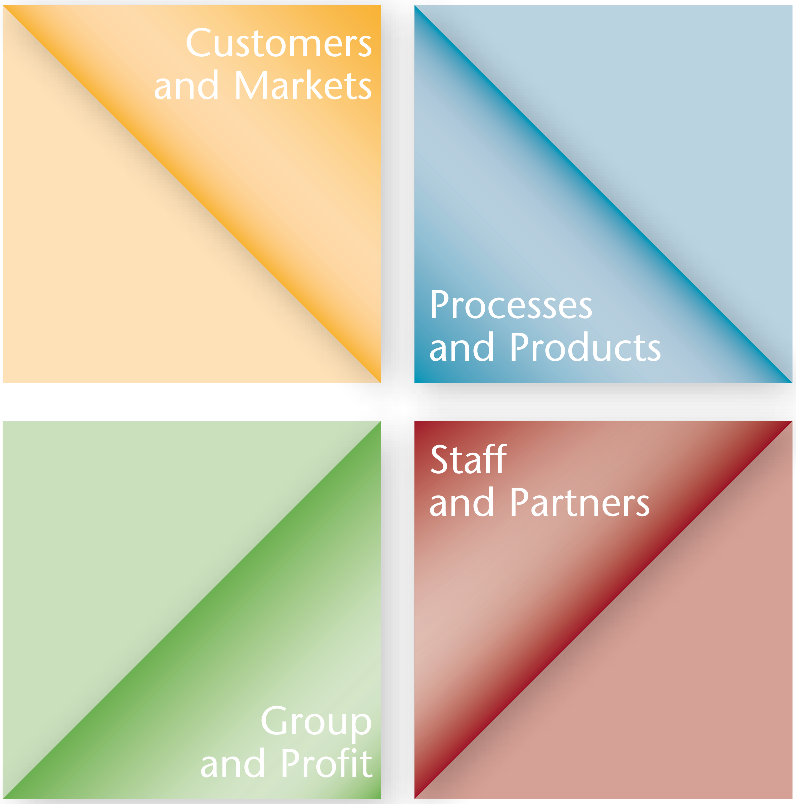
Group Report 2007

UNIQA Versicherungen AG



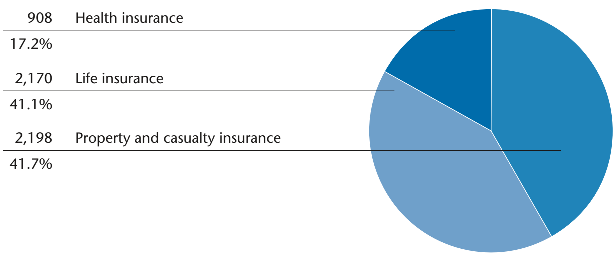
UNIQA The insurance of a new generation.

Group key figures	page	2007 € million	2006 € million	2005 € million	2004 € million	2003 € million
Premiums written	85	4,528	4,532	4,370	3,600	3,031
Savings portion of premiums from unit- and index-linked life insurance		748	559	360	178	102
Premiums written incl. the savings portion of premiums from unit- and index-linked life insurance[1]		**5,276**	**5,091**	**4,730**	**3,778**	**3,133**
Premiums earned (net)[2]	85	**4,106**	**4,130**	**4,000**	**3,302**	**2,779**
of which property and casualty insurance		1,858	1,716	1,628	1,394	1,025
of which health insurance		906	887	849	742	716
of which life insurance		1,342	1,527	1,523	1,166	1,037
Premiums earned (net) incl. the savings portion of premiums from unit- and index-linked life insurance		**4,801**	**4,629**	**4,311**	**3,431**	**2,816**
Insurance benefits	88	**– 3,597**	**– 3,716**	**– 3,777**	**– 3,033**	**– 2,484**
Operating expenses (net)[3]	85, 89	– 1,056	– 967	– 928	– 826	– 601
Cost ratio (net after reinsurance)	32, 33	**22.0%**	**20.9%**	**21.5%**	**24.2%**	**21.4%**
Cost ratio (adjusted for the change in deferred acquisition costs)	32, 33	**22.4%**	**22.1%**	**22.6%**	**24.9%**	**23.4%**
Net investment income[4]	42, 86	955	865	963	748	421
Profit on ordinary activities	42	**340**	**238**	**190**	**121**	**68**
Net profit	42	**269**	**175**	**133**	**102**	**56**
Investments[5]	40, 68	21,544	21,155	19,367	16,598	13,234
Technical provisions (net)[6]	40, 41, 79	19,559	19,064	17,674	15,544	12,962
Shareholders' equity	44	1,336	1,122	930	683	540
Total equity incl. minority interests	44	1,532	1,330	1,134	860	649
Average number of employees	33, 90	10,997	10,748	9,943	9,701	8,335
Insurance policies		13,130,215	12,533,673	11,892,828	11,739,085	9,834,256

[1] Values gross before reinsurance.
[2] Fully consolidated values.
[3] Incl. reinsurance provisions and profit shares from reinsurance business ceded.
[4] Minus financing costs.
[5] Incl. self-used land and buildings, land and buildings held as financial investments, shares in associated companies and investments held on account and at risk of life insurance policyholders.
[6] Incl. technical provisions for life insurance policies held on account and at risk of policyholders.

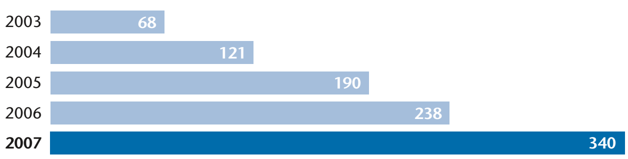
Premium volume written 2007

incl. the savings portion of premiums from unit- and index-linked life insurance
in € million



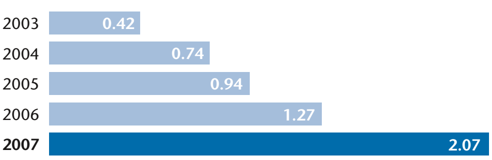
Profit on ordinary activities

in € million



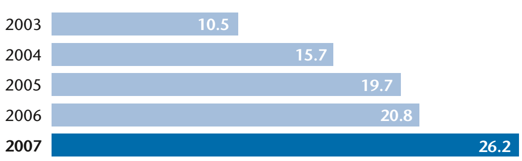
Earnings per share

in €



Return on equity (ROE)

pre-tax
in %



Company profile

UNIQA Group Austria views itself as a Central European insurance group with Austrian roots and a strong regional presence. Under the umbrella of the publicly listed company UNIQA Versicherungen AG, the Group is active in all segments of the insurance business through all sales channels. UNIQA is pursuing a strategy of consistent yield-oriented growth through expansion and internationalisation and is active in Austria as well as in 19 Central and Eastern European insurance markets – Poland, Hungary, the Czech Republic, Slovakia, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Montenegro, the Ukraine, Romania, Bulgaria, Albania, Macedonia and Kosovo as well as Italy, Germany, Switzerland and Liechtenstein. As we expand our activities in Eastern and South Eastern Europe, UNIQA and the Raiffeisen bank group assist and compliment each other within the framework of a "Preferred Partnership" and work together to open up new paths in the area of bank assurance.

Dear shareholders, customers and business partners!


Christian Konrad
Chairman of the Supervisory Board

In this past financial year, the UNIQA Group earned its highest profits since the founding of the company. This was achieved despite the fact that 2007 can without a doubt be considered one of the most difficult years in some time for financial companies as well as for insurance companies. The turbulence on the capital markets, triggered by the subprime crisis in the USA, has resulted in upheaval on the stock and credit markets in particular. Naturally, this has had a negative effect on the results of the European insurance companies and thus also on the results of the UNIQA Group, as one of the major institutional capital investors. In addition, the considerable losses from the storm "Kyrill" also weigh on the technical results. The fact that we succeeded in achieving a record result despite these circumstances can be attributed in part to the further improvement in profit from operations. It is also thanks to the diversification of our capital investments in the area of strategic investments. The successful development of this investment segment and, in particular, the positive value increase of our investment in STRABAG SE, one of the leading construction groups in Europe, has allowed us to more than compensate for the aforementioned negative influences and even set aside reserves for the future.

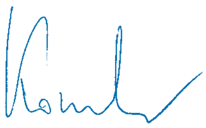
At €2.07, the earnings per share increased by 62% over the previous year. We also intend to share these exceptionally good results with our shareholders by increasing the dividend from 35 cents to 50 cents per share.

The Group companies in Central and Eastern Europe performed particularly positive in the past financial year. In these markets, we succeeded in growing at rates significantly exceeding the market averages and further expanding our market shares. However, we are also aware that we have not yet achieved in all markets the critical size required for our business model. This not only means that we must maintain the above-average organic growth, but that we remain open to additional financially advantageous acquisitions.

In the interests of long-term successful development, the existing strategy of our Group is currently being reviewed with the goal of positioning ourselves appropriately in time for future developments and challenges. Now, in the 10th year of UNIQA's existence, it is time to identify and evaluate the potential success factors for the future and to realign the corporate strategy accordingly.

I would like to thank all our employees for their commitment and hard work during 2007. Special thanks go to Herbert Schimetschek, who will be leaving the UNIQA Supervisory Board at the next Annual General Meeting after having reached the age limit. As one of the founding fathers of UNIQA, Herbert Schimetschek played a central role in the creation of our Group and has been a major force in defining the image of UNIQA over the last ten years in his position as Chairman of the Managing Board and subsequently as a member and Vice Chairman of the Supervisory Board.

Vienna, April 2008



Christian Konrad

Ladies and Gentlemen,

The 2007 financial year at UNIQA was marked by the implementation of our concept of the insurance of a new generation. We are convinced that still greater consideration of the special needs of individual customers and the constant changing of these needs will be of central importance for the continued, sustainable success of an insurance company. For this reason, a significant aspect of our company strategy is the development of flexible products that are adapted to the individual life circumstances of our customers. In line with this strategy, we have taken innovative steps in 2007, toward increased flexibility and individuality in our range of products for insuring personal risks, with products such as "SafeLine" in motor insurance and "FlexSolution" in life insurance.

In the life insurance segment, creation of a flexible product architecture with respect to the longevity of the risk coverage is very important for adapting to life situations that change ever more rapidly today. We intend to consistently pursue this goal and demonstrate our innovation and customer orientation in all our markets. In addition to creating a more individualised product range, another central component of our company strategy is further improving and securing the sustainability of the current profit levels achieved through our successful profit-oriented growth course. In 2007, we successfully completed the first year of our Profit Improvement Programme 2007–2010. Our intensive utilisation of cost advantages that naturally arise within a company of our size through an increased level of cross-border activities contributed to this achievement, among other factors.

With a record Group profit before taxes of €340 million, which corresponds to an increase of 43% over the previous year, we more than met the goal for 2007. These results were, of course, impacted by special positive effects from our investments in associated companies as well as the negative consequences of the sub-prime crises, which left its mark on our company as well. We would like to share these successful developments of the past business year with our shareholders by increasing the dividends by 43%, to 50 cents per share. With a return on equity before taxes of 26.2%, UNIQA is among the leaders in an international comparison. However, this very positive development has not been reflected in the share price or market capitalisation of UNIQA. Rather, the difficult situation on the capital markets and the crisis of trust in the area of financial service providers has placed our shares under considerable pressure. We view this as an opportunity for our shares to obtain a positive outlook for the future, as the situation on the capital market calms and investors return to consideration of fundamental data.

Konstantin Klien
Chairman of the Management Board

In developing our position in the markets of Central and Eastern Europe, our focus currently lies on expanding our market position through investments in organic growth and through intensification of our cooperation with Raiffeisen in international bank assurance. The cornerstone for successful progress has been laid, and extremely positive results have already been seen in some countries with a doubling of the business volume per year in this area. We do not rule out additional acquisitions in the markets of new Europe; however, we will continue to reject high acquisition prices that are not financially justified.

Our employees and partners are central elements of our success. They demonstrate the commitment and readiness for change that is required in order for a company to develop in new directions and compete at an international level. This is an important aspect in securing the future success and independence of our Group. I would, therefore, like to offer my thanks to all our employees and partners.

Vienna, April 2008

Konstantin Klien

Strategy

In 2007, we conscientiously and resolutely continued the expansion strategy of our insurance group with its focus on consistent internationalisation and a sustained increase in yields.

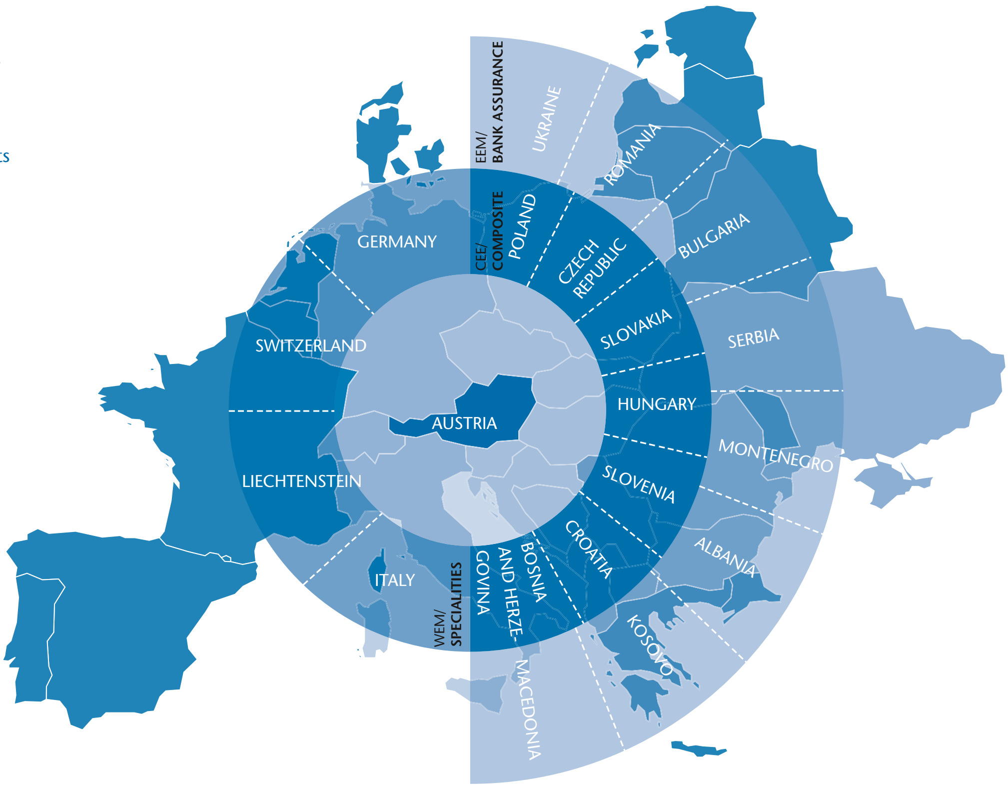
The success of our coordinated efforts to achieve these ambitious goals can be seen in the exceptionally high increase in the earnings before taxes, by over 42% to €340 million, the growth in premium revenues from Eastern Europe by over 27%, as well as the increase in earnings per share, by over 62% to €2.07.

Return goal achieved early

The return on equity, in particular, which not only reached the target of 20% but significantly exceeded it at over 26%, proves that the chosen path was the right one. This path will ensure the independence of the Group even in times of hard competition in the current age of globalisation. The strategy allows us to operate successfully in the largely saturated markets in Austria and Central Europe, as well as to take advantage of the exceptional

UNIQA's target markets

Austria
WEM Western European Markets
CEE Central and Eastern Europe
EEM Eastern Emerging Markets



Konstantin Klien
Chairman of the Management Board

> "The yield-focused growth strategy of expansion secures our independence as a Central European insurance group and takes advantage of the growth opportunities in the Eastern European markets."

opportunities presented by the rapidly developing regions encompassing 360 million people, both within and beyond the eastern border of the EU.

Under the management of the publicly traded company UNIQA Versicherungen AG, our European insurance group, active in 20 markets, succeeded in strengthening its position as one of the leading market players in Central, Eastern and south-eastern Europe with a premium revenue of €5.3 billion and capital investments totalling over €21.5 billion.

By extending our activities in south-eastern Europe to include Albania, Macedonia and Kosovo, and expanding our financial commitment in Bulgaria and the Ukraine, we have further strengthened our positions in these rapidly developing markets.

New markets in the East secure company goals

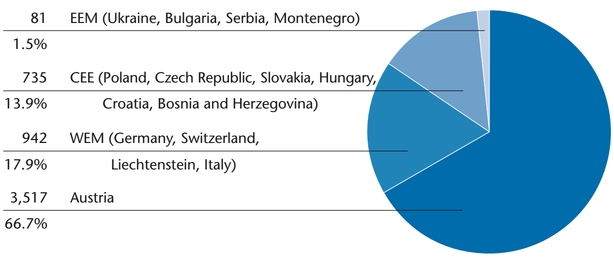
These markets currently contribute 15.5% of our premium revenue. The share of total premiums generated in international business is currently over 33% and will continue to rise until 2010, further driving the internationalisation of the business volume as well as the Group results. In this way, we diversify the risks of our company portfolio and achieve our ambitious growth goals that exceed the market average.

Premiums volume written 2007

incl. the savings portion of premiums from unit- and index-linked life insurance

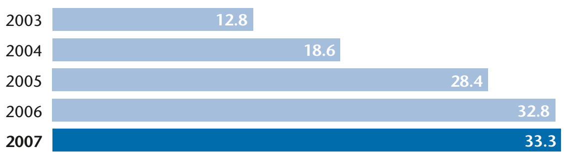
Share of target markets 2007

in € million



Share of international business

in %




Andreas Brandstetter
Member of the Management Board

"UNIQA operates in 20 European markets. We are successful in these regions because we understand our markets well, act flexibly and have strong local partners."

We concentrate all of our company activities and decisions on the realisation of these goals. Within the framework of our differentiated multi-region strategy, we intend to maintain UNIQA's leading position in Austria through segment-focused qualitative growth with higher returns. The Western European markets, characterised by higher insurance density, contributed roughly 18% of the Group premiums in 2007. We hold profitable niches in these markets and succeed through exclusive offerings.

We take advantage of the prospects in the future markets within and beyond the eastern border of the European Union through optimisation of our financial involvement, through dynamic growth projects for increasing market shares between 5 and 7% in non-life segments and 3% in life insurance, as well as through cooperative transitions to majority participations in companies where we entered with a minority interest. We employ uniform branding and advertising concepts, shared IT and human resources policies as well as development of management staff to support the expansion of our presence in these markets.

The Preferred Partnership with the Raiffeisen bank group in Eastern Europe and the regional Raiffeisen banks in Austria has proven effective for the successful penetration of new insurance markets. This cooperation now covers 13 Eastern and south-eastern European regions. It has proven to be a cost-effective and efficient sales channel for accessing these underdeveloped markets to the profit of both partners, while ensuring above-average growth in the future. The premium revenues generated through the programme have nearly doubled since the start of the cooperation in 2004, to reach over €100 million in 2007.

More potential for expansion created

Additional support for UNIQA's expansion comes from the European Bank for Reconstruction and Development (EBRD). The EBRD has increased the scope of its financial cooperation with us from €70 million to €150 million. This makes available to us extensive funds for minority investments by the EBRD in UNIQA subsidiaries in Central and Eastern Europe. As the first project, the EBRD took over 20% of UNIQA Osiguranje, which is currently the fifth-largest insurance company in Bosnia and Herzegovina.

"Product innovation and customer service are crucial for sustained success. In 2008, we will continue to impress our customers with excellent service and innovative product solutions."

Karl Unger
Member of the Management Board

Additional potential for our sustained expansion is generated by the third UNIQA Profit Improvement Programme 2007–2010. The goal of this plan is to increase Group profits by €200 million by 2010. As part of the programme, we would like to further reduce our loss and cost ratios considerably, compress our structures, decrease unnecessary work by eliminating redundancies and save money by outsourcing to other international groups. The Group profit before taxes should be improved by 2010 to €430 million. We are already well on our way – we have succeeded in achieving the initial goals for 2007.

Employing our strengths as an innovation leader

We will make decisive use of our strengths as a product pioneer and innovation leader to implement this expansion based on controlling costs and improving efficiency, primarily in south-eastern and Eastern Europe. In addition, UNIQA will continue to address the issues of the future today, confirming our reputation as a trendsetter.

Gottfried Wanitschek
Member of the Management Board

"Country-specific development of markets is one of our key competitive advantages: niche strategies in the mature markets of Central Europe and positioning as a composite and bank insurer in the eastern growth markets."

"Continuous process optimisation is a constant task for every company. With our Profit Improvement Programme, we successfully laid the foundation in 2007 for consistent improvement in profits up to the year 2010."

In 2007, for example, we achieved a milestone with a number of product innovations: the first electronic, kilometre-based automotive insurance rate that also offers customers additional safety features. A box containing a GPS receiver registers the driving profile of the insured within city traffic, on country roads or motorways and uses this information to calculate the usage-based premium. The insurance policy is supplemented with intelligent assistance services in the event of an accident or theft of the vehicle. This innovation secures for us a clear competitive advantage on the market.

We have also implemented a very flexible and innovative product version in life and health insurance. Our new style of product for long-term old-age pension combines the elements of classic and unit-linked life insurance with a completely new level of flexibility. As market leader in health insurance, we set new standards through a combination of extensive medical insurance protection with effective preventive measures and useful assistance services.

World of advantage ensures a competitive edge

The high competence in developing products with additional benefits and unique features within the market is part of the UNIQA world of advantage. It emotionalises the bare insurance product, allowing customers to experience it more directly. The bundling of intelligent additional benefits and effective prevention offerings differentiates us from our competitors as a next-generation insurance company.

Innovative solution competence demands constant training and education of our employees, as well as flexibility and mobility beyond national borders. We rely on the outstanding quality of our human capital at all levels as a central competitive factor for the realisation of our company strategy, and we employ advanced principles of human resources management to develop and serve our employees.

Social responsibility and corporate citizenship are also fixed components of the UNIQA corporate culture, which emphasises a broad perspective and attention to the bigger picture. We consider our participation in the Raiffeisen climate protection initiative to be a proactive response to the challenges of the future. These efforts will pay off for our insurance group, our employees and our shareholders.

Gottfried Wanitschek
Member of the Management Board

- Born in 1955
- Academic background: Law

Dr Wanitschek started working in the insurance business back in the eighties and was first head of the legal office and later secretary general of Raiffeisen Versicherung AG. From 1991, until he was appointed to the Management Board of UNIQA Versicherungen AG in 1997, he was director of Beteiligungsholding Leipnik-Lundenburger Industrie AG, managing director of Kurier GmbH, member of the management at Mediaprint and director of Zeitschriften-Verlagsbeteiligungs-AG.

- Responsible for: Asset management (front office), equity holdings, property management, legal affairs, general administration, internal auditing
- Country responsibility: Bosnia and Herzegovina, Croatia, Czech Republic

Andreas Brandstetter
Member of the Management Board

- Born in 1969
- Academic background: Political science and history

Dr Brandstetter joined the Group in 1997, and was responsible for the restructuring of UNIQA Versicherungen AG in 1999; he was appointed to the Management Board in 2002. Prior to this, he was head of the EU office of the Austrian Raiffeisenverband in Brussels and completed a MBA programme at California State University.

- Responsible for: New markets, mergers & acquisitions, international bank sales policy
- Country responsibility: Albania, Bulgaria, Kosovo, Macedonia, Romania, Serbia, Ukraine

Konstantin Klien
Chairman of the Management Board

- Born in 1951
- Academic background: Economics

Dr Klien joined the UNIQA Group in October 2000 as vice Chairman of the Management Board. Since 1 January 2002, he has been Chairman of the Management Board and CEO of UNIQA Versicherungen AG. Dr Klien began his professional career at Arthur Andersen and transferred to Nordstern Versicherung in 1978, where he was appointed to the Management Board in 1986. In 1991, he became chairman of the board of the holding company AXA Austria and since 1996, also exercises executive functions for the AXA companies in Central Europe.

- Responsible for: Group management, sales, planning and controlling, human resources, marketing, communications, investor relations, internal auditing, industry customers and reinsurance policy
- Country responsibility: Austria

Karl Unger
Member of the Management Board

- Born in 1953
- Academic background: Actuarial mathematics

Karl Unger began his professional career in 1979, as an actuary at Volksfürsorge Versicherung. Later he transferred to Nordstern Versicherung, where he was appointed to the Management Board in 1994, and took over the life insurance department. In 1999, Karl Unger took on responsibility for Central Europe within the AXA group. He switched to UNIQA in 2001, as head of the administrative department for corporate planning, and joined the Management Board of UNIQA Versicherungen AG in 2002.

- Responsible for: Private customer business, IT, company organisation, customer service, Group actuarial office, risk management
- Country responsibility: Liechtenstein, Slovakia, Hungary

Hannes Bogner
Member of the Management Board

- Born in 1959
- Academic background: Business administration

Hannes Bogner has been with the UNIQA Group since 1994, and was appointed to the Management Board in 1998. Prior to this, he worked at THS Treuhand Wirtschaftsprüfungsgesellschaft in Salzburg and at PwC PricewaterhouseCoopers in Vienna. Mr Bogner became a tax consultant in 1988, and a chartered accountant in 1993.

- Responsible for: Group accounting, planning and controlling, asset management (back office), investor relations, industry customers and reinsurance policy
- Country responsibility: Germany, Italy, Poland

Customers and Markets

The customer is always the focus of our actions. With unique offerings, innovative service and high-quality supplemental benefits, we emotionalise the process of risk coverage, making insurance something that can be experienced positively by our customers.

Community, flexibility, quality, integrity and respect are our central corporate values. They inspired the creation of our new assistance service UNIQA Companion. This innovative service strengthens our position as leader in this area of the market and as a pioneer in matters of customer care.

UNIQA Companion is already a reliable life assistant to over four million UNIQA customers. At no cost and with no registration required, we offer all members of the UNIQA family in Central, Eastern and south-eastern Europe useful and product-independent information on the topics of mobility, social issues, home, health and lifestyle.

UNIQA Companion as constant, round-the-clock assistant

Our cross-border assistance service is available in person at 70 selected service points or by telephone 365 days per year, 24 hours per day in the customer's native language via Companion Hotlines. Carefully chosen employees assist our customers with information on a wide variety of topics, such as fuel prices or speed restrictions, weekend services of pharmacies or physicians, weather reports or even restaurant guides and information on local events in the customer's region.

With the Companion, we have developed a new element of the UNIQA brand and our world of advantages that is focused on long-term customer relationships and maximum quality. This is an expression of our desire to offer unique solution competence and be an insurance company of the next generation.

Proven weather warnings by SMS and e-mail

Our electronic weather warning service has proven itself a valuable component of our innovative customer service. In 2007, over 220,000 customers were given early warning by SMS and e-mail of approaching regional weather conditions, such as heavy rain, flood or storms, and were provided with recommendations on how to prevent losses.

UNIQA and Raiffeisen Versicherung also set up free telephone hotlines for storm warnings. Our experts advised customers in insurance matters and assisted in the correct documentation of loss claims, thereby contributing to the fastest possible claims management.

UNIQA Companion – the advantages

- Automatic access to the product-independent assistance services of UNIQA Companion is available with no special registration to all customers who have at least one insurance contract with UNIQA.
- The Companion offers information and organisation services in the customer's country and abroad, both by telephone, via our European assistance network in the customer's native language, and in person at 70 select service centres in seven countries.
- Extensive information can be obtained through a single call or visit, replacing the need for lengthy searches at various sources.

Partnership with our customers is the motto by which we do business. Our advertising campaign in autumn conveyed how UNIQA understands this concept as an insurance of a new generation. "He is my partner. Not my pension plan." is the message of the two Austrian skiing stars Marlies Schild and Benjamin Raich, as part of a campaign for our newest pension innovation.

Partnership with a secure advantage

One of the central instruments with which we intensify our relationships with private customers as well as winning new customers is the QualityPartnership. This unique insurance and service package combines exclusive care and maximum transparency in regard to all insurance contracts and payment flows, with a first-class prevention programme for maintaining health and improving fitness. Currently over 370,000 customers profit from the advantages.

The customer and service programme "My secure advantage" offered by Raiffeisen Versicherung – Austria's leading bank insurer – is also finding growing resonance among customers. For customers with at least two insurance contracts in different segments, this programme offers a 10% premium bonus in the absence of claims as well as support for surviving dependants at no extra cost, combined with a single charge for all contracts via the advantage account and access to all existing contract data at mein.raiffeisen.at.

QualityPartnership

- To enter the QualityPartnership programme, private customers must have at least two contracts with UNIQA.
- Anyone with at least three contracts with an annual premium exceeding €1,000 receives PartnerPoints and attractive services from the health and safety area, including vouchers for a sports or thermal spa trip.
- The QualityPartnership guarantees active support by an exclusive advisor with an annual policy review for adapting the insurance protection to changes in the customer's life situation, as well as the opportunity to receive up to €200 cash back if no claims have been filed.
- The financial control centre of the QualityPartnership is PartnerConto. The premiums due for all contracts are covered by a single monthly payment.
- Joining the UNIQA QualityPartnership automatically includes membership to Austria's largest health programme, the UNIQA VitalClub with over one million members. Roughly 90 VitalCoaches work with a top-notch pool of experts to create individual fitness and health plans for QualityPartnership customers.

www.myUNIQA.at

Our SuccessServices

- With the solicitor PLUSservice, UNIQA works in co-operation with first-class solicitors' offices in Austria to provide all SuccessPartners with qualified telephone legal advice at any time, guaranteeing immediate professional assistance in critical situations.
- The weather warnings via SMS and e-mail offer SuccessPartners severe weather warnings that apply to their specific postal code region.
- The agricultural portal supplies farmers with important region-specific weather information via SMS and e-mail, according to their personal preferences. Weather forecasts tailored to the specific postal code region as well as information on soil moisture, precipitation and humidity are also available at any time via the Internet.
- The MedPLUS24service provides a team of general practitioners and specialised physicians to answer questions on all health-related matters over a toll-free hotline.
- SuccessPartners are automatically members of the UNIQA VitalClub and can take advantage of the services for free or at specially discounted rates.
- Finally, the SuccessServices will include a new, GPS-based vehicle fleet management system, including an electronic trip log for companies and freelancers that is currently in the design phase.

New SuccessPartnership for commercial customers

We have combined the positive experiences in the QualityPartnership for private customers with the specific needs of our commercial customers in the form of the new SuccessPartnership with a unique product design. This advantage programme offers our over 120,000 corporate clients, freelancers and farmers an opportunity to profit from innovative insurance protection, as well as a wide range of need-based supplemental and assistance services.

This includes the SuccessBonus, which guarantees the SuccessPartner premium reimbursement that is graduated according to the premium volume and level of losses. At an annual premium of at least €1,500 and low or no losses, commercial customers receive a cash reimbursement of up to €500.

Contracts and due dates at a glance

The financial control centre for the contracts of a SuccessPartner is the SuccessConto, an online billing platform that offers commercial customers a comprehensive overview of all contracts, premiums and credits, account statements and due payment dates as well as personal customer data, all accessible at any time via www.myUNIQA.at.

SuccessPartners can make use of whatever account and assistance services are most useful to them, from the solicitor PLUSservice, the weather warning and the agricultural portal for farmers, to the MedPlus24-hour service and membership of the UNIQA VitalClub.

VitalTour in Vienna.

Unrivalled as the top brand in customer familiarity and service

Our pioneering work in the development of new product combinations with added value and modern IT-supported services is paying off. Among insurance customers in Austria, UNIQA remains the top company, with the best brand value and unrivalled customer familiarity. In the area of customer contacts, we also achieved the largest shares of customers (30%) and primary customers (18%) in 2007.

We were able to strengthen our leading position in the Austrian insurance market during 2007. UNIQA was once again the top company among Austrian insurers for 51% of the population. We received top marks for company loyalty (57%), above-average service (55%), friendliness (46%) and innovation focus (38%).

We continued our strategy of promoting our corporate identity and standing as a quality brand through targeted sponsoring activities in 2007. Once again, we supported the Salzburg Festival as one of the main sponsors, but we also sponsored the Operetta Festival on the Mörbisch floating stage and exhibitions at Austrian museums. Under the auspices of the ArtCercle, we made possible the special exhibition "Chrome Jewels: Cars with History" at the Technical Museum in Vienna.

In the area of sports sponsoring, we successfully continued our partnership with Olympic skiing medallist and world champion Benjamin Raich. The cooperation with famous athletes in Eastern and south-eastern European markets contributed to additional awareness of the successful UNIQA brand outside of Austria.

In brief

■ **Recipient of the RECOMMENDER award**
As recognition of exceptional service and high brand loyalty, we were honoured with the RECOMMENDER award. This award acknowledges the willingness of customers to recommend a company or a product.

■ **Participation in the GEWINN trade fair**
We presented our high competence in all insurance and pension matters with a modern fair booth and a qualified team of experts to roughly 14,500 visitors at the European trade fair for capital investment in the Vienna convention centre.

■ **Focus on nursing care provisions**
As a leader in innovation, UNIQA is well prepared for the growing interest in private nursing care provisions, a topic of increasing importance for 83% of the Austrian population, with our innovative nursing care offering "Care & Advanced Preparation".

■ **VitalTour 2007**
With the UNIQA VitalTour 2007 of our VitalClub, we started a tour for the purpose of spreading information, entertaining and promoting activities for all aspects of health, fitness and preparation for the future. As part of the tour, our customers had the opportunity to win an activity day with head coach Stephan Eberharter.

Processes and Products

We combine modern information technology and creative design in the development of new insurance products with added value, to consistently achieve new milestones in the market.

New kilometre-based automotive insurance product

After two years of development work and a broadly based pilot project in which 300 of our customers participated, the technology and safety services were improved and perfected, making it possible for us to introduce to the market a new type of automotive insurance rate in November 2007. "SafeLine" is the first kilometre-based automotive insurance rate that ushers in a new age of "pay as you drive" car insurance and secures for us a clear competitive advantage in Europe.

Advantage through innovation

The new product from the design workshop of the innovation leader in Austrian insurance offers customers, for the first time, the ability to affect their premiums through their individual driving habits, in addition to offering modern services for safety in emergencies. Since automobile traffic is frequently blamed for problems such as climate change and particulate matter pollution, all SafeLine customers can track the CO_2 balance sheet resulting from their own individual driving habits on an Internet portal. The SafeLiner, a small device installed out of sight in the car, represents the technical innovation that makes this market advantage possible. It supplies the connection to satellite navigation, a mobile telephone network and the Internet to allow the calculation of premiums based on the number of kilometres driven and the types of roads taken, as well as enabling the safety service functions.

Drive less, pay less

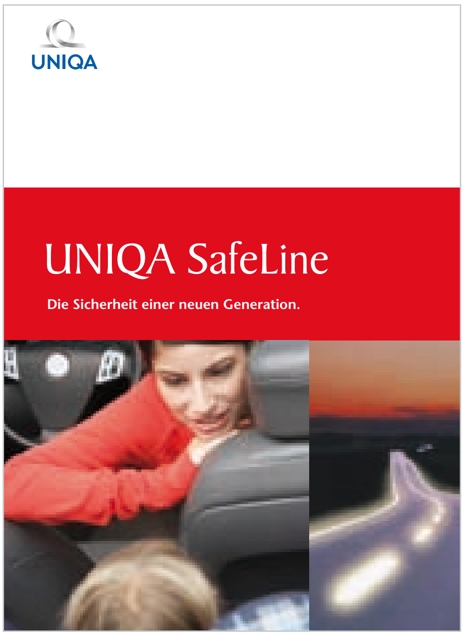
Anyone who drives fewer kilometres in a year than the average driver and who prefers motorways over city and rural roads will see significant premium savings. Even extensive drivers can profit from the many safety services. For instance, drivers who accumulate fewer than 10,000 kilometres per year can save between 10% and 35% on their premiums. In addition, kilometres driven on Austrian motorways and expressways are calculated at 20% lower rates due to the lower risk of accidents.

Environmental bonus with "Auto & Network"

UNIQA is concerned not only with safety but also with the environment. For this reason, we would like to promote environmentally conscious driving habits and support the use of public transportation. The Auto & Network campaign rewards drivers who have an annual pass for public transportation by eliminating the first two monthly premium payments. We are also planning to expand the advantage we have gained through the first kilometre-based automotive insurance rate with innovative safety services to include automotive insurance for companies as well.

Multi-talented SafeLine

- **The safety system built into the vehicle operates as a crash sensor that detects moderate and severe accidents and alerts the response centre in emergencies, as well as transmitting the location of the vehicle. The dispatch centre attempts to contact the driver by mobile phone to determine whether, and what types of, assistance are required or sends help directly to the accident site if the driver cannot be reached.**
- **SafeLine offers proactive help via an emergency button installed in the car that allows drivers to trigger an alarm at the dispatch centre and initiate the dispatching of assistance in the event of a medical emergency, breakdown or other threatening situation.**
- **The emergency button and crash sensor also function outside of Austria, since the dispatch centre will communicate with local emergency services in other European countries.**
- **If the car is stolen, SafeLine takes on its function as CarFinder. When informed of the theft, the dispatch centre locates the vehicle and sends the position data to the competent authorities in Austria or abroad.**



Our reliable competence partners

call us Assistance International is a UNIQA Group company that is responsible for customised services available through its global partner network.

As the largest Austrian drivers' association, ÖAMTC is the central partner for arranging emergency assistance measures.

Dolphin Technologies is our general contractor partner for all technical issues and responsible for the technological framework of UNIQA SafeLine.

The business variant of SafeLine should awaken particular interest among operators of vehicle fleets thanks to the supplemental services for fleet management.

In 2007, we also supported a new GPS-based alarm system for bikers in cooperation with the mobile telephone market leader A1. We reward installation of the small "Satalarm Bike" box with a 20% premium discount on the liability and partial comprehensive premiums. The customer also saves €49 on the activation of the A1 SIM card. In the event of a crash, the system automatically triggers an alarm at the dispatch centre, which immediately directs the nearest ambulance service to the accident site using GPS.

Protection for homes and solar systems

By extending the scope of coverage of our household insurance, we now pay for losses from the private use of a vehicle within the framework of liability insurance for both the insurance policy holder and his or her spouse, as well as for their children up to the age of 27, even if they do not live at their parents' house.

We have also included compact insurance protection for solar systems in our offering to satisfy the requirements of an age of rising energy prices. The LUMIT solar system insurance offers individually combinable modules that cover losses to solar equipment for electricity production (photovoltaics) as well as for heating of water for household and heating uses (solar water heating). The system also includes rules for loss prevention.

Innovative old-age provision with complete flexibility

Our product developers created a unique product platform for long-term old-age provisions called "FlexSolution" that offers impressive flexibility and, for the first time, combines the guaranteed benefits of classic life insurance with higher yield prospects in a single contract.

Flexibility at a glance

- With FlexSolution, the customer decides, in an initial step, what percentage of the premium (after a deduction for costs) will be assigned to a guarantee portion and what percentage as a yield-oriented component.
- In a second step, the customer defines whether the guarantee portion should be invested with capital preservation as a classic investment at a current minimum interest rate of 2.25% plus profit participation, or as a yield-oriented investment.
- Finally, the customer decides how the yield-oriented premium portion should be invested. Customers have a choice between three portfolios managed by experts with stock shares from 20% to 100% or direct 150 funds.
- Each of these decisions can be changed at no cost, as frequently as the customer wishes. For instance, the yield-oriented portion can be switched to a safe guarantee portion.
- After a contract duration of at least twelve years, the customer practically has a daily maturing, no-fee account from which tax-free withdrawals of any amount can be made, or which can be invested in a retirement plan.

We have expanded our health insurance product range with two flexible insurance plans in the form of "Private Supreme" and "FirstCare".

This product allows the customer to modify the various elements at any time to create personal old-age provision coverage that is both reliable over time and profitable. The insurance policy is concluded without a time window for an indeterminate duration to offer complete, optimal flexibility. The amount of risk protection, the amount of the premium as well as the type of capital investment can be adapted to new individual life circumstances and investment preferences at any time, and at no cost.

In the area of health insurance, we were able to highlight our position as Austria's market leader with a unique, compact package. The combination of first-class services in the event of an illness and optimal prevention makes the "Private Supreme" rate system yet another innovation.

Setting new standards in health insurance

Private Supreme sets new standards on the market by combining top medical insurance protection with effective prevention measures and useful assistance services. The service package bundles five key aspects into a single rate and guarantees outstanding, top-quality medical care as well as effective opportunities for learning how to maintain health and fitness.

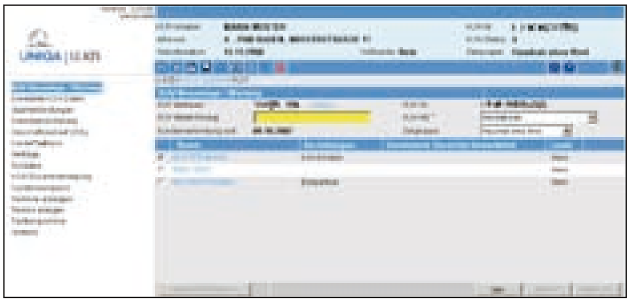
The insured then enjoys all the advantages of a private patient while at the hospital. UNIQA covers all additional costs arising from the special class of treatment. When seeing a doctor or specialist, the customer selects the physician they trust independent of the health fund contracts, and may select the best treatment methods (orthodox or complementary medicine). As an instrument of prevention, VitalCheck determines the health status of the customer based on various examinations.

Finally, the customer's personal VitalCoach develops a customised wellness plan with six annual training units based on an individual FitnessProfile. In addition, the team of physicians at the medical CallCenter of UNIQA is available to answer the customer's questions at any time.

UNIQA has developed "FirstCare", a new form of private health insurance for children and youths that automatically adapts to their growing insurance needs. Up to the age of twelve, the full costs for an accompanying person are covered in all Austrian hospitals and public hospitals in Europe. For children aged 12 to 18, FirstCare pays the costs for special class treatment in a two-bed room for accident-related hospital stays, in lieu of the costs for an accompanying person. Upon reaching adulthood, we cover all additional costs for special class treatment in the hospital after an accident as well as for many serious illnesses.

Adaptation of the rates to EU requirements

Nearly our entire line of health insurance rates was revised and optimised in 2007, according to the requirements of the European Union. Seven benefit enhancements were applied to the special premium class insurance – including global coverage protection for planned treatments abroad, an expanded health exam and the obtaining of a second medical opinion for recommended operations.



Electronic access to the individual profile of every policyholder offers the opportunity for service tailored to individual needs as well as access to untapped potential through cross-selling. The system allows for improved service quality and thereby customer loyalty.

With the implementation of the UNIQA customer information system (U.KIS), we have already taken the critical step toward optimal harnessing of our customer potential. We utilise this online database to monitor and evaluate the customer relationship in its entirety – independent of product-line perspectives – and can share this advantage with our customers through more risk-appropriate premiums since we also include the customer information in determining the premiums.

The customer information system predicts sales prospects, warns against potential risks and makes all data available to sales personnel online. It is a valuable instrument of sales and customer policy that secures for us a decisive advantage on the market.

Second phase of U.KIS started

We put the second phase of our customer information system into operation in mid-2007. It now also includes a customer compass, a scheduling system and integrates the online rate fixing for various products. We demonstrated in a roadshow how these new tools can be used in customer management as well as by sales employees and partners.

U.KIS is the customer instrument of the future. It fulfils many important functions: providing a complete customer perspective, identifying customer potentials, supporting the management of customer relationships, optimising time allocation by sales personnel, enabling targeting of high-yield customers, supporting in selection processes, permitting more efficient total customer policy and increasing the competence of sales partners.

Raiffeisen Versicherung expanded its electronic application forwarding service on the RV-WEB technical platform. The advising of customers at the Raiffeisen bank and the forwarding of the contract for purposes of processing were completely decoupled from each other, which now contributes significantly to improved user-friendliness.

Policies are now issued in record time

After entry at the Raiffeisen bank, application data are now sent electronically and directly to Raiffeisen Versicherung. In the ideal case, the policy can be printed overnight and sent to the customer in a record 48 hours. The level of service provided by RV-WEB to the Raiffeisen banks as sales partners was significantly improved in 2007, by implementing the ability to query all sales statistics and expanding the information content and other processing options of the integrated electronic commission report.

Group and Profit

The strategy of consistent internationalisation through commitment to the high-growth markets of Eastern and south-eastern Europe secures our future as an independent market player.

UNIQA secures its future as one of the major market players in Central and Eastern Europe with a growth strategy of consistent internationalisation through development, primarily, of the dynamically growing new markets of Eastern and south-eastern Europe. As Austria's leading insurance group, we view this strategy as the basis for a sustained, profit-conscious expansion and for securing our independence.

We are investing significant funds and personnel management capacities in the development of markets within and beyond the eastern boarder of the European Union. The countries of Central Eastern Europe (CEE) as well as the Eastern Emerging Markets (EEM) still exhibit underdeveloped insurance density and penetration in all sectors, and harbour enormous potential. They make a growing contribution to our further expansion and to an improvement in the profitability of the UNIQA Group.

In brief

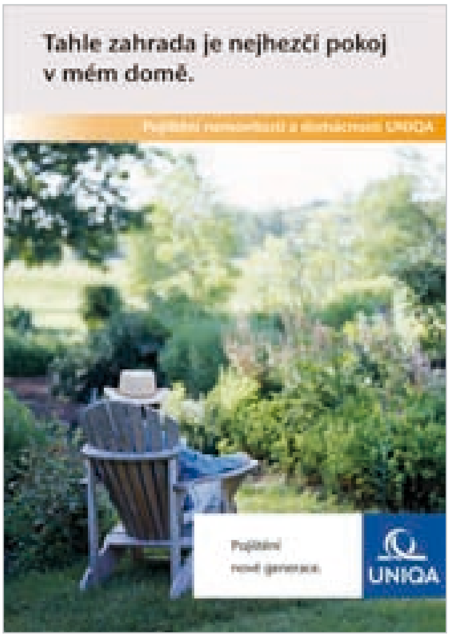
■ Eastern Europe as growth driver
The UNIQA Group companies in Eastern Europe enjoyed growth rates far above average, improving their premium incomes in 2007 by 27.6% to €816 million, thereby increasing their share in total Group premium income to 15.5%. The property and accident insurance lines as well as the life insurance business have developed exceptionally dynamically in this growth region.
■ Austria as firm foundation
The Austrian market remained a firm foundation for the company, with a rise in premium income by 2.8% to €3.5 billion and a share in the Group premium income of 66.7%.

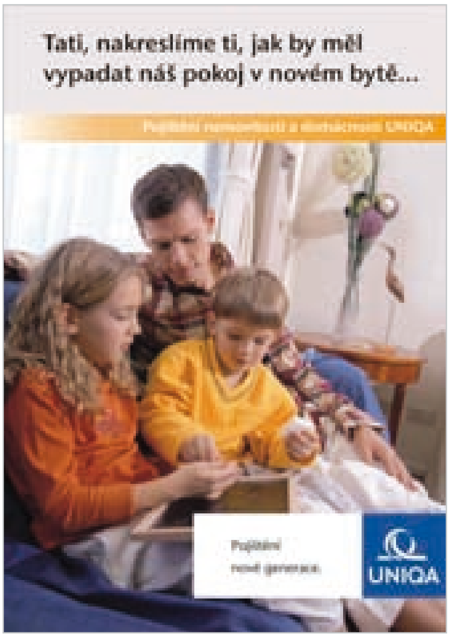
In consideration of the activities focused on profitable insurance niches in Western Central Europe (WCE), we now operate with approximately 11,000 employees and numerous partners in 19 markets outside of Austria, from the Adriatic to the Baltic Sea and from Lake Constance to the Black Sea. With a Group-wide total of 5.7 million customers and 13 million contracts, a Group premium income of €5.3 billion, a profit on ordinary activities of €340 million and capital investments exceeding €21.5 billion, UNIQA numbers among the leading insurance groups in Central and Eastern Europe.

Investment in Albania's largest insurance company

UNIQA has consistently taken additional steps in accordance with its "Go East" strategy. In March 2007, we signed a cooperation agreement with SIGAL, the leading insurance company in Albania with its head office in the capital of Tirana. With a market share of 28%, SIGAL is not only the largest insurance company in the country by far, it also has subsidiaries and branches operating in Macedonia (market share 6%) and in Kosovo (market share 13%).

SIGAL has frequently been recognised as Albania's best insurance company and offers products in all insurance lines via a comprehensive sales network. For the last two years, SIGAL has been expanding with two-digit growth rates. Jointly developed products by UNIQA and SIGAL in life and health insurance have already been positioned on the market during 2007.





In 2007, we continued sucessfully our campaign "An insurance of a new generation". In Eastern Central Europe, UNIQA is pursuing a uniform brand policy.

Based on the positive experiences throughout the cooperation, UNIQA also decided to partially take advantage of the option for acquiring an equity majority by 2010 somewhat earlier than that. The decision to acquire 46% of SIGAL's share capital was passed in December 2007. This is a clear declaration of our commitment to this dynamically developing region that harbours exceptional potential due to the significantly below-average penetration of the insurance market compared with Western European countries, particularly in the area of life insurance.

Property insurance company founded in Serbia

As the next step into the new markets, we took over the fifth-largest insurance company in Serbia in January 2007, rebranded it with the UNIQA name and made it the first company in the Serbian market to implement the required product-line separation. The new UNIQA property insurance company started in the middle of last year with automotive insurance policies for liability and collision, as well as new features such as family rebates.

In product design, marketing and sales, we were able to take advantage of the experiences of the UNIQA Group from the roughly four million vehicle contracts in Western, Eastern and south-eastern Europe. In selling the new automotive insurance products, we rely on cooperative agreements with vehicle inspection stations in addition to our own field service agents and specialised agencies.

33% international business

Including the premium incomes from the Western European countries, already one third of the total Group premium income came from abroad in 2007. This share will continue to increase at above-average rates in the future.

The head office of the Serbian property insurer is the newly erected UNIQA headquarters in Belgrade, which also offers space for a branch of our cooperation partner in Serbia, Raiffeisenbank. Along with the opening of the modern office building, we also worked with two neighbouring schools to bring into being the "schools without violence" project supported by UNIQA.

Investments in Bulgaria expanded

With the name change to UNIQA and the simultaneous upgrading of our investment to a majority of 62% in Vitosha, Bulgaria's fifth-largest insurance company with activities in property and life insurance, we have sent another signal of our growing commitment in south-eastern Europe.

In addition to cooperation with the previous majority partner, our strategic partnership with Raiffeisenbank has, once again, proven itself as a strong growth driver in the rapidly expanding Bulgarian market. Thanks to the significantly above-average expansion of the property and life insurance business, the two new UNIQA Group companies were able to increase their market share in Bulgaria to a total of roughly 8.2%. With a market share of over 15%, UNIQA already ranks third on the market in the life insurance area.

Health insurance for Croatia: In May 2007, the strongly expanding company UNIQA osiguranje in Croatia introduced its new health insurance product onto the market. The product introduction was accompanied by a print advertising campaign and various public relations activities.

Massive expansion of the presence in the Ukraine

Shortly before the end of the year, UNIQA expanded its commitment in the Ukraine, one of the most promising and largest regions in the Eastern Emerging Markets. We increased our capital participation in one of the largest property insurers, Credo-Classic, to an initial 61% and indirectly increased to over 90% our stake in the life insurer UNIQA LIFE, founded jointly with Credo-Classic and with the head office in Kiev.

We are very well situated in the Ukraine thanks to the cooperation with the second-largest bank in the country – the Raiffeisen bank Aval with 1,300 branches and roughly four million customers – as well as the extensive modernisation of the product range, restructuring and expansion of the sales network. We will consistently take advantage of the opportunities in this prospering insurance market with a population of roughly 47 million, to continue our expansion in Eastern Europe.

EEM

Our activities in the Eastern Emerging Markets are built upon the enormous growth prospects offered by the countries on the eastern border of the European Union. The successful cooperation with the Raiffeisen bank group is an important strategic advantage in this area, and also a major cornerstone for our start in Serbia and the Ukraine.

In brief

■ UNIQA Hungary becomes a super brand
UNIQA Biztosító was selected by an expert jury of Superbrands, an independent organisation founded in 1995, as one of the best Hungarian brands that offers consumers advantages over its competition. Our Group company, which offers special insurance protection for skiers, divers and recently also participants in boating regattas, has expanded its diverse sports sponsoring in 2007, as a supporter of the National Association of Hungarian Basketball Players and sponsor of the UNIQA Regatta large-boat championship on Lake Balaton.

■ Golden Coin for UNIQA Slovakia
In the competition for the Golden Coin for the best banking and insurance products in Slovakia, UNIQA poisťovňa once again received high rankings in multiple categories, as well as in the symposium of the Slovakian insurance brokers' association as one of the best insurance companies of 2007 in the area of automotive insurance.

■ UNIQA Poland receives multiple awards
With new insurance offerings, UNIQA Poland strengthens its market position and the credibility of the brand. The bundled product "Insurance for Small and Medium-Sized Companies" was recognised by the business paper "Gazeta Finansowa" as the best product in the category of property insurance. In addition, UNIQA received the "Bronze Laurel of Customers 2007" from the Media Partner Group.

At the opening of the new head office in Prague, UNIQA purchased the historical document: Chronicle of the Life and Suffering of St. Wenceslas.

New headquarters for UNIQA Czech Republic

The dynamic business developments of our Group company in the Czech Republic made it necessary to build a new headquarters for roughly 280 employees, which was opened in spring of 2007. The company, which has received one of the best ratings from Standard & Poor's within the Czech market and numbers among the top ten, impresses customers with comprehensive solutions in life insurance as well as the non-life sector, and profits, in particular, from cooperation with the Czech Raiffeisenbank, in addition to its presence at 100 locations throughout the country.

With the opening of the new headquarters, UNIQA presented a unique historical document: the Chronicle of the Life and Suffering of Saint Wenceslas, long thought lost, has now been purchased by us. We made an important contribution to the tradition and cultural history of the Czech Republic by bringing this unique illuminated manuscript from the year 1585 back to Prague.

Mannheimer AG Holding restructured

Mannheimer AG Holding is implementing a new customer and process-oriented organisational structure with a specially developed tracking system in the Western European markets. The system is comprised of three areas that simplify the co-ordination process, reduce interfaces and optimise customer service. In addition, a new work model with an employment guarantee for roughly 800 employees up to the year 2012 was agreed upon, and is considered by local media to be exemplary for the industry.

EBRD supports further international expansion

Our company strategy of consistent internationalisation received new support in 2007. In November, the European Bank for Reconstruction and Development (EBRD) expanded its co-operation with UNIQA, which has been in place since 1998, and increased the framework agreement from €70 million to €150 million. This provides new financial scope for the acquisition of minority investments by EBRD in existing UNIQA subsidiaries in Central and Eastern Europe.

EBRD has already invested in UNIQA Group companies in four Eastern and south-eastern European countries, and now the signing of the new framework agreement also placed a takeover of 20% of UNIQA Osiguranje in Bosnia and Herzegovina on the agenda. On the other hand, EBRD has pulled out of the Czech UNIQA company as planned after eight years of successful co-operation.

Standard & Poor's confirms strong financial position

The financial strength of the UNIQA Group was confirmed by the international ratings agency Standard & Poor's again in 2008, at "A" level with a stable outlook. The main reasons for this were the convincing competitive position in Austria, the strong operational performance and the growing share of international business. The successful profit improvement programme that has massively increased profitability in recent years and will generate further profit growth up to 2010, was also recognised.

Staff and Partners

We promote quality, flexibility and mobility in our staff and partners through constant initial and further training measures, in order to realise our ambitious company goals.

The Group strategy of consistent internationalisation and constant improvement of profits demands human resources that satisfy the high demands with regard to professional quality, flexibility and mobility. Use of the right employees, at the right place and at the right time, is a central task of operational human resources management and the targeted personnel development programme.

Go Ahead takes us forward

We founded the mobility programme Go Ahead in 2003, to promote the rapid expansion of international business, and expanded it with new elements for improved efficiency. This programme supports temporary assignments by Austrian employees at international Group companies as well as bringing our foreign colleagues to Austria or giving them assignments in other countries.

Short-term programme enjoys popularity

In 2007, the programme was expanded with Go Ahead Light Mentoring for short-term stays abroad, making it much more attractive to many employees with families.

Of the 88 new participants who took part in the mobility programme in 2007, 31 employees decided on the version Go Ahead Light with reduced stays abroad, and 38 decided on an assignment within the framework of Go Ahead Mentoring.

212 participants from 15 countries

The exchange of company-internal know-how and networking that takes place as a result of this programme has received positive evaluations by the 212 participants from 15 countries. In addition, participation in the Go Ahead programme is considered a distinction and variable preparation for one's further career within our Group.

Preference for assignments to Austria

In 2007, 51 employees from the subsidiaries accepted assignments in Austria, while 37 colleagues from Austria were able to gain experience at a Group subsidiary abroad.

Personnel expenditures compiled in UHRS

Operational Human Resources Management and Personnel Development were merged in 2007, into UNIQA Human Resources-Service GmbH (UHRS). The goal of this company is to better coordinate complex work procedures.

For basic training within Raiffeisen Versicherung, eLearning as well as tests and certifications were implemented in 2007, on the Raiffeisen Academy platform. The institutionalised employee meetings for all in-house staff were held once again, including agreement on the required development steps. For managers in new positions, structured development plans were coordinated with the individual needs of the managers for the first time in 2007. A separate employee meeting was also introduced for the field service.

Innovative personnel recruiting of high-potential employees

We build up qualified employees for expert positions and management jobs in the international subsidiaries with the innovative "Potential Recruiting Project". The realisation of the innovative training programme started at UNIQA Slovakia and UNIQA Poland and is being continued in Hungary and Italy.

UNIQA Human Resources employees worked with local managers and HR directors to select university graduates for a one-year trainee programme. Subsequently, they were prepared for future management tasks within the Group over the course of six months in Austria.

UNIQA managers from all countries assembled in Dubrovnik and Vienna for the ManagerCircle 2007. Saša Krbavac organised the successful event in Croatia, in which more than 140 employees participated. Chairman of the Management Board Konstantin Klien was also one of the speakers.

Roughly 140 UNIQA managers from all countries of Central and Eastern Europe were informed about the current Group strategy and plans of the company in two ManagerCircle events in Vienna and Dubrovnik during 2007.

International apprenticeships

The pilot project "International Apprenticeships in the UNIQA Group" was started in 2006. The two-year insurance apprenticeship is combined with a five-month internship abroad and is intended to promote willingness for mobility, and also offers the opportunity to build networks during the apprenticeship extending far beyond the normal work environment. Starting in autumn 2008, the programme will be expanded throughout all of Austria with an apprenticeship training programme in ExclusiveSales in which apprentices will gather their first sales experiences in addition to technical knowledge.

The current strategy for ExclusiveSales was the focus of a motivational event at management level in 2007. The five key topics of total customers, sales expansion, sales not administration, standard & more and providing for the future now were explained in lectures and discussions. ExclusiveSales has achieved a new milestone with the QualityPartnership in regard to the total customer strategy: over 370,000 customers make use of the advantageous services of the unique insurance package.

Training of customer advisors

In 2007, the basic training based, in part, on a new foundation, was started by 262 customer advisors. The training is now more strongly oriented around the life-tree model "Yesterday-Today-Tomorrow". Special importance is placed on conveying technical- and sales-related know-how in the coordinated training modules.

The management and advising staff in ExclusiveSales had the opportunity to choose from a broad selection of seminars in 2007, within the framework of the Managers Development Forum (FEF). The training units were constantly focused on practical applications using the new and existing instruments and tools for supporting the five key sales aspects.

The comprehensive and ambitious seminar programme for professional and personal advancement of our partners in broker sales has set new standards in terms of quality and innovation. Our BrokerService is the largest partner to brokers in Austria, and frequently took on a trailblazing role in the development of industry standards.

GeneralAgency Academy receives new orientation

The "GeneralAgency Academy" was given a new content orientation as the central initial and further training institution for our independent sales partners. Expanding on the basic training in which new GeneralAgents and PartnerAgents are taught about the most important UNIQA future provisions and risk solutions based on the total customer strategy, the further training courses also offer interested persons training and know-how in the areas of "Entrepreneurs & Managers", "Product & Argumentation", "Sales & Pros" and "Work & Technology". Seminars specially designed for the work of back office employees of the GeneralAgency round off the wide range of initial and further training opportunities.

As the largest health insurer in Austria, we support the "Pink Ribbon" campaign to raise awareness of the dangers and prevention options of breast cancer. Like many other buildings, monuments and sights throughout the world, the UNIQA Tower was blanketed in pink light on 1 October.

Ten years of Broker Academy

A central element of our success among freelance brokers is the Broker Academy (MAK), which celebrated its tenth anniversary in 2007. More then 2,000 participants have taken part in Broker Academy events and seminars during this time. In 2007, the Broker Academy presented a best-of programme, consisting of the most frequently booked seminars of past years. The seminar brochure, with topics from business, finance and stock markets all the way to personal fitness and mental training courses, was sent to 4,000 brokers and met with great acceptance.

The trips abroad organised within the scope of MAK International in 2007, brought a total of 123 of our business partners, including from Poland and the Czech Republic, to the booming country of South Africa. In May 2008, a fact-finding tour through the Russian metropolises of Moscow and St. Petersburg was on the programme.

In addition to the attractive seminar offerings of the Broker Academy, UNIQA made insurance products of the new rate line "BrokerSelect" available to partners in broker sales for the first time. These products are characterised by an attractive price-benefit ratio, transparency and simple handling within sales. Under the umbrella brand "BrokerSelect", there are now rates for automotive, household, legal expenses and accident lines. Multi-contract customers of UNIQA whose contracts are collected together within a TopConto can lay claim to a special discount.

Cooperation in bank sales intensified and expanded

As part of the establishment and expansion of bank sales in 2007, the cooperation between UNIQA and the Raiffeisen banking group was further intensified in Central and Eastern Europe. Within the framework of the Preferred Partnership with Raiffeisen, the cooperation already underway in Poland, the Czech Republic, Slovakia, Hungary, Slovenia, Croatia, Bosnia and Herzegovina, Serbia, Romania, Bulgaria and the Ukraine, has now been expanded to markets in Albania and Kosovo.

Friendliest service in 2007

In a survey of freelance brokers by the industry magazine risControl, UNIQA held top position in the category of "Service-friendliest insurance company in 2007". The evaluation encompassed the behaviour of the company in direct business transactions, from the application to the issuing of the policy, in claims management as well as in service, advising, information and communication. The jump to the top is the result of the massive efforts of UNIQA to take a posture of partnership toward freelance brokers in all areas, to take their needs into account and to secure an advantage over the competition by satisfying these partners with our service, information and availability. This success is, for us, a motivation to further improve the service quality in broker sales as well as in the international Group companies. A key strategy on this path is regionalisation. Decentralisation projects that intentionally build upon the strengths of the respective regions are already underway. Initial successes have already been enjoyed, particularly in Hungary, the Czech Republic and Slovakia.

In the 13 markets in which this strategic partnership with Raiffeisen has now been established, we focus on offering combined banking and insurance products, on preparations for a staged introduction of capital-forming life-insurance products as well as on developing synergies through shared utilisation of sales channels. In addition, the cooperation with the Veneto Banca group in Italy, primarily in the area of life insurance, has produced considerable results. Raiffeisen Versicherung is the competence centre here for the entire area of bank sales within the UNIQA Group.


Awarding of the GreenBuilding certificate of the EU.

Occupational old-age provisions emphasised

As a full-service provider, Raiffeisen Versicherung placed particular emphasis in autumn of 2007 on supplemental pension security through occupational old-age provisions. Within the framework of the broad selection of optimal provision solutions for companies, particular emphasis was given to employee group insurance “My guaranteed company pension” for employees, as well as the pension approval and direct approval for business executives and managing employees.

The 11th International Pension Symposium of Raiffeisen Versicherung in Lisbon, made up of top-notch experts, concerned itself with the increasing age of the population in the European Union and the consequences for social security systems. In the opinion of the experts, increasing of the labour force participation rate of persons over 55 years through stronger investments in human capital as well as gradual raising of the pension eligibility age could help to ameliorate the growing problems in old-age and nursing care insurance.

Market acceptance of their innovative provisions programme for women, Womanlife, was confirmed for Raiffeisen Versicherung by the most recent women’s study. According to this study, Austrian women currently feel self-confident and significantly more independent than previously. In decisions on financial security for old age, 38% of women rely on the advisor of their bank and, in particular, on the advisor’s professional competence.

Joint initiative for climate protection

Twelve companies of the Austrian Raiffeisen organisation founded a private initiative against climate change in 2007, out of feelings of social responsibility. The Raiffeisen Climate Protection Initiative (RKI) under the presidency of the former EU Commissioner of Agriculture, Franz Fischler, intends to contribute to emerging synergies in the area of energy efficiency and to sensitising large sections of the public with regard to climate protection.

Since the start of 2008, the UNIQA Tower can officially boast the EU “GreenBuilding” certificate. The Austrian energy agency recognised the striking building in Vienna as an “energy-conscious new building”. This makes the UNIQA Tower the first new office building in Austria to which this certificate has been issued. UNIQA also considered possible energy-saving measures with regard to their costs as well as economic and environmental advantages for the hotel project currently under construction on Praterstrasse.

UNIQA also makes a contribution to the conservation of endangered species. In addition to transport insurance for the transfer of two panda bears from China to the Vienna Zoo in Schönbrunn, UNIQA also took on custom insurance for the duration of the animals’ stay, including a newborn panda baby.

€70,000

As an act of corporate social responsibility, UNIQA and Raiffeisen Zentralbank donated another €70,000 to the mobile hospice of Caritas, for the care and treatment of patients with severe and untreatable illnesses.

UNIQA Shares

The international stock markets took off soaring during the first half of 2007. New historic highs were reached in some cases. With the open outbreak of the US mortgage crises, the continuing liquidity bottleneck and widespread loss of trust by investors, the markets then entered a volatile phase. It was, nevertheless, possible to partially recover from the price declines by the end of the year. As a result, most exchanges ended 2008 with gains.

Stock exchanges see gains despite financial market crisis

In the USA, the DOW JONES INDUSTRIAL AVERAGE was up 6.4% at the end of the year, after an all-time high of 14,198.10, and the technology index NASDAQ COMPOSITE was even up by 9.8%. The representative index for Europe, the DJ EURO STOXX 50, saw a gain of 6.8%. The insurance stocks included in the index DJ EURO STOXX Insurance, on the other hand, suffered a loss of 10.1%. Top performers among the stock exchanges in Europe were the DAX (+22.3%) as well as the share indices of the Ukraine, Slovenia, Russia, the Czech Republic and Norway.

In the Far East, the Shanghai Composite shone with an annual gain of 97%. The Japanese NIKKEI 225, on the other hand, fell by about 11%.

Consolidation on the Vienna Stock Exchange

The Vienna Stock Exchange exhibited a phase of consolidation after years as a top performer within Europe. The ATX started with gains and hit a new record of 5,010 points at mid-year. Then the massive corrections set in. The ATX finished 2007 at 4,512.98 points, for an annual gain of 1.1%.

Despite the volatile market attitude, more than €10 billion in fresh capital was brought in during 2007, through seven IPOs as well as capital increases, and the largest flotation in the history of the Vienna Stock Exchange was performed. The market capitalisation at the Vienna Stock Exchange increased considerably to €157 billion.

UNIQA shares in a difficult environment

The UNIQA shares started the year 2007 promisingly at €25.09. In accordance with the general stock market trend, the market price rose considerably, primarily during the 2nd quarter. The price reached an annual high of €28.10 on 25 April.

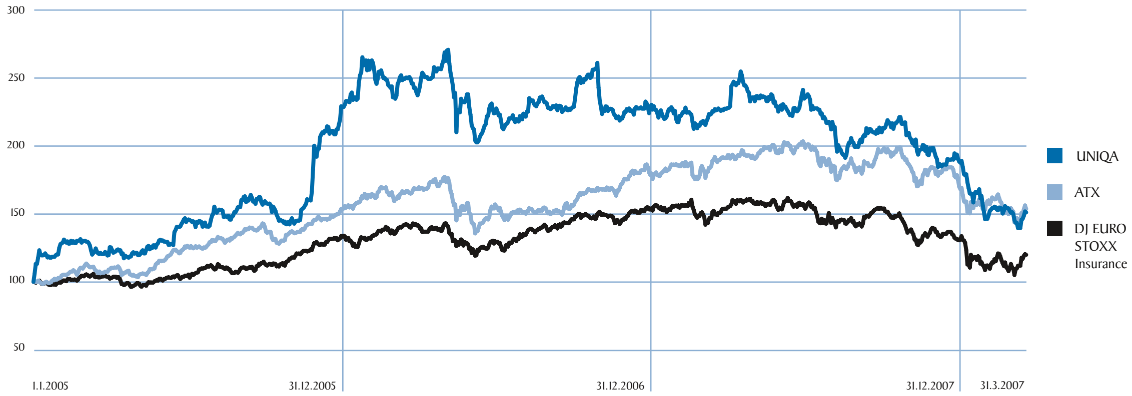
In the increasingly difficult environment, particularly for insurance stocks, that worsened further in July with the irritations on the international financial markets, UNIQA stock as well as the index DJ EURO STOXX Insurance entered into a downward trend, interrupted by brief recoveries. The final price at the end of 2007 was €20.95 per share.

Share key figures	2007 €	2006 €	2005 €	2004 €
Stock market price of UNIQA shares as at 31 Dec.	20.95	25.09	23.40	10.60
High	28.10	29.86	23.65	11.00
Low	20.36	22.35	10.60	7.85
Ø Trading volume/day in € million	3.4	4.7	3.1	0.2
Market capitalisation as at 31 Dec. in € million	2.509	3.005	2.803	1.270
Pre-tax earnings per share	2.07	1.27	0.94	0.74
Dividend per share	0.50[1)]	0.35	0.26	0.22

[1)] Proposal to the Annual General Meeting.

Development of UNIQA shares

in %



Increasing attention by analysts

Our communication with analysts and investors on all information channels has led to increased attention on our insurance group by the financial community. We once again took part in roadshows and investor conferences, and held a number of investor meetings. A rising number of international investment banks and analyst teams watched UNIQA and published recommendations for the financial community. These recommendations can be read at any time on our Internet site.

Investment experts and analysts of the following companies are currently studying our company:

- Raiffeisen Centrobank
- UniCredit
- Credit Suisse
- Société Générale
- Erste Bank
- Morgan Stanley
- CA Cheuvreux

Stable shareholder structure

Our shareholder structure remained unchanged in 2007. Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH holds 35.24%, BL Syndikat Beteiligungs Gesellschaft m.b.H. holds 31.95%, UQ Beteiligung GmbH holds 6.97%, NÖ Landes-Beteiligungsholding GmbH holds 5.22% and Collegialität Versicherung auf Gegenseitigkeit holds 3.23% of the share capital of the Group's parent company, UNIQA Versicherungen AG. Due to their voting commitment, the shares of Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs Gesellschaft m.b.H. and Collegialität Versicherung auf Gegenseitigkeit are counted together. The portfolio of own shares remained unchanged at 0.29% at the end of 2007. The free float remained at 17.10%.

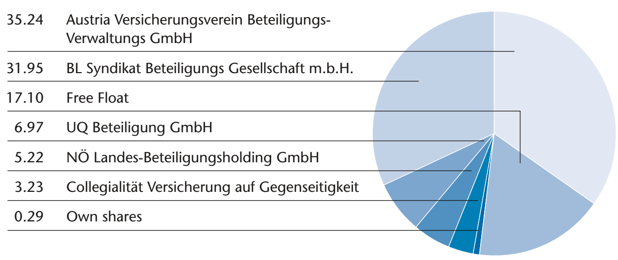
UNIQA continues in sustainability index

After its departure from the ATX, UNIQA remains in the Prime Market of the Vienna Stock Exchange as well as in the sustainability index VÖNIX, which is made up of 29 companies. This index was started in 2005, and includes publicly listed companies that are committed to sustainability as an economic success factor through consideration of environmental and social goals.

The performance of these companies in the VÖNIX demonstrates that sustainability, corporate citizenship and corporate social responsibility also pay off for investors. By the end of the second year since the launch of the sustainability index, the VÖNIX was able to gain 79.7% and beat the ATXPrime as a benchmark by over 15 points.

Shareholder structure of UNIQA Versicherungen AG

in %



Information on UNIQA Shares	
Securities abbreviation	UQA
Reuters	UNIQ.VI
Bloomberg	UQA.AV
ISIN	AT0000821103
Market segment	Vienna Stock Exchange
Trade segment	Official trading
Indices	ATXPrime, WBI, VÖNIX
No. shares	119,777,808

Current information for the financial world

We keep our shareholders and the financial world constantly informed about current developments through the modern communications tools of investor relations. Our annual reports, quarterly reports and ad hoc releases are made available in writing or online via the website www.uniqagroup.com. These reports and information can also be obtained in English at any time from our Investor Relations department.

Financial Calendar

19 May 2008
Annual General Meeting

30 May 2008
1st Quarterly Report 2008, Conference Call

2 June 2008
Ex-Dividend Day, Dividend Payment Day

29 August 2008
2nd Quarterly Report 2008, Conference Call

27 November 2008
3rd Quarterly Report 2008, Conference Call

Corporate Governance Report

The UNIQA Group has committed itself since 2004 to compliance with the Austrian Code of Corporate Governance, and publishes this voluntary declaration of commitment both in the Group Report and on the Group website www.uniqagroup.com → Investor Relations → Corporate Governance. Implementation and compliance with the individual rules of the code are regularly evaluated by an independent external institution. 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 on Corporate Governance". The report on this voluntary evaluation can also be read on the UNIQA Group website. UNIQA declares its continued willingness to comply with the Austrian Code of Corporate Governance. In accordance with the code, the "L rules" (legal requirements) are all adhered to. UNIQA deviates from the provisions of the code with regard to the following "C rules" (comply or explain) and explains as follows:

■ Rule 38

A special age limit for members of the Management Board specified in the articles is not considered to be appropriate. The appointment to the Management Board depends exclusively on professional and personal qualifications.

■ Rule 45

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 AG 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 companies associated with individual members of the Supervisory Boards. 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 52

The Supervisory Board of UNIQA Versicherungen AG consists of twelve shareholder representatives. This higher number is a result of the company's shareholder structure.

A detailed report on the remuneration of the Management Board and the Supervisory Board (rules 29, 30 and 51) can be found in the Group notes beginning on p. 90. A detailed list of the members that make up the Supervisory Board of UNIQA Versicherungen AG and the committees that have been set up, the independence of the individual members, the length of time they are serving and any comparable positions held at other listed stock corporations in Austria and abroad (rules 39, 53 and 58) can also be found in the Group notes beginning on p. 58f. The criteria for the independence of the Supervisory Board and committee members, as well as the areas the individual committees are responsible for, can be downloaded from the Group website. A comprehensive risk report (rule 67) is included in the Group notes beginning on p. 60ff. A description of the announcements made about the directors' dealings (rule 70) can be found on the Group website.

Financial Section

€5,276 million premium volume written

€340 million profit on ordinary activities

€247 million consolidated profit

€2.07 earnings per share

26.2% return on equity (ROE), (pre-tax)

Group Management Report

Economic environment

The expansion of the global economy, driven primarily by the growth engines of China and India, continued during 2007. The economy in the USA slowed down somewhat compared to the previous year, while growth remained very robust in the euro zone. The economic climate clouded over in the second half of the year due to the crisis on the US real estate market and the turbulence in the financial and stock markets. In addition, the inflationary pressure increased noticeably due to the exceptionally sharp rise in raw materials prices.

Economy weakens somewhat

Investments and consumption remained the primary driving forces in the euro region during 2007. Early indicators such as business climate and consumer confidence showed a weakening of the economic dynamic towards the end of the year. The strength of the euro was not able to compensate for the enormous increase in petroleum and raw materials prices. Inflation also exceeded the target set by the European Central Bank of just 2.0%.

Austria's economy remained on a growth course in 2007, thanks to the export boom and the intensive investment activity. The gross domestic product increased as much as in the previous year, exhibiting growth of 3.4%. A continued rise in employment brought unemployment down once again. The unemployment and inflation rates remained below the EU average.

Subdued developments in the insurance business

Austria's insurance sector continued to be characterised by slight growth in 2007. The total of premiums increased by 1.9% to €16 billion. Excluding single premium transactions, the insurance industry grew at 3.0%, roughly the same rate as the overall economy.

Health insurance exhibited a growth of 3.2% to €1.5 billion in 2007, the strongest dynamics in the industry. Life insurance performed less strongly than in 2006 and only grew by 0.4% to €7.2 billion. This was the result of an increase in recurring premiums of 2.8% and a further decline in single premium business of 6.6%. Property and casualty insurance performed better than in 2006, with an increase in premiums of 3.1% to €7.2. The driving forces here were general liability, household insurance and legal expenses insurance. No growth impulses due to the stiffer competition came from motor vehicle liability and comprehensive insurance.

Heavy turbulence on the financial markets

The international money and financial markets were marked by turbulence and uncertainty during the second half of the year, triggered by the crisis in the US real estate market. The result was the need for massive corrections in the IFRS balance sheets of financial institutes, due to the required revaluation of securities supported by American sub-prime mortgages. This led to a liquidity squeeze with significant irritations on the money market.

The central banks in the USA and euro region made billions available to the business banks for a short period. Despite increasing inflationary pressure, the European Central Bank declined to implement an increase in the base interest rate, although this had already been indicated. It left the minimum refinancing rate, which had been raised in March and June by 25 basis points, at 4% until the end of 2007. The US central bank, on the other hand, lowered its base rate in October and December by 25 basis points each to 4.25%.

Inverse yield curve

The credit crisis and interest rate increases in the euro region and Switzerland drove money market interest rates upward. The 3-month EURIBOR reached a peak value of 95 points above the minimum refinancing rate of the European Central Bank in December. The inter-bank market was characterised by significant restraint up to the end of the year.

The yields of government bonds increased during 2007 in the euro zone and in Switzerland, while falling in the USA and Japan. The yield curve of long-term euro bonds was the inverse of the money market, as a result of the financial crisis.

The dollar lost roughly 10% against the euro and the yen between June and December. The rise in value of the euro does encumber the competitiveness of producers in the euro region with regard to price, but it also absorbs price increases for imports invoiced in dollars.

World stock markets make gains despite disruptions

After record levels up to mid-year, the international stock markets experienced highly erratic fluctuations in the second half but, nevertheless, finished the year up almost across the board. The DOW JONES INDUSTRIAL AVERAGE rose by 6.4%. The representative index for Europe, the DJ EURO STOXX 50, saw a gain of 6.8%. The Eastern European index CECE climbed by 10%. The German stock index DAX once again achieved two-digit growth of 22.3%. Top results were reported by the Chinese CSI 300 Index (+162%), as well as by the stock market index of the Ukraine PFTS (+135%), and Slovenia (+78%).

Economic climate cooling in 2008

The growth of the global economy may decline more than previously expected in 2008. The driving economic engines remain China and India. However, above-average expansion is also seen in most Eastern and southeastern European countries. The economy of the euro region will grow by only about 1.5% during 2008, with increasing inflation risks.

In Austria, a decline in economic growth by roughly 2.0% is expected. The effects of slightly decreased consumer activity will, once again, be felt. Investment intensity will abate somewhat. The employment level will remain high, but consumer prices will rise more sharply.

The insurance industry in Austria will grow in 2008, at about the level of the previous year, with a premium growth of roughly 1.9%. Health insurance (+3.1%) and property and casualty insurance (+2.6%) should achieve a solid upward course despite the stiffer competition in motor and industrial insurance. Increased volume of 1.0% is expected in life insurance. While the recurring premiums should rise 4.6%, a decline of roughly 10%, as in 2007, is expected in the area of singe premiums.

Gradual calming of the financial markets

In particular, long-term yields on the European capital markets may fall due to the slowing growth. The money market interest rates should decrease further in the euro zone and the USA over the course of the year. After the decision in January 2008 to lower the base interest rate by a total of 125 basis points to 3.0%, in order to shore up the American economy, the US central bank as well as the European Central Bank may loosen up on monetary policy over the course of the year, despite growing inflation risks.

The international stock markets will suffer from the continued uncertainty. If fears regarding drastic cooling of the American economy, a further increase in the oil price and the euro-dollar exchange rate prove unfounded, a broad recovery could occur in Europe.

The UNIQA Group

With €5,276 million of premiums, written including the savings portion of premiums from 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 €748 million is, in accordance with FAS 97 (US-GAAP), balanced out by the changes in the actuarial provision. The premium volume excluding the savings portion from the unit-linked and index-linked life insurance amounts to €4,528 million.

UNIQA in Europe

The UNIQA Group offers its products and services through all distribution channels (salaried sales force, GeneralAgencies, 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 best take 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 Zurich 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 Centres as well as the 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 the integration of acquisitions into the Group.

Investments expanded in the Ukraine and Bulgaria

At the end of 2007, UNIQA decided to expand its investment in the Ukrainian company Credo-Classic from 35.3% to 61.0%, thereby taking over a majority interest in the company. A further expansion of the investment is planned over the medium term. Credo-Classic is the sixth-largest property insurance company in the Ukraine – a market with some of the best prospects and fastest growth rates in Eastern Europe with a population of over 45 million. UNIQA is active in the life insurance business in the Ukraine with UNIQA LIFE and operates a cooperation with the Raiffeisen Bank Aval within the framework of the Preferred Partnership.

Already at the start of 2007, UNIQA strengthened its commitment in Bulgaria and increased its investment in the Vitosha Group to 62.5%. At the same time, the companies were renamed to UNIQA and the cooperation with Raiffeisen banks in Bulgaria was further intensified.

Market entrance in Albania, Macedonia and Kosovo

In December 2007, UNIQA decided to take over 45.6% of the Albanian SIGAL Group. With a market share exceeding 28%, SIGAL is the largest insurance company in Albania and also has a corresponding market presence in Macedonia and Kosovo through subsidiaries and branches. UNIQA has already been cooperating with SIGAL since March 2007, and obtained, at the start of the cooperation, a contractually fixed option to acquire a majority by 2010.

Within the framework of the cooperation, the first jointly developed products in the area of life and health insurance have already been successfully positioned on the market. The exchange of know-how should be further intensified in the future.

Founding of a property insurance company in Serbia

In 2007, UNIQA was the first insurance company in Serbia to complete the separation of product lines and founded its own specialised company for property insurance. Since the start of July 2007, UNIQA neživotno osiguranje, with its head office in Belgrade, has also offered motor insurance on the Serbian market. The experience of the entire UNIQA Group was utilised in the product design, marketing and sales measures.

In this way, the UNIQA Group has expanded its presence in Eastern and south-eastern Europe during 2007, and the Group is now active in a total of 20 European insurance markets.

Companies included in the IFRS consolidated financial statements

Along with UNIQA Versicherungen AG, the 2007 consolidated financial statements of the UNIQA Group include 35 domestic and 65 foreign companies. A total of 50 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, we included 14 domestic and two foreign companies as associates according to the equity accounting method. Ten associates were of minor importance, and their shares are recognised at market value.

The scope of consolidation of the UNIQA Group was expanded in the 2nd quarter of 2007, with the Serbian company UNIQA neživotno osiguranje a.d.o. and in the 4th quarter with UNIQA neživotno osiguranje a.d. in Montenegro, which were fully consolidated for the first time. The shares in the insurance holding company SIGAL Holding sH.A. in Albania were recognised under other shareholdings.

Details on the consolidated and associated companies are contained in the corresponding overview in the Group notes. The accounting and valuation methods used, as well as the changes in the scope of consolidation, are also explained in the Group notes.

Risk report

The comprehensive risk report of the UNIQA Group is in the 2007 Group notes (cf. Group notes, p. 60ff.).

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 lines of "property and casualty insurance", "life insurance" and "health insurance".

Group business development

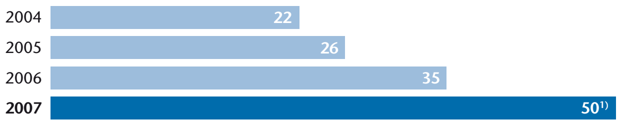
The UNIQA Group provides life and health insurance and is active in almost all lines of property and casualty insurance. With over 13 million insurance policies being managed at home and abroad, a gross premium volume written (including the savings portion of the unit-linked and index-linked life insurance) of €5.3 billion (2006: €5.1 billion) and capital investments of more than €21.5 billion (2006: €21.2 billion), the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe.

Group pre-tax results hit record level

In the 2007 financial year, the UNIQA Group was able to further improve its profits and earned a profit on ordinary activities that was 42.7% higher than the previous year at €340 million (2006: €238 million). Sales profitability was thereby increased to 8.3% (2006: 5.8%). Due to this development, the Management Board intends to propose a dividend payment of 50 cents per share to the Supervisory Board and the general assembly – an increase of 42.9% compared to the previous year.

Dividend

in cents



[1] Proposal to the Annual General Meeting.

Premium development

Taking the savings portion of the unit-linked and index-linked life insurance in the amount of €748 million (2006: €559 million) into account, the total premium volume of the UNIQA Group grew in 2007 by 3.6% to €5,276 million (2006: €5,091 million). The total consolidated premiums written in 2007 remained at the level of the previous year at €4,528 million (2006: €4,532 million). While the area of recurring premium insurance developed satisfactorily with a growth of 4.4% to €4,602 million (2006: €4,410 million), the single-premium business declined by 1.2% to €673 million (2006: €681 million). The Group premiums earned, including the savings portion of the unit-linked and index-linked life insurance (after reinsurance) in the amount of €695 million (2006: €499 million), rose by 3.7% to €4,801 million (2006: €4,629 million). The retained premiums earned (according to IFRS) declined by 0.6% to €4,106 million (2006: €4,130 million).

Premium volume written

incl. the savings portion of premiums from unit-linked and index-linked life insurance

in € million

In 2007, 41.7% of the premium volume was contributed by property and casualty insurance (2006: 40.0%), 17.2% by health insurance (2006: 17.5%) and 41.1% by life insurance (2006: 42.5%).

In Austria, premium volume written, including the savings portion from the unit-linked and index-linked life insurance, increased in 2007 by 2.8% to €3,517 million (2006: €3,420 million). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned rose by 3.4% to €3,249 million (2006: €3,143 million). The retained premiums earned (according to IFRS) in Austria amounted to €2,885 in 2007 (2006: €2,916 million).

In the growth markets of Eastern and south-eastern Europe (CEE & EEM), the premium development was noticeably accelerated in 2007. Premium volume written, including the savings portion from the unit-linked and index-linked life insurance, increased in 2007 by 27.6% to €816 million (2006: €640 million). This put the share of Group premiums coming from CEE & EEM at 15.5% (2006: 12.6%). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned rose by 25.0% to €760 million (2006: €608 million). The retained premiums earned (according to IFRS) grew by 19.8% to €627 million (2006: €523 million).

In the Western European Markets (WEM), the premiums written in 2007 decreased by 8.7% to €942 million (2006: €1,031 million) due to the decline in the single-premium business. On the other hand, recurring premiums developed positively and grew by 4.5% to €688 million (2006: €658 million). Overall, the share in Group premiums in 2007 was 17.9% (2006: 20.3%). Including the savings portion from the unit-linked and index-linked life insurance, the premiums earned decreased by 9.7% to €793 million (2006: €878 million). The retained premiums earned (according to IFRS) fell by 13.9% to €594 million (2006: €690 million).

Developments in insurance benefits

The insurance benefits before reinsurance of the UNIQA Group decreased in 2007 by 1.1% to €3,897 million (2006: €3,939 million). The consolidated retained insurance benefits even decreased last year by 3.2% to €3,597 million (2006: €3,716 million).

Insurance benefits

in € million

While the insurance benefits in Austria declined by 2.2% to €2,744 million (2006: €2,807 million), and in Western European Markets (WEM) by as much as 15.3% to €493 million (2006: €583 million), the insurance benefits in the Central and Eastern European regions (CEE & EEM) increased due to the rise in premium volume. Compared with the premium volume, however, they rose only moderately by 12.0% to €365 million (2006: €326 million).

Operating expenses

Total consolidated operating expenses (cf. Group notes, no. 36) less reinsurance commissions and profit shares from reinsurance business ceded (cf. Group notes, no. 32) increased in the 2007 financial year by 9.2% to €1,056 million (2006: €967 million). Acquisition expenses before the change in deferred acquisition costs rose by 6.4% to €812 million (2006: €763 million). Taking into account the change in deferred acquisition costs, which represented an additional expense of €36 million in 2007 compared to the previous year, the acquisition expenses grew by 12.0% to €794 million (2006: €708 million). Other operating expenses less reinsurance commissions received rose only moderately by 1.4% to €262 million (2006: €258 million), in comparison with the increase in premium volume thanks to the cost-reduction measures implemented as part of the profit improvement programme.

In 2007, 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 22.0% (2006: 20.9%) due to an increase in expenses due to the change in deferred acquisition costs and lower reinsurance commissions received. Adjusted for the change in deferred acquisition costs, the cost ratio rose only slightly in 2007 to 22.4% (2006: 22.1%). The administrative cost ratio decreased in 2007 to 5.5% (2006: 5.6%).

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 in 2007 by 1.8% to €21,544 million (2006: €21,155 million).

Investments

in € million

Net income from investments less financing costs rose by 10.4% to €955 million (2006: €865 million). This result can, primarily, be attributed to two effects: On the one hand, UNIQA benefited from exceptional profit through two capital increases by STRABAG SE in 2007, and was thereby able to increase the profit from associated companies to €303 million (2006: €45 million). On the other hand, the investment results in the second half of the year were influenced by the sub-prime crisis and the resulting expansion of the risk surcharges for refinancing in all credit markets and credit classes. The negative developments on the credit markets, among asset-backed securities (ABS) and on the stock markets, were only partially compensated for by falling interest rates in the bond markets. The negative performance of the ABS portfolio due to the sub-prime crisis and its revaluation ("mark-to-market") based on the drastically reduced liquidity encumbered the investment results with approximately €127 million – of which €101 million falls in the sub-prime area.

A detailed description of the investment income can be found in the Group notes. (cf. Group notes, No. 33)

Own funds and total assets

The UNIQA Group's total equity increased in 2007 by €202 million to €1,532 million (31 Dec. 2006: €1,330 million). This included shares in other companies amounting to €196 million (31 Dec. 2006: €207 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 2007) – rose significantly in the past financial year to 26.2% (2006: 20.8%). The total assets of the Group increased in the past financial year by 4.1% and totalled €25,589 million on 31 December 2007 (31 Dec. 2006: €24,587 million).

Cash flow

The cash flow from operating activities in 2007 was 846 million (2006: €1,237 million). Cash flow from investing activities of the UNIQA Group amounted to €–510 million (2006: €–1,280 million). There was an outflow of cash due to the acquisition of companies of €–53 million (2006: €–160 million). The financing cash flow in 2007 was €51 million (2006: €101 million). A total of €42 million were spent on the dividends from the 2006 financial year. The amount of liquid funds changed in total by €384 million (2006: €71 million). At the end of 2007, funds amounting to €647 million (2006: €263 million) were available.

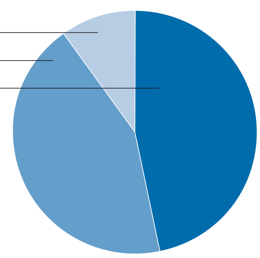
Employees

The average number of employees in the UNIQA Group increased in 2007 to 10,997 (2006: 10,748). Of these, 4,273 (2006: 3,957) were in employed in sales and 6,724 (2006: 6,791) in administration. In the Eastern Emerging Markets (EEM), UNIQA employed a staff of 864 in 2007 (2006: 547), 2,987 people (2006: 2,930) in Central Eastern Europe (CEE) and 982 (2006: 989) in the Western European Markets (WEM). In Austria, 6,164 staff were employed (2006: 6,282). Including the employees of the GeneralAgencies working exclusively for UNIQA, the total staff of the UNIQA Group amounts to over 15,800 persons.

Staff by region

incl. employees of GeneralAgencies

1,555	WEM
6,866	Austria
7,395	CEE & EEM



Slightly over half of the administrative staff employed in Austria in 2007 were women, 18.2% (2006: 17.6%) of the employees were part-time. The average age in the past year was 42 years (2006: 43 years). In total, 10.5% (2006: 11.1%) of the managers participated in UNIQA's result-oriented remuneration system – a variable payment system that is tied both to the success of the company and to personal performance. In addition, the new UNIQA apprentice exchange programme offers young people in training the opportunity to get to know foreign cultures and make international contacts.

Business lines

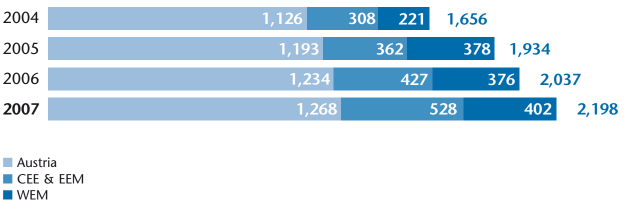
Property and casualty insurance

Premium development

Due to the extremely positive development in the year 2007, the UNIQA Group was able to increase its premiums written by 7.9% to €2,198 million (2006: €2,037 million). Despite the sometimes intense competition situation, in the automotive segments in particular, the premium volume in Austria increased by 2.8% to €1,268 million (2006: €1,234 million). In the Central and Eastern European regions (CEE & EEM), the rapid growth continued in 2007 as well. The premiums written grew by 23.6% to €528 million (2006: €427 million), thereby contributing 24.0% (2006: 21.0%) to the Group premiums in property and casualty insurance. However, considerable growth was also achieved in the Western European markets (particularly in Italy and Germany), with premiums written in this region rising by 6.9% to €402 million (2006: €376 million). Overall, the international share of Group premiums in this segment was 42.3% (2006: 39.4%).

Premium volume written in property and casualty insurance

in € million



Details on premium volume written in the most important risk classes can be found in the Group notes (cf. Group notes no. 30).

The retained premiums earned (according to IFRS) in casualty and property insurance totalled €1,858 million at the end of the year (2006: €1,716 million) – representing an increase of 8.3%.

Property and casualty insurance segment	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	2,198	2,037	1,934	1,656
Share CEE & NEEM	24.0%	21.0%	18.7%	18.6%
Share WEM	18.3%	18.5%	19.6%	13.4%
International share	42.3%	39.4%	38.3%	32.0%
Premiums earned (net)	1,858	1,716	1,628	1,394
Net investment income	258	141	131	89
Insurance benefits	–1,251	–1,130	–1,106	–908
Net loss ratio (after reinsurance)	67.3%	65.9%	68.0%	65.1%
Gross loss ratio (before reinsurance)	67.9%	64.1%	66.4%	63.6%
Operating expenses less reinsurance commissions	–606	–569	–553	–479
Cost ratio (after reinsurance)	32.6%	33.2%	34.0%	34.4%
Administrative cost ratio (net after reinsurance)	8.6%	9.2%	9.4%	8.4%
Net-Combined ratio (after reinsurance)	99.9%	99.0%	101.9%	99.5%
Gross-Combined ratio (before reinsurance)	98.7%	95.4%	98.2%	95.8%
Profit on ordinary activities	238	129	81	59
Net profit	193	104	54	53

Developments in insurance benefits

Due to the storm losses over the course of the year and reserve-strengthening measures, the total retained insurance benefits increased in 2007 by 10.7% to €1,251 million (2006: €1,130 million). Insurance benefits increased in Austria by 7.0% to €765 million (2006: €715 million) and in Western European countries by 20.5% to €215 million (2006: €178 million) as a result of an accumulation of major losses. In the Central and Eastern European regions (CEE & EEM), insurance benefits were up only moderately – compared with the rise in business volume – by 14.7% to €237.2 million (2006: €272 million).

As a result of this development and despite the continued, consistent implementation of reorganisation measures and risk-oriented underwriting policies, the net loss ratio (retained insurance benefits relative to premiums earned) increased by 1.4 percentage points to 67.3% (2006: 65.9%). The gross loss ratio (before reinsurance) at the end of 2007 was 67.9% (2006: 64.1%). In Austria, the net loss ratio for the past financial year was 70.2% (2006: 67.9%) and in Western Europe 73.1% (2006: 67.2%), while in the CEE & EEM regions it amounted to 57.3% (2006: 59.7%).

The level of reserves in property and casualty insurance (retained technical provisions in relation to earned premiums) rose slightly again in 2007, reaching 112.2% at the end of the year (2006: 110.9%).

Operating expenses, combined ratio

The total operating expenses less reinsurance commissions and profit shares from reinsurance business ceded increased in the property and casualty segment by 6.5% to €606 million (2006: €569 million) representing a lower rate of increase than the premiums. In the process, acquisition costs rose in line with premium income by 8.1% to €445 million (2006: €412 million), while other operating expenses increased only moderately by 2.1% to €160 million (2006: €157 million).

The cost ratio in property and casualty insurance sank in the past financial year to 32.6% (2006: 33.2%). The administrative cost ratio also declined 8.6% (2006: 9.2%). However, the net combined ratio increased due to the rise in the loss ratio and was at 99.9% in 2007 (2006: 99.0%). The combined ratio before reinsurance was 98.7% (2006: 95.4%). Excluding the losses from the storm "Kyrill", the net combined ratio was 99.2%, placing it only slightly above the level of the previous year. The adjusted combined ratio before reinsurance was 95.9%.

Investment results

The net income from investments less financing costs increased in the past financial year by 83.4% to €258 million (2006: €141 million), primarily due to the exceptional profits from the capital increases of STRABAG SE. The capital investments in property and casualty insurance increased by 7.4% to €3,590 million (2006: €3,343 million).

Profit on ordinary activities, net profit

Profit on ordinary activities increased in property and casualty insurance in 2007 by 85.0% to €238 million (2005: €129 million). Net profit was up by 86.2% to €193 million (2006: €104 million).

Health insurance

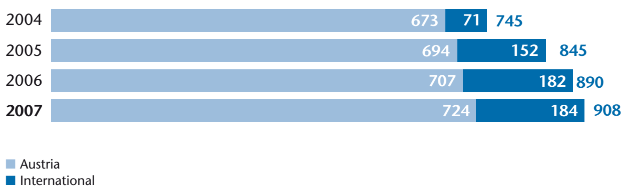
Premium development

In comparison to the previous year, premiums written in health insurance increased by 2.0% to €908 million (2006: €890 million). In Austria, where UNIQA is the clear market leader, premiums of €724 million were achieved in 2007 (2006: €707 million). This was an increase of 2.3%. In the WEM region, health insurance premiums remained below the level of the previous year at €180 million (2006: €180 million). In the countries of Eastern and south-eastern Europe, private health insurance continued to play a subordinate role, with premiums income of €4 million (2006: €3 million). Overall, the international share in the total health insurance premiums in 2007 was 20.3% (2006: 20.5%).

In 2007, the retained premiums earned in health insurance totalled €906 million at the end of the year (2005: €887 million), amounting to an increase of 2.1%.

Premium volume written in health insurance

in € million



Health insurance segment	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	908	890	845	745
International share	20.3%	20.5%	17.9%	9.6%
Premiums earned (net)	906	887	849	742
Net investment income	134	114	101	81
Insurance benefits	–811	–806	–773	–675
Acquisition expenses less reinsurance commissions	–129	–137	–131	–119
Cost ratio (net after reinsurance)	14.3%	15.4%	15.4%	16.1%
Administrative cost ratio	4.8%	5.6%	6.2%	7.1%
Profit on ordinary activities	96	54	41	24
Net profit	72	35	35	20

Developments in insurance benefits
Despite the increased business volume, insurance benefits only rose marginally by 0.7% to €811 million (2006: €806 million). This lowered the benefits ratio after reinsurance to 89.6% (2006: 90.9%). In Austria, insurance benefits also exhibited only moderate growth in comparison with the increase in premiums, increasing by 0.6% to €649 million (2006: €644 million). The insurance benefits in the international markets also hardly increased and totalled €163 million in 2007 (2006: €161 million).

Operating expenses
Total operating expenses less reinsurance commissions and profit shares from reinsurance business ceded fell significantly in 2007 by 5.5% to €129 million (2006: €137 million). Acquisition expenses declined by 1.1% to €86 million (2006: €87 million). Other operating expenses for health insurance decreased even more significantly by 13.2% to €43 million (2006: €50 million) despite the increase in premium volume. As a result of this development, the cost ratio in health insurance decreased in 2007 to 14.3% (2006: 15.4%). The administrative cost ratio decreased to 4.8% (2006: 5.6%).

Investment results
Net income from investments less financing costs rose in 2007 by 17.3% to €134 million (2006: €114 million). In the health insurance segment, capital investments grew by 1.0% to €2.087 million (2006: €2,067 million).

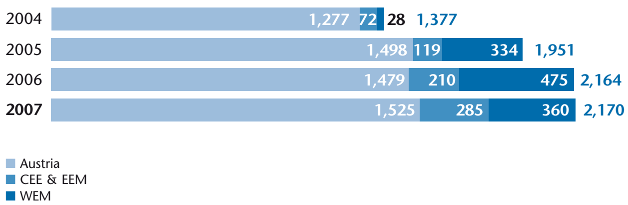
Profit on ordinary activities, net profit
Profit on ordinary activities in health insurance rose again in the reporting year by 79.7% to €96 million (2006: €54 million). Net profit was up by 107.3% to €72 million (2006: €35 million).

Life insurance

Premium development
The life insurance premium volume written, including the savings portion from the unit-linked and index-linked life insurance, increased in 2007 by 0.3% to €2,170 million (2006: €2,164 million). Revenues from policies with recurring premium payments rose by 0.9% to €1,497 million (2006: €1,483 million). In the single-premium business, the classic single premiums decreased by 39.1% to €221 million (2006: €363 million), while the single premiums in the area of unit-linked life insurance climbed by 41.9% to €452 million (2006: €318 million). Overall, the single-premium business declined by 1.2% to €673 million (2006: €681 million).

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

in € million



Although the premium development in Austria was encumbered by the loss of premium income from contracts with a reduced payment term once again in 2007, the premium volume still rose by 3.1% to €1,525 million (2006: €1,479 million), due to the continued growth in unit-linked life insurance products. The income from contracts with recurring premium payment remained at the level of the previous year at €1,285 million (2006: €1,287 million). The single-premium business increased in the past financial year by 25.7% to €241 million (2006: €191 million) – driven by the single premiums in unit-linked life insurance. The Group companies in the Central and Eastern European regions (CEE & EEM) enjoyed significantly greater growth in the life insurance segment. The premium volume written, including the savings portion from the unit-linked and index-linked life insurance, increased by 35.4% to €285 million (2006: €210 million). The share of life insurance from these countries thus already amounted to 13.1% in 2007 (2006: 9.7%). In Western European Markets (WEM), on the other hand, premium volumes decreased by 24.3% to €360 million (2006: €475 million), due to the decline in the single-premium business in Italy. In contrast, the recurring premium volumes saw satisfactory developments with a growth of 3.4% to €106 million (2006: €103 million). Overall, the WEM region contributed 16.6% (2006: 22.0%) 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 €86 million in 2007 (2006: €67 million). The savings portion of the unit-linked and index-linked life insurance lines amounted to €748 million (2006: €559 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 €695 million (2006: €499 million), the premiums earned in life insurance rose by 0.5% to €2,037 million (2006: €2,027 million). The retained premiums earned (according to IFRS) fell by 12.1% in 2007 to €1,342 million (2006: €1,527 million).

Life insurance segment	2007 € million	2006 € million	2005 € million	2004 € million
Premiums written	1,422	1,605	1,591	1,199
Savings portion of premiums from unit-linked and index-linked life insurance	748	559	360	178
Premiums written incl. savings portion of premiums from unit-linked and index-linked life insurance	2,170	2,164	1,951	1,377
Share CEE & NEEM	13.1%	9.7%	6.1%	5.2%
Share WEM	16.6%	22.0%	17.1%	2.1%
International share	29.7%	31.7%	23.2%	7.3%
Premiums earned (net)	1,342	1,527	1,523	1,166
Savings portion of premiums from unit-linked and index-linked life insurance (net after reinsurance)	695	499	311	129
Premiums earned (net) incl. the savings portion of premiums from unit-linked and index-linked life insurance	2,037	2,027	1,834	1,295
Net investment income	563	610	731	580
Insurance benefit	–1,534	–1,780	–1,898	–1,451
Operating expenses less reinsurance commissions and change in deferred acquisition costs	–328	–304	–284	–253
Cost ratio	16.1%	15.0%	15.5%	19.6%
Other operating expenses less insurance commissions	–321	–261	–244	–231
Cost ratio (net after reinsurance)	15.7%	12.9%	13.3%	17.8%
Administrative cost ratio (net after reinsurance)	2.9%	2.6%	4.2%	5.6%
Profit on ordinary activities	5	56	69	39
Net profit	4	37	44	29

Developments in insurance benefits
The retained insurance benefits saw heavy declines out of proportion with the decline in earned premiums, falling by 13.8% to €1,534 million (2006: €1,780 million). Insurance benefits also decreased in Austria by 8.5% to €1,326 million (2006: €1,448 million). While insurance benefits in Western Europe (WEM) decreased by as much as 51.6% to €118 million (2006: €244 million), they increased in Central and Eastern Europe (CEE & EEM) by only 3.7% to €91 million (2006: €87 million) despite the strong premium growth.

Operating expenses
Total operating expenses in life insurance less reinsurance commissions and profit shares from reinsurance business ceded rose in 2007 by 22.7% to €321 million (2006: €261 million). Acquisition expenses increased by 25.1% to €262 million (2006: €210 million) due to the satisfactory new business volume. In line with the development of new business, an increase in expenses due to the change in deferred acquisition costs in the amount of €36 million was also observed in 2007. Reinsurance commissions received decreased by €10 million to €11 million (2006: €21 million), while other operating expenses increased by 13.0% to €58 million (2006: €52 million). As a result of this development, the cost ratio in life insurance, i.e. the relation of all claims incurred to the Group premiums earned, including the savings portion from the unit-linked and index-linked life insurance, rose to 15.7% (2006: 12,9%). Adjusted for the change in deferred acquisition costs, the cost ratio in 2007 was 16.1% (2006: 15.0%). The administrative cost ratio increased slightly to 2.9% (2006: 2.6%).

Investment results
The net income from investments less financing costs declined in the reporting year by 7.7% to €563 million (2006: €610 million), due in part to consequences of the sub-prime crisis). The capital investments, including the investments for unit-linked and index-linked life insurance, increased in 2007 by 0.8% to €15,867 million (2006: €15,745 million).

Profit on ordinary activities, net profit
Due to the declining investment income and the profit-sharing allocations far exceeding the statutory requirements, the profit on ordinary activity in life insurance fell to €5 million (2006: €56 million). Net profit was down to €4 million (2006: €37 million).

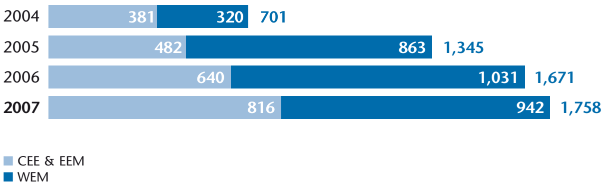
International markets

The international premium volume of the UNIQA Group, including the savings portion from unit-linked and index-linked life insurance, rose in 2007 by 5.2% to €1,758 million (2006: €1,671 million), primarily, as a result of the strong organic growth of the companies in Eastern and south-eastern Europe. This brought the international share of Group premiums up to 33.3% (2006: 32.8%).

International premium volume written in life insurance

incl. the savings portion of premiums from unit-linked and index-linked life insurance

in € million



Including the savings portion from the unit-linked and index-linked life insurance (after reinsurance), the premiums earned increased by 4.5% to €1,552 million (2006: €1,486 million). The retained premiums earned (according to IFRS) increased by 0.6% to €1,221 million (2006: €1,213 million).

Central and Eastern Europe (CEE & EEM)

The countries of Eastern and south-eastern Europe achieved very high growth rates in 2007, and were able to increase their total premiums written by 27.6% to €816 million (2006: €640 million). Due primarily to the dynamisation projects implemented in most of these countries in order to increase organic growth, the growth in 2007 was far above the growth in the respective markets. In the Eastern Emerging Markets, the premium volume grew by as much as 81.0% to €81 million (2006: €45 million). Overall, the CEE & EEM regions already contributed 15.5% (2006: 12.6%) to the Group premiums.

Western Europe (WEM)

In Western Europe, the year 2007 was characterised by the weak performance of the single-premium business in Italy. The premiums written declined as a result by 8.7% to €942 million (2006: €1,031 million). The recurring premium business improved in Italy by 4.4% to €90 million (2006: €86 million). Growth was satisfactory in Germany as well at 2.8% to €406 million (2006: €395 million). In 2007, The WEM region contributed 17.9% (2006: 20.3%) to the Group premiums.

The premium volume written, including the savings portion from 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
	2007 € million	2006 € million	2005 € million	2004 € million	2007 %
Central Eastern Europe (CEE)	735	595	482	381	13.9
Eastern Emerging Markets (EEM)	81	45	0	0	1.5
Western European Markets (WEM)	942	1,031	863	320	17.9
Total international	**1,758**	**1,671**	**1,345**	**701**	**33.3**

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

The total insurance benefits in the international Group companies increased 5.5% in 2006 to €858 million (2005: €908 million). Consolidated operating expenses less reinsurance commissions and profit shares from reinsurance business ceded rose in the past financial year by 21.1% to €419 million (2006: €346 million).

The profit on ordinary activities earned by the companies in the three regions outside of Austria declined in 2007 prior to consolidation on the basis of geographic segments (see segment reporting) to €53 million (2006: €64 million) due to the pressure on the results of UNIQA Re from storm losses and the companies being established in the EEM. This amounted to a share in the Group results of 14.2% (2006: 26.2%).

Significant events subsequent to the balance sheet date (subsequent report)

The closing for the acquisition of 45.6% of the insurance group SIGAL Holding sH.A. in Albania, took place on 12 February 2008. The increase of the investment in the Ukrainain company Credo-Classic from 35.3% to 61.0% closed on 19 February 2008.

Outlook

UNIQA's Profit Improvement Programme 2007–2010

After the successful achievement in 2007 of all goals of the Profit Improvement Programme (PIP), the PIP will be continued as planned again in 2008. The focus is on achieving a cost, claims and profit structure that is comparable to international benchmark companies. The goal of the PIP is sustained improvement in the Group's pre-tax profits to €430 million in the year 2010. The PIP is based on a number of action plans intended to secure long-term achievement of this ambitious goal.

Property and casualty insurance

UNIQA will consistently continue on its path of further improvement in technical results in the 2008 financial year as well. The goal is a sustained improvement in profit through stabilisation of the loss ratios at a low level. One focus will be the accumulation of weather extremes in recent years. Special attention will be paid in the area of elementary insurance to accounting for risk zones according to the Austrian flood risk zoning system (HORA), with regard to floods and earthquakes. Another area to be observed is the development of the loss ratios in burglary and water-damage insurance. The crime rate has slackened somewhat; however, it can hardly be considered a trend reversal. With more precise observation, it can be seen that the number of burglaries is declining, but the amount of average losses is increasing. Losses from the storms "Paula" and "Emma" in the 1st quarter of 2008 are expected to encumber the 2008 profit by approximately €30 million.

In the area of premium definition, the focus is on expanding and refining scoring models for achieving individual and risk-appropriate premium definitions. This strategy has been successfully implemented in the private segment and will also be implemented in the business segment as of 2008. In the area of legal expenses insurance, UNIQA expects to continue in 2008 its profitable growth exceeding that of the market. In 2008, Raiffeisen Versicherung will promote automotive, home and flat insurance products within the framework of the spring campaign, and will offer its advantage customers the already successful severe weather warnings within the framework of "My secure advantage".

The reduction of complexity will be an important component of the strategy for 2008. This consists of two main components – continuing with standardisation of the product world as well as optimisation of the processing procedures.

In the corporate customer business, UNIQA consciously relies on high-quality insurance protection and innovative product ideas, in order to counteract the price pressures that are clearly noticeable in this segment. For example, we concluded a framework agreement in 2007 with the Austrian Association of Real Estate Trustees, in order to insure the liability of this professional group, for which mandatory insurance is required by law as of the first half of 2008.

UNIQA offers risk management against legionnaires' disease to the hospitals we insure, in order to set new standards in this area and to offer our policy holders the highest quality of insurance protection. In the area of alternative energy, UNIQA is planning to develop a combined property and liability insurance product during 2008, in order to offer simple and customised insurance solutions in these areas for this future technology.

In corporate customer business, such as the SuccessPartnership, a customer advantage programme with a selection of supplemental services for freelancers, farmers and small and medium-sized businesses will be strongly promoted. Over 7,000 new partnerships are expected for the first full year. This service and customer loyalty instrument should reduce cancellation rates and bind customers more strongly to UNIQA through the claims-based SuccessBonus. Cross-selling will be heavily expanded in the corporate customer business through additional trainings and centrally supported campaigns.

Health insurance

One of the hot topics during the last few months of the year 2007 was the implementation of the unisex directive. Nearly the entire product range was recalculated in order to comply with the requirement of distributing the costs associated with pregnancy equally among men and women, for all contracts concluded as of 1 December 2007. The redesign was used as an occasion for some product improvements that will enter into effect in the year 2008. The protection and service concept of the core product "special class insurance" was expanded with the following new features:

- At the customer's request, UNIQA will organise and pay for a "second opinion" before planned operations, in order to assure the patient that the planned intervention is, in fact, medically indicated.
- In event of the unexpected death of a close relative or upon receipt of a dramatic diagnosis (e.g. cancer), the customer has the right to a therapeutic crisis intervention. Diagnosis with cancer not only results in coverage of the treatment costs but also payment of a lump sum benefit.

The idea of allowing health insurance to grow along with the various needs of different phases of life was introduced with the product "FirstCare". The coverage ranges here from costs for the accompaniment of small children in hospital to accident costs for youths to serious illnesses in adults, with the added option of a discounted switch to full special-class insurance. The further development of the life-cycle concept and the associated additional flexibility of the health insurance protection will be key points for the current year.

This will also be one of the answers of Mannheimer Krankenversicherung AG, a member of the UNIQA Group, to the health reform being realised this year in Germany. Mannheimer Krankenversicherung will, in this way, continue its path as an innovative service-oriented insurance company in the premium segment.

The "Expatriate" product concept developed according to plan during 2007 and now available, will be important for the entire UNIQA Group. This product allows individually customised insurance solutions to be offered to people who will be living abroad temporarily for periods longer than a year, with the inclusion, if desired, of corresponding follow-on insurance after the end of the time abroad. Particularly for people who were already insured with UNIQA, the opportunity to return to this insurance without disadvantages is of great importance. The option for Austrian companies to insure even their non-Austrian employees while working abroad is also worth highlighting. Especially in high-level management positions, optimal coverage in the event of an illness is a "fringe benefit" in high demand, and a decisive competitive advantage in the Central and Eastern European employment market.

The big breakthrough toward a developed private health insurance market in Eastern and south-eastern Europe is still not in sight for 2008. Regardless of this, UNIQA is evaluating selected markets for the implementation of a product concept that combines services and insurance protection at various levels in cooperation with health care service providers, as well as with institutions not yet established.

Life insurance

The UNIQA Group offers a comprehensive selection of classic and unit-linked life insurance products as well as private nursing care insurance.

One focus of the UNIQA sales and marketing activities in 2008 will be the innovative product FlexSolution, which is being realised within the framework of the new future provisions platform and combines the advantages of classic and unit-linked life insurance within a single contract. The future provisions solution accompanies the customer throughout his or her life and can be flexibly adapted to changed life circumstances and customer needs, making it an optimal solution for actively reacting to life cycles or a specific market situation.

Private insurance companies and state-subsidised future provisions will also be extremely important during 2008. UNIQA is always "in tune with the times" and develops new products and product features:

- Expansion of the future provisions platform with additional product modules for all sales channels will be a focal issue in 2008.
- Differentiation between smokers and non-smokers will be a premium-determining factor, among others, in the rate definition for life insurance policies.
- As of mid-year, nursing care insurance will be offered in a variant with a constant premium dynamic, i.e. the entry premium is lower and increases by fixed values up to age 65. This means a convenient entry premium specially for young customers.

As bank insurer for the Austrian Raiffeisen banks, Raiffeisen Versicherung will reintroduce Raiffeisen personal protection in March 2008. This product, introduced as an innovation to the Austrian insurance market in 1983, combines life insurance and casualty insurance with special advantages. Raiffeisen personal protection is specially oriented toward target groups who would like to secure their credit and establish provisions for the future at the same time.

Some flexible and customer-oriented offers are also planned within the comprehensive life insurance product line. These include dynamisation of capital insurance contracts with an arbitrary percentage and arbitrary years, as well as the option of flexibly selectable mixed life insurance protection. This variant is particularly intended for the 20- to 40-year-old target group, who would like to secure credit and provide for the future. The future provisions can be continuously adapted to the customer's individual life circumstances.

At the end of the first half of 2008, a life insurance variant with fixed pay-out sums and instalments is planned at Raiffeisen Versicherung. This offer will be directed toward customers who would like to rely on a fixed minimum pay-out amount for their plans, or financial coverage upon ending of the contract.

Internationally, the UNIQA Group will further intensify its cooperation with the Raiffeisen bank group in Eastern and south-eastern Europe during 2008. The focus in the product area will continue to be combined banking and insurance products, as well as preparation for the staged introduction of capital-forming life insurance products. The know-how transfer in Albania will be intensified after the acquisition of 45.6% of SIGAL and the first successful placement of newly developed life insurance products on the market.

Information according to Section 243a of the Austrian Business Code

1. The share capital of UNIQA Versicherungen AG is €119,777,808 and is comprised of 119,777,808 individual no par value 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. and Collegialität Versicherung are counted together; reciprocal purchase option rights have been agreed upon.
3. Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH holds 35.24% of the share capital of UNIQA Versicherungen AG and BL Syndikat Beteiligungs Gesellschaft m.b.H. holds 31.95%.
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. According to the decision of the General Meeting of 23 May 2005, the Management Board is authorised to increase the share capital by a total of €50 million up to 30 June 2010, inclusive, with the approval of the Supervisory Board. Furthermore, on 28 April 2004, the Management Board passed a decision that UNIQA would resell already purchased own shares. The Supervisory Board of the company confirmed the decision of the Management Board in its meeting on 29 April 2004. The programme for the resale of shares entered into effect on 6 May 2004.
8. With regard to the holding company STRABAG SE, corresponding agreements with other shareholders of this holding company exist.
9. No reimbursement agreements exist.

Proposed appropriation of profit

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Business Code, report an annual net profit for the 2007 financial year of €60,036,789.70 (2006: €42,036,959.37). The Management Board shall thus recommend to the Annual General Meeting on 19 May 2008, that the annual net profit be distributed as a dividend of 50 cents on each of the 119,777,808 individual share certificates issued at the balance sheet date and entitled to receive a dividend, and that the remaining amount be carried forward to a new account.

Vienna, 7 April 2008

Konstantin Klien Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Andreas Brandstetter** 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 2007

Assets			Notes	31 Dec. 2007 € 000	31 Dec. 2006 € 000
A.	Tangible assets				
	I.	Self-used land and buildings	1	227,187	233,997
	II.	Other tangible assets	2	138,030	111,113
				365,218	**345,110**
B.	**Land and buildings held as financial investments**		3	**1,014,259**	**927,456**
C.	**Intangible assets**				
	I.	Deferred acquisition costs	4	873,462	863,430
	II.	Goodwill	5	293,458	253,064
	III.	Other intangible assets	6	39,273	47,167
				1,206,193	**1,163,661**
D.	**Shares in associated companies**		7	**506,654**	**371,998**
E.	**Investments**				
	I.	Variable-yield securities			
		1. Available for sale	8	3,969,512	3,462,337
		2. At fair value through profit or loss		975,953	1,025,332
				4,945,465	**4,487,668**
	II.	Fixed interest securities			
		1. Held to maturity		0	0
		2. Available for sale	8	10,072,617	10,634,769
		3. At fair value through profit or loss		496,638	508,599
				10,569,255	**11,143,369**
	III.	Loans and other investments			
		1. Loans	10	982,480	1,034,044
		2. Cash at credit institutions	11	649,313	802,106
		3. Deposits with ceding companies	11	118,908	105,678
				1,750,700	**1,941,827**
	IV.	Derivative financial instruments			
		1. Variable-yield derivatives	9	17,977	41,144
		2. Fixed interest derivatives	9	42,252	54,826
				60,228	**95,970**
				17,325,648	**17,668,834**
F.	**Investments held on account and at risk of life insurance policyholders**		23	**2,470,340**	**1,952,897**
G.	**Share of reinsurance in technical provisions**				
	I.	Provision for unearned premiums	18	7,902	31,031
	II.	Actuarial provision	19	408,653	384,279
	III.	Provision for outstanding claims	20	351,617	322,567
	IV.	Provision for profit-unrelated premium refunds	21	365	315
	V.	Provision for profit-related premium refunds, i.e. policyholder profit sharing	21	100	100
	VI.	Other technical provisions		3,029	2,656
			22	**771,666**	**740,947**
H.	**Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders**		23	**346,868**	**305,580**
I.	**Receivables including receivables under insurance business**		12		
	I.	Reinsurance receivables		67,795	36,298
	II.	Other receivables		695,198	634,784
	III.	Other assets		43,383	37,150
				806,377	**708,233**
J.	**Receivables from income tax**		13	**51,253**	**54,249**
K.	**Deferred tax assets**		14	**77,055**	**85,000**
L.	**Liquid funds**			**647,133**	**263,164**
Total assets				**25,588,664**	**24,587,131**

Equity and liabilities			Notes	31 Dec. 2007 € 000	31 Dec. 2006 € 000
A.	**Total equity**				
	I.	Shareholders' equity	15		
		1. Subscribed capital and capital reserves		206,305	206,305
		2. Revenue reserves		885,532	692,161
		3. Revaluation reserves		184,506	181,982
		4. Group total profit		60,037	42,037
				1,336,380	**1,122,485**
	II.	Minority interests in shareholders' equity	16	195,843	207,299
				1,532,223	**1,329,784**
B.	**Subordinated liabilities**		17	**575,000**	**475,000**
C.	**Technical provisions**				
	I.	Provision for unearned premiums	18	429,985	389,987
	II.	Actuarial provision	19	15,166,700	14,942,474
	III.	Provision for outstanding claims	20	2,191,671	2,022,881
	IV.	Provision for profit-unrelated premium refunds	21	48,231	48,027
	V.	Provision for profit-related premium refunds, i.e. policyholder profit sharing	21	389,796	752,647
	VI.	Other technical provisions		38,492	43,461
			22	**18,264,874**	**18,199,478**
D.	**Technical provisions for life insurance policies held on account and at risk of policyholders**		23	**2,412,937**	**1,911,516**
E.	**Financial liabilities**				
	I.	Liabilities from loans	24	185,900	193,526
	II.	Derivatives	9	12,342	1,209
				198,242	**194,734**
F.	**Other provisions**				
	I.	Pensions and similar provisions	25	509,541	542,418
	II.	Other provisions	26	194,272	179,900
				703,813	**722,319**
G.	**Payables and other liabilities**		27		
	I.	Reinsurance liabilities		796,780	724,329
	II.	Other payables		720,778	655,096
	III.	Other liabilities		9,483	8,232
				1,527,041	**1,387,657**
H.	**Liabilities from income tax**		28	**41,618**	**66,754**
I.	**Deferred tax liabilities**		29	**332,916**	**299,889**
Total equity and liabilities				**25,588,664**	**24,587,131**

Consolidated Income Statement

for the 2007 business year

		Notes	2007 € 000	2006 € 000
1.	**Premiums written (retained)**	30		
	a) Gross		4,527,889	4,532,137
	b) Reinsurers' share		–388,449	–372,366
			4,139,440	**4,159,771**
2.	**Change due to premiums earned (retained)**			
	a) Gross		–38,243	–31,152
	b) Reinsurers' share		5,180	1,048
			–33,063	**–30,104**
3.	**Premiums earned (retained)**	31		
	a) Gross		4,489,647	4,500,985
	b) Reinsurers' share		–383,269	–371,318
			4,106,377	**4,129,666**
4.	**Income from fees and provisions**	32		
	Reinsurance provisions and profit shares from reinsurance business ceded		**71,426**	**80,865**
5.	**Net investment income**	33	**993,005**	**890,342**
	of which profit from associated companies		303,075	45,017
6.	**Other income**	34	**37,131**	**41,884**
Total income			**5,207,939**	**5,142,757**
7.	**Insurance benefits (net)**	35		
	a) Gross		–3,891,922	–3,938,925
	b) Reinsurers' share		294,897	223,290
			–3,597,024	**–3,715,635**
8.	**Operating expenses**	36		
	a) Acquisitions costs		–793,661	–708,444
	b) Other operating expenses		–333,443	–339,361
			–1,127,104	**–1,047,805**
9.	**Other expenses**	37	**–86,569**	**–107,024**
10.	**Amortisation of goodwill**		**–19,095**	**–8,448**
Total expenses			**–4,829,792**	**–4,878,912**
11.	**Operating profit**		**378,147**	**263,845**
12.	**Financing costs**		**–37,891**	**–25,359**
13.	**Profit on ordinary activities**		**340,256**	**238,487**
14.	**Income taxes**	38	**–71,263**	**–63,422**
15.	**Net profit**		**268,993**	**175,065**
	of which consolidated profit		247,103	151,900
	of which minority interests		21,889	23,165
	Earnings per share[1] in €	15	**2.07**	**1.27**
	Average number of shares in circulation		**119,427,808**	**119,427,808**

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

Consolidated Cash Flow Statement

for the 2007 business year

	2007 € 000	2006 € 000
Net profit including minority interests		
Net profit	268,993	175,065
of which interest and dividend payments	3,378	54,651
Minority interests	–21,889	–23,165
Change in technical provisions	494,741	1,372,731
Change in deferred acquisition costs	–10,032	–55,965
Change in amounts receivable and payable from direct insurance	58,399	53,830
Change in other amounts receivable and payable	–61,491	121,029
Change in securities at fair value through profit or loss	97,082	–184,484
Realised gains/losses on the disposal of investments	–144,154	–468,225
Depreciation/appreciation of other investments	185,077	211,661
Change in provisions for pension and severance payments	–32,878	19,291
Change in deferred tax assets/liabilities	37,881	13,542
Change in other balance sheet items	465	–5,714
Change in goodwill and intangible assets	–32,078	1,737
Other non-cash income and expenses as well as accounting period adjustments	6,067	5,638
Net cash flow from operating activities	**846,183**	**1,236,972**
of which cash flow from income tax	–45,599	–115,688
Receipts due to disposal of consolidated companies and other business units	207,869	59,807
Payments due to acquisition of consolidated companies and other business units	–53,403	–159,821
Receipts due to disposal and maturity of other investments	12,125,000	9,488,763
Payments due to acquisition of other investments	–12,272,398	–10,208,539
Change in investments held on account and at risk of life insurance policyholders	–517,443	–460,656
Net cash flow used in investing activities	**–510,375**	**–1,280,446**
Change in investments on own shares	0	0
Dividend payments	–41,800	–31,051
Receipts and payments from other financing activities	92,375	131,794
Net cash flow used in financing activities	**50,575**	**100,743**
Change in cash and cash equivalents	**386,384**	**57,268**
Change in cash and cash equivalents due to foreign currency translation	–2,666	911
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	252	12,961
Cash and cash equivalents at beginning of period	263,164	192,024
Cash and cash equivalents at end of period	**647,133**	**263,164**
of which cash flow from income tax	–45,599	–115,688

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

Development of Group Equity

	Subscribed capital and capital reserves € 000	Revaluation reserve € 000	Revenue reserves including reserves for own shares € 000
Situation as at 31 Dec. 2005	**206,305**	**116,433**	**578,950**
Changes for:			
Foreign currency translation			4,962
Change in consolidation scope			
Unrealised capital gains and losses from evaluation at equity			
Dividends to shareholders			
Own shares			
Unrealised capital gains and losses from investments		65,549	
Net profit for the period			
Changes in revenue reserves			109,661
Changes in capital reserves			
Other			1,149
Situation as at 31 Dec. 2006	**206,305**	**181,982**	**694,722**
Changes for:			
Foreign currency translation			3,771
Change in consolidation scope			
Unrealised capital gains and losses from evaluation at equity			1,894
Dividends to shareholders			
Own shares			
Unrealised capital gains and losses from investments		2,524	
Net profit for the period			
Changes in revenue reserves			187,304
Changes in capital reserves			
Other			402
Situation as at 31 Dec. 2007	**206,305**	**184,506**	**888,093**

Holding of own shares € 000	Profits carried forward and net profit for the year € 000	Equity € 000	Minority interests € 000	Total equity € 000
–2,561	**31,321**	**930,449**	**203,226**	**1,133,674**
		4,962		4,962
			4,975	4,975
	–31,051	–31,051	–9,848	–40,899
		65,549	–14,218	51,331
	151,900	151,900	23,165	175,065
	–109,661			
	–473	676		676
–2,561	**42,037**	**1,122,485**	**207,299**	**1,329,784**
		3,771		3,771
			–5,355	–5,355
		1,894	244	2,137
	–41,800	–41,800	–10,304	–52,104
		2,524	–17,930	–15,406
	247,103	247,103	21,889	268,993
	–187,304			
		402		402
–2,561	**60,037**	**1,336,380**	**195,843**	**1,532,223**

Segment Balance Sheet

Classified by segment

	Property and casualty		Health	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Assets				
A. Tangible assets	220,276	202,477	15,727	15,993
B. Land and buildings held as financial investments	329,023	334,423	179,540	181,204
C. Intangible assets	323,265	284,162	215,600	215,067
D. Shares in associated companies	367,836	270,794	59,048	19,929
E. Investments	2,848,992	2,707,690	1,854,097	1,877,779
F. Investments held on account and at risk of life insurance policyholders	0	0	0	0
G. Share of reinsurance in technical provisions	350,810	346,393	2,482	2,681
H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	0	0
I. Receivables incl. receivables under insurance business	610,462	682,119	201,110	174,445
J. Receivables from income tax	21,108	26,853	3,108	1,019
K. Deferred tax assets	70,848	74,770	3,210	6,310
L. Liquid funds	105,935	95,637	157,909	15,873
Total segment assets	**5,248,556**	**5,025,318**	**2,691,832**	**2,510,300**
Equity and liabilities				
B. Subordinated liabilities	335,000	235,000	0	0
C. Technical provisions	2,435,552	2,250,311	2,348,345	2,223,393
D. Technical provisions for life insurance policies held on account and at risk of policyholders	0	0	0	0
E. Financial liabilities	169,000	185,419	1,386	0
F. Other provisions	665,029	681,973	8,833	8,195
G. Payables and other liabilities	898,741	835,028	30,103	89,747
H. Liabilities from income tax	31,472	42,667	4,614	10,414
I. Deferred tax liabilities	233,629	200,188	64,226	44,871
Total segment liabilities	**4,768,424**	**4,430,587**	**2,457,506**	**2,376,621**

	Life		Consolidation		Group	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000
	129,215	126,641	0	0	365,218	345,110
	505,697	411,829	0	0	1,014,259	927,456
	667,328	664,432	0	0	1,206,193	1,163,661
	79,770	81,275	0	0	506,654	371,998
	12,792,992	13,294,902	–170,433	–211,537	17,325,648	17,668,834
	2,470,340	1,952,897	0	0	2,470,340	1,952,897
	418,374	391,873	0	0	771,666	740,947
	346,868	305,580	0	0	346,868	305,580
	431,821	417,502	–437,017	–565,834	806,377	708,233
	27,036	26,377	0	0	51,253	54,249
	2,997	3,921	0	0	77,055	85,000
	383,289	151,653	0	0	647,133	263,164
	18,255,725	**17,828,884**	**–607,449**	**–777,372**	**25,588,664**	**24,587,131**
	270,000	270,000	–30,000	–30,000	575,000	475,000
	13,485,296	13,726,250	–4,319	–476	18,264,874	18,199,478
	2,412,937	1,911,516	0	0	2,412,937	1,911,516
	49,222	51,930	–21,366	–42,615	198,242	194,734
	29,952	32,150	0	0	703,813	722,319
	1,148,799	1,166,519	–550,602	–703,637	1,527,041	1,387,657
	5,532	13,673	0	0	41,618	66,754
	35,060	54,829	0	0	332,916	299,889
	17,436,798	**17,226,866**	**–606,287**	**–776,728**	**24,056,441**	**23,257,347**
				Equity and minority interests	1,532,223	1,329,784
				Total equity and liabilities	**25,588,664**	**24,587,131**

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	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000
1. a) Gross premiums written	2,199,785	2,039,463	907,761	889,801
1. Premiums written (retained)	1,887,344	1,742,395	906,356	887,825
2. Change due to premiums earned (retained)	–32,238	–27,561	–736	–2,008
3. Premiums earned (retained)	1,855,105	1,714,834	905,620	885,817
4. Income from fees and provisions	63,482	60,440	106	414
5. Net investment income	278,876	148,292	137,181	115,804
6. Other income	29,961	38,120	1,047	1,336
7. Insurance benefits	–1,253,528	–1,132,322	–811,254	–804,974
8. Operating expenses	–667,457	–632,131	–127,892	–136,602
9. Other expenses	–45,970	–60,985	–3,285	–5,671
10. Amortisation of goodwill	–4,688	0	0	0
11. Operating profit	255,780	136,247	101,522	56,125
12. Financing costs	–23,276	–10,774	0	0
13. Profit on ordinary activities	**232,504**	**125,474**	**101,522**	**56,125**
14. Income taxes	–45,386	–25,191	–24,425	–18,919
15. Net profit	**187,118**	**100,282**	**77,097**	**37,206**
of which consolidated profit	179,418	93,641	55,813	27,490
of which minority interests	7,700	6,641	21,284	9,716

Impairment by segment

	Property and casualty		Health	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000
Goodwill				
Change in impairment for current year	–4,689	0	0	0
of which reallocation affecting income	–4,689	0	0	0
Investments				
Change in impairment for current year	–50,359	–21,105	–17,063	–11,424
of which reallocation/reinstatement of original values affecting income	–50,359	–21,105	–17,063	–11,424

Life		Consolidation		Group	
2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
1,422,398	1,605,224	–2,054	–2,351	4,527,889	4,532,137
1,342,880	1,527,607	2,861	1,944	4,139,440	4,159,771
–480	–200	391	–335	–33,063	–30,104
1,342,401	1,527,407	3,252	1,609	4,106,377	4,129,666
11,484	22,088	–3,646	–2,078	71,426	80,865
579,318	626,283	–2,369	–38	993,005	890,342
7,283	7,156	–1,160	–4,728	37,131	41,884
–1,534,497	–1,779,823	2,255	1,484	–3,597,024	–3,715,635
–332,376	–284,125	622	5,052	–1,127,104	–1,047,805
–37,792	–39,123	479	–1,244	–86,569	–107,024
–14,407	–8,448	0	0	–19,095	–8,448
21,412	71,415	–567	58	378,147	263,845
–14,615	–14,585	0	0	–37,891	–25,359
6,797	**56,830**	**–567**	**58**	**340,256**	**238,487**
–1,452	–19,311	0	0	–71,263	–63,422
5,345	37,518	–567	58	268,993	175,065
12,440	30,711	–567	58	247,103	151,900
–7,095	6,807	0	0	21,889	23,165

Life		Consolidation		Group	
2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
0	0	0	0	–4,689	0
0	0	0	0	–4,689	0
–138,422	–102,607	0	0	–205,844	–135,136
–138,422	–102,607	0	0	–205,844	–135,136

Classified by region

	Premiums earned (retained)		Net investment income	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000
Austria	**2,889,769**	**2,919,866**	**863,864**	**763,497**
Other Europe	**1,213,356**	**1,208,191**	**138,176**	**133,331**
Western Europe	**797,053**	**852,153**	**90,754**	**93,249**
Italy	193,335	306,581	48,817	47,240
Germany	288,006	272,000	29,188	36,439
Switzerland	311,286	266,707	9,612	6,173
Liechtenstein	4,426	6,864	3,026	3,397
The Netherlands	0	0	110	0
Eastern Europe	**416,303**	**356,039**	**47,422**	**40,082**
Poland	139,939	134,495	12,844	11,005
Hungary	86,788	71,077	20,953	18,704
Czech Republic	77,084	64,345	5,176	5,049
Bulgaria	40,086	35,764	1,408	639
Slovakia	37,643	29,945	2,986	2,119
Croatia	11,815	9,117	995	797
Bosnia and Herzegovina	9,800	8,519	799	550
Others	13,147	2,776	2,260	1,218
Total before consolidation	**4,103,125**	**4,128,058**	**1,002,039**	**896,828**
Consolidation (based on geographic segments)	3,252	1,609	–9,035	–6,486
In the consolidated financial statements	**4,106,377**	**4,129,666**	**993,005**	**890,342**

The presentation of the investment income and the profit on ordinary activities by region has been adjusted for the effects from the capital consolidation included in the investment income. Accordingly, the consolidation based on geographic segments comprises the expenses and income consolidation from operative business between Group companies.

	Insurance benefits		Operating expenses		Profit on ordinary activities	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
	–2,725,751	**–2,813,002**	**–671,928**	**–665,495**	**323,012**	**181,531**
	–844,771	**–904,118**	**–575,905**	**–483,890**	**53,399**	**64,461**
	–598,276	**–681,971**	**–332,512**	**–293,222**	**11,767**	**25,885**
	–160,667	–275,827	–78,653	–72,833	4,400	13,691
	–222,918	–221,314	–127,864	–115,844	4,024	8,960
	–209,950	–177,073	–123,622	–102,099	3,021	3,339
	–4,741	–7,757	–2,374	–2,446	212	–104
	0	0	0	0	110	0
	–246,495	**–222,146**	**–243,393**	**–190,668**	**41,632**	**38,575**
	–102,632	–98,310	–59,877	–56,083	7,817	8,376
	–34,682	–34,889	–66,732	–48,479	20,314	19,375
	–40,445	–35,531	–45,000	–37,548	13,086	9,145
	–25,676	–22,482	–24,670	–15,072	–2,259	–602
	–19,981	–17,429	–23,821	–19,322	7,341	3,873
	–7,767	–5,845	–8,772	–7,360	–99	–140
	–5,997	–5,657	–4,687	–4,613	146	–1,002
	–9,314	–2,004	–9,834	–2,190	–4,714	–449
	–3,570,521	**–3,717,119**	**–1,247,833**	**–1,149,385**	**376,412**	**245,992**
	–26,503	1,484	120,729	101,580	–36,156	–7,505
	–3,597,024	**–3,715,635**	**–1,127,104**	**–1,047,805**	**340,256**	**238,487**

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 Business 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. No early application of modified standards was performed.

Since 2005, UNIQA Versicherungen AG has applied IFRS 4 published in 2004 for insurance contracts. 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 prepared therefore, 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 life insurance with profit sharing, FAS 120 was observed; FAS 60 was applied for specific items in health, property and casualty insurance, and FAS 113 for reinsurance. Unit-linked life insurance, for which the policyholder bears the investment risk, was accounted for in accordance with FAS 97.

The disclosures required according to IFRS 7 as of 1 January 2007, are included for the first time in this report. In addition to the presentation of securities in “Held to maturity”, “Available for sale”, “At fair value through profit or loss” and “Derivative financial instruments (held for trading)” as already performed in previous years, the additional disclosures for securities available for sale are reported for the following investment categories, which were utilised for the internal risk report:

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

Under receivables including receivables under reinsurance operations, there is additional information on overdue receivables with values that have not yet been corrected.

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. Fifty affiliated companies did not form part of the consolidated Group. They were of only minor significance, even if taken together, for the presentation of a true and fair view of the Group’s assets, financial position and income. The scope of consolidation therefore contains – in addition to UNIQA Versicherungen AG – 34 domestic and 65 foreign subsidiaries in which UNIQA Versicherungen AG held the majority voting rights.

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

	Date of initial inclusion	Net profit for the year in € million[1]	Acquired shares %	Acquisition costs € million	Goodwill € million
UNIQA životno osiguranje a.d. (previously Zepter osiguranje a.d.), Podgorica	1.1.2007	–0.1	100.0	0.0	0.0
UNIQA neživotno osiguranje a.d.o., Belgrade	1.4.2007	–1.3	100.0	5.0	0.0
UNIQA Real Estate Inlandsholding GmbH, Vienna	1.7.2007	0.0	100.0	0.0	0.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH, Vienna	1.7.2007	–0.2	100.0	0.0	0.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH, Vienna	1.7.2007	0.0	100.0	0.0	0.0
UNIQA Real Estate Bulgaria EOOD, Sofia	1.7.2007	0.0	100.0	0.0	0.0
UNIQA Real Estate BH nekretnine, d.o.o., Sarajevo	1.7.2007	0.0	100.0	0.0	0.0
IPM International Property Management Kft., Budapest	1.7.2007	0.4	100.0	13.6	0.0
UNIQA Real Estate Polska Sp.z.o.o., Warsaw	1.7.2007	0.0	100.0	0.0	0.0
UNIQA Real III, spol.s.r.o., Bratislava	1.7.2007	1.3	100.0	0.0	0.0
Austria Hotels Betriebs CZ r.o., Prague	1.10.2007	–0.4	100.0	0.0	0.0
UNIQA Real Estate d.o.o., Laibach	1.10.2007	0.0	100.0	0.0	0.0
UNIQA Real Estate BV, Hoofddorp	1.10.2007	0.1	100.0	0.0	0.0
“Hotel am Bahnhof” Errichtungs GmbH&Co KG, Vienna	1.10.2007	0.6	100.0	0.0	0.0
UNIQA Real Estate Bulgaria Alpha EOOD, Sofia	1.10.2007	0.0	100.0	0.0	0.0
UNIQA Real Estate P. Volfova d.o.o., Laibach	1.10.2007	0.0	100.0	0.0	0.0
UNIQA neživotno osiguranje a.d., Podgorica	1.12. 2007	0.0	99.99	2.3	0.0

[1] Net profit for the year included in the consolidated statements.

The non-life insurance company UNIQA neživotno osiguranje a.d.o. was founded in Serbia in the 2nd quarter of 2007, and the non-life insurance company UNIQA neživotno osiguranje a.d. in Montenegro in the 4th quarter of 2007. Both companies are fully consolidated.

Additionally, 9.62% of the shares in the insurance holding company SIGAL Holding sH.A. in Albania were acquired during the reporting period. These shares are reported on the balance sheet under “Other shareholdings”.

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 fourteen domestic and two foreign companies consolidated at equity; of these, ten 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 of the IASB (SIC 12), fully controlled investment funds were included in the consolidation, insofar as their fund volumes were not of minor importance when viewed singularly and in total.

Changes during the 1st quarter of 2008
UNIQA expanded its investment in the Ukrainian company Credo-Classic from 35.5% to 61.0%, thereby taking over a majority interest in the company. A further expansion of the investment is planned over the medium term. Credo-Classic is the sixth-largest property insurance company in the Ukraine. The investment in the Albanian SIGAL Group was also expanded to 45.6% in the 1st quarter of 2008. With a market share exceeding 28%, SIGAL is the largest insurance company in Albania and also has a corresponding market presence in Macedonia and Kosovo through subsidiaries and branches.

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, which 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.

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. In doing so, the cash value of all future contributions to earnings generated by the economic units is contrasted with the deferred goodwill (including a share of the equity) from a discounted perspective by applying a risk-adequate interest rate.

The group of related companies within a country are treated as an economic unit, rather than the individual company. An impairment, therefore, only applies if depreciation is deemed necessary at this level.

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

Shares in associated companies are, as a general rule, 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.

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 deliveries 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 deliveries and services within the Group are set off against the corresponding expenditure.

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 Group notes. Because of formatting to euro thousands, there may be rounding differences.

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 euros are converted at the rate on the balance sheet closing date, according to the following guidelines:

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

€ rates on balance sheet closing date	2007	2006
Swiss franc CHF	1.6547	1.6069
Slovakian koruna SKK	33.5830	34.4350
Czech koruna CZK	26.6280	27.4850
Hungarian forint HUF	253.7300	251.7700
Croatian kuna HRK	7.3308	7.3504
Polish zloty PLN	3.5935	3.8310
Bosnia and Herzegovina convertible mark BAM	1.9517	1.9581
Romanian leu (new) RON	3.6080	3.3840
Bulgarian lev (new) BGN	1.9558	1.9558
Ukrainian hrywnja UAH	7.3633	6.6631
Serbian dinar RSD	78.7950	79.8438

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
- Pension 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.

Deferred acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies, and that vary in line with that business, are capitalised and 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 deferred 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 2 to 5 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 – benchmarking method). 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 market values can be found in the Group notes under nos. 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 the 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 or on the basis of estimates of what amounts could be achieved under current market conditions in event of proper liquidation.

Mortgage loans and other loans

These are recognised at amortised costs in the balance sheet. This means that the difference between acquisition costs and the redemption amount changes the 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. A sustained impairment is assumed for variable-yield securities if the highest quoted price within the last nine months lies below the acquisition costs, or the difference of acquisition cost less market value is greater than 20%. For fixed interest securities, these two selection criteria are also applied in order to perform a precise credit quality evaluation of a sustained impairment per security for the portfolio items identified in this way. In addition, foreign exchange differentials resulting from fixedincome 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.

Deposits with credit institutions and **other investments** 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 page, 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 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 lifetime (up to a maximum of 10 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 and proceeds from transactions with UNIQA shares.

The portfolio of UNIQA 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 property, 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 a prudent and contractually agreed calculation basis.

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 where the investment risk is carried by policyholders".

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

Provision for outstanding claims

The provision for outstanding claims in the property insurance line consists of the future payment obligations determined by realistic estimation, using recognised statistical methods, taking into account current or expected volumes and 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.

Other technical provisions

This item basically contains the provision for contingent losses for acquired reinsurance portfolios as well as a provision for expected cancellations and premium 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-oriented 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 profits and losses due to changed parameters are 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.

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

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 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-linked 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 expense insurance
- Fire and business interruption insurance
- Housebreaking, burglary and robbery insurance
- Water damage insurance
- Glass insurance
- Storm insurance
- Household insurance
- Hail insurance
- Livestock insurance
- 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 Business 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 Business 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 Business 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 the Austrian Business Code, depreciation always affects income, even in the case of a temporary reduction in value and appreciations 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 Business Code.

Reinsurance
The shares of reinsurers in actuarial provisions are shown on the assets page 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 refunds. 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 a provision 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 Business Code. These are listed in detail in IAS 19. Overall, the individual differences result in greater detail than under the Austrian Business Code. This is most notably the result of the use of the project unit credit method and of the anticipation of future demographic and economic developments.

Deferred taxes
Deferred tax assets and liabilities are to be created according to IAS 12 for temporary differences 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.

Management and Supervisory Board members

Management Board

Chairman
Konstantin Klien, Vienna

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

All members of the Management Board are appointed until 30 September 2010.

Supervisory Board

Chairman
Christian Konrad, Vienna, appointed from 29 June 1990 until the 12th AGM in 2011
- 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
Herbert Schimetschek, Vienna, appointed from 15 May 2006 until the 9th AGM in 2008
- Member of the Board of Directors of SCOR, Paris

Second Vice Chairman
Walter Rothensteiner, Vienna, appointed from 3 July 1995 until the 12th AGM in 2011
- Chairman of the Supervisory Board of Raiffeisen International Bank-Holding AG, Vienna

Third Vice Chairman
Heinz Kessler, Vienna, appointed from 17 September 1999 until the 10th AGM in 2009
- Chairman of the Supervisory Board of Erste Bank der oesterreichischen Sparkassen AG, Vienna
- Vice Chairman of the Supervisory Board of Rath Aktiengesellschaft, Vienna

Fourth Vice Chairman
Karl Waltle, Bregenz
appointed from 25 June 1996 until 18 December 1996, and since 17 September 1999 until the 12th AGM in 2011

Fifth Vice Chairman
Ewald Wetscherek, Vienna, appointed from 17 September 1999 until the 12th AGM in 2011

Members
Konrad Fuchs, Maria Enzersdorf, appointed from 17 September 1999 until the 10th AGM in 2009

Erwin Hameseder, Vienna, appointed from 21 May 2007 until the 12th AGM in 2011
- Vice Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna
- Vice Chairman of the Supervisory Board of STRABAG SE, Villach
- Vice Chairman of the Supervisory Board of VK Mühlen Aktiengesellschaft, Hamburg
- Member of the Supervisory Board of Flughafen Wien Aktiengesellschaft, Vienna
- Member of the Supervisory Board of Südzucker AG Mannheim/Ochsenfurt, Mannheim

Christian Kuhn, Vienna, appointed from 15 May 2006 until the 12th AGM in 2011

Markus Mair, Graz, appointed from 15 May 2006 until the 12th AGM in 2011

Peter Püspök, Perchtoldsdorf, appointed from 17 September 1999 until 21 May 2007
- Member of the Supervisory Board of Österreichische Elektrizitätswirtschafts-Aktiengesellschaft, Vienna

Günther Reibersdorfer, Salzburg, appointed from 23 May 2005 until the 12th AGM in 2011

Georg Winckler, Vienna, appointed from 17 September 1999 until the 12th AGM in 2011
- First Vice Chairman of the Supervisory Board of Erste Bank der oesterreichischen Sparkassen AG, Vienna

Assigned by the Central Employee Council
Johann-Anton Auer, Ruprechtshofen
(since 18 February 2008)
Doris Böhm, Strasshof
Hans Hahnen, Absam
Franz Michael Koller, Graz
Friedrich Lehner, Gunskirchen
Walter Vock, Gumpoldskirchen
(until 18 February 2008)
Walter Zwiauer, Vienna

All selected members of the Supervisory Board have declared their independence under rule 53 of the Austrian Corporate Governance Code. The Supervisory Board appointments in domestic and foreign listed companies are given.

Committees of the Supervisory Board

Committee for Board Affairs
Christian Konrad (Chairman)
Herbert Schimetschek
Walter Rothensteiner
Heinz Kessler

Working Committee
Christian Konrad (Chairman)
Herbert Schimetschek
Walter Rothensteiner
Heinz Kessler
Karl Waltle
Ewald Wetscherek

Doris Böhm (assigned by the Central Employee Council)
Franz Michael Koller (assigned by the Central Employee Council)
Walter Zwiauer (assigned by the Central Employee Council)

Audit Committee
Christian Konrad (Chairman)
Herbert Schimetschek
Walter Rothensteiner
Heinz Kessler
Karl Waltle
Ewald Wetscherek

Doris Böhm (assigned by the Central Employee Council)
Franz Michael Koller (assigned by the Central Employee Council)
Walter Zwiauer (assigned by the Central Employee Council)

Investment Committee
Peter Püspök (Chairman until 21 May 2007)
Erwin Hameseder (Chairman since 21 May 2007)
Konrad Fuchs (Vice Chairman)
Karl Waltle
Georg Winckler

Doris Böhm (assigned by the Central Employee Council)
Walter Zwiauer (assigned by the Central Employee Council)

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 addition 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 company.

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 in Austria. At the end of 2007, all Group companies in which UNIQA holds in interest greater than 50% were integrated into this risk management process.

The risk management process is centrally controlled and operated by the respective actuary departments. These are responsible for the documentation of all risks that could significantly jeopardise the continued existence of the company or the insurance business. They also report quarterly to the Management Board regarding the risk situation of the company. Ad-hoc information is also provided where necessary. Asset liability management is performed annually in the life insurance segment, and the analyses of stress tests are included in the report on a quarterly basis.

Promoters, who can be described as responsible for an area, are tasked with documenting all risks that concern their segment. The actual assessment of the risks is performed by assessors. The assessment is followed by a check by both the promoter and risk management.

Amongst other aspects, the level of risk and probability of occurrence are documented for each risk. Multiplying these two values together gives the risk potential. Each scenario that corresponds to the highest risk potential is used when assessing the risk.

The risk potential is also a figure that allows for comparing risks. This guarantees that risks with a high probability of occurrence and risks with a high level of risk are considered to be major risks.

Management of actuarial and financial risks

1. Actuarial 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
2007	4,489,647
2006	4,500,985
2005	4,354,341
2004	3,613,794
2003	3,016,185
2002	2,636,938
2001	2,636,777

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

The observation of the business from a total customer perspective that was begun last year was further intensified this year, and now represents an additional controlling dimension of the company. This total customer perspective, which is obtained through actuarial calculations, is used in focused sales campaigns.

The amount of the discount granted for household/own home, casualty as well as motor vehicle liability and collision has been coupled with risk criteria and customer criteria since April 2007. The objective of this measure is for discounts offered outside of normal rates to be adapted to the risk situation and justified based on the risk level.

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 head, 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)	%
2007	68.1
2006	64.3
2005	66.7
2004	64.1
2003	68.9
2002	77.3
2001	73.7

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 policies considerably reduce the levels of possible losses. 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 programme 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 is covered with reinsurance policies at UNIQA Versicherungen AG or UNIQA Re. UNIQA Versicherungen AG in Vienna is the sole reinsurer of Austrian UNIQA companies, while UNIQA Re in Zurich acts as sole risk bearer for international UNIQA companies.

Between 50% and 60% of the entire portfolio are covered by these reinsurance policies. Ratio figures, which, depending upon the volatility of the respective insurance branch, reach between 25% and 90%, 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.)

In 2004, we also created our own reinsurance line on a non-proportional basis for the large industrial business of all Group companies. This includes major risks in various branches of industrial insurance according to precise earnings limits and includes general liability insurance.

UNIQA Insurer AG and UNIQA Re pool the business acquired by the Group companies according to insurance branches and pass gross excess loss policies, which are supplemented by net ratios, on to international reinsurers as a "bouquet". The reinsurance structure, the conditions, the shares and all reinsurance partners in this bouquet are identical for both companies. The reinsurance policy is fully placed. The quota agreements expired on 31 December 2007.

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

Claims ratio (retained earnings)	%
2007	67.6
2006	66.0
2005	68.0
2004	65.6
2003	69.8
2002	76.0
2001	73.0

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 by domestic subsidiaries and UNIQA Re from the property insurance lines to companies outside the Group. The cessions of international subsidiaries and the IWD portion of co-insurance are not included.

Rating	31 Dec. 2007 € 000
AAA	4,199
AA	119,830
A	87,341
Not rated	791

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.

The problem of duration in reinsurance (initial insurance policies are often multi-year, while reinsurance policies are taken out for only one year) is, primarily, held in check by the reinsurance team, which controls this risk. Systematic analyses, supported by actuarial methods, are used to assess the appropriateness of the actuarial provisions.

In addition to the elemental lines, the commercial property business also includes liability and technical insurance. The UNIQA Group divides this 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 subsidiaries abroad.
- Large policies, or policies with a complicated scope of coverage, are decided on and arranged centrally both in Austria and for the subsidiaries abroad. 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 the liability insurance.

Since 2004, the top risks (e.g. over €10.9 million probable maximum loss in property insurance) have been covered by our own, non-proportional reinsurance policy outside of the obligatory reinsurance. A team of experts at the International Desk in Vienna decides on the contribution to this policy for the entire Group.

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 high level risks 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 for their exposure and composition (risk mix), and survey reports on the exposed risks are prepared.

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 insurance company takes on this risk for a corresponding premium. When calculating the premium, the actuary refers to the following carefully selected factors as the calculation basis:

- 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: The costs are calculated in such a way that the costs incurred by the policy can be permanently covered by the premium.

Careful selection of the calculation basis gives rise to scheduled profits, an appropriate amount of which is credited to the policyholders as part of profit sharing in accordance with the profit plan.

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

The following risks exist for a life insurance company:

- The calculation basis proves 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 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 sums, and takes into consideration the companies of UNIQA Personenversicherung AG, Raiffeisen Versicherung AG, Salzburger Landes-Versicherung AG and CALL DIRECT Versicherung AG.

Number of insurance policies as at 31 Dec. 2007 Categorie[1]	Capital insurance	Retirement annuity	Risk insurance
€0 to €20,000	871,108	79,447	157,914
€20,000 to €40,000	167,974	30,322	37,062
€40,000 to €100,000	67,247	17,011	128,641
€100,000 to €200,000	7,780	3,308	65,988
More than €200,000	1,787	1,130	9,043

[1] Capital and risk insurance policies are based on the insured sum, for deferred pension annuities the redemption capital is included at maturity, for liquid pension annuities the category refers to 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 or for 2000/02).

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 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, but 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 Versicherungen AG operates with a retained risk of €200,000 per insured life; the excesses are mostly reinsured with Swiss Re, Münchener Rück 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 premiums in the event of a (less probable) worsening of the mortality profile. However, this presents the danger of possible antiselection behaviour: 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 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 exist only for the Austrian population. 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 that feel very healthy opt for annuity payment, while all others choose partial or full capital payment; in this way, the retirement portfolio tends to consist mostly of healthier people, i.e. worse risks, overall, 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 2.86%.

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 (loans, credits 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 concern extremely long-term policies.

The interest risk functions in the following ways:

Investment and reinvestment risk

Premiums that are paid in the future must be invested at an interest rate guaranteed at the time the policy is taken out; however, it is entirely possible that no corresponding securities are available at the time the premium is paid. 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 assets is between 5 and 6 years, while that of liabilities is considerably larger. This creates a duration gap that reduces the ratio of assets to liabilities in the event of falling interest rates.

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 sum insured including profit participation) in accordance with an interest rate and a mortality table set at the time the policy is taken out (the latter risk is not only financial).

Besides these technical and financial risks, the cost risk must also be mentioned. For the term of the policy, the insurer guarantees only to withdraw the calculated costs. The business risk here is that the cost premiums are insufficient (e.g. due to cost increases resulting from inflation).

1.3. Health insurance
Health insurance is a type of insurance that takes biometric risks into account within its calculations and which must be operated according to the “type of life insurance” in Austria. 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 they are sufficient to cover the insurance benefits that generally increase with age, assuming probabilities that remain constant. The probabilities and cost structures can change frequently over time. For this reason, it is possible to adjust the premiums for health insurance as necessary to the changed calculation basis.

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

In health insurance, assurance coverage (“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 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). This 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 sharply reduce the income opportunities. Developments in this area will be observed by the insurance association, and where necessary, an attempt will be made to react to negative developments from the perspective of the private health insurer.

In the last quarter of 2007, the EU directive concerning the equal treatment of men and women in insurance, which was implemented in Austria with the Insurance Changes Act of 2006 (VersRÄG 2006) was also taken into account in the premium calculation. Since the differences between men and women can be demonstrated, only the decoupling costs explicitly defined in the EU directive and the Insurance Changes Act as an exception to the risk-appropriate calculation had to be distributed between men and women. Since the consequences were not very significant and these changes apply to all companies, only minor negative consequences should result from this change to the legal situation, due to the fact that women of the younger age classes who are insured alone will wish to switch to the new rates.

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.

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 most important accounting groups that arise from the different product categories.

Investments	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	13,779,745	13,943,506
Long-term unit-linked and index-linked life insurance policies	2,470,340	1,952,897
Long-term health insurance policies	2,245,370	2,083,161
Short-term property and casualty insurance policies	3,695,766	3,438,782
Total	22,191,221	21,418,346

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 held on account and at risk of life insurance policyholders
L. Liquid funds

Technical provisions and liabilities (retained)	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Long-term life insurance policies with guaranteed interest and profit sharing	13,463,170	13,713,127
Long-term unit-linked and index-linked life insurance policies	2,412,937	1,911,516
Long-term health insurance policies	2,347,571	2,224,055
Short-term property and casualty insurance policies	2,097,404	1,918,533
Total	20,321,082	19,767,231

These values refer to the following balance sheet items:
C. Technical provisions
D. Technical provisions for life insurance policies held on account and at risk of policyholders
G.I. Reinsurance liabilities
(only deposits held under reinsurance business ceded)
G. Share of reinsurance in technical provisions (assets)
H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders (assets)

2.1. Interest rate 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	
%	2007	2006	2007	2006	2007	2006
Fixed interest securities						
High-grade loans	4.05	4.05	5.22	4.95	5.31	5.06
Bank/company loans	4.74	4.75	7.75	7.50	3.80	3.97
Emerging markets loans	7.06	7.61	6.29	7.82	7.87	8.17
High-yield loans	6.68	6.30	8.71	8.07	7.92	6.51
Other investments	3.87	4.08	–	–	7.90	3.19
Fixed interest liabilities						
Subordinated liabilities	5.34	5.34				
Guaranteed interest life insurance	2.86	2.92				
Debenture bonds	4.00	4.00				

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. 2007 € 000	31 Dec. 2006 € 000
Annuities	9,931,822	10,213,018
Shares	1,170,286	1,164,251
Alternatives	867,749	810,089
Holdings	82,040	82,711
Loans	232,801	302,187
Real estate	686,939	642,796
Liquidity	701,803	635,751
Deposits receivable	106,306	92,702
Total	13,779,745	13,943,506
Difference between book value and market value of land and buildings	168,648	163,867

Provisions and liabilities from long-term life insurance policies with guaranteed interest and profit sharing	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Actuarial provision	12,614,575	12,541,017
Provision for profit-unrelated premium refunds	75	13
Provision for profit-related premium refunds and profit sharing	323,478	687,165
Other technical provisions	18,004	15,239
Provision for outstanding claims	106,159	90,982
Deposits payable	400,879	378,712
Total	13,463,170	13,713,127

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

Remaining term	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Up to 1 year	828,204	688,828
Of more than 1 year up to 3 years	1,226,330	1,546,677
Of more than 3 years up to 5 years	1,154,581	1,400,020
Of more than 5 years up to 7 years	1,629,882	1,923,959
Of more than 7 years up to 10 years	2,228,364	1,786,409
Of more than 10 years up to 15 years	1,063,760	1,392,811
More than 15 years	2,033,502	1,774,369
Total	10,164,623	10,513,073

The capital-weighted average remaining term of technical liabilities is around 8.3 years (2006: 8.5 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. 2007 € 000	31 Dec. 2006 € 000
Share-based funds	825,456	672,620
Bond funds	1,551,188	1,236,337
Liquidity	92,882	43,939
Other investments	814	1
Total	**2,470,340**	**1,952,897**

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 a 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. 2007 € 000	31 Dec. 2006 € 000
Annuities	1,130,606	1,154,135
Shares	191,601	133,201
Alternatives	111,703	96,335
Holdings	65,812	27,476
Loans	332,223	303,746
Real estate	193,687	195,770
Liquidity	219,737	172,499
Total	**2,245,370**	**2,083,161**
Difference between book value and market value of land and buildings	259,996	231,861

Provisions and liabilities from long-term health insurance policies	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Actuarial provision	2,098,989	1,972,628
Provision for profit-unrelated premium refunds	22,199	20,793
Provision for profit-related premium refunds or profit sharing	58,904	57,191
Other technical provisions	694	5,916
Provision for unearned premiums	13,395	14,959
Provision for outstanding claims	151,683	150,725
Deposits payable	1,708	1,842
Total	**2,347,571**	**2,224,055**

Property and casualty insurance policies

Most property and casualty insurance policies are short-term. Due to the short investment term, there is naturally a lower risk arising from financial risks. The technical provisions are not discounted, so that no interest is calculated for the short-term investment. The average terms of interest-bearing securities and loans invested to cover technical provisions is shown in the following table.

Remaining term	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Up to 1 year	162,102	203,409
More than 1 year up to 3 years	276,714	261,545
More than 3 years up to 5 years	223,488	304,229
More than 5 years up to 7 years	521,462	509,274
More than 7 years up to 10 years	298,433	471,467
More than 10 years up to 15 years	128,853	163,883
More than 15 years	157,516	163,397
Total	**1,768,569**	**2,077,205**

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

Investments for short-term property and casualty insurance policies	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Annuities	1,351,113	1,426,894
Shares	179,428	166,185
Alternatives	67,429	80,184
Holdings	866,147	624,072
Loans	417,456	428,111
Real estate	426,685	441,872
Liquidity	374,906	258,489
Deposits receivable	12,602	12,975
Total	**3,695,766**	**3,438,782**
Difference between book value and market value of land and buildings	180,553	150,996

Provisions and liabilities from short-term property and casualty insurance policies	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Provision for unearned premiums	408,688	343,997
Actuarial provision	44,482	44,550
Provision for outstanding claims	1,582,211	1,458,607
Provision for profit-unrelated premium refunds	25,591	26,907
Provision for profit-related premium refunds or profit sharing	7,315	8,191
Other technical provisions	16,765	19,651
Deposits payable	12,351	16,630
Total	**2,097,404**	**1,918,533**

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 approach, benchmark-oriented approach, value growth approach and industry- and region-specific and fundamental 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. 2007 € 000	31 Dec. 2006 € 000
Shares in Europe	623,775	649,588
Shares in America	65,374	85,456
Shares in Asia	187,428	128,591
Shares international[1]	3,089	1,401
Shares in emerging markets	127,480	142,316
Shares total return[2]	496,507	401,580
Other shares	37,662	56,200
Total	1,541,315	1,465,133

[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.

For extensive parts of the 2007 financial year, the share items were secured in the amount of 10% below the market level at the start of the year. The majority of this safeguarding item expired in December 2007.

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. 2007 € 000	31 Dec. 2006 € 000
AAA	3,345,244	3,603,331
AA	3,600,801	3,603,847
A	2,852,518	3,110,333
BBB	975,652	1,029,342
BB	976,920	1,082,315
B	424,227	381,519
CCC	30,366	51,308
Not rated	207,813	150,871
Total	12,413,541	13,012,867

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. 2007 in € 000	€	USD	Other	Total
Assets				
Investments	20,133,079	233,523	1,824,619	22,191,221
Other tangible assets	125,686		12,345	138,030
Intangible assets	1,123,946		82,246	1,206,193
Share of reinsurance in the technical provisions	1,044,013		74,521	1,118,534
Other assets	771,964		162,721	934,685
Total assets	23,198,688	233,523	2,156,452	25,588,664
Provisions and liabilities				
Subordinated liabilities	575,000			575,000
Technical provisions	19,552,675		1,125,136	20,677,811
Other provisions	679,162		24,651	703,813
Liabilities	1,966,855		132,962	2,099,817
Total liabilities	22,773,693		1,282,748	24,056,441

31 Dec. 2006 in € 000	€	USD	Other	Total
Assets				
Investments	19,622,362	101,067	1,694,917	21,418,346
Other tangible assets	100,264		10,849	111,113
Intangible assets	1,097,655		66,006	1,163,661
Share of reinsurance in the technical provisions	953,174		93,353	1,046,527
Other assets	733,552		113,931	847,483
Total assets	22,507,007	101,067	1,979,056	24,587,131
Provisions and liabilities				
Subordinated liabilities	475,000			475,000
Technical provisions	19,176,359		934,634	20,110,993
Other provisions	708,052		14,267	722,319
Liabilities	1,831,926		117,108	1,949,035
Total liabilities	22,191,337		1,066,009	23,257,347

The fair value of securities investments in USD amounted to €2,048 million as at 31 December 2007. The exchange rate risk was reduced using derivative financial instruments to €234 million, while the safeguard ratio was 88.6%. The safeguard was maintained in a range of between 83% and 93% during the financial year.

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 exchange markets and can be sold at short notice in event of liquidity shortages.

Additional underwriting obligations exist for private equity investments in the amount of €229.3 million. Obligations of €60.0 million result from multitranche loans.

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 levels of the selection of a strategic asset allocation, and the tactical weighting of the individual asset classes is controlled depending 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; these are details available on the reporting date and, therefore, represent rough figures for future losses of fair value. 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 change risk	31 Dec. 2007		31 Dec. 2006	
€ 000	+100 basis points	–100 basis points	+100 basis points	–100 basis points
High-grade loans	–235,989	248,409	–244,381	244,381
Bank/company loans	–120,139	126,462	–159,067	159,067
Emerging markets loans	–42,859	45,114	–41,857	41,857
High-yield loans	–2,862	3,013	–2,027	2,027
Total	**–401,849**	**422,998**	**–447,332**	**447,332**

Share risk	31 Dec. 2007		31 Dec. 2006	
€ 000	+10%	–10%	+10%	–10%
Shares in Europe	57,295	–57,295	60,895	–60,895
Shares in America	8,717	–8,717	8,509	–8,509
Shares in Asia	19,770	–19,770	12,468	–12,468
International shares	3,579	–3,579	27	–27
Shares in emerging markets	12,848	–12,848	13,875	–13,875
Shares total return	47,879	–47,879	39,967	–39,967
Derivative financial instruments and other shares	2,729	–2,084	–18,851	34,151
Total	**152,817**	**–152,172**	**116,890**	**–101,590**

Currency risk	31 Dec. 2007		31 Dec. 2006	
€ 000	+10%	–10%	+10%	–10%
€	0	0	0	0
USD	23,837	–23,837	9,569	–9,569
Other	153,465	–153,465	141,597	–141,597
Total	**177,302**	**–177,302**	**151,166**	**–151,166**

Quality risk		31 Dec. 2007		31 Dec. 2006	
€ 000	Change to spread	+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	–38,845	38,845	–41,493	41,493
A	50 basis points	–68,413	68,413	–64,780	64,780
BBB	75 basis points	–45,329	45,329	–65,987	65,987
BB	100 basis points	–46,665	46,665	–67,275	67,275
B	125 basis points	–24,830	24,830	–21,536	21,536
CCC	150 basis points	–1,376	1,376	–5,156	5,156
Not rated	100 basis points	–15,243	15,243	–7,222	7,222
Total		**–240,701**	**240,701**	**–273,448**	**273,448**

2.7. Value at risk

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 and 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	Share risk € 000	Currency risk € 000	Interest risk € 000	Diversification € 000
31 Dec. 2007	522,197	311,935	97,538	470,240	–357,516
31 Dec. 2006	514,686	194,216	61,579	432,430	–173,539
Lowest	485,879	175,006	50,325	409,177	–164,519
Average	521,393	230,136	79,765	452,085	–240,593
Highest	546,148	311,935	97,538	477,235	–357,516

Supplementary information on the consolidated balance sheet

Development of asset items

	Balance sheet values 2006 € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
A. Tangible assets				
I. Self-used land and buildings	233,997	861	1,555	0
II. Other tangible assets				
1. Tangible assets	44,608	176	15,373	0
2. Inventories	4,844		0	
3. Other assets	61,661		28,676	
Total A. II.	**111,113**	**176**	**44,049**	**0**
Total A.	**345,110**	**1,038**	**45,604**	**0**
B. Land and buildings held as financial investments	**927,456**	**–674**	**141,922**	**0**
C. Intangible assets				
I. Deferred acquisition costs	863,430	1,291	208,173	0
II. Goodwill				
1. Positive goodwill	190,545	0	40,776	0
2. Value of insurance policies	62,519	–8	8,620	0
Total C. II.	**253,064**	**–8**	**49,396**	**0**
III. Other intangible assets				
1. Self-produced software	7,909	0	0	0
2. Acquired intangible assets	39,258	140	18,495	0
Total C. III.	**47,167**	**140**	**18,495**	**0**
Total C.	**1,163,661**	**1,423**	**276,064**	**0**
D. Shares in associated companies	**371,998**	**0**	**30,064**	**3,417**
E. Investments				
I. Variable-yield interest securities				
1. Shares, investment shares and other variable-yield securities, including holdings and shares in associated companies	3,462,337	717	3,854,420	113,125
2. At fair value through profit or loss	1,025,332	0	1,335,487	0
Total E. I.	**4,487,668**	**717**	**5,189,906**	**113,125**
II. Fixed interest securities				
1. Debt securities and other fixed interest securities	10,634,769	7,972	8,133,629	–386,855
2. At fair value through profit or loss	508,599	0	175,711	0
Total E. II.	**11,143,369**	**7,972**	**8,309,340**	**–386,855**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	80	1	14,213	0
b) Debt securities issued by and loans to participating interests	792	0	0	0
c) Mortgage loans	178,956	0	14,098	0
d) Loans and advance payments on policies	15,400	–2	3,964	0
e) Other loan receivables and registered bonds	838,814	–474	155,893	–4,237
Total E. III. 1.	**1,034,044**	**–475**	**188,167**	**–4,237**
2. Cash at credit institutions	802,106	2,974	100	0
3. Deposits with ceding companies	105,678	–6	15,281	0
Total E. III.	**1,941,827**	**2,492**	**203,548**	**–4,237**
IV. Derivatives	95,970	0	52,167	0
Total E.	**17,668,834**	**11,181**	**13,754,961**	**–277,967**
F. Investments held on account and at risk of life insurance policyholders	**1,952,897**	**–528**	**1,724,254**	**–33,854**
Aggregate total	**22,429,957**	**12,439**	**15,972,869**	**–308,404**

Amortisation € 000	Transfers € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Book values for financial year € 000
0	–1,976	236	0	7,015	227,187
0	67	2,076	87	14,810	43,425
		575			4,269
		0			90,336
0	**67**	**2,651**	**87**	**14,810**	**138,030**
0	**–1,909**	**2,887**	**87**	**21,824**	**365,218**
0	**1,910**	**2,104**	**0**	**54,251**	**1,014,259**
0	–10,126	0	0	189,307	873,462
0	0	0	0	4,689	226,632
0	10,126	0	0	14,431	66,826
0	**10,126**	**0**	**0**	**19,119**	**293,458**
0	0	135	0	3,978	3,796
0	0	10,954	31	11,493	35,477
0	**0**	**11,089**	**31**	**15,471**	**39,273**
0	**0**	**11,089**	**31**	**223,897**	**1,206,193**
0	**0**	**127,225**	**232,098**	**3,697**	**506,654**
0	–94	3,375,108	8,178	94,062	3,969,512
0	0	1,385,638	98,996	98,223	975,953
0	**–94**	**4,760,746**	**107,174**	**192,285**	**4,945,465**
–7,671	–809	8,047,320	66,618	327,718	10,072,617
–350	0	165,970	9,233	30,585	496,638
–8,021	**–809**	**8,213,290**	**75,851**	**358,303**	**10,569,255**
0	240	39	0	0	14,495
0	–240	0	0	0	552
0	–1,427	16,468	0	2,375	172,784
0	0	5,088	0	0	14,274
0	1,427	209,179	0	1,870	780,374
0	**0**	**230,774**	**0**	**4,245**	**982,480**
0	–110	147,758	171	8,169	649,313
0	0	2,045	0	0	118,908
0	**–110**	**380,577**	**171**	**12,414**	**1,750,700**
0	0	103,401	71,625	56,133	60,228
–8,021	**–1,012**	**13,458,013**	**254,821**	**619,135**	**17,325,648**
141	**1,012**	**1,161,720**	**4,751**	**16,612**	**2,470,340**
–7,880	**0**	**14,763,039**	**491,787**	**939,418**	**22,888,312**

1 | Self-used land and buildings

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Book values for		
Property and casualty insurance	95,344	104,338
Life insurance	118,568	116,025
Health insurance	13,276	13,635
	227,187	**233,997**
Market values for		
Property and casualty insurance	123,217	132,918
Life insurance	140,332	124,789
Health insurance	17,870	18,338
	281,419	**276,045**
Acquisition values	323,285	323,175
Cumulative depreciation	–96,098	–89,177
Book value	**227,187**	**233,997**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Self-used land and buildings	0	2,087

The market values are derived from expert reports.

2 | Other tangible assets

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Tangible assets	43,425	44,608
Inventories	4,269	4,844
Other assets	90,336	61,661
Total	**138,030**	**111,113**

Tangible assets Development in financial year	€ 000
Acquisition values as at 31 Dec. 2006	159,825
Cumulative depreciation up to 31 Dec. 2006	–115,216
Book value as at 31 Dec. 2006	**44,608**
Currency translation changes	176
Additions	15,373
Disposals	–2,076
Transfers	67
Appreciation and depreciation	–14,723
Book value as at 31 Dec. 2007	**43,425**
Acquisition values as at 31 Dec. 2007	159,608
Cumulative depreciation up to 31 Dec. 2007	–116,183
Book value as at 31 Dec. 2007	**43,425**

Tangible assets refer mainly to office equipment. They are depreciated over a useful life of 4 to 10 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 acquisitions	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Tangible assets	56	1,081

3 | Land and buildings held as financial investments

	31 Dec. 2007 Group total € 000	31 Dec. 2006 Group total € 000
Book values for		
Property and casualty insurance	329,023	334,423
Health insurance	179,540	181,204
Life insurance	505,697	411,829
	1,014,259	**927,456**
Market values for		
Property and casualty insurance	481,703	456,839
Health insurance	434,941	408,361
Life insurance	652,581	566,932
	1,569,225	**1,432,132**
Acquisition values	1,398,800	1,257,256
Cumulative depreciation	–384,541	–329,800
Book value	**1,014,259**	**927,456**
Useful life for land and buildings	10–80 years	10–80 years

Additions from company acquisition	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Land and buildings used by third parties	42,879	52,667

The market values are derived from expert reports.

	31 Dec. 2007 € 000
Change on impairment for current year	25,000
of which reallocation	25,000

4 | Deferred acquisition costs

	2007 € 000	2006 € 000
Property and casualty insurance		
Situation as at 1 Jan.	**110,050**	**97,131**
Currency translation changes	1,030	352
Changes to scope of consolidation	0	168
Capitalisation	60,583	57,065
Depreciation	–49,992	–44,665
Situation as at 31 Dec.	**121,671**	**110,050**
Health insurance		
Situation as at 1 Jan.	**213,952**	**214,008**
Currency translation changes	1	1
Capitalisation	14,924	14,371
Interest surcharge	9,182	9,166
Depreciation	–23,395	–23,593
Situation as at 31 Dec.	**214,665**	**213,952**
Life insurance		
Situation as at 1 Jan.	**539,428**	**496,159**
Currency translation changes	259	268
Capitalisation	104,734	105,867
Interest surcharge	18,750	22,778
Transfers	–10,126	0
Depreciation	–115,920	–85,643
Situation as at 31 Dec.	**537,126**	**539,428**
Consolidated financial statements		
Situation as at 1 Jan.	**863,430**	**807,297**
Currency translation changes	1,291	620
Changes to scope of consolidation	0	168
Capitalisation	180,241	177,302
Interest surcharge	27,932	31,944
Transfers	–10,126	0
Depreciation	–189,307	–153,901
Situation as at 31 Dec.	**873,462**	**863,430**

5 | Goodwill

	€ 000
Acquisition values as at 31 Dec. 2006	353,975
Cumulative depreciation up to 31 Dec. 2006	–100,911
Book value as at 31 Dec. 2006	**253,064**
Acquisition values as at 31 Dec. 2007	415,774
Cumulative depreciation up to 31 Dec. 2007	–122,316
Book value as at 31 Dec. 2007	**293,458**

Important additions: UNIQA Insurance plc., Bulgaria, UNIQA a.d.o., Serbia and UNIQA pojišťovna, Czech Republic.

	€ 000
Cumulative depreciation up to 31 Dec. 2007	122,316
of which relating to impairment	21,337
of which current depreciation	100,979

	31 Dec. 2007 € 000
Change in impairment for current year	4,689
of which reallocation	4,689

The values mentioned above include the goodwill and the purchase price paid for the total acquired insurance policies.

Company acquisitions 2007	Amounts placed at the time of acquisition € 000	Book value of the acquired companies € 000
Assets	**50,955**	**50,955**
Tangible assets	56	56
Land and buildings held as financial investments	42,879	42,879
Intangible assets	1	1
Shares in associated companies	0	0
Investments	100	100
Investments held for unit-linked and index-linked life insurance policyholders	0	0
Share of reinsurance in the technical provisions	0	0
Receivables including receivables under insurance business	2,530	2,530
Receivables from income tax	0	0
Deferred tax assets	0	0
Liquid funds	5,389	5,389
Equity and liabilities	**50,955**	**50,955**
Total equity	31,512	31,512
Subordinated liabilities	0	0
Technical provisions	71	71
Technical provisions for life insurance policies held on account and at risk of policyholders	0	0
Financial liabilities	0	0
Other provisions	5	5
Payables and other liabilities	16,268	16,268
Liabilities from income tax	0	0
Deferred tax liabilities	3,099	3,099

6 | Other intangible assets

	Self-produced software € 000	Acquired intangible assets € 000
Acquisition values as at 31 Dec. 2006	40,003	149,972
Cumulative depreciation up to 31 Dec. 2006	–32,094	–110,714
Book value as at 31 Dec. 2006	**7,909**	**39,258**
Acquisition values as at 31 Dec. 2007	35,536	154,575
Cumulative depreciation up to 31 Dec. 2007	–31,740	–119,098
Book value as at 31 Dec. 2007	**3,796**	**35,477**

Other intangible assets comprised:

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Computer software	34,361	40,034
Copyrights	30	0
Licences	1,844	2,438
Other intangible assets	3,039	4,695
	39,273	**47,167**

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

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

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

Intangible assets are depreciated using the straight-line method.

Additions from company acquisition	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Self-produced software	0	0
Acquired intangible assets	1	1,496

	31 Dec. 2007 € 000
Research and development expenditures recorded as an expense during the period under review	4,462

7 | Shares in affiliated companies and companies valued at equity

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Current market value for		
Shares in affiliated companies of minor importance[1]	20,044	18,804
Shares in associated companies of minor importance	17,326	26,722
Book value for		
Shares in associated companies valued at equity	489,328	345,276
Equity for		
Shares in affiliated companies of minor importance	13,303	13,919
Annual net profit/deficit for the year		
Shares in affiliated companies of minor importance	936	–4,019

[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.).

Shares in associated companies	31 Dec. 2007 € 000
Current market value of associated companies listed on a public stock exchange	735,488
Profits/losses for the period	18,288
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

The book value of STRABAG SE increased in 2007 by €132.108 million. This included share premium profit in the amount of €211.416 million and a book value loss of €79.604 million from investment sales.

8 | 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. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Shares in affiliated companies	20,044	18,804	0	0	0	0	0	0	20,044	18,804
Shares	869,012	901,955	26,810	38,249	–29,449	–26,771	0	0	866,373	913,433
Equity funds	825,940	467,114	–28,623	32,194	–7,869	0	0	0	789,449	499,309
Debenture bonds not capital-guaranteed	648,635	700,879	35,675	40,131	0	0	–38,612	–12,681	645,699	728,329
Other variable-yield securities	1,139,130	864,862	–40,257	3,639	0	–2,229	0	0	1,098,873	866,272
Participating interests and other investments	249,205	241,096	316,570	209,174	–16,700	–14,080	0	0	549,075	436,190
Fixed interest securities	10,765,259	10,793,413	–325,920	33,575	–235,797	–129,260	–130,926	–62,959	10,072,617	10,634,769
Total	**14,517,225**	**13,988,124**	**–15,745**	**356,963**	**–289,815**	**–172,341**	**–169,538**	**–75,640**	**14,042,129**	**14,097,106**

The market values listed for participating interests contain participating interest valuations based on internal calculations, resulting in an appreciation in the amount of €117.877 million in 2007. In 2006, application of this valuation method resulted in an appreciation of €153.145 million.

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Shares in affiliated companies	0	0	0	0	0	0
Shares	–29,449	–26,771	4,534	–10,550	–33,982	–16,221
Equity funds	–7,869	0	–2,442	0	–5,427	0
Debenture bonds not capital-guaranteed	0	0	0	0	0	0
Other variable-yield securities	0	–2,229	–2,254	0	2,254	–2,229
Participating interests and other investments	–16,700	–14,080	–13,023	0	–3,677	–14,080
Fixed interest securities	–235,797	–129,260	–95,785	–38,106	–140,012	–91,154
Total	**–289,815**	**–172,341**	**–108,970**	**–48,656**	**–180,844**	**–123,684**

Type of investment	Change in value adjustment current year	Of which write-down/ write-up affecting income	Of which changes due to disposal	Of which write-up of equity
	31 Dec. 2007 € 000	31 Dec. 2007 € 000	31 Dec. 2007 € 000	31 Dec. 2007 € 000
Shares in affiliated companies	0	0	0	0
Shares	–2,678	–33,982	31,305	0
Equity funds	–7,869	–5,427	–2,442	0
Debenture bonds not capital-guaranteed	0	0	0	0
Other variable-yield securities	2,229	2,254	–25	0
Participating interests and other investments	–2,620	–3,677	1,057	0
Fixed interest securities	–106,537	–140,012	33,476	0
Total	**–117,474**	**–180,844**	**63,370**	**0**

Change in equity as at 31 Dec. 2007	Allocation not affecting income		Withdrawal[1] due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Other securities – available for sale						
Gross	–277,967	114,816	–94,982	–207,873	–372,949	–93,057
Deferred tax	52,640	–32,029	–43,667	22,673	8,973	–9,356
Deferred profit participation	70,182	29,150	278,388	124,594	348,570	153,744
Minority interest	2,656	3,909	15,274	10,309	17,930	14,218
Net	**–152,488**	**115,846**	**155,013**	**–50,297**	**2,524**	**65,549**

[1] Withdrawal affecting the income statement due to disposals and impairments.

Remaining contractual term	Acquisition costs		Market values	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Infinite	24,002	46,558	24,637	47,347
Up to 1 year	2,702,664	657,301	2,499,159	656,151
Of more than 1 year up to 5 years	3,185,270	3,942,155	3,090,701	3,922,674
Of more than 5 years up to 10 years	4,554,791	4,212,410	4,389,110	4,156,568
More than 10 years	2,086,297	3,500,730	1,813,582	3,446,630
Total	12,553,024	12,359,154	11,817,188	12,229,370

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. 2007 € 000
Fixed interest securities	
Rating AAA	3,140,147
Rating AA	2,804,301
Rating A	3,210,010
Rating BBB	1,151,185
Rating < BBB	1,194,994
Not assigned	316,551
Rating total of fixed interest securities	11,817,188
Issuer countries	
Share securities	
IE, NL, UK, US	351,279
AT, BE, CH, DE, DK, FR, IT	582,844
ES, FI, NO, SE	44,627
Remaining EU	463,974
Other countries	313,615
Issuer countries total of share securities	1,756,339
Other shareholdings	448,557
Total variable-yield securities	2,204,897

9 | Derivative financial instruments

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Market values		
Share risk	14,793	42,278
Interest rate change risk	536	6,045
Currency risk	38,847	27,790
Structured risk	–6,289	18,648
Total	47,887	94,761
Structured risk – of which:		
Share risk	6,903	18,925
Interest rate change risk	–15,612	–12,108
Currency risk	2,420	10,428
Credit risk	0	1,404
Balance sheet value		
Investments	60,228	95,970
Financial liabilities	–12,342	–1,209

10 | Loans

	Book values	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000
1. Loans to affiliated companies	14,495	80
2. Loans to participating interests	552	792
3. Mortgage loans	172,784	178,956
4. Loans and advance payments on policies	14,274	15,400
5. Other loans	529,874	613,566
6. Registered bonds	250,500	225,248
Total	982,480	1,034,044

Remaining contractual term	Book values	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Infinite	1,683	2,184
Up to 1 year	61,906	204,544
Of more than 1 year up to 5 years	224,772	188,968
Of more than 5 years up to 10 years	476,410	431,477
More than 10 years	217,709	206,870
Total	982,480	1,034,044

	Market values	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000
1. Loans to affiliated companies	14,495	80
2. Loans to participating interests	552	792
3. Mortgage loans	172,784	178,956
4. Loans and advance payments on policies	14,274	15,400
5. Other loans	522,624	617,068
6. Registered bonds	250,500	225,248
Total	975,230	1,037,546

Remaining contractual term	Market values	
	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Infinite	1,683	2,184
Up to 1 year	61,733	204,585
Of more than 1 year up to 5 years	225,566	189,401
Of more than 5 years up to 10 years	470,536	434,505
More than 10 years	215,713	206,870
Total	975,230	1,037,546

11 | Other investments

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Other investments included:		
Deposits with credit institutions	649,313	802,106
Deposits with ceding companies	118,908	105,678
Total	768,221	907,783

12 | Receivables incl. receivables under insurance business

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
I. Reinsurance receivables		
1. Accounts receivable under reinsurance operations	67,795	36,298
	67,795	**36,298**
II. Other receivables		
Receivables under the insurance business		
1. from policyholders	219,145	202,790
2. from intermediaries	62,285	62,817
3. from insurance companies	6,828	8,310
	288,258	**273,917**
Other receivables		
Accrued interest and rent	205,764	221,679
Other tax refund claims	42,126	28,648
Receivables due from employees	3,614	3,709
Other receivables	155,437	106,832
	406,940	**360,867**
Total other receivables	**695,198**	**634,784**
Subtotal	**762,993**	**671,083**
of which receivables with a remaining term of		
up to 1 year	746,926	657,315
more than 1 year	16,067	13,767
of which receivables with values not yet adjusted		
up to 3 months overdue	48,590	51,410
more than 3 months overdue	5,961	5,661
III. Other assets		
Accruals	43,383	37,150
	43,383	**37,150**
Total receivables incl. receivables under insurance business	**806,377**	**708,233**

13 | Receivables from income tax

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Receivables from income tax	51,253	54,249
of which receivables with a remaining term of		
up to 1 year	38,533	40,954
more than 1 year	12,720	13,295

14 | Deferred tax assets

Cause of origin	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Actuarial items	9,158	8,762
Social capital	45,901	54,585
Investments	2,636	2,583
Loss carried forward	3,514	5,052
Other	15,846	14,019
Total	**77,055**	**85,000**

15 | Subscribed capital

	31 Dec. 2007	31 Dec. 2006
Number of authorised and issued		
no-par shares	119,777,808	119,777,808
of which fully paid up	119,777,808	119,777,808

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.

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.

In addition, the Management Board was authorised, in the first, second and fourth Annual General Meetings, to buy own shares in accordance with Section 65 paragraph 1 number 8 and paragraph 1a of the Austrian Stock Corporation Act, upon approval by the Supervisory Board. On 28 April 2004, the UNIQA Versicherungen AG Management Board decided to resell shares which had previously been bought back. This decision was approved by the Supervisory Board on 29 April 2004, and the share buy-back programme was suspended as the resale programme came into effect on 6 May 2004.

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

	31 Dec. 2007	31 Dec. 2006
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs in € 000	2,561	2,561
Number of shares	350,000	350,000
Share of subscribed capital in %	0.29	0.29

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

Earnings per share	2007	2006
Consolidated profit in € 000	247,103	151,900
of which accounts for ordinary shares in € 000	247,103	151,900
Own shares as at 31 Dec. 2007	350,000	350,000
Average number of shares in circulation	119,427,808	119,427,808
Earnings per share in €[1]	2.07	1.27
Earnings before taxes per share in €[1]	2.67	1.80
Earnings per share[1], adjusted for goodwill amortisation in €	2.23	1.34
Profit from ordinary activities per share, adjusted for goodwill amortisation in €	3.01	2.07
Dividend per share	0.50[2]	0.35
Dividend payment in € 000	59,714[2]	41,800

[1] Calculated on the basis of the consolidated profit for 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. 2007 € 000
Effective tax	0
Deferred tax	2,607
Total	2,607

16 | Minority interests

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
In revaluation reserve	–14,796	3,134
In net income for the year	21,889	23,165
In other equity	188,749	181,000
Total	195,843	207,299

17 | Subordinated liabilities

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Supplementary capital	575,000	475,000

In December 2002, Raiffeisen Versicherung AG, and in July 2003, UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG issued partial debentures with a nominal value of €325 million for paid-up supplementary capital, according to Section 73 c paragraph 2 of the Austrian Insurance Supervisory Act. The partial debentures are valid for an unlimited time period. An ordinary or extraordinary notice of redemption to the issuer is not possible for at least 5 years. Subject to coverage in the annual net profit before the issuer's movements in reserves, the interest to 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 73 c 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 5 years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.079%.

In January 2007, UNIQA Versicherungen AG issued additional bearer debentures with a face value of €100 million for deposited supplementary capital, according to Section 73 c 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 5 years, with no ordinary or extraordinary cancellation possible. Interest is applied only insofar as this is covered in the net profit for the year of the issuer. The interest rate up to December 2016 is 5.342%.

18 | Unearned premiums

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Property and casualty insurance		
Gross	416,518	374,948
Reinsurers' share	–7,830	–30,951
	408,688	**343,997**
Health insurance		
Gross	13,467	15,039
Reinsurers' share	–72	–80
	13,395	**14,959**
Consolidated financial statements		
Gross	429,985	389,987
Reinsurers' share	–7,902	–31,031
Total (fully consolidated values)	**422,083**	**358,956**

19 | Actuarial provision

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Property and casualty insurance		
Gross	44,727	44,800
Reinsurers' share	–244	–251
	44,482	**44,550**
Health insurance		
Gross	2,100,697	1,974,470
Reinsurers' share	–1,708	–1,842
	2,098,989	**1,972,628**
Life insurance		
Gross	13,021,276	12,923,203
Reinsurers' share	–406,701	–382,186
	12,614,575	**12,541,017**
Consolidated financial statements		
Gross	15,166,700	14,942,474
Reinsurers' share	–408,653	–384,279
Total (fully consolidated values)	**14,758,046**	**14,558,195**

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

For	Health insurance acc. to SFAS 60 %	Life insurance acc. to SFAS 120 %
2007		
For actuarial provision	4.50 or 5.50	1.75–4.00
For deferred acquisition costs	4.50 or 5.50	4.70
2006		
For actuarial provision	4.50 or 5.50	1.75–4.00
For deferred acquisition costs	4.50 or 5.50	4.80

20 | Provision for outstanding claims

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Property and casualty insurance		
Gross	1,921,373	1,770,641
Reinsurers' share	–339,161	–312,033
	1,582,211	**1,458,607**
Health insurance		
Gross	152,385	151,484
Reinsurers' share	–702	–759
	151,683	**150,725**
Life insurance		
Gross	117,913	100,756
Reinsurers' share	–11,754	–9,775
	106,159	**90,982**
Consolidated financial statements		
Gross	2,191,671	2,022,881
Reinsurers' share	–351,617	–322,567
Total (fully consolidated values)	**1,840,054**	**1,700,314**

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

	2007 € 000	2006 € 000
1. Provisions for outstanding claims as at 1 Jan.		
a. Gross	1,770,641	1,694,155
b. Reinsurers' share	–312,033	–323,220
c. Retention	**1,458,607**	**1,370,935**
2. Plus (retained) claims expenditures		
a. Losses of the current year	1,285,245	1,199,829
b. Losses of the previous year	–73,252	–147,719
c. Total	**1,211,993**	**1,052,110**
3. Less (retained) losses paid		
a. Losses of the current year	–642,759	–598,972
b. Losses of the previous year	–453,194	–385,554
c. Total	**–1,095,953**	**–984,527**
4. Foreign currency translation	**7,615**	**5,280**
5. Change in consolidation scope	**1,720**	**14,808**
6. Other changes	**–1,771**	**0**
7. Provisions for outstanding claims as at 31 Dec.		
a. Gross	1,921,373	1,770,641
b. Reinsurers' share	–339,161	–312,033
c. Retention	**1,582,211**	**1,458,607**

Claims payments	2002 € 000	2003 € 000	2004 € 000	2005 € 000	2006 € 000	2007 € 000	Total € 000
Financial year	577,135	549,486	532,073	574,976	620,980	666,924	
One year later	905,047	824,772	828,367	888,892	944,083		
Two years later	971,003	887,579	902,521	968,023			
Three years later	1,000,623	916,610	935,170				
Four years later	1,015,582	933,776					
Five years later	1,028,535						
Accumulated payments	1,028,535	933,776	935,170	968,023	944,083	666,924	
Estimated final claims payments	1,077,243	1,020,402	1,062,966	1,146,816	1,224,578	1,321,911	
Current balance sheet reserve	48,708	86,625	127,796	178,793	280,494	654,987	1,377,403
Balance sheet reserve for the claims years "2001 and before":							405,989
							1,783,392
Plus other reserve components (internal claims regulation costs, etc.)							137,980
Provisions for outstanding claims (gross) as at 31 Dec. 2007							**1,921,373**

21 | Provision for premium refunds

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Property and casualty insurance		
Gross	33,271	35,413
Reinsurers' share	–365	–315
	32,906	**35,098**
Health insurance		
Gross	81,103	77,984
Reinsurers' share	0	0
	81,103	**77,984**
Life insurance		
Gross	323,653	687,278
Reinsurers' share	–100	–100
	323,553	**687,178**
Consolidated financial statements		
Gross	438,027	800,674
Reinsurers' share	–465	–415
Total (fully consolidated values)	**437,562**	**800,260**
of which profit-unrelated (retention)	47,865	47,712
of which profit-related (retention)	389,696	752,547

Group total	31 Dec. 2007 € 000	31 Dec. 2006 € 000
a) Provision for profit-unrelated premium refunds	**48,231**	**48,027**
of which property and casualty insurance	25,957	27,222
of which health insurance	22,199	20,793
of which life insurance	75	13
b) Provision for profit-related premium refunds and/or policyholder profit participation	**271,588**	**339,138**
of which property and casualty insurance	7,315	8,191
of which health insurance	58,904	57,191
of which life insurance	205,370	273,755
Deferred profit participation	**118,208**	**413,510**
Total (fully consolidated values)	**438,027**	**800,674**

Group total	2007 € 000	2006 € 000
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
Situation as at 1 Jan.	387,165	329,333
Changes for: Other changes	–67,346	57,832
Situation as at 31 Dec.	**319,819**	**387,165**
b) Deferred profit participation		
Situation as at 1 Jan.	413,510	577,803
Changes for:		
Fluctuation in value, securities available for sale	–348,570	–153,744
Revaluations affecting income	53,268	–10,550
Situation as at 31 Dec.	**118,208**	**413,510**

22 | Actuarial provisions

Gross	Unearned premiums € 000	Actuarial provision € 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 insurance							
As at 31 Dec. 2006	**374,948**	**44,800**	**1,770,641**	**27,222**	**8,191**	**22,494**	**2,248,295**
Exchange rate differences	5,575	–7	8,886	–39	2	208	14,626
Changes in consolidation scope	3,840		1,720				5,560
Portfolio changes	9,658		–1,771				7,887
Additions		495		825	74	341	1,735
Disposals		–562		–2,052	–952	–3,069	–6,634
Premiums written	1,640,949						1,640,949
Premiums earned	–1,618,452						–1,618,452
Claims in reporting year			1,468,383				1,468,383
Claims payments in reporting year			–743,106				–743,106
Change in claims from previous years			–45,126				–45,126
Claims payments in previous years			–538,255				–538,255
As at 31 Dec. 2007	**416,518**	**44,727**	**1,921,373**	**25,957**	**7,315**	**19,974**	**2,435,863**
Health insurance							
As at 31 Dec. 2006	**15,039**	**1,974,470**	**151,484**	**20,793**	**57,191**	**5,916**	**2,224,894**
Exchange rate differences	–42	6	16				–19
Changes in consolidation scope	57		607				665
Portfolio changes	–2,235		–536				–2,771
Additions		140,110		2,548	5,397	25	148,080
Disposals		–13,890		–1,142	–3,685	–5,248	–23,964
Premiums written	762,748						762,748
Premiums earned	–762,101						–762,101
Claims in reporting year			618,367				618,367
Claims payments in reporting year			–502,431				–502,431
Change in claims from previous years			327				327
Claims payments in previous years			–115,450				–115,450
As at 31 Dec. 2007	**13,467**	**2,100,697**	**152,385**	**22,199**	**58,904**	**694**	**2,348,345**
Life insurance							
As at 31 Dec. 2006	**0**	**12,923,203**	**100,756**	**13**	**687,265**	**15,051**	**13,726,288**
Exchange rate differences		2,111	108		–14	8	2,212
Changes in consolidation scope		60					60
Portfolio changes		–113,344	221		183	151	–112,790
Additions		282,135		63	–223,441	2,815	61,572
Disposals		–72,888			–140,415	–202	–213,505
Claims in reporting year			1,624,940				1,624,940
Claims payments in reporting year			–1,536,891				–1,536,891
Change in claims from previous years			25,669				25,669
Claims payments in previous years			–96,891				–96,891
As at 31 Dec. 2007	**0**	**13,021,276**	**117,913**	**75**	**323,578**	**17,824**	**13,480,666**
Group total							
As at 31 Dec. 2006	**389,987**	**14,942,474**	**2,022,881**	**48,027**	**752,647**	**43,461**	**18,199,478**
Exchange rate differences	5,533	2,111	9,010	–39	–13	216	16,818
Changes in consolidation scope	3,897	60	2,327				6,284
Portfolio changes	7,422	–113,344	–2,086		183	151	–107,674
Additions		422,740		3,436	–217,969	3,181	211,387
Disposals		–87,340		–3,193	–145,051	–8,519	–244,103
Premiums written	2,403,697						2,403,697
Premiums earned	–2,380,553						–2,380,553
Claims in reporting year			3,711,691				3,711,691
Claims payments in reporting year			–2,782,428				–2,782,428
Change in claims from previous years			–19,130				–19,130
Claims payments in previous years			–750,595				–750,595
As at 31 Dec. 2007	**429,985**	**15,166,700**	**2,191,670**	**48,231**	**389,797**	**38,491**	**18,264,873**

Reinsurers' share	Unearned premiums € 000	Actuarial provision € 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 insurance							
As at 31 Dec. 2006	**30,951**	**251**	**312,033**	**315**	**0**	**2,843**	**346,393**
Exchange rate differences	123	–2	1,271			–10	1,382
Changes in consolidation scope							
Portfolio changes	–27,004		–2,996				–29,999
Additions				51		584	635
Disposals		–4				–208	–213
Premiums written	283,402						283,402
Premiums earned	–279,642						–279,642
Claims in reporting year			186,134				186,134
Claims payments in reporting year			–100,347				–100,347
Change in claims from previous years			28,126				28,126
Claims payments in previous years			–85,061				–85,061
As at 31 Dec. 2007	**7,830**	**244**	**339,161**	**365**	**0**	**3,209**	**350,810**
Health insurance							
As at 31 Dec. 2006	**80**	**1,842**	**759**	**0**	**0**	**0**	**2,681**
Exchange rate differences							
Changes in consolidation scope							
Portfolio changes			–13				–13
Additions							
Disposals		–134					–134
Premiums written	543						543
Premiums earned	–551						–551
Claims in reporting year			41				41
Claims payments in reporting year			–85				–85
Change in claims from previous years							0
Claims payments in previous years							0
As at 31 Dec. 2007	**72**	**1,708**	**702**	**0**	**0**	**0**	**2,482**
Life insurance							
As at 31 Dec. 2006	**0**	**382,186**	**9,775**	**0**	**100**	**–187**	**391,873**
Exchange rate differences		26	6				32
Changes in consolidation scope							0
Portfolio changes		6,903	582				7,485
Additions		17,982				7	17,989
Disposals		–396					–396
Claims in reporting year			19,360				19,360
Claims payments in reporting year			–13,049				–13,049
Change in claims from previous years			–470				–470
Claims payments in previous years			–4,449				–4,449
As at 31 Dec. 2007	**0**	**406,701**	**11,754**	**0**	**100**	**–180**	**418,374**
Group total							
As at 31 Dec. 2006	**31,031**	**384,279**	**322,567**	**315**	**100**	**2,656**	**740,947**
Exchange rate differences	123	24	1,277			–10	1,414
Changes in consolidation scope							
Portfolio changes	–27,004	6,903	–2,427				–22,528
Additions		17,982		51		591	18,624
Disposals		–535				–208	–743
Premiums written	283,945						283,945
Premiums earned	–280,194						–280,194
Claims in reporting year			205,535				205,535
Claims payments in reporting year			–113,481				–113,481
Change in claims from previous years			27,656				27,656
Claims payments in previous years			–89,510				–89,510
As at 31 Dec. 2007	**7,902**	**408,653**	**351,616**	**365**	**100**	**3,029**	**771,666**

Retention	Unearned premiums € 000	Actuarial provision € 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 insurance							
As at 31 Dec. 2006	**343,997**	**44,550**	**1,458,607**	**26,907**	**8,191**	**19,651**	**1,901,903**
Exchange rate differences	5,453	–5	7,615	–39	2	218	13,244
Changes in consolidation scope	3,840		1,720	0			5,560
Portfolio changes	36,661		1,225	0			37,887
Additions		495		774	74	–243	1,100
Disposals		–557		–2,052	–952	–2,860	–6,421
Premiums written	1,357,547						1,357,547
Premiums earned	–1,338,810						–1,338,810
Claims in reporting year			1,282,249				1,282,249
Claims payments in reporting year			–642,759				–642,759
Change in claims from previous years			–73,252				–73,252
Claims payments in previous years			–453,194				–453,194
As at 31 Dec. 2007	408,689	44,482	1,582,211	25,591	7,315	16,765	2,085,054
Health insurance							
As at 31 Dec. 2006	**14,959**	**1,972,628**	**150,725**	**20,793**	**57,191**	**5,916**	**2,222,212**
Exchange rate differences	–42	6	16				–19
Changes in consolidation scope	57		607				665
Portfolio changes	–2,235		–523				–2,758
Additions		140,110		2,548	5,397	25	148,080
Disposals		–13,755		–1,142	–3,685	–5,248	–23,830
Premiums written	762,204						762,204
Premiums earned	–761,549						–761,549
Claims in reporting year			618,326				618,326
Claims payments in reporting year			–502,346				–502,346
Change in claims from previous years			327				327
Claims payments in previous years			–115,450				–115,450
As at 31 Dec. 2007	13,395	2,098,989	151,683	22,199	58,904	693	2,345,863
Life insurance							
As at 31 Dec. 2006	**0**	**12,541,017**	**90,982**	**13**	**687,165**	**15,239**	**13,334,415**
Exchange rate differences		2,085	102		–14	8	2,180
Changes in consolidation scope		60					60
Portfolio changes		–120,247	–361		183	151	–120,274
Additions		264,153		63	–223,441	2,808	43,583
Disposals		–72,492			–140,415	–202	–213,109
Claims in reporting year			1,605,581				1,605,581
Claims payments in reporting year			–1,523,842				–1,523,842
Change in claims from previous years			26,139				26,139
Claims payments in previous years			–92,441				–92,441
As at 31 Dec. 2007	0	12,614,575	106,159	75	323,477	18,004	13,062,292
Group total							
As at 31 Dec. 2006	**358,956**	**14,558,195**	**1,700,314**	**47,712**	**752,547**	**40,805**	**17,458,531**
Exchange rate differences	5,412	2,086	7,733	–39	–13	226	15,405
Changes in consolidation scope	3,897	60	2,327				6,284
Portfolio changes	34,426	–120,247	341		183	151	–85,146
Additions		404,757		3,385	–217,969	2,590	192,763
Disposals		–86,805		–3,193	–145,051	–8,310	–243,360
Premiums written	2,119,752						2,119,752
Premiums earned	–2,100,359						–2,100,359
Claims in reporting year			3,506,156				3,506,156
Claims payments in reporting year			–2,668,947				–2,668,947
Change in claims from previous years			–46,786				–46,786
Claims payments in previous years			–661,085				–661,085
As at 31 Dec. 2007	422,083	14,758,046	1,840,054	47,866	389,697	35,462	17,493,208

23 | Actuarial provisions for unit-linked and index-linked life insurance policies

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Gross	2,412,937	1,911,516
Reinsurers' share	–346,868	–305,580
Total	**2,066,069**	**1,605,935**

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

24 | Liabilities from loans

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Liabilities under issued debenture bonds		
UNIQA Versicherungen AG, Vienna		
4.00%, €150 million , bond 2004/2009	150,000	149,700
Loan liabilities	35,900	43,825
up to 1 year	88	5,876
between 1 and 5 years	6,969	0
more than 5 years	28,842	37,950
Total	**185,900**	**193,526**

25 | Provisions for pensions and similar commitments

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Provisions for pensions	383,543	414,589
Provision for severance payments	125,998	127,830
	509,541	**542,418**

	2007 € 000	2006 € 000
As at 1 Jan.	**542,418**	**523,127**
Changes from foreign currency translation	15	2
Withdrawal for pension payments	–29,705	–27,160
Expenditure in the financial year	–3,187	46,450
As at 31 Dec.	**509,541**	**542,418**

Calculation factors applied	
2007	
Technical rate of interest	5.00%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 1999 P – Pagler & Pagler/employee
2006	
Technical rate of interest	4.50%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	dependent on years of service
Accounting principles	AVÖ 1999 P – Pagler & Pagler/employee

Specification of pension expenditures for pensions and similar commitments included in the income statement	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Current service cost	16,929	15,443
Interest cost	24,434	23,220
Actuarial profit and loss	–44,737	7,525
Income and expenditures from budget changes	188	262
Total	**–3,187**	**46,450**

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

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Contributions to company pension funds	1,134	942

26 | Other provisions

	Balance sheet figures prev. year € 000	Currency translation changes € 000	Change in consolidation scope € 000	Utilisation € 000	Reversals € 000	Reclassifications € 000	Additions € 000	Balance sheet figures 2007 € 000
Provisions for unconsumed vacations	33,610	36	49	–1,414	–153	0	3,114	35,242
Provisions for anniversary payments	15,996	0	0	–103	–503	0	–431	14,959
	49,606	**36**	**49**	**–1,517**	**–656**	**0**	**2,683**	**50,201**
Other personnel provisions	12,916	12	–49	–8,864	–948	–538	13,681	16,209
Provisions for customer relations and marketing	32,851	–13	0	–29,775	–1,777	0	30,080	31,365
Provision for variable components of remuneration	14,614	5	0	–11,942	–173	–228	13,919	16,193
Provision for legal and consulting expenses	5,136	–1	4	–2,093	–1,111	0	3,064	4,998
Provision for premium adjustment from reinsurance contracts	6,261	–44	0	–876	–1,737	313	6,759	10,675
Provision for portfolio maintenance commission	1,955	0	0	0	–1,955	0	2,535	2,535
Other provisions	56,561	9	2	–25,741	–16,332	67	47,530	62,096
	130,294	**–33**	**–44**	**–79,292**	**–24,034**	**–387**	**117,567**	**144,071**
Total	**179,900**	**3**	**5**	**–80,809**	**–24,690**	**–387**	**120,250**	**194,272**

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Other provisions[1] with a high probability of utilisation (more than 90%)		
up to 1 year	72,351	73,286
of more than 1 up to 5 years	3,735	2,907
more than 5 years	10,408	4,915
	86,494	**81,107**
Other provisions[1] with a lower probability of consumption (less than 90%)		
up to 1 year	55,629	47,143
of more than 1 up to 5 years	1,621	1,672
more than 5 years	327	371
	57,577	**49,186**
Total	**144,071**	**130,294**

[1] Without unconsumed vacations and anniversary payments.

27 | Payables and other liabilities

		31 Dec. 2007 € 000	31 Dec. 2006 € 000
I.	**Reinsurance liabilities**		
	1. Deposits held under reinsurance business ceded	761,805	702,765
	2. Accounts payable under reinsurance operations	34,975	21,563
		796,780	**724,329**
II.	**Other liabilities**		
	Liabilities under insurance business		
	Liabilities under direct insurance business		
	to policyholders	139,318	122,319
	to intermediaries	123,603	99,036
	to insurance companies	8,791	5,341
		271,712	**226,696**
	Liabilities to credit institutions	**3,582**	**3,922**
	Other liabilities	**445,484**	**424,478**
	of which for taxes	46,379	45,652
	of which for social security	10,381	10,055
	of which from fund consolidation	260,874	251,376
	Total other liabilities	**720,778**	**655,096**
Subtotal		**1,517,558**	**1,379,425**
	Of which liabilities with a remaining term of		
	up to 1 year	885,731	766,296
	more than 1 up to 5 years	9,053	41,472
	more than 5 years	622,774	571,657
		1,517,558	**1,379,425**
III.	**Other liabilities**		
	Deferred income	**9,483**	**8,232**
Total payables and other liabilities		**1,527,041**	**1,387,657**

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

28 | Liabilities from income tax

	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Liabilities from income tax	**41,618**	**66,754**
of which liabilities with a remaining term of		
up to 1 year	3,853	6,150
more than 1 up to years	37,281	60,074
more than 5 years	483	530

29 | Deferred tax liabilities

Cause of origin	31 Dec. 2007 € 000	31 Dec. 2006 € 000
Actuarial items	142,052	152,276
Untaxed reserves	27,385	27,761
Shares in affiliated companies	28,425	28,425
Investments	120,952	79,261
Other	14,101	12,166
Total	**332,916**	**299,889**
of which not affecting income	55,238	57,845

Notes to the consolidated income statement

30 | Premiums written

Direct business	2007 € 000	2006 € 000
Property and casualty insurance	2,157,697	1,996,674
Health insurance	907,375	888,902
Life insurance	1,393,344	1,577,346
Total (fully consolidated values)	**4,458,416**	**4,462,923**
Of which written in:		
Austria	3,036,834	3,071,160
Other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,271,167	1,280,195
Other countries	150,415	111,568
Total (fully consolidated values)	**4,458,416**	**4,462,923**

Indirect business	2007 € 000	2006 € 000
Property and casualty insurance	40,052	40,473
Health insurance	384	898
Life insurance	29,037	27,844
Total (fully consolidated values)	**69,473**	**69,214**

	2007 € 000	2006 € 000
Total (fully consolidated values)	**4,527,889**	**4,532,137**

Premiums written in property and casualty insurance	2007 € 000	2006 € 000
Direct business		
Fire and business interruption insurance	179,233	166,131
Household insurance	166,501	157,768
Other property insurance	203,727	188,244
Motor TPL insurance	554,404	511,755
Other motor insurance	373,768	335,076
Casualty insurance	240,664	224,076
Liability insurance	219,831	210,712
Legal expenses insurance	49,568	44,663
Marine, aviation and transport insurance	102,136	100,525
Other insurance	67,865	57,725
Total	**2,157,697**	**1,996,674**
Indirect business		
Marine, aviation and transport insurance	2,407	2,529
Other insurance	37,645	37,943
Total	**40,052**	**40,473**
Total direct and indirect business (fully consolidated values)	**2,197,749**	**2,037,147**

Reinsurance premiums ceded	2007 € 000	2006 € 000
Property and casualty insurance	307,547	293,678
Health insurance	1,397	1,085
Life insurance	79,505	77,603
Total (fully consolidated values)	**388,449**	**372,366**

31 | Premiums earned

	2007 € 000	2006 € 000
Property and casualty insurance	**1,858,355**	**1,715,604**
Gross	2,160,721	2,008,241
Reinsurers' share	–302,366	–292,637
Health insurance	**905,623**	**886,672**
Gross	907,028	887,746
Reinsurers' share	–1,405	–1,074
Life insurance	**1,342,399**	**1,527,391**
Gross	1,421,897	1,604,998
Reinsurers' share	–79,498	–77,607
Total (fully consolidated values)	**4,106,377**	**4,129,666**

Premiums earned in indirect business	2007 € 000	2006 € 000
Property and casualty insurance	**39,969**	**41,155**
Posted immediately	10,457	10,836
Posted after up to one year	29,512	30,318
Posted after more than one year	0	0
Health insurance	**384**	**898**
Posted immediately	384	495
Posted after up to one year	0	403
Posted after more than one year	0	0
Life insurance	**29,037**	**27,844**
Posted immediately	4,131	5,452
Posted after up to one year	24,906	22,339
Posted after more than one year	0	53
Total (fully consolidated values)	**69,391**	**69,896**

Earnings from indirect business	2007 € 000	2006 € 000
Property and casualty insurance	7,880	11,985
Health insurance	–52	–137
Life insurance	1,391	866
Total (fully consolidated values)	**9,218**	**12,714**

32 | Income from fees and provisions

Reinsurance commission and profit shares from reinsurance business ceded	2007 € 000	2006 € 000
Property and casualty insurance	59,842	59,539
Health insurance	106	122
Life insurance	11,478	21,203
Total (fully consolidated values)	**71,426**	**80,865**

33 | Net investment income

By segment	Property and casualty insurance		Health insurance	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000
I. Properties held as financial investments	**–19,336**	**2,757**	**8,399**	**8,726**
II. Shares in associated companies	**201,148**	**36,426**	**64,383**	**–496**
III. Variable-yield securities	**50,086**	**69,131**	**14,454**	**53,930**
1. Available for sale	45,460	63,100	9,886	47,015
2. Reported in the income statement	4,626	6,031	4,568	6,915
IV. Fixed interest securities	**31,721**	**33,156**	**15,050**	**28,231**
1. Held to maturity	0	0	0	0
2. Available for sale	31,509	32,284	14,570	25,663
3. Reported in the income statement	212	872	480	2,568
V. Loans and other investments	**20,684**	**13,877**	**17,690**	**20,244**
1. Loans	10,259	13,107	13,770	16,074
2. Other investments	10,425	770	3,920	4,169
VI. Derivative financial instruments	**14,170**	**8,753**	**14,851**	**6,882**
VII. Expenditures for asset management, interest expenditures and other	**–16,777**	**–12,448**	**–1,306**	**–3,717**
Total (fully consolidated values)	**281,696**	**151,652**	**133,521**	**113,798**

The exceptionally high income from shares in associated companies resulted, during the financial year, in sales profit (€72.937 million) as well as profit from dilution (€211.416 million), within the framework of the capital increases and the floatation of STRABAG SE. In addition, the net investment income from investments decreased during the financial year, due to the effects of the sub-prime crisis (€101.300 million) in the area of fixed interest and variable-yield securities.

By income type	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
I. Properties held as financial investments	**48,223**	**43,985**	**0**	**0**	**1,516**	**8,820**
II. Shares in associated companies	**18,288**	**45,017**	**211,416**	**0**	**73,593**	**0**
III. Variable-yield securities	**129,863**	**153,107**	**107,174**	**44,400**	**318,192**	**333,091**
1. Available for sale	109,757	122,585	8,178	661	265,103	303,447
2. Reported in the income statement	20,106	30,522	98,996	43,739	53,089	29,644
IV. Fixed interest securities	**518,154**	**440,069**	**75,851**	**2,141**	**38,099**	**43,857**
1. Held to maturity	0	0	0	0	0	0
2. Available for sale	488,146	410,441	66,638	1,553	35,578	42,017
3. Reported in the income statement	30,008	29,627	9,213	589	2,521	1,840
V. Loans and other investments	**62,171**	**67,740**	**162**	**2,399**	**0**	**0**
1. Loans	39,703	49,901	0	2,399	0	0
2. Other investments	22,468	17,839	162	0	0	0
VI. Derivative financial instruments	**–22,707**	**–26,327**	**117,997**	**65,361**	**153,434**	**139,993**
VII. Expenditures for asset management, interest expenditures and other	**–27,152**	**–23,326**	**0**	**0**	**0**	**0**
Total (fully consolidated values)	**726,840**	**700,265**	**512,601**	**114,302**	**584,834**	**525,761**

The updating of the value correction applies to both appreciation and depreciation of financial investments, with the exception of the trading portfolio and financial assets at fair value through profit or loss. The interest income from impaired portfolio items amounts to €42.415 million (31 Dec. 2006: €116.578 million).

The amortisations and unrealised losses of €683.469 million include expenses from currency fluctuations to the value of €207.818 million. These expenses from currency fluctuations are offset by income from hedging business amounting to €178.131 million, which are shown under income from derivative financial instruments.

Of which securities, available for sale Type of investment	Ordinary income		Write-ups and unrealised capital gains		Realised capital gains	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
III. Variable-yield securities						
1. Available for sale	109,757	122,585	8,178	661	265,103	303,447
Shares in associated companies	1,709	–1,264	0	0	3,984	9
Shares	17,107	20,498	597	35	132,013	217,794
Equity fonds	12,513	11,126	0	0	67,280	52,053
Debenture bonds. not capital guaranteed	21,636	29,528	129	581	42,731	24,233
Other variable-yield securities	51,353	26,622	7,452	84	347	117
Participating interests and other investments	5,439	36,074	0	–39	18,749	9,240
IV. Fixed interest securities						
2. Available for sale						
Fixed interests	488,146	410,441	66,638	1,553	35,578	42,017

Life insurance		Consolidated financial statements	
2007 € 000	2006 € 000	2007 € 000	2006 € 000
6,344	**3,370**	**–4,593**	**14,852**
37,544	**9,088**	**303,075**	**45,017**
222,522	**302,237**	**287,062**	**425,298**
168,165	257,310	223,511	367,425
54,357	44,927	63,551	57,873
180,141	**209,024**	**226,912**	**270,411**
0	0	0	0
172,587	188,906	218,666	246,853
7,554	20,118	8,247	23,559
11,543	**27,735**	**49,917**	**61,856**
11,426	14,835	35,455	44,017
117	12,900	14,462	17,839
128,762	**80,599**	**157,783**	**96,233**
–9,068	**–7,160**	**–27,152**	**–23,326**
577,788	624,892	993,005	890,342

Write-offs and unrealised capital losses		Realised capital losses		Consolidated financial statements		Of which value adjustment	
2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
–54,251	**–36,630**	**–81**	**–1,323**	**–4,593**	**14,852**	**–25,000**	**–11,451**
0	**0**	**–222**	**0**	**303,075**	**45,017**	**0**	**0**
–192,286	**–88,807**	**–75,881**	**–16,493**	**287,062**	**425,298**	**–40,832**	**–32,530**
–94,063	–53,011	–65,465	–6,257	223,511	367,425	–40,832	–32,530
–98,223	–35,797	–10,416	–10,235	63,551	57,873	0	0
–358,301	**–166,729**	**–46,891**	**–48,928**	**226,912**	**270,411**	**–140,012**	**–91,154**
0	0	0	0	0	0	0	0
–327,715	–159,091	–43,982	–48,068	218,666	246,853	–140,012	–91,154
–30,587	–7,638	–2,909	–860	8,247	23,559	0	0
–12,414	**–8,283**	**–3**	**0**	**49,917**	**61,856**	**0**	**0**
–4,245	–8,283	–3	0	35,455	44,017	0	0
–8,169	0	0	0	14,462	17,839	0	0
–66,217	**–22,420**	**–24,724**	**–60,373**	**157,783**	**96,233**	**0**	**0**
0	**0**	**0**	**0**	**–27,152**	**–23,326**	**0**	**0**
–683,469	–322,869	–147,801	–127,116	993,005	890,342	–205,844	–135,136

Write-offs and unrealised capital losses		Realised capital losses		Consolidated financial statements		Of which value adjustment	
2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
–94,063	–53,011	–65,465	–6,257	223,511	367,425	–40,832	–32,530
0	0	–31	–9	5,662	–1,263	0	0
–45,166	–18,482	–42,935	–527	61,615	219,318	–33,982	–16,221
–8,501	–1	–12,174	–2,081	59,119	61,097	–5,427	0
–31,776	–17,860	–1,646	–99	31,075	36,382	0	0
–4,942	–2,229	–8,202	–2,920	46,007	21,675	2,254	–2,229
–3,677	–14,438	–476	–621	20,035	30,216	–3,677	–14,080
–327,715	–159,091	–43,982	–48,068	218,666	246,853	–140,012	–91,154

34 | Other income

		2007 € 000	2006 € 000
a)	**Other actuarial income**	**13,247**	**18,771**
	Property and casualty insurance	10,858	15,538
	Health insurance	516	675
	Life insurance	1,874	2,558
b)	**Other non-actuarial income**	**22,263**	**19,534**
	Property and casualty insurance	16,461	14,443
	Health insurance	530	655
	Life insurance	5,272	4,435
	of which		
	Services rendered	7,619	7,312
	Changes in exchange rates	4,350	3,629
	Other	10,294	8,593
c)	**Other income**	**1,621**	**3,579**
	From foreign currency conversion	1,629	2,967
	From other	–9	612
Total (fully consolidated values)		37,131	41,884

35 | Insurance benefits

	Gross		Reinsurers' share		Retention	
	2007 € 000	2006 € 000	2007 € 000	2006 € 000	2007 € 000	2006 € 000
Property and casualty insurance						
Expenditure for claims						
Claims paid	1,296,433	1,204,312	–183,900	–150,890	1,112,534	1,053,422
Change in provision for outstanding claims	147,397	60,800	–32,660	–4,053	114,737	56,746
Total	**1,443,830**	**1,265,112**	**–216,559**	**–154,943**	**1,227,271**	**1,110,169**
Change in actuarial provision	–104	–1,723	5	–4,157	–99	–5,880
Change in other actuarial provisions	–1,672	–491	–9	–1	–1,681	–492
Expenditure for profit-unrelated and profit-related premium refunds	26,082	24,933	–188	1,328	25,894	26,262
Total amount of benefits	**1,468,136**	**1,287,832**	**–216,751**	**–157,773**	**1,251,385**	**1,130,059**
Health insurance						
Expenditure for claims						
Claims paid	653,484	649,390	–968	–616	652,516	648,774
Change in provision for outstanding claims	996	–2,474	58	–726	1,053	–3,199
Total	**654,480**	**646,917**	**–910**	**–1,342**	**653,570**	**645,575**
Change in actuarial provision	126,213	132,727	134	133	126,347	132,861
Change in other actuarial provisions	0	9	0	0	0	9
Expenditure for profit-unrelated and profit-related premium refunds	31,336	27,352	–3	–2	31,333	27,350
Total amount of benefits	**812,028**	**807,004**	**–779**	**–1,210**	**811,250**	**805,794**
Life insurance						
Expenditure for claims						
Claims paid	1,532,342	975,275	–60,214	–48,192	1,472,128	927,083
Change in provision for outstanding claims	17,050	5,807	–1,975	3,997	15,074	9,804
Total	**1,549,392**	**981,082**	**–62,190**	**–44,195**	**1,487,202**	**936,887**
Change in actuarial provision	–144,232	638,341	–15,136	–20,207	–159,368	618,134
Change in other actuarial provisions	253	–2,418	–41	0	212	–2,418
Expenditure for profit-unrelated and profit-related premium refunds and/or (deferred) profit participation	206,344	227,085	0	95	206,344	227,180
Total amount of benefits	**1,611,757**	**1,844,089**	**–77,367**	**–64,307**	**1,534,390**	**1,779,782**
Total (fully consolidated values)	3,891,922	3,938,925	–294,897	–223,290	3,597,024	3,715,635

36 | Operating expenses

	2007 € 000	2006 € 000
Property and casualty insurance		
a) Acquisition costs		
Payments	455,648	424,170
Change in deferred acquisition costs	–10,356	–12,342
b) Other operating expenses	220,234	216,582
	665,527	**628,410**
Health insurance		
a) Acquisition costs		
Payments	86,806	86,845
Change in deferred acquisition costs	–816	64
b) Other operating expenses	43,301	49,878
	129,290	**136,787**
Life insurance		
a) Acquisition costs		
Payments	269,870	252,282
Change in deferred acquisition costs	–7,492	–42,576
b) Other operating expenses	69,909	72,902
	332,287	**282,608**
Total (fully consolidated values)	1,127,104	1,047,805

37 | Other expenses

	2007 € 000	2006 € 000
a) **Other actuarial expenses**	**58,586**	**74,391**
Property and casualty insurance	20,119	33,129
Health insurance	2,773	5,101
Life insurance	35,694	36,161
b) **Other non-actuarial expenses**	**26,875**	**27,009**
Property and casualty insurance	24,316	23,513
Health insurance	513	565
Life insurance	2,047	2,931
of which		
Services rendered	1,391	2,155
Exchange rate losses	6,703	8,821
Motor vehicle registration	6,603	6,404
Other	12,178	9,629
c) **Other expenses**	**1,107**	**5,623**
For foreign currency translation	469	304
For other	638	5,320
Total (fully consolidated values)	86,569	107,024

38 | Tax expenditure

Income tax	2007 € 000	2006 € 000
Actual tax in reporting year	33,052	52,218
Actual tax in previous year	–9,600	9,086
Deferred tax	47,811	2,117
Total (fully consolidated values)	71,263	63,422

Reconciliation statement	2007 € 000	2006 € 000
A. Profit from ordinary activities	**340,256**	**238,487**
B. Anticipated tax expenditure (A * Group tax rate)	**85,206**	**59,607**
Adjusted by tax effects from		
1) Tax-free investment income	–7,191	–10,943
2) Other	–6,752	14,757
Amortisation of goodwill	4,622	91
Non-deductible expenses/other tax-exempt income	–3,446	1,406
Changes/deviations in tax rates	–6,028	–45
Deviations in tax rates	6,336	370
Taxes previous year	–9,600	9,086
Lapse of loss carried forward and other	1,364	3,849
C. Income tax expenditure	**71,263**	**63,422**
Average effective tax burden in %	**20,9**	**26,6**

In principle, the expected Group income tax rate 25% applied to all segments. To the extent that the minimum taxation is applied in life insurance at an assumed profit participation of 85%, a different corporate tax rate applies here.

Other disclosures

Employees

Personnel expenses[1)]	2007 € 000	2006 € 000
Salaries and wages	311,133	291,929
Expenses for severance payments	12,894	17,942
Expenses for employee pensions	–14,985	30,788
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	90,259	87,909
Other social expenditures	5,630	5,926
Total	**404,931**	**434,493**
of which business development	126,745	134,928
of which administration	259,310	280,425

[1)] The data are based on IFRS valuation.

Average number of employees	2007	2006
Total	**10,997**	**10,748**
of which business development	4,273	3,958
of which administration	6,724	6,791

	2007 € 000	2006 € 000
Expenses for severance payments and employee pensions amounted to		
Members of the Management Board and executive employees, in accordance with Section 80 paragraph 1 of the Stock Corporation Law	5,786	5,929
Other employees	37,770	34,016

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

Earnings of the Management Board and Supervisory Board

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

	2007 € 000	2006 € 000
The expenses for remuneration of Management Board members attributable to the reporting year amounted to:		
Regular payments	2,236	1,902
Performance-related remunerations	1,815	1,540
Total	**4,051**	**3,442**
of which charged to operational subsidiaries:	3,848	3,270
Former members of the Management Board and their surviving dependants were paid:	2,665	2,574
Because of pension commitments to these persons, the following provision was set up on 31 December	21,054	24,796

The remuneration to members of the Supervisory Board amounted to:

	2007 € 000	2006 € 000
For the current financial year (provision)	410	410
Meeting attendance fee	41	39
Total	**451**	**449**

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 80b of the Insurance Supervisory Act, which must be included in the appendix as mandatory information for financial statements according to IFRS, releasing the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code, are defined for the individual financial statements according to the provisions of the Austrian Business 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 there exists a legally binding basis 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 for the 2007 financial year, in the form of bonus agreements, and provided as a one-time payment based on the earnings situation in 2007. The basis for determining the size of the bonus is the return on equity based on the 2007 IFRS consolidated financial statements, of UNIQA Versicherungen AG.

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 orphans' pension have been established. The retirement pension is due upon meeting the requirements for the old-age pension according to the General Social Security Act. The pension amount is calculated from a percentage of a contractually established assessment basis. In the event of early pension eligibility according to the transitional provisions included in the General Social Security Act, the pension claim is reduced. For the occupational invalidity pension and the pension for surviving dependants, flat rates are provided as the 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 of the Management Board; however, a reduction rule based on the remaining time until meeting the claim requirements for the old-age pension according to the General Social Security Act applies.

Supervisory Board remuneration scheme

Remunerations to the Supervisory Board are passed 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.

Group holding company

The parent company of the UNIQA Group is UNIQA Versicherungen AG. This company is registered in the company registry 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	2007 € 000	2006 € 000
Receivables and liabilities with affiliated and associated companies, as well as related persons		
Mortgage loans and other loans	**14,264**	**80**
Affiliated companies	14,264	80
Receivables	**5,098**	**2,383**
Other receivables	5,098	2,383
Affiliated companies	5,085	2,376
Associated companies	13	6
Liabilities	**2,226**	**1,270**
Other liabilities	2,226	1,270
Affiliated companies	2,226	1,270
Income and expenses of affiliated companies as well as related persons		
Income	**92**	**–1,271**
Investment income	19	–1,274
Affiliated companies	19	–1,274
Other income	73	3
Affiliated companies	73	3

Other financial commitments and contingent liabilities	2007 € 000	2006 € 000
Contingent liabilities from risks of litigation	**7,981**	**8,563**
Foreign	7,981	8,563
Other contingent liabilities (affiliated, not consolidated)	**0**	**0**
Foreign	0	0
Other contingent liabilities	**1,425**	**130**
Foreign	1,425	130
Total	**9,405**	**8,693**

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.

	2007 € 000	2006 € 000
Current leasing expenses	28	21
Future leasing payments due to the financing of the new UNIQA headquarters in Vienna		
up to 1 year	6,048	5,693
of more than 1 year up to 5 years	24,279	22,878
of more than 5 years	60,483	56,932
Total	**90,810**	**85,503**
Income from subleasing	489	297

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

Affiliated and associated companies in 2007

Company	Type	Location	Equity in € million[1)]	Share in equity in %[2)]
Domestic insurance companies				
UNIQA Versicherungen AG (Group Holding Company)		1029 Vienna		
UNIQA Sachversicherung AG	Full	1029 Vienna	123.6	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	368.5	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	21.2	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	395.6	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	11.3	100.0
FINANCE LIFE Lebensversicherung AG	Full	1029 Vienna	19.3	100.0
SK Versicherung Aktiengesellschaft	Equity	1020 Vienna	6.9	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	9.5	100.0
UNIQA Re AG	Full	Switzerland, Zurich	85.2	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	125.6	100.0
UNIQA poišťovňa a.s.	Full	Slovakia, Bratislava	22.1	99.9
UNIQA pojišťovňa, a.s.	Full	Czech Republic, Prague	30.3	100.0
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	8.1	80.0
UNIQA Protezione S.p.A	Full	Italy, Udine	19.3	89.3
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	69.6	69.9
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	5.6	69.7
UNIQA Biztosító Zrt.	Full	Hungary, Budapest	42.7	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	4.8	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	3.2	100.0
Towarzystwo Ubezpieczen FILAR S.A.	Full	Poland, Stettin	26.1	96.2
Mannheimer AG Holding	Full	Germany, Mannheim	66.7	90.8
Mannheimer Versicherung AG	Full	Germany, Mannheim	49.1	100.0
mamax Lebensversicherung AG	Full	Germany, Mannheim	8.6	100.0
Mannheimer Versicherung AG	Full	Switzerland, Zurich	23.7	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	9.1	100.0
UNIQA Previdenza S.p.A.	Full	Italy, Milan	50.0	80.0
UNIQA Osiguranje d.d.	Full	Bosnia and Herzegovina, Sarajevo	5.2	99.8
ASTRA S.A.	Equity	Romania, Bucharest	34.2	27.0
UNIQA Insurance plc	Full	Bulgaria, Sofia	10.0	62.5
UNIQA Life Insurance plc	Full	Bulgaria, Sofia	4.5	99.7
UNIQA a.d.o.	Full	Serbia, Belgrade	5.4	80.0
Credo-Classic	Equity	Ukraine, Kiev	11.5	35.3
UNIQA LIFE	Full	Ukraine, Kiev	1.0	100.0
UNIQA životno osiguranje a.d. (formerly Zepter osiguranje a.d.)	Full	Montenegro, Podgorica	0.5	100.0
UNIQA neživotno osiguranje a.d.o.	Full	Serbia, Belgrade	5.9	100.0
UNIQA neživotno osiguranje a.d.	Full	Montenegro, Podgorica	2.3	100.0

Company	Type	Location	Equity in € million[1]	Share in equity in %[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	0.8	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.1	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	*2)	1010 Vienna		33.3
RSG – Risiko Service und Sachverständigen GmbH	*1)	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	1.0	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.6	100.0
SYNTEGRA Softwarevertrieb und Beratung GmbH	Full	3820 Raabs	0.4	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	2.1	100.0
UNIQA International Versicherungs-Holding GmbH	Full	1029 Vienna	115.9	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1029 Vienna	390.7	100.0
Alopex Organisation von Geschäftskontakten GmbH	*1)	1020 Vienna		100.0
RC RISK-CONCEPT Versicherungsmakler GmbH	*1)	1029 Vienna		100.0
Allfinanz Versicherungs- und Finanzservice GmbH	Full	1010 Vienna	0.2	100.0
Direct Versicherungsvertriebs-GesmbH	*1)	1020 Vienna		100.0
Assistance Beteiligungs-GmbH	Full	1010 Vienna	0.2	52.0
Real Versicherungs-Makler GmbH	*1)	1220 Vienna		100.0
Together Internet Services GmbH	*2)	1030 Vienna		24.0
FL-Vertriebs- und Service GmbH	*1)	5020 Salzburg		100.0
UNIQA HealthService – Services im Gesundheitswesen GmbH	*1)	1029 Vienna		100.0
UNIQA Real Estate Beteiligungsverwaltung GmbH	Full	1029 Vienna	–0.2	100.0
Privatklinik Grinzing GmbH	*1)	1190 Vienna		100.0
Wohnen mit Service Pflegedienstleistungs GmbH	*1)	1029 Vienna		100.0
Versicherungsagentur Wilhelm Steiner GmbH	*1)	1029 Vienna		51.0
CEE Hotel Development AG	*2)	1010 Vienna		50.0
CEE Hotel Management und Beteiligungs GmbH	*2)	1010 Vienna		50.0
RHU Beteiligungsverwaltung GmbH & Co OG	*2)	1010 Vienna		50.0
Group foreign service companies				
Syntegra Szolgaltato es Tanacsado KFT	Full	Hungary, Budapest	0.3	60.0
Insdata spol s.r.o.	*1)	Slowakei, Nitra		100.0
Racio s.r.o.	*1)	Czech Republic, Prague		100.0
UNIQA partner, s.r.o	Full	Slovakia, Bratislava	0.0	100.0
UNIQA Pro	*1)	Czech Republic, Prague		100.0
UNIQA InsService s.r.o.	Full	Slovakia, Bratislava	0.2	100.0
UNIQA Penztarszolgaltato Kft	Full	Hungary, Budapest	5.4	100.0
Heller Saldo 2000 Penztarszolgaltato Kft	Full	Hungary, Budapest	0.6	83.6
Dekra Expert Muszaki Szakertöi Kft	Full	Hungary, Budapest	0.9	74.9
UNIQA Vagyonkezelö Zrt	Full	Hungary, Budapest	5.4	100.0
UNIQA Szolgaltato Kft	Full	Hungary, Budapest	7.6	100.0
Profit-Pro Kft.	*1)	Hungary, Budapest		100.0
RC Risk Concept Vaduz	*1)	Liechtenstein, Vaduz		100.0
Elsö Közszolgalati Penzügyi Tanacsado Kft	*1)	Hungary, Budapest		92.4
Millennium Oktatási és Tréning Kft	Full	Hungary, Budapest	0.1	100.0
verscon GmbH Versicherungs- und Finanzmakler	*1)	Germany, Mannheim		100.0
IMD Gesellschaft für Informatik und Datenverarbeitung GmbH	*1)	Germany, Mannheim		100.0
UMV Gesellschaft für Unterstützungskassen-Management und Vorsorge GmbH	*1)	Germany, Mannheim		100.0
Mannheimer Service und Vermögensverwaltungs GmbH	*1)	Germany, Mannheim		100.0
Carl C. Peiner GmbH	*1)	Germany, Hamburg		100.0
Wehring & Wolfes GmbH	*1)	Germany, Hamburg		100.0
Falk GmbH	*1)	Germany, Hamburg		100.0

Company	Type	Location	Equity in € million[1]	Share in equity in %[2]
Group foreign service companies				
Hans L. Grauerholz GmbH	*1)	Germany, Hamburg		100.0
GSM Gesellschaft für Service Management mbH	*1)	Germany, Hamburg		100.0
FL Servicegesellschaft m.b.H.	*1)	Germany, Munich		100.0
Skola Hotelnictivi A Gastronom	*1)	Czech Republic, Prague		100.0
ITM Praha s.r.o.	*2)	Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	*2)	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	*1)	Germany, Mannheim		100.0
UFL UNIQA Finance Life Service GmbH	*1)	Germany, Mannheim		100.0
Financni poradci s.r.o.	*1)	Czech Republic, Prague		75.0
Claris Previdenza	*1)	Italy, Milan		100.0
UNIQA Software Service d.o.o.	*1)	Croatia, Zagreb		100.0
Vitosha Auto OOD	Full	Bulgaria, Sofia	0.0	100.0
Syntegra S.R.L.	*1)	Romania, Klausenburg		100.0
Agenta-Consulting Kft.	*1)	Hungary, Budapest		100.0
UNIQA Software Service-Polska Sp.z o.o	*1)	Poland, Lodz		100.0
AGENTA consulting s.r.o.	*1)	Czech Republic, Prague		100.0
AGENTA Consulting Sp z oo w organizacji	*1)	Poland, Lodz		100.0
UNIQA Software Service Bulgaria OOD	*1)	Bulgaria, Plovdiv		99.0
UNIQA Software Service Ukraine GmbH	*1)	Ukraine, Kiev		99.0
Financial and strategic domestic shareholdings				
Medial Beteiligungs-Gesellschaft m.b.H.	Equity	1010 Vienna	11.2	29.6
Medicur-Holding Gesellschaft m.b.H.**)	Equity	1020 Vienna	–0.4	25.0
ÖVK Holding GmbH	Equity	1030 Vienna	4.8	25.0
PKB Privatkliniken Beteiligungs-GmbH**)	Equity	1010 Vienna	18.6	50.0
STRABAG SE**)	Equity	9500 Villach	2,790.3	12.5
Humanomed Krankenhaus Management Gesellschaft m.b.H.	Equity	1040 Vienna	0.4	44.0
Privatklinik Villach Gesellschaft m.b.H. & Co. KG	*2)	9020 Klagenfurt		34.9
ÖPAG Pensionskassen Aktiengesellschaft	Equity	1203 Vienna	27.5	40.1
call us Assistance International GmbH	Equity	1090 Vienna	0.5	61.0
EBV Leasing Gesellschaft m.b.H.	Equity	1061 Vienna	0.2	50.0
UNIQA Leasing GmbH	Full	1061 Vienna	0.2	100.0
UNIQA Human Resources-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	165.2	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	10.9	100.0
Austria Hotels Betriebs-GmbH[3]	Full	1010 Vienna	8.3	100.0
Wiener Kongresszentrum Hofburg Betriebsgesellschaft m.b.H.	*2)	1010 Vienna		24.5
JALPAK International (Austria) Ges.m.b.H.	*2)	1010 Vienna		25.0
Allrisk-SCS-Versicherungsdienst Gesellschaft m.b.H.	Equity	2334 Vösendorf-Süd	0.0	37.5
Real-estate companies				
Fundus Praha s.r.o.	Full	Czech Republic, Prague	2.9	100.0
UNIQA Reality s.r.o.	Full	Czech Republic, Prague	1.3	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	1.0	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	1.0	100.0
Steigengraben-Gut Gesellschaft m.b.H.	*1)	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	111.1	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	1.0	33.0
UNIQA Real Estate AG	Full	1029 Vienna	149.0	100.0
"Hoher Markt 4" Besitzgesellschaft m.b.H.	Full	1020 Vienna	8.6	100.0
UNIQA Praterstraße Projekterrichtungs GmbH	Full	1029 Vienna	18.0	100.0
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Full	1029 Vienna	5.8	99.0
UNIQA Real Estate Inlandsholding GmbH	Full	1029 Vienna	0.0	100.0
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Full	1029 Vienna	1.0	100.0
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Full	1029 Vienna	0.0	100.0
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Full	1020 Vienna	4.4	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft	Full	Hungary, Budapest	5.8	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.1	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0

Company	Type	Location	Equity in € million[1]	Share in equity in %[2]
Real-estate companies				
AUSTRIA Hotels Liegenschaftsbesitz AG[3]	Full	1010 Vienna	33.6	99.5
Passauerhof Betriebs-Ges.m.b.H.[3]	Full	1010 Vienna	1.3	100.0
Austria Österreichische Hotelbetriebs s.r.o.[3]	Full	Czech Republic, Prague	19.3	100.0
Grupo Borona Advisors, S.L. Ad	*1)	Spain, Madrid		74.6
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	4.0	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	6.3	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	5.1	100.0
HKM Immobilien GmbH	*1)	Germany, Mannheim		100.0
CROSS POINT, a.s.	Full	Slovakia, Bratislava	4.9	100.0
Aniger s.r.o.	Full	Czech Republic, Prague	4.7	100.0
Floreasca Tower SRL	Full	Romania, Bucharest	0.7	100.0
Pretium Ingatlan Kft.	Full	Hungary, Budapest	5.1	100.0
UNIQA poslovni centar Korzo d.o.o.	Full	Croatia, Rijeka	0.5	100.0
UNIQA-Invest Kft	Full	Hungary, Budapest	8.6	100.0
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Full	Germany, Berlin	0.1	100.0
UNIQA Real Estate Bulgaria EOOD	Full	Bulgaria, Sofia	0.0	100.0
UNIQA Real Estate BH nekretnine, d.o.o	Full	Bosnia and Herzegovina, Sarajevo	3.6	100.0
UNIQA Real Estate d.o.o	*1)	Serbia, Belgrade		100.0
Renaissance Plaza d.o.o.	*1)	Serbia, Belgrade		100.0
IPM International Property Management Kft	Full	Hungary, Budapest	1.5	100.0
UNIQA Real Estate Polska Sp. z o.o.	Full	Poland, Warsaw	0.0	100.0
Black Sea Investment Capital	*1)	Ukraine, Kiev		100.0
LEGIWATON INVESTMENTS LIMITED	*1)	Cyprus, Limassol		100.0
UNIQA Real III, spol. s.r.o.	Full	Slovakia, Bratislava	4.6	100.0
UNIQA Real Estate d.o.o	Full	Slovenia, Laibach	0.0	100.0
UNIQA Real Estate BV	Full	Netherlands, Hoofddorp	15.1	100.0
UNIQA Real Estate Bulgaria Alpha EOOD	Full	Bulgaria, Sofia	0.0	100.0
UNIQA Real Estate P. Volfova	Full	Slowenien, Laibach	0.0	100.0
UNIQA Real Estate Ukraine	*1)	Ukraine, Kiev		100.0
Reytarske	*1)	Ukraine, Kiev		100.0
Austria Hotels Betriebs CZ	Full	Czech Republic, Prague	6.6	100.0
UNIQA Real Estate Alpha d.o.o.	*1)	Serbia, Belgrade		100.0
UNIQA Real Estate Beta d.o.o.	*1)	Serbia, Belgrade		100.0

*1) Unconsolidated company.

*2) Associated not "at equity" valued company.

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

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

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

Approval for publication

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

Vienna, 7 April 2008

Konstantin Klien Chairman of the Management Board	**Hannes Bogner** Member of the Management Board	**Andreas Brandstetter** 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 German version of the consolidated financial statements of **UNIQA Versicherungen AG, Vienna**, for the **financial year from 1 January to 31 December 2007**. These Group consolidated financial statements include the consolidated balance sheet as at 31 December 2007, the consolidated income statement, the Group cash flow statement and the statement of changes in Group equity for the financial year ending 31 December 2007, as well as a summary of the most important methods of accounting and valuation applied and other notes.

Legal representatives' responsibility for the consolidated financial statements
The legal representatives of the company are responsible for the preparation of consolidated financial statements that give a true and fair view of the net assets, the financial position and the profit situation of the Group, in agreement with the International Financial Reporting Standards (IFRS) as applied in the EU. This responsibility includes the design, implementation and maintenance of an internal control system, to the extent that this is important for the preparation of the consolidated statements and the negotiation of as true a picture as possible of the Group's net assets, financial position and profit situation, so that these consolidated statements are free from material misrepresentations, whether due to intentional or unintentional mistakes. It also includes the choice and application of suitable accounting and valuation methods and the effecting of estimates that appear appropriate under the existing circumstances.

The auditor's responsibility
We are responsible for rendering an audit opinion on these consolidated financial statements on the basis of the audit performed by us. Our audit was conducted in accordance with the prevailing statutory provisions and the International Standards on Auditing (ISA) as published by the International Auditing and Assurance Standards Board (IAASB) of the International Federation of Accountants (IFAC). These principles require that we conform to the ethics of the profession and plan and execute the audit in such a manner that we can judge, with a sufficient degree of certainty, whether the consolidated financial statements are free from material misstatements.

An audit includes the execution of audit procedures to verify the amounts and other statements in the consolidated financial statements. The choice of audit procedures depends on the conscientious discretion of the auditor, taking into consideration his estimate of the chance that a material misstatement has been made, whether due to an intentional or an unintentional mistake. When estimating the level of this risk, the auditor takes the internal control system into consideration, to the extent that it is of significance for preparing the consolidated financial statements and providing as true and fair a view as possible of the Group's net assets, financial position and profit situation, in order to determine the appropriate audit procedures under the circumstances; the auditor does not, however, give an opinion on the effectiveness of the Group's internal control system. The audit also includes our evaluation of the adequacy of the accounting principles and valuation methods applied and the material estimates made by the legal representatives of the company, as well as an assessment of the overall tenor of the consolidated financial statements.

We believe that we obtained sufficient and suitable verification with our audit, so that our audit provides a reasonably sound basis for our opinion.

Audit opinion
Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the consolidated financial statements comply with the statutory requirements and give as accurate a view as possible of the net assets and financial position of the Group as of 31 December 2007, as well as the Group's profit situation and cash flow for the financial year from 1 January to 31 December 2007, in accordance with the International Financial Reporting Standards (IFRS), as applicable in the EU.

Report on the Group management report
Due to the prevailing statutory provisions in Austria, the Group management report is to be audited as to whether it is in agreement with the consolidated financial statements and whether or not other statements in the Group management report give a false impression of the situation of the Group.

The Group management report agrees with the consolidated financial statements.

Vienna, 8 April 2008

KPMG Austria GmbH
Wirtschaftsprüfungs- und Steuerberatungsgesellschaft

Georg Weinberger
Chartered Accountant

ppa 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. In the Supervisory Board meetings held in 2007, 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 focussed on the Group's earnings situation and its further strategic development. The Supervisory Board had five meetings in 2007. In the meeting on 22 March, the Supervisory Board mainly discussed the companies' 2006 results and the progress of expansion measures in Romania. The Supervisory Board also decided to expand the business operations of CALL DIRECT Versicherung AG. The meeting of the Supervisory Board on 25 April focussed on a discussion of the annual financial statements and the Group's consolidated financial statements as at 31 December 2006, as well as the report of the Management Board about the development of the Group in the 1st quarter of 2007. Changes were made to the Supervisory Board at the Annual General Meeting, calling for a reorganisation of the Supervisory Board which took place on 21 May. At the meeting on 18 September, the Supervisory Board mainly discussed the development of the company in the first half of 2007. Aside from reporting on the results of the Group in the first three quarters of 2007, and the approval of additional expansion measures in Albania and the Ukraine, the Supervisory Board discussed the business plan for 2008 at its meeting on 28 November.

Committees of the Supervisory Board

To facilitate the work of the Supervisory Board and to improve its efficiency, additional committees were set up in addition to the mandatory Audit Committee. The Working Committee mainly talked about the development of the Group's earnings and the company's long-term strategy, and made various decisions. They had five meetings in 2007, and made three decisions by circulating them in writing. The Committee for Board Affairs met twice to deal with the legal employment formalities of the members of the Management Board. The Investment Committee had four meetings about the capital investment strategy and questions of the capital structure. In its meeting, the Audit Committee concentrated on all audit documents and the Management Board's proposed appropriation of profit, and reported to the Supervisory Board. 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 2007, 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 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 2007 financial statements were thereby adopted in accordance with Section 125 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 50 cents per share will be proposed at the Annual General Meeting on 19 May 2008.

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

Vienna, April 2008

On behalf of the Supervisory Board

Christian Konrad

Glossary

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

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

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

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

Asset liability management
Management concept in which decisions regarding company assets and liabilities are coordinated. This involves a continuous process in which strategies for assets and liabilities are formulated, implemented, monitored and revised, in order to achieve the financial goals with defined risk tolerances and restrictions.

Associated companies
These are participating interests consolidated at equity, i.e. by including them in the Consolidated Financial Statements with the corresponding share in the equity. The major prerequisite for doing so is the possibility of the Group exercising a decisive influence on the operating and financial policy of the associated companies, regardless of whether the Group actually exercises that influence.

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

Benchmark method
An accounting and valuation method preferred under IFRS.

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

Cash flow statement
Shows the cash surplus from operating, investing and financing activities generated by the company during a specific period (source and use of funds).

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

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

Cost ratio
Operating expenses (retained) in relation to premiums earned.

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

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

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

Derivatives
Financial contracts whose value depends on the price development of an underlying asset.

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

Diversification
Diversification is a business policy instrument that generally involves positioning or distributing the activities of a company over various areas to avoid dependence on single factors.

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

Earnings per share (undiluted/diluted)
The consolidated profit for the year divided by the average number of shares outstanding. Diluted earnings per share include subscription rights exercised or to be exercised in the number of shares, and in the consolidated profit for the year.

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

Equity method
Method used for recognising the interests in associated companies. They are, in principle, valued at the Group's share in the equity of these companies. In the case of interests in companies which also prepare consolidated financial statements, the valuation is based on the share in Group equity. Under current valuation, this measurement is to be adjusted for proportional equity changes, with the interest in the net income for the year being allocated to the consolidated result.

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

Goodwill
Excess over the purchase price for a subsidiary and the share in its equity after winding up the hidden reserves attributable to the purchaser on the date of acquisition.

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

Hedging
A way of insuring oneself against unwanted price fluctuations by the use of adequate counter positions, particularly in derivatives.

IAS
International Accounting Standards.

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

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

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

Minority interests
Shares in the equity of associated companies that are not held by Group companies.

Minority interests in net profit
The share of net profit allocated not to the Group, but to shareholders outside of the Group holding interests in associated companies.

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

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

Premiums
Total premiums written. All compulsory premiums in the financial year, from insurance policies in direct business and reinsurance business accepted.

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

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

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

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

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

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

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

Return on equity (ROE)
The return on equity (before tax) is the profit on ordinary activities in relation to the average total equity (without consideration of the contained net profit). It is used as a general indication of the company's efficiency.

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

Risk
The possibility that negative factors could influence the future financial situation of the company. Furthermore, in the insurance business, risk is understood as the possibility that a claim will arise because a danger that has been ensured against occurs. The insured object or insured person is also frequently referred to as a risk.

Risk management
Ongoing, systematic and continuous identification, analysis, evaluation and management of potential risks that could endanger the assets, financial situation and profits of a company over the medium and long terms. Target: to ensure the continued existence of a company, secure the company goals against disruptive events, with the aid of appropriate measures, and improve the company value.

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

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

Solvability
Level of own funds in an insurance company.

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

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

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

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

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

US GAAP
US Generally Accepted Accounting Principles.

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

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Group Organisational Chart

UNIQA Versicherungen AG

Domestic Insurance Companies

- UNIQA Personenversicherung AG 63,4%
- UNIQA Sachversicherung AG 100%
- Raiffeisen Versicherung AG 100%
- FINANCE LIFE Lebensversicherung AG 100%
- Salzburger Landes-Versicherung AG 100%
- CALL DIRECT Versicherung AG 100%

Service Companies

- UNIQA Finanz-Service GmbH 100%
- UNIQA Immobilien-Service GmbH 100%
- UNIQA Real Estate AG 100%
- UNIQA Software-Service GmbH 100%
- UNIQA Leasing GmbH 100%
- UNIQA Human Resources-Service GmbH 100%
- UNIQA HealthService GmbH 100%
- UNIQA Beteiligungs-Holding GmbH 100%

UNIQA International Versicherungs-Holding GmbH 100%

International Insurance Companies

- UNIQA TU S.A. Lodz (PL) 69.9%
- UNIQA TU na Życie S.A. Lodz (PL) 69.7%
- TU FILAR S.A. Stettin (PL) 96.2%
- UNIQA pojišťovna a.s. Prague (CZ) 100%
- UNIQA poisťovňa a.s. Bratislava (SK) 99.9%
- UNIQA Biztosító Zrt. Budapest (HU) 85%
- UNIQA osiguranje d.d. Zagreb (HR) 80%
- UNIQA Osiguranje d.d. Sarajevo (BiH) 99.8%
- Credo-Classic Kiev (UA) 61.0%
- UNIQA LIFE Kiev (UA) 100%
- ASTRA S.A. Bucharest (RO) 27%
- UNIQA Insurance plc Sofia (BG) 62.5%
- UNIQA Life Insurance plc Sofia (BG) 99.7%
- UNIQA a.d.o. Belgrade (SRB) 89.6%
- UNIQA neživotno osiguranje a.d.o. Belgrade (SRB) 100%
- UNIQA životno osiguranje a.d. Podgorica (MNE) 100%
- UNIQA neživotno osiguranje a.d. Podgorica (MNE) 100%
- SIGAL Holding sH.A. Tirana (AL) 45.6%
- Mannheimer AG Holding Mannheim (D) 90.8%
- Mannheimer Versicherung AG Mannheim (D) 100%
- Mannheimer Krankenversicherung AG Mannheim (D) 100%
- mamax Lebensversicherung AG Mannheim (D) 100%
- UNIQA Assurances S.A. Genf (CH) 100%
- UNIQA Re AG Zürich (CH) 100%
- UNIQA Lebensversicherung AG Vaduz (FL) 100%
- UNIQA Versicherung AG Vaduz (FL) 100%
- UNIQA Protezione S.p.A. Udine (I) 89.3%
- UNIQA Previdenza S.p.A. Milan (I) 80%
- UNIQA Assicurazioni S.p.A. Milan (I) 100%

Other Holdings

- AUSTRIA Hotels Liegenschaftsbesitz AG 99.5%
- ÖPAG Pensionskassen AG 40.1%
- ÖVK Holding GmbH 25%
- VBV-Betriebliche Altersvorsorge AG 5.9%
- SK Versicherung AG 25%
- Niederösterreichische Versicherung AG 13.2%
- Medial Beteiligungs-GmbH 29.6%
- Medicur Holding GmbH 25%
- Humanomed Krankenhaus Management GmbH 44%
- PKB-Privatkliniken Beteiligungs-GmbH 50%
- call us Assistance International GmbH 61%
- Raiffeisen evolution project development GmbH 20%
- CEE Hotel Development Aktiengesellschaft 50%
- UNIQA Praterstraße Projekterrichtungs GmbH 100%
- STRABAG SE 12.5%
- LEIPNIK-LUNDENBURGER INVEST Beteiligungs AG 8.8%
- Oesterreichische Nationalbank 2.7%
- Raiffeisen Zentralbank Österreich AG 2.6%
- Wiener Börse AG 4.3%

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