the motor vehicles sector we expect to see a continuous growth rate in 2004 as well as an improvement in actuarial results. Sales of new cars have been showing a slightly upward tendency for the first time since the end of 2003.

The current price level in motor vehicle insurance will only rise marginally from now on. However, UNIQA continues to take initiatives in order to optimise the cost structure of internal processes. This includes in particular the reinforced use of modern technology at the point of sale and in claim management.

UNIQA has a comprehensive network of its own motor vehicle experts who are on the highest technical level with state of the art communication technology, and can thus guarantee the motor vehicle industry and trade a cooperation that will save them time and resources.

Our customers welcome not only our intensified efforts concerning damage viewing and reviewing, but also UNIQA's prompt processing of claims. For speedy personal service we have more than 200 regional branches in the form of Service Centres and General Agencies throughout Austria that can handle mainly motor vehicle needs, such as licensing, damage reports, claims benefits service and policy changes.

We will continue our very successful reorganisation efforts in big business and industry in 2004, however we expect that the improvements in the actuarial area cannot continue at the same rate as in the past periods, as we seem to have already reached the bottom of the trough.

To stabilise the results after reinsurance, for large risks we set up our own reinsurance line which is now available to all the companies of the Group, both in Austria and abroad. With centrally guided acquisition policies in this segment we have achieved a homogeneous market approach in all the countries in which UNIQA is active.

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 two parts:

- € 50 million: retaining capacity of Austrian property insurers
- € 150 million: reinsurance capacity bought additionally

The pool will cover up to € 5 million for insured property dangers caused by terrorism per total risk. The policies are subject to special requirements and can be cancelled with two months' notice.

Trends in the current business year

The development of Group premium revenue was very satisfactory in the first two months of 2004. The results from recurring premium business increased by 27.2% to € 681.7 million (previous year € 539.1 million).

Development of both property and casualty insurance, with an increase of 36.2% to € 365.0 million, and the life insurance business, with recurring premiums increasing 24.8% to € 177.7 million, was extremely positive.

Group premiums in health insurance rose in the first two months of 2004 by 8.4% to € 138.9 million.

The international companies' share of the total premium volume in the two months was € 99.8 million, which is equivalent to over 15% of the Group premium.

Total benefits paid in the Group in Austria decreased clearly by 8.0% to € 316.5 million (previous year € 343.7 million) in the first two months of 2004.

Results and proposed appropriation of profit of UNIQA Versicherungen AG

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Commercial Code, show an annual net profit of € 24.0 million (previous year € 19.2 million) for the 2003 financial year.

The Management Board recommends to the Annual General Meeting that the net profit for 2003 of € 24,020,397.24 (previous year € 19,173,931.16) be distributed as a dividend of 20 cents on each of the 119,777,808 individual share certificates issued by the due date and qualified to receive a dividend, and that the remaining amount be carried forward to a new account.

Vienna, April 2004

The Management Board

Consolidated Balance Sheet

as at 31 December 2003

Assets

	Notes	31 Dec. 2003 € 000	31 Dec. 2002 € 000
A. Intangible assets	1		
I. Goodwill		172,585	122,310
II. Other intangible assets		33,354	18,635
		205,939	**140,945**
B. Investments			
I. Land and buildings	2	967,562	793,244
II. Shares in affiliated and associated companies	3	167,758	138,572
III. Loans	4	956,952	813,484
IV. Other securities			
1. Held to maturity		0	0
2. Available for sale	5	9,290,362	8,689,383
3. Held for trading	6	521,603	881,406
		9,811,964	9,570,789
V. Other investments	7	895,060	97,180
		12,799,296	**11,413,269**
C. Investments held on account and at risk of life insurance policyholders		**434,494**	**268,860**
D. Receivables	8	**526,792**	**407,663**
E. Liquid funds		**388,095**	**104,881**
F. Deferred acquisition costs	9	**678,100**	**603,618**
G. Deferred tax assets	10	**64,055**	**107,010**
H. Other assets	11	**92,738**	**77,914**
Total assets		**15,189,510**	**13,124,160**

Equity and Liabilities

	Notes	31 Dec. 2003 € 000	31 Dec. 2002 € 000
A. Shareholders' equity	12		
I. Subscribed capital and capital reserves		194,120	193,238
II. Revenue reserves		306,084	322,392
III. Revaluation reserves		16,238	–25,261
IV. Group total profit		24,020	19,174
		540,462	**509,544**
B. Minority interests in shareholders' equity	13	**108,925**	**99,057**
C. Subordinated liabilities	14	**325,000**	**125,000**
D. Technical provisions (net)			
I. Provision for unearned premiums	15	224,371	170,994
II. Actuarial provision	16	10,848,703	9,782,018
III. Provision for outstanding claims	17	1,193,644	906,362
IV. Provision for profit-unrelated premium refund	18	16,253	10,961
V. Provision for profit-related premium refund, i.e. policyholders' profit participation	18	399,426	280,198
VI. Other technical provisions		18,740	32,180
		12,701,137	**11,182,713**
E. Technical provisions for life insurance policies where the investment risk is borne by policyholders	19	**261,258**	**153,539**
F. Other provisions			
I. Pension and similar provisions	20	328,965	309,123
II. Provisions for taxation		6,498	28,111
III. Other provisions	21	139,618	116,246
		475,081	**453,479**
G. Liabilities	22	**553,961**	**397,001**
H. Deferred tax liabilities	23	**211,721**	**188,218**
I. Other liabilities	24	**11,965**	**15,610**
Total equity and liabilities		**15,189,510**	**13,124,160**

Consolidated Income Statement

for the business year 2003

	Notes	2003 € 000	2002 € 000
1. Gross premiums written	25	**3,030,523**	**2,668,399**
2. Premiums earned	26	**2,778,558**	**2,405,610**
3. Net investment income	28		
a) Income from affiliated and associated companies		40,100	7,838
b) Other investment income		380,815	468,079
		420,915	**475,917**
4. Other income	27	18,335	19,238
Total income		**3,217,809**	**2,900,765**
5. Insurance benefits (net)	29	–2,484,085	–2,351,899
6. Operating expenses	30	–601,452	–472,405
7. Other expenses	31	–45,922	–32,834
8. Amortisation of goodwill		–18,037	–8,348
Total expenses		**–3,149,496**	**–2,865,486**
9. Profit on ordinary activities		68,313	35,279
10. Income taxes	32	–12,094	–16,768
11. Net profit		56,218	18,511
12. Minority interests		–10,062	–14,916
13. Consolidated net profit		**46,156**	**3,595**

Cash Flow Statement

for the business year 2003

	2003 € 000	2002 € 000
Net profit including minority interests		
Net profit	56,218	18,511
Minority interests	–10,062	–14,916
Change in technical provisions	649,910	349,468
Change in deferred acquisition costs	–74,482	–77,983
Change in reinsurance deposits receivable and payable as well as current accounts receivable and payable	71,804	108,165
Change in other amounts receivable and payable	–30,490	–26,242
Change in securities held for trading	359,804	–85,664
Realised gains/losses on the disposal of investments	–384,630	–39,202
Depreciation/appreciation of other investments	275,692	116,445
Change in provisions for pension and severance payments	19,842	12,146
Change in deferred tax assets/liabilities	66,457	–31,281
Change in other balance sheet items	–16,709	–3,344
Change in goodwill and intangible assets	–8,190	–65,117
Other non-cash income and expenses as well as accounting period adjustments	–6,933	451
Net cash flow from operating activities	**968,232**	**261,435**
Receipts due to disposal of consolidated companies and other business units	582	110
Payments due to acquisition of consolidated companies and other business units	–207,812	–6,927
Receipts due to disposal and maturity of other investments	6,336,006	9,508,113
Payments due to acquisition of other investments	–6,798,356	–9,768,426
Change in investments held on account and at risk of life insurance policyholders	–165,634	–134,562
Net cash flow used in investing activities	**–835,214**	**–401,692**
Change in investments on own shares	–32,217	–3,190
Dividend payments	–17,586	–19,164
Receipts and payments from other financing activities	200,000	126,988
Net cash flow used in financing activities	**150,197**	**104,634**
Change in cash and cash equivalents	**283,215**	**–35,623**
Cash and cash equivalents at beginning of period	104,881	140,504
Cash and cash equivalents at end of period	**388,095**	**104,881**

Segment Balance Sheet

	Property and casualty		Life	
	2003 € 000	2002 € 000	2003 € 000	2002 € 000
ASSETS				
A. Intangible assets	117,704	70,046	88,100	70,871
B. Investments	1,818,372	1,344,461	9,632,057	8,696,175
C. Investments held on account and at risk of life insurance policyholders	0	0	434,494	268,860
D. Receivables	237,809	194,472	385,279	270,747
E. Liquid funds	116,385	44,762	255,536	46,940
F. Deferred acquisition costs	67,970	53,587	416,693	354,567
G. Deferred tax assets	62,429	99,377	895	6,179
H. Other assets	85,749	77,572	5,885	3,353
Total segment assets	**2,506,418**	**1,884,277**	**11,218,940**	**9,717,691**
EQUITY AND LIABILITIES				
C. Subordinated liabilities	85,000	0	240,000	125,000
D. Technical provisions (net)	1,198,718	906,688	9,919,010	8,760,205
E. Technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	261,258	153,539
F. Other provisions	435,821	392,886	32,181	45,735
G. Liabilities	489,675	313,504	354,539	214,170
H. Deferred tax liabilities	126,633	134,496	34,538	14,031
I. Other liabilities	10,046	13,496	37,140	88,604
Total segment liabilities	**2,345,894**	**1,761,071**	**10,878,666**	**9,401,283**

	Health		Consolidation		Group	
	2003 € 000	2002 € 000	2003 € 000	2002 € 000	2003 € 000	2002 € 000
	135	28	0	0	205,939	140,945
	1,451,140	1,445,593	–102,273	–72,959	12,799,296	11,413,269
	0	0	0	0	434,494	268,860
	118,594	57,496	–214,890	–115,051	526,792	407,663
	16,174	13,179	0	0	388,095	104,881
	193,437	195,464	0	0	678,100	603,618
	732	1,454	0	0	64,055	107,010
	36,156	82,896	–35,052	–85,907	92,738	77,914
	1,816,368	**1,796,109**	**–352,215**	**–273,918**	**15,189,510**	**13,124,160**
	0	0	0	0	325,000	125,000
	1,583,117	1,515,825	292	–5	12,701,137	11,182,713
	0	0	0	0	261,258	153,539
	7,079	14,873	0	–14	475,081	453,479
	26,533	56,234	–316,786	–186,907	553,961	397,001
	50,550	39,691	0	0	211,721	188,218
	294	302	–35,516	–86,793	11,965	15,610
	1,667,573	**1,626,925**	**–352,010**	**–273,719**	**14,540,122**	**12,515,560**
				Equity and minority interests	**649,388**	**608,600**
				Total Equity and liabilities	**15,189,510**	**13,124,160**

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 Income Statement

	Property and casualty		Life	
	2003 € 000	2002 € 000	2003 € 000	2002 € 000
1. Gross premiums written	1,248,768	1,018,428	1,063,172	958,604
2. Premiums earned	1,026,756	774,332	1,036,176	942,759
3. Net investment income	77,622	43,104	281,661	336,985
4. Other income	14,453	15,953	3,636	2,991
5. Insurance benefits	–716,246	–588,268	–1,124,790	–1,134,470
6. Operating expenses	–345,464	–257,734	–152,056	–117,091
7. Other expenses	–33,279	–27,435	–10,593	–5,475
8. Amortisation on goodwill	–10,408	–4,936	–7,629	–3,412
9. Profit on ordinary activities	13,434	–44,983	26,406	22,288
10. Income taxes	2,025	12,707	–7,126	–7,630
11. Net profit	15,459	–32,276	19,280	14,657
12. Minority interests	–1,236	–1,222	–3,508	–1,805

Regional Structure

	Premiums earned		Net investment income	
	2003 € 000	2002 € 000	2003 € 000	2002 € 000
Austria	**2,436,371**	**2,159,315**	**396,462**	**462,205**
Other Europe	**342,188**	**246,295**	**24,453**	**13,712**
Italy	95,854	83,939	4,334	–378
Switzerland	2,661	34,828	3,109	2,656
Liechtenstein	12,135	0	771	0
Poland	73,477	39,832	4,137	6,079
Slovakia	34,562	26,860	1,546	1,691
Czech Republic	67,323	54,141	2,598	1,719
Croatia	7,149	6,531	745	426
Hungary	49,026	165	7,213	1,519
Group total	**2,778,558**	**2,405,610**	**420,915**	**475,917**

Health		Consolidation		Group	
2003 € 000	2002 € 000	2003 € 000	2002 € 000	2003 € 000	2002 € 000
720,350	693,516	–1,767	–2,149	3,030,523	2,668,399
715,750	688,594	–124	–75	2,778,558	2,405,610
61,861	97,179	–228	–1,352	420,915	475,917
558	504	–312	–209	18,335	19,238
–642,844	–629,154	–205	–8	–2,484,085	–2,351,899
–105,260	–97,770	1,329	190	–601,452	–472,405
–3,219	–1,335	1,168	1,410	–45,922	–32,834
0	0	0	0	–18,037	–8,348
26,846	58,018	1,627	–44	68,313	35,279
–6,993	–21,845	0	0	–12,094	–16,768
19,852	36,173	1,627	–44	56,218	18,511
–5,318	–11,888	0	0	–10,062	–14,916

Insurance benefits		Operating expenses		Profit on ordinary activities	
2003 € 000	2002 € 000	2003 € 000	2002 € 000	2003 € 000	2002 € 000
–2,246,402	**–2,153,317**	**–493,147**	**–397,915**	**59,790**	**45,036**
–237,683	**–198,582**	**–108,304**	**–74,490**	**8,523**	**–9,757**
–64,283	–54,630	–24,802	–23,424	6,252	4,534
–13,997	–32,986	4,179	–1,802	–312	2,660
–10,406	0	–1,196	0	1,063	0
–49,902	–32,389	–28,884	–15,765	–6,030	–2,997
–21,792	–18,574	–12,114	–7,524	1,923	5,918
–42,040	–56,896	–21,175	–17,894	7,916	–17,820
–4,077	–3,045	–5,492	–6,762	–2,032	–2,154
–31,186	–61	–18,821	–1,320	–258	102
–2,484,085	**–2,351,899**	**–601,452**	**–472,405**	**68,313**	**35,279**

Notes to the Group Financial Statements

for the business year 2003

Accounting Regulations

For the financial year 2003, 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 the International Financial Reporting Standards (IFRS) as passed by the International Accounting Standards Board (IASB), 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 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 health as well as property and casualty insurance, SFAS 60 and SFAS 113 for reinsurance were applied. For unit-linked life insurance, where the investment risk is borne 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. 13 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 – 29 domestic and 29 foreign subsidiaries in which the UNIQA Versicherungen AG has the majority voting rights.

Following the acquisition, the foundation or the exceeding of the threshold of substantial investments in the reporting period, the scope of consolidation was extended by:

	Date of first-time consolidation	Net profit for the year in € mill.	Goodwill in € mill.	Amortisation of goodwill in € mill.
Austrian AXA Group:[1)]				
AXA Konzern Aktiengesellschaft, Vienna	1 July 2003	–2.58	0.00	0.00
AXA Versicherung Aktiengesellschaft, Vienna	1 July 2003	–7.57	9.02	0.23
UNIQA Biztosito Rt, Budapest	1 July 2003	2.12	26.46	0.66
UNIQA Lebensversicherung AG, Vaduz	1 July 2003	–2.43	5.76	0.14
UNIQA Versicherungen AG, Vaduz	1 July 2003	–1.72	0.00	0.00
Heller Saldo-2000 Penztarszolgaltato Kft, Budapest	1 July 2003	0.00	1.17	0.03
Dekra Expert Muszaki Szakelöi Kft, Budapest	1 July 2003	0.30	0.00	0.00
UNIQA Vagyonkezelö Rt, Budapest	1 July 2003	0.22	0.00	0.00
UNIQA Penztarszolgaltato Kft, Budapest	1 July 2003	0.60	3.92	0.10
UNIQA Szolgaltato Kft, Budapest	1 July 2003	0.95	0.00	0.00

	Date of first-time consolidation	Net profit for the year in € mill.	Goodwill in € mill.	Amort-isation of goodwill in € mill.
Allfinanz Versicherungs- und Finanzservice GmbH, Vienna	1 July 2003	–0.86	0.00	0.00
Assistance Beteiligungs GmbH, Vienna	1 July 2003	0.09	0.00	0.00
			46.33	**1.16**
Other:				
AUSTRIA Österreichische Hotelbetriebs-Aktiengesellschaft, Vienna[2)]	1 Jan 2003	1.97	0.00	0.00
AUSTRIA Österreichische Hotel-Betriebs-Beteiligungs GmbH, Vienna[2)]	1 Jan 2003	0.15	0.00	0.00
Passauerhof Betriebs-Ges.m.b.H., Vienna[2)]	1 Jan 2003	0.02	0.00	0.00
Hotel Burgenland in Eisenstadt Betriebsgesellschaft mbH, Eisenstadt[2)]	1 Jan 2003	0.00	0.00	0.00
Seminarhotel Baden Betriebsgesellschaft mbH, Baden[2)]	1 Jan 2003	–0.32	0.00	0.00
Austria Österreichische Hotelbetriebs s.r.o., Prague[2)]	1 Jan 2003	0.70	0.00	0.00
Grand Hotel Bohemia s.r.o., Prague[2)]	1 Jan 2003	0.30	0.00	0.00
Hotel International Praha, Prague[2)]	1 Jan 2003	1.10	0.00	0.00
Fundus Praha s.r.o., Prague	1 Jan 2003	–0.06	0.00	0.00
UNIQA Reality s.r.o., Prague	1 Jan 2003	0.04	0.02	0.00
UNIQA Real s.r.o., Bratislava	1 Jan 2003	0.07	0.41	0.00
UNIQA Real II s.r.o., Bratislava	1 Jan 2003	0.10	0.80	0.01
UNIQA Assurances S.A., Geneva (newly founded)	1 Jan 2003	0.00	0.00	0.00
"Hoher Markt 4" Besitzgesellschaft mbH, Vienna	30 Jun 2003	0.23	0.00	0.00
"Goldschmiedgasse 1" Besitzgesellschaft m.b.H., Vienna	30 Jun 2003	0.01	0.00	0.00
Millennium Medicina Kft-nek, Budapest	1 Oct 2003	–0.03	0.07	0.00

[1)] In the financial year the Austrian AXA Group was acquired and integrated into the UNIQA Group under a change of legal form scheme. The domestic property insurance business was transferred to UNIQA Sachversicherung AG and the life insurance business to UNIQA Personenversicherung AG and FINANCE LIFE Lebensversicherung AG.

[2)] In the financial year the companies of the AUSTRIA Österreichische Hotelbetriebs-Aktiengesellschaft-Gruppe (UNIQA Hotelgruppe) formed part of the consolidated group for the first time. This resulted in a cumulative increase in valuation of previous balance sheet figures at the amount of € 6,716,000.

The associated companies refer to 14 domestic companies and 1 foreign company which, for Group accounts, were consolidated at equity. There were 5 companies of minor significance, whose shares we showed at current market value.

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.

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 on the basis of the most recent annual accounts available.

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 of minor significance to 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 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 in €	
Currencies	**2003**	**2002**
Swiss Francs SFR	1.5579	1.4524
Slovak Koruna SKK	41.170	41.503
Czech Koruna CZK	32.410	31.577
Hungarian Forint HUF	262.50	236.29
Croatian Kuna HRK	7.6830	7.5146
Polish Zloty PLN	4.7019	4.021

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 as per 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 its included subsidiaries 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, goodwill of acquired insurance companies 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, i.e. in general over 10 or 20 years. With regard to life insurance business acquired, the depreciation of the goodwill follows the progression of the estimated gross margins. The other intangible assets include both purchased and self-developed software which is depreciated on a straight-line basis over its useful economic life of 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.

Market values are specified in the Notes, No. 2.

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 as "Available for Sale" according to IAS 39.

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 less any redemptions made in the interim.

Securities available for sale

These are recognised in the financial statements at their market value on 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 profit participations and deferred taxes. There was only depreciation that affected the results (impairment) where we anticipate a lasting fall in value. In addition, currency differences from fixed income securities were recognised as profit and expenditure, respectively.

Trading portfolios – Derivatives
Derivatives are used within the limits permitted by the Austrian Insurance Supervisory Act for hedging investments and for increasing earnings. Any fluctuations in value are recognised in the income statement.

Trading portfolios – Structured products
Structured products are not split between their 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 market value.

Investments of unit- and index-linked life insurance policies (where the risk is borne by policyholders)
These investments concern life insurance policies whose value or profit is determined by investments for which the policyholder carries the risk, i.e. the unit-linked or index-linked life insurance policies. The investments in question are collected in asset pools, balanced at their current market value and kept separately from the remaining investments of the company. The policyholders are entitled to all income from these investments. The amount of the balanced investments strictly corresponds to the actuarial provisions (before reinsurance business ceded) for life insurance, to the extent that the investment risk is borne by the policyholders. The unrealised 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 insurance, the acquisition costs are amortised over the duration of the policy, at the same ratio as that of the actuarial profit margin of each individual year to the total margin to be expected from the policies. For long-term health insurance policies, the depreciation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. The changes in the acquisition costs capitalised 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 insurance, they are included in the actuarial provision.

Actuarial provision

Actuarial provisions are established in the property, 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 bears the sole investment risk, with the accompanying possibility that he or she might lose money, the actuarial provision is listed in the separate debit entry as "Technical provisions for life insurance where the investment risk is borne 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).

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

As for health insurance, the provisions for outstanding claims are estimated on the basis of past experience, taking into consideration the known arrears in claim payments.

The provision for the assumed reinsurance business generally complies with the figures of the cedents.

Provision for premium 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 IAS 19, using 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 bill on the tax reform law that was passed on 22 March 2004 by the Government stipulates a decrease of the corporate tax rate from currently 34% to 25% as of 1 January 2005. A decrease of the tax rate in future years would lead to a reduction of the total balance of accrued and deferred taxes to the amount of € 38,400,000.

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 (impairment)

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. The whole property portfolio will be valued over the next five years by external expert opinion through court-sworn appraisers on a revolving basis. If there is a foreseeable durable impairment of assets, their carrying amount is reduced.

Premiums

Only the parts covering risks and costs of the premium volume written for life insurance policies, where the value or income is determined by investments for which the policyholder bears the risk, i.e. unit- or index linked life insurance, are recognised as premiums.

Classes of insurance

(direct business and partly accepted reinsurance business)

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

Major diferrences 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

Affiliated and associated companies that are not consolidated at equity because they are not material are carried at market value (Fair Value).

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. It classifies other financial assets as “Held to Maturity”, “Available for Sale” and “Held for Trading”. 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.

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 insurance.

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

Provision for premium refund and profit participation

Because of the difference in valuation of the assets and liabilities in the area of life insurance, a provision has to be made for deferred profit participation which complies with the national legal or contractually regulated profit sharing and is assessed in favour of the policyholder. The change of the provision for deferred premium 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 catastrophes

The establishment of a provision for claims equalisation and catastrophes 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, the accounting principles used for IAS are different from those of 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 the use of a market-related assumed rate of interest and the 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 Management and Supervisory Board

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 (until 19 May 2003)
Konrad Fuchs, Maria Enzersdorf
Fritz Hakl, Innsbruck
Gottfried Holzer, Vienna (until 19 May 2003)
Karl Korinek, Vienna (until 19 May 2003)
Julius Marhold, Eisenstadt
Johannes M. Martinek, Vienna
Klaus Pekarek, Klagenfurt
Peter Püspök, Perchtoldsdorf
Peter Weninger, Vienna (as of 19 May 2003)
Georg Winckler, Vienna
Lieselotte Wolf, Pressbaum

Assigned by the Central Employee Council:
Irmin Gundl, Salzburg (until 19 May 2003)
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 2003
Development of Asset Items

	Balance sheet values 2002 € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
A. Intangible assets				
I. Goodwill				
Positive goodwill	108,526	0	48,031	0
Value of life business in force	13,784	0	20,287	0
II. Other intangible assets				
Self-developed software	281	0	16,021	0
Purchased intangible assets	18,354	–106	5,574	0
Total A.	**140,945**	**–106**	**89,914**	**0**
B. I. Land and buildings	**793,244**	**–2,473**	**211,588**	**0**
B. II. Shares in affiliated companies and associated companies				
1. Shares in affiliated companies[1]	36,229	–8	2,984	0
2. Shares in associated companies	102,343	0	4,609	0
Total B. II.	**138,572**	**–8**	**7,593**	**0**
B. III. Loans				
1. Debt securities issued by and loans to affiliated companies	19,398	–69	123	0
2. Debt securities issued by and loans to participating interests	641	0	0	0
3. Mortgage loans	12,608	13	113,468	0
4. Loans and advance payments on policies	11,167	0	5,406	0
5. Other loans	769,670	–53	309,884	0
Total B. III.	**813,484**	**–109**	**428,881**	**0**
B. IV. Other securities				
1. Shares, fund units and other variable yield securities, including participating interests	1,379,109	–60	1,051,365	195,540
2. Debt securities and other fixed interest securities	7,310,274	–14,456	5,393,666	36,566
Total B. IV. 1–2/Securities – available for sale	**8,689,383**	**–14,515**	**6,445,031**	**232,107**
3. Held for trading	881,406	0	246,810	0
Total B. IV.	**9,570,789**	**–14,515**	**6,691,841**	**232,107**
B. V. Other investments				
1. Cash at credit institutions	43,312	–1,392	784,315	0
2. Deposits with ceding companies	53,867	–73	64,035	0
Total B. V.	**97,180**	**–1,465**	**848,350**	**0**
C. Investments held on account and at risk of life insurance policyholders	**268,860**	**0**	**341,407**	**32,671**
Aggregate total	**11,823,074**	**–18,677**	**8,619,573**	**264,778**

[1] The decrease in investments in associated companies essentially results from the full consolidation that AUSTRIA Österreichische Hotelbetriebs-Aktiengesellschaft-Gruppe was made subject to for the first time.

Amortisation € 000	Transfers € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Balance sheet values 2003 € 000
0	–19,041	0	0	12,195	125,322
0	19,041	0	0	5,849	47,263
0	0	0	0	1,639	14,663
0	0	40	0	5,091	18,691
0	**0**	**40**	**0**	**24,773**	**205,939**
0	**0**	**7,979**	**0**	**26,819**	**967,562**
0	0	34,286	8	34	4,893
0	21,100	0	38,417	3,604	162,865
0	**21,100**	**34,287**	**38,425**	**3,638**	**167,758**
0	0	19,159	0	185	108
0	0	59	0	0	582
0	–1,674	7,752	0	188	116,475
0	0	5,409	0	0	11,163
0	0	250,680	0	197	828,623
0	**–1,674**	**283,060**	**0**	**570**	**956,952**
473	223,977	828,748	2,596	176,525	1,847,728
–11,947	–235,361	4,926,947	2,268	111,431	7,442,634
–11,473	**–11,384**	**5,755,695**	**4,864**	**287,956**	**9,290,362**
–7,178	–8,042	586,405	7,193	12,182	521,603
–18,651	**–19,426**	**6,342,100**	**12,058**	**300,137**	**9,811,964**
0	0	0	0	0	826,235
0	0	49,005	0	0	68,824
0	**0**	**49,005**	**0**	**0**	**895,060**
0	**0**	**208,444**	**0**	**0**	**434,494**
–18,651	**0**	**6,924,914**	**50,483**	**355,937**	**13,439,729**

1. Intangible assets

	Other intangible assets Group total € 000	Positive goodwill Group total € 000
Acquisition value as at 1 Jan. 2003	87,992	173,366
Accumulated amortisation by 1 Jan. 2003	–69,358	–51,056
Book values as at 1 Jan. 2003	**18,635**	**122,310**
Acquisition value as at 31 Dec. 2003	113,296	241,684
Accumulated amortisation by 31 Dec. 2003	–79,942	–69,099
Book value as at 31 Dec. 2003	**33,354**	**172,585**

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 amortisation of the other intangible assets is shown in the profit and loss account after cost allocation. Goodwill amortisation is shown separately. The amortisation of goodwill contains an extraordinary write-off from the acquisition of the Agrupacion Funeuropa Biztosito Rt. amounting to € 4,495,000.

The changes in the financial year mainly result from the acquisition of the Austrian AXA Group which led to an increase in intangible assets of € 55,006,000. The current value of life insurance policies accounted for € 9,838,000 thereof, and the goodwill made up € 45,168,000.

2. Land and buildings

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Book value in the segment of		
Property and casualty insurance	473,690	392,017
Life insurance	316,422	217,901
Health insurance	177,450	183,326
	967,562	**793,244**
Market values in the segment of		
Property and casualty insurance	565,749	489,947
Life insurance	598,253	481,984
Health insurance	268,720	260,824
	1,432,721	**1,232,756**
Acquisition value	1,266,884	1,039,627
Accumulated depreciation	–299,322	–246,383
Book value	**967,562**	**793,244**
The balance sheet value of self-used land and buildings was:	204,942	121,305

The changes in the financial year mainly result from the acquisition of the real properties “Goldschmiedgasse 1“ and “Hoher Markt 4“ as well as the full consolidation that AUSTRIA Österreichische Hotelbetriebs-Aktiengesellschaft-Gruppe was made subject to for the first time. In addition, due to the revolving reappraisal of parts of our real estate portfolio the market values were partially adjusted.

3. Shares in associated companies and companies valued at equity

	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Market value for		
Shares in affiliated companies of minor significance was:	4,893	36,229
Shares in associated companies of minor significance was:	159	0
Book value for		
Shares in associated companies valued at equity was:	162,705	102,343

Overview of the scope of consolidation 2003

Company	Type	Registered office	Equity in € mill.[1]	Share in %[2]
Domestic insurance companies				
UNIQA Versicherungen AG (Group holding company)	full	1020 Vienna		
UNIQA Sachversicherung AG	full	1020 Vienna	98.1	100.0
UNIQA Personenversicherung AG	full	1021 Vienna	303.9	63.4
Salzburger Landes-Versicherung AG	full	5020 Salzburg	26.9	100.0
Raiffeisen Versicherung AG	full	1020 Vienna	130.5	100.0
CALL DIRECT Versicherung AG	full	1020 Vienna	7.4	100.0
FINANCE LIFE Lebensversicherung AG	full	1020 Vienna	7.9	100.0
SK Versicherung Aktiengesellschaft	Equity	1020 Vienna	6.4	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	full	Switzerland, Geneva	9.9	100.0
UNIQA Re AG	full	Switzerland, Zurich	47.7	100.0
UNIQA Assicurazioni S.p.A.	full	Italy, Milan	26.3	100.0
UNIQA Poistovna a.s.	full	Slovakia, Bratislava	11.7	99.7
UNIQA pojistovna. a.s.	full	The Czech Republic, Prague	12.0	83.3
UNIQA osiguranje d.d.	full	Croatia, Zagreb	4.8	80.0
Friuli-Venezia Giulia Assicurazioni „La Carnica“ S.p.A.	full	Italy, Udine	15.6	86.8
UNIQA Towarzystwo Ubezpieczen S.A.	full	Poland, Lodz	9.3	99.8
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	full	Poland, Lodz	1.3	99.4
Agrupacion Funeuropa Biztosito Rt.	full	Hungary, Budapest	2.5	100.0
UNIQA Biztosito Rt.	full	Hungary, Budapest	20.3	100.0
UNIQA Lebensversicherung AG	full	Liechtenstein, Vaduz	5.1	100.0
UNIQA Versicherungen AG	full	Liechtenstein, Vaduz	3.0	100.0
COSALUD. S.A. de Seguros	Equity	Spain, Barcelona	10.6	45.0

Overview of the scope of consolidation 2003

Company	Type	Registered office	Equity in € mill.[1]	Share in %[2]
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
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	full	1010 Vienna	0.1	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.1	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	*)	1010 Vienna		33.3
Risikodienst und Schadensberatung Gesellschaft m.b.H.	*)	1020 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	full	1070 Vienna	0.7	51.0
UNIQA Software-Service GmbH	full	1020 Vienna	1.2	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
UNIQA Finanz-Service GmbH	full	1020 Vienna	0.1	100.0
UNIQA Alternative Investments GmbH	full	1020 Vienna	0.6	100.0
ÖBW Bildungsmanagement für Wirtschaftsunternehmen GmbH	*)	1030 Vienna		80.0
UNIQA International Versicherungs-Holding GmbH	full	1020 Vienna	107.3	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	full	1020 Vienna	84.4	100.0
Alopex Organisation von Geschäftskontakten GmbH	*)	1010 Vienna		100.0
DCS Data Center Services GmbH	*)	1020 Vienna		40.0
RC Risk-Concept Versicherungsberatungs- & Versicherungsmaklergesellschaft m.b.H.	*)	1010 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	*)	1010 Vienna		100.0
Assistance Beteiligungs-GmbH	full	1010 Vienna	0.3	52.0
Group foreign service companies				
Syntegra Szolgaltato es Tanacsado KFT	full	Hungary, Budapest	0.2	60.0
Insdata spol s.r.o.	*)	The Slovak Republic, Nitra		100.0
Racio s.r.o.	*)	The Czech Republic, Prague		100.0
UNIQA Pro	*)	The Czech Republic, Prague		100.0
InsService s.r.o.	*)	Slovakia, Bratislava		100.0
UNIQA Penztarszolgaltato Kft	full	Hungary, Budapest	2.2	100.0
Heller Saldo 2000 Penztarszolgaltato Kft	full	Hungary, Budapest	0.3	75.0
Dekra Expert Muszaki Szakertöi Kft	full	Hungary, Budapest	0.8	74.9
UNIQA Vagyonkezelö Rt.	full	Hungary, Budapest	2.7	100.0
UNIQA Szolgaltato Kft	full	Hungary, Budapest	4.6	100.0
Allfinanz Risk Concept Kft	*)	Hungary, Budapest		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft	*)	Hungary, Budapest		92.4
Millennium Medicina Kft-nek	full	Hungary, Budapest	0.0	100.0

Overview of the scope of consolidation 2003

Company	Type	Registered office	Equity in € mill.[1]	Equity Share in %[2]
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	5.5	29.6
MEDICUR-Holding Gesellschaft m.b.H.**)	Equity	1020 Vienna	3.7	25.0
ÖVK Holding	Equity	1030 Vienna	3.0	25.0
PKB Privatkliniken Beteiligungs-GmbH**)	Equity	1010 Vienna	27.7	50.0
FIMAG Finanz Industrie Management AG**)	Equity	1220 Vienna	321.4	25.0
Humanomed Krankenhaus Management Gesellschaft m.b.H.	Equity	1040 Vienna	0.5	44.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	*)	9020 Klagenfurt		35.0
ÖPAG Pensionskassen Aktiengesellschaft	Equity	1203 Vienna	14.6	40.1
call us Assistance International GmbH	Equity	1090 Vienna	0.7	61.0
EBV Leasing Gesellschaft m.b.H.	Equity	1061 Vienna	0.2	50.0
UNIQA Leasing GmbH	full	1061 Vienna	0.0	100.0
UNIQA Human Resources-Services GmbH	full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	full	1020 Vienna	97.6	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	full	1020 Vienna	6.9	100.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.0	37.5
Financial and strategic shareholdings abroad				
UNIQA-Zycie Holding sp.z.oo.	full	Poland, Lodz	0.4	100.0
Real-estate companies				
Fundus Praha s.r.o.	full	The Czech Republic, Prague	1.6	100.0
UNIQA Reality s.r.o.	full	The Czech Republic, Prague	0.9	100.0
UNIQA Real s.r.o.	full	Slovakia, Bratislava	0.7	100.0
UNIQA Real II s.r.o.	full	Slovakia, Bratislava	0.5	100.0
Steigengraben-Gut Gesellschaft m.b.H.	*)	1020 Vienna		100.0
Raiffeisen evolution project development GmbH (formerly Raiffeisen Immobilienholding GmbH)	Equity	1030 Vienna	5.6	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.9	33.0
„Goldschmiedgasse 1" Besitzgesellschaft m.b.H.	full	5020 Salzburg	0.3	100.0
„Hoher Markt 4" Besitzgesellschaft m.b.H.	full	1020 Vienna	8.5	100.0
Bellevue Plaza Bürohaus und Liegenschaftsverwaltungs GmbH	full	Hungary, Budapest	1.1	100.0
AUSTRIA Österreichische Hotelbetriebs-Aktiengesellschaft [3]	full	1010 Vienna	25.8	99.5
AUSTRIA Österreichische Hotel-Betriebs-Beteiligungs GmbH	full	1010 Vienna	9.6	100.0
Grand Hotel Bohemia s.r.o. [3]	full	The Czech Republic, Prague	11.0	100.0
Passauerhof Betriebs-Ges.m.b.H. [3]	full	1010 Vienna	1.3	100.0
Hotel Burgenland in Eisenstadt Betriebsgesellschaft m.b.H. [3]	full	7000 Eisenstadt	0.1	100.0
Seminarhotel Baden Betriebsgesellschaft m.b.H. [3]	full	2500 Baden	–0.7	100.0
Austria Österreichische Hotelbetriebs s.r.o. [3]	full	The Czech Republic, Prague	4.8	100.0
Hotel International Praha a.s. [3]	full	The Czech Republic, Prague	4.0	97.9
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	*)	1010 Vienna		24.4
Reisebüro Creative Tours Gesellschaft m.b.H.	*)	1010 Vienna		24.9

*) Unconsolidated company.

[1] In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity it equals the latest annual accounts published or, with companies marked with **), the latest group accounts published.

[2] The share in equity equals the share in voting rights before minorities, if any.

[3] Consolidated on the basis of a non-calandar financial year (balance sheet date 30 September).

4. Loans

	Acquisition costs	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000
1. Loans to affiliated companies	108	19,398
2. Loans to participating interests	582	641
3. Mortgage loans	116,475	12,608
4. Loans and advance payments on policies	11,163	11,167
5. Other loans	828,623	769,670
	956,952	813,484

	Acquisition costs	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Remaining contractual term:		
infinite	42	0
up to 1 year	24,262	24,067
of more than 1 year up to 5 years	625,676	599,985
of more than 5 years up to 10 years	147,364	108,863
more than 10 years	159,608	80,570
	956,952	813,484

	Market values	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000
1. Loans to affiliated companies	108	19,398
2. Loans to participating interests	582	641
3. Mortgage loans	116,475	12,608
4. Loans and advance payments on policies	11,163	11,167
5. Other loans	859,082	796,167
	987,410	839,982

	Market values	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Remaining contractual term:		
infinite	42	0
up to 1 year	24,422	24,165
of more than 1 year up to 5 years	648,191	621,612
of more than 5 years up to 10 years	155,148	113,635
more than 10 years	159,608	80,570
	987,410	839,982

The changes in the financial year mainly result from the increase in mortgage loans and other loans that were added due to the acquisition of the Austrian AXA Group.

5. Other securities, available for sale

	Acquisition costs		Unrealised gains/losses or accumulated depreciation		Market values	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000	31 Dec. 2003 € 000	31 Dec. 2002 € 000	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Type of investment						
Shares	1,138,885	136,056	–148,635	–24,764	990,249	111,291
Equity funds	572,287	1,419,287	–305,873	–554,317	266,414	864,970
Other variable yield securities	275,643	146,412	2,177	–5,925	277,820	140,486
Participating interests and other investments	318,326	264,251	–5,082	–1,890	313,244	262,361
Fixed interest securities and annuity funds	7,497,919	7,444,752	–55,285	–134,478	7,442,634	7,310,274
	9,803,059	**9,410,757**	**–512,697**	**–721,374**	**9,290,362**	**8,689,383**

	Allocation not effecting income		Withdrawal due to disposals effecting income*)		Change in unrealised gains/losses	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000	31 Dec. 2003 € 000	31 Dec. 2002 € 000	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Change in equity as of 31 Dec. 2003						
Other securities						
available for sale	25,800	–53,825	15,698	23,998	41,499	–29,827

*) Withdrawal effecting the income statement due to disposals and impairments.

	Acquisition costs		Market values	
	31 Dec. 2003 € 000	31 Dec. 2002 € 000	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Remaining contractual term:				
up to 1 year	305,026	242,909	309,828	249,810
of more than 1 year up to 5 years	871,143	1,013,485	885,470	1,034,656
of more than 5 years up to 10 years	4,613,368	5,057,369	4,523,089	4,876,865
more than 10 years	1,708,381	1,130,989	1,724,246	1,148,943
	7,497,919	**7,444,752**	**7,442,634**	**7,310,274**

The remaining contractual terms referred to fixed-interest securities.

The changes in market value mainly resulted from the acquisition of the Austrian AXA Group.

6. Other securities, held for trading

Investments in derivatives including structured products

were of minor significance in relation to the total investments of the UNIQA Group. However, it is certainly worth mentioning their contribution to the overall result because the interest yield of structured products is generally high, running at 10% last year.

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), index certificates, swaptions, caps and floors, forwards.

With the structured products in loan format no substantial reclassifications were carried out.

The number of positions in structured swaps was increased to the extent that they benefitted from the drastically increased interest rates in HUF and PLN and from the steepened EUR interest curve between 10 and 30 years.

There are still only small structured items that are exposed to equity-related risk, where the capital is guaranteed with a minimum interest and step-down structures on the Nasdaq 100 and the Nikkei 225 index. The eurozone interest level as well as the volatilties on euro swap rates, albeit to a slightly reduced extent due to a decrease in items, continue to constitute a major risk factor.

Volumes of structured products	Remaining term		Total	
	1–5 years € 000	more than 5 years € 000	2003 € 000	2002 € 000
Structures involving an interest risk	98,747	315,399	414,146	573,497
Structures involving a share exposure	38,577	13,794	52,371	127,588
Structures involving a currency risk	4,180	42,113	46,293	180,321
Structures involving a credit risk	8,793	0	8,793	0
	150,297	**371,306**	**521,603**	**881,406**

As mentioned before, the risks of structures that include interest risk mainly hinge on the euro swap curve and, to a lesser extent, on the GBP, USD, HUF, PLN, and JPY swap curves as well as on the interest volatility in those currencies.

Volumes of structured swaps	Remaining term			Total
	1–5 years € 000	5–10 years € 000	more than 10 years € 000	2003 € 000
Market values clean:				
Asset swaps	0	126,724	102,181	228,905
Interest swaps	79,728	20,000	83,081	182,809
Interest currency swaps	10,552	18,107	54,555	83,214
	90,280	**164,831**	**239,816**	**494,927**

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.

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, appropriate 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.

7. Other investments

	31 Dec. 2003 € 000	31 Dec. 2002 € 000
Other investments included:		
deposits with credit institutions	826,235	43,312
deposits with ceding companies	68,824	53,867
	895,060	**97,180**

8. Receivables

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
I. Receivables under insurance business		
1. from policyholders	110,168	85,542
2. from intermediaries	19,106	11,412
3. from insurance companies	15,808	6,624
4. accounts receivable under reinsurance operations	37,048	48,562
	182,129	**152,140**
II. Other receivables		
Accrued interest and rent	246,712	181,420
Tax refund claims	40,378	17,664
Receivables due from employees	5,714	3,809
Other receivables	51,859	52,630
	344,663	**255,524**
Total receivables	**526,792**	**407,663**
of which receivables with a remaining term of		
up to 1 year	524,351	403,299
more than 1 year	2,441	4,364
	526,792	**407,663**

9. Deferred acquisition costs

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Property and casualty insurance		
As at 1 Jan.	53,587	36,997
Changes due to foreign currency translations	–1,365	0
Changes due to extension of the consolidation scope	15,557	641
Amount capitalised	25,146	29,587
Amortisation	–24,955	–13,637
As at 31 Dec.	**67,970**	**53,587**
Life insurance		
As at 1 Jan.	354,567	294,897
Changes due to foreign currency translations	21	0
Changes due to extension of the consolidation scope	2,786	0
Amount capitalised	106,930	95,833
Interest charge	15,008	10,037
Amortisation	–62,620	–46,199
As at 31 Dec.	**416,693**	**354,567**
Health insurance		
As at 1 Jan.	195,464	193,741
Amount capitalised	9,755	12,467
Interest charge	8,531	8,569
Amortisation	–20,313	–19,314
As at 31 Dec.	**193,437**	**195,464**
Consolidated financial statements		
As at 1 Jan.	603,618	525,635
Changes due to foreign currency translations	–1,344	0
Changes due to extension of the consolidation scope	18,343	641
Amount capitalised	141,831	137,887
Interest charge	23,539	18,606
Amortisation	–107,888	–79,151
As at 31 Dec.	**678,100**	**603,618**

10. Deferred tax asset

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Cause of origin		
Technical items	16,988	9,451
Social capital	38,875	27,856
Investments	0	9,332
Loss carried forward	4,154	0
Other	4,039	60,371
	64,055	**107,010**
Of which not effecting income	0	26,763

11. Other assets

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Tangible assets	31,137	27,836
Inventories	4,763	10,117
Other	26,352	15,553
Accruals	30,486	24,408
	92,738	**77,914**

Tangible assets, development during the business year

	Group total € 000
Acquisition costs as at 31 Dec. 2002	81,773
Accumulated depreciation up to 31 Dec. 2002	–53,937
Book values as at 31 Dec. 2002	**27,836**
Changes due to foreign currency translations	–154
Additions	17,832
Disposals	–1,560
Depreciation	–12,817
Book values as at 31 Dec. 2003	**31,137**
Accumulated depreciation up to 31 Dec. 2003	**77,175**
Acquisition costs as at 31 Dec. 2003	**108,313**

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.

12. Group equity

	Subscribed capital and capital reserves € 000	Revaluation reserves € 000	Revenue reserves € 000	Profit carried 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**
Changes for:					
Foreign currency translation			–5,890		–5,890
Change in consolidation scope			–764		–764
Dividends to shareholders				–17,586	–17,586
Own shares			–32,217		–32,217
Unrealised capital gains and losses		41,499			41,499
Net profit for the year				46,156	46,156
Changes in revenue reserves	1		22,563	–22,563	1
Changes in capital reserves	881			–881	
Other				–279	–279
Situation as at 31 Dec. 2003	**194,120**	**16,238**	**306,084**	**24,020**	**540,462**

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 reserve, with deferred participation in profits and deferred taxes taken into consideration.

In addition to the subscribed capital, the UNIQA Versicherungen AG has at its disposal an authorised 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.

At year-end, own shares are accounted for as follows:

	31 Dec. 2003	31 Dec. 2002
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs (in € 000)	67,016	34,798
Number of shares	9,157,910	5,271,266
Share of subscribed capital	7.65	4.40

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

Earnings per share	2003	2002
Group net profit (€ 000)	46,156	3,595
of which accounts for ordinary shares (€ 000)	46,156	3,595
Own shares as of 31 Dec. 2003	9,157,910	5,271,266
Average number of shares in circulation	109,975,025	114,563,582
Profit per share (€) *)	0.42	0.03
Profit before taxes per share (€) *)	0.53	0.17
Adjusted for goodwill amortisation, the profit per share amounts to (€) *)	0.58	0.10

*) Calculated on the basis of the Group net profit for the year.

13. Minority interests

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
in revaluation reserve	2,538	–7,038
in net income	10,062	14,916
in other equity	96,325	91,179
	108,925	**99,057**

14. Subordinated liabilities

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Supplementary capital	325,000	125,000

In December 2002 the Raiffeisen Versicherung AG, and in July 2003 the UNIQA Versicherungen AG, the UNIQA Personenversicherung AG and the UNIQA Sachversicherung AG, issued partial debentures with a nominal value of € 325,000,000 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 2013 will be 5.36%, except in the case of Raiffeisen Versicherung AG, where the interest to December 2012 will be 5.7%, plus a bonus interest payment depending on sales profitability of between 0.2% and 0.4%, and depending on the increase in premiums in comparison to the whole market.

15. Unearned premiums

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Property and casualty insurance		
Gross	232,620	197,098
Reinsurers' share	–22,791	–39,707
	209,829	**157,391**
Health insurance		
Gross	14,542	13,594
Reinsurers' share	0	9
	14,542	**13,603**
Consolidated financial statements		
Gross	247,162	210,692
Reinsurers' share	–22,791	–39,698
(fully consolidated figures)	**224,371**	**170,994**

16. Actuarial provision

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Property and casualty insurance		
Gross	9,227	0
Reinsurers' share	–654	0
	8,574	**0**
Life insurance		
Gross	9,520,314	8,500,954
Reinsurers' share	–78,968	–45,324
	9,441,346	**8,455,630**
Health insurance		
Gross	1,400,317	1,328,029
Reinsurers' share	–1,533	–1,641
	1,398,784	**1,326,388**
Consolidated financial statements		
Gross	10,929,857	9,828,983
Reinsurers' share	–81,154	–46,965
(fully consolidated figures)	**10,848,703**	**9,782,018**

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

for **according to**	**Life insurance SFAS 120** %	**Health insurance SFAS 60** %
2003		
for actuarial provision	2.25–4.00	4.50
for deferred acquisition costs	3.00–5.20	4.50
2002		
for actuarial provision	2.30–4.00	4.50
for deferred acquisition costs	2.80–3.70	4.50

17. Provision for outstanding claims

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Property and casualty insurance		
Gross	1,199,706	951,444
Reinsurers' share	–243,130	–229,776
	956,576	**721,668**
Life insurance		
Gross	123,877	74,256
Reinsurers' share	–7,649	–6,144
	116,228	**68,111**
Health insurance		
Gross	120,841	116,631
Reinsurers' share	0	–48
	120,841	**116,583**
Consolidated financial statements		
Gross	1,444,423	1,142,330
Reinsurers' share	–250,779	–235,968
(fully consolidated figures)	**1,193,644**	**906,362**

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

	2003 Group total € 000	2002 Group total € 000
1. Provision for outstanding claims, as at 1 Jan.		
a. Gross	951,444	876,524
b. Reinsurers' share	–229,776	–199,689
c. Retention	**721,668**	**676,835**
2. Plus retained claims expenditures		
a. Losses of the current year	766,597	704,084
b. Losses of the previous year	–57,455	–27,200
c. Total	**709,141**	**676,884**
3. Less retained losses paid		
a. Losses of the current year	–395,493	–450,214
b. Losses of the previous year	–256,507	–179,424
c. Total	**–652,000**	**–629,638**
4. Foreign currency translation	**–4,666**	**–2,708**
5. Change in consolidation scope	**182,421**	**31**
6. Other changes	**12**	**265**
7. Provision for outstanding claims, as at 31 Dec.		
a. Gross	1,199,706	951,444
b. Reinsurers' share	–243,130	–229,776
c. Retention	**956,576**	**721,668**

18. Provision for premium refunds

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Property and casualty insurance		
Gross	8,635	2,152
Reinsurers' share	–418	–28
	8,217	**2,123**
Life insurance		
Gross	358,600	235,412
Reinsurers' share	–100	–100
	358,500	**235,312**
Health insurance		
Gross	48,961	53,724
Reinsurers' share	0	0
	48,961	**53,724**
Consolidated financial statements		
Gross	416,196	291,287
Reinsurers' share	–518	–128
(fully consolidated figures)	**415,678**	**291,159**
of which profit-unrelated	16,253	10,961
of which profit-related	399,426	280,198

Gross	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
a) Provision for profit-unrelated premium refunds	16,671	10,989
Provisions for profit-related premium refunds and policyholder profit participation	196,815	214,680
b) Deferred profit participation	202,710	65,618
	416,196	**291,287**

Gross	2003 Group total € 000	2002 Group total € 000
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1 Jan.	225,669	376,825
Changes for		
Other changes	–12,183	–151,156
As at 31 Dec.	**213,486**	**225,669**
b) Deferred profit participation		
As at 1 Jan.	65,618	206,016
Changes for		
Market value fluctuations	337,704	–184,469
Revaluation effecting income	–200,611	44,071
As at 31 Dec.	**202,710**	**65,618**

19. Technical provisions for life insurance where the investment risk is borne by policyholders

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Gross	434,683	268,860
Reinsurers' share	–173,424	–115,321
	261,258	**153,539**

20. Provision for pensions and similar commitments

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Provision for pensions	228,264	219,592
Provision for severance payments	100,701	89,531
	328,965	**309,123**

	2003 Group total € 000
As at 1 Jan.	**309,123**
Change in consolidation scope	19,915
Foreign currency translation	–10
Withdrawal for pension payments	–21,468
Expenditure of the business year	21,406
As at 31 Dec.	**328,965**

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

Specification of pension expenditure included in the income statement	2003 Group total € 000
Current service cost	10,194
Interest cost	19,536
Amortisation of profits/losses	–8,324
Income/expenses of plan curtailments or settlements	0
	21,406

21. Other provisions

	Balance sheet values 2002 € 000	Currency translation changes € 000	Con-sumptions € 000	Reversals € 000	Reclassi-fications € 000	Additions*) € 000	Balance sheet values 2003 € 000
Provision for unconsumed vacations	23,177	–3	–227	–254	114	4,701	27,508
Provisions for anniversary payments	13,612	0	0	–319	4	2,805	16,103
Other personnel provisions	5,500	2	–5,179	–2,428	29	13,141	11,066
Provision for derivative transactions	28,584	0	–19,145	–15,902	0	21,082	14,619
Provisions for customer relations and marketing	19,179	0	–15,331	–2,846	–24	21,726	22,704
Other provisions	9,304	–7	–6,789	–1,868	617	27,407	28,663
Provisions for Holocaust compensation	5,492	0	0	–1,415	0	392	4,469
Provision for variable components of remuneration	3,156	0	–2,345	–143	–523	8,075	8,220
Provision for legal and consulting expenses	2,938	0	–1,742	–188	–749	2,377	2,635
Provision for premium adjustment from reinsurance contracts	2,765	0	–301	–1,629	598	373	1,806
Provision for portfolio maintenance commission	1,306	0	–1,169	–140	0	1,373	1,370
Provision for outstanding invoices	1,233	0	–1,185	–29	–65	501	454
	116,246	–8	–53,412	–27,162	0	103,954	139,618

*) The additions contain all effects from the acquisition of the Austrian AXA Group and the first-time consolidation of AUSTRIA Österreichischen Hotelbetriebs-Aktiengesellschaft-Gruppe to the amount of € 16,278,000.

22. Liabilities

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Liabilities under insurance business		
Deposits held under reinsurance business ceded	265,602	200,064
Liabilities under direct insurance business		
to policyholders	99,150	63,190
to intermediaries	54,641	47,895
to insurance companies	4,857	4,416
Accounts payable under reinsurance business	25,174	17,107
Liabilities to credit institutions	**20,413**	**0**
Other liabilities	**84,124**	**64,328**
of which for taxes	33,327	28,193
of which for social security	8,070	5,998
	553,961	**397,001**
of which with a remaining term of		
up to 1 year	352,296	256,785
1–5 years	14,739	24,850
more than 5 years	186,925	115,366
	553,961	397,001

23. Deferred tax liabilities

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Cause of origin		
Technical items	110,321	99,087
Untaxed reserves	33,707	48,026
Shares in affiliated companies	38,658	39,019
Investments	20,781	0
Other	8,253	2,087
	211,721	**188,218**
of which not effecting income	9,777	0

24. Other liabilities

	31 Dec. 2003 Group total € 000	31 Dec. 2002 Group total € 000
Deferred income	11,965	15,610

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

Supplementary Information on the Consolidated Income Statement 2003

25. Premiums written

	2003 Group total € 000	2002 Group total € 000
Direct business		
1. Property and casualty insurance	1,183,935	978,164
2. Life insurance	1,039,200	936,905
3. Health insurance	717,127	689,236
	2,940,261	**2,604,304**
of which written in:		
1. Austria	2,542,950	2,299,401
2. Other member states of the EU and other signatory states of the Treaty on the European Economic Area	111,914	90,242
3. Other countries	285,397	214,661
	2,940,261	**2,604,304**

	2003 Group total € 000	2002 Group total € 000
Indirect business		
1. Property and casualty insurance	63,127	38,702
2. Life insurance	23,912	21,112
3. Health insurance	3,223	4,280
	90,262	**64,095**

	2003 Group total € 000	2002 Group total € 000
Total (fully consolidated figures)	**3,030,523**	**2,668,399**

Premiums written Property and casualty insurance	2003 Group total € 000	2002 Group total € 000
Direct business		
Fire and business-interruption insurance	105,942	80,802
Household insurance	72,274	60,198
Other property insurance	118,188	101,843
Motor TPL insurance	326,765	287,355
Other motor insurance	210,982	157,587
Accident insurance	148,710	128,220
Liability insurance	119,721	99,159
Legal expenses insurance	25,728	16,572
Marine, aviation and transport insurance	30,715	25,399
Other insurance	24,907	21,027
Total	**1,183,935**	**978,164**
Indirect business		
Marine, aviation and transport insurance	809	2,184
Other insurance	62,318	36,519
Total	**63,127**	**38,702**
Total direct and indirect business (fully consolidated figures)	**1,247,062**	**1,016,866**

Reinsurance premiums ceded	2003 Group total € 000	2002 Group total € 000
1. Property and casualty insurance	211,075	225,098
2. Life insurance	26,552	17,767
3. Health insurance	134	180
	237,760	243,045

26. Premiums earned (net)

	2003 Group total € 000	2002 Group total € 000
1. Property and casualty insurance	**1,025,425**	**773,016**
Gross	1,236,387	989,286
Reinsurers' share	–210,962	–216,270
2. Life insurance	**1,036,737**	**942,684**
Gross	1,063,296	957,535
Reinsurers' share	–26,558	–14,851
3. Health insurance	**716,395**	**689,910**
Gross	716,501	690,117
Reinsurers' share	–106	–208
(fully consolidated figures)	2,778,558	2,405,610

27. Other income

	2003 Group total € 000	2002 Group total € 000
a) Other technical income	**6,140**	**4,119**
Property and casualty insurance	5,149	3,107
Life insurance	849	726
Health insurance	142	286
b) Other non-technical income	**11,874**	**9,372**
Property and casualty insurance	8,779	7,062
Life insurance	2,744	2,093
Health insurance	351	218
of which		
Services rendered	3,890	3,228
Changes in exchange rates	4,912	2,519
Other	3,072	3,626
c) Other income	**322**	**5,747**
from currency translation	322	4,612
from other	0	1,135
(fully consolidated figures)	18,335	19,238

28. Net investment income

	Property and casualty		Life	
	2003 € 000	2002 € 000	2003 € 000	2002 € 000
I. Land and buildings	**23,297**	**12,731**	**20,949**	**6,874**
II. Shares in affiliated and associated companies	**36,708**	**7,689**	**2,835**	**0**
III. Loans	**4,654**	**5,571**	**46,453**	**31,809**
IV. Other securities				
1. Held to maturity	0	0	0	0
2. Available for sale				
a) variable yield	–6,757	–3,508	–153,010	–184,509
b) fixed interest	32,757	32,289	328,571	457,398
3. Held for trading	–2,185	–1,489	2,372	29,266
V. Other investments	**7,360**	**2,918**	**45,225**	**3,490**
VI. Expenditure for asset management, interest expenditure and other investment expenditure	**–11,084**	**–9,498**	**–18,116**	**–12,500**
(fully consolidated figures)	**84,750**	**46,703**	**275,280**	**331,828**

	Consolidated financial statements	
	2003 € 000	2002 € 000
Income from associated companies	39,992	7,021

	Ordinary income		Write-ups and unrealised capital gains	
	2003 € 000	2002 € 000	2003 € 000	2002 € 000
I. Land and buildings	**61,344**	**48,673**	**0**	**0**
II. Shares in affiliated and associated companies[1)]	**41,472**	**9,567**	**0**	**0**
III. Loans	**50,433**	**51,010**	**0**	**0**
IV. Other securities				
1. Held to maturity	0	0	0	0
2. Available for sale				
a) variable yield	99,464	32,331	2,761	11,700
b) fixed interest	424,544	458,911	2,931	569
3. Held for trading	–8,633	26,948	7,180	0
V. Other investments	**53,601**	**7,595**	**0**	**–180**
VI. Expenditure for asset management, interest expenditure and other investment expenditure	**–30,665**	**–22,380**	**0**	**0**
(fully consolidated figures)	**691,561**	**612,654**	**12,872**	**12,089**

[1)] The ordinary income of the financial year contains effects from readjustments in the Group financial accounts of FIMAG Finanz Industrie Management AG (formerly BIBAG Bauindustrie-, Beteiligungs- und Verwaltungs-Aktiengesellschaft; 25.0% consolidated at equity) to the amount of € 33,168,000.

Health		Consolidated financial statements	
2003	2002	2003	2002
€ 000	€ 000	€ 000	€ 000
5,689	**7,055**	**49,935**	**26,659**
557	**149**	**40,100**	**7,838**
11,968	**13,630**	**63,075**	**51,010**
0	0	0	0
–13,246	8,996	–173,013	–179,021
53,920	63,028	415,247	552,716
2,446	3,903	2,634	31,680
1,016	**1,007**	**53,601**	**7,416**
–1,465	**–382**	**–30,665**	**–22,380**
60,885	**97,386**	**420,915**	**475,917**

Realised capital gains		Depreciation and unrealised capital losses		Realised capital losses		Consolidated financial statements	
2003	2002	2003	2002	2003	2002	2003	2002
€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
17,498	**2,674**	**–26,964**	**–24,477**	**–1,943**	**–210**	**49,935**	**26,659**
582	**110**	**–1,928**	**–1,660**	**–27**	**–179**	**40,100**	**7,838**
14,973	**0**	**–573**	**0**	**–1,757**	**0**	**63,075**	**51,010**
0	0	0	0	0	0	0	0
63,988	26,977	–178,950	–37,264	–160,276	–212,764	–173,013	–179,021
125,713	250,425	–111,530	–69,333	–26,412	–87,857	415,247	552,716
43,646	9,340	–15,119	–4,492	–24,439	–115	2,634	31,680
0	**0**	**0**	**0**	**0**	**0**	**53,601**	**7,416**
0	**0**	**0**	**0**	**0**	**0**	**–30,665**	**–22,380**
266,399	**289,525**	**–335,063**	**–137,227**	**–214,853**	**–301,125**	**420,915**	**475,917**

29. Insurance benefits

	Gross 2003 € 000	Reinsurers' share 2003 € 000	Net 2003 € 000	Gross 2002 € 000	Reinsurers' share 2002 € 000	Net 2002 € 000
Property and casualty insurance						
Expenditure for claims						
claims paid	817,509	–154,372	663,137	696,339	–156,059	540,280
change in provision for outstanding claims	42,969	22,640	65,609	83,310	–36,924	46,386
Total	**860,478**	**–131,732**	**728,746**	**779,649**	**–192,984**	**586,666**
Change in actuarial provision	–1,338	114	–1,224	0	0	0
Change in other technical provisions	–11,538	1,117	–10,422	–372	–382	–753
Expenditure for profit-related and unrelated premium refunds	–83	–814	–897	1,869	–181	1,689
Total amount of benefits	**847,518**	**–131,315**	**716,203**	**781,147**	**–193,546**	**587,601**
Life insurance						
Expenditure for claims						
claims paid	900,404	–13,885	886,519	719,234	–7,365	711,869
change in provision for outstanding claims	47,552	–1,465	46,088	–25,659	304	–25,356
Total	**947,957**	**–15,350**	**932,607**	**693,575**	**–7,061**	**686,513**
Change in actuarial provision	154,521	–1,162	153,358	325,818	923	326,741
Change in other technical provisions	880	0	880	–41	0	–41
Expenditure for profit-unrelated and related premium refunds, and/or deferred profit participation	37,969	0	37,969	121,260	0	121,260
Total amount of benefits	**1,141,326**	**–16,512**	**1,124,814**	**1,140,612**	**–6,139**	**1,134,473**
Health insurance						
Expenditure for claims						
claims paid	558,668	–226	558,443	545,011	–613	544,398
change in provision for outstanding claims	4,119	145	4,263	2,658	14	2,671
Total	**562,787**	**–81**	**562,706**	**547,669**	**–600**	**547,069**
Change in actuarial provision	66,701	108	66,809	66,894	108	67,001
Change in other technical provisions	59	1	60	1,325	–10	1,315
Expenditure for profit-related and unrelated premium refunds	13,497	–3	13,494	14,439	0	14,439
Total amount of benefits	**643,044**	**24**	**643,068**	**630,327**	**–502**	**629,824**
(fully consolidated figures)	**2,631,888**	**–147,803**	**2,484,085**	**2,552,086**	**–200,187**	**2,351,899**

30. Operating expenses

	2003 Group total € 000	2002 Group total € 000
Property and casualty insurance		
a) Acquisition costs		
Payments	259,560	213,080
Change in deferred acquisition costs	–263	–16,078
b) Other operating expenses	125,261	111,529
c) less reinsurance commission and profit shares received from reinsurance business ceded	40,583	51,794
	343,975	**256,738**
Life insurance		
a) Acquisition costs		
Payments	169,488	132,030
Change in deferred acquisition costs	–59,503	–59,904
b) Other operating expenses	55,773	45,840
c) less reinsurance commission and profit shares received from reinsurance business ceded	13,760	590
	151,997	**117,375**
Health insurance		
a) Acquisition costs		
Payments	64,275	63,778
Change in deferred acquisition costs	2,053	–1,141
b) Other operating expenses	39,161	35,650
c) less reinsurance commission and profit shares received from reinsurance business ceded	10	–7
	105,479	**98,293**
(fully consolidated figures)	**601,452**	**472,405**

31. Other expenses

	2003 Group total € 000	2002 Group total € 000
a) Other technical expenses	**30,162**	**18,344**
Property and casualty insurance	19,520	13,508
Life insurance	9,818	3,846
Health insurance	823	990
b) Other non-technical expenses	**14,718**	**9,079**
Property and casualty insurance	11,631	8,504
Life insurance	747	230
Health insurance	2,340	345
of which		
Services rendered	1,710	1,184
Exchange rate losses	2,675	1,486
Motor vehicle registration	3,482	4,749
Other	6,852	1,660
c) Other expenses	**1,042**	**5,411**
for foreign-exchange translation	298	5,411
for other	745	0
(fully consolidated figures)	**45,922**	**32,834**

32. Tax expenditure

	2003 Group total € 000	2002 Group total € 000
Income tax		
Actual tax	10,951	20,901
Deferred tax	1,144	–4,133
(fully consolidated figures)	**12,094**	**16,768**

Reconciliation statement	2003 Group total € 000	2002 Group total € 000
A. Profit on ordinary activities	**68,313**	**35,279**
B. Anticipated tax expenditure (A * Group tax rate)	**22,673**	**14,536**
Adjusted by tax effects for		
1) Tax-free income from investments	–16,221	–2,999
2) other	5,642	5,232
non-deductible expenses/other	3,558	0
tax-exempt income	686	1,553
change of tax rates	496	1,324
loss of loss carried forward	2,393	1,328
other	–1,491	1,027
C. Income tax expenditure	**12,094**	**16,768**

The basic applicable corporate income tax rate was 34%. For life insurance, to the extent that, in the case of an assumed profit participation of 85%, the minimum taxation is applied, it leads to a different corporate tax rate.

Other disclosures

Employees

Personnel expenses	2003 Group total € 000	2002 Group total € 000
Salaries and wages	221,913	185,675
Expenses for severance payments	15,712	11,677
Expenses for employee pensions	15,922	17,455
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	71,396	58,771
Other social expenditure	4,806	1,651
	329,749	**275,229**
of which sales	104,058	111,500
of which administration	214,843	154,204

Average number of employees	2003	2002
Total	**8,335**	**6,565**
of which sales	3,180	3,118
of which administration	5,155	3,447

	2003 € 000	2002 € 000
Expenses for severance payments and employee pensions amounted to:		
members of the Management Board and executive employees in accordance with § 80 Paragraph 1 of the Stock Corporation Law	4,829	4,386
other employees	26,805	24,746

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

Earnings of the Management and Supervisory Board

Members of the Management Board receive remunerations exclusively from UNIQA Versicherungen AG.

	2003 € 000	2002 € 000
Management Board members' remuneration amounted to:	1,548	1,699
Supervisory Board members' remuneration amounted to:	311	328
Former members of the Supervisory Board did not receive any remuneration		
Former members of the Management Board and their surviving dependants were paid:	3,361	2,690
Because of pension commitments to these persons, the following provision was set up on 31 Dec.:	28,437	26,887

Group holding company

The parent company of the UNIQA Group is 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	2003 Group total € 000	2002 Group total € 000
B. III. Mortgage loans and other loans	**1,244**	**5,898**
D. Receivables		
Receivables under insurance business	37	37
Other receivables	2,268	8,498
G. Liabilities		
Liabilities under insurance business	194	472
Other liabilities	267	3,200

Other financial commitments and contingent liabilities

	2003 € 000	2002 € 000
Contingent liabilities amounted to	257	358

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, UNIQA Software-Service GmbH, UNIQA Human Resources-Service GmbH, Allfinanz Versicherungs- und Finanzservice GmbH. There is also an agreement to cover losses of the UNIQA Alternative Investments GmbH and Hotel Burgenland in Eisenstadt Betriebsgesellschaft m.b.H.

Vienna, March 2004
The Management Board

Dr. Konstantin Klien   Mag. Hannes Bogner   Dr. Gottfried Wanitschek

Dr. Andreas Brandstetter   Karl Unger

Auditor's Opinion

We have audited the German version of UNIQA Versicherungen AG's consolidated financial statements dated 31 December 2003 according to the regulations of the IFRS of the IASB. The company's management is responsible for these consolidated financial statements. We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us.

We executed our audit with due attention to the International Standards of Auditing of the IFAC. These standards require that the audit be planned and executed in such a manner that a reasonably sure judgment may be given as to whether the consolidated financial statements are free of any substantially incorrect statements. The amounts stated and the statements made in the consolidated financial statements were verified by means of an audit based on spot checks. The audit also included our evaluation of the accounting principles applied and the essential estimates made by management, as well as an assessment of the overall tenor of the consolidated financial statements. We think that our audit constitutes a sufficient basis for our audit opinion.

In our opinion, the consolidated financial statements give a true and fair view of the net assets and financial position of the company as of 31 December 2003 as well as the results of operations and cash flows in the past financial year, in accordance with the International Financial Reporting Standards (IFRS).

Under Austrian commercial regulations, the Group Management Report and evidence for exemption from the necessity of preparing consolidated financial statements under Austrian law have to be verified.

We confirm that the Group Management Report and the consolidated financial statements are in conformity with each other, and that the legal requirements for exemption from the obligation to prepare consolidated financial statements under Austrian law have been fulfilled.

Vienna, 23 April 2004

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Dr. Walter Knirsch
Austrian Chartered Accountant and Tax Consultant

Michael Schlenk
Austrian Chartered Accountant and Tax Consultant

Report of 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 it also supervised the conduct of business of the Management Board. At the four Supervisory Board meetings held in 2003 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 were set up in addition to the mandatory Financial Audit Committee: Working Committee, Investment Committee, Staff Committee. The Management Board provided comprehensive information about measures requiring the approval of the Supervisory Board or its committees.

The Financial Statements 2003 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 2003, were prepared according to the International Financial Reporting Standards (IFRS), audited by KPMG Alpen-Treuhand 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 2003 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 20 cents per share will be proposed at the Shareholder's Meeting on 24 May 2004.

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

Vienna, April 2004
On behalf of the Supervisory Board

Christian Konrad

Glossary

Actuarial provision
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.

At amortised cost
Recognised on the balance sheets at the amortised cost, i.e. the difference between acquisition costs and the redemption amount is spread out over the corresponding pro rata term or capital share.

Benefits
Expenditure (net of reinsurers' shares) for insurance benefits, for premium refunds and profit participation, 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).

Combined ratio
Sum of the operating expenses and the insurance benefits in relation to the premiums earned – both retained – in property and casualty insurance.

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).

Cost ratio
Operating expenses in relation to premiums earned.

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 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 on the date of acquisition. The goodwill is amortised over its useful life.

IAS
International Accounting Standards.

IFRS
International Financial Reporting Standards. As of 2002 the term IFRS refers to the entire concept of standards adopted by the International Accounting Standards Board. Standards that were adopted before that are still called International Accounting Standards (IAS).

Loss ratio
Retained insurance benefits in property and casualty insurance, in relation to premiums earned.

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
Total premiums written. All compulsory premiums in the financial year from insurance policies in direct 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 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, within their internal 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.

Total consolidated
Recognition of balance sheet items before deducting the amounts referring to reinsurance business ceded.

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 on the 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.

Contact us www.uniqagroup.com

UNIQA Versicherungen AG
A-1021 Vienna, Praterstraße 1–7
Stefan Glinz
Tel.: (+43 1) 211 75 - 3773
Fax: (+43 1) 211 75 - 793773
E-Mail: investor.relations@uniqa.at
www.uniqagroup.com

UNIQA Personenversicherung AG
A-1021 Vienna, Untere Donaustraße 25
Tel.: (+43 1) 211 75 - 0
Fax: (+43 1) 212 01 03
E-Mail: kommunikation@uniqa.at
www.uniqagroup.com

Raiffeisen Versicherung AG
A-1021 Vienna, Untere Donaustraße 25
Tel.: (+43 1) 211 19 - 0
Fax: (+43 1) 211 19 - 1134
E-Mail: info@raiffeisen-versicherung.at
www.raiffeisen-versicherung.at

***FINANCE*LIFE Lebensversicherung AG**
A-1010 Vienna, Franz Josefs Kai 13
Tel.: (+43 1) 214 54 01 - 0
Fax: (+43 1) 214 54 01 - 3780
E-Mail: service@financelife.com
www.financelife.com

CALL DIRECT Versicherung AG
A-1020 Vienna, Ferdinandstraße 20
Tel.: (+43 1) 211 09 - 2858
Fax: (+43 1) 211 09 - 2859
E-Mail: office@calldirect.at
www.calldirect.at

Salzburger Landes-Versicherung AG
A-5021 Salzburg, Auerspergstraße 9
Tel.: (+43 662) 86 89 - 0
Fax: (+43 662) 86 89 - 669
E-Mail: salzburger@uniqa.at
www.salzburger.biz

UNIQA Sachversicherung AG
A-1021 Vienna, Praterstraße 1–7
Tel.: (+43 1) 211 75 - 0
Fax: (+43 1) 214 33 36
E-Mail: kommunikation@uniqa.at
www.uniqagroup.com

International

HUNGARY
UNIQA Biztosító Rt.
H-1134 Budapest
Robert Karoly krt. 76–78
Tel.: (+36 1) 238 60 00
Fax: (+36 1) 238 60 50
E-Mail: info@uniqa.hu
www.uniqa.hu

SLOVAKIA
UNIQA poist'ovňa, a.s.
SK-820 07 Bratislava 27
Lazaretska 15
Tel.: (+42 1) 257 88 32-11
Fax: (+42 1) 257 88 32-70
E-Mail: poistovn@uniqa.sk
www.uniqa.sk

CROATIA
UNIQA osiguranje d.d.
10 000 Zagreb
Ulica grada Vukovara 37b
Tel.: (+385 1) 6324 200
Fax: (+385 1) 6324 250
E-Mail: info@uniqa.hr
www.uniqa.hr

CZECH REPUBLIC
UNIQA pojišt'ovna, a.s.
CZ-169 00 Praha 6, Bělohorská 19
Tel.: (+42 0) 225 393 111
Fax: (+42 0) 225 513 134
E-Mail: info@uniqa.cz
www.uniqa.cz

ITALIY
UNIQA Assicurazioni S.p.A.
I-20122 Milano, Via F. Sforza 43
Tel.: (+39) 02 541 84 01
Fax: (+39) 02 551 90 089
E-Mail: info@uniqa-assicurazioni.it

CARNICA Assicurazioni S.p.A.
I-33100 Udine, Viale Venezia, 99
Tel.: (+39) 0 432 536 311
Fax: (+39) 0 432 530 548
E-Mail: info@carnicaassicurazioni.it
www.carnicaassicurazioni.it

POLAND
UNIQA TU S.A.
PL-90 520 Lodz, Ul. Gdanska, 132
Tel.: (+48 42) 63 44 700
Fax: (+48 42) 63 776 87
E-Mail: centrala@uniqa.pl
www.uniqa.pl

SWITZERLAND
UNIQA Assurances S.A.
CH-1211 Genève 6
Rue des Eaux-Vives 94
Case postale 6402
Tel.: (+41 2) 2 718 63 00
Fax: (+41 2) 2 718 63 63
E-Mail: contact@uniqa.ch
www.uniqa.ch

LIECHTENSTEIN
UNIQA Versicherung AG
FL-9490 Vaduz, Neugasse 15
Tel.: (+42 3) 237 50 10
Fax: (+42 3) 237 50 19
E-Mail: office@uniqa.li
www.uniqa.li

Imprint

UNIQA Versicherungen AG
A-1021 Vienna, Praterstraße 1–7

From August 2004:
A-1029 Vienna, Untere Donaustraße 21–23 (UNIQA Tower)

Concept and design
Kirchhoff Consult AG, Hamburg

Print
Stiepan Druck G.m.b.H., Leobersdorf

Information
An interactive online version of the Group Report will also be published on our website at **www.uniqagroup.com.**

The annual reports of the individual companies in the UNIQA Group can be downloaded in pdf form from the same address.

www.uniqagroup.com