Annual Financial Report 2010 according to Section 82 paragraph 4 of the Austrian Stock Exchange Act

UNIQA Versicherungen AG

UNIQA The insurance of a new generation.

Contents

Group Management Report

Economic environment

After the most severe recession since 1945, the global economy showed signs of further recovery in 2010. Often supported by massive fiscal and monetary policy measures, economic activity picked up all over the globe. In the eurozone, overall momentum, partly overshadowed by the problem of escalating national debt, fell short of potential growth (growth with normal capacity utilisation), except in the second quarter. But the trend in the individual member states varied greatly. While Germany, Austria and Finland again experienced an upturn, Spain, Greece and Ireland persisted in a deep recession. Although economic growth in the eurozone economy may not have exceeded 1.7% in 2010, Austria again displayed higher momentum with expected growth of 2.0%. The USA continued to be confronted by high unemployment rates and the strained real estate market situation; however, it did finally pick up on speed.

Stabilisation in CEE

The dependence on exports of the countries in Central and Eastern Europe (CEE) turned out to be a serious disadvantage during the crisis and partially resulted in significant declines in economic output, but it became an advantage in 2010. The CEE countries benefited from the significant increase in economic output, primarily in Germany, and the export sector now provided them significant growth stimuli. Accordingly, a large share of the current growth was derived from exports; however, domestic demand is again expected to provide increasing input in the months to come. The economies of Central Europe, especially Slovakia, Poland and the Czech Republic, displayed a particularly positive development in 2010. However, the countries of South Eastern Europe experienced a decline in GDP. The CEE countries in total recorded a GDP gain which is expected to reach about 3% for 2010.

Premiums up slightly in the insurance industry

After increasing its premium volume by 1.4% to €16.4 billion in 2009 despite the financial crisis, the Austrian insurance industry even saw somewhat greater momentum in 2010 with growth of 2.0% to €16.8 billion. The primary factor in this growth was the life insurance line which gained 1.9% in 2010 after relatively weak growth of 0.7% the year before. The focus was on single premium life insurance policies. With a gain of 2.9%, (2009: +3.6%), the health insurance lines continued to show solid, although somewhat reduced growth.

Property and casualty insurance also recorded strong growth in 2010. Overall, the premiums in this area rose by 1.9% and thus continued to exceed the growth rate of the previous year (2009: +1.8%). Motor vehicle liability insurance again experienced a significant decline which was, however, lower than in the previous year. In view of a continuing decline in average premiums, its revenue decreased by 1.8% (2009: +1.0%); however, this may have represented a bottoming out. Parallel to this, the premium development in motor vehicle comprehensive insurance was positive with a gain of 3.4% (2009: +3.9%). The other market segments of property and casualty insurance recorded a strong gain.

Rather volatile financial markets

The international stock markets were restrained at the start of 2010 because of the consolidation caused by the failure of economic indicators from the USA and from Europe to live up to expectations. Not until the beginning of March did positive corporate data, significant growth in global demand and continued low interest rates trigger a short but significant recovery in the stock markets. Nonetheless, the stock markets were unable to benefit from the increasing momentum of the economic recovery in the second quarter. Concerns about the stability of the euro and the fear of payment difficulties, especially in Greece (but also in other countries of Europe's periphery), dampened sentiment. However, the rescue package instituted for the short term by the EU and IMF for highly indebted eurozone countries as well as efforts towards budget consolidation in most eurozone countries gradually had a calming effect on the markets.

After the turbulence of the first six months, the stock markets experienced relative calm in the third quarter. This easing was partly based on the fact that the recommendations of the Basel Committee on Banking Supervision for equity regulation in the context of Basel III turned out to be less strict and provided longer transition phases than were initially assumed. Another positive signal was the satisfactory performance of most European banks in the stress tests of the European banking regulatory agencies. In the fourth quarter, the stock markets again demonstrated robust performance against the backdrop of sustained low interest rates, good economic data and in part very good corporate data.

Prime rates and money market rates continue at historic lows

The interest rate decreases implemented as part of the economic recovery packages produced historically low interest rates worldwide again in 2010. Already in 2008, the USA had reduced its prime rate de facto to zero in order to secure refinancing of the banks. As in 2009, there was no change in this level in 2010. The same applies to the ECB's main refinancing rate which was lowered to 1.0% in 2009 and was not raised in 2010. Money market rates, which increased somewhat over the course of the year compared to the rate at year-end 2009, are still at a historically low level. For instance, the rate for the three-month EURIBOR at the end of 2010 was 1.03%. The one-month rate was 0.81% and continued to be clearly lower than the prime rate.

Bond yield performance in the reporting period was heavily dependent on the development of the debt crisis in the eurozone, which led to uncertainty again and again, and accordingly to volatility. Yields at year-end 2010 in both Europe and the USA continued to be below the figures for year-end 2009, which were already at historic lows after the slump of 2008. After some significant declines in the early months of the year, the trend was finally reversed to a certain degree, at least in the longer term segment, although at a lower level.

The exchange rate trend of the euro was also strongly influenced by the debt crisis in 2010. After having started the year at rates of €1.45 to the US dollar, the common currency rapidly declined to just under €1.20 per USD 1.00, this having been triggered by events in Greece. The slide did not stop until the EU and the IMF agreed on the rescue package for ailing euro countries. Between June and October the US dollar came under noticeable pressure due to the slowdown of the US economy with the result that the euro climbed back to €1.42 per USD 1.00 in early November before the debt crisis in the eurozone again became more critical. After Ireland was also forced to accept financial aid, concerns about a widening of the problems spread to Spain. As a result, the common currency declined again to €1.34 per USD 1.00 by year-end.

Cautious forecasts for 2011

While the economic recovery which started in 2009 continued and became stronger in 2010, economic analysts expect momentum in the eurozone to let up somewhat in 2011. Specifically, growth in the eurozone, which was primarily supported by a surprisingly sound German economy in 2010, may slow to 1.4%–1.7% in the current year. In Austria as well, GDP growth is expected to soften slightly to 1.9% in 2011; the current forecast for Germany is 2.5%. According to the latest forecasts, the USA, where economic momentum finally picked up noticeably, may significantly outpace the euro region in 2011 with a gain of 3.0% to 3.6%. China will hold its place as the world's major economic mover with expected GDP growth of approximately 10%. Worldwide, economic output should grow by 4.2% in 2011.

A further improvement is expected in Central and Eastern Europe in 2011. The difference in the growth rates of the CEE and the established markets of Western Europe is also expected to continue to increase by approximately 2% per annum in the years to come. In the CEE countries as a whole, economic growth may accelerate somewhat again after an average gain of about 3% in 2011.

Consistent with the slight softening of the economy, somewhat weaker premium growth of 1.7% overall is currently forecast for the Austrian insurance industry in 2011. Health insurance is expected to continue growing by 2.8% while premiums in property and casualty may decline by 2.0%. The negative trend in life insurance will continue with an expected drop in premiums of 1.1%. Motor vehicle insurance should also have positive growth of 0.6% in 2011.

The UNIQA Group

With €6,224 million in premiums written, including the savings portion of unit-linked and index-linked life insurance, UNIQA is one of the leading insurance groups in Central and Eastern Europe. The savings portion of premiums from unit-linked and index-linked life insurance amounting to €845 million is, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision. Premium volume excluding the savings portion from the unit-linked and index-linked life insurance amounts to €5,379 million.

UNIQA in Europe

The UNIQA Group offers its products and services through all distribution channels (salaried sales force, general agencies, brokers, banks and direct sales). UNIQA is active in all types of insurance and operates its direct insurance business in Austria through UNIQA Personenversicherung AG, UNIQA Sachversicherung AG, Raiffeisen Versicherung AG, FINANCE LIFE Lebensversicherung AG, Salzburger Landes-Versicherung AG and CALL DIRECT Versicherung AG.

The listed Group holding company, UNIQA Versicherungen AG, is responsible for Group management, operates the indirect insurance business and is the central reinsurer for the Group's Austrian operational companies. In addition, it carries out numerous service functions for the Austrian and international insurance subsidiaries in order to take best advantage of synergy effects within all the Group companies and to consistently implement the Group's long-term corporate strategy. UNIQA Re AG has its headquarters in Zürich and is responsible for reinsuring the Group's international operational companies. In order to achieve maximum synergy effects, the international activities of the UNIQA Group are managed centrally through Competence Centers as well as the Group's Central Services, and UNIQA International Versicherungs-Holding GmbH is responsible for ongoing monitoring and analysis of the international target markets for acquisitions as well as for integration of acquisitions into the Group.

Companies included in the IFRS consolidated financial statements

Along with UNIQA Versicherung AG, the 2010 consolidated financial statements of the UNIQA Group include 48 domestic and 82 foreign companies. A total of 37 affiliated companies whose influence on an accurate presentation of the actual financial status of the assets, financial position and profitability was insignificant were not included in the consolidated financial statements. In addition, UNIQA included ten domestic companies as associates according to the equity accounting method. Fifteen associates were of minor importance, and shares held in these companies are recognised at market value.

The scope of the fully consolidated group was not significantly changed in 2010. Details on the consolidated and associated companies are contained in the corresponding overview in the Group notes (p. 74 f). The accounting and valuation methods are also described in the notes to the consolidated financial statements (p. 78 f).

Risk report

The comprehensive risk report of the UNIQA Group is in the notes to the consolidated financial statements 2010 (p. 82 f).

UNIQA Group business development

The following comments to the business development are divided into two sections. The section "Group business development" describes the business performance from the perspective of the Group with fully consolidated amounts. Fully consolidated amounts are also used in the Group management report for reporting on the development of the business segments of "property and casualty insurance", "health insurance" and "life insurance".

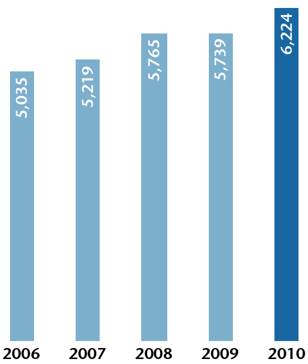
Group business development

The UNIQA Group provides life and health insurance and is active in almost all lines of property and casualty insurance. With over 16.5 million insurance policies being managed at home and abroad, a gross premium volume written (including the savings portion of the unit-linked and index-linked life insurance) of over €6.2 billion (2009: € 5.7 billion) and capital investments of more than € 24.2 billion (2009: € 22.6 billion), the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe.

Premium development

Taking into consideration the savings portion of the unit-linked and index-linked life insurance in the amount of €845 million (2009: €728 million), the total premium volume of the UNIQA Group increased in 2010 by a very pleasing 8.4% to € 6,224 million (2009: € 5,739 million), thus surpassing the € 6 billion mark for the first time. The total consolidated premiums written even grew by 7.3% to € 5,379 million (2009: € 5,012 million). Developments were very positive in the area of insurance policies with recurring premium payments in particular, which grew 5.2% to € 5,141 million (2009: 4,885 million). The single premium business grew even more robustly in 2010 with a 26.8% gain to € 1,084 million (2009: € 855 million). The Group premiums earned including the savings portion of the unit-linked and index-linked life insurance (after reinsurance) in the amount of € 823 million (2009: € 704 million) rose by 9.0% to € 5,964 million (2009: € 5,474 million). The retained premiums earned (according to IFRS) increased by 7.8% to € 5,141 million (2009: € 4,770 million).

Premium volume written
Incl. the savings portion of premiums from unit-linked
and index-linked life insurance
€ million



In the 2010 financial year, 41.6% (2009: 42.6%) of the premium volume arose in property and casualty insurance, 15.6% (2009: 16.3%) in health insurance and 42.8% (2009: 41.1%) in life insurance.

In Austria, the premium volume written including the savings portion of unit-linked and index-linked life insurance increased in 2010 by 1.9% to €3,829 million (2009: € 3,756 million). Recurring premiums grew by 3.3% to € 3,447 million (2009: € 3,338 million). In contrast, single premium revenue fell by 8.9% to €381 million (2009: € 418 million). Including the savings portion of the unit-linked and index-linked life insurance, the premiums earned rose by 2.0% to €3,749 million (2009: € 3,674 million). The retained premiums earned (according to IFRS) in Austria amounted to € 3,100 million in 2010 (2009: € 3,074 million).

In the regions of Eastern and South Eastern Europe (CEE & EEM), the premium developments in 2010 were entirely positive and promising. The premium volume written including the savings portion from the unit-linked and index-linked life insurance fell in 2010 by 12.2% to € 1,294 million (2009: € 1,153 million). This put the share of Group premiums coming from CEE & EEM at 20.8% (2009: 20.1%). Recurring premiums grew by 12.8% to € 1,017 million (2009: € 902 million). The single premium business grew by 10.4% in these regions to €277 million (2009: € 251 million). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned decreased by 12.8% to €1,215 million (2009: €1,077 million). The retained premiums earned (according to IFRS) were € 1,120 million (2009: €1,002 million).

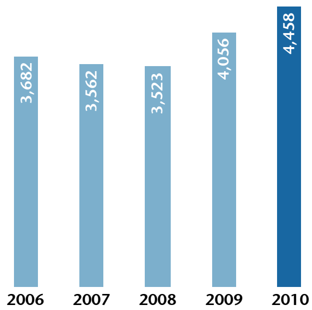
In the Western European countries (WEM) the premium volume written including the savings portion from the unit-linked and index-linked life insurance in 2010 rose by 32.6% to € 1,101 million (2009: € 830 million) primarily due to strong growth in the Italian life insurance business. Recurring premiums grew by 4.8% to € 676 million (2009: € 645 million). The rise in single premiums increased at a significantly more robust rate by achieving growth of 129.6% to €425 million (2009: € 185 million). Overall, the share in Group premiums therefore rose in 2010 to 17.7% (2009: 14.5%). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned decreased by 38.4% to € 1,001 million (2009: € 723 million). The retained premiums earned (according to IFRS) rose by 32.4% to €920 million (2009: € 695 million).

Development of insurance benefits

Burdened by an accumulation of major claims, flood events and the severe winter, the insurance benefits paid by the UNIQA Group (before reinsurance) increased in the 2010 financial year by 6.6% to reach €4,566 million (2009: € 4,284 million). In contrast, the consolidated retained insurance benefits rose somewhat more robustly by 9.9% to € 4,458 million in 2010 (2009: € 4,056 million).

While the insurance benefits retained were reduced in Austria in 2010 by 2.7% to € 2,749 million (2009: € 2,825 million), they rose in the Western European markets by 61.9% to €843 million (2009: € 521 million) primarily due to the strong growth in the Italian life insurance line. In the Central and Eastern European regions (CEE & EEM), they also increased by 21.9% to € 866 million (2009: € 710 million).

Insurance benefits
Retention
€ million



Operating expenses

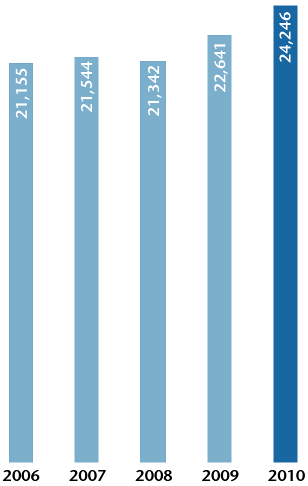
Total consolidated operating expenses (cf. notes to the Group financial statements, no. 37) less reinsurance commissions and profit shares from reinsurance business ceded (cf. notes to the Group financial statements, no. 33) increased in financial year 2010 by 7.4% to € 1,346 million (2009: € 1,252 million). Acquisition expenses rose by 9.6% to € 936 million (2009: € 854 million). In contrast, other operating expenses less reinsurance commissions received increased only slightly by 2.9% to € 410 million (2009: € 398 million).

The cost ratio of the UNIQA Group after reinsurance, i.e. the relation of total operating expenses to the Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance, was increased by 0.3 percentage points to 22.6% during the past year (2009: 22.9%). The cost ratio before reinsurance was 22.0% (2009: 22.1%).

Investment results

Total investments including land and buildings used by the Group, real estate held as investments, shares in associates and investments of unit-linked and index-linked life insurance increased again in 2010 by 7.1%, or € 1,605 million, to reach € 24,246 million (31 December 2009: € 22,641 million).

Investments
€ million



Due to the positive developments on the financial markets, the net investment income less financing costs increased by 17.3% to € 841 million (2009: € 717 million). A detailed description of the investment income can be found in the Group notes (no. 34).

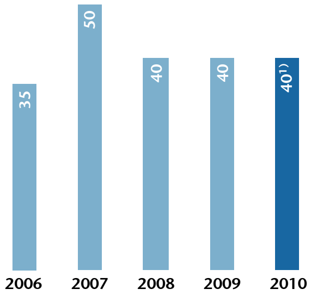
Group pre-tax results at €153 million

In the 2010 financial year, the profit on ordinary activities of the UNIQA Group (before consideration of the Hungarian special tax for the financial sector) increased massively primarily due to the improved investment results and rose by 52.8% to €153 million (2009: € 100 million). With consideration of the Hungarian special tax, the profit on ordinary activities came to € 146 million). Net profit grew by 70.8% in 2010 to € 95 million (2009: € 56 million). Group profit grew by 80.9% in 2010 to €46 million (2009: € 26 mil-lion). The Management Board will nevertheless propose to the Supervisory Board and the Annual General Meeting a dividend distribution that remains unchanged from the previous year at 40 cents per share.

Own funds and total assets

The UNIQA Group's total equity decreased slightly in 2010 by 1.8% to € 1,536 million (31 December 2009: € 1,565 million). This included shares in other companies amounting to € 245 million (31 December 2009: € 232 million). The pre-tax return on equity – the ratio of profit on ordinary activities to average total equity (without taking into consideration the included net profit for 2010) – increased in the past financial year to 9.6% (2009: 6.7%). The total assets of the Group increased in the past financial year by € 1,302 million and totalled €28,695 million on 31 December 2010 (31 December 2009: € 27,393 million).

Dividend
cent



[1] Proposal to the Annual General Meeting

Cash flow

The cash flow from operating activities in 2010 was € 925 million (2009: € 1,137 million). Cash flow from investing activities of the UNIQA Group amounted to €–1,125 million (2009: € –912 million). The financing cash flow was €–64 million (2009: € –42 million). A total of € 57 million were spent on the dividends for the 2009 financial year. The amount of liquid funds changed in total by € –264 million (2009: € 183 million). At the end of 2010, funds amounting to €533 million (2009: €798 million) were available.

Employees

The average number of employees in the UNIQA Group was reduced slightly in 2010 to 15,066 (2009: 15,107). Of these, 6,148 (2009: 6,345) were employed in sales and 8,918 (2009: 8,762) in administration. In the Eastern Emerging Markets (EEM), UNIQA employed a staff of 3,701 in the 2010 financial year (2009: 4,048), 3,541 people (2009: 3,246) in Central Eastern Europe (CEE) and 1.023 (2009: 987) in the Western European markets (WEM). In Austria, 6,801 staff were employed (2009: 6,826). Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the UNIQA Group amounts to just about 20,000.

52% of the administrative staff employed in Austria in 2010 were women, 19.3% (2009: 18.7%) of the employees were part-time. The average age in the past year remained 42 years (2009: 42 years). In total, 11.7% (2009: 11.3%) of the employees participated as managers in UNIQA's performance-related remuneration system – a variable payment system that is tied both to the success of the company and to personal performance. In addition, UNIQA offers young people in training the opportunity to get to know foreign cultures and make international contacts. Currently, 61 apprentices are being trained. 34 new apprentices were accepted in 2010.

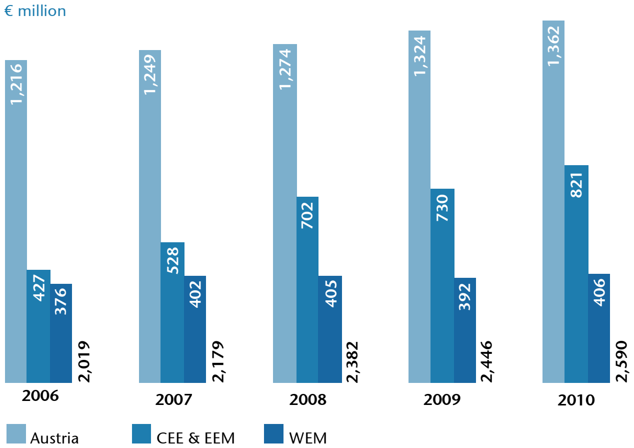
Business lines

Property and casualty insurance

Premium development

In property and casualty insurance, the UNIQA Group was able to continue the positive developments of the previous year again in 2010, increasing the premiums written by 5.9% to €2,590 million (2009: € 2,446 million). As in 2009, the premium volume in Austria rose at a significantly higher rate than the market average by 2.9% to € 1,362 million (2009: € 1,324 million). In the Central and Eastern European regions (CEE & EEM), the growth of the previous years continued. The premiums written grew by 12.5% to € 821 million (2009: € 730 million), thereby contributing 31.7% (2009: 29.9%) to the Group premiums in property and casualty insurance. The premium volume in the Western European markets also increased in 2010: The premium volume written increased by 3.7% to € 406 million (2009: € 392 million). Overall, the international share of Group premiums in property and casualty insurance amounted to 47.4% (2009: 45.9%).

Premium volume written in property and casualty insurance
€ million



Details on premium volume written in the most important risk classes can be found in the Group notes (no. 31).

The retained premiums earned (according to IFRS) in casualty and property insurance totalled € 2,433 million in the reporting year (2009: € 2,290 million) after growth of 6.3%.

Property and casualty insurance	2010 € million	2009 € million	2008 € million	2007 € million	2006 € million
Premiums written	2,590	2,446	2,382	2,179	2,019
Share CEE & EEM	31.7%	29.9%	29.5%	24.2%	21.1%
Share WEM	15.7%	16.0%	17.0%	18.5%	18.6%
International share	47.4%	45.9%	46.5%	42.7%	39.7%
Premiums earned (net)	2,433	2,290	2,214	1,858	1,716
Net investment income	74	97	42	258	141
Insurance benefits (net)	–1,741	–1,552	–1,412	–1,251	–1,130
Net loss ratio (after reinsurance)	71.5%	67.8%	63.8%	67.3%	65.9%
Gross loss ratio (before reinsurance)	69.2%	69.7%	62.4%	68.1%	63.9%
Other operating expenses less reinsurance commissions	–820	–789	–740	–606	–569
Cost ratio (net after reinsurance)	33.7%	34.4%	33.4%	32.6%	33.2%
Net combined ratio (after reinsurance)	105.3%	102.2%	97.2%	99.9%	99.0%
Gross combined ratio (before reinsurance)	101.7%	102.6%	94.4%	99.0%	95.4%
Profit on ordinary activities	–43	8	113	238	129
Net profit	–46	–10	104	193	104

Development of insurance benefits

Burdened by an accumulation of major claims primarily in Germany, Italy, Hungary and Poland, by flood claims in Poland, Hungary, Slovakia and the Czech Republic and claims caused by the severe winter in Poland and the Czech Republic (gross burden of approximately € 114 million; approximately € 103 million after reinsurance), total retained insurance benefits increased in 2010 by 12.1% to € 1,741 million (2009: €1,552 million). In Austria on the other hand, insurance benefits decreased by 6.5% to €905 million (2009: €968 million); in the Western European markets they increased by 70.6% to € 277 million (2009: € 162 million). In the Central and Eastern European regions (CEE & EEM), the insurance benefits rose by 32.3% to €559 million (2009: € 422 million).

As a result of this development, the net loss ratio (retained insurance benefits relative to premiums earned) rose by 3.7 percentage points to 71.5% (2009: 67.8%). The gross loss ratio (before reinsurance) at year-end 2010 was 69.2% (2009: 69.7%) and thus improved by half a percentage point. In contrast, the net loss ratio in Austria fell to 67.6% in 2010 (2009: 74.3%) due to the good loss trend.

Operating expenses, combined ratio

Total operating expenses in property and casualty insurance less reinsurance commissions and profit shares from reinsurance business ceded rose by 4.0% to € 820 million (2009: € 789 million). In the process, acquisition costs rose in line with premium income by 4.6% to € 543 million (2009: €519 million), while other operating expenses increased only moderately by 2.9% to €278 million (2009: € 270 million).

The cost ratio in property and casualty insurance fell in the past financial year to 33.7% (2009: 34.4%) as a result of this development. The net combined ratio increased due to the rise in the loss ratio and was at 105.3% in 2010 (2009: 102.2%). Without taking into consideration the aforementioned extraordinary burdens, the net loss cost ratio was 101.0%. The combined ratio before reinsurance improved to 101.7% (2009: 102.6%) or 97.2% without considering the special effects.

Investment results

Net investment income less financing costs rose in the past year by 23.9% to € 74 million (2009: €97 million). In contrast, the capital investments in property and casualty insurance increased slightly by 0.4% to €3,200 million (2009: € 3,189 million).

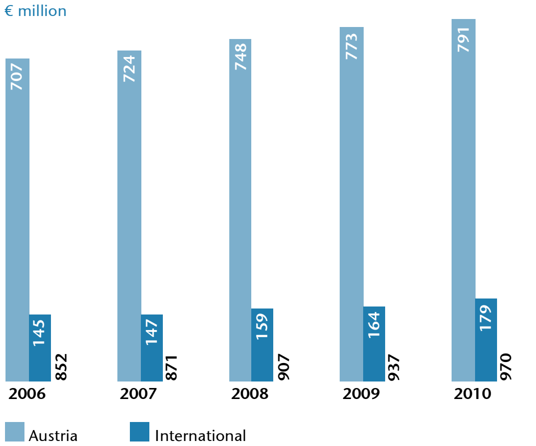
Profit on ordinary activities, net profit

Burdened by an accumulation of major claims – primarily in Germany, Italy, Hungary and Poland – and claims due to floods and the severe winter in Eastern Europe, the profit on ordinary activities was negative in 2010 and amounted to €–43 million (2009: € 8 million). Net profit declined to €–46 million (2009: €–10 million).

Health insurance

Premium development
In comparison to the previous year, premiums written in health insurance increased by 3.5% to €970 million (2009: €937 million). In Austria, where UNIQA was once again the clear market leader in health insurance in 2010, premium volume was up by 2.3% from €791 million (2009: €773 million). In the WEM region, the premiums written increased by as much as 8.3% to €162 million (2009: €150 million). In the countries of Eastern and South Eastern Europe, the premiums in health insurance grew by 16.4% to reach €17 million (2009: €14 million). Overall, the international share in the total health insurance premiums in 2010 was 18.4% (2009: 17.5%).

Premium volume written in health insurance
€ million



In 2010, the retained premiums earned in health insurance (according to IFRS) rose by 3.5% to reach €966 million at the end of the year (2009: €934 million).

Health insurance	2010 € million	2009 € million	2008 € million	2007 € million	2006 € million
Premiums written	970	937	907	871	852
International share	18.4%	17.5%	17.6%	16.9%	17.0%
Premiums earned (net)	966	934	906	869	849
Net investment income	127	94	14	134	114
Insurance benefits (net)	–839	–812	–783	–776	–772
Other operating expenses less reinsurance commissions	–141	–126	–133	–128	–135
Cost ratio (net after reinsurance)	14.6%	13.5%	14.7%	14.7%	15.9%
Profit on ordinary activities	112	88	3	96	54
Net profit	83	67	–1	72	35

Development of insurance benefits
The retained insurance benefits increased in 2010 by 3.4% to €839 million (2009: €812 million). The loss ratio after reinsurance thus remained stable compared to the previous year at 86.9% (2009: 86.9%). In Austria, insurance benefits grew by 2.3% to €682 million (2009: €667 million). The insurance benefits in the international markets increased by 8.5% in 2010, totalling €157 million (2009: €145 million).

Operating expenses
Total operating expenses in health insurance less reinsurance commissions and profit shares from reinsurance business ceded rose in 2010 in by 12.3% to €141 million (2009: €126 million). Acquisition expenses increased by 13.0% to €89 million (2009: €79 million). Other operating expenses increased by 11.1% to €52 million (2009: €47 million). As a result of this development, the cost ratio in health insurance increased to 14.6% (2009: 13.5%).

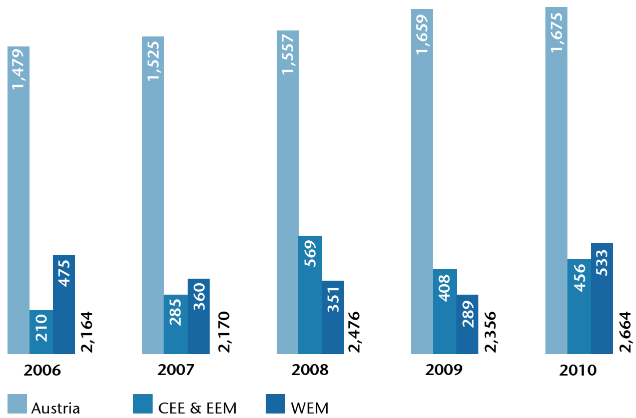
Investment results
Net investment income less financing costs rose in 2010 by 34.7% to €127 million (2009: €94 million). In the health insurance segment, capital investments grew by 9.2% to €2,648 million (2009: €2,424 million).

Profit on ordinary activities, net profit
Profit on ordinary activities in health insurance could be increased again in the reporting year by 26.7% to €112 million (2009: €88 million). Net profit for 2010 was up by 22.4% to €83 million (2009: €67 million).

Life insurance

Premium development
The life insurance premium volume written, including the savings portion of unit-linked and index-linked life insurance, increased drastically in 2010, up by a total of 13.1% to €2,664 million (2009: €2,356 million). Revenues from policies with recurring premium payments rose by 5.3% to €1,580 million (2009: €1,501 million). In the single premium business premiums rose even considerably more, by 26.8% to €1,084 million (2009: €855 million). In the classic single premium business, premiums increased by 31.3% to €647 million (2009: €493 million), while single premium policies in the area of unit-linked life insurance climbed by 20.8% to €437 million (2009: €362 million).

Premium volume written in life insurance
Incl. the savings portion of premiums from unit-linked and index-linked life insurance
€ million



The premium developments in Austria were very satisfactory in 2010, above all in the area of products with recurring premium payments. Revenues from policies with recurring premium payments rose by 4.3% to €1,294 million (2009: €1,240 million). On the other hand, single premium business declined slightly due to a reduction in classic single premiums by 8.9% to €381 million (2009: €418 million). All told, premium volume in Austria in life insurance thus increased by 1.0% to €1,675 million (2009: €1,659 million).

The life insurance business of the Group companies in the Central and Eastern European regions (CEE & EEM) also rose considerably in 2010. The premium volume written including the savings portion from the unit-linked and index-linked life insurance went up by 11.7% to €456 million (2009: €408 million). This brought the share of life insurance from these countries to 17.1% in 2010 (2009: 17.3%). In Western European countries, on the other hand, premium volumes grew by 84.6% to €533 million (2009: €289 million) due to the booming life insurance business in Italy. Overall, the Western European region (WEM) thus contributed 20.0% (2009: 12.3%) to the total life insurance premiums of the Group.

The risk premium share of unit-linked and index-linked life insurance included in the consolidated financial statements totalled €132 million in 2010 (2009: € 105 million). The savings portion of the unit-linked and index-linked life insurance lines amounted to € 845 million (2009: € 728 million) and was, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision.

Including the savings portion of the unit-linked and index-linked life insurance (after reinsurance) in the amount of € 823 million (2009: €704 million), the premiums earned in life insurance declined by 14.0% to €2,564 million (2009: € 2,250 million). The retained premiums earned (according to IFRS) increased in 2010 by 12.6% to € 1,741 million (2009: € 1,546 million).

Life insurance	2010 € million	2009 € million	2008 € million	2007 € million	2006 € million
Premiums written	1,819	1,628	1,653	1,422	1,605
Savings portion of premiums from unit-linked and index-linked life insurance	845	728	823	748	559
Premiums written incl. savings portion of premiums from unit-linked and index-linked life insurance	2,664	2,356	2,476	2,170	2,164
Share CEE & EEM	17.1%	17.3%	23.0%	13.1%	9.7%
Share WEM	20.0%	12.3%	14.2%	16.6%	22.0%
International share	37.1%	29.6%	37.2%	29.7%	31.7%
Premiums earned (net)	1,741	1,546	1,570	1,342	1,527
Savings portion of premiums from unit-linked and index-linked life insurance (net after reinsurance)	823	704	774	695	499
Premiums earned (net) incl. the savings portion of premiums from unit-linked and index-linked life insurance	2,564	2,250	2,344	2,037	2,027
Net investment income	640	525	133	563	610
Insurance benefits (net)	–1,878	–1,692	–1,328	–1,534	–1,780
Other operating expenses less reinsurance commissions	–384	–338	–363	–321	–261
Cost ratio (net after reinsurance)	15.0%	15.0%	15.5%	15.7%	12.9%
Profit on ordinary activities	77	3	–27	5	56
Net profit	59	–1	–37	4	37

Development of insurance benefits

The retained insurance benefits increased in the reporting period by 11.0% to € 1,878 million (2009: € 1,692 million). However, in Austria they were down by 2.4% to € 1,162 million (2009: € 1,191 million). In the Western European region (WEM), insurance benefits grew due to the strong growth in life insurance in Italy by 89.5% to € 418 million (2009: € 221 million), while they only rose moderately in Central and Eastern Europe (CEE & EEM) by 6.1% to € 298 million (2009: €281 million).

Operating expenses

Total operating expenses in life insurance less reinsurance commissions and profit shares from reinsurance business ceded rose in 2010 by 13.6% to € 384 million (2009: € 338 million). Acquisition expenses rose by 18.5% to €304 million (2009: €257 million). In contrast, other operating expenses fell by 1.7% to €80 million (2009: € 81 million). As a result of this development, the cost ratio in life insurance, i.e. the relation of all operating expenses to the Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance (after reinsurance), remained stable at 15.0% (2009: 15.0%).

Investment results

Net investment income less financing costs rose in the reporting year by 21.8% to € 640 million (2009: € 525 million). The capital investments including the investments for unit-linked and index-linked life insurance grew in 2010 by 8.0% to €18,397 million (2009: € 17,028 million).

Profit on ordinary activities, net profit

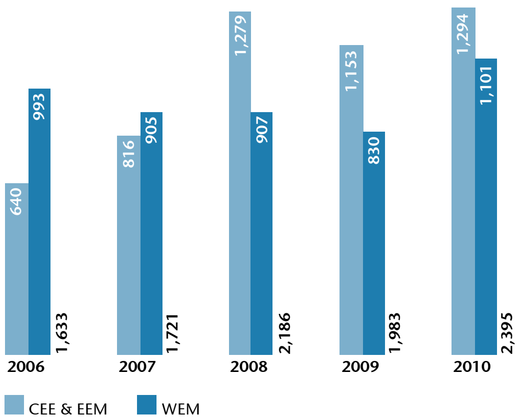
The profit on ordinary activities in life insurance increased in 2010, rising by €74 million to € 77 million (2009: € 3 million). Net profit increased to €59 million (2009: € –1 million).

International markets

The international premium volume of the UNIQA Group, including the savings portion of unit-linked and index-linked life insurance, increased drastically in 2010, following the drop in the year before and rose by a total of 20.8% to € 2,395 million (2009: € 1,983 million). This brought the international share of Group premiums up to 38.5% (2009: 34.6%).

International premium volume written

€ million



Including the savings portion from the unit-linked and index-linked life insurance (after reinsurance), the premiums earned grew by 23.1% to € 2,215 million (2009: € 1,800 million). The retained premiums earned (according to IFRS) rose by 20.3% to € 2,041 million (2009: €1,697 million).

Central and Eastern Europe (CEE & EEM)

In 2010 the countries of Eastern and South Eastern Europe found their way back to a strong growth momentum. Overall, the premium volume written rose by 12.2% to € 1,294 million (2009: € 1,153 million). Insurance benefits increased in the countries of the CEE region by 10.3% to € 1,005 million (2009: € 912 million), for the first time passing the € 1 billion mark. In the Eastern Emerging Markets, the premium volume even doubled from € 241 million to € 289 million (+19.6%). Overall, the CEE & EEM regions therefore contributed 20.8% (2009: 20.1%) to the Group premiums.

Western Europe (WEM)

The premiums in the Western European markets recorded a particularly high increase in the past financial year due to the strong life insurance business in Italy. The premium volume written rose in 2010 by 32.6% to € 1.101 million (2009: € 830 million). The recurring premium business increased by 4.8% to € 676 million (2009: € 645 million). The single premium business more than doubled, growing 129.6% to € 425 million (2009: € 185 million). In 2010, the WEM region contributed 17.7% (2009: 14.5%) to the Group premiums.

The premium volume written including the savings portion of the unit-linked and index-linked life insurance was divided as follows among the various regions in the UNIQA Group:

UNIQA international markets	Premiums written[1]					Share of Group premiums
	2010 € million	2009 € million	2008 € million	2007 € million	2006 € million	2010
Central Eastern Europe (CEE)	1,005	912	1,115	735	595	16.2%
Eastern Emerging Markets (EEM)	289	241	164	81	45	4.6%
Western European Markets (WEM)	1,101	830	907	905	993	17.7%
Total international	**2,395**	**1,983**	**2,186**	**1,721**	**1,633**	**38.5%**

[1] Incl. the savings portion of premiums from unit-linked and index-linked life insurance.

Total insurance benefits in the international Group companies rose by 38.8% in 2010 to €1,709 million (2009: € 1,231 million). Consolidated operating expenses less reinsurance commissions and profit shares from reinsurance business ceded rose in the past financial year by 11.2% to € 572 million (2009: €514 million) . Before consolidation based on the geographic segments (cf. segment reports), the profit on ordinary activities generated by the companies in the three regions outside of Austria amounted to € –54 million (2009: € 22 million) in 2010. This decline can be attributed in particular to lower results by the companies in Italy, Bulgaria, Romania and Hungary.

Significant events after the balance sheet date (subsequent report)

No events occurred after the balance sheet date that require reporting.

Outlook for 2011

Development in the current financial year

At the beginning of 2011, the trend of the premium volume of the UNIQA Group was satisfactory. Premium growth over the first two months was roughly 5.6% in property and casualty insurance and 4.0% in health insurance. Life insurance experienced a decrease in premiums of 5.2% arising from a phase shift in single premium business. The overall growth in January and February 2011 was 1.6%. Whereas premiums in Austria more or less remained at last year's level with a slight negative trend of –0.8%, premiums in international markets rose by 5.7%.

Property and casualty insurance

On the basis of numerous initiatives in product development, customer loyalty and efficiency improvement, UNIQA expects very solid developments in the area of property and casualty insurance once again in 2011.

The growth of the legal expenses insurance line also proved favourable in 2010. The relaxation of the financial crisis was reflected by fewer mass loss claims being reported in the area of financial management in comparison to 2009. The exclusion of a majority of these risks proved to be an effective countermeasure. The stabilisation that occurred in this area had a correspondingly positive effect on the technical results of the legal expense insurance, and the goal for 2011 is to continue profitable growth. In addition to the existing scoring models, expansion will be pursued based on new and detailed portfolio analyses that allow growth to be profitably controlled and premiums to be appropriately structured for risk coverage. Attention will also be directed to the introduction of new terms and conditions for legal protection (ARB 2011) that contain innovative, risk-tailored expansions of coverage in addition to legally necessary adaptations. With the lawyer's portal initiated by the UNIQA Group and introduced in 2010, a new means of communication between attorneys and legal expense insurance providers was established in the insurance market. The aim for 2011 is to further increase the usage of the portal and thereby enhance productivity. The goal of gradually increasing the assignment of claims to specialised lawyers is to raise the success rate and hence customer satisfaction in 2011 as well.

The past year which experienced comparatively few storms and natural disasters witnessed an amelioration of the loss ratio in the storm risk segment. In view of the anticipated increase in bad weather in addition to pending new equity capital guidelines, further steps are necessary, however. Related countermeasures such as tariff segmentation by region have already been introduced, and the Group will continue to follow the course charted back in 2008. We will also continue to expand the HORA system (Austrian Flood Risk Zoning System) in coming years in cooperation with the Insurance Association of Austria and the Ministry of Agriculture, Forestry, Environment and Water Management. The goal of this system is to create and refine a risk map that makes it possible to better assess possible natural dangers.

In the area of natural dangers as well as other risk areas, such as burglary, UNIQA relies on a variety of preventive measures to avoid losses. Examples of this can be found in the severe weather warnings offered by UNIQA as an exclusive service within the insurance industry as well as security checks for corporate customers and the pilot project "NummerSicher" for household and homeowner customers and bicycle theft. The severe weather warnings offered by UNIQA since 2004 in Austria have already been successfully implemented in Poland, Romania, the Czech Republic, Hungary, Serbia, Montenegro and Croatia and should be introduced in additional countries in 2011.

The strategy of reducing complexity and increasing efficiency, especially by offering standardised, customer-oriented products, should yield further profits. After launching the new private customer product in 2009, a new corporate customer project will be introduced in autumn 2011. Like the private customer product, a range of customer needs will be addressed by the different package versions. This will yield a clear, up-to-date product line which enables quick and efficient processing. Increased productivity in sales, efficiency gains and process streamlining then result.

Further refinements in the private customer business will be seen in 2011 as well. For instance, additional security features are being integrated into the new private customer product introduced to the market in 2009. The goal of these new models is an individual and risk-appropriate premium definition, in which the Group will naturally continue to pursue the goal of climate protection in accordance with the course already set jointly by Raiffeisen Versicherung and UNIQA. The features already included in the current product will be carried over and further expanded.

The market environment for motor vehicle insurance in Austria will remain difficult in 2011. The competition is traditionally sharp, and customers are confronted with offers at numerous contact points such as exclusive intermediaries, brokers, banks, automobile dealers or leasing companies.

UNIQA is reacting by continuing to focus on outstanding, unique products such as driver protection and especially SafeLine, the first automotive insurance that can save lives. The significant success of SafeLine in 2010 leads the company to expect an even more dynamic growth in the future. With its safety features, SafeLine helps establish unique customer loyalty in the motor vehicle insurance market. Over 400 emergencies have been positively resolved, and the CarFinder function has enabled lost vehicles to be immediately found in more than 40 cases. Linking GPS technology and crash sensors to automotive insurance is a Europe-wide trend of the future, and UNIQA as one of the forerunners serves as an example for other countries.

UNIQA is also unique in the Austrian market with its driver protection product. Even if the driver is at fault, this singular type of coverage provides an insured sum of up to €1 million for lost salary, treatment costs, living expenses and more. An increase of up to 20,000 policies is anticipated for this product.

Favouring electric vehicles is the logical continuation of UNIQA's commitment to climate protection. Since 2010, UNIQA has offered insurance for electric vehicles that do not require registration such as electric bicycles, mountain bikes, Segways and bikeboards. In 2011, the VCÖ anticipates a further increase in sales of these vehicles from 30,000 to 40,000.

Simultaneously, smartphones continue to enjoy great popularity. Linking the two is a logical step. Customers of UNIQA will therefore be able to obtain liability insurance and comprehensive insurance for these electric vehicles easily and without red tape by using their smartphone starting in 2011. This sends another strong signal about customer contact and simplifies the dialogue between customers and UNIQA similar to the introduction of the first vehicle damage claim reporting by smartphone in the Austrian market in the first half of 2010.

Furthermore, UNIQA rewards customers by offering premium advantages to those who combine the use of public transportation with the use of their individual automobile. UNIQA SafeLine is also a leader among motor vehicle insurance policies in the area of climate protection with its flexible environmental bonus for people who do little driving.

All of these new developments have also been tailored to affiliates in the Group. For example, driver protection has already been introduced in Raiffeisen Versicherung and SafeLine is being used in Hungary. The smartphone application for reporting damage claims has already been launched in several countries.

In the area of business interruption insurance for freelancers, the premium package introduced in 2010 will be furthered by sales-promoting activities. The highlight of this package is a termination protection which is presently only offered by a few insurance companies. For a higher premium, UNIQA will abandon the right to termination after a claim for the entire term of the policy. This addresses the security needs of the customers even better than before. Premium reimbursement in the absence of claims is automatically included.

In the second half of 2011, a shared application is planned for freelancer business interruption insurance and occupational disability insurance. If freelancer business interruption insurance no longer applies, for example if a business closes due to illness, occupational disability insurance will commence. These two products provide freelancers and small business owners with adequate risk coverage. Furthermore, UNIQA grants a premium advantage of 5% for freelancer business interruption insurance.

The new accident tariff structure introduced in the second half of 2010 at UNIQA will also be employed to achieve the targeted goals in 2011. Starting from the second quarter of 2011, an entry-level accident insurance product will be offered – hospital reimbursements for individuals with a flat fee for broken bones – a simple alternative to the primary product, "Unfall & Umsorgt".

Since many customers are involved in internationalisation and are tapping new markets, UNIQA will continue to enhance support of these customers. In addition to the related network of foreign companies, UNIQA also has the expertise and resources to offer international programmes to customers and satisfy the sophisticated demands of this strongly growing market segment.

As a response to the Environmental Liability Act passed to fulfil an EU directive, UNIQA has integrated environmental cleanup costs insurance in its liability insurance products. Since this is a Europe-wide issue, international experience and expertise will be exchanged with the international companies of the Group in 2011.

In years past, UNIQA was closely and successfully involved in an effort to prevent the spread of Legionella in the hotel and healthcare industries. In 2011, a cooperative effort with leading companies of this sector is planned to create systems for sanitising and preventing the spread of germs in water supply systems. In addition to the guaranteed freedom from Legionella, the advantage to UNIQA customers is the particularly attractive price for purchasing and installing the system.

Furthermore, an insurance solution and related safety strategy are presently being developed with a company that specialises in the risk management of major events. The result will be a risk management approach tailored to customers which will also include insurance coverage for the remaining risk associated with large events.

In industrial property insurance, UNIQA continues to find itself in a very competitive market, while the area of general liability insurance for larger risks is already showing the first signs of tightening terms.

In recent years, UNIQA has made a name for itself in the continental European insurance market through innovative products tailored to the requirements of a wide range of art collections and cultural institutions. This has yielded increasing demand especially in the central London market. UNIQA has risen to the challenge and will be opening an office in February 2011 in London which will be run by an international art expert who will develop relationships with international brokers and customers.

The responsibility of the new office will be to develop special insurance concepts for corporate and private collections for museums and international exhibitions, as well as galleries, dealers and auction houses. This outreach will be based on a foundation of years of international experience and the UNIQA team's extraordinary high level of expertise in the art world, as well as a special focus on flexible and innovative solutions.

At the same time, this new location not only places UNIQA closer to many customers, it will also enable UNIQA to continue the strategy it used to successfully expand its market position in central Europe on an international level.

Health insurance

Fortunately, the expectation expressed in these pages last year that the economic environment would become more difficult with increasing unemployment did not materialise over the past year. However, the optimistic forecast of continued demand for health insurance as well as a stable customer base did: New business rose slightly in 2010, whereas the contract cancellation dropped to an absolute low. It is apparent that customers are aware more than ever of the advantages of private health insurance in times of public discussion of the financeability of the health-care system.

A lively public discussion about "two-tier healthcare" has been instigated by an advertising campaign launched by an insurance company which is new to the market. UNIQA's position is clear: Private health insurance builds on a foundation of statutory health insurance and supplements it. A functioning first pillar is therefore a prerequisite. The second pillar offers the customer an additional freedom of choice, self-determination and comfort which, however, must never be to the disadvantage of the remaining population. In fact, the opposite is true: Every privately insured party supports the overall system with his or her own payments, be it the financing of physicians in public hospitals or as a patient in a private hospital by bearing the majority of the associated costs.

Keeping the customer's payments – i.e. the premiums – within a manageable range was a core task of private health insurers under the leadership of UNIQA in 2010 and will remain so in 2011. These negotiations with hospitals and physicians have proved to be particularly intense and tenacious this time. Of course, the successful negotiations of years past make it increasingly difficult to rescind contracts that are unattractive from the vantage point of the contractual partners. Accordingly, some of the demands submitted this year lay substantially above the rate of inflation. Nevertheless in many areas, realistic agreements were reached, and some are still being negotiated. Nonetheless, cautious optimism is appropriate that acceptable agreements will be made in these instances as well, and that customers throughout Austria will continue to be offered direct and guaranteed settlement of all treatment costs.

In sum, UNIQA also anticipates that the trend in health insurance in 2011 will be solid and stable. The entrance into the market of a new competitor (Donau Versicherung) will need to be factored in, and increased marketing and sales activities of familiar market players have also been noted. It can therefore be assumed that competition will become harder. But UNIQA will continue to successfully assert its market leadership and set the standard for the market with innovative products and services: For example, the introduction of the Select PLUS product line planned for the spring of 2011 will continue to promote the concept of prevention with attractive incentives. The process of signing up for policies will be professionalised through the teleunderwriting project with UNIQA's medical call centre as well as simplified and accelerated. The scheduled launch of Mobile Health Care, a futuristic looking truck designed by Luigi Colani, at the end of last year will substantially expand the corporate healthcare management services offered to corporate customers. At the same time, UNIQA will expand awareness of health insurance in a special advertising campaign in the spring of 2011.

The outlook for foreign markets is also positive. In Germany, the political environment for private health insurance continues to develop positively, as expected. A solid foundation for continued respectable development also exists for Mannheimer Krankenversicherung. The Geneva-based Group company, a specialist in health insurance for international organisations, will be able to continue its favourable growth this year as well. Apart from the highly possible conclusion of new large policies, the number of insured under existing policies can be significantly expanded.

In neighbouring eastern countries, health insurance will continue to grow strongly, of course starting from a relatively low level, although some of the effects of the economic and financial crisis can still be felt. The new Mobile Health Care truck will be put to use in these countries as well to provide attention-getting support of UNIQA's growth strategy. In Slovenia, health insurance will be marketed for the first time independently – from Carinthia – by the partner Raiffeisen.

Life insurance

The UNIQA Group offers a comprehensive range of classic index-linked and unit-linked life insurance products. As part of the independent sales, the unit-linked life insurance products are also being offered in Germany and Slovenia in their respective, country-specific versions.

In Austria, UNIQA was able to further strengthen its leadership in the area of unit-linked and index-linked life insurance in 2010. Partly responsible for this was UNIQA's flagship "FlexSolution" and "My flexible life insurance" offered by Raiffeisen Versicherung, as well as the continuously successful index-linked life insurance including "Inflationsschutz & RZB Kapitalinvest" (hedge against inflation & RZB capital investment). The provision solutions available so far in these categories have enjoyed a positive reception among the customers, reaffirming UNIQA's strategy of offering customers products that they can indi-vidually adapt to their current life circumstances. In 2011, this individualisation will be expanded in FlexSolution to clearly and attractively present customers with the numerous options.

Government-subsidised future pension provisions will also be reorganised in 2011. The proven expansions of guaranteed capital, guaranteed lifelong pension and other well-received product features will continue unchanged. In addition, two new tariffs were developed for 2011 in which the first guarantee date begins after 10 or 15 years as opposed to upon the expiration of the policy. Investment will follow a new CPPI model with a volatility target strategy in which the costs of the investment and guarantee can be kept low while the investment can be pursued aggressively even in turbulent capital markets. The successful cooperation with Austria's largest investment company is being continued in its proven form.

Despite the difficult environment arising from the low rate of interest, innovative solutions are being pursued in index-linked life insurance in 2011 as well. The new regulations pertaining to single premiums (4% insurance tax starting at a minimum term of 15 years) that took effect on 1 January 2011 did not pose any hindrance; since the beginning of January 2011, the first single premium tranche of FINANCE LIFE has been available which factors in the new criteria. The topic of security has gained new importance to customers, especially in recent years. Against this background, both classic and capital investment oriented life insurance products are enjoying great popularity. The changes to the actuarial interest rate effective 1 April 2011 will also have consequences on product features. In light of this regulation, UNIQA is reviewing the rates of classic and capital investment based life insurance and will revise them as needed.

With classic life insurance, the primary focus will remain on burial cost insurance which was successfully launched over the last two years. In this sensitive area, a certain amount of awareness has been generated which will be continuously developed in 2011. Additional focus will remain on occupational disability pension for which additional marketing will be required despite a high level of awareness. The children's product will be redesigned in 2011.

Unanticipated events such as accidents or illness can pose serious challenges to personal financial security. The new bank insurance product, “My Raiffeisen Account protection” offered by Raiffeisen Versicherung, provides the security of covering a negative account balance of the insured party up to €5,000 quickly and without red tape in the event of death. This can relieve surviving dependents of at least one financial worry and burden in an emotionally difficult time. In addition, the product is also appropriate for retirement savings with attractive premiums.

In autumn 2010 a new tariff was set up offering payment protection insurance for loans which UNIQA will continue to promote in 2011. This offer also helps to ensure that customers and their surviving dependents do not encounter financial difficulties owing to unforeseen circumstances. The advantage of the new loan protection is the comprehensive hedging of debt in case of death, unemployment or inability to work. Multiple cases of unemployment and multiple cases of inability to work are also covered in order to meet the needs of the customers.

The intensified cooperation between UNIQA and the Raiffeisen bank group in establishing and expanding bank sales in Central and Eastern Europe will continue in 2011. The Preferred Partnership with Raiffeisen encompasses the markets of Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Romania, Bulgaria, the Ukraine, Albania, Kosovo and Russia. The joint product portfolio continues to focus on tailor-made, combined banking and insurance packages as well as stand-alone products, in particular capital-forming life insurance products (endowment policies and unit-linked life insurance). Further aspects of cooperation include the successive expansion of the product portfolio and the gradual introduction of additional stand-alone products for casualty and health insurance in selected markets.

The renewed increase in financing volumes in the year 2010 has led to an increase in the scope of business, which was additionally supported by the introduction of new products. Special attention was paid here to selling stand-alone insurance products. Almost 18,000 new capital-forming life insurance policies with recurring premium payments in a total of nine markets could be concluded in this way. Around 60% of these policies are endowment insurance, with 40% unit-linked life insurance. The introduction of stand-alone products in additional markets is currently being prepared for 2011. Another focus lies on developing synergies by sharing the use of sales channels.

In addition, the cooperation with the Veneto Banca Group in Italy primarily in the area of single-premium life insurance has been a very positive stimulus for UNIQA and was put onto a long-term basis with the new cooperation agreement concluded at the end of 2009.

Outside of Europe, UNIQA founded in 2008 the life and health insurance company Takaful Al-Emarat based in Dubai and is currently developing it as a joint venture with the insurance company Al Buhaira. Takaful has offered life and health insurance for groups since 2009, and is planning individual tariffs for classic and unit-linked life insurance products starting in April 2011. The portfolio is made up exclusively of Takaful products and thus insurance products that conform with current Sharia rules and are also meeting with increased interest in Europe. Starting with Dubai and the United Arab Emirates, business activities will be expanded over the long term to include additional Gulf and Muslim states.

In the area of money laundering prevention, the precise random sampling check was optimised in 2010 based on an IT-supported, risk-oriented monitoring system in Austria. The international Group standards could be implemented for the most part throughout the entire UNIQA Group by the end of 2010. The standards include internal regulations, pertinent training modules, transaction and customer monitoring as well as intensified auditing and reporting. As planned for 2010, the creation of risk profiles for all companies of the UNIQA Group was essentially completed. In Austria, the risk-oriented categorisation of the customer base and the increased use of joint IT solutions were also refined. Substantial improvements could be made in several IT systems, primarily for managing electronic applications.

International projects planned for 2011 include the transition from the implementation phase to making the UNIQA standard a matter of course, and also the continued expansion of IT support.

Group profit

The economic environment continues to be defined by a number of significant uncertainties. Overcoming the government debt crisis in the eurozone and in the USA is viewed as the foremost challenge, as well as the further development of the so-called PIIGS nations. But the question of whether economic growth is sustainable for the future is also viewed as a critical success factor.

Under the prerequisite of anticipated normalisation of international profits and stable domestic profit development, we are assuming that 2011 will deliver further improvement in our operating profits. Underlying assumptions include significant reductions compared to 2010 in claims due to natural disasters, stable capital markets, and a positive economic environment.

Information according to Section 243a paragraph 1 of the Austrian Commercial Code

1. The share capital of UNIQA Versicherungen AG ("the company") is € 142,985,217 and is comprised of 142,985,217 individual no-par shares in the name of the bearer. The share capital has been paid in full. All shares have the same rights and obligations.
2. Due to their voting commitments, the shares of Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H., Collegialität Versicherung auf Gegenseitigkeit, UQ Beteiligung GmbH, RZB Versicherungsbeteiligung GmbH and Raiffeisen Centrobank AG are counted together. Reciprocal purchase option rights have been agreed upon between the first three shareholders listed.
3. Austria Versicherungsverein auf Gegenseitigkeit Privatstiftung holds a total of 37.91% of the share capital of the company indirectly via Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH and indirectly (effectively) via BL Syndikat Beteiligungs Gesellschaft m.b.H.; Raiffeisen Zentralbank Österreich Aktiengesellschaft holds 41.65% of the share capital of the Company indirectly via BL Syndikat Beteiligungs Gesellschaft m.b.H. (effectively), UQ Beteiligung GmbH, RZB Versicherungsbeteiligung GmbH and Raiffeisen Centrobank AG (participation ratios according to the voting rights report from 18 December 2009).
4. No shares with special control rights have been issued.
5. No employee capital participation models exist.
6. No provisions of the articles or other provisions exist that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the articles with the exception of the rule that when a Supervisory Board member turns 70 years of age, he or she shall be retired from the Supervisory Board at the end of the next Annual General Meeting.
7. The Management Board is authorised to increase the share capital up to and including 30 June 2015 with the approval of the Supervisory Board by a total of no more than € 71,492,608. The Management Board is further authorised until 18 May 2013 to buy back up to 14,298,521 own shares through the company and/or through subsidiaries of the company (Section 66 Austrian Stock Corporation Act). As at 31 December 2010, the company held 819,650 own shares.
8. With regard to the shareholding in STRABAG SE, corresponding agreements with other shareholders of this company exist.
9. No reimbursement agreements exist for the event of a public takeover offer.

Information according to Section 243a paragraph 2 of the Austrian Commercial Code

The most important features of the internal controlling and risk management system with regard to the financial reporting process are described in the Group notes (risk report).

Proposed appropriation of profit

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Commercial Code, report an annual net profit for the 2010 financial year of € 57,617,245.61 (2009: € 57,257,946.36). The Management Board will propose to the Annual General Meeting on 30 May 2011 that this net profit be used for a dividend of 40 cents for each of the 142,985,217 dividend-entitled no-par shares issued as at the reporting date and the remaining amount carried forward onto new account.

Vienna, 6 April 2011

Konstantin Klien Chairman of the Management Board	**Andreas Brandstetter** Vice Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Karl Unger** Member of the Management Board	**Gottfried Wanitschek** Member of the Management Board

Corporate Governance Report

The UNIQA Group has committed itself since 2004 to compliance with the Austrian Code of Corporate Governance and publishes this compliance declaration both in the Group annual report and on the Group website under **www.uniqagroup.com → Investor Relations → Corporate Governance**. The Austrian Code of Corporate Governance is also publically available at www.corporate-governance.at.

Implementation and compliance with the individual rules of the code are annually evaluated by Univ.Prof.DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH. Primarily on the basis of a questionnaire, this institution evaluates whether the company complies with the Austrian Code of Corporate Governance, as published by the Austrian Working Group for Corporate Governance. The report on the external evaluation in accordance with rule 62 of the Austrian Code of Corporate Governance can be found on the UNIQA Group website.

UNIQA declares its continued willingness to comply with the Austrian Code of Corporate Governance, as currently amended. In accordance with the code, the "L rules" (legal requirements) are all fully adhered to. However, UNIQA deviates from the provisions of the code in the version applicable for the reporting year with regard to the following "C rules" (comply or explain) and explains as follows:

Rule 31

UNIQA Versicherungen AG does not view individual publishing of the Management Board salaries to be meaningful or useful in consideration of data privacy issues and the right of privacy of the individual Management Board members.

Rule 45 (irrelevant as of 31 May 2010)

Markus Mair is, in addition to his function as a member of the Supervisory Board of UNIQA Versicherungen AG, also on the Supervisory Board of Grazer Wechselseitige Versicherung Aktiengesellschaft and GRAWE-Vermögensverwaltung.

Rule 49

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of insurance assets, there are a number of contracts with individual members of the Supervisory Boards of related companies. As long as such contracts require approval by the Supervisory Board according to Section 95 paragraph 5 sub-para 12 of the Austrian Stock Corporation Act (rule 48), the details of these contracts cannot be made public for reasons of company policy and competition laws. In any case, all transactions are handled under customary market conditions.

Rule 51

UNIQA Versicherungen AG does not view individual publishing of the Supervisory Board compensation to be meaningful or useful in consideration of data privacy issues and the right of privacy of the individual Supervisory Board members.

Management Board

Chairman

Konstantin Klien
- Born in 1951
- Appointed since 1 October 2000 until 30 June 2011 (mandate laid down)

Responsible for
- Group management
- Sales
- Planning and controlling
- Human resources
- Marketing
- Communications
- Investor relations
- Internal auditing

Country responsibility
- Austria

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Supervisory Board of Casinos Austria Aktiengesellschaft, Vienna
- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Wiener Börse AG, Vienna
- Member of the Board of Directors of Takaful Emarat Insurance, UAE

Vice Chairman (Chairman from 1 July 2011)

Andreas Brandstetter
- Born in 1969
- Appointed since 1 January 2002 until 30 September 2013

Responsible for
- New markets
- Mergers & acquisitions
- Bank sales policy

Country responsibility
- Albania
- Bulgaria
- Kosovo
- Macedonia
- Montenegro
- Romania
- Russia
- Serbia
- Slovenia
- Ukraine

Members

Hannes Bogner
- Born in 1959
- Appointed since 1 January 1998 until 30 September 2013

Responsible for
- Group accounting
- Planning and controlling
- Asset management (back office)
- Investor relations
- Industry customers and reinsurance policy

Country responsibility
- Germany
- Italy
- Poland
- Switzerland

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Board of Directors of Takaful Emarat Insurance, UAE

Karl Unger
- Born in 1953
- Appointed since 1 January 2002 until 30 September 2013

Responsible for
- Private customer business
- IT
- Company organisation
- Customer service
- Group actuarial office
- Risk management

Country responsibility
- Liechtenstein
- Hungary
- Slovakia

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna

Gottfried Wanitschek
- Born in 1955
- Appointed since 1 January 1997 until 30 September 2013

Responsible for
- Asset management (front office)
- Equity holdings
- Real estate
- Legal affairs
- General administration
- Internal auditing

Country responsibility
- Bosnia and Herzegovina
- Croatia
- Czech Republic

Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the Group financial statements
- Member of the Supervisory Board of EPAMEDIA – EUROPÄISCHE PLAKAT- UND AUSSENMEDIEN GMBH, Vienna
- Vice Chairman of the Supervisory Board of KURIER Beteiligungs-Aktiengesellschaft, Vienna
- 2nd Vice Chairman of the Supervisory Board of KURIER Redaktionsgesellschaft m.b.H., Vienna
- 2nd Vice Chairman of the Supervisory Board of KURIER Zeitungsverlag und Druckerei Gesellschaft m.b.H., Vienna
- Member of the Supervisory Board of LEIPNIK-LUNDENBURGER INVEST Beteiligungs Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Mediaprint Zeitungs- und Zeitschriftenverlag Gesellschaft m.b.H., Vienna
- Chairman of the Supervisory Board of Privatklinik Villach Gesellschaft m.b.H., Klagenfurt
- Member of the Supervisory Board of Raiffeisen Zentralbank Österreich Aktiengesellschaft, Vienna

Functions of the Management Board

The rules of procedure regulate the distribution of business and the cooperation of the Management Board. They also describe the notification and reporting obligations of the Management Board with respect to the Supervisory Board and stipulate a catalogue of measures that require approval by the Supervisory Board.

Supervisory Board

Chairman

Christian Konrad
- Born in 1943
- Appointed since 29 June 1990 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Member of the Supervisory Board of DO & CO Restaurants & Catering Aktiengesellschaft, Vienna
- Member of the Supervisory Board of BAYWA AG, Munich
- Vice Chairman of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

First Vice Chairman

Georg Winckler
- Born in 1943
- Appointed since 17 September 1999 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- First Vice Chairman of the Supervisory Board of Erste Group Bank AG, Vienna

Second Vice Chairman

Walter Rothensteiner
- Born in 1953
- Appointed since 3 July 1995 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna

Third Vice Chairman

Christian Kuhn
- Born in 1954
- Appointed since 15 May 2006 until the 12th AGM (2011)

Fourth Vice Chairman

Markus Mair
- Born in 1964
- Appointed since 15 May 2006 until 31 May 2010

Supervisory Board appointments in domestic and foreign listed companies
- Third Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna

Günther Reibersdorfer
- Born in 1954
- Appointed from 23 May 2005 to 25 May 2009 and since 31 May 2010 until the 12th AGM (2011)

Fifth Vice Chairman

Ewald Wetscherek
- Born in 1944
- Appointed since 17 September 1999 until the 12th AGM (2011)

Members

Ernst Burger
- Born in 1948
- Appointed since 25 May 2009 until the 12th AGM (2011)

Erwin Hameseder
- Born in 1956
- Appointed since 21 May 2007 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- First Vice Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna
- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Eduard Lechner
- Born in 1956
- Appointed since 25 May 2009 until the 12th AGM (2011)

Hannes Schmid
- Born in 1953
- Appointed since 25 May 2009 until the 12th AGM (2011)

Supervisory Board appointments in domestic and foreign listed companies
- Member of the Supervisory Board of Raiffeisen Bank International AG, Vienna

Assigned by the Central Employee Council

Johann-Anton Auer
- Born in 1954
- Since 18 February 2008

Doris Böhm
- Born in 1957
- Since 7 April 2005

Anna Gruber
- Born in 1959
- Since 15 April 2009

Franz Michael Koller
- Born in 1956
- Since 17 September 1999

Friedrich Lehner
- Born in 1952
- From 31 May 2000 to 1 September 2008 and since 15 April 2009

The Supervisory Board of UNIQA Versicherungen AG had five meetings in 2010.

Committees of the Supervisory Board

Committee for Board Affairs

- **Christian Konrad** (Chairman)
- **Georg Winckler**
- **Walter Rothensteiner**
- **Christian Kuhn**

Working Committee

- **Christian Konrad** (Chairman)
- **Georg Winckler**
- **Walter Rothensteiner**
- **Christian Kuhn**
- **Markus Mair** (until 31 May 2010)
- **Günther Reibersdorfer** (since 31 May 2010)
- **Ewald Wetscherek**

Assigned by the Central Employee Council
- **Johann-Anton Auer**
- **Doris Böhm**
- **Franz Michael Koller**

Audit Committee

- **Christian Konrad** (Chairman)
- **Georg Winckler**
- **Walter Rothensteiner**
- **Christian Kuhn**
- **Markus Mair** (until 31 May 2010)
- **Günther Reibersdorfer** (since 31 May 2010)
- **Ewald Wetscherek**

Assigned by the Central Employee Council
- **Johann-Anton Auer**
- **Doris Böhm**
- **Franz Michael Koller**

Investment Committee

- **Erwin Hameseder** (Chairman)
- **Georg Winckler** (Vice Chairman)
- **Eduard Lechner**
- **Hannes Schmid**

Assigned by the Central Employee Council
- **Johann-Anton Auer**
- **Doris Böhm**

Functions of the Supervisory Board and its committees

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

A Committee for Board Affairs of the Supervisory Board has been formed for handling the relationships between the company and the members of its Management Board relating to employment and salary.

The appointed Working Committee of the Supervisory Board shall be called upon for decisions only if the urgency of the issue will not allow the decision to wait until the next meeting of the Supervisory Board. The evaluation of the urgency is the responsibility of the chairman. The decisions passed must be reported in the next meeting of the Supervisory Board. The Working Committee decides in principle on all issues that are the responsibility of the Supervisory Board; issues of particular important or stipulated by law are excepted, however.

The Audit Committee of the Supervisory Board has the same membership as the Working Committee. The Audit Committee, including the activities of the Working Committee in its function as Audit Committee, performs the duties assigned to it by law.

Finally, the Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority.

At its two meetings, the Committee for Board Affairs dealt with the legal employment formalities of the members of the Management Board.

The Working Committee mainly discussed the profit developments of the Group, assessed the company strategy and made one decision regarding steps to be taken by circulating it in writing. The committee had five meetings in 2010.

The Audit Committee, including the Working Committee which also met in its function as Audit Committee, met for six meetings, dealt with all audit documents and the Management Board's proposed appropriation of profit and particularly addressed the reports of Internal Auditing regarding audit areas and significant audit discoveries based on executed audits.

The Investment Committee had five meetings about the capital investment strategy and questions of the capital structure.

The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

Measures to promote women on the Management Board, the Supervisory Board, and in top executive positions

In recent years, UNIQA has been filling more and more top executive positions with women. In 2010 alone, four female employees were promoted to department head and managing director positions which report directly to the Management Board. One of the Group's particularly ambitious personnel policy goals is to attract women to leadership positions in sales.

With its flexible work-time models, UNIQA provides its female employees with a tool to make their careers compatible with their families as well as they can.

In the international Group companies, nearly every fourth manager of the first and second management levels is a woman. In this area, the UNIQA Group has already achieved a 25% female ratio.

In the recruiting process, UNIQA pays attention not just to education, experience, personal qualities, and equal gender treatment. As an international corporation active in 21 European countries, UNIQA places special emphasis on encouraging female employees to spend a certain amount of their professional life in international Group companies.

The Supervisory Board committee for Board affairs, which also acts as the Nominating Committee, strives to include equally qualified women to be considered for upcoming vacancies on the Supervisory Board and the Management Board.

Independence of the Supervisory Board

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Code of Corporate Governance.

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

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

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

The rules of procedure regulate the distribution of business and the cooperation of the Management Board. They also describe the notification and reporting obligations of the Management Board with respect to the Supervisory Board and stipulate a catalogue of measures that require approval by the Supervisory Board.

Remuneration report

Earnings of the Management Board and Supervisory Board

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

	2010 € 000	2009 € 000
The expenses for remuneration of Management Board members attributable to the reporting year amounted to:		
Regular payments	2,747	2,895
Performance-related remunerations	1,959	0
Total	**4,705**	**2,895**
of which charged to operational subsidiaries	4,470	2,750
Former members of the Mangement Board and their surviving dependants were paid:	2,556	2,522
Because of pension commitments to these persons, the following provision was set up on 31 Dec.	23,548	21,746

The remuneration to members of the Supervisory Board amounted to:

	2010 € 000	2009 € 000
For the current financial year (provision)	380	323
Meeting attendance fee	39	35
Total	**419**	**358**

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

The information according to Section 239 paragraph 1 of the Austrian Business Code in connection with Section 80b of the Insurance Supervisory Act, which must be included in the Notes as mandatory information for financial statements according to IFRS to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, is defined for the individual financial statements according to the provisions of the Austrian Commercial Code, with expanded scope. In addition to the executive functions (Management Board) of UNIQA Versicherungen AG, the individual financial statements also include the earnings of the Management Boards of the subsidiaries, insofar as a legally binding basis exists with UNIQA Versicherungen AG.

Principles for profit participation by the Management Board

A variable income component was made available to the members of the Management Board in the form of bonus agreements if they meet certain defined prerequisites for entitlement. This bonus will be provided as a one-time payment based on the earnings situation. The basis for determining the size of the bonus is the return on equity based on the IFRS consolidated financial statements of UNIQA Versicherungen AG. The Management Board reports to the Committee for Board Affairs on the balance sheet work involving the development of the Group's reserves. The Committee for Board Affairs can appropriately take changes to the reserves into account in determining the size of the bonus payments and establish an adjusted Group return on equity. No changes with respect to the previous year were made to the principles of the profit participation.

Principles for the pension scheme provided in the company for the Management Board and its requirements

Retirement pensions, a pension for occupational invalidity as well as a widow's and orphan's pension have been established, whereby the pension entitlements are managed by ÖPAG Pensionskassen AG. The retirement pension is due in principle upon meeting the requirements for the old-age pension according to the General Social Security Act. In event of an earlier retirement, the pension claim is reduced. For the occupational invalidity pension and the pension for surviving dependants, flat rates are provided as a minimum pension.

Principles for vested rights and claims of the Management Board of the company in the event of termination of their position

Severance payments have been agreed upon based partially on the provisions of the Salaried Employee Act. The benefits are fundamentally retained in the event of termination of membership in the Management Board; however, a reduction rule applies.

Supervisory Board remuneration scheme

Remunerations to the Supervisory Board are decided at the Annual General Meeting as a total amount for the work in the past financial year. The remuneration amount applicable to the individual Supervisory Board members is based on the position within the Supervisory Board and the number of committee positions.

D&O insurance

Such insurance exists, and the relevant costs are paid by UNIQA.

Risk report, directors' dealings

A comprehensive risk report (rule 67) is included in the Group notes beginning on p. 82. A description of the announcements made about the directors' dealings (rule 70) can also be found in the Corporate Governance area of the Group website.

Vienna, 6 April 2011

Konstantin Klien Chairman of the Management Board	**Andreas Brandstetter** Vice Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Karl Unger** Member of the Management Board	**Gottfried Wanitschek** Member of the Management Board

Consolidated Balance Sheet
as at 31 December 2010

Assets			Notes	31 Dec. 2010 € 000	31 Dec. 2009 € 000	1 Jan. 2009 € 000
A.	**Tangible assets**					
	I.	Self-used land and buildings	1	268,563	230,077	220,565
	II.	Other tangible assets	2	138,657	132,447	113,412
				407,220	**362,524**	**333,977**
B.	**Land and buildings held as financial investments**		3	**1,465,297**	**1,433,091**	**1,147,634**
C.	**Intangible assets**					
	I.	Deferred acquisition costs	4	885,646	877,394	872,003
	II.	Goodwill	5	592,402	607,191	500,969
	III.	Other intangible assets	6	31,400	31,875	34,424
				1,509,448	**1,516,459**	**1,407,396**
D.	**Shares in associated companies**		7	**546,444**	**717,163**	**851,382**
E.	**Investments**					
	I.	Variable-yield securities				
		1. Available for sale	9	1,751,520	1,321,142	1,397,749
		2. At fair value through profit or loss		694,424	706,219	948,998
				2,445,944	2,027,361	2,346,747
	II.	Fixed interest securities				
		1. Held to maturity	8	340,000	340,000	448,957
		2. Available for sale	9	11,198,539	9,879,620	8,605,679
		3. At fair value through profit or loss		317,383	246,936	271,468
				11,855,922	10,466,556	9,326,105
	III.	Loans and other investments				
		1. Loans	11	2,442,231	2,943,107	3,201,817
		2. Cash at credit institutions	12	863,652	1,201,925	1,457,298
		3. Deposits with ceding companies	12	136,794	136,149	129,405
				3,442,677	4,281,180	4,788,519
	IV.	Derivative financial instruments				
		1. Variable-yield	10	6,239	3,606	15,898
		2. Fixed interest	10	22,013	8,252	3,179
				28,252	11,858	19,077
				17,772,793	**16,786,955**	**16,480,448**
F.	**Investments held on account and at risk of life insurance policyholders**		24	**4,192,730**	**3,473,553**	**2,642,462**
G.	**Share of reinsurance in technical provisions**					
	I.	Provision for unearned premiums	19	20,755	20,341	26,853
	II.	Actuarial provision	20	448,708	448,599	431,387
	III.	Provision for outstanding claims	21	239,975	293,762	265,344
	IV.	Provision for profit-unrelated premium refunds	22	33	99	225
	V.	Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	0	0	0
	VI.	Other technical provisions		3,005	3,649	5,529
			23	**712,476**	**766,450**	**729,338**
H.	**Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders**		24	**396,542**	**382,338**	**382,480**
I.	**Receivables including receivables under insurance business**		13			
	I.	Reinsurance receivables		39,741	52,558	46,766
	II.	Other receivables		912,855	916,653	835,119
	III.	Other assets		54,819	50,690	50,432
				1,007,415	**1,019,902**	**932,317**
J.	**Receivables from income tax**		14	**46,111**	**40,348**	**54,077**
K.	**Deferred tax assets**		15	**105,821**	**96,295**	**69,096**
L.	**Liquid funds**			**532,903**	**797,658**	**567,853**
Total assets				28,695,200	27,392,735	25,598,461

Equity and liabilities		Notes	31 Dec. 2010 € 000	31 Dec. 2009 € 000	1 Jan. 2009 € 000
A.	Total equity				
	I. Shareholders' equity	16			
	1. Subscribed capital and capital reserves		540,681	540,681	390,681
	2. Revenue reserves		731,217	724,523	809,227
	3. Revaluation reserves		–15,639	10,600	11,570
	4. Actuarial gains and losses on defined benefit plans		–22,287	7,057	18,660
	5. Group total profit		57,617	50,201	34,577
			1,291,589	1,333,063	1,264,714
	II. Minority interests in shareholders' equity	17	245,051	231,720	194,062
			1,536,641	**1,564,782**	**1,458,776**
B.	**Subordinated liabilities**	18	**575,000**	**575,000**	**580,544**
C.	**Technical provisions**				
	I. Provision for unearned premiums	19	594,822	552,569	521,637
	II. Actuarial provision	20	16,479,742	16,055,368	15,601,625
	III. Provision for outstanding claims	21	2,392,372	2,299,943	2,175,342
	IV. Provision for profit-unrelated premium refunds	22	49,472	47,588	46,135
	V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	22	164,695	196,565	–5,229
	VI. Other technical provisions		47,392	47,677	49,452
		23	**19,728,494**	**19,199,710**	**18,388,962**
D.	**Technical provisions for life insurance policies held on account and at risk of life insurance policyholders**	24	**4,142,636**	**3,416,231**	**2,579,997**
E.	**Financial liabilities**				
	I. Liabilities from loans	25	48,505	55,356	189,053
	II. Derivatives	10	3,663	26,939	7,087
			52,168	**82,295**	**196,140**
F.	**Other provisions**				
	I. Pensions and similar provisions	26	524,376	466,837	436,478
	II. Other provisions	27	201,149	192,327	207,919
			725,526	**659,164**	**644,397**
G.	**Payables and other liabilities**	28			
	I. Reinsurance liabilities		889,550	872,587	869,258
	II. Other payables		660,339	650,881	567,129
	III. Other liabilities		14,662	10,854	11,122
			1,564,551	**1,534,321**	**1,447,509**
H.	**Liabilities from income tax**	29	**56,170**	**48,732**	**57,294**
I.	**Deferred tax liabilities**	30	**314,014**	**312,499**	**244,841**
Total equity and liabilities			**28,695,200**	**27,392,735**	**25,598,461**

To increase transparency in the reporting process, the UNIQA Group has decided to exercise the right stipulated in IAS 19.93A ff concerning balancing the accounts of pension and severance payment provisions, and to implement this change as of 31 December 2010. From now on, the amount of the actuarial gains and losses will therefore be reported as shareholders' equity, after deducting deferred taxes and deferred profit participation, without affecting income. In accordance with IAS 8, the amounts of the previous year have been adjusted to reflect this.

		2009 after change € 000	2009 before change € 000	2009 change € 000
Consolidated Balance Sheet				
I.	**Shareholders' equity**			
	4. Actuarial gains and losses on defined benefit plans	7,057	0	7,057
	5. Group total profit	50,201	57,258	–7,057
Consolidated Income Statement				
5.	Net investment income	751,656	751,603	53
7.	Insurance benefits	–4,056,446	–4,054,442	–2,004
	a) Gross	–4,284,398	–4,282,394	–2,004
8.	Operating expenses	–1,267,206	–1,283,750	16,544
	b) Other operating expenses	–412,852	–429,396	16,544
9.	Other expenses	–119,947	–123,052	3,105
11.	Operating profit	135,118	117,420	17,698
15.	**Profit on ordinary activities**	**100,026**	**82,328**	**17,698**
16.	Income taxes	–44,362	–39,596	–4,766
17.	**Net profit**	**55,664**	**42,732**	**12,932**
	of which consolidated profit	25,672	14,115	11,557
	of which minority interests	29,993	28,618	1,375
Earnings per share		**0.19**	**0.11**	**0.08**

The following parts of the Group report are, in accordance with IAS 8, affected by the change in the balancing of the accounts of defined benefit plans: the consolidated balance sheet, consolidated income statement, comprehensive income statement, Group cash flow statement, development of equity, segment reports, earnings per share and the details in the notes.

	2009 after change € 000	2009 before change € 000	2009 change € 000
Classified by region			
Net investment income			
Austria	617,996	617,943	53
In the consolidated financial statements	751,656	751,603	53
Insurance benefits (net)			
Austria	–2,738,835	–2,736,831	–2,004
In the consolidated financial statements	–4,056,446	–4,054,442	–2,004
Operating expenses			
Austria	–735,700	–749,534	13,834
Germany	–134,293	–137,003	2,710
In the consolidated financial statements	–1,267,206	–1,283,750	16,544
Profit on ordinary activities			
Austria	86,143	74,115	12,028
Germany	15,217	9,547	5,670
In the consolidated financial statements	100,026	82,328	17,698

Consolidated Income Statement

from 1 January to 31 December 2010

		Notes	2010 € 000	2009 € 000
1.	**Premiums written (retained)**	31		
	a) Gross		5,379,138	5,011,651
	b) Reinsurers' share		–202,414	–217,254
			5,176,724	**4,794,398**
2.	**Change due to premiums earned (retained)**			
	a) Gross		–35,552	–17,445
	b) Reinsurers' share		–326	–6,796
			–35,877	**–24,240**
3.	**Premiums earned (retained)**	32		
	a) Gross		5,343,587	4,994,207
	b) Reinsurers' share		–202,740	–224,049
			5,140,847	**4,770,158**
4.	**Income from fees and commissions**	33		
	Reinsurance commissions and profit shares from reinsurance business ceded		**16,574**	**14,821**
5.	**Net investment income**	34	**872,316**	**751,656**
	of which profit from associated companies		22,012	–62,295
6.	**Other income**	35	**115,542**	**60,624**
Total income			**6,145,278**	**5,597,260**
7.	**Insurance benefits**	36		
	a) Gross		–4,565,923	–4,284,398
	b) Reinsurers' share		107,848	227,953
			–4,458,075	**–4,056,445**
8.	**Operating expenses**	37		
	a) Acquisition costs		–936,001	–854,353
	b) Other operating expenses		–426,230	–412,853
			–1,362,231	**–1,267,206**
9.	**Other expenses**	38	**–126,196**	**–119,947**
10.	**Amortisation of goodwill**		**–14,481**	**–18,543**
Total expenses			**–5,960,983**	**–5,462,142**
11.	**Operating profit**		**184,295**	**135,118**
12.	**Financing costs**		**–31,492**	**–35,091**
13.	**Profit on ordinary activities except extraordinary tax financial sector (Hungary)**		**152,804**	**100,026**
14.	**Extraordinary tax financial sector (Hungary)**		**–6,771**	**0**
15.	**Profit on ordinary activities**		**146,033**	**100,026**
16.	**Income taxes**	39	**–50,981**	**–44,362**
17.	**Net profit**		**95,052**	**55,664**
	of which consolidated profit		46,434	25,672
	of which minority interests		48,618	29,993
Earnings per share [1] in €		16	**0.33**	**0.19**
Average number of shares in circulation			**142,165,567**	**131,723,521**

[1] The diluted earnings per share is equal to the undiluted earnings per share. Calculated on the basis of the consolidated profit.

Consolidated Comprehensive Income Statement

from 1 January to 31 December 2010

	2010 € 000	2009 € 000
Net profit	**95,052**	**55,664**
Foreign currency translation		
Gains (losses) recognised in equity	**15,525**	**–22,096**
Included in the income statement	**421**	**0**
Unrealised gains and losses on investments		
Gains (losses) recognised in equity	–90,086	231,601
Gains (losses) recognised in equity – deferred tax	11,863	–21,962
Gains (losses) recognised in equity – deferred profit participation	53,072	–170,142
Included in the income statement	–67,425	–10,533
Included in the income statement – deferred tax	3,631	7,576
Included in the income statement – deferred profit participation	52,850	–16,362
Change resulting from valuation at equity		
Gains (losses) recognised in equity	7,268	–22,427
Included in the income statement	0	0
Actuarial gains and losses on defined benefit plans		
Gains (losses) recognised in equity	–52,784	–19,701
Gains (losses) recognised in equity – deferred tax	10,711	4,766
Gains (losses) recognised in equity – deferred profit participation	8,712	2,004
Other changes [1]	**1,329**	**2,113**
Income and expense recognised directly in equity	**–44,915**	**–35,164**
Total recognised income and expense	**50,137**	**20,500**
of which attributable to UNIQA Versicherungen AG shareholders	15,393	–29,310
of which attributable to minority interests	34,744	49,810
of which changes in accordance with IAS 8	0	0

[1] The other changes result primarily from currency fluctuations.

Consolidated Cash Flow Statement

from 1 January to 31 December 2010

	2010 € 000	2009 € 000
Net profit including minority interests		
Net profit	95,052	55,664
of which interest and dividend payments	4,807	–8,518
Minority interests	–48,618	–29,947
Change in technical provisions (net)	1,294,960	1,588,280
Change in deferred acquisition costs	–8,252	–5,390
Change in amounts receivable and payable from direct insurance	–3,095	41,632
Change in other amounts receivable and payable	47,146	–92,788
Change in securities at fair value through profit or loss	–75,045	274,531
Realised gains/losses on the disposal of investments	–269,251	–930,298
Depreciation/appreciation of other investments	–106,171	262,637
Change in provisions for pensions and severance payments	57,540	30,359
Change in deferred tax assets/liabilities	–8,012	30,539
Change in other balance sheet items	–59,471	–12,166
Change in goodwill and intangible assets	12,690	–21,962
Other non-cash income and expenses as well as accounting period adjustments	–4,801	–54,013
Net cash flow from operating activities	**924,672**	**1,137,078**
of which cash flow from income tax	–30,913	–23,385
Receipts due to disposal of consolidated companies	200,651	254,983
Payments due to acquisition of consolidated companies	–13,112	–273,129
Receipts due to disposal and maturity of other investments	8,558,867	10,878,155
Payments due to acquisition of other investments	–9,152,476	–10,941,012
Change in investments held on account and at risk of life insurance policyholders	–719,177	–831,090
Net cash flow used in investing activities	**–1,125,247**	**–912,094**
Change in investments in own shares	0	0
Share capital increase	0	150,000
Dividend payments	–56,866	–52,341
Receipts and payments from other financing activities	–6,851	–139,242
Net cash flow used in financing activities	**–63,717**	**–41,583**
Change in cash and cash equivalents	–264,292	183,401
Change in cash and cash equivalents due to foreign currency translation	–465	–2,132
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	2	48,535
Cash and cash equivalents at beginning of period	797,658	567,853
Cash and cash equivalents at end of period	**532,903**	**797,658**
of which cash flow from income tax	–30,913	–23,385

The cash and cash equivalents correspond to item L. of the assets: Liquid funds.

Development of Group Equity

	Subscribed capital and capital reserves	Revaluation reserve	Actuarial gains and losses on defined benefit plans
	€ 000	€ 000	€ 000
As at 31 Dec. 2008	**390,681**	**11,570**	**18,660**
Changes due to:			
Capital increase	150,000		
Change in consolidation scope			
Dividends to shareholders			
Income and expenses according to the consolidated comprehensive income statement		–969	–11,603
As at 31 Dec. 2009	**540,681**	**10,600**	**7,057**
Changes due to:			
Change in consolidation scope			
Dividends to shareholders			
Income and expenses according to the consolidated comprehensive income statement		–26,240	–29,343
As at 31 Dec. 2010	**540,681**	**–15,639**	**–22,287**

	Revenue reserves including reserves for own shares	Holding of own shares	Profits carried forward and net profit for the year	Equity	Minority interests	Total equity
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
	820,085	**10,857**	**34,577**	**1,264,714**	**194,062**	**1,458,776**
				150,000		150,000
					–3,717	–3,717
			–52,341	–52,341	–8,436	–60,777
	–84,704		67,966	–29,310	49,810	20,500
	735,381	**10,857**	**50,201**	**1,333,063**	**231,720**	**1,564,782**
					–5,613	–5,613
			–56,866	–56,866	–15,799	–72,665
	6,694		64,282	15,393	34,744	50,137
	742,075	**10,857**	**57,617**	**1,291,589**	**245,051**	**1,536,641**

Segment Balance Sheet

Classified by segment

	Property and casualty		Health	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Assets				
A. Tangible assets	182,928	189,425	29,356	29,693
B. Land and buildings held as financial investments	289,959	377,011	288,647	285,541
C. Intangible assets	535,163	595,092	237,721	233,387
D. Shares in associated companies	27,762	120,188	190,200	0
E. Investments	2,887,092	2,683,346	2,197,962	2,170,268
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of reinsurance in technical provisions	246,362	305,285	3,183	2,709
H. Share of reinsurance in technical provisions held on account and at risk of life insurance policyholders	0	0	0	0
I. Receivables including receivables under insurance business	770,306	625,437	279,236	213,443
J. Receivables from income tax	36,396	28,899	580	1,258
K. Deferred tax assets	83,564	80,958	2,957	527
L. Liquid funds	156,319	232,910	136,362	181,642
Total segment assets	**5,215,850**	**5,238,551**	**3,366,204**	**3,118,468**
Equity and liabilities				
B. Subordinated liabilities	335,000	335,000	0	0
C. Technical provisions	2,761,658	2,658,848	2,786,820	2,622,190
D. Technical provisions for life insurance policies held on account and at risk of life insurance policyholders	0	0	0	0
E. Financial liabilities	41,495	35,116	27,243	34,107
F. Other provisions	657,813	611,441	21,358	20,197
G. Payables and other liabilities	989,251	1,041,905	86,371	69,479
H. Liabilities from income tax	50,906	42,880	1,985	2,162
I. Deferred tax liabilities	213,740	198,246	75,958	73,449
Total segment liabilities	**5,049,864**	**4,923,436**	**2,999,736**	**2,821,584**

	Life		Consolidation		Group	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
	194,936	143,406	0	0	407,220	362,524
	886,690	770,539	0	0	1,465,297	1,433,091
	736,565	687,980	0	0	1,509,448	1,516,459
	328,483	596,975	0	0	546,444	717,163
	13,036,902	12,293,992	–349,163	–360,651	17,772,793	16,786,955
	4,192,730	3,473,553	0	0	4,192,730	3,473,553
	462,930	458,456	0	0	712,476	766,450
	396,542	382,338	0	0	396,542	382,338
	660,807	901,783	–702,933	–720,762	1,007,415	1,019,902
	9,135	10,191	0	0	46,111	40,348
	19,301	14,810	0	0	105,821	96,295
	240,222	383,106	0	0	532,903	797,658
	21,165,242	20,117,129	–1,052,096	–1,081,413	28,695,200	27,392,735
	270,000	270,000	–30,000	–30,000	575,000	575,000
	14,174,223	13,918,159	5,793	512	19,728,494	19,199,710
	4,142,636	3,416,231	0	0	4,142,636	3,416,231
	208,384	218,788	–224,955	–205,716	52,168	82,295
	46,354	27,526	0	0	725,526	659,164
	1,279,930	1,265,080	–791,001	–842,143	1,564,551	1,534,321
	3,279	3,691	0	0	56,170	48,732
	24,316	40,804	0	0	314,014	312,499
	20,149,122	19,160,280	–1,040,163	–1,077,347	27,158,559	25,827,952
Shareholders' equity and minority interests					1,536,641	1,564,782
Total equity and liabilities					28,695,200	27,392,735

The amounts indicated have been adjusted to eliminate amounts resulting from segment-internal transactions. Therefore the balance of segment assets and segment liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective segment.

Segment Income Statement

Classified by segment

		Property and casualty		Health	
		2010 € 000	2009 € 000	2010 € 000	2009 € 000
1.	a) Gross premiums written	2,613,997	2,470,840	970,308	937,467
1.	Premiums written (retained)	2,483,406	2,325,158	966,595	935,120
2.	Change due to premiums earned (retained)	–33,692	–26,007	–397	–1,241
3.	Premiums earned (retained)	2,449,714	2,299,151	966,197	933,879
4.	Income from fees and commissions	13,355	13,697	44	113
5.	Net investment income	91,768	117,382	128,463	96,852
6.	Other income	107,359	62,590	5,794	2,711
7.	Insurance benefits	–1,751,238	–1,562,407	–839,357	–811,779
8.	Operating expenses	–834,698	–800,105	–141,484	–126,074
9.	Other expenses	–84,269	–90,605	–6,205	–4,845
10.	Amortisation of goodwill	–5,901	–12,837	–156	0
11.	Operating profit	–13,910	26,866	113,295	90,859
12.	Financing costs	–17,757	–21,013	–391	–549
13.	**Profit on ordinary activities except extraordinary tax financial sector (Hungary)**	**–31,667**	**5,853**	**112,904**	**90,309**
14.	Extraordinary tax financial sector (Hungary)	–3,573	0	0	0
15.	**Profit on ordinary activities**	**–35,241**	**5,853**	**112,904**	**90,309**
16.	Income taxes	–2,792	–18,880	–29,418	–20,904
17.	Net profit	–38,033	–13,027	83,486	69,405
	of which consolidated profit	–38,359	–12,527	38,533	53,697
	of which minority interests	326	–500	44,953	15,708

Impairment by segment

	Property and casualty		Health	
	2010 € 000	2009 € 000	2010 € 000	2009 € 000
Goodwill				
Change in impairment for current year	11	0	0	0
of which reallocation affecting income	11	0	0	0
Investments				
Change in impairment for current year	–12,707	–27,935	–1,945	–15,505
of which reallocation/reinstatement of original values affecting income	–12,707	–27,935	–1,945	–15,505

	Life		Consolidation		Group	
	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
	1,818,746	1,628,017	–23,913	–24,672	5,379,138	5,011,651
	1,740,934	1,547,040	–14,211	–12,921	5,176,724	4,794,398
	405	–1,046	–2,193	4,053	–35,877	–24,240
	1,741,339	1,545,995	–16,404	–8,868	5,140,847	4,770,158
	7,793	5,407	–4,618	–4,395	16,574	14,821
	651,246	538,758	839	–1,336	872,316	751,656
	20,824	17,875	–18,435	–22,552	115,542	60,624
	–1,878,103	–1,692,384	10,624	10,125	–4,458,075	–4,056,445
	–391,532	–343,235	5,483	2,207	–1,362,231	–1,267,206
	–50,395	–50,223	14,672	25,726	–126,196	–119,947
	–8,423	–5,707	0	0	–14,481	–18,543
	92,749	16,486	–7,838	908	184,295	135,118
	–13,344	–13,529	0	0	–31,492	–35,091
	79,405	**2,957**	**–7,838**	**908**	**152,804**	**100,026**
	–3,198	0	0	0	–6,771	0
	76,207	**2,957**	**–7,838**	**908**	**146,033**	**100,026**
	–18,771	–4,578	0	0	–50,981	–44,362
	57,436	–1,621	–7,838	908	95,052	55,664
	54,098	–16,406	–7,838	908	46,434	25,672
	3,339	14,784	0	0	48,618	29,993

	Life		Consolidation		Group	
	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
	0	–7,418	0	0	11	–7,418
	0	–7,418	0	0	11	–7,418
	–49,318	–206,298	0	0	–63,969	–249,738
	–49,318	–206,298	0	0	–63,969	–249,738

Classified by region

	Premiums earned (retained)		Net investment income	
	2010 € 000	2009 € 000	2010 € 000	2009 € 000
Western Europe (incl. Austria)	4,337,079	4,038,185	818,815	705,217
Austria	**3,062,780**	**3,028,391**	**747,609**	**617,996**
Other Europe	**2,094,471**	**1,750,634**	**133,442**	**142,627**
Western Europe	**1,274,299**	**1,009,793**	**71,206**	**87,221**
Italy	481,920	291,411	55,158	48,980
Germany	331,449	323,454	38,044	28,626
Switzerland	457,665	392,286	–24,238	12,225
Liechtenstein	3,266	2,642	2,254	–95
The Netherlands	0	0	–13	–2,516
Eastern Europe	**820,172**	**740,841**	**62,236**	**55,406**
Poland	354,459	325,161	17,973	12,187
Hungary	73,812	67,723	9,856	13,494
Czech Republic	107,924	99,097	8,531	6,868
Bulgaria	26,544	27,152	1,562	–304
Slovakia	53,471	51,939	3,870	3,728
Ukraine	38,097	30,487	2,432	1,495
Romania	60,991	76,605	2,782	9,896
Serbia	27,123	26,027	5,795	5,483
Croatia	22,003	20,544	4,451	1,553
Bosnia-Herzegovina	14,529	13,802	1,176	1,142
Albania	13,601	0	1,627	–50
Russia	11,597	128	1,436	139
Kosovo	6,168	0	406	0
Macedonia	5,533	0	247	0
Montenegro	4,321	2,176	353	223
Other	0	0	–259	–448
Total before consolidation	**5,157,251**	**4,779,025**	**881,052**	**760,623**
Consolidation (based on geographic segments)	–16,404	–8,868	–8,736	–8,967
In the consolidated financial statements	**5,140,847**	**4,770,158**	**872,316**	**751,656**

[1] Before extraordinary tax on the financial sector (Hungary).

The investment income and profit on ordinary activities by region are presented adjusted for the capital consolidation effects contained in the investment income. The consolidation item includes the expenditure and income consolidation from operational business relations between Group companies on the basis of geographic segments.

Insurance benefits (net)		Operating expenses		Profit on ordinary activities[1)]	
2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
–3,846,975	–3,528,619	–1,135,020	–1,070,895	186,004	92,574
–2,749,062	**–2,738,834**	**–776,873**	**–735,700**	**217,207**	**86,142**
–1,719,637	**–1,327,736**	**–724,104**	**–658,955**	**–53,873**	**21,547**
–1,097,914	**–789,784**	**–358,147**	**–335,195**	**–31,202**	**6,432**
–459,844	–271,854	–78,214	–68,876	2,785	4,393
–269,234	–229,517	–133,443	–134,294	–7,092	15,217
–359,827	–287,361	–142,003	–128,799	–27,781	–10,413
–9,009	–1,052	–4,487	–3,226	898	–249
0	0	0	0	–13	–2,516
–621,723	**–537,951**	**–365,957**	**–323,760**	**–22,671**	**15,115**
–336,398	–288,695	–74,719	–64,574	–18,740	–431
–36,559	–26,323	–60,845	–60,928	–3,076	8,586
–66,563	–59,754	–59,742	–53,776	8,749	13,062
–12,701	–15,753	–18,535	–20,077	1,727	–4,505
–29,512	–28,887	–33,783	–33,437	7,067	7,737
–18,879	–13,840	–23,835	–18,493	–1,151	–1,584
–55,959	–62,346	–35,246	–36,134	–18,160	–4,585
–16,174	–17,344	–14,861	–13,810	1,163	339
–19,204	–14,897	–13,211	–11,891	–783	225
–9,188	–8,739	–6,584	–6,305	267	168
–6,581	0	–6,708	0	2,645	–51
–6,526	–120	–8,292	–2,035	–1,763	–2,033
–2,701	0	–3,237	0	382	0
–3,494	0	–2,582	0	134	0
–1,285	–1,254	–3,845	–2,077	–943	–1,140
0	0	68	–223	–191	–671
–4,468,698	**–4,066,570**	**–1,500,977**	**–1,394,655**	**163,334**	**107,689**
10,624	10,125	138,746	127,449	–10,530	–7,663
–4,458,075	–4,056,445	–1,362,231	–1,267,206	152,804	100,026

Notes to the Group Financial Statements

Accounting Regulations

As a publicly listed company, UNIQA is obligated to prepare its consolidated financial statements according to internationally accepted accounting principles. In accordance with Section 245a of the Austrian Commercial Code, the company has prepared the consolidated financial statements exclusively in agreement with the International Financial Reporting Standards (IFRS) as applied within the European Union. These consolidated financial statements and Group management report therefore do not follow the accounting principles according to the Insurance Supervisory Act, rather the International Financial Reporting Standards (IFRS) and the International Accounting Standards (IAS) in the versions applicable to this reporting period. No early application of modified standards was performed.

Since 2005, UNIQA Versicherungen AG has applied IFRS 4 published in 2004 for insurance policies. This standard demands that the methods of accounting and valuation be largely unaltered with regard to the technical items.

The present Group financial statements were therefore prepared, as in previous years, in compliance with IFRS 4 and in accordance with the regulations of the US Generally Accepted Accounting Principles (US-GAAP). For balancing the accounts and evaluation of the insurance-specific entries of the life insurer with profit participation, FAS 120 was observed; FAS 60 was applied for specific items in the health, property and casualty insurance and FAS 113 in the area of reinsurance. The unit-linked life insurance, where the policyholder bears the investment risk, is stated according to FAS 97.

The financial instruments were balanced in accordance with IAS 39 including the information required by IFRS 7, as most recently amended in November 2009. Aside from recording the securities under "Held to maturity", "Available for sale", "At fair value through profit or loss" and "Derivative financial instruments (held for trading)", additional disclosures for securities available for sale are reported in the following investment categories, which were utilised for the internal risk reports:

- Shares in affiliated companies
- Shares
- Equity funds
- Debenture bonds not capital guaranteed
- Other variable yield securities
- Participating interests and other investments
- Fixed interest securities

In the 2010 financial year the following new and modified IFRS have become mandatory for the first time:
The modification of IFRS 2 (rev. 06/2009), share-based compensation, clarifies the way the share-based compensation with cash settlement is entered on the balance sheet. The new regulation does not affect UNIQA.

The revision of IFRS 3 (rev. 01/2008), mergers, and IAS 27 (rev. 01/2008), Group and individual company annual reports, particularly affects modifications in the balance sheet representation of non-dominant shares, successive acquisition of holdings, costs related to acquisitions and conditional purchase price components. The impact of these new regulations on UNIQA in the 2010 financial year stems mainly from the costs related to acquisitions that can no longer be capitalised.

The amendment of IAS 39 (rev. 07/2008), financial instruments: recognition and measurement - eligible hedged items, clarifies how the designation of portions of cash flows or of risk affects the hedged item and to what extent inflation risks can be designated as a hedged item. The new regulation does not affect UNIQA.

Consolidation

Scope of consolidation

In addition to the annual financial statement of UNIQA Versicherungen AG, the Group financial statements include the financial statements of all subsidiaries at home and abroad. 37 affiliated companies did not form part of the consolidated Group. They were only of minor significance, even if taken together, for the presentation of a true and fair view of the Group's assets, financial position and income. Therefore the scope of consolidation contains – in addition to UNIQA Versicherungen AG – 47 domestic and 82 foreign subsidiaries in which UNIQA Versicherungen AG held the majority of voting rights.

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

	Date of initial inclusion	Net profit € million	Acquired shares %	Acquisition costs € million	Goodwill € million
Suoreva Ltd., Limassol	1.1.2010	0.0	100.0	6.4	0.0

In the 1st quarter the Romanian company UNIQA Asigurari de Viata SA with its headquarters in Bucharest was merged with the Romanian life insurance UNIQA Life S.A. With the acquisition of Soureva Ltd., Limassol, the remaining 50% of the AVE-PLAZA LLC were brought into the Group.

In the 4th quarter the Albanian SIGAL Holding Sh.A. with its headquarters in Tirana was merged with the SIGAL UNIQA Group AUSTRIA Sh.A. 25% of Raiffeisen Life Insurance Company LLC was sold to ZAO Raiffeisen Bank Moscow. In addition, because of the intention to sell the Romanian property and casualty insurer Astra S.A. with its headquarters in Bucharest in 2011, it was transferred from the balance sheet item "shares in associated companies" to the item "variable yield securities available for sale".

The effects of the change to the scope of consolidation on the main asset and debt positions can be seen under no. 5 of the notes to the consolidated financial statements.

The associated companies refer to ten domestic companies consolidated at equity; 15 companies were of minor significance and were listed at current market value.

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

Changes in the 1st quarter of 2011

There have been no significant changes to the scope of consolidation.

Consolidation principles

Capital consolidation follows the acquisition method. The costs of acquiring shares in the subsidiaries are written as the proportional equity of the subsidiary that was first revalued. The conditions at the time of acquiring the shares in the consolidated subsidiary are taken into consideration for the initial consolidation. To the extent other (non Group) shareholders hold shares in the subsidiary's equity at the reporting date, these are dealt with under minority interests.

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

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

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

Impairment test

The goodwill arises from company mergers and acquisitions. It represents the difference between the acquisition costs and the proportional and current corresponding net market value of identifiable assets, debts and specific contingent liabilities. In accordance with IAS 36, the goodwill is not subject to scheduled depreciation but listed as the acquisition costs less any accrued impairments.

For the purpose of the impairment test, the UNIQA Group has apportioned the goodwill into "cash-generating units" (CGU). These CGUs are the smallest identifiable groups of assets that generate cash which is to the greatest possible extent independent from the cash generating units of other assets or other groups of assets. The impairment test implies a comparison between the realisable value that can be generated by selling or using each CGU and its book value, consisting of the stock value and goodwill and the proportional net assets. If the book value of the CGU exceeds the realisable value of the unit based on the earning power method, an impairment is performed.

The UNIQA Group has apportioned the goodwill into the following CGUs:

- Albania/Kosovo/Macedonia as sub-group (EEM)
- Austria
- Bosnia-Herzegovina (CEE)
- Bulgaria (EEM)
- Croatia (CEE)
- Czech Republic (CEE)
- Germany as sub-group (WEM)
- Hungary (CEE)
- Italy as sub-group (WEM)
- Liechtenstein (WEM)
- Poland as sub-group (CEE)
- Romania (EEM)
- Russia (EEM)
- Serbia (EEM)
- Montenegro (EEM)
- Slovakia (CEE)
- Switzerland (WEM)
- Ukraine (EEM)

Breakdown of goodwill

Region	31 Dec. 2010 € 000
Austria	40,562
Western European Markets (WEM)	147,293
Central Eastern Europe (CEE)	62,663
Eastern Emerging Markets (EEM)	276,155
Total	526,672

The realisable value is determined by the UNIQA Group according to the earning power method (discounted cash flow method – DCF) and through application of generally accepted valuation principles. The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term results achievable by the CGUs (perpetuity) are used as the starting point for determination of the earning power.

The earning power is determined through discounting of the future profits with a suitable capitalisation interest rate. The earning power values here are separated by balance sheet segments, which are then totalled to yield the value for the entire company.

Taxes on profit were set at the effective average tax rate of the past three years.

The assumptions with regard to risk-free interest rate, market risk premium and segment betas made for determination of the capitalisation interest rate are consistent with the parameters used in the UNIQA planning and controlling process and are based on the capital asset pricing model.

In order to depict the economic situation and the financial crisis in the income values as accurately as possible in consideration of the volatility on the markets, the capitalisation interest rate was calculated as follows:

- As a base interest rate a uniform, risk-free interest rate according to the Svennson method was used (term 30 years).
- The beta factor was based on the levered betas of European + emerging markets, according to Damodaran, whereby a differentiation was made between betas for life and health insurance and betas for property insurance.
- The market risk premium continued to be figured based on countries with AAA ratings according to Damodaran.
- The national risk premium was based on the country ratings of Standard & Poor's as at January 2011, and the calculation was performed as follows: starting with the rating of the respective country, the yield spread of corporate bonds with the same rating to risk-free government bonds (AAA rating) is determined and adjusted by the volatility difference between the stock and bond markets. In addition, a rating improvement by one level within four to five years is assumed.

The capitalisation interest rate is listed below for all CGUs – compared to the previous year the interest rates are generally lower:

Cash-Generating Unit	Discount factor		Discount factor perpetuity	
	Property and casualty	Life & Health	Property and casualty	Life & Health
Albania	12.9%	15.8%	10.4%	12.9%
Bosnia-Herzegovina	12.9%	15.8%	10.4%	12.9%
Bulgaria	8.9%	10.6%	7.4%	9.0%
Germany	6.8%	7.8%	5.8%	6.8%
Italy	8.0%	9.4%	6.9%	8.2%
Kosovo	11.1%	13.4%	8.3%	10.1%
Croatia	9.6%	11.5%	7.7%	9.3%
Liechtenstein	6.8%	7.8%	5.8%	6.8%
Macedonia	11.1%	13.4%	8.3%	10.1%
Montenegro	11.1%	13.4%	8.3%	10.1%
Austria	6.8%	7.8%	5.8%	6.8%
Poland	8.5%	10.0%	7.1%	8.5%
Romania	11.0%	13.3%	7.9%	9.6%
Russia	8.9%	10.6%	7.4%	9.0%
Switzerland	6.8%	7.8%	5.8%	6.8%
Serbia	12.8%	15.7%	9.7%	12.0%
Slovakia	8.0%	9.4%	6.9%	8.2%
Czech Republic	8.2%	9.6%	6.9%	8.2%
Ukraine	12.9%	15.8%	10.4%	12.9%
Hungary	9.6%	11.5%	7.7%	9.3%

Source: Damodaran and derived factors

Cash flow forecast (multi-phase model)
Phase 1: Five-year company planning
The detailed company planning generally encompasses a period of five years. The company plans used for the calculation are the result of a structured and standardised management dialogue between the UNIQA headquarters in Vienna and the operational units in combination with the reporting and documentation process integrated into this dialogue.

Phase 2: Extended seven-year planning phase
The phases of the earning power model with no operational or strategic planning were extended to a seven-year period in order to avoid giving too much weight and influence to the perpetuity.

Phase 3: Perpetuity
The cash flows determined at the end of phase 2 were used as the basis for the perpetuity and therefore correspond to results that can be realistically achieved and sustained over the long term.

Scenarios
The earning power of the individual CGUs is determined by a weighted probability scenario. Three scenarios were calculated, whereby scenario 1 depicts the base case according to the current and strategic planning, scenario 2 the best case for expected market and company development and scenario 3 the worst case.

Scenarios 1 and 2 assume that the credit spreads as of 2014 will return to an average level as before the crisis and that a rating improvement will take place after two years and then once after five years. Scenarios 1 and 2 assume that by 2014 the credit spreads will have returned to an average level as before the crisis and that a rating improvement will take place after two years and then once again after five years. The cash value of the perpetuity was calculated in scenario 1 with a growth deduction of 1% and in scenario 2 with a growth deduction of 2%.It is assumed in the third scenario that the credit spreads also remain at the same level in the future and no rating improvement takes place relative to the current situation. A growth deduction of 1.5% was also applied here in the perpetuity in order to appropriately counteract the decline in growth in the purely negatively oriented scenario.

Expected value
The company value was calculated individually based on the discounting of the cash flow forecasts and the individual weighting of the probability of occurrence of the various scenarios based on the business development of the individual CGUs.

Uncertainty and sensitivity
Various studies and statistical analyses were used as sources to provide a basis for determining the growth rates in order to consistently and realistically reflect the market situation and macroeconomic development.

The following studies and materials served as reference sources:
- SwissRe – Insurance density CEE
- Sigma – 3/2009 Insurance density CEE
- Raiffeisen Research – Inflation rate trends
- Eurostat – GDP growth, interest rate trends
- WIIW (The Vienna Institute for International Economic Studies) – Purchasing power parities, GDP growth CEE
- Damodaran – Country risks, growth rate estimates, multiples
- Thomson Reuters, Business Climate Index, Central and Eastern Europe, III/2009
- IRZ, volume 4/2009, "Consequences of the Financial Market Crisis on Company Valuation"
- IMF, "World Economic Outlook", April 2009
- Arthur D Little, "Global CEO Survey", 2009
- Arthur D Little, "Global Insight, World Market Passenger Cars, February 2009,
- money.at, "Eastern Europe is, has been and will remain a region of the future"
- handelsblatt.de, Oct 2009 "Institutional investors see upward spirals"
- Presse 18 November 2010: "The biggest losers step on the gas most" – outlook for the economy in Eastern Europe

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

These analyses show that sustained surpluses on the part of the individual CGUs are highly dependent on the actual development of these assumptions within the individual national economies (GDP, insurance density, purchasing power parities, particularly in the CEE markets), as well as the associated implementation of the individual profit goals. These forecasts and the related assessment of how the situation in the markets will develop in the future, under the influence of the continuing financial crisis in individual markets, are the largest uncertainties in connection with measurement results.

All the budgeted profit was calculated with the exchange rates as at 31 December 2010.

For the event that the intensity and duration of the recovery from the economic crisis turns out to be much slower than assumed in the business plans and fundamental forecasts, unscheduled depreciations may result for the individual CGUs. At this time, the current developments and the cautiously, slowly growing improvement estimates of the individual CGUs and the markets give no cause for applying unscheduled depreciations. Very tight coverage is currently being achieved in Bulgaria, Romania, Croatia and Albania. Corresponding measures for stabilisation and to promote the required upward trend in company development have already been initiated by the Group.

The table below shows the historical GDP development in the relevant markets since 2008. Viewed in conjunction with this forecast for 2010 and the subsequent years, these figures give reason to expect a sustained upward trend again in the CEE markets and make the crisis of 2008 and 2009 appear as a real but only temporary slowdown to economic growth. As such, no loss of these core markets for UNIQA is expected over the long term.

	2008	2009	2010e	2011f	2012f
Poland					
GDP (% in annual comparison)	5.1	1.7	3.6	3.9	4.5
Hungary					
GDP (% in annual comparison)	0.6	–6.7	1.0	2.5	4.0
Czech Republic					
GDP (% in annual comparison)	2.3	–4.0	2.2	1.5	2.3
Slovakia					
GDP (% in annual comparison)	5.8	–4.8	4.2	4.0	4.5
Slovenia					
GDP (% in annual comparison)	3.7	–8.1	0.9	2.0	2.5
Croatia					
GDP (% in annual comparison)	2.4	–5.8	–1.5	1.5	2.0
Bosnia-Herzegovina					
GDP (% in annual comparison)	5.7	–2.9	0.5	2.0	4.5
Serbia					
GDP (% in annual comparison)	5.5	–3.0	1.5	2.5	3.0
Bulgaria					
GDP (% in annual comparison)	6.2	–4.9	–0.2	2.7	4.5
Romania					
GDP (% in annual comparison)	7.3	–7.1	–1.9	1.5	3.5
Ukraine					
GDP (% in annual comparison)	2.3	–15.1	5.0	4.5	5.0
Albania					
GDP (% in annual comparison)	7.8	3.3	2.6	3.3	5.0
Russia					
GDP (% in annual comparison)	5.2	–7.9	3.7	3.5	4.0

Source: Raiffeisen Research January 2011.

The expected global development graph of the CEE-17 countries also exhibits a positive prospective future trend in comparison with the USA and the EU.

In consideration of the data and statistical sources on which these calculations were based and trend scenarios such as GDP forecasts per CGU, insurance density development per CGU and significantly lower interest rates, no situations of insufficient coverage were identified in 2010 within the impairment test.

The general economic situation as well as the developments of the national economies continue to call for constant observation and the implementation of measures to achieve a balanced mix of stability, growth and profitability. With its ongoing profit improvement programme and with the sales focus on the profitable retail business in Eastern Europe, UNIQA took the necessary steps for accomplishing this even before the crisis years.

The purchase price allocation of the acquisition price for the subgroup of SIGAL Holding Sh.A. according to IFRS 3 was not yet completed at the time this Group annual report was written in 2009; in 2010 a purchase price adjustment of € –1,292,000 was made.

Shares in associated companies

As a general rule, shares in associated companies are valued according to the equity method using the equity held by the Group. Differences are determined according to the principles of capital consolidation, and the amounts are recorded under shares in associated companies. The updating of the development of the associated companies is based on the most recent financial statements available.

In establishing the value of shares in associated companies, an IFRS report is generally required. Where no IFRS reports are presented, the adjustment of the entries for these companies to the uniform Group valuation benchmarks must be dispensed with due to a lack of available documentation; however, this does not have any significant impact on the present Group consolidated financial statements.

Debt consolidation

For debt consolidation, the receivables from Group companies are set off against the payables to Group companies. As a rule, any differences have an effect on income. Group-internal results from supplies and services are eliminated if they are of minor significance for giving a true and fair view of the Group's assets, financial position and income. Proceeds and other income from supplies and services within the Group are set off against the corresponding expenditures.

Presentation of balance sheet and income statement

The International Financial Reporting Standards (IFRS) allow a shortened version of the balance sheet and income statement. Summarising many individual items into units enhances the informative quality of the financial statements. Explanatory notes to these items are contained in the notes to the consolidated financial statements. Rounding differences may result from the formatting to euro thousands.

Segment reports

The primary segment reports depict the main business segments of property and casualty insurance, life insurance and health insurance. The consolidation principles are applied here to transactions within a segment. In addition, the main items of the income statement are also broken down by regional perspectives.

Foreign currency translation

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

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

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

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

Euro rates on balance sheet closing date	31.12.2010	31.12.2009
Swiss franc CHF	1.2504	1.4836
Czech koruna CZK	25.0610	26.4730
Hungarian forint HUF	277.9500	270.4200
Croatian kuna HRK	7.3830	7.3000
Polish złoty PLN	3.9750	4.1045
Bosnia-Herzegovina convertible mark BAM	1.9592	1.9533
Romanian leu (new) RON	4.2620	4.2360
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	10.4950	11.5281
Serbian dinar RSD	106.1300	96.2300
Russian ruble RUB	40.8200	43.1540
Albanian Lek ALL	139.1900	137.6894
Macedonian denar MKD	62.6973	61.0103

Estimates

For creation of the Group consolidated financial statements according to IFRS, it is necessary to make assumptions for the future within various items. These estimates can have a considerable influence on the valuation of assets and debts on the balance sheet closing date as well as the amount of expenses and income in the financial year. The items below carry a not insignificant level of risk that considerable adjustments to asset or debt values may be necessary in the following year:

- Deferred acquisition costs
- Goodwill
- Shares in associated companies/investments – insofar as the valuation does not take place based on stock exchange prices or other market prices
- Technical provisions
- Pensions and similar provisions

Methods of accounting and valuation

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

Securities transactions are recorded using the settlement date. As a rule, the fair values are derived from an active market.

Intangible assets

Intangible assets include goodwill, deferred acquisition costs, the current value of life, property and casualty insurance contracts and other items.

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

Capitalised acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised and written off over the term of the insurance contracts 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 in the same proportion as the expected 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.

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 two to five years.

Land and buildings, including buildings on third-party land

Land and buildings that are held as long-term investments are recognised according to IAS 40 at acquisition or construction costs, reduced by the amounts of scheduled amortisations and depreciation. Owner-used land and buildings are shown at book value (IAS 16). The scheduled depreciation term generally corresponds to the useful life, up to a maximum of 80 years. Real estate is depreciated on a straight-line basis over time.

The list of fair values can be found in the notes under no. 1 and 3.

Shares in affiliated and associated companies

To the extent that the annual financial statements of affiliated and associated companies are not consolidated for being of minor significance and/or included at equity, these companies are valued as available for sale in accordance with IAS 39.

Investments

With the exception of securities held to maturity, mortgage loans and other loans, the investments are listed at the current fair value, which is established by determining a market value or stock market price. In the case of investments for which no market value can be determined, the fair value is determined through internal valuation models, external reports or on the basis of estimates of what amounts could be achieved under the current market conditions in event of proper liquidation.

Securities held to maturity, mortgage loans and other loans

These are recognised as amortised costs in the balance sheet. This means that the difference between the acquisition costs and the repayment amount changes the book value with an effect on income in proportion to time and/or equity. The items included under other loans are recognised at their nominal amount less any redemptions made in the interim.

Securities available for sale

These are recognised in the financial statements at their fair value on the reporting date. Differences between the fair value and historical acquisition costs are dealt with under equity with a neutral effect on income, after deduction of the provisions for latent profit sharing in life insurance and deferred taxes. Depreciation that affects income (impairment) is undertaken only where we anticipate a lasting fall in value. This uses the fluctuations in fair value over the last nine months as well as the absolute difference between acquisition costs and the fair value on the reporting date as the basis for assessing a necessary impairment. For variable yield securities we assume a sustained impairment when the highest quoted price within the last nine months lies below the acquisition cost or the difference between the cost of acquisition and the market value is greater than 20%. These same selection criteria are also applied for fixed interest securities in order to perform a precise credit-related evaluation of a sustained impairment per security for the items in question. In addition, foreign exchange differentials resulting from fixed-income securities are recognised with an effect on income. Foreign exchange differentials resulting from variable yield securities are recognised as equity with no effect on income to the extent that these are not securities which are written off as the result of impairment. The fair value of other investments is based in part on external and internal company ratings.

Investments held for trade (trading portfolio)

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

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

Structured products are not split between the underlying transaction and derivative, but are accounted for as a unit. All the structured products can therefore be found in the "Financial instruments at fair value through profit or loss" item of the balance sheet. Unrealised profits and losses are dealt with in the income statement. In accordance with IAS 39 (11A), ABS bonds, structured bonds, hedge funds and a special annuity fund with a high share of derivatives are also dealt with under the items for securities at fair value through profit or loss.

Valuation methods and assumptions on which the current market valuation was based
The current market value of assets traded on the active markets is determined with respect to the listed market prices (includes government bonds, corporate bonds, listed shares).

The current market value of other financial assets (excluding derivative instruments) is determined in accordance with generally accepted valuation models, based on discounted cash flow analyses and using prices of observable current market transactions and trader listings for similar instruments.

The current market value of derivative instruments is calculated using listed prices. If such prices are not available, discounted cash flow analyses are performed with application of the corresponding interest yield curves for the term of the instruments in the case of derivatives without optional components as well as option price models in the case of derivatives with optional components. Currency futures are valued based on listed forward rates and interest yield curves that are derived from listed market interest rates in consideration of the contact maturity dates. Interest swaps are valued with the cash value of the estimated future payment flows. The discounting took place using the pertinent interest yield curves, which were derived from listed interest rates.

Deposits with credit institutions and other investments

These are recognised at their fair value.

Investments held for unit-linked and index-linked life insurance policyholders

These investments concern life insurance policies whose value or profit is determined by investments for which the policyholder carries the risk, i.e. the unit-linked or index-linked life insurance policies. The investments in question are collected in asset pools, balanced at their current market value and managed separately from the remaining investments of the companies. 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 market values of the investment pools are thus counterbalanced by the corresponding changes in these provisions.

Shares of reinsurers in the technical provisions

These are recognised on the assets side of the balance sheet, taking the reinsurance contracts into consideration.

Receivables

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

Liquid funds

These are valued at their nominal amounts.

Other tangible assets

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

Equity

The **subscribed capital** corresponds to the calculated nominal value per share that was achieved upon issuing of the shares.

The **capital reserves** represent the amount earned over and above the calculated nominal value upon issue of the shares.

The **revaluation reserve** contains unrealised profits and losses from market valuations of securities available for sale.

The **revenue reserves** include the withheld profit of the UNIQA Group.

The amount of the actuarial gains and losses from the provisions for pensions and similar obligations will be reported in the shareholders' equity, after deducting deferred taxes and deferred profit participation and without affecting income under the item **actuarial gains and losses from defined retirement benefit.**

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

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

Technical provisions

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

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

For policies of a mainly investment character (e.g. unit-linked life insurance), the regulations in the Statement of Financial Accounting Standards no. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy. For unit-linked insurance policies, where the policyholder carries the sole risk of the value of the investment rising or falling, the actuarial provision is listed as a separate liability entry under "Technical provisions for life insurance policies held on account and at risk of policyholders".

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

Provision for outstanding claims
The provision for outstanding claims in property insurance consists of the future payment obligations determined by realistic estimation using recognised statistical methods taking into account current or expected volumes, including the related expense of loss adjustment. This applies to claims already reported 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.

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

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

Provision for premium refunds and profit sharing
The provision for premium refunds includes, on the one hand, the amounts for profit-related and profit-unrelated profit sharing to which the policyholders are entitled on the basis of statutory or contractual regulations and, on the other hand, the amount resulting from the valuation of assets and obligations of life insurers deviating from valuation under commercial law. The amount of the provision for latent profit sharing amounts to generally 85% of the valuation differentials before tax. These valuation differences can also give rise to net positive items, which are also listed here.

Other technical provisions
This item primarily contains the provision for contingent losses for acquired reinsurance portfolios as well as a provision for expected cancellations and premium losses.

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

Other provisions for pensions and similar obligations

For the performance-orientated old age provision systems of the UNIQA Group, pension provisions are calculated in accordance with IAS 19 using the projected unit credit method. Future obligations are spread over the whole employment duration of the employees. All actuarial gains and losses due to changed parameters were so far recognised as having an effect on income. The calculation is based on current mortality, disability and fluctuation probabilities, expected increases in salaries, pension entitlements and pension payments as well as a realistic technical interest rate. The technical interest rate, which is determined in conformity with the market and on the basis of the reporting date, is in line with the market yield of long-term, high-quality industrial or government bonds.

To increase transparency in the reporting process, the UNIQA Group has decided to exercise the right stipulated in IAS 19.93A ff concerning balancing the accounts of pension and severance reserves, and to implement this change as of 31 December 2010. From now on, the amount of the actuarial gains and losses will therefore be reported as shareholders' equity, after deducting deferred taxes and deferred profit participation and without affecting income.

The amount of **other provisions** is determined by the extent to which the provisions will probably be made use of. **Payables** and **other liabilities** are shown at the amount to be repaid.

Deferred taxes

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

Value adjustments (impairments)

In principle, the carrying amounts of assets on the balance sheet are checked at least once a year with regard to possible impairment. Securities with an expected lasting and/or significant decrease in value are depreciated with an effect on income. The entire real estate inventory is subject to recurrent valuation through external reports prepared by legally sworn experts. If there is a foreseeable lasting reduction in the value of assets, their carrying amount is reduced.

Premiums

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

Classes of insurance

(direct business and partly accepted reinsurance business)

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

Major differences between IFRS/IAS and Austrian accounting regulations

Goodwill

In the case of sustained impairment, the entire goodwill is written off at its fair value. The valuation is performed at least once a year by applying a valuation model (impairment test). No ordinary amortisation of goodwill is performed.

Intangible assets

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

Land and buildings

Land and buildings, including buildings on third-party land, are valued according to IAS 16 and also, if so chosen, according to IAS 40 at book value minus scheduled amortisation. These are based on the actual duration of use; in accordance with Austrian Commercial Code, they are mostly also influenced by tax regulations.

Shares in affiliated and associated companies

Affiliated and associated companies that are not consolidated fully or at equity due to their minor significance are recognised at fair value.

As a general rule, participating interests are valued at equity insofar as the company has the opportunity to exercise considerable influence. This is assumed, as a matter of principle, for shares between 20% 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, fair value through profit or loss (FVTPL) and trading portfolio (derivative financial instruments). The main valuation difference that applies to the other securities available for sale, which account for the majority of financial assets, as well as the other securities recorded with effect on income is that these are stated at fair value on the balance sheet date. According to the Austrian Commercial Code, the acquisition costs constitute the maximum valuation limit.

With regard to the other securities available for sale, the difference between book value and fair value is treated within the shareholders' funds without affecting income, whereas in the case of the other securities at fair value through profit or loss, the difference fully affects income. In contrast, when applying the strict lower-of-cost-or-market principle in statements according to the Austrian Business Code, depreciation always affects income even in the case of a temporary reduction in value and appreciation in line with the requirement to reinstate original values. In the case of the mitigated lower-of-cost-or-market principle, the impairment is not obligatory if the depreciation is only temporary. Expected permanent impairments, posted as depreciation, affect income according to both the IFRS and the Austrian Commercial Code.

Reinsurance

The shares of reinsurers in actuarial provisions are shown on the assets side of the balance sheet in accordance with IFRS 4.

Acquisition costs

Commissions as well as other variable costs that 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 Insurance Supervisory Act for premiums brought forward in property and casualty insurance.

Actuarial provision

For the calculation of the actuarial provisions in life and health insurance, regulations deviating from Austrian law apply, which affect valuation variances as well as the allocation between actuarial provisions and provisions for premium refund. In particular, this 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 line.

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

Provision for premium refunds and profit sharing

Due to the difference in valuation of the assets and liabilities in the area of life insurance, a provision has to be made for deferred profit sharing which complies with the national legal or contractually regulated profit sharing and is assessed in favour of the policyholder. The change of the provision for deferred premium refunds compensates to a large extent for the effects of revaluation on the income statement and thus on the results for the year.

Provisions for outstanding claims

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

Provisions for claims equalisation and catastrophes

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

Pension commitments

The accounting principles used to calculate the pension provision under IFRS are different from those of the Austrian Commercial Code. These are listed in detail in IAS 19. Overall, the individual differences result in greater detail than under the Austrian Commercial Code. This is most notably the result of the stronger weighting of future salary increases and the use of the project-unit-credit method, anticipating future demographic and economic developments.

Deferred taxes

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

Moreover, according to IAS, deferred taxes for accumulated losses brought forward and not yet used are to be capitalised to the extent that they can be used in the future with adequate probability.

Risk report

The nature of an insurance company is to take on risks in return for premium payments. However, these risks arising from the insurance business are only part of the risks which can arise within an insurance company. In additional to general technical risks, there are also financial, operational and management risks. The term external risks refers to those risks that cannot be influenced by the insurance business.

In order to identify, measure, aggregate and control all risks, a UNIQA risk management system was created which is in use in all operating companies of the UNIQA Group in Austria. All Group companies in which UNIQA has a participating interest of more than 50% have been integrated into this risk management process since the end of 2007.

The risk management process of the UNIQA Group is centrally controlled.

Each subsidiary has a responsible risk manager who operates the risk management process and reports to the Group risk management team.

The company's risk situation in terms of market risks, technical risks and operational risks is evaluated and reported on in the half-yearly report. Measures to minimise risks are developed on this basis of the report.

The Group's actuarial office/risk management team consolidates the results of the half-yearly risk assessment in a Group Risk Report, which is made available to the Group management for the purpose of controlling risk.

The UNIQA Group places particular emphasis on the topic of risk management and is preparing the Group for Solvency II. Within the framework of these activities, the Group takes part in all quantitative impact studies. The results of the already performed quantitative impact studies enter into the corresponding projects that prepare the Group for Solvency II.

Management of actuarial and financial risks

1 Actuarial and financial risks

The risk of an insurance contract is the occurrence of the insured event. By definition the occurrence of this risk takes place by chance and is therefore unpredictable. Using the law of large numbers, the risk can be calculated for a sufficiently large insurance portfolio. The larger the portfolio consisting of similar insurance policies, the more accurately the result (loss) can be estimated. For this reason, insurance companies strive for growth.

Premiums earned (gross)	€ 000
2010	5,343,587
2009	4,994,207
2008	4,901,214
2007	4,432,436
2006	4,444,802
2005	4,299,227
2004	3,560,558
2003	2,967,476

The principle of insurance is built on the law of large numbers: only a few of those at risk will actually suffer a loss. For the individual, the occurrence of loss is uncertain; for the collective, however, it is largely determined. The loss-bearing and loss-free risks theoretically cancel each other out. The actuarial risk now exists in the danger that the actual claims for a certain period deviate from those expected. This risk can be divided into the chance risk, the change risk and the error risk.

The chance risk means that higher than expected losses can occur by pure chance. Amongst other things, the change risk means that unforeseen changes to the risk factors have an impact on the actual loss payments. The error risk comes about from deviations arising through incorrect assessment of the risk factors.

1.1 Property insurance

A great deal of attention is paid to the profitability of the insurance portfolio. In order to ensure this, the product premiums are appropriately calculated and the profitability is continuously evaluated throughout the entire Group with the help of monitoring systems. In this regard, the discounts offered outside of normal rates are adapted to the risk situation in the segments of household/home, legal expenses protection, casualty, motor vehicle liability and motor vehicle comprehensive.

Reinsurance policies reduce the retained earnings of the initial insurer and lead to a smoothing of results. On the one hand, they can lead to a reduction of the claim ratio in retained earnings in the event of extraordinary events; on the other, a good level of claims can worsen the claim ratio in retained earnings. The aim of an optimal reinsurance strategy is to find a structure that takes both of these points into consideration.

Claims ratio (gross)	%
2010	68.8%
2009	69.9%
2008	61.6%
2007	68.1%
2006	64.3%
2005	66.7%
2004	64.1%
2003	68.9%

With regard to unexpected claims, risk management makes assessments on elemental, major and cumulative losses in the areas of storms, floods and earthquakes that are based on accepted scenarios. Reinsurance contracts also considerably reduce the level at which any losses occur. Due to the possibility of the failure of reinsurers, the reinsurance structure of the UNIQA Group is described below.

For the exact determination of the reserve risk and premium risk, an internal model is implemented that indicates the risk based on the fundamental portfolio structure, the current reinsurance program and future developments. Detailed information regarding the future development of mass, major and catastrophic damages calculated on the basis of historic data are used as the basis for this. This makes it possible to identify developments at an early point and take direct measures (structuring of premiums and scopes of coverage, adaptation of reinsurance structures) to minimise the risk and control financial results.

Excursus: Reinsurance

The total obligatory reinsurance requirement of operating UNIQA companies and of UNIQA Versicherungen AG is covered with Group internal reinsurance policies at UNIQA Re AG.

Within these internal reinsurance policies ratio figures, which reach from 25% and 90% depending upon the volatility of the respective insurance branch, are supplemented with excess loss policies. Two cumulative excess loss policies also exist which should cover major losses across the insurance branch ("umbrella") incurred through natural disasters (earthquakes, flooding, high water, storm, etc.).

UNIQA Re AG pools the business acquired by the Group companies according to insurance segments and passes gross excess loss policies, which are supplemented by net ratios, on to international reinsurers as a "bouquet".

The effect of the reinsurance programme on the claim ratio in retained earnings can be seen in the following table:

Claims ratio (retained earnings)	%
2010	71.5%
2009	68.0%
2008	64.2%
2007	67.6%
2006	66.0%
2005	68.0%
2004	65.6%
2003	69.8%

The table below shows the reinsurance requirements for outstanding claims and incurred but not reported claims arranged according to ratings. This concerns the reinsurance business ceded from the property insurance lines to companies outside the Group. The cessions of the international Group subsidiaries are not included.

Rating	31 Dec. 2010 € 000	31 Dec. 2009 € 000
AAA	0	0
AA	92,350	72,653
A	58,343	122,485
BBB	13	23
Not rated	6,190	6,747

The creditworthiness of reinsurers is also very important, not least because of the long duration of claim settlement in the area of general liability insurance and motor vehicle liability insurance.

Systematic analyses, supported by actuarial methods, are used to assess the appropriateness of the actuarial provisions.

The Group's central actuarial office supports the operational domestic and foreign UNIQA companies on a quarterly basis with the introduction of adequate processes and by checking the results of the analyses.

In addition to the elemental lines, the commercial property business also includes liability and technical insurance. In the UNIQA Group, this is divided into three areas:

- Standardised bundled policies for small commercial businesses.
- Customised policies for medium-sized companies; however, the scope of coverage and exposure of these policies are such that they can be accepted decentrally in the Austrian regions and international subsidiaries.
- Large policies, or policies with a complicated scope of coverage, are decided on and arranged centrally both in Austria and for the international subsidiaries; these policies are selected according to quantitative criteria (e.g. €2 million insured sum in property insurance) as well as by content-based, qualitative criteria, such as asset damage coverage in liability insurance.

In the property segment, major risks are evaluated for risk prior to acceptance and subsequently at regular intervals and documented in survey reports. In the liability insurance line, the portfolio for risks with high hazards is subject to permanent monitoring (e.g. planning risks and liability insurance in the medical segment).

The industry holdings of the international companies are regularly analysed Group-wide for their exposure and composition (risk mix), and survey reports on the exposed risks are prepared.

The most important decisions are made here on a central basis in coordination with the experts at the Group headquarters (International Desk).

1.2 Life insurance

The risk of an individual insurance contract lies in the occurrence of the insured event. The occurrence is considered random and therefore unpredictable. The risk in life insurance outside of Austria is of minor importance due to the low volume (approx. 20%). Various risks exist in Austria, particularly in classic life insurance. The insurance company takes on this risk for a corresponding premium paid by the policyholder. When calculating the premium, the actuary refers to the following carefully selected bases of calculation:

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

Carefully selecting the bases of calculation gives rise to scheduled profits, an appropriate amount of which is credited to the policyholders as part of profit sharing.

The calculation of the premium is also based on the acceptance of a large, homogenous inventory of independent risks, so that the randomness inherent in an individual insurance policy is balanced out by the law of large numbers.

The following risks exist for a life insurance company:

- The bases of calculation prove to be insufficient despite careful selection.
- Random fluctuations prove disadvantageous for the insurer.
- The policyholder exercises certain implicit options to his advantage.

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

Capital and risk insurance

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

In the following table, the number of insurance policies is divided by rate groups and insured sum categories; included here are the policies of the companies UNIQA Personenversicherung, Raiffeisen Versicherung, Salzburger Landes-Versicherung and CALL DIRECT Versicherung AG.

Number of insurance policies as at 31 Dec. 2010 Category[1]	Capital insurance	Retirement annuity deferred	Retirement annuity in payment	Risk insurance
€ 0 to € 20,000	767,070	84,657	7,548	139,658
€ 20,000 to € 40,000	173,036	31,235	3,359	37,493
€ 40,000 to € 100,000	72,468	18,070	2,474	125,609
€ 100,000 to € 200,000	8,598	4,347	761	67,935
More than € 200,000	2,032	1,528	272	9,113

[1] For capital assurance and risk insurance, the insurance total is used as basis; for deferred retirement annuities, the redemption capital at the start of the pension payment phase is used. For liquid pension annuities, the category refers to ten times the annuity.

Mortality

Insurance policies with an assurance character implicitly include a safety surcharge on the risk premium in that the premium calculation is based on an accounting table (the Austrian Mortality Table for 1990/92 and for 2000/02 respectively).

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

Homogeneity and independence of insurance risks

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

Cumulative risks contained in the portfolio can be reduced by using reinsurance contracts. As the first reinsurer, UNIQA Holding operates with a retained risk of €200,000 per insured life; the excesses are mostly reinsured with Swiss Re, Munich Re and Gen Re. A catastrophic excess (CAT-XL) contract is also held with Swiss Re, although it excludes losses resulting from epidemics.

Antiselection

The portfolios of Raiffeisen Versicherung AG and UNIQA Personenversicherung AG contain large inventories of risk insurance policies with a premium adjustment clause. This allows the insurer to raise the premiums in case of a (less probable) worsening of the mortality behaviour. However, this presents the danger of possible antiselection behaviour, meaning that policies for good risks tend to be terminated while worse ones remain in the portfolio.

Retirement annuities

Mortality

The reduction of mortality probabilities represents a large uncertainty for retirement annuities. The gradual advancement of mortality as a result of medical progress and changed lifestyles is virtually impossible to extrapolate.

Attempts to predict this effect were made when producing the generation tables. However, such tables only exist for the Austrian population, and this data cannot be applied to other countries. Moreover, the past shows that the effect of these changes was seriously underestimated so that subsequent reservations had to be made for retirement annuity contracts.

Antiselection

The right to choose annuity pensions for deferred retirement annuities also results in antiselection. Only those policyholders who feel very healthy choose the annuity payment; all others choose partial or full capital payment. In this way, the pension portfolio tends to consist of mostly healthier people, i.e. worse risks than the population average.

This phenomenon is countered by corresponding modifications to the retirement mortality tables. A further possibility exists in the requirement that the intention to exercise the right to choose annuity payments must be announced no later than one year in advance of the expiration.

Financial risks

The actuarial interest that may be used in the calculation for writing new business is based on the maximum interest rate ordinance and currently amounts to 1.75% per annum ("Lebensaktie", "Zukunftsplan") or 2.25% per annum (other life insurance policies). However, the portfolio also contains older contracts with actuarial interest of up to 4.0% per annum, while the average rate for the portfolio is 2.71% (2009: 2.75%).

As these interest rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. As classic life insurance predominantly invests in interest bearing titles (bonds, loans etc.), the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. The interest risk weighs especially heavily on retirement annuities, as these are extremely long-term policies.

The interest risk functions in the following ways:

Investment and reinvestment risk

Premiums received in the future must be invested at an interest rate guaranteed at the time the policy was taken out. However, it is entirely possible that no corresponding titles are available at the time the premium is received. In the same way, future income must be reinvested at the actuarial interest rate.

Ratio of assets to liabilities

For practical reasons, the goal of duration matching cannot be fully achieved on the assets and liability side. The duration of the assets is 5.1 years (2009: 4.9), while for liabilities it is considerably longer. This creates a duration gap, which means that the ratio of assets to liabilities reduces as interest rates fall.

Value of implicit options

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

The question of whether a capital or annuity option should be exercised is, in addition to subjective motives of the policyholder, also characterised by financially rational considerations; depending on the final interest level, a policyholder will opt for the capital or the annuity, so that these options represent a considerable (cash) value for the policyholder, and therefore a corresponding risk for the insurer.

The guarantee of an annuitising factor represents another financial risk. Here, the insurance company guarantees to annuitise a sum unknown in advance (namely the value of the fund shares at maturity or for classic life insurance the value of the insured sum including profit-sharing) in accordance with a mortality table (the risk involved is not exclusively financial) and an interest rate set at the time the policy is taken out.

Besides these actuarial and financial risks, the cost risk must also be specified. The insurer guarantees that it will deduct only the calculated costs for the entire term of the policy. The business risk here is that the cost premiums are insufficient (e.g. due to cost increases resulting from inflation).

1.3 Health insurance

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

Health insurance is a loss insurance which is calculated under consideration of biometric risks and is operated in Austria "depending on the type of life insurance". Terminations by the insurer are not possible except in the case of obligation violations by the insured. Premiums must therefore be calculated in such a way that the premiums are sufficient to cover the insurance benefits that generally increase with age, assuming probabilities that remain constant. The probabilities and cost structures can change frequently over time. For this reason, it is possible to adjust the premiums for health insurance as necessary to the changed bases of calculation.

When taking on risks, the existing risk of the individual is also evaluated. If it is established that an illness already exists for which the cost risk is expected to be higher than for the calculated portfolio, then either this illness is excluded from the policy, an adequate risk surcharge is demanded or the risk is not underwritten.

In health insurance, assurance cover ("ageing provision") is built up through calculation according to the "type of life insurance" and reduced again in later years because this is used to finance an ever larger part of the benefits that increase with age.

The actuarial interest rate for this actuarial provision is a prudent 3%, so that the investment risk of health insurance in Austria is relatively low. If it were expected, for instance, that 3% could no longer be obtained in future, this fact would have to be taken into account for future benefits and included in the premium adjustment.

The operational risks are extensively determined by the IT architecture and by errors that can arise from the business processes (policy formulation, risk assessment and benefit calculation). These risks should be kept to a minimum by using risk management.

The legal risks arise primarily from the effects that changes to legislation have on the existing private health insurance business model. This includes, in particular, changes to the legal framework that make it harder or impossible to adapt to changed circumstances or that sharply reduce the income opportunities. Developments in this area will be observed by the insurance association, and an attempt will be made where necessary to react to negative developments from the perspective of the private health insurer.

The EU Directive on the equal treatment of men and women in insurance, which is implemented in Austria by the Insurance Amendment Act 2006 (VersRÄG 2006), was also taken into account in the calculation of premiums in the last quarter of 2007. As the differences between men and women can be proven, only the childbirth costs had to be shared between men and women; these costs were explicitly defined in the EU Directive and VersRÄG as an exception to the risk-based calculation. No negative effects have been observed on business results to date.

The risk of the health insurance business outside Austria is dominated primarily by Mannheimer Krankenversicherung (approx. € 123.7 million in annual premiums) as well as UNIQA Assicurazioni in Milan (approx. € 31.4 million in annual premiums). The remaining premiums (approx. € 23.8 million) are divided among multiple companies and are of only minor importance there. Life-long health insurance policies without termination options by the insurer rarely exist outside of Austria, meaning that the risk can be considered low for this reason as well.

The greatest risk for Mannheimer Krankenversicherung is a result of the legal situation in Germany. Due to the future inclusion of ageing provisions in some cases, there could be a danger that good risks might leave Mannheimer Krankenversicherung. However, it should be possible to avert the majority of this risk through rate adjustments.

2 Financial risks

For numerous insurance products, a calculatory interest rate is taken into consideration for the investment period between expected deposit and expected payout. The risk therefore lies in a deviation between the expected or calculated interest and the return on capital actually achieved on the capital market. The main components of these capital market risks are:

- Interest rate change risk: Possible losses caused by a change in the level and term-based structure of interest rates
- The share risk: Possible losses due to price performance on the stock markets caused by macroeconomic and company-related changes
- The credit risk: Possible losses caused by the inability to pay or the worsening creditworthiness of debtors or contractual partners
- The currency risk: Possible losses caused by changes in exchange rates
- The liquidity risk: The danger of not having sufficient liquid funds on the date of scheduled payout

Model risks also exist with regard to the valuation of ABS securities ("Asset-Backed Securities") and the valuation of the participating interest in STRABAG SE; these are presented as an excursus to the risk report.

The financial risks have different weightings and various degrees of seriousness, depending on the investment structure. However, the effects of the financial risks on the value of the investments also influence the level of technical liabilities to some extent. There is therefore a partial dependence between the growth of assets and debts from insurance policies. UNIQA monitors the income expectations and risks of assets and liabilities arising from insurance policies as part of an Asset-Liability Management (ALM) process. The aim is to achieve a return on capital that is sustainably higher than the updating of the technical liabilities while retaining the greatest possible security. Here, assets and debts are allocated to different accounting groups. The following table shows the main accounting groups generated by the various product categories.

Investments	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	14,444,730	13,937,185
Long-term unit-linked and index-linked life insurance policies	4,192,730	3,473,553
Long-term health insurance policies	2,784,528	2,605,618
Short-term property and casualty insurance policies	3,356,743	3,422,140
Total	**24,778,730**	**23,438,496**

These values refer to the following balance sheet items:
A.I. Self-used land and buildings
B. Land and buildings held as financial investments
D. Shares in associated companies
E. Investments
F. Investments in unit-linked and index-linked life insurance policies
L. Liquid funds

Technical provisions and liabilities (retained)	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	14,141,590	13,893,689
Long-term unit-linked and index-linked life insurance policies	4,142,636	3,416,231
Long-term health insurance policies	2,785,246	2,620,930
Short-term property and casualty insurance policies	2,538,406	2,370,291
Total	**23,607,879**	**22,301,142**

These values refer to the following balance sheet items:
C. Technical provisions
D. Technical provisions for unit-linked and index-linked life insurance
G. I. Reinsurance liabilities (only deposit liabilities held under reinsurance business ceded)
G. Share of reinsurance in the technical provisions
H. Share of reinsurance in technical provisions for unit-linked and index-linked life insurance

2.1 Interest change risk

Due to the investment structure and the high proportion of interest bearing titles, the interest rate risk forms a very important component of the financial risks. The following table shows the interest-bearing securities and the average interest coupons arranged by the most important investment categories and their average coupon interest rate on the reporting date.

Average interest coupon	€		USD		Other	
%	2010	2009	2010	2009	2010	2009
Fixed interest securities						
High-grade bonds	3.89	4.23	3.90	3.92	5.18	5.64
Bank/company bonds	3.91	3.82	5.26	8.63	4.13	4.36
Emerging markets bonds	5.71	5.97	9.67	12.88	10.06	9.70
High-yield bonds	7.63	8.27	10.07	11.29	5.44	4.30
Other investments	3.48	4.44	0.00	0.00	0.00	1.63
Fixed interest liabilities						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.71	2.75				

Long-term policies and life insurance policies with guaranteed interest and profit sharing

Insurance policies with guaranteed interest and additional profit sharing contain the risk that the guaranteed interest rate will not be achieved over a sustained period of time. Capital income produced over and above the guaranteed interest rate will be shared between the policyholder and the insurance company, with the policyholder receiving an appropriate share of the profit. The following table shows the comparison of assets and debts for such insurance policies.

Investments for long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Annuities	9,440,828	8,220,882
Shares	642,456	392,346
Alternatives	708,594	674,353
Holdings	411,382	680,592
Loans	1,267,004	1,728,081
Real estate	1,107,667	946,261
Liquidity	743,515	1,172,910
Deposits receivable	123,284	121,760
Total	14,444,730	13,937,185
Difference between book value and market value		
Real estate	264,055	361,773
Loans	–27,812	38,695

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial provision	13,459,346	13,193,063
Provision for profit-unrelated premium refunds	1,869	226
Provision for profit-related premium refunds, i.e. policyholder profit sharing	112,060	146,659
Other technical provisions	23,806	23,451
Provision for outstanding claims	108,309	92,365
Deposits payable	436,200	437,925
Total	14,141,590	13,893,689

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

Remaining term	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	810,676	660,875
Of more than 1 year up to 3 years	1,052,770	1,125,700
Of more than 3 years up to 5 years	1,792,639	1,069,452
Of more than 5 years up to 7 years	2,192,915	1,672,212
Of more than 7 years up to 10 years	2,208,519	1,889,945
Of more than 10 years up to 15 years	1,361,612	1,644,980
More than 15 years	1,288,702	1,696,312
Total	10,707,832	9,759,476

The capital-weighted average remaining term of technical liabilities is around 8.0 years (2009: 7.9 years).

Long-term unit-linked and index-linked life insurance policies

In the segment of unit-linked and index-linked life insurance, the interest income and all fluctuations in value of the dedicated investments are reflected in the technical provisions. There is therefore no financial risk from the point of view of the insurer. The following table shows the investment structure of financial investments that are used to cover the technical provisions arising from unit-linked and index-linked life insurance policies.

Investments in unit-linked and index-linked life insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Share-based funds	988,689	805,713
Bond funds	3,044,113	2,536,917
Liquidity	81,107	86,935
Other investments	78,821	43,987
Total	4,192,730	3,473,553

Long-term health insurance policies

The actuarial interest rate for the actuarial provision in health insurance lines, which is selected depending on the type of life insurance, is 3%. However, this interest rate is not guaranteed and can, upon presentation of proof to the insurance supervisory authority, be reduced to any lower capital income that may be expected. The following table shows the investment structure available to cover insurance liabilities.

Investments for long-term health insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Annuities	1,238,629	1,203,938
Shares	53,963	58,105
Alternatives	93,450	64,839
Holdings	199,705	8,666
Loans	710,918	693,555
Real estate	318,529	301,341
Liquidity	169,333	275,175
Total	2,784,528	2,605,618
Difference between book value and market value		
Real estate	144,441	116,426
Loans	3,828	–54,466

Provisions and liabilities from long-term health insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial provision	2,533,728	2,373,869
Provision for profit-unrelated premium refunds	16,578	20,252
Provision for profit-related premium refunds, i.e. policyholder profit sharing	44,876	42,224
Other technical provisions	548	596
Provision for unearned premiums	15,914	15,629
Provision for outstanding claims	172,279	166,913
Deposits payable	1,323	1,447
Total	2,785,246	2,620,930

Property and casualty insurance policies

Most property and casualty insurance policies are short-term. The technical provisions are not discounted, meaning that no interest is calculated for the short-term investment. The average terms of interest bearing securities and loans invested to cover technical provisions are shown in the following table.

Remaining term	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	102,103	169,807
Of more than 1 year up to 3 years	182,759	232,867
Of more than 3 years up to 5 years	325,941	270,080
Of more than 5 years up to 7 years	358,017	273,275
Of more than 7 years up to 10 years	570,630	507,728
Of more than 10 years up to 15 years	186,249	293,120
More than 15 years	223,849	335,114
Total	1,949,547	2,081,993

The investment structure in the property and casualty insurance is as follows.

Investments for short-term property and casualty insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Annuities	1,606,661	1,451,018
Shares	221,229	140,508
Alternatives	62,332	64,162
Holdings	120,430	215,805
Loans	464,308	521,471
Real estate	384,524	463,290
Liquidity	483,748	551,497
Deposits receivable	13,510	14,389
Total	3,356,743	3,422,140
Difference between book value and market value		
Real estate	332,259	197,569
Loans	3,110	–35,805

Provisions and liabilities from short-term property and casualty insurance policies	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Provision for unearned premiums	558,153	516,599
Actuarial provision	37,959	39,837
Provision for outstanding claims	1,871,810	1,746,904
Provision for profit-unrelated premium refunds	30,991	27,011
Provision for profit-related premium refunds, i.e. policyholder profit sharing	7,760	7,682
Other technical provisions	20,032	19,980
Deposits payable	11,701	12,278
Total	2,538,406	2,370,291

The average policy term in property and casualty insurance is between three and five years.

2.2 Share risk

When investing in stock markets, the risk is diversified by using various management styles (total return, benchmark-oriented or value growth approach, fundamental or industry-/region-specific title selection). For the purpose of securing the investment, the effective investment ratio is controlled through the use of derivative financial instruments. The following table shows the investment structure of the share portfolios by asset classes:

Share portfolio composition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Shares in Europe	438,554	268,481
Shares in America	48,112	11,275
Shares in Asia	26,802	6,049
Shares international[1)]	4,932	623
Shares in emerging markets	32,149	10,805
Shares total return[2)]	158,228	156,531
Other shares	208,872	199,247
Total	917,648	653,010

1) Share-based funds with globally diversified investments.
2) Share-based funds with the management goal of achieving an absolute return by including less risky investments (liquidity, bonds) in difficult market phases.

2.3 Credit risk

When investing in securities, we invest in debt securities of varying quality, taking into consideration the yield prospects and risks. The following table shows the quality structure of fixed-interest investments.

Rating	31 Dec. 2010 € 000	31 Dec. 2009 € 000
AAA	3,317,270	3,037,727
AA	3,062,155	3,490,318
A	2,979,241	3,351,431
BBB	2,655,684	1,834,494
BB	874,895	437,410
B	577,764	352,635
CCC	168,868	127,070
Not rated	30,047	50,534
Total	13,665,924	12,681,619

The values as at 31 December 2010 also include the securities reclassified to the category of loans in the 3rd quarter of 2008 with a value of € 1,379,806,000 (2009: € 1,796,941,000).

2.4 Currency risk
The UNIQA Group invests in securities in a wide range of currencies. Although the insurance business is operated in different countries, the foreign currency risks of the investments do not always correspond to the currency risks of the technical provisions and liabilities. The most significant currency risk is in USD. The following table shows a breakdown of assets and debts by currency.

31 Dec. 2010 € 000	€	USD	Other	Total
Assets				
Investments	22,304,607	466,618	2,007,505	24,778,730
Other tangible assets	116,976		21,681	138,657
Intangible assets	1,401,567		107,881	1,509,448
Share of reinsurance in the technical provisions	1,029,126		79,892	1,109,018
Other assets	889,829		269,519	1,159,348
Total	**25,742,104**	**466,618**	**2,486,478**	**28,695,200**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	22,241,444		1,629,686	23,871,130
Other provisions	701,989		23,536	725,526
Liabilities	1,845,157		141,747	1,986,904
Total	**25,363,590**	**0**	**1,794,969**	**27,158,559**

31 Dec. 2009 € 000	€	USD	Other	Total
Assets				
Investments	21,400,489	336,507	1,701,499	23,438,496
Other tangible assets	112,148		20,299	132,447
Intangible assets	1,413,610		102,850	1,516,459
Share of reinsurance in the technical provisions	1,040,996		107,793	1,148,788
Other assets	892,315		264,229	1,156,544
Total	**24,859,557**	**336,507**	**2,196,670**	**27,392,735**
Provisions and liabilities				
Subordinated liabilities	575,000		0	575,000
Technical provisions	21,230,666		1,385,275	22,615,941
Other provisions	629,390		29,773	659,164
Liabilities	1,811,277		166,570	1,977,848
Total	**24,246,334**	**0**	**1,581,618**	**25,827,952**

The fair value of securities investments in USD amounted to € 1,625 million as at 31 December 2010 (2009: € 1,344 million). The exchange rate risk was reduced using derivative financial instruments to € 467 million (2009: € 337 million), while the safeguard ratio was 71.0% (2009: 75.0%). The safeguard was maintained in a range of between 56% and 81% during the financial year (2009: 67% and 96%).

2.5 Liquidity risk
The UNIQA Group must satisfy its payment obligations on a daily basis. For this reason, a precise liquidity schedule for the immediately following months is used, and a minimum liquidity holding is defined by the Management Board and is available as a cash reserve on a daily basis. In addition, a majority of the securities portfolio is listed on liquid stock exchanges and can be sold quickly in the case of liquidity burdens. When choosing the remaining maturities stipulated by contract for investing variable-interest securities (cf. notes no. 9), the existing remaining contractual maturities (cf. 2.1 interest rate risk) are taken into consideration in the various business segments.

Additional underwriting obligations exist for private equity investments in the amount of € 102 million (2009: € 168 million).

2.6 Sensitivities
The risk management for investments is done in a structured investment process in which the various market risks are controlled at the level of the strategic asset allocation with tactical weighting of the individual asset classes based on market opinion and in the form of timing and selection decisions. In particular, stress tests and sensitivity analyses are used as key figures for measuring, observing and actively controlling the risk.

The table below shows the most important market risks in the form of key sensitivity figures; the information is presented as available on the reporting date, meaning that only rough figures can be offered for future losses of fair value. Depending on the assessment principle to be applied, if there are any future fair value losses, they can lead to different fluctuations in equity that are with or without an effect on the income statement. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects between the individual market risks or counter-controlled measures taken in the various market scenarios.

Interest rate risk	31 Dec. 2010		31 Dec. 2009	
€ 000	+100 basis points	–100 basis points	+100 basis points	–100 basis points
High-grade bonds	–382,196	410,964	–407,638	429,092
Bank/company bonds	–55,312	59,475	–55,555	58,479
Emerging markets bonds	–71,990	77,408	–49,408	52,008
High-yield bonds	–912	981	–1,745	1,837
Total	**–510,410**	**548,828**	**–514,345**	**541,416**

Equity risk	31 Dec. 2010		31 Dec. 2009	
€ 000	+10%	–10%	+10%	–10%
Shares in Europe	38,221	–37,744	23,331	–23,331
Shares in America	6,117	–6,117	1,714	–1,714
Shares in Asia	2,053	–2,053	389	–389
Shares international	2,175	–2,175	1,950	–1,950
Shares in emerging markets	3,403	–3,403	1,320	–1,320
Shares total return	16,663	–16,663	15,646	–15,646
Derivative financial instruments and other shares	3,448	–3,448	4,615	–4,615
Total	**72,080**	**–71,603**	**48,965**	**–48,965**

Currency risk	31 Dec. 2010		31 Dec. 2009	
€ 000	+10%	–10%	+10%	–10%
€	0	0	0	0
USD	45,924	–45,924	32,817	–32,817
Other	161,797	–161,797	140,959	–140,959
Total	**207,721**	**–207,721**	**173,775**	**–173,775**

Credit risk		31 Dec. 2010		31 Dec. 2009	
€ 000		+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	–38,313	38,313	–49,296	49,296
A	50 basis points	–53,030	53,030	–69,170	69,170
BAA	75 basis points	–70,948	70,948	–43,105	43,105
BA	100 basis points	–34,735	34,735	–14,196	14,196
B	125 basis points	–30,641	30,641	–16,588	16,588
CAA	150 basis points	–7,453	7,453	–5,901	5,901
Not rated	100 basis points	–13,098	13,098	–6,756	6,756
Total		–248,219	248,219	–205,011	205,011

2.7 Value at Risk (VaR)

The overall market risk of the investment portfolio is determined on the basis of the value-at-risk approach. The key figure is calculated for a confidence interval of 95% and a holding term of one year. The basic data is in the form of historical figures from the last calendar year with a balancing of the individual values (decay factor of 1).

The following table shows the key value-at-risk figures for the last financial year as reporting date values, annual average and maxima/minima for the year.

Value at Risk	Total value at risk € 000	Equity risk € 000	Currency risk € 000	Interest rate risk € 000	Diversification € 000
31.12.2010	676,337	342,165	116,127	713,066	–495,021
31.12.2009	819,743	315,354	93,564	860,208	–449,382
Lowest	619,672	256,201	74,627	683,922	–330,302
Average	690,723	311,046	121,869	735,232	–438,202
Highest	792,199	344,586	168,371	846,673	–513,715

Evaluation of the stock of Asset-Backed Securities

The UNIQA Group has placed a 2.6% (2009: 2.7%) of its investments in asset-backed securities (ABS).

The securities held in the direct portfolio and in the fund portfolio have been valued mostly using a mark-to-model method.

The individual transactions vary with regard to structure, risk profile, interest claims, rating and other parameters.

UNIQA is of the view that it will not be possible to ascertain a fair value for these securities on the basis of market prices or market transactions for the year 2010 due to low liquidity and the crisis on the financial markets. So-called market prices, insofar as these can even be identified in individual cases, pertain only in the rarest of cases to securities that are held directly in the portfolio, or even to securities from the same issuer, but rather generally to another investment that is similar in terms of rating and securitisation category. Direct transfer of such prices does not appropriately take into account either the complexity or the heterogeneity of the different structures. For both reasons, UNIQA has decided to set the fair value of the specified papers by means of a model approach.

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

The main parameters of the model for assessing the estimate of the future development of the (financial) economic environment are the speed of repayment, the failure frequency, the failure severity and the discount rate.

All parameters refer to the assets used to collateralise the transaction, i.e. to the corporate credits, bonds, preferential shares, etc. The future payments are calculated using external forecasts for failure rates. The modelling system of Intex Solutions, Inc., which represents a widely accepted market standard, serves as the basis for the analysis. For forecasting the failure rates of companies, UNIQA now uses the forecasts of Moody's Investors Service. These forecasts encompass a period of five years. Other parameters besides the failure rates are calibrated with the help of the data history. Objective and predetermined values are used for the discounting.

To this extent, the losses expected by an investor on a transaction are already taken into consideration when generating the payment streams. In order to take account of the current economic crisis, a risk premium was additionally added to the applied discount rate. This premium corresponds to the surcharge originally applied on execution of the individual transaction.

The sensitivity analysis of the ABS portfolio with regard to a rise or a fall in the failure rates in the investments underlying the ABS structures is also based on the forecast values from Moody's Investors Service.

The sensitivities for these securities subjected to model-based analysis are also determined using Moody's failure scenarios. According to Moody's, these failure scenarios correspond to the 10% quantile or the 90% quantile of the distribution function of the failures.

Sensitivity analysis (in € million)	Upside	Downside
Total profit/loss	5.8	–40.0
on P&L	0.8	–19.4
on equity	5.0	–20.6

Valuation of STRABAG SE

UNIQA has a participating interest in STRABAG SE of 14.97% as at the reporting date of 31 December 2010 (31 December 2009: 21.91%). Even following the re-entry of a major investor, UNIQA retained a significant influence over the business activity of STRABAG SE. UNIQA is therefore continuing the participating interest in STRABAG SE as an associated share. In the 4th quarter of 2010, a purchase option was conceded to a strategic investor for an additional 1.4 million shares of STRABAG SE. It can be exercised between July 2012 and July 2014.

The valuation on the reporting date takes place in consideration of the option agreement and the expected proportional equity on the reporting date. The current market value of this option was determined as the difference between the current book value and the price for exercising the option.

Book value STRABAG SE	2010 € 000
As at 1 Jan.	601,644
Disposal	–164,907
Updating affecting income[1]	24,274
Updating not affecting income	4,536
Dividends	–12,467
As at 31 Dec.	453,079
Value in € per share	26.54

[1] The estimate for the as-yet-unpublished 4th quarter of 2010 was also worked on during the financial year.

Information about investments in the PIIGS nations

Selected government bond risks

Issuer	Current market value 31 Dec. 2010 € 000
Spain	154,249
Greece	319,407
Ireland	257,281
Italy	883,130
Portugal	83,955
Total	**1,698,022**

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

Currently it must be assumed that government bonds from member countries will be completely paid back and the current risk reduction on bond prices in some European countries will not last.

In particular, European and international initiatives should be mentioned in this regard. Among others, in this context the European Financial Stabilisation Mechanism (EFSM), the European Financial Stability Facility (EFSF), the International Money Fund (IMF) and the European Central Bank (ECB) should be mentioned.

As early as May 2010 €110 billion were made available to Greece within the framework of the EFSM and €30 billion through the IMF. Furthermore, the placement of the first European bonds via the EFSF in January 2011 made it possible to refinance at very favourable rates (AAA rating; interest warrant: 2.75%, volume: €5 billion), thus demonstrating the availability of this venue for providing financial assistance to distressed member states. Altogether, the EFSF, EFSM and IMF can currently raise €750 billion.

Ireland also applied for and received financial aid through this mechanism in November 2010.

In an additional step, the ECB's Security Markets Programme is contributing to the stabilisation of the secondary market for government bonds by purchasing bonds from member states that are under pressure.

These aid measures are available to all member states. In the cases of Greece and Ireland, the measures have proven their practicality. Hence, it does not currently look like we can assume there will be a long-lasting reduction in value of the affected government bonds.

Description of the most important features of the internal controlling and risk management system (RMS) with regard to the accounting process according to Section 243a paragraph 2 of the Austrian Commercial Code

The RMS of UNIQA Versicherungen AG is a well documented system covering all company activities that includes a systematic and permanent process based on the defined risk strategy with the following elements: identification, analysis, evaluation, controlling, documentation and communication of risks and monitoring of these activities. The scope and orientation of the established systems were designed based on the company-specific requirements. Despite the creation of appropriate frameworks, a certain residual risk always remains since even appropriately and functionally erected systems cannot guarantee absolute certainty in the identification and management of risks.

The goals in connection with the RMS are

- Identification and evaluation of risks that could oppose the goal of Group financial statements that conform to the rules
- Limitation of known risks, e.g. by procuring the assistance of external specialists
- Evaluation of identified risks with regard to their influence on the Group financial statements and the corresponding depiction of these risks

The goal of the accounting process internal control system is to implement controls to ensure that a proper report can be reliably produced despite the identified risks. In addition to the risks described in the risk report, the RMS also deals with additional risks as well as those in operational processes, compliance, internal reporting, etc.

Organisational structure and controlling scope

The accounting process of the UNIQA Group is standardised throughout the Group. Compliance guidelines, operational organisation manuals, balance sheet and consolidation manuals exist to ensure a reliable process. The processing is largely centralised for domestic affiliated companies. For international Group companies, the accounting process is largely decentralised.

Identification and controlling of risks

An inventory of the existing risks was taken and appropriate monitoring measures were defined for the identification of existing risks. The most important checks were defined in guidelines and instructions and coupled with an authorisation concept. The checks cover both manual coordination and reconciliation routines as well as acceptance inspections of system configurations for connected IT systems. Identified risks and weak points in monitoring the accounting process are reported quickly to management in order for corrective measures to be taken. The procedure for identification and monitoring of the risks is regularly evaluated by an independent, external consultant.

Information and communication

Deviations from expected results and analyses are monitored in monthly reports and figures and are the basis for the continuing supply of information to management.

Supplementary information on the Consolidated Balance Sheet

Development of asset items

	Balance sheet values previous year € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
A. Tangible assets				
I. Self-used land and buildings	230,077	986	12,577	0
II. Other tangible assets				
1. Tangible assets	61,054	–68	24,123	0
2. Inventories	5,211		745	
3. Other assets	66,182		0	
Total A. II.	**132,447**	**–68**	**24,868**	**0**
Total A.	**362,524**	**918**	**37,445**	**0**
B. Land and buildings held as financial investments	**1,433,091**	**1,586**	**134,189**	**0**
C. Intangible assets				
I. Deferred acquisition costs	877,394	744	257,564	0
II. Goodwill				
1. Purchased positive goodwill	3,632	–89	0	0
2. Positive goodwill	527,284	546	1,301	0
3. Value of insurance policies	76,274	382	0	0
Total C. II.	**607,191**	**839**	**1,301**	**0**
III. Other intangible assets				
1. Self-developed software	1,688	–157	685	0
2. Acquired intangible assets	30,187	126	15,746	0
Total C. III.	**31,875**	**–31**	**16,431**	**0**
Total C.	**1,516,459**	**1,552**	**275,296**	**0**
D. Shares in associated companies	**717,163**	**0**	**9,696**	**7,268**
E. Investments				
I. Variable-yield securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	1,321,142	775	795,832	172,521
2. At fair value through profit or loss	706,219	0	179,961	0
Total E. I.	**2,027,361**	**775**	**975,794**	**172,521**
II. Fixed interest securities				
1. Fixed interest securities, held to maturity	340,000	0	0	0
2. Debt securities and other fixed interest securities	9,879,620	67,308	8,039,883	–268,948
3. At fair value through profit or loss	246,936	0	80,856	0
Total E. II.	**10,466,556**	**67,308**	**8,120,739**	**–268,948**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	472	0	17	0
b) Debt securities issued by and loans to participating interests	552	0	0	0
c) Mortgage loans	119,216	0	116	0
d) Loans and advance payments on policies	19,091	–7	4,773	0
e) Other loan receivables and registered bonds	2,803,776	3,325	184,317	6,341
Total E. III. 1.	**2,943,107**	**3,318**	**189,222**	**6,341**
2. Cash at credit institutions/cash at banks	1,201,925	7,290	0	0
3. Deposits with ceding companies	136,149	0	6,168	0
Total E. III.	**4,281,180**	**10,608**	**195,390**	**6,341**
IV. Derivative financial instruments	11,858	9	56,830	0
Total E.	**16,786,955**	**78,700**	**9,348,752**	**–90,086**
F. Investments held on account and at risk of life insurance policyholders	**3,473,553**	**6,074**	**1,799,768**	**42,729**
Aggregate total	24,289,744	88,830	11,605,145	–40,089

Amortisation € 000	Reclassifications € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Book value financial year € 000
0	46,199	9,188	0	12,088	268,563
0	5,816	3,386	0	18,672	68,866
		0			5,956
		2,348			63,835
0	5,816	5,733	0	18,672	138,657
0	52,015	14,921	0	30,760	407,220
0	–52,157	10,919	0	40,493	1,465,297
0	0	0	0	250,055	885,646
0	0	0	0	3,368	175
0	0	2,448	0	11	526,672
0	0	0	0	11,101	65,555
0	**0**	**2,448**	**0**	**14,481**	**592,402**
0	0	0	0	306	1,909
0	143	5,242	0	11,469	29,491
0	**143**	**5,242**	**0**	**11,775**	**31,400**
0	**143**	**7,690**	**0**	**276,311**	**1,509,448**
0	**0**	**206,666**	**25,559**	**6,575**	**546,444**
–15	–9,421	504,140	27,869	53,043	1,751,520
0	0	238,321	103,946	57,381	694,424
–15	**–9,421**	**742,461**	**131,815**	**110,424**	**2,445,944**
0	0	0	0	0	340,000
7,782	6,879	6,602,873	156,393	87,506	11,198,539
–233	0	18,290	20,997	12,882	317,383
7,549	**6,879**	**6,621,164**	**177,390**	**100,387**	**11,855,922**
0	0	38	0	0	451
0	0	0	0	0	552
0	–644	20,341	0	1,848	96,497
0	0	9,205	0	0	14,652
473	644	650,901	557	18,454	2,330,078
473	**0**	**680,485**	**557**	**20,302**	**2,442,231**
0	0	345,329	2,688	2,921	863,652
0	0	5,522	0	0	136,794
473	**0**	**1,031,337**	**3,244**	**23,223**	**3,442,677**
0	0	39,031	58,123	59,537	28,252
8,007	**–2,542**	**8,433,993**	**370,572**	**293,572**	**17,772,793**
0	**2,542**	**1,233,899**	**149,923**	**47,961**	**4,192,730**
8,007	0	9,908,087	546,054	695,673	25,893,932

1. Self-used land and buildings

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Book values for		
Property and casualty	81,601	86,265
Life	171,593	128,012
Health	15,369	15,800
	268,563	**230,077**
Market values for		
Property and casualty	100,776	109,015
Life	197,614	156,861
Health	17,919	17,979
	316,309	**283,855**
Acquisition values	387,630	324,749
Cumulative depreciation	–119,068	–94,673
Book values	**268,563**	**230,077**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Self-used land and buildings	0	5,624

The market values are derived from expert reports.

2. Other tangible assets

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Tangible assets	68,866	61,054
Inventories	5,956	5,211
Other assets	63,835	66,182
Total	**138,657**	**132,447**

Tangible assets **Development in financial year**	€ 000
Acquisition values as at 31 Dec. 2009	215,388
Cumulative depreciation up to 31 Dec. 2009	–154,334
Book values as at 31 Dec. 2009	**61,054**
Currency translation changes	–68
Additions	24,123
Disposals	–3,386
Transfers	5,816
Appreciation and depreciation	–18,672
Book values as at 31 Dec. 2010	**68,866**
Acquisition values as at 31 Dec. 2010	234,568
Cumulative depreciation up to 31 Dec. 2010	–165,702
Book values as at 31 Dec. 2010	**68,866**

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

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Other tangible assets	0	18,322

3. Land and buildings held as financial investments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Book values for		
Property and casualty	289,959	377,011
Health	288,647	285,541
Life	886,690	770,539
	1,465,297	**1,433,091**
Market values for		
Property and casualty	603,044	551,830
Health	430,538	399,788
Life	1,124,723	1,103,463
	2,158,305	**2,055,081**
Acquisition values	1,968,476	1,884,787
Cumulative depreciation	–503,179	–451,696
Book values	**1,465,297**	**1,433,091**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Land and buildings held as financial investments	0	165,546

The market values are derived from expert reports.

	31 Dec. 2010 € 000
Change in impairment for current year	3,125
of which reallocation affecting income	3,125

4. Deferred acquisition costs

	2010 € 000	2009 € 000
Property and casualty		
As at 1 Jan.	**146,366**	**135,129**
Currency translation changes	438	–451
Change in consolidation scope	0	258
Capitalisation	119,389	91,273
Depreciation	–109,586	–79,843
As at 31 Dec.	156,606	146,366
Health		
As at 1 Jan.	**224,414**	**215,855**
Currency translation changes	57	–8
Capitalisation	16,083	17,883
Interest surcharge	8,710	9,476
Depreciation	–22,079	–18,793
As at 31 Dec.	227,185	224,414
Life		
As at 1 Jan.	**506,614**	**521,019**
Currency translation changes	249	–108
Change in consolidation scope	0	474
Capitalisation	96,006	102,066
Interest surcharge	17,375	14,595
Depreciation	–118,390	–131,432
As at 31 Dec.	501,854	506,614
In the consolidated financial statements		
As at 1 Jan.	**877,394**	**872,003**
Currency translation changes	744	–567
Change in consolidation scope	0	732
Capitalisation	231,479	211,223
Interest surcharge	26,085	24,071
Depreciation	–250,055	–230,068
As at 31 Dec.	885,646	877,394

5. Goodwill

	€ 000
Acquisition values as at 31 Dec. 2009	759,240
Cumulative depreciation up to 31 Dec. 2009	–152,049
Book values as at 31 Dec. 2009	**607,191**
Acquisition values as at 31 Dec. 2010	760,540
Cumulative depreciation up to 31 Dec. 2010	–168,138
Book values as at 31 Dec. 2010	**592,402**

There were no major additions in 2010 – see also the information on the scope of consolidation beginning on page 74.

	€ 000
Cumulative depreciation up to 31 Dec. 2010	168,138
of which relating to impairment	28,767
of which current depreciation	139,371

	31 Dec. 2010 € 000
Change in impairment for current year	11
of which reallocation affecting income	11

The above values include the goodwill as well as the purchase price paid for the total insurance policies acquired.

Company acquisitions 2010	Amounts placed at the time of acquisition € 000	Book values of the acquired companies € 000
Assets	**8,941**	**8,941**
Tangible assets	0	0
Land and buildings held as financial investments	0	0
Intangible assets	0	0
Shares in associated companies	0	0
Investments	8,937	8,937
Investments held on account and at risk of life insurance policyholders	0	0
Share of reinsurance in technical provisions	0	0
Receivables including receivables under insurance business	2	2
Receivables from income tax	0	0
Deferred tax assets	0	0
Liquid funds	2	2
Equity and liabilities	**8,941**	**8,941**
Total equity	8,924	8,924
Subordinated liabilities	0	0
Technical provisions	0	0
Technical provisions held on account and at risk of life insurance policyholders	0	0
Financial liabilities	0	0
Other provisions	0	0
Payables and other liabilities	17	17
Liabilities from income tax	0	0
Deferred tax liabilities	0	0
Currency differences	0	0

6. Other intangible assets

	Self-developed software € 000	Acquired intangible assets € 000
Acquisition values as at 31 Dec. 2009	37,224	171,757
Cumulative depreciation up to 31 Dec. 2009	–35,536	–141,571
Book values as at 31 Dec. 2009	**1,688**	**30,187**
Acquisition values as at 31 Dec. 2010	37,752	182,263
Cumulative depreciation up to 31 Dec. 2010	–35,843	–152,772
Book values as at 31 Dec. 2010	**1,909**	**29,491**

The other intangible assets are composed of:

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Computer software	27,954	27,652
Copyrights	0	0
Licences	512	764
Other intangible assets	2,935	3,459
	31,400	**31,875**

Useful life		
Self-developed software	2–5 years	2–5 years
Acquired intangible assets	2–5 years	2–5 years

The intangible assets include paid-for and self-produced computer software as well as licences and copyrights.

The depreciation of the other intangible assets was recognised in the income statement on the basis of allocated operating expenses under the items of insurance benefits, operating expenses and net investment income.

The intangible assets are depreciated using the straight-line method.

Additions from company acquisition	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Self-developed software	0	0
Acquired intangible assets	0	1,024

	2010 € 000
Research and development expenditure recorded as an expense during the period under review	5,656

7. Shares in affiliated companies valued at equity

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Current market values for		
Shares in affiliated companies of minor importance [1]	21,235	19,820
Shares in associated companies of minor importance	3,574	2,049
Book values for		
Shares in associated companies valued at equity	542,870	715,113
Equity for		
Shares in affiliated companies of minor importance	21,595	20,197
Annual net profit/loss for the year		
Shares in affiliated companies of minor importance	1,508	–5,315

[1] The shares in affiliated companies of minor importance are shown on the balance sheet as available for disposal at any time under variable-yield securities (Assets E. I. 1.).

The decline in the shares in associated companies resulted mainly from the disposal of the STRABAG shares and the transfer of the shares held in Astra S.A., which were reclassified as variable-yield securities – available for sale due to the decision to sell.

Shares in associated companies	31 Dec. 2010 € 000
Current market value of associated companies listed on a public stock exchange	434,499
Profits/losses for the period	19,785
Unrecorded, proportional loss, ongoing, if shares of loss are no longer recorded	0
Unrecorded, proportional loss, cumulative, if shares of loss are no longer recorded	0
Proportional asset value of shares in associated companies valued at equity	1,724,179
Proportional liabilities of shares in associated companies valued at equity	1,190,095

8. Fixed interest securities, held to maturity

	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Corporate bonds of domestic financial institutions	340,000	340,000
Other securities	0	0
Total	**340,000**	**340,000**

	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Corporate bonds of domestic financial institutions	340,000	340,000
Other securities	0	0
Total	**340,000**	**340,000**

Contractual remaining term	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	340,000	0
more than 1 year up to 5 years	0	340,000
Total	**340,000**	**340,000**

Contractual remaining term	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Up to 1 year	340,000	0
more than 1 year up to 5 years	0	340,000
Total	**340,000**	**340,000**

9. Securities available for sale

Type of investment	Acquisition costs		Fluctuation in value not affecting income		Accumulated value adjustments		Foreign currency differences affecting income		Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Shares in affiliated companies	21,235	19,820	0	0	0	0	0	0	21,235	19,820
Shares	799,655	628,161	197,862	107,072	–139,796	–145,979	0	0	857,721	589,254
Equity funds	356,651	240,373	29,634	13,260	–24,826	–29,945	0	0	361,459	223,688
Debenture bonds not capital-guaranteed	252,986	244,448	2,044	–4,823	–17,471	–14,326	–3,379	–4,109	234,180	221,190
Other variable-yield securities	41,875	41,870	–352	–359	–3,400	–3,400	0	0	38,123	38,110
Participating interests and other investments	237,222	240,534	36,298	25,125	–34,718	–36,579	0	0	238,802	229,079
Fixed-interest securities	11,943,303	10,615,617	–415,099	–117,183	–288,634	–501,477	–41,030	–117,338	11,198,539	9,879,620
Total	13,652,927	12,030,821	–149,614	23,092	–508,845	–731,705	–44,409	–121,446	12,950,059	11,200,762

Valuations based on internal calculations are included in the market values of shares. The effect of the internal valuation for 2010 results in a value reduction not affecting income in the amount of € 33,546,000 (2009: value reduction of € 113,938,000).

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Shares in affiliated companies	0	0	0	0	0	0
Shares	–139,796	–145,979	–113,763	–80,437	–26,033	–65,542
Equity funds	–24,826	–29,945	–24,567	–18,855	–259	–11,091
Debenture bonds not capital-guaranteed	–17,471	–14,326	–14,326	–65,900	–3,145	51,574
Other variable-yield securities	–3,400	–3,400	–3,400	0	0	–3,400
Participating interests and other investments	–34,718	–36,579	–34,475	–20,229	–243	–16,350
Fixed-interest securities	–288,634	–501,477	–280,351	–307,869	–8,283	–193,608
Total	–508,845	–731,705	–470,882	–493,290	–37,963	–238,415

Type of investment	Change in value adjustment current year	of which write-off/write-up affecting income	of which changes due to disposal	Write-up of equity
	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000
Shares in affiliated companies	0	0	0	0
Shares	6,183	–26,033	32,216	0
Equity funds	5,119	–259	5,378	0
Debenture bonds not capital-guaranteed	–3,145	–3,145	0	0
Other variable-yield securities	0	0	0	0
Participating interests and other investments	1,861	–243	2,104	0
Fixed-interest securities	212,843	–8,283	221,125	0
Total	222,860	–37,963	260,824	0

Change in equity	Allocation not affecting income		Withdrawal[1] due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Other securities - available for sale[2]						
Gross	–90,086	231,601	–67,425	–10,533	–157,511	221,068
Deferred tax	11,863	–21,962	3,631	7,576	15,494	–14,386
Deferred profit participation	53,072	–170,142	52,850	–16,362	105,922	–186,504
Minority interests	5,980	–14,362	3,875	–6,784	9,856	–21,147
Net	–19,171	25,134	–7,069	–26,103	–26,240	–969

[1] Withdrawals affecting the income statement due to disposals and impairments.
[2] Incl. reclassified securities.

Hierarchy for instruments that are reported in the balance sheet at current market value

The table below depicts the financial instruments for which subsequent valuation is performed at the current market value. These are divided into levels 1 to 3, depending on the extent to which the current market value can be observed.

Level 1 valuations at current market value are ones that result from listed prices (unadjusted) on the active markets for identical financial assets and liabilities.

Level 2 valuations at current market value are those based on parameters that do not correspond to listed prices for assets and liabilities as in level 1 (data) and are derived either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 valuations at current market value are those arising from models using parameters for the valuation of assets and liabilities that are not based on observable market data (unobservable prices, assumptions).

Investments at fair value	Level 1	Level 2	Level 3	Group total
	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000
Securities available for sale	**9,692,736**	**2,613,378**	**643,945**	**12,950,059**
Shares in affiliated companies	0	21,235	0	21,235
Shares	439,962	417,436	322	857,721
Equity funds	238,264	123,193	2	361,459
Debenture bonds not capital-guaranteed	34,101	200,079	0	234,180
Other variable-yield securities	0	38,123	0	38,123
Participating interests and other investments	0	238,802	0	238,802
Fixed-interest securities	8,980,409	1,574,508	643,621	11,198,539
At fair value through profit and loss	**179,913**	**819,081**	**12,813**	**1,011,807**
Derivative financial instruments	**425**	**24,163**	**0**	**24,589**
Total	9,873,074	3,456,621	656,758	13,986,454

No transfers between levels 1 and 2 took place during the reporting period. The entire portfolio of asset-backed securities was classified as level 3. No other level 3 assets existed as at 31 December 2010.

Transition of the level 3 valuations at current market value of financial assets:

Level 3 Investments at fair value	Securities available for sale	At fair value through profit and loss	Derivative financial instruments	Total
	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000	31 Dec. 2010 € 000
As at 1 Jan. 2010	**592,185**	**20,174**	**0**	**612,359**
Exchange rate differences	291	0	0	291
Total gains or losses for the period recognised in profit or loss	44,484	–1,192	0	43,292
Total gains or losses for the period recognised in other comprehensive income (revaluation reserve)	49,314	0	0	49,314
Purchase	27,442	6	0	27,448
Sales	–83,086	–6,175	0	–89,261
Issues	0	0	0	0
Settlements	13,315	0	0	13,315
Transfers	0	0	0	0
As at 31 Dec. 2010	643,945	12,813	0	656,758

Contractual remaining term	Acquisition costs		Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Infinite	103,414	57,667	88,908	58,489
Up to 1 year	1,542,452	1,984,978	1,374,544	1,709,230
more than 1 year up to 5 years	3,731,367	2,518,608	3,634,209	2,454,377
More than 5 years up to 10 years	4,396,211	3,182,603	4,233,496	3,074,097
More than 10 years	2,464,720	3,158,079	2,139,685	2,842,728
Total	12,238,163	10,901,934	11,470,842	10,138,921

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

Risk of default rating	31 Dec. 2010 € 000
Fixed-interest securities	
Rating AAA	2,997,688
Rating AA	1,904,314
Rating A	2,934,754
Rating BBB	1,887,992
Rating < BBB	1,513,125
Not assigned	232,970
Rating total of fixed-interest securities	11,470,842
Issuer countries	
Share securities	
IE, NL, UK, US	392,828
AT, BE, CH, DE, DK, FR, IT	623,043
ES, FI, NO, SE	33,288
Remaining EU	108,889
Other countries	167,619
Issuer countries total of share securities	**1,325,666**
Other shareholdings	132,315
Total variable-yield securities	1,457,981

10. Derivative financial instruments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Market values		
Equity price risk	4,321	–11,528
Interest rate risk	2,217	1,348
Currency risk	7,008	–10,928
Structured risk	11,044	6,026
Total	24,589	–15,081
Structured risk - of which:		
Equity price risk	2,788	2,750
Interest rate risk	2,821	–2,653
Currency risk	5,435	5,929
Credit risk	0	0
Balance sheet values		
Investments	28,252	11,858
Financial liabilities	–3,663	–26,939

11. Loans

	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Loans to affiliated companies	451	472
Loans to participating interests	552	552
Mortgage loans	96,497	119,216
Loans and advance payments on policies	14,652	19,091
Other loans	613,679	684,926
Registered bonds	336,592	321,909
Reclassified bonds	1,379,806	1,796,941
Total	2,442,231	2,943,107

On 1 July 2008, securities previously available for sale were reclassified according to IAS 39/50E as other loans. Overall, fixed-interest securities with a book value of € 2,129,552,000 were reclassified. The corresponding revaluation reserve as at 30 June 2008 was € –98,208,000.

Reclassified bonds	2010 € 000	2009 € 000	2008 € 000
Book value 31 Dec.	1,379,806	1,796,941	2,102,704
Market value 31 Dec.	1,345,580	1,732,644	1,889,108
Change in market value	30,586	149,299	–213,596
Amortisation income/expense	473	5,917	–61

Contractual remaining term	Book values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Infinite	4,878	1,361
Up to 1 year	789,704	1,102,383
more than 1 year up to 5 years	599,738	632,270
More than 5 years up to 10 years	827,016	958,837
More than 10 years	220,895	248,256
Total	2,442,231	2,943,107

	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Loans to affiliated companies	451	472
Loans to participating interests	552	552
Mortgage loans	96,497	119,216
Loans and advance payments on policies	14,652	19,091
Other loans	627,032	697,647
Registered bonds	336,592	321,909
Reclassified bonds	1,345,580	1,732,644
Total	2,421,357	2,891,530

Contractual remaining term	Market values	
	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Infinite	4,878	1,361
Up to 1 year	734,687	1,023,561
more than 1 year up to 5 years	625,244	658,445
More than 5 years up to 10 years	835,704	963,145
More than 10 years	220,843	245,019
Total	2,421,357	2,891,530

Impairment	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Change in impairment for current year	20,302	8,711
of which reallocation affecting income	20,302	8,711

12. Other investments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Deposits with credit institutions	863,652	1,201,925
Deposits with ceding companies	136,794	136,149
Total	1,000,446	1,338,073

13. Receivables incl. receivables under insurance business

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
I. Reinsurance receivables		
1. Accounts receivables under reinsurance operations	39,741	52,558
	39,741	**52,558**
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	320,375	296,340
2. from intermediaries	75,569	71,292
3. from insurance companies	12,832	9,368
	408,776	**377,000**
Other receivables		
Accrued interest and rent	254,254	220,754
Other tax refund claims	64,535	49,900
Receivables due from employees	4,300	3,507
Other receivables	180,990	265,492
	504,079	**539,653**
Total other receivables	**912,855**	**916,653**
Subtotal	**952,596**	**969,211**
of which receivables with a remaining term of		
Up to 1 year	937,351	942,005
more than 1 year	15,245	27,206
	952,596	**969,211**
of which receivables with values not yet adjusted		
up to 3 months overdue	65,863	67,350
more than 3 months overdue	9,285	12,068
III. Other assets		
Accruals	54,819	50,690
	54,819	**50,690**
Total receivables incl. receivables under insurance business	**1,007,415**	**1,019,902**

14. Receivables from income tax

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Receivables from income tax	46,111	40,348
of which receivables with a remaining term of		
Up to 1 year	44,104	38,341
more than 1 year	2,007	2,007

15. Deferred tax assets

Cause of origin	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial items	8,358	213
Social capital	47,276	37,268
Investments	8,901	9,254
Loss carried forward	16,908	20,694
Other	24,379	28,866
Total	105,821	96,295
of which not affecting income	8,325	–2,386

For losses carried forward in the amount of € 103,609,000, the deferred tax of € 26,764,000 was not capitalised because utilisation will not be possible in the foreseeable future.

16. Subscribed capital

	31 Dec. 2010	31. Dec. 2009
Number of authorised and issued no-par shares	142,985,217	142,985,217
of which fully paid up	142,985,217	142,985,217

The subscribed capital and capital reserves correspond to values from the individual financial statements of UNIQA Versicherungen AG.

Unrealised capital gains and losses from the revaluation of investments available for sale affected the revaluation reserve, with deferred participation in profits (for life insurance) and deferred taxes taken into consideration.

Actuarial gains and losses from pension and severance payment provisions were posted as "actuarial gains and losses from defined benefit pensions plans" after deducting deferred policyholder profit participation and deferred taxes.

In addition to the subscribed capital, UNIQA Versicherungen AG has at its disposal an authorised capital in the amount of € 50 million. The Annual General Meeting of 23 May 2005 extended the authorisation of the Management Board of UNIQA Versicherungen AG to increase the share capital, with the approval of the Supervisory Board, up to and including 30 June 2010.

The share capital was increased in the previous financial year in partial use of this authorisation by € 11,312,217 to € 142,985,217.

Furthermore, the Management Board made use of its authorisation to buy back shares in accordance with the resolution of the 9th Annual General Meeting of 19 May 2008 and resolved on 19 May 2008 that UNIQA would buy back its own shares. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 19 May 2008. In this regard, the ongoing resale programme was ended. The programme for the repurchase of shares entered into effect on 22 May 2008. During the financial year 2010 and the previous year no own shares were acquired through the stock exchange.

Capital requirement

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

As at 31 December 2010, the adjusted equity amounted to € 1,665,788,000 (2009: € 1,600,580,000). In ascertaining the adjusted equity, non-tangible economic goods (especially goodwill) and participating interests in banks and insurance companies are deducted from the equity and various forms of hybrid capital (especially supplemental capital) and latent reserves in investments (especially in real estate) are added. With a statutory requirement for adjusted equity of € 1,117,246,000 (2009: € 1,058,638,000), the statutory requirements were exceeded by € 548,542,000 (2009: € 541,942,000), resulting in a coverage rate of 149.1% (2009: 151.2%). With the change to Section 81h Paragraph 2 of the Insurance Supervisory Act, the volatility reserve was added as part of the available capital as of the third quarter of 2008. This increased the adjusted equity by € 221,895,000 (2009: € 218,668,000).

The adjusted equity base is ascertained on the basis of the available consolidated financial statements (produced in accordance with Section 80b of the Insurance Supervisory Act).

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Adjusted equity without deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,665,788	1,600,580
Adjusted equity with deduction acc. to Section 86h paragraph 5 of the Insurance Supervision Act	1,443,894	1,381,912

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

	31 Dec. 2010	31. Dec. 2009
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € 000	10,857	10,857
Number of shares	819,650	819,650
Share of subscribed capital in %	0.57	0.57

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

Earnings per share	2010	2009
Consolidated profit (in € 000)	46,434	25,672
of which accounts for ordinary shares (in € 000)	46,434	25,672
Own shares as at 31st. Dec.	819,650	819,650
Average number of shares in circulation	142,165,567	131,723,521
Earnings per share (in €)[1]	0.33	0.19
Earnings before taxes per share (in €)[1]	0.69	0.53
Earnings per share[1], adjusted for goodwill amortisation (in €)	0.43	0.34
Profit from ordinary activities per share, adjusted for goodwill amortisation (in €)	1.13	0.90
Dividend per share[2]	0.40	0.40
Dividend payment (€ 000)[2]	56,866	56,866

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

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

Change in the tax amounts included in the equity without affecting income	31 Dec. 2010 € 000
Effective tax	0
Deferred tax	26,205
Total	26,205

17. Minority interests

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
In revaluation reserve	–18,997	–9,142
In actuarial gains and losses on defined benefit plans	–4,816	–798
In net income for the year	48,618	29,993
In other equity	220,247	211,667
Total	245,051	231,720

18. Subordinated liabilities

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Supplementary capital	575,000	575,000

Partial debentures with a nominal value of € 325 million for paid up supplementary capital were issued by Raiffeisen Versicherung AG in December 2002 and by UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG in July 2003 according to Section 73c paragraph 2 of the Austrian Insurance Supervision Act. The partial debentures are valid for an unlimited time period. An ordinary or extraordinary notice of redemption to the issuer is not possible for at least five years. Subject to coverage in the annual net profit before the issuer's movements in reserves, the interest to July 2013 will be 5.36%, except in the case of Raiffeisen Versicherung AG, where the interest to December 2012 will be 5.7%, plus a bonus interest payment of between 0.2% and 0.4% depending on sales profitability and the increase in premiums in comparison to the whole market.

In December 2006 UNIQA Versicherungen AG issued bearer debentures with a face value of € 150 million for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervision Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.079%.

In January 2007, UNIQA Versicherungen AG issued additional bearer debentures with a face value of € 100 million for deposited supplementary capital according to Section 73c paragraph 2 of the Austrian Insurance Supervisory Act. According to the conditions of the bearer debentures, the deposited capital of UNIQA Versicherungen AG is agreed to remain at the company's disposal for at least five years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.342%.

19. Unearned premiums

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	577,602	536,212
Reinsurers' share	–19,449	–19,613
	558,153	**516,599**
Health		
Gross	17,220	16,357
Reinsurers' share	–1,305	–728
	15,914	**15,629**
In the consolidated financial statements		
Gross	594,822	552,569
Reinsurers' share	–20,755	–20,341
Total (fully consolidated values)	**574,067**	**532,228**

20. Actuarial provision

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	38,336	40,280
Reinsurers' share	–376	–443
	37,959	**39,837**
Health		
Gross	2,535,051	2,375,317
Reinsurers' share	–1,323	–1,447
	2,533,728	**2,373,869**
Life		
Gross	13,906,355	13,639,771
Reinsurers' share	–447,009	–446,708
	13,459,346	**13,193,063**
In the consolidated financial statements		
Gross	16,479,742	16,055,368
Reinsurers' share	–448,708	–448,599
Total (fully consolidated values)	**16,031,033**	**15,606,769**

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

For	Health insurance acc. to SFAS 60 %	Life insurance acc. to SFAS 120 %
2010		
For actuarial provision	4.50 or 5.50	1.75 –4.00
For deferred acquisition costs	4.50 or 5.50	4.34
2009		
For actuarial provision	4.50 or 5.50	1.75 –4.00
For deferred acquisition costs	4.50 or 5.50	4.63

21. Provision for outstanding claims

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	2,095,145	2,028,238
Reinsurers' share	–223,336	–281,334
	1,871,810	**1,746,904**
Health		
Gross	172,834	167,447
Reinsurers' share	–555	–534
	172,279	**166,913**
Life		
Gross	124,393	104,259
Reinsurers' share	–16,084	–11,894
	108,309	**92,365**
In the consolidated financial statements		
Gross	2,392,372	2,299,943
Reinsurers' share	–239,975	–293,762
Total (fully consolidated values)	**2,152,397**	**2,006,182**

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

		2010 € 000	2009 € 000
1.	**Provisions for outstanding claims as at 1 Jan.**		
	a) Gross	2,028,238	1,919,387
	b) Reinsurers' share	–281,334	–252,684
	c) **Retention**	**1,746,904**	**1,666,703**
2.	**Plus (retained) claims expenditures**		
	a) Losses of the current year	1,759,858	1,582,095
	b) Losses of the previous year	–60,022	–88,493
	c) **Total**	**1,699,835**	**1,493,601**
3.	**Less (retained) losses paid**		
	a) Losses of the current year	–946,201	–845,587
	b) Losses of the previous year	–620,472	–576,343
	c) **Total**	**–1,566,673**	**–1,421,930**
4.	**Foreign currency translation**	**–8,920**	**–1,814**
5.	**Change in consolidation scope**	**0**	**10,343**
6.	**Other changes**	**664**	**0**
7.	**Provisions for outstanding claims as at 31 Dec.**		
	a) Gross	2,095,145	2,028,238
	b) Reinsurers' share	–223,336	–281,334
	c) **Retention**	**1,871,810**	**1,746,904**

Claims payments	2005 € 000	2006 € 000	2007 € 000	2008 € 000	2009 € 000	2010 € 000	Total € 000
Financial year	600,769	651,046	709,247	786,074	848,670	879,761	
1 year later	931,472	990,164	1,099,380	1,196,623	1,288,176		
2 years later	1,011,823	1,081,757	1,193,312	1,296,470			
3 years later	1,049,911	1,122,965	1,239,518				
4 years later	1,067,332	1,148,725					
5 years later	1,086,589						
Accumulated payments	1,086,589	1,148,725	1,239,518	1,296,470	1,288,176	879,761	
Estimated final claims payments	1,159,572	1,243,192	1,371,515	1,476,000	1,590,990	1,616,056	
Current balance sheet reserve	72,983	94,466	131,997	179,530	302,813	736,294	1,518,083
Balance sheet reserve for the claims years 2004 and before							445,624
							1,963,708
Plus other reserve components (internal claims regulation costs, etc.)							131,437
Provisions for outstanding claims (gross) as at 31 Dec. 2010							2,095,145

22. Provision for premium refunds

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Property and casualty		
Gross	38,784	34,792
Reinsurers' share	–33	–99
	38,751	**34,693**
Health		
Gross	61,454	62,476
Reinsurers' share	0	0
	61,454	**62,476**
Life		
Gross	113,929	146,885
Reinsurers' share	0	0
	113,929	**146,885**
In the consolidated financial statements		
Gross	214,167	244,153
Reinsurers' share	–33	–99
Total (fully consolidated values)	214,134	244,054
of which profit-unrelated (retention)	49,439	47,489
of which profit-related (retention)	164,695	196,565

Gross		31 Dec. 2010 € 000	31 Dec. 2009 € 000
a)	**Provision for profit-unrelated premium refunds**	**49,472**	**47,588**
	of which property and casualty insurance	31,024	27,110
	of which health insurance	16,578	20,252
	of which life insurance	1,869	226
b)	**Provision for profit-related premium refunds and /or policyholder profit participation**	**217,463**	**187,277**
	of which property and casualty insurance	7,760	7,682
	of which health insurance	44,876	42,224
	of which life insurance	164,827	137,372
	Deferred profit participation	**–52,767**	**9,287**
Total (fully consolidated values)		214,167	244,153

Gross		2010 € 000	2009 € 000
a)	**Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation**		
	As at 1 Jan.	**234,866**	**257,680**
	Changes due to:		
	Other changes	32,069	–22,815
As at 31 Dec.		266,934	234,866
b)	**Deferred profit participation**		
	As at 1 Jan.	**9,287**	**–216,675**
	Changes due to:		
	fluctuation in value, securities available for sale	–105,922	186,504
	actuarial gains and losses on defined benefit plans	–8,712	–2,004
	revaluations affecting income	52,580	41,461
As at 31 Dec.		–52,767	9,287

The latent profit sharing was changed to an asset item in the financial year 2010. On the basis of the business model used in life insurance and the management rules applied in the Group, this asset item will be reduced against the technical liabilities over the term of the policy. The appropriateness of the entire technical liability will also be regularly checked under a discounted cash-flow model ("liability adequacy test").

23. Actuarial provisions

Gross	Unearned premiums € 000	Actuarial provisions € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and /or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty							
As at 31 Dec. 2009	**536,212**	**40,280**	**2,028,238**	**27,110**	**7,682**	**23,775**	**2,663,298**
Exchange rate differences	4,381	–162	–8,628	39	18	376	–3,977
Change in consolidation scope	0		0				0
Portfolio changes	78					0	78
Additions		1,564		4,346	245	23,581	29,736
Disposals		–3,347		–471	–185	–24,532	–28,535
Premiums written	2,230,033						2,230,033
Premiums earned	–2,193,102						–2,193,102
Claims in reporting year			1,782,966				1,782,966
Claims payments in reporting year			–955,866				–955,866
Change in claims from previous years			–60,808				–60,808
Claims payments in previous years			–690,756				–690,756
As at 31 Dec. 2010	577,602	38,336	2,095,145	31,024	7,760	23,200	2,773,067
Health							
As at 31 Dec. 2009	**16,357**	**2,375,317**	**167,447**	**20,252**	**42,224**	**596**	**2,622,192**
Exchange rate differences	223	71	94	–4		–2	382
Change in consolidation scope							0
Portfolio changes	0					–8	–8
Additions		169,785		1,231	8,746	–28	179,733
Disposals		–10,122		–4,900	–6,094	–10	–21,126
Premiums written	804,930						804,930
Premiums earned	–804,290						–804,290
Claims in reporting year			646,568				646,568
Claims payments in reporting year			–496,184				–496,184
Change in claims from previous years			–8,961				–8,961
Claims payments in previous years			–136,130				–136,130
As at 31 Dec. 2010	17,220	2,535,051	172,834	16,578	44,876	548	2,787,106
Life							
As at 31 Dec. 2009	**0**	**13,639,771**	**104,259**	**226**	**146,659**	**23,305**	**13,914,220**
Exchange rate differences		22,911	127	–6	350	–37	23,345
Change in consolidation scope		0	0				0
Portfolio changes		262,440	0		50	1,326	263,817
Additions		204,825		1,649	84,086	5,336	295,896
Disposals		–223,592		0	–119,085	–6,287	–348,964
Premiums written							0
Premiums earned							0
Claims in reporting year			1,680,679				1,680,679
Claims payments in reporting year			–1,592,981				–1,592,981
Change in claims from previous years			52,054				52,054
Claims payments in previous years			–119,745				–119,745
As at 31 Dec. 2010	0	13,906,355	124,393	1,869	112,060	23,644	14,168,321
Group total							
As at 31 Dec. 2009	**552,569**	**16,055,368**	**2,299,943**	**47,588**	**196,565**	**47,677**	**19,199,710**
Exchange rate differences	4,604	22,820	–8,407	28	368	337	19,750
Change in consolidation scope	0	0	0				0
Portfolio changes	78	262,440	0		50	1,318	263,887
Additions		376,174		7,226	93,077	28,889	505,366
Disposals		–237,060		–5,371	–125,364	–30,830	–398,625
Premiums written	3,034,963						3,034,963
Premiums earned	–2,997,392						–2,997,392
Claims in reporting year			4,110,213				4,110,213
Claims payments in reporting year			–3,045,031				–3,045,031
Change in claims from previous years			–17,715				–17,715
Claims payments in previous years			–946,631				–946,631
As at 31 Dec. 2010	594,822	16,479,742	2,392,372	49,472	164,696	47,392	19,728,495

Reinsurers' share	Unearned premiums	Actuarial provisions	Provision for outstanding claims	Provision for profit-unrelated premium refunds	Provision for profit-related premium refunds and /or policyholder profit participation	Other actuarial provisions	Group total
	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000	€ 000
Property and casualty							
As at 31 Dec. 2009	**19,613**	**443**	**281,334**	**99**	**0**	**3,795**	**305,285**
Exchange rate differences	396	–30	291			–48	610
Change in consolidation scope	0		0				0
Portfolio changes	–560		–1,034				–1,594
Additions		0		0		37	37
Disposals		–37		–66		–616	–719
Premiums written	159,178						159,178
Premiums earned	–159,179						–159,179
Claims in reporting year			23,478				23,478
Claims payments in reporting year			–9,665				–9,665
Change in claims from previous years			–785				–785
Claims payments in previous years			–70,284				–70,284
As at 31 Dec. 2010	**19,449**	**376**	**223,336**	**33**	**0**	**3,168**	**246,362**
Health							
As at 31 Dec. 2009	**728**	**1,447**	**534**	**0**	**0**	**0**	**2,710**
Exchange rate differences	67		1				68
Change in consolidation scope							0
Portfolio changes							0
Additions							0
Disposals		–124					–124
Premiums written	2,866						2,866
Premiums earned	–2,355						–2,355
Claims in reporting year			62				62
Claims payments in reporting year			–32				–32
Change in claims from previous years			12				12
Claims payments in previous years			–23				–23
As at 31 Dec. 2010	**1,305**	**1,323**	**555**	**0**	**0**	**0**	**3,183**
Life							
As at 31 Dec. 2009	**0**	**446,708**	**11,894**	**0**	**0**	**–146**	**458,456**
Exchange rate differences		41	1	0			43
Change in consolidation scope		0					0
Portfolio changes		–11,316	1,303				–10,013
Additions		12,182				–17	12,165
Disposals		–606		0		0	–606
Premiums written							0
Premiums earned							0
Claims in reporting year			26,506				26,506
Claims payments in reporting year			–18,436				–18,436
Change in claims from previous years			–1,733				–1,733
Claims payments in previous years			–3,451				–3,451
As at 31 Dec. 2010	**0**	**447,009**	**16,084**	**0**	**0**	**–163**	**462,930**
Group total							
As at 31 Dec. 2009	**20,341**	**448,599**	**293,762**	**99**	**0**	**3,649**	**766,450**
Exchange rate differences	463	12	294	0		–48	720
Change in consolidation scope	0	0	0				0
Portfolio changes	–560	–11,316	269				–11,607
Additions		12,182		0		20	12,202
Disposals		–768		–66		–616	–1,450
Premiums written	162,044						162,044
Premiums earned	–161,533						–161,533
Claims in reporting year			50,046				50,046
Claims payments in reporting year			–28,133				–28,133
Change in claims from previous years			–2,507				–2,507
Claims payments in previous years			–73,758				–73,758
As at 31 Dec. 2010	**20,755**	**448,708**	**239,974**	**33**	**0**	**3,005**	**712,475**

Retention	Unearned premiums € 000	Actuarial provisions € 000	Provision for outstanding claims € 000	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and /or policyholder profit participation € 000	Other actuarial provisions € 000	Group total € 000
Property and casualty							
As at 31 Dec. 2009	**516,599**	**39,837**	**1,746,904**	**27,011**	**7,682**	**19,980**	**2,358,013**
Exchange rate differences	3,986	–133	–8,920	39	18	424	–4,586
Change in consolidation scope	0		0				0
Portfolio changes	638		1,034			0	1,672
Additions		1,564		4,346	245	23,544	29,699
Disposals		–3,309		–405	–185	–23,917	–27,816
Premiums written	2,070,855						2,070,855
Premiums earned	–2,033,923						–2,033,923
Claims in reporting year			1,759,488				1,759,488
Claims payments in reporting year			–946,201				–946,201
Change in claims from previous years			–60,022				–60,022
Claims payments in previous years			–620,472				–620,472
As at 31 Dec. 2010	558,154	37,959	1,871,810	30,991	7,760	20,032	2,526,706
Health							
As at 31 Dec. 2009	**15,629**	**2,373,869**	**166,912**	**20,252**	**42,224**	**596**	**2,619,482**
Exchange rate differences	156	71	92	–4		–2	314
Change in consolidation scope							0
Portfolio changes	0					–8	–8
Additions		169,785		1,231	8,746	–28	179,733
Disposals		–9,998		–4,900	–6,094	–10	–21,001
Premiums written	802,064						802,064
Premiums earned	–801,935						–801,935
Claims in reporting year			646,507				646,507
Claims payments in reporting year			–496,153				–496,153
Change in claims from previous years			–8,973				–8,973
Claims payments in previous years			–136,107				–136,107
As at 31 Dec. 2010	15,914	2,533,728	172,279	16,578	44,876	548	2,783,923
Life							
As at 31 Dec. 2009	**0**	**13,193,063**	**92,365**	**226**	**146,659**	**23,451**	**13,455,764**
Exchange rate differences		22,870	126	–6	350	–37	23,303
Change in consolidation scope		0	0				0
Portfolio changes		273,757	–1,303		50	1,326	273,830
Additions		192,643		1,649	84,086	5,353	283,731
Disposals		–222,985		0	–119,085	–6,287	–348,358
Premiums written							0
Premiums earned							0
Claims in reporting year			1,654,173				1,654,173
Claims payments in reporting year			–1,574,545				–1,574,545
Change in claims from previous years			53,787				53,787
Claims payments in previous years			–116,294				–116,294
As at 31 Dec. 2010	0	13,459,346	108,309	1,869	112,060	23,806	13,705,390
Group total							
As at 31 Dec. 2009	**532,228**	**15,606,770**	**2,006,182**	**47,490**	**196,565**	**44,028**	**18,433,260**
Exchange rate differences	4,142	22,808	–8,702	28	368	385	19,029
Change in consolidation scope	0	0	0				0
Portfolio changes	638	273,757	–269		50	1,318	275,494
Additions		363,992		7,226	93,077	28,869	493,163
Disposals		–236,292		–5,304	–125,364	–30,214	–397,175
Premiums written	2,872,919						2,872,919
Premiums earned	–2,835,859						–2,835,859
Claims in reporting year			4,060,167				4,060,167
Claims payments in reporting year			–3,016,898				–3,016,898
Change in claims from previous years			–15,208				–15,208
Claims payments in previous years			–872,873				–872,873
As at 31 Dec. 2010	574,067	16,031,033	2,152,398	49,439	164,695	44,387	19,016,019

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

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Gross	4,142,636	3,416,231
Reinsurers' share	–396,542	–382,338
Total	3,746,094	3,033,893

As a general rule, the valuation of the technical provisions for unit-linked and index-linked life insurance policies corresponds to the investments in unit-linked and index-linked life insurance policies reported at current market values. The reinsurers' share is offset by deposits payable in the same amount.

25. Liabilities from loans

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Loan liabilities	**48,505**	**55,356**
Up to 1 year	1,440	1,608
more than 1 year up to 5 years	8,387	9,213
more than 5 years	38,678	44,535
Total	48,505	55,356

26. Provisions for pensions and similar commitments

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Provisions for pension	388,659	344,468
Provision for severance payments	135,717	122,369
Total	524,376	466,837

	2010 € 000	2009 € 000
As at 1 Jan.	**466,837**	**436,728**
Change in consolidation scope	738	5,364
Currency translation changes	9	–246
Withdrawals for pension payments	–37,072	–36,207
Expenditure in the financial year	41,080	41,496
Actuarial profit and loss not affecting income	52,784	19,701
As at 31 Dec.	524,376	466,837

Active employees with direct assurances to pension benefits, including members of the Management Board and leading executives in accordance with Section 80 paragraph 1 of the Stock Corporation Act, as well as active employees with direct assurances to pension benefits according to the "trade association recommendation for in-house and field sales staff" who approved the offer to transfer existing vested pension rights to ÖPAG Pensionskassen AG on the basis of concluded works agreements, are included in a contribution-based pension fund. The corresponding transfer amounts (the assurance cover) were paid to the ÖPAG Pensionskassen AG in 2008 in accordance with Section 48 of the Pension Fund Act. For the purpose of guaranteeing the level of the pension fund pension according to the previous direct assurances to pension benefits, those entitled to vested rights have a claim to payment of a (one-time) final pension fund contribution at the time of pension eligibility. No contributions are made for the benefit phase.

Calculation factors applied	
2010	
Technical rate of interest	4.75%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler / employees
2009	
Technical rate of interest	5.50%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 2008 P – Pagler & Pagler / employees

Specification of pension expenditures for pensions and similar commitments included in the income statement	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Current service cost	15,266	14,244
Interest cost	25,872	27,282
Income and expenditures due to budget changes	–59	–30
Total	41,080	41,496

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

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Contributions to company pension funds	1,814	1,564

27. Other provisions

	Balance sheet values previous year € 000	Currency translation changes € 000	Change in consolidation scope € 000	Utilisation € 000	Reversals € 000	Reclassifications € 000	Additions € 000	Balance sheet values financial year € 000
Provision for unconsumed holidays	27,310	73	0	–2,173	–4,910	–3	2,499	22,798
Provision for anniversary payments	14,882	0	0	–91	–69	0	1,248	15,969
	42,192	**73**	**0**	**–2,264**	**–4,979**	**–3**	**3,747**	**38,767**
Other personnel provisions	16,803	105	0	–7,111	–3,770	3	9,648	15,678
Provision for customer relations and marketing	37,248	–74	0	–33,912	–1,773	0	39,480	40,970
Provision for variable components of remuneration	14,444	0	0	–11,265	–2,732	0	13,268	13,715
Provision for legal and consulting expenses	4,491	15	0	–2,706	–491	–7	3,023	4,326
Provision for premium adjustment of insurance contracts	20,167	1,517	0	–14,957	–206	0	4,633	11,154
Provision for portfolio maintenance commission	5,106	103	0	–551	–2,800	0	1,075	2,933
Other provisions	51,876	184	0	–25,317	–14,735	7	61,592	73,607
	150,135	**1,849**	**0**	**–95,818**	**–26,506**	**3**	**132,721**	**162,383**
Total	**192,327**	**1,922**	**0**	**–98,082**	**–31,485**	**0**	**136,468**	**201,149**

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Other provisions[1] with a high probability of consumption (more than 90%)		
up to 1year	82,612	70,027
more than 1 year up to 5 years	2,872	4,311
more than 5 years	5,307	4,854
	90,791	79,192
Other provisions[1] with a lower probability of consumption (less than 90%)		
up to 1 year	70,434	66,745
more than 1 year up to 5 years	807	763
more than 5 years	350	3,435
	71,591	**70,943**
Total	**162,383**	**150,135**

[1] Excl. unconsumed holidays and anniversary benefits.

28. Payables and other liabilities

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
I. Reinsurance liabilities		
1. Deposits held under reinsurance business ceded	845,767	833,989
2. Accounts payable under reinsurance operations	43,783	38,598
	889,550	**872,587**
II. Other payables		
Liabilities under insurance business		
Liabilities under direct insurance business		
to policyholders	134,321	145,887
to intermediaries	102,385	92,873
to insurance companies	10,147	8,546
	246,852	**247,306**
Liabilities to credit institutions	**1,270**	**5,378**
Other liabilities	**412,217**	**398,197**
of which for taxes	63,640	57,734
of which for social security	11,477	11,134
of which from fund consolidation	197,156	174,585
Total other liabilities	**660,339**	**650,881**
Subtotal	**1,549,889**	**1,523,468**
of which liabilities with the remaining term of		
Up to 1 year	860,080	846,241
more than 1 year up to 5 years	8,588	8,512
more than 5 years	681,222	668,715
	1,549,889	**1,523,468**
III. Other liabilities		
Deferred income	14,662	10,854
Total payables and other liabilities	**1,564,551**	**1,534,321**

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

29. Liabilities from income tax

	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Liabilities from income tax	**56,170**	**48,732**
of which liabilities with the remaining term of		
Up to 1 year	4,765	5,192
more than 1 year up to 5 years	51,405	43,540
more than 5 years	0	0

30. Deferred tax liabilities

Cause of origin	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Actuarial items	198,187	192,846
Untaxed reserves	25,842	26,062
Shares in affiliated companies	28,430	28,431
Investments	31,394	38,059
Other	30,161	27,102
Total	**314,014**	**312,499**
of which not affecting income	–2,959	12,535

Notes to the Consolidated Income Statement

31. Premiums written

Direct business	2010 € 000	2009 € 000
Property and casualty	2,559,004	2,417,138
Health	970,355	937,417
Life	1,797,586	1,602,929
Total (fully consolidated values)	**5,326,946**	**4,957,485**
Of which written in:		
Austria	3,111,528	3,083,846
other member states of the EU and other signatory states of the Treaty on the European Economic Area	2,021,791	1,743,680
Other countries	193,626	129,959
Total (fully consolidated values)	5,326,946	4,957,485

Indirect business	2010 € 000	2009 € 000
Property and casualty	31,081	29,080
Health	4	15
Life	21,108	25,072
Total (fully consolidated values)	52,193	54,167

	2010 € 000	2009 € 000
Total (fully consolidated values)	5,379,138	5,011,651

Premiums written in property and casualty insurance	2010 € 000	2009 € 000
Direct business		
Fire and business interruption insurance	216,218	204,989
Haushold insurance	194,057	183,968
Other property insurance	236,108	229,600
Motor TPL insurance	638,285	590,316
Other motor insurance	491,548	480,211
Casualty insurance	280,717	265,765
Liability insurance	242,943	231,979
Legal expenses insurance	62,067	58,698
Marine, aviation and transport insurance	116,535	103,134
Other insurance	80,527	68,478
Total	**2,559,004**	**2,417,138**
Indirect business		
Marine, aviation and transport insurance	2,628	3,070
Other insurance	28,452	26,010
Total	**31,081**	**29,080**
Total direct and indirect business (fully consolidated values)	2,590,085	2,446,218

Reinsurance premiums ceded	2010 € 000	2009 € 000
Property and casualty	120,945	134,184
Health	3,742	2,344
Life	77,728	80,726
Total (fully consolidated values)	202,414	217,254

32. Premiums earned

	2010 € 000	2009 € 000
Property and casualty	**2,433,276**	**2,290,120**
Gross	2,555,034	2,431,782
Reinsurers' share	–121,758	–141,662
Health	**966,213**	**933,867**
Gross	969,450	935,521
Reinsurers' share	–3,237	–1,655
Life	**1,741,357**	**1,546,171**
Gross	1,819,102	1,626,904
Reinsurers' share	–77,745	–80,733
Total (fully consolidated values)	5,140,847	4,770,158

Premiums earned in indirect business	2010 € 000	2009 € 000
Posted immediately	4,529	3,389
posted after up to 1 year	27,045	25,699
posted after more than 1 year	0	0
Property and casualty	**31,574**	**29,088**
Posted immediately	4	15
posted after up to 1 year	0	0
posted after more than 1 year	0	0
Health	**4**	**15**
Posted immediately	4,003	3,960
posted after up to 1 year	17,105	21,112
posted after more than 1 year	0	0
Life	**21,108**	**25,072**
Total (fully consolidated values)	52,686	54,175

Earnings from indirect business	2010 € 000	2009 € 000
Property and casualty	5,835	3,425
Health	–7	19
Life	4,229	4,262
Total (fully consolidated values)	10,057	7,706

33. Income from fees and commissions

Reinsurance commission and profit shares from reinsurance business ceded	2010 € 000	2009 € 000
Property and casualty	9,204	9,656
Health	55	90
Life	7,315	5,076
Total (fully consolidated values)	16,574	14,821

34. Net investment income

By segment		Property and casualty		Health	
		2010 € 000	2009 € 000	2010 € 000	2009 € 000
I.	**Properties held as investments**	**3,932**	**17,005**	**6,065**	**5,571**
II.	**Shares in associated companies**	**984**	**5,140**	**12,726**	**227**
III.	**Variable-yield securities**	**33,699**	**8,352**	**10,018**	**5,534**
	1. Available for sale	29,998	6,990	5,618	4,590
	2. At fair value through profit and loss	3,701	1,361	4,400	944
IV.	**Fixed interest securities**	**52,262**	**80,024**	**94,424**	**57,117**
	1. Held to maturity	1,392	1,575	2,870	3,269
	2. Available for sale	50,210	76,664	89,600	49,781
	3. At fair value through profit or loss	660	1,785	1,955	4,066
V.	**Loans and other investments**	**25,946**	**34,353**	**24,948**	**27,053**
	1. Loans	16,372	17,441	23,892	25,700
	2. Other investments	9,575	16,911	1,056	1,353
VI.	**Derivative financial instruments (held for trading)**	**–8,247**	**–2,602**	**–13,333**	**2,790**
VII.	**Expenditure for asset management, interest charges and other expenses**	**–17,252**	**–24,508**	**–7,327**	**–3,375**
Total (fully consolidated values)		91,323	117,764	127,521	94,917

The expenditures for shares in associated companies in the previous year result from depreciations of STRABAG SE and Medicur-Holding Gesellschaft m.b.H.

By income type		Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
		2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
I.	**Properties held as investments**	**57,338**	**62,099**	**0**	**0**	**378**	**75,838**
II.	**Shares in associated companies**	**19,785**	**39,672**	**0**	**0**	**2,234**	**2,391**
III.	**Variable-yield securities**	**44,316**	**91,323**	**131,676**	**145,904**	**90,282**	**91,641**
	1. Available for sale	34,070	30,617	27,730	57,526	70,017	55,693
	2. At fair value through profit or loss	10,246	60,706	103,946	88,378	20,266	35,948
IV.	**Fixed interest securities**	**504,341**	**477,922**	**175,204**	**38,467**	**177,871**	**204,415**
	1. Held to maturity	22,431	25,170	0	0	0	1,257
	2. Available for sale	464,482	438,533	154,207	3,337	176,153	200,954
	3. At fair value through profit or loss	17,428	14,220	20,997	35,130	1,718	2,204
V.	**Loans and other investments**	**152,744**	**175,724**	**3,344**	**10,976**	**14,799**	**19,826**
	1. Loans	102,853	137,536	557	1,043	14,799	19,826
	2. Other investments	49,890	38,188	2,788	9,933	0	0
VI.	**Derivative financial instruments (held for trading)**	**–12,766**	**1,128**	**63,267**	**57,262**	**48,680**	**146,763**
VII.	**Expenditure for asset management, interest charges and other expenses**	**–55,073**	**–37,314**	**0**	**0**	**0**	**0**
Total (fully consolidated values)		710,684	810,554	373,491	252,609	334,244	540,874

The updating of the value adjustment concerns both appreciation and depreciation of financial assets, excluding assets held for trading and financial assets at fair value through profit or loss. Interest income from impaired assets amounts to € 25,173,000 (2009: € 33,583,000). The net investment income of € 872,316,000 includes realised and unrealised profits and losses amounting to € 161,632,000, which includes currency profits of € 12,292,000. In addition, positive currency effects amounting to € 28,256,000 were recorded directly under equity. The effects are mainly the result of investments in USD and GBP.

The current income from properties held as financial investments includes rental income of € 86,526,000 (2009: € 83,649,000) and direct operational expenses of € 29,188,000 (2009: € 21,602,000).

Of which securities, available for sale type of investment		Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
		2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
III.	**Variable-yield securities**						
	1. Available for sale	34,070	30,617	27,730	57,526	70,017	55,693
	Shares in affiliated companies	62	–1,127	4	0	1,279	2,503
	Shares	16,615	16,490	6,473	33	44,616	38,902
	Equity funds	2,520	2,950	3,942	88	11,522	10,221
	Debenture bonds not capital-guaranteed	7,652	9,829	17,311	57,331	183	3,051
	Other variable-yield securities	2,166	1,822	0	0	1,231	0
	Participating interests and other investments	5,055	653	0	74	11,185	1,015
IV.	**Fixed interest securities**						
	2. Available for sale						
	Fixed-interest securities	464,482	438,533	154,207	3,337	176,153	200,954

Life		Group	
2010 € 000	2009 € 000	2010 € 000	2009 € 000
6,006	**73,917**	**16,003**	**96,493**
8,302	**–67,662**	**22,012**	**–62,295**
102,707	**57,469**	**146,424**	**71,355**
37,211	10,836	72,827	22,417
65,496	46,633	73,597	48,938
583,085	**345,431**	**729,771**	**482,571**
18,169	21,583	22,431	26,427
541,361	296,961	681,170	423,407
23,555	26,887	26,170	32,738
75,286	**121,063**	**126,181**	**182,469**
36,054	96,163	76,318	139,305
39,232	24,900	49,863	43,164
–91,421	**18,188**	**–113,001**	**18,376**
–30,494	**–9,431**	**–55,073**	**–37,314**
653,472	538,976	872,316	751,656

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
–40,493	**–41,382**	**–1,219**	**–62**	**16,003**	**96,493**	**–5,704**	**–2,612**
–7	**–104,253**	**0**	**–105**	**22,012**	**–62,295**	**0**	**0**
–110,410	**–227,757**	**–9,440**	**–29,755**	**146,424**	**71,355**	**–29,680**	**–44,807**
–53,029	–110,352	–5,961	–11,067	72,827	22,417	–29,680	–44,807
–57,381	–117,405	–3,479	–18,688	73,597	48,938	0	0
–96,908	**–206,712**	**–30,736**	**–31,520**	**729,771**	**482,571**	**–8,283**	**–193,608**
0	0	0	0	22,431	26,427	0	0
–84,027	–189,649	–29,645	–29,767	681,170	423,407	–8,283	–193,608
–12,882	–17,063	–1,091	–1,753	26,170	32,738	0	0
–23,117	**–13,669**	**–21,590**	**–10,388**	**126,181**	**182,469**	**–20,302**	**–8,711**
–20,302	–8,711	–21,589	–10,388	76,318	139,305	–20,302	–8,711
–2,815	–4,958	0	0	49,863	43,164	0	0
–37,218	**–84,509**	**–174,964**	**–102,267**	**–113,001**	**18,376**	**0**	**0**
0	**0**	**0**	**0**	**–55,073**	**–37,314**	**0**	**0**
–308,154	–678,283	–237,949	–174,098	872,316	751,656	–63,969	–249,738

Write-offs and unrealised capital losses		Realised capital losses		Group		of which value adjustment	
2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
–53,029	–110,352	–5,961	–11,067	72,827	22,417	–29,680	–44,807
–657	–154	–422	–226	267	997	0	0
–31,835	–77,973	–5,922	–4,372	29,946	–26,921	–26,033	–65,542
–438	–10,980	403	–3,337	17,948	–1,057	–259	–11,091
–19,855	–10,801	–20	–23	5,271	59,388	–3,145	51,574
0	–3,400	0	–3,035	3,397	–4,613	0	–3,400
–243	–7,044	0	–75	15,997	–5,377	–243	–16,350
–84,027	–189,649	–29,645	–29,767	681,170	423,407	–8,283	–193,608

35. Other income

		2010 € 000	2009 € 000
a)	**Other actuarial income**	**18,369**	**16,175**
	Property and casualty	14,582	12,666
	Health	463	466
	Life	3,324	3,043
b)	**Other non-actuarial income**	**87,772**	**40,755**
	Property and casualty	66,694	23,963
	Health	5,025	2,217
	Life	16,053	14,575
	of which		
	Services rendered	12,586	12,068
	Changes in exchange rates	54,674	7,047
	Other	20,511	21,639
c)	**Other income**	**9,401**	**3,695**
	From foreign currency translation	618	1,621
	From other	8,783	2,073
Total (fully consolidated values)		115,542	60,624

36. Insurance benefits

	Gross		Reinsurers' share		Retention	
	2010 € 000	2009 € 000	2010 € 000	2009 € 000	2010 € 000	2009 € 000
Property and casualty						
Expenditure for claims						
Claims paid	1,669,218	1,563,552	–79,731	–117,552	1,589,487	1,446,000
Change in provision for outstanding claims	61,464	99,616	52,034	–25,608	113,498	74,008
Total	**1,730,682**	**1,663,167**	**–27,697**	**–143,160**	**1,702,985**	**1,520,008**
Change in actuarial provisions	–1,910	–2,514	37	38	–1,872	–2,475
Change in other actuarial provisions	1,465	310	18	15	1,483	325
Expenditure for profit-unrelated and profit-related premium refunds	38,231	34,620	1	–159	38,232	34,461
Total amount of benefits	**1,768,469**	**1,695,583**	**–27,641**	**–143,265**	**1,740,828**	**1,552,318**
Health						
Expenditure for claims						
Claims paid	643,186	628,850	–581	–880	642,605	627,970
Change in provision for outstanding claims	5,090	10,632	–23	83	5,067	10,715
Total	**648,276**	**639,482**	**–604**	**–797**	**647,673**	**638,685**
Change in actuarial provisions	159,659	147,911	124	129	159,783	148,039
Change in other actuarial provisions	–8	–6	0	0	–8	–6
Expenditure for profit-related and profit-unrelated premium refunds	31,906	25,046	0	0	31,906	25,046
Total amount of benefits	**839,833**	**812,433**	**–479**	**–668**	**839,354**	**811,765**
Life						
Expenditure for claims						
Claims paid	1,740,769	1,440,216	–77,363	–80,300	1,663,406	1,359,916
Change in provision for outstanding claims	20,005	4,851	–4,189	149	15,816	5,001
Total	**1,760,773**	**1,445,067**	**–81,552**	**–80,151**	**1,679,222**	**1,364,917**
Change in actuarial provisions	–16,951	147,371	1,824	–4,020	–15,127	143,351
Change in other actuarial provisions	–4	602	0	0	–4	602
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	213,803	183,341	0	151	213,803	183,492
Total amount of benefits	**1,957,621**	**1,776,382**	**–79,728**	**–84,020**	**1,877,893**	**1,692,362**
Total (fully consolidated values)	4,565,923	4,284,398	–107,848	–227,953	4,458,075	4,056,445

37. Operating expenses

	2010 Mio. €	2009 Mio. €
Property and casualty		
a) Acquisition costs		
Payments	552,335	521,664
Change in deferred acquisition costs	–9,704	–2,975
b) Other operating expenses	286,879	279,562
	829,510	**798,251**
Health		
a) Acquisition costs		
Payments	91,974	87,624
Change in deferred acquisition costs	–2,780	–8,670
b) Other operating expenses	52,300	47,109
	141,494	**126,063**
Life		
a) Acquisition costs		
Payments	299,169	242,272
Change in deferred acquisition costs	5,007	14,438
b) Other operating expenses	87,051	86,182
	391,227	**342,892**
Total (fully consolidated values)	**1,362,231**	**1,267,206**

38. Other expenses

	2010 € 000	2009 € 000
a) Other actuarial expenses	**85,408**	**85,234**
Property and casualty	34,749	37,124
Health	5,418	4,509
Life	45,241	43,601
b) Other non-actuarial expenses	**29,312**	**32,874**
Property and casualty	24,055	26,046
Health	470	297
Life	4,787	6,531
of which		
Services rendered	3,633	3,278
Exchange rate losses	6,623	4,315
Motor vehicle registration	9,971	9,871
Other	9,084	15,410
c) Other expenses	**11,477**	**1,839**
For foreign currency translation	3,639	129
For other	7,838	1,710
Total (fully consolidated values)	**126,196**	**119,947**

39. Tax expenditure

Income tax	2010 € 000	2009 € 000
Actual tax in reporting year	31,425	32,580
Actual tax in previous year	1,905	–6,241
Deferred tax	17,651	18,022
Total (fully consolidated values)	**50,981**	**44,362**

Reconciliation statement	2010 € 000	2009 € 000
A. Profit from ordinary activities	**146,033**	**100,026**
B. Anticipated tax expenditure (A.*Group tax rate)	**36,508**	**25,007**
Adjusted by tax effects from		
1. Tax-free investment income	–12,641	4,369
2. Other	27,113	14,986
Amortisation of goodwill	652	1,945
Tax-neutral consolidation effect	1,960	–227
Other non-deductible expenses/other tax-exempt income	2,972	697
Changes in tax rates	0	0
Deviations in tax rates	17,079	23,423
Taxes previous years	1,905	–6,241
Lapse of loss carried forward and other	2,546	–4,611
C. Income tax expenditure	**50,981**	**44,362**
Average effective tax burden in %	**34.9**	**44.4**

The corporate income tax rate applicable to all Group segments was 25%, as expected. To the extent that the minimum taxation is applied in life insurance at an assumed profit participation of 85%, this leads to a deviating higher corporate tax rate.

Other disclosures

Employees

Personnel expenses[1]	2010 € 000	2009 € 000
Salaries and wages	374,056	351,141
Expenses for severance payments	17,457	18,084
Expenses for employee pensions	23,672	27,993
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	103,659	100,397
Other social expenditures	11,434	10,237
Total	530,280	507,852
of which business development	142,651	142,055
of which administration	367,647	343,175

1) The data are based on an IFRS valuation.

Average number of employees	2010	2009
Total	15,066	15,107
of which business development	6,148	6,345
of which administration	8,918	8,762

	2010 € 000	2009 € 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 Act	4,820	4,224
Other employees	44,092	30,052

Both figures include the expenditure for pensioners and surviving dependants (basis: Austrian Commercial Code valuation). The indicated expenses were charged to the Group companies based on defined company processes.

Group holding company

The parent company of the UNIQA Group is UNIQA Versicherungen AG. This company is registered in the company register of the Commercial Court of Vienna under FN 92933 t. In addition to its duties as Group holding company, this company also performs the duties of a Group reinsurer.

Related companies and persons	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Receivables and liabilities with affiliated and associated companies, as well as related persons		
Receivables	**7,732**	**10,719**
Other receivables	7,732	10,719
Affiliated companies	7,732	10,430
Associated companies	0	289
Liabilities	**2,848**	**5,742**
Other liabilities	2,848	5,742
Affiliated companies	2,749	5,677
Associated companies	98	65

Income and expenses of affiliated companies as well as related persons	2010 Tsd. €	2009 Tsd. €
Income	**25**	**1,949**
Investment income	25	1,941
Affiliated companies	25	0
Related companies	0	1,941
Other income	0	8
Affiliated companies	0	8
Expenses	**4**	**8**
Other expenses	4	8
Affiliated companies	4	8

There were no major transactions with related companies during this financial year. In July 2009, Raiffeisen Versicherung AG and UNIQA Personenversicherung AG each sold roughly 2.4 million shares in Leipnik-Lundenburger Invest Beteiligungs AG to Raiffeisen-Invest-Gesellschaft m.b.H., which is an associated company of Raiffeisen Zentralbank AG. As UNIQA Versicherungen AG is included in the Group consolidated financial statements of Raiffeisen Zentralbank as an associated company, this concerns a business with associated companies in accordance with IAS 24. Raiffeisen Versicherung AG and UNIQA Personenversicherung AG realised capital gains of € 1,941,000 from this transaction. There are no outstanding balances from these transactions as at 31 December 2009.

Other financial commitments and contingent liabilities	31 Dec. 2010 € 000	31 Dec. 2009 € 000
Contingent liabilities from risks of litigation	**11,398**	**19,704**
Austria	0	0
Foreign	11,398	19,704
Other contingent liabilities	**100**	**1,390**
Austria	0	0
Foreign	100	1,390
Total	11,499	21,094

The companies of the UNIQA Group are involved in court proceedings in Austria and other countries in connection with their ordinary business operations as insurance companies. The result of the pending or threatened proceedings is often impossible to determine or predict.

In consideration of the provisions set aside for these proceedings, the management is of the opinion that these proceedings have no significant effects on the financial situation and the operating earnings of the UNIQA Group.

	2010 € 000	2009 € 000
Current leasing expenses	2,099	1,017
Future leasing payments due to the financing of the new UNIQA Headquarters in Vienna		
Up to 1 year	5,256	5,287
more than 1 year up to 5 years	20,831	21,034
more than 5 years	18,157	33,574
Total	44,244	59,895
Income from subleasing	343	508

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

The expenses for the auditor in the financial year were €1,818,000 (2009: € 1,895,000), of which € 262,000 (2009: € 265,000) can be attributed to expenses for the audit, € 487,000 (2009: € 406,000) for consultancy services, € 901,000 (2009: € 1,153,000) for other confirmation services, and € 169,000 (2009: € 72,000) to other services.

Affiliated and associated companies in 2010

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Domestic insurance companies				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	127.4	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	424.2	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.6	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	1,336.4	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	12.2	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	42.0	100.0
SK Versicherung Aktiengesellschaft	Equity	1050 Vienna	7.7	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	13.0	100.0
UNIQA Re AG	Full	Switzerland, Zurich	53.5	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	218.6	100.0
UNIQA poistovńa a.s.	Full	Slovakia, Bratislava	31.3	99.9
UNIQA pojištovna, a.s.	Full	Czech Republic, Prague	47.8	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	9.2	80.0
UNIQA Protezione S.p.A.	Full	Italy, Udine	16.2	89.8
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	62.1	68.5
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	12.8	69.8
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	43.6	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.7	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	5.5	100.0
Mannheimer AG Holding	Full	Germany, Mannheim	66.0	91.4
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.7	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	14.8	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	122.9	100.0
UNIQA Osiguranje d.d.	Full	Bosnia-Herzegovina, Sarajevo	6.4	99.8
UNIQA Insurance plc	Full	Bulgaria, Sofia	7.0	99.9
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	4.1	99.7
UNIQA životno osiguranje a.d.	Full	Serbia, Belgrade	7.9	91.4
Insurance company "UNIQA"	Full	Ukraine, Kiev	6.1	80.3
UNIQA LIFE	Full	Ukraine, Kiev	1.0	100.0
UNIQA životno osiguranje a.d.	Full	Montenegro, Podgorica	1.8	100.0
UNIQA neživotno osiguranje a.d.	Full	Serbia, Belgrade	6.4	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	2.7	100.0
UNIQA Asigurari S.A.	Full	Rumania, Bucharest	25.1	100.0
UNIQA Life S.A. (formerly AGRAS Asigurari S.A.)	Full	Rumania, Bucharest	7.8	100.0
UNIQA Health Insurance AD	Full	Bulgaria, Sofia	0.4	100.0
Raiffeisen Life Insurance Company LLC	Full	Russia, Moscow	5.8	75.0
UNIQA Life S.p.A.	Full	Italy, Milan	21.1	90.0
SIGAL UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	20.5	68.6
UNIQA A.D. Skopje	Full	Macedonia, Skopje	3.8	100.0
SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Full	Albania, Tirana	3.6	100.0
SIGAL UNIQA GROUP AUSTRIA SH.A.	Full	Kosovo, Pristina	3.4	100.0

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Group domestic service companies				
UNIQA Immobilien-Service GmbH	Full	1029 Vienna	0.3	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Full	1010 Vienna	0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Full	1010 Vienna	1.2	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.2	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	[4]	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	[3]	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.9	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.7	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.2	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.5	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	2.8	100.0
UNIQA International Versicherungs-Holding GmbH	Full	1029 Vienna	115.9	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	671.6	100.0
Alopex Organisation von Geschäftskontakten GmbH	[3]	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	[3]	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	[3]	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.2	64.0
Real Versicherungs-Makler GmbH	[3]	1220 Vienna		100.0
Together Internet Services GmbH	[4]	1030 Vienna		22.6
FL-Vertriebs- und Service GmbH	[3]	5020 Salzburg		75.0
UNIQA HealthService – Services im Gesundheitswesen GmbH	[3]	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	16.1	100.0
Privatklinik Grinzing GmbH	[3]	1190 Vienna		100.0
Wohnen mit Service Pflegedienstleistungs GmbH	[4]	1029 Vienna		50.0
Versicherungsagentur Wilhelm Steiner GmbH	[3]	1029 Vienna		51.0
CEE Hotel Development GmbH (formerly CEE Hotel Development AG)	[4]	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	[4]	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	[4]	1010 Vienna		50.0
UNIQA Real Estate Finanzierungs GmbH	Full	1029 Vienna	8.2	100.0
UNIQA Group Audit GmbH	Full	1029 Vienna	0.0	100.0
Valida Holding AG	Equity	1020 Vienna	25.4	40.1
RVCM GmbH	[4]	1010 Vienna	0.0	50.0
F&R Multimedia GmbH	[4]	1060 Vienna	0.0	28.0
PremiaFIT Facility und IT Management u. Service GmbH	[4]	1190 Vienna	0.0	75.0
Group foreign service companies				
UNIQA Raiffeisen Software Service Kft. (formerly SYNTEGRA Tanácsadó és Szolgáltató KFT.)	Full	Hungary, Budapest	0.5	60.0
Insdata spol s.r.o.	Full	Slovakia, Nitra	1.4	98.0
ProUNIQA s.r.o.	[3]	Czech Republic, Prague		100.0
UNIPARTNER s.r.o.	Full	Slovakia, Bratislava	–0.1	100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.4	100.0
UNIQA Ingatlanhasznosító Kft.	Full	Hungary, Budapest	5.3	100.0
Dekra Expert Muszaki Szakertöi Kft.	Full	Hungary, Budapest	1.0	74.9
UNIQA Szolgaltato Kft.	Full	Hungary, Budapest	4.3	100.0
Profit-Pro Kft.	[3]	Hungary, Budapest		100.0
RC Risk Concept Vaduz	[3]	Liechtenstein, Vaduz		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft.	[3]	Hungary, Budapest		92.4
UNIQA Software Service Kft. (formerly Millennium Oktatási és Tréning Kft.)	Full	Hungary, Budapest	0.1	100.0
verscon GmbH Versicherungs- und Finanzmakler	[3]	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	[3]	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	[3]	Germany, Mannheim		100.0
Carl C. Peiner GmbH	[3]	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	[3]	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	[3]	Germany, Hamburg		100.0
Skola Hotelnictivi A Gastronom	[3]	Czech Republic, Prague		100.0

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Group foreign service companies				
ITM Praha s.r.o.	[4]	Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	[4]	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	[3]	Germany, Mannheim		100.0
UNIQA Intermediazioni S.r.l. (formerly Claris Previdenza S.r.l.)	[3]	Italy, Milan		100.0
UNIQA Software Service d.o.o.	[3]	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.1	100.0
UNIQA Raiffeisen Software Service S.R.L. (formerly SYNTEGRA S.R.L.)	Full	Romania, Cluj-Napoca	0.1	60.0
Agenta-Consulting Kft.	[3]	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	[3]	Poland, Lodz		100.0
AGENTA consulting s.r.o.	[3]	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	[3]	Poland, Lodz		100.0
UNIQA Software Service Bulgaria OOD	[3]	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	[3]	Ukraine, Kiev		99.0
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	31.3	29.6
Medicur-Holding Gesellschaft m.b.H.[*]	Equity	1020 Vienna	23.2	25.0
PKB Privatkliniken Beteiligungs-GmbH [*]	Full	1010 Vienna	51.9	75.0
Privatklinik Wehrle GmbH	Full	5020 Salzburg	1.4	100.0
PKM Handels- und Beteiligungsgesellschaft m.b.H.	Full	1010 Vienna	14.3	100.0
Privatklinik Döbling GmbH	Full	1190 Vienna	2.0	100.0
Privatklinik Josefstadt GmbH	Full	1080 Vienna	1.1	100.0
Privatklinik Graz Ragnitz GmbH	Full	1010 Vienna	0.8	100.0
Ambulatorien Betriebsgesellschaft m.b.H.	Full	1190 Vienna	0.4	100.0
STRABAG SE[*]	Equity	9500 Villach	3,057.3	15.0
PremiaMed Management GmbH	Full	1190 Vienna	1.2	75.0
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	[3]	1190 Vienna		74.0
R-SKA Baden Betriebs-GmbH	[4]	2500 Baden		49.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	[4]	9020 Klagenfurt		34.9
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
UNIQA Leasing GmbH	[4]	1061 Vienna		25.0
UNIQA Human Resources-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	120.9	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	11.5	100.0
Austria Hotels Betriebs-GmbH	Full	1010 Vienna	8.2	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	[4]	1010 Vienna		25.0
JALPAK International (Austria) Ges.m.b.H.	[4]	1010 Vienna		25.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.0	37.5
Real-estate companies				
UNIQA Real Estate CZ, s.r.o.	Full	Czech Republic, Prague	15.6	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	0.9	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.0	100.0
Steigengraben-Gut Gesellschaft m.b.H.	[3]	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	218.5	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.7	33.0
UNIQA Real Estate AG	Full	1029 Vienna	120.0	100.0
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Full	1020 Vienna	26.3	100.0
UNIQA Praterstraße Projekterrichtungs GmbH	Full	1029 Vienna	141.5	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	9.2	99.0
UNIQA Real Estate Holding GmbH	Full	1029 Vienna	70.7	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	11.5	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	4.6	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	10.4	100.0
GLM Errichtungs GmbH	Full	1010 Vienna	–0.1	100.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Full	1029 Vienna	40.3	100.0
Fleischmarkt Inzersdorf Vermietungs GmbH	Full	1230 Vienna	9.3	100.0
Praterstraße Eins Hotelbetriebs GmbH	Full	1020 Vienna	2.5	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft.	Full	Hungary, Budapest	4.2	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.2	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG[5]	Full	1010 Vienna	25.6	99.5
Passauerhof Betriebs-Ges.m.b.H.[5]	Full	1010 Vienna	1.3	100.0
Austria Hotels Liegenschaftsbesitz CZ s.r.o.[5]	Full	Czech Republic, Prague	21.6	100.0
Grupo Borona Advisors, S.L. Ad	[3]	Spain, Madrid		74.6

Company	Type	Location	Equity € mllion[1]	Share in equity %[2]
Real-estate companies				
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	2.8	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	4.5	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	4.0	100.0
HKM Immobilien GmbH	3)	Germany, Mannheim		100.0
CROSS POINT, a.s.	Full	Slovakia, Bratislava	0.2	100.0
Floreasca Tower SRL	Full	Rumania, Bucharest	2.5	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	6.1	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.2	100.0
UNIQA-Invest Kft.	Full	Hungary, Budapest	13.1	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	1.7	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	1.3	100.0
UNIQA Real Estate BH nekretnine, d.o.o.	Full	Bosnia and Herzegovina, Sarajevo	3.4	100.0
UNIQA Real Estate d.o.o.	Full	Serbia, Belgrade	2.6	100.0
Renaissance Plaza d.o.o.	Full	Serbia, Belgrade	1.2	100.0
IPM International Property Management Kft.	Full	Hungary, Budapest	2.1	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	9.7	100.0
Black Sea Investment Capital	Full	Ukraine, Kiev	0.6	100.0
LEGIWATON INVESTMENTS LIMITED	Full	Cyprus, Limassol	0.3	100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	5.1	100.0
UNIQA Real Estate BV	Full	Niederlande, Hoofddorp	12.6	100.0
AGENTA Svetovanje d.o.o. (formerly UNIQA Real Estate P. Volfova)	Full	Slovenia, Ljubljana	0.1	100.0
UNIQA Real Estate Ukraine	Full	Ukraine, Kiev	0.0	100.0
Reytarske	Full	Ukraine, Kiev	–2.9	100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	1.9	100.0
UNIQA Real Estate Albania Shpk.	Full	Albania, Tirana	0.0	100.0
ALBARAMA LIMITED	Full	Cyprus, Nikosia	8.4	100.0
AVE-PLAZA LLC	Full	Ukraine, Kharkiv	11.9	100.0
Asena CJSC	Full	Ukraine, Nikolaew	–0.9	100.0
UNIQA Real Estate Poland Sp.z.o.o.	Full	Poland, Warsaw	0.0	100.0
BSIC Holding GmbH	Full	Ukraine, Kiev	1.6	100.0
Suoreva Ltd.	Full	Cyprus, Limassol	8.9	100.0
UNIQA Assistance doo Sarajevo	3)	Bosnia-Herzegovina, Sarajevo		99.8
UNIQA Agent doo za zastupanje u osiguranju Banja Luka	3)	Bosnia-Herzegovina, Banja Luka		99.8
UNIQA Agent doo za zastupanje u osiguranju Sarajevo	3)	Bosnia-Herzegovina, Sarajevo		99.8

1) In the case of fully consolidated companies, the value of the stated equity equals the local annual accounts, while in the case of companies valued at equity, it equals the latest annual accounts published or, with companies marked with *), the latest Group accounts published.
2) The share in equity equals the share in voting rights before minorities, if any.
3) Unconsolidated company.
4) Associated not at equity valued company.
5) Consolidated on the basis of a non-calendar financial year (balance sheet date 30 September).

Approval for publication

These Group consolidated financial statements were compiled by the Management Board as of the date of signing and approved for publication.

Statement by the Legal Representatives

Pursuant to Section 82 paragraph 4 of the Austrian Stock Exchange Act the Management Board of UNIQA Versicherungen AG confirms, that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces.

Vienna, 6 April 2011

Konstantin Klien Chairman of the Management Board	**Andreas Brandstetter** Vice Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Karl Unger** Member of the Management Board	**Gottfried Wanitschek** Member of the Management Board

Auditor's Opinion

(report of the independent auditor)

Report on the consolidated financial statements

We have audited the accompanying consolidated financial statements of UNIQA Versicherungen AG, Vienna, for the year from 1 January 2010 to 31 December 2010. These consolidated financial statements comprise the consolidated balance sheet as of 31 December 2010, the consolidated income statement, consolidated statement of comprehensive income, the consolidated cash flow statement and the consolidated statement of changes in equity for the year ended 31 December 2010 and a summary of significant accounting policies and other explanatory notes.

Management's responsibility for the consolidated financial statements and for the accounting system

The company's management is responsible for the Group accounting system and for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of the consolidated financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's responsibility and description of type and scope of the statutory audit

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with laws and regulations applicable in Austria and as in accordance with International Standards on Auditing, issued by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). Those standards require that we comply with professional guidelines and that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Group's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

Our audit did not give rise to any objections. In our opinion, which is based on the results of our audit, the consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as of 31 December 2010 and of its financial performance and its cash flows for the year from 1 January to 31 December 2010 in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU.

Report on the management report for the Group

Pursuant to statutory provisions, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the other disclosures are not misleading with respect to the company's position. The auditor's report also has to contain a statement as to whether the management report for the Group is consistent with the consolidated financial statements and whether the disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

In our opinion, the management report for the Group is consistent with the consolidated financial statements. The disclosures pursuant to Section 243a UGB (Austrian Commercial Code) are appropriate.

Vienna, 6 April 2011

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Georg Weinberger
Chartered Accountant

p.p. Alexander Knott
Chartered Accountant

Report of the Supervisory Board

During the past financial year, the Supervisory Board was regularly informed of the business development and the situation of the Group and the company by the Management Board. It also supervised the Management Board's conduct of business and fulfilled all the tasks assigned to the Supervisory Board by legislation and the company articles. In the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral and written reports to the Supervisory Board. The Supervisory Board was given timely and comprehensive information about those measures requiring its approval.

Focus of the meetings

The meetings focused on the Group's earnings situation and its further strategic development. The Supervisory Board had five meetings in 2010. In the meeting on 16 March, the Supervisory Board mainly discussed the preliminary Group results for 2009. The Supervisory Board meeting on 29 April focused on the annual financial statements and consolidated financial statement as at 31 December 2009 as well as the reporting of the Management Board regarding Group developments during the 1st quarter of 2010. The reconstitution of the Supervisory Board made necessary by changes to the Supervisory Board that took place at the Annual General Meeting took place on 31 May. In the meeting on 21 September, the Supervisory Board primarily addressed the development of the company in the 1st half of 2010 and the extension of the share buyback programme; Andreas Brandstetter was named as the successor of Konstantin Klien as Chairman of the Management Board, effective 1 July 2011. In addition to the reporting on the Group results during the first three quarters of 2010 and planning for the 2011 business year, the Supervisory Board discussed the results of the self-evaluation in the meeting on 23 November. Furthermore, a decision was taken to appoint Hartwig Löger, Wolfgang Kindl and Kurt Svoboda to the Management Board of the company, effective 1 July 2011.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, other committees were set up in addition to the mandatory Audit Committee. The Working Committee primarily discussed the profit developments of the Group, examined the company strategy and handled a number of tasks assigned to the Audit Committee since both committees share the same members. The committee held five meetings in 2010 and made one decision by circulating it in writing. The Committee for Board Affairs met two times to deal with the legal employment formalities of the members of the Management Board. The Investment Committee had five meetings about the capital investment strategy and questions of the capital structure. The Audit Committee, including the Working Committee, which was also functioning as the Audit Committee, met in six sessions, dealt with all audit documents and the Management Board's proposed appropriation of profit, concentrating particularly on the internal auditing reports on audit topics and significant audit discoveries based on executed audits. The various chairmen of the committees informed the members of the Supervisory Board about the meetings and their committee's work.

Financial statements and consolidated financial statements

The financial statements prepared by the Management Board and the management report of UNIQA Versicherungen AG, as well as the consolidated financial statements prepared according to the International Financial Reporting Standards (IFRS) and the Group management report for the year 2010, were audited by KPMG Austria GmbH Wirtschaftsprüfungs- und Steuerberatungsgesellschaft and given an unqualified audit opinion. The Supervisory Board noted the results of the audit with approval.

The consistency check of the Corporate Governance Report according to Section 243b of the Austrian Commercial Code was performed by Univ. Prof. DDr. Waldemar Jud Corporate Governance Forschung CGF GmbH, and the final results yielded no significant grounds for objections.

The Supervisory Board consented to the consolidated financial statements and the financial statements of UNIQA Versicherungen AG, and agreed to the Group management report and the management report. The 2010 financial statements were thereby adopted in accordance with Section 96 paragraph 4 of the Stock Corporation Law.

The proposed appropriation of profit submitted by the Management Board to the Supervisory Board was examined and approved by the Supervisory Board. On this basis, a dividend distribution of 40 cents per share will be proposed at the Annual General Meeting on 30 May 2011.

The Supervisory Board thanks the Management Board and all staff members for their commitment and the work they have done.

Vienna, April 2011

On behalf of the Supervisory Board

Christian Konrad

Statement by the Legal Representatives

Pursuant to Section 82 paragraph 4 of the Austrian Stock Exchange Act the Management Board of UNIQA Versicherungen AG confirms,

that, to the best of our knowledge, the consolidated financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group as required by the applicable accounting standards and that the Group management report gives a true and fair view of the development and performance of the business and the position of the Group, together with a description of the principal risks and uncertainties the Group faces;

that, to the best of our knowledge. the separate financial statements give a true and fair view of the assets, liabilities, financial position and profit or loss of the parent company as required by the applicable accounting standards and that the management report gives a true and fair view of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties the company faces.

Vienna, 6 April 2011

Konstantin Klien
Chairman of the
Management Board

Andreas Brandstetter
Vice Chairman of the
Management Board

Hannes Bogner
Member of the
Management Board

Karl Unger
Member of the
Management Board

Gottfried Wanitschek
Member of the
Management Board

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