Group Report 2005
UNIQA Versicherungen AG

The insurance of a new generation

UNIQA

The UNIQA Group Austria is the largest insurance group in the country. We are the clear market leader in life and health insurance and the third-largest property insurer. Today, UNIQA is Austria's best-known insurance brand, with an outstanding image. Under the umbrella of the listed company, UNIQA Versicherungen AG, we operate more than 70 group companies and have more than 10,000 employees in Austria and thirteen Central and Eastern European countries—Italy, Germany, Switzerland, Liechtenstein, Poland, Hungary, the Czech Republic, Slovakia, Croatia, Slovenia, and Bosnia and Herzegovina as well as Romania and Bulgaria—in all classes of insurance business and all sales channels. This has set us on the road to becoming one of the leading insurance groups in Central and Eastern Europe.

UNIQA

The insurance of a new generation

People today have a new approach to life. They view life as an opportunity. And as the world changes, the insurance business must change with it. With UNIQA as a partner, people can plan their lives as they see fit with confidence and optimism.

Key Figures

in € million	Page	2005	2004[5]	2003	2002	2001
Premiums written	149	4,370.2	3,599.6	3,030.5	2,668.4	2,644.6
Share of premiums from unit- and index-linked life insurance saved		360.2	178.2	102.3	18.7	0.0
Premiums written incl. share of premiums from unit- and index-linked life insurance saved		4,730.4	3,777.8	3,132.8	2,687.1	2,644.6
Premiums earned (net)[1]	150	4,000.4	3,301.7	2,778.6	2,405.6	2,434.8
of which property and casualty insurance		1,627.7	1,393.5	1,025.4	774.3	678.5
of which health insurance		849.4	742.1	716.4	688.6	662.7
of which life insurance		1,523.3	1,166.1	1,036.7	942.8	1,093.6
Insurance benefits	155	3,776.9	3,033.4	2,484.1	2,351.9	2,529.3
Operating expenses retained[2]	156,151	927.7	826.2	601.5	472.4	503.8
Cost ratio	65	21.3%	23.7%	20.9%	19.5%	20.7%
Net investment income[3]	78	962.9	747.9	420.9	475.9	660.0
Investments[4]	76	19,367.3	16,597.9	13,233.8	11,682.1	11,188.0
Equity	80	930.4	683.1	540.5	509.5	555.7
Profit on ordinary activities	78	190.3	120.8	68.3	35.3	45.3
Net profit for the year	78	133.3	101.8	56.2	18.5	26.3
Profit per share (in €)	132	0.94	0.74	0.42	0.03	0.11
Pre-tax profit per share (in €)	132	1.44	0.92	0.53	0.17	0.27
Dividend per share (in €)	75	0.26	0.22	0.20	0.16	0.16
Stock market price of UNIQA shares as at 31 Dec. (in €)	57	23.40	10.60	7.97	7.99	6.34
Market capitalisation 31 Dec.	56	2,802.8	1,269.6	954.6	957.0	759.4
Average number of employees	158	9,943	9,701	8,335	6,565	6,718
Insurance policies		11,892,828	11,739,085	9,834,256	7,441,574	7,240,498
Number of group companies	122					
Fully consolidated		76	68	59	33	30
Equity consolidated		15	15	15	12	14

Because of formatting to € million, there may be rounding differences.
[1] Fully consolidated values.
[2] Incl. reinsurance provisions and profit shares from reinsurance business ceded.
[3] Minus financing costs.
[4] Incl. self-used land and buildings, land and buildings held as financial investments, shares in associated companies and investments in unit- and index-linked life insurance policies.
[5] The 2004 key figures were adjusted to comply with the adapted IFRSs.

Foreword by the Chairman of the Supervisory Board

Christian Konrad
Chairman of the Supervisory Board

Dear shareholders and customers!

The 2005 annual report gives an account of the most successful year since the founding of UNIQA.

This positive development was achieved through further significant improvement in the technical results as well as a continuation of the increased earnings programme for creation of efficient cost structures and supported by a very positive capital market environment. Particularly pleasing is the fact that the improved results were seen not only in Austria but in our international activities as well.

With an increase in the consolidated earnings before taxes to €190 million and a rise in the group equity to over €1.1 million, the group has proven its earning power and capital resources.

In the past business year, the UNIQA Group engaged in additional expansion steps in Central and Eastern Europe with the entrance into the markets in Romania and Bulgaria. The successful implementation of the expansion strategy and its continuation in the current year requires not only sufficient capital resources but above all know-how and management capacities. The integration of the new markets and the creation of more efficient structures are challenges that must be met. The fact that all our international companies are already showing profits creates the ideal environment for direct measures to obtain additional market shares.

The first months of the current financial year have revealed a significant intensification of competition, particularly in the motor insurance segment. Throughout Europe, the leading insurance groups are focusing intensely on creating lean and cost-efficient structures for the increasing competition. The UNIQA Group must also rise to this challenge by continuing and intensifying the cost reduction and productivity improvement process begun in recent years. Success in this area is essential for numbering among the winners in the increasingly competitive environment.

The development of UNIQA shares has also been gratifying, with our stock proving to be one of the top performers on the Vienna Stock Exchange in 2005 with a price increase of over 120%. This has brought the market capitalisation of the UNIQA Group to over €3.3 billion. In order to allow shareholders to participate in the group's healthy development, the Management Board has proposed a further increase in the dividend, now to 26 cents per share.

I would like to thank in particular all UNIQA employees for their efforts and work during 2005. May I ask them also to carry on working together in future to make the UNIQA Group into one of the leading insurance groups in Central Europe.

Vienna, April 2006

Christian Konrad

Foreword by the Management Board

Konstantin Klien
Chairman of the
Management Board

Ladies and Gentlemen,

With the increase in the earnings before taxes to €190 million, 2005 has proven to be yet another exciting chapter in the UNIQA success story. The measures introduced in recent years for improving the earning power of the group have clearly had a strong impact on the company results. With a return on equity of over 19%, we have significantly exceeded our goal for 2005 of 15%.

In view of this positive development, the Management Board will recommend to the Supervisory Board and the General Assembly an additional increase in the dividends this year as well by 18% to 26 cents per share.

The UNIQA shares reached an all-time high in 2005 with an increase of over 120% and numbered among the top values on the Vienna Stock Exchange with a growth in market capitalisation to over €3.3 billion. In the past year, we have also implemented comprehensive measures that have strengthened the environment for the UNIQA shares. In addition to increasing the free float through the sale of company-held shares, we have also significantly intensified the capital market communication. The development of UNIQA shares shows that the efforts surrounding our stock were received positively by the capital market.

In 2005, we completed the takeover of the Mannheimer Group with the acquisition of Mannheimer Krankenversicherung and took another step in our expansion into the growth markets of Eastern Europe with the purchase of minority shares as part of a multistage plan to take over a majority in ASTRA and Vitosha. The existing cooperation with Raiffeisen within the framework of the Preferred Partnership, which is already being implemented in most countries of Eastern Europe, is also of central importance to the expansion process in Romania and Bulgaria. We also want to continue to expand this cooperation in our other target markets in Ukraine as well as Serbia and Montenegro to become a model of successful bank assurance.

The UNIQA Group has developed in recent years into one of the leading insurance groups in Central Europe. With cost-efficient structures, we have laid the foundation for allowing UNIQA to optimally utilise the favourable conditions in Austria and in the international markets. There is no better proof of this than the group's strong growth, the considerable improvement in the earning power and the exciting development of the UNIQA shares.

However, the successes of recent years should not draw our attention away from the fact that the insurance markets are entering a phase of increased competition. This applies in particular to the motor insurance market, where it appears that a new price war has been waging since the start of the year. Anyone looking to succeed in this phase of intensifying competition must secure sufficient freedom for a flexible price policy through further improvement of productivity and cost efficiency. This is essential for safeguarding the earning power of the company over the long term. For this reason, we will start a comprehensive increased earnings programme to make our structures even leaner, more flexible and more cost-efficient. We are convinced that UNIQA has excellent prospects for succeeding even in a phase of intensifying competition. Our central guiding principle will certainly remain: "Sustained profitability takes priority over a short-term sales mindset."

Our employees and partners have accomplished great things in recent years to make the UNIQA story one of unqualified success. For this I would like to offer my heartfelt gratitude. With a motivated team, we are securing our position as a leading and independent Central European insurance group with an Austrian identity.

Vienna, April 2006

Konstantin Klien

Karl Unger

Member of the
Management Board

Private Customer Business,
Information Technology,
Customer Services
and Actuarial Control

Gottfried Wanitschek

Member of the
Management Board

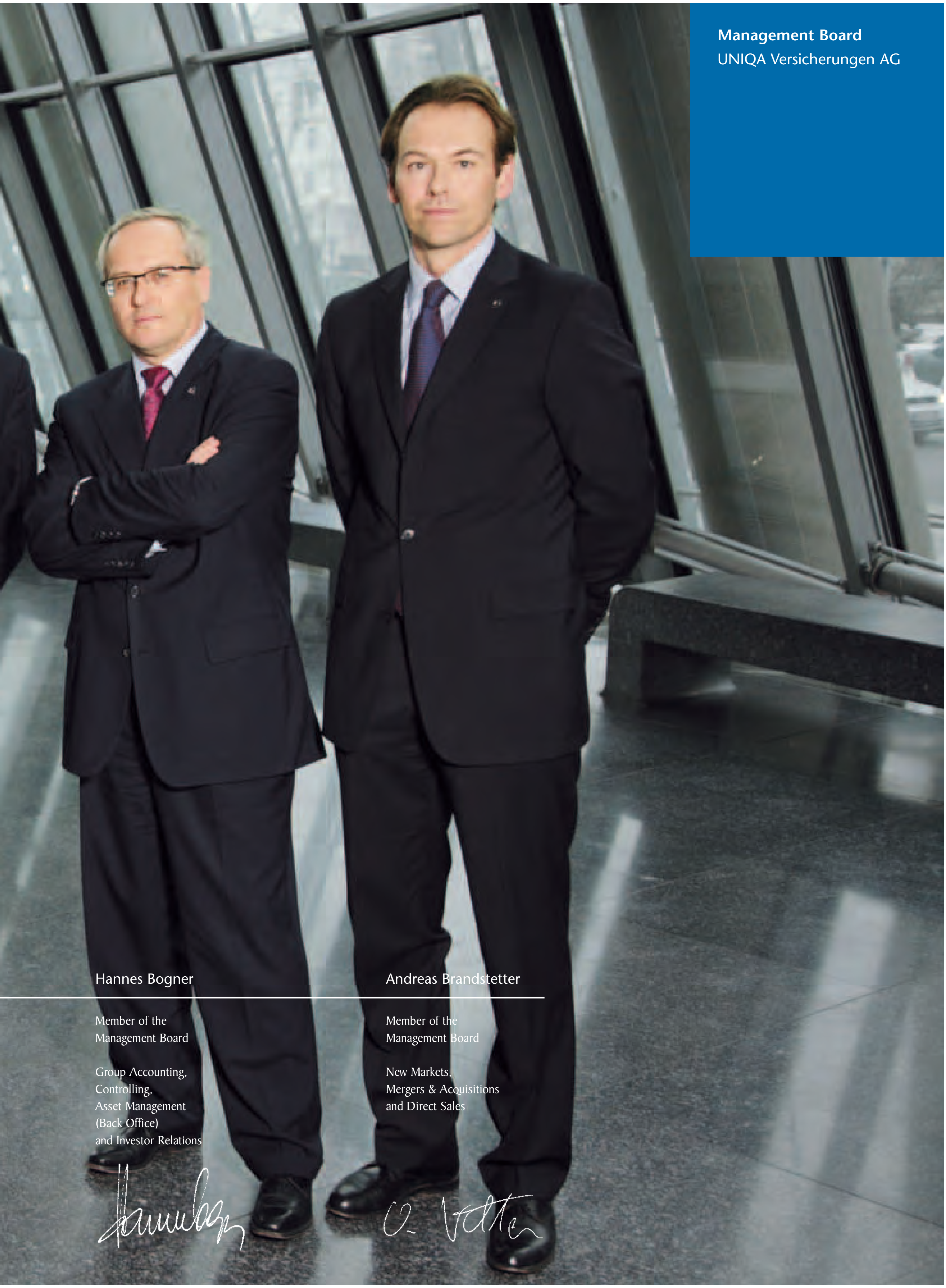
Asset Management,
Equity Holdings,
Property Management,
Legal Affairs,
and General Administration

Konstantin Klien

Chairman of the
Management Board

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

Management Board
UNIQA Versicherungen AG



Hannes Bogner

Member of the Management Board

Group Accounting, Controlling, Asset Management (Back Office) and Investor Relations

Andreas Brandstetter

Member of the Management Board

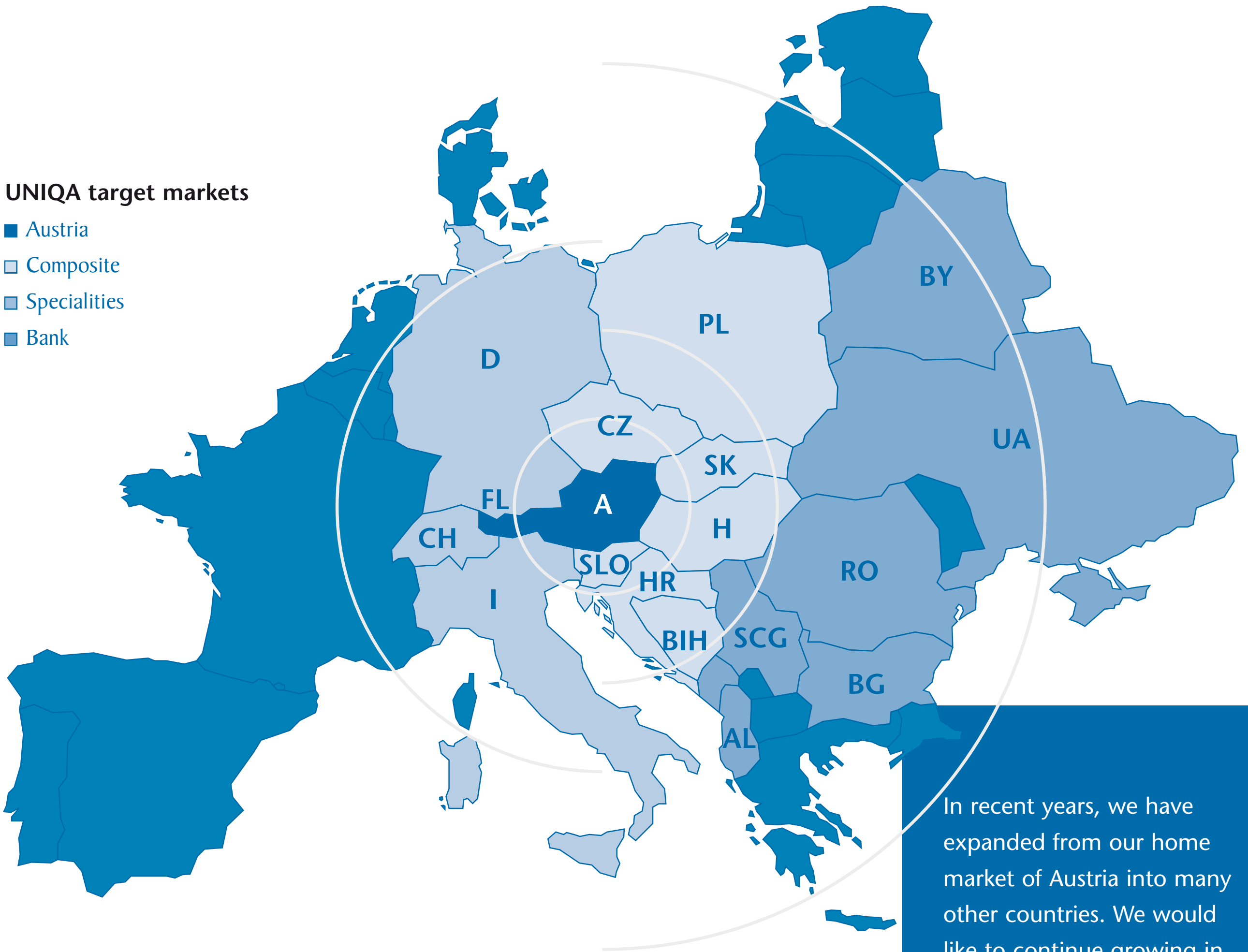
New Markets, Mergers & Acquisitions and Direct Sales

Strategy

Our corporate strategy of sound, yield-oriented expansion focused on consistent internationalisation has proved its effectiveness impressively.

Conquering the future with far-sightedness

Despite an environment complicated by the increased price competition in the core business area of insurance in Austria, our consistent strategy of sound, yield-oriented product growth with a focus on internationalisation has passed the test with flying colours.



In recent years, we have expanded from our home market of Austria into many other countries. We would like to continue growing in the future, with a focus on Eastern Europe.

Our strategy of concentric circles designed for country-specific development of markets at home and abroad is the key for securing our future and independence. The declared goal is to become one of the leading insurance groups in Central Europe and in the rapidly developing countries on the eastern border of the European Union, expanding from the current total group premium income of €4.7 billion, over five million customers, 12 million insurance policies and 10,000 employees in 14 countries.

Massively accelerated growth

With this strategy, we can expand our leading position in the core market of Austria through healthy internal growth. Foresighted yield-oriented purchases, the Preferred Partnership with the Raiffeisen bank group and cooperation with the European Bank for Reconstruction and Development have also helped us achieve an enormous growth spurt in Eastern and South-Eastern Europe.

Qualitative growth in the regions of Central and Eastern Europe is essential in order to maintain our position in the long run amid the ever intensifying competition. But without sufficient improvement of the profitability, the necessary independence cannot be lastingly guaranteed. Our corporate strategy proved its effectiveness in 2005 not only through the optimisation of our strength in sales and the core business. It also allowed for an over-proportional increase in the earning power in the investment area.

Capital markets rewarded the improved earning power

The most impressive proof was the increase of the group income by over 50%. The energetic efforts for strict cost controlling and the ambitious three-year programme for increasing revenues domestically and abroad made decisive contributions to this achievement. We even exceeded the projected goals as well as the group's long-term targeted return on equity of 15%. The capital markets rewarded this with gusto. Our stock price has risen by 167% since the start of 2005.

In the core market of Austria, in which we generate about 70% of the premium income in the group as the country's largest life and health insurer, the insurance demands of our customers were addressed through the strategy of profitable, qualitative growth and asset expansion.

Leading position in Austria expanded

In the change from a product-oriented to a customer-focused insurer with the best brand image and the highest service quality standard, we have done more than defend our leading position in Austria. Thanks to our new sales structure with central controlling for Europe through the Group Management Board and controlled delegation of the responsibility for implementation to the local decision-makers, we enjoyed above-average growth in the domestic market. We were able to increase our market share in Austria to over 22%. And the strategic option "profitability before growth" further enhances the contribution of the core market to group profits.

+25%

A rise in the premium volumes, a market share of 22% in Austria and over-proportional growth in Central and Eastern Europe as well as a stock performance of over 162% prove the successful implementation of our corporate strategy.

Austria

- Further securing of market leadership
- New sales structure with central controlling for Europe
- Profitability before growth
- 15% return on equity

Special products and niche strategy for mature markets in the West

In our more mature neighbouring markets of Western Europe, we have done well with a strategy aimed at market niches, bank distribution channels and special products. The integration of the Mannheimer Group was concluded with the takeover of Mannheimer Krankenversicherung. This German group operates as an established brand name company selling primarily commercial niche and special products. It also functions as a competence centre for its proven direct insurance technology, which we will utilise in our banking sales in the East.

Our companies in Switzerland and Liechtenstein enjoy continued success serving the employees of international organisations with health insurance and operating as providers of specialised life insurance as well as innovative art insurance.

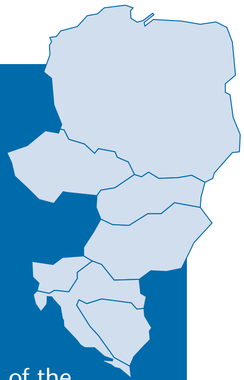
In Italy, we have rounded out our portfolio by taking over capital majority of the life insurance company Claris Vita. After the merging of the three group companies into a single operational unit under the direction of a uniform management, we are well positioned with a comprehensive product range in all distribution channels with high cross-selling potential.

Specialities

- ☐ Regional niche strategy with clearly defined product and customer segments
- ☐ Mannheimer as competence centre for direct insurance technology
- ☐ Use of cross-selling potential in Italy
- ☐ Offering of profitable special products in Switzerland and Liechtenstein

Utilising potential in the East as composite insurer

In the rapidly developing markets of the new EU members in Eastern Europe, we would like to utilise the tremendous potential in retail market business as a composite insurer. We seek in this way to strengthen our positions in Poland, Slovakia, the Czech Republic and Hungary as well as the EU succession candidate Croatia in property insurance, which makes up the dominant share of the Eastern European premium income at about three quarters.



Composite

- ☐ Further strengthening of market positions
- ☐ Tap into growth options in life insurance
- ☐ Preferred Partnership—expansion of the bank distribution channel
- ☐ Dynamic projects—investments in expanding distribution
- ☐ Continuation of the cooperation with the EBRD

We also seek to position ourselves in the future for the significantly underdeveloped life insurance potential. This area promises exceptional growth prospects for the future. The partnership with the European Bank for Reconstruction and Development, which has already worked with our companies in Poland, the Czech Republic, Hungary and Croatia, is a reliable foundation in the necessary capitalisation for our activities in this region.

Bank assurance as door opener for the Eastern future markets

Our operations in the East are accompanied by bank assurance as part of the Preferred Partnership with Raiffeisen banks as a door opener. This cooperation, which has flourished in Austria for years, has proven itself an innovative and synergistic symbiosis in the penetration of the target markets within the EU, particularly on its Eastern borders.

"In an environment that is constantly changing due to global competition, we bear a corporate responsibility in many respects—on behalf of our customers and employees, our shareholders, and towards the society in which we live."

Konstantin Klien Chairman of the Management Board

This cooperation has already been successfully implemented in the Czech Republic, Slovakia, Poland, Hungary and Croatia, but it will also assist in the new entrance into Bulgaria, Romania and Bosnia and Herzegovina, in particular. It will also be of great service in working new target markets such as Ukraine and Serbia.

Bank

- Preferred Partnership—intensification of the cooperation with the Raiffeisen bank group
- 2006 market entrance into Ukraine and Serbia and Montenegro
- Utilisation of the high growth rates in these areas
- Continuation of the cooperation with the EBRD

Sustainability and social responsibility as integral strategy elements

The long-term success of our corporate strategy depends not only on financial success. For acceptance among customers, employees, shareholders and in the general public, our operations are dedicated to increased consideration of non-financial issues, such as sustainability and corporate social responsibility. We view these factors as integral elements of a far-sighted, responsible corporate policy.

In the interests of corporate social responsibility, we would like to integrate our responsibility to the economy, society and the environment together with our management strategy. At the same time, sustainability takes on increasing importance within our strategy of sound expansion. For us, sustainability means taking advantage of the business prospects in the present without disregarding the perspectives of coming generations.

These meta-economic factors are becoming appreciably more important to the financial community in the international capital markets. Studies have shown that sustainable investments are more profitable and exceed the typical financial benchmarks.

In other words, sustainability and social responsibility are valuable in many respects. For us, they therefore represent cornerstones of long-term success.

Profitability before growth

Customers and Markets

The best is just barely good enough for our customers. We win them over in the domestic and international markets with our excellent service, first-class support and innovative offers.

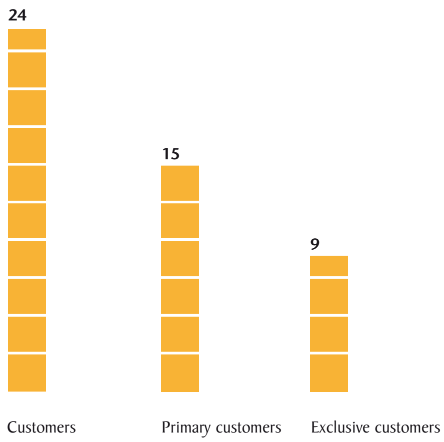
Increased impact among customers

The age of globalisation and the increasing internationalisation of our business demand new strategies and structures. The motto is: Think globally, act nationally, win regionally. With a new organisational structure, we can leverage our competitive advantages more quickly into successes with the customers and convey our corporate values of quality, flexibility, unity, decency and respect to the target markets in Central and Eastern Europe.

Our excellent reputation in the domestic market is of particular value in penetrating the dynamically growing countries on the eastern border of the European Union. Our innovation, customer-friendly products and outstanding service combined with our excellent image and good reputation are convincing competitive factors.

Distribution of customers, primary customers and exclusive customers

in % of the population



Source: VDMS 2005, Fessel-GfK

Top in trust and recognition

We have won the trust of customers over the years. In the consumer study "Reader's Digest European Most Trusted Brands 2005", the surveyed Austrians indicated UNIQA as the most trustworthy insurance brand in Austria. A confirmation that we benefit not only from our standing as the largest insurance group, but also from the satisfaction of our customers, whose full trust we enjoy.

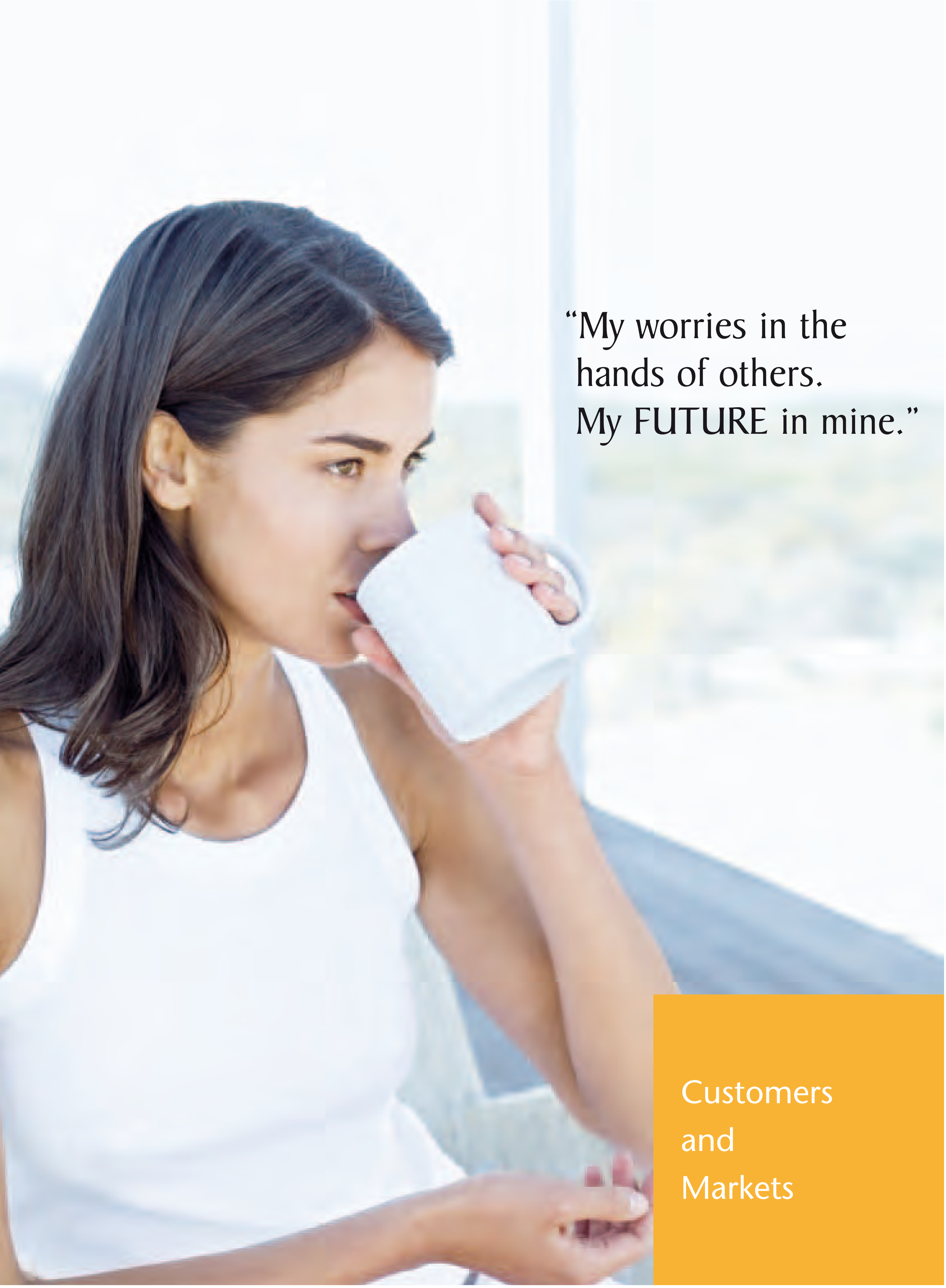
High trust

According to a survey, UNIQA is the most trustworthy insurance brand in Austria.

Highest customer share in Austria

We are now top in brand awareness, as well. According to the nationwide survey by the opinion research institute Fessel-GfK, Austrians designated us the most well-known insurance company for the first time. Our brand was able to improve its recognition in all areas, opposing the trend in the insurance industry. And we have the highest share of customers, primary customers and exclusive customers within the Austrian insurance market across all social strata.

The customers also give us top marks for our competent employees, for friendly service, innovation as well as quality and customer friendliness. The brokers selected us as the Austrian insurer with the friendliest service. We can score with these strengths.



"My worries in the
hands of others.
My FUTURE in mine."

Customers and Markets

Interview

Our company group, formed at the threshold of the 21st century, has developed over the past six years under the brand UNIQA into the leading insurance group in Austria with a 22% market share. We are growing dynamically in particular thanks to the exceptionally successful expansion of the international business into Central and Eastern Europe. We have earned the trust of 5.3 million customers with 12 million policies and serve these customers from over 1,300 business locations in 14 countries. Andreas Brandstetter, Member of the Board at UNIQA, offers answers to the question of how UNIQA plans to win the customers and future markets and maintain sustainable expansion.

Andreas Brandstetter
Member of the Board of Management

What makes UNIQA so attractive to customers and therefore so successful in the markets?

Our excellent service and exclusive product innovations impress an increasing number of customers at home and abroad. We don't want to brag about market shares as the largest insurance group in Austria, we would rather always be the best in quality—an innovative leader in product development and trendsetter in customer friendliness and tailored service.

Is quality the core element for your success?

Our claim of offering unparalleled quality is an anchor and focus for our entire company. UNIQA stands for an entirely new partnership with customers. The Q in our name symbolises the key to our success: quality. Quality permeating every department, with a will to be exceptional.

So quality is a central theme of the corporate philosophy?

Correct. Quality focuses our mission like a lens. We need top quality for products, services, organisational structures and employees in order to position ourselves in the minds of our customers as a brand name that offers more.

Quality isn't everything. But without quality, everything is nothing. That is why we rapidly transfer our high quality standards to our international markets. Our quality standard must be identifiable and tangible for the customer with country-specific product features and first-class services.

For example?

Well, in Croatia, we have been impressively successful with our new product "RBA FLEXI" and quickly won 15,000 new customers. In Slovakia, we were able to score well with the attractive health insurance "Health and Worth".

But this also means that UNIQA must always be a step ahead of the competition:

Exactly. We can't just settle for what we have achieved. Because products for insurance and provisions for the future can be imitated fairly rapidly. It is much more difficult to copy a service. In the end, it's our employees that provide the excellent services. Their high qualifications and motivation are the best customer loyalty programme, one that can be optimised by powerful information technology structures, but never replaced.

Constant monitoring of quality standards

A brand name company is not interested in short-lived daily success. We rely on long-lasting, faithful relationships with our customers. These relationships are based on trust in the outstanding quality of our services, particularly in our core competences—concluding insurance policies, providing services and the speed of claims processing.

For this reason, our high quality standards are constantly evaluated by strict quality management. We do more than just verify that the high quality standards established are complied with every day. With our internal competition, the Service Cup, we consistently work to optimise the quality of our services by exceeding our standards. We cannot allow ourselves merely to talk about quality. We must actually offer the customers outstanding quality.

"Actively organising the FUTURE is more important than ever! As innovation leader, we challenge ourselves every day to unite flexibility and security for our customers."

Is the QualityPartnership the decisive instrument for creating and expanding lasting relationships to customers?

No question about it. And the central point of the QualityPartnership is our commitment to providing the customers with active service. Success rises and falls with the motivation and qualification of our employees. They create the trust in the quality of our services. Because doing business in insurance is based on trust, which is in turn based on reliable service quality.

Is this why UNIQA ranks best in surveys on the services provided by insurance companies in Austria?

Definitely—and that gives rise to another great challenge: because we cannot rely on that always remaining the case. As industry leader in particular, we must always concern ourselves in detail with the changing needs of customers and markets in order to maintain and expand our top position.

Should the customer service package of the QualityPartnership be expanded further?

Our QualityPartnership is based on first-class service throughout our entire core business of insurance—from total transparency concerning policies and when payments are due to monetary incentives through the no claims bonus. We combine this with creative additional services: for example, the opportunity to do something for fitness and to invest in health or to participate in exclusive art events.

Isn't it necessary to constantly expand this customer service with unique selling points in order to solidify the advantage over the competition?

Absolutely. But we only integrate additional features if they truly make sense and offer the customer a real advantage. We don't want to differentiate ourselves form the competition with trendy or short-lived gimmicks.

What role do the UNIQA brand and the sponsoring play in the fight for new customers and markets?

UNIQA's rise to become the best-known insurance brand in Austria only a few years after its inception is proof of successful branding. Our sponsoring in the areas of competitive sport and culture strengthen our image. We have also expanded this image transfer to our international target markets in Eastern and South-Eastern Europe with great success through cooperation with world-class athletes who are very well known in their respective countries.

Do you intend to conquer international markets with excellent performance in service and quality?

Internationalisation is one of the central pillars of our company strategy. In 2005, we set foot into four new markets—Bosnia and Herzegovina, Slovenia, Romania and Bulgaria; in addition to a market presence in the more mature insurance markets of Central Europe, we have already enjoyed some success in entering the insurance markets of the new Eastern European members of the European Union. The insurance density is naturally still low, meaning that Eastern Europe still has enormous growth potential.

Are the prospects greater than the risks in this terrain?

Yes, if we identify our prospects in these countries with an initial risk assessment and pursue them prudently, with sound judgement. Our goal is to make satisfied UNIQA customers out of as many as possible of the 125 million people between Sofia and Varaždin, Košice and Kraków or Braşov and Brno.

QualityPartnership: the key to success

The QualityPartnership, our unique programme for building sustainable customer relationships, is our key to success. The current eight-point service programme is unmatched. It offers customers who hold at least two policies in the areas of health and life insurance, motor vehicle, accident, legal expenses or household/own home insurance with an annual premium of greater than €500 a service package with considerable added value. A unique programme that is already used by almost 250,000 very satisfied customers.

Transparency and active service guaranteed

The financial hub of the QualityPartnership is the PartnerConto. It ensures financial transparency and offers the customer a complete overview of their policies, previous premium payments or when upcoming payments are due at any time. The customer can also access the online platform myUNIQA from any location to check any insurance data, including their current payment plan, and to electronically contact their personal advisor.

We automatically assign every customer of the QualityPartnership a personal ActiveAdvisor. The ActiveAdvisor evaluates at least once per year in a personal conversation whether the established insurance protection is still sufficient. He/she makes suggestions for adaptations to changed insurance needs or new offers. Just as importantly, he/she also ensures rapid handling of any claims.

Money back if no claims are made

Remaining free of claims pays off in the QualityPartnership. If a customer does not utilise an insurance service during a year, we credit their bank account with a bonus of up to 10% of their total premium or a maximum of €200. This bonus is earned even if we paid for a claim during a calendar year but the customer reimbursed us for this payment.

This service in all matters of contributions and policies is accompanied by extra services that go beyond simple insurance protection. For instance, we promote health maintenance and wellness as Austria's leading health insurer. Customers who enter into a QualityPartnership with us are automatically members of our VitalClub, the largest health club in Austria, at no additional cost.

Get fit under preferred conditions

Members of the QualityPartnership can take advantage of the services of one of roughly 80 VitalCoaches employed throughout Austria at a discount. These experts are selected according to a strict process and analyse the customer's health condition in order to create an individually customised wellness programme for their improved fitness.

QualityPartnership

UNIQA is more than just a name; UNIQA is a commitment to quality—for a new form of partnership with the customers. With the QualityPartnership, we create true transparency in the areas in which you carry insurance and provide an overview of your premiums. We reward your loyalty to our company with "PartnerPoints". We also give you an additional bonus if you complete a calendar year without any claims in the defined insurance areas.

PartnerPoints bring our UNIQA customers attractive fitness, wellness and safety services

250 PartnerPoints	UNIQA sitting ball for a healthy back or "Original Theraband®" incl. training instructions from our UNIQA VitalCoaches or a total Wellness Day for one person: health spa day pass incl. sauna or day's entrance to "Home of Balance" in Dornbirn
500 PartnerPoints	One total Wellness Day for the entire family: health spa day pass for 2 adults and 2 children or a family ticket for the Schönbrunn Zoo (4 adults and 6 children) or an Intersport voucher valued at €50
800 PartnerPoints	One advising meeting and one active unit (60 minutes each) with a UNIQA VitalCoach
1,000 PartnerPoints	A Suunto X3 HR pulse watch
1,500 PartnerPoints	One day of ÖAMTC safety driving training or a hotel cheque for 3 days (2 nights + breakfast) for 2 people in a 4-star hotel
2,000 PartnerPoints	Hotel cheque "Golf and Ambience": 3 days (2 nights + breakfast) for 2 people at a 4-star-hotel—specially for all golf enthusiasts
2,500 PartnerPoints	Top wellness in first-class hotel: 3 days (2 nights) for 2 people incl. restaurant voucher and special activity arrangement

Source: UNIQA PartnerPoints Programme I.2006

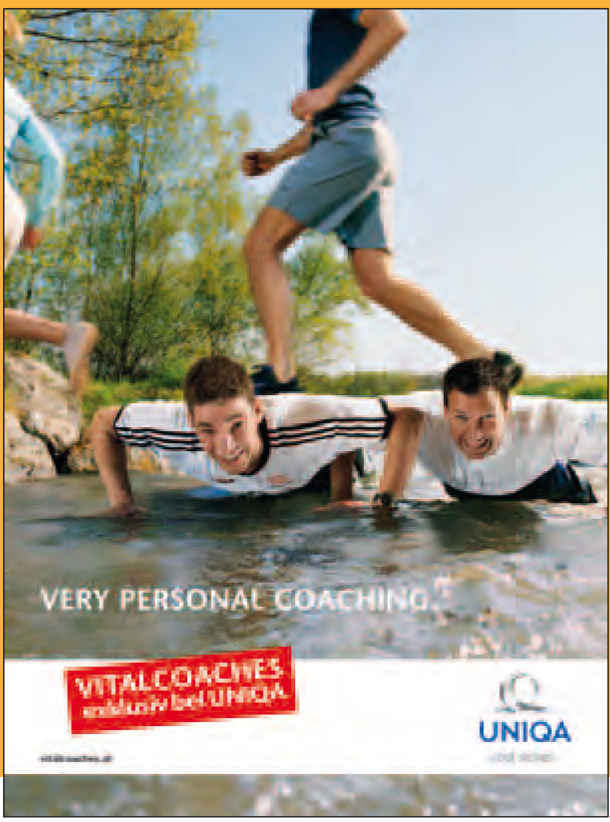
UNIQA VitalCoach

The competent advisor for health, wellness and fitness.

As the leading health insurer, we not only help our customers when they are sick; we also support them in actively maintaining and promoting health and wellness.

It is not so simple for an individual to determine the best course for maintaining and improving their health and wellness. From relaxation exercises, walking and jogging to spinal gymnastics, healthy nutrition and power training, there are a host of options.

A personal UNIQA VitalCoach helps customers determine how their health and wellness can best be actively maintained or improved. Together with our team of consultants, we have selected over 70 experts from all provinces who are available to our UNIQA customers in an Austria-wide network as highly motivated UNIQA VitalCoaches.



As alternatives, we offer VitalWeekends and VitalEvenings with seminars and talks covering all aspects of health or participation in a VitalTour, during which one can sample various types of sports.

PartnerPoints for a free wellness weekend

We reward customers who own at least three policies in various insurance areas with a total annual premium of €1,000 with special loyalty points. Upon conclusion of a Quality-Partnership, we credit you with 200 PartnerPoints as a starting bonus. The credit grows over the course of a calendar year by one PartnerPoint per €10 premium payment. With more than three areas insured, the credit increases at the end of the year, additional PartnerPoints are credited immediately when a policy is renewed.

For as few as 250 PartnerPoints, the customer can enjoy a themed wellness day at our expense. For 500 PartnerPoints they receive a personal fitness analysis by a UNIQA VitalCoach, for 1,500 points ÖAMTC driving safety training and for 2,500 PartnerPoints a weekend for two in a first-class wellness hotel. We inform our customers about the VitalClub's events and offerings as well as health and wellness tips in the regularly published member magazine NEXTVital and at www.vitalclub.at on the Internet.

Stay fit through the right diet

The right diet plays a central role in becoming and staying fit. Hippocrates himself understood: "Whatever the father of an illness is, its mother is certainly poor diet."

For this reason, we started the second Austrian Vegetable Day in cooperation with the Federal Ministry for Health and Women, ORF and Iglo. Within the framework of a nationwide publicising campaign with Stephan Eberharter, UNIQA VitalClub was co-publisher of a "50 Tips Brochure—Vegetables to the Max". The UNIQA VitalCoaches were available at all major shopping centres in Austria on this day for individual advising and to do Stephan's VitalCheck.

VitalTruck on the move for health at work

In cooperation with competent partners, our subsidiary UNIQA HealthService GmbH develops projects for promoting the health of employees in offices and factories. One excellent example is a pilot project in the province of Tyrol. We now offer our VitalTruck to interested companies as a "rolling test station" with experts in fitness and health.

VitalTruck can examine the personal health condition of up to 120 persons in one day. The 20-tonne vehicle is 16.5 metre long, four metre tall, has a trailer and a usable area of 42 square metres. It therefore offers enough space for doctors, VitalCoaches and their assistants as well as all the modern equipment required for each of the testing sessions, lasting up to 45 minutes, including the subsequent advising on proper lifestyle and health.

Receive weather warnings and pay bills by mobile phone

In addition to the unique service covering all aspects of insurance and health, we have integrated two valuable mobile phone services into our unique QualityPartnership package. In this way, we confirm our role as the innovation leader of the insurance industry. QualityPartnership members can utilise the UNIQA weather warning service by SMS and e-mail at no cost, a service offered in cooperation with meteomedia.

And our QualityPartnership customers can also pay by mobile phone and bank transfer without cash when parking, filling up, taking a taxi or ordering from the online shop. We pay the fee for the first two years of membership of paybox austria AG, that introduced the world's first and internationally leading mobile phone payment method in Austria. Our customers even receive a one-time shopping bonus upon registration.

VitalTruck
Health on wheels: the UNIQA VitalTruck toured through Austria throughout 2005. The goal is to make it easier for companies to promote health at work. Individual stress limits, strengths and weaknesses are determined with the UNIQA FitnessProfile.

Raiffeisen customer programme offering new fitness packages

Our group subsidiary Raiffeisen Versicherung has upgraded its customer programme "My sure advantage" with a comprehensive service package for health and fitness. The curtailments in public health care have put the spotlight on the private prevention package "My Fitness" in the branches of Raiffeisen Bank as sales partner of the Raiffeisen Versicherung products. Customers that have at least two policies with Raiffeisen Versicherung have access to products at discount prices.

As part of this fitness package, these customers have access every two years, after a state health examination, to a free three-day stay at a wellness hotel of their choice, where trained experts will create a fitness profile for them and a fitness coach will guide them through six training units.

In addition, "My Fitness" guarantees top medical care with free selection of the physician, access to alternative medicine, homeopathic medications and physiotherapy treatments. A customer-friendly instrument for sharpening the competitive profile and scoring over the competition.

Our carefully chosen sports and culture sponsoring makes a lasting contribution to anchoring UNIQA within the consciousness of the public and increasing our top values in brand awareness, service friendliness and trust at home and abroad.

"My Fitness"

is the name of the new health product from Raiffeisen Versicherung for greater quality of life.

"My Fitness"

"Fitness for me, not competition with others" is the philosophy of "My Fitness". An attractive service package and highly trained experts accompany the customer on their personal journey to greater fitness and quality of life.

New UNIQA partner, ski star Benni Raich

We have documented our commitment to excellence and top performance for years through the successful cooperation with the Austrian Ski Association. After skiing ace and UNIQA advertiser Stephan Eberharter withdrew from alpine ski racing, Benjamin Raich, the multiple world champion who has already been successful in the World Cup, took his place with the blue UNIQA helmet as of the 2004/2005 season.

"Benni" wins over fans of all age groups as an Austrian role model not only with his top performance; he also impresses with his self-confident yet modest behaviour in the moment of triumph. In addition to other PR activities, Benni Raich presented, in the presence of Federal Minister Elisabeth Gehrer, 3,000 blue ski helmets donated by UNIQA within the framework of a safety campaign for children and adolescents for their participation in school ski courses.

"Steff" now HeadCoach in the VitalClub and on the VitalTour

We will continue to work with Stephan Eberharter, whose popularity and image remain "top". "Steff", who also filmed a television series on how to behave on the ski slope for UNIQA and ORF in 2005, is HeadCoach in the UNIQA VitalClub. He is the highlight of the UNIQA VitalTour 2005 as the leading figure for the numerous health maintenance and promotion activities.

Benni Raich

crowned his career with two gold medals in the 2006 Winter Olympic Games in Turin and was World Cup victor for the first time in the 2005/2006 season.

At these regional Vital fairs, our customers have the opportunity to train actively, obtain information about fitness and health from UNIQA and exclusive partners, eat healthy and participate in the VitalCup. Winners receive their medals from HeadCoach Stephan Eberharter himself.

New sports stars wearing the UNIQA logo

In accordance with our sponsoring strategy "Faces for UNIQA", the best female Slovakian skier, Veronika Zuzulova, will hit the slopes with the blue UNIQA helmet. The skier, who is exceptionally popular in her home country, is known to about 90% of all Slovakians and demonstrated outstanding form in the Slalom World Cup.

Our partnership with the young Polish swimmer Aleksandra Urbancyk also developed as planned. She has won multiple races in the World Cup, already attained the world championship title in her specialised discipline, the shortcourse 100-metre event in 2004 and wants to set new European records for 100 and 200 metres.

Our face in the Czech Republic is the world-class Czech water slalom athlete Stepanka Hilgertova. The multiple Olympic champion, world champion and winner of the World Cup is very popular in the Czech Republic. There will be ideal synergies with regard to the 2006 Canoe Slalom World Championship to be held in Prague.

Our cooperation with the European Handball Champions League has paid off in particular through the high television presence during the broadcasting of games in Eastern European countries, especially in Hungary, whose representatives made it all the way to the semi-finals and finals.

UNIQA ArtCercle

Presentation of Mozart's "Magic Flute" made possible

The cooperation with the Salzburg Festival, which has been extended to 2007, has proven an exceptionally successful symbiosis for both partners and a core element of our cultural sponsoring. The commitment supported by 81% of our customers is directed toward rejuvenating a Central European cultural identity. Both partners would like in particular to win new converts in our Eastern European target countries. To this end, the offensive for art and business was called into being.

Within the framework of the Salzburg Festival, we finance productions that cannot be funded from the current budget. During the 2005 season, we made possible a presentation of Mozart's "The Magic Flute". Conductor Ricardo Muti and Michael Schade in his shining performance as Tamino made the evening an outstanding artistic event.

Exclusive project for art lovers: UNIQA ArtCercle

The newly founded UNIQA ArtCercle is a unique element of our cultural sponsoring. Through this project, we allow art lovers and customers of our art insurance exceptional glimpses into the world of art.

This includes previews of performances, viewings of artworks in storage that are rarely shown in museums, glimpses behind the curtain at the opera and the theatre, lectures, art trips or discussion forums and exclusive events. For example, 300 interested UNIQA customers were able to attend the exhibit "Goya—Prophet of the Modern" before the official opening, exclusively in the Kunsthistorisches Museum Vienna.

In addition to the Art History Museum, other partners of our UNIQA ArtCercle include the Austrian Gallery in Belvedere, the Technical Museum, the Museum of Modern Art and the Arnold Schönberg Center.

Highlights

UNIQA
was able to improve all its brand awareness values in 2005 and become the most well-known insurance company in Austria.

85,000 customers
of Raiffeisen Versicherung have already enjoyed the many advantages of the customer programme "My sure advantage".

Sponsoring
of sports and culture continues to be a fixed component of UNIQA's marketing strategy.

Processes and Products

We successfully marketed our innovative insurance and pension products with a new organisational structure and efficient processes based on the latest information technology.

Internet technology provides mobility and speed

Mobility, speed and the rapid availability of information wherever you happen to be are features of our time. We therefore use the Internet and mobile access technologies consistently. This means we can enable customers, representatives and partners to contact our company 24/7, and offer a service level with which we set standards as the market leader for innovation.

We will also design the access to the information available on our public websites and the protected portals to be free of barriers. Free from barriers means programming a website so that it is open and can be easily navigated by people who are vision impaired, physically disabled or by senior citizens.

Open Web design is a quality feature

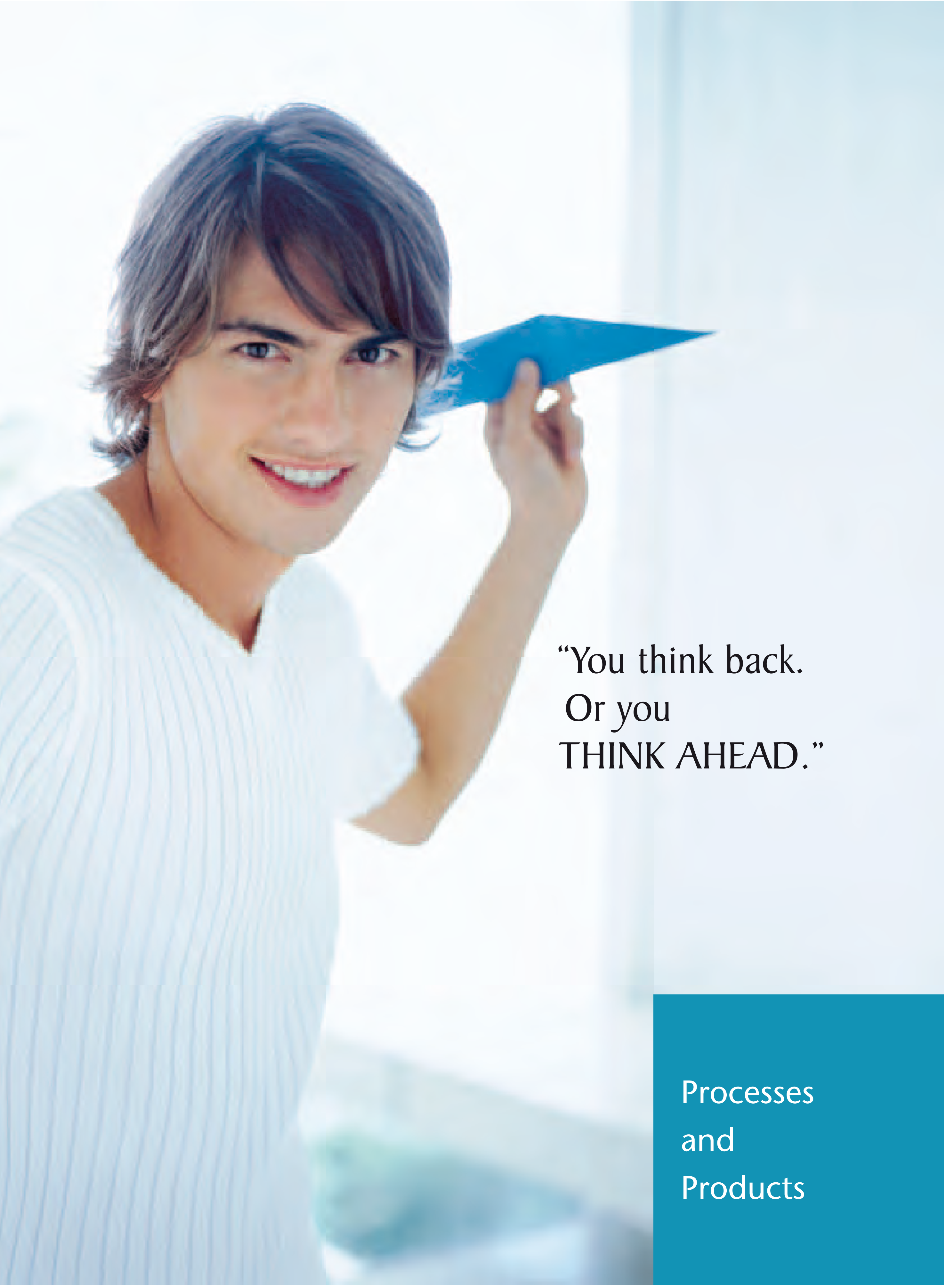
Openness is not about minority groups. It is a mark of quality. A mark of quality that not only enables surfers with a physical disability to navigate around websites—it also makes it easier for all users to deal with the Internet and includes everybody in the use of this modern communications tool. UNIQA wants to be amongst the pioneers of open Web design with its Internet presence.

At the same time, modern information technology is helping us to simplify operational and administrative procedures and make them more cost-efficient: an important element in our profitability-based corporate strategy of sound and sustainable growth.

UNIQA home page
Customers, their representatives and partners can access a comprehensive range of services and information at www.uniqa.at.

www.uniqa.at

Today, the Internet is a permanent part of our customer service. For example, we are the first insurer in Austria to offer its customers a free service that lets them make payments via e-invoice.



"You think back.
Or you
THINK AHEAD."

Processes and Products

Interview

Karl Unger
Member of the
Management Board

"You can only progress if you THINK AHEAD. The ability to identify trends early on has given UNIQA the reputation of being a far-sighted brand insurer."

A powerful organisational structure and tight control of central group goals combined with sufficient flexibility and the independence of regional decision-makers in implementing strategy at local level forms the basis for exploiting our future opportunities amongst customers. In addition, modern, IT-based procedures give us an advantage with which we can quickly convert our value-added, innovative products into market successes for demanding customers. What roles do efficient processes and excellent products play in fulfilling our corporate strategy? Karl Unger, Member of UNIQA's Board of Management, has the answers.

Why has UNIQA restructured the former organisation based on the different kinds of insurance and created divisions oriented towards different target groups?

Because we were not able to exploit our enormous market potential. By structuring activities according to insurance lines we were paying too little attention to the customer as a whole. This was because the various insurance lines did not communicate with each other enough, which meant that knowledge of the customer's overall requirements could not be adequately used throughout all lines. With our new technological tools we can now link the information collected everywhere by the external sales departments. This brings to a close the era of unexploited resources for our company's growth.

What does that mean exactly?

A significant increase in the average number of policies that customers maintain with us. Currently, each private customer has an average of 1.9 policies. I believe that we can increase this to an average of 2.5 to 3 policies per customer. By integrating information about our customers, we can support clients at home and abroad more comprehensively, and more in line with their requirements.

Hence the new organisational structure?

Yes. For this purpose we have created the new corporate divisions of Private Customer Business and Industrial Customer Business in the group holding. These two very different customer groups have thus been clearly separated from each other. This enables us to coordinate these customer segments across insurance lines and across borders.

What is the strategic goal?

In essence, the new organisational structure brings us closer and closer to our goal of the total customer—someone who doesn't only take out one or two polices with UNIQA, but rather covers their entire insurance requirements with us across all life cycles. That means we want to build up a durable partnership for which we offer proactive support with innovative and future-secure solutions for insurance and provision in old age.

A partnership that both sides can profit from?

Of course. In future, our new customer information system will not only show us which policies a customer holds, and in which lines of insurance. We will also be able to determine whether the customer is making a positive contribution to coverage with the premiums they are paying, less any losses that we may have to pay. In addition, our modern IT system also supplies data that enables us to improve service quality and hence customer satisfaction.

Does the new organisational structure also help to better exploit potentials in the industrial customer business?

Absolutely. Major customers used to have their own contact partner for each insurance line and each UNIQA subsidiary abroad. Now they will be supported across all lines and countries by one person. Supporting industrial customers in this way will be coordinated by the relevant specialist department at headquarters in Vienna. Therefore, we can now treat a company that operates abroad as a single customer regardless of national borders and insurance lines. This is a clear step forward and represents a major intensification of customer relationships in our business with large customers.

What significance do efficient procedures and IT platforms have for yield-conscious management and improving customer relations?

They are necessary conditions for developing the ideal support of customers in Austria and on our markets abroad, for designing procedures within the company more efficiently and cost-effectively, for ensuring leadership in service and product innovation and for guaranteeing sustainable expansion aimed at high yields.

What are you thinking of in particular?

Of the many applications for making more functions and processes available to customers, their representatives, and partners on the basis of modern Internet technology. For example, the Internet platforms for customers of the QualityPartnership, the website for our brokers or the new customer information system, which opens up new dimensions for exploiting our market potentials. For example, we have established our leadership in service innovation with our weather warning service available on mobile phones. Or the virtually paperless office of the future installed in our new UNIQA Tower with a document management system that sets new standards for fast, cost-effective administrative procedures.

How will UNIQA also retain the power of innovation in its products?

Through completely new kinds of offers in motor vehicle insurance or innovative products for private and occupational old-age pensions aimed at young people, as well as through unique, yield-orientated variants. We will also secure our leading position on the Austrian market with additional models in health insurance. And we will establish our reputation as a far-sighted brand insurer by taking proactive measures in the largely unpenetrated insurance lines of our Eastern European markets.

Weather warning on mobile phones a total hit

Our innovative weather warning by SMS or e-mail has proved to be a total hit in Austria. In the first twelve months following the launch of this innovation, which is a free support service for customers of our QualityPartnership, around 100,000 people and some 1,000 municipalities benefited from these local, up-to-the-minute weather warnings through an expanded weather warning service for active safety management.

During this period almost 1.2 million weather warnings were sent to addressees in all parts of Austria, especially to Styria, Upper and Lower Austria and Salzburg.

The data supplied by our partner meteomedia, with its leading European team of meteorologists, is based precisely on the postcode of the respective customer or districts, and has therefore proven to be very accurate. Representatives of municipalities and fire services expressed enthusiasm about our service with regard to damage prevention.

1.2 million

weather warnings were sent by UNIQA to its customers last year. The ongoing assessment of weather data from more than 160 weather stations ensures that the warnings are sent up to two hours before the bad weather arrives—individually for the desired location.

Weather warning for small and medium-sized enterprises from 2006

We also received a lot of approval from our private customers. The ÖAMTC Air Rescue Service even made our SMS weather information available to the 46 pilots of its Christophorus Emergency Doctor helicopters. Due to its wide acceptance, we will be making the weather warning service available via mobile and e-mail for commercial businesses in 2006.

We are also proving our innovative power designing new products and developing solutions to fulfil our customers' specific needs in insurance and pension plans.

Advertisement: Raiffeisen "4YoungLife"
Who thinks about risks and pensions, especially when they're young? But the fact is that most accidents happen to young people. And material loss (e.g. through theft or break-in) is particularly painful when you're young and building up a life. "4YoungLIfe" is an insurance package specially designed to meet the needs of young people.

Advertisement: Raiffeisen "TimeOut"
Full insurance protection, even when you take a break in your payments. After the end of the third insurance year, you can take a break from paying your premiums for up to two years within the policy term. This allows the individual pension plan to be maintained even in times of financial difficulty.

Success with future provision amongst the young

As part of the state-subsidised future provision, we are offering children and young people a product that allows them to start a private pension early as a component of long-term life planning. With a minimum monthly contribution of just €10, they or their parents can take out a state-subsidised future pension with a current premium of 8.5%.

This product has been outstandingly well received by young people, and does not have any hidden risk either during the savings phase or when receiving the pension. This is because the companies of the UNIQA Group are the only providers in Austria to guarantee young people that the calculation basis applicable when they take out the policy will apply for the entire term. The advantages of this are enormous over the long term.

"4YoungLife" for the safety of the fun generation

Under the motto "no risk more fun", our group subsidiary Raiffeisen Versicherung has come up with an innovative insurance and pension package for the fun generation aged between 15 and 25 years. The "4YoungLife" package has several components, and provides the necessary financial reserves for important aspects of life whilst still young.

A young person's accident insurance with Supercover 600 covers the financial risks associated with many leisure activities. As 15% of young people aged 19 already live in their own rented accommodation, they should have a small household policy, private liability and legal expenses insurance. This innovative package from Raiffeisen Versicherung aimed at the younger generation is rounded off with a state-subsidised life pension for a minimum monthly contribution of just €10.

"TimeOut" option an innovation on the market

With the "TimeOut" option for all new endowment and life insurance policies taken out with UNIQA, we have set another milestone on the Austrian market. In future, our customers can suspend payment of ongoing premiums for a maximum of two years in the event of difficult living circumstances, without affecting their insurance coverage.

Customers can claim this right in the event they lose their job, during jury or civilian service, during retraining or advanced vocational training, during the maternity period provided under the maternity law, when drawing sickness benefits following the end of continued salary payments, following the death of a relative or in the event of divorce. The customer can apply for free suspension of premium payments after completion of the third insurance year, to run for between a minimum of six months and a maximum of two years.

"Private Insuring" with tax advantages for exclusive customers

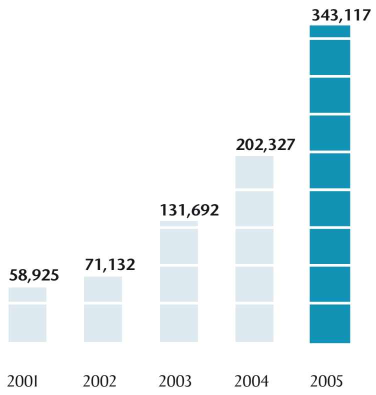
Our group subsidiary and innovation powerhouse FinanceLife, the market leader for unit-linked life insurance policies and guarantee products of index-linked life insurance, was also much talked about in Austria with its upmarket, special range of products.

This "Private Insuring" product is customised for a wealthy and exclusive clientele, and combines professional asset management with the advantages of a life insurance policy whose income remains tax-free when invested for a minimum period of ten years. After this period, the exclusive investor has a tax-free form of investment suited to their personal situation.

>370,000

policies—including around 250,000 in state-subsidised future pensions—are currently administered by UNIQA subsidiary FinanceLife Lebensversicherung AG. The trend towards private provision continued to strengthen in 2005. In December 2005 alone, 88,000 policies were taken out, worth over €1.27 billion.

FinanceLife portfolio development
Number of policies
In pcs.



Source: FinanceLife

"Private Insuring" is not only attractive for well-to-do customers because of its tax-exempt status. Because we combine the life insurance with personal asset administration: for each investor who deposits at least €200,000 we develop an individual portfolio for their single premium investment which is perfectly tailored to their wishes and risk appetite. Where index certificates are preferred, the option of an individual, index-linked life insurance policy can also be chosen.

Pensions and tax savings with "Vision & Guarantee"

As the successor product to the guarantee tranche "Independence & Guarantee" launched extremely successfully in 2005, of which a total of €95 million worth were sold, comes "Vision & Guarantee" in 2006. FinanceLife offered this limited index-linked life insurance policy, with a lump-sum investment and capital guarantee, until 1 March 2006, for a minimum deposit of €2,000.

This single premium product, which has many innovative features, invests in a portfolio of 25 international share titles. Tax-free incomes are generated whether prices fall or rise. After the first five years, tax-free partial payments, and therefore early access to the invested capital, are possible. A return of 102.4% of the net amount is contractually guaranteed.

Tax-free yields without risk to capital with "7-Garant"

Unique features were also a characteristic of the new lump-sum investment product "7-Garant" from FinanceLife for Raiffeisen customers. A full guarantee of the deposited capital in combination with regular tax-free incomes from the investment in a share portfolio consisting of 25 titles, with full transparency on price performance and the option for tax-free interim payments after the first five years, made the offer attractive to customers looking for additional private provision with the security of high tax-free yields.

The UNIQA pension pyramid
The optimum model for a secure and high-income pension plan!

Stage 1—Security
Secure entry with classic life insurance as pension provision.

Stage 2—Subsidy
Use of state subsidy.
(Premium subsidies between 8.5% and 13.5%)

Stage 3—Returns
Opportunities for higher yields in the form of a unit-linked life insurance policy as a dynamic pension.

With creative private provision we also build a financial bridge to carefree retirement for everyone wanting to retire before the normal pensionable age of 65: with our Bridging Pension.

Financial bridge to early retirement

A 40-year-old expecting a monthly pension of €2,300 at the age of 65 ought to pay us a regular monthly contribution of around €150. If he/she retires at 62, he/she would actually miss out on €285 per month as a result of deductions from the state pension. UNIQA evens out this loss with the Bridging Pension—for life! However, it is also possible to take out this type of insurance policy against a lump-sum investment from part of a severance package or an inheritance, in order to have an additional income for a certain length of time.

Under the motto "Now. For later" we have developed the UNIQA pension pyramid as a helpful tool for building up a pension provision that is secure for the future. The centrepiece is a 3D pop-up pyramid which uses a pension gap wheel to highlight the problems of comprehensive provision to the customer according to the concept of three stages, security, subsidy and returns, and also communicates solutions.

Second pillar of provision increasingly important

With the decreasing importance of the state pension for providing in old age, occupational old-age pensions are increasing considerably in significance as a second pillar, in addition to private, individual life insurance. This is still an underdeveloped sector in Austria. Where every other economically active person in the core Europe of 15 EU states has an occupational old-age pension, Austrian employees are clearly limping behind at just 18%.

Since the beginning of 2003, businesses have been obligated by the New Severance Pay Rules to choose one of the existing nine employee pension funds for each new employee as an instrument for occupational old-age provision. However, so far only one in four Austrian companies has already decided on one.

Well positioned with pension funds

As a founding company of the ÖVK pension fund, which is outstandingly well positioned on the Austrian market, UNIQA has acquired a leading position with a market share of around 27%. At the same time, the Raiffeisen group's ÖPAG pension fund has secured its role as leading partner for occupational old-age provision, especially for small and medium-sized companies.

With the adoption of the EU pension funds directive through an amendment of the Law on the Supervision of Insurance Undertakings, Austrian life insurance lines are now on par with pension funds as instruments for occupational old-age provision.

This gives employers the option to take out group pension policies for their employees on the basis of a works agreement, a collective agreement or an agreement based on a model contract. Occupational Collective Insurance is therefore an alternative form of life insurance to the existing pension fund models.

Pioneering work in Occupational Collective Insurance

We will be doing pioneering work again in Occupational Collective Insurance. Essentially, the policy is designed to provide lifelong old-age provision and includes an obligatory provision for benefits of surviving dependents. Our product will be based on classic life insurance with guaranteed interest, guaranteed mortality tables, accumulation of profit sharing and lifelong pension payment.

However, we are also working on a combination of collective insurance and pension fund, in order to offer the employee a balanced mix of both risk and security in one innovative product.

A special category of new health insurance tariff

As the largest health insurer in Austria, UNIQA has strengthened its role as forerunner with the new Select Special Category tariff. This provides the customer with top medical care in all contracted hospitals in Austria and public hospitals in Europe following an accident or serious illness.

Hospital costs are reimbursed, as are the costs of rescue, including by helicopter, and rehabilitation. The customer also receives free membership in our VitalClub.

Pension provision

Advertisement:
Raiffeisen "Occupational Pension"
Occupational pensions still play a subordinate role in Austria. Only around 18% of employees have an occupational old-age pension, while the proportion in the EU-15 countries is 51%. With innovative products and individual advice, UNIQA wants to awaken interest amongst companies for providing their employees with occupational pensions.

Premium relief in later years through "FutureBonus"

We have launched "FutureBonus" on the Austrian market as a unique supplement to each of our health insurance rates. It helps to reduce premiums from the age of 65, and up until that age it ensures a payment (the amount varies depending on the tariff) in the event of death. The guaranteed premium relief is increased by profit sharing and therefore reduces the risk of health insurance becoming a financial burden in old age.

Additional insurance in Slovakia in the event of illness

Our group subsidiary in Slovakia now also offers private health insurance. This covers the costs incurred during a stay in hospital due to illness, accident or birth, and pays a daily amount dependent on the chosen rate which the patient can use as required. In this way we hope to avoid anyone having to pay treatment costs out of their own pocket because of cutbacks by the public health department in Slovakia.

Premium advantages for car drivers and motorcyclists

Our innovations in motor vehicle rates were well received. They result in a clear reduction in premiums for private cars between 90 and 140 hp, and for experienced car drivers off-road. The no-claims discount, which prevents being reclassified under the bonus-penalty systems, now also applies to comprehensive insurance. Riders of Chopper, Tourer and Cruiser models receive an increased biker benefit in the liability insurance.

With a reduction in the excess, we are strengthening the use of new repair methods for minor damage, with the "Spot-Repair Method" for scratches to the paintwork or dents, as well as the "Filling Resin Method" for cracks or small fissures in the windscreen after being damaged by loose chippings. By using these methods, which saves considerable costs for changing a windscreen, we avoid the customer having to pay the excess under the comprehensive insurance.

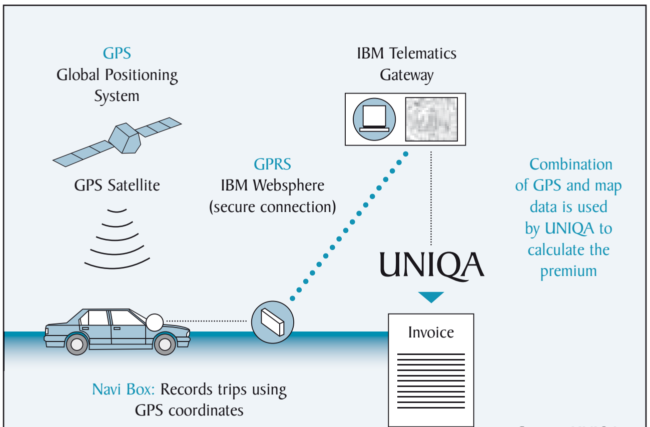
Completely new vehicle premium model being tested

We are taking completely new routes with a study on the introduction of a completely new type of car insurance. This innovative system determines the premium by measuring the use of the car. People who drive less and avoid risks are rewarded by paying lower premiums. In cooperation with IBM, we are currently carrying out a feasibility study to test whether it is worth using expensive satellite navigation, mobile phones and the latest information technology for determining the actual use of cars.

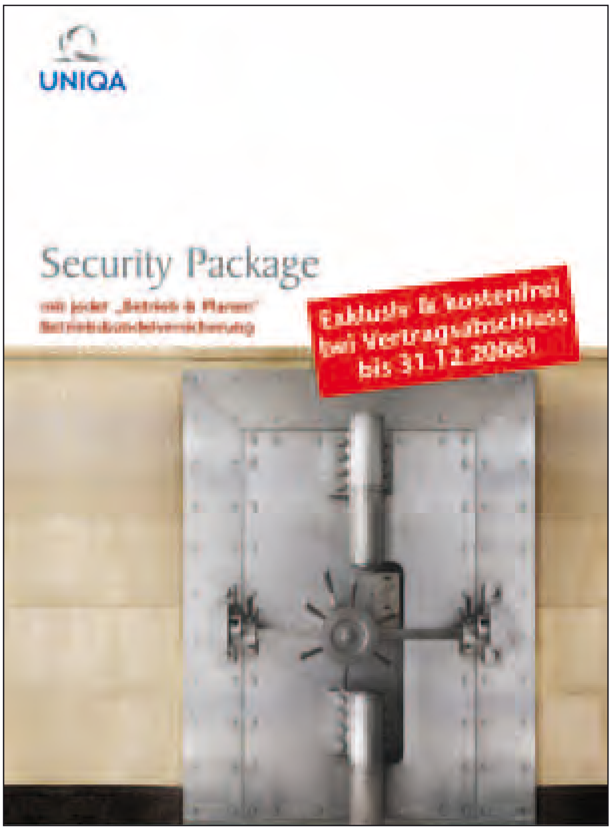
The target groups of this unique type of car insurance are second car owners, or drivers who drive mostly on motorways and trunk roads or during off-peak hours, as well as young car drivers with a penchant for new technology combined with the opportunity to save on premiums. The view that safe driving is financially rewarded could also improve road safety and protect the environment.

We are also sharpening awareness in homes and offices of how to minimise risks and avoid damage. We have upgraded our business insurance bundle with two exclusive services by adding the Security Package.

Flexible car insurance with premiums based on use



Source: UNIQA



Security Check

With the Security Check, UNIQA offers its customers a comprehensive and individual risk analysis of the business in terms of security. The proposals for security solutions are individually customised to the respective type and size of business by SECURITAS—the world's largest security company.

Free Security Check for businesses

We produce a free, comprehensive and individual risk analysis for the business through our partnership with SECURITAS, the world's largest and most competent security company. On the basis of the results, we develop proposals for security solutions which are customised to meet the requirements of the respective company.

A second element of the Security Package is our weather warning. We alert businesses insured with us of all types of weather disasters by mobile or e-mail up to two hours before a change in the weather, right down to the specific location.

Security

Break-in, burglary and natural disasters are all too familiar, and can jeopardise the security and success of your business. UNIQA is not only a reliable partner for your insurance protection, but also offers more security through prevention. That is why we have put together an exclusive, free Security Package for you.

Tips to prevent break-ins and theft

We offer private customers a brochure containing simple but effective tips against theft and break-ins to homes, apartments or cars. These are simple, inexpensive measures which can deter around 70% of opportunists. In cooperation with Siemens, our customers can, for example, have alarm systems installed, including a connection to an emergency switchboard for a 10% discount. The brochure also contains many simple tips against forced entry into cars and the theft of valuables.

Ultimately, the goal of our reorganisation and our customer relations-optimised management is to constantly improve our relations with the customer and to build up and maintain a long-term partnership based on trust. Specifically, customer relationship management means making customers with one or two policies into total customers by using an internal IT system to precisely identify as yet uncovered insurance needs, as well as to constantly improve the satisfaction of customers by giving them first-class service.

UNIQA's BrokerService
Our new website for UNIQA's BrokerService optimises the contact with our customers and enables our sales partners to receive all important information immediately and without any delay.

Growth driver: customer information system

We have completed the installation of our new UNIQA customer information system (U.KIS), which can be used across Europe, and have been using an ultra-modern customer relationship management tool since early 2006. The aim of the project is to depict the customer relationship as an "economic unit" with a customer manager in an IT-supported system.

Employees in the external sales department have been using this new platform since early 2006. Following the test phase in Austria, customer relationship managers in the more mature markets abroad will also be equipped with the IT database, with the Czech Republic and Slovakia due to come online at the beginning of 2007.

U.KIS not only supplies external sales employees with all information on private customers at the press of a button. The system also gives the customer representatives for our business customers valuable assistance when estimating risk situations, and optimises individual management of contacts in this restructured customer area across insurance lines and national borders. U.KIS will therefore become an increasingly important driver of our company's growth in the future.

Proven Complaint Management

Our IT-supported Complaint Management system also proved its worth last year. When customers make complaints, the system extracts all policy data from a central database, supports and documents the entire processing procedure and ensures quick and competent resolution by competent employees. Around 90% of the 45,000 complaints and suggestions received were dealt with to the satisfaction of the customers.

Optimised online service for brokers

We have clearly improved the Internet home page of the BrokerService with a new look and new contents. There is still a generally accessible public section containing basic information, and now also the option for top partners to make their own short presentation.

The general section also acts as a portal to the new BrokerService platform (VPM). This has plenty to offer the registered broker: daily updated policy information on UNIQA customers online, product information, tariffs, as well as tenders and special campaigns. All services on the sales platform are free for our partners.

MedUNIQA

About 470,000 customers use MedUNIQA. The website provides information on a wide variety of themes from finding a doctor to menopause.

Health packages for Raiffeisen customers via the Internet

The company home page gives customers of Raiffeisen Versicherung who have decided on the new health and wellness package "My Fitness" the possibility to reserve hotel accommodation over the Internet. After their stay, they can also select a personal fitness coach, who will contact them directly.

Five years of online health tips—24/7

Our online service MedUNIQA (www.meduniqa.at), with its comprehensive health tips, is used by around 45,000 customers every month, and has developed into one of the most visited medical websites in Austria. Some 3,500 users receive our weekly newsletter by e-mail.

Unique in Austria is our linked medical call centre. Here, our customers can obtain in-depth information on diagnoses and findings, alternative methods of treatment or travel medication from competent doctors. This is an electronic service that impressively highlights our position as the largest health insurer in the country.

Golden Columbus for residents campaign

We reaped the highest praise for our efforts to thank residents during the construction of our UNIQA Tower for their patience with the related activities. First, we thanked our future neighbours with music, chestnuts and sweets. We then distributed folders containing information on building progress together with a cleaning mask and a voucher for professional window cleaning.

The idea of turning local residents into good neighbours was well received. The Austrian Direct Marketing Association awarded us with the Golden Columbus for the goodwill campaign, and we were also nominated for the Finalist Awards at the international advertising festival in Montreux.

1st place

was awarded to UNIQA by DMVÖ (the Direct Marketing Association of Austria) at the Columbus 2004 in the category Financial Services, honouring UNIQA's local residents campaign "DIRT KILLER".

Highlights

A 25% market share

makes FinanceLife the clear number 1 in the area of state-subsidised pension provision—Austria's booming provision product.

192,000 hits

recorded monthly by the RV-Web sales platform in 2005.

U.KIS

is the name of the UNIQA Group's new customer information system, available to our customer representatives from 2006.

Group and Profit

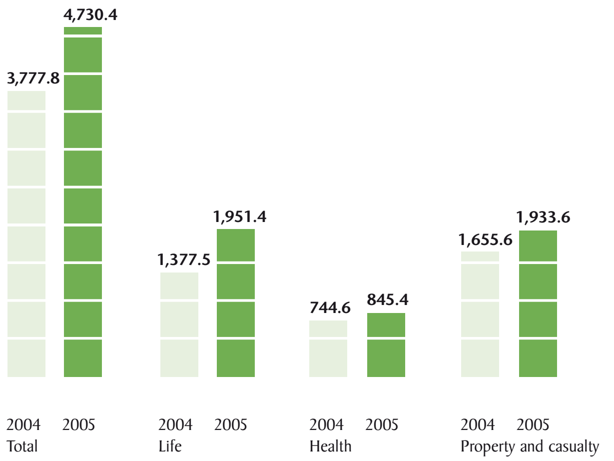
We have impressively confirmed our pole position on the Austrian market and accelerated our profitable company growth with further internationalisation.

"Go East" becomes the slogan for growth

The emerging markets of Eastern Europe are amongst the international growth regions, due to their enormous need to catch up economically. The states on either side of the eastern edge of the European Union also offer extraordinary opportunities for the future growth of Austria's leading insurance group. In 2005, under the slogan "Go East", we continued to build bridges to these target countries of our corporate strategy, and expanded our foundation with determination and persistence yet with caution and far-sightedness.

Premium volume written by insurance line

in € million



Source: UNIQA

In 2005, we expanded current operations in Eastern Europe by adding cooperations between Raiffeisen and UNIQA in Bosnia and Herzegovina, Romania and Bulgaria, thereby writing a new chapter in the long success story of both partners in the area of bank assurance. Within the scope of the Preferred Partnership, we are now jointly active in nine Eastern European countries—five of which are new EU member states.

Small but fine in Bosnia and Herzegovina

In Bosnia and Herzegovina we acquired around 94% of the share capital of Raiffeisen Osiguranje d.d. from Raiffeisen Bank d.d. The small but fine insurer based in Sarajevo is the fifth-largest insurance company in the Federation of Bosnia and Herzegovina. It operates in the areas of Property and casualty, Health and Life through six offices and twelve branches with over 120 employees.

In addition to the employed salespeople, the company also utilises all other sales channels. In terms of bank assurance, we would like to intensify the cooperation with Raiffeisen Bank, which is the largest bank in Bosnia and Herzegovina, with around 450,000 private customers, over 1,100 employees and a market share of more than 21%.

With 4 million potential customers and a premium volume of over €100 million, the Bosnian insurance market offers major opportunities for growth across the board. About 55% of annual premium revenues come from liability insurance for motor vehicles. Life insurance remains underdeveloped, with a premium share of 11%.

Group and Profit

Interview

With the expansion of its target area in Eastern and South-Eastern Europe, healthy expansion in Central Europe and on the domestic market, an innovative product portfolio and powerful sales structures, UNIQA set new records in premiums and profit. The massive internationalisation is becoming the decisive driver of growth and a guarantor of successful implementation of our corporate strategy, aimed at providing sustained improvement in yields. Just how great are the opportunities that open up with the development of potential in the Eastern European markets of the future, and how can the risks be minimised? Hannes Bogner, Member of UNIQA's Board of Management, has the answers.

Austria's largest insurance company and one of the Big Players in Central and Eastern Europe is showing uninterrupted dynamism. In 2005, the growth in the group premiums written accelerated to around 25% and a volume of €4.7 billion, while profit increased exponentially by over 50% to €190 million. How can this sustained expansion and earnings power be explained?

The unusually high rate of growth can be traced to healthy, above-average development on our home market of Austria, and in particular to the energetic internationalisation of our business in the more mature markets of Central Europe, and above all to our solid new involvement in the rapidly developing countries of Eastern and South-Eastern Europe. In 2005 alone, we planted our feet in four new markets of the future through targeted acquisitions: Romania, Bulgaria, Slovenia and Bosnia and Herzegovina now belong to the total of 14 countries in which we currently operate.

How strongly has dependence on the Austrian home market currently decreased?

Noticeably, although with a premium volume of €3.4 billion and a corresponding contribution to the group results of around €190 million, Austria naturally remains the stable basis for our business. However, as a result of successful internationalisation, the share in group premium revenue has fallen to 72%.

So the operations abroad brought most of the momentum into the business?

It was our intention to diversify our corporate portfolio and develop new growth potentials. Last year, the premium volume written in the UNIQA companies abroad more than doubled through organic expansion as well as acquisitions worth around €1.3 billion. They consequently contributed around 28% of the group premium. And they also contributed almost the same amount to the group results.

Does this mean the internationalisation is paying off?

No doubt about it. Sustainable and sound growth with an eye for cost-efficiency and optimisation of yields is the strategic option of our insurance group. This principle also applies to our operations abroad. We only decide to enter a market following careful due diligence of opportunities and risks in the respective country. Having a presence in a foreign market, even in one of the eastern future markets, has to pay off over time. At any rate, we have so far more than met our targets for increasing earnings abroad. The same target of 15% return on equity applies to all members of the UNIQA family. We already exceeded this target group-wide in 2005.

A foot in the door in Romania

We have also got a foot in the door in Romania which, with 22 million potential customers and an economic growth rate far above the EU average, is on the threshold of joining the EU. We initially took over 27% of the share capital of the listed ASTRA S.A. in Bucharest, the fifth-largest insurer in Romania. ASTRA is a rapidly growing company with an enormous market potential. The business portfolio is dominated by the motor vehicle sector. In the property area, the company has a market share of over 7%. Life insurance has lots of room for development with annual premium of €0.5 million. The company supports its sales with around 1,000 employees as internal staff and external salespeople on a decentralised network of 161 branches and agencies, cooperations with 8,000 agents and 100 brokers.

Hannes Bogner
Member of the
Management Board

"GOOD BUSINESS sense means identifying potentials and using opportunities efficiently. We are doing this consistently with our successful expansion."

Aren't the start-up costs abroad enormous?

Not when measured against the opportunities for growth. When making our acquisitions, we have as a rule also paid attention to building on existing structures and above all using cost-efficient sales channels. Naturally, the Preferred Partnership with Raiffeisen which we have managed with great success for many years in Austria also benefits us through the banking sales of our group subsidiary Raiffeisen Versicherung.

Does this Preferred Partnership also pave the way to customers abroad?

The Preferred Partnership helps us decisively in building up new client relationships within the scope of bank assurance, but primarily in the Eastern target countries. We want to implement and expand these cooperations, which exist with local Raiffeisen banks in the Czech Republic, Slovakia, Poland, Hungary, Croatia and Slovenia, and other regions as well. However, we must also remember the significant contribution that the European Bank for Reconstruction and Development made available to us for financing company purchases and investments abroad.

Have expectations for the diversification of the company portfolio been met so far by the strong internationalisation?

No question about it. We would certainly not have met the ambitious targets we set ourselves in the company plan so quickly without solid internationalisation. It is our goal to generate about half of the group premiums abroad in five years from now. The as yet little developed markets in Eastern and South-Eastern Europe hold enormous potential in store. We must use it cautiously, but decisively for our strategy of sustainable growth.

Which markets does UNIQA still have its eye on?

Well, after intensive investigation of market potentials, the Supervisory Board has given us the green light to start up in Ukraine and Serbia and Montenegro. In our estimations, both countries will quickly move towards EU standards. Our planned activity in Serbia and Montenegro is rounded off by our business activity in Bosnia and Herzegovina which is already under way. Ukraine is the logical addition to our involvement in Bulgaria and Romania.

When is UNIQA going to Russia?

We are currently monitoring Russia. However, moving into the most populous country in the East requires a particularly careful balancing of opportunities and risks. In Russia, we come up against a different cultural environment, in which different mentalities and rules apply. We will not let ourselves be drawn into an adventure!

The Romanian insurance market is growing annually by more than 20%, and achieved a premium volume of roughly €1 billion in 2005. Despite the noteworthy expansion of life insurance, it is still clearly dominated by the property sector (77%). With a share of premiums in the gross domestic product amounting to 1.5%, insurance penetration is still small and reflects an enormous potential.

Through our newly founded UNIQA Real Estate AG, we purchased the Floreasca Tower (7,600 m^2 of office space) completed at the end of 2005 in Bucharest for €19.8 million from Raiffeisen evolution project development.

Careful steps in Slovenia

To penetrate the rapidly growing market in Slovenia, we launched another cooperation with the Raiffeisen group in 2005. As part of free exchange of services, we sell selected life and accident insurance policies as well as fund policies through the 13 branches of Raiffeisen Krekova Banka d.d. in Maribor. This is the ninth-largest bank in Slovenia with around 50,000 private clients supported by more than 300 employees.

Ukraine and Serbia and Montenegro

are the new target countries of the UNIQA Group in 2006.

Entry into Bulgaria as fourth new market

In 2005, we started operations in the fourth new market of South-Eastern Europe with a share of 20% in Vitosha, Bulgaria's sixth-largest insurer. A timetable for the takeover of the capital majority in Vitosha, which we already manage operationally, was agreed with the majority owner—the London-based financial investor EQUEST, which has a heavy involvement in the powerfully growing Bulgarian economy. With Vitosha, we have created another platform for expanding the successful partnership with the Raiffeisen group to Bulgaria.

The property insurance company ZPD Vitosha and its subsidiary ZK Vitosha Life, which is responsible for life insurance business, were founded in 1992 in Sofia as private companies. The combined premium volume for 2005 was around €32 million. In sales and customer service, the two companies are supported by over 350 employees in a comprehensive network of around 100 branch offices, brokers and agencies. Life insurance remains weak and still has plenty of room for expansion.

The Bulgarian insurance market of 32 companies is expanding annually by about 25% and currently has a premium volume of around €500 million. At 1.9%, market penetration is clearly below the average of the 15 core countries of the EU. With a share of 12% of premium revenue, the under-represented life insurance line promises considerable growth potential.

Green light for new target countries

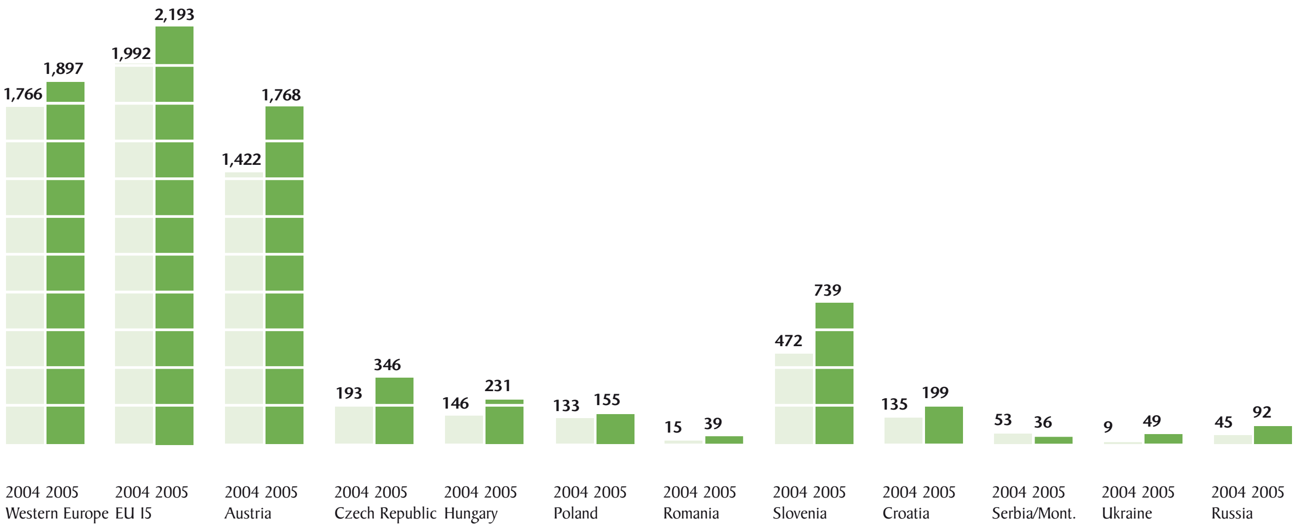
In November, the Supervisory Board gave us the green light for two new operations in the up-and-coming countries of Eastern Europe. We are now also focusing our attention on the future growth regions of Serbia and Montenegro and Ukraine. In both of our group's new target countries we see an accelerated move towards the economic standards of the European Union. We are investigating a whole range of options for starting up operations, and will be represented in both countries by mid-2006 at the latest.

Preferred Partnership

Raiffeisen and UNIQA have had a successful partnership for years—not just because of their capital ties. Experience shows that a cooperation of specialists is the best way to success—especially in the south-eastern part of Central Europe. In developing further Eastern emerging markets, for example in Romania or Bulgaria, the partners of UNIQA and Raiffeisen will also tread new paths in bank assurance, which are developed by UNIQA in close cooperation with the Raiffeisen organisation. Through the Preferred Partnership, UNIQA and Raiffeisen provide mutual support in particular in the areas of product development, sales and marketing.

Insurance density

Premiums per capita in €



Source: SwissRe

Various options for entry into Serbia and Montenegro

Extreme financial and legal complexity exists in virtually all areas of public life in Serbia and Montenegro. In this country with more than 10 million inhabitants, we are examining the option of participating in a company on the Serbian insurance market, or building up our own insurance provider from scratch.

Ukraine—an unusual challenge

With some 50 million inhabitants, Ukraine is a very special type of business challenge. An opportunity for enormous future potential, but also a dimension that goes beyond our current experiences on the new, up-and-coming markets in the East. We are therefore taking steps on this difficult territory with caution and consideration.

In any case, our proven partner, Raiffeisen, acquired the Ukranian Aval Bank in 2005, providing an ideal environment for selling our policies over the counter. Aval Bank currently has more than 3 million private customers in 1,300 branches across the country.

In addition, foreign credit institutes also enjoy greater confidence amongst the Ukrainian population than domestic, formerly state, competitors. Having made our decisions, which also include the option for a green-field operation, the starting signal will be given for our activities in Ukraine during the current year.

Poland generates record premium growth

The three UNIQA companies in Poland developed extremely well in 2005. In cooperation with their partners such as Raiffeisen Leasing and Raiffeisen Bank Polska, they expanded further and acquired a considerable number of new customers. Thanks to the cooperation with Raiffeisen, premium revenues grew at a record rate of 18.2% to over PLN 700 million.

The biennial integration project between FILAR in Szczecin and UNIQA in Lodz was successfully concluded in 2005 and an operating unit created. This improved the organisational structure. At the same time, a common management staff for all three companies in Poland was appointed. This has clearly increased efficiency in the key areas.

Individual products for an individual Europe

Across Europe, UNIQA offers individual concepts that take the individual features or the various regions into account. For example, in Croatia we convinced more than 15,000 clients with our innovative RBA FLEXI current account. With this account, each customer determines which parts are important to them, thereby gaining flexibility like never before.

Market share won in the Czech Republic

In 2005, our group subsidiary in the Czech Republic started several dynamisation projects with the goal of increasing the profile and market share of UNIQA. The initiatives were successful. We moved up to eighth position on the Czech insurance market. At the same time, our combined ratio and results developed outstandingly.

We have prepared ourselves well with attractive offers for the tax, health and pension reforms expected after the 2006 elections. We are therefore counting on strong growth in premiums during the current year.

Slovakia produces very pleasing results

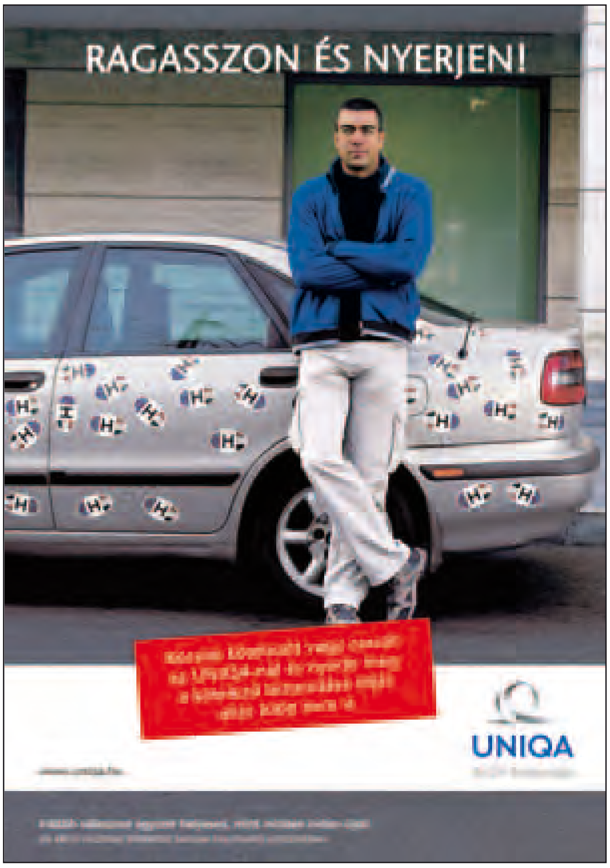
Premium revenues and costs of UNIQA poistovňa developed according to plan in 2005. Management focused its efforts on restructuring the internal office areas, stabilising the benefits ratio and upgrading the product range with an innovative health insurance line. The work of UNIQA Slovakia was recognised for its impeccable public reputation and as a business partner by the Rhodos 2004 image prize, awarded for the first time by 300 of the country's top managers.

One year after the merger with R+V in Slovakia, we again produced positive figures and generated a very pleasing company result through the positive loss trend, clear costs savings as a consequence of a consistent subscription policy and a risk-adequate pricing policy. We have implemented our new agency concept and repositioned broker sales with the energetic support of headquarters in Vienna. At the same time, we are working continuously on further product innovations and initiatives for promoting sales.

Profitable growth of property insurance in Hungary

UNIQA Biztosító, based in Budapest, has been operating in Hungary for 15 years, and in 2005 focused on optimising sales and intensifying the cooperation with the Raiffeisen banks. Through the higher efficiency of the internal staff, the expansion of the external sales staff to 800 employees and a 26% improvement in per-capita sales, the sixth-largest insurer on the Hungarian market made a considerable contribution to our group results.

In a less than easy environment, premium revenues grew at the market average, in particular due to the exponential expansion in the area of property insurance policies. Especially successful was the development of the cooperation between travel insurance and the owners of Raiffeisen credit cards, which began in May 2005. Within three months, more than 25,000 customers bought travel insurance. In life insurance, the bank assurance with Raiffeisen has not yet lead to the desired results, due to the persistently low average income in Hungary of around €500 per month.



Croatian subsidiary expands at record rate

In an environment marked by high growth in the insurance industry, UNIQA Croatia invested in the expansion of multiple sales and in building up new partnerships. We have doubled the number of employees in ExclusiveSales, in order to provide quality service to the whole region of Croatia. In addition, the broker channel was organised and the cooperation with Raiffeisen Bank strengthened.

The result of these efforts was impressive. Premium revenues increased by almost 30% in 2005. BrokerService and ExclusiveSales registered record growth with increases of 65% and 53%, respectively. The innovative "RBA FLEXI" convinced 15,000 new customers alone. Proof of the winning power of innovative ideas.

EBRD allocated €46 million for expansion in the East

Together with the group subsidiaries in Hungary, the Czech Republic and Poland, our Croatian company belongs to the companies in which the European Bank for Reconstruction and Development has invested a total of €70 million as part of a financing commitment.

Our business, which is based on the entire range of insurance packages in the nine countries of Eastern and South-Eastern Europe, has a current premium volume of approx. €500 million. We are currently generating €850 million with our operations on the mature markets of Central Europe focused on profitable niche products, which still represents the lion's share of our group premium earned abroad.

Advertising: abroad

UNIQA is already present with localised advertising campaigns. Now UNIQA wants to strengthen its brand image in Europe further, with a coordinated image campaign.

Europe

Business in Germany on course for success

With the takeover of Mannheimer Krankenversicherung, we have concluded the integration of the Mannheimer Insurance Group. This creates the conditions for the successful development of our operations in Germany. The Success Programme 2005 initiated at the beginning of the year was an initial shot for attaining the high-flown corporate goals.

Mannheimer Insurance Group

Along with Mannheim Krankenversicherung, UNIQA also took over the online insurer, mamax. We will extend this platform to other countries in future, as well.

The commitment of over 170 employees and agency partners strengthened team spirit and led to highly promising concepts for the future, in order to put Mannheimer on course for success. Growth drivers were the brand programmes for commercial business and solar power plants.

As a highlight, the Mannheimer subsidiary responsible for direct sales, mamax, launched the first fully flexible online retirement annuity on the German market in August.

Synergies lift growth in Italy

In addition to the two group companies already operating in Italy, the acquisition of the majority of shares in Claris Vita and the associated development of Bank Sales via the branches of Veneto Banca, means we are now very well positioned in all sales channels with an attractive range of products.

Our three companies use the respective sales channels jointly, thereby ideally exploiting their market potential. New life insurance products from Claris Vita are now also available from the GeneralAgencies of Carnica. The cooperation with Veneto Banca was also continued successfully in the area of property and accident. By mid-2006, our three group companies in Milan and Udine will be merged into a single operating unit under uniform management. Concentrating forces in this way will allow us to use the customer potential in Italy more efficiently.

CERN employees trust UNIQA Switzerland

UNIQA Assurance Geneva specialises in group health insurance for international organisations, embassies and missions. The largest customer for almost three decades has been the European nuclear research centre CERN. This contract covers around 12,000 insured persons with annual premium revenue of around CHF 57 million.

It is thanks to the superb quality of service provided by the highly international Geneva team that CERN again placed its trust in us in 2005 and continued the proven cooperation. Our Swiss company was the first UNIQA unit to receive the ISO quality certification, and was able to renew it without problem in 2005.

€30 million

increase in earnings in the foreign companies already achieved in 2005.

Liechtenstein distinguishes itself with art insurance

UNIQA Versicherung and UNIQA Lebensversicherung have established themselves in Vaduz as profitable niche insurers. In property insurance, the management also won a clear profile in Switzerland with art insurance. New products were introduced to life insurance and pension annuities and new sales channels used, which have resonated positively, even on the Swiss market.

Following the enormous efforts to expand our company platform abroad, we must now sustainably optimise the incomes of international group companies by 2006, through the simultaneous expansion of sales capacities, the use of group-wide synergies and programmes for controlling costs.

Target for improvement in international income exceeded

According to our planning, we want to improve the earnings of our subsidiaries abroad by €20 million between 2004 and 2006. In fact, we already achieved this target in 2005, and therefore exceeded the target of the plan ahead of schedule. Nevertheless, we are continuing to work consistently on attaining targeted yield guidelines for the companies on the new markets as quickly as possible.

Financial strength of company confirmed by Standard & Poor's

The financial strength of our insurance group has been confirmed with a score of "A" by the international rating agency Standard & Poor's. Due to the increased performance as a result of the successful cost reduction programme, the improved actuarial results and the recovery on the financial markets, the outlook has been raised to "stable". This reflects the expectation that our group will continue to profit from the strong performance of the individual companies and that high dividend flows will strengthen the liquidity of the holding.

"A" rating

Rating agency Standard & Poor's assesses the financial stability of many international companies. For insurance companies, the risk of failure and creditworthiness are assessed. The financial stability of a company given an "A" rating is very good. An outlook described as "stable" refers to constant business development.

Top rating also given to operating companies

Standard & Poor's has also subjected three core operating companies to an interactive rating for the first time. The result was that UNIQA Personenversicherung AG and UNIQA Sachversicherung AG as well as UNIQA Re AG in Zurich were awarded an "A", while the outlook for each was assessed as "stable". A valuation that reflects the significant contribution of the three core companies to the group's strong capitalisation and development of its results.

Highlights

Over €4.7 billion
was the premium volume written of the UNIQA Group in 2005—the largest growth in 2005 was in the area of life insurance.

South-Eastern Europe
was the focus of UNIQA's expansion in 2005, with market entry into Bosnia and Herzegovina, Romania and Bulgaria.

32%
was the share of the international companies in the group's profit on ordinary activities.

Staff and Partners

Committed and qualified staff and competent partners create trust in contact with customers and guarantee sustained success in the markets of tomorrow.

UNIQA Tower
The new corporate headquarters of the UNIQA Group was completed in August 2004 and now serves over 1,000 employees as an ultra-modern workplace.

700 m²
of fitness

State-of-the-art fitness equipment and an aerobic studio are not only waiting for UNIQA employees, but for all Viennese.

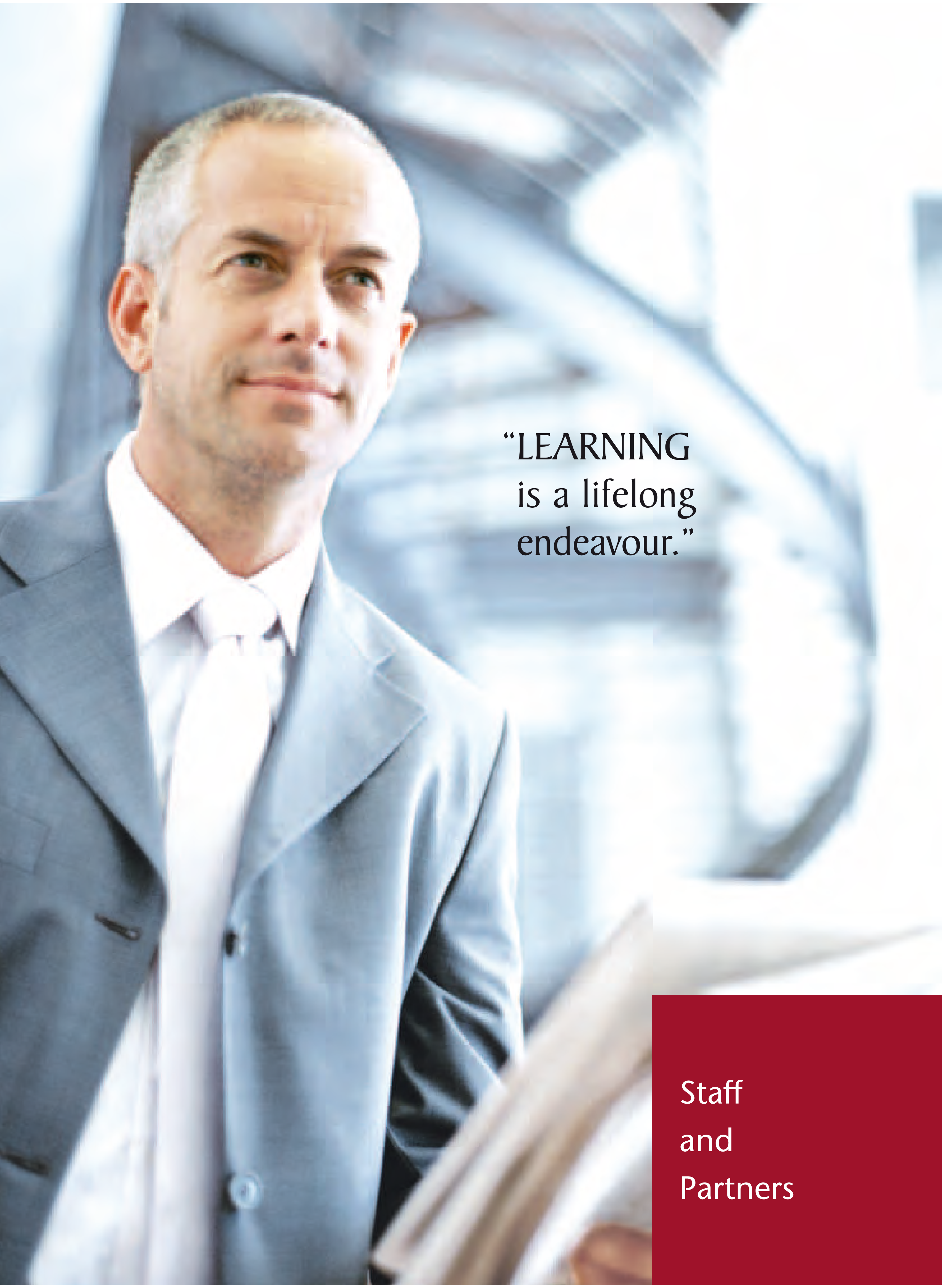
The Tower is a shining icon even at night

In 2004, we moved into our new corporate headquarters—the UNIQA Tower—the symbol of our insurance group with its emphasis on internationality, openness and vitality. Just as in our lively, expanding company, the new administrative centre with workstations for 1,100 employees never comes to a standstill. In the past few years, the Tower has seen additional improvements in the form of physical alterations and visual signals to make it even more striking.

Since Christmas 2005, this architectural highlight of the Vienna skyline has been drawing attention at night as well. Thanks to a new exterior illumination system, the Tower is now an eye-catching sight even in the dark. An LED light installation gives our headquarters a radiant appearance at night. Roughly 40,000 individual points of light are distributed over more than 7,000 square metres of facade surface. The result is impressive: the Tower becomes a shining work of art at night.

Jacobsen sculpture inaugurated in front of the Tower

In 2005, we enriched the area around the Tower with a work by the Danish sculptor Robert Jacobsen. The residents of Vienna and visitors to the "Platinum" event centre or the John Harris fitness centre in the part of our headquarters that is accessible to the public have a new sight to enjoy: the eight-metre tall sculpture "Composition in Iron"—a recreation of the original we purchased.



"LEARNING is a lifelong endeavour."

Staff and Partners

Interview

Our employees represent the values of our corporate culture—through the quality and flexibility of their work, through respect and politeness in dealing with customers and partners, through a feeling of community with each other and with the rest of society. And social responsibility is not a contradiction to us, but an extension of our business success and part of our corporate profile. A profile that is also represented in the architectural landmarks for our employees, such as the glass tower of our group headquarters. How important are staff and partners, qualifications, continued education and social commitment for the future of our company? Gottfried Wanitschek, Member of UNIQA's Board of Management, has the answers.

Corporate values cannot be dictated from on high, they must be embodied by everyone. What roles do quality, flexibility, community, politeness and respect play for the UNIQA employees in working with each other as well as customers and partners?

A central role. Our corporate profile and our independent corporate strategy, with which we clearly differentiate ourselves from the competition, must be experienced in everyday business activities. Our credibility and the trust that we receive both depend on this. Trust is the basis for our business, particularly in a dynamic insurance group with increasingly international character.

How does UNIQA reinforce the anchoring of the corporate values within the minds and behaviour of its employees?

First, by conveying the concrete behaviours associated with the five UNIQA values during everyday work. Then we define a team style as a general code of behaviour for achieving the corporate goals. Finally, we use our ScoreCards to define strategies and goals that act as gauges of personal success for each individual employee. All this serves the goal of ensuring that our employees identify completely with the company and all pull together in unison. According to the results of an internal survey, we appear to have entirely succeeded in this.

Are continued education and the qualifications of the employees as important as motivation and identification for an expanding company that is increasingly anchored in international markets?

Both are required in order to offer a service that clearly stands out from the market standard. We ensure this through further education and internal competitions for improving quality as well as through the opportunities we offer our managers and partners to improve their qualifications. Our mobility programme Go Ahead, in particular, serves to transfer knowledge and experience abroad between the employees in our domestic and international group companies according to the career path steps within our group.

"LEARNING is a lifelong endeavour—more than ever in the age of living and working globally. Qualifications and further education therefore represent fundamental values of our corporate culture."

Gottfried Wanitschek
Member of the Board of Management

Is social responsibility a part of the programme for professional qualifications and personal careers?

No question. We live and work in a social environment of increasingly global dimension. We therefore accept our responsibility to the public as a natural obligation—whether it's a tsunami in the Far East or flooding in Austria destroying homes and extinguishing human lives. Donations and active assistance to people in crisis are part of the identity of our insurance group and our employees.

Is the new group headquarters in the UNIQA Tower a visible symbol for the identification of staff and partners with a modern company that is open to the whole world?

Definitely. Our Tower, with its excellent location near the heart of Vienna, is more than just a modern workplace for 1,100 employees. The construction was guided by the values of our corporate culture. These values were transformed into architectural and environmental features. We also gave consideration to creating a harmonic overall image with the Tower in the expansion and alteration work on our old buildings on Untere Donaustrasse and Ferdinandstrasse. As a result, our central location in Vienna possesses a uniform architectural character.

How important are the extensive property holdings as far as capital investment goes?

They generate stable income and brought a yield of roughly 7% in 2005. We have invested roughly 9% of our group-wide capital of €19 billion in real estate. This includes all properties in Austria and abroad, real estate shares and investments in real estate funds. We expect a new stimulus for real estate investment from the newly created UNIQA Real Estate AG.

What do you expect from this company in particular?

The new company will be a central resource for the group and work in cooperation with the Raiffeisen group to build up a profitable real estate portfolio in Central and Eastern Europe. It will focus on long-term investments in finished as well as planned office and residential buildings. The goal is to achieve a sustained yield of between 6 and 7%.

How are the investment properties selected?

Management minimises the risks by diversifying the investment buildings according to usage type and target countries while also focusing on top locations that are easy to sell. Initial successes have already been achieved: with the purchase of the Floreasca tower in Bucharest, an office building in Rijeka and residential buildings in Berlin and Munich. It was UNIQA that brought the Haas building in Vienna into modern society. It has become a second icon of the city centre of Vienna.

In the Tower itself, we optimised the working conditions for our employees in fine detail. At the start of 2006, work was begun on improving the room acoustics and noise insulation to provide a quieter office atmosphere.

UNIQA Tower
With its height of 75 metres, it enriches the growing Danube canal skyline with another new, exciting silhouette.

In the alteration and expansion of the side buildings belonging to the corporate headquarters, we gave consideration to creating a harmonic architectural connection with the glass tower. We have moved back into our properties on Untere Donaustrasse and Ferdinandstrasse. By adding two storeys to the southern wing we were able to create a new roof terrace. Eight storeys above the ground, it offers a view of the centre of Vienna. In this way, we have implemented uniform office standards with modern conditions for our employees to work together as smoothly as possible.

New architectural milestone for the banks of the Danube canal

We have achieved another architectural milestone on the grounds of our old headquarters on Praterstrasse. The 50-year-old building to be torn down in 2006 is giving way to a modern multifunction complex according to the plans of the French architect Jean Nouvel. It will be completed by 2010. Construction is expected to begin in 2007. The winning project from an international competition will set the trend not only for urban development of the Vienna Danube canal area, but also for international urban architecture.

With its unusual facade with ornamental shaping, the building is designed like a sculpture with a hotel tower growing out of its base. Shops, leased offices and business as well as public areas and squares are integrated into this building. A project that fits well with our corporate culture with its commitment to quality and originality.

The Haas building modernised and expanded

We also took over the Haas building which has now become yet another trademark of the Vienna city centre. Since the purchase of the building, we have brought parts of the first-class restaurant on the 6th and 7th storeys of the impressive structure up to state-of-the-art standards. The building was also expanded with a winter garden on the roof terrace as well as a hotel according to the plans of famous architect Hans Hollein.

Go Ahead

Local operational assignments within the scope of our Go Ahead programme have assisted our employees in understanding mentalities, cultures and specific features of all our Central European markets.

Go Ahead Professional Workshop
90 participants learned about the most recent strategy developments of the UNIQA Group and established valuable contacts for future cooperation.

The Tower as competence centre for knowledge transfer

We view our glass corporate headquarters as a modern central office but also as a competence centre for the transfer of international knowledge and know-how. As an insurance group with dynamic international growth, the recruiting and training of qualified employees with multicultural competence and foreign language skills are the key to our success.

Global thinking and acting is learned best through a professional assignment abroad. Our mobility programme Go Ahead has enjoyed encouraging success as a result. Since the start of the programme, 70 employees of Austrian and international subsidiaries have pursued this path to career enrichment.

Successful Go Ahead workshop and new programmes

A total of 90 participants from all parts of Europe travelled to our "Go Ahead Professional Workshop" in mid-June at Hotel Schloss Weikersdorf. They received an impression of the newest strategic developments of the group and had the opportunity to obtain current information first hand and develop personal contacts.

The new variants of the Go Ahead programme were also presented. In contrast to the classic Go Ahead model, with foreign assignments between three months and three years, the Go Ahead Light programme is primarily conceived as a knowledge transfer between individual group companies with a minimum duration of 20 days. In 2005, this programme was utilised by 14 employees. With the all-round, three-year Go Ahead programme, however, one can acquire a solid base of knowledge through teamwork in the business administration environment and participation in long-term international projects.

Go Ahead assignments

	IN	OUT
Austria	42	30
Croatia	10	4
Czech Republic	2	11
Hungary	5	7
Italy	1	1
Poland	6	12
Slovakia	5	8
Switzerland	2	0

In: From a foreign country to the home company
Out: From the home company to another country

Efficient continuing education for managers—the Manager Academy

In continuation of the strategy of direct information sharing and training for managers begun in 2001, the Manager Meeting was developed into the Manager Academy. The four modules are intended to add depth to the four perspectives of the UNIQA ScoreCard and to offer a platform for the exchange of experiences regarding concrete implementation of the established goals. The pilot module on the topic of "The Customer and the Market" was held in November, in which ideas for communication of the strategic corporate goals were developed, among other issues. It is important to convey our values through the concrete behaviour of our employees with respect to customers and partners as well as between each other.

UNIQA values and strategies evaluated by the employees

After the basic introduction in 2004 of the UNIQA ScoreCard and the UNIQA culture—consisting of our five values and the new team style icons—the first Austrian-wide employee survey "Insight Monitor 05" was performed at the end of 2005. The results about UNIQA culture were extremely pleasing: a majority of all employees not only know our values, but experience them daily in working with colleagues and supervisors.

In the year 2005, we also began implementing the ScoreCard and the UNIQA culture in the international group companies. All employees in the Czech Republic and Hungary had opportunities to learn about these topics in several very successful events. In 2006, the countries of Slovakia, Croatia and Poland will follow. Through these measures, the group is growing closer together in Central Europe in terms of its behaviour as well.

Top management holds discussions in Mannheim and Kraków

Current aspects of our corporate strategy were analysed in ManagerCircles 2005 in Mannheim and Kraków. In the new building of our Mannheim office, the discussions of 160 participants from the first and second management levels with the Management Board in May focused mainly on productivity and efficiency, self-controlling systems and personnel development. In October, the advantages of our new organisational structure stood at the fore in Kraków, along with the stimulus that they represent for our business.

More strength for ExclusiveSales

With the increasingly international orientation of the group, we have recreated our ExclusiveSales programme. The reorganisation is focused on service-oriented support and controlling of all regions of the UNIQA Group in Austria and currently seven countries outside of the home market.

To this end, three area managers were installed. In cooperation with the Austrian regions and the sales management of the international regions, they define the strategic framework for ExclusiveSales and optimise the sales activities. For further support, four teams concentrate on technical sales support and sales-promoting activities. In addition, new strategies and organisational forms are initiated and developed for further development of the ExclusiveSales. With the reorganisation, ExclusiveSales is now responsible for over 10,000 brokers. Its share in the total group portfolio has increased to more than €1.9 billion.

16 regions

within and outside Austria make up the area covered by ExclusiveSales.

Projects of Vision 2008 successfully implemented

The list of more than 600 suggestions for realisation of Vision 2008 developed by the employees of ExclusiveSales has now been almost completely checked off. In the foreground stood a number of process- and service-optimising improvements for our sales people: for example, the first “external policies”—VVD and FinanceLife—were integrated into the QualityPartnership and the minimum range premiums were abolished. For personal insurance, we have unified the profession tables for the loss of work and accident insurance and developed a uniform health survey.

New basic training with shared quality standards

The basic training for salaried field service employees, including the sister companies in Hungary, the Czech Republic, Poland, Slovakia and Croatia, were redefined in 2005 with a uniform training framework and shared quality standards. The goal: through training of our field service that allows direct utilisation of the learned material in practice, every customer can be offered service and advice of optimal quality. The new basic training in the field service in Austria was introduced in mid-2005.

Agency Congress

At the “Agency Congress 2005” in Salzburg, we instructed 600 GeneralAgents and their partners about new developments and focus areas in sales within the group. In parallel with this, a fair was held at which the congress participants could obtain special information on key topics of agency sales. An open podium discussion with members of the Group Management Board and the operational companies formed the high point of the event.

More functions on the intranet sales platform

The intranet sales platform (VPI) used by over 2,700 customer representatives of ExclusiveSales as an Internet-based information and service platform was expanded with valuable functions. A function for managing substitutes was integrated into the VPI. As a result, business transactions can still be completed if the respective representative is ill or on vacation. The representatives now have access via VPI to technical information from the various business segments, rate calculators for legal expenses, property, private and accident insurance, the maturity values for life insurance as well as a download centre for downloading forms.

In the course of internationalisation, we also made the VPI available to the roughly 300 customer representatives in Hungary at the end of 2005. During this year, it should also be made available to our Slovakian and Czech sister companies initially as an information platform.

Exclusive incentive trips
Dubai (left) and Mauritius (right) were the destinations of the International Broker Academy as well as the UNIQA EliteClub 2005 trip.

EliteForum and EliteClub

The best customer advisors and managers of ExclusiveSales in 2005 were honoured at Schloss Pichlarn. Membership in the EliteForum means qualification in the match with the best accounts in terms of portfolio growth in the segments and in the key strategic sales areas. The EliteClub members were recognised and honoured by the Management Board in the elegant ambience of the castle.

The UNIQA EliteClub trip brought the best field service employees and managers to Mauritius. A diverse programme with outings and tours provided the winners with many new and interesting things to experience. The owners of our top GeneralAgencies were also rewarded with an incentive. The exclusive destination of the GeneralAgency trip in 2005 was Dubai, the extravagant trade and business centre of the Near East.

Upgraded service for Austria's brokers

Our BrokerService has further upgraded the offering for the roughly 3,000 brokers that sell our products in Austria. Not only can our top partners telephone for free at any time with their broker advisors and all UNIQA employees within a mobile telephone network, they can all be more successful in the market with the new multi-contract bonus. Customers who have already taken out one policy with their broker in the lines of motor vehicle, accident, household or own home and legal expenses receive a combo rebate for every new policy in combination with the Top Account.

The TopAccount is an instrument with which the BrokerService now addresses the customers directly. Anyone who has at least two insurance policies with us in specific insurance lines through a single broker can apply for this. The Top Account offers the customers numerous advantages. These range from free weather warnings by mobile phone specific to the customer's postal code region, use of the pay box via mobile phone as a mobile alternative to credit cards for two years at no charge to automatic membership in the UNIQA VitalClub and a claim to the multi-contract bonus.

New highlight BrokerService platform

As part of our e-business offering, we have completely recreated and optimised our home page www.maklerservice.at both visually and in terms of content. One highlight is the new BrokerService platform (VPM). Registered brokers have online access to contract information on their customers that is updated daily as well as technical information. Requests for proposals, special deals or information of the BrokerService can also be accessed. The implementation of rate calculators, the transfer of application data and additional support for business processes are on our agenda.

We have provided our brokers with a valuable information tool in connection with the new EU Broker Directive as it entered into effect. In a special edition of our magazine Maklerzin, we explained the extensive legal changes that affect all independent brokers in Austria. This compact and well-organised resource has been very well received.

MAK Broker Academy International's first event was in Dubai

In 2005, we expanded the continuing education offering of our Broker Academy (MAK) with the component MAK International. The first event took place in the International Financial Centre of Dubai in the Gulf of Arabia. About 100 brokers accepted our invitation and spent several informative days in the United Arab Emirates.

In the year 2006, the MAK International programme offers the opportunity to learn about the dynamically growing economic region of India. In this country caught between tradition and modernity, Hinduism and high technology, the participants on our trip will also deal with the most recent developments in the area of international financial services and the insurance requirements of the Austrian companies active in India.

MAK International

Certified as financial advisors by the Finance Academy

Sharing knowledge in all areas of the financial markets is the goal of our Finance Academy, founded in cooperation with the Danube University of Krems. The three-phase training offensive for brokers and employees in ExclusiveSales and Bank Sales with graduation as a financial advisor, financial expert or financial specialist has received an excellent reception. In mid-2005, 80 graduates received their certificates as certified financial advisors in the festival hall of the Vienna Stock Exchange.

Life insurance and pension planning were at the focus of the first international sales manager conference held by the BrokerService in May. Employees from the Czech Republic, Slovakia, Hungary, Poland and Croatia visited Baden in Lower Austria for two days. They listened to expert lecturers on why it is important to think about tomorrow today due to the ageing population of Europe. Pension planning remains a topic with high potential even in the new markets of the EU.

Broker trip to Dubai
CEO Konstantin Klien in conversation with Sheikh Feisal Al Qassemi.

Pension symposium in Rome

The international pension symposium in Rome held by Raiffeisen Versicherung was also concerned with timely planning for old age. The host country numbers with Austria among the stragglers in Europe who are only starting to implement a pension reform to meet the needs of the future.

The lectures of international experts from Italy and the EU Commission clearly outlined the dramatic consequences of the demographic development for old-age pensions. The three UNIQA companies in Italy, which carry out 75% of their life insurance business through banks, are contributing to solving the problem with their offers for private pensions.

Raiffeisen Versicherung in Bank Sales for 35 years

Our group companies Raiffeisen Versicherung and FinanceLife Lebensversicherung celebrated their anniversary on 5 March 2005 in a giant tent in Zauchensee with 850 guests of honour. 35 years ago, Raiffeisen Versicherung began its business in life insurance at the beginning of 1970 as partner in the "all finance" concept of the Raiffeisen Banks. Accident insurance was added in 1975.

Gala evening in the Golden Hall at the Burj Al Arab Hotel.

In the seventies, Raiffeisen Versicherung already numbered among the four leading life insurers in Austria. During the boom in the nineties and after integration into Bundesländer-Versicherung, the business in old-age pensions experienced another upswing that made the bank insurer the leading life insurer in Austria in 1997.

After integration into the newly formed UNIQA Group at the end of 1999, the product range was expanded with the company's own property insurance products for private customers at the start of 2000. As a specialist for Bank Sales, Raiffeisen Versicherung functions as a competence centre and know-how supplier in our group in the establishment of bank assurance abroad, preparing the way for us to expand into the future markets of Eastern Europe.

The successful partnership of Raiffeisen Versicherung with the Austrian Raiffeisen group also results from the autonomous structure of Raiffeisen. Raiffeisen Versicherung has not only always strived to meet the various challenges of the individual regional organisations and every single Raiffeisen Bank, it has also proved its leading role as the first bank insurer in the country with growth rates that surpass the market year after year.

Technical servicing via the RV-Web sales platform

The expansion of the Internet sales platform RV-Web for our sales partners was also a high priority in 2005. Phase 2 of "My sure advantage" as well as the integrated policy issuance—direct electronic transfer of the inquiries entered at the Raiffeisen Bank are sent to the policy department at Raiffeisen Versicherung—were successfully realised in accident insurance.

The information and service area of the RV-Web was also expanded with the integration of the advising report, technical information and "My conversation on safety". Finally, the electronic commission report was added to the RV-Web. This gives banks the opportunity to check the current earnings status of the policies they have negotiated at any time.

Circle Womanlife
In November, Raiffeisen Versicherung started "Circle Womanlife", a communication platform for female Raiffeisen advisors.

Internet platform Circle Womanlife installed

In the anniversary year 2005, Raiffeisen Versicherung expanded its established position with the Womanlife programme, as the first sector institute for special women's advising. With Circle Womanlife, a network was created for all female advisors in the Raiffeisen banks for professional exchange of opinions and joint activities.

The core of the initiative is an independent Internet platform with its own design as an online communication platform. It offers online expert tips and advice as well as suggestions and improvements in the areas of insurance and financial services.

FinanceLife celebrates ten years in existence

The group company FinanceLife Lebensversicherung also attended the anniversary celebration of Raiffeisen Versicherung in Zauchensee, in honour of its tenth anniversary. Founded in 1995, the company started as a joint venture of Bundesländer Versicherung and the German MLP and developed the Raiffeisen fund policy, a milestone in innovative provision products. In the year 2002, the specialist for unit-linked life insurance was integrated completely into UNIQA.

In the tenth year of its existence, the company established itself as market leader for unit-linked life insurance in Austria with over 350,000 policies and a total contribution of more than €6 billion. In addition, the company works throughout the group as an innovative product designer and competence centre for fund policies, private insurance for major investors, the state-subsidised provisions for the future and guarantee products in index-linked life insurance in all sales channels—with impressive success.

UNIQA village in Sri Lanka soon to be finished

Social responsibility is a natural extension of business success for UNIQA and its employees. After the catastrophic destruction of large parts of Thailand and Sri Lanka by the tsunami of 26 December, 2004, it was immediately clear that we would participate in the reconstruction of the destroyed region and the building of Austrian villages with donations and know-how within the framework of the programme "Kurier Aid Austria" and in cooperation with the Raiffeisen group, the Red Cross and the Austrian construction industry.

The total donation volume is sufficient for financing the construction of 742 houses in seven villages in southern and eastern Sri Lanka. Only companies and workers from Sri Lanka are employed in order to support the local economy. With the €645,000 donated by our group companies, employees and customers, a separate UNIQA village was built with 33 houses and a mother-child station.

UNIQA Board Member Elisabeth Stadler personally inspected the impressive successes of the aid campaign during a visit to Sri Lanka in September 2005. At the end of 2006, "Kurier Aid Austria" is planning a viewing trip for all sponsors of the Austrian villages.

Donations

Living up to our social responsibility
is more than just generosity.
UNIQA sees this as a social and ethical obligation.

Caritas check presentation
UNIQA's CEO Konstantin Klien (left) and RZB's CEO Walter Rothensteiner (right) present an additional €70,000 to Caritas Director Michael Landau (centre).

Aid for flood victims in Austria

We also reacted quickly in mid-summer of 2005 as rainfall of near biblical proportions flooded broad regions of the provinces of Tyrol, Vorarlberg and Styria. Naturally, we set up a free hotline for reporting the flood damage. Our field service employees also brought about rapid regulation on site within the framework of the insured lump sum.

Together with Raiffeisenlandesbank and Tiroler Tageszeitung, we also initiated a donation campaign for flood victims. In a benefit event in the Innsbruck Congress, the roughly €1 million collected was presented to Caritas.

Mobile hospice of Caritas supported

We continued our years of support for the mobile hospice of Caritas in the archdiocese of Vienna once again in 2005. UNIQA and Raiffeisen Zentralbank provided €70,000 for the care of severely and terminally ill patients and their families. The regular financial assistance "For a life of dignity to the end" is a sustainable contribution for constant expansion of the mobile hospice and a proof of our clear dedication to corporate social responsibility.

Highlights

Over 70
employees from Austria and the international companies are currently participating in the mobility and educational programme Go Ahead.

In 1970
Raiffeisen Versicherung entered into business, becoming the first bank insurer in Austria. It celebrated its 35th anniversary in 2005.

3,000 brokers
sell the products of the UNIQA Group in Austria. The BrokerService supports and serves them in all their needs.

UNIQA Shares

Our corporate strategy—focused on consistent growth, good figures and dynamic development in the stock markets—has put our shares in high demand.

Strong growth on European stock markets

The European stock markets experienced extremely dynamic growth in 2005. Thanks to the accelerating upward development in the second half of the year, stock prices on most stock exchanges grew at two-digit growth rates up to the end of 2005. The Dow Jones EURO STOXX 50 rose by 21.3% by year's end. The Dow Jones EURO STOXX Insurance Index even increased by 31.7% in 2005.

The FTSE 100 in London rose by roughly 17%, the CAC 40 in Paris by over 23%, the DAX in Frankfurt by about 27% and the SMI in Zurich by over 33%. Wall Street on the other hand performed weakly. The prices on the New York exchange even suffered slight losses by year's end—measured on the Dow Jones Industrial—and finished down 0.6% at 10,717.50 points. In this way, the European stock markets were able to disengage themselves from the leading international exchanges in the USA.

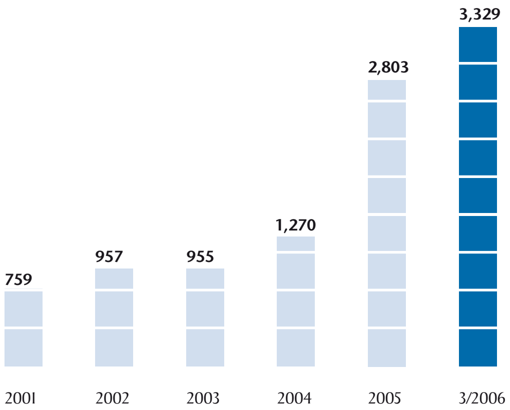
Vienna sets new records

The Vienna Stock Exchange beat the benchmarks by a large margin and was once again the outperformer in Europe. The ATX climbed over the course of the year from record to record and ended 2005 at a year's high of 3,667.03 points and with a performance of 50.8% in comparison with the end of 2004.

In a long-term comparison, the Vienna Stock Exchange was still an international top performer. Neither New York, London, Paris, Frankfurt nor Zurich could recoup by the end of 2005 the losses suffered since the end of 2000. The ATX, however, surpassed the 1,073.30 points it had at the end of 2000 by 241% at the end of 2005.

Market capitalisation of UNIQA stock

in € million



This remarkable success was made possible by business results of the companies listed in Vienna that were above the international average and their increasing involvement with the dynamically growing economies in Eastern and South-Eastern Europe. Since the joining of the eight new Central and Eastern European EU members, Austria, which borders directly on four of these countries, is now favourably positioned as a hub in the East-West integration, at the centre of investor interest.

Significant increase in market capitalisation

This interest is also expressed in the significantly increased number of international financial service providers on the Vienna Stock Exchange. Since September 2004, 18 new trade members, 16 of which are globally active investment banks, formed still closer connections between the Vienna Stock Exchange and the community of investors worldwide.

The trading volume has risen strongly thanks to new listings and capital increases as well as the increasing attractiveness of Austria as a stock market. The total turnover in the spot market doubled in 2005 to an average of €6.3 billion per month. The market capitalisation also grew markedly by 65.8% to €107 billion. With a share of the gross domestic product of over 40%, the Vienna Stock Exchange has achieved a position comparable to other Western European stock markets.

UNIQA shares soaring

Our successful strategy of sustained, sound growth and consistent internationalisation of our business in Central and Eastern Europe has met with soaring prices for our shares. UNIQA was one of the high flyers on the Vienna Stock Exchange in 2005 and clearly beat all benchmarks as top performer.

The 119,777,808 shares traded in the prime market, which were still listed at €10.60 per share at the end of 2004, flew from record to record. They ended the year 2005 at a price of €23.40, a gain of 121%. At the start of 2006, the stock continued its strong upward development. It achieved new all-time highs and was listed on 16 March at €27.79. The market capitalisation of the company increased in this way to over €3 billion.

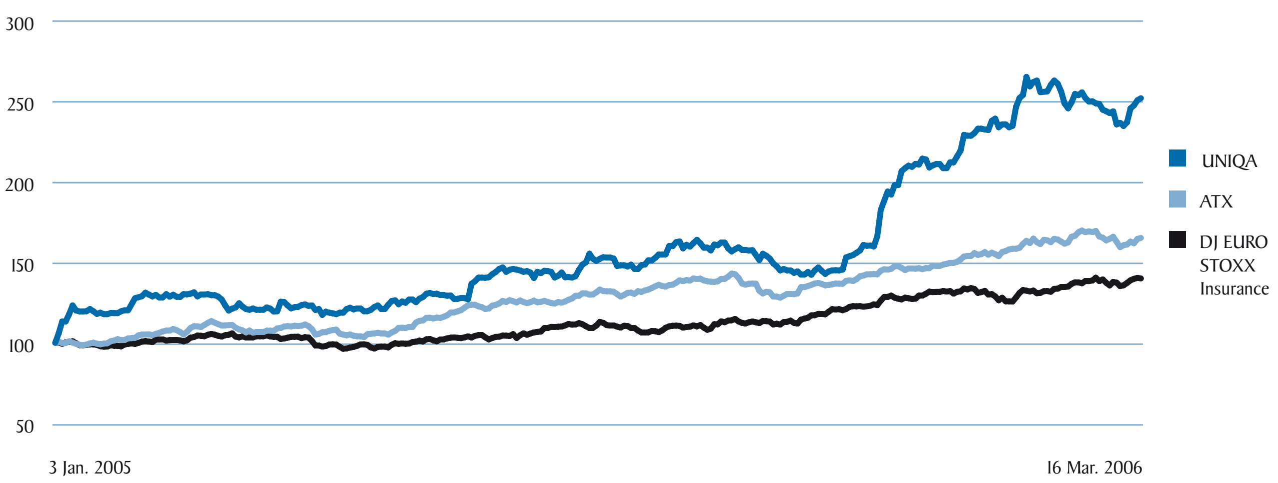
Free float significantly increased

The exceptional rise in the share price was supported by our measures to improve the liquidity of UNIQA stock. Within the scope of the reissuing programme of 2005, a total of 8,807,910 of our own shares were sold through the stock exchange. This distinctly increased the free float from about 10% to over 17% of the share capital of UNIQA Versicherungen AG. Subsequently, the UNIQA stock was once again included in the ATX, the leading index of the Vienna Stock Exchange, on 19 September 2005.

The percentages owned by our core shareholders did not change in 2005. Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, which is identified with Austria Versicherungsverein auf Gegenseitigkeit which was transformed into a private foundation, owns 35.23%, BL Syndikat Beteiligungs GmbH owns 31.95%, UQ Beteiligung GmbH owns 6.97%, NÖ Landes-Beteiligungsholding GmbH owns 5.22% and Collegialität Versicherung auf Gegenseitigkeit owns 3.23% of the share capital of the group's holding company UNIQA Versicherungen AG. Due to the voting commitment, the shares of Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, BL Syndikat Beteiligungs GmbH and Collegialität Versicherung auf Gegenseitigkeit are counted together.

UNIQA shares in 2005

in %



Inclusion in the sustainability index VÖNIX

Inclusion in the newly launched VÖNIX index—Austria's first sustainability index (www.voenix.at)—was of particular significance for UNIQA. The share index currently with 23 stock titles is made up of listed Austrian companies whose economic, social and environmental work is exemplary from a perspective of sustainability.

The fact that sustainability through consideration of non-financial items, such as corporate citizenship, matters even to investors as an element of the corporate management of companies that provide for the future can be seen in the performance of the established sustainability index "Dow Jones Sustainability" as well as the new Austrian VÖNIX. This new index beat the benchmark of the ATX Prime (+17.88%) in the first six months since its start on 20 June 2005 with a rise by 18.52%.

Information on UNIQA shares

Stock symbol:	UQA
Reuters:	UNIQ.VI
Bloomberg:	UQA.AV
ISIN:	AT0000821103
Market segment:	Prime market of the Vienna Stock Exchange
Trade segment:	Official trading
Indices:	ATX, ATX Prime, WBI, VÖNIX
Number of shares:	119,777,808

Sustainability as positive factor in competition

As with our dedication to corporate governance and corporate social responsibility, our pursuit of sustainability in our business activities as a financial service provider takes economic, environmental and social goals equally into consideration. In this way, we would like to avoid damaging the life opportunities of coming generations through our activities and at the same time strengthen our position as a company with a broad perspective that considers itself an investment with sustainable potential for the investors of tomorrow.

Information for shareholders optimised

The perception within the financial community, which was improved by the above-average performance of our shares, was further strengthened by an optimised information service for shareholders. We have noticeably improved the quality of the reporting as well as the depth of the available financial information. In addition, we participated during 2005 in numerous roadshows and investor conferences in Austria and Europe to inform investors about UNIQA, the most recent developments and the strategy of the company.

News and financial reports on the Internet

Our annual and quarterly reports as well as ad hoc releases are not only available on our website www.uniqagroup.com; we also make them available in written form, if desired. Investors, analysts and institutional investors around the world receive all financial information, including the online annual report (ar2005.uniqagroup.com), in English as well as through our Investor Relations Department.

ar2005.uniqagroup.com

This link will take you to our online annual report and additional financial information.

Commitment to the Code of Corporate Governance

UNIQA Versicherungen AG has committed itself since 2004 to compliance with the Austrian Code of Corporate Governance and publishes the voluntary declaration of commitment both in the group annual report and on the group website www.uniqagroup.com.UNIQA also agrees to adhere to the Austrian Code of Corporate Governance in 2006 and already follows the rules of the new version of the Code published in January 2006. The additional disclosures arising from the new version of the Austrian Code of Corporate Governance have been included in this report and published on UNIQA's group website. UNIQA will have its implementation and compliance with the individual rules of the Austrian Code of Corporate Governance evaluated by an external institution.

The purpose of the Code of Corporate Governance is to ensure responsible management and control of the company oriented around sustainable and longterm value creation. Through our commitment, we want to contribute to strengthening the trust of shareholders in the Austrian capital market. The Codex represents a framework for the management and monitoring of a company and is adapted and further developed every year by the "Corporate Governance Workgroup".

In the following "Comply or Explain" rules, UNIQA deviates from the provisions of the Austrian Code of Corporate Governance 2006 and explains these deviations as follows:

Rule 38
UNIQA does not consider a special age limit for members of the Management Board specified in the articles to be appropriate. Board members are appointed exclusively according to their professional and personal qualifications.

Rule 41 and 43
The responsibilities of the nomination committee and the compensation committee are carried out by the committee for board affairs.

Rule 45
Georg Doppelhofer holds supervisory board positions at GRAWE-Vermögensverwaltung and Grazer Wechselseitige Versicherung AG.

Rule 49
Due to the shareholder structure of UNIQA and the special nature of the insurance business with regard to the investments of insurance assets, a number of contracts exist with companies closely associated with individual Supervisory Board members. In case such contracts need the agreement of the Supervisory Board (rule 48), details cannot be publicised for reasons of company policy and anti-trust law. 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 results from the shareholder structure of the company.

UNIQA Group Management Report

Economic Environment

The dynamism of the economy has weakened

Particularly in the first half of 2005, the dynamism of the economy in the European industrial countries weakened markedly. Total economic output in the 25 countries of the European Union lost momentum significantly as a result of the strong increase in the price of crude oil, the euro's devaluation, a stubborn reluctance to invest, and sluggish private consumption with a persistent high level of unemployment.

Growth slump in the Eurozone

In the Eurozone, the real domestic gross product for 2005 expanded only about 1.3% following 2.1% in the previous year. With an economic output that was more than 4% above this level, the new EU member states in Eastern Europe were once again the economic drivers. The European Central Bank reacted to the increase in inflation above the upper limit of the target range of 2% on 1 December 2005 with a cautious tightening of monetary policy. Given continuing abundant liquidity, it increased the key interest rate by 0.25 percentage points to 2.25%.

Austria's economy also suffered a setback in 2005. High energy prices, weak domestic demand, and low propensity to invest given the 2.2% rate of inflation, slowed down the growth of real production to 1.9%. It was, however, still clearly above the Eurozone average. The primary pillars were once again exports, which profited increasingly from the opening of ambitious markets in Eastern and Southern Europe.

Low propensity to invest in Austria

Private consumption continued to develop cautiously, despite relief through the second stage of the tax reform. The real income of households was increasingly supplemented by strongly increasing unearned income, at the same time a large portion of disposable income was saved. On the other hand, business investments stagnated. Unemployment rose due to the increasing supply of labour.

Insurance industry accelerated growth rate

Austria's insurance industry continued along its steep upward path in 2005, despite somewhat adverse conditions. Premiums improved about 9.6% to around €15.3 billion. With the accelerated rate of expansion, insurers have firmly established their position as economic drivers. A position which can also be ascribed to increasing internationalisation. More than 75 Austrian insurers are currently operating in 13 Central and East European countries.

Boom in life insurance

The strongest impulses came from personal injury insurance companies. In particular, the discussion concerning the future of pension insurance systems has increased readiness for more private and occupational provision.

State-subsidised pension provisions received an extremely good response. With employee group insurance, the position of the insurers has improved within the framework of occupational pension insurance. That is why life insurance premium income rose at record speed of about 15.5% to €7.1 billion in 2005. The remarkable expansion of single-premium policies of around 40% provided exceptional momentum.

In contrast, health insurance lines profited little from the benefit cuts in social insurance. Premium income grew about 3.8% to around €1.4 billion, and thus approximately at the same rate as in 2004. The upward trend of property and casualty insurance slowed in 2005. With revenues of €6.8 billion, or an increase of about 5.2%, the sector lost some of its momentum.

Financial markets between low interest and stock exchange boom

In 2005, international financial markets moved in the charged field between diverging interest rate policies in the USA and Europe, and strong price gains on European stock markets.

The American Federal Reserve Bank tightened its monetary policy and raised the key interest rate in eight steps of 25 basis points each to 4.25%. The yield on ten-year treasury notes rose by 17 basis points to 4.39% by the end of the year, and the interest rate curve inverted itself compared to two-year notes.

In Europe, the yield on ten-year German government bonds at the end of 2005 was with 3.31% around 37 basis points lower than one year before. In total, due to speculation about an interest rate cut by the European Central Bank, it even sank to a historical low of less than 3%. With signs of economic improvement and the expected slight increase in the Eurozone's key interest rate, the yield level increased again.

European exchanges disengaged from Wall Street

Particularly for European exchanges and stock markets in aspiring countries, 2005 was extremely successful. They increased more strongly than the American Stock Exchange, which was affected by the tightening of monetary policy and the drastic increase in the price of crude oil. Whereas the Dow Jones Index stagnated, the Swiss SMI increased by 33%, the German DAX by 27%, and the London FTSE by 17%. The top performer was once again the Viennese ATX. It increased by almost 51% over the course of the year. Thus, the European stock markets were able to disengage themselves from the leading international exchange on Wall Street.

UNIQA with successful Asset Management

UNIQA's capital investment strategy focused on the reduction of risks and precise structuring of the portfolio. This resulted in very good earnings, despite continuing low interest rates.

We have supplemented our traditional investment instruments, such as bonds of good or the best credit rating, globally dispersed stocks, real estate and loans, with bonds from issuers of low credit standing, structured credit financing, hedge funds, and private equity holdings, as well as bonds and stocks from emerging markets. Investments in high interest bonds, structures and structured securities were reinforced.

Strong profits from stock market momentum

We profited from the stock market momentum in particular by strategically increasing the share ratio: by overemphasising European securities as well as from values of Asian and Eastern European growth regions with above-average price potential. Furthermore, we invested strongly in the private equity asset class.

Through careful choice of stock investments according to the principle of stockpicking, we have further optimised investment profits. Securities produced a profit of 7.2%, which further strengthened our financially strong base.

Economy gains momentum again in 2006

Despite continuing high energy prices and the slight tightening of monetary policy, the economy in Europe is gaining momentum again in 2006. Rising mood indicators, the slight warming of the investment climate, and increasing contracts for the export economy are signalising a revival of economic activity in the countries of the European Union. Real economic output in the Eurozone should grow, all things considered, by around 2% in the current year.

Export and investments promote recovery in Austria

The economic situation in Austria is also looking stronger in 2006. The gross domestic product should increase by around 2.3% this year.

Export remains the driving force behind the growth. In the wake of the industry of Germany and other European countries it profits from the strongly increasing incoming order from the oil exporting countries, along with the relentless boom of the new EU member states and Eastern and South-Eastern Europe. In real terms, product export from Austria should increase by over 6%.

Regardless of low price increases of around 1.9% and higher wage agreements, private consumption remains the Achilles heel of the economy. The fact that the savings ratio remains at more than 9% of disposable income reflects the lack of confidence the consumer has in the sustainability of both the economic recovery and the reduction in unemployment.

Insurance industry in calmer waters

With the end of the short-term economic boom due to the single premium income in life insurance, the Austrian insurance industry finds itself in calmer waters in 2006. The dynamic of personal injury insurance has weakened to 5.6% with a premium volume of €9.3 billion. However, life insurance, with an increase of 6.4% to €7.2 billion, remains the foundation of the upward trend. Health insurance, with an increase of about 2.9%, along with property and casualty insurance (+3.9%), is expected to lose ground.

Continued friendly climate for shares

With the end of the interest rate increases for the time being in the USA and Europe, the climate at the international stock exchanges remains friendly. Risks lay primarily in the consequential effects of further increasing oil and raw-material prices. The stock exchanges started off 2006 with price increases.

The UNIQA Group

With €4,370.2 million premiums written, UNIQA is one of the leading insurance groups in Austria and Central Europe. The savings portion contained in the premiums of the unit- and index-linked life insurance amounting to €360.2 million is, according to FAS 97 (US GAAP), balanced out by the changes in the actuarial provision. The premium volume including the savings portion of the unit- and index-linked life insurance amounts to €4,730.4 million.

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

Companies included in the IFRS Consolidated Financial Statements

The 2005 Consolidated Financial Statements of the UNIQA Group contain, along with UNIQA Versicherungen AG, 31 domestic and 44 foreign companies. 34 affiliated companies, whose influence on an accurate presentation of the actual financial status of the assets, financial position and profitability is insignificant, were not included in the Consolidated Financial Statements. In addition, we have included 14 domestic and one foreign company as associated companies according to the equity accounting method. Seven associated companies were of minor significance and we show their shares at current market value.

The premiums of the Italian life insurance company Claris Vita Assicurazioni S.p.A. were first included in the first quarter of 2005. The scope of consolidation of the UNIQA Group was extended to include Mannheimer Krankenversicherung AG at the end of the first quarter of 2005. The Raiffeisen Osiguranje d.d. in Bosnia and Herzegovina was included in the Consolidated Financial Statements for the first time in the second quarter of 2005.

More specific information on consolidated and associated companies can be found in the relevant overviews in the Notes (cf. Note no. 7). The accounting and valuation methods used as well as the changes in the scope of consolidation are also described in the Notes to the Group Financial Statements.

UNIQA in Austria

The UNIQA Group operates its direct insurance business in Austria through UNIQA Personenversicherung AG, UNIQA Sachversicherung AG, Raiffeisen Versicherung AG, CALL DIRECT Versicherung AG, Salzburger Landes-Versicherung AG, and FinanceLife Lebensversicherung AG.

The listed group holding company, UNIQA Versicherungen AG, is responsible for group management and is the central reinsurer for the group's domestic operational companies. UNIQA Re AG with its headquarters in Zurich is responsible for reinsuring the group's foreign operational companies.

Insurance companies in Central and Eastern Europe

A continuous strengthening of commitment to our strategic target markets is one of the UNIQA Group's key objectives. The international activities are managed centrally through the competence centres and specialist departments, in order to achieve the maximum synergy effects. We currently hold either direct or indirect shares of the following 22 foreign insurance companies:

- UNIQA pojišťovna a.s., Prague
- UNIQA poistovňa a.s., Bratislava
- UNIQA TU S.A., Lodz
- UNIQA TU na Zycie S.A., Lodz
- TU FILAR S.A., Szczecin
- UNIQA Biztosító Rt., Budapest
- UNIQA osiguranje d.d, Zagreb
- UNIQA Assicurazioni S.p.A., Milan
- CARNICA Assicurazioni S.p.A., Udine
- Claris Vita S.p.A., Milan
- Mannheimer AG Holding, Mannheim
- Mannheimer Versicherung AG, Mannheim
- Mannheimer Krankenversicherung AG, Mannheim
- mamax Lebensversicherung AG, Mannheim
- Mannheimer Versicherung AG, Zurich
- UNIQA Assurances S.A., Geneva
- UNIQA Re AG, Zurich
- UNIQA Versicherung AG, Vaduz
- UNIQA Lebensversicherung AG, Vaduz
- Raiffeisen Osiguranje d.d., Sarajevo
- SC Asigurare Reasigurare ASTRA S.A., Bucharest
- Vitosha AD, Sofia

Our subsidiary, UNIQA International Versicherungs-Holding GmbH, is responsible for acquisitions and the integration thereof into the group. Furthermore, it constantly monitors and analyses foreign target markets.

Successful market entry into Romania and Bulgaria

At the start of June 2005, the UNIQA Group acquired 27% of the share capital of the fifth-largest Romanian insurer, ASTRA S.A., which has its headquarters in Bucharest.

At the end of July 2005, UNIQA agreed the acquisition of 20% of the share capital of the sixth-largest Bulgarian insurer, Vitosha AD. At the same time, UNIQA's takeover of additional shares in Vitosha was also arranged with the previous owners, which will make UNIQA the majority owner. It is anticipated that the company will be included into the scope of consolidation in the first quarter of 2006.

The UNIQA Group extended its presence in South-Eastern Europe to 14 countries by entering these two companies. The successful partnership with the Raiffeisen group will also be extended to Romania and Bulgaria.

Risk Report

The comprehensive risk report of the UNIQA Group is in the Notes to the Consolidated Financial Statements 2005 (cf. Notes to the Group Financial Statements, p. 102).

UNIQA Group business development

The following comments to the business development are divided into two sections. The section "Group Business Development" describes the business development from the perspective of the group with fully consolidated amounts. As part of the segment reporting, we will portray the development of business in life, health, as well as property and casualty insurance, being careful to take into consideration any connections that exist between the various segments.

Group Business Development

Business activity

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

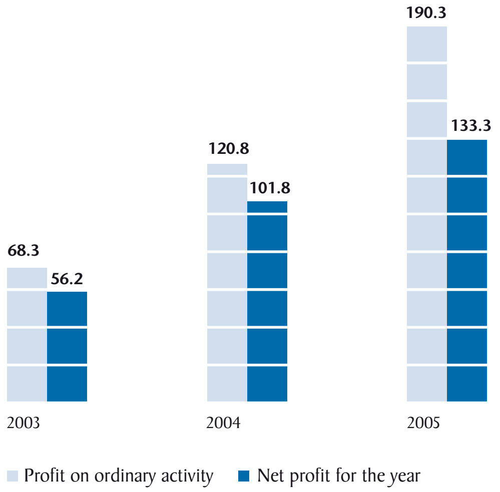
With over 12 million policies managed at home and abroad, gross premium written volume of €4.7 billion (2004: €3.8 billion) and over €19.3 billion (2004: €16.6 billion) invested capital, the UNIQA Group is one of the leading insurance groups in Central and Eastern Europe.

Profit on ordinary activities of €190 million achieved

The UNIQA Group was able to outperform the record results of the previous year, attaining a profit on ordinary activities to the amount of €190.3 million (2004: €120.8 million). That corresponds to an increase of 57.5%.

Therefore, the Management Board intends to propose a dividend payment of 26 cents per share to the Supervisory Board and the General Assembly—an increase of nearly 20% compared to 2004.

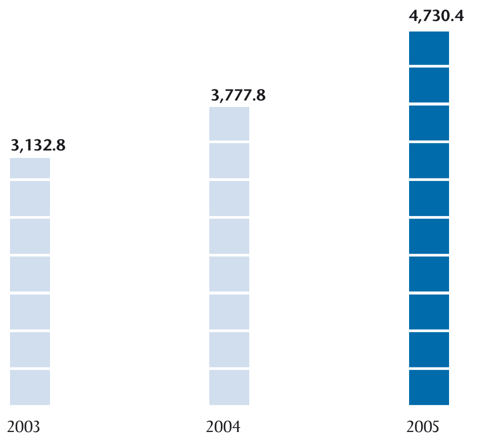
Profit on ordinary activity and net profit for the year
in € million



Total premiums exceed €4 billion for the first time

Total consolidated premiums written increased in 2005 by €770.6 million, or 21.4%, to €4,370.2 million (2004: €3,599.6 million). If one also considers the savings portion of the unit- and index-linked life insurance in the amount of €360.2 million (2004: €178.2 million), the total premium volume grew in 2005 by as much as 25.2% to €4,730.4 million (2004: €3,777.8 million). Group premiums earned and retained increased by 21.2% to €4,000.4 million (2004: €3,301.7 million).

Premium volume written incl. savings portion
in € million



The premium volume written, including the savings portion of our international group companies' unit- and index-linked life insurance lines, doubled in 2005 to nearly €1,344.8 million (2004: €700.8 million), or 28.4% of the group's premium volume. Of this, €862.6 million came from our companies in Germany, Italy, Switzerland, and Liechtenstein; the subsidiaries in the growth regions of Eastern and South-Eastern Europe generated €482.2 million.

The premiums developed as follows in the individual segments (cf. Note no. 31):

The earned premium income from the life insurers in the UNIQA Group increased in 2005 by 30.6% to €1,523.3 million (2004: €1,166.1 million). In the health insurance lines, the premiums earned increased by 14.5% to €849.4 million (2004: €742.1 million), and in the property and casualty insurance lines premiums earned in the past business year were €1,627.7 million (2004: €1,393.5 million). That was 16.8% more than in 2004.

Developments in insurance benefits

Retained consolidated insurance benefits also increased due to the expansion of the group of consolidated companies, as well as the growth of total business activities, by a total of €743.5 million, or 24.5% to €3,776.9 million (2004: €3,033.4 million).

The insurance benefits developed as follows in the individual segments (cf. Note no. 35):

Whereas retained insurance benefits rose in life insurance in line with the business by 30.8% to €1,897.7 million (2004: €1,450.6 million), they also increased in health insurance in proportion to the increase of premiums earned by 14.5% to €773.1 million (2004: €675.3 million). In property and casualty insurance, retained insurance benefits grew slightly disproportionately, among other things as a result of the flood claims in Austria and a series of major claims in Germany—by 21.9% to €1,106.1 million (2004: €907.5 million).

Development of operating expenses

All consolidated operating expenses (cf. Note no. 36) less reinsurance commissions and profit shares from reinsurance business ceded (cf. Note no. 32) increased only slightly in the financial year 2005, despite the increase in the number of companies to be consolidated, by 12.3% to €927.7 million (2004: €826.2 million). Compared to increased business revenue, acquisition expenses, including changes to deferred acquisition costs and less reinsurance provisions, increased underproportionately by 12.0% to €579.1 million (2004: €517.0 million). Other operating expenses increased in comparison to the previous year from €309.2 million by 12.8% to €348.7 million. One reason for this increase is the rise in social expenses due to the fact that the technical interest rate for calculating social capital has been lowered.

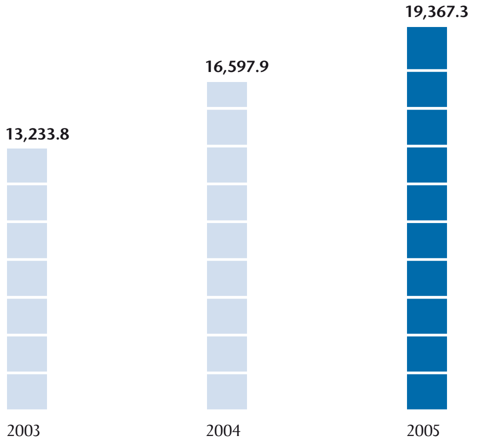
The cost ratio of the UNIQA Group, i.e. the relationship of all operating costs to the group premiums earned, including the savings portion of the premiums from the unit- and index-linked life insurance, decreased in 2005 to 21.3% (2004: 23.7%). The reason for this positive development is cost cutting as a consequence of the increased earnings programme 2004–2006, which was also consistently continued in 2005 in Austria and the foreign companies.

Capital investment results improved in 2005 by more than 28%

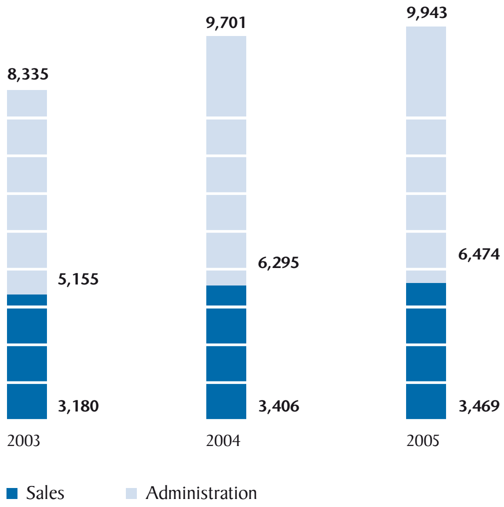
Total investments, including land and buildings used by the group, as well as investments in unit- and index-linked life insurance, increased in the year under review by €2,769.4 million, or 16.7%, to €19,367.3 million (2004: €16,597.9 million).

Net income from investments less financing costs increased by €215.0 million, or 28.7%, to €962.9 million (2004: €747.9 million). The positive development of the capital markets, which continued through 2005, was one of the driving factors behind this development.

Total investments
in € million



Employees in the Group



Details on investment income can be found in the Notes to the Consolidated Financial Statements (cf. Note No. 33).

Human Resources

The average number of employees in the UNIQA Group increased in the financial year 2005 to 9,943 employees (2004: 9,701 employees). Of these, 3,469 (2004: 3,406) are in sales and 6,474 (2004: 6,295) are in administration.

UNIQA's training and development activities

Employee training courses remained a priority of UNIQA's training and further training programmes in 2005. A total of 22,674 participant days at seminars confirm this impressively. In Austria, 826 seminars with 3,143 participants were held.

In 2005, special attention was paid to developing demand-oriented training concepts corresponding to the primary goals of ExclusiveSales. Emphasis was placed on the combination of professional and behavioural training. 30 events with more than 400 participants were conducted throughout Austria.

The ManagementDevelopmentForum focused in 2005 on promoting the idea of the ProfitCentre. In the seminar "Entrepreneurial Thought and Behaviour" more than 50 managers were able to reinforce, expand, and prove their business competence. Following successful conclusion of the exam, the participants received the "European Business Competence* Licence" (EBC*L).

New concept for basic training

From the viewpoint of UNIQA Human Resources Service GmbH, the first half of 2005 stood under the sign of the project "New Basic Training". A working group, covering all sales functions in ExclusiveSales from various regions and from headquarters, developed a new concept of basic training for employees and freelance insurance consultants. The goal was to achieve an even better integration of presence events with self-training instruments, such as the by now well-established eLearning. This combines cost savings and focusing on the essential.

Those employees that began their career with UNIQA in August of 2005 were the first to experience the modified organisation, which also provided for a stronger blend of central, regional, and local events. With the basic training system now in practice, UNIQA has achieved a perfect balance between service (in the training area)—and earnings—as the output of training conveyance and the potential for implementation in sales practice.

Parallel to changes in Austria, a uniform standard of training, which is now being implemented step by step, was defined in cooperation with the international group companies.

The Business Segments of the UNIQA Group

Life insurance

Premiums up by more than 30%

The premiums earned by the life insurers of the UNIQA Group increased by 30.6% in 2005 to €1,523.3 million (2004: €1,166.2 million). Whereas the life insurance segment in Austria grew by 11.7% to €1,203.7 million (2004: €1,077.3 million), the group's foreign life insurers increased their earned premium income through the first time inclusion of the premiums from Claris Vita by 259.8% to €319.5 million (2004: €88.8 million). Organic growth in the life insurance lines totalled 12.7%—and in Eastern Europe even more than 50%. The risk premium portion of the unit- and index-linked life insurance lines considered in the Consolidated Financial Statements for the year 2005 was €55.2 million (2004: €40.7 million). The savings portion contained in the premiums of the unit- and index-linked life insurance lines amounted to €360.2 million (2004: €178.2 million) and was, according to FAS 97 (US GAAP), balanced out by the changes in the actuarial provision.

Life insurance segment	**2005** € million	**2004** € million
Net premiums earned	1,523.3	1,166.2
Savings portion of premiums from unit- and index-linked life insurance	360.2	178.2
Net investment income	740.6	588.6
Insurance benefit	1,897.9	1,450.6
Acquisition expenses	156.6	147.4
Other operating expenses	87.1	81.5
Cost ratio	12.5%	14.2%
Profit on ordinary activities	78.1	49.0
Net profit for the year	**53.8**	**39.3**

Developments in insurance benefits

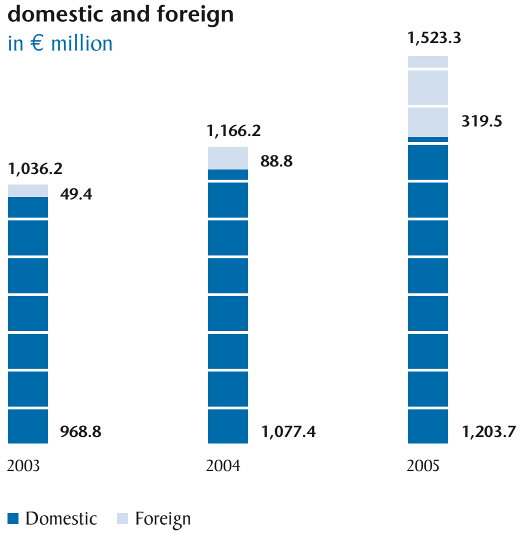
Retained insurance benefits (claims incurred, expenditure for increased actuarial provisions, as well as the provisions for premium refunds and/or profit sharing) increased in the year under review by 30.8% to €1,897.9 million (2004: €1,450.6 million). In addition to the increase in premium revenue, another reason for this rise are the lump sum additional payments that are necessary for retirement annuities due to the adjustment of the Austrian mortality tables.

Operating expenses

The development of total operating expenses in life insurance less reinsurance commissions and profit shares from reinsurance business ceded was extremely positive, increasing only insignificantly by 6.6% to €243.8 million (2004: €228.8 million). Whereas other operating expenses increased by 6.9% to €87.1 million (2004: €81.5 million), acquisition expenses increased by 6.2% to €156.6 million (2004: €147.4 million).

The cost ratio of life insurance (adjusted to account for the special effects from social capital), i.e. the relationship of all claims incurred to the group premiums earned, including the savings portion of the premiums from the unit- and index-linked life insurance, decreased in 2005 to 12.9% (2004: 17.0%).

Life premiums earned—domestic and foreign
in € million



Capital investment results

Net income from investments less financing expenses increased in the year under review by 25.6% to €740.6 million (2004: €588.6 million). The investment portfolio, including land and buildings used by the UNIQA Group life insurers, increased in 2005 by 15.9% to €14,464.8 million (2004: €12,477.6 million).

Profit on ordinary activities

The profit on ordinary activities increased in 2005 by 59.4% to €78.1 million (2004: €49.0 million).

Net profit for the year in the life insurance segment increased by 36.9% to €53.8 million (2004: €39.3 million).

Health insurance

Premiums increased by 14.5%

The UNIQA Group remains the market leader in health insurance in Austria with a market share of about 50%.

Compared to the previous year, earned premium income in the health insurance segment increased by 14.5% to €848.7 million (2004: €741.2 million). In Austria, the premiums increased by 3.0% to €693.4 million (2004: €673.4 million). Our foreign companies achieved an earned premium volume of €155.2 million (2004: €67.9 million). This increase of 128.6% is primarily the result of the first time net income-affecting inclusion of three reporting quarters of the Mannheimer Krankenversicherung.

Health insurance segment	**2005** € million	**2004** € million
Net premiums earned	848.7	741.2
Net investment income	102.1	83.4
Insurance benefits	772.5	674.7
Acquisition expenses	78.0	66.4
Other operating expenses	52.7	53.0
Cost ratio	14.8%	15.3%
Profit on ordinary activities	41.8	25.4
Net profit for the year	**35.8**	**22.0**

Developments in insurance benefits

Retained insurance benefits increased by 14.5% to €772.5 (2004: €674.7 million) as a result of increased business revenue and the entry of the Mannheimer Krankenversicherung into the consolidation group. This included the costs for claims incurred, for premium refunds, and the change in actuarial provision.

Operating expenses

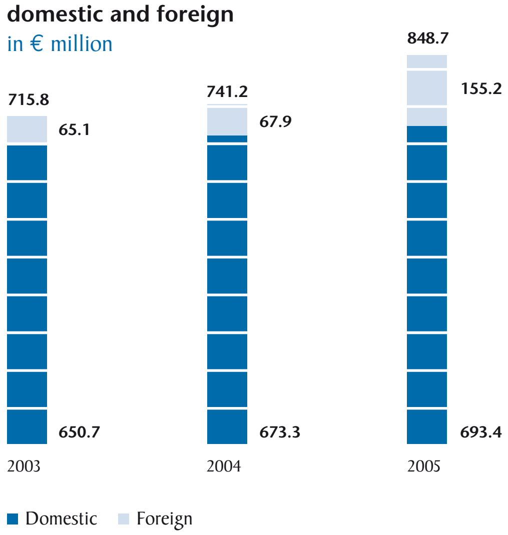
Total operating expenses increased by 9.5% to €130.8 million (2004: €119.4 million). Other operating expenses decreased by 0.6% to €52.7 million (2004: €53.0 million), despite the first time inclusion of the Mannheimer Krankenversicherung, as a result of successful cost savings. Acquisition costs increased in line with increased premium revenue by 17.5% to €78.0 million (2004: €66.4 million).

The cost ratio in health insurance (adjusted to account for the special effects from social capital) decreased in the past business year to 14.8% (2004: 15.3%).

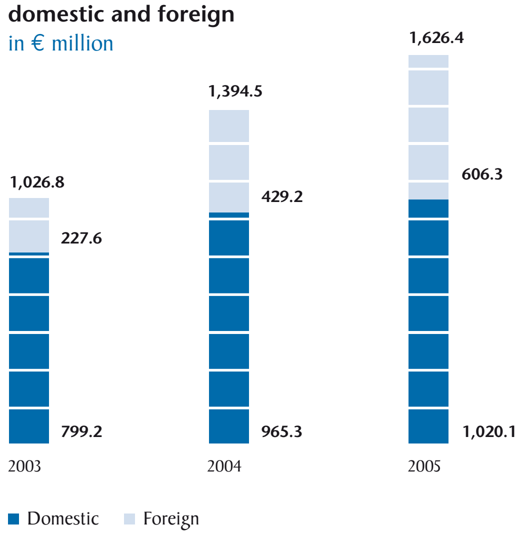
Investment results

Net income from investments less financing costs increased by 22.6% to €102.1 million (2004: €83.4 million) as a result of the positive development on the capital markets in 2005. In the health insurance segment, the investment portfolio, including the land and buildings used by the group, grew by 30.7% to €2,052.8 million (2004: €1,570.8 million).

Health premiums earned—domestic and foreign
in € million



Property and casualty premiums earned—domestic and foreign
in € million



Profit on ordinary activities/net profit for the year

The profit on ordinary activities increased in the health insurance segment by 64.6% to €41.8 million (2004: €25.4 million).

Net profit increased similarly by 62.7% to €35.8 million (2004: €22.0 million).

Property and casualty insurance

Over € 1.6 billion premiums earned

In the property and casualty insurance segment, UNIQA was able to increase premiums earned by 16.6% to €1,626.4 million (2004: €1,394.5 million). The premium volume in Austria increased by 5.7% to €1,020.1 million (2004: €965.3 million). In international markets, the companies of the UNIQA Group earned premiums totalling €606.3 million (2004: €429.2 million)—that is 41.3% more than in 2004. However, it must be taken into consideration that the premiums of Mannheimer Versicherung AG were only included in the comparative figures of 2004 in the second half of the year. The organic growth in the property and casualty insurance segment totalled 6.4% in 2005—and in the group companies in Eastern Europe even more than 20%.

Details on the premium volume written in the most important risk classes can be found in the Notes to the Consolidated Financial Statements (cf. Notes, No. 30).

In motor vehicle insurance, UNIQA succeeded in 2005 in increasing the group premium income written by 13.9% to €783.1 million (2004: €687.6 million). In household insurance, it was even possible to increase premiums by 22.3% to €151.2 million (2004: €123.6 million).

Developments in insurance benefits

Retained insurance benefits increased in the property and casualty insurance segment by 20.9% to €1,105.4 million (2004: €914.5 million).

The loss ratio (insurance benefits in relation to premiums earned) increased slightly in 2005, despite consistently implemented reorganisation measures and a risk-oriented underwriting policy geared towards profitability. This was the result of flood claims in Austria, as well as the accumulation of major claims in Germany by 2.4 percentage points to 68.0% (2004: 65.6%).

Property and casualty insurance segment	2005 € million	2004 € million
Net premiums earned	1,626.4	1,394.5
Net investment income	120.0	76.9
Insurance benefits	1,105.4	914.5
Loss ratio	68.0%	65.6%
Acquisition costs	340.7	301.8
Other operating expenses	209.0	174.8
Cost ratio	33.5%	33.2%
Combined ratio	101.5%	98.8%
Profit on ordinary activities	67.8	50.3
Net profit/deficit for the year	**41.0**	**44.4**

Operating expenses

Total operating expenses increased in the property and casualty insurance line—underproportionally, compared to premiums—by 15.3% to €549.6 million (2004: €476.6 million). Acquisition costs increased by 12.9% to €340.7 million (2004: €301.8 million). Other operating expenses increased by 19.6% to €209.0 million (2004: €174.8 million).

The cost ratio (adjusted to account for the special effects from social capital) amounted to 33.5% in the business year 2005 (2004: 33.2%). The combined ratio increased in 2005 from 98.8% to 101.5%.

Investment results

Net income from investments less financing costs increased in the elapsed business year by 51.7% to €120.0 million (2004: €76.9 million). The investment portfolio, including land and buildings used by the group, increased by 9.7% to €2,991.2 million (2004: €2,726.7 million).

Profit on ordinary activities/net profit for the year

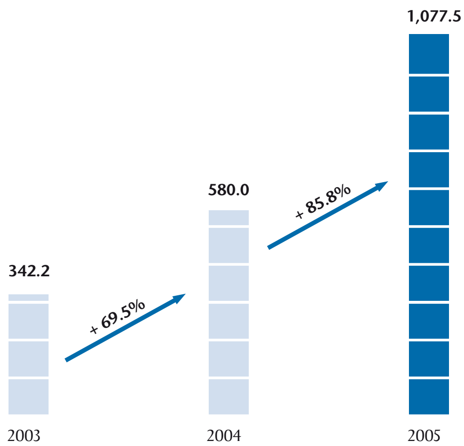
The profit on ordinary activities increased in the year under review by 34.8% to €67.8 million (2004: €50.3 million). Net profit for the year was €41.0 million in 2005 (2004: €44.4 million).

International markets

Expansion continued

Foreign premium volume increased very strongly in the business year 2005 as a result of organic growth and the acquisition of the Mannheimer Krankenversicherung and Claris Vita, as well as the market entry in Bosnia and Herzegovina. The premium volume earned by our foreign subsidiaries increased by 85.8% to €1,077.5 million (2004: €580.0 million). As a result, the international business portion of total earned group premium income rose to 26.9% in the year under review (2004: 17.6%). On the basis of written premium volume, the international share is already 28.4%.

Foreign earned premium income
in € million



UNIQA international markets	Retained premiums earned*		Share of retained Group premiums
	2005	2004	2005
	€ million	€ million	%
Germany	263.5	85.7	6.6%
Italy	268.9	64.6	6.7%
Switzerland	265.1	208.0	6.6%
Liechtenstein	10.8	21.3	0.3%
Poland	112.7	71.4	2.8%
Slovakia	25.8	23.3	0.6%
Czech Republic	49.0	41.5	1.2%
Croatia	6.9	5.4	0.2%
Hungary	68.9	58.8	1.7%
Bosnia and Herzegovina	5.9	0	0.1%
Total	**1,077.5**	**580.0**	**26.9%**

* before consolidation of Group reinsurance relationships.

Outlook for 2006

New markets targeted

Towards the end of 2005, the Supervisory Board of UNIQA Versicherungen AG approved business activity in Ukraine as well as Serbia and Montenegro. Following an intensive examination of both markets concerning their potential and possible entrance scenarios, they are now officially target countries of the UNIQA Group.

The market entry in both countries should be completed by the middle of 2006, thus rounding out and expanding the UNIQA Group's Eastern and South-Eastern European commitments. Not only Ukraine, but also Serbia and Montenegro have significant economic potential and have demonstrated a strong acceleration of harmonisation with EU standards. Entry into Serbia and Montenegro supplements the activity in Bosnia and Herzegovina, as well as Croatia. Ukraine is also a logical building block, considering that UNIQA has also been represented in Bulgaria and Romania since 2005.

The cooperation with Raiffeisen within the context of the Preferred Partnership will also play a significant roll in Ukraine and Serbia and Montenegro, and also be an important means for raising business funds.

The Russian insurance market will also be very closely observed by UNIQA. However, prior to entry in this highly populated country, very careful consideration of all opportunities and risks will be necessary.

Increased earnings programme

The increased earnings programme 2004–2006, which not only includes the Group's Austrian, but also its international companies, will also be consistently continued in 2006. The earnings improvements in 2005 exceeded expectations in all areas.

Life insurance segment remains on growth track

In connection with the calculation base for life expectancy based on the 1991 census, which was valid until the end of 2005, increasing readiness to supplement old-age pension led to the expected boom in new policies in particular for state-subsidised pension provisions and retirement annuities. We also expect strong growth for 2006—although somewhat slower than in 2005; all the more so considering that, since the beginning of the current year the updated mortality tables with a higher life expectancy apply for all new policies, and in the area of classic life insurance a guaranteed maximum actuarial interest rate of 2.25% applies.

Our continued positive appraisal of the life insurance segment is based on Austrians' unrelenting high awareness of the need to provide for their future. Following a survey by Fessel-GfK concerning the consequences of the increasing proportion of older people, approximately 80% of those surveyed believe they will have to work longer in the future. And 61% see the reduction of government pension as the result of demographic developments. However, the survey also makes it clear that Austrians enjoy their retirement and want to have enough money available to do so. 31% even believe that they will need more money than they do now.

The state-subsidised pension provisions would then remain one of the most popular products for private pension plans. This is because, with the guaranteed capital and the government premium, they contain two elements that are particularly appreciated by Austrians.

Guaranteed capital also enjoys great popularity with single premium insurances. That is why UNIQA and Raiffeisen Versicherung, together with FinanceLife, the subsidiary responsible for unit- and index-linked products, will offer special products as needed in 2006.

The focus of product development in the current year

For the development of new products and product features in 2006, the UNIQA insurance group will focus mainly on the following:

- Owing to the planned reductions within the framework of the pension reform in the period between early retirement or premature retirement and statutory retirement age, the concept of the Bridging Pension is gaining significance. The single premium variant of premium-supported provisions for the future is particularly suited for financing such a Bridging Pension. In 2006, UNIQA will therefore continue its efforts to offer this option desired by customers.

- As an element of the UNIQA life insurance, the TimeOut option offers an ideal opportunity to temporarily suspend premium payments in certain situations while retaining full insurance protection. This feature is the perfect answer to the question often raised by customers: "What should I do, if one day I can't afford my premium payments?"

- UNIQA is focusing on children and youths in the first half of 2006 in the life insurance lines. Specially-designed product combinations with unique features are being developed for this customer group, thematically prepared and advertised with marketing campaigns.

- In 2006, the Raiffeisen Versicherung will intensify its operations focusing on "Womanlife", which got off to such a successful start in the previous year. Raiffeisen employees will be trained as consulting specialists for women and their pension requirements. With many events concerning this topic taking place throughout Austria, a new communications and information platform is emerging for the important customer group of women in the life insurance segment.

- In the autumn of 2006, Raiffeisen Versicherung intends to introduce annuity tariffs with extended benefits focusing on occupational disability and nursing care provisions. Because people entering into retirement today are more active and live longer than in former days. The increasing life expectancy can, however, mean a greater need for care in old age. In the course of financing, the government is likely to quickly encounter its financial limits. Supplementary private pension plans for the care required in old age is becoming indispensable. According to the study by Fessel-GfK, 69% of Austrians are particularly concerned about illness or handicaps in old age. Hence, there is an enormous demand for financial provision for care in old age. The expanded range of offers by Raiffeisen Versicherung accommodates this demand.

- Also in 2006, there will be a special focus on using the extraordinary potential of the new employee group insurance, which can be offered as of 23 September 2005, by insurers at the same underlying tax and legal conditions that apply to pension funds. The role of occupational pension plans in Austria is still marginal. A study by Fessel-GfK in autumn 2005 of Raiffeisen Versicherung shows that the willingness of firms to pay contributions for the second pillar of structured old-age pension is only highly developed in 13% of firms surveyed, whereas it is merely moderately developed in nearly 50%. In general, in Eastern Austria and in medium-sized companies of 20 to 49 employees, a greater potential for company old-age provision can be observed. According to the survey, every second employee would prefer a company pension to an increase in salary. And employers who offer company pensions are highly appreciated by employees.

  Despite all the differences in opinion between firms and employees concerning the second pillar, there is concordance on one point. For entrepreneurs, and even more so for employees, the security of occupational pension plans is particularly important. Concerning security, the UNIQA Group therefore hopes to score points with the new employee group insurance: it should have a guaranteed minimum interest, together with security for profits that have already been allocated, and guaranteed lifelong annuity payments. Businesses with up to 49 employees are an important target group for this new occupational product. Of the circa 232,000 Austrian businesses to be considered, only about 12% make use of company old-age provision—an unexploited potential of approximately 200,000 firms.

Good prospects for health insurance segment

After the success of 2005, we are also optimistic for the current year. In hospitalisation insurance, which remains the most important business field of health insurance, price and policy negotiations that are still going on with Austrian hospital providers and medical councils are proving to be a great challenge.

It is becoming increasingly difficult to convince the partners of the necessity of implementing price adjustments below the rate of inflation, in order to at least partially compensate for the ongoing overproportional increase in benefits. Nevertheless, we have succeeded in keeping the increase in the costs born by customers once again lower than it was in the previous year.

Important goals in the negotiations of the current year remain the unification of the completely different policies in the various regions of Austria, the conversion to electronic accounting of services as well as the reinforced binding of premiums to specific quality criteria. We were able to make remarkable advances in 2005 in all of these areas. For 2006, we would like to set further important milestones in these long-standing negotiations.

Also for years, we have laboured successfully to be not only by far the largest, but also the most innovative health insurer in Austria. With the recent introduction of our product “Select Special Category”, we have once again earned this reputation. “Select Special Category” offers tailored insurance protection in the premium category for accidents and serious illnesses such as cancer or heart disease and thus the increasingly important private patient status in the hospital.

Innovative tariff for young premium category customers

The premiums for this insurance are amazingly affordable because of the concentration on basic, life-threatening illnesses. Particularly for young customers who can hardly—or only with difficulty—afford conventional premium category insurance, it represents an excellent alternative product—the more so, as the future transfer to the “full” premium category is assured under special conditions. We are confident that we will be able to persuade an appreciable number of new customers of the value of this product in the current year.

As announced, in 2005, UNIQA became increasingly active in the vast field of occupational health promotion. The newly established UNIQA HealthService GmbH provides the basis for this commitment. In 2006, we will offer numerous corporate clients concrete programmes for occupational health management. This area will undoubtedly become very important in the future because it is becoming increasingly clear that healthy and satisfied employees represent a competitive advantage. The most obvious and striking, yet by no means the only instrument of this initiative, is the UNIQA VitalTruck: This is a 20-tonne, laterally-extendible articulated lorry that functions as a mobile test station in which up to 120 people per day can have their UNIQA FitnessProfile drawn up at a low price.

Successful disease management has begun

The entry into "disease management" in the final months of 2005, i.e. the additional servicing in particular of chronically ill patients, also represents another focal point of our activity in the current year. The first project consists of aiding persons with chronically high blood pressure—an initially painless widespread disease that is highly dangerous in the long run. Regular measurement of blood pressure, which can be properly controlled with medication, is important, as well as timely discovery of acute high pressure crises, in order to prevent threatening heart attacks and strokes.

Those customers volunteering to participate free of charge in the project receive an electronic measuring device whose results are protected by password and automatically documented and transferred to our medical call centre. Our doctors are thus able to contact the customer or their family doctor in the event of noticeable problems. In this manner, an agreed on therapy can be supplemented; and in some cases acute, life-threatening crises can be prevented.

The topic of nursing care will become more important not only objectively, but also in the awareness of Austrians. Therefore, the introduction of additional, innovative care insurance products is planned for 2006.

Property insurance continues reorganisation measures

In the business year 2006, UNIQA will consistently continue the reorganisation measures initiated in previous years. We would like to achieve the goal of a sustainable improvement in performance, among other things, through further stabilisation of the loss ratio at a low level. The exclusive service of the UNIQA storm warning should, in addition to claim prevention, increase customer loyalty and improve our competitive position. As a result of high demand and satisfaction on the part of private customers, this innovative service will also be offered to small and medium-sized businesses from 2006 on.

In the area of material insurance, we must pay particular attention to the development of loss ratio in the burglary and water damage insurances. The crime rate has perhaps slackened somewhat, however, it can hardly be considered a trend reversal. We focus our attention particularly on heightening security awareness through informational brochures and the offer of security checks for small and medium-sized businesses.

The legal expenses insurance line will also grow at an above average rate in the current business year. In art insurance, we are establishing further contacts through the art historical service and competent support in Central Europe.

According to existing indicators, UNIQA will be able to maintain the greatly improved technical results achieved again in 2005 in motor vehicle insurance. The current price level in motor vehicle insurance is stagnating and/or has decreased in some risk segments as a result of significant crowding out competition in this market. Premium adjustments on existing policies are only possible to a small extent, although, on the other hand, increasing health expenses are resulting in overproportionally increasing expenses for bodily injury claims. In product policy, the focus will continue to be on specific risk situations for our various customers. In our customer loyalty programme, we are offering additional price benefits for customers with multiple products.

As a particularly innovative firm, UNIQA has been busy since autumn 2005 as the first and only company in Austria with trendsetting technologies such as telematics, for which it is examining implementation possibilities for a usage-dependant automotive product, and for completely new service benefits concerning all aspects of motor vehicle insurance.

Modern automotive claims management saves costs

With a view to optimal claims settlement for our customers, we will emphasise the intensive use of our own motor experts plus up-to-date communications technology. Additionally, UNIQA supports new and effective methods of repair which help our customers save time and money. Furthermore, we emphasise trustworthy collaboration with the qualified, Austrian repair industry.

An extensive network of ServiceCentres and sales partners will enable UNIQA to offer a comprehensive service specifically in the motor insurance line, from vehicle registration and insurance to leasing.

In the corporate business, it was possible to make up for the feared premium slump through new business, particularly as a result of EU invitations to bid. Principally, it should be expected that the market will be weaker in 2006.

As a result of new products and extensions of coverage in the general liability insurance line planned for the first quarter of 2006, further dynamisation can be expected in this line.

An increasingly important argument for the acquisition of major customers is the competence of our insurance group in developing cross-border insurance programmes together with the UNIQA companies in Central and Eastern Europe and coordinating them centrally through the International Desk.

Trends in the current business year

The development of the group's premium revenue proceeded positively, even in the months of January and February of the current year. Premiums earned, including the savings portion of unit- and index-linked life insurance, increased by 13.6% to €1,131.7 million (2005: €996.5 million).

The life insurance business achieved the strongest increase with a rise of around 26.5% to €448.8 million (2005: €354.8 million). Whereas business in property and casualty insurance rose by 3.5% to €523.0 million (2005: €505.3 million), group premiums in the health insurance lines increased significantly by 17.2% to €159.9 million (2005: €136.4 million).

The premium volume of the foreign companies rose in the first two months of 2006 by 24.5% to €353.4 million (2005: €283.9 million), which corresponds to a share of 31.2% of total premium volume.

Results and proposed appropriation of profit for UNIQA Versicherungen AG

The individual accounts of UNIQA Versicherungen AG, prepared in accordance with the Austrian Commercial Code, show a net profit of €31.3 million (2004: €26.4 million) for the business year 2005.

The Management Board proposes to the General Assembly to use the net profit for the year 2005 to the amount of €31,321,289.45 (2004: €26,373,434.44) for a dividend payment of 26 cents on each of the 119,777,808 individual share certificates issued and entitled to dividend at the balance sheet date, and to carry the remaining balance forward.

Vienna, March 2006

The Management Board

Consolidated Balance Sheet as at 31 December 2005

Assets	Notes	31 Dec. 2005 € 000	31 Dec. 2004 € 000
A. Tangible assets			
I. Self-used land and buildings	1	236,388	225,647
II. Other tangible assets	2	135,299	128,961
		371,686	**354,609**
B. Land and buildings held as financial investments	3	**856,351**	**824,745**
C. Intangible assets			
I. Deferred acquisition costs	4	807,297	737,998
II. Goodwill	5	223,418	209,416
III. Other intangible assets	6	49,029	45,494
		1,079,744	**992,907**
D. Shares in associated companies	7	**219,469**	**168,170**
E. Investments			
I. Variable yield securities			
1. Available for sale	8	3,080,919	2,348,953
2. At fair value through profit or loss		881,383	70,256
		3,962,302	**2,419,209**
II. Fixed interest securities			
1. Held to maturity		0	0
2. Available for sale	8	9,926,273	9,250,543
3. At fair value through profit or loss		515,629	355,632
		10,441,902	**9,606,175**
III. Loans and other investments			
1. Loans	10	1,157,424	998,110
2. Cash at credit institutions	11	855,233	1,070,772
3. Deposits with ceding companies	11	97,627	85,632
		2,110,285	**2,154,514**
IV. Derivatives	**9**	**48,405**	**134,559**
		16,562,894	**14,314,458**
F. Investments held on account and at risk of life insurance policyholders	23	**1,492,241**	**1,064,880**
G. Share of reinsurance in technical provisions			
I. Provision for unearned premiums	18	29,291	27,886
II. Actuarial provision	19	370,004	347,516
III. Provision for outstanding claims	20	333,946	331,783
IV. Provision for profit-unrelated premium refunds	21	1,752	1,174
V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	21	100	100
VI. Other technical provisions		2,577	1,678
	22	**737,670**	**710,138**
H. Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	23	**255,704**	**213,495**
I. Receivables including receivables under insurance business	12		
I. Reinsurance receivables		56,849	61,725
II. Other receivables		604,813	608,667
III. Other assets		36,959	38,013
		698,621	**708,404**
J. Receivables from income tax	13	**28,792**	**25,186**
K. Deferred tax assets	14	**73,197**	**53,450**
L. Liquid funds		**192,024**	**355,354**
Total assets		**22,568,392**	**19,785,795**

Equity and liabilities

		Notes	31 Dec. 2005 € 000	31 Dec. 2004 € 000
A.	**Total equity**			
	I. Shareholders' equity	15		
	1. Subscribed capital and capital reserves		206,305	206,305
	2. Revenue reserves		576,389	373,191
	3. Revaluation reserves		116,433	77,211
	4. Group total profit		31,321	26,373
			930,449	**683,080**
	II. Minority interests in shareholders' equity	**16**	**203,226**	**177,081**
			1,133,674	**860,161**
B.	**Subordinated liabilities**	17	**325,000**	**325,000**
C.	**Technical provisions**			
	I. Provision for unearned premiums	18	351,896	327,994
	II. Actuarial provision	19	13,970,159	12,563,141
	III. Provision for outstanding claims	20	1,939,806	1,805,629
	IV. Provision for profit-unrelated premium refunds	21	43,518	25,343
	V. Provision for profit-related premium refunds, i.e. policyholder profit sharing	21	863,618	673,786
	VI. Other technical provisions		40,381	33,936
		22	**17,209,378**	**15,429,828**
D.	**Technical provisions for life insurance policies held on account and at risk of policyholders**	23	**1,457,644**	**1,038,225**
E.	**Financial liabilities**			
	I. Liabilities from loans	24	211,731	200,993
	II. Derivatives	26	37,029	22,867
			248,760	**223,860**
F.	**Other provisions**			
	I. Pensions and similar provisions	25	523,127	462,522
	II. Other provisions	26	175,830	179,134
			698,957	**641,656**
G.	**Payables and other liabilities**	27		
	I. Reinsurance liabilities		689,251	621,755
	II. Other payables		429,998	353,418
	III. Other liabilities		11,539	12,297
			1,130,787	**987,470**
H.	**Liabilities from income tax**	28	**95,361**	**42,917**
I.	**Deferred tax liabilities**	29	**268,831**	**236,677**
	Total equity and liabilities		**22,568,392**	**19,785,795**

Consolidated Income Statement

for the business year 2005

	Notes	2005 € 000	2004[1)] € 000
1. Premiums written (retained)	30		
a) Gross		4,370,165	3,599,551
b) Reinsurers' share		–354,410	–307,391
		4,015,755	**3,292,160**
2. Change due to premiums earned (retained)			
a) Gross		–15,824	14,243
b) Reinsurers' share		498	–4,711
		–15,326	**9,532**
3. Premiums earned (retained)	31		
a) Gross		4,354,341	3,613,794
b) Reinsurers' share		–353,912	–312,102
		4,000,429	**3,301,692**
4. Income from fees and provisions	32		
Reinsurance provisions and profit shares from reinsurance business ceded		**66,744**	**69,429**
5. Net investment income	33	**989,470**	**771,781**
Of which profit from associated companies	38	12,871	11,153
6. Other income	34	**36,566**	**35,435**
Total income		**5,093,209**	**4,178,337**
7. Insurance benefits (net)	35		
a) Gross		–4,005,588	–3,217,435
b) Reinsurers' share		228,685	184,005
		–3,776,903	**–3,033,431**
8. Operating expenses	36		
a) Acquisition costs		–645,811	–586,445
b) Other operating expenses		–348,651	–309,177
		–994,461	**–895,622**
9. Other expenses	37	**–93,230**	**–85,124**
10. Amortisation of goodwill		**–11,732**	**–19,475**
Total expenses		**–4,876,326**	**–4,033,652**
11. Operating profit		**216,883**	**144,686**
12. Financing costs		**–26,550**	**–23,862**
13. Profit on ordinary activities		**190,332**	**120,824**
14. Income taxes	39	**–56,991**	**–19,026**
15. Net profit		**133,342**	**101,797**
Of which consolidated profit		107,760	82,227
Of which minority interests		25,581	19,571

[1)] The reference figures were adjusted due to the modified form of presentation.

Cash Flow Statement
for the business year 2005

	2005 € 000	2004 € 000
Net profit including minority interests		
Net profit	133,342	101,797
Of which interest and dividend payments	41,593	33,153
Minority interests	–25,581	–19,571
Change in technical provisions	1,825,129	1,613,619
Change in deferred acquisition costs	–49,026	–42,983
Change in amounts receivable and payable from direct insurance	28,798	3,414
Change in other amounts receivable and payable	154,983	41,251
Change in securities at fair value through profit or loss	–884,970	–38,845
Realised gains/losses on the disposal of investments	–677,288	–504,586
Depreciation/appreciation of other investments	–44,891	109,648
Change in provisions for pension and severance payments	56,404	17,750
Change in deferred tax assets/liabilities	10,620	–1,081
Change in other balance sheet items	–832	74,490
Change in goodwill and intangible assets	–9,272	17,910
Other non-cash income and expenses as well as accounting period adjustments	6,710	9,132
Net cash flow from operating activities	**524,126**	**1,381,945**
Receipts due to disposal of consolidated companies and other business units	6,088	6,677
Payments due to acquisition of consolidated companies and other business units	–69,486	–231,446
Receipts due to disposal and maturity of other investments	6,116,234	7,306,550
Payments due to acquisition of other investments	–6,424,806	–8,059,762
Change in investments held on account and at risk of life insurance policyholders	–427,361	–630,386
Net cash flow used in investing activities	**–799,330**	**–1,608,366**
Change in investments on own shares	118,261	0
Dividend payments	–24,620	–22,124
Receipts and payments from other financing activities	10,739	150,000
Net cash flow used in financing activities	**104,379**	**127,876**
Change in cash and cash equivalents	**–170,826**	**–98,545**
Change in cash and cash equivalents due to acquisition/disposal of consolidated companies	7,495	65,804
Cash and cash equivalents at beginning of period	355,354	388,095
Cash and cash equivalents at end of period	**192,024**	**355,354**

Group Equity

	Subscribed capital and capital reserves € 000	Revaluation reserve € 000	Revenue reserves including reserves for own shares € 000
Situation as at 31 Dec. 2003	**194,120**	**16,238**	**373,100**
Changes for:			
Foreign currency translation			13,873
Change in consolidation scope			–2,306
Unrealised capital gains and losses from evaluation at equity			–2,823
Dividends to shareholders			
Own shares			12,410
Unrealised capital gains and losses from investments		60,973	
Net profit for the period			
Changes in revenue reserves			58,283
Changes in capital reserves			
Other	12,185		–12,330
Situation as at 31 Dec. 2004	**206,305**	**77,211**	**440,206**
Changes for:			
Foreign currency translation			3,815
Change in consolidation scope			1,187
Unrealised capital gains and losses from evaluation at equity			3,247
Dividends to shareholders			
Own shares			53,806
Unrealised capital gains and losses from investments		39,222	
Net profit for the period			
Changes in revenue reserves			77,546
Changes in capital reserves			
Other			–858
Situation as at 31 Dec. 2005	**206,305**	**116,433**	**578,950**

	Holding of own shares € 000	Profits carried forward and net profit for the year € 000	Equity € 000	Minority interests € 000	Total equity € 000
	–67,016	**24,020**	**540,462**	**108,925**	**649,388**
			13,873		13,873
			–2,306	44,729	42,423
			–2,823		–2,823
		–22,124	–22,124	–7,275	–29,399
			12,410		12,410
			60,973	11,131	72,104
		82,227	82,227	19,571	101,797
		–58,283			
		533	388		388
	–67,016	**26,373**	**683,080**	**177,081**	**860,161**
			3,815		3,815
			1,187	4,990	6,177
			3,247		3,247
		–24,620	–24,620	–8,110	–32,731
	64,454		118,261		118,261
			39,222	3,683	42,905
		107,760	107,760	25,581	133,342
		–77,546			
		–646	–1,503		–1,503
	–2,561	**31,321**	**930,449**	**203,226**	**1,133,674**

Segment Balance Sheet

Classified by segment

		Property and casualty		Life	
		2005 € 000	2004 € 000	2005 € 000	2004 € 000
	Assets				
A.	Tangible assets	287,770	303,713	67,085	35,202
B.	Land and buildings held as financial investments	384,362	415,922	285,862	218,882
C.	Intangible assets	235,882	217,090	628,567	583,050
D.	Shares in associated companies	174,410	124,475	24,646	21,333
E.	Investments	2,268,921	2,003,165	12,603,478	11,144,696
F.	Investments held on account and at risk of life insurance policyholders	0	0	1,492,241	1,064,880
G.	Share of reinsurance in technical provisions	359,815	352,765	375,776	355,806
H.	Share of reinsurance in technical provisions for life insurance policies where the investment risk is borne by policyholders	0	0	255,704	213,495
I.	Receivables incl. receivables under insurance business	485,461	392,860	468,984	502,267
J.	Receivables from income tax	18,632	13,218	8,736	8,508
K.	Deferred tax assets	67,353	49,433	1,565	2,979
L.	Liquid funds	76,817	91,315	99,506	235,230
	Total segment assets	**4,359,423**	**3,963,954**	**16,312,149**	**14,386,329**
	Equity and liabilities				
B.	Subordinated liabilities	85,000	85,000	240,000	240,000
C.	Technical provisions	2,136,197	1,989,817	12,983,065	11,773,288
D.	Technical provisions for life insurance policies held on account and at risk of policyholders	0	0	1,457,644	1,038,225
E.	Financial liabilities	260,345	296,155	56,597	46,863
F.	Other provisions	660,867	617,689	29,770	21,235
G.	Payables and other liabilities	589,370	615,335	974,217	700,632
H.	Liabilities from income tax	71,215	30,605	13,219	8,308
I.	Deferred tax liabilities	152,377	126,231	60,027	60,304
	Total segment liabilities	**3,955,370**	**3,760,832**	**15,814,538**	**13,888,856**

Health		Consolidation		Group	
2005 € 000	2004 € 000	2005 € 000	2004 € 000	2005 € 000	2004 € 000
16,832	15,694	0	0	371,686	354,609
186,127	189,941	0	0	856,351	824,745
215,295	192,767	0	0	1,079,744	992,907
20,413	22,363	0	0	219,469	168,170
1,831,951	1,343,685	–141,456	–177,088	16,562,894	14,314,458
0	0	0	0	1,492,241	1,064,880
2,078	1,567	0	0	737,670	710,138
0	0	0	0	255,704	213,495
182,762	196,338	–438,586	–383,061	698,621	708,404
1,424	3,459	0	0	28,792	25,186
4,279	1,038	0	0	73,197	53,450
15,701	28,809	0	0	192,024	355,354
2,476,862	**1,995,661**	**–580,042**	**–560,149**	**22,568,392**	**19,785,795**
0	0	0	0	325,000	325,000
2,084,506	1,663,630	5,610	3,094	17,209,378	15,429,828
0	0	0	0	1,457,644	1,038,225
1,361	0	–69,543	–119,158	248,760	223,860
8,321	2,732	0	0	698,957	641,656
82,053	111,650	–514,854	–440,147	1,130,787	987,470
10,928	4,003	0	0	95,361	42,917
56,427	50,142	0	0	268,831	236,677
2,243,596	**1,832,156**	**–578,786**	**–556,211**	**21,434,718**	**18,925,634**
			Equity and minority interests	**1,133,674**	**860,161**
			Total equity and liabilities	**22,568,392**	**19,785,795**

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		Life	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000
1. a) Gross premiums written	1,941,188	1,668,181	1,591,214	1,200,327
1. Premiums written (retained)	1,642,200	1,377,019	1,523,553	1,166,441
2. Change due to premiums earned (retained)	–15,752	17,495	–291	–280
3. Premiums earned (retained)	1,626,448	1,394,514	1,523,262	1,166,161
4. Income from fees and provisions	63,322	75,509	12,083	10,288
5. Net investment income	132,245	87,463	754,905	601,917
6. Other income	26,508	28,561	5,900	7,085
7. Insurance benefits	–1,105,385	–914,461	–1,897,899	–1,450,585
8. Operating expenses	–612,962	–552,088	–255,867	–239,113
9. Other expenses	–48,336	–51,152	–40,052	–21,467
10. Amortisation of goodwill	–1,846	–7,436	–9,886	–12,039
11. Operating profit	79,995	60,910	92,446	62,248
12. Financing costs	–12,197	–10,565	–14,353	–13,297
13. Profit on ordinary activities	67,797	50,345	78,092	48,951
14. Income taxes	–26,748	–5,952	–24,267	–9,631
15. Net profit	**41,049**	**44,392**	**53,825**	**39,320**
Of which consolidated profit	36,928	42,789	45,621	30,034
Of which minority interests	4,121	1,604	8,204	9,286

Impairment by segment

	Property and casualty* € 000	Life* € 000	Health* € 000	Consolidation* € 000	Group* € 000
Goodwill					
Change in impairment for current year	–1,839	–3,485	0	0	–5,325
Of which reallocation affecting income	–1,839	–3,485	0	0	–5,325
Investments					
Change in impairment for current year	–3,873	–22,864	–2,480	0	–29,217
Of which reallocation/reinstatement of original values affecting income	–3,873	–22,864	–2,480	0	–29,217

* No figures are given for impairment for the previous year.

Health		Consolidation		Group	
2005 € 000	2004 € 000	2005 € 000	2004 € 000	2005 € 000	2004 € 000
845,420	744,644	–7,657	–13,600	4,370,165	3,599,551
843,763	743,821	6,239	4,878	4,015,755	3,292,160
4,899	–2,575	–4,181	–5,106	–15,326	9,532
848,662	741,246	2,057	–229	4,000,429	3,301,692
346	402	–9,008	–16,770	66,744	69,429
102,051	83,413	268	–1,012	989,470	771,781
1,214	757	2,945	–968	36,566	35,435
–772,461	–674,652	–1,158	6,268	–3,776,903	–3,033,431
–131,097	–119,801	5,465	15,380	–994,461	–895,622
–6,953	–5,961	2,111	–6,545	–93,230	–85,124
0	0	0	0	–11,732	–19,475
41,763	25,404	2,680	–3,876	216,883	144,686
0	0	0	0	–26,550	–23,862
41,763	25,404	2,680	–3,876	190,332	120,824
–5,975	–3,443	0	0	–56,991	–19,026
35,788	**21,961**	**2,680**	**–3,876**	**133,342**	**101,797**
22,532	13,280	2,680	–3,876	107,760	82,227
13,256	8,681	0	0	25,581	19,571

Classified by region

	Premiums earned (retained)		Net investment income	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000
Austria	**2,921,048**	**2,721,927**	**916,438**	**754,880**
Other Europe	**1,077,462**	**579,994**	**122,506**	**56,302**
Germany	263,461	85,725	26,939	8,474
Italy	268,878	64,634	46,020	4,295
Switzerland	265,123	207,988	6,837	11,595
Liechtenstein	10,844	21,298	2,791	2,483
Poland	112,713	71,424	11,414	5,492
Slovakia	25,798	23,257	1,985	1,573
Czech Republic	48,961	41,497	10,006	6,894
Croatia	6,886	5,376	501	670
Hungary	68,893	58,795	15,808	14,826
Bosnia and Herzegovina	5,905	0	204	0
Total before consolidation	**3,998,509**	**3,301,921**	**1,038,943**	**811,182**
Consolidation (based on geographic segments)	1,919	–229	–49,473	–39,401
Group total	**4,000,429**	**3,301,692**	**989,470**	**771,781**

	Insurance benefits		Operating expenses		Profit on ordinary activities	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000	2005 € 000	2004 € 000
	–2,967,962	**–2,649,061**	**–868,759**	**–869,850**	**173,638**	**131,091**
	–807,783	**–390,638**	**–417,510**	**–282,101**	**65,648**	**46,019**
	–190,663	–49,448	–119,794	–49,719	10,299	16,382
	–243,917	–38,173	–57,388	–28,718	16,954	11,622
	–186,558	–149,671	–92,276	–78,669	5,430	1,949
	–10,339	–22,256	–2,536	–2,242	515	–969
	–82,506	–46,195	–50,888	–40,875	6,679	605
	–14,221	–15,685	–17,907	–19,311	1,945	–4,212
	–27,378	–22,906	–29,754	–23,833	12,681	14,148
	–3,290	–2,847	–6,176	–5,751	530	160
	–45,938	–43,457	–37,714	–32,984	10,404	6,335
	–2,972	0	–3,078	0	212	0
	–3,775,745	**–3,039,699**	**–1,286,269**	**–1,151,951**	**239,286**	**177,110**
	–1,158	6,268	291,808	256,329	–48,954	–56,286
	–3,776,903	**–3,033,431**	**–994,461**	**–895,622**	**190,332**	**120,824**

Notes to the UNIQA Group Financial Statements

Accounting Regulations

For the financial year 2005, as in the previous year, the group Consolidated Financial Statements and the group Management Report were prepared in compliance with the International Accounting Standards (IASs) as well as the International Financial Reporting Standards (IFRSs) passed by the International Accounting Standards Board (IASB), and not according to the regulations of the Insurance Supervisory Act. It is in accordance with the Insurance Accounting Directive RL 91/674/EEC as well as the 7th EU Directive on the basis of the interpretation of this directive by the Accounting Directives Committee of the European Commission. Its informative quality is equivalent to consolidated financial statements prepared according to the commercial code. In preparing these Group Financial Statements, all standards for which application was obligatory in this financial year have been applied.

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

The present Group Financial Statements were therefore prepared, as in previous years, in compliance with IFRS 4 and in accordance with the regulations of the US Generally Accepted Accounting Principles (US GAAP). For balancing the accounts and evaluation of the insurance-specific entries of 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.

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. Thirty-four 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. Therefore the scope of consolidation contains—in addition to UNIQA Versicherungen AG—31 domestic and 44 foreign subsidiaries in which UNIQA Versicherungen AG held the majority of voting rights.

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

	Date of initial inclusion	Net profit for the year in € million[1]	Acquired shares %	Acquisition costs in € million	Goodwill in € million
Raiffeisen Osiguranje d.d., Sarajevo	1 April 2005	0.3	94.1	3.3	1.8
SC Asigurare Reasigurare ASTRA S.A., Bucharest	30 June 2005	0.1	27	10.1	1.4
UNIQA Praterstraße Projekterrichtungs GmbH, Vienna (new)	31 Dec. 2005		100		0
UNIQA Real Estate Beteiligungsverwaltung GmbH, Vienna (new)	31 Dec. 2005		100		0
RAC partner s.r.o., Bratislava	1 Jan. 2005	0	100	0	0
InsService s.r.o., Bratislava	1 Jan. 2005	0	100	0	–0.2
Cross Point a.s., Bratislava	1 Jan. 2005	0	100	1.9	0.6
Aniger s.r.o., Prague	1 Jan. 2005	0	100	2.0	2.0

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

Furthermore, with effect from 25 January 2006, 20% of the shares were acquired in the Vitosha Group (Bulgaria) as were options to buy the majority of all shares at any time.

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

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

Consolidation principles

Capital consolidation principally follows the acquisition method. The costs of acquiring shares in the subsidiaries are written as the revalued equity of the subsidiary apportioned to the parent company in each case. 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. Any positive differences resulting from initial consolidation are split amongst hidden reserves and encumbrances attributable to assets and liabilities as well as goodwill.

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 and 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.

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

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 IFRSs report is generally required. Where no IFRSs 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 (IFRSs) allow a shortened version of the balance sheet and income statement. Summarising many individual items into units enhances the informative quality of the financial statements. Explanatory notes to these items are contained in the notes to the group consolidated financial statements. Due to the application of IFRS 4 and the revision of IAS 1, the structure of the balance sheet and income statement has been adjusted. Numerous details in the notes were also supplemented and some new additions made. From 2005, the shares of reinsurers in technical provisions are shown under the assets on the balance sheet, in accordance with IFRS 4. Likewise, the amounts in the income statement are shown on a gross basis from 2005. The figures for the previous year were adjusted.

Foreign currency translation

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

- Assets, liabilities and transition of the annual net profit/deficit at the middle rate on the balance sheet closing date
- Income statement at the average rate for the year
- Historic shareholders' equity (except for annual net profit/deficit)

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 **Currencies**	**2005**	**2004**
Swiss franc CHF	1.5551	1.5440
Slovak koruna SKK	37.8800	38.7100
Czech koruna CZK	29.0000	30.3950
Hungarian forint HUF	252.8700	245.6300
Croatian kuna HRK	7.3715	7.6675
Polish zloty PLN	3.8600	4.0740
Bosnia and Herzegovina convertible mark BAM	1.9558	–
Romanian leu (new) RON	3.6800	–

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 recognition in the Consolidated Financial Statements, the Annual Financial Statements of UNIQA Versicherungen AG and its incorporated subsidiaries are modified on a uniform basis in accordance with the accounting and valuation principles of the IFRSs/IASs and, as far as technical provisions, acquisition costs, technical expenses and income are concerned, in accordance with the provisions of US GAAP.

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

Intangible assets

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

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

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

With regard to life insurance business acquired, the updating of the current value follows the progression of the estimated gross margins.

The other intangible assets include both purchased and self-developed software which is depreciated on a straight-line basis over its useful economic life of 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 Notes under no. 1 and 3.

Shares in affiliated and associated companies

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

Mortgage loans and other loans

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

Securities available for sale

These are recognised in the financial statements at their fair value on the reporting date. Differences between the fair value and historical acquisition costs are dealt with under equity with a neutral effect on income, after deduction of the provisions for latent profit sharing and deferred taxes. Depreciation that affects income (impairment) is undertaken only where we anticipate a lasting fall in value. During the financial year, the method of calculating impairment was changed from one of individual assessment to a standardised procedure. 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. In addition, foreign exchange differentials resulting from fixed income securities are recognised with an effect on income. Foreign exchange differentials resulting from variable yield securities are recognised as equity with no effect on income to the extent that these are not securities which are written off as the result of impairment.

Investments at fair value through profit or loss: derivatives

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: structured products

Structured products are not split between the underlying transaction and derivative because of their minor significance, 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. ABS structures and hedge funds with leveraged risk are also dealt with under the term "structured products".

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

Investments in unit- and index-linked life insurance policies (where the risk is borne by policyholders)

These investments concern life insurance policies whose value or profit is determined by investments for which the policyholder carries the risk, i.e. the unit-linked or index-linked life insurance policies. The investments in question are collected in asset pools, balanced at their current market value and 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

From 2005, 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).

Technical provisions for 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 prudent and contractually agreed bases of calculation.

For policies of a mainly investment character (e.g. unit-linked life insurance), the regulations in the Statement of Financial Accounting Standards No. 97 (FAS 97) are used to value the actuarial provision. The actuarial provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy.

For unit-linked insurance policies, where the policyholder carries the sole risk of the value of the investment rising or falling, the actuarial provision is listed as a separate liability entry under "Technical provisions for life insurance 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 bases have been determined, these have to be applied to the corresponding partial portfolio for the whole term (locked-in principle).

Provision for outstanding claims

The provision for outstanding claims in 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, 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 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-orientated old-age provision systems of the UNIQA Group, pension provisions are calculated in accordance with IAS 19 using the projected unit credit method. Future obligations are valued according to actuarial procedures with a conservative assessment of the relevant impacting factors and spread over the whole employment duration of the employees. All actuarial profits and losses from performances after the end of employment 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 IASs, 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- 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 IFRSs/IASs 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).

Intangible assets

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

Land and buildings

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

Shares in affiliated and associated companies

Affiliated and associated companies that are not consolidated fully or at equity due to their minor significance are recognised at market 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). The main valuation difference that applies to the other securities available for sale, which account for the majority of financial assets, as well as the other securities recorded with effect on income is that these are stated at fair value on the balance sheet date. According to the Austrian Commercial Code, the acquisition costs constitute the maximum valuation limit.

With regard to the other securities available for sale, the difference between book value and fair value is treated within the shareholders' funds without affecting income, whereas in the case of the other securities at fair value through profit or loss, the difference fully affects income. In contrast, when applying the strict lower-of-cost-or-market principle in the Austrian Commercial 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 IFRSs and the Austrian Commercial Code.

Reinsurance

From 2005, 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 Austrian Commercial Code 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 in the results for the year.

Provisions for outstanding claims

In accordance with US GAAP, provisions for outstanding claims in the property insurance line are basically no longer established using the principle of caution and on 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 IFRSs 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 IFRSs are different from those of the Austrian Commercial Code. These are listed in detail in IAS 19. Overall, the individual differences result in greater detail than under the Austrian Commercial Code. This is most notably the result of the use of the projected unit credit method and of the anticipation of future demographic and economic developments.

Deferred taxes

Deferred tax assets and liabilities are to be created according to IAS 12 for temporary differences 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 Commercial Law, deferred taxation is only permissible as a result of a temporary difference between the commercial balance sheet profit and the income calculated according to the tax regulations.

Moreover, according to IASs, 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
Gottfried Wanitschek, St. Margarethen
Andreas Brandstetter, Vienna
Karl Unger, Teesdorf

Supervisory Board

Chairman

Christian Konrad, Vienna
Appointed from 29 June 1990, until AGM 2007
Supervisory board appointments in domestic and foreign listed companies
AGRANA Beteiligungs-Aktiengesellschaft, Vienna (Chairman of the Supervisory Board)
DO & CO Restaurants & Catering Aktiengesellschaft, Vienna (Member of the Supervisory Board)
BAYWA AG, Munich (Member of the Supervisory Board)
Südzucker AG Mannheim/Ochsenfurt, Mannheim (Vice Chairman of the Supervisory Board)

Vice Chairmen

Klaus Braunegg, Vienna
(First Vice Chairman)
Appointed from 18 December 1996, until AGM 2007
Supervisory board appointments in domestic and foreign listed companies
Sparkassen Immobilien Aktiengesellschaft, Vienna (First Vice Chairman of the Supervisory Board)

Walter Rothensteiner, Vienna
(Second Vice Chairman)
Appointed from 3 July 1995, until AGM 2007
Supervisory board appointments in domestic and foreign listed companies
Raiffeisen International Bank-Holding AG, Vienna (Chairman of the Supervisory Board)
Austrian Airlines Österreichische Luftverkehrs-Aktiengesellschaft, Vienna (Member of the Supervisory Board)

Heinz Kessler, Vienna
(Third Vice Chairman)
Appointed from 17 September 1999, until AGM 2007
Supervisory board appointments in domestic and foreign listed companies
Erste Bank der oesterreichischen Sparkassen AG, Vienna (Chairman of the Supervisory Board)
Rath Aktiengesellschaft, Vienna (Member of the Supervisory Board)

Georg Doppelhofer, Graz
(Fourth Vice Chairman)
Appointed from 25 June 2001, until AGM 2007

Ewald Wetscherek, Vienna (Fifth Vice Chairman)
Appointed from 17 September 1999, until AGM 2007

Members

Dietrich Blahut, Vienna
Appointed from 17 September 1999, until AGM 2007

Konrad Fuchs, Maria Enzersdorf
Appointed from 17 September 1999, until AGM 2007

Julius Marhold, Eisenstadt
(until 23 May 2005)
Appointed during the periods from 26 June 1994 to 4 July 1996 and from 25 June 2001 to 23 May 2005

Peter Püspök, Perchtoldsdorf
Appointed from 17 September 1999, until AGM 2007
Supervisory board appointments in domestic and foreign listed companies
Österreichische Elektrizitätswirtschafts-Aktiengesellschaft, Vienna (Member of the Supervisory Board)

Günther Reibersdorfer, Salzburg (from 23 May 2005)
Appointed from 23 May 2005, until AGM 2007

Karl Waltle, Bregenz
Appointed from 25 June 1996 to 18 December 1996;
from 17 September 1999, until AGM 2007

Georg Winckler, Vienna
Appointed from 17 September 1999, until AGM 2007
Supervisory board appointments in domestic and foreign listed companies
Erste Bank der oesterreichischen Sparkassen AG, Vienna
(First Vice Chairman of the Supervisory Board)

Assigned by the Central Employee Council

Doris Böhm, Strasshof (from 7 April 2005)
Hans Hahnen, Absam
(from 1 January 2006)
Ferdinand Hammerer, Wolfurt
(until 1 January 2006)
Helmut Hanzlik, Vienna
(until 7 April 2005)
Franz Michael Koller, Graz
Friedrich Lehner, Gunskirchen
Walter Thurner, Vienna (until 7 April 2005)
Walter Vock, Gumpoldskirchen
(from 7 April 2005)
Walter Zwiauer, Vienna

Committee for Board Affairs

Christian Konrad, Vienna (Chairman)
Klaus Braunegg, Vienna
Walter Rothensteiner, Vienna
Heinz Kessler, Vienna

Working Committee of the Supervisory Board

Christian Konrad, Vienna (Chairman)
Klaus Braunegg, Vienna
Walter Rothensteiner, Vienna
Heinz Kessler, Vienna
Georg Doppelhofer, Graz
Ewald Wetscherek, Vienna

Assigned by the Central Employee Council

Doris Böhm, Strasshof (from 7 April 2005)
Helmut Hanzlik, Vienna
(until 7 April 2005)
Franz Michael Koller, Graz
Walter Zwiauer, Vienna

Financial Auditing Committee of the Supervisory Board

Christian Konrad, Vienna (Chairman)
Klaus Braunegg, Vienna
Walter Rothensteiner, Vienna
Heinz Kessler, Vienna
Georg Doppelhofer, Graz
Ewald Wetscherek, Vienna

Assigned by the Central Employee Council

Doris Böhm, Strasshof (from 7 April 2005)
Helmut Hanzlik, Vienna
(until 7 April 2005)
Franz Michael Koller, Graz
Walter Zwiauer, Vienna

Investment Committee of the Supervisory Board

Peter Püspök, Perchtoldsdorf (Chairman)
Konrad Fuchs, Maria Enzersdorf (Vice Chairman)
Julius Marhold, Eisenstadt (until 23 May 2005)
Karl Waltle, Bregenz (from 23 May 2005)
Georg Winckler, Vienna

Assigned by the Central Employee Council

Doris Böhm, Strasshof (from 7 April 2005)
Helmut Hanzlik, Vienna
(until 7 April 2005)
Walter Zwiauer, Vienna

All selected members of the Supervisory Board have declared their independence under Rule 53 of the Austrian Corporate Governance Code 2006.

Supplementary Information on the Consolidated Balance Sheet 2005

Development of asset items

	Balance sheet values 2004 € 000	Currency differences € 000	Additions € 000	Unrealised capital gains and losses € 000
A. Tangible assets				
I. Self-used land and buildings	225,647	321	25,703	0
II. Other tangible assets				
1. Tangible assets	45,661	168	18,041	0
2. Inventories	5,302		1,994	
3. Other assets	77,999		2,161	
Total A. II.	**128,961**	**168**	**22,196**	**0**
Total A.	**354,609**	**489**	**47,900**	**0**
B. Land and buildings held as financial investments	**824,745**	**794**	**69,135**	**0**
C. Intangible assets				
I. Deferred acquisition costs	737,998	690	224,009	0
II. Goodwill				
1. Positive goodwill	131,914	0	30,700	0
2. Value of insurance policies	77,502	–5	0	0
Total C. II.	**209,416**	**–5**	**30,700**	**0**
III. Other intangible assets				
1. Self-produced software	15,119	0	2,906	0
2. Acquired intangible assets	30,374	81	15,088	0
Total C. III.	**45,494**	**81**	**17,994**	**0**
Total C.	**992,907**	**766**	**272,703**	**0**
D. Shares in associated companies	**168,170**	**0**	**36,626**	**0**
E. Investments				
I. Variable yield interest securities				
1. Shares, investment shares and other variable yield securities, including holdings and shares in associated companies	2,348,952	–186	1,982,932	173,116
2. At fair value through profit or loss	70,256	0	1,141,537	0
Total E. I.	**2,419,208**	**–186**	**3,124,468**	**173,116**
II. Fixed interest securities				
1. Debt securities and other fixed interest securities	9,250,543	5,446	4,209,372	77,016
2. At fair value through profit or loss	355,632	–3	367,889	0
Total E. II.	**9,606,175**	**5,443**	**4,577,261**	**77,016**
III. Loans and other investments				
1. Loans				
a) Debt securities issued by and loans to associated companies	113	3	31	0
b) Debt securities issued by and loans to participating interests	792	0	0	0
c) Mortgage loans	162,347	0	27,304	0
d) Loans and advance payments on policies	17,283	–14	2,896	0
e) Other loan receivables and registered bonds	817,575	–123	419,851	2,343
Total E. III. 1.	**998,110**	**–135**	**450,082**	**2,343**
2. Cash at credit institutions	1,070,772	3,085	38,407	0
3. Deposits with ceding companies	85,632	–29	13,248	0
Total E. III.	**2,154,514**	**2,921**	**501,737**	**2,343**
IV. Derivatives	134,559	0	76,499	0
Total E.	**14,314,457**	**8,178**	**8,279,966**	**252,475**
F. Investments held on account and at risk of life insurance policyholders	**1,064,880**	**–181**	**1,133,200**	**3,315**
Aggregate total	17,719,768	10,046	9,839,529	255,790

	Amortisation € 000	Transfers € 000	Disposals € 000	Appreciation € 000	Depreciation € 000	Book values for financial year € 000
	0	–4,278	647	0	10,359	236,388
	0	–34	1,820	11	14,184	47,842
						7,296
						80,160
	0	**–34**	**1,820**	**11**	**14,184**	**135,299**
	0	**–4,312**	**2,467**	**11**	**24,543**	**371,686**
	0	**4,309**	**17,859**	**0**	**24,773**	**856,351**
	0	0	0	0	155,400	807,297
	0	0	4,902	0	5,325	152,386
	0	0	64	0	6,401	71,032
	0	**0**	**4,967**	**0**	**11,726**	**223,418**
	0	0	0	0	5,070	12,955
	0	2	434	0	9,038	36,074
	0	**2**	**434**	**0**	**14,109**	**49,029**
	0	**2**	**5,401**	**0**	**181,234**	**1,079,744**
	0	**5,666**	**3,508**	**18,068**	**5,553**	**219,469**
	0	–210,642	1,237,148	28,276	4,383	3,080,919
	0	433	385,278	55,705	1,269	881,383
	0	**–210,209**	**1,622,425**	**83,981**	**5,652**	**3,962,302**
	–15,897	204,552	3,841,852	59,005	21,911	9,926,273
	–488	0	206,388	3,959	4,974	515,629
	–16,384	**204,552**	**4,048,240**	**62,964**	**26,885**	**10,441,902**
	0	0	0	0	28	119
	0	0	0	0	0	792
	0	–405	16,578	2,582	2,646	172,604
	0	0	4,692	0	0	15,472
	0	405	267,867	0	3,747	968,436
	0	**0**	**289,138**	**2,582**	**6,420**	**1,157,424**
	0	0	257,030	0	0	855,233
	0	0	1,225	0	0	97,627
	0	**0**	**547,392**	**2,582**	**6,420**	**2,110,285**
	0	0	152,597	0	10,057	48,405
	–16,384	**–5,657**	**6,370,654**	**149,528**	**49,014**	**16,562,894**
	0	**–9**	**718,693**	**14,315**	**4,586**	**1,492,241**
	–16,384	**0**	**7,118,582**	**181,922**	**289,704**	**20,582,384**

Risk Report

The nature of an insurance company is to take on risks in return for premium payments. However, these risks, which are also called 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, external and management risks. The term external risks refers to those risks that cannot be influenced by the insurance business.

In order to identify, measure, aggregate and control all risks, a risk management system was integrated which is initially being used in all operating UNIQA companies, as well as in UNIQA Slovakia and Mannheimer Versicherung. This model will be expanded to all companies of the UNIQA Group in the next two years.

The risk management process is controlled by headquarters in Vienna and operated by the respective actuary departments. These are responsible for seeing that all risks that could significantly jeopardise the continued existence of the company or the insurance business are documented. They also report regularly—once per quarter—to the Management Board with regard to 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.

Amongst other things, the level of risk and probability of occurrence are documented as a single risk. Multiplying these two values together gives the risk potential. Each scenario that corresponds to the worst case, in this case defined as being the one with the highest risk potential, should be used when assessing the risk.

The risk potential is also an initial means 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.

The process also includes promoters who can be described as being responsible for an area. They are responsible for documenting all risks that concern their segment.

The actual assessment is done by assessors, although this task can also be completed by the promoters. The assessment is followed by a check first by the promoter and then by risk management.

Management of actuarial and financial risks

1. Actuarial risks

The risk of an insurance contract is that the insured event occurs. 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
2005	4,354,341
2004	3,613,794
2003	3,016,185
2002	2,636,938
2001	2,636,777
2000	2,499,281

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. For the latter, 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 deviates from those expected. This can be divided into three components: the chance risk, the change risk and the error risk.

The chance risk means that higher losses than expected 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

Acceptance policy, loss management and inventory maintenance have already been highly refined, and therefore no risks or only small and negligible risks are seen.

In the future, a total customer perspective that has already been introduced should be further strengthened. However, even great prospects face problems such as the underwriting of undesired risks from a loss perspective. When implementing this type of campaign, actuarial calculations are utilised that also include the associated risks.

For reasons of turnover, the discounting capacity of Sales is generally entirely exhausted. A risk could also arise through further relocation of discounting competence to Sales. Constant analyses of the use of discounts and the exhausting of the discount capacity are performed as a measure for counteracting this risk. The total discounting capacity is determined at headquarters by using various key figures and is then divided amongst the individual regional offices. Because revenue components are also built into the various compensation systems, any use of discounts that reduces revenue would have a direct impact on income.

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 claims ratio in retained earnings in the event of extraordinary events (e.g. the floods of 2002); on the other, a good level of claims can worsen the claims ratio in retained earnings. The aim of an optimal reinsurance strategy is to find an ideal structure that includes both of these points.

With regard to unexpected claims, risk management makes assessments on elemental losses, major losses and cumulative losses in the area 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 shown below.

The following table shows the result of the claims ratio (gross):

Claims ratio (gross)	%
2005	66.72
2004	64.13
2003	68.87
2002	77.32
2001	73.66
2000	83.15

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 UNIQA companies abroad.

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, storms, etc.)

In 2004, we 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 Versicherungen AG and UNIQA Re pool the business acquired by their subsidiaries 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. 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, storms, etc.) The effect of the reinsurance programme on the claims ratio in retained earnings can be seen in the following table:

Claims ratio (retained earnings)	%
2005	67.96
2004	65.58
2003	69.76
2002	75.97
2001	72.98
2000	78.89

The table below shows the reinsurance requirements for outstanding claims and IBNR claims arranged according to ratings.

This only concerns the reinsurance business ceded by domestic subsidiaries and UNIQA Re from the property insurance lines (non-life) to companies outside the group.

The cessions of subsidiaries abroad and the IWD portion of co-insurance are not included.

Rating	Currency	Amount
AAA	€	6,750,665.09
AA	€	105,552,673.23
A	€	93,082,929.18
BBB*	€	19,250,616.41
Not rated	€	5,165,179.80

* "Long Tail" reserves are secured with security deposits.

Property insurance:

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 risks with high hazards is subject to permanent monitoring (e.g. planning risks and liability insurance in the medical segment).

The transport insurance administered in the segment is not relevant for this consideration with regard to its division and the scopes of risk.

The industry holdings of the foreign companies are regularly analysed for their exposure and composition (risk mix), and survey reports on the exposed risks are prepared here as well.

1.2. Life insurance

The risk of an individual insurance policy is that the insured event could occur, which is viewed as occurring by chance and therefore cannot be considered predictable. The insurance company takes on this risk for a corresponding premium paid by the policyholder.

When calculating the premium, the actuary refers to carefully selected bases of calculation, i.e.:

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.

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

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

The risks of a life insurance company are that the bases of calculation prove insufficient despite careful selection, that random fluctuations prove disadvantageous for the insurer, and that the policyholder exercises certain implicit options to their advantage.

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

A) Endowment and underwriting

The portfolio of UNIQA consists primarily of long-term insurance policies, with short-term assurances payable at death playing a minor role.

In the following table, the number of insurance policies is divided by rate groups and insured sum categories, and takes into consideration the companies of UNIQA Personenversicherung, Raiffeisen Versicherung, Salzburger Landes-Versicherung and CALL DIRECT.

Categories (each in € 000)[1]	Number of insurance policies as at 31 Dec. 2005			
	Endowment insurance	Deferred retirement annuity	Fluid retirement annuity	Underwriting
0 to 20	1,273,642	85,258	13,330	175,933
20 to 40	283,610	37,406	224	34,090
40 to 100	108,897	20,371	50	121,640
100 to 200	11,647	3,143	1	59,116
> 200	2,578	996	–	8,183

[1] Endowments and underwriting are based on the insured sum, for deferred pension annuities the redemption capital is included at maturity, for fluid 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 older accounting table, namely the Austrian Mortality Table for 1990/92.

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

Homogeneity and independence of insurance risks

An insurance company takes great pains to compose a portfolio of the most homogenous, independent risks possible, in accordance with the classic, deterministic approach to calculating premiums. This is virtually impossible in practice, and for the insurer results in a considerable risk due to random fluctuations, in particular from the outbreak of epidemic illnesses (AIDS, SARS, bird flu, etc.), 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, Munich Re and Gen Re. A CAT-XL (catastrophe excess) contract is also held with Swiss Re, although it excludes losses resulting from epidemics.

Antiselection

The portfolios of Raiffeisen Versicherung and UNIQA Personenversicherung contain large inventories of underwriting policies with a premium adjustment clause. This allows the insurer to raise premiums in the event of a (clearly less probable) worsening of the mortality profile, although this does include a possible antiselection risk: policies for good risks tend to be terminated while worse ones remain in the portfolio.

B) Retirement annuities

Mortality

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

Attempts to predict this effect were made when producing the generation tables; however, such tables exist only for the Austrian population, and this data cannot be applied to other countries. Moreover, the past shows that the effect of these changes was seriously underestimated, so that subsequent reservations had to be made for retirement annuity contracts. With the introduction of AVÖ 2005 R, the assurance cover for liquid pensions ultimately had to be increased by approx. 6%.

Antiselection

The right to choose pensions for deferred retirement annuities 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 corresponds to the calculation.

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 a pension 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 2.25% or 2.75% per annum. 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 3.0%.

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, for which the same problem can arise.

Ratio of assets to liabilities
For practical reasons, the goal of duration matching cannot be fully achieved on the investment and liability side. The duration of assets is between five and six 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.

A very heavy financial risk is particularly implied by the guarantee of an annuitising factor. Here, the insurance company guarantees to annuitise a sum unknown in advance (namely the value of the fund shares at maturity) in accordance with a mortality table and an interest rate set at the time the policy is taken out (here, this concerns a non-exclusive financial risk).

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. as a result of inflation and related cost increases.

1.3. Health insurance

According to the Insurance Policy Act, health insurance is to be operated according to the “type of life insurance”. Terminations by the insurer are not possible except in the case of obligation violations by the insured.

Premiums must therefore be calculated in such a way that 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 bases of calculation.

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.

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

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

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

The legal risks arise primarily from the possibility that the current options for adjusting to changed circumstances could be made harder or impossible or the income opportunities sharply reduced. 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 private health insurance.

2. Financial risks

For numerous insurance products, a calculatory interest rate is taken into consideration for the period available as an 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:

- The interest 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 sustainably higher return on capital than the liabilities that arise from updating 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. 2005** € 000	**31 Dec. 2004** € 000
Long-term life insurance policies with guaranteed interest and profit sharing	12,988,283	11,511,704
Long-term unit-linked and index-linked life insurance policies	1,492,241	1,064,880
Long-term health insurance policies	2,042,431	1,591,917
Short-term property and casualty insurance policies	3,036,411	2,784,754
Total	**19,559,365**	**16,953,254**

Technical provisions and liabilities (retained)	**31 Dec. 2005** € 000	**31 Dec. 2004** € 000
Long-term life-insurance policies with guaranteed interest and profit sharing	12,958,338	11,746,299
Long-term unit-linked and index-linked life insurance policies	1,457,692	1,038,272
Long-term health insurance policies	2,085,526	1,664,513
Short-term property and casualty insurance policies	1,798,359	1,671,013
Total	**18,299,915**	**16,120,098**

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:

	€ %		**USD %**		**Other %**	
	2005	**2004**	**2005**	**2004**	**2005**	**2004**
Fixed interest securities						
High grade loans	4.31	4.40	4.39		4.90	5.89
Bank/company loans	4.55	4.87	5.76	6.71	4.04	4.39
Emerging markets loans	6.86		7.98	6.53	7.02	6.13
High yield loans	6.50	6.75	8.10	8.97	8.59	
Other investments	3.80	5.04			3.19	3.71
Fixed interest issues						
Subordinated liabilities	5.49	5.49				
Guaranteed interest	3.00	3.06				
Debenture bonds	4.00	4.00				

A) Long-term 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:

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Investments for long-term life insurance policies with guaranteed interest and profit sharing		
Annuities	9,226,366	7,984,369
Shares	1,289,589	893,907
Alternatives	747,333	610,032
Holdings	80,807	67,450
Loans	459,568	523,678
Real estate	418,435	303,850
Liquidity	682,481	1,056,378
Deposits receivable	83,704	72,039
Total	**12,988,283**	**11,511,704**
Difference between book value and market value of land and buildings	144,589	139,127
Liabilities from long-term life insurance policies with guaranteed interest and profit sharing		
Actuarial provision	11,710,531	10,691,962
Provision for profit-unrelated premium refunds	0	15
Provision for profit-related premium refunds and profit sharing	798,463	623,713
Other technical provisions	17,383	16,366
Provision for outstanding claims	80,914	85,478
Deposits payable	351,046	328,766
Total	**12,958,338**	**11,746,299**

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

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
<= 1 year	295,986	431,965
> 1 year to <= 3 years	1,137,819	929,255
> 3 years to <= 5 years	1,415,906	1,114,973
> 5 years to <= 7 years	2,596,612	1,818,882
> 7 years to <= 10 years	1,768,978	1,728,695
> 10 years to <= 15 years	1,179,110	1,183,538
> 15 years	1,291,522	1,300,740
Total	**9,685,934**	**8,508,047**

The capital-weighted average remaining term of technical liabilities is around 8.4 years (2004: 8.3 years).

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

In the segment of unit- and index-linked life insurance, the interest income and all fluctuations in value of the dedicated investments are reflected in the technical liability. 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 liabilities arising from unit-linked and index-linked life insurance policies:

Investments in unit-linked and index-linked life insurance policies	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Share-based funds	493,872	344,564
Bond funds	959,076	678,914
Liquidity	38,916	41,127
Other investments	377	275
Total	**1,492,241**	**1,064,880**

C) Long-term health insurance policies

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

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Investments for long-term health insurance policies		
Annuities	1,017,857	980,810
Shares	186,545	76,596
Alternatives	66,203	23,019
Holdings	36,450	35,536
Loans	354,320	146,173
Real estate	203,327	204,325
Liquidity	177,728	125,457
Total	**2,042,431**	**1,591,917**
Difference between book value and market value of land and buildings	228,118	226,762
Liabilities from long-term health insurance policies		
Actuarial provision	1,839,393	1,472,661
Provision for profit-unrelated premium refunds	18,546	10,001
Provision for profit-related premium refunds or profit sharing	56,612	40,941
Other technical provisions	1,070	984
Provision for unearned premiums	13,918	13,908
Provision for outstanding claims	154,010	124,451
Deposits payable	1,976	1,567
Total	**2,085,526**	**1,664,513**

D) Property/casualty insurance policies

Most property/casualty insurance policies are short term. Due to the short investment term, there is naturally a lower risk arising from financial risks. The technical liabilities 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 liabilities is shown in the following table:

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
<= 1 year	248,346	165,740
> 1 year to <= 3 years	233,004	189,368
> 3 years to <= 5 years	263,930	225,864
> 5 years to <= 7 years	262,948	263,073
> 7 years to <= 10 years	394,218	342,932
> 10 years to <= 15 years	335,564	338,424
> 15 years	132,542	116,114
Total	**1,870,551**	**1,641,515**

The investment structure in the property/casualty segment is as follows:

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Investments for short-term property and casualty insurance policies		
Annuities	1,511,366	1,314,748
Shares	156,721	85,530
Alternatives	36,955	14,448
Holdings	364,501	316,663
Loans	359,187	326,767
Real estate	457,345	517,879
Liquidity	136,414	195,126
Deposits receivable	13,922	13,593
Total	**3,036,411**	**2,784,754**
Difference between book value and market value of land and buildings	143,320	119,172
Liabilities from short-term property and casualty insurance policies		
Provision for unearned premiums	308,686	286,200
Actuarial provision	50,231	51,003
Provision for outstanding claims	1,370,935	1,263,918
Provision for profit-unrelated premium refunds	23,220	14,152
Provision for profit-related premium refunds or profit sharing	8,443	9,031
Other technical provisions	19,350	14,907
Deposits payable	17,493	31,802
Total	**1,798,359**	**1,671,013**

The average policy term in the property/casualty segment is between three and five years.

2.2. Share risks

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

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Shares in Europe	781,476	546,763
Shares in America	113,936	62,239
Shares in Asia	193,380	98,342
Shares international[1]	69,582	43,105
Shares in emerging markets	195,232	59,022
Shares total return[2]	263,194	212,048
Other shares	16,057	34,515
Total	**1,632,855**	**1,056,034**

[1] Share-based funds with globally diversified investments.

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

2.3. Credit risks

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:

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
AAA	3,441,215	3,320,774
AA	2,896,111	2,795,299
A	2,438,287	1,876,814
BBB	906,437	836,669
BB	1,095,305	810,583
B	94,578	27,288
CCC	76,352	88,994
Not rated	807,304	523,506
Total	**11,755,589**	**10,279,927**

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 liabilities. The most significant currency risk is in USD. The following table shows a breakdown of assets and debts by currency:

31 Dec. 2005	€	USD	Others	Total
Assets				
Investments	17,637,935	431,797	1,489,633	19,559,365
Other tangible assets	126,285		9,014	135,299
Intangible assets	1,028,736		51,008	1,079,744
Share of reinsurance in the technical provisions	893,737		99,637	993,374
Other assets	718,912		81,698	800,610
Total assets	**20,405,605**	**431,797**	**1,730,990**	**22,568,392**
Liabilities				
Subordinated liabilities	325,000			325,000
Technical provisions	17,939,377		727,644	18,667,021
Other provisions	691,091		7,866	698,957
Liabilities	1,641,124		102,615	1,743,739
Total liabilities	**20,596,592**		**838,125**	**21,434,718**

31 Dec. 2004	€	USD	Others	Total
Assets				
Investments	15,498,789	232,444	1,222,020	16,953,253
Other tangible assets	119,801		9,160	128,961
Intangible assets	946,615		46,293	992,907
Share of reinsurance in the technical provisions	860,846		62,787	923,633
Other assets	706,754		80,286	787,040
Total assets	**18,132,805**	**232,444**	**1,420,546**	**19,785,795**
Liabilities				
Subordinated liabilities	325,000			325,000
Technical provisions	15,863,008		605,045	16,468,053
Other provisions	636,353		5,303	641,656
Liabilities	1,387,406		103,518	1,490,924
Total liabilities	**18,211,767**		**713,866**	**18,925,634**

The fair value of securities investments in USD amounted to € 1,985 million as at 31 Dec. 2005. The exchange rate risk was reduced using derivative financial instruments to € 432 million, while the safeguard ratio was 78.4%. The safeguard was maintained in a range of between 74% and 94% 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.

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, the tactical weighting of the individual asset classes 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.

Insurance rate change risk	31 Dec. 2005	31 Dec. 2005	31 Dec. 2004	31 Dec. 2004
	+100 basis points	–100 basis points	+100 basis points	–100 basis points
High grade loans	–232,091	232,091	–224,443	224,443
Bank/company loans	–150,101	150,101	–150,229	150,229
Emerging markets loans	–13,116	13,116	–5,818	5,818
High yield loans	–1,728	1,728	–342	342
Total	**–397,037**	**397,037**	**–380,832**	**380,832**

Share risk	31 Dec. 2005	31 Dec. 2005	31 Dec. 2004	31 Dec. 2004
	+10%	–10%	+10%	–10%
Shares in Europe	78,265	–78,265	49,977	–49,977
Shares in America	11,391	–11,391	5,921	–5,921
Shares in Asia	19,450	–19,450	6,029	–6,029
International shares	5,855	–5,855	4,310	–4,310
Shares in emerging markets	19,536	–19,536	5,914	–5,914
Shares total return	26,319	–26,319	21,205	–21,205
Other shares	–4,849	4,849	–859	859
Total	**155,968**	**–155,968**	**92,497**	**–92,497**

Currency risk	31 Dec. 2005	31 Dec. 2005	31 Dec. 2004	31 Dec. 2004
	+10%	–10%	+10%	–10%
EUR	0	0	0	0
USD	43,180	–43,180	7,141	–7,141
Other	144,333	–144,333	91,163	–91,163
Total	**187,512**	**–187,512**	**98,304**	**–98,304**

Quality risk		31 Dec. 2005	31 Dec. 2005	31 Dec. 2004	31 Dec. 2004
	Change to spread	+	–	+	–
AAA	0 basis points	0	0	0	0
AA	25 basis points	–42,490	42,490	–44,990	44,990
A	50 basis points	–63,536	63,536	–45,430	45,430
BBB	75 basis points	–69,130	69,130	–49,417	49,417
BB	100 basis points	–53,275	53,275	–18,148	18,148
B	125 basis points	–7,017	7,017	–877	877
CCC	150 basis points	–2,613	2,613	–2,746	2,746
Not rated	100 basis points	–2,183	2,183	–5,681	5,681
Total	**Total**	**–240,244**	**240,244**	**–167,291**	**167,291**

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 VaR figures for the last financial year as reporting date values, annual average and maxima/minima for the year:

In € million	Total VaR	Share risk	Currency risk	Interest risk	Diversification
31 Dec. 2005	746	131	102	741	–229
31 Dec. 2004	571	106	4	584	–122
Lowest	571	34	4	584	–273
Average	691	114	70	704	–199
Highest	746	154	115	746	–122

1 ■ Self-used land and buildings

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Book values for		
Property and casualty insurance	163,506	183,112
Life insurance	58,621	27,759
Health insurance	14,260	14,777
	236,388	**225,647**
Market values for		
Property and casualty insurance	188,385	209,129
Life insurance	63,430	32,087
Health insurance	20,043	19,114
	271,859	**260,329**
Acquisition values	323,696	276,911
Cumulative depreciation	–87,309	–51,264
Book value	**236,388**	**225,647**
Useful life for land and buildings	10–80 years	10–80 years

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Additions from company acquisition		
Self-used land and buildings	2,448	28,149

The market values are derived from expert reports which are repeated at least every five years.

2 ■ Other tangible assets

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Tangible assets	47,842	45,661
Inventories	7,296	5,302
Other assets	80,160	77,999
	135,299	**128,961**

Tangible assets Development in financial year	Group total € 000
Acquisition values as at 31 Dec. 2004	152,897
Cumulative depreciation up to 31 Dec. 2004	–107,236
Book value as at 31 Dec. 2004	**45,661**
Currency translation changes	168
Additions	18,041
Disposals	–1,820
Transfers	–34
Appreciation and depreciation	–14,173
Book value as at 31 Dec. 2005	**47,842**
Acquisition values as at 31 Dec. 2005	**156,802**
Cumulative depreciation up to 31 Dec. 2005	**–108,960**
Book value as at 31 Dec. 2005	**47,842**

Tangible assets were mainly recognised as being 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.

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Additions from company acquisition		
Tangible assets	449	10,518

3 ■ Land and buildings held as financial investments

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Book values for		
Property and casualty insurance	384,362	415,922
Life insurance	285,862	218,882
Health insurance	186,127	189,941
	856,351	**824,745**
Market values for		
Property and casualty insurance	502,804	509,077
Life insurance	425,911	353,681
Health insurance	408,462	412,366
	1,337,177	**1,275,124**
Acquisition values	1,150,615	1,132,512
Cumulative depreciation	–294,264	–307,768
Book value	**856,351**	**824,745**
Useful life for land and buildings	10–80 years	10–80 years

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Additions from company acquisition		
Land and buildings used by third parties	303	21,284

The market values are derived from expert reports which are repeated at least every five years.

4 ■ Deferred acquisition costs

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Property and casualty insurance		
Situation as at 1 Jan.	89,209	67,970
Currency translation changes	630	1,570
Changes to scope of consolidation	0	17,357
Capitalisation	47,851	39,447
Depreciation	–40,560	–37,134
Situation as at 31 Dec.	**97,131**	**89,209**
Life insurance		
Situation as at 1 Jan.	456,035	416,693
Currency translation changes	59	305
Changes to scope of consolidation and other changes	0	16,143
Capitalisation	106,800	94,929
Interest surcharge	25,497	23,070
Depreciation	–92,232	–95,105
Situation as at 31 Dec.	**496,159**	**456,035**
Health insurance		
Situation as at 1 Jan.	192,754	193,437
Currency translation changes	1	3
Changes to scope of consolidation	20,273	0
Capitalisation	15,119	11,047
Interest surcharge	8,468	8,469
Depreciation	–22,608	–20,202
Situation as at 31 Dec.	**214,008**	**192,754**
Consolidated Financial Statements		
Situation as at 1 Jan.	737,998	678,100
Currency translation changes	690	1,878
Changes to scope of consolidation and other changes	20,273	33,500
Capitalisation	169,770	145,422
Interest surcharge	33,965	31,538
Depreciation	–155,400	–152,440
Situation as at 31 Dec.	**807,297**	**737,998**

5 ■ Goodwill

	Group total € 000
Acquisition values as at 1 Jan. 2005	289,894
Cumulative depreciation up to 1 Jan. 2005	–80,478
Book value as at 1 Jan. 2005	**209,416**
Acquisition values as at 31 Dec. 2005	315,826
Cumulative depreciation up to 31 Dec. 2005	–92,408
Book value as at 31 Dec. 2005	**223,418**
Cumulative depreciation up to 31 Dec. 2005	92,408
Of which relating to impairment	16,648
Of which current depreciation	75,760

	31 Dec. 2005 Group total € 000
Change in impairment for current year	5,325
Of which reallocation affecting income	5,325

The values mentioned above include the goodwill and the purchase price paid for the total acquired insurance policies. The goodwill from the company merger with Claris Vita as at 31 Dec. 2004 was adjusted in accordance with possibility contained in IFRS 3 following preparation of the initial accounts in 2005.

Company acquisitions	**Amounts placed at the time of acquisition** € 000	**Book value of the acquired companies** € 000
Assets	**360,457**	**360,457**
Tangible assets	6,605	6,605
Land and buildings held as financial investments	1,711	1,711
Intangible assets	20,424	20,424
Shares in associated companies	0	0
Investments	303,798	303,798
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	19,868	19,868
Receivables from income tax	5	5
Deferred tax assets	551	551
Liquid funds	7,495	7,495
Equity and liabilities	**360,457**	**360,457**
Total equity	22,568	22,568
Subordinated liabilities	0	0
Technical provisions	304,098	304,098
Technical provisions for life insurance policies held on account and at risk of policyholders	0	0
Financial liabilities	0	0
Other provisions	5,714	5,714
Payables and other liabilities	25,261	25,261
Liabilities from income tax	479	479
Deferred tax liabilities	2,338	2,338

6 ■ Other intangible assets

	Self-produced software Group total € 000	Acquired intangible assets Group total € 000
Acquisition values as at 1 Jan. 2005	54,837	123,214
Cumulative depreciation up to 1 Jan. 2005	–39,717	–92,840
Book value as at 1 Jan. 2005	**15,119**	**30,374**
Acquisition values as at 31 Dec. 2005	39,378	137,319
Cumulative depreciation up to 31 Dec. 2005	–26,423	–101,246
Book value as at 31 Dec. 2005	**12,955**	**36,074**

Other intangible assets as at 31 Dec. 2005 comprised:

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Computer software	43,096	40,736
Copyrights	0	18
Licences	3,063	3,382
Other intangible assets	2,870	1,358
	49,029	**45,494**

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 and licences.

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

Intangible assets are depreciated using the straight-line method.

	31 Dec. 2005 € 000
Additions from company acquisition	
Self-produced software	0
Acquired intangible assets	154

	31 Dec. 2005 € 000
Research and development expenditures recorded as an expense during the period under review	1,394

7 ■ Shares in affiliated companies and companies valued at equity

	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Current market value for		
Shares in affiliated companies of minor importance[1)]	18,407	19,427
Shares in associated companies of minor importance	1,522	1,506
Book value for		
Shares in associated companies valued at equity	217,947	166,664
Equity for		
Shares in affiliated companies of minor importance	17,999	
Annual net profit for		
Shares in affiliated companies of minor importance	**–447**	

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.).

	31 Dec. 2005 € 000
Shares in associated companies	
Current market value of associated companies listed on a public stock exchange	0
Profits/losses for the period	18,358
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

FIMAG is contained in the profits/losses for the period with proportional annual results for 2004 and 2005 (adjustment to maximum deviation of three months from the balance sheet closing date).

Overview of the scope of consolidation for 2005

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	94.3	100.0
UNIQA Personenversicherung AG	Full	1029 Vienna	337.2	63.4
Salzburger Landes-Versicherung AG	Full	5020 Salzburg	19.5	100.0
Raiffeisen Versicherung AG	Full	1029 Vienna	131.3	100.0
CALL DIRECT Versicherung AG	Full	1029 Vienna	7.5	100.0
FinanceLife Lebensversicherung AG	Full	1029 Vienna	14.7	100.0
SK Versicherung Aktiengesellschaft	Equity	1020 Vienna	6.6	25.0
Foreign insurance companies				
UNIQA Assurances S.A.	Full	Switzerland, Geneva	10.3	100.0
UNIQA Re AG	Full	Switzerland, Zurich	87.3	100.0
UNIQA Assicurazioni S.p.A.	Full	Italy, Milan	99.7	100.0
UNIQA poistovňa a.s.	Full	Slovakia, Bratislava	15.6	99.8
UNIQA pojištovna a.s.	Full	The Czech Republic, Prague	26.2	83.3
UNIQA osiguranje d.d.	Full	Croatia, Zagreb	6.2	80.0
Friuli-Venezia Giulia Assicurazioni La Carnica S.p.A.	Full	Italy, Udine	18.4	88.6
UNIQA Towarzystwo Ubezpieczen S.A.	Full	Poland, Lodz	63.1	69.9
UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Full	Poland, Lodz	4.5	69.6
UNIQA Biztosító Rt.	Full	Hungary, Budapest	41.1	85.0
UNIQA Lebensversicherung AG	Full	Liechtenstein, Vaduz	5.2	100.0
UNIQA Versicherung AG	Full	Liechtenstein, Vaduz	3.2	100.0
Korporacja Ubezpieniowa FILAR S.A.	Full	Poland, Szczecin	21.0	90.3
Mannheimer AG Holding	Full	Germany, Mannheim	64.7	85.9
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	27.7	100.0
Mannheimer Krankenversicherung AG	Full	Germany, Mannheim	9.2	100.0
Claris Vita S.p.A.	Full	Italy, Milan	52.9	80.0
Raiffeisen Osiguranje d.d.	Full	Bosnia/Herz., Sarajevo	2.2	96.8
SC Asigurare Reasigurare ASTRA S.A.	Equity	Romania, Bucharest	34.0	27.0

Company	Type	Location	Equity in € million[1]	Share in equity in %[2]
Group domestic service companies				
UNIQA Immobilien-Service GmbH	Full	1020 Vienna	0.2	100.0
Versicherungsmarkt-Servicegesellschaft m.b.H.	Full	1060 Vienna	0.2	100.0
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Full	1010 Vienna	0.1	100.0
Raiffeisen Versicherungsmakler GmbH	Equity	6900 Bregenz	0.1	50.0
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	*2)	1010 Vienna		33.3
Risikodienst und Schadensberatung Gesellschaft m.b.H.	*1)	1029 Vienna		100.0
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H.	Full	1070 Vienna	0.9	51.0
UNIQA Software-Service GmbH	Full	1029 Vienna	0.6	100.0
SYNTEGRA Softwarevertrieb und Beratung G.m.b.H.	Full	3820 Raabs	0.4	100.0
UNIQA Finanz-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Alternative Investments GmbH	Full	1020 Vienna	0.5	100.0
UNIQA International Versicherungs-Holding GmbH	Full	1020 Vienna	99.7	100.0
UNIQA International Beteiligungs-Verwaltungs GmbH	Full	1020 Vienna	250.8	100.0
Alopex Organisation von Geschäftskontakten GmbH	*1)	1029 Vienna		100.0
RC Risk-Concept Versicherungsberatungs- & Versicherungsmaklergesellschaft m.b.H.	*1)	1010 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	0.0	100.0

Company	Type	Location	Equity in € million[1)]	Share in equity in %[2)]
Group foreign service companies				
Syntegra Szolgaltato es Tanacsado KFT	Full	Hungary, Budapest	0.3	60.0
Insdata spol s.r.o.	*1)	Slovakia, Nitra		100.0
Racio s.r.o.	*1)	The Czech Republic, Prague		100.0
RAC partner, s.r.o	Full	Slovakia, Bratislava	0.0	100.0
UNIQA Pro	*1)	The Czech Republic, Prague		100.0
InsService s.r.o.	Full	Slovakia, Bratislava	0.1	100.0
UNIQA Penztarszolgaltato Kft	Full	Hungary, Budapest	3.5	100.0
Heller Saldo 2000 Penztarszolgaltato Kft	Full	Hungary, Budapest	0.5	77.9
Dekra Expert Muszaki Szakertöi Kft	Full	Hungary, Budapest	0.9	74.9
UNIQA Vagyonkezelö Rt	Full	Hungary, Budapest	3.7	100.0
UNIQA Szolgaltato Kft	Full	Hungary, Budapest	6.4	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	0.0	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 Unterstützungskasse-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
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)	The Czech Republic, Prague		100.0
ITM Praha s.r.o.	*2)	The Czech Republic, Prague		29.1
ML Sicherheitszentrale GmbH	*2)	Germany, Mannheim		30.0
Mannheimer ALLFINANZ Versicherungsvermittlung AG	*1)	Germany, Mannheim		100.0
dmuk Dt. Mittelstands-Unterstützungskasse GmbH	*1)	Germany, Mannheim		100.0
UFL UNIQA Finance Life Service GmbH	*1)	Germany, Mannheim		100.0
Financni poradci s.r.o.	*1)	The Czech Republic, Prague		75.0
Claris Previdenza	*1)	Italy, Milan		100.0
UNIQA Software Service d.o.o.	*1)	Croatia, Zagreb		100.0
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	–18.4	25.0
ÖVK Holding GmbH	Equity	1030 Vienna	5.0	25.0
PKB Privatkliniken Beteiligungs-GmbH**)	Equity	1010 Vienna	20.2	50.0
FIMAG Finanz Industrie Management AG**)	Equity	1220 Vienna	467.6	25.0
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	20.2	40.1
call us Assistance International GmbH	Equity	1090 Vienna	0.6	61.0
EBV Leasing Gesellschaft m.b.H.	Equity	1061 Vienna	0.2	50.0
UNIQA Leasing GmbH	Full	1061 Vienna	0.1	100.0
UNIQA Human Resources-Service GmbH	Full	1020 Vienna	0.3	100.0
UNIQA Beteiligungs-Holding GmbH	Full	1029 Vienna	100.8	100.0

Company	Type	Location	Equity in € million[1]	Share in equity in %[2]
Financial and strategic domestic shareholdings				
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Full	1029 Vienna	10.4	100.0
Austria Hotels Betriebs-GmbH[3]	Full	1010 Vienna	8.2	100.0
Hotel Burgenland in Eisenstadt Betriebsgesellschaft m.b.H.[3]	Full	7000 Eisenstadt	0.1	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	The Czech Republic, Prague	2.0	100.0
UNIQA Reality s.r.o.	Full	The Czech Republic, Prague	1.0	100.0
UNIQA Real s.r.o.	Full	Slovakia, Bratislava	0.9	100.0
UNIQA Real II s.r.o.	Full	Slovakia, Bratislava	0.9	100.0
Steigengraben-Gut Gesellschaft m.b.H.	*1)	1020 Vienna		100.0
Raiffeisen evolution project development GmbH	Equity	1030 Vienna	23.2	20.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	1020 Vienna	0.9	33.0
UNIQA Real Estate AG	Full	1020 Vienna	0.3	100.0
„Hoher Markt 4" Besitzgesellschaft m.b.H.	Full	1020 Vienna	8.8	100.0
UNIQA Praterstraße Projekterrichtungs GmbH	Full	1029 Vienna	18.3	100.0
UNIQA Plaza Irohadaz es Ingatlankezelö Kft	Full	Hungary, Budapest	0.2	100.0
MV Augustaanlage GmbH & Co. KG	Full	Germany, Mannheim	16.4	100.0
MV Augustaanlage Verwaltungs-GmbH	Full	Germany, Mannheim	0.0	100.0
AUSTRIA Hotels Liegenschaftsbesitz AG[3]	Full	1010 Vienna	30.5	99.5
Grand Hotel Bohemia s.r.o.[3]	Full	The Czech Republic, Prague	12.3	100.0
Passauerhof Betriebs-Ges.m.b.H.[3]	Full	1010 Vienna	1.3	100.0
Seminarhotel Baden Betriebsgesellschaft m.b.H.[3]	Full	2500 Baden	1.9	100.0
Austria Österreichische Hotelbetriebs s.r.o.[3]	Full	The Czech Republic, Prague	5.2	100.0
Hotel International Praha a.s.[3]	Full	The Czech Republic, Prague	5.0	97.9
Grupo Borona Advisors, S.L. Ad	*1)	Spain, Madrid		74.6
MV Grundstücks GmbH & Co. Erste KG	Full	Germany, Mannheim	3.9	100.0
MV Grundstücks GmbH & Co. Zweite KG	Full	Germany, Mannheim	6.3	100.0
MV Grundstücks GmbH & Co. Dritte KG	Full	Germany, Mannheim	5.0	100.0
HKM Immobilien GmbH	*1)	Germany, Mannheim		100.0
CROSS POINT, a.s.	Full	Slovakia, Bratislava	4.6	100.0
Aniger s.r.o.	Full	The Czech Republic, Prague	4.0	100.0
Floreasca Tower SRL	*1)	Romania, Bucharest		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).

8 ■ Securities available for sale

Type of investment	Acquisition costs		Fluctuation in value not affecting income	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Shares in affiliated companies	18,407	19,427	0	0
Shares	948,712	739,395	68,456	–637
Equity funds	549,053	415,579	47,395	–22,137
Debenture bonds not capital guaranteed	518,206	462,042	25,673	–9,108
Other variable yield securities	563,593	292,326	14,432	10,207
Participating interests and other investments	316,304	427,228	13,235	27,227
Fixed interest securities	9,774,805	9,185,458	207,805	214,253
	12,689,079	**11,541,454**	**376,996**	**219,805**

Type of investment	Accumulated value adjustments		Of which accumulated from previous years		Of which from current year	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Shares in affiliated companies	0	0	0	0	0	0
Shares	–17,109	–9,541	–10,388	–8,446	–6,721	–1,095
Equity funds	–981	–152	0	–152	–981	0
Debenture bonds not capital guaranteed	270	–2,000	270	–1,661	0	–339
Other variable yield securities	–84	0	0	0	–84	0
Participating interests and other investments	–287	0	0	0	–287	0
Fixed interest securities	–53,052	–33,261	–31,616	–31,406	–21,436	–1,855
	–71,244	**–44,954**	**–41,735**	**–41,664**	**–29,509**	**–3,289**

Type of investment	Change in value adjustment current year 31 Dec. 2005 € 000	Of which write-down/write-up affecting income 31 Dec. 2005 € 000	Of which write-up of equity 31 Dec. 2005 € 000
Shares in affiliated companies	0	0	0
Shares	–6,721	–6,721	0
Equity funds	–981	–981	0
Debenture bonds not capital guaranteed	2,240	2,240	0
Other variable yield securities	–84	–84	0
Participating interests and other investments	–287	–287	0
Fixed interest securities	–23,384	–23,384	0
	–29,217	**–29,217**	**0**

	Accumulated value adjustments		Foreign currency differences affecting income		Market values	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000
	0	0	0	0	18,407	19,427
	–17,109	–9,541	0	–902	1,000,059	728,315
	–981	–152	0	0	595,467	393,291
	270	–2,000	15,645	0	559,793	450,934
	–84	0	0	0	577,941	302,533
	–287	0	0	0	329,251	454,454
	–53,052	–33,261	–3,285	–115,907	9,926,273	9,250,543
	–71,244	**–44,954**	**12,360**	**–116,809**	**13,007,192**	**11,599,496**

Change in equity as at 31 Dec. 2005	Allocation not affecting income		Withdrawal* due to disposals affecting income		Change in unrealised gains/losses	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Other securities						
Available for sale	**62,956**	**45,499**	**–23,734**	**15,474**	**39,222**	**60,973**

* Withdrawal affecting the income statement due to disposals and impairments.

Remaining contractual term	Acquisition costs		Market values	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000	31 Dec. 2005 € 000	31 Dec. 2004 € 000
infinite	0	19,811	0	19,811
up to 1 year	335,663	366,241	339,713	370,096
of more than 1 year up to 5 years	3,092,007	1,778,170	3,157,522	1,790,202
of more than 5 years up to 10 years	4,692,078	5,897,769	4,748,540	5,870,859
more than 10 years	2,736,856	1,877,834	2,818,232	1,953,041
	10,856,603	**9,939,826**	**11,064,007**	**10,004,009**

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

Risk of default rating	31 Dec. 2005 € 000
Fixed interest securities	
Rating AAA	3,441,215
Rating AA	2,896,111
Rating A	2,438,287
Rating BBB	2,096,319
Rating < BBB	76,352
Not assigned	115,722
Rating total of fixed interest securities	**11,064,007**
Issuer countries	
Share securities	
IE, NL, UK, US	332,216
AT, BE, CH, DE, DK, FR, IT	789,527
ES, FI, NO, SE	136,696
Remaining EU	338,743
Other countries	117,272
Issuer countries total of share securities	**1,714,453**
Other shareholdings	210,325
Total variable yield securities	**1,924,778**

9 ■ Derivative financial instruments

Volume of structured swaps	31 Dec. 2005 € 000	31 Dec. 2004 € 000
Market values clean:		
Equity swaps	70,811	227,355
Interest swaps	417,171	285,901
Currency swaps	287,473	182,891
Credit swaps	8,477	0
	783,932	**696,147**

10 ■ Loans

	Book values	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000
1. Loans to affiliated companies	119	113
2. Loans to participating interests	792	792
3. Mortgage loans	172,604	162,347
4. Loans and advance payments on policies	15,472	17,283
5. Other loans	789,545	757,639
6. Registered bonds	178,891	59,936
	1,157,424	**998,110**

Remaining contractual term	Book values	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000
infinite	1,855	0
up to 1 year	284,636	19,828
of more than 1 year up to 5 years	287,506	623,347
of more than 5 years up to 10 years	389,711	161,339
more than 10 years	193,716	193,596
	1,157,424	**998,110**

	Market values	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000
1. Loans to affiliated companies	119	113
2. Loans to participating interests	792	792
3. Mortgage loans	172,604	162,347
4. Loans and advance payments on policies	15,472	17,283
5. Other loans	808,175	780,005
6. Registered bonds	178,891	59,936
	1,176,054	**1,020,477**

Remaining contractual term	Market values	
	31 Dec. 2005 € 000	31 Dec. 2004 € 000
infinite	1,855	0
up to 1 year	286,666	20,147
of more than 1 year up to 5 years	295,334	639,077
of more than 5 years up to 10 years	398,439	167,200
more than 10 years	193,759	194,053
	1,176,054	**1,020,477**

	31 Dec. 2005 € 000
Change in impairment for current year	6,420
Of which reallocation affecting income	6,420

11 ■ Other investments

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Other investments included:		
Deposits with credit institutions	855,233	1,070,772
Deposits with ceding companies	97,627	85,632
	952,861	**1,156,404**

12 ■ Receivables incl. receivables under insurance business

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
I. Reinsurance receivables		
1. Accounts receivable under reinsurance operations	56,849	61,725
	56,849	**61,725**
II. Other receivables		
Receivables under the insurance business		
from policyholders	180,587	169,846
from intermediaries	66,854	53,080
from insurance companies	11,533	8,757
	258,974	**231,682**
Other receivables		
Accrued interest and rent	208,082	244,261
Other tax refund claims	44,698	27,166
Receivables due from employees	4,236	5,271
Other receivables	88,822	100,286
	345,839	**376,984**
Total other receivables	**604,813**	**608,667**
Subtotal	**661,662**	**670,391**
Of which receivables with a remaining term of		
up to 1 year	635,946	666,969
more than 1 year	25,717	3,423
	661,662	**670,392**
III. Other assets		
Accruals	36,959	38,013
	36,959	**38,013**
Total receivables incl. receivables under insurance business	**698,621**	**708,404**

13 ■ Receivables from income tax

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Receivables from income tax	28,792	25,186
Of which receivables with a remaining term of		
up to 1 year	28,642	24,000
more than 1 year	150	1,186
	28,792	**25,186**

14 ■ Deferred tax assets

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Cause of origin		
Actuarial items	6,991	4,117
Social capital	53,026	35,295
Loss carried forward	5,520	4,195
Other	7,659	9,843
	73,197	**53,450**

15 ■ Subscribed capital

	31 Dec. 2005	31 Dec. 2004
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.

The profit carried forward contains the retained earnings of the Group companies included in the Group Financial Statements and the allocation of the consolidated net profit for the year. The different amounts resulting from initial consolidation before 1 January 1995 were set off against the profit carried forward. Unrealised capital gains and losses from the revaluation of investments available for sale affected the revaluation reserve, with deferred participation in profits and deferred taxes taken into consideration.

In addition to the subscribed capital, UNIQA Versicherungen AG has at its disposal an authorised capital 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. In the year 2005, 8,807,910 UNIQA shares were sold within the scope of the resale programme.

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

	31 Dec. 2005	31 Dec. 2004
Shares held by:		
UNIQA Versicherungen AG		
Acquisition costs (in € 000)	2,561	67,016
Number of shares	350,000	9,157,910
Share of subscribed capital in %	0.29	7.65

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

Earnings per share	2005	2004
Group net profit (in € 000)	107,760	82,227
Of which accounts for ordinary shares (in € 000)	107,760	82,227
Own shares as at 31 Dec. 2005	350,000	9,157,910
Average number of shares in circulation	114,612,683	110,619,898
Profit per share (in €)*	0.94	0.74
Profit before taxes per share (in €)*	1.44	0.92
Profit per share*, adjusted for goodwill amortisation	1.04	0.92
Earnings from ordinary activities per share, adjusted for goodwill amortisation	1.76	1.27
Dividend per share	0.26**	0.22

* Calculated on the basis of the consolidated net profit for the year.

** Subject to the decision to be taken in the AGM.

The diluted result per share is equal to the undiluted result 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. 2005 Group total € 000
Effective tax	–17,936
Deferred tax	–14,355
	–32,291

16 ■ Minority interests

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
in revaluation reserve	46,803	37,907
in net income for the year	25,581	19,571
in other equity	130,841	119,603
	203,226	**177,081**

17 ■ Subordinated liabilities

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Supplementary capital	**325,000**	**325,000**

In December 2002 Raiffeisen Versicherung AG, and in July 2003 UNIQA Versicherungen AG, UNIQA Personenversicherung AG and UNIQA Sachversicherung AG, issued partial debentures with a nominal value of € 325 million for paid up supplementary capital according to Section 73c 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.

18 ■ Unearned premiums

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Property and casualty insurance		
Gross	337,908	314,086
Reinsurers' share	–29,222	–27,886
	308,686	**286,200**
Health insurance		
Gross	13,987	13,908
Reinsurers' share	–69	0
	13,918	**13,908**
Consolidated Financial Statements		
Gross	351,896	327,994
Reinsurers' share	–29,291	–27,886
(fully consolidated values)	**322,605**	**300,108**

19 ■ Actuarial provision

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Property and casualty insurance		
Gross	53,093	52,816
Reinsurers' share	–2,861	–1,813
	50,231	**51,003**
Life insurance		
Gross	12,075,698	11,036,097
Reinsurers' share	–365,167	–344,135
	11,710,531	**10,691,962**
Health insurance		
Gross	1,841,369	1,474,228
Reinsurers' share	–1,976	–1,567
	1,839,393	**1,472,661**
Consolidated Financial Statements		
Gross	13,970,159	12,563,141
Reinsurers' share	–370,004	–347,516
(fully consolidated values)	**13,600,156**	**12,215,625**

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

For	Life insurance acc. to SFAS 120 %	Health insurance acc. to SFAS 60 %
2005		
For actuarial provision	2.25–4.00	4.50 or 5.50
For deferred acquisition costs	4.50–4.80	4.50 or 5.50
2004		
For actuarial provision	2.25–4.00	4.50 or 5.50
For deferred acquisition costs	4.89–5.69	4.50 or 5.50

20 ■ Provision for outstanding claims

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Property and casualty insurance		
Gross	1,694,155	1,583,949
Reinsurers' share	–323,220	–320,031
	1,370,935	**1,263,918**
Life insurance		
Gross	91,607	97,229
Reinsurers' share	–10,693	–11,751
	80,914	**85,478**
Health insurance		
Gross	154,043	124,451
Reinsurers' share	–33	0
	154,010	**124,451**
Consolidated Financial Statements		
Gross	1,939,806	1,805,629
Reinsurers' share	–333,946	–331,783
(fully consolidated values)	**1,605,860**	**1,473,846**

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

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
1. Provisions for outstanding claims as at 1 Jan.		
a. Gross	1,583,949	1,199,746
b. Reinsurers' share	–320,031	–243,130
c. Retention	**1,263,918**	**956,616**
2. Plus (retained) claims expenditures		
a. Losses of the current year	1,104,873	998,253
b. Losses of the previous year	–129,005	–167,597
c. Total	**975,867**	**830,656**
3. Less (retained) losses paid		
a. Losses of the current year	–542,058	–495,670
b. Losses of the previous year	–331,431	–273,315
c. Total	**–873,489**	**–768,985**
4. Foreign currency translation	**3,733**	**9,767**
5. Change in consolidation scope	**1,401**	**235,824**
6. Other changes	**–495**	**40**
7. Provisions for outstanding claims as at 31 Dec.		
a. Gross	1,694,155	1,583,949
b. Reinsurers' share	–323,220	–320,031
c. Retention	**1,370,935**	**1,263,918**

Claims payments	2000 € 000	2001 € 000	2002 € 000	2003 € 000	2004 € 000	2005 € 000	Total € 000
Financial year	527,221	482,506	569,897	536,858	523,812	567,068	
One year later	800,602	755,216	899,230	818,933	815,880		
Two years later	862,942	823,294	966,354	881,463			
Three years later	887,918	850,509	995,314				
Four years later	900,765	870,907					
Five years later	912,340						
Accumulated payments	912,340	870,907	995,314	881,463	815,880	567,068	
Estimated final claims payments	963,547	956,227	1,105,822	1,017,795	1,040,683	1,127,652	
Current balance sheet reserve	51,208	85,320	110,508	136,331	224,803	560,584	1,168,754
Balance sheet reserve for the claims years "1999 and before":							326,732
Plus other reserve components (internal claims regulation costs, etc.)							198,669
Provisions for outstanding claims (gross) as at 31 Dec. 2005							**1,694,155**

21 ■ Provision for premium refunds

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Property and casualty insurance		
Gross	33,415	24,357
Reinsurers' share	–1,752	–1,174
	31,663	**23,183**
Life insurance		
Gross	798,563	623,829
Reinsurers' share	–100	–100
	798,463	**623,729**
Health insurance		
Gross	75,159	50,942
Reinsurers' share	0	0
	75,159	**50,942**
Consolidated Financial Statements		
Gross	907,136	699,128
Reinsurers' share	–1,852	–1,274
(fully consolidated values)	**905,284**	**697,854**
Of which profit-unrelated (retention)	41,766	24,168
Of which profit-related (retention)	863,518	673,686

Group total	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
a) Provision for profit-unrelated premium refunds	43,518	25,343
Of which property and casualty insurance	24,972	15,326
Of which health insurance	18,546	10,001
Of which life insurance	0	15
b) Provision for profit-related premium refunds and/or policyholder profit participation		
	285,815	253,185
Of which property and casualty insurance	8,443	9,031
Of which health insurance	56,612	40,941
Of which life insurance	220,759	203,212
Deferred profit participation	577,803	420,601
	907,136	**699,128**

Group total	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
a) Provision for profit-unrelated premium refunds, profit-related premium refunds and policyholder profit participation		
As at 1 Jan.	278,528	213,486
Changes for: Other changes	50,805	65,042
As at 31 Dec.	**329,333**	**278,528**
b) Deferred profit participation		
As at 1 Jan.	420,601	202,710
Changes for: Fluctuation in value, securities available for sale	134,359	163,564
Revaluations affecting income	22,843	54,326
As at 31 Dec.	**577,803**	**420,601**

22 ■ Actuarial provisions

Gross	Unearned premiums	Actuarial provision	Provision for outstanding claims
	€ 000	€ 000	€ 000
31 Dec. 2005 Property and casualty insurance			
As at 31 Dec. 2004	314,086	52,816	1,583,949
Exchange rate differences	4,073	–63	4,550
Changes in consolidation scope	2,762		1,651
Portfolio changes	–90		238
Additions		3,325	
Disposals		2,986	
Premiums written	1,489,037		
Premiums earned	1,471,958		
Claims in reporting year			1,334,145
Claims payments in reporting year			616,881
Change in claims from previous years			–183,456
Claims payments in previous years			430,043
As at 31 Dec. 2005	**337,908**	**53,093**	**1,694,155**
31 Dec. 2005 Health insurance			
As at 31 Dec. 2004	13,908	1,474,228	124,451
Exchange rate differences	–5	10	14
Changes in consolidation scope		242,589	18,056
Portfolio changes	–2,351		
Additions		127,239	
Disposals		2,698	
Premiums written	734,112		
Premiums earned	731,676		
Claims in reporting year			577,393
Claims payments in reporting year			441,196
Change in claims from previous years			5,069
Claims payments in previous years			129,743
As at 31 Dec. 2005	**13,987**	**1,841,369**	**154,043**
31 Dec. 2005 Life insurance			
As at 31 Dec. 2004		11,036,097	97,229
Exchange rate differences		130	76
Changes in consolidation scope		2,225	45
Portfolio changes		63,893	
Additions		992,312	
Disposals		18,960	
Premiums written			
Premiums earned			
Claims in reporting year			817,588
Claims payments in reporting year			783,791
Change in claims from previous years			29,967
Claims payments in previous years			69,506
As at 31 Dec. 2005		**12,075,698**	**91,607**
31 Dec. 2005 Group total			
As at 31 Dec. 2004	327,994	12,563,141	1,805,629
Exchange rate differences	4,067	77	4,640
Changes in consolidation scope	2,762	244,814	19,752
Portfolio changes	–2,441	63,893	238
Additions		1,122,876	
Disposals		24,643	
Premiums written	2,223,148		
Premiums earned	2,203,634		
Claims in reporting year			2,729,126
Claims payments in reporting year			1,841,868
Change in claims from previous years			–148,420
Claims payments in previous years			629,291
As at 31 Dec. 2005	**351,896**	**13,970,159**	**1,939,806**

Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and/or policyholder profit participation € 000	Other actuarial provisions € 000	Total € 000
15,326	9,031	16,767	1,991,976
–16	3	160	8,707
		104	4,517
			148
9,917	11	7,419	20,672
256	602	2,120	5,963
			1,489,037
			1,471,958
			1,334,145
			616,881
			–183,456
			430,043
24,972	**8,443**	**22,330**	**2,140,900**
10,001	40,941	984	1,664,513
			18
3,702	5,983		270,330
		17	–2,334
6,560	9,755	120	143,674
1,717	66	64	4,545
			734,112
			731,676
			577,393
			441,196
			5,069
			129,743
18,546	**56,612**	**1,056**	**2,085,614**
15	623,813	16,185	11,773,340
	–30	10	187
	91		2,361
		–254	63,639
	298,785	1,554	1,292,652
16	124,096	500	143,572
			0
			0
			817,588
			783,791
			29,967
			69,506
0	**798,563**	**16,996**	**12,982,864**
25,343	673,786	33,936	15,429,828
–16	–27	170	8,911
3,702	6,073	104	277,208
		–237	61,453
16,477	308,551	9,093	1,456,997
1,988	124,764	2,684	154,080
			2,223,148
			2,203,634
			2,729,126
			1,841,868
			–148,420
			629,291
43,518	**863,618**	**40,381**	**17,209,378**

Reinsurers' share	Unearned premiums	Actuarial provision	Provision for outstanding claims
	€ 000	€ 000	€ 000
31 Dec. 2005 Property and casualty insurance			
As at 31 Dec. 2004	27,886	1,813	320,031
Exchange rate differences	40	–4	817
Changes in consolidation scope	612		250
Portfolio changes	–2,264		4,011
Additions		1,052	
Disposals			
Premiums written	270,543		
Premiums earned	267,595		
Claims in reporting year			178,438
Claims payments in reporting year			74,823
Change in claims from previous years			–6,893
Claims payments in previous years			98,612
As at 31 Dec. 2005	**29,222**	**2,861**	**323,220**
31 Dec. 2005 Health insurance			
As at 31 Dec. 2004		1,567	
Exchange rate differences			
Changes in consolidation scope			1
Portfolio changes			
Additions		409	
Disposals			
Premiums written	394		
Premiums earned	325		
Claims in reporting year			45
Claims payments in reporting year			13
Change in claims from previous years			
Claims payments in previous years			
As at 31 Dec. 2005	**69**	**1,976**	**33**
31 Dec. 2005 Life insurance			
As at 31 Dec. 2004		344,135	11,751
Exchange rate differences		17	7
Changes in consolidation scope		17	29
Portfolio changes		7,768	
Additions		16,203	
Disposals		2,974	
Premiums written			
Premiums earned			
Claims in reporting year			13,912
Claims payments in reporting year			12,701
Change in claims from previous years			405
Claims payments in previous years			2,710
As at 31 Dec. 2005		**365,167**	**10,693**
31 Dec. 2005 Group total			
As at 31 Dec. 2004	27,886	347,516	331,783
Exchange rate differences	40	13	824
Changes in consolidation scope	612	17	280
Portfolio changes	–2,264	7,768	4,011
Additions		17,664	
Disposals		2,974	
Premiums written	270,937		
Premiums earned	267,920		
Claims in reporting year			192,395
Claims payments in reporting year			87,537
Change in claims from previous years			–6,488
Claims payments in previous years			101,322
As at 31 Dec. 2005	**29,291**	**370,004**	**333,946**

Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and/or policyholder profit participation € 000	Other actuarial provisions € 000	Total € 000
1,174		1,859	352,765
		2	855
			862
			1,747
674		1,283	3,009
96		383	479
			270,543
			267,595
			178,438
			74,823
			–6,893
			98,612
1,752	**0**	**2,761**	**359,815**
			1,567
			0
			1
			0
			409
			0
			394
			325
			45
			13
			0
			0
0	**0**	**0**	**2,078**
	100	–181	355,806
			24
			47
			7,768
			16,204
		3	2,977
			0
			0
			13,912
			12,701
			405
			2,710
	100	**–184**	**375,776**
1,174	100	1,678	710,138
		2	879
			909
			9,515
674		1,283	19,621
96		386	3,457
			270,937
			267,920
			192,395
			87,537
			–6,488
			101,322
1,752	**100**	**2,577**	**737,670**

Retained	Unearned premiums	Actuarial provision	Provision for outstanding claims
	€ 000	€ 000	€ 000
31 Dec. 2005 Property and casualty insurance			
As at 31 Dec. 2004	286,200	51,003	1,263,918
Exchange rate differences	4,032	–58	3,733
Changes in consolidation scope	2,150		1,401
Portfolio changes	2,174		–3,772
Additions		2,273	
Disposals		2,986	
Premiums written	1,218,493		
Premiums earned	1,204,363		
Claims in reporting year			1,155,707
Claims payments in reporting year			542,058
Change in claims from previous years			–176,563
Claims payments in previous years			331,431
As at 31 Dec. 2005	**308,686**	**50,231**	**1,370,935**
31 Dec. 2005 Health insurance			
As at 31 Dec. 2004	13,908	1,472,661	124,451
Exchange rate differences	–5	10	14
Changes in consolidation scope		242,589	18,055
Portfolio changes	–2,351		
Additions		126,831	
Disposals		2,698	
Premiums written	733,718		
Premiums earned	731,351		
Claims in reporting year			577,348
Claims payments in reporting year			441,183
Change in claims from previous years			5,069
Claims payments in previous years			129,743
As at 31 Dec. 2005	**13,918**	**1,839,393**	**154,010**
31 Dec. 2005 Life insurance			
As at 31 Dec. 2004		10,691,962	85,478
Exchange rate differences		113	69
Changes in consolidation scope		2,208	16
Portfolio changes		56,125	
Additions		976,109	
Disposals		15,985	
Premiums written			
Premiums earned			
Claims in reporting year			803,676
Claims payments in reporting year			771,090
Change in claims from previous years			29,561
Claims payments in previous years			66,796
As at 31 Dec. 2005		**11,710,531**	**80,914**
31 Dec. 2005 Group total			
As at 31 Dec. 2004	300,108	12,215,625	1,473,846
Exchange rate differences	4,027	65	3,816
Changes in consolidation scope	2,150	244,797	19,472
Portfolio changes	–177	56,125	–3,772
Additions		1,105,212	
Disposals		21,669	
Premiums written	1,952,211		
Premiums earned	1,935,714		
Claims in reporting year			2,536,731
Claims payments in reporting year			1,754,332
Change in claims from previous years			–141,932
Claims payments in previous years			527,970
As at 31 Dec. 2005	**322,605**	**13,600,156**	**1,605,860**

	Provision for profit-unrelated premium refunds € 000	Provision for profit-related premium refunds and/or policyholder profit participation € 000	Other actuarial provisions € 000	Total € 000
	14,152	9,031	14,907	1,639,211
	–16	3	159	7,852
			104	3,655
				–1,598
	9,243	11	6,136	17,663
	159	602	1,737	5,484
				1,218,493
				1,204,363
				1,155,707
				542,058
				–176,563
				331,431
	23,220	**8,443**	**19,569**	**1,781,085**
	10,001	40,941	984	1,662,946
				18
	3,702	5,983		270,330
			17	–2,334
	6,560	9,755	119	143,265
	1,717	66	64	4,545
				733,718
				731,351
				577,348
				441,183
				5,069
				129,743
	18,546	**56,612**	**1,055**	**2,083,535**
	15	623,713	16,366	11,417,534
		–30	10	163
		91		2,314
			–254	55,871
		298,785	1,554	1,276,448
	16	124,096	496	140,594
				0
				0
				803,676
				771,090
				29,561
				66,796
	0	**798,463**	**17,179**	**12,607,088**
	24,168	673,686	32,257	14,719,691
	–16	–27	168	8,032
	3,702	6,073	104	276,299
			–237	51,939
	15,803	308,551	7,810	1,437,377
	1,892	124,764	2,298	150,623
				1,952,211
				1,935,714
				2,536,731
				1,754,332
				–141,932
				527,970
	41,766	**863,518**	**37,804**	**16,471,708**

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

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Gross	1,457,644	1,038,225
Reinsurers' share	–255,704	–213,495
	1,201,939	**824,730**

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.

24 ■ Liabilities from loans

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Liabilities under issued debenture bonds		
UNIQA Versicherungen AG, Vienna		
4.00%, € 150 million, bond 2004/2009	149,700	150,000
Loan liabilities	62,031	50,993
up to 1 year	13,711	0
more than 5 years	48,320	50,993
	211,731	**200,993**

25 ■ Provisions for pensions and similar commitments

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Provisions for pensions	401,005	351,820
Provision for severance payments	122,122	110,702
	523,127	**462,522**

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
As at 1 Jan.	462,522	328,964
Change in consolidation scope	4,171	88,442
Changes from foreign currency translation	12	11
Withdrawal for pension payments	–22,336	–17,359
Expenditure in the financial year	78,758	62,464
	523,127	**462,522**

Calculation factors applied

2005	
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
2004	
Technical rate of interest	5.00%
Valorisation of wages and salaries	3.00%
Valorisation of pensions	2.00%
Employee turnover rate	0% or 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. 2005 Group total** € 000	**31 Dec. 2004 Group total** € 000
Current service cost	8,096	11,219
Interest cost	22,765	20,954
Actuarial profit and loss	47,896	30,292
	78,758	**62,464**

Under the contribution-oriented company pension scheme, the employer pays the following fixed amounts:

	31 Dec. 2005 Group total € 000	**31 Dec. 2004 Group total** € 000
	390	**214**

into company pension funds.

The employer has satisfied its obligation by making these contributions.

26 ■ Other provisions

	Balance sheet figures prev. year € 000	Currency translation changes € 000	Change in consolidation scope € 000
Provisions for unconsumed vacations	32,504	26	57
Provisions for anniversary payments	18,998	0	75
	51,502	**26**	**132**
Other personnel provisions	14,885	7	279
Provisions for customer relations and marketing	25,150	–20	0
Provision for Holocaust compensation	4,072	0	0
Provision for variable components of remuneration	17,378	34	0
Provision for legal and consulting expenses	3,513	3	0
Provision for premium adjustment from reinsurance contracts	7,161	6	0
Provision for portfolio maintenance commission	1,500	0	0
Other provisions	53,975	–24	260
	127,632	**6**	**539**
Subtotal	**179,134**	**32**	**671**
Provisions for derivative transactions	22,867	0	0
Total	**202,002**	**32**	**671**

	31 Dec. 2005 Group total € 000
Other provisions*) with a high probability of utilisation (more than 90%)	
up to 1 year	119,273
in 1 to 5 years	3,338
in more than 5 years	6,097
	128,708
Other provisions*) with a lower probability of consumption (less than 90%)	
up to 1 year	34,773
in 1 to 5 years	959
in more than 5 years	142
	35,874
Total	**164,582**

*) Without unconsumed vacations and anniversary payments.

	Utilisation	Reversals	Reclassifications	Additions	Balance sheet figures 2005
	€ 000	€ 000	€ 000	€ 000	€ 000
	–1,133	–1,164	0	1,657	31,948
	–181	–2,563	0	0	16,329
	–1,314	**–3,727**	**0**	**1,657**	**48,277**
	–10,890	–2,322	0	9,918	11,876
	–23,102	–798	–76	27,699	28,853
	–3,972	0	0	0	100
	–15,427	–2,030	45	15,834	15,834
	–3,241	–304	35	5,083	5,088
	–4,169	–322	0	631	3,307
	–1,488	–12	0	1,762	1,762
	–54,218	0	8	60,733	60,733
	–116,507	**–5,788**	**12**	**121,660**	**127,553**
	–117,822	**–9,515**	**12**	**123,317**	**175,830**
	0	–15,672	0	29,834	37,029
	–117,822	**–25,187**	**12**	**153,151**	**212,859**

27 ■ Payables and other liabilities

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
I. Reinsurance liabilities		
1. Deposits held under reinsurance business ceded	626,269	575,677
2. Accounts payable under reinsurance operations	62,982	46,078
	689,251	**621,755**
II. Other liabilities		
Liabilities under insurance business		
Liabilities under direct insurance business		
to policyholders	108,802	125,325
to intermediaries	93,063	71,201
to insurance companies	3,637	4,703
	205,502	**201,229**
Liabilities to credit institutions	**0**	**9,114**
Other liabilities	**224,495**	**143,075**
Of which for taxes	45,667	49,286
Of which for social security	10,149	9,637
Total other liabilities	**429,998**	**353,418**
Subtotal	**1,119,248**	**975,173**
Of which liabilities with a remaining term of		
up to 1 year	575,559	507,154
between 1 and 5 years	26,608	269,936
more than 5 years	517,081	198,084
	1,119,248	**975,173**
III. Other liabilities		
Deferred income	**11,539**	**12,297**
Total payables and other liabilities	**1,130,787**	**987,470**

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

28 ■ Liabilities from income tax

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Liabilities from income tax	**95,361**	**42,917**
Of which liabilities with a remaining term of		
up to 1 year	205	112
between 1 and 5 years	94,938	39,798
more than 5 years	218	3,007
	95,361	**42,917**

29 ■ Deferred tax liabilities

	31 Dec. 2005 Group total € 000	31 Dec. 2004 Group total € 000
Cause of origin		
Actuarial items	135,119	120,636
Untaxed reserves	28,953	29,290
Shares in affiliated companies	28,425	28,425
Investments	71,434	51,774
Other	4,900	6,553
	268,831	**236,677**
Of which not affecting income	43,007	28,653

Notes to the Consolidated Income Statement 2005

30 ■ Premiums written

Direct business	2005 Group total € 000	2004 Group total € 000
1. Property and casualty insurance	1,876,302	1,577,749
2. Life insurance	1,568,783	1,171,460
3. Health insurance	843,023	741,956
	4,288,108	**3,491,165**
Of which written in:		
1. Austria	3,057,892	2,837,313
2. Other member states of the EU and other signatory states of the Treaty on the European Economic Area	1,170,770	607,033
3. Other countries	59,446	46,818
	4,288,108	**3,491,165**

Indirect business	2005 Group total € 000	2004 Group total € 000
1. Property and casualty insurance	57,276	77,836
2. Life insurance	22,410	27,873
3. Health insurance	2,371	2,678
	82,057	**108,387**

	2005 Group total € 000	2004 Group total € 000
Total (fully consolidated values)	**4,370,165**	**3,599,551**

Premiums written in property and casualty insurance	2005 Group total € 000	2004 Group total € 000
Direct business		
Fire and business interruption insurance	160,802	138,413
Household insurance	151,163	123,610
Other property insurance	175,925	144,186
Motor TPL insurance	471,553	405,783
Other motor insurance	311,577	281,783
Casualty insurance	210,439	185,783
Liability insurance	198,175	159,543
Legal expenses insurance	40,353	35,365
Marine, aviation and transport insurance	103,790	69,460
Other insurance	52,526	33,823
Total	**1,876,302**	**1,577,749**
Indirect business		
Marine, aviation and transport insurance	3,272	5,832
Other insurance	54,004	72,004
Total	**57,276**	**77,836**
Total direct and indirect business (fully consolidated values)	**1,933,578**	**1,655,585**

Reinsurance premiums ceded	2005 Group total € 000	2004 Group total € 000
1. Property and casualty insurance	285,929	274,343
2. Life insurance	67,642	32,943
3. Health insurance	839	106
	354,410	**307,391**

31 ■ Premiums earned (retained)

		2005 Group total € 000	2004 Group total € 000
1.	**Property and casualty insurance**	**1,627,706**	**1,393,521**
	Gross	1,912,925	1,672,586
	Reinsurers' share	–285,220	–279,065
2.	**Life insurance**	**1,523,309**	**1,166,107**
	Gross	1,591,095	1,199,038
	Reinsurers' share	–67,786	–32,932
3.	**Health insurance**	**849,415**	**742,064**
	Gross	850,321	742,170
	Reinsurers' share	–906	–106
(fully consolidated values)		**4,000,429**	**3,301,692**

Premiums earned in indirect business	2005 Group total € 000	2004 Group total € 000
Posted immediately	17,197	46,182
Posted after up to one year	40,129	31,927
Posted after more than one year	0	218
Property and casualty insurance	**57,326**	**78,327**
Posted immediately	599	591
Posted after up to one year	22,115	27,282
Posted after more than one year	–304	0
Life insurance	**22,410**	**27,873**
Posted immediately	717	946
Posted after up to one year	1,653	1,732
Health insurance	**2,371**	**2,678**
Premiums earned in indirect business (fully consolidated values – gross)	**82,107**	**108,878**

Earnings from indirect business	2005 Group total € 000	2004 Group total € 000
1. Property and casualty insurance	18,295	9,544
2. Life insurance	2,185	1,538
3. Health insurance	–448	–372
Earnings from indirect business (fully consolidated values – gross)	**20,032**	**10,711**

32 ■ Income from fees and provisions

	2005 Group total € 000	2004 Group total € 000
Reinsurance commission and profit shares from reinsurance business ceded	**66,744**	**69,429**
1. Property and casualty insurance	55,851	59,984
2. Life insurance	10,818	9,434
3. Health insurance	74	11
(fully consolidated values)	**66,744**	**69,429**

33 ■ Net investment income*

	Property and casualty insurance		Life insurance	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000
I. Properties held as financial investments	**6,201**	**12,507**	**3,994**	**27,402**
II. Variable yield securities	**65,698**	**5,919**	**403,428**	**90,273**
1. Available for sale	57,054	10,363	312,335	74,657
2. Reported in the income statement	8,644	–4,444	91,093	15,616
III. Fixed interest securities	**69,069**	**51,725**	**490,996**	**423,207**
1. Held to maturity	0	0	0	0
2. Available for sale	68,220	51,631	448,792	401,948
3. Reported in the income statement	849	94	42,204	21,259
IV. Loans and other investments	**22,111**	**17,283**	**41,080**	**48,353**
1. Loans	17,869	3,621	24,242	26,423
2. Other investments	4,242	13,662	16,838	21,930
V. Derivative financial instruments	**–22,314**	**2,813**	**–189,873**	**7,225**
VI. Expenditures for asset management, interest expenditures and other investment expenditures	**–8,490**	**–4,263**	**–7,281**	**–6,304**
(fully consolidated values)	**132,274**	**85,983**	**742,343**	**590,155**

*** The total income (net) from investments is shown here without the earnings from associated companies.**

	Ordinary income		Write-ups and unrealised capital gains	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000
I. Properties held as financial investments	**40,457**	**51,090**	**0**	**52**
II. Variable yield securities				
1. Available for sale	79,418	55,245	28,365	11
2. Reported in the income statement	42,629	51,585	55,833	0
III. Fixed interest securities				
1. Held to maturity	0	0	0	0
2. Available for sale	368,117	449,046	59,225	0
3. Reported in the income statement	40,159	26,277	3,567	0
IV. Loans and other investments				
1. Loans	59,716	48,096	2,582	0
2. Other investments	22,467	37,266	0	0
V. Derivative financial instruments	**–9,255**	**22,033**	**37,880**	**0**
VI. Expenditures for asset management, interest expenditures and other investment expenditures	**–18,247**	**–13,025**	**0**	**0**
(fully consolidated values)	**625,462**	**727,613**	**187,452**	**64**

	Health insurance		Consolidated Financial Statements	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000
	6,215	**8,346**	**16,410**	**48,255**
	35,518	**7,283**	**504,643**	**103,475**
	29,452	6,160	398,841	91,179
	6,065	1,123	105,802	12,295
	61,196	**59,174**	**621,260**	**534,105**
	0	0	0	0
	57,751	56,563	574,762	510,142
	3,445	2,611	46,498	23,964
	18,479	**12,145**	**81,670**	**77,781**
	17,092	10,470	59,203	40,514
	1,387	1,675	22,467	37,267
	–16,950	**0**	**–229,137**	**10,038**
	–2,475	**–2,458**	**–18,247**	**–13,025**
	101,982	**84,490**	**976,600**	**760,628**

	Realised capital gains		Write-offs and unrealised capital losses		Realised capital losses		Consolidated Financial Statements	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000	2005 € 000	2004 € 000	2005 € 000	2004 € 000
	797	**33,321**	**–24,754**	**–31,387**	**–91**	**–4,821**	**16,410**	**48,255**
	299,491	102,668	–4,466	–39,911	–3,967	–26,834	398,841	91,179
	19,865	0	–1,406	–39,289	–11,119	0	105,802	12,295
	0	0	0	0	0	0	0	0
	175,238	100,711	–21,501	–28,136	–6,317	–11,480	574,762	510,142
	9,637	9,697	–4,939	–523	–1,927	–11,486	46,498	23,964
	3,329	4,353	–6,420	–11,935	–5	0	59,203	40,514
	0	0	0	0	0	0	22,467	37,267
	55,377	**0**	**–82,912**	**–11,996**	**–230,226**	**0**	**–229,137**	**10,037**
	0	**0**	**0**	**0**	**0**	**0**	**–18,247**	**–13,025**
	563,734	**250,750**	**–146,397**	**–163,177**	**–253,651**	**–54,622**	**976,600**	**760,628**

Impairment	Write-offs and value adjustment		Of which current depreciation/amortisation		Of which value adjustment	
	2005 € 000	2004 € 000	2005 € 000	2004 € 000	2005 € 000	2004 € 000
I. Properties held as financial investments	**–24,754**	**–31,387**	**–24,754**	**–31,387**	**0**	**0**
II. Variable yield securities						
1. Available for sale	–4,466	–39,911	3,607	–38,476	–8,073	–1,435
2. Reported in the income statement	–1,406	–39,289	–1,406	–39,289	0	0
III. Fixed interest securities						
1. Held to maturity	0	0	0	0	0	0
2. Available for sale	–21,501	–28,136	–65	–26,281	–21,436	–1,855
3. Reported in the income statement	–4,939	–523	–4,939	–523	0	0
IV. Loans and other investments						
1. Loans	–6,420	–11,935	–6,420	–11,935	0	0
2. Other investments	0	0	0	0	0	0
V. Derivative financial instruments	**–82,912**	**–11,996**	**–82,912**	**–11,996**	**0**	**0**
VI. Expenditures for asset management, interest expenditures and other investment expenditures	**0**	**0**	**0**	**0**	**0**	**0**
(fully consolidated values)	**–146,397**	**–163,177**	**–116,888**	**–159,887**	**–29,509**	**–3,289**

34 ■ Other income

	2005 Group total € 000	2004 Group total € 000
a) Other actuarial income	**12,616**	**18,080**
Property and casualty insurance	9,816	14,220
Life insurance	2,521	3,322
Health insurance	280	537
b) Other non-actuarial income	**18,054**	**15,434**
Property and casualty insurance	13,781	11,437
Life insurance	3,344	3,741
Health insurance	929	256
Of which		
Services rendered	5,028	5,785
Changes in exchange rates	2,148	3,173
Other	10,878	6,476
c) Other income	**5,896**	**1,922**
from foreign currency conversion	1,377	1,861
from other	4,519	61
(fully consolidated values)	**36,566**	**35,435**

35 ■ Insurance benefits

	2005			2004		
	Gross € 000	Reinsurers' share € 000	Retention € 000	Gross € 000	Reinsurers' share € 000	Retention € 000
Property and casualty insurance						
Expenditure for claims						
Claims paid	1,141,388	–170,547	970,841	981,934	–139,787	842,147
Change in provision for outstanding claims	101,980	7,341	109,321	70,577	–13,384	57,193
Total	**1,243,368**	**–163,206**	**1,080,162**	**1,052,511**	**–153,171**	**899,340**
Change in actuarial provision	–1,429	–1,052	–2,481	177	–1,462	–1,285
Change in other actuarial provisions	1,568	501	2,069	–4,209	–8	–4,217
Expenditure for profit-unrelated and -related premium refunds	27,192	–818	26,373	14,997	–1,332	13,665
Total amount of benefits	**1,270,699**	**–164,576**	**1,106,123**	**1,063,475**	**–155,972**	**907,503**
Life insurance						
Expenditure for claims						
Claims paid	821,923	–46,189	775,733	717,199	–19,839	697,360
Change in provision for outstanding claims	–5,785	1,100	–4,685	–40,638	–1,045	–41,682
Total	**816,138**	**–45,089**	**771,049**	**676,561**	**–20,884**	**655,677**
Change in actuarial provision	901,734	–18,313	883,421	557,037	–6,866	550,171
Change in other actuarial provisions	706	0	706	913	0	913
Expenditure for profit-unrelated and -related premium refunds and/or (deferred) profit participation	242,544	0	242,544	243,865	0	243,865
Total amount of benefits	**1,961,122**	**–63,402**	**1,897,720**	**1,478,376**	**–27,750**	**1,450,627**
Health insurance						
Expenditure for claims						
Claims paid	622,163	–262	621,901	577,925	–247	577,678
Change in provision for outstanding claims	11,518	–32	11,486	3,531	0	3,531
Total	**633,681**	**–295**	**633,387**	**581,456**	**–247**	**581,209**
Change in actuarial provision	104,267	–409	103,858	73,897	–34	73,862
Change in other actuarial provisions	40	0	40	17	0	17
Expenditure for profit-related and -unrelated premium refunds	35,779	–4	35,775	20,214	–2	20,212
Total amount of benefits	**773,767**	**–707**	**773,060**	**675,584**	**–283**	**675,301**
(fully consolidated values)	**4,005,588**	**–228,685**	**3,776,903**	**3,217,435**	**–184,005**	**3,033,431**

36 ■ Operating expenses

	2005 Group total € 000	2004 Group total € 000
Property and casualty insurance		
a) Acquisition costs		
Payments	406,901	364,215
Change in capitalised acquisition costs	–7,235	–1,868
b) Other operating expenses	208,949	174,722
	608,615	**537,069**
Life insurance		
a) Acquisition costs		
Payments	207,848	180,388
Change in capitalised acquisition costs	–40,041	–22,900
b) Other operating expenses	87,105	81,426
	254,912	**238,914**
Health insurance		
a) Acquisition costs		
Payments	79,316	65,930
Change in capitalised acquisition costs	–979	679
b) Other operating expenses	52,597	53,030
	130,934	**119,639**
(fully consolidated values)	**994,461**	**895,622**

37 ■ Other expenses

	2005 Group total € 000	2004 Group total € 000
a) Other actuarial expenses	**67,060**	**55,721**
Property and casualty insurance	21,825	29,148
Life insurance	38,731	20,831
Health insurance	6,503	5,742
b) Other non-actuarial expenses	**25,813**	**22,326**
Property and casualty insurance	24,086	21,539
Life insurance	1,282	578
Health insurance	445	208
Of which		
Services rendered	1,759	2,063
Exchange rate losses	7,852	3,991
Motor vehicle registration	3,711	1,776
Other	12,491	14,495
c) Other expenses	**357**	**7,077**
for foreign currency translation	357	278
for other	0	6,799
(fully consolidated values)	**93,230**	**85,124**

38 ■ Profit from associated companies

	2005 Group total € 000	2004 Group total € 000
Income from associated companies	**12,871**	**11,153**

Shares in associated companies	**2005** € 000	**2004** € 000
Ordinary income	18,358	8,358
Write-ups and unrealised capital gains	0	0
Realised capital gains	0	5,082
Depreciation/amortisation and unrealised capital losses	–5,488	–2,287
Realised capital losses	0	0
Consolidated Financial Statements	**12,871**	**11,153**

39 ■ Tax expenditure

	2005 Group total € 000	2004 Group total € 000
Income tax		
Actual tax	56,969	42,803
Deferred tax	22	–23,777
(fully consolidated values)	**56,991**	**19,026**

Reconciliation statement	2005 Group total € 000	2004 Group total € 000
A. Earnings from ordinary activities	**190,332**	**120,824**
B. Anticipated tax expenditure (A * Group tax rate),	**46,913**	**31,175**
adjusted by tax effects from		
1) Tax-free investment income	–4,665	–3,462
2) Other	14,742	–8,687
Amortisation of goodwill	2,794	4,456
Non-deductible expenses/other tax-exempt income	2,215	3,795
Changes/deviations in tax rates	4,981	–24,544
End to loss carried forward and other	4,752	7,606
C. Income tax expenditure	**56,991**	**19,026**

The basic applicable corporate income tax rate for all segments was 25%. For life insurance, to the extent that the minimum taxation is applied, in the case of an assumed profit participation of 85%, this leads to a different corporate tax rate.

Other disclosures

Employees

Personnel expenses	2005 Group total € 000	2004 Group total € 000
Salaries and wages	258,055	247,834
Expenses for severance payments	25,348	40,273
Expenses for employee pensions	53,175	29,662
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	84,033	81,635
Other social expenditures	4,244	4,051
	424,856	**403,454**
Of which business development	132,160	121,333
Of which administration	269,376	256,840

The data are based on IFRS valuation.

Average number of employees	2005	2004
Total	**9,943**	**9,701**
Of which business development	3,469	3,406
Of which administration	6,474	6,295

	2005 € 000	2004 € 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	17,350	1,514
Other employees	80,440	26,133

Both figures include the expenditure for pensioners and surviving dependants (basis: Commercial Code valuation). The indicated expenses were charged to the group companies based on defined company processes. The increase can primarily be attributed to the reduction of the discount rate from 6% to 4%. For the anticipated expense from the reduction of the discount rate to 4%, a provision in the amount of € 51.7 million was formed at the affected group companies in 2004. The corresponding expense was reported by the affected group companies under extraordinary result in 2004. Of the remaining additional expenditure, € 8.7 million comprises the effect of the introduction of the corridor pension rule by the Pension Harmonisation Act of 2004.

Earnings of the Management and Supervisory Board

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

	2005 € 000	2004 € 000
The expenses for remuneration of Management Board members attributable to the reporting year amounted to:		
Regular payments	1,903	989
Performance-related remunerations[1)]	1,541	894
	3,444	**1,883**
Of which charged to operational subsidiaries:	3,272	1,789
Former members of the Management Board and their surviving dependants were paid:	2,411	2,252
Because of pension commitments to these persons, the following provision was set up on 31 December	26,552	24,908

[1)] Included in the variable portion are effects from the previous year amounting to € 2,000 (2004: € –24,000).

The remuneration to members of the Supervisory Board for their work in the reporting year amounted to € 416,000 (2004: € 439,000, of which € 129,000 affected expenses in 2005). Meeting attendance fees in the amount of € 37,000 were paid in the reporting year (2004: € 35,000). The total expense breaks down as follows:

	2005 € 000	2004 € 000
For the current financial year (provision)	416	310
For the previous financial year (settlement)	129	96
Meeting attendance fees	37	35
	582	441

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

The information according to Section 239 paragraph 1 of the Commercial 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 IFRSs, 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 Commercial Code, with expanded scope. In addition to the executive functions (Management Board) of UNIQA Versicherungen AG, the individual financial statements also include the earnings of the management boards of the subsidiaries, insofar as 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 financial year 2005 in the form of bonus agreements and provided as a one-time payment based on the earnings situation in 2005. The basis for determining the size of the bonus is the return on equity based on the IFRSs Consolidated Financial Statements 2005 of UNIQA Versicherungen AG. The system for profit participation was changed with respect to the previous year. In 2004, the profit participation by the Management Board was oriented around the indicators of premium growth, sales profitability, productivity, technical profit and return on equity.

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 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 by 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	2005 Group total € 000	2004 Group total € 000
Receivables and liabilities with affiliated and associated companies as well as related persons		
Mortgage loans and other loans	**119**	**1,118**
Affiliated companies	119	1,118
Receivables	**3,998**	**3,433**
Receivables under insurance business	0	106
Affiliated companies	0	106
Other receivables	3,998	3,327
Affiliated companies	3,977	3,323
Associated companies	21	4
Liabilities	**2,377**	**879**
Liabilities under insurance business	0	70
Affiliated companies	0	8
Associated companies	0	61
Other liabilities	2,377	809
Affiliated companies	2,376	788
Associated companies	1	21
Income and expenses of affiliated companies as well as related persons		
Income	**814**	**0**
Investment income	811	0
Affiliated companies	811	0
Other income	3	0
Affiliated companies	3	0

Other financial commitments and contingent liabilities	2005 € 000	2004 € 000
Contingent liabilities from risks of litigation	**8,751**	**2,474**
Foreign	8,751	2,474
Other contingent liabilities (affiliated, not consolidated)	**78**	**0**
Foreign	78	0
Other contingent liabilities	**52**	**0**
Foreign	52	0
	8,881	**2,474**

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.

	2005 Group total € 000
Future leasing payments due to the financing of the new UNIQA headquarters in Vienna	
up to 1 year	5,254
more than 1 year up to 5 years	21,015
more than 5 years	52,538
Total	**78,808**
Income from subleasing in 2005	**306**

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

Vienna, 24 March 2006

Konstantin Klien

Hannes Bogner

Gottfried Wanitschek

Andreas Brandstetter

Karl Unger

Auditor's Report

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 2005. The compilation and content of these Consolidated Financial Statements in agreement with the International Financial Reporting Standards (IFRSs), as applicable in the EU, as well as creation of the Group Management Report in agreement with the Austrian commercial regulations are the responsibility of the legal representatives of the company. We are responsible for rendering an audit opinion on these Consolidated Financial Statements on the basis of our audit and for making a statement on whether the Group Management Report agrees with the Consolidated Financial Statements.

We executed our audit with due attention to the legal regulations applicable in Austria and the generally accepted auditing standards as well as the International Standards on Auditing (ISAs). These standards require that the audit be planned and executed in such a manner that a reasonably sure judgment may be given as to whether the Consolidated Financial Statements are free of any substantially incorrect statements and a statement can be made on whether the Group Management Report agrees with the Consolidated Financial Statements. In the definition of the audit procedures, the knowledge of the business activities and of the economic and legal environment of the group as well as the expectations of possible errors are taken into consideration. Within the course of the audit, the documentation for stated amounts and other information in the Consolidated Financial Statements are evaluated on the basis of spot checks. The audit also included our evaluation of the accounting principles applied and the essential estimates made by the legal representatives of the company as well as an assessment of the overall tenor of the Consolidated Financial Statements. We think that our audit constitutes a sufficiently reliable basis for our audit opinion.

Our audit did not lead to any objections. In our opinion, based on the findings of our audit, the Consolidated Financial Statements give an accurate view of the net assets and financial position of the Group as of 31 December 2005 as well as the results of operations and cash flow for the financial year from 1 January to 31 December 2005 in accordance with the International Financial Reporting Standards (IFRSs), as applicable in the EU. The Group Management Report agrees with the Consolidated Financial Statements.

Vienna, 28 March 2006

KPMG
Wirtschaftsprüfungs- und
Steuerberatungs GmbH

	by procuration
Walter Knirsch e. h.	Friedrich Unterkircher e. h.
Austrian Chartered	Austrian Chartered
Accountant	Accountant
and Tax Consultant	and Tax Consultant

Report of the Supervisory Board

During the past financial year, the Supervisory Board was continually kept informed of the business development and the situation of the group and the company by the Management Board, and it also supervised the conduct of business of the Management Board. In the four Supervisory Board meetings held in 2005, the Management Board presented extensive quarterly reports as well as additional verbal and written reports to the Supervisory Board.

To facilitate the work of the Supervisory Board and to improve its efficiency, the following committees were set up in addition to the mandatory Financial Audit Committee: Working Committee, Investment Committee, Committee for Board Affairs. The Working Committee and the Investment Committee each held four meetings in 2005, the Committee for Board Affairs held two meetings. The Financial Auditing Committee held one meeting. The Management Board provided comprehensive information about measures requiring the approval of the Supervisory Board or its committees.

The Financial Statements prepared by the Management Board and the Management Report of UNIQA Versicherungen AG as well as the Consolidated Financial Statements created according to the International Financial Reporting Standards (IFRS) and the Group Management Report for the year 2005 were audited by KPMG Wirtschaftsprüfungs- und Steuerberatungs GmbH and awarded an unqualified audit opinion. The Supervisory Board acknowledged and approved the results of the audit.

The Supervisory Board approved the Consolidated Financial Statements and the Financial Statements of UNIQA Versicherungen AG and agreed to the Group Management Report and the management report. The financial statements 2005 were thereby adopted in accordance with Section 125 of the Stock Corporation Law.

The proposed appropriation of earnings submitted by the Management Board to the Supervisory Board was examined and approved by the Supervisory Board. On this basis, a dividend distribution of 26 cents per share will be proposed at the Annual General Meeting on 15 May 2006.

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

Vienna, April 2006
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
Cash surplus from operating, investing and financing activities generated by the company during a specific period (source and application of funds).

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

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

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 in relation to premiums earned.

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

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

Deferred taxes (active/passive)
Deferred taxes arise from temporary differences between 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. Examples are: options, futures, forwards, and swaps.

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

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 (ordinary/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 profit for the year. Subscription rights are created by issuing convertible bonds (i.e. the conversion rights) and through call options.

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.

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

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

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

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

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

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

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

IASs
International Accounting Standards.

IFRSs
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 (IASs).

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.

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

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

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

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

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

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

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

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

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

Provision for premium 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.

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

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

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.

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

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

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-sales 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.

Segment reports
The breakdown of the Group Financial Statements into business lines (property and casualty insurance, life and health insurance) and regions.

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

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

Solvability
Level of own funds in an insurance company.

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

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

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

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

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

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

Underlying instrument
Security or other item of reference underlying a derivative.

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.

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

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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Imprint

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Concept and design
Kirchhoff Consult AG, Hamburg

Printed by
Grasl Druck und Neue Medien, Bad Vöslau

Translation
Interlingua Language Services GmbH, Vienna

Information
The group report is also available in an interactive online version at our website **ar2005.uniqagroup.com.**

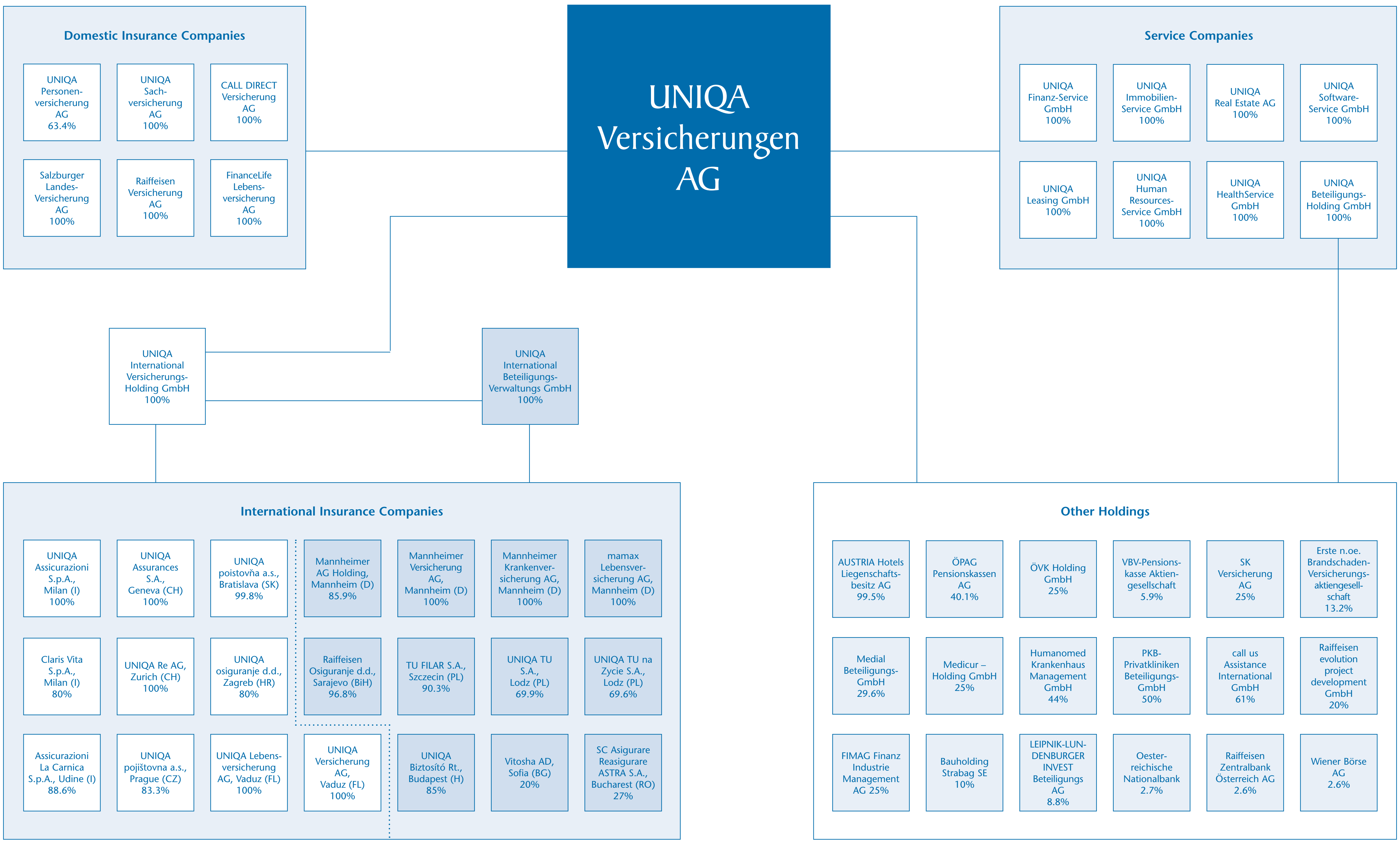
The annual reports of the individual Austrian companies of the UNIQA Group can also be downloaded in PDF format at this address.

www.uniqagroup.com

Financial Calendar for 2006

Annual General Meeting	15 May 2006
1st quarterly report 2006	31 May 2006
Ex-dividend date	29 May 2006
2nd quarterly report 2006	31 August 2006
3rd quarterly report 2006	30 November 2006

UNIQA Group Organisational Chart



As of February 2006 (simplified version)