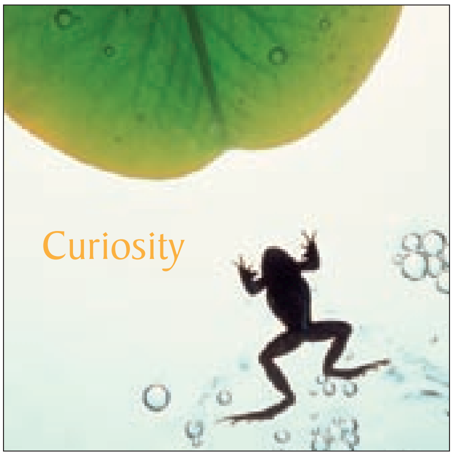
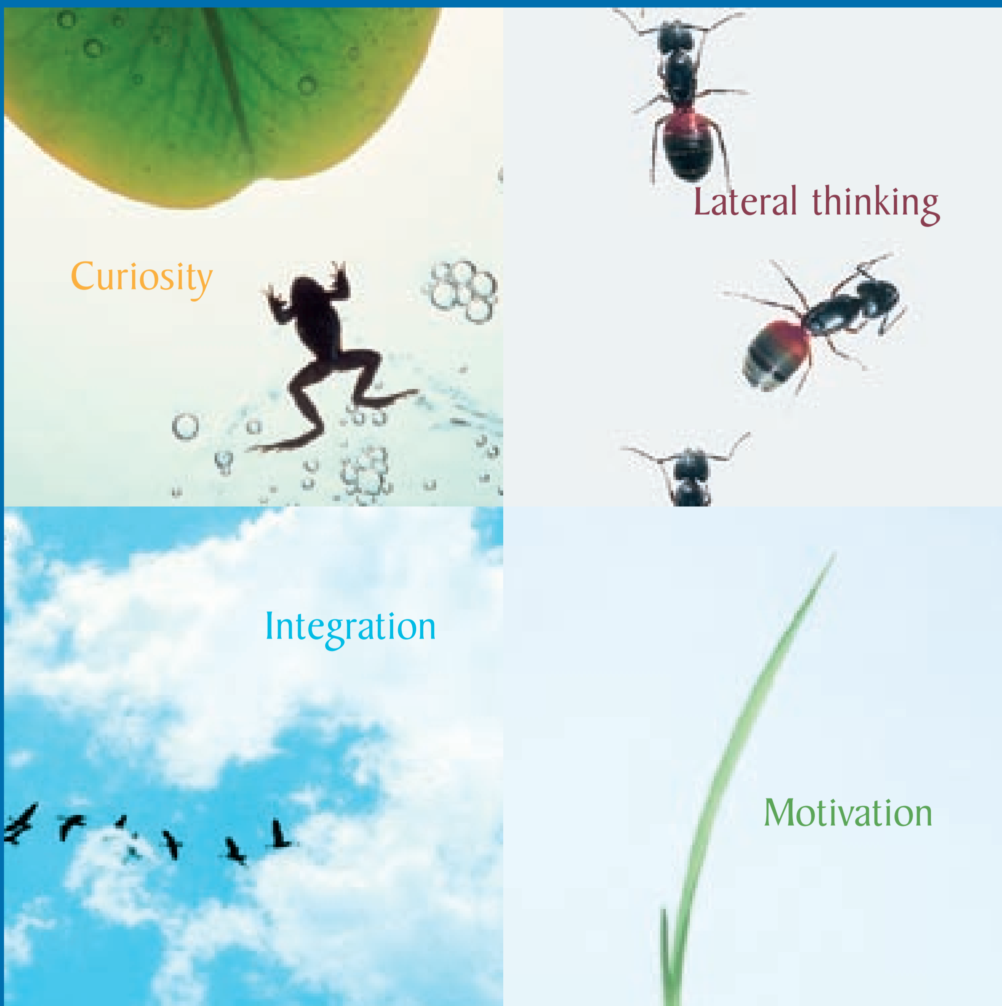
Group Report 2004

UNIQA Versicherungen AG



UNIQA

Growth



Growth <[o] n, –s>
growing, getting bigger; development, speed up growth, promote, own progress, own growth, own production, lush growth of plants, to be in the middle of growth <biol.> growth factors (heat, light, water, nutrients, hereditary conditions; growth in size, width, thickness; <ecol.> Growth in population; <econ.> Expansion, increase in sales

Key figures

	Page	2004 € million	2003 € million	2002 € million	2001 € million	2000 € million
Premiums written	137	3,599.6	3,030.5	2,668.4	2,644.6	2,505.2
Premiums earned (net)[1]	138	3,301.7	2,778.6	2,405.6	2,434.8	2,321.0
of which property and casualty insurance		1,393.5	1025.4	774.3	678.5	646.4
of which health insurance		742.1	716.4	688.6	662.7	633.8
of which life insurance		1,166.1	1,036.7	942.8	1,093.6	1,040.8
Savings portion of the premiums from unit-linked and index-linked life insurance		178.2	102.3	18.7	0.0	0.0
Insurance benefits	142	3,033.4	2,484.1	2,351.9	2,529.3	2,453.8
Operating expenses	143	829.3	601.5	472.4	503.8	470.2
Net investment income	140	751.0	420.9	475.9	660.0	664.7
Investments (incl. investments held on account and at risk of life insurance policyholders)	116	16,597.9	13,233.8	11,682.1	11,188.0	10,415.0
Equity	128	683.1	540.5	509.5	555.7	595.3
Profit on ordinary activities	98	120.8	68.3	35.3	45.3	41.9
Net profit	98	101.8	56.2	18.5	26.3	24.3
Domestic cost ratio	86	22.3 %	19.5 %	18.3 %	19.8 %	19.8 %
International cost ratio	86	31.2 %	31.3 %	30.2 %	32.1 %	28.5 %
Profit per share (in €)	129	0.74	0.42	0.03	0.11	0.15
Pre-tax profit per share (in €)	129	0.92	0.53	0.17	0.27	0.25
Dividend per share (in €)	95	0.22	0.20	0.16	0.16	0.16
Stock market price of UNIQA shares as at 31.12. (in €)	80	10.60	7.97	7.99	6.34	6.30
Market capitalisation 31.12.	81	1,269.6	954.6	957.0	759.4	754.6
Average number of employees	144	9,701	8,335	6,565	6,718	6,443
Insurance policies		11,739,085	9,834,256	7,441,574	7,240,498	6,160,470
Number of group companies	119					
Fully consolidated		68	59	33	30	26
Equity consolidated		15	15	12	14	14

Because of formatting to € million, there may be rounding differences.

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

Corporate profile of the UNIQA Group Austria

Formed five years ago under the new name UNIQA, the UNIQA Group Austria is the largest insurance company in the country. We are the clear market leader in life insurance and health insurance, and we are the third largest property insurer. Today, UNIQA is Austria's best known insurance brand, with an outstanding image.

Under the umbrella of the listed company, UNIQA Versicherungen AG, we operate more than 60 group companies and have more than 9,000 employees in Austria and 11 Central and Eastern European countries – Italy, Germany, Switzerland, Liechtenstein, Poland, Hungary, Czechia, Slovakia, Croatia, Slovenia, and Bosnia and Herzegovina – in all classes of insurance business and all sales channels. In the last five years we have successfully managed more than ten acquisitions and mergers in eight European countries. This has set us on the road to becoming one of the leading insurance groups in Central and Eastern Europe.

Our consistent yield-oriented growth through expansion and internationalisation is being achieved with a tight organisational and management structure. It combines groupwide tasks across all areas of business such as the development of technical know-how in centres of competence, or the management of targets for lines of business, with local responsibility for success and results in the holding company. In addition it is also the central reinsurer for the operating companies in Austria.

With its extensive management and service functions, the holding company ensures that synergistic effects are optimally used in the domestic and foreign group companies, and that the long-term corporate strategy is put into effect consistently.

Foreword

Christian Konrad, Chairman of the Supervisory Board

Dear Shareholders,
Dear Readers of the UNIQA Report,

The 2004 annual report gives an account of one of the most successful years since UNIQA came into existence. This applies both to the development in profits for the group and to the further strengthening of the company's market position in Austria and other countries. With profits on ordinary activities of € 120 million, the positive trend in recent years has continued, confirming the sustainability of the positive effects of the "increased earnings" programme over recent years.

Particularly pleasing is the fact that foreign markets now contribute no less than a third to the group's overall result. This confirms the correctness of the strategy of "carefully judged expansion". A broad spread of risk in the corporate portfolio by increasing our involvement in the growth markets of Central and Eastern Europe has created the environment for further positive developments in the group. The UNIQA Group has also demonstrated in recent years that growth opportunities exist not only in the new Central and Eastern European markets, but that they can also be found in the highly developed markets of the European Community. This is proved by the majority shareholding we have acquired in Claris Vita, a banking insurer whose main focus is life insurance. The move has strengthened our position in the Italian market, and ideally enhanced our existing portfolio, both in regional and product terms. Finally we have also succeeded, by acquiring a majority stake in Mannheimer, a property insurer with outstanding product expertise, in integrating that company within the UNIQA Group and thus giving the very traditional German insurer a perspective for the future, after the turbulence experienced by the Mannheimer life insurance company.

The selective growth strategy will continue into the future, but the motto "Growth yes, but not at any price" will still apply. We want to continue growing profitably. Because despite all this success, we must not overlook the fact that we have not yet achieved the necessary critical market share in all the markets we are presently in in Central and Eastern Europe. We must press ahead with further steps to strengthen our market position while also developing the group's presence in the future enlargement countries of the European Union.

The development of the UNIQA shares has also been very gratifying; from the beginning of 2004 to the high point in March 2005, they went up by nearly 80%. With this the positive development of the group was reflected in the price of the shares. In order to allow shareholders to participate in the group's healthy development, the Board has proposed a further increase in the dividend, now to 22 cents per share.

I would like to thank all UNIQA employees—both in Austria and in the group companies in other countries—for their efforts and work during 2004. May I ask them also to carry on working together in future to make the UNIQA Group into one of the leading insurance groups in Central Europe.

Konrad

Christian Konrad

Foreword

Konstantin Klien, Chairman of the Management Board

Ladies and Gentlemen,

For UNIQA, 2004 was the best year in our company's history. Our key strategy of "carefully judged growth", based on internationalisation and combined with high yields, has clearly paid off.

The profit on ordinary activities alone improved markedly, by 75% to € 120 million. Profit per share rose from € 0.42 to € 0.74.

The Board of Management will therefore propose to the Supervisory Board and to the Annual General Meeting an increase in the dividend to 22 cents per share. This means that in the last two years the distribution to shareholders has increased by nearly 40%.

Our growth during 2004 was marked by two successful acquisitions. The takeover of the Mannheimer Group in Germany, and the Italian life insurance company, Claris Vita. With these new international group bases, we are consistently implementing our corporate strategy for country-specific expansion in western Central Europe. In Germany as a specialist insurer with clearly defined product and customer segments, in Italy by greater exploitation of the excellent prospects for banking business via the Veneto Banca, and more cross-selling activities. In addition to that, in Austria we have successfully completed the AXA integration in all areas. This acquisition has reinforced UNIQA sale and our leading position in Austria.

In eastern Central Europe in 2004, we continued the integration of the R+V companies in Poland and Slovakia. This has already achieved the desired result of reducing costs. Intensified growth is also the objective of the cooperation we have successfully initiated in market segments with local Raiffeisen banks (cooperatives) in Slovakia, Czechia, Poland, as well as Croatia and Hungary.

When developing the foreign markets in Central Europe, we take into account the sometimes very different market structures by using suitable strategies. For example, in the new EU markets, the proportion of life insurance is only a quarter of the level in the old 15 EU member states, and their total premium volumes hitherto are only about 1.8% of total insurance revenue in the EU. However, their political importance is far greater. This will have a marked effect on the implementation of several new regulations for the EU insurance industry.

The share of our international companies in the group result has already risen to a third of the total in 2004. Our strength lies in the explicit regional focus, in our declaration that we are moving and growing in those markets, whose mentalities and success factors we recognise from our own corporate group.

As we move into the future, we will profit more and more from our group expertise, by putting the focus on building up our distribution structures, by developing modular products and by using successful business models. The reorganisation that started in the middle of the year in several business areas will support this process.

Two events in 2004 symbolise the values of quality and transparency that are of key importance for the whole group. In August our corporate headquarters moved into the UNIQA Tower. The successful architecture of the towers, serving as our know-how centre, underlines our corporate culture which is characterised by team spirit and openness. In November, the UNIQA brand celebrated five years of existence. This is a short time in comparison to many of our traditional competitors, but in that time we have succeeded in establishing UNIQA as the best-known insurance brand in Austria, with an outstanding image.

During 2004, the Austrian insurance business continued to be a growth industry. This was supported above all by the appreciable increases in life insurance, which forms the core of our product offerings for private pension provision. Politically initiated structural changes made a positive contribution to this.

As a pioneer of innovative products, UNIQA wishes to do preparatory work for a “Bridging Pension” in connection with the pension reform, and also to be a competent partner in company pension schemes. A synergistic interplay of legal and private provision models will make possible a satisfactory and predictable development over the next few years for the population of Austria. This should also succeed in the health service, where the increasing proportion of older people, medical progress, and the resulting financing and quality problems, mean that we must expect changes in the provision of pensions by the state. In this area too, UNIQA assumes proactive responsibility, and contributes with innovative product solutions towards securing Austria’s high standards.

During 2004, the insurance industry was favoured by a gratifying stabilisation in the financial markets, by the absence of major natural catastrophes, and by a more stable pricing policy in the property and industrial business.

The tax reform, which took effect at the start of the year, has created better underlying conditions, both for the insurance industry itself, and for our private and company customers—which in turn supports the evolution of the insurance industry.

In our 2003 Annual Report we made the following commitment:

UNIQA orients itself not only on its own selected performance indicators, it also strives to be the benchmark for the industry:

□ Trust has to be won over customer by customer, project by project and day by day.
□ Income goes before volume. This also applies to acquisitions at home and abroad.

We have kept our promise. We regard the very positive business year in 2004, stock market trends, and the trend in our dividends, as confirmation of a strategy of controlled growth, and as the "crop" for the combined efforts of all employees and partners for our customers and shareholders—with curiosity, lateral thinking, integration and motivation.

Vienna, April 2005

Konstantin Klien

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

Konstantin Klien

Chairman of the Management Board

Group Control,
Distribution,
Human Resources,
Marketing,
Communication
and Internal Audit

The Management Board

of UNIQA Versicherungen AG

Hannes Bogner

Member of the Management Board

Group Accounting,
Controlling,
Asset Management
(back office)
and Investor Relations

Andreas Brandstetter

Member of the Management Board

Private Customers,
Mergers & Acquisitions
and Direct Sales

Strategy

UNIQA's target markets

The success confirms our growth strategy of restrained expansion: acquisitions and cooperations as well as good organic growth have made us into the market leader in Austria. After careful consideration, we take advantage of the opportunities arising in the European markets due to expansion. We participate in the huge growth markets in the new member countries through our services as a composite insurer and in parallel expand our presence in Western Europe through country-specific strategies.

A corporate strategy of carefully judged growth will safeguard our future as an independent and profitable insurance group in the countries of Central and Eastern Europe.

Measured expansion safeguards our future independence

Sustainable and carefully judged growth is the strategic option to safeguarding our future as an independent insurance group in the long term. Five years ago, our group was established on this foundation, and under the new name UNIQA it has rapidly become the best-known insurance brand in Austria and a byword for quality and competence in the insurance business.

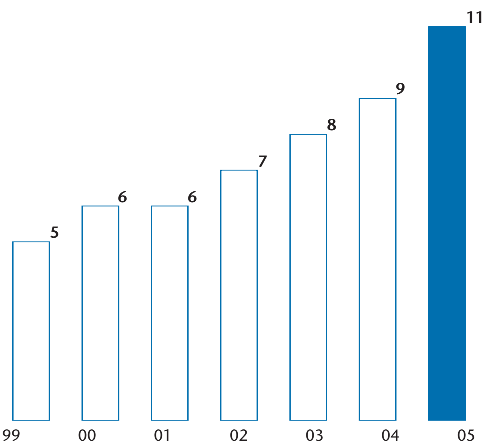
In an ambitious programme, since 2001 we have consistently followed a policy of expansion through internationalisation. Expansion directed at diversifying the risks in our corporate portfolio by a rapid expansion of our exposure in the dynamically developing countries in Central and Eastern Europe.

Ambitious targets exceeded

Acquisitions and cooperations as well as good organic growth have made us the market leader in Austria. We are able to achieve our targets for accelerating expansion and profits by reducing costs and the claims ratio, as well as optimising synergies, earlier than planned. We have appreciably exceeded them.

After the enlargement of the single EU insurance market by eight Eastern European countries at the start of May 2004, the key issue over the next few years is to differentiate our growth policy. On the one hand, we need to adjust to the heterogeneous insurance structures in the new EU candidate countries and the neighbouring eastern emerging markets, and on the other hand to implement country-specific strategies for penetrating the more mature markets in western Central Europe.

Number of international markets, development 1999–2005



Differentiated strategy of concentric circles

We have therefore developed a strategy of concentric circles for our target markets. As the industry leader in Austria, we are going for qualitative growth based on the motto “Profitability before above-average expansion”. The priority in our home market is for further improvements to the results. We want to achieve this by further reducing costs and by exploiting untapped synergies from the integration of the former AXA Austria company. We have already exceeded the 2004 increased earnings target from the merger by more than € 10 million.

Profitability in Austria before market share

At the same time we want to stabilise core group premiums earned in Austria which are around 70%. This means that on our home market we will not enter into massive price wars in order to increase market share in motor vehicle and industrial insurance. We will maintain this earnings-oriented course for sustainably securing a return on equity of 15%.

This fundamental decision in favour of qualitative growth will be linked with a new organisational structure. It forms the goal of our strategy of concentric circles through the reallocation of tasks and responsibilities within the group’s management. The aim is to optimise supraregional synergies by bundling tasks, and to structure the functions of the holding group in line with the strategic direction.

By targeted promotion of the private client business within the holding company, we will bundle together all the functions for developing the multi-regional management of customer groups. At the same time we will create more regional responsibility in the individual countries, and will thereby accelerate the implementation speed of our strategy.

In Eastern Europe, a composite insurer on course for success

We are pursuing a different strategy in the strongly growing new EU member states and the EU candidate countries in Eastern Europe. We want to exploit the growth opportunities offered there, while taking into account the heterogeneous market structures as a composite insurer: we want to do well in the various branches of property insurance, by covering risks in the areas of burglary, fire, motor vehicle, general liability, legal protection and private accident insurance. The goal is to achieve sustainable expansion of our competitive position in Poland, Czechia, Slovakia, Hungary and Croatia. In these countries we have already generated a premium volume of more than € 370 million, in particular because of the backlog in life insurance.

In Poland, the largest market in the new EU member countries and the most important target for our expansion, we want to strengthen our position as a

Austria

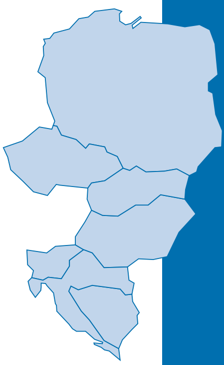
Securing market leadership

Qualitative growth—profitability before above-average growth

Securing a sustainable ROE of 15%

Changes in organisational structure

Multi-regional management of customer groups



Composite

Strengthening our market position

Exploiting the backlog in life insurance

Further acquisitions to round out our portfolio

Investment to expand our sales channels

Preferred Partnership with Raiffeisen

Partnership with EBRD

composite player by expanding our sales capacity and acquiring companies in order to round off our product range. In order to make progress in these growing markets, further investment is needed to expand the market in Czechia; and in Slovakia, Hungary and Croatia, additional acquisitions and cooperative agreements are needed.

In all this, sales of our products across the bank counter are of strategic significance. Cooperation with the Raiffeisen banking network, which has been very promising so far, has been developing in Slovakia, Croatia, Czechia and Hungary, as well as in Bosnia and Herzegovina after the acquisition of the capital majority in Raiffeisen Osiguranje in March 2005. The financial commitment by the European Bank for Reconstruction and Development for € 70 million in our foreign companies in Poland, Hungary, Czechia and Croatia will further expand our scope in the Eastern European insurance markets.

Bank business as a key factor in Eastern and Southern Europe

In the future development of the eastern emerging markets beyond the borders of the EU in the East, for example in Romania or Bulgaria, we want to make further inroads into bank assurance, which we are currently developing in close cooperation with the Raiffeisen organisation.

Within the scope of a Preferred Partnership, UNIQA and the Raiffeisen banks are giving preferential support to each other in the areas of product development, and also sales and marketing.

Bank

New paths in bank insurance

Preferred Partnership with Raiffeisen

Partnership with EBRD

Strategy for special products in western Central Europe

In the more mature markets in the western part of Central Europe, we want to make progress over the next few years with a strategy of special products focused on regional target groups. Our foreign companies in Italy, Germany, Switzerland and Liechtenstein, which currently bring in annual premiums of more than € 70 million, will thereby be able to accelerate their profitable expansion.

Specialities

Regional niche strategy

Clearly defined product and customer segments

Independence of Mannheimer Group retained

Exploiting the bank business in Italy through Veneto Banca

Occupy profitable niche positions in Switzerland and Liechtenstein

Mannheimer will become a competence centre and branded company

In Germany, we are positioning the newly acquired Mannheimer Group as an independent branded company for commercial niche products, as well as a transport and maritime business, while retaining its established name. At the same time, Mannheim will be the group-wide competence centre for exploiting direct insurance technology as a tool for the banking business in Eastern Europe.

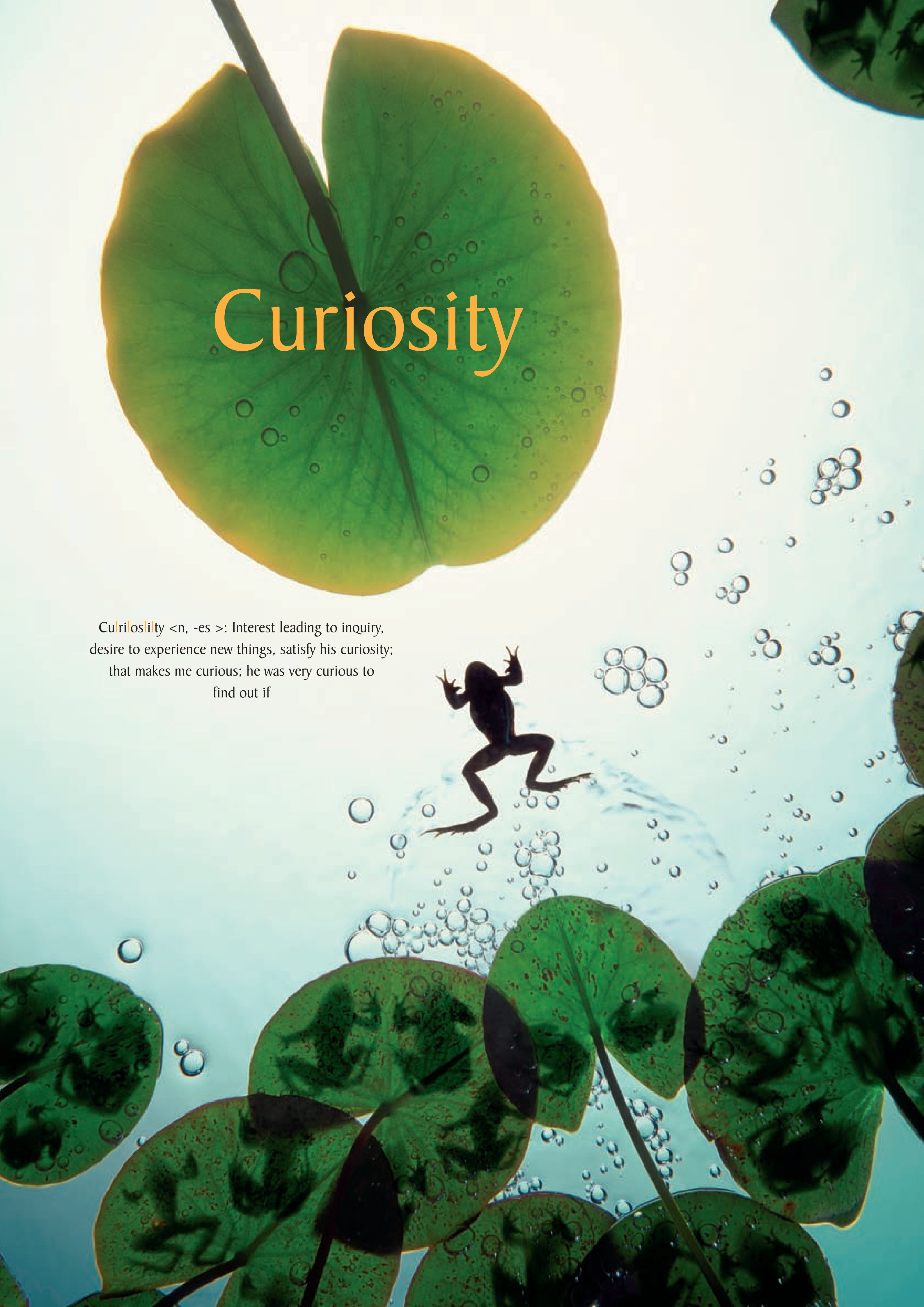
In Italy, our insurance portfolio has been rounded off by the acquisition of an 80% majority stake in the life insurance company Claris Vita, which is expanding at an annual rate of around 40%, and operating profitably with banking business. We have thus also gained access to the banking business of the 150 or so branches of the previous 100% shareholder Veneto Banca, and reached a long-term sales agreement.

New positioning as a composite insurer in Italy

In Italy, we want to reorganise ourselves by 2006 by gradually bringing together the managements of Carnica, Claris Vita and UNIQA Assicurazioni in Milan, by cross-selling the products of all three companies through the enlarged sales channel, and by the gradual expansion of bank business to cover motor and property insurance.

Occupy profitable niches in Switzerland and Liechtenstein

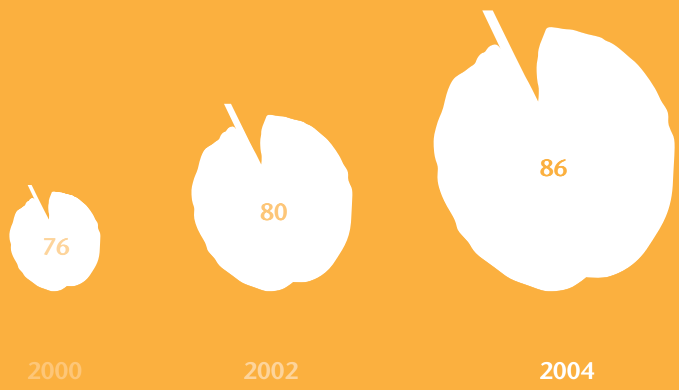
In Switzerland and Liechtenstein we are currently in profitable niche positions, and in addition to life insurance, we also operate as specialists for art insurance. In our Geneva office we profile ourselves as health insurers for the employees of international organisations.



Curiosity

Cu|ri|os|i|ty <n, -es >: Interest leading to inquiry, desire to experience new things, satisfy his curiosity; that makes me curious; he was very curious to find out if

Customers and Markets



UNIQA brand awareness

Source: VMDS 2004 (aided awareness in %)

Brand awareness for us measures customer orientation. For five years now UNIQA has always had absolute top values when it comes to innovative power, friendliness and brand value, and is viewed as the leading company in the Austrian insurance market. This positive image is confirmed by the highest loyalty to any insurance company in Austria.
But we cannot rest on our laurels when it comes to this special position.

Our dynamic growth is primarily the result of our sustained success in convincing our customers of our innovative products, unique service, quality and competence.

Five years of UNIQA: a brand conquers the Austrian insurance market

On 8 November 1999 our group, which was formed out of the traditional Austrian insurance companies Bundesländer, Austria, Collegialität and Raiffeisen, presented itself under the new brand of UNIQA. A name that would attract quite a bit of attention over the first five years in the CEE insurance world.

Our goal was clear: we intended to face the challenges of globalisation by entering the insurance market in all sectors and in all distribution channels as a group with a lean corporate structure, under uniform management and with a modern strategy following a European format. Under a new flag, with a strong focus on international business, we wanted to benefit to the full from the above-average opportunities in the future markets of Central and Eastern Europe so as to pave the way for dynamic growth.

Milestones in products and services

If we strike an interim balance after five years we see that we have achieved our ambitious goal. With creativity, pioneering spirit and a willingness to wander off the beaten path we have set milestones in terms of unique products, services, and modern services.

With professional advertising efforts and high-profile cultural and sports-sponsoring campaigns UNIQA has conquered the top spot as the best-known Austrian insurance brand in people's minds.

With quality and competence, we have convinced customers and markets. And not only have we met our own high expectations, we have in fact exceeded them by far.

And even more: with professional advertising efforts and high-profile cultural and sports sponsoring campaigns UNIQA has conquered the top spot as the best-known Austrian insurance brand in people's minds.

Dynamic growth through acquisitions and alliances

The economic success was impressive as well. Strategic acquisitions, alliances, and organic growth, both domestically and abroad, led to an increase in premiums written totalling 57% over five years; the share of premiums written abroad has even increased sevenfold. In the meantime, every fifth euro written as premium is derived from business abroad—five years ago it was every 24th.

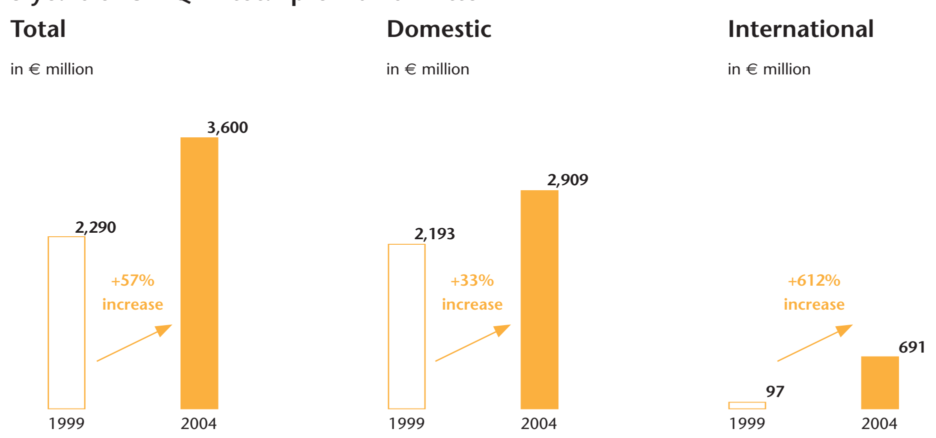
In spite of sizeable investments in our target markets we also managed to optimise our profitability through rigid cost control and improving actuarial practices. The profit on ordinary activities for the year surged to substantially more than double the amount recorded in 1999.

Brand and market leader in Austria

In only five years, dynamic, profitable growth and successful branding have turned us into the biggest and best-known insurance group in Austria. In our home market we are the undisputed market leader in life and health insurance, and we are one of the largest property insurers in the country.

In addition, due to the extraordinarily high rate of expansion abroad we are also among the leading players on the Eastern European markets, which have been developing at rapid speeds after the enlargement of the European Union.

5 years of UNIQA—total premiums written



QualityPartnership—a new dimension in customer relations

The core of our expansive strength is based on the long-term nature of our corporate values and the implicit proposition of uniqueness in quality, service, and competence. Our QualityPartnership service concept is the epitome of a concept that is based on sustainability, transparency, and mutual trust, aimed at establishing a new dimension in customer relations.

The QualityPartnership, which is unique in the market, provides the customer with a complete overview of his contracts with UNIQA, and combines this transparency with the added benefit of interesting price and service advantages.

PartnerConto—clarity at a glance

The PartnerConto is the "financial hub" of the QualityPartnership. It offers the customer a concise statement of his insurance contracts, his payments or benefits, and rewards the customer with a no-claim bonus and the waiver of any short-term surcharges if he settles his premiums through the PartnerConto. Once a year his representative checks up on the timeliness of his insurance contracts, determines uncovered exposures and helps him to settle claims quickly and without much administrative work.

And that's not all. In taking out a QualityPartnership the customer automatically becomes a member of the UNIQA VitalClub, securing him or herself many advantages. For example, he can take part in group training during VitalDays, or he can shape up at special rates with the help of a specially trained personal coach. We also carry most of the costs of preventive and early diagnosis programmes for VitalClub members.

175,000

QualityPartnerships with a premium volume of over € 300 million have been signed since the beginning of 2003.

VitalPoints and money back if no claims are made

A QualityPartnership receives a one-time award of VitalPoints at the start, for the ongoing payment of premiums or for contract renewals. They represent the customer's right to claim attractive services, ranging from innovative fitness products to a stay in an exclusive Sport & Vital Hotel of the customer's choice. And we grant a bonus in the form of a cash refund of up to € 200 if the cus-

The advertising subjects of Raiffeisen Versicherung in the focal areas of retirement, home and Womanlife.

tomer has not claimed any benefits throughout the year.

175,000 QualityPartnerships established already

Since the beginning of 2003 we have convinced almost 175,000 customers of the benefits of the QualityPartnership. The premium volume managed though PartnerConto totals more than € 300 million. Around 50% of these customers received a no-claims bonus in 2004. UNIQA awards customers for their sustained care with a total bonus payment of € 7.3 million.

A high percentage of the customers who entered into a QualityPartnership were awarded VitalPoints, which the holders converted mainly into attractive stays at wellness hotels or hot springs, driving safety training, training sessions with a VitalCoach or fitness products.

We also highlight the quality of the partnership through special events. Our QualityPartnership is an all-round success. According to a recent survey the customers in QualityPartnership feel the individual approach that is taken in every single case has intensified, just as the quality of service has improved. All of which indicates the enormous growth potential of this innovation.

Raiffeisen Versicherung customers appreciate “My sure advantage“

The customer programme specifically developed for Raiffeisen Versicherung under the name “My sure advantage” has met with increasing acceptance on the market.

Discounts on premiums of up to 10% where no claims are made in at least three policies in different lines, a premium-free life insurance policy and the "advantage account" as a platform for settlement convinced more than 55,000 customers from its launch in 2003 until the end of 2004. In the current year the range of "advantage" offers for Raiffeisen customers will be gradually expanded.

Customer data and contact around the clock

Since August 2004 we have offered all customers of the QualityPartnership scheme safe online access to their data though the myUNIQA portal. At no extra cost they can view their PartnerConto online and access all services 24 hours a day, seven days a week.

In addition, our customers can get in touch with their personal representative through his website or by e-mail. More than 5,000 customers already use the comfortable and easy access to the data of their QualityPartnership via the myUNIQA Web portal.

In 2005 Raiffeisen customers of "My sure advantage" will also be able to have their online account activated on a customer portal. The Web-based services are very similar to those of myUNIQA.

Instruments of ideal customer orientation

Access to and management of personal data and contract information via the Internet are important elements of a well-functioning customer relationship management. The customer database, where the knowledge is collected, structured and stored, plays a central role; the goal is to identify potentials within the course of a life cycle and develop solutions for a customer's various insurance requirements. Such instruments revolve around the customer and address the respective target groups with their selective product and marketing approach.

Top insurance brand for the second time

Our efforts to continuously improve our customers' satisfaction through innovation, new products and IT-based services have paid off. According to the consumer survey "Reader's Digest European Trusted Brands 2005", 25% of the Austrians asked named UNIQA the most trustworthy insurer in the country. This means that we were deemed by far the leading Austrian insurance company for the second time in a row.

The leading insurer

25% of the Austrians questioned consider
UNIQA the most trustworthy insurer on the domestic market.

We regard this as a clear confirmation of the fact that we have chosen the right strategy. Because 91% of those asked who rated us as the most trustworthy brand were also customers of UNIQA. Proof, that the position as the top brand in Austria is not only based on our size, but also on the high level of satisfaction and trust which our customers associate with us.

Cutting edge in service and innovation

In 2004 we also posted top values in a brand monitoring survey in image and efficiency. In this survey 59% of those knowledgeable about Austrian insurance companies rated us as the top insurer, strengthening our position as market leader.

A rate of 60% for service appraisal put us ahead of our competitors even more clearly than in the previous year, and based on the opinion of those questioned we achieved by far the highest customer loyalty rates among the Austrian insurance companies. On top of that we clearly managed to maintain our leadership in innovation. UNIQA's brand equity—the result of brand awareness and brand loyalty—was again second to no other Austrian insurance company and even improved further in 2004.

UNIQA also sponsors the Tour of Austria—the start of the final stage around the famous Vienna Ringstrasse enthused thousands of cycling fans.

We are also happy that in 2004 the leading Austrian bank insurer, Raiffeisen Versicherung, a company in our group, moved up to third place among the top-ranking companies in Austria in terms of public opinion. The efforts in the area of customer services were also rewarded with a third place in the appraisal of services.

Sponsoring—a reflection of our corporate culture

Our selective sponsoring strategy continues to make a major contribution to anchoring UNIQA in people's minds in a quick and sustainable fashion. Take sports, for example. Sports stand for activity, dynamics, and the willingness to achieve set goals, as well as for team spirit, fairness, and respect—values which are reflected in our corporate culture and business activities.

Our long-term cooperation with the Austrian Ski Federation has proven hugely successful for both sides. It will be continued—even though the Olympic Champion and World Cup winner, Stephan Eberharter, has retired. With his blue UNIQA helmet, "Steff" celebrated a spectacular victory on the "Streif" in Kitzbühel in 2004, and after a successful winter

For five years, Stephan Eberharter was the man with the blue UNIQA helmet. With it he celebrated numerous World Cup victories and won the 2002 Olympic gold medal in Salt Lake City. In 2004 the congenial Tyrolean retired from professional alpine skiing. But "Steff" will continue his collaboration with UNIQA as head coach of the VitalClub.

season 2003/2004 he retired from professional alpine skiing in September.

Eberharter gives safety advice for cyclists and skiers

In 2004 the tried-and-tested media cooperation between UNIQA, the sports department at the Austrian Broadcasting Corporation, and Stephan Eberharter came to an end. In the spring of 2004 six TV episodes were produced in cooperation with the Austrian Broadcasting Corporation under the title "Safe with a helmet—advice from Stephan Eberharter". They propagate the use of cycle helmets and thus underpin UNIQA's responsibility and the connection between safety and the company.

Besides that, another series of episodes related to safety was launched in December 2004 with the Austrian Broadcasting Corporation under the title "Crime scene: ski slope". Here "Slope Superintendent" Stephan Eberharter talked about the dos and don'ts of the ski slopes and explained how many accidents can be avoided by sticking to this set of rules.

Benjamin Raich—the new man with the UNIQA helmet

In the alpine world cup season of 2004/2005, the blue UNIQA helmet was passed on to Benjamin Raich. After five Junior World Championship gold medals, he won the slalom and the combination title at the World Championships in 2005 and he also clinched victory in the slalom and giant slalom world cup. Three out of four Austrians think that "Benni" Raich will one day win the overall World Cup.

Benjamin Raich was the most successful participant at the World Championships. At the 2005 World Championships in Bormio the sportsman from Pitztal won an impressive total of 5 medals—two gold, two silver and one bronze.

After Stephan Eberharter's retirement Benjamin Raich has become the second best-known ski athlete of Austria. He is extraordinarily popular among the public, is seen as a role model particularly for the younger generation, he is a fair sportsman and a figurehead for Austria.

UNIQA is also sponsoring the handball Champions League

His first successes in November and December 2004 already indicate that we have again made the right sponsoring choice with "Benni" Raich, and we can hope for a continuation of the ideal advertising presence.

After a successful test run in Hungary in spring 2004 we entered the stage in 2004/2005 as the new international sponsor of the European Handball Champions League for Hungary, Croatia, Czechia, Poland and Austria.

With this communication platform we reach a large percentage of the population thanks to the popularity and success of handball in these countries, which are identical to our core markets in Eastern Europe. With the regular live reports on TV we therefore generate optimal synergies and increase the profile of our UNIQA brand in Eastern Europe.

By presenting the Austrian national cycling team, sponsored by UNIQA, for the Austrian Bicycle Tour 2004 in the Vienna Museum of Modern Art we managed to highlight the link between our long-standing relationship with cycling and our sponsoring efforts in the field of arts and culture.

Sponsoring

Renewed collaboration with the Salzburg Festival

Cultural sponsoring has proven extraordinarily valuable for our branding and for fostering our image. This is particularly true for the collaboration with the Salzburg Festival, which started in 2002. We have therefore renewed our collaboration, originally expiring in 2004, with this world-renowned cultural event for another three years.

UNIQA and the Salzburg Festival have numerous aspirations in common: highest quality, a global and international attitude as well as the desire to build bridges to the future markets in Central and Eastern Europe and to shape a common cultural identity in Central Europe.

81%

Over the years UNIQA has become the best-known sponsor of the Salzburg Festival.

Customers fully support the festival sponsoring

Over the years UNIQA has become the best-known sponsor of the Salzburg Festival. Some 70% of all people interested in cultural events, including younger people, rate our efforts positively. And our customers agree with us: 81% were fully supportive of our sponsorship of the Salzburg Festival. Three out of four people asked regarded it as a win-win partnership.

Cultural aficionados describe our image profile as evenly focused on the future and on tradition: headed for the future, innovative and successful, yet at the same time aware of our cultural responsibility in society and protective of Austrian values.

UNIQA's sponsorship of the Salzburg Festival was extended by another three years in 2004—Dr Helga Rabl-Stadler, President of the Salzburg Festival, and Dr Konstantin Klien signed the sponsoring agreement.

Performance of Richard Strauss' "The Knight of The Rose" funded by UNIQA

We do not confine our financial contributions at the Salzburg Festival to the conservation of historic institutions. We also support productions which could not be funded from the current festival budget. In 2004 we financed the performance of Richard Strauss' and Hugo von Hofmannsthal's opera "The Knight of The Rose". The Vienna Philharmonic Orchestra was conducted by Semyon Bychko.

Within the framework of the Salzburg Festival, we also make a sustainable contribution to the creation of a Central European cultural identity with a training programme for young journalists. Because of the high number of attendees this past year we also repeated the "UNIQA College for Journalists" which was started in 2002.

Popular training college for young journalists

A jury selected 22 participants with a maximum age of 29 years from around 100 applicants from Poland, Czechia, Italy, Croatia, Hungary, Slovakia, Germany and Austria. They had a high-quality range of roundtables with top-class experts, theory-based and practice-oriented work with high-profile professors and professionals from the media to choose from, while at the same time they could experience the impressive atmosphere of the festival.

The common interest of UNIQA and the Salzburg Festival in a selective expansion of the international contacts in CEE led to the establishment of the "Initiative For Arts And Business" back in 2002. We regard this as a meaningful combination between cultural efforts and business strategies in our core markets outside of Austria.

International "Charming Initiative" to be continued

After the launch of the "Charming Initiative" in Warsaw and Prague, we hosted a cultural evening in Budapest together with the Salzburg Festival in 2004. Further events are scheduled in Northern Italy and Germany. It is our goal to build bridges for people in all countries and to inspire interest for Austrian cultural values.

Renovation of the Vienna Opera and the Belvedere Gallery supported

A new kind of large-scale advertisement turned out a real attention-getter. With our support, the historic façade on the Ringstrasse was covered with a canvas during renovation work; the canvas displayed a picture of the uncovered, cleaned and renovated façade of the opera in its original scale. This so-called "façade reflection" was the first innovative solution of its kind in Vienna, and it reflected our high quality standards in cultural sponsoring.

Cultural efforts

The façade reflection on the Vienna Opera received a great deal of attention.

The cooperation with a number of renowned museums such as the Austrian Belvedere Gallery, the Technical Museum and the Museum of Modern Art round off our involvement in the cultural field.

First provider of art insurance for museums and private collectors

As most important insurer of art in Austria we have more than just museums and other exhibition facilities among our customers. Due to the rising crime rates, there is also increased demand for our services when it comes to security for private collectors and art enthusiasts, whether for baroque furniture, valuable paintings, contemporary sculptures or precious porcelain. Starting at € 75,000 our "Art and Passion" policy offers extended all-risk coverage, including substantial support in the field of art history.

Apart from the agreed financial compensation if a claim is made we can also help customers with specific services and, for example, put them in touch with restorers. The interest of private collectors in our art insurance products has seen a steady increase. This comes as no surprise, since we have accumulated substantial experience over the years through our cooperation with museums and galleries.

UNIQA Leasing

Make your dream car dream come true

Nowadays every third new car in Austria is leased. Our subsidiary UNIQA Leasing, by far the most successful auto leasing company in the insurance sector with a market share of 40%, offers the customer innovative solutions to make his dream car become reality: for example through interesting additional services in the vehicle segment like the sale of old cars via an innovative Internet platform or favourable rates for tyres.

Highlights

In 2004 the UNIQA brand celebrated its fifth anniversary. Today UNIQA is the best-known insurance brand in Austria.

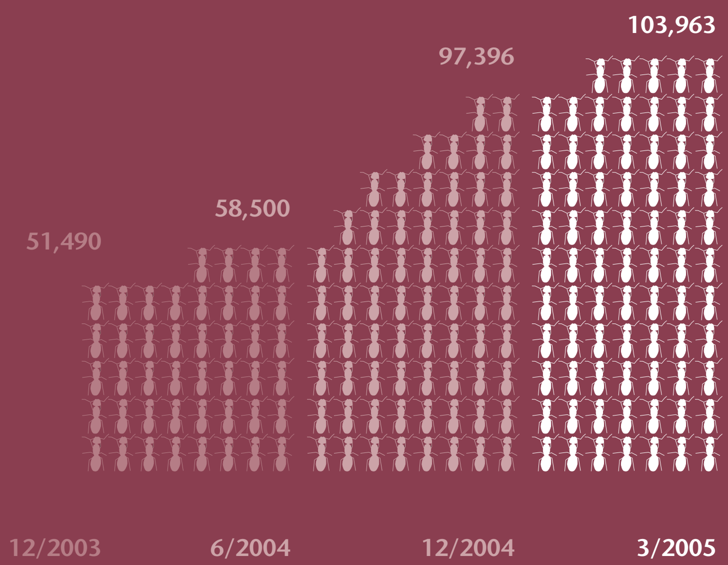
175,000 customers already use the numerous benefits of the QualityPartnership and feel that their support is better and more individual as a result.

In the previous year UNIQA was again rated the most innovative insurance company in Austria with the highest customer loyalty.

Lateral thinking

Lat|er|al think|ing <n>: applying opinions and statements which diverge from the way of thinking accepted officially by the majority; combining existing knowledge in an “unusual” way and finding reasonable, yet uncommon combinations; generating innovations

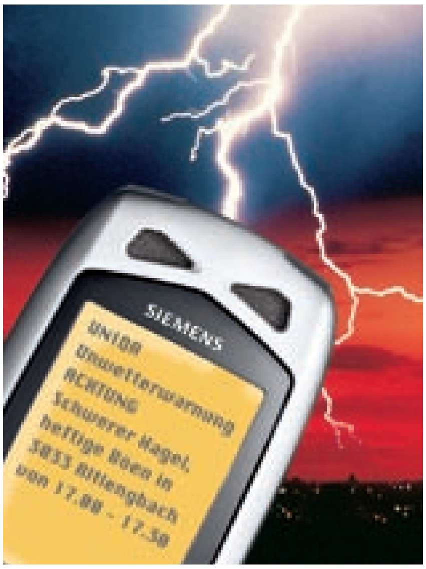
Processes and Products



Number of pension provision contracts with subsidised premiums

Innovative products ensure our ability to compete and strengthen our good standing. Best example: "subsidised premium pension provision". It has been a success story—without stealing the show from other pension products! In 2004 alone, 46,194 policies for the new product were taken out, with total premiums paid of just under € 700 million (annual net premium times term).

We use modern information technology to drive our growth in a sustainable manner. This reduces costs, speeds up processes, creates new products and a unique service.



UNIQA's weather warning and paybox—two innovative services included in the mobile service package.

A milestone set with weather warning by SMS

We put information technology to good use in all areas of the company and in all fields of business in order to strengthen our competitive position and enhance our profitable growth figures through tight cost control.

One of the milestones we set as the innovative market leader in Austria is our innovative service and modern damage prevention system with our electronic bad weather warning service called "WIND" (weather information on demand). Since October 2004 we have been the only insurance company in Austria to make this exclusive offer to our customers and all communities insured by us: an individually tailored, up-to-the-minute weather warning by SMS and e-mail.

Meteomedia guarantees forecast quality

Our partner behind the WIND weather warning system is Europe's leading meteorology group, Meteomedia GmbH, with the well-known Swiss meteorologist, Jörg Kachelmann.

Five specialists at Vienna's storm warning centre are busy around the clock analysing the constant flow of data from the governmental observation stations throughout Europe and about 500 of their own weather stations in German-speaking countries. Modern storm radar technology, the latest forecast software and innovative information logistics guarantee that the forecasts are of the highest quality.

Local warnings straight to your cell phone

On request we send our customers an accurate forecast for the time and location relevant to their postal code by SMS and e-mail two hours before the storm hits. And we give them concrete tips about what to do in the threatening situation in order to best avoid damage from the storm, hail, freezing rain or extensive snow. So far, over 200,000 warnings have been sent out in this manner. More than 22,000 customers are presently taking advantage of this unique service. The service is free of charge for all our QualityPartnership customers.

For Austrian municipalities we have an expanded weather warning service. They receive an electronic advanced warning as early as one to two days before the storm threatens to hit. This gives them enough time to make preparations. This service is available to all of the Austrian municipalities that we do business with, free of charge.

Weather warning

The right information at the right time

UNIQA's SMS weather warning gives an accurate forecast for a certain time and place and informs you by SMS to your cell phone and/or by e-mail of:

- Storms: when there is a risk of heavy storms with peaks > 100 km/h
- Thunderstorms: risk of heavy thunderstorms, combined with heavy rain and hail
- Heavy rainfall: risk of heavy rain (40/80 mm in 6/24 h)
- Snow: risk of extensive new snow (10–25 cm in 6/24 h)
- Freezing rain: risk of freezing rain

First ticket insurance by SMS

In cooperation with mobilkom austria our subsidiary in direct sales, CALL DIRECT, has added another unique offering to its modern line of products that can be taken out online over the Internet or by SMS from a cell phone: Austria's first SMS ticket insurance.

200,000

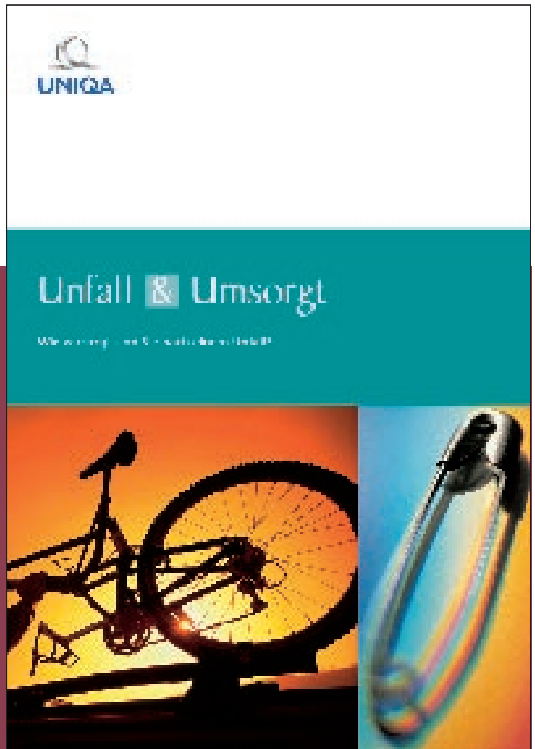
weather warnings have already been sent out by UNIQA.
We help avoid damage by sending timely warnings while increasing the personal safety of our customers.

The platform is the SMS ticket service of the mobile network operator A1, through which already about 7% of all rock and pop concert tickets in Austria are sold. With the purchase of an A1 SMS ticket the buyer now automatically also receives ticket insurance at no extra cost. If the customer is unable to go to an event because of illness which has been confirmed by a doctor, he receives a refund of 75% of the price. In addition to insurance against the loss of the A1 SMS ticket this is another customer-friendly service that can automatically be booked by mobile phone.

New accident insurance supplies invalids with partner dog

We are market leaders in personal insurance and have strengthened our competitive position with a new and unique product. This new accident insurance, developed for the first time in cooperation with independent brokers is flexible in every regard due to its innovative building blocks and combination possibilities, and can be modified to meet the individual customised insurance needs.

We are the first and only insurance company in Austria to supply insured persons as part of accident insurance with a partner dog in the event of lasting invalidity. This insurance also covers the cost of immediate professional emergency care for insured persons by external psychological specialists when a close family member dies in an accident.



Accident & cared for.

UNIQA introduces a new, innovative accident insurance

The most recent accident statistics prove the need: every tenth Austrian was the victim of an accident last year. From a total of 831,000 accidents, 72% happened at home during leisure time or while playing sports, 21% at work and in school and 7% on the road. Almost every fifth accident ended with a hospital stay, one in a hundred with permanent invalidity and one in three hundred was even fatal. Only private accident insurance can offer meaningful protection against the economic consequences of a recreational accident. UNIQA's new "Unfall & Umsorgt" (Accident & cared for) accident insurance makes it possible to tailor emergency provision to individual lifestyles using the diverse combination possibilities and additional building blocks.

Guaranteed value of life-long accident annuities

For life-long accident annuities the customer has the option of guaranteeing the value during the work phase. Now accident annuities can also be taken out for children. The coverage of this new product can be supplemented with a service package. For optimal provision and rapid recovery at home in an emergency we will also cover the costs of domestic care, trips to the authorities or childcare and looking after the survivors.

Mortgage loans to buy a new home

With our new service package you can finance your own home inexpensively and in a way that can be easily calculated over the long term. It combines a mortgage loan at a competitive and long-term guaranteed fixed interest rate with flexible insurance products that are used to back up repayments. A solid financing offer for the problem-free purchase of your own home.

Exclusive investment plus capital guarantee

Our group subsidiary FinanceLife, specialising in intelligent fund policies and innovative investment instruments, developed a single premium investment with exclusive benefits solely for the year 2004 in cooperation with the internationally renowned asset management house, LCF Rothschild. Rothschild guarantees payment of the entire amount invested, after the risk premium, insurance tax, fees and other costs have been deducted, when the policy matures.

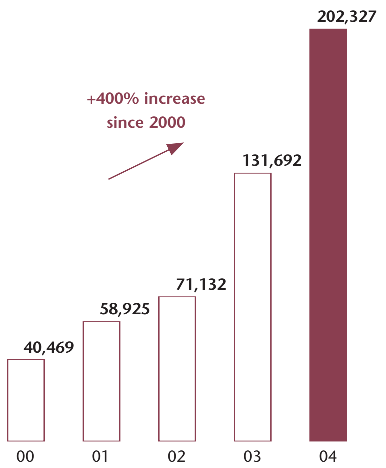
In addition, LCF Rothschild gives a 100 per cent maximum guarantee for income produced during the subscription period of the fund until 1 December 2004 and guarantees 85% of the income produced during the term. The administration of the fund is characterised by active management of stock investments as well as alternative instruments and combines the security of capital with the opportunity to achieve above-average increases in value.

Flexible provision with advantages for women only

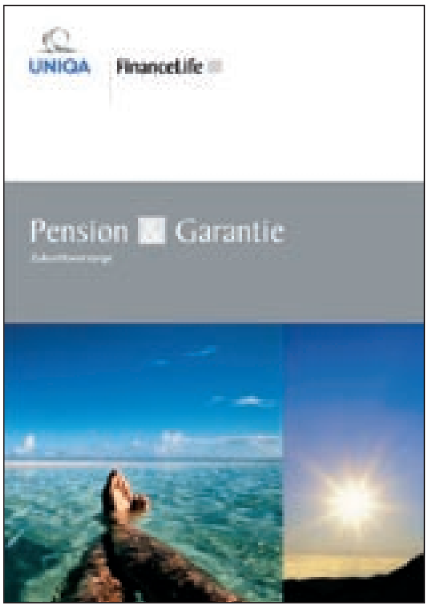
Almost every other woman feels that her old age is not sufficiently provided for and would prefer a life insurance policy that covers her financial requirements. For this reason our group's Raiffeisen Versicherung, Austria's leading bank and life insurer, has developed the versatile and highly flexible Womanlife provision programme with special advantages for women. It offers solutions to the needs of every life phase from 20 to 50 years.

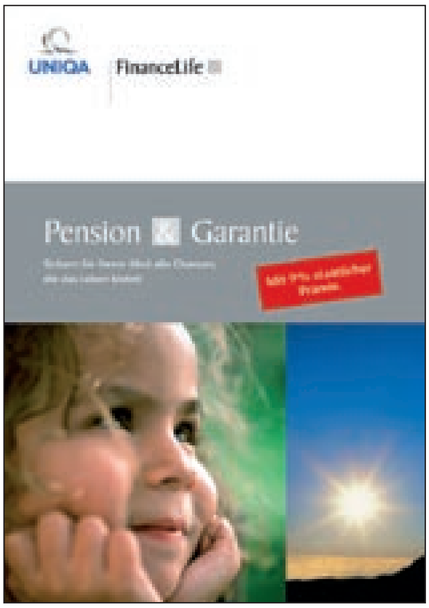
Thus, part of Womanlife's capital assurance is a premium-free life insurance of € 10,000 for the first two years after the birth of a child. In accident insurance, women are given a 40% discount on premiums and double invalidity benefits on accidents with permanent invalidity for up to two years

Development of portfolio FinanceLife
Number of policies



Source: FinanceLife





Pension & Guarantee—two years after implementation FinanceLife manages the subsidised pension provision for over 100,000 policies for UNIQA and Raiffeisen Versicherung, with € 1.7 billion total premiums paid.

after their child's birth. In addition, mothers can claim benefits for medically approved sick days due to the accident, immediate aid such as domestic care or a "babysitter service" for children up to the age of twelve. Another advantage of Womanlife: women up to the age of 23 receive a five per cent discount on their motor vehicle insurance. Because of its positive echo, the Womanlife programme will be continued in 2005 as well.

Think about life pension for the kids early

These days it is very important to begin with old-age provisions as early as possible because of the burdens put on the pension security systems by demographic developments. This is why Raiffeisen Versicherung and FinanceLife are offering a life pension for children up to the age of 18 that is combined with the unique guarantee that the pension calculations that are valid at the time the policy is taken out will actually apply for later pension annuities. For as little as a ten euro minimum parents, grandparents, godparents or relatives can make such a government-aided contribution to children's financial security.

New edition of "swing for win" is the hit of the year

Provision for the younger ones was sensibly expanded and extended with Raiffeisen Versicherung and FinanceLife's innovative single premium product "swing for win". This offers high tax-free earning opportunities by taking advantage of swings on the stock market combined with a capital guarantee and an intermediate payment after five years. With a volume of new applications totalling over € 30 million in only three weeks after the start, the single premium investment was the "hit of the year".

After this huge success Raiffeisen Versicherung and FinanceLife launched another tranche. The subscription period for "swing for win 01/2005" with a minimum payment of € 2,000 was until March 2005.

Revival of the three-premium campaign

Under the motto "win without losing" Raiffeisen Versicherung revived its time-limited three-premium campaign due to its success in the year 2003. The limited offer paying a minimum interest of 2.25% combines the advantages of capital assurance with the minimised risk of investing in securities. Once the three payments of a fixed premium have been made, the assets can be withdrawn tax-free after twelve years.

Already 100,000 Raiffeisen property customers

Raiffeisen Versicherung had another reason to celebrate. Only four years after Austria's leading life insurer set itself up in the market as an all-sector insurer a customer signed the 100,000th policy.

Off to the Algarve with the VitalClub

To promote well-being and good health last year we offered our QualityPartnership customers and VitalClub members an extensive and varied programme: a total of 14 VitalSeminars, four VitalDays and three VitalVoyages. The first VitalVoyage last year was to the Portuguese Algarve. In addition to bicycle tours, a mountain hike, boat trip along the cliffs and a visit to the historic town of Lagos there was still enough time after the lectures and workshops to relax on the magnificent sandy beach.

About 1,000 visitors attended our VitalDays at the University of Vienna in May. In the presence of the Federal Minister for Health and Women, Maria Rauch-Kallat, as well as the Head of the Centre of Sports Sciences, Dr Norbert Bachl, they were able to find out general information on the advantages of leading a healthy lifestyle and to have their personal fitness profiles drawn up.

Uniform sales and marketing strategy drives growth

We want to solidify our above-average growth over the long-term and made the necessary strategic decisions in 2004 to ensure this: we will improve our competitive position and market power on both domestic

VitalClub

A partner for health/fitness/well-being

As the holder of a Health & Valuable insurance policy or the owner of a QualityPartnership you automatically become a member of UNIQA's VitalClub free of charge—without responsibilities but with many advantages. Members have exclusive access to a range of provision services at particularly favourable conditions or free of charge. In addition, the UNIQA VitalClub is committed to active health promotion and offers its members the following services: VitalCoach, VitalVoyages, health centres, VitalSeminars, VitalDays, VitalBrochures, VitalBoutique.

and foreign markets by restructuring international sales and marketing.

To be sure, country-specific sales and marketing decisions are still made by the local management. However, the control of European-wide marketing activities in the exclusive and broker lines is coordinated centrally. In this way we can provide ideal support to our sales and marketing partners in cross-border business and guarantee them a uniform standard of service.

New competence areas for private and company customers

We have also restructured the competencies and responsibilities for the "private customers and SMEs" and "key accounts and industrial business" target groups. They were merged into two competency areas.

The aim of this division is to reflect the strategic focus on customers in our internal structure as well. By supplementing the existing sector-oriented organisation with a new specifically group-oriented perspective we will further strengthen our position both domestically and internationally.

The UNIQA Tower offers ultra modern working areas and fulfils the requirements of a future-oriented group headquarters. Each floor has its own conference rooms, archive and recreation area for employees that opens into the atrium—a 70 metre high open-air space that runs through the centre of the building.

Corporate Lines created for large risks

In the property insurance line we created a special insurance line for key accounts and industrial business specifically to handle large risks (Corporate Lines). This is the first group-wide insurance for large risks and it enables a uniform market presence with cross-border international insurance programms.

Corporate Lines apply to specific key accounts that when over a certain size have been added to a separate reinsurance line and controlled centrally since the beginning of 2004. This step offers all the UNIQA companies in Austria and abroad the same property insurance capacities in one stroke. The International Desk unites our colleagues in the sister companies and the headquarters into a network with the entire know-how of the group, guaranteeing balanced acquisition policies.

The path towards the paperless office

The use of information technology is making progress throughout the company. Following a successful testing phase, our ground-breaking integrated document management system (DMS) has been implemented in many sections of the insurance business.

Because the moving date was fixed, priority was given to integrating the central archive into the DMS in order to create administrative and operational processes in the new UNIQA Tower that use as little paper as possible. The documents are stored centrally in a new archive organised with bar codes and registering the index data in the DMS and can be called up anywhere in the group.

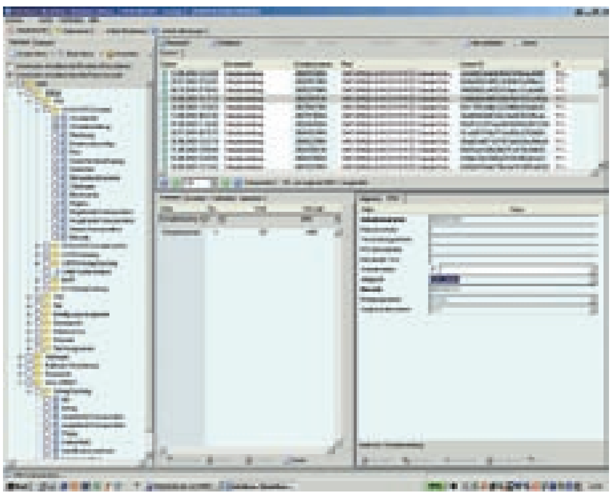
A solution has been developed that is unique in Europe

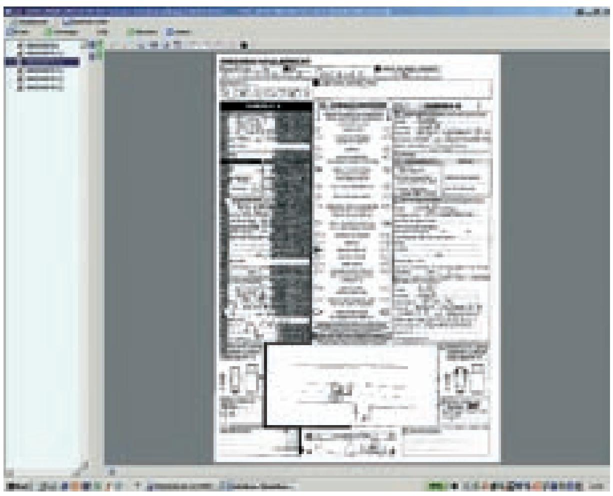
With our concept of a DMS central archive we avoid the expensive step of scanning in the entire old paper stock. Our 9,000 metres of 400,000 paper documents are optimally stored by external archive specialists. A document is not digitalised and sent electronically by DMS until it is needed and requested.

If an employee requires one of the stored documents the papers are scanned and transferred electronically into the DMS within three hours. They are then available in the system to all employees with the necessary access rights. A solution that is unique throughout Europe.

DMS

The company-wide, integrated document management system
that UNIQA implemented in 2004 is unique throughout Europe.
DMS helps optimise workflow processes,
supports e-business strategy and improves customer service.





In addition to this, for all of Austria we reduced the rapidly growing need for memory on the Notes Server by electronically filing the attachments to e-mails in the DMS archive, achieving savings of over 50%.

Department archives made available

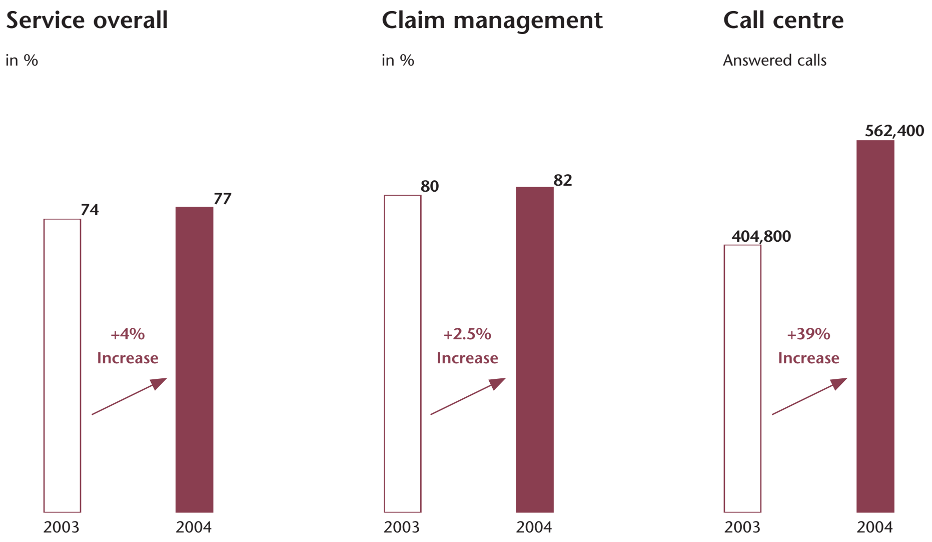
The central document scanning office also went into business at our group headquarters. Printed papers with a total of more than 400,000 pages were digitalised on two high-capacity scanners and entered into the DMS. And we created the prerequisites for employees to search for, call up and read documents from the DMS Client (departmental archive). Such departmental archives were made available in 2004 for actuarial solutions and the service area. As of December all employee personnel files are administered centrally and available electronically.

Customer satisfaction improved further through quality management

As the leading quality insurer in Austria in 2004 we lived up to and even improved on our high standards for service and efficiency in dealing with customers. This applied to the speed with which we dealt with applications and damage claim regulations as much as to our flawless policy processing and easy accessibility by telephone.

Around 77% of our customers, 2% more than last year, were completely satisfied with our service and gave us a score of 1. They gave us the best marks for competence and friendliness. We were rated even better for processing claims. Here, our customers awarded us 82% of the possible points, 2.1 percentage points more than in the previous year.

Customer satisfaction with



Source: Customer Satisfaction Survey UNIQA 2004

Source: Customer Satisfaction Survey UNIQA 2004

Source: UNIQA

Call centre customers also demonstrated high satisfaction levels, despite the fact that the number of answered telephone calls tripled. The volume of motor vehicle and property claims also increased significantly along with VitalPlan orders and processed e-mails.

Nine out of ten complaints dealt with satisfactorily

We also passed the test in the most difficult area in our customer relations: their complaints and how we deal with them. Our IT-supported complaint management system accompanies and documents the entire process of dealing with a complaint and proved its worth through its direct access to the database and the quick and competent processing and solution of the problems. In the past year we had to handle about 13,000 complaints from our customers. Nine out of ten customer enquiries could be dealt with positively within a very short time.

First phase of the Customer Information System

Shortly before the end of the year we completed the first phase of implementing our new Europe-wide UNIQA customer information system (UKIS). The goal of this project is to portray customer contacts as a "business unit" with a customer representative in an IT-supported system. A modern instrument for identifying profitable customer contacts and developing and marketing fitting product solutions for the target groups.

New e-business applications

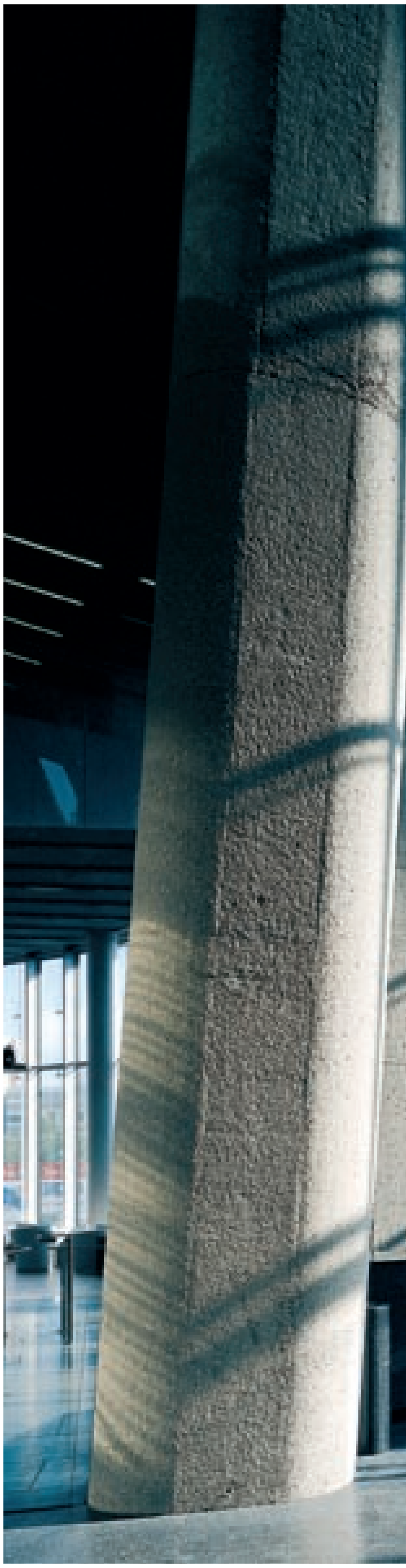
Further functionalities were launched for the Internet applications that are run on the shared Web server structure by our outsourcing partner, Raiffeisen Informatik. Additional websites of UNIQA sister companies were adapted to fit the group Web layout and the content management system used throughout the entire group. At the start of 2004 we activated the "Online Point-of-Sale System" for Raiffeisen Versicherung.

Point-of-Sale Systems

play a key role
in customer support.

The VPI Active Centre has been ready for action since mid-January. Here, all UNIQA sales and marketing units can transfer applications during the guaranteed IT opening hours. And all sales representatives with access to the VPI can set up and maintain their personal homepage.

In 2004 the emphasis was also on integrating UNIQA partners into UNIQA's Internet-based administrative processes. At present about 2,000 UNIQA sales employees use the Internet-based Point-of-Sale System and in 2004 they processed about 25,000 alterations to customer data and 15,000 claims online with this medium.



tower.uniqa.at

In addition to numerous photos and videos, at tower.uniqa.at you will find further interesting information on all aspects of the new UNIQA headquarters.

High award for tower portal

Our Internet tower portal, where employees could find out about the progress of the construction of the UNIQA Tower, received top awards. The application, designed in a coordinated effort between a team of experts from UNIQA and a multimedia agency, was honoured as one of the best Austrian websites with the silver ".at-award" in the category of advertising and PR.

Raiffeisen Versicherung's website optimised

Raiffeisen Versicherung also proved their competence and creativity with the complete redesign of their website. The design of the new homepage was generally adapted to the style of the main Raiffeisen Internet site, taking the different technologies of the sector and the UNIQA Group into consideration. The website should primarily give basic information about prevention and insurance offers along with the advice to get competent consultation from a Raiffeisen bank.

Download pension gap calculator by SMS

Raiffeisen Versicherung had an innovative idea to make mainly young Austrians more aware of the necessity of buying additional private old age provision. They could download a mobile pension gap calculator onto their mobile phone by SMS. This application, compatible with certain mobile phones, calculated within seconds of entering their monthly salary and the number of pension years acquired so far, the gap they could probably expect in their pension.

One millionth visitor at the MedUNIQA health portal

As Austria's largest health insurer, UNIQA created the MedUNIQA Internet health portal to offer extensive tips on the topic of health. Registering about 40,000 visitors a month, it has developed into one of the country's most visited medical websites.

At the beginning of September MedUNIQA counted its one millionth visitor. A great success for the responsible editor, Bettina Benesch, as well. She was honoured with a prize for her work at the media prize ceremony, awarded for the first time by the "Fonds Gesundes Österreich", (Fund for a Healthy Austria).

1,000,000

visitors so far—about 40,000 visitors a month—have found information on the topic of good health at MedUNIQA in the following areas:
current (news, magazine, serial topics),
Service (doctor search, psych search, pharmacy search, physiotherapist search, UNIQA CallCentre, doctor direct, hospital compass),
Lexica (Roche Lexicon, anatomics),
Knowledge (knowledge A-Z, specials, addiction, care),
Healthy and fit (nutrition, well-being, physio back guide, exercise),
Family (love & desire, pregnancy, menopause, child development),
Teeth (MedUNIQA dental guide),
Travel (travel preparations, getting there, on location, home again, travelling without risk, country information, personal advice),
VitalClub (UNIQA VitalClub, Vital topics, UNIQA VitalPlan PLUS).

Highlights

In 2004 UNIQA once again presented itself with new innovative products and services. The weather warning is already being used by more than 22,000 customers.

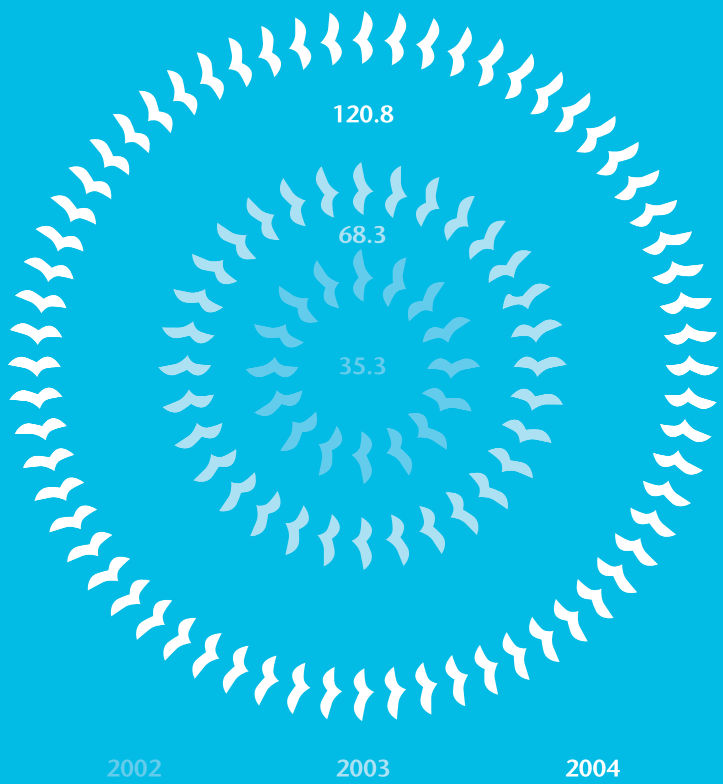
Raiffeisen Versicherung is not only one of the leading life insurers in Austria—in 2004 the 100,000th property insurance policy was taken out.

More than three-quarters of our customers are satisfied with our service—proof that UNIQA is the leading high-quality Austrian insurance company.

Integration

In|te|gra|tion <n, -s; general> inclusion, building the whole, merger, unification; disintegration; <econ> merger into one unified, supranational market area; <pol> mutual adjustment of goals (e.g. in the EU, in NATO); European integration, cooperation of European states by forming supranational bodies

Group and Profit



Growth of income, UNIQA Group
(Development of the profit on ordinary activities in million €)

After UNIQA managed to double group results in 2003, we broke through the € 100 million barrier in 2004. More precisely, we posted a profit on ordinary activities of € 120.8 million in 2004. This resulted from growth, an improved cost and claim situation, and a positive development on the capital markets, and it proves that we at UNIQA expand carefully—and certainly not at all costs.

We carefully plan our growth and take into consideration the different stages of penetration in the insurance markets in Central and Eastern Europe as well as the necessary increases in profits.

Expansion not at all costs

In this age of globalisation and EU enlargement we want to adhere to a differentiated growth strategy and thus seize the opportunities offered by the developing markets in Eastern Europe with determination, yet at the same time be careful. How will the largest Austrian insurance group react to the challenges and operate over the next couple of years in this changing environment?

2004 was a record-breaking year for the largest Austrian insurance group. Including the acquisitions abroad UNIQA posted an increase of 20% in premium revenues to almost € 4 billion and a profit for the year which topped that of the previous year by almost 75%, and which was for the first time in triple digits. Will UNIQA be able to maintain this pace in the long run?

Dr Klien: 2004 yielded a large crop that was based on the seed of previous years. A crop that had been prepared by consistent decisions in the area of our growth strategy: by decreasing the cost and claim ratio, increasing income from investments, diversifying our portfolio of companies, improving productivity and optimising organisational and operational structures. The substantial increase in premiums especially abroad paralleled by the disproportionately high surge in the profit for the year shows one thing clearly: we are expanding with care and not at all costs.

Where do you see UNIQA's primary potential for development after the rapid boost of the foreign business and the enlargement of the EU in Central and Eastern Europe?

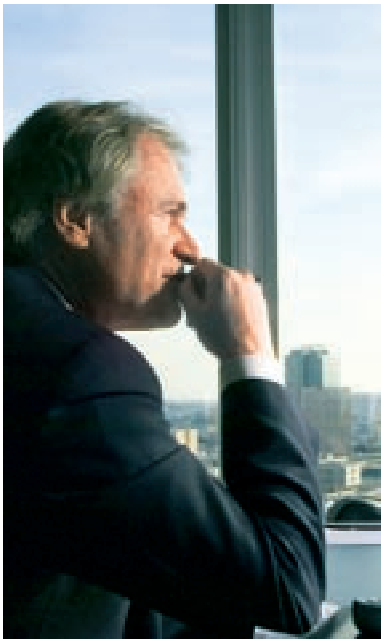
Dr Klien: Opportunities for growth abound. Even in Austria the total premiums per capita fall short by 23%, in life insurance by no less than 43%, of the 15-state average of the "old" European Union. The insurance penetration, i.e. the share of the premiums in terms of total economic output, in the life insurance line is only half that of the average for the 15 "old" EU states.

But surely the most substantial potential after the enlargement of the EU will exist in the Central and Eastern European countries adjacent to Austria?

Dr Klien: By all means. Of course with premiums of around € 13 billion the five new Central and Eastern European EU member states—Poland, Czechia, Slovakia, Hungary, and Slovenia—account for only 1.6% of the insurance market of the “old” 15-state EU. But their growth potential is enormous; and don’t forget the candidates for accession—Croatia, Romania and Bulgaria.

Do the opportunities involved in doing business in that area outweigh the risks?

Dr Klien: Without doubt you have to analyse opportunities vs. risks. Because the insurance profile is clearly different from the structures of the 15 previous EU states. In the “old” 15-state EU, life insurance business accounted for some 58%, and non-life lines made up slightly less than 42% of total premiums. In the five new EU member states, this ratio is almost exactly the other way round. Here, life insurance accounts for just under 37%, while non-life makes up roughly 63%.



In the meantime this ratio has started to shift slightly as the household income of the new east European member states improves.

Dr Klien: That’s exactly what is happening. The life insurance premiums of the new member states have soared at considerably higher rates since 1997 than the non-life premiums. Life insurance premiums per capita averaged € 99 in the EU’s five new Central and Eastern European member states, or a mere 8% of the average € 1,247 in the 15 “old” EU states. In the non-life segment on the other hand that average has already reached 23% of the EU figure.

Even among the new EU states in Eastern Europe the different insurance lines still have different weights.

Dr Klien: Well, with a share of 40% of life insurance in terms of total premiums Czechia, Hungary and Slovakia have taken the largest strides towards the average figure of the “old” EU states. Slovenia is lagging behind somewhat at 23%. Property lines are mainly dominated by the motor vehicle sector in the new member states. This segment is topped by Poland with a 67% rate. Casualty and health business have however not really picked up at all in the eastern member states.

Isn’t this multitude of different market structures and growth rates full of hidden pitfalls for newcomers from abroad?

Dr Klien: It certainly is. We therefore pay close attention to the regional differences in Eastern Europe before we penetrate a country any further. We want to participate in the catching-up process for CEE as a composite player in all lines. But at the same time we carefully study the markets and the experience of foreign competitors. We do not want to pay too high a price for being the first to move. Instead we prefer to take the role of a fast follower with lower risk.

How does UNIQA intend to use the opportunities in Eastern Europe?

Dr Klien: We are already present in the market of four Eastern European member states of the EU—Poland, Czechia, Slovakia, and Hungary—and in that of the candidate country Croatia. Through strategically sound and profitable acquisitions and alliances we want to speed up growth as a composite player in Central and Eastern Europe, more than double our ROE, and quadruple our result for the year internationally through a decisive increased earnings programme by 2006. In order to do so, we need to integrate our affiliated companies abroad even more and exploit synergies so as to improve their profitability.

Do you prefer growth through acquisitions or alliances?

Dr Klien: Both, provided we retain at least the majority of capital. With the European Bank for Reconstruction and Development (EBRD) we have secured an important strategic partner that has already taken a holding in both our foreign subsidiaries in Poland, as well as in those in Czechia, Croatia and most recently in Hungary as part of the Framework Agreement for € 70 million. We will also set up alliances or carry out mergers with a Raiffeisen banking insurer at the beginning of 2005 by acquiring 94% of the Raiffeisen Osiguranje in Bosnia and Herzegovina—or we are examining this step as is the case in Slovakia.

What are the essential parameters that define the growth strategy in Eastern Europe?

Dr Klien: We want to achieve a market share of 5% to 10% in the non-life segment in each country, an annual growth rate in excess of 10%, a further increase in earnings, and an ROE of at least 15%. In non-life we are currently fourth in Slovakia with a market share of 5.8%; in Hungary and Poland we are ranked fifth with 6.7% and 4%, respectively. We want to achieve our strategic goals in the future through further acquisitions to round off the range of products or through additional investment in distribution.

What exactly are you thinking of?

Dr Klien: In Poland, the largest and most important market for expanding our position as a composite insurer, we are still lacking a sufficiently strong position in the life insurance line.

In Slovenia we are heading for a majority stake in a company with a market share of at least 10%. In Czechia our operations are running very profitably, but just like in Slovakia or Croatia we are on the lookout for acceptable opportunities to strengthen our position in the market.

Would you dare to enter other Eastern European markets outside the EU?

Dr Klien: Definitively, as long as the risks are quantifiable and the opportunities promising. Of course we have cast an eye on Romania, the second-largest east European market with an enormous growth potential, but also on Bulgaria and Serbia.

What limits are there to your Go East strategy?

Dr Klien: Well, for the time being we are still just observing the eastern emerging markets adjacent to the EU such as Byelorussia or the Ukraine. They are not at the top of the agenda for the moment. In developing these markets we will apply solutions similar to the bank assurance models we relied on in Eastern and South-east Europe by expanding our cooperation with the Raiffeisen sector.

Will the west European markets cease to play a strategic role for UNIQA in the future?

Dr Klien: Absolutely not. In the western parts of Central Europe we did in fact step up our involvement in Italy considerably by acquiring 80% of Claris Vita, and we took over the Mannheimer Group on the German market. In Western Europe we are pursuing a regional strategy of specialisation. Our companies in Liechtenstein and in Switzerland focus on life, art, health and reinsurance. We will continue to build Mannheimer as a branded insurer, and in Italy we are repositioning ourselves as composite insurer, especially in the banking industry by integrating our subsidiaries.

What role does the Austrian home market play in your strategy?

Dr Klien: Our Austrian strategy is clear and easily summarised: Profitability comes before undifferentiated growth; no fight for market shares: secure the share in total premiums (around 70%), continue to strengthen the numerous regions in the domestic market, optimise our position as composite insurer.

After the difficult year 2002 UNIQA and the entire insurance market has picked up quite considerably again over the past two years. As president of the Austrian Association of Insurance Companies, what are the new challenges ahead that you can see in the industry?

Dr Klien: The pension reform and the consequential introduction of reduced pay for retirement before the age of 65 will leave those above 50 with financial shortages arising from the gap between former income and the pension benefits during retirement. This gap will have to be filled with additional private pension plans. Therefore we need, just as for classic pension funds with recurring premiums, a subsidy from the state for single premiums which are paid in to close the aforementioned financial gap. A 50-year-old person who pays a lump sum of € 20,000 into such an insurance model can expect monthly benefits of € 500 from the age of 60 to 65. A state subsidy for this bridge retirement pay could facilitate the supplementary provision.

What's on the wish list of the insurance companies in terms of support for their operations in the enlarged EU market?

Dr Klien: Less bureaucracy from Brussels. The Austrian insurance sector is suffering as much as the rest of the European insurance industry from the regulation frenzy in the EU. Since 1994 the number of EU initiatives applying to the insurance sector has increased more than tenfold. Our costs for bureaucracy are rising. And I'd rather invest that money for the benefit of our customers.

Fast follower

Dynamic growth spurred by acquisitions in Central and Eastern Europe

We saw an extraordinary growth spurt in 2004 on the nine foreign markets in Central Europe outside of Austria. It was mainly new acquisitions and takeovers that more than doubled our foreign share of the premiums to above 30%.

Polish insurance market expanded considerably

The largest insurance market among the new EU member states, i.e. Poland, soared by about double the rate of the entire economy in 2004.

The premiums increased by about 11% following solid growth in GDP, which had been fuelled by exports. The life insurance business even rose by 13%. The market, currently catered to by 68 companies, was characterised by consolidation in terms of new entrants, withdrawals and mergers.

Ranked No. 5 in property insurance following the takeover of FILAR

The take-over of the majority stake of 90% of the capital of KU FILAR S.A. based in Szczecin was completed upon approval of the transaction by the Polish regulatory authorities in May 2004, as agreed with the German R+V Versicherung back in 2003.

Following the transaction, the group consisted of four companies: UNIQA TU S.A., UNIQA TU na Zycie S.A., KU FILAR S.A., and KU FILAR-Zycie S.A. As a group we moved up to fifth in the Polish insurance market, and with the close ties between FILAR and the Polish housing coperatives we opened up a unique new distribution channel.

Motor vehicle insurance dominates property insurance line

In the property insurance line the two companies UNIQA TU S.A. and KU FILAR S.A. have been operating under their old names, and continue to use the sales structures of UNIQA and FILAR. UNIQA Poland managed to improve premiums from property insurance drastically. With a share of 45%, the motor vehicle liability insurance continued to dominate the portfolio structure.
In motor vehicle insurance, the numerous combined policy options were replaced by a cross-sector module-based product. The evaluation, mutual adjustment and redesign of the products of both companies were completed at year-end.

Sports sponsoring was also a key element in 2004 of our marketing activities in Central and Eastern Europe—the successful Polish swimmer Ola Urbanczyk won the gold medal in the 2004 European Short Course Swimming Championships in Vienna.

Life insurance companies merged

Our Polish life insurers UNIQA TU na Zycie S.A. and KU FILAR-Zycie S.A. were merged into UNIQA na Zycie S.A. in December 2004. UNIQA Poland's life insurance line boomed in 2004, as the premium earned increased by 420% to PLN 48.8 million.

We introduced investment life insurance as a new product in Poland, which met a very warm welcome in the market. It offers tax advantages and is sold though Raiffeisen banks.

Hungary continues on solid growth path

The Hungarian economy maintained its solid growth path in 2004—as is well-documented by a 4% increase in GDP. Domestic demand gradually turned into the key driver behind this positive development. And yet again exports developed very favourably as well. Inflation rose slightly by a little over 5% for the first time in a while after the VAT rates were brought in line with the EU.

The insurance industry experienced unbroken dynamism. The premiums from life insurance increased by almost 8%. The robust growth of 6.5% in motor vehicle insurance continued to dominate the non-life segment. In the Hungarian insurance market UNIQA ranked sixth out of 25 insurance companies with an increase in premiums of 5.7% and a market share of 5.1%.

Social insurance for women and children

Overall we managed to maintain the premium revenue in the life segment. Revenues from unit-linked life assurance soared markedly by about 50%. We introduced the first unit-linked life assurance specifically developed for women, “Charisma”, with its benefits in the case of child birth or serious illnesses of the mother. In addition we have started to offer a special insurance for children that comes in three options. It is supposed to cover parts of the expenses for education, weddings or housing. We have also introduced a “card system” for medical check-ups based on certain insurance policies. In the life segment we launched the new VIP product “MedExcellence” which offers medical treatment of superior standards in Austrian private clinics also for our Hungarian customers. Our market share of 3% ranked us eighth in Hungary.

Regional segmentation for motor vehicle insurance customers

In the non-life line we came up with a number of product innovations in property insurance. The regional segmentation of the motor vehicle insurance customers was combined with a cross-selling scheme in the property insurance line, with the Hungarian Formula One driver Zsolt Baumgart as the pivotal figure of an extensive advertising campaign. In the non-life segment we came in fifth with an above-market growth of premiums of 7.5% and a market share of 6.6%.

Moderate growth in the Czech insurance industry

Above-average foreign investment, successful foreign trade and the strong increase in industrial output were the central pillars of the economy in Czechia. The GDP growth of close to 4% was accompanied by a slight fall in unemployment. The insurance industry with its 40 companies more or less matched overall economic growth. The non-life line posted the highest growth figures, whereas the life segment excluding single premiums stagnated.

73.3%

represents the growth in gross premium volumes in the UNIQA international companies in Central and Eastern Europe in 2004.

Very active new business in the life segment

UNIQA posted above-average growth rates of some 15% in Czechia, and with a market share of 2.5%, it was the country's tenth-largest insurance company. In the life segment we started selling unit-linked life insurance policies and we adjusted existing products to the conditions on the market and to the requirements of our partners. We managed to acquire new channel partners especially in the life segment who even generated revenues from new policies of 20%. Thus the premium revenues from life insurance without single premiums increased by almost 25% and our market share surged to more than 1.6%.

In the Czech property insurance market we ranked seventh with an increase in premiums of 15% and a market share of 3.4%.

Best practice in services in the market

The reorganisation of the call centre improved interaction with the customers notably and sped up claim management. So we are among the definite frontrunners in the Czech market. The implementation of the MAGIS system allows us to appropriately appraise the risk of floods and of risks related to other insurance lines.

Steady upward trend in the Slovakian insurance market

Against the economic background of an increase in the aggregate output totalling 5.3% and decreasing unemployment and inflation, the Slovakian insurance industry stuck to its role as one of the growth drivers with an increase in compulsory premiums of 14.8%. Insurance services only increased by 15% during the same period. Life insurance took a markedly steeper growth path than previously with an increase of 14%.

Outgrew the market by 100%

UNIQA leapt forward by integrating R+V Versicherung in Slovakia with its strengths of having its own sales team and whilst holding a strong positioning in the bank sales channels through life insurance products. At 35.6%, total premiums increased at a rate that was more than double the market average. Thus with a market share of 4.3% we are No. 6 on the Slovakian insurance market. In the property insurance line we were even ranked fourth; in the life segment, ninth.

Last year we improved the claim management in property insurance introduced in 2003 by integrating it into a document management system, and we took further steps to optimise the processes with the goal of achieving quick and unbureaucratic claim management.

Introduction of retirement product with tax advantages

At the end of last year we developed a special retirement policy which has offered sales agents the opportunity to exploit tax advantages in pension fund products as of the beginning of 2005.

In 2005 we particularly want to further develop the BrokerService, the cooperation with external channel partners as well as the cooperation with Tatra Bank for bank distribution.

Croatia: the only way is up

With a growth rate of 10.2%, the Croatian insurance industry displayed continued dynamism in yet another year of favourable economic parameters with an increase in the GDP totalling 3.7% and with low inflation and unemployment rates. The slightly weaker expansion of the life insurance line by 12% caused the segment to maintain a disproportionately low share of 23% in terms of total premiums.

A higher market share in the life segment

Our Croatian subsidiary managed to improve the compulsory premiums by 21% and thus by far above average. Thus our market share increased to more than 3.1% in the life insurance line. We widened our range of products through further innovations in personal insurance in 2004. We are currently preparing the entry into the Croatian health insurance market.

In addition we extended the distribution channels with an even more intense alignment to our customers' and partners' needs. In bank sales above all we managed to launch a very successful cooperation with the Raiffeisen Group in 2004. For the current year we intend to further intensify our marketing activities.

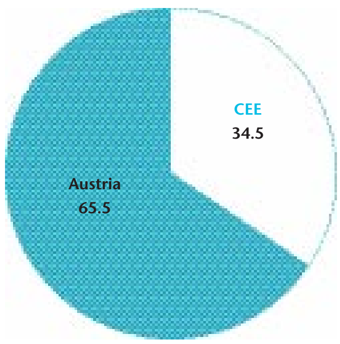
Massive involvement in the German market with the Mannheimer Group

We stepped up our presence considerably in the western parts of Central Europe with the largest transaction of last year in Germany. In line with our concept of recapitalisation, we paid € 79.5 million in equity into the company and thus increased our previous minority holding to 85%.

We want to position the Mannheimer Group within UNIQA as an independent branded property insurer under the well-known name and with earned net premiums of € 276 million per year by maintaining the channel structure and by focusing on the south of Germany. In addition we want the Mannheimer Group to develop into a competence centre, for example for the use of direct insurance software even in Eastern Europe, or for commercial niche products.

Share of the profit on ordinary activities of the international companies in 2004

in %



Within the framework of the transaction we also acquired a 51% stake in Mannheimer Krankenversicherung with annual premiums of € 122 million from Continentale Holding AG as at 1 January 2005 while maintaining the current cooperation agreement. We will acquire the remaining 49% from Mannheimer AG Holding.

Fund policies dominate Liechtenstein

The densely populated Liechtenstein insurance market, with its 23 companies, gained further momentum in 2004. Premiums increased again, with total premiums still dominated by life insurance at a share of about 90%. The slump in single premium policies was offset by considerable increases in unit-linked products with tailor-made insurance coverage and individual investment choices.

Upon integration of the former AXA subsidiary in the life insurance line we pushed the promotion of the brand UNIQA whose awareness level was still rather low, and we looked into the opportunities for synergies with Raiffeisen Liechtenstein, if any.

Mannheimer Switzerland's art insurance integrated

The tasks highest on the agenda for the property insurance line were the presentation of the insurance concept for house, apartment, art objects and musical instruments under the name "CasaArte" and taking over the insurance policies for art and musical instruments from Mannheimer Versicherung AG Switzerland. In addition we started to sensitise the life insurance brokers based in Switzerland for the marketing of the CasaArte concept.

Drastic reforms imminent on the Swiss insurance market

The Swiss economy managed to recover from the slight recession in 2003. The ties with the European Union were strengthened and the Federal Office of Insurance reinforced its efforts to increase protection for those taking out insurance and to improve transparency against the background of a drastic reorientation. In the obligatory health insurance line we introduced a new uniform clearing system for outpatient treatment.

In the group insurance line for international organisations, embassies and diplomatic missions, whose employees are without social security coverage, we achieved a market share of about 2.2% with € 56.3 million; UNIQA is the exclusive provider to this industry. We do, however, hold a market share of 15% if we only look at the target group segment with which we do business.

In the light of a service-based differentiation strategy, the consulting services such as long-term care studies compiled for international organisations offered by the Geneva-based subsidiary become ever more important.

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The 2004 annual report of the UNIQA Group Austria
comprises insurance companies in Central and Eastern Europe.

Strong in health insurance for CERN employees

The 50th anniversary celebrations of the European Organization for Nuclear Research (CERN) were the focus of our marketing activities in 2004. We have been attending the needs of its almost 12,000 employees to their full satisfaction within the framework of a health insurance collective agreement for more than 30 years.

Subdued expansion of the Italian insurance industry

In an overall economic environment that was characterised by a slight upswing and rising employment, the Italian insurance market—still riddled with consolidation—posted an increase in premiums of about 6.5%, i.e. a considerably lower percentage than in the previous year. But the profitability and actuarial results markedly improved, particularly in the non-life line.

Our non-life subsidiary Carnica S.p.A. increased its premiums above average by 8%. In the health line UNIQA Assicurazioni maintained its 16th rank in the Italian insurance market with an increase in premiums of about 5% and a market share of around 2%.

Strengthened presence in Italy with Claris Vita

We stepped up our involvement in Italy massively by acquiring a holding of 80% in the Italian life insurance company Claris Vita. This was the second largest transaction of 2004 behind the acquisition of the Mannheimer Group. Claris Vita achieved a premium volume of around € 280 million. It sells both traditional as well as index and unit-linked life insurance products through the bank network of the former majority owner, the cooperative bank Veneto Banca, and through free and exclusive agents and brokers.

We signed a long-term agreement for cooperation and distribution with Veneto Banca which retains a 20% stake in Claris Vita. Through the agreement we set up a collaboration to distribute Claris Vita life insurance products, Carnica property and casualty products, and UNIQA Milan health insurance policies through the Veneto Banca Group (Veneto Banca, Banca Bergamo, and Banca del Meridiano). At the same time, Carnica and UNIQA Milan can distribute Claris Vita life insurance policies.

The majority holding in Claris Vita complements our product portfolio in Italy with the growing life insurance segment, and it helps us to promote bank sales in Italy.

Market entry in Bosnia and Herzegovina imminent

UNIQA intends to further intensify the successful cooperation with the Raiffeisen Group in 2005. The UNIQA Supervisory Board has already approved the acquisition of 94% of the shares of Raiffeisen Osiguranje in Sarajevo. Including Bosnia and Herzegovina, as of this year we have been operating in six east European countries, four of which are EU members.

Raiffeisen Osiguranje was established in 1997 and has been majority-owned by Raiffeisen Bank d.d. since 2001, i.e. by the largest and best-known bank in Bosnia and Herzegovina with a market share of 21%. The insurance company is active in all major fields and services and around 450,000 retail customers with 1,100 employees and 65 offices. Its premiums increased by 13% to € 7.5 million in 2004. Its market share of 6.7% makes it 6th in the country. We want to further intensify the cooperation with Raiffeisen Bank along the lines of Bank-Assurance.

Minority holding in Spain sold

Having disposed of our minority holding of 45% of the Spanish health insurer Cosalud S.A. de Seguros as part of our growth strategy, we are focusing entirely on the Central and Eastern European region when it comes to international expansion. In nine countries outside of Austria we now have nothing but majority stakes.

Second programme for increasing revenues abroad

Due to our two new members of UNIQA Group in Germany and Italy, our total premiums rose to around € 4 billion in 2004, based on a portfolio of more than eleven million policies. The foreign share in total premiums leapt to € 1.3 billion or by almost a third and thus exceeded all medium-term plans by far.

Now we have to focus on integrating the newly acquired units in the group, but above all we have to implement our second strategic programme for increasing our foreign profit by € 20 million over the next couple of years, and we want to increase the share of foreign business in the total profit (profit on ordinary activities) to above 20% on a sustainable basis.

By consistently exploiting synergies we will continue to progress rapidly in our efforts to increase the profitability of our international subsidiaries.

A rating

Increased liquidity through the issue of a bond

By issuing a bond with a principal of € 150 million, an interest rate of 4% and a duration of five years in the middle of 2004 we increased our scope of possibilities with regard to the acquisitions executed and the further internationalisation of our group.

On top of that, the European Bank for Reconstruction and Development (EBRD) will act as a co-investor on the basis of a framework agreement for € 70 million for the expansion of our activities in Eastern Europe.

EBRD also has holdings in UNIQA Poland and Hungary

In addition to its holdings in our subsidiaries in Czechia and in Croatia (7% and 20% respectively), the EBRD took a 30% stake in our two subsidiaries UNIQA TU S.A. and UNIQA TU na Zycie S.A. in Poland in 2004 and a 15% stake in UNIQA Biztosito in Hungary at the beginning of 2005.

The involvement of the bank confirms the viability of our strategy in Central and Eastern Europe and it means support for our continued growth outside of our home market.

Standard and Poor's confirms "A" rating

In March 2004, the international rating agency Standard & Poor's confirmed our increased involvement in Central and Eastern Europe as the correct strategic decision and awarded the UNIQA Group once again the insurer financial strength rating "A".

Highlights

UNIQA has been represented on 11 international markets since 2005. The companies, which focus on Central and Eastern European markets, contributed 34% to the consolidated results in 2004.

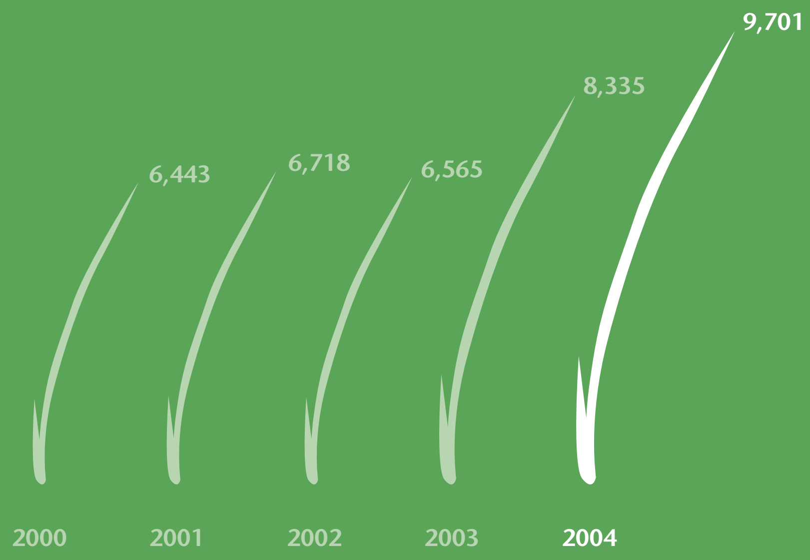
The UNIQA Versicherungen AG corporate bond issued during the middle of last year gave the UNIQA Group the financial freedom to undertake further internationalisation.

The European Bank for Reconstruction and Development (EBRD) already acts as a partner to UNIQA in four Central and Eastern European countries—Czechia, Croatia, Poland and Hungary.

Motivation

Mo|ti|va|tion <n, -s> rationale, <psych.>
all rationales not directly
derived from external stimulation

Staff and Partners



UNIQA Group Austria
Number of employees

The markets of tomorrow demand from everyone—irrespective of their position in the company—the greatest level of qualification, commitment, competence, speed and precision. Growth and success are essentially determined by the success of all our employees. The expression of this success is also the increase in the number of employees: this has risen by 50.6 % over the past five years.

The new UNIQA Tower is a visible symbol of the start of a new era of dynamic growth and attractive opportunities for professional career development.

A symbol of pioneering spirit and dynamics

The new UNIQA Tower in the centre of Vienna represents, at a glance, the identity of the leading insurance group in Austria. The corporate headquarters was opened in a ceremony on 25 June 2004 after a 33-month construction period and is directly adjacent to Urania, the Danube Canal and the Ringstrasse. It conveys the flair of pioneering and international spirit, combining stability with courage and sustainability.

The 75 metre high UNIQA Tower with its impressive view over the capital from its sky lobby on the 21st floor represents the vitality and growth of an insurance group that is dynamically developing in Central and Eastern Europe.

The new focal point of the Danube Canal silhouette is considered to be one of the architecturally and technically most interesting office buildings in Central Europe with the best professional working conditions for approximately 1,100 employees.

It is also accessible to passers-by and available for social events

With its Cafe & Bistro operated by DO&CO and the John Harris Fitness Centre, as well as a Raiffeisenbank branch, the first floor and the basement of the Tower are also open to the public. The Tower will become the new landmark and hot spot in the Austrian capital, also because of the integration of Vienna's new entertainment complex for cultural, social and private events, the "Platinum Vienna" with space for up to 1,000 guests.

29,000 m^3 of concrete, 1,680 façade elements with 820 tons of steel and 44 kilometres of special wiring have been built and installed. The upscale structure with foundations that reach 35 metres below ground level nevertheless conveys an appearance of lightness and transparency.

The values of our corporate culture inspired the architectural and environmental features. The layout of the Tower therefore corresponds with the flourish of our corporate logo and provides an all-around view of Vienna from the various floors. The best lighting conditions are on the lower floors due to the slope of the structure.

Office area in the transparent look without partitions

The new corporate headquarters offer unique working conditions to all Vienna-based employees with a flexible and transparent interior design. The office areas have practically no partitions. They are furnished in a distinctly light and friendly way.

All employees have the option of sitting at the outer window with a view over Vienna. According to the motto “no barriers”, separate sections are available for business meetings, however, without disturbing the impression of transparency and openness. The technical service sections are located in the dark section in the centre of the building.

Comfortable climate based on an environmentally friendly heating and cooling system

An environmentally friendly and modern heating and cooling system always provides a healthy indoor climate and the perfect temperature. For a geothermal energy supply, 44 kilometres of absorber cables have been installed in the foundations. A district heating connection guarantees the correct office temperature during lengthy cold spells. This saves operating and maintenance costs. The use of geothermal and district heating reduces carbon dioxide emissions by 84 tons per year.

Synergies exceed financing costs

The new Tower unites the work places previously distributed over the entire city of Vienna in one location. The integration of the corporation in the new information centre provides extraordinary synergy effects in the administrative, logistics and communication fields. They substantially exceed the financing costs of the € 70 million building.

Children’s fun on Family Day

The UNIQA Tower has received a great deal of attention as Vienna’s new landmark since its public opening. Things got pretty lively after it was filled with employees in September. The children of our employees took the reigns in the new corporate headquarters on Family Day.

The exploration of their parents’ work area in the new surroundings by the Danube was the centre of attention. Things became even livelier during the entertainment programme. The kids thawed completely during the riddle rallies, magic shows and creative workshops and they participated full of enthusiasm. It was a successful housewarming party of the most unique kind.

Work experience abroad is the key to success

A company with above average expansion – especially in other countries – requires employees with the best qualifications. According to an international study, for companies in financial services, intercultural competence and the knowledge of a foreign language are more important for management positions than focussed studies.

UNIQA motivates and mobilises employees to depart for both new psychological and geographical shores. Our mobility programme „Go Ahead" fulfils this objective. Employees in our domestic and international corporate firms should therefore be motivated to grow professionally with us in other surroundings through „learning by doing" and gather valuable experiences abroad. Their knowledge level will expand in conjunction with this, important personal networks are formed and important paths for further career steps will follow.

Wide acceptance of the mobility programme

To date, 113 of our employees have accepted this challenge. They are available for an assignment abroad from four months to three years after a successful potential analysis. Of these, 35 employees have been abroad for some time already and are very satisfied with their professional experiences outside their homeland.

Go Ahead

Eva Svobodová (Prague)—We usually speak English in Vienna

"I have been at UNIQA in Prague in the Marketing department for the past seven years as a PR specialist and Press Officer for internal and external communication. My language skills were a great advantage for this work. In marketing we think internationally and I was already in constant contact with my colleagues in Vienna. But in the beginning I still hesitated to apply for Go Ahead. After all I was married and already had daughters. However, my family supported my plans completely, so I decided to participate.

The product marketing department offered for my stay in Vienna, however, was a new world for me. But I wanted to learn more to gather new knowledge for UNIQA in Czechia. When I look back after two months in Vienna, I can only say my decision was right. The assignment in the product marketing department was professionally prepared. My tasks were clearly defined: I was to help introduce product marketing and sponsoring as a systematic element in the marketing activities in individual local companies and undertake the necessary activities to bring this about.

My new colleagues in Vienna welcomed me with open arms and supported my work from the very start. I am very grateful to them all for that. I work in the same department as my colleague Piotr Wyraz from UNIQA Poland. I was also introduced to other local UNIQA aspects. He still speaks almost exclusively English with colleagues from Austria, so that I am able to train in the international corporate language at the same time. I am sure that my 18 months on the Danube will pay off when I go back to Prague—even if I am separated from the family for the moment."

Phillip Heimbach (Vienna)—adopted changes are quickly felt in Zagreb

"An international corporation such as UNIQA profits from knowledge transferred between countries. And if UNIQA benefits from transferring experience and expertise then so does each individual. In my opinion, it is essential to my career in the company that I look beyond the limitations of Austria and understand the international market. That is the reason why I applied for Go Ahead.

After passing the analysis of potential and the start-up event in March, I was able to personally present my reasons for applying for an assignment in the Croatian UNIQA Group to the Management Board of UNIQA osiguranje in Zagreb. My colleagues in Zagreb produced a job description for my assignment as product manager. I arranged my succession in Austria together with my supervisor. As it later turned out, it was especially important during the beginning phase to inform supervisors continuously of the status of a planned transfer.

I have been in Zagreb since November. I have familiarised myself with the structures of UNIQA osiguranje in Zagreb and am in the process of perfecting my Croatian language skills. I am currently working as a project manager for motor vehicle, legal expenses and household/own home product development. What I find exciting about a company with about 150 employees is that when changes are implemented they are quickly felt. I think the assistance of corporate headquarters along with UNIQA's size is a real help. This may also be related to the greater accountability of the subsidiaries—a point which we should utilise more in Austria.

Experiencing and passing on new cultures, viewpoints, experiences and expertise—I recommend that to everybody. I am therefore very pleased that I dared to take part in the Go Ahead programme. Even if at the start I did not know where it would end—or maybe because of that."

Saša Krbavac assumes the Management Position in Croatia

International experience has helped management personnel many times to top positions in foreign UNIQA subsidiaries. Gerald Müller assumed the management of UNIQA osiguranje in Zagreb for one year at the beginning of 2004. He had extensive experience in setting up international corporate subsidiaries in Central and Eastern Europe as an employee of UNIQA International Insurance Holding. Saša Krbavac followed him at the beginning of January as the new general manager of UNIQA osiguranje.

Saša Krbavac, a graduate of the University for Economics in Zagreb, joined the Management Board of our corporate Croat affiliate at the beginning of September 2004. As General Manager of UNIQA osiguranje for sales and sales development, she brings with her previous management experience in marketing, including alternative sales channels, which she gained in management positions at banks.

Peter Lackner joins the Board of Management at UNIQA Poland

Peter Lackner completed the Management Board of our three subsidiaries in Poland as the third member at the beginning of January 2005 with responsibility for the motor vehicle and life insurance sections. A native of Lienz, he worked at the Institute for Strategic Business Management at the University of Innsbruck after his studies in business administration. He has worked for renowned insurance companies as a manager for actuarials in the strategic business unit for industrial customers as well as the entire non-life division since 1987.

ManagementCircles discuss issues in Prague and Vienna

Our ManagerCircles, where the board and managers discuss new strategies and deepen their aims and implementation of common objectives in working meetings, take place twice a year: in 2004 in Prague and Vienna.

Approximately 150 UNIQA managers met at both events. The Management Board, among others, informed them of the new organisational structure, strategies in marketing, as well as long-term corporate strategy in Central and Eastern Europe and discussed the format of implementation to improve the effects for all.

Successful work by BrokerService

Our BrokerService again achieved impressive successes in 2004. Inventory was increased by 12.1% to € 602 million by the end of the year. The € 101 million new and supplemental premium contributed clearly more than half of UNIQA's increase in new and supplemental premiums in the property and life insurance business lines.

MAK

Investing in Training and Continuing Education means UNIQA would like to be a partner into the future with the MAK Brokers' Academy.

The TopPartner Strategy is a proven instrument for these successes. We swear in the employees of BrokerService at the team events that are organised every two years. These occurred in Saalfelden in 2004. Almost the entire UNIQA Management Board debated with employees and also with BrokerService colleagues from Czechia, Hungary and Poland under the motto "Review and Outlook".

TopForum International in Dublin

The 85 TopPartners who qualified for the annual TopForum International travelled in April to Ireland, the "green island of serenity". An excellent destination, because the insurance industry is a key sector of the Irish economy, which has shown above-average development since becoming a member of the Common Market in 1973. The meetings with our sales managers were combined with a tourism programme to enable them to become acquainted with the outskirts of Dublin and to participate actively in the famous Celtic Games.

Booking boom at the Brokers' Academy

Our Brokers' Academy MAK was more popular than ever as an important part of our relationship management between UNIQA and the Austrian brokers. Three new seminar components (MAK active, MAK cash and MAK classic) provided an unsurpassed booking boom never before seen in the history of the Brokers' Academy.

The BrokerService has also been responsible for the conversion of UNIQA strategies for "Marketing Brokers" in the international subsidiaries since 2004.

UNIQA Management Circles in Vienna and Prague

The focus was on joint procedures to implement solid action plans, mutual learning and understanding local realities of the various regions.

TopConto for TopPartners

We were able to offer new competitive advantages to our largest marketing partners in 2004. We have produced an accounting platform with TopConto, with which they will again succeed with the customer. At the same time, TopConto is an essential instrument for UNIQA to realise its multi-contract strategy.

New special service for property managers

A special service office has been created for the insurance requirements of property managers throughout Austria, which is generally covered by brokers. It combines the experience in writing contracts or handling claims with marketing and products that are essential for this business.

We would like to improve the quality of service for our brokers and efficiency in this segment. The brokers can expect professional recommendations and best-practice development from our employees in the special property management service.

Three years of success for direct BrokerService

Our direct BrokersService has enjoyed increasing success since its foundation three years ago. The team, which organises quick and efficient cooperation with brokers who have lower business frequency, has developed into a fully balanced department with competent and active employees including team leaders.

Offers are calculated, applications are checked, various information dispensed, sales and business conditions are sent and more than 200 enquiries are completed for more than 2,000 business partners. Based on an intelligent telephone software and excellent coordinated organisation by the employees, approximately 85% of all incoming calls are answered within 30 seconds.

FinanceLife is now also available in Munich

Our FinanceLife branch specialising in exclusive insurance and investment products for brokers has founded a service company in Germany, headquartered in Munich, for further expansion. We would like to develop quality partnerships with selected German brokers from the Bavarian metropolis according to the image of the TopPartner strategy.

UNIQA direct marketing via CALL DIRECT

Our subsidiary CALL DIRECT established in 1992 provides standardised products through direct marketing via direct mail, the call centre or online connection such as household, accident, life and health insurance policies. In addition, the company strengthened additional sales with partners such as Universal Versand and offers accident or ticket insurance via SMS in conjunction with mobilkom austria. The 2004 business year was very successful for CALL DIRECT. The calculated premiums increased by 10.7% to approximately € 6 million and the contracts by 11.3% to 34.3 million.

ExclusiveSales is also on a success course abroad

Customer satisfaction with our exclusive sales has been further improved through routine contact by our service managers. Approximately 160,000 customers have signed up for the QualityPartnership. As part of a mobile service package, for two years QualityPartnership customers can take advantage of the easy and secure payment method via mobile phone that is offered with paybox, in addition to the myUNIQA portal and a free-of-charge weather warning service.

ExclusiveSales

UNIQA QualityPartnership

We have produced real clarity in the insured areas with our QualityPartnership. The following services are also available online to our customers:

- PartnerConto—the "financial hub" of the quality partnership
- Automatic membership in the UNIQA VitalClub and thereby participation in the VitalPoints Programme
- Guaranteed active care by a personal exclusive consultant
- No-claim bonus—up to 10% of your money back for no claims
- MyUNIQA portal—the online access for all owners of a QualityPartnership
- paybox—the mobile phone as a mobile wallet

Our ExclusiveSales has not only serviced the home market in Austria since the middle of 2004, but also all nine of the corporation's foreign markets. This expansion makes ExclusiveSales not only responsible for almost 9,000 agents but also for approximately four million customers. Its share in the overall inventory of the corporation is therefore around € 1.7 billion. This requires a new structure in the central area.

Ambitious targets set until 2008

With Vision 2008 ExclusiveSales set new and ambitious objectives for the next few years at the 2004 Power Day and the subsequent strategy conferences.

- UNIQA ExclusiveSales offers the best service quality and a unique form of partnership with customers, employees and partners, and is therefore the most successful full customer marketing service on the market!

- Four out of five customers should have signed a QualityPartnership by 2008!

These should be realised during the next four years with the assistance of our motivated and active employees. This now includes all areas of the corporation.

Honours for the Best at the EliteForum

The Management Board honoured the 60 members of the EliteClub at the EliteForum in the Salzburg Congress Centre as the best of the best in ExclusiveSales, as well as the service cup winners. They were the leaders in consistent growth in accident, property and personal insurance and also mastered the minimum hurdles. The celebration was accompanied by a select artistic programme.

On tour with the EliteClub

The best field service employees and management personnel were honoured with an EliteClub trip to the Spanish province of Andalusia in 2004. A tour of the attractions in Granada and an Andalusian evening were also on the programme. Our best General Agency owners were also able to spend an incentive day in Italy as a reward for successful work.

The best customer advisors and managers in ExclusiveSales were honoured at the fifth EliteForum in Salzburg. Particular emphasis was placed on the mentor function of the winners and their effect on the whole ExclusiveSales.

Raiffeisen Insurance—our bank sales

The sale of property and personal insurance, which our Raiffeisen Versicherung branch operates exclusively over the counters of the Austrian Raiffeisen banks, was also very positive. Raiffeisen Versicherung also maintained its own marketing presence within the scope of the Raiffeisen bank Group even after the foundation of the UNIQA corporate group. The share of life insurance policies dominates the premiums of the very large-scale bank insurer in Austria at 90%.

Increasing significance of bank sales abroad

The sales and marketing activities of the Raiffeisen insurance company was coordinated even more with the Raiffeisen sector in 2004. The offers provided by Raiffeisen insurance will in future be marketed by the Raiffeisen sector in combination with other products in the sector of government-supported future provisions. The bank sales, for which the Raiffeisen insurance has assumed the function of a competence centre within the corporation, will be an international sales focus wherever possible.

A new pillar in bank sales in Italy

A strong new pillar in bank sales was produced by us in Italy in 2004. We not only assumed capital majority of the Italian life insurance company Claris Vita from the well positioned cooperative bank, Veneto Banca, in Northern Italy, we have also signed a long-term cooperation and sales contract with Veneto Banca.

This contract provides that we market the life insurance policies of Claris Vita, the property and casualty products of our own corporate Carnica, as well as the health insurance policies of UNIQA Milan over the counters of the Veneto Banca Group (Veneto Banca, Banca Bergamo and Banca Meridiano). This is a noticeable reinforcement of our bank sales to which also automotive and property insurance policies will be added.

Employees donate for flood victims in Sri Lanka

Our employees have shown social responsibility through donations for charity actions for a long time. UNIQA, Raiffeisen, the Red Cross and the Austrian Construction industry jointly with the Viennese newspaper *Kurier* spontaneously called for a relief action to rebuild a region in the south of Sri Lanka, destroyed by the tsunami on 26 December 2004.

An Austrian village with 450 houses, including a kindergarten, school and streets will be constructed in Sri Lanka with the donations for local flood victims. Companies and employees of the UNIQA Group transferred approximately € 580,000 for the necessary building blocks. A new house costs approximately € 10,000 there. The material and workforce are from Sri Lanka—really helping them to help themselves.

33 UNIQA houses

were donated by customers, employees and partners to
the destroyed region in the south of Sri Lanka.

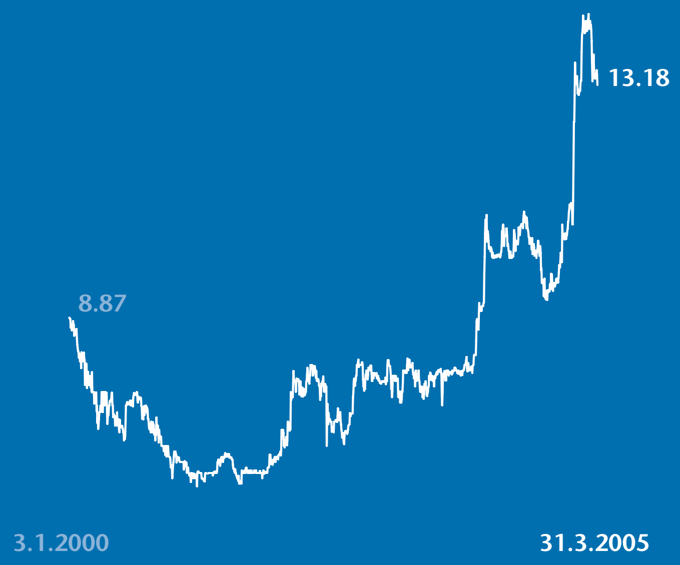
Highlights

The UNIQA Tower, the new corporate headquarters and location for over 1,000 employees, was opened on 25 June 2004. When designing the building the highest value was placed on openness and transparency.

To date, 113 employees have qualified for the UNIQA Go Ahead mobility programme—35 of whom started their international experience in 2004. They will be joined by 30 more in 2005.

ExclusiveSales, BrokerService, Bank sales and Direct sales also formed the basis for our sales success in 2004.

Markets and UNIQA shares



UNIQA shares (in €)

For the year under review UNIQA recorded an increase in IAS consolidated profit on ordinary activities of 75% to € 120.8 million (2003: € 68.3 million). Within the past two financial years the UNIQA Group has therefore increased its IAS consolidated profit on ordinary activities by around 240%. The Management Board intends to propose a 10% increase in the dividends to 22 cents per share to the Supervisory Board and to the Annual General Meeting. Last year dividends were increased by 25%. UNIQA has therefore increased the dividends by 37.5% in only two years.

In 2004 the global economy grew at record speed, the climate was friendly on the financial markets; the high level of pension provision favoured the insurance industry and our shares.

Economic environment

The world economy grew at record speed

The world economy has not developed so dynamically since the seventies, showing a growth of approximately 5% in 2004. The expansion was driven by low key interest rates in all currency sectors, especially in the USA and in Great Britain, by expansive financial policies, and also by the above-average increase in world trade by almost 9%. Hiding behind the impressive stimulation of the world's economic activities were very diverse regional economic patterns.

Asia and the USA continue to be global growth centres

The greatest vitality was once again displayed by China with growth in their gross domestic product of 9.5% and the South Asian emerging market countries with an increase of almost 6%. The USA also gained momentum again with growth of around 4.4%. The recovery of the Japanese economy continued overall during 2004.

Strong growth in the new EU member countries

The countries of the European Union remained behind the rest of the world in terms of economic growth. The EU, which has gained significance as the most populous economic area of all industrial countries as a result of the membership of ten new countries and now has 455 million residents and a 28% share of global gross domestic product, was still lacking economic momentum.

+1.9%

increase in the Austrian gross domestic product in the year 2004.

Overall economic production in the expanded Europe increased by almost 2.4% in 2004. The ten new members were among of the most dynamic regions in the world with growth averaging 5%. The economies in the twelve countries of the eurozone recovered only slightly during 2004. Total economic output in the eurozone increased by around 1.8%.

Recovery in Austria

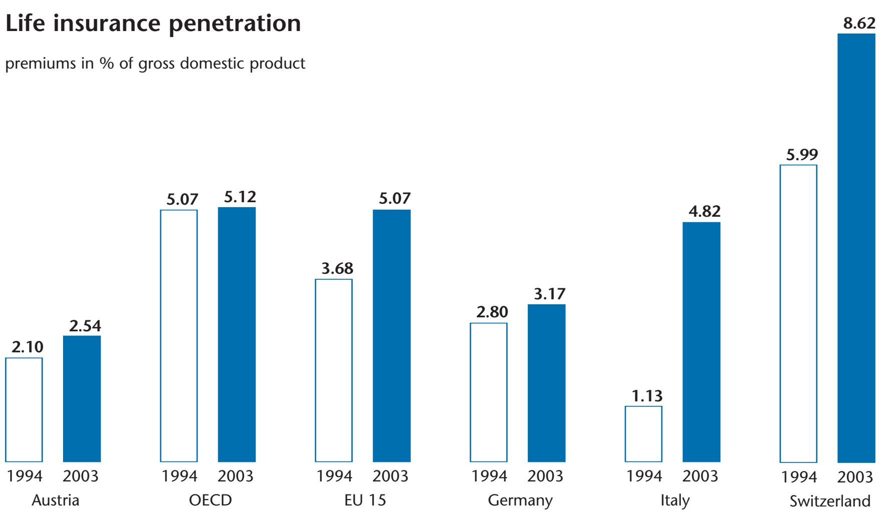
The economy in Austria revived with an increase of the gross domestic product of around 1.9%. The speed of the economic recovery, however, was not sufficient to noticeably lower unemployment. Inflation at 2.1% was at the upper limit of the stability corridor defined by the European Central Bank. The impressive increase of exports to over 8% appeared to be expansive in 2004.

The production of goods clearly increased by around 4.5% due to improved competitiveness. The investment goods industries were able to noticeably expand production. Building investments increased only moderately. The manufacturers of consumer goods suffered under the weakness of private consumption and had to take losses. The strong rise in energy prices blocked the improvement of real incomes. At the same time, the savings quota remained high.

Trends in the insurance industry

Life insurance penetration

premiums in % of gross domestic product



Source: WO

The insurance industry accelerated growth rate

The vitality of the Austrian insurance industry was uninterrupted in 2004. The insurance industry even accelerated its growth rate against all expectations. Total premiums increased by 6.6% to € 14 billion: personal insurance increased by 6.1% to € 7.5 billion, even more than property insurance which rose 5.4% to € 6.5 billion.

Life insurance provided a strong growth spurt

The sensitisation of pension awareness due to the pension reform increased the demand in the life insurance market. The total of life insurance premiums increased disproportionally by 8.5% to € 6.2 billion. Current premiums expanded the most with an increase of 10.2% to € 4.6 billion. Fund-linked life insurance provided an upswing with an increase of 16% and the government-subsidised future pension provisions developed into a "best seller". Almost 500,000 policies were signed by the end of 2004.

Private health insurance had a stable unchanged growth course. Its premiums increased by 3.5%. Insurance services only increased by 1.6% during the same period.

Motor vehicle insurance continues to be under pressure

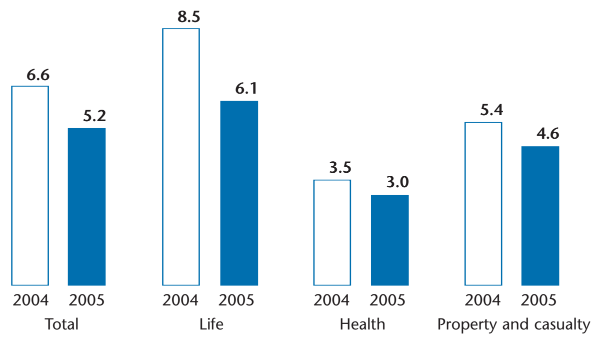
Premiums for property insurance increased by around 5.4% to € 6.5 billion. The automotive branch, however, continued to suffer under pressure from high damage claims and was still in the red in 2004. Approximately 44 out of 100 vehicles with comprehensive insurance suffered damage, a figure that remains unchanged. Vehicle insurers are making every effort to minimise the cost for auto repairs and apply new methods of repair and damage control.

The insurance industry remains the growth force in 2005

The Austrian insurance industry will continue its expansion during the coming year at a somewhat reduced rate. The premium revenue may increase by approximately 5.2% in 2005. Personal insurance especially, with a 5.6% rise in premiums, will see a clear increase in life insurance for recurring premiums. Health insurance should also raise its premium revenue by around 3%. Property insurance premiums should go up further by around 4.6%. Similarly, premiums in motor vehicle liability insurance and comprehensive insurance should likewise improve by somewhat more than 4.5%.

Anticipated growth in premiums for the Austrian insurance industry

in %



Source: WO

International financial markets

Low interest in the eurozone

General monetary conditions remained favourable in 2004 in the industrial countries despite the US currency exchange rate. The US Federal Reserve increased its prime rate by 1% to now 2.25% in five small increments. The European Central Bank maintained its prime rate of 2%. The Bank of Japan also maintained its policy of inexpensive money.

The money market interest only changed slightly due to the historically low prime rate in the eurozone during 2004. The reversal in the bond markets anticipated since the middle of 2003 also did not occur.

Temporary increase in the capital market interest rate

A temporary increase in the capital market interest rate could be observed after the capital market interest rate decreased during the first quarter due to increasing oil prices and the insecurity regarding the continued direction of US money policies. However, this proved not to be lasting.

The international interest rate difference between ten-year government bonds within the eurozone and the USA expanded throughout May with fluctuations. However, during the course of the year, international interest rates converged again. Returns from corporate bonds followed the trend of governmental bonds. The spreads for corporate bonds with a lower credit rating have been clearly reduced while those with a good credit rating remained almost the same.

Stock markets closed higher in 2004

The upswing in the stock markets lost its force in March, making room for an extensive sideward movement. Prices did not increase again until the end of the year. The Dow Jones Index in the USA was up 3.3%, NASDAQ Composite up 8.7% and S&P up 9.1% from the beginning of the year 2004. Some of the European stock exchanges fared clearly better. Frankfurt (DAX) rose by 7.3% within the year, Paris (CAC 40) by 8.0%, London (FTSE 100) by 7.2% and Milan (MIB 30) by 16.9%.

The Vienna Stock Exchange was top performer

The Vienna Stock Exchange was the international out-performer for the fourth time in succession in 2004. The ATX closed at a gain of 57.4% at the end of the year. The high of 2,431.38 points reached on the last day of trading in 2004 was exceeded at the beginning of 2005. On 31 March 2005 the ATX was at 2,632.90 points.

Several capital increases through the stock exchange have expanded the share of the free float in Austrian companies and help improve the attractiveness of the Vienna Stock Exchange for the longterm. The trading volume has almost doubled over the past year to € 39.55 billion when compared to the previous year due to new members—including ten international investment banks.

The market capitalisation increased impressively by 44% to € 64.6 billion during 2004. The representative index of the market capitalisation in relation to the gross domestic product increased to 27.6% (previous year: 19.8%) in an international comparison.

Financial investment strategy in the insurance industry

Diversification

means distributing capital assets over different types of assets in order to minimise the investment risk while achieving high profits.

Diversified investment policies in an unstable environment

The Austrian insurance industry continued its capital investment strategy aimed at a greater diversification of risks in a volatile environment. This strategy still hopes to ensure constant and sustainable interest rates through a balanced mixture of investment instruments, such as fixed rate bonds, shares, mixed investment funds, real estate and loans in spite of the fluctuations in the capital market. Austrian insurance companies again succeeded in achieving this in the 2004 financial year through the careful use of market opportunities and by avoiding investment risks.

UNIQA maintained the diversification of its investment portfolio in 2004 as well. We successfully utilised new investment instruments in addition to traditional bonds with a good or the best credit rating, stocks of notable companies and real estate.

UNIQA also achieves 8% investment success with innovative instruments

UNIQA also invests in alternative investment forms in addition to the classic ones. These include hedge funds and private equity investments, structured loan financing, bonds and stock in emerging market countries as well as bonds from issuers with a low credit rating. Investments in the new EU member countries were especially pleasing.

With these strategies and efficient risk management we were able to achieve an excellent overall performance of almost 8% in securities. This is clearly above the benchmark that we aspired.

Top position for structured credit risk management

Our expert team at UNIQA Alternative Investments (UAI) has established its leading market position in the management of asset-backed securities (ABS), structured loans for corporations and external banks, savings and loans banks and insurance companies.

We were able to expand our global investor base in 2004 and gain additional mandates from third parties outside the group in the form of structured loan products such as collateralised debt obligations (CDO) and funds. We were given an "ISR Award" in 2004 for the issue of the "Stanton CDO I". The volume managed for external parties increased to over € 1 billion. We are again anticipating an increased interest of institutional investors and therefore a long-term expansion of the company during the coming years.

Forecast for the year 2005

Still friendly

The world economic climate remains friendly despite temporary clouding of economic perspectives. In 2005 the expansive stimuli in money and financial policies from the global growth centres will create the necessary prerequisites, while prices remain moderate, to continue the expansion and a favourable environment for further development throughout the current year.

Subdued perspectives for world economy

The growth rate of the world economy will probably weaken somewhat during the current year. The continuing boom in China will lessen slightly in strength, and high private debt as well as the high budget and trade deficit will slow the economic rate in the USA to around 4%. The eurozone will probably only grow by about 1.5%.

The Austrian economy continues to gain speed

The Austrian economy, however, is predicted to grow more vigorously during 2005. The 2005 tax reform will bring relief in corporation taxes to companies totalling more than € 1 billion. However, a further upward revaluation of the euro could inhibit the recent revitalisation of exports.

The monetary climate will probably remain friendly during 2005. The US Federal Reserve will continue tightening the reins on monetary policy. The European Central Bank will most likely retain the historically low prime rates due to the price-dampening effect of the increasing euro rate.

Corporate Governance

Our commitment to the Code of Corporate Governance

UNIQA agreed to adhere to the Austrian Corporate Governance Code on 30 April 2004 and published a statement of voluntary commitment in the 2003 annual report as well as on the UNIQA corporate website, www.uniqagroup.com. UNIQA Versicherungen AG also agrees to adhere to the Austrian Corporate Governance Code during the business year 2005. Through more transparency in the cooperation between the Board of Management, Supervisory Board and the shareholders we contribute to a clear orientation on long-term valuation.

The Code includes a total of 79 regulations. Regulations identified as "Legal Requirements" are naturally followed by UNIQA. All regulations in the "Comply or Explain" area were adhered to during business year 2004, with the exception of the following:

Regulation 38
UNIQA does not consider a statutory provision of a separate age limit for members of the Board to be advisable. The appointment to the Board of Management depends exclusively on professional and personal qualifications.

Regulation 45
A deviation from the regulation that the members of the Supervisory Board may not hold seats on the boards of other companies only occurs in the case of CEO Dr Georg Doppelhofer, who holds supervisory functions at GRA-WE Vermögensverwaltung and Grazer Wechselseitige Versicherung AG.

Regulation 49
Based on the way UNIQA's shareholder structure has grown, and because of the unique characteristics of the insurance business concerning the investment of insurance assets, there are a number of contracts and, in some cases, consulting relationships that exist with individual members of the Supervisory Boards of close companies. For reasons of business policy and competition laws, details of these contracts cannot be disclosed. In any case, all transactions 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. In the year 2004 the number of capital representatives on UNIQA's Supervisory Board was reduced from sixteen to the current twelve. This higher number is a result of the company's historic shareholder structure.

Regulation 54
Because 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 can happen that more than four supervisory board mandates are held in companies outside the group.

UNIQA shares

Expansion fantasy gives wings to price increase

Stocks in UNIQA Versicherungen AG, listed on the Vienna Stock Exchange since 1999 and in the ATX Prime since the beginning of 2002, soared in price in 2004. The prices increased with fluctuations to an annual high of € 11 or by 40% after starting at € 7.85 at the beginning of the year. The price of UNIQA stock was € 10.60 at the end of the year 2004. The stock continued to increase by more than 36% to € 14.47 during the first few months of the current year. On 31 March 2005 UNIQA shares were at € 13.18.

The development of UNIQA shares was basically in step the benchmark of the ATX, against the background of the quick rate of expansion of Austria's leading insurance group, particularly abroad. In particular the second successful increase in succession of the year-end result to a first-time three digit million amount in 2004 may convince the investors of the value of an investment in our stock and the continued rate increase potential.

No own shares purchased or resold

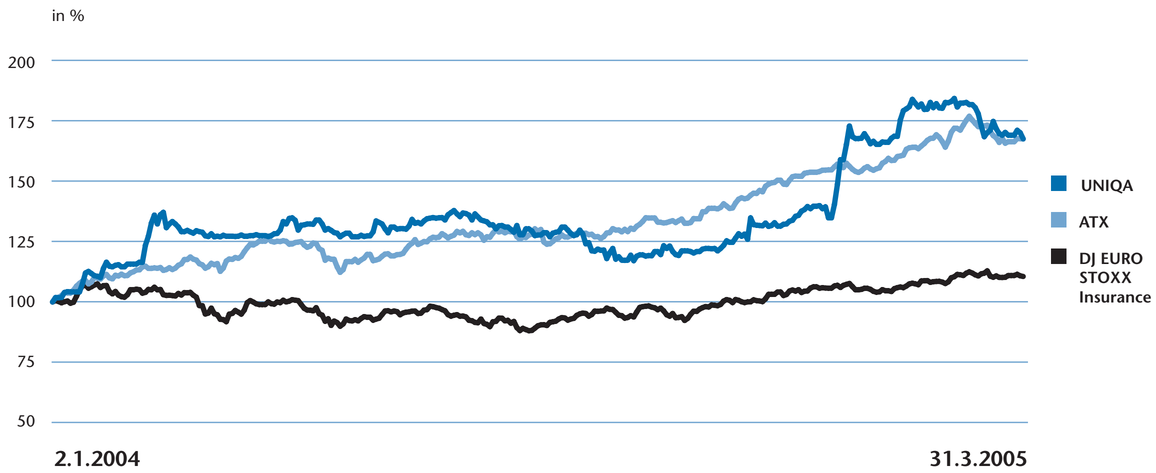
UNIQA did not purchase or sell any of its own shares during the course of 2004. A programme to resell own shares became effective in May 2004. The shares are resold on the Vienna Stock Exchange and should improve the supply and demand of UNIQA's shares. This in-house stock was not sold until the beginning of January, 2005.

UNIQA shares

Technical details

- Securities abbreviation: UQA
- Market segment: Prime Market
  The Vienna Stock Exchange
- Trading Segment: official trading
- ISIN:AT0000821103
- Indices: ATX Prime, WBI
- Reuters: UNIQ.VI
- Bloomberg: UQA AV

UNIQA share 2004



Information for investors and analysts from around the world

In 2004 we again made use of all modern information channels to keep our shareholders up to date with business news and developments in our company. Annual reports, quarterly reports and ad hoc releases were available in writing upon request, and online at any time from our website www.uniqagroup.com. The online version of UNIQA's Group Report for 2004 can be accessed again this year at ar2004.uniqagroup.com. We recorded over 5,000 visitors to our interactive online annual report during 2004.

Of course our Investor Relations Department also offers all the information on our company as well as the online annual report to investors, analysts and institutional investors from around the world in the English language as well.

UNIQA Group Report among the top 10

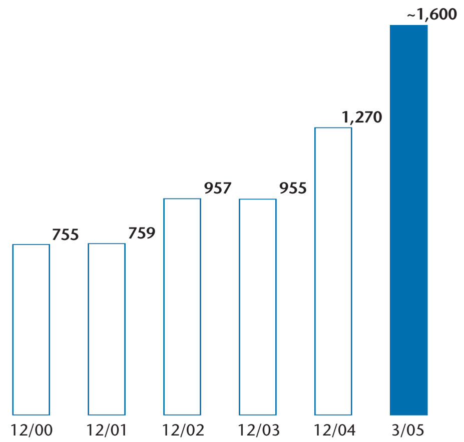
UNIQA took a very pleasing 10th place overall in the Austrian Annual Report Award, an award for the best annual reports for 2003, given by the trend business magazine. This was UNIQA's first top-ten placement in this evaluation which has been held each year for over a decade. UNIQA improved by two places in comparison with the previous year, becoming the best-placed domestic insurance corporation.

Top-10 placement

for the UNIQA Group Report in the Austrian Annual Report Award in 2004

Market capitalisation UNIQA shares

in € million



UNIQA Group Management Report

The UNIQA Group

The UNIQA Group is one of the leading insurance groups in Central Europe with € 3,599.6 million (2003: € 3,030.5 million) gross premiums written and over 9,700 employees. UNIQA combines its consciously Austrian identity with a European format. Taking into account the premium volumes from successfully concluded acquisitions, the premium portfolio on 1 January 2005 stood at around € 4,200 million.

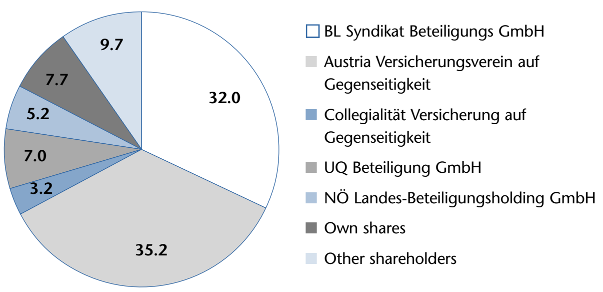
The UNIQA Group offers its products and services through all sales channels (own employees, general agencies, brokers, banks and direct sales). UNIQA is active in all insurance sectors, the clear market leader in Austria for personal insurance and one of the largest property insurers in the country.

Our shareholders

The largest shareholders in the UNIQA Group holding company UNIQA Versicherungen AG are Austria Versicherungsverein auf Gegenseitigkeit (35.23%), BL Syndikat GmbH (31.95%), UQ Beteiligung GmbH (6.97%) and Collegialität Versicherung auf Gegenseitigkeit (3.23%). At the end of the 2004 financial year UNIQA Versicherungen AG held 7.65% of its own shares. Other shareholders jointly held about 14.97% of the shares in UNIQA Versicherungen AG.

Shareholder structure of UNIQA Versicherungen AG

in %



Acquisition of the Polish and Slovakian R+V companies completed

On 29 April 2004 the Polish Insurance Regulatory Agency announced its approval of the takeover of KU FILAR S.A. by the Polish UNIQA TU S.A. Final closing followed at the start of May 2004. With the integration of FILAR, the UNIQA Group strengthened its position on the Polish insurance market, and thanks to the company's close relationships with housing cooperatives, has opened up a unique sales channel.

During 2004, the Slovakian R+V poist'ovňa a.s. in Bratislava was integrated into the UNIQA Group. The company has established itself successfully as a bank insurer, in addition to having its own network of consultants.

Acquisition of the Mannheimer Group successfully concluded

After more than 95% of shareholders in German Mannheimer AG Holding agreed to UNIQA's proposed reorganisation plan at the shareholders' meeting on 27 February 2004, UNIQA was able to raise its shareholding following a capital increase to just over 84%.

Having acquired the Mannheimer Group, UNIQA's primary objective is to restore the company's health without putting the independence of Mannheimer Versicherung into question. Furthermore, UNIQA will push ahead with expansion, concentrating on Southern Germany.

At the start of 2005, UNIQA acquired from Continentale Holding AG its stake in Mannheimer Krankenversicherung AG amounting to 74.9%. In a further step, UNIQA also acquired the share of the equity held by Mannheimer AG Holding.

UNIQA reinforces its banking activities in Italy

At the end of June 2004, UNIQA acquired 80% of the share capital of the Italian life insurer Claris Vita from the Italian cooperative bank Veneto Banca. The Italian Insurance Supervisory Authority agreed in December 2004 to the transfer of the share capital.

Claris Vita, with its headquarters in Milan, offers both traditional life insurance and also index-linked and unit-linked life insurance. For its sales channels Claris Vita uses both the banks of the Veneto Banca Group, multiple and exclusive agents and also brokers.

UNIQA has signed a long-term cooperation and sales agreement with Veneto Banca, which still holds 20% of the shares. This agreement is a partnership covering sales of Claris Vita life insurance products, property and casualty products from CARNICA Assicurazioni S.p.A. and health insurance products from UNIQA Assicurazioni S.p.A. via the Veneto Banca Group.

UNIQA sells its minority shareholding in Spain

UNIQA Re AG, which belongs to the Austrian UNIQA Group, sold its 45% per cent minority stake in the Spanish insurance company Cosalud S.A. de Seguros to the majority shareholder, Grupo Catalana Occidente, at the end of 2004.

Programme for the repurchase and resale of shares

No UNIQA shares were purchased during 2004 under the 3rd repurchasing programme. On 28 April 2004 the Management Board of UNIQA Versicherungen AG decided that UNIQA would resell already purchased own shares. The Supervisory Board agreed to the Management Board's decision on 29 April 2004. The share repurchase programme was suspended on 6 May 2004 when the share resale Programme came into force.

UNIQA's shares are resold on the Vienna Stock Exchange to improve the supply and demand situation of the shares. During 2004 UNIQA did not make use of its authorisation to resell shares. Up to March 31, 2005, 998,048 UNIQA shares were sold. As at the end of March 2005, UNIQA Versicherungen AG therefore held 8,159,862 or 6.81% of its own shares.

UNIQA issues a corporate bond

At the end of June 2004, UNIQA Versicherungen AG issued a public corporate bond for € 150 million. The bond pays 4%, and the term of the bond is five years. The issuing price for official trading of the bond on the Vienna Stock Exchange was 100.865%.

The UNIQA Tower is the new centre for the group

On June 25, 2004, UNIQA opened its new corporate centre on Vienna's Danube Canal. The glass UNIQA Tower is 75 metres high, provides a modern working place for more than 1,100 UNIQA employees, and is also the know-how centre for all the group companies.

The UNIQA Tower combines the central offices into one location, thus becoming a centre for UNIQA knowledge management. This consolidation yields synergy effects in the most diverse areas which far exceed the running financial costs of the tower.

Companies included in the IAS consolidated financial statements

The consolidated financial statements of the UNIQA Group contain, in addition to UNIQA Versicherungen AG, 29 domestic and 38 foreign companies. 33 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 have included 14 domestic and one foreign company as associated companies according to the equity accounting method. 7 associated companies were of minor significance and we show their shares at current market value.

In the 2nd quarter of 2004 the scope of consolidation of the UNIQA Group was expanded by the acquisition in Poland of the insurance companies KU FILAR S.A. and KU FILAR-Zycie S.A., and in Slovakia of R+V poist'ovňa a.s. In the 3rd quarter, following the acquisition of the German company Mannheimer AG Holding, it was again expanded to include the subsidiaries of this corporate group. During the financial year 2004, Mannheimer Krankenversicherung AG was valued using the equity accounting method. The Italian life insurance company Claris Vita was consolidated for the first time on December 31, 2004.

Details on the consolidated and associated companies can be found in the corresponding summaries in the Notes (cf. Note 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.

UNIQA in Austria

The UNIQA Group carries on its direct insurance business in Austria 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 the largest insurance group in Austria, the market leader in personal insurance, the third largest property insurer and the best-known insurance brand in the country.

The listed group holding company, UNIQA Versicherungen AG, is responsible not only for managing the group, but is also the central reinsurer for the group's domestic operating companies. UNIQA Re AG in Zurich acts as reinsurer for the group's international operating companies.

Bank sales and distribution

The cooperation—unique in Austria—with our subsidiary, Raiffeisen Versicherung, one of Austria's leading bank and life insurers with around 2,200 Raiffeisen banks nationwide, contributes substantially to the success of the UNIQA Group Austria. These cooperative efforts are being implemented more and more vigorously within the scope of the Preferred Partnership in our foreign target markets, in order to take advantage there too of the Bank-Assurance sales channel. Currently there are cooperative agreements with local Raiffeisen banks in Czechia, Slovakia, Poland, Hungary, Croatia as well as Bosnia and Herzegovina. In the future these will be further intensified and expanded.

Insurance companies in Central and Eastern Europe

A continuous strengthening of commitment to our strategic target markets is one of the UNIQA Group's key objectives. The international activities are managed centrally through the Competence Centre and specialist departments in order to achieve the maximum synergy effects.

As at 31 December 2004 we held directly or indirectly shares in the following 19 international insurance companies included in the scope of consolidation:

- UNIQA pojišt'ovna a.s., Prague
- UNIQA poist'ovňa a.s., Bratislava
- UNIQA TU S.A., Lodz
- UNIQA TU na Zycie S.A., Lodz
- KU FILAR S.A., Szczecin
- UNIQA Biztosító Rt., Budapest
- UNIQA osiguranje d.d, Zagreb
- UNIQA Assicurazioni S.p.A., Milan
- CARNICA Assicurazioni S.p.A., Udine
- Claris Vita S.p.A., Milan
- Mannheimer AG Holding, Mannheim
- Mannheimer Versicherung AG, Mannheim
- Mannheimer Krankenversicherung AG, Mannheim
- mamax Lebensversicherung AG, Mannheim
- Mannheimer Versicherung AG, Zurich
- UNIQA Assurances S.A., Geneva
- UNIQA Re AG, Zurich
- UNIQA Versicherung AG, Vaduz
- UNIQA Lebensversicherung AG, Vaduz

In addition, within UNIQA International Versicherungs-Holding GmbH we have an in-house mergers and acquisitions subsidiary that continually analyses the international markets and is responsible for acquisitions and their integration into the group.

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 using 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

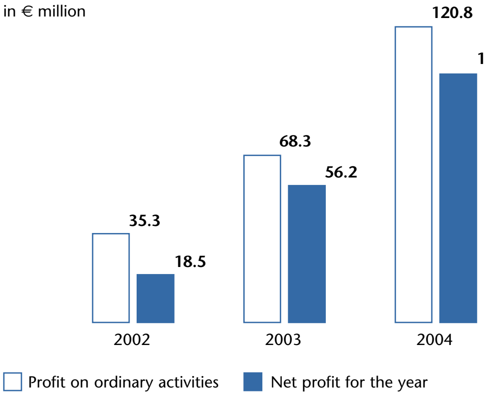
The UNIQA Group does business as lead insurer in life and health insurance and is active in almost all classes of property and casualty insurance. The group holding company UNIQA Versicherungen AG runs the indirect business for the whole group. In addition, it carries out numerous service functions for the domestic and international insurance subsidiaries in order to take best advantage of synergy effects within all the domestic and international group companies, and to consistently implement the group's long-term corporate strategy.

With nearly 12 million insurance policies being managed at home and abroad, a gross premium written volume of € 3.6 billion (2003: € 3.0 billion) and capital investment of more than € 16.6 billion (2003: € 13.2 billion), the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe. Taking into account the premium volume from successfully concluded acquisitions, the premium portfolio as at 1 January 2005 is already around € 4.2 billion.

Record results achieved

In 2004, the UNIQA Group achieved the best result to date in the company's history. Results from ordinary business (EGT) reached 3 figures for the first time, amounting in 2004 to € 120.8 million (2003: € 68.3 million). This represents an increase of 76.9%.

Profit on ordinary activities and net profit for the year
in € million

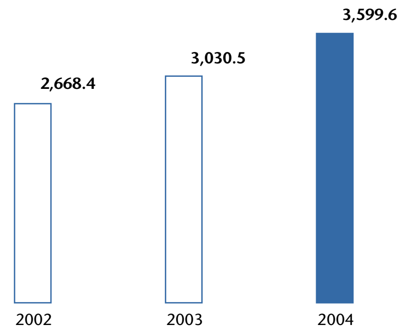


At the Annual General Meeting the Management Board will propose a distribution of a 10% higher dividend compared to 2003, amounting to 22 cents per share.

Total premiums up again in 2004

The premiums written increased in 2004 to a consolidated figure of € 569.1 million, or 18.8% to € 3,599.6 million (2003: € 3,030.5 million). The retained group premium earned grew by 18.8% to € 3,301.7 million (2003: € 2,778.6 million).

Development of premium volume written
in € million



The premium volume written by our international group companies amounted in 2004 to € 690.8 million (2003: € 398.7 million) or 19.2% of group premium volume. Premiums from the companies within the Mannheimer Group were included for six months—from the date of consolidation on 1 July 2004. The premium volume from Claris Vita is not included in these figures.

The premiums developed as follows in the individual segments (cf. Note No. 27):

The earned premium income from the life insurance sector of the UNIQA Group increased in 2004 by 12.5% to € 1,166.1 million (2003: € 1,036.7 million). Earned premium income for health insurance increased by 3.6% to € 742.1 million (2003: € 716.4 million) and in property and casualty insurance, earned premium income in the year just ended amounted to € 1,393.5 million (2003: € 1,025.4 million). This was 35.9% more than in the previous year.

Developments in insurance benefits

Consolidated retained insurance benefits increased as a result of the expanded scope of consolidation and the expansion of the business by a total of € 549.3 million or 22.1% to € 3,033.4 million (2003: € 2,484.1 million).

The insurance benefits developed as follows in the individual segments (cf. Note No. 30): while retained insurance benefits rose in life insurance, particularly due to increased expenditure on profit-sharing bonuses resulting from increased investment income, by 29.0% to € 1,450.6 million (2003: € 1,124.8 million), in health insurance benefits rose by 5.0% to € 675.3 million (2003: € 643.1 million). In property and casualty insurance, retained insurance benefits grew disproportionately to the increase in earned premiums by 26.7% to € 907.5 million (2003: € 716.2 million).

Development of the cost ratio

Total consolidated expenses for the insurance business increased because of the expansion of the scope of consolidation and one-off special effects in the business year 2004 by 37.9% to € 829.3 million (2003: € 601.5 million). The expenses for underwriting, including changes in the capitalised acquisition costs and minus the reinsurance provisions, increased by 35.6% to € 517.0 million (2003: € 381.3 million), whereby the change in deferred acquisition costs had an exceptional influence on the expenses for acquisition compared to 2003, with additional costs of € 32.0 million. Other operating expenses for the insurance business increased compared to the previous year from € 220.2 million by € 92.1 million to € 312.3 million (cf. Note No. 31). One reason for this trend is the first-time inclusion of the Mannheimer Group companies, as well as the former R+V companies in Poland and Slovakia in the 2004 consolidated statement.

Consolidated expenses for the insurance business in Austria rose in 2004 by € 149.9 million to € 643.0 million (2003: € 493.1 million). The reason for this increase lay in a one-time increase in social security expenses, due to a lowering of the technical interest rate used for calculating social capital. Furthermore operating expenses were affected by the previously mentioned changes in the capitalised acquisition costs. This cost ratio in the reporting year was 22.3% (2003: 19.5%). Adjusted for the above-mentioned special effects the total cost ratio was 20.2%.

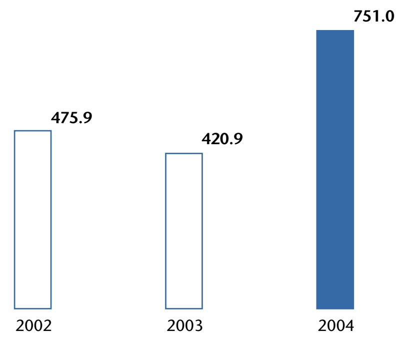
Consolidated operating expenses in our international group companies rose in 2004 by € 78.0 million to € 186.3 million (2003: € 108.3 million). The trend towards a higher cost ratio internationally changed in the business year, falling to 31.2% (2003: 31.3%).

The success of our increased earnings programme both at home and abroad led to total cost savings and increased earnings totalling € 23.8 million.

Capital investment results improved in 2004 by more than 75%

Total capital investments increased in the reporting year by € 3,364.1 million or 25.4% to € 16,597.9 (2003: € 13,233.8 million). Net investment income rose by € 330.1 million or 78.4% to € 751.0 million (2003: € 420.9 million). The very gratifying trends on the capital markets during the business year 2004 contributed substantially to this.

Net investment income
in € million

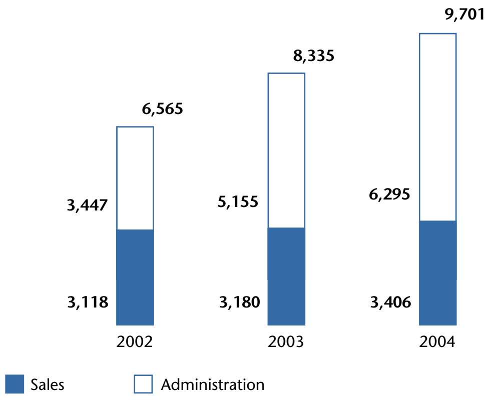


A detailed description of the investment income can be found in the notes to the financial statements (cf. Note No. 29).

Human resources

The average number of employees in the UNIQA Group increased in the financial year 2004 to 9,701 (2003: 8,335 employees). Of these, 3,406 (2003: 3,180) are in sales and

Employees in the group



6,295 (2003: 5,155) in administration. The increase of 16.4% is essentially due to the first-time inclusion of the Mannheimer Group, Claris Vita and the R+V companies in Poland and Slovakia.

UNIQA's training and development activities

Employee training plays a very important role at UNIQA. 23,268 participant-days in seminars is clear proof of that.

The core competence of the UNIQA Human Resources Service lies in developing, organising and implementing seminars to fit our strategy. In 2004, there were 519 seminars in Austria with a total of 6,490 participants.

Besides the ongoing basic training for new employees at home and abroad where the focus is on sales skills, in 2004 special seminars were developed and implemented for a variety of target groups. Our training efforts for bank sales, the BrokerService and the newly created agency academy demonstrate that we regard orientation to customers and their needs as key maxims.

The events of the ExecutiveDevelopmentForum, in which above all managers from the field were taught how to use certain tools for their everyday work, were also very successful. The new UNIQA FinanceAcademy also got off to a promising start. In two courses of FinancialAdviser training, 45 participants were successfully trained in the area of financial services.

Experiencing UNIQA's goals and values

The focus on goals and values and the UNIQA Team and Management Style are the basis for a special UNIQA company culture, which we consciously live with and experience.

In 2004, 206 UNIQA executives were trained by an internal training team to become so-called "Multipliers". The Team and Management Style represents a way of working and the attitude of all UNIQA employees. In order to do justice to the motto "ambitious, self-confident and skilled—our way to the future," the phrase "Yes to UNIQA's culture" from the "Multipliers" was communicated with great commitment to 4,066 employees at 180 events. At the two ManagerMeetings in Baden as well, 120 executives from home and abroad gave their time and thought to the UNIQA ScoreCard and the Team and Management Style.

The Business Segments of the UNIQA Group

Life insurance

Premiums up by 12.5% in life insurance

The earned premium income from the life insurance sector of the UNIQA Group increased by 12.5% to € 1,166.2 million (previous year € 1,036.2 million). The UNIQA Group therefore remains one of the largest life insurance companies in Austria. The group life insurance companies operating abroad had an earned premium income of € 88.8 million (2003: € 49.4 million); this meant they were able to increase their premium revenue by 79.8%. The risk premium share of unit-linked and index-linked life insurance included for the year 2004 totals € 40.7 million (2003: € 31.3 million). The savings portion of the premiums not included in the consolidated premium revenue of the unit-linked and index-linked life insurance, as laid down in the international accounting standards, increased in 2004 by 74.2% to € 178.2 million (2003: € 102.3 million).

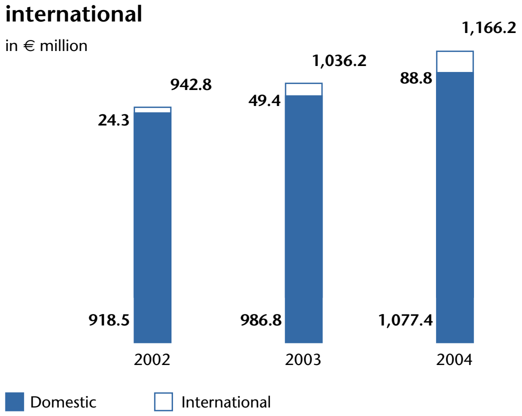
Business segment life insurance	2004 € million	2003 € million
Net premiums earned	1,166.2	1,036.2
Net investment income	589.7	281.7
Insurance benefits	1,450.6	1,124.8
Acquisition costs	147.4	96.2
Other operating expenses	82.5	55.9
Cost ratio	14.2%	13.4%
Net profit for the year	**39.3**	**19.3**

Developments in insurance benefits

The retained insurance benefits (expenditure for claims incurred, expenditure for increased actuarial provision as well as provisions for premium refunds and profit sharing) increased by 29.0% to € 1,450.6 million (2003: € 1,124.8 million). The reason for the increase is essentially the increase in expenses for premium refunds and profit-sharing bonuses as a result of increased investment income.

Net premiums earned in life—domestic and international

in € million



Development of costs

Total expenses for the insurance business increased because of the expansion of the scope of consolidation and changes in the technical interest rate for calculating social capital by 51.2% to 229.9 million € (2003: 152.1 million €). While other insurance business operating expenses rose 47.6% to € 82.5 million (2003: € 55.9 million), acquisition costs rose by 53.2% to € 147.4 million (2003: € 96.2 million).

The cost ratio in life insurance, adjusted for special effects, amounted in 2004 to 14.2% (2003: 13.4%).

Investment results

Net investment income during the reporting year more than doubled, and rose by 109.3% to € 589.7 million (2003: € 281.7 million). The main reason lies in the gratifying trends on the capital markets during 2004. The life insurance investment portfolio of the UNIQA Group rose during 2004 by 24.0% to € 12,477.6 million (2003: € 10,066.6 million).

Net profit for the year more than doubled

The profit on ordinary activities improved by 85.6% to € 49.0 million (2003: € 26.4 million).

The net profit for the year in life insurance rose by 103.6% to € 39.3 million (2003: € 19.3 million).

Health insurance

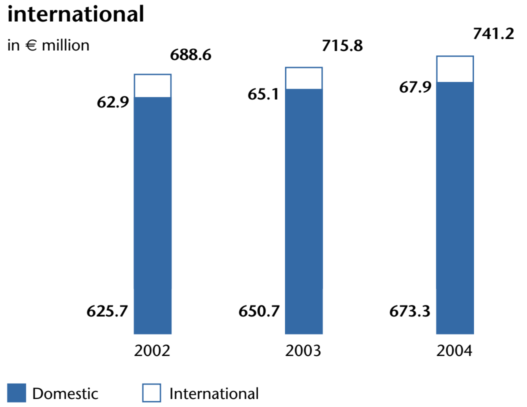
Market leadership extended further

In the 2004 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 3.5% to € 741.2 million (2003: € 715.8 million). Our foreign companies had an earned premium volume of € 67.9 million (2003: € 65.1 million).

Business segment health insurance	2004 € million	2003 € million
Net premiums earned	741.2	715.8
Net investment income	83.3	61.9
Insurance payments	674.7	642.8
Acquisition costs	66.4	66.1
Other operating expenses	52.9	39.2
Cost ratio	15.3%	14.7%
Net profit for the year	**22.0**	**19.9**

Net premiums earned in health—domestic and international



Developments in insurance benefits

The increase in retained insurance benefits increased in line with the increased business revenue by 5.0% to € 674.7 million (2003: € 642.8 million). This included the costs for claims incurred, the provision for premium refunds and the change in actuarial provision. The claims incurred came to € 580.6 million (2003: € 562.5 million) or 3.2% more than in the previous year.

Operating expenses

Operating expenses rose by 13.2% to € 119.2 million (2003: € 105.3 million).

Other operating expenses rose by 34.9% to € 52.9 million (2003: € 39.2 million). The reason for this increase is the change in the technical interest rate for calculating social capital. Acquisition costs remained, with a minor increase of 0.5%, at € 66.4 million (2003: € 66.1 million) at the previous year's level.

The cost ratio in health insurance, adjusted for special effects, amounted in 2004 to 15.3% (2003: 14.7%).

Investment results

Net investment income increased because of the positive trends on the capital markets in 2004 by 34.6% to € 83.3 million (2003: € 61.9 million). In the health insurance line, the capital investments grew by 8.2% to € 1,570.8 million (2003: € 1,451.1 million).

Annual net profit increases by over 10%

The profit on ordinary activities in health insurance fell back by 5.2% to € 25.4 million (2003: € 26.8 million).

But net profit for the year went up by 10.6% to € 22.0 million (2003: € 19.9 million).

Property and casualty insurance

Net premiums earned up by more than a third

In the property and casualty insurance segment we improved the premiums earned by 35.8% to € 1,394.5 million (2003: € 1,026.8 million). With the acquisition of the German Mannheimer Group in the year 2004 we took over a premium volume in property and accident insurance for the 2nd half of the year of € 125.7 million. For this reason, the international markets in the business year 2004 in property and casualty insurance saw an increase in premiums earned of 88.6% to € 429.2 million (2003: € 227.6 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. Note No. 26).

Business segment property and casualty insurance	2004 € million	2003 € million
Net premiums earned	1,394.5	1.026.8
Net investment income	79.1	77.6
Insurance benefits	914.5	716.2
Loss ratio	65.6%	69.8%
Acquisition costs	301.8	219.8
Other operating expenses	177.0	125.7
Cost ratio	33.2%	33.7%
Combined ratio	98.8%	103.5%
Net profit for the year	**44.4**	**15.5**

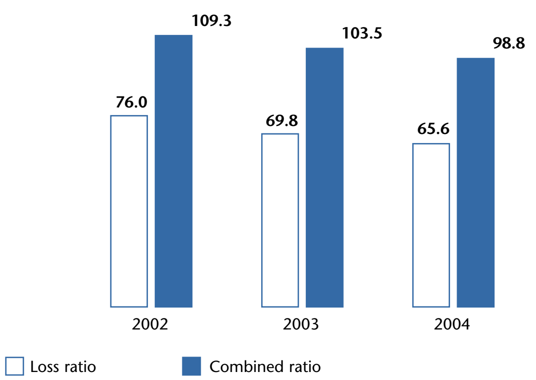
In the motor vehicle sector, UNIQA succeeded in 2004 in increasing group premium income by 27.9% to € 687.6 million. Legal protection insurance also continued its pleasing growth. In 2004 the increase in gross premiums written rose by an above-average 37.7% to € 35.4 million. Premiums for household insurance went up by 71.0% to € 123,6 million.

Rise in insurance benefits was disproportionally low

The increase in retained insurance benefits in property and casualty insurance was, at 27.7% to € 914.5 million (2003: € 716.2 million), proportionally lower than the increase in premiums. Due to rising crime rates and higher average damage, housebreaking, burglary and robbery insurance was heavily burdened.

The loss ratio (insurance benefits in relation to premiums earned) improved by 4.2% points to 65.6% (2003: 69.8%).

Loss ratio and combined ratio
in %



The improvement in the loss ratio is due to our consistent implementation of reorganisation measures, improvements in security measures and risk-oriented underwriting policies.

Positive development of the cost ratio

Total expenses for insurance business in property and casualty insurance went up, essentially because of additions to the scope of consolidation in the past year by 38.6% to € 478.8 million (2003: € 345.5 million).

Acquisition expenses rose slightly by 37.3% to € 301.8 million (2003: € 219.8 million). Other operating expenses for the insurance business went up by 40.8% to € 177.0 million (2003: € 125.7 million).

The cost ratio adjusted for special effects fell in the reporting period 2004 to 33.2% (2003: 33.7%).

Investment results

Net investment income rose in the past financial year by 1.9% to € 79.1 million (2003: € 77.6 million). The capital investment portfolio went up by 50.0% to € 2,726.7 million (2003: € 1,818.4 million).

Results for the year almost quadrupled

The continued improvement in technical results also had a corresponding effect on the annual results. Through the further significant improvement in the combined ratio from 103.5% to 98.8%, profit on ordinary activities went up in the reporting year by € 36.9 million or 275.4% to € 50.3 million (2003: € 13.4 million). Net profit for the year was almost tripled at € 44.4 million (2003: € 15.5 million).

International markets

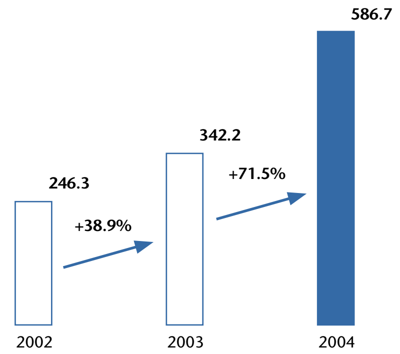
Entry into the German insurance market

With the acquisition of the Mannheimer Group, UNIQA expanded its business activities during 2004 into the German insurance market. We will position the Mannheimer Group, while securing its independence and retaining its name, as specialists for property insurance, concentrating on Southern Germany, within the UNIQA Group.

Strong growth in international premium volume

International premium volume grew strongly during the 2004 business year, above all due to organic growth and the successfully completed acquisitions in Germany and Poland, as well as Slovakia. Net premiums earned by our international subsidiaries went up by 71.5% to € 586.7 million (2003: € 342.2 million). The share of international business in the total group premium income earned therefore increased to 17.8% (2003: 12.3%) in the reporting period. It must be taken into account here that the premium volume of the Mannheimer Group was only included for six months—from the first-time consolidation as of 1 July 2004. On the basis of the premium volume written, the international share was 19.2%. Taking into account the premiums for the first half of the year for the Mannheimer companies, as well as the already acquired Italian life insurers Claris Vita, the international share is around 27%.

International earned premiums
in € million



UNIQA international	Retained premiums earned 2004 € million	2003 € million	Share of retained group premiums 2004 %
Italy	104.0	95.9	3.1%
Switzerland	12.6	2.7	0.4%
Czechia	75.0	67.3	2.3%
Slovakia	42.1	34.6	1.3%
Poland	110.7	73.5	3.4%
Croatia	8.9	7.1	0.3%
Liechtenstein	24.5	12.1	0.7%
Hungary	103.6	49.0	3.1%
Germany	105.1	0.0	3.2%
Total	**586.7**	**342.2**	**17.8%**

Outlook for 2005

UNIQA expands commitment in south-eastern Europe

At the start of March 2005 the UNIQA Versicherungen AG Supervisory Board approved the acquisition of about 94% of the share capital of Raiffeisen Osiguranje d.d. in Bosnia and Herzegovina from the Raiffeisen Bank d.d. With this step, the UNIQA Group expanded its activities in southern Eastern Europe and reinforced its successful cooperation with the Raiffeisen banking group.

Raiffeisen Osiguranje d.d., with 6 offices and 12 branches with 122 employees, is active in the whole region of the Federation of Bosnia and Herzegovina and the Brčko region. The company was founded in 1997 with headquarters in Sarajevo. After an increase in the compulsory premiums of around 13% to € 7.5 million in the previous year, the insurer has a market share of around 6.7% and is therefore ranked sixth in Bosnia and Herzegovina. The company offers all classes of insurance business in the region (property and casualty, health, life). In addition to the employed field force, the company also has other sales channels. A substantial part of the business activity lies in further cooperation with the Raiffeisen Bank d.d. The two companies intend to intensify this cooperation in the form of Bank-Assurance.

The total insurance market in Bosnia and Herzegovina has a premium volume of around € 100 million. The market is characterised by the dominance of motor vehicle liability insurance (more than 55% of premiums), an underdeveloped position in life insurance (about 8% of premiums) and a large number of companies with very small market shares.

Taking up the free service traffic in Slovenia

The successful cooperation with the Raiffeisen bank group will extend UNIQA into Slovenia. The Supervisory Board of UNIQA Versicherungen AG approved taking over the sale of selected life and accident insurance products provided by UNIQA Personenversicherung AG as well as unit-linked life insurance from FinanceLife Lebensversicherung AG in the course of free service traffic. From the middle of 2005 these products will be sold through the 13 branches of Raiffeisen Krekova Banka d.d. in Maribor. The bank is currently the ninth biggest in the country and handles around 50,000 private customers with more than 300 employees.

The Slovenian insurance market, with an insurance penetration (share of premiums in GDP) of 5.2%, is relatively developed and offers scope for stable growth. Around a quarter of the premium volume of € 1,275 million is life insurance.

New insurance markets in south-eastern Europe

As potential markets for future acquisitions, UNIQA is obviously also looking to the future EU member states, Bulgaria and Romania. These countries lie within our strategic core area and are continuously being watched and analysed. Should takeover possibilities arise in this region, we will carefully investigate these, and if profitability is suitable we will enter these markets.

Increased earnings programme

The increased earnings programme 2004–2006, which last year was extended to the international group companies, will also be continued consistently during 2005. The programme, based on the UNIQA ScoreCard targets, achieved in 2004 a result from productivity increases, cost reductions and improvements in claims of around € 25.6 million.

Life insurance

In 2005, continued strong premium growth is also expected in the life insurance market. Because of growing life expectancy in the population of Austria, new calculation bases have been produced which will be put into effect for pension insurance starting in 2006, so we expect strong progress in this segment during 2005.

Furthermore, UNIQA wants to extend the product range of financial services with innovative new products in the current year:

- Savings with a building society in combination with life insurance
- Womanlife – life insurance to meet the needs of women
- A product for young people to create a solid financial basis for an independent future
- Index-linked single premium products with specially guaranteed performance. With this, we intend to push the single premium business (without guaranteed interest) more again in our group in 2005.

In 2005 there is also the implementation of the new pension fund directive. The directive enables insurance companies in the future to operate a pension fund business within a separate balance sheet department as a classic life insurer. In a comparison of sources of income by age, Austria, with a share of around 2% in occupational pension provision, ranks well below the European average of 11%. The expansion of this provision pillar is in everyone's interests. By the creation of a level playing field for all providers and equal tax treatment, there will be a strong impulse for expanding pension plans within occupational pension provision.

In accident insurance, UNIQA is the first and only insurer able to provide a partner dog to the permanently disabled. UNIQA takes on the costs for a fully trained dog and arranges the initial contact with the Austrian organisation "Partner-Hunde Österreich" (Partner Dogs Austria). In addition, the closest relatives receive professional and immediate emergency care through external experts in psychology in the event of the accidental death of the insured.

Now accident annuities can also be taken out for children. In addition, there is an option for a guaranteed value during the work phase. With this innovative product, UNIQA wants to expand its market leadership in accident insurance.

Health insurance

After a satisfactory business year in 2004 for health insurance, the current year will be characterised by attempts to further improve the results. For the ever dominant hospital expenses insurance in our portfolio, we were able to complete very successful price negotiations with hospitals and doctors.

In recent years there has already been substantial progress towards unifying the very different contracts with hospitals and doctors in the various Austrian provinces. In 2005 there will also be intensive discussions, in order to take decisive steps towards this important goal. It is also very important to acquire additional partners for the forward-looking and cost-saving electronic transfer of hospital invoices.

All these efforts serve to damp down cost pressures in health care arising from medical progress, unfavourable demographic trends, and not least from today's lifestyles. The aim is also to keep trends in premiums within manageable limits for customers.

Agreement on quality standards with hospitals for services to be rendered to our mutual customers forms another important point in our negotiating agenda. In the area of private hospitals, last year we were able to agree on "request profiles". Maintaining defined minimum standards is a precondition for reaching agreement, and fulfilling additional requirements brings further payments to the hospital. This successful system will now be extended in stages to public hospitals as well for the benefit of our premium-category patients.

In the area of group insurance, we achieved considerable success last year in restructuring policies that were not going well. In some cases, further steps are required, but in the main areas the foundation has already been laid for solid progress.

Occupational health promotion will without doubt become an ever more important topic for companies. UNIQA wants to become more deeply involved in this area, particularly with its large number of group insurance partners and to develop new services during 2005.

The innovative product initiatives started in the past year, with specific initiatives for health-conscious behaviour for the first time across the whole of Austria, will be further developed and expanded, based on the motto "Rewards for healthy living". In our view, encouraging, promoting and rewarding personal responsibility even before health problems start is a far better approach to mastering the huge and costly challenges to our health system.

In the spring of 2005 UNIQA will present a further important building block in an extensive range of products: the "future bonus" in health insurance will ensure that there will be a reduction in health insurance premiums from the start of pensionable age, thus significantly lightening the financial burden for our older customers. The future bonus can be arranged in conjunction with existing hospital expenses insurance.

Cost mitigation with a parallel increase in customer service is the objective of the planned introduction of the "Disease Management Programme". Customers with specific chronic syndromes will be offered support for coping with and managing their diseases—naturally on a voluntary basis and in cooperation with the doctor concerned. The application of human expertise and modern technology can help, for example in chronic cardiac insufficiency, to uncover early signs of crisis in good time, and by preventive treatment by the family doctor, to avoid acute danger to life as well as an unpleasant and costly hospital stay.

Property insurance

During the coming financial year we will consistently continue the reorganisation measures begun in the last few years. Our goal is a lasting improvement in results, for example by further stabilising the loss ratio at a low level. UNIQA's innovative exclusive weather warning service which started in October 2004 will help to prevent damage, increase customer loyalty and strengthen our competitive position.

The area of legal expense insurance will also grow at an above-average rate during 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. Particular attention will be paid to housebreaking, burglary and robbery insurance and trends in criminality. We attach particular importance to the need for security measures and their improvement as well as to advising customers.

In motor vehicle insurance, UNIQA in 2005 will also be among the front runners of companies with above-average growth. The marked improvement in actuarial results over recent years can, on present indications, be maintained at this successful level. Current price levels in motor insurance will in future rise somewhat less, and premium adjustments for portfolio policies will, according to new legislation, only be possible in step with the consumer price index. In product policy, the focus in future will be on specific risk situations for our various customers. In our customer loyalty programme, we are offering additional price benefits for customers with multiple products.

With a view to optimal claims settlement for our customers, we will go for the intensive use of our own motor experts plus up-to-date communications technology. We will also attach much value to cooperating with the qualified Austrian repair trade. An extensive network of Service-centres and sales partners will enable UNIQA to offer a comprehensive service right across the motor insurance line, from vehicle registration and insurance to leasing.

In company business, it is noticeable that when policies from 2004 are up for renewal, particularly on profitable risks, there is considerable pressure on premiums. A continuation of this trend can be expected during the current year.

To stabilise the results after reinsurance, we set up our own reinsurance line for large risks which is now available to all the companies of the group both in Austria and abroad. It proved its value in 2004 and was repositioned for 2005.

In the area of the general liability, UNIQA was the first insurance company with a product that meets the new legal requirements on brokers. We expect more demand for this during 2005, also in other business areas.

Trends in the current business year

The development of group premium revenue was very satisfactory in January and February 2005. The premium volume written rose overall by 36.1% to € 989.3 million (2004: € 726.7 million).

During the first two months of 2005, there was a marked increase in business in property and casualty insurance with a growth of 39.3% to € 505.3 million (2004: € 362.8 million) and also in life insurance with an increase of 41.0% to 326.9 million € (2004: € 231.9 million). Earned premium income for health insurance increased by 19.0 % to € 157.1 million (2004: € 132.0 million).

The international companies' share of total premium volume rose in the first two months of 2005 by 236.6% to € 304.6 million (2004: € 90.5 million), corresponding to a share of 30.8% in group premiums.

Results and proposed appropriation of profit for UNIQA Versicherungen AG

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Commercial Code, show an annual net profit for the 2004 financial year of € 26.4 million (2003: € 24.0 million).

The Management Board recommends to the Annual General Meeting that the net profit for 2004 of € 26,373,434.44 (2003: € 24,020,397.24) be distributed as a dividend of 22 cents on each of the 119,777,808 individual share certificates issued by the due date and qualified to receive a dividend, and the remaining amount be carried forward to a new account.

Vienna, March 2005

The Management Board

Consolidated Balance Sheet

as at 31 December 2004

Assets	Notes	31 Dec. 2004 € 000	31 Dec. 2003 € 000
A. Intangible assets	1		
I. Goodwill		209,416	172,585
II. Other intangible assets		45,494	33,354
		254,909	**205,939**
B. Investments			
I. Land and buildings	2	1,050,392	967,562
II. Shares in affiliated and associated companies	3	187,597	167,758
III. Loans	4	998,110	956,952
IV. Other securities			
1. Held to maturity		0	0
2. Available for sale	5	11,580,069	9,290,362
3. Held for trading	6	560,447	521,603
		12,140,517	9,811,964
V. Other investments	7	1,156,404	895,060
		15,533,020	**12,799,296**
C. Investments held on account and at risk of life insurance policyholders		**1,064,880**	**434,494**
D. Receivables	8	**695,577**	**526,792**
E. Liquid funds		**355,354**	**388,095**
F. Deferred acquisition costs	9	**737,998**	**678,100**
G. Deferred tax assets	10	**53,450**	**64,055**
H. Other assets	11	**166,974**	**92,738**
Total assets		18,862,162	15,189,510

Equity and Liabilities	Notes	31 Dec. 2004 € 000	31 Dec. 2003 € 000
A. Shareholders' equity	12		
I. Subscribed capital and capital reserves		206,305	194,120
II. Revenue reserves		373,191	306,084
III. Revaluation reserves		77,211	16,238
IV. Group total profit		26,373	24,020
		683,080	**540,462**
B. Minority interests in shareholders' equity	13	**177,081**	**108,925**
C. Subordinated liabilities	14	**325,000**	**325,000**
D. Technical provisions (net)			
I. Provision for unearned premiums	15	300,108	224,371
II. Actuarial provision	16	12,215,625	10,848,703
III. Provision for outstanding claims	17	1,473,846	1,193,644
IV. Provision for profit-unrelated premium refund	18	24,168	16,253
V. Provision for profit-related premium refund, i.e. policyholders' profit participation	18	673,686	399,426
VI. Other technical provisions		32,257	18,740
		14,719,691	**12,701,137**
E. Technical provisions for life insurance policies where the investment risk is borne by policyholders	19	**824,730**	**261,258**
F. Other provisions			
I. Pension and similar provisions	20	462,522	328,965
II. Provisions for taxation		42,805	6,498
III. Other provisions	21	202,002	139,618
		707,328	**475,081**
G. Liabilities			
I. Debenture bonds	22	150,000	0
II. Other liabilities	23	1.026,278	553,961
		1.176,278	**553,961**
H. Deferred tax liabilities	24	**236,677**	**211,721**
I. Other liabilities	25	**12,297**	**11,965**
Total equity and liabilities		**18,862,162**	**15,189,510**

Consolidated Income Statement

for the business year 2004

	Notes	2004 € 000	2003 € 000
1. Gross premiums written	26	**3,599,551**	**3,030,523**
2. Premiums earned	27	**3,301,692**	**2,778,558**
3. Net investment income	29		
a) Income from affiliated and associated companies		11,419	40,100
b) Other investment income[1]		760,383	392,671
c) Interest expenditure for subordinated liabilities and debenture bonds[1]		–20,801	–11,855
		751,001	**420,915**
4. Other income	28	35,435	18,335
Total income		**4,088,128**	**3,217,809**
5. Insurance benefits (net)	30	–3,033,431	–2,484,085
6. Operating expenses	31	–829,275	–601,452
7. Other expenses	32	–85,124	–45,922
8. Amortisation of goodwill		–19,475	–18,037
Total expenses		**–3,967,305**	**–3,149,496**
9. Profit on ordinary activities		120,824	68,313
10. Income taxes	33	–19,026	–12,094
11. Net profit		101,797	56,218
12. Minority interests		–19,571	–10,062
13. Consolidated net profit		**82,227**	**46,156**
14. Earnings per share (in €)	12	**0.74**	**0.42**

[1] The reference figures have been adjusted to reflect the modified form of presentation.

Cash Flow Statement

for the business year 2004

	2004 € 000	2003 € 000
Net profit including minority interests		
Net profit IAS	101,797	56,218
Minority interests	–19,571	–10,062
Change in technical provisions	1,613,619	649,910
Change in deferred acquisition costs	–42,983	–74,482
Change in reinsurance deposits receivable and payable as well as current accounts receivable and payable	3,414	71,804
Change in other amounts receivable and payable	41,251	–30,490
Change in securities held for trading	–38,845	359,804
Realised gains/losses on the disposal of investments	–504,586	–384,630
Depreciation/appreciation of other investments	109,648	275,692
Change in provisions for pension and severance payments	17,750	19,842
Change in deferred tax assets/liabilities	–1,081	66,457
Change in other balance sheet items	74,490	–16,709
Change in goodwill and intangible assets	17,910	–8,190
Other non-cash income and expenses as well as accounting period adjustments	9,132	–6,933
Net cash flow from operating activities	**1,381,945**	**968,232**
Receipts due to disposal of consolidated companies and other business units	6,677	582
Payments due to acquisition of consolidated companies and other business units	–231,446	–207,812
Receipts due to disposal and maturity of other investments	7,306,550	6,336,006
Payments due to acquisition of other investments	–8,059,762	–6,798,356
Change in investments held on account and at risk of life insurance policyholders	–630,386	–165,634
Net cash flow used in investing activities	**–1,608,366**	**–835,214**
Change in investments on own shares	0	–32,217
Dividend payments	–22,124	–17,586
Receipts and payments from other financing activities	150,000	200,000
Net cash flow used in financing activities	**127,876**	**150,197**
Change in cash and cash equivalents	**–98,545**	**283,215**
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	65,804	0
Cash and cash equivalents at beginning of period	388,095	104,881
Cash and cash equivalents at end of period	**355,354**	**388,095**

Segment Balance Sheet

Classified by business area

	Property and casualty		Life	
	2004 € 000	2003 € 000	2004 € 000	2003 € 000
Assets				
A. Intangible assets	127,881	117,704	127,016	88,100
B. Investments	2,726,674	1,818,372	11,412,670	9,632,057
C. Investments held on account and at risk of life insurance policyholders	0	0	1,064,880	434,494
D. Receivables	364,679	237,809	482,643	385,279
E. Liquid funds	91,315	116,385	235,230	255,536
F. Deferred acquisition costs	89,209	67,970	456,035	416,693
G. Deferred tax assets	49,433	62,429	2,979	895
H. Other assets	161,999	85,749	35,576	5,885
Total segment assets	**3,611,190**	**2,506,418**	**13,817,028**	**11,218,940**
Equity and Liabilities				
C. Subordinated liabilities	85,000	85,000	240,000	240,000
D. Technical provisions (net)	1,637,052	1,198,718	11,417,482	9,919,010
E. Technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	824,730	261,258
F. Other provisions	648,272	435,821	52,356	32,181
G. Liabilities	902,268	489,675	720,280	354,539
H. Deferred tax liabilities	126,231	126,633	60,304	34,538
I. Other liabilities	9,246	10,046	4,402	37,140
Total segment liabilities	**3,408,068**	**2,345,894**	**13,319,555**	**10,878,666**

	Health		Consolidation		Group	
	2004 € 000	**2003 € 000**	**2004 € 000**	**2003 € 000**	**2004 € 000**	**2003 € 000**
	13	135	0	0	254,909	205,939
	1,570,764	1,451,140	–177,088	–102,273	15,533,020	12,799,296
	0	0	0	0	1,064,880	434,494
	199,440	118,594	–351,185	–214,890	695,577	526,792
	28,809	16,174	0	0	355,354	388,095
	192,754	193,437	0	0	737,998	678,100
	1,038	732	0	0	53,450	64,055
	1,275	36,156	–31,876	–35,052	166,974	92,738
	1,994,094	**1,816,368**	**–560,149**	**–352,215**	**18,862,162**	**15,189,510**
	0	0	0	0	325,000	325,000
	1,662,062	1,583,117	3,094	292	14,719,691	12,701,137
	0	0	0	0	824,730	261,258
	6,700	7,079	0	0	707,328	475,081
	79,970	26,533	–526,239	–316,786	1,176,278	553,961
	50,142	50,550	0	0	236,677	211,721
	31,714	294	–33,065	–35,516	12,297	11,965
	1,830,589	**1,667,573**	**–556,211**	**–352,010**	**18,002,001**	**14,540,122**
				Equity and minority interests	**860,161**	**649,388**
				Total Equity and liabilities	**18,862,162**	**15,189,510**

The amounts indicated have been adjusted by 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

Classified by business area

	Property and casualty 2004 € 000	Property and casualty 2003 € 000	Life 2004 € 000	Life 2003 € 000
1. Gross premiums written	1,668,181	1,248,768	1,200,327	1,063,172
2. Premiums earned	1,394,514	1,026,756	1,166,161	1,036,176
3. Net investment income	79,081	77,622	589,677	281,661
4. Other income	28,561	14,453	7,085	3,636
5. Insurance benefits	–914,461	–716,246	–1,450,585	–1,124,790
6. Operating expenses	–478,762	–345,464	–229,881	–152,056
7. Other expenses	–51,152	–33,279	–21,467	–10,593
8. Amortisation on goodwill	–7,436	–10,408	–12,039	–7,629
9. Profit on ordinary activities	50,345	13,434	48,951	26,406
10. Income taxes	–5,952	2,025	–9,631	–7,126
11. Net profit	44,392	15,459	39,320	19,280
12. Minority interests	–1,604	–1,236	–9,286	–3,508

Classified by region

	Premiums earned 2004 € 000	Premiums earned 2003 € 000	Net investment income 2004 € 000	Net investment income 2003 € 000
Austria	**2,715,031**	**2,436,371**	**701,628**	**396,462**
Other Europe	**586,661**	**342,188**	**49,373**	**24,453**
Germany	105,110	0	6,214	0
Italy	104,029	95,854	4,247	4,334
Switzerland	12,634	2,661	6,346	3,109
Liechtenstein	24,478	12,135	2,483	771
Poland	110,660	73,477	4,866	4,137
Slovakia	42,146	34,562	2,013	1,546
Czechia	75,025	67,323	6,894	2,598
Croatia	8,936	7,149	670	745
Hungary	103,644	49,026	15,642	7,213
Group total	**3,301,692**	**2,778,558**	**751,001**	**420,915**

Health 2004 € 000	Health 2003 € 000	Consolidation 2004 € 000	Consolidation 2003 € 000	Group 2004 € 000	Group 2003 € 000
744,644	720,350	–13,600	–1,767	3,599,551	3,030,523
741,246	715,750	–229	–124	3,301,692	2,778,558
83,256	61,861	–1,012	–228	751,001	420,915
757	558	–968	–312	35,435	18,335
–674,652	–642,844	6,268	–205	–3,033,431	–2,484,085
–119,242	–105,260	–1,390	1,329	–829,275	–601,452
–5,961	–3,219	–6,545	1,168	–85,124	–45,922
0	0	0	0	–19,475	–18,037
25,404	26,846	–3,876	1,627	120,824	68,313
–3,443	–6,993	0	0	–19,026	–12,094
21,961	19,852	–3,876	1,627	101,797	56,218
–8,681	–5,318	0	0	–19,571	–10,062

Insurance benefits 2004 € 000	Insurance benefits 2003 € 000	Operating expenses 2004 € 000	Operating expenses 2003 € 000	Profit on ordinary activities 2004 € 000	Profit on ordinary activities 2003 € 000
–2,646,233	**–2,246,402**	**–642,975**	**–493,147**	**79,095**	**59,790**
–387,198	**–237,683**	**–186,300**	**–108,304**	**41,729**	**8,523**
–61,054	0	–33,378	0	3,261	0
–68,675	–64,283	–28,604	–24,802	9,627	6,252
–17,844	–13,997	–1,986	4,179	15,647	–312
–25,316	–10,406	–2,227	–1,196	–997	1,063
–74,130	–49,902	–39,825	–28,884	–4,697	–6,030
–25,268	–21,792	–19,523	–12,114	–5,336	1,923
–39,933	–42,040	–22,728	–21,175	14,990	7,916
–5,629	–4,077	–5,717	–5,492	–2,539	–2,032
–69,347	–31,186	–32,313	–18,821	11,773	–258
–3,033,431	–2,484,085	–829,275	–601,452	120,824	68,313

Notes to the Group Financial Statements

Accounting Regulations

For the financial year 2004, 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.

In stating insurance contracts, IFRS4 shall be applied as of 1 January 2005. The present group financial statements were prepared in accordance with the regulations of the US Generally Accepted Accounting Principles (US GAAP) in conformity with the IASB framework.

For balancing the accounts and evaluation of the insurance-specific entries of the life insurer with profit participation, FAS 120 was observed; for specific items in the health, property and casualty insurance FAS 60 and FAS 113 for reinsurance were applied. The unit-linked life insurance, where the policyholder bears the investment risk, is stated according to FAS 97. We will apply IFRS4, which was published in 2004, as of 2005. This standard demands that the methods of accounting and valuation be largely unaltered with regard to the actuarial items. National accounting principles, whose application is sometimes possible for first-time users in 2005, cannot be applied for actuarial items, since the principle of consistence in valuation can only be broken with for the sake of a new method with higher informational value and more relevance to decision-making for the reader.

Consolidation

Scope of consolidation

Included in the group financial statements are—besides the annual financial statements of UNIQA Versicherungen AG—the financial statements of all subsidiaries at home and abroad. Thirty-three 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 38 foreign subsidiaries in which UNIQA Versicherungen AG has the majority voting rights.

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

	Date of first-time inclusion	Net profit in € mill.[2]	Goodwill in € mill.
R+V Poistovna a. s., Bratislava[1]	01.04.2004	–3.83	0.09
Korporacja Ubezpieniowa „FILAR“ S.A., Szczecin	01.04.2004	–0.91	15.08
Korporacja Ubezpieniowa „FILAR-ZYCIE“ S.A., Szczecin[1]	01.04.2004	–0.62	0.00
Mannheimer AG Holding, Mannheim	30.06.2004	–202.62	–0.40
Mannheimer Versicherung AG, Mannheim	30.06.2004	–15.14	0.00
mamax Lebensversicherung AG, Mannheim	30.06.2004	–5.33	0.00
Mannheimer Versicherung AG, Zurich	30.06.2004	4.31	0.00
Mannheimer Krankenversicherung AG, Mannheim	30.06.2004	0.11	0.00
MV Augustaanlage GmbH & Co. KG, Mannheim	30.06.2004	–32.92	0.00
MV Augustaanlage Verwaltungs-GmbH, Mannheim	30.06.2004	0.00	0.00
MV Grundstücks GmbH & Co. Erste KG, Mannheim	01.07.2004	–0.79	–0.04
MV Grundstücks GmbH & Co. Zweite KG, Mannheim	01.07.2004	–0.90	–0.12
MV Grundstücks GmbH & Co. Dritte KG, Mannheim	01.07.2004	–0.75	0.00
Claris Vita S. p. A.	31.12.2004	4.23	16.03

[1] In the business year R+V Poistovna a.s., Bratislava, and Korporacja Ubezpieniowa "FILAR-ZYCIE" S.A. Szczecin, were acquired and integrated into the UNIQA Group within the framework of a change of legal form. The insurance business of R+V Poistovna a.s. and of Korporacja Ubezpieniowa "FILAR-ZYCIE" S.A. was transferred to UNIQA Poistovna a.s., Bratislava, and UNIQA Towarzystwo Ubezpieczen na Zycie S.A., Lodz, respectively.

[2] Last net profit for the year prior to initial inclusion.

The associated companies refer to 14 domestic and 1 foreign company which, for Group accounts, were consolidated at equity, and there were 7 companies of minor significance, whose shares we showed at current market value.

In applying IAS 39 and in terms of the present interpretation to this statement of the IASB (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.

IFRS3 "Mergers" is applied to goodwill created after 31 March 2004. There is no systematic amortisation of goodwill. An impairment test is carried out at least once a year. Extraordinary write-offs against goodwill are executed if deemed necessary as a result of an impairment test.

The transitory provision of IFRS 3, according to which the regular amortisation is only discontinued in 2005, is applicable for goodwill resulting from mergers consummated before 31 March 2004. The regular amortisation of goodwill is shown as a separate item in the income statement. In addition, the value of the existing goodwill resultant from holdings acquired before 31 March 2004 is appraised in an annual impairment test, and, if necessary, written off.

Negative differences from mergers consummated after 31 March 2004 must be credited with an effect to income immediately after reappraisal.

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 differences are determined in line with the principles for capital consolidation. The updating of the development of the associated companies is based on the most recent financial statements available.

For determining the value of interests in associated companies, due to the lack of an available basis for valuation 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 differences have an effect on income. Group internal results from supplies and services are eliminated if they are not of minor significance for giving a true and fair view of the Group's assets, financial position and income.

Proceeds and other income from supplies and services within the group are set off against the corresponding expenditure.

Presentation of balance sheet and income statement

The International Accounting Standards (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 Group 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	**2004**	**2003**
Swiss francs CHF	1.5440	1.5579
Slovak koruna SKK	38.7100	41.170
Czech koruna CZK	30.3950	32.410
Hungarian forint HUF	245.63	262.50
Croatian kuna HRK	7.6675	7.6830
Polish zloty PLN	4.0740	4.7019

Methods of accounting and valuation

The annual financial statements of the companies in Austria and abroad included in the Consolidated Financial Statements were prepared predominantly as at the reporting date of UNIQA Versicherungen AG, 31 December. For recording in the Consolidated Financial Statements, the annual financial statements of UNIQA Versicherungen AG and its included subsidiaries are unified to conform to the accounting and valuation principles of IFRS/IAS and, as far as actuarial provisions, acquisition costs and actuarial expenses and income are concerned, according to the provisions of US GAAP.

Intangible assets

Intangible assets include goodwill, the current value of life, property and casualty insurance contracts and other items. Goodwill is the difference between the purchase price for the stake in the subsidiary and the Group's share in the equity after the disclosure of hidden reserves at the time of acquisition.

The goodwill is generally amortised over a useful life of 10 to 20 years; the application of IFRS 3 is described under Consolidation Principles. With regard to life insurance business acquired, the updating of the current value follows the progression of the estimated gross margins. The other intangible assets include both purchased and self-developed software which is depreciated on a straight-line basis over its useful economic life of 2 to 15 years.

Land and buildings, including buildings on third-party land

Land and buildings that are held as long-term investments must be recognised according to IAS 40 at acquisition or construction costs, reduced by the amounts of scheduled and non-scheduled depreciation. Owner-used land and buildings are shown at book values (IAS 16—benchmarking method). The depreciation term corresponds to the useful life, maximised with 80 years. The list of market values can be found in Note 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 carried as "available for sale" in accordance with 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. Differences between the market value and historical acquisition costs are dealt with under equity with a neutral effect on income, after deductions of the provisions for latent profit participation and deferred taxes. There was only depreciation that affected the results (impairment) where we anticipate a lasting fall in value. In addition foreign exchange differentials resulting from fixed-income securities were recognised with an effect on income. Foreign exchange differentials resulting from variable yield securities are recognised as equity with no effect on income to the extent that these are not securities which are written off as the result of an impairment test.

Trading portfolio—Derivatives

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

Held for trading—Structured products

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

Deposits with credit institutions and **other investments** are recognised at their market value.

Investments of unit-linked 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 profits 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 valued 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 proportion as the actuarial profit margin of each individual year is realised in comparison to the total margin to be expected from the policies. For long-term health insurance policies, the depreciation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. The changes in capitalised acquisition costs 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 mainly investment character (e.g. unit-linked life insurance) the regulations in the Statement of Financial Accounting Standards No. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is determined by the allocation of the investment amounts, the development of the assets in the underlying investments and the contractual withdrawals.

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

Provision for outstanding claims

The provision for outstanding claims in the property insurance contains the actual and the expected amounts of future financial obligations including the claims settlement expenses appertaining thereto, based on accepted statistical procedures. This 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 borne by policyholders
This item concerns the actuarial provisions and the remaining technical provisions for obligations from life insurance policies where the value or income is determined by investments for which the policyholder bears the risk or for which the benefit is index-linked. As a general rule, the valuation corresponds with the investments of the unit-linked and index-linked life insurance written at current values.

Pension and similar provisions
For the performance-oriented old age provision systems of the UNIQA Group, pension provisions are calculated according to 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. Following the decrease of the corporate income tax rate in Austria from 34% to 25% as of 1 January 2005 the total balance of active and passive deferred taxes decreased by € 39.0 million.

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

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

Value adjustments (impairments)
In principle, the carrying amounts of assets in the balance sheet are checked with regard to possible impairment at least once a year. Securities with an expected lasting decrease in value were depreciated affecting net income. Based on a revolving schedule the entire property portfolio is valued over a period of five years by external expert opinion through court-sworn appraisers. If there is a foreseeable durable impairment of assets, their carrying amount is reduced.

Premiums

Of the premiums written in the area of unit and index-linked life insurance, only those parts calculated to cover the risk and costs are allocated as premiums.

Classes of insurance

(direct business and partly accepted reinsurance business)

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

Major differences between IFRS/IAS and Austrian Accounting Regulations

Classification

The IAS do not provide any mandatory classification scheme. The balance sheet and income statement are therefore presented in an abridged form in accordance with common international practice. Detailed explanation of the individual items is provided in the respective notes to the Group Financial Statements.

Goodwill

In accordance with IFRS, goodwill that was created before 31 March 2004 was capitalised and regularly amortised over the expected useful life with an effect on income. For goodwill created after 31 March 2004 regular amortisation is no longer an option. In the case of sustained impairment the entire goodwill is written off to its market value. The valuation is performed at least once a year by applying a valuation model (impairment test).

Intangible assets

According to IFRS self-developed intangible assets basically have to be capitalised whereas they cannot be capitalised under the Austrian Commercial Code.

Land and buildings

Land and buildings, including buildings on third-party land, are valued according to IAS 16, and by exercising the respective choice, also according to IAS 40 at book value minus scheduled amortisation. These are geared toward the actual useful life; in accordance with the Austrian Commercial Code they are usually influenced by regulations pertaining to tax laws.

Shares in affiliated and associated companies

Affiliated and associated companies that are not consolidated fully or at equity due to their minor significance are recognised at 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 securities into the following categories: 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 fair value on the balance sheet date. According to the Austrian Commercial Code the acquisition costs constitute the maximum valuation limit.

With regard to the other securities—available for sale, the difference between book value and 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 effects income. In contrast, according to the Austrian Commercial Code both depreciation, applying the strict lower-of-cost-or-market principle even during a temporary reduction in value, and appreciation in line with the requirement to reinstate original values, always affect operating results. In the case of the mitigated lower-of-cost-or-market principle the write-off is not obligatory if the depreciation is only temporary. Expected permanent 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, and even obligatory according to IFRS 4 as of 2005.

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 income statement and thus in the results for the year.

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

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

Pension commitments
For the calculation of the pension provision, the accounting principles used for IFRS/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 the use of the projected-unit-credit-method and of 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 the 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.

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.

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-Chairman:
Klaus Braunegg, Vienna (First Vice Chairman)
Walter Rothensteiner, Vienna (Second Vice Chairman)
Heinz Kessler, Vienna (Third Vice Chairman)
Georg Doppelhofer, Graz (Fourth Vice Chairman)
Ewald Wetscherek, Vienna (Fifth Vice Chairman)

Members:

Dietrich Blahut, Vienna
Konrad Fuchs, Maria Enzersdorf
Fritz Hakl, Innsbruck (until 24 May 2004)
Julius Marhold, Eisenstadt
Johannes M. Martinek, Vienna (until 24 May 2004)
Klaus Pekarek, Klagenfurt (until 24 May 2004)
Peter Püspök, Perchtoldsdorf
Karl Waltle, Bregenz (as of 24 May 2004)
Peter Weninger, Vienna (until 24 May 2004)
Georg Winckler, Vienna
Lieselotte Wolf, Pressbaum (until 24 May 2004)

Assigned by the Central Employee Council:

Hans Hahnen, Absam (until 24 May 2004)
Ferdinand Hammerer, Wolfurt
Helmut Hanzlik, Vienna
Friedrich Katschnig, St. Kanzian (until 24 May 2004)
Franz Michael Koller, Graz
Friedrich Lehner, Gunskirchen
Walter Thurner, Vienna
Walter Zwiauer, Vienna

Supplementary Information on the Consolidated Balance Sheet 2004

Development of Asset Items

	Balance sheet values 2003 € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
A. Intangible assets				
I. Goodwill				
1. Positive goodwill	125,322	0	31,215	0
2. Value of life business in force	47,263	0	34,679	0
Total A. I.	**172,585**	**0**	**65,893**	**0**
II. Other intangible assets				
1. Self-developed software	14,663	0	3,261	0
2. Purchased intangible assets	18,691	226	20,388	0
Total A. II.	**33,354**	**226**	**23,649**	**0**
Total A.	**205,938**	**226**	**89,543**	**0**
B. I. Land and buildings				
1. Third-party-used land and buildings	762,619	1,794	56,924	0
2. Self-used land and buildings	204,942	2,196	70,368	0
Total B. I.	**967,562**	**3,990**	**127,292**	**0**
B. II. Shares in affiliated companies and associated companies				
1. Shares in affiliated companies	4,893	10	15,669	0
2. Shares in associated companies	162,865	0	11,605	0
Total B. II.	**167,758**	**10**	**27,274**	**0**
B. III. Loans				
1. Debt securities issued by and loans to affiliated companies	108	7	886	0
2. Debt securities issued by and loans to participating interests	582	0	240	0
3. Mortgage loans	116,475	0	71,025	0
4. Loans and advance payments on policies	11,163	35	10,240	0
5. Other loans and registered bonds	828,623	173	232,810	1,636
Total B. III.	**956,952**	**215**	**315,202**	**1,636**
B. IV. Other securities				
1. Shares, fund units and other variable yield securities, including participating interests	1,847,728	708	2,145,459	27,189
2. Debt securities and other fixed interest securities	7,442,634	22,751	6,582,385	168,940
Total B. IV. 1–2/Securities—available for sale	**9,290,362**	**23,459**	**8,727,844**	**196,129**
3. Held for trading	521,603	13	266,722	0
Total B. IV.	**9,811,964**	**23,472**	**8,994,566**	**196,129**
B. V. Other investments				
1. Cash at credit institutions	826,235	3,330	241,206	0
2. Deposits with ceding companies	68,824	2	65,960	0
Total B. V.	**895,060**	**3,332**	**307,165**	**0**
C. Investments held on account and at risk of life insurance policyholders	**434,494**	**630**	**998,251**	**22,732**
Aggregate total	**13,439,728**	**31,875**	**10,859,293**	**220,497**

Amortisation € 000	Transfers € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Balance sheet values 2004 € 000
0	0	9,602	0	15,020	131,914
0	0	0	0	4,440	77,502
0	**0**	**9,602**	**0**	**19,460**	**209,416**
0	0	0	0	2,805	15,119
0	0	240	0	8,690	30,374
0	**0**	**240**	**0**	**11,495**	**45,494**
0	**0**	**9,842**	**0**	**30,955**	**254,909**
0	43,695	12,024	55	28,318	824,745
0	–43,695	249	0	7,915	225,647
0	**0**	**12,273**	**55**	**36,234**	**1,050,392**
0	0	1,007	5	143	19,427
0	1,372	10,844	5,459	2,287	168,170
0	**1,372**	**11,851**	**5,464**	**2,430**	**187,597**
0	0	888	0	0	113
0	0	30	0	0	792
0	–370	16,728	0	8,055	162,347
0	0	4,156	0	0	17,283
0	370	242,158	0	3,880	817,575
0	**0**	**263,960**	**0**	**11,935**	**998,110**
–900	–130,184	1,523,358	1	37,116	2,329,527
5,551	–62,105	4,882,158	0	27,454	9,250,543
4,650	**–192,289**	**6,405,517**	**1**	**64,570**	**11,580,069**
3,451	190,917	371,423	0	50,835	560,447
8,101	**–1,372**	**6,776,940**	**1**	**115,405**	**12,140,517**
0	0	0	0	0	1,070,772
0	0	49,154	0	0	85,632
0	**0**	**49,154**	**0**	**0**	**1,156,404**
0	**0**	**391,227**	**0**	**0**	**1,064,880**
8,101	**0**	**7,515,248**	**5,521**	**196,959**	**16,852,809**

1. Intangible assets

	Other intangible assets Group total € 000	Positive goodwill Group total € 000
Acquisition value as at 1 Jan. 2004	113,296	241,684
Accumulated amortisation by 1 Jan. 2004	–79,942	–69,100
Book values as at 1 Jan. 2004	**33,354**	**172,585**
Acquisition value as at 31 Dec. 2004	178,051	289,894
Accumulated amortisation by 31 Dec. 2004	–132,557	–80,478
Book value as at 31 Dec. 2004	**45,494**	**209,416**

The other intangible assets as at 31 Dec. 2004 consisted of:	**€ 000**
Computer software	40,736
Copyrights	18
Licences	3,382
Other intangible assets	1,358
	45,494
	Years
Useful life software	2–15

Intangible assets included goodwill, the purchase price of acquired insurance portfolios, purchased and self-developed software and licences. The amortisation of the other intangible assets were recognised in the income statement on the basis of allocated operating expenses under the items insurance benefits, operating expenses from insurance and net investment income. Goodwill amortisation is recognised separately. The depreciation of goodwill includes the extraordinary amortisation of the goodwill of *FINANCE*LIFE and UNIQA Zycie (PL) respectively, at the amount of € 6.8 million.

2. Land and buildings

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Book value in the segment of		
Property and casualty insurance	599,034	473,690
Life insurance	246,641	316,422
Health insurance	204,717	177,450
	1,050,392	**967,562**
Market values in the segment of		
Property and casualty insurance	718,206	565,749
Life insurance	385,768	598,253
Health insurance	431,479	268,720
	1,535,453	**1,432,721**
Acquisition value	1,409,424	1,266,884
Accumulated depreciation	–359,032	–299,322
Book value	**1,050,392**	**967,562**
The balance sheet value of self-used land and buildings was:	225,647	204,942
Useful life land and buildings	10–80 years	

3. Shares in affiliated companies and companies valued at equity

	31 Dec. 2004 € 000	31 Dec. 2003 € 000
Market value for		
shares in affiliated companies of minor significance was:	19,427	4,893
shares in associated companies of minor significance was:	1,506	159
Book value for		
shares in associated companies valued at equity was:	166,664	162,705

Overview of the scope of consolidation 2004

			Share in equity	
Company	**Type**	**Registered office**	**in € million [1)]**	**in %[2)]**
Domestic insurance companies				
UNIQA Versicherungen AG (Group holding company)	Full	1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	94.2	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	303.8	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	19.7	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	129.1	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	7.4	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	10.4	100.0
SK Versicherung Aktiengesellschaft	Equity	1020 Vienna	6.6	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	10.3	100.0
UNIQA Re AG	Full	Switzerland, Zurich	88.8	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	96.0	100.0
UNIQA Poistovna a.s.	Full	The Slovak Republic, Bratislava	12.9	99.8
UNIQA pojistovna, a.s.	Full	The Czech Republic, Prague	21.3	83.3
UNIQA osiguranje d.d.	Full	Kroatien, Zagreb	5.0	80.0
Friuli-Venezia Giulia Assicurazioni “La Carnica” S.p.A.	Full	Italy, Udine	18.1	88.1
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	60.0	69.9
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	4.7	69.6
UNIQA Biztosító Rt	Full	Hungary, Budapest	27.9	100.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	4.9	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	2.9	100.0
Korporacja Ubezpieniowa “FILAR” S.A.	Full	Poland, Szczecin	15.2	89.9
Mannheimer AG Holding	Full	Germany, Mannheim	61.5	84.1
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.6	100.0
Mannheimer Versicherung AG	Full	Switzerland, Zurich	25.7	100.0
Mannheimer Krankenversicherung AG	Equity	Germany, Mannheim	8.9	25.1
Claris Vita S.p.A.	Full	Italy, Milan	52.4	80.0
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.	*)	1029 Vienna		100.0

Company	Type	Registered office	Share in equity in € million [1]	Share in equity in % [2]
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.9	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.6	100.0
SYNTEGRA Softwarevertrieb und Beratung G.m.b.H.	Full	3820 Raabs	0.4	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	107.2	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1020 Vienna	212.4	100.0
Alopex Organisation von Geschäftskontakten GmbH	*)	1029 Vienna		100.0
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	*)	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.3	52.0
Real Versicherungs-Makler GmbH	*)	1220 Vienna		100.0
Together Internet Services GmbH	**)	1030 Vienna		24.0
Group foreign service companies				
Syntegra Szolgaltato es Tanacsado KFT	Full	Hungary, Budapest	0.3	60.0
Insdata spol s.r.o.	*)	The Slovak Republic, Nitra		100.0
Racio s.r.o.	*)	The Czech Republic, Prague		100.0
RAC partner, s.r.o	*)	The Slovak Republic, Bratislava		100.0
UNIQA Pro	*)	The Czech Republic, Prague		100.0
InsService s.r.o.	*)	The Slovak Republic, Bratislava		100.0
UNIQA Penztarszolgaltato Kft	Full	Hungary, Budapest	3.0	100.0
Heller Saldo 2000 Penztarszolgaltato Kft	Full	Hungary, Budapest	0.5	75.0
Dekra Expert Muszaki Szakertöi Kft	Full	Hungary, Budapest	0.9	74.9
UNIQA Vagyonkezelö Rt	Full	Hungary, Budapest	3.7	100.0
UNIQA Szolgaltato Kft	Full	Hungary, Budapest	6.1	100.0
Allfinanz Risk Concept Kft	*)	Hungary, Budapest		100.0
RC Risk Concept Vaduz	*)	Liechtenstein, Vaduz		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft	*)	Hungary, Budapest		92.4
Millennium Medicina Kft-nek	Full	Hungary, Budapest	0.1	100.0
verscon GmbH Versicherungs- und Finanzmakler	*)	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	*)	Germany, Mannheim		100.0
UMV Gesellschaft für Unterstützungskassen-Management und Vorsorge GmbH	*)	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	*)	Germany, Mannheim		100.0
Carl C. Peiner GmbH	*)	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	*)	Germany, Hamburg		100.0
Falk GmbH	*)	Germany, Hamburg		100.0
Hans L. Grauerholz GmbH	*)	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	*)	Germany, Hamburg		100.0
FL Servicegesellschaft m.b.H.	*)	Germany, Munich		100.0
Skola Hotelnictivi A Gastronom	*)	The Czech Republic, Prague		100.0
ITM Praha s.r.o.	**)	The Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	**)	Germany, Mannheim		30.0
Talamos Siebente Vermögensverwaltungs-Vorrats-GmbH	*)	Germany, Mannheim		100.0
Talamos Zehnte Vermögensverwaltungs-Vorrats-GmbH	*)	Germany, Mannheim		100.0
Financni poradci s.r.o.	*)	The Czech Republic, Prague		75.0
Claris Previdenza	*)	Italy, Milan		100.0

Company	Type	Registered office	Share in equity in € million [1]	Share in equity 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	–7.7	25.0
ÖVK Holding	Equity	1030 Vienna	2.5	25.0
PKB Privatkliniken Beteiligungs-GmbH***)	Equity	1010 Vienna	25.0	50.0
FIMAG Finanz Industrie Management AG***)	Equity	1220 Vienna	403.8	25.0
Humanomed Krankenhaus Management Gesellschaft m.b.H.	Equity	1040 Vienna	0.7	44.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	**)	9020 Klagenfurt		34.9
ÖPAG Pensionskassen Aktiengesellschaft	Equity	1203 Vienna	18.7	40.1
call us Assistance International GmbH	Equity	1090 Vienna	0.6	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-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	95.3	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	8.9	100.0
Viennaer Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	**)	1010 Vienna		24.5
Reisebüro Creative Tours Gesellschaft m.b.H.	**)	1010 Vienna		25.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.1	37.5
Real-estate companies				
Fundus Praha s.r.o.	Full	The Czech Republic, Prague	1.9	100.0
UNIQA Reality s.r.o.	Full	The Czech Republic, Prague	1.0	100.0
UNIQA Real s.r.o.	Full	The Slovak Republic, Bratislava	0.8	100.0
UNIQA Real II s.r.o.	Full	The Slovak Republic, Bratislava	0.7	100.0
Steigengraben-Gut Gesellschaft m.b.H.	*)	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	13.6	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.9	33.0
"Goldschmiedgasse 1" Besitzgesellschaft m.b.H.	Full	1020 Vienna	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	2.2	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	18.0	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Österreichische Hotelbetriebs-Aktiengesellschaft[3]	Full	1010 Vienna	28.4	99.5
AUSTRIA Österreichische Hotel-Betriebs-Beteiligungs GmbH	Full	1010 Vienna	15.7	100.0
Grand Hotel Bohemia s.r.o.[3]	Full	The Czech Republic, Prague	11.6	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	–0.8	100.0
Austria Österreichische Hotelbetriebs s.r.o.[3]	Full	The Czech Republic, Prague	5.4	100.0
Hotel International Praha a.s.[3]	Full	The Czech Republic, Prague	4.6	97.9
Grupo Borona Advisors, S.L. Ad	*)	Spain, Madrid		74.6
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	3.9	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	6.6	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	5.1	100.0
HKM Immobilien GmbH	*)	Germany, Mannheim		100.0
CROSS POINT, a.s.	*)	The Slovak Republic, Bratislava		100.0

*) Unconsolidated company. **) Associated not "at equity" valued 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-calendar financial year (balance sheet date 30 September).

4. Loans

	Acquisition costs 31 Dec. 2004 € 000	Acquisition costs 31 Dec. 2003 € 000
1. Loans to affiliated companies	113	108
2. Loans to participating interests	792	582
3. Mortgage loans	162,347	116,475
4. Loans and advance payments on policies	17,283	11,163
5. Other loans	757,639	828,623
6. Registered bonds	59,936	0
	998,110	**956,952**

	Acquisition costs 31 Dec. 2004 € 000	Acquisition costs 31 Dec. 2003 € 000
Remaining contractual term		
infinite	0	42
up to 1 year	19,828	24,262
of more than 1 year up to 5 years	623,347	625,676
of more than 5 years up to 10 years	161,339	147,364
more than 10 years	193,596	159,608
	998,110	**956,952**

5. Other securities, available for sale

	Acquisition costs		Fluctuation in value not affecting income	
	31 Dec. 2004 € 000	31 Dec. 2003 € 000	31 Dec. 2004 € 000	31 Dec. 2003 € 000
Type of investment				
Shares	739,395	1,138,885	–637	–47,310
Equity funds	415,579	572,287	–22,137	–290,608
Debenture bonds not capital-guaranteed	462,042	108,908	–9,108	145
Other variable yield securities	292,326	275,643	10,207	4,781
Participating interests and other investments	427,228	209,418	27,227	19,259
Fixed interest securities	9,185,458	7,497,919	214,253	84,926
	11,522,028	**9,803,059**	**219,805**	**–228,806**

	Allocation not affecting income		Withdrawal due *) to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2004 € 000	31 Dec. 2003 € 000	31 Dec. 2004 € 000	31 Dec. 2003 € 000	31 Dec. 2004 € 000	31 Dec. 2003 € 000
Change in equity as at 31 Dec. 2004						
Other securities						
- available for sale	45,499	25,800	15,474	15,698	60,973	41,499

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

	Market values 31 Dec. 2004 € 000	Market values 31 Dec. 2003 € 000
1. Loans to affiliated companies	113	108
2. Loans to participating interests	792	582
3. Mortgage loans	162,347	116,475
4. Loans and advance payments on policies	17,283	11,163
5. Other loans	780,005	859,082
6. Registered bonds	59,936	0
	1,020,477	**987,410**

	Market values 31 Dec. 2004 € 000	Market values 31 Dec. 2003 € 000
Remaining contractual term		
infinite	0	42
up to 1 year	20,147	24,422
of more than 1 year up to 5 years	639,077	648,191
of more than 5 years up to 10 years	167,200	155,148
more than 10 years	194,053	159,608
	1,020,477	**987,410**

Accumulated depreciation 31 Dec. 2004 € 000	Accumulated depreciation 31 Dec. 2003 € 000	Foreign currency differences affecting income 31 Dec. 2004 € 000	Foreign currency differences affecting income 31 Dec. 2003 € 000	Market values 31 Dec. 2004 € 000	Market values 31 Dec. 2003 € 000
–9,541	–67,166	–902	–34,160	728,315	990,249
–152	–15,324	0	60	393,291	266,414
–2,000	–13,213	0	–8,856	450,934	86,984
0	0	0	–2,604	302,533	277,820
0	0	0	–2,417	454,454	226,260
–33,261	–32,812	–115,907	–107,399	9,250,543	7,442,634
–44,954	**–128,516**	**–116,809**	**–155,375**	**11,580,069**	**9,290,362**

	Acquisition costs 31 Dec. 2004 € 000	Acquisition costs 31 Dec. 2003 € 000	Market values 31 Dec. 2004 € 000	Market values 31 Dec. 2003 € 000
Remaining contractual term				
infinite	19,811	19,352	19,811	19,352
up to 1 year	366,241	306,116	370,096	310,927
of more than 1 year up to 5 years	1,778,170	922,714	1,790,202	935,617
of more than 5 years up to 10 years	5,897,769	4,826,517	5,870,859	4,722,384
more than 10 years	1,877,834	1,807,770	1,953,041	1,819,158
	9,939,826	**7,882,469**	**10,004,009**	**7,807,438**

The remaining maturities stipulated by contract referred to fixed-income securities, other variable-rate securities and bonds without capital guarantee.

6. Other securities, held for trading

Derivative instruments, including structured products

Investments in derivative financial instruments 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 potential income from structured products is generally high.

The following kinds of derivatives were held for trading: options, futures, swaps (fixed/floating, asset swaps, structured swaps, total return swaps), index certificates, swaptions, caps and floors and forwards.

Interest derivatives listed on the stock exchange and share-index derivatives were mainly used to control duration and to hedge for the cash portfolio. To a lesser extent, derivatives were also used to prepare investments or to generate synthetic long positions. Foreign exchange risks stemming from USD investments were hedged throughout the entire business year to a large extent through forward exchanges and currency options.

Along with the risk of changes in the interest rate, which is typical of fixed-interest investments, structured investments contain additional components of risk (shares, currencies, volatilities, correlation) which can mostly be emulated through derivatives. As of 2004 so-called "first-loss positions" were held for trading in structured asset-backed securities. Coming with features typical of equity, they offer a clearly higher potential income than ordinary investments in equity. On the downside, they have a higher risk of default.

The central factors of risk of the structured portfolios are the euro, US dollar, and yen yield curve, with regard to the shares S&P 500, Nikkei, DAX, and Euro Stoxx indices, as well as the respective volatilities of these indices and the share price correlation. In addition, we are holding significant positions in USD, CHF, HUF, PLN and TRL. In general we have tried over the past few months to further decrease the total risk of the portfolio through further diversification into new investment categories and through disposing of clusters of highly correlated risks; at the same time to increase the expected return. These efforts have already led to a marked reduction of the volatility of the returns from the structured area. Total volatility of the structured portfolios (bonds and swaps) currently stands at around 5%, i.e. considerably below the risk of the equity portfolio, although of course specific products have a much higher volatility.

Volumes of structured products	**Remaining term**		**Total**	
	1–5 years € 000	**> 5 years € 000**	**2004 € 000**	**2003 € 000**
Structures involving an interest risk	32,188	258,330	290,518	414,146
Structures involving a share exposure	77,192	23,540	100,731	52,371
Structures involving a currency risk	0	41,928	41,928	46,293
Structures involving a credit risk	5,243	0	5,243	8,793
	114,623	**323,798**	**438,421**	**521,603**
Asset-backed securities	22,499	99,527	122,027	0
	137,122	**423,325**	**560,447**	**521,603**

Volumes of structured swaps	**Remaining term**			**Total**
	1–5 years € 000	**5–10 years € 000**	**> 10 years € 000**	**2004 € 000**
Market values clean				
Asset swaps	10,000	114,470	102,886	227,355
Interest swaps	46,934	118,503	120,464	285,901
Interest currency swaps	106,874	48,118	27,899	182,891
	163,808	**281,090**	**251,248**	**696,147**

There was no significant concentration of risk of default, since the bulk of the portfolio consisted of guaranteed bonds or bonds from debtors with high credit ratings. Moreover, trading of derivatives was exclusively handled by financial institutions and banks with a minimum required rating of A3/ A- (in line with our internal investment regulations) and on the basis of ISDA or other master agreements for forward transactions.

The market risk of the specific portfolios and of the aggregate portfolio is calculated on the basis of the internationally used method of "Value at Risk" (one month, a 95% confidence interval, Monte Carlo simulation, stress test). We use adequate valuation tools to guarantee an efficient monitoring of risk in accordance with the complexity of the respective investment instrument.

7. Other investments

	31 Dec. 2004 € 000	31 Dec. 2003 € 000
Other investments included:		
deposits with credit institutions	1,070,772	826,235
deposits with ceding companies	85,632	68,824
	1,156,404	**895,060**

8. Receivables

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
I. Receivables under insurance business		
1. from policyholders	169,846	110,168
2. from intermediaries	53,080	19,106
3. from insurance companies	8,757	15,808
4. accounts receivable under reinsurance operations	61,725	37,048
	293,407	**182,129**
II. Other receivables		
Accrued interest and rent	244,261	246,712
Tax refund claims	52,352	40,378
Receivables due from employees	5,271	5,714
Other receivables	100,286	51,859
	402,170	**344,663**
Total receivables	**695,577**	**526,792**
of which receivables with a remaining term of		
up to 1 year	690,969	524,351
more than 1 year	4,608	2,441
	695,577	**526,792**

9. Deferred acquisition costs

	2004 Group total € 000	2003 Group total € 000
Property and casualty insurance		
As at 1 Jan.	67,970	53,587
Changes due to foreign currency translations	1,570	–1,365
Changes due to extension of the consolidation scope	17,828	15,557
Amount capitalised	38,975	25,146
Amortisation	–37,134	–24,955
As at 31 Dec.	**89,209**	**67,970**
Life insurance		
As at 1 Jan.	416,693	354,567
Changes due to foreign currency translations	305	21
Changes due to extension of the consolidation scope	16,143	2,786
Amount capitalised	94,929	106,930
Interest charge	23,070	15,008
Amortisation	–95,105	–62,620
As at 31 Dec.	**456,035**	**416,693**
Health insurance		
As at 1 Jan.	193,437	195,464
Changes due to foreign currency translations	3	0
Amount capitalised	11,047	9,755
Interest charge	8,469	8,531
Amortisation	–20,202	–20,313
As at 31 Dec.	**192,754**	**193,437**
Consolidated financial statements		
As at 1 Jan.	678,100	603,618
Changes due to foreign currency translations	1,878	–1,344
Changes due to extension of the consolidation scope	33,971	18,343
Amount capitalised	144,951	141,831
Interest charge	31,538	23,539
Amortisation	–152,440	–107,888
As at 31 Dec.	737,998	678,100

10. Deferred tax asset

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Cause of origin		
Technical items	4,117	16,988
Social capital	35,295	38,875
Loss carried forward	4,195	4,154
Other	9,843	4,039
	53,450	64,055
Of which not affecting income	0	0

11. Other assets

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Tangible assets	45,661	31,137
Inventories	5,302	4,763
Other	77,999	26,352
Accruals	38,013	30,486
	166,974	92,738

Tangible assets

Development during the business year

	Group total € 000
Acquisition costs as at 31 Dec. 2003	108,313
Accumulated depreciation up to 31 Dec. 2003	–77,175
Book values as at 31 Dec. 2003	**31,137**
Changes due to foreign currency translations	428
Additions	28,804
Disposals	–1,732
Depreciation	–12,977
Book values as at 31 Dec. 2004	**45,661**
Acquisition costs as at 31 Dec. 2004	**152,436**
Accumulated depreciation up to 31 Dec. 2004	**–106,776**
Book values as at 31 Dec. 2004	**45,661**

Tangible assets contained mainly office equipment. They were depreciated over a useful life of 4 to 10 years. The amounts of depreciation were recognised in the income statement on the basis of allocated operating expenses under the items insurance benefits, operating expenses and net investment income.

12. Group equity

	Subscribed capital and capital reserves € 000	Revaluation reserve € 000	Revenue reserves € 000	Profit carried forward and net profit for the year € 000	Equity € 000	Minority interests € 000
Situation as at 31 Dec. 2002	**193,238**	**–25,261**	**322,392**	**19,174**	**509,544**	**99,057**
Changes for:						
Foreign currency translation			–5,890		–5,890	
Change in consolidation scope			–764		–764	–2,392
Dividends to shareholders				–17,586	–17,586	–7,378
Own shares			–32,217		–32,217	
Unrealised capital gains and losses		41,499			41,499	9,576
Net profit for the year				46,156	46,156	10,062
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**	**108,925**
Changes for:						
Foreign currency translation			13,873		13,873	
Change in consolidation scope			–5,129		–5,129	44,729
Dividends to shareholders				–22,124	–22,124	–7,275
Own shares			12,410		12,410	
Unrealised capital gains and losses		60,973			60,973	11,131
Net profit for the year				82,227	82,227	19,571
Changes in revenue reserves			58,283	–58,283		
Changes in capital reserves						
Other	12,185		–12,330	533	388	
Situation as at 31 Dec. 2004	**206,305**	**77,211**	**373,191**	**26,373**	**683,080**	**177,081**

The subscribed capital corresponded to the share capital of 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, UNIQA Versicherungen AG has at its disposal an authorised capital to the value of € 50 million. The Management Board of 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.

In addition, the Management Board was authorised in the first, second, and fourth Annual General Meetings to buy own shares in accordance with Section 65 paragraph 1 subparagraph 9 and paragraph 1 a of the Austrian Stock Corporation Act upon approval by the Supervisory Board. No UNIQA shares were bought back under the third share buyback programme in 2004. On 28 April 2004 UNIQA Versicherungen AG Management Board decided to resell shares which had previously been bought back. This decision was approved by the Supervisory Board on 29 April 2004, and the share buy-back programme was suspended as the resale programme came into effect on 6 May 2004.

Subscribed capital

	31 Dec. 2004	31 Dec. 2003
Number of allowed and issued		
no par shares	119,777,808	119,777,808
of which fully paid up	119,777,808	119,777,808

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

	31 Dec. 2004	31 Dec. 2003
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs (in € 000)	67,016	67,016
Number of shares	9,157,910	9,157,910
Share of subscribed capital in %	7.65	7.65

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

Earnings per share	**2004**	**2003**
Group net profit (in € 000)	82,227	46,156
of which accounts for ordinary shares (in € 000)	82,227	46,156
Own shares as at 31 Dec. 2004	9,157,910	9,157,910
Average number of shares in circulation	110,619,898	109,975,025
Profit per share (in €)*)	0.74	0.42
Profit before taxes per share (in €)*)	0.92	0.53
Adjusted for goodwill amortisation, the profit on ordinary activities per share amounts to	1.27	0.79
Dividend per share	0.22**)	0.20

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

The diluted result per share is equal to the undiluted result per share in the reporting year and in the previous year.

13. Minority interests

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
in revaluation reserve	37,907	2,538
in net income for the year	19,571	10,062
in other equity	119,603	96,325
	177,081	108,925

14. Subordinated liabilities

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Supplementary capital	325,000	325,000

In December 2002 Raiffeisen Versicherung AG, and in July 2003 UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG, issued partial debentures with a nominal value of € 325 million 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. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Property and casualty insurance		
Gross	314,086	232,620
Reinsurers' share	–27,886	–22,791
	286,200	**209,829**
Health insurance		
Gross	13,908	14,542
Reinsurers' share	0	0
	13,908	**14,542**
Consolidated financial statements		
Gross	327,994	247,162
Reinsurers' share	–27,886	–22,791
(fully consolidated figures)	**300,108**	**224,371**

16. Actuarial provision

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Property and casualty insurance		
Gross	52,816	9,227
Reinsurers' share	–1,813	–654
	51,003	**8,574**
Life insurance		
Gross	11,036,097	9,520,314
Reinsurers' share	–344,135	–78,968
	10,691,962	**9,441,346**
Health insurance		
Gross	1,474,228	1,400,317
Reinsurers' share	–1,567	–1,533
	1,472,661	**1,398,784**
Consolidated financial statements		
Gross	12,563,141	10,929,857
Reinsurers' share	–347,516	–81,154
(fully consolidated figures)	**12,215,625**	**10,848,703**

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

for	**Life insurance**	**Health insurance**
according to	**SFAS 120 %**	**SFAS 60 %**
2004		
For actuarial provision	2.25–4.00	4.50 and/or 5.50
For deferred acquisition costs	4.89–5.69	4.50 and/or 5.50
2003		
For actuarial provision	2.25–4.00	4.50 and/or 5.50
For deferred acquisition costs	3.00–5.20	4.50 and/or 5.50

17. Provision for outstanding claims

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Property and casualty insurance		
Gross	1,583,949	1,199,706
Reinsurers' share	–320,031	–243,130
	1,263,918	**956,576**
Life insurance		
Gross	97,229	123,877
Reinsurers' share	–11,751	–7,649
	85,478	**116,228**
Health insurance		
Gross	124,451	120,841
Reinsurers' share	0	0
	124,451	**120,841**
Consolidated financial statements		
Gross	1,805,629	1,444,423
Reinsurers' share	–331,783	–250,779
(fully consolidated figures)	**1,473,846**	**1,193,644**

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

	2004 Group total € 000	2003 Group total € 000
1. Provision for outstanding claims as at 1 Jan.		
a. Gross	1,199,706	951,444
b. Reinsurers' share	–243,130	–229,776
c. Retention	**956,576**	**721,668**
2. Plus retained claims expenditures		
a. Losses of the current year	998,253	766,597
b. Losses of the previous year	–167,598	–57,455
c. Total	**830,655**	**709,141**
3. Less retained losses paid		
a. Losses of the current year	–495,670	–395,493
b. Losses of the previous year	–273,315	–256,507
c. Total	**–768,985**	**–652,000**
4. Foreign currency translation	**9,768**	**–4,667**
5. Change in consolidation scope	**235,824**	**182,421**
6. Other changes	**80**	**12**
7. Provision for outstanding claims as at 31 Dec.		
a. Gross	1,583,949	1,199,706
b. Reinsurers' share	–320,031	–243,130
c. Retention	**1,263,918**	**956,576**

18. Provision for premium refunds

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Property and casualty insurance		
Gross	24,357	8,635
Reinsurers' share	–1,174	–418
	23,183	**8,217**
Life insurance		
Gross	623,829	358,600
Reinsurers' share	–100	–100
	623,729	**358,500**
Health insurance		
Gross	50,942	48,961
Reinsurers' share	0	0
	50,942	**48,961**
Consolidated financial statements		
Gross	699,128	416,196
Reinsurers' share	–1,274	–518
(fully consolidated figures)	**697,854**	**415,678**
of which profit-unrelated	24,168	16,253
of which profit-related	673,686	399,426

Gross Group total	31 Dec. 2004 Group total € 000	31 Dec. 2003 € 000
a) Provision for profit-unrelated premium refunds	25,343	16,671
of which property and casualty insurance	15,326	7,371
of which health insurance	10,001	9,300
of which life insurance	15	0
Provision for profit-related premium refunds and policyholder profit participation	253,185	196,815
of which property and casualty insurance	9,031	1,265
of which health insurance	40,941	39,661
of which life insurance	203,212	155,889
b) Deferred profit participation	420,601	202,710
	699,128	416,196

Gross	2004 Group total € 000	2003 Group total € 000
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1 Jan.	213,486	225,669
Changes for:		
Other changes	65,042	–12,183
As at 31 Dec.	**278,528**	**213,486**
b) Deferred profit participation		
As at 1 Jan.	202,710	65,618
Changes for:		
Fluctuation in value, securities available for sale	163,564	337,704
Revaluation affecting income	54,326	–200,611
As at 31 Dec.	**420,601**	**202,710**

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

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Gross	1,038,225	434,683
Reinsurers' share	–213,495	–173,424
	824,730	261,258

20. Provisions for pensions and similar commitments

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Provision for pensions	351,820	228,264
Provision for severance payments	110,702	100,701
	462,522	328,965

	2004 Group total € 000
As at 1 Jan.	**328,965**
Change in consolidation scope	88,442
Foreign currency translation	10
Withdrawal for pension payments	–17,359
Expenditure of the business year	62,464
As at 31 Dec. 2004	462,522

Calculation factors applied	
2004	
Technical rate of interest	5.00%
Valorisation of earnings	3.00%
Valorisation of pensions	2.00%
Employee turnover deduction	0% resp. years of service dependant
Accounting principles	AVÖ 1999P—Pagler & Pagler/employee
2003	
Technical rate of interest	5.75%
Valorisation of earnings	3.00%
Valorisation of pensions	2.00%
Employee turnover deduction	0% resp. years of service dependant
Accounting principles	AVÖ 1999P—Pagler & Pagler/employee

Specification of pension expenditure included in the income statement	2004 Group total € 000
Current service cost	11,219
Interest cost	20,954
Amortisation of profits/losses	30,292
	62,464

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Under the contribution-oriented company pension scheme the employer pays the following fixed amounts into company pension funds:	214	70

The employer has satisfied his obligation by making these contributions.

21. Other provisions

	Balance sheet values 2003 € 000	Currency translation changes € 000	Change in consolidation scope € 000	Consumptions € 000	Reversals € 000	Reclassifications € 000	Additions € 000	Balance sheet values 2004 € 000
Provision for unconsumed vacations	27,508	16	675	0	–861	–3	5,170	32,504
Provisions for anniversary payments	16,103	0	1,264	0	–1,307	0	2,939	18,998
	43,611	**16**	**1,938**	**0**	**–2,168**	**–3**	**8,109**	**51,502**
Other personnel provisions	11,066	17	3,107	–7,964	–2,689	–196	11,544	14,885
Provision for derivative transactions	14,619	0	0	–10,356	–4,263	0	22,867	22,867
Provisions for customer relations and marketing	22,704	37	0	–19,151	–1,611	0	23,170	25,150
Provisions for Holocaust compensation	4,469	0	0	0	–398	0	0	4,072
Provision for variable components of remuneration	8,220	0	4,046	–2,122	–169	196	7,206	17,378
Provision for legal and consulting expenses	2,635	2	1,996	–2,808	–741	0	2,431	3,513
Provision for premium adjustment from reinsurance contracts	1,806	20	0	–336	–20	0	5,691	7,161
Provision for portfolio maintenance commission	1,370	0	0	–1,370	0	0	1,500	1,500
Other provisions	29,117	199	18,706	–27,632	–7,323	3	40,905	53,975
	96,007	**274**	**27,854**	**–71,739**	**–17,213**	**3**	**115,313**	**150,499**
Total	**139,618**	**290**	**29,793**	**–71,739**	**–19,381**	**0**	**123,422**	**202,002**

	31 Dec. 2004 Group total € 000
Other provisions*) with a high probability of consumption (higher than 90 %)	
up to 1 year	95,021
of more than 1 year up to 5 years	6,857
more than 5 years	6,649
	108,527
Other provisions*) with a low probability of consumption (lower than 90 %)	
up to 1 year	41,525
of more than 1 year up to 5 years	301
more than 5 years	146
	41,972
Total	**150,499**

*) Without unconsumed vacations and anniversary payments.

22. Liabilities under issued debenture bonds

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
UNIQA Versicherungen AG, Vienna 4.00%, € 150 million, bond 2004/2009	150,000	0

23. Other liabilities

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Liabilities under insurance business		
Deposits held under reinsurance business ceded	575,677	265,602
Liabilities under direct insurance business		
to policyholders	125,325	99,150
to intermediaries	71,201	54,641
to insurance companies	4,703	4,857
Accounts payable under reinsurance business	46,078	25,174
Liabilities to credit institutions	**60,107**	**20,413**
Other liabilities	**143,187**	**84,124**
of which for taxes	49,286	33,327
of which for social security	9,637	8,070
	1,026,278	553,960
of which with a remaining term of		
up to 1 year	507,266	352,296
1–5 years	269,936	14,739
more than 5 years	249,077	186,925
	1,026,278	553,960

24. Deferred tax liabilities

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Cause of origin		
Technical items	120,636	110,321
Untaxed reserves	29,290	33,707
Shares in affiliated companies	28,425	38,658
Investments	51,774	20,781
Other	6,553	8,253
	236,677	211,721
of which not affecting income	28,653	9,777

25. Other liabilities

	31 Dec. 2004 Group total € 000	31 Dec. 2003 Group total € 000
Deferred income	12,297	11,965

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

Supplementary Information on the Consolidated Income Statement 2004

26. Premiums written

	2004 Group total € 000	2003 Group total € 000
Direct business		
1. Property and casualty insurance	1,577,749	1,183,935
2. Life insurance	1,171,460	1,039,200
3. Health insurance	741,956	717,127
	3,491,165	**2,940,261**
of which written in:		
1. Austria	2,837,313	2,542,950
2. Other member states of the EU and other signatory states of the Treaty on the European Economic Area*)	607,033	353,847
3. Other countries*)	46,818	43,464
	3,491,165	**2,940,261**

*) Due to the enlargement of the European Union in 2004 we have adjusted the numbers of the previous year for comparison reasons.

	2004 Group total € 000	2003 Group total € 000
Indirect business		
1. Property and casualty insurance	77,836	63,127
2. Life insurance	27,873	23,912
3. Health insurance	2,678	3,223
	108,387	**90,262**

	2004 Group total € 000	2003 Group total € 000
Total (fully consolidated figures)	**3,599,551**	**3,030,523**

Premiums written Property and casualty insurance	2004 Group total € 000	2003 Group total € 000
Direct business		
Fire and business-interruption insurance	138,413	105,942
Household insurance	123,610	72,274
Other property insurance	144,186	118,188
Motor TPL insurance	405,783	326,765
Other motor insurance	281,783	210,982
Accident insurance	185,783	148,710
Liability insurance	159,543	119,721
Legal expenses insurance	35,365	25,728
Marine, aviation and transport insurance	69,460	30,715
Other insurance	33,823	24,907
Total	**1,577,749**	**1,183,935**
Indirect business		
Marine, aviation and transport insurance	5,832	809
Other insurance	72,004	62,318
Total	**77,836**	**63,127**
Total direct and indirect business (fully consolidated figures)	**1,655,585**	**1,247,062**

Reinsurance premiums ceded	2004 Group total € 000	2003 Group total € 000
1. Property and casualty insurance	274,343	211,075
2. Life insurance	32,943	26,552
3. Health insurance	106	134
	307,391	**237,760**

27. Premiums earned (net)

	2004 Group total € 000	2003 Group total € 000
1. Property and casualty insurance	**1,393,521**	**1,025,425**
Gross	1,672,586	1,236,387
Reinsurers' share	–279,065	–210,962
2. Life insurance	**1,166,107**	**1,036,737**
Gross	1,199,038	1,063,296
Reinsurers' share	–32,932	–26,558
3. Health insurance	**742,064**	**716,395**
Gross	742,170	716,501
Reinsurers' share	–106	–106
(fully consolidated figures)	**3,301,692**	**2,778,558**

28. Other income

	2004 Group total € 000	2003 Group total € 000
a) Other technical income	**18,080**	**6,140**
Property and casualty insurance	14,220	5,149
Life insurance	3,322	849
Health insurance	537	142
b) Other non-technical income	**15,434**	**11,874**
Property and casualty insurance	11,437	8,779
Life insurance	3,741	2,744
Health insurance	256	351
of which		
Services rendered	5,785	3,890
Changes in exchange rates	3,173	4,912
Other	6,476	3,072
c) Other income	**1,922**	**322**
from currency translation	1,861	322
from other	61	0
(fully consolidated figures)	**35,435**	**18,335**

29. Net investment income

	Property and casualty 2004 € 000	Property and casualty 2003 € 000	Life 2004 € 000	Life 2003 € 000
I. Land and buildings	**14,690**	**23,297**	**28,458**	**20,949**
II. Shares in affiliated and associated companies	**15,560**	**36,708**	**329**	**2,835**
III. Loans	**3,621**	**4,654**	**26,423**	**46,453**
IV. Other securities				
1. Held to maturity	0	0	0	0
2. Available for sale				
a) variable yield	6,671	–6,757	76,464	–153,010
b) fixed interest	51,631	32,757	401,948	328,571
3. Held for trading	–1,537	–2,185	44,100	2,372
V. Other investments	**13,662**	**7,360**	**21,929**	**45,225**
VI. Expenditure for asset management, interest expenditure and other investment expenditure	**–14,828**	**–11,084**	**–19,601**	**–18,116**
(fully consolidated figures)	**89,469**	**84,750**	**580,050**	**275,280**

	Consolidated financial statements 2004 € 000	Consolidated financial statements 2003 € 000
Income from associated companies	11,153	39,992

	Ordinary income 2004 € 000	Ordinary income 2003 € 000	Write-ups and unrealised capital gains 2004 € 000	Write-ups and unrealised capital gains 2003 € 000
I. Land and buildings	**59,020**	**61,344**	**52**	**0**
II. Shares in affiliated and associated companies	**11,109**	**41,472**	**10**	**0**
III. Loans	**48,096**	**50,433**	**0**	**0**
IV. Other securities				
1. Held to maturity	0	0	0	0
2. Available for sale				
a) variable yield	52,493	99,464	1	2,761
b) fixed interest	449,046	424,544	0	2,931
3. Held for trading	99,894	–8,633	0	7,180
V. Other investments	**37,266**	**53,601**	**0**	**0**
VI. Expenditure for asset management, interest expenditure and other investment expenditure	**–36,887**	**–30,665**	**0**	**0**
(fully consolidated figures)	**720,039**	**691,561**	**64**	**12,872**

	Health		Consolidated financial statements	
	2004 € 000	**2003 € 000**	**2004 € 000**	**2003 € 000**
	8,188	**5,689**	**51,337**	**49,935**
	–4,469	**557**	**11,419**	**40,100**
	10,470	**11,968**	**40,514**	**63,075**
	0	0	0	0
	7,779	–13,246	90,913	–173,013
	56,563	53,920	510,142	415,247
	3,734	2,446	46,269	2,634
	1,675	**1,016**	**37,267**	**53,601**
	–2,458	**–1,465**	**–36,887**	**–30,665**
	81,482	60,885	751,001	420,915

	Realised capital gains		Depreciation and unrealised capital losses		Realised capital losses		Consolidated financial statements	
	2004 € 000	**2003 € 000**	**2004 € 000**	**2003 € 000**	**2004 € 000**	**2003 € 000**	**2004 € 000**	**2003 € 000**
	33,321	**17,498**	**–36,236**	**–26,964**	**–4,821**	**–1,943**	**51,337**	**49,935**
	6,677	**582**	**–2,430**	**–1,928**	**–3,948**	**–27**	**11,419**	**40,100**
	4,353	**14,973**	**–11,935**	**–573**	**0**	**–1,757**	**40,514**	**63,075**
	0	0	0	0	0	0	0	0
	101,074	63,988	–39,768	–178,950	–22,887	–160,276	90,913	–173,013
	100,711	125,713	–28,136	–111,530	–11,480	–26,412	510,142	415,247
	9,697	43,646	–51,808	–15,119	–11,486	–24,439	46,296	2,634
	0	**0**	**0**	**0**	**0**	**0**	**37,267**	**53,601**
	0	**0**	**0**	**0**	**0**	**0**	**–36,887**	**–30,665**
	255,832	266,399	–170,312	–335,063	–54,622	–214,853	751,001	420,915

30. Insurance benefits

	Gross 2004 € 000	Reinsurers' share 2004 € 000	Net 2004 € 000	Gross 2003 € 000	Reinsurers' share 2003 € 000	Net 2003 € 000
Property and casualty insurance						
Expenditure for claims						
Claims paid	981,934	–139,787	842,147	817,509	–154,372	663,137
Change in provision for outstanding claims	70,577	–13,384	57,193	42,969	22,640	65,609
Total	**1,052,511**	**–153,171**	**899,340**	**860,478**	**–131,732**	**728,746**
Change in actuarial provision	177	–1,462	–1,285	–1,338	114	–1,224
Change in other technical provisions	–4,211	–6	–4,217	–11,538	1,117	–10,422
Expenditure for profit-unrelated and related premium refunds	14,997	–1,332	13,665	–83	–814	–897
Total amount of benefits	**1,063,474**	**–155,971**	**907,503**	**847,518**	**–131,315**	**716,203**
Life insurance						
Expenditure for claims						
Claims paid	717,199	–19,839	697,360	900,404	–13,885	886,519
Change in provision for outstanding claims	–40,638	–1,045	–41,682	47,552	–1,465	46,088
Total	**676,561**	**–20,884**	**655,677**	**947,957**	**–15,350**	**932,607**
Change in actuarial provision	557,037	–6,866	550,171	154,521	–1,162	153,358
Change in other technical provisions	913	0	913	880	0	880
Expenditure for profit-unrelated and related premium refunds, and/or deferred profit participation	243,865	0	243,865	37,969	0	37,969
Total amount of benefits	**1,478,376**	**–27,750**	**1,450,627**	**1,141,326**	**–16,512**	**1,124,814**
Health insurance						
Expenditure for claims						
Claims paid	577,925	–247	577,678	558,668	–226	558,443
Change in provision for outstanding claims	3,531	0	3,531	4,119	145	4,263
Total	**581,456**	**–247**	**581,209**	**562,787**	**–81**	**562,706**
Change in actuarial provision	73,897	–34	73,862	66,701	108	66,809
Change in other technical provisions	17	0	17	59	1	60
Expenditure for profit-related and unrelated premium refunds	20,214	–2	20,212	13,497	–3	13,494
Total amount of benefits	**675,584**	**–283**	**675,301**	**643,044**	**24**	**643,068**
(fully consolidated figures)	**3,217,434**	**–184,003**	**3,033,431**	**2,631,888**	**–147,803**	**2,484,085**

31. Operating expenses

	2004 Group total € 000	2003 Group total € 000
Property and casualty insurance		
a) Acquisition costs		
Payments	364,215	259,560
Change in deferred acquisition costs	–1,868	–263
b) Other operating expenses	176,905	125,261
c) Less reinsurance commission and profit shares received from reinsurance business ceded	59,984	40,583
	479,268	**343,975**
Life insurance		
a) Acquisition costs		
Payments	180,388	169,488
Change in deferred acquisition costs	–22,900	–59,503
b) Other operating expenses	82,482	55,773
c) Less reinsurance commission and profit shares received from reinsurance business ceded	9,434	13,760
	230,536	**151,997**
Health insurance		
a) Acquisition costs		
Payments	65,930	64,275
Change in deferred acquisition costs	679	2,053
b) Other operating expenses	52,872	39,161
c) Less reinsurance commission and profit shares received from reinsurance business ceded	11	10
	119,471	**105,479**
(fully consolidated figures)	**829,275**	**601,452**

32. Other expenses

	2004 Group total € 000	2003 Group total € 000
a) Other technical expenses	**55,721**	**30,162**
Property and casualty insurance	29,148	19,520
Life insurance	20,831	9,818
Health insurance	5,742	823
b) Other non-technical expenses	**22,326**	**14,718**
Property and casualty insurance	21,539	11,631
Life insurance	578	747
Health insurance	208	2,340
of which		
Services rendered	2,063	1,710
Exchange rate losses	3,991	2,675
Motor vehicle registration	1,776	3,482
Other	14,495	6,852
c) Other expenses	**7,077**	**1,042**
for foreign-exchange translation	278	298
for other	6,799	745
(fully consolidated figures)	**85,124**	**45,922**

33. Tax expenditure

	2004 Group total € 000	2003 Group total € 000
Income tax		
Actual tax	42,803	10,951
Deferred tax	–23,777	1,144
(fully consolidated figures)	19,026	12,094

Reconciliation statement	2004 Group total € 000	2003 Group total € 000
A. Profit on ordinary activities	**120,824**	**68,313**
B. Anticipated tax expenditure (A * Group tax rate) adjusted by tax effects for	**31,175**	**22,673**
1) Tax-free investment income	–3,462	–16,221
2) Other	–8,687	5,642
Amortisation of goodwill	4,456	3,558
Non-deductible expenses/other tax exempt income	3,795	686
Changes/deviations of tax rates	–24,544	496
Loss of loss carried forward and other	7,606	902
C. Income tax expenditure	**19,026**	**12,094**

The basic applicable corporate income tax rate for all segments was 25%. 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	2004 Group total € 000	2003 Group total € 000
Salaries and wages	247,834	221,913
Expenses for severance payments	8,594	15,712
Expenses for employee pensions	19,053	15,922
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	81,635	71,396
Other social expenditure	4,051	4,806
	361,167	**329,749**
of which sales	111,729	104,058
of which administration	236,511	214,843

Average number of employees	2004	2003
Total	**9,701**	**8,335**
of which sales	3,406	3,180
of which administration	6,295	5,155

	2004 € 000	2003 € 000
Expenses for severance payments and employee pensions amounted to:		
Members of the Management Board and executive employees in accordance with Section 80 Paragraph 1 of the Stock Corporation Law	1,514	4,829
Other employees	26,133	26,805

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.

	2004 € 000	2003 € 000
Management Board members' remuneration amounted to:		
regular payments	989	981
performance-related remunerations	931	567
	1,920	**1,548**
Of which charged to operational subsidiaries:	1,824	1,471
Supervisory Board members' remuneration amounted to:	441	311
Former members of the Supervisory Board did not receive any remuneration.		
Former members of the Management Board and their surviving dependants were paid:	2,252	3,361
Because of pension commitments to these persons, the following provision was set up on 31 Dec.:	24,908	28,437

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 group's reinsurer.

Related companies

Receivables and liabilities with affiliated and associated companies	2004 Group total € 000	2003 Group total € 000
B. III. Mortgage loans and other loans	**1,118**	**1,244**
D. Receivables		
Receivables under insurance business	106	37
Other receivables	3,327	2,268
G. Liabilities		
Liabilities under insurance business	70	194
Other liabilities	809	267

Other financial commitments and contingent liabilities	2004 € 000	2003 € 000
Contingent liabilities under risk of litigation	2,425	0
Other contingent liabilities	49	257
	2,474	**257**

	2004 € 000
Future payments due to the financing of the UNIQA headquarters in Vienna	
up to 1 year	5,128
of more than 1 year up to 5 years	20,512
more than 5 years	51,280

We moved into the new UNIQA headquarters—the UNIQA Tower—in 2004. The aforementioned leasing obligations are based on the investment expenditures in connection with a specific calculatory rate of interest yield.

Vienna, March 2005

Konstantin Klien

Hannes Bogner

Gottfried Wanitschek

Andreas Brandstetter

Karl Unger

Auditor's Report

We have audited the German version of UNIQA Versicherungen AG's consolidated financial statements dated 31 December 2004 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 on 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 at 31 December 2004 as well as the results of operations and cash flow 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, 29 March 2005

KPMG Alpen-Treuhand GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Dr Walter Knirsch
Austrian Chartered Accountant and Tax Consultant

by procuration Friedrich Unterkircher
Auditor 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 2004 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 2004 prepared by the Management Board and the Annual Report of UNIQA Versicherungen AG, as well as the Group's Financial Statements and the Group Management Report 2004, 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 2004 were thereby adopted in accordance with to Section 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 2005
On behalf of the Supervisory Board

Christian Konrad

Glossary

Acquisition costs
The amount paid in currency or currency equivalent in acquiring an asset, or the current fair value of another form of payment at the time of acquisition.

Actuarial provision
Provision in 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.

Asset allocation
The structure of the investments, i.e. the portion of the total investments invested in the different vehicles of investment (e.g. shares, fixed-income securities, holdings, real estate, money market instruments).

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.

Benchmark method
An accounting and valuation method preferred under IFRS.

Book value (amortised acquisition costs)
The original acquisition costs minus lasting depreciation in value and differences between acquisition costs and redemption amount are credited or debited to acquisition costs with an effect on income until the amount falls due.

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.

Corporate Governance
Corporate Governance refers to the legal and factual framework of the management and monitoring of companies. Corporate Governance regulations are geared towards transparency and thus strengthen the trust in management and control focusing on value creation.

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.

Current market value
The current market value usually equals market value by definition. If the market value cannot be directly derived, the fair value has to be used instead.

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.

Deferred taxes (active/passive)
Deferred taxes arise from temporary differences between commercial balance sheet and balance sheet for tax purposes and those resulting from uniform valuation standards throughout the group. The calculation of deferred taxes is based on the specific tax rates of each country that the group companies are based in; changes in the tax rate that have been decided on as at the balance sheet date are included.

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 collateral. Analogously: deposits payable.

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

Direct insurer
Insurance company which assumes the risk in exchange for an insurance premium and interacts directly with the one insured (private person, company, organisation).

Duration
The weighted average maturity of an interest-sensitive financial investment or a portfolio. It is a risk measure of the sensitivity of financial investments to changes in the rate of interest.

Earned premiums
The premiums earned on an accrual basis, which determine the year's income. 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.

Earnings per share (ordinary/diluted)
The group profit for the year divided by the average number of shares outstanding. Diluted earnings per share include subscription rights exercised or to be exercised in the number of shares and in the profit for the year. Subscription rights are created by issuing convertible bonds (i.e. the conversion rights) and through call options.

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.

FAS
US Financial Accounting Standards laying down specifics of US GAAP (Generally Accepted Accounting Principles).

Fair value
The amount at which an asset could be traded between competent and independent business partners who are willing to enter into a contract.

Forwards
Delivery and transfer are executed at a fixed date in the future. The price of the underlying goods is set at the closing of the deal.

Futures
A future transaction is the commitment to sell or purchase a specific underlying item at a specific date and at an agreed price. Normally a differential payment is made at the specified date instead of any actual delivery or transfer.

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.

Gross premiums written
Presentation of the balance sheet items prior to the deduction of the amount which is allocated to the business ceded to a reinsurer.

Hedging
A way of insuring oneself against unwanted price fluctuations by the use of adequate counter positions, particularly in derivatives. Depending on the risk that one wishes to protect oneself against, there are two basic models: fair value hedges hedge investments or payables against the risk of changes in value; cash flow hedges reduce the risk of fluctuations in future cash flow.

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).

Insurance benefits
Expenses (net of the reinsurer's share) arising from claim settlement, premium refunds and profit participation, and from changes in the actuarial and technical provisions.

Investments on behalf of and at the risk of life insurance policyholders
These are essentially the policyholders' investments of the unit-linked life insurance or of the index-linked life insurance, whose value hinges on the development of an index.

Junior debt
Debt which is honoured in the case of winding up or bankruptcy only after all the other debts have been settled.

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

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.

Profit participation
In life and health insurance the policyholders are entitled by law and by contract to an adequate share in the profits generated by the company. The amount is reset every year.

Provision 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.

Provision for premium refund 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.

Rating
Standardised appraisal of the creditworthiness of debt securities and of companies by specialised, independent rating agencies.

Reinsurance
An insurance company would cede parts of its own risk to another insurance company.

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

Reinsurer
Insurance company that assumes the insurance risk of other insurance companies and has no direct contractual relations with the policyholder.

Retention
The part of the risks assumed which the (re-)insurer does not cede.

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.

Risk of default
The risk of one partner of a contract not being able to comply with his obligations and thus causing financial losses to the other partner.

Securities available for sale
Available-for-sale securities are securities that are neither meant to be held until maturity nor have they been acquired for short-term trading purposes; available for sale at any time they are recognised at per value on the balance sheet date.

Securities held to maturity
Securities representing money claims which are held with the intention of keeping them to maturity. They are recognised at amortised cost.

Segment reports
The breakdown of the group financial statements into business lines (property and casualty insurance, life and health insurance) and regions.

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.

Shareholder value
Management concept which focuses its strategies on the value of a company and on the increase of said value for the owners.

Solvability
Level of own funds in an insurance company.

Stress test
Stress tests are a special form of scenario analysis with the goal of being able to quantify the potential loss of portfolios during extreme fluctuations in the market.

Structured products
Structured projects combine a derivative instrument (e.g. an option) with an underlying instrument (e.g. a bond). They are also referred to as hybrid products.

Subordinate debt
Debt which is honoured in the case of winding up or bankruptcy only after all the other debts have been settled.

Supplementary capital
Capital paid in which is agreed to remain at the insurance company's disposal for at least five years with no cancellation possible; it accrues interest only to the extent that this is covered by the net profit for the year. It can only be repaid prior to liquidation after a pro rata deduction of the net losses incurred during the retention period; in the case of liquidation, it can only be redeemed after those payables have been settled or secured that do not constitute equity or participation capital.

Swaps
The agreement to swap cash flows for a limited amount of time. In the case of an interest swap payment obligations in the same currency but with different terms of interest are swapped, whereas a currency swap is based on the swap of payment obligations in different currencies.

Trading portfolio (held for trading)
Debt securities, shares and other securities (primarily derivatives and structured products) which are held mainly for short-term trading purposes. They are recognised at current market value.

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.

Unit-linked life assurance
The benefits paid by this form of life insurance primarily hinge on the development of the value of the investments bundled in a fund. The person insured participates in both the profit and the loss of this investment.

Underlying instrument
Basic item, item of reference.

US GAAP
US Generally Accepted Accounting Principles

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

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Financial calendar for the year 2005

29 April 2005
Publication of the Group Report 2004

23 May 2005
Annual General Meeting

31 May 2005
1st Quarterly Report 2005

6 June 2005
Ex dividend day

31 August 2005
2nd Quarterly Report

30 November 2005
3rd Quarterly Report

www.uniqagroup.com

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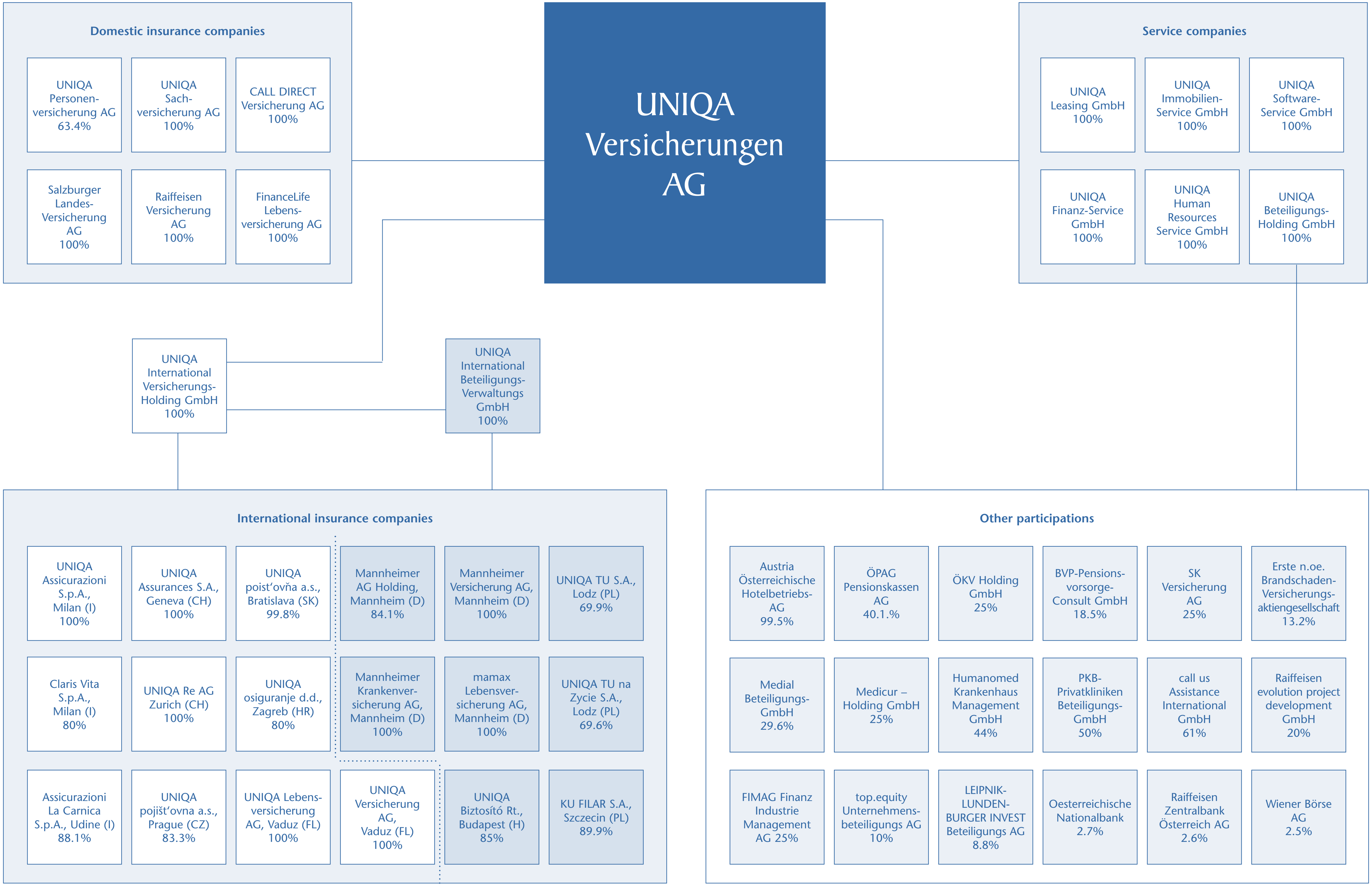
Information

An interactive online version of the Group Report is also available on our website at **www.uniqagroup.com**.

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



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