UNIQA Group / UNIQA Insurance Group AG / UNIQA Österreich Versicherungen AG

Solvency and Financial Condition Report 2018

Think UNIQA

UNIQA Group / UNIQA Insurance Group AG / UNIQA Österreich Versicherungen AG

Solvency and Financial Condition Report 2018

Think UNIQA

Solvency and Financial Condition Report

Introduction[1)]

Single Solvency and Financial Condition Report

1) Additional voluntary and unaudited publication

Ladies and gentlemen, dear shareholders,

This report on the solvency and financial condition of our company is intended to provide you with detailed, transparent and easy-to-comprehend insights into our working processes in finance and risk management. It aims to provide an in-depth illustration of the results in the risk and capital management while still taking into account the strategic overview of our company.

A sound solvency position and proactive approach to risks continue to form the basis of all our business actions and are ultimately the foundation for our mission to support "safer, better, longer living" for our customers, employees, and shareholders.

In the 2018 financial year we maintained our focus on further developing risk management. One of the priority areas here was the expansion and continuous improvement of the partial internal model in order to continue strengthening the regulatory solvency position and to be ready for the upcoming Solvency II review. Yet we continue to attach importance to managing operational risks as part of our recently redefined strategy for the internal control system (ICS). Significant innovations in this regard include harmonisation of a Group-wide Catalogue of Risks and an integrated approach regarding different sources of operational risks.

UNIQA enhanced the processes for managing data protection as part of efforts to implement the new General Data Protection Regulation. This included for instance implementation of a data protection management system where data protection coordinators operate in all significant departments and with sustainable data protection processes deployed. We also developed our security management and above all implemented measures aimed at improved mitigation of cyber security risks.

Insurance companies face huge challenges as a result of the ever-changing risk landscape in which we find ourselves. However, UNIQA is already focusing on dealing with these risks appropriately so that we can continue to act in your interests at all times. In 2018 for instance we developed a structured process aimed at identifying potential emerging risks and assessing their impact on our portfolio. UNIQA is also a prospective member of the Chief Risk Officer Forum (CRO Forum) and deals with the issue of emerging risks as part of a separate working group. UNIQA even assumed the chairmanship of the "Emerging Risk Initiative" effective 1 January 2019.

We hope that this report on the 2018 solvency and financial condition of our company helps to further strengthen your trust in UNIQA and our products and services.

Yours sincerely,

Kurt Svoboda
CFRO UNIQA Insurance Group AG

Highlights of 2018

New initiative for early identification of emerging risks

UNIQA launches a structured process in 2018 for identifying potential emerging risks as well as evaluating and analysing their impact on the portfolio. UNIQA also works on this issue in a separate working group as a member of the CRO Forum.

UNIQA expands its partial internal model

UNIQA works intensively on efforts to develop the partial internal model approved in December 2017 for property and casualty insurance in order to continue strengthening the Group's solvency position.

UNIQA sells shares in Casinos Austria

The sale of the indirect stake of 11.35 per cent in Casinos Austria Aktiengesellschaft to CAME Holding GmbH decided by UNIQA in January 2017 is completed in the first quarter of 2018.

UNIQA 4WARD: TOWARDS SHARED SERVICES

With the formation of UNIQA 4WARD as a branch establishment of UNIQA Insurance Group AG in Bratislava, UNIQA makes a crucial step towards a shared service model in the second quarter of 2018. The new entity is responsible for coping with resource bottlenecks more effectively using centralised services and thereby relieving the strain on the everyday business of the companies. UNIQA 4WARD means that UNIQA will also be able to meet additional future requirements on time and with the required quality.

Kurt Svoboda becomes the new president of the Austrian Insurance Association (VVO)

Kurt Svoboda, Chairman of the Management Board at UNIQA Austria and CFRO of the UNIQA Group, assumes the role of president of the Austrian Insurance Association (VVO) effective 1 January 2019. The presidency of the voluntary interest group for all private insurers operating in Austria changes every two years. Svoboda coordinates the latest topics relevant to the insurance industry in his new role. The president is also responsible for the final decision in the collective bargaining negotiations. The key issues for the next two years include ensuring a modern and strong positioning for the Austrian insurance industry, particularly with respect to the upcoming tax reforms and the issue of regulation.

Central Europe (CE)

Eastern Europe (EE)

Southeastern Europe (SEE)

Russia

The pin shows the market position in the relevant country.

1) The market position in Russia relates solely to life insurance.

UNIQA 2.0 – ambitious objectives, clear strategy

In 2011, UNIQA launched an ambitious strategic programme entitled "UNIQA 2.0", featuring multiple phases. After the first implementation phase during 2011 and 2012 in which we concentrated on "getting ready", we were able to achieve initial successes in the second phase (2013 to 2015).

Due to fundamental changes in customer expectations and behaviour, as well as disruptive developments to our market environment, in 2016 UNIQA began to rethink the business model as well as the underlying products and processes from the customer's point of view. The result was an adjustment to the objectives for the third phase of the strategy programme, entitled "Shaping the future". During this third phase, the symbolic representation of a house – the "UNIQA House", which can be found on page 8 – was developed as a memorable image for the programme's objectives and strategic actions.

UNIQA launched the largest innovation programme in the company's history in 2016 in order to trigger the innovation boost necessary for a successful future, in particular the digitalisation of our business. By 2025, the Group will have invested around €500 million into the future of the company. Most of it will flow into the redesign of our business model, the creation of expertise in terms of personnel and the necessary IT systems required to transform UNIQA's core business from an insurance provider into an integrated service provider.

UNIQA 2.0 – Phase 3

1. Growth

We expect average growth of around 2 per cent p.a. in premiums written for the period until 2020. While expectations for premium growth in life insurance in Austria are muted, we expect average growth of just under 3 per cent p.a. in health insurance and of approximately 4 per cent p.a. in property and casualty insurance for the period stated.

2. Cost ratio

The aim is to improve efficiency and the cost structure on a continuous basis. The investment programme launched in 2016 of around €500 million over ten years will lead to an increase in the cost ratio in the medium term. We expect an overall cost ratio of under 24 per cent as of 2020 as a result of these investments.[1)]

3. Combined ratio

The combined ratio in property and casualty insurance is the most important key figure for us in terms of profitability in the core business. The objective of bringing the combined ratio below 95 per cent on a sustainable basis by 2020 is therefore our top priority.

4. Economic capital ratio (ECR)

We are striving to achieve an economic capital ratio of 170 per cent with a maximum fluctuation margin (targeted range) of between 155 and 190 per cent.

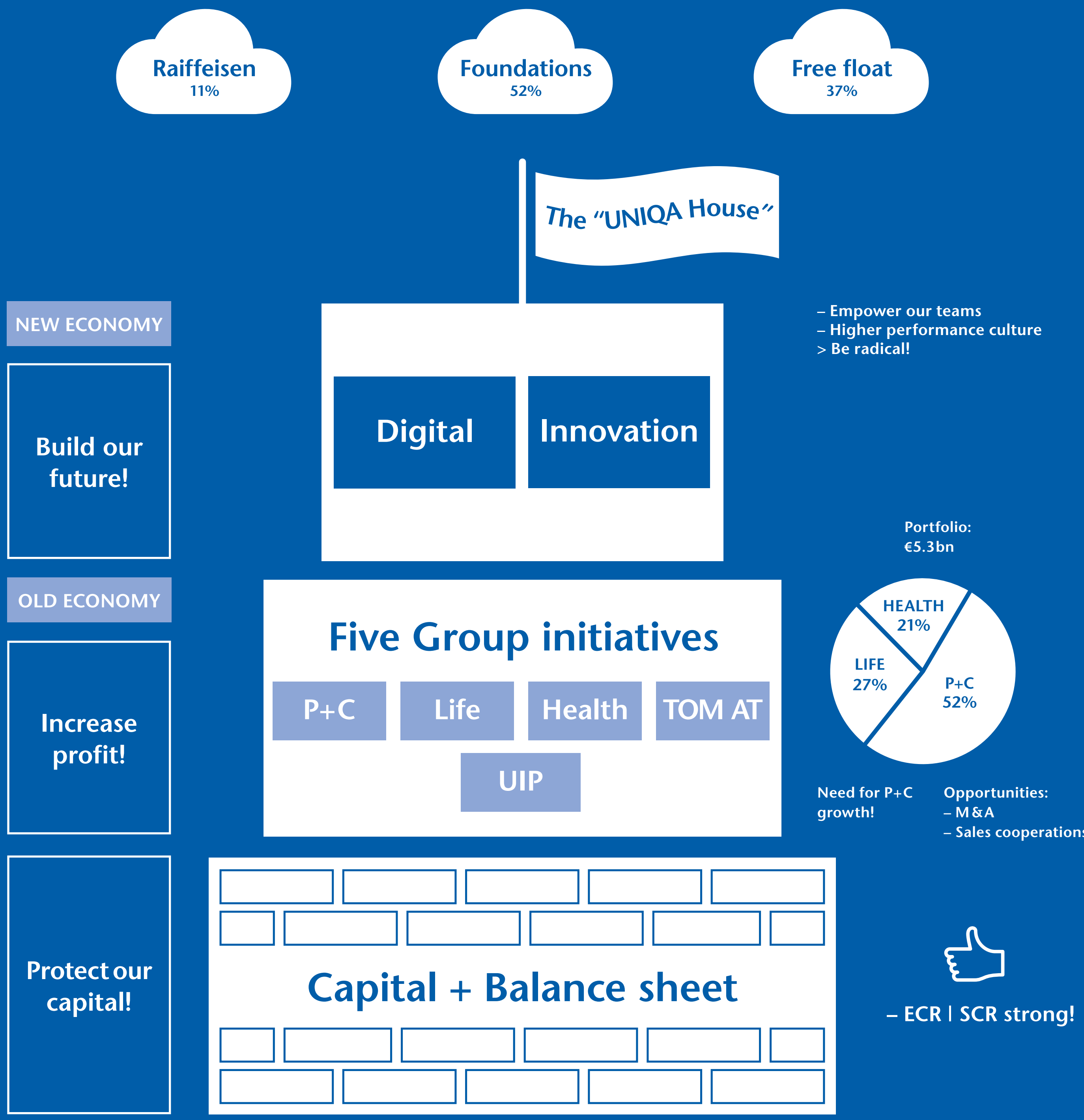
5. Profitability

The operating return on equity is defined as the criterion for profitability.[2)] Achieving a rate of return on capital employed in line with the risk is a central prerequisite for any sustainable business model. To this end, we aim to achieve an operating return on equity of around 13.5 per cent on average in the period between 2017 and 2020.

6. Attractive dividends

Our shareholders should receive an attractive dividend in return for providing their capital. Despite extraordinary investments and persistently low interest rates, we intend to steadily increase the annual distribution of dividends per share over the coming years as part of a progressive dividend policy.

1) This objective has been adjusted in the Group following the signing of the agreement to sell the Italian companies and the decrease in single premium business associated with this.
2) Definitions of the essential key figures can be found in the glossary.



Combined ratio
2016: 98.1%
2017: 97.5%
2018: 96.8%

Earnings before taxes
2016: €226m[1)]
2017: €265m
2018: €295m

Dividend per share
2016: €0.49
2017: €0.51
2018: €0.53[2)]

ECR
2016: 215%
2017: 210%
2018: 205%

[1)] Excluding Italian contributions

[2)] Proposal to the Annual General Meeting

Shaping the future
Phase 3: 2016–2020

Capital – the foundation

Customer confidence in our ability to settle our liabilities at any time forms the basis of our business. A strong and solid balance sheet is therefore a strategic must for UNIQA.

We have set ourselves the objective of attaining an economic capital ratio (ECR) within a fluctuation margin (targeted range) of between 155 and 190 per cent. This allows us to ensure that UNIQA always remains solvent, including under structural conditions that have deteriorated significantly, and is also able to make the most of any opportunities in the insurance business at all times.

With this objective in mind, we have consistently improved our capital position since 2011. As a result, UNIQA is now among the leading companies in European insurance in two aspects: not only is the achieved capital ratio very solid, but the calculation used to determine it is also very conservative compared to our European competitors. For example, UNIQA does not apply any of the transitional regulations, and additionally backs all government bonds with risk capital.

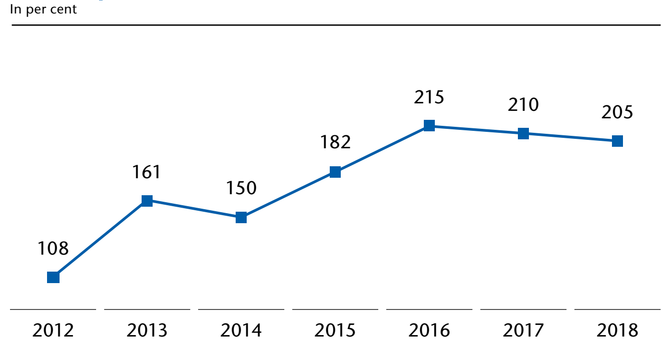
Our strong capital position supports the existing business, but above all puts us in a position to look intensively for growth opportunities, since it is becoming increasingly difficult to invest excess capital at an appropriate rate of return. With our strong capital base, we can easily finance not only the organic growth, but we are also in a position to generate additional external growth through acquisitions.

205%
ECR

UPDATE 2018
Capital – the foundation

While our capital ratio has risen clearly and steadily over the last few years through ongoing strengthening of our capital base, additional receipt of funds from corporate sales (particularly the business in Italy) and the approval of a partial internal model, the goal for 2018 was to maintain this excellent level. Despite a year on the financial markets that was more than challenging, we achieved this objective with an economic capital ratio (ECR) of 205 per cent as at 31 December 2018. At 248 per cent, our regulatory capital ratio (SCR) was even higher because some European government bonds are classified as risk-free in the standard model.

Development of the ECR
In per cent



1 **Property and casualty insurance**
Further increases in earnings power

2 **Health insurance**
Confirmation of our leading position

3 **Life insurance**
Repositioning of the product portfolio

4 **UNIQA Insurance Platform**

5 **Target Operating Model (TOM)**

Five Group initiatives: increasing efficiency and profitability in the core business

Five strategic initiatives in our core underwriting business build on the foundation of our strong capital base.

A programme was developed aimed at safeguarding and increasing sustainable operating profitability in each of the three business lines of property and casualty insurance, health insurance and life insurance. This programme is now being implemented under the supervision of the relevant expert Board Member. Two further strategic initiatives are running alongside this with a Group-wide effect on the core business.

1 Property and casualty insurance: Further increases in earnings power

A significant increase in earnings performance is one clear objective in the property and casualty insurance segment – the segment from which UNIQA expects the largest amount of premium growth. The combined ratio is the index used to measure this, i.e. the ratio of expenditures for insurance operations and benefits to premiums written. We have already begun a number of projects aimed at reducing the combined ratio to below 95 per cent on a sustainable basis by 2020, supported by investments in operational excellence.

We were able to improve the combined ratio in property and casualty insurance in 2018 to 96.8 per cent in

UPDATE 2018
Property and casualty insurance

line with our strategy. Significant drivers for the technical improvements achieved include considerable increases in average premiums in vehicle insurance and strong growth in the homeowner and commercial sectors, both in the CEE markets as well as in Austria. We created cyber risk protection for industrial customers with a package that combines insurance with integrated service and also prepared the launch of D&O insurance. We also formed a joint venture for innovative mobility services with a view towards future changes in mobility behaviour. Lastly we also launched pilots for telematic-assisted flexible new car insurance in CEE based on our many years of experience with telematic solutions in Austria.

2 Health insurance: Confirmation of our leading position

UNIQA is the clear market leader in Austrian health insurance. This is why defending our leadership position in this profitable division is one of our most important objectives.

The rapid pace of technological progress is the greatest driving force in the health sector. Traditional roles in the healthcare industry are being reshaped as a result of this. UNIQA wants to play a leading role in this transformation. Further expansion in services to our customers is a key priority here.

UPDATE 2018
Health insurance

The Akut-Versorgt product launched in 2017 was rolled out further in the past year and continues to be very well received. This package grants UNIQA customers in the Vienna area rapid access to medical care on weekends or at night, e.g. following injuries such as cuts and sporting injuries as well as circulatory problems. This service which is offered as a cost-effective insurance module has now also been successfully implemented for the Greater Salzburg area. Implementation is planned in the Graz, Klagenfurt and Lustenau regions for the first quarter of 2019. We also introduced the new medUNIQA.at health platform online as an important service in 2018. UNIQA customers are able to find out more here about health issues and about existing and new VitalServices. The successful launch of a network of available doctors along with other healthcare providers such as pharmacists, laboratories and radiology institutes also represented an important step.

3 Life insurance: Repositioning of the product portfolio

Earning capital costs over the long term is difficult under the current conditions in the capital markets as a result of years of low interest rates. The capital forming life insurance that traditionally prevails in Austria is particularly affected by this. The strategic initiative in this line of insurance is therefore targeted mainly at ensuring a new direction for the product portfolio and increasing the profitability of existing contracts.

UPDATE 2018
Life insurance

We presented our new unit-linked life insurance in June 2018 and at the same time released this for banking sales as the first product on the UNIQA Insurance Platform (UIP), our new IT core system. Preparations for the introduction of further products on the UIP are also continuing alongside this, together with the migration of existing contracts onto the new platform in 2019.

4 UNIQA Insurance Platform (UIP)

The objective of this programme is nothing short of the renewal of core systems in all sectors and the associated organisational transformation of the Group. UIP dramatically reduces product development times (time to market), ensures flexibility in product design and significantly reduces operating costs for overall data processing in the medium term.

UPDATE 2018
UNIQA Insurance Platform (UIP)

The first important milestone in the programme was completed with the successful go-live for the introduction of unit-linked life insurance for Austrian banking sales on 13 June 2018. Phase 1 of UIP was therefore implemented in time, on budget and on scope. We have also been working intensively on phase 2 alongside this, which involves enabling unit-linked life insurance for sale, in order to ensure the scheduled go-live in June 2019. The preparations for phase 3 also started in the second half of 2018, involving implementation of classic life insurance on the new platform. In addition to this focus on life insurance, preparations also began in early 2018 for property and casualty insurance so that we can also begin implementing products from this line of business in 2019.

5 TOM – Target Operating Model UNIQA Austria

Since the beginning of the UNIQA 2.0 strategy programme in 2011, the Group has been working on making all of its customer processes more efficient, faster and less expensive. This modernisation and optimisation project, referred to as the "Target Operating Model" (TOM), involves internal processes that are not visible from the outside. It is focused on consolidating processing units at sites where high-quality services can be provided at low cost, as well as on standardising multiple individual products and processes.

UPDATE 2018
TOM – Target Operating Model UNIQA Austria

The detailed arrangements for the collaboration between the Group Service Centre in Nitra (Slovakia) and the Austrian control and processing entities was the significant focal point for TOM in 2018. This included implementation of processes for control measures and continuous improvements, as well as determination of key indicators across the different sites. Essential processes from the central Austrian service units and the state head offices were also outsourced to the Group Service Centre by September as scheduled. This important step was followed by a stabilisation and quality assurance phase.

We also introduced optical character recognition in 2018 for outpatient health insurance. This saves a high proportion of manual recording activities through the automated recognition of virtually all types of documents now possible. We now plan to increase the degree of automation and therefore the effects of savings even further in 2019. Another innovation in 2018 involved the implementation of an energy monitoring and management system for 96 UNIQA sites throughout Austria. The information acquired through this has enabled us to derive numerous actions aimed at controlling energy efficiency and reducing energy costs in the first year alone.

Innovation and digitalisation – we will stand by our customers in future as well

Building on these initiatives in the core business, UNIQA is providing additional momentum aimed at continually adapting the business model to current requirements. The overriding objective here is to be able to inspire today's customers in future as well.

Innovation – becoming a service provider: This strategic initiative is concerned with further evolution of the insurer value chain from providing just coverage, to being a fully-comprehensive service provider. The transformation is closely linked to digitalisation of the insurance business.

UPDATE 2018
Innovation

One important new incentive from UNIQA innovation management in 2018 was the establishment of an open-innovation unit for collaboration beyond borders with external innovation drivers, such as universities, companies and the start-up accelerator weXelerate. We also combined and expanded our venture activities in the form of investments in young companies and start-ups into the company UNIQA Ventures GmbH as a further pillar in 2018. New investments took place in the period including Playbrush, a company in the oral hygiene sector, as well as investments in the health sectors (doctorly software for doctors) and basic IT technologies (Insly software for brokers). We are also planning further direct investments over the next few years the areas related to health, mobility, home and so-called risk buddies As an additional track on top of these direct investments, we also set up a fund endowed with €50 million for investments in fintech companies in partnership with Raiffeisen Bank International and venture capital specialist Speedinvest, and which started operations in early 2019.

Digitalisation – rethinking the business and service model: Our service concept and also keeping the promise to the customer in the digital age are central to this strategic initiative. Realignment of the customer contact points and downstream service processes are at the heart of this, since communication channels and customer requirements related to quality, response times and service expectations will also undergo a significant transformation in the insurance industry over the next few years.

UPDATE 2018
Digitalisation

This strategic initiative made some significant progress in 2018 in establishing new digital contact points for our customers. The UNIQA ServiceBot (a chatbot for customers), the myUNIQA app which among other things enables photo-based submission of receipts for outpatient health insurance services and the new myUNIQA customer portal were all successfully introduced for instance over the course of the year. In our international markets we focus primarily on expanding our online business and the introduction of new digital products via our relevant country companies' websites. Our first internal insurtech start-up was also launched in Hungary in September 2018 with CHERRISK. CHERRISK represents a new model for insurance sales and customer interaction specifically addressed at web-savvy customers and that features a high degree of interaction as well as numerous self-service options. Yet internal company digitalisation efforts were also significantly expedited. For instance, we implemented a new core insurance solution in Romania aimed at administration of life insurance and also launched a similar project in Russia. Tests and in some cases initial projects also took place in numerous country organisations on robotic process automation (RPA).

Risk strategy

Our principles

UNIQA's strategic objectives are directly linked with the company's risk strategy. We are conscious of our responsibility to customers, employees and shareholders and are committed – even in a turbulent market environment – to safeguarding our capital strength and profitability, as well as the reputation of our brand.

Our risk strategy is underpinned by our business strategy and the risks that this entails. A clear definition of our risk preference provides the foundation for all our business policy decisions. We actively seek to assume technical, market and operational risks when the business model requires, and attempt to avoid other accompanying risks. This builds a solid foundation on which we generate income from our core business. We aim for a balanced mix of risks to achieve the greatest possible effect from diversification.

Risk-bearing capacity and internal perspective

We take risks in full knowledge of our risk-bearing capacity. We define this as our ability to absorb potential losses from extreme events so that our medium and long-term objectives are not put in danger. A clear perspective on our own risk situation is fundamental to all strategic and operational decisions the company makes. On this basis, the UNIQA Group has further refined the standard formula for evaluating risks and risk capital using an internal perspective, which provides stronger support for the Group's business and risk strategy. This internal perspective varies in two fundamental ways from the standard formula. The clearest difference is in the treatment of market risks: in contrast to the regulatory requirement, here we also back all state bonds with risk capital.

This approach reflects our limited tolerance for market risks, as defined in our risk strategy. In addition, the UNIQA Group has also developed a partial internal model for property and casualty insurance – our largest business sector in terms of premium volumes – which provides a more refined picture of the risk situation.

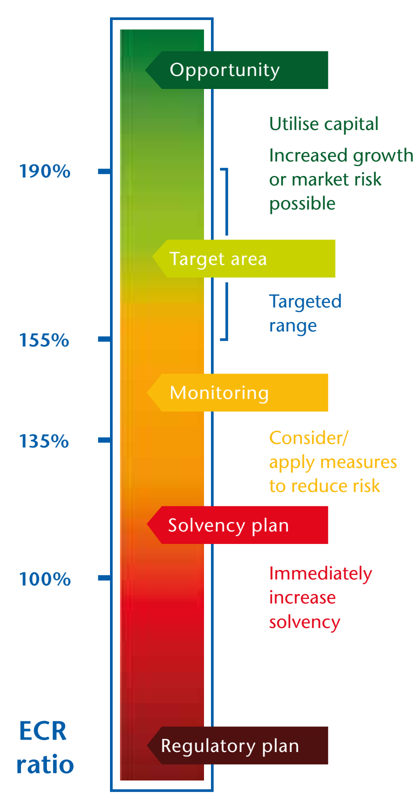
This internal perspective is described within the UNIQA Group as the economic capital model (ECM) and the resulting capital requirement is known as the economic capital requirement (ECR). All our decision-making processes are based on this internal risk perspective. To reduce complexity and align the internal and regulatory

Risk category

Risk category	Risk preference		
	Low	Medium	High
Underwriting risk			✓
Market risk and ALM		○	
Credit risk/default risk		○	
Liquidity risk	✗		
Concentration risk	✗		
Operational risk		○	
Strategic and reputational risk	✗		
Contagion risk	✗		
Emerging risk	✗		

Risk strategy

UNIQA defines its risk appetite on the basis of an economic capital model (ECM). Coverage for quantifiable risks with eligible own funds – the economic capital ratio (ECR ratio) – should lie between 155 and 190 per cent.



perspectives, UNIQA is working towards a step-by-step formulation and authorisation[1] of the partial internal model. Until that time, the regulatory solvency capital requirement (SCR) will differ from our internal economic capital requirement (ECR).

The Solvency and Financial Condition Report is based exclusively on the regulatory requirements (SCR).

The diagram on page 14 provides an overview of UNIQA's capitalisation in terms of both requirements – ECR and SCR.

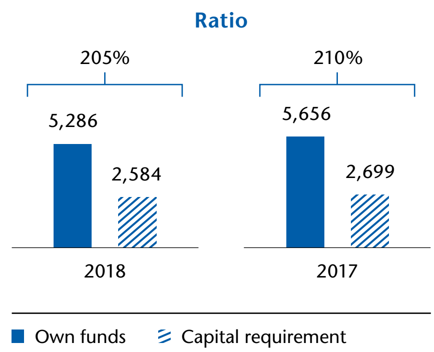
Organisation

A transparent organisational structure that takes account of the complexity of the company forms the basis for our governance model. Responsibilities are strictly divided between risk acceptance, risk supervision and an independent review process. Our risk profile is regularly validated at all levels of the hierarchy and discussed in specially instituted committees with members of the Management Board. We draw on internal and external sources to make sure we have a complete picture of our risk position, and can recognise any threats quickly.

[1] The approval of the partial internal model for underwriting risk in the property and casualty insurance business was given in December 2017. Work on the partial internal model for market risks began already in 2017 and should be completed by 2019/2020.

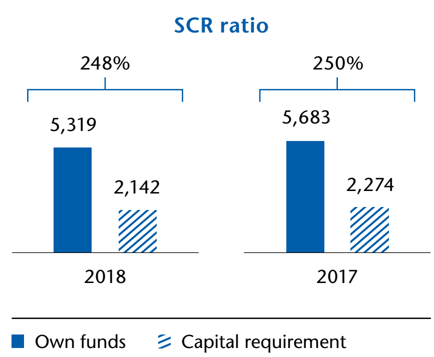
Economic capital position

In € million

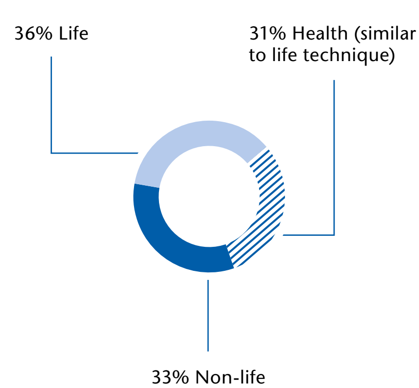


Regulatory Solvency II capital position

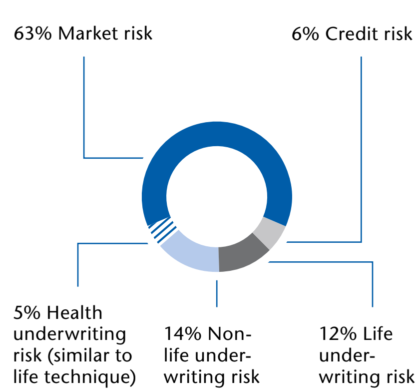
In € million



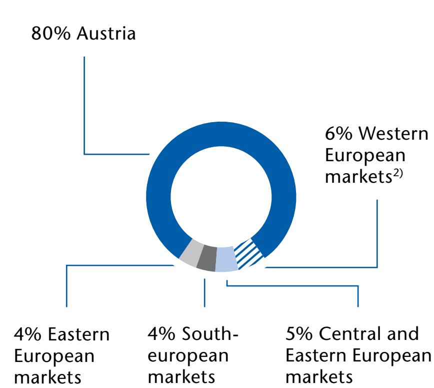
SCR by line of business



SCR by risk module



SCR by region



[2] Includes the internal risk transfer to UNIQA Re and the business in Liechtenstein.

Solvency and Financial Condition Report for the UNIQA Group

Reporting date: 31 December 2018

Contents

Executive Summary

The following summary is aimed at providing a compact overview of the essential content in this report on the solvency and financial condition of the UNIQA Group, UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG in an easily comprehensible manner. We refer in the text to a Single Solvency and Financial Condition Report as we have decided to consolidate the reporting for the UNIQA Group, UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG. This is driven by the governance model for the UNIQA Group, which was streamlined and simplified significantly at the Group's Austrian location in 2016. All the figures presented in the summary refer to the UNIQA Group, while the information on the other companies can be found in the relevant chapters.

We present the company and its underlying business model together with the most important figures related to premium revenues, benefits and investment performance in Chapter **A Business and performance**. Overview:

- The insurance companies in the *UNIQA Group* provide their customers with comprehensive products in property and casualty insurance, life insurance as well as health insurance.
- The listed holding company *UNIQA Insurance Group AG* manages the Group and also operates in the indirect insurance business (i.e. inward reinsurance).
- *UNIQA Österreich Versicherungen AG* is a wholly owned subsidiary of UNIQA Insurance Group AG and has been the Group's only direct insurer on the Austrian market since 1 October 2016. Business activities include all product lines as in the UNIQA Group.

In addition, the Group's international activities are controlled via UNIQA International AG. The UNIQA Group operates in the core markets of Austria and Central and Eastern Europe as well as, on a lesser scale, in Western Europe. The Group is now made up of more than 40 companies in 16 countries.

With its comprehensive product range, UNIQA is a multiline insurance company that sells its products based on a multi-channel strategy – that means using all sales channels likely to produce successful results (exclusive sales, insurance brokers, banks and direct sales). The objective is to achieve a balanced mix between the business lines, with a consciously managed surplus in property and casualty insurance in the current low interest rate environment.

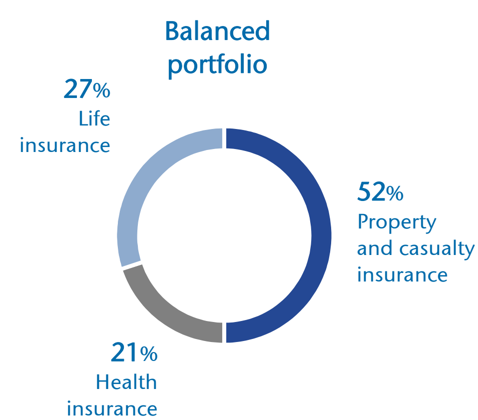


Figure 1: Distribution of premiums by business line on the UNIQA Group's balance sheet

UNIQA's total premium volume, including savings portions from unit-linked and index-linked life insurance in the amount of €320.5 million (2017: €481.6 million), increased by 0.3 per cent to €5,309.5 million in 2018 (2017: €5,293.3 million). Premiums written in property and casualty insurance rose by 5.1 per cent to €2,774.4 million in 2018 (2017: €2,639.7 million). In health insurance, premiums written increased by 4.3 per cent to €1,086.4 million in the reporting period (2017: €1,042.0 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell by 10.1 per cent to €1,448.6 million (2017: €1,611.6 million). The withdrawal from single premium business in line with the strategy was the reason for this.

Details on the individual business lines and explanations on their developments are provided in Chapters A.2 to A.5. There may be differences between the values published last year and the figures for the previous year in this report. This is due to the adjustments made to the previous year's figures in the 2018 consolidated financial statements based on IAS 8. A detailed explanation of the adjustments made is provided in the notes on the consolidated financial statements under "37 Error corrections in accordance with IAS 8".

As outlined in Chapter **B System of governance**, UNIQA has developed the organisational structure further within the scope of the preparations for Solvency II, resulting in a transparent system with clear assignments and an appropriate separation of responsibilities. The core of this system is the "three lines of defence" concept, with clear distinctions between those parts of the organisation that assume the risk within the scope of business activities (first line), those that monitor the assumed risk (second line) and those that carry out the independent internal reviews (third line). See Chapter B.3.2 for further details on this.

A comprehensive committee structure (see B.1.2 for details) is available as a strategic supervisory, advisory and decision-making body to the Holding Management Board. The topics of risk management, reserving, asset liability management (ALM), remuneration, as well as issues related to security management and data protection are covered in these committees. The decision to create an additional committee for data protection issues was made as part of the implementation of UNIQA's data protection management system in connection with the introduction of the EU General Data Protection Regulation. Establishing key functions (see B.1.3 for details) is also a crucial element in the system of governance. UNIQA has also defined asset management and reinsurance as key functions in addition to four mandatory governance functions under statute (actuarial function, risk management, compliance and internal audit). Clear definitions of the remuneration principles (B.1.4) and the requirements for the professional qualifications ("fit") and personal reliability ("proper") of persons who actively run the business or hold other key functions (B.2) also form part of a fitting system of governance.

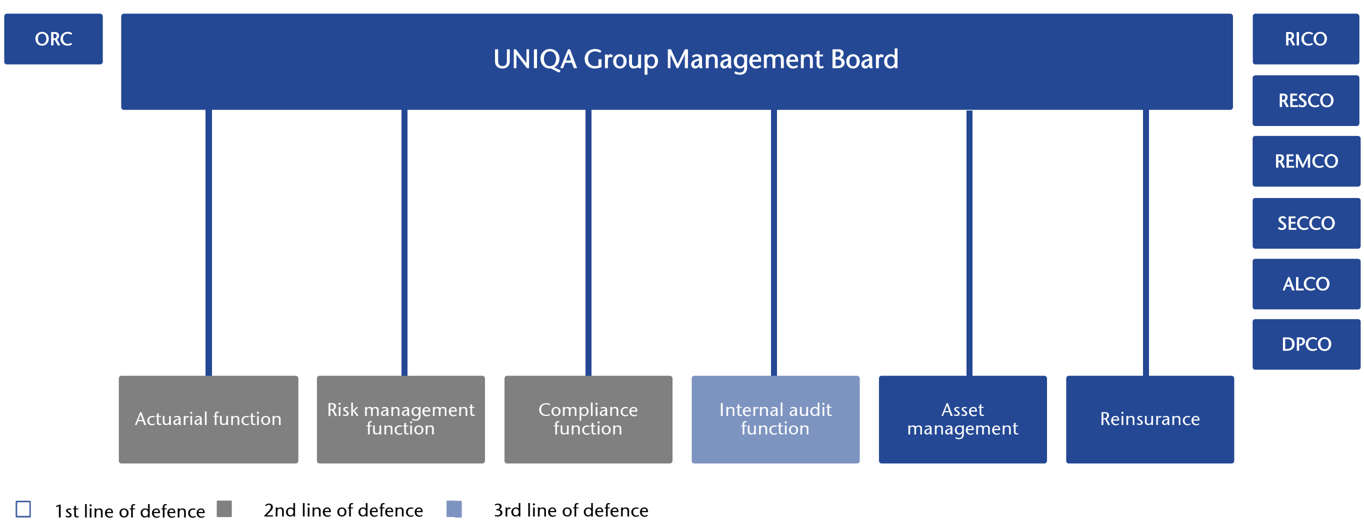


Figure 2: Key functions in the UNIQA Group

Particular attention is paid to the risk management system (Chapter B.3) as an integral part of the system of governance. It defines responsibilities, processes and general rules that allow us to manage our risks in an effective and appropriate manner. The clear objective is to allow the findings gained from the risk management system – from risk identification to risk assessment – to be used in strategic and material corporate decision making. The company's Own Risk and Solvency Assessment (ORSA) plays an important role here. The UNIQA Group is continuously developing its partial internal model that was approved in 2017. Information about the governance and validation of the model can be found in Chapter B.3.6.

The risk capital to be covered, defined as the potential economic loss within one year with a probability of occurrence of 1:200, is at the centre of the quantitative requirements under Solvency II and the Austrian Insurance Supervision Act 2016.

The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile.** This includes above all the material risks related to actuarial practice, market risks, credit risks or risks of default along with operational risks. As a multiline insurance company, UNIQA is very well diversified. The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.

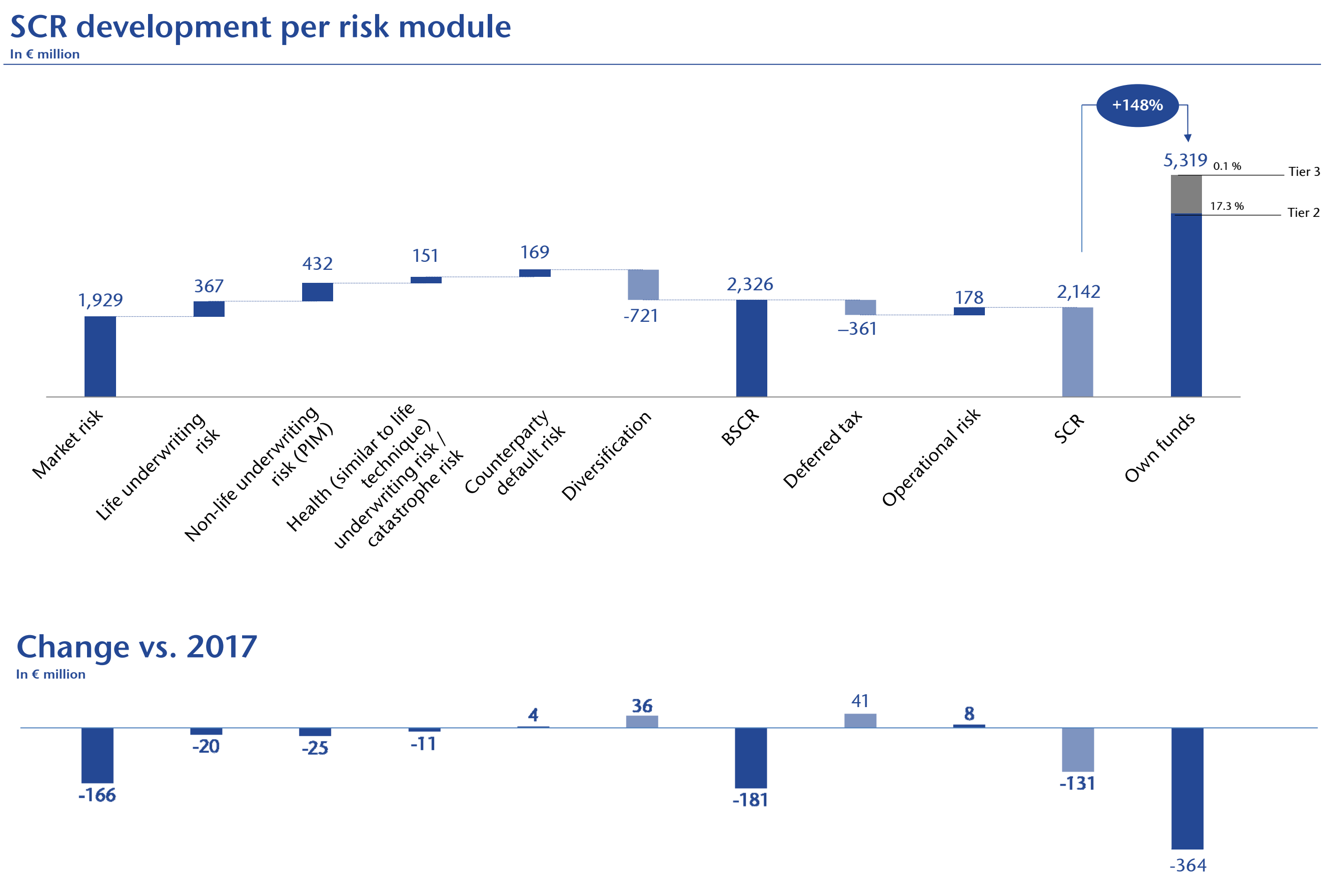


Figure 3: Risk profile of the UNIQA Group (in € million)

As a result of the significant share of long-term liabilities from the life and health insurance business in which we invest our customers' money, we set ourselves a correspondingly high risk capital requirement for market risks (63 per cent). The interest rate risk plays a subordinate role within the market risks thanks to the very consistent asset liability management approach implemented in recent years. The main capital requirement comes predominantly from the risk of credit spreads and the risk of a reduction in market values in the real estate portfolio (see C.3.2 for details).

SCR by risk module

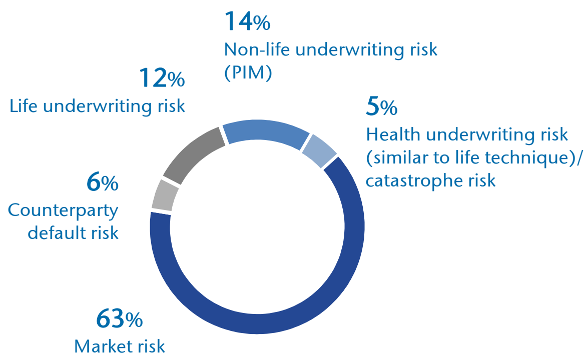


Figure 4: Distribution of the overall capital requirement across risk sub-modules

UNIQA has an excellent capital position with a solvency ratio of 248 per cent. Even under various stress scenarios the UNIQA Group's solvency ratio remains well above the minimum measurement of 135 per cent defined internally (see C.7 for details). It should be explicitly mentioned here that UNIQA does not make use of any transitional measures. If the volatility adjustment is not taken into account the solvency ratio is reduced to 228 per cent.

The methods used to measure individual balance sheet items in the solvency balance sheet are outlined in Chapter **D Valuation for solvency purposes** and a comparison with the IFRS consolidated financial statements is provided. The surplus of assets over liabilities stated in the solvency balance sheet amounts to €4,633 million (2017: €4,983 million) and is the Group's economic capital.

Finally, in Chapter **E Capital management**, the economic capital is reconciled with the equity ultimately eligible. The eligible own funds of the UNIQA Group amount to €5,319 million (2017: €5,683 million). At around €4,396 million (2017: €4,763 million), most of the own funds consist of top-quality capital (Tier 1). This results in a SCR ratio of 248 per cent. The eligible own funds for MCR coverage amount to €4,635 million (2017: €5,004 million). At around €4,396 million (2017: €4,763 million), most of the own funds here also consist of top-quality capital (Tier 1). The MCR ratio amounts to 388 per cent.

The following table lists all the subsidiaries of the UNIQA Group that prepared and published a report about their solvency and financial condition at 31 December 2018 because they were requested to do so in accordance with Solvency II.

Subsidiary name	Country code	Report name	Published at
UNIQA Insurance plc.	BG	Отчет за платежоспособност и финансовото състояние 2018	www.uniqa.bg
UNIQA Life plc.	BG	Отчет за платежоспособност и финансовото състояние 2018	www.uniqa.bg
UNIQA pojišťovna, a.s	CZ	Zpráva o solventnosti a finanční situaci 2018	www.uniqa.cz
UNIQA osiguranje d.d.	HR	Izvješće o solventnosti i financijskom stanju za 2018. godinu	www.uniqa.hr
UNIQA Biztosító Zrt.	HU	Fizetőképességről és pénzügyi helyzetről szóló jelentés 2018	www.uniqa.hu
UNIQA Versicherung AG	LIE	Bericht über die Solvabilität und Finanzlage (SFCR) UNIQA Versicherung AG 2018	www.uniqa.li
UNIQA TU S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej	www.uniqa.pl
UNIQA TU na Zycie S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej	www.uniqa.pl
UNIQA Asigurari S.A.	RO	Raport privind Solvabilitatea și Situația Financiară 2018	www.uniqa.ro
UNIQA Asigurari de Viata SA	RO	Raport privind Solvabilitatea și Situația Financiară 2018	www.uniqa.ro
UNIQA Poisťovňa a.s.	SK	Správa o solventnosti a finančnom stave 2018	www.uniqa.sk

Table 1: Reports on the solvency and financial condition of the subsidiaries in the UNIQA Group

A Business and performance

A.1 BUSINESS ACTIVITIES

The insurance companies in the UNIQA Group provide comprehensive products in property and casualty insurance, life insurance as well as health insurance to their customers. The listed holding company, UNIQA Insurance Group AG, manages the Group and also operates in the indirect insurance business (i.e. inward reinsurance). In addition, it carries out numerous service functions for UNIQA Österreich Versicherungen AG and the international insurance companies in order to take best advantage of synergy effects and to consistently implement the Group's long-term corporate strategy.

UNIQA Österreich Versicherungen AG is a wholly owned subsidiary of UNIQA Insurance Group AG and became the Group's only primary insurer on the Austrian market on 1 October 2016.

UNIQA Insurance Group AG
Untere Donaustrasse 21
1029 Vienna
www.uniqagroup.com

UNIQA Österreich Versicherungen AG
Untere Donaustrasse 21
1029 Vienna
www.uniqa.at

UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG are subject to supervision by the Austrian Financial Market Authority (FMA).

Financial Market Authority (FMA)
Otto-Wagner-Platz 5
1090 Vienna
www.fma.gv.at

PwC Wirtschaftsprüfung GmbH has been appointed as auditor of the financial statements for the current financial year.

PwC Wirtschaftsprüfung GmbH
Donau-City-Strasse 7
1220 Vienna
www.pwc.com

Shareholder structure

The free float remained unchanged at 36.9 per cent at the end of 2018. At the end of 2018, market capitalisation based on the free float therefore amounted to approximately €900 million.

The core shareholder UNIQA Versicherungsverein Privatstiftung (Group) holds a total of 49 per cent (Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH 41.3 per cent, UNIQA Versicherungsverein Privatstiftung 7.7 per cent). The Raiffeisen Banking Group holds 10.9 per cent via RZB Versicherungsbeteiligung GmbH as core shareholder. The core shareholder Collegialität Versicherungsverein Privatstiftung holds a 2.5 per cent stake in UNIQA.

The portfolio of treasury shares now amounts to 0.7 per cent. There is a binding voting agreement in place applicable to the shares of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH.

Shareholder structure

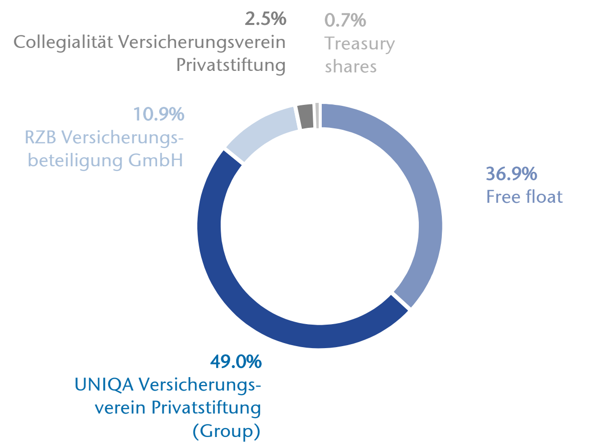


Figure 5: Shareholder structure of UNIQA Insurance Group AG

UNIQA International AG manages the international activities of the Group. This entity is also responsible for the ongoing monitoring and analysis of the international target markets and for acquisitions and post-merger integration. The UNIQA Group operates in the core markets of Austria and Central and Eastern Europe. Currently UNIQA is active in the following 16 countries: Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. UNIQA Insurance Group AG prepares consolidated financial statements and a management report in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU. Separate financial statements are also prepared at the UNIQA Insurance Group AG level. Likewise, UNIQA Österreich Versicherungen AG prepares separate financial statements. In Annexes 1 and 2, the information in Chapters A.2 to A.5 is presented according to the separate financial statements of UNIQA Insurance Group AG and according to the separate financial statements of UNIQA Österreich Versicherungen AG. In addition to UNIQA Insurance Group AG, the UNIQA Group's 2018 IFRS consolidated financial statements also include 34 Austrian and 59 international subsidiaries, as well as six Austrian and one international controlled investment fund. The associates relate to five domestic and one international company that were included in the consolidated financial statements using equity method accounting. Further details on the affiliated companies and associates are provided in Appendix I – "Affiliated companies and associates".

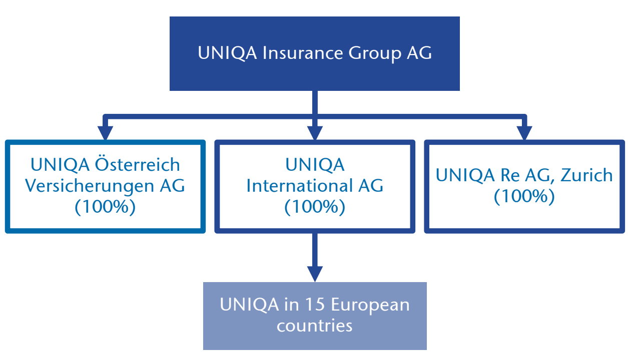


Figure 6: Group structure of UNIQA Insurance Group AG

There are no material differences between the scope of the Group as applied for the consolidated financial statements and the scope of the data to be consolidated for the provisions defined in Article 335 of the Delegated Regulation (EU) 2015/35.

Discontinued operations

The closing of the sale of the 99.7 per cent holding in UNIQA Assicurazioni S.p.A. (Italian Group) took place on 16 May 2017. In accordance with the regulations of IFRS 5, the sale of the Italian Group is presented in the consolidated financial statements as a discontinued operation. The profit/(loss) attributable to the discontinued operation is disclosed separately under Chapter A.5.

Essential business lines

The UNIQA Group offers a comprehensive range of insurance and retirement products and covers property and casualty insurance, life insurance and health insurance with its services in virtually all markets.

The UNIQA Group covers different customer requirements with its multi-channel strategy. All sales channels likely to produce successful results are utilised, e.g. exclusive sales, insurance brokers, banks and direct marketing. The banking sales channel supplements the UNIQA Group's extensive local presence.

Premiums written including savings portions from unit-linked and index-linked life insurance

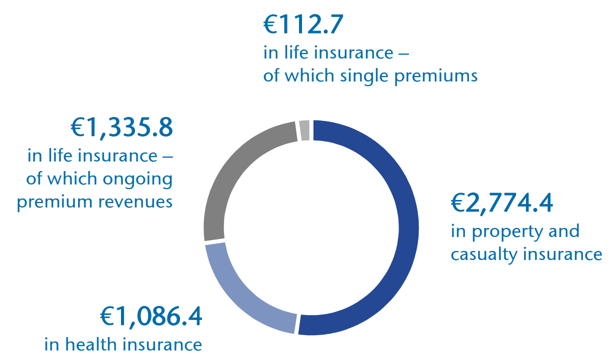


Figure 7: Premiums written including savings portions from unit-linked and index-linked life insurance (in € million)

Property and casualty insurance

Property insurance includes insurance such as fire, comprehensive motor vehicle insurance and third-party liability insurance. The principle of specific fulfilment of demand applies here: the insurance benefit is determined by the insured sum, the insured value and the amount of the claim. By contrast, casualty insurance is a fixed-sum insurance product: the insurance benefit is set to a precise amount in advance.

Most property and casualty insurance contracts are taken out for a short term of up to three years. Broad distribution across a great many customers and the relatively short duration of these products enables moderate capital requirements and makes this field of business attractive.

Property and casualty insurance includes non-life insurance for private individuals and companies, as well as private casualty insurance. In property and casualty insurance, the UNIQA Group achieved a premium volume written in the amount of €2,774.4 million in 2018, i.e. 52 per cent of the total premium volume.

Life insurance

Life insurance covers economic risks that stem from the uncertainty as to how long a customer will live. The insured event is the attainment of a certain point in time, or the death of the insured during the insurance period. The customer or defined authorised beneficiary then receives a capital sum or an annuity as a benefit. The premium is calculated on the basis of the principle of equivalence, i.e. in accordance with an applicant's individual risk; its amount is based inter alia on the type of insurance, age at the time the contract was signed, the policy term and the duration of premium payments.

Life insurance includes savings products such as classic and unit-linked life insurance. There are also so-called biometric products to secure against such risks as occupational disability, the need for nursing, or death. In life insurance, UNIQA achieved a premium volume across the Group (including savings portions from unit-linked and index-linked life insurance) of €1,448.6 million in 2018, i.e. 27 per cent of the total premium volume.

Health insurance

Health insurance includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain independent contractors such as lawyers, architects, and chemists. In 2018, health insurance premiums written amounted to €1,086.4 million across the Group, equating to 21 per cent of total premium volume.

The UNIQA Group is the undisputed market leader in this strategically important line of insurance in Austria with a 46 per cent market share. About 93 per cent of premiums come from Austria, with the remaining 7 per cent coming from international business.

About four-fifths of health insurance benefits go to stationary care (for example, premium category), around one-fifth to outpatient care and fixed-sum insurance products such as daily benefits for hospital stays. In Austria, the UNIQA Group also operates private hospitals through the PremiQaMed Group, which is a wholly owned subsidiary of UNIQA Österreich Versicherungen AG.

Main geographic areas

Overview gross written premium

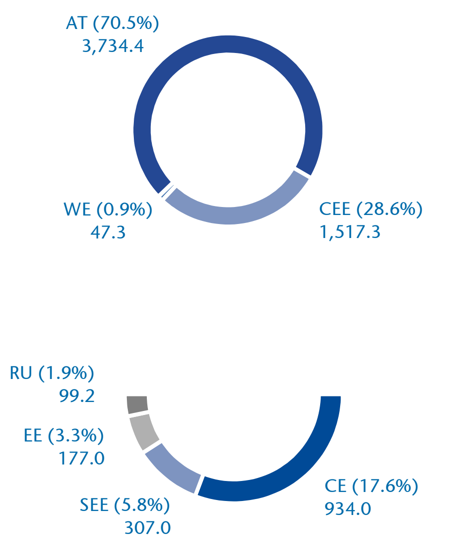


Figure 8: Premiums by geographical areas (in € million)

The UNIQA Group is one of the leading insurance groups in its two core markets of Austria and Central and Eastern Europe (CEE) with a presence that covers the entire area. The UNIQA Group also includes insurance companies in Liechtenstein and Switzerland. Around ten million customers have already placed their trust in UNIQA – 35 per cent of them in Austria, and 65 per cent in international markets.

The UNIQA Group is the second-largest insurance group in Austria, with a market share of around 22 per cent based on premium volume. In 2018 we generated around 70 per cent of Group premiums in our domestic market. UNIQA is the undisputed leader in the strategically important health insurance line, with a market share of about 46 per cent.

Aside from these core markets, the UNIQA Group is also active in Western Europe – with branches in Liechtenstein, Switzerland as well as in Germany and in the UK. The UNIQA Group and its subsidiaries are represented in 15 countries in Central and Eastern Europe. These companies operate around 1,500 service centres. In 2018 we generated around 30 per cent of Group premiums in the CEE markets. We also work together with the subsidiaries of Raiffeisen Bank International AG in Eastern Europe as part of the preferred partnership that was renewed in 2013 for a period of ten years.

In the Central Europe region (CE) – Poland, Slovakia, the Czech Republic and Hungary – the premiums written including savings portions from unit-linked and index-linked life insurance fell by 8.8 per cent in the 2018 financial year to €934.0 million (2017: €1,024.5 million) as a result of the planned withdrawal from the single premium business in Poland. In Eastern Europe (EE) – comprising Romania and Ukraine – premiums written including savings portions from unit-linked and index-linked life insurance increased by 4.9 per cent to €177.0 million (2017: €168.8 million). In the Southeastern Europe region (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia – they also rose by 8.3 per cent to €307.0 million in 2018 (2017: €283.4 million). In Russia (RU) the premiums written including savings portions from unit-linked and index-linked life insurance climbed steadily by 13.1 per cent to €99.2 million (2017: €87.7 million). In Western Europe (WE) – Liechtenstein and Switzerland – the premiums written including savings portions from unit-linked and index-linked life insurance rose by 7.4 per cent to €47.3 million (2017: €44.0 million).

Significant events after the reporting date

There are no significant events to be reported after the reporting date.

Legal structure as well as governance and organisational structure of the Group

Chapter B.1 contains a description of the legal structure as well as governance and organisational structure of the Group.

Relevant operations and transactions within the Group

Further information on this can be found in Chapter B.1.5.

A.2 UNDERWRITING PERFORMANCE

This chapter describes the UNIQA Group's underwriting performance in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis as well as broken down by the essential business lines and geographical areas in which the UNIQA Group pursues its activities. The details are subsequently compared with the information submitted in the previous reporting period and contained in the company's consolidated financial statements.

Underwriting performance in non-life insurance by essential business lines (gross)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Medical expense insurance	34	27	32	26	21	17	0	0	13	8	-2	1
Income protection insurance	375	362	372	362	206	190	0	0	188	184	-23	-12
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	606	622	605	633	390	388	0	1	221	233	-6	12
Other motor insurance	551	519	542	512	373	362	0	0	239	225	-70	-75
Marine, aviation and transport insurance	68	56	67	56	60	23	0	-0	24	21	-18	12
Fire and other damage to property insurance	725	697	714	694	499	381	-0	0	312	304	-97	9
General liability insurance	258	251	254	255	143	204	2	0	117	118	-5	-67
Credit and suretyship insurance	27	20	22	18	6	9	1	-0	11	8	6	1
Legal expenses insurance	91	89	91	89	48	56	0	0	29	28	14	5
Assistance	25	21	23	20	8	6	0	0	10	9	5	5
Miscellaneous financial loss	49	50	49	48	24	16	0	0	93	87	-68	-54
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,808	2,715	2,771	2,713	1,778	1,652	3	0	1,258	1,225	-262	-164

Table 2: Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines (net)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Medical expense insurance	32	27	30	26	20	17	0	0	13	8	-3	1
Income protection insurance	374	361	371	361	206	190	0	0	129	127	35	44
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	595	614	595	624	381	385	0	1	162	172	52	67
Other motor insurance	546	514	537	506	369	358	0	0	163	155	6	-7
Marine, aviation and transport insurance	56	46	55	47	34	21	0	-0	22	19	-1	7
Fire and other damage to property insurance	639	616	625	614	400	369	-0	0	239	229	-14	15
General liability insurance	230	226	227	229	142	194	2	0	82	82	6	-48
Credit and suretyship insurance	22	15	18	15	6	8	1	-0	6	6	7	1
Legal expenses insurance	91	88	91	88	47	56	0	0	29	28	14	5
Assistance	20	15	18	14	7	5	0	0	9	7	2	3
Miscellaneous financial loss	45	47	46	46	22	15	0	0	88	81	-64	-51
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0	0	0	0	0	0	0
Total	2,649	2,570	2,614	2,570	1,634	1,618	3	0	942	915	40	37

Table 3: Underwriting performance in non-life insurance by essential business lines (net)

Underwriting performance in non-life insurance by main geographic areas

Top countries (by amount of gross premiums written) – non-life insurance obligations

	Austria		Poland		Czech Republic		Hungary		Slovakia		Romania		Total	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Premiums written														
Gross	1,718	1,639	281	263	218	195	132	118	98	92	76	85	2,523	2,393
Net	1,691	1,621	269	254	207	181	128	114	94	89	71	82	2,461	2,340
Premiums earned														
Gross	1,710	1,640	275	256	213	191	126	113	96	89	75	94	2,494	2,384
Net	1,688	1,621	263	247	202	177	122	108	92	87	72	90	2,439	2,329
Claims expenses														
Gross	1,088	1,049	167	152	123	110	69	63	53	46	37	54	1,537	1,474
Net	1,080	1,036	160	150	119	106	69	63	53	42	37	53	1,519	1,450
Change in other technical provisions														
Gross	-2	0	0	0	-0	-1	0	0	0	-0	0	0	-2	-1
Net	-2	0	0	0	-0	-1	0	0	0	-0	0	0	-2	-1
Expenses incurred	552	527	87	85	63	60	32	30	52	46	33	37	818	784
Total underwriting performance – net	59	58	16	12	20	12	21	15	-13	-2	2	1	104	96

Table 4: Underwriting performance in non-life insurance by main geographic areas

As in the previous year, the focus of non-life business is on Austria. The increase in premiums earned in Austria, Poland, the Czech Republic and Hungary is primarily due to the increased business volumes in the "Motor vehicle liability insurance" and "Other motor insurance" lines, which also results in an improvement in the technical result in these countries. By contrast the technical result worsened in Slovakia as a result of one major damage claim in the "Fire and other non-life insurance" business line.

There was a significant fall in premiums earned in Romania and also in the claims expenses in the "Motor vehicle liability insurance" line. The fall is the result of the strategic change in motor vehicle liability insurance sales following changes to the motor vehicle liability insurance regulations in Romania which involve a limit on tariffs.

Underwriting performance in life insurance by essential business lines (gross)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Health insurance	1,053	1,024	1,052	1,022	874	860	0	0	196	174	-18	-12
Insurance with profit participation	831	1,147	830	1,147	908	1,258	0	-0	138	145	-216	-256
Index-linked and unit-linked insurance	46	49	46	48	5	2	0	0	57	44	-16	3
Other life insurance	251	233	251	234	136	89	0	0	150	166	-35	-22
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Total	**2,181**	**2,453**	**2,179**	**2,452**	**1,923**	**2,210**	**0**	**-0**	**542**	**529**	**-285**	**-288**

Table 5: Underwriting performance in life by essential business lines (gross)

Underwriting performance in life insurance by essential business lines (net)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Health insurance	1,051	1,023	1,050	1,022	874	858	0	0	195	173	-18	-9
Insurance with profit participation	814	1,119	813	1,119	889	1,228	0	-0	135	140	-211	-250
Index-linked and unit-linked insurance	46	48	46	48	5	2	0	0	61	38	-20	7
Other life insurance	237	219	237	220	130	83	0	0	145	160	-37	-23
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Total	**2,148**	**2,409**	**2,147**	**2,408**	**1,897**	**2,170**	**0**	**-0**	**535**	**511**	**-286**	**-274**

Table 6: Underwriting performance in life by essential business lines (net)

Underwriting performance in life insurance by main geographic areas

Top countries (by amount of gross premiums written) – life insurance obligations

	Austria		Russia		Czech Republic		Bulgaria		Slovakia		Ukraine		Total	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Premiums written														
Gross	1,818	1,811	98	87	38	37	34	35	33	31	33	22	2,053	2,023
Net	1,794	1,781	97	87	38	37	34	35	33	31	32	22	2,027	1,992
Premiums earned									0		0			
Gross	1,817	1,811	98	86	38	37	34	35	33	30	32	22	2,051	2,021
Net	1,793	1,781	96	85	38	37	34	35	33	30	31	22	2,024	1,991
Claims expenses														
Gross	1,728	1,719	79	75	14	17	23	25	17	18	16	12	1,878	1,865
Net	1,704	1,694	79	75	14	17	23	25	17	18	16	12	1,853	1,840
Change in other technical provisions									0		0			
Gross	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Expenses incurred	384	396	15	14	17	17	9	9	16	14	17	11	458	461
Total underwriting performance – net	**-295**	**-310**	**2**	**-3**	**7**	**3**	**1**	**1**	**-0**	**-1**	**-2**	**-1**	**-286**	**-310**

Table 7: Underwriting performance in life insurance by main geographic areas

As in the previous year the focus for life insurance is on Austria. Premiums booked and claims expenses experienced a slight increase as compared with the previous year. By contrast the expenses incurred for the life insurance business in Austria fell compared with the previous year.

There was a significant increase in premiums earned in the "Health insurance" business line in Austria and Russia. The claims expenses and other expenses incurred also increased in this line in Austria.

Once again there was an increase in premiums earned in the "Insurance with profit participation" business line. Claims expenses also rose analogously to this, primarily due to the increase in the number of insurance contracts reaching their expiration date. Overall, however, the premiums in the "Insurance with profit participation" line decreased, mainly due to the sale of Italian Group business in the first quarter of 2017 as well as the decline in premium volumes in Austria.

In the Czech Republic the claims expenses in the "Index-linked and unit-linked insurance" line fell due to an increase in those contracts with single premiums reaching their expiration date.

The premiums earned in the "Other life insurance" line rose considerably in Austria, Romania and Ukraine. The increase in claims expenses in this business line is mainly attributable to Austria. The expenses incurred in Austria and Ukraine in the "Other life insurance" line also rose.

Changes in premiums, insurance benefits and operating expenses

Changes in premiums, insurance benefits and expenses

In € million	Non-Life		Life (incl. health)		Total	
	2018	2017	2018	2017	2018	2017
Premiums earned (net)	2,614	2,570	2,147	2,408	4,761	4,977
Claims expenses (net)	-1,634	-1,618	-1,897	-2,170	-3,532	-3,788
Change in other technical provisions (net)	3	0	0	-0	3	0
Expenses incurred (including investment management expenses) (net)	-942	-929	-535	-532	-1,478	-1,461
Technical result in accordance with reporting template S.05.01.02	-1	-11	-292	-317	-293	-328
Technical interest income	0	0	336	340	336	340
Other insurance income	23	15	10	7	32	22
Medical expense insurance	3	-1	-3	1	0	0
Scope Difference	25	25	1	16	27	42
Technical result in accordance with the International Financial Reporting Standards	64	43	76	68	140	111

Table 8: Changes in premiums, insurance benefits and operating expenses

Changes in premiums

UNIQA's total premium volume, including savings portions from unit-linked and index-linked life insurance in the amount of €320.5 million (2017: €481.6 million), increased by 0.3 per cent to €5,309.5 million in 2018 (2017: €5,293.3 million).

Premiums written in property and casualty insurance rose by 5.1 per cent to €2,774.4 million in 2018 (2017: €2,639.7 million). In health insurance, premiums written increased by 4.3 per cent to €1,086.4 million in the reporting period (2017: €1,042.0 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell by 10.1 per cent to €1,448.6 million (2017: €1,611.6 million). The withdrawal from single premium business in line with the strategy was the reason for this.

The Group premiums earned, including savings portions from unit-linked and index-linked life insurance (after reinsurance) in the amount of €320.9 million (2017: €476.2 million), fell by 0.4 per cent to €5,081.7 million (2017: €5,104.1 million). In contrast the volume of net premiums earned (in accordance with IFRSs) increased by 2.9 per cent to €4,760.7 million (2017: €4,627.9 million).

Change in insurance benefits

The insurance benefits before reinsurance rose by 5.0 per cent to €3,793.1 million in the 2018 financial year (2017: €3,611.7 million). Consolidated insurance benefits (net) also rose by 2.2 per cent to €3,626.6 million in the past year (2017: €3,547.4 million).

The loss ratio after reinsurance in property and casualty insurance fell slightly in 2018 to 65.4 per cent (2017: 65.9 per cent) primarily on account of less damage from natural disasters. However, the combined ratio after reinsurance improved to 96.8 per cent (2017: 97.5 per cent) for this reason and on account of the improved cost situation at Group level.

Operating expenses

Total consolidated operating expenses, less reinsurance commissions received and the share of profit from reinsurance ceded, rose by 3.0 per cent to €1,314.7 million in the 2018 financial year (2017: €1,276.0 million). Expenses for the acquisition of insurance less reinsurance commissions received and share of profit from reinsurance ceded in the amount of €13.6 million (2017: €23.0 million) decreased by 0.4 per cent to €851.9 million (2017: €855.7 million) as a result of the fall in commissions in the area of life insurance. Other operating expenses increased by 10.1 per cent to €462.7 million as a result of higher staff and IT costs (2017: €420.3 million). These include expenses in the amount of around €43 million (2017: approx. €41 million) in connection with the innovation and investment programme.

The cost ratio after reinsurance, i.e. the ratio of total operating expenses less the amounts received from reinsurance commissions and less the share of profit from reinsurance ceded to the Group premiums earned, including savings portions from unit-linked and index-linked life insurance, increased to 25.9 per cent during the past year (2017: 25.0 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance rose to 25.2 per cent (2017: 24.6 per cent).

A.3 INVESTMENT PERFORMANCE

This chapter illustrates the UNIQA Group's investment results in the reporting period and compares these with the company's financial reports for the previous reporting period.

The capital investment portfolio amounted to €20,145.2 million as at 31 December 2018 (2017: €21,016.2 million). Investments consisted of investment property amounting to €2,197.9 million (2017: €2,362.8 million), affiliated companies amounting to €468.1 million (2017: €651.4 million) and financial investments amounting to €17,479.2 million (2017: €18,001.9 million).

Compared to 2017, the UNIQA Group recorded a decline in investments of €–871.0 million, mainly from the fixed-income portfolio.

Investment income by type of income

In € million	Dividends		Interest		Leases		Net profits and losses		Unrealised gains and losses	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Properties	0	0	0	0	111	64	-7	12	-7	104
Equities	9	6	0	0	0	0	1	11	1	17
Government bonds	0	0	224	234	0	0	-16	-38	-16	-107
Corporate bonds	0	0	118	123	0	0	-22	-6	-22	-46
Undertakings for collective investment	44	28	0	0	0	0	-5	-21	-5	59
Derivatives	0	0	-3	-3	0	0	-0	11	-0	7
Term deposits	0	0	8	2	0	0	-4	-6	-4	0
Total	52	35	348	356	111	64	-54	-36	-54	34

Table 9: Investment income by type of income

The investment property portfolio amounted to €2,197.9 million in the 2018 financial year (2017: €2,362.8 million). This portfolio was reduced in 2018 by €–165.0 million. The decline is mainly attributable to sales of property in Austria as part of efforts to streamline the portfolio. This involved selling smaller and empty properties and real estate in worse locations.

This was accompanied by the acquisition of office premises in Krakow as well as increases in market values following routine property surveys. Losses of €–7.2 million were made as part of property sales.

While the increase in net rental income by €46.9 million in 2018 as compared with 2017 is the result of improvements in lettings, the lower earnings among the unrealised profits is attributable to a change in the market value as a result of expert surveys.

The investments in affiliated companies amounted to €468.1 million in 2018, representing a fall of €–183.3 million compared with 31 December 2017.

This effect can essentially be explained by the loss in value of the STRABAG SE holding in the amount of €–119.8 million and the loss in value of UNIQA's acquisition of investments in the amount of €–11.2 million. Other significant effects included a value increase for UNIQA Real Estate AG in the amount of €9.5 million and a value depreciation for R-FMZ Immobilien in the amount of €–14.6 million.

The equities portfolio amounted to €292.2 million in the 2018 financial year (2017: €329.0 million) and is predominantly made up of listed and unlisted equities.

The portfolio of listed equities rose by €106.9 million to €169.2 million in 2018. This increase is not attributable to additions and disposals in the 2018 financial year, and instead results primarily from the merger of UNIQA Finanzbeteiligung GMBH with UNIQA Österreich Versicherungen AG at the start of 2018. At the time of the merger, shares of Raiffeisen Bank International AG with a market value of €153.5 million were merged with UNIQA Österreich Versicherungen AG. The market value of Raiffeisen Bank International AG amounted to €120.1 million at 31 December 2018. The shares of Raiffeisen Bank International AG accounted for dividend income amounting to €3.3 million and a negative measurement result of around €–43 million.

The portfolio of unlisted equities fell by €–143.6 million to €123.0 million in 2018 (2017: €266.7 million) and includes shares in Austrian unlisted companies. The decline results from the merger of UNIQA Finanzbeteiligung GmbH with a holding of €155.3 million at the start of 2018 with UNIQA Österreich Versicherungen AG.

The overwhelming proportion of dividends in the amount of €2.2 million and of the unrealised result is attributable to Leipnik Lundenburger ordinary shares with a stake of around €60 million.

The negative measurement results among equities in 2018 are due to a downward trend in the global markets, particularly in the fourth quarter. Fears of a global recession, uncertainty surrounding Brexit and the trade dispute between China and the USA played a major role in this development.

The bond portfolio amounted to €14,125.0 million in the 2018 financial year (2017: €15,028.9 million). The fall in the bond portfolio in the amount of €–903.8 million is largely due to strategic shifts between the bonds and investment certificates item, disposals and negative bond performance in 2018.

Interest income from bonds amounting to €348.0 million in 2018 is at the same level as the previous year.

The portfolio of government bonds valued at €8,449.4 million (2017: €9,034.4 million) registered a negative performance in the amount of €–92.6 million. Losses of €–16.3 million were made over the course of 2018 mainly from western and central European securities.

The portfolio of corporate bonds valued at €5,561.7 million (2017: €5,809.1 million) registered a negative performance in the amount of €–85.0 million. Losses of €–22.0 million were made over the course of 2018 mainly from western and central European securities.

The negative measurement results among the government and corporate bonds in 2018 are attributable on the one hand to the widening in spreads and on the other to the pull to par effect. This was accompanied by a general fall in interest rates which was only partly able to compensate for the negative performance.

The portfolio of investment certificates rose by €419.3 million on 2017 to €2,725.5 million. The increase is attributable to acquisitions valued at approx. €569.1 million and a measurement loss in the amount of €–149.8 million. Dividend income rose from €28.4 million to €43.6 million. The increase is the result of higher distributions from the fund certificates controlled by UNIQA. Around half of the negative measurement result in the amount of €–149.8 million is attributable to equity funds and half to annuity funds.

UNIQA Österreich Versicherungen AG's derivative portfolio consists primarily of forwards and swaps. The portfolio recorded a loss from the measurement in the amount of €–2.5 million in 2018, mainly from currency components.

The portfolio of term deposits valued at €316 million was changed on the previous year by €4.8 million. The change in the income and measurement on the previous year was immaterial.

A.4 PERFORMANCE OF OTHER ACTIVITIES

The UNIQA Group's lease agreements relate to operating lease agreements. The following table shows the ongoing lease expenses and future lease payments:

Lease expenses in accordance with IFRS In € million	2018	2017
Current lease expenses	**12**	**5**
Future leasing rates relating to finance of UNIQA company's headquarters in Vienna	**21**	**10**
of which		
up to 1 year	7	5
more than 1 year and up to 5 years	11	5
more than 5 years	3	0

Table 10: Lease expenses

As at 1 January 2019 the UNIQA Group has been accounting for lease liabilities in accordance with the new standard for leases IFRS 16, which has replaced the existing regulations for recognising lease agreements. The Group makes use of the option here of not recognising usage rights for intangible assets, which is why there are no differences in measurement arising from this with the UNIQA Group's consolidated financial statements. The Group also refrains from revaluing the lease liabilities stated on materiality grounds.

Other income remained stable in 2018 at €36.8 million (2017: €36.6 million). Other expenses increased by 28.5 per cent to €72.5 million in the reporting year due to exchange rate losses in Russia (2017: €56.5 million). The details of other income and other expenses are as follows:

Other income according to IFRS In € million	2018	2017
Property and casualty insurance	**26**	**25**
Health insurance	**6**	**8**
Life insurance	**5**	**4**
of which		
services	11	14
changes in exchange rates	15	11
other	10	12
Total	**37**	**37**

Table 11: Other income according to IFRSs

Other expenses according to IFRS In € million	2018	2017
Property and casualty insurance	**45**	**37**
Health insurance	**7**	**7**
Life insurance	**21**	**12**
of which		
services	21	18
exchange rate losses	26	11
other	26	28
Total	**73**	**56**

Table 12: Other expenses according to IFRSs

A.5 ANY OTHER INFORMATION

Options received

There are bilateral option agreements in place between UNIQA and the two remaining non-controlling shareholders in UNIQA Insurance Company, Private Joint Stock Company (Kiev, Ukraine) to acquire further company shares based on pre-agreed purchase price formulas in 2020.

In addition, there is the possibility to exercise a mutual option between UNIQA and the minority shareholders of the SIGAL Group to acquire additional shares in the option period between 1 July 2020 and 30 June 2021 in accordance with an agreed purchase price formula.

Subscription obligations

There are subscription obligations, mainly in the form of funds, from investments in healthcare and investments in private debt, as well as in the infrastructure area in the amount of €601 million (2017: €0). There are no residual payment obligations for other private equity investments (2017: €1.0 million).

B System of governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Under Solvency II, insurance and reinsurance undertakings must establish an effective system of governance which guarantees sound and prudent management of the business and which is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

UNIQA has issued and implemented internal regulations, in particular covering the governance model, internal controls, internal audit, compliance, remuneration and risk management, in order to guarantee an effective system of governance.

The objective of this chapter is to describe the organisational structure with its clearly defined roles, responsibilities and tasks of the governing bodies, along with the governance and other key functions in the UNIQA Group.

B.1.1 Supervisory Board

The Holding Supervisory Board

The Holding Supervisory Board supervises the executive management and monitors whether the management is implementing suitable measures in order to increase the company's value over the long term.

The Holding Supervisory Board meets at least once per quarter. Duties and rights of the Holding Supervisory Board include:

- Supervision of the executive management in general (Section 95(1) of the Stock Corporation Act);
- The Holding Supervisory Board can request a report from the Holding Management Board at any time on the company's affairs, including details on its relations with a Group company. An individual member can also request a report, although only for submission to the Holding Supervisory Board as such;
- Appointment and dismissal of members of the Holding Management Board (Section 75 of the Stock Corporation Act);
- Convening of a General Meeting if the company's well-being requires this (Section 95(4) of the Stock Corporation Act);
- Appointment of the committees of the Holding Supervisory Board;
- Ensuring that the material business risks have been identified and are managed effectively;
- Implementation of ethical standards and ensuring compliance and governance with due regard to the legal requirements.

The information provided by the Holding Management Board also allows the Holding Supervisory Board to form an opinion primarily on strategic issues.

Without prejudice to the provisions in Section 95(5) of the Austrian Stock Corporation Act, certain transactions and activities require consent from the Holding Supervisory Board in accordance with the Rules of Procedure of the Holding Supervisory Board and the Management Board.

Committees of the Holding Supervisory Board

The Holding Supervisory Board forms committees from its own members with responsibilities determined by the Holding Supervisory Board or determined in Section 92(4)(a) of the Austrian Stock Corporation Act and Section 123(7) of the Austrian Insurance Supervision Act 2016 (mandatory Audit Committee). These serve to increase the efficiency of Supervisory Board work and to handle complex cases separately.

Audit Committee

An Audit Committee must be established pursuant to Section 92(4a) of the Austrian Stock Corporation Act and Section 123(7 to 9) of the Austrian Insurance Supervision Act 2016. The Audit Committee is currently made up of the chairman, his three deputies, two further shareholder representatives selected by the Holding Supervisory Board and three employee representatives. The Audit Committee carries out preparatory and concluding activities for the Holding Supervisory Board.

Key responsibilities of the Audit Committee are to address and examine in detail the annual and consolidated financial statements, the management report and group management report and the proposal for the appropriation of profit. Assigning work to the Audit Committee relieves the burden on the Holding Supervisory Board and helps the tasks assigned to be carried out in a more targeted manner. The Audit Committee also ensures that special knowledge is combined, which reduces the imbalance in information received by the Holding Management Board and the Holding Supervisory Board.

The Audit Committee meets at least three times each financial year.

Working Committee

In some cases, decisions on certain matters cannot wait until the next regular meeting of the Holding Supervisory Board. The Working Committee is called upon to make decisions only if the urgency of the matter means that the decision cannot wait until the next meeting of the Holding Supervisory Board. It is the responsibility of the Chairman of the Holding Supervisory Board to assess the urgency of the matter.

The Working Committee is made up of the chairman, his three deputies, two further shareholder representatives selected by the Holding Supervisory Board and three employee representatives. The resolutions passed must be reported in the next meeting of the Holding Supervisory Board.

In accordance with the above rules, the Working Committee can take decisions on all matters for which the Holding Supervisory Board is responsible, with the exception of the matters assigned to the overall Holding Supervisory Board by statute and the articles of association:

- Supervision of the executive management in general (Section 95(1) of the Stock Corporation Act);
- Examination of the annual financial statements, the proposal for profit distribution and the management report as well as reporting on this to the Annual General Meeting (Section 96 of the Stock Corporation Act);
- Participation in the formal adoption of the annual financial statements (Section 125 of the Stock Corporation Act);
- Convening of the Annual General Meeting;
- Appointment and dismissal of members of the Holding Management Board;
- Election and revocation of the Holding Supervisory Board chairmanship;
- Establishment, purchase and sale of equity investments and real estate with a value in each individual case exceeding €50 million;
- Establishment or discontinuation of business activities outside of Austria;
- Reorganisations, amendments of the articles of association, capital measures.

Committee for Management Board Affairs (“Personnel Committee”)

The Personnel Committee deals with legal employment formalities concerning the members of the Holding Management Board and with questions relating to the remuneration policy and succession planning for the Holding Management Board. It is made up of the Holding Supervisory Board chairman and his three deputies.

Investment Committee

The Investment Committee advises the Holding Management Board on its investment policy. It has no authority to take decisions.

The Investment Committee is made up of six shareholder representatives selected by the Holding Supervisory Board and three employee representatives. The Investment Committee meets at least four times a year.

IT Committee

The Holding Supervisory Board uses the IT Committee to exercise its advisory and supervisory rights within the scope of implementing a new IT core system for the UNIQA Group (UNIQA Insurance Platform, UIP). IT Committee meetings are based on the meetings by the entire Holding Supervisory Board. It is made up of three shareholder representatives and two employee representatives.

B.1.2 Management Board and committees

The Holding Management Board

1. Duties and rights of the Holding Management Board

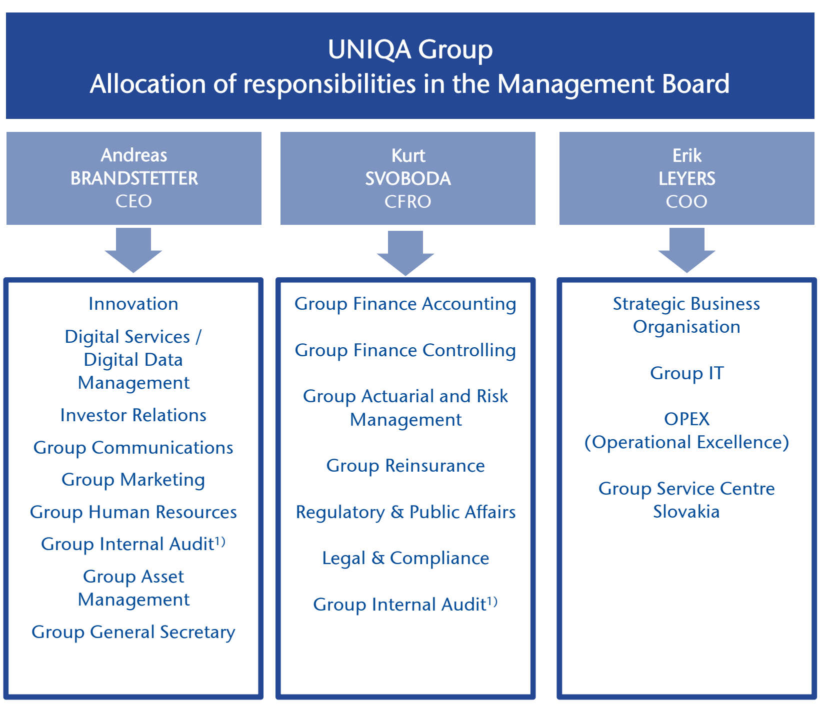
The Holding Management Board is independently responsible for managing the business of the UNIQA Group with the level of care dictated by prudent and diligent business management in accordance with the applicable statutory regulations and the articles of association and in line with the internal company rules of procedure.

It is responsible for all matters that have not been specifically assigned to the Annual General Meeting, the Holding Supervisory Board or one of its committees.

2. Allocation of responsibilities in the Holding Management Board

As can be seen from the following chart, the members of the Holding Management Board are:

- Chief Executive Officer (CEO)
- Chief Finance and Risk Officer (CFRO); the CFO and CRO roles are carried out concurrently by one Board Member.
- Chief Operating Officer (COO)



From: May 2018

[1] Internal audit in the UNIQA Group reports directly to the Holding Management Board. From an organisational point of view, it is subordinate to the CEO as well as to the CFRO.

Figure 9: Allocation of responsibilities within the Management Board

The allocation of responsibilities among the members of the Holding Management Board is laid down in the plan on the allocation of responsibilities, which must be submitted by the Holding Management Board to the Holding Supervisory Board for approval. Allocation of responsibilities does not affect the collective responsibility of the members of the Holding Management Board.

The members of the Holding Management Board update each other on all important business operations on an ongoing basis independently of their departmental responsibilities. Meetings of the Holding Management Board should be held once per month. Important matters must be covered in the meetings, which may be convened at any time by any member of the Holding Management Board.

Group Executive Board

The Group Executive Board is the meeting of the Holding Management Board, together with the respective chairmen of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG, along with the member of the UNIQA Österreich Versicherungen AG Management Board responsible for Raiffeisen Austria bank sales, as well as – starting 1 January 2018 – the members of the Management Boards responsible for digitalisation at UNIQA Österreich Versicherungen AG and UNIQA International AG, each with an advisory vote. The Group Executive Board meets on a regular basis, if possible, every two weeks.

The committees of the Holding Management Board

The UNIQA Group has set up a three-level committee structure aimed at enabling efficiency and in-depth content-related discussion with the appropriate parties with functional responsibility. A Charter & Rules of Procedure has been laid down for each body with details set out here on the objectives, responsibilities, composition and organisation. The committees are under the responsibility of the members of the Holding Management Board with the relevant functional remit according to the allocation of business (with the exception of the Operations & Risk Committee, for which the entire Holding Management Board is responsible, see below).

If a required decision exceeds the competencies of the relevant party responsible from the department or of the committee member, then this is escalated to the next level in the committee hierarchy. Committee resolutions are recommendations for the respective business units. However, in accordance with applicable corporate law, implementation of the decisions of a committee on the level of the other business units of the UNIQA Group requires formal adoption by virtue of an (independent) ratifying resolution of the relevant executive body.

An overview of the different levels of the UNIQA Group's committee structure is provided below. The UNIQA Group's insurance companies must each implement at least one central committee (the Risk Committee).

Level 1 committee

Operations & Risk Committee (ORC)

The ORC is under the responsibility of the entire Holding Management Board. It serves as an aggregate informational meeting and, if necessary, as an escalation level. The relevant chairs of the Level 2 committees report on relevant points of discussion, decisions taken and follow-up activities from their meetings. In this regard, the ORC convenes after the Level 2 and Level 3 committees and is made up of:

- The members of the Group Executive Board;
- The CITO Life and Health (Chief Insurance Technical Officer for Life and Health) as well as CITO Non-Life (Chief Insurance Technical Officer for Non-life Insurance) members of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG;
- The holders of the governance functions in accordance with Solvency II (Actuarial, Risk, Audit, Compliance);
- The Head of Regulatory & Public Affairs.

The Holding Management Board can pass resolutions during ORC meetings.

Level 2 committees

The Holding Management Board has defined the following separate committees (Level 2 committees) in order to cover the Holding core topics: Level 2 committees are under the responsibility of the member of the Holding Management Board with functional responsibility in accordance with the allocation of business. The following Level 2 committees are in place:

- Group Risk Committee (RICO) – headed by the CFRO
- Group Reserving Committee (RESCO) – headed by the CFRO
- Group Asset Liability Committee (ALCO) – headed by the CIO (same person as CEO since 1 June 2016)
- Group Remuneration Committee (REMCO) – headed by the CEO
- Group Security Committee (SECCO) – headed by the CFRO
- Group Data Protection Committee (DPCO) - headed by the CFRO

The committees are strategic supervisory, advisory and decision-making bodies. At least one representative from the Holding Management Board takes part in all committees (Head of the Committee). Due to the functional organisation of the UNIQA Group – with Management Board responsibilities largely held concurrently by the same person for the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA International AG – the RICO is largely held in each case jointly for the UNIQA Group and UNIQA Österreich Versicherungen AG. This means that there is one joint meeting date in each case upon which the committee is formally held for the UNIQA Group and for UNIQA Österreich Versicherungen AG. The formal separation (separate presentation documentation and minutes) enables clear mapping of attendees and functions.

Group Risk Committee (RICO)

The RICO focuses on risk governance and risk management issues in the broadest sense. The Committee reports on relevant quantitative (economic solvency position and risk profile) and qualitative (heat map, ICS) risk management topics. It also discusses regulatory changes and sets out action to be taken in connection with economic management (system of limits). The CFRO chairs the Committee.

Group Reserving Committee (RESCO)

The RESCO determines the UNIQA Group's reservation strategy, defines the reservation standard and reviews the adequacy of the reserves on an ongoing basis. The CFRO chairs the Committee.

Group Asset Liability Committee (ALCO)

The Group Asset Liability Committee (ALCO) focuses on market risks as well as interaction between the assets and liabilities on the Group balance sheet. The Committee decides on asset liability management topics relevant to the UNIQA Group. The ALCO puts forward proposals on risk preference in relation to the investment risk and strategic asset allocation (SAA) for the UNIQA Group's insurance companies. The CIO chairs the Committee.

Group Remuneration Committee (REMCO)

The REMCO defines fundamental remuneration strategies for the entire UNIQA Group that provide a framework for policies and individual decisions in relation to compensation and benefits for Group executives and managers. The REMCO takes decisions related to the structure and targets for variable salary components as well as all compensation-related systems and in relation to the amount and structure of fixed and variable salary arrangements for individual managers. The REMCO takes these decisions in compliance with applicable laws, in particular with due regard to all of the regulations under Solvency II, and thereby follows the principle of internal fairness and external appropriateness.

Group Security Committee (SECCO)

The State of Security Report on relevant security occurrences is disclosed in the SECCO. Based on this, potential measures are then discussed and decided upon. Updates are also provided here on current threats. The CFRO chairs the Committee.

Group Data Protection Committee (DPCO)

The DPCO was founded on the basis of the Group Data Protection Management Policy in response to the EU General Data Protection Regulation (GDPR) and focuses on the specification and implementation of data protection regulations within the UNIQA Group. The DPCO discusses and decides mainly on the following topics:

- Coordinating introduction of the data protection management system in the subsidiaries;
- Supervising data protection and compliance with relevant legislation, in particular the GDPR, within the UNIQA Group;
- Identifying and adopting improvement measures resulting from the data protection status;
- Relevant information from the local data protection committees;
- Approval of level 2 and level 3 data protection regulations for the UNIQA Group;
- Introducing topics relevant to data protection in other committees (in particular SECCO and RICO).

Level 3 committees

The UNIQA Group committees referred to above (Level 2) can in turn set up sub-committees (Level 3) for the purpose of adequately discussing special issues with experts involved. These sub-committees are explained and defined in greater detail in the corresponding regulations (e. g. in the Group Risk Management Policy) or there are also separate committee procedures for each of them. The Level 3 committees currently in place are:

- Data Quality Committee (level 3 of the RICO)
- Asset Risk Committee (level 3 of the ALCO)
- Internal Model Committee (level 3 of the RICO)

B.1.3 Key functions

Governance and other key functions

Governance functions

The system of governance includes the following governance functions in accordance with the applicable statutory regulations, in particular Solvency II and the Austrian Insurance Supervision Act 2016:

- Actuarial function
- Risk management function
- Compliance function
- Internal audit function

The governance functions stated are considered to be key functions and thereby also as important and critical functions.

Other key functions

People are also considered to be individuals holding key functions if they exercise particularly important functions for the company in view of its business activities and organisation.

The following functions have been defined as other key functions in accordance with a decision made by the Management Board of the UNIQA Group and Management Board of UNIQA Österreich Versicherungen AG:

- Asset management
- Reinsurance

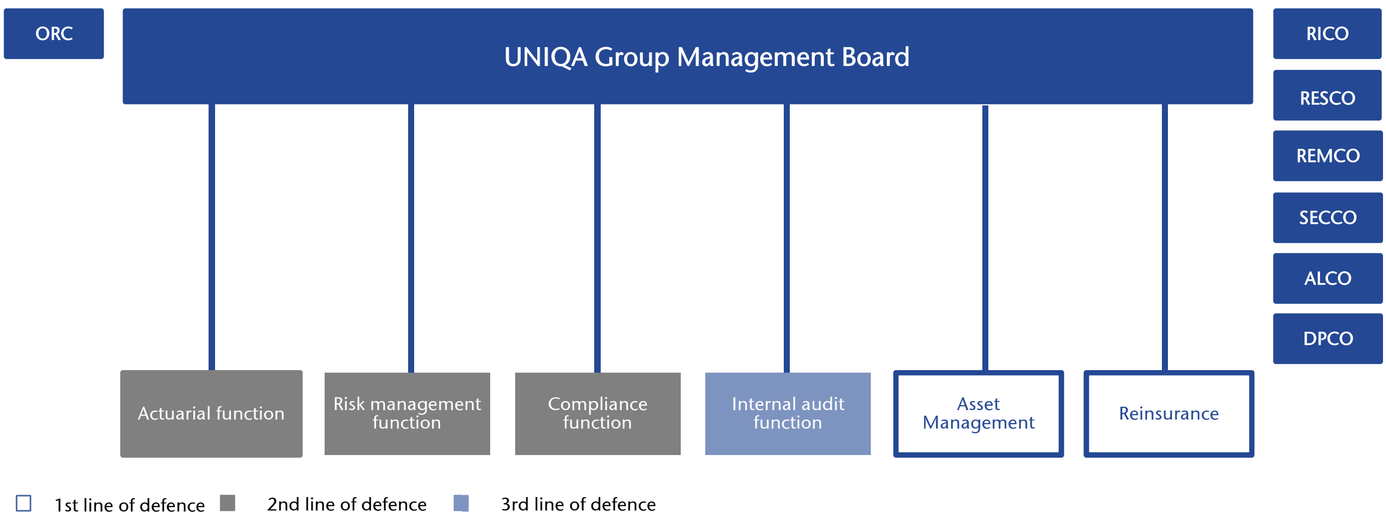


Figure 10: Presentation of the reporting lines of the key functions

Actuarial function

The actuarial function is organised at the level of both the UNIQA Group and on the level of each UNIQA Group insurance company.

The actuarial function in the UNIQA Group reports directly to the Holding Management Board. From an organisational point of view, it is subordinate to the CFRO.

The actuarial function is exercised independently of any further governance or key functions. The main task involves coordination of the calculation of technical provisions in accordance with Solvency II and ensuring an appropriate assessment associated with this (on methods and data quality). The actuarial function also makes an essential contribution to the company's Own Risk and Solvency Assessment (ORSA), which records consistent fulfilment of the requirements related to technical provisions, and provides an analysis of the deviations from the assumptions of the solvency capital requirement (SCR) calculation from the risk profile.

The duty to inform the Management Board is met by taking part in crucial committees and by submitting a written report prepared at least once a year. The responsibilities of the actuarial function are as follows:

- Coordinating the calculation of the technical provisions;
- Ensuring that the methods and models used are appropriate and that the assumptions made in the calculation of the technical provisions are reasonable;
- Assessing whether the data is sufficient and of adequate quality;
- Comparing best estimates with past experience;

- Providing the Holding Management Board with information on whether the calculation of technical provisions is reliable and appropriate;
- Reviewing the general underwriting and acceptance policy;
- Reviewing whether reinsurance agreements are appropriate;
- Supervising the calculation of the technical provisions;
- Being involved in implementing the risk management system effectively, in particular in relation to the creation of risk models used as the basis for calculating the capital requirement.

The specific focus in 2018 was on the following points in particular:

- Further establishment of the key function in existing processes and further development of reporting to the Management Board;
- Creating an actuarial function report for the 2017 financial year;
- Consistent and structured follow-up of the findings made in the actuarial function report;
- Ongoing reporting to the Management Board on current developments;
- Further development of the existing validation processes for technical provisions;
- Updating annual figures as an additional content-related item: monitoring results from the internal audit report on the functioning of the VMF at UNIQA.

Risk management function

Risk management function is organised at the level of both the UNIQA Group and on the level of each UNIQA Group insurance company. The risk management function in the UNIQA Group reports directly to the Holding Management Board. From an organisational point of view, it is subordinate to the CFRO. The risk management function is responsible for effective implementation of the risk management system and monitoring of this. The key function has the duty to coordinate the risks at the UNIQA Group and to assess them independently. The risk management function plays a close supporting and advising role to the Management Board and must be involved in all material business decisions. Close cooperation with the actuarial function is crucial for the purposes of fulfilling the main responsibilities. The risk management function has additional responsibilities within the framework of the internal model. The responsibilities of the risk management function are listed below:

- Developing and preparing the risk strategy;
- Determining risk appetite and risk preference at the level of the UNIQA Group and allocating economic capital for the operating companies;
- Identifying and monitoring relevant Group risks, and responsibility for the associated reporting system;
- Calculating the risk capital for the UNIQA Group;
- Execution, implementation and support of a uniform risk management process at the UNIQA Insurance Group AG level in accordance with Group standards;
- Preparing and maintaining standards for the specific risk management processes for all risk categories;
- Preparing and monitoring UNIQA Group risk limits.

And in the context of the internal model,

- to design and implement the internal model;
- to test, validate and document the internal model;
- to document the model;
- to prepare summary reports;
- to ensure that the Holding Management Board is informed on a continuous basis.

Compliance function

The compliance function is part of the internal control system (Section 117 of the Austrian Insurance Supervision Act 2016) and is responsible for monitoring compliance with the requirements and for assessing the appropriateness of the measures implemented by the company aimed at preventing non-compliance. The compliance function is organised at the level of both the UNIQA Group and on the level of each UNIQA Group insurance company.

A Compliance Officer and deputy are appointed within the scope of each compliance function. The Compliance Officer is the holder of the key function and must fulfil special professional and personal requirements. This basic structure is reproduced through the entire UNIQA Group. No distinction is made between the companies in the EU and in non-EU countries in implementing the compliance structure and the compliance regulations, and all companies in the UNIQA Group are required to establish the same structure.

Other compliance employees can also be allocated to the compliance function in addition to the Compliance Officer and deputy depending on the size of the relevant subsidiary in the UNIQA Group.

The compliance function in the UNIQA Group reports quarterly to the Holding Management Board and the Risk Committee. From an organisational point of view, it is subordinate to the CFRO.

The compliance function reported twice to the Supervisory Board, or more specifically, to the Audit Committee in 2018.

At Group level, the responsibilities of the compliance function in the UNIQA Group are:

- Developing uniform minimum standards in the UNIQA Group for the compliance organisation and the associated internal requirements that are necessary in this regard;
- Monitoring and support of the uniform implementation of these standards and requirements in all insurance companies within the UNIQA Group;
- Organising and carrying out appropriate training on a regular basis covering relevant compliance issues for the benefit of compliance officers, other compliance employees and any compliance coordinators in all the insurance companies in the UNIQA Group;
- Preparing a compliance plan and regular compliance reports;
- Developing and implementing compliance tools to help ensure that the compliance tasks are carried out. These tasks include early warning, risk assessment, appropriateness evaluation, monitoring, prevention and advice.

The compliance function in the UNIQA Group is also responsible for the following tasks in relation to the departments and divisions reporting to UNIQA Insurance Group AG:

- Recognising and assessing the potential effects of changes to the legal environment on the company's activities and its organisation (early warning role);
- Identifying and assessing the risks associated with non-compliance with the legal regulations in the essential compliance-related areas (compliance risk) and therefore assessing the company's exposure to risk. This takes place as part of a compliance risk analysis (risk assessment);
- Reviewing the adequacy of the measures implemented that aim to prevent non-compliance (adequacy function) as part of a compliance review (in accordance with the annual compliance plan);
- Assessing and monitoring compliance with the regulations applicable to contract insurance and whether any compliance is encouraged by effective internal procedures within the company (monitoring function);
- Ensuring that adequate preventive measures have been implemented that aim to prevent non-compliance; the most important preventive measures include internal regulations and training;
- Advising the Management Board and all relevant employees on all of the legal regulations applicable for contract insurance (in particular in relation to Solvency II);

- Topics related to ethical and legally compliant company management (Code of Conduct) and money laundering, including the Foreign Account Tax Compliance Act (FATCA) are also addressed within the scope of the UNIQA Insurance Group AG compliance function.

Internal audit function

Internal audit is organised at the level of both the UNIQA Group and at the level of each UNIQA Group insurance company.

The UNIQA Group's internal audit has been outsourced to a wholly owned subsidiary UNIQA Group Audit GmbH (UGA) with the consent of the Austrian Financial Market Authority. UGA reports directly to the Holding Management Board. From an organisational point of view, it is subordinate to the CEO as well as to the CFRO. UGA also submits a report to the relevant chair of the Supervisory Board and/or to the Audit Committee each quarter. This reporting relates to the audit areas and material audit findings for the audit projects carried out in the relevant quarter.

The internal audit function is an exclusive one and it cannot be exercised in conjunction with other functions that are not audit-related. This ensures that it remains independent and thereby guarantees strict monitoring and assessment of the effectiveness of the internal control system and other components of the system of governance. The responsibilities of internal audit, including its responsibilities in Group audit, are summarised as follows:

- Holding overall responsibility for all the audit-specific activities of the companies in the UNIQA Group;
- Ensuring that the Group strategy is implemented;
- Determining the audit strategy and the quality criteria, and ensuring compliance;
- Managing escalation in relation to audit matters;
- Ensuring that the audit-specific reporting required by law is carried out;
- Preparing the risk-based multi-year audit plan for Group Audit and, where required, obtaining approval from the legally authorised governing bodies in the case of material changes to the audit plan;
- Carrying out scheduled audits and special audits in the companies of the UNIQA Group;
- Initiating special audits by Group Audit in the event of imminent danger;
- Reporting annually on whether the audit plan has been fulfilled;
- Defining and harmonising audit standards, including procedural instructions across the entire UNIQA Group;
- Monitoring local audit units to ensure they are effective and fully operational;
- Auditing compliance with Group standards.

In fulfilment of the internal audit function in the UNIQA Group, UGA is responsible for:

- Preparing the risk-based multi-year audit plan for the UNIQA Group and, if necessary, obtaining the approval of the legally authorised bodies in the event of significant changes to the audit plan;
- Implementing scheduled audits and special audits;
- Initiating special audits in the event of imminent danger;
- Reporting annually on whether the audit plan has been fulfilled;
- Ensuring that audit-specific reporting is carried out in accordance with statutory requirements.

In exercising these functions, UGA supports executive management within the UNIQA Group along with the executive management teams at the UNIQA Group companies with their management and monitoring functions. It provides independent and objective audit and advisory services aimed at creating added value and improving business processes. It supports the UNIQA Group in achieving its objectives. It audits and assesses the appropriateness and effectiveness of risk management, the internal control system, the management and monitoring processes, the compliance organisation and additional components in the system of governance and helps to improve these. Reviewing the legitimacy, regularity, appropriateness, cost-effectiveness, security and goal-oriented nature of the business and operations are a fixed part of its activities.

The internal audit carries out its activities autonomously, independently, objectively and independently of other processes. It is not subject to any instructions whatsoever in carrying out its audits, reporting or assessing audit findings.

Asset management

The asset management function in the UNIQA Group reports to the Holding Management Board. From an organisational point of view, it is subordinate to the CEO.

Asset management activities have been outsourced by UNIQA Group to UNIQA Capital Markets GmbH (UCM) with the consent of the Financial Market Authority. UCM is a wholly owned subsidiary of the UNIQA Group. UCM's main responsibility involves providing financial services for domestic and foreign insurance companies in the UNIQA Group. These services relate to portfolio management and investment advice. UCM also acts as the delegated fund manager for Austrian and Luxembourg funds in which the UNIQA Group operating companies have investments. UCM's responsibilities related to asset management for the UNIQA Group are summarised as follows:

- Providing advice on investments;
- Managing portfolios;
- Accepting and transferring orders/contracts;
- Managing equity investments;
- Tactical asset allocation;
- Carrying out research;
- Providing advice on strategic asset allocation;
- Submitting monthly reports on trends in the finance portfolio.

The following activities are provided in particular within the scope of portfolio management:

- Purchase and sale of securities and derivative instruments on behalf and for account of the UNIQA Group;
- Authority to control the financial instruments on behalf and for account of the UNIQA Group;
- Conversion or exchange of financial instruments;
- Exercise of rights related to financial instruments.

The following are explicitly excluded from the scope of UCM's activities:

- Acquisition and sale of real estate;
- Issuing and managing refinancing loans;
- Fund management in relation to unit-linked insurance products;
- Administration and deposit of securities;
- Financial accounting;
- Invoicing transactions.

Reinsurance

The key function of reinsurance in the UNIQA Group reports directly to the Holding Management Board and supports the latter in developing and formulating reinsurance strategies and corresponding guidelines. It is responsible for ensuring uniform organisational measures and processes across the entire Group, which enable homogeneous and effective implementation of Group regulations and allow general compliance and governance requirements to be met.

It is also responsible for providing advice and technical support to the Group bodies and local management boards in relation to general reinsurance issues and the specific reinsurance-related objectives of the UNIQA Group. Consideration and monitoring of market-compliant action are of particular importance, both from an objective as well as a material point of view. The reinsurance key function is also responsible for establishing and ensuring comprehensive reporting on all reinsurance activities within the UNIQA Group.

The responsibilities of the reinsurance key function include:

- Drawing Up and implementing policies governing the handling of reinsurance in the UNIQA Group;
- Translating strategic objectives set by the holding company into uniform processes and the associated monitoring and control;
- Helping the Holding Management Board develop and draft reinsurance strategies and corresponding policies;
- Ensuring that uniform organisational measures and processes are put in place throughout the Group so that Group requirements are implemented efficiently and uniformly;
- Providing advice and specialist support for the Holding Management Board and the management boards of the insurance companies in the UNIQA Group;
- Ensuring that activities are in line with market requirements, both in substance and in all material respects, and carrying out associated monitoring;
- Ensuring that all reinsurance activities within the Group are comprehensively reported;
- Ensuring that the following requirements are taken into account in the structure of internal and external reinsurance relationships:
    - Local risk capital requirement minimised through needs-based, tailored reinsurance structures;
    - Determination on the basis of regular local risk assessments;
    - Use of diversification maximised across the Group;
    - Optimisation of the proportion of business retained by the Group;
    - Reducing volatility as far as possible;
    - Efficient retrocession capacity purchased centrally with the aim of further reducing risk capital at Group level.

B.1.4 Remuneration

Basic principles of remuneration

The objective of the remuneration strategy in the UNIQA Group is to ensure a balance between market trends, statutory and regulatory requirements, and the expectations of the shareholders and post holders. The UNIQA Group's core principles in relation to remuneration include the following:

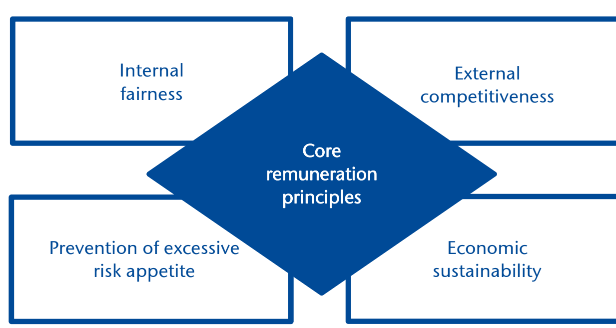


Figure 11: Core remuneration principles

Internal fairness encompasses fair remuneration for employees within a unit/department on the basis of the job concerned and individual characteristics.

External competitiveness is reviewed using external salary benchmarks in order to ensure that remuneration packages help to attract suitably skilled and qualified people to the company, to motivate them and to retain them over the long term.

The size and structure of remuneration packages and selected remuneration components are designed according to the types of risk to which the role is exposed with the aim of preventing an excessive risk appetite. Remuneration packages must also be economically sustainable in the sense that they must be consistent with the staff expenses budget and facilitate control over the impact from staff expenses on short-term and long-term profit or loss.

The UNIQA Group's business strategy and long-term strategic plans are key factors in the structuring and review of salary packages. Performance and the contribution of individuals, teams, areas and companies to the success of the UNIQA Group are integrated into remuneration packages via performance-related, variable remuneration components.

Fixed remuneration

The basic annual salary is the fixed remuneration component determined on the basis of the responsibility, complexity and hierarchical level of the position and individual characteristics such as experience, capabilities, talent and potential, taking into account external salary benchmarks.

When determining the amount of basic annual salary, care is taken to ensure that there is an appropriate balance between the basic annual salary and variable remuneration to prevent disproportionate dependence on variable remuneration components that could otherwise encourage excessive risk-taking.

Variable remuneration

In addition to fixed remuneration, UNIQA offers Management Board members and other executive managers the prospect of a performance-related variable remuneration component. The aim is to create a direct link between economic objectives and the performance of the business on one hand and remuneration on the other.

An annual bonus and an individual bonus as a short-term variable compensation (short-term incentive, STI) are available.

The highest short-term incentive for members of the Management Board of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG amounts to 100 per cent of the basic annual salary.

The first management level under the above-mentioned Board members receives an average percentage of approximately 23 per cent.

The short-term incentive for members of the Management Boards of foreign subsidiaries is set at 30 per cent of the basic annual salary.

A long-term incentive (LTI) as long-term variable compensation is granted to the board members of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG.

Short-term incentive

Annual bonus

The actual amount of the annual bonus depends on the attainment of the Group and regional targets specified at the beginning of a financial year.

Deferred bonus

Under the regulatory requirements in Solvency II regarding deferred variable remuneration components, a significant proportion of the annual bonus must be classified as a deferred bonus. The payment of the deferred bonus depends on the solvency ratio of the UNIQA Group over an analysis period of three years, which is determined in a sustainability review.

Individual bonus

The individual bonus is based on the achievement of individual and sector-specific goals.

Long-term variable remuneration

Share-based remuneration

The long-term incentive (LTI) is a share-based compensation arrangement with cash settlement, and this provides for one-off payments after a period of four years in each case based on virtual investments in UNIQA shares each year and the performance of UNIQA shares, the P&C net combined ratio and the return on risk capital. Maximum limits are agreed. As part of the LTI, the members of the Management Board are obligated to make an annual investment in UNIQA shares with a holding period of four years in each case.

The system is in line with Rule 27 of the Austrian Code of Corporate Governance in the version applicable at the reporting date.

Pension schemes and similar benefits

The board members of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG have agreed upon a contractual arrangement with Valida Pension AG, who will provide pension entitlements, occupational disability insurance, as well as survivor benefits. The retirement pension generally becomes due for payment when the beneficiary reaches 65 years of age. The pension entitlement is reduced in the event of an earlier retirement; the earliest the pension can be paid out is when the beneficiary reaches the age of 60. In the case of the occupational disability pension and survivor's benefits, basic amounts are provided as a minimum pension. The pension fund at Valida Pension AG is funded by UNIQA through ongoing contributions from management board members. Compensation payments to Valida Pension AG are mandatory if members of the Management Board resign before reaching 65 years of age (calculated duration of premium payments to avoid over-financing).

Active salaries of members of the Management Board

The active salaries of the members of the Management Board at UNIQA Insurance Group AG amounted to €3,356 thousand in the reporting year (2017: €2,790 thousand). The pension funds contributions for members of the Management Board amounted to €359 thousand (2017: €359 thousand). The expenses for pensions in the reporting year for the former members of the Management Board and their surviving dependants amounted to €2,492 thousand (2017: €2,648 thousand).

The remuneration of the members of the Supervisory Board for their work in the 2017 financial year was €482 thousand. Provisions of €739 thousand have been recognised for the remuneration to be paid for work completed in 2018. The amount paid out in attendance fees and for out-of-pocket expenses in the financial year was €67 thousand (2017: €61 thousand).

There are no advance payments or loans to, or liabilities for, members of the Management Board or the Supervisory Board.

B.1.5 Significant related party transactions with companies and individuals

Companies in the UNIQA Group maintain various relationships with related companies and individuals.

In accordance with IAS 24, related companies are identified as those companies that exercise either a controlling or a significant influence on UNIQA. The group of related companies also includes the non-consolidated subsidiaries, associates and joint ventures of UNIQA.

Related individuals include the members of management holding key positions for the purposes of IAS 24 along with their close family members. This also includes in particular the members of management in key positions at those companies that exercise either a controlling or a significant influence on the UNIQA Group, along with their close family members.

Related party transactions – companies
In € million

	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other affiliated companies	Total
Transactions					
Premiums written (gross)	2	0	2	55	59
Income from investments	3	1	21	6	31
Expenses from investments	-1	0	0	-1	-2
Other income	0	7	2	0	9
Other expenses	0	-8	-3	-23	-34
At 31 December 2018					
Investments	225	13	653	46	938
Cash and cash equivalents	1,161	0	0	152	1,313
Receivables, including insurance receivablles	0	2	0	5	7
Financial liabilities	772	0	0	0	772
Liabilities and other items classified as liabilities	0	1	0	5	6

Table 13: Related party transactions – companies

Related party transactions – individuals
In € million

	2018
Premiums written (gross)	1
Salaries and short-term benefits[1)]	-5
Pension expenses	-1
Post-employment benefits	-0
Share-based payments	-1
Other income	0

1) This item includes the fixed and variable remuneration of the Management Board that was paid out in the financial year as well as Supervisory Board remuneration.

Table 14: Related party transactions – individuals

STI payments totalling €1.6 million are projected in the 2019 and 2022 financial years for the 2018 financial year.

B.2 REQUIREMENTS FOR FIT AND PROPER PERSONS

In accordance with the Solvency II Directive, the UNIQA Group has specified **fit** and **proper** requirements for persons who effectively run the business or hold other key functions.

This group of individuals comprises members of the Management Board and the Supervisory Board, holders of governance functions (risk management, compliance, internal audit and actuarial functions) and holders of other key functions in accordance with the Group Governance Policy.

The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter.

A distinction is made between requirements for members of the Management Board and Supervisory Board, and requirements for holders of key functions.

Members of the Management Boards and the Supervisory Boards

Requirements to ensure that Management and Supervisory Board members are fit for the position include a minimum level of expertise and experience in the following areas:

- Insurance and financial markets
- Business strategy and model
- System of Governance
- Financial and actuarial analyses
- Regulatory frameworks and requirements

The principle of collective professional skills and qualifications also applies. This means that not every member of the Management Board or the Supervisory Board has to meet all of the above requirements, but rather that the Management Board and Supervisory Board members have to meet the requirements collectively. This knowledge is aimed at ensuring sound, prudent management.

The requirements to ensure that individuals are proper persons for the post include:

- No relevant criminal offences
- No relevant breaches of duty or administrative offences
- Honesty, reputation, integrity, freedom from conflicts of interest, good personal conduct and financial integrity

Holders of key functions

Requirements to ensure that holders of key functions are fit persons for the role include the following minimum level of qualifications, experience and knowledge:

- Degrees, training and technical abilities necessary for the function
- Technical knowledge required for the function
- A minimum of three years of professional experience in an area relevant to the function and/or in a similar sector
- Other professional experience as stated in the job requirements profile

The requirements to ensure that individuals are proper persons for the post include:

- No relevant criminal offences
- No relevant breaches of duty or administrative offences
- Honesty, reputation, integrity, freedom from conflicts of interest, good personal conduct and financial integrity

The following additional requirements have been specified for the governance functions in the UNIQA Group:

Actuarial function
- Recognised actuary in accordance with the relevant statutory requirements
- The ability to represent the company externally and to argue for the position taken by the company in discussions with local authorities
- The ability to form a sound opinion independently of other departments within the company and to advocate associated ideas
- The ability to identify irregularities in the company and report these to the Management Board

Risk management function
- Actuarial or business management training
- Actuarial expertise, knowledge of accounting
- Very good knowledge of Solvency II calculation principles
- Very good knowledge of the risk management process

Compliance function
- Sufficient professional qualifications, knowledge and experience to ensure sound, prudent management
- Good repute and integrity
- Completed studies in law or business management

Internal audit function
- Sufficient professional qualifications, knowledge and experience to ensure sound, prudent management
- Independence and exclusivity
- Objectivity
- Ability to carry out audits to establish whether operating activities are lawful, proper and fit for purpose, and whether the internal control system and the other components of the system of governance are appropriate and effective

Process for verifying that fit and proper requirements are satisfied
The knowledge, capabilities and experience necessary for each function are set out in the job descriptions. Other criteria that an individual must satisfy to be deemed a fit and proper person are also specified.

Verification that an individual satisfies the fit and proper requirements is integrated into the internal and external recruitment process and the responsibilities of the people involved in the process are clearly assigned.

Appropriate evidence, documentation and information are gathered for verification and documentary purposes as part of the recruitment process.

An overview of the internal and external recruitment process is shown in the following diagram:

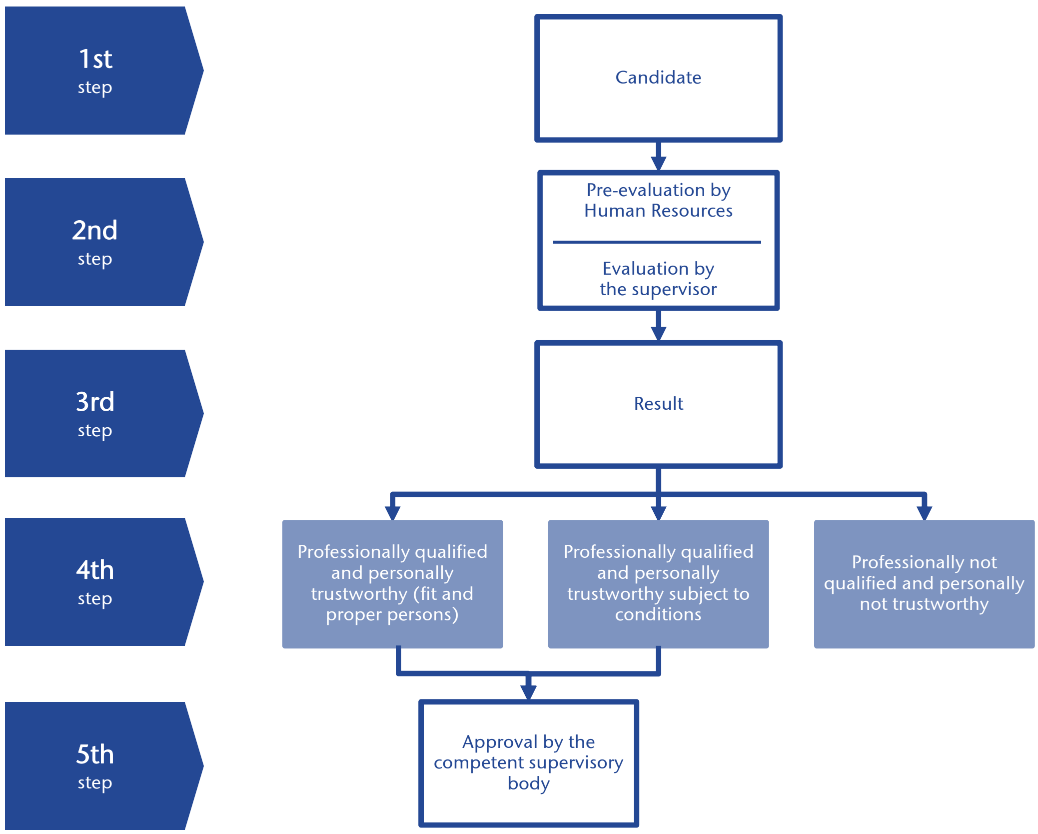


Figure 12: Process for reviewing professional qualifications and personal trustworthiness

Verification process for members of the Management Boards and the Supervisory Boards

The evidence and information necessary to assess whether fit and proper requirements are satisfied are gathered by Group Human Resources in collaboration with the relevant general secretariat and/or legal department. Following an initial assessment, Group Human Resources submits a recommendation to the relevant chair of the Supervisory Board or Supervisory Board member who is responsible for carrying out the fit and proper assessment.

Verification process for key functions

The process of assessing and verifying whether the fit and proper requirements have been satisfied in respect to key functions is carried out by the immediate line manager in question with support from the Human Resources department. The Human Resources department gathers the documentation and evidence necessary to assess whether the fit and proper requirements are satisfied. Based on an initial assessment, the Human Resources department submits a recommendation to the line manager responsible for carrying out the fit and proper assessment and for deciding on the appointment to the key function concerned.

Result of the assessment

An individual is judged to be a fit and proper person overall if the individual satisfies the specified fit and proper criteria and the statutory requirements.

If the person concerned is assessed as fit and proper, the consent of the relevant supervisory body must also be obtained.

If an individual does not satisfy all the specified requirements for being a fit and proper person, an action plan can be put in place to ensure that the person concerned meets the suitability requirements as soon as possible. The extent of the deficiency is included in the assessment.

The action plan and the corresponding timescale are drawn up by the person responsible for the fit and proper assessment in conjunction with the Human Resources department.

An individual cannot take on responsibility for the function concerned if he/she does not satisfy the criteria.

Reassessment

The members of the Management Board and Supervisory Board and the holders of key functions are under an obligation to notify the person responsible for their fit and proper assessment of any material changes in their status as a fit and proper person or in the documentation, declarations or any other information that they provided as part of the initial verification process. The person responsible will then decide whether a reassessment is required. In addition, there are clearly defined events that trigger the requirement for a reassessment. The process for reassessment is the same as the process for initial verification that the fit and proper requirements are satisfied.

Ongoing fulfilment of requirements

Members of the Management Board and Supervisory Board and holders of key functions are under an obligation to undertake continuous professional development to ensure that they continue to meet the requirements on an ongoing basis. This is reviewed annually as part of the fit and proper process.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE COMPANY'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

B.3.1 General

The risk management system is an integral part of the governance system. Its purpose is to identify, assess and monitor short-term and long-term risks to which the UNIQA Group and its companies are exposed. The internal Group guidelines form the basis for uniform standards at various company levels within the UNIQA Group. They include a detailed description of the process and organisational structure.

B.3.2 Risk management, governance and organisational structure

The organisational structure for the risk management system reflects the "three lines of defence" concept. It will be clearly defined below.

First line of defence: risk management within the business activity

The individuals responsible for the business activities are also responsible for establishing and maintaining suitable controls. Business and litigation risks can be identified and monitored as a result of this.

Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory functions such as financial control monitor business activities without encroaching on the operational decision-making process.

Third line of defence: internal audits by internal audit department

This enables an independent review of the structure and effectiveness of the entire internal control system, including risk management and compliance.

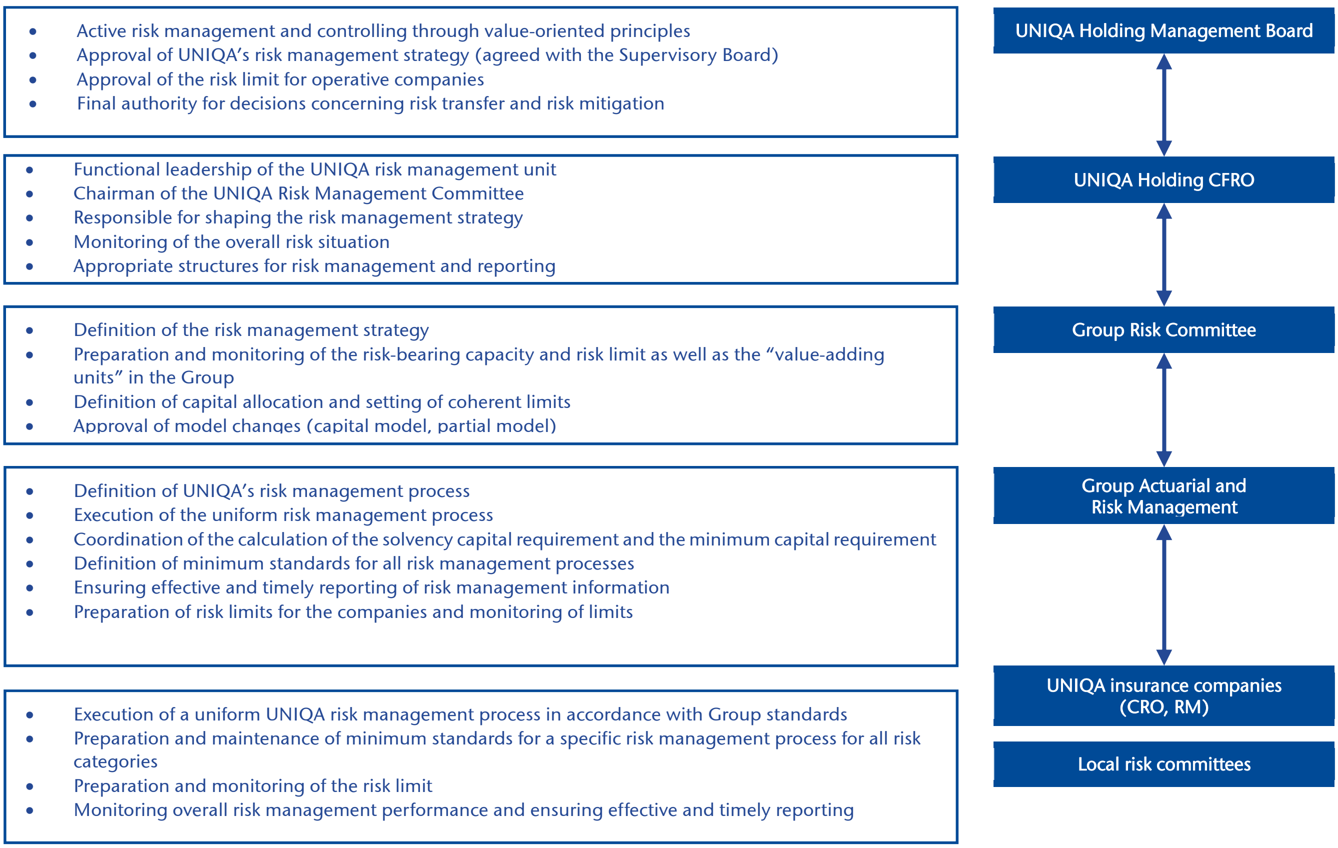


Figure 13: Organisational structure of the risk management system

The organisational structure for the risk management system is illustrated below along with the most crucial responsibilities within the UNIQA Group:

The relevant responsibilities are shown in the above overview. At its meetings, the Supervisory Board of UNIQA Insurance Group AG also provides comprehensive information on risk reporting.

B.3.3 Risk strategy

The risk strategy describes how the company handles risks that represent a potential danger in terms of attaining strategic business objectives. The main objectives are maintaining and protecting the UNIQA Group's financial stability and reputation, as well as profitability in order to be able to meet our obligations towards customers, shareholders and stakeholders as a result.

The risk strategy is prepared by the UNIQA Group's risk management function and is approved by the Management Board of the UNIQA Group, and then subsequently by the Supervisory Board.

Determining risk appetite is a central element in the risk strategy. The UNIQA Group prefers risks that it can influence and that can be efficiently and effectively managed in accordance with a tried and tested model. Underwriting risks are at the forefront of the risk profile.

The following figure provides an overview of the defined risk preference divided into categories of risk:

Risk category	Risk preference: Low	Medium	High
Underwriting risk			✓
Market risk and ALM		○	
Credit risk/default risk		○	
Liquidity risk	✗		
Concentration risk	✗		
Operational risk		○	
Strategic and reputational risk	✗		
Contagion risk	✗		
Emerging Risk	✗		

Figure 14: Risk strategy

The UNIQA Group defines its risk appetite based on an economic capital model (ECM), which corresponds with a further development of the European Insurance and Occupational Pensions Authority (EIOPA) standard formula for the solvency capital requirement (SCR). The underwriting risks within property and casualty insurance are calculated using a partial internal model. An internal approach (deposits of government bonds and asset-backed securities similar to corporate bonds) is used to ascertain the spread and concentration risk.

The internal minimum capitalisation is defined at 135 per cent, both within the UNIQA Group as well as for UNIQA Österreich Versicherungen AG. In derogation from this, the internal minimum capitalisation is defined as 125 per cent for international companies. The Group's target capitalisation is defined within a range of between 155 per cent and 190 per cent. Further details can be seen in the figure below.

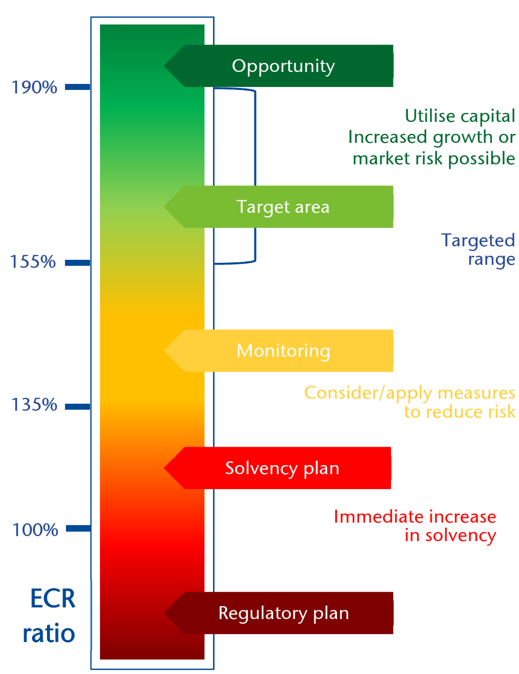


Figure 15: Target capitalisation of the UNIQA Group

B.3.4 Risk management process

The UNIQA Group Actuarial and Risk Management defines the risk categories that are at the focus of the risk management processes, along with the organisational and process structure, with the aim of ensuring a transparent and optimum risk management process.

The risk management process provides information regularly on the risk situation and allows top management to implement controls aimed at achieving the long-term strategic objectives. The process concentrates on risks relevant to the company and is defined for the following risk categories:

- Underwriting risk (property and casualty insurance, health and life insurance)
- Market risk/asset-liability management risk
- Credit risk/default risk
- Liquidity risk
- Concentration risk
- Strategic risk
- Reputational risk
- Operational risk
- Contagion risk (only relevant at Group level)
- Emerging risk

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks within these risk categories. For most of the risk categories stated above, guidelines are implemented that aim at regulating the process.

Risk identification is the starting point for the risk management process. All material risks are systematically captured and described in as much detail as possible. In order to conduct as complete a risk identification as possible, different approaches are used in parallel, and all risk categories, business lines/accounts departments, processes and systems are included.

The risk categories market risk, underwriting risk and default risk are **evaluated** at UNIQA by means of quantitative procedures either on the basis of the standard Solvency II approach or based on the partial internal model for property/casualty insurance. Furthermore, risk drivers are identified for the results from the standard approach and an analysis is done to assess whether the risk situation is adequately represented (in accordance with the ORSA process). This results in an ECM approach that is adjusted to the UNIQA portfolio. All other risk categories are evaluated quantitatively or qualitatively with their own risk scenarios.

The **limit and early warning system** regularly determines risk-bearing capacity (available equity according to IFRSs and financial equity) and capital requirements on the basis of the risk situation, thereby deriving the level of coverage. If critical coverage thresholds are reached, then a precisely defined process is set in motion. The objective of this is to bring the level of solvency coverage back to a non-critical level.

The process for **managing and monitoring** risks focuses on continuous reviews of the risk environment and on fulfilling the risk strategy. The process is implemented by the risk manager in the UNIQA Group or the corresponding company in the UNIQA Group and is supported by the Risk Management Committee.

After detailed risk analysis and monitoring, an overview of the largest identified risks is prepared for each company of the UNIQA Group and for the UNIQA Group itself as part of quarterly **reporting**. All reports have the same structure, providing an overview of major risk indicators as well as risk-bearing capacity, solvency requirements and risk profile.

Operational and other important risks are evaluated on an ongoing basis using expert assessments in addition to the assessment in accordance with Solvency II and the Austrian Insurance Supervision Act 2016.

The risk management process described above also applies in the same way to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

B.3.5 Risk-related committees

An overview of the committees has already been presented in Chapter B.1.2.

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

As at UNIQA Insurance Group AG level, each of the companies within the UNIQA Group has its own risk management committee, which forms a central element of the risk management organisation. This committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits. The companies in the UNIQA Group report to central Group Risk Management, which ensures effective and timely reporting of risk management information, and prepares and monitors risk limits for the companies.

B.3.6 Governance of the partial internal model

The UNIQA Group applies a partial internal model, which covers the risks for non-life and health similar to non-life technique within the scope of the solvency capital requirement. The model was submitted to the College of Supervisors for the UNIQA Group under the direction of the Austrian Financial Market Authority (FMA) for approval. Authorisation to use the model was granted as at 11 December 2017.

This means the UNIQA Group and some major Group companies can report their regulatory risk capital requirements at 31 December 2017 for the first time using the partial internal model. The partial internal model is developed and maintained by Group Actuarial and Risk Management at Group level. It is implemented within every UNIQA insurance company that writes a material level of non-life business. The general methodology and the assumptions are determined within the areas Group Actuarial and Risk Management at Group level and are included in the general model documentation. The assumptions and expert assessments required to operate the model are determined and documented at the relevant UNIQA insurance company. Independent validation of the model is guaranteed at each level.

Communication on the internal model is part of the committee structure of the UNIQA Group with varying levels of participation by the Group Management Board:

- Internal Model Committee (Level 3 committee/no regular Group Management Board or Supervisory Board participation): this is a technical committee with the objective of monitoring Group-wide implementation of the model governance standards (e.g. changes to the model) and providing recommendations to the CFRO and the Group Risk Committee (e.g. from validation of the model)
- Group Risk Committee (Level 2 committee/Chairman: CFRO): the results of the internal model and material changes to the model are enacted in this committee based on recommendations from the Internal Model Committee.
- Operations and Risk Committee (Level 1 committee/participation by the entire Holding Management Board): important decisions regarding model governance and the official approval process are taken in this committee. Information on the results of the internal model is also provided in this committee.
- Supervisory Board: the Supervisory Board is notified regularly of the results of the internal model and other important topics (e. g. the official approval process).

The following validation activities are carried out within the UNIQA Group in order to monitor the suitability of the internal model on an ongoing basis:

- Initial validation/revalidation: this is a complete validation of all parts of the internal model aimed at reviewing the suitability of the model and its methodology for the Group's risk profile.
- Ongoing validation: the main objective of the ongoing validation is to ensure that the latest version of the model is implemented appropriately and that it is used and works as planned. This is ensured using an annual process that includes confirmation of the model by the model owner, along with validation by an independent model expert. The latest model, including any changes to the model implemented since the last ongoing validation, forms the basis for the evaluation in all cases. As the ongoing validation is an iterative process, it is important that the annual validation is based on the results of the previous validation. This means that the results and model weaknesses identified previously are reviewed once again after a suitable period of time has passed so that the weaknesses that were identified can be improved over time by the model owner. The focus is placed on parts of the model that are normally updated during use.

Ad-hoc validation activities can also arise from the quarterly risk assessment process, with these intended to review whether the internal model covers all material risks and whether the scope is appropriate. Changes to the internal model also trigger an ad-hoc validation.

There were no material adjustments within the internal model governance in the reporting period.

B.3.7 The company's Own Risk and Solvency Assessment (ORSA)

UNIQA's own corporate risk and solvency assessment process (ORSA) is forward-looking and is an integral component of the company strategy and the planning process, and at the same time of the overall risk management concept. The results of the ORSA cover the following content:

- Appropriateness of risk capital accounting: process, methodology, appropriateness and deviations;
- Assessment of the overall solvency need (OSN): process, methodology, own funds, risk capital requirements, stress and scenario analyses, risk mitigation;
- Assessment of ongoing compliance with the solvency/minimum capital requirements (SCR/MCR) and technical provisions: process, SCR projection, stress and scenario analyses, technical provisions;
- Conclusions and action plan.

Integration of the ORSA process

The ORSA process is of major importance to the entire UNIQA Group. An ongoing exchange takes place between the ORSA and risk management processes that provides relevant input for the ORSA. The current risk profile and every material strategic decision are considered against a basic scenario and a stress scenario within the framework of the ORSA. This ensures effective and efficient management of the risks of the UNIQA Group and is thereby a fundamental element in fulfilling all regulatory capital requirements (SCR and MCR) and overall solvency needs (internal perspectives) both at the present time, as well as beyond the overall planning period. The following figure shows how the ORSA is incorporated into the general planning and strategic process.

The reporting date for the UNIQA Group is 31 December of the relevant previous year. This ensures that the ORSA is up-to-date and that the results can be used in the strategic and planning process, as well as in the specifications for the risk and strategic framework for the following year. Unscheduled ORSAs can also take place in addition to the annual ORSA. The UNIQA Group has defined different events that initiate the process for an assessment to determine the need for an unscheduled ORSA. The Management Board of the UNIQA Group and, if required, the Management Board of the relevant company in the UNIQA Group are notified whenever a triggering event takes place. The UNIQA Group Actuarial and Risk Management then assesses whether an unscheduled ORSA needs to be implemented in collaboration with the risk management functions of the companies affected. The result is transmitted to the Management Board in the form of a recommendation, and the Board then decides whether an unscheduled ORSA is required.

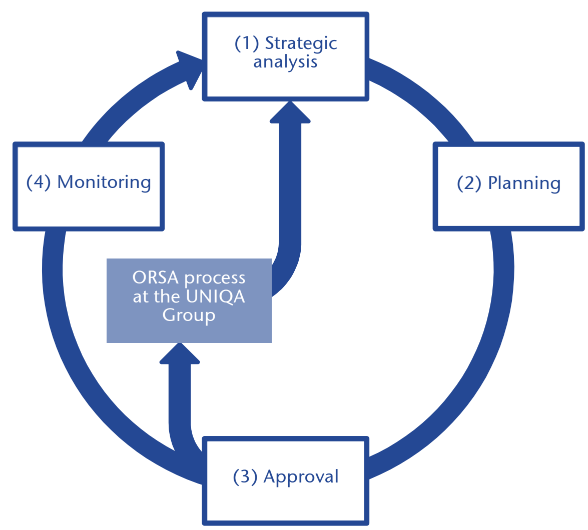


Figure 16: Strategy and planning process

The ORSA eight-step approach

The ORSA process at the UNIQA Group is based on an eight-step approach which is implemented as an integrated process between UNIQA Group Actuarial and Risk Management, the risk management functions of the different companies of the UNIQA Group, as well as the Management Board of the UNIQA Group. The UNIQA Group's eight-step ORSA approach in detail:

1. Risk identification, specification of methods and assumptions
2. Implementation of risk assessment
3. Risk projection (in accordance with planning horizon) together with stress and scenario analyses
4. Documentation and explanation of analyses carried out
5. Review of risk mitigation measures
6. Overview of the risk profile
7. Preparation of ORSA report
8. Specification of risk limits and capital allocation

The eight-step ORSA approach outlined above is characterised by an ongoing exchange of information between the various parties involved. As such, UNIQA Group Actuarial and Risk Management is not only responsible for consolidating the results from the different companies in the UNIQA Group. It also supports them with recommendations and receives specifications and input from the Management Board of the UNIQA Group on a continuous basis. The Management Board of the UNIQA Group bears the final responsibility for approving the ORSA and it also discusses the methods and assumptions for the ORSA process with Group Actuarial and Risk Management. The Management Board also bears responsibility for approving the ORSA results, implementing the measures derived from the ORSA and for the ORSA report itself. The involvement of the Management Board of the UNIQA Group ensures that it remains constantly up-to-date on the UNIQA Group's risk position and the equity requirements resulting from this.

Risk identification

Risk identification is used as a basis for a comprehensive risk management and ORSA process. This identification process covers the risk exposure related to all risk categories as described in Chapter C. The risks are identified by the corresponding risk owner at the operational level for every company in the UNIQA Group. Identification is based on discussions with various experts regarding the risks. This identification follows an analysis of the individual processes that generate risks. The risk owners are selected based on the scope of their room for manoeuvre within the UNIQA Group company and the organisational structure within the company.

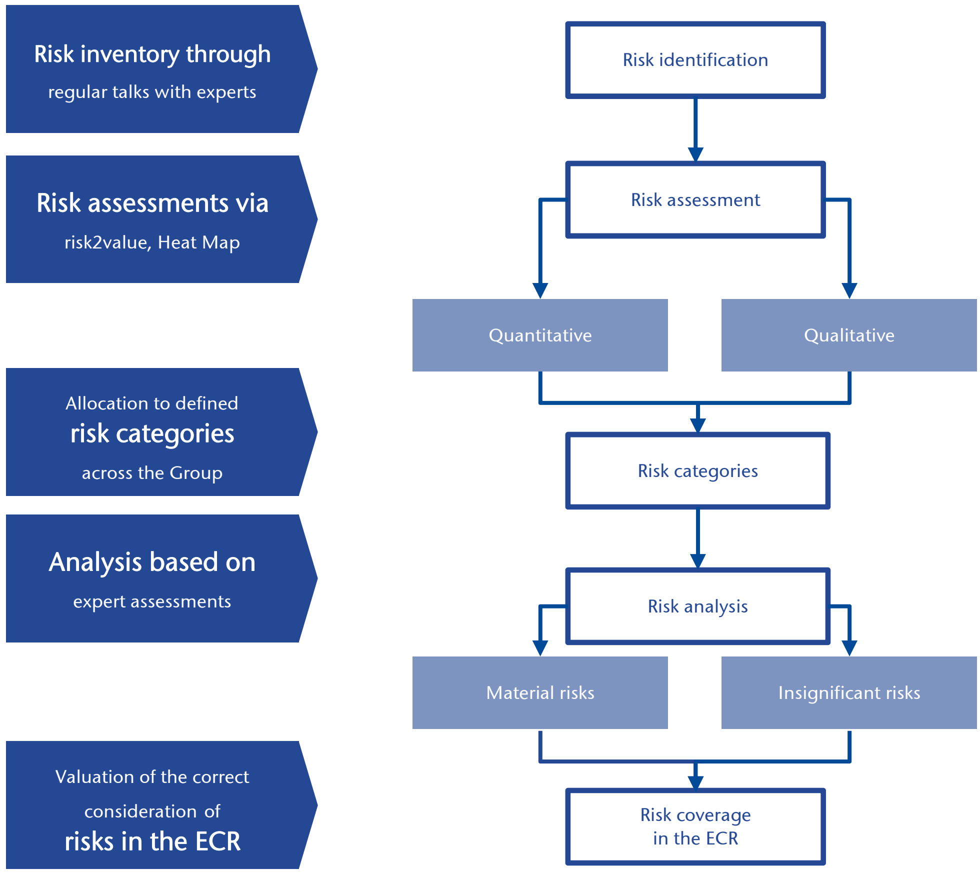


Figure 17: Risk identification

Overall solvency needs

The overall solvency needs of the UNIQA Group, which is known as economic capital requirement (ECR) under Solvency II terminology, represents the consolidated result of all capital requirements. Diversification effects in accordance with the Solvency II standard formula are also included for the individual risk modules and business areas for which the standard model is used. The risks are assessed using the following methods: Solvency II standard approach, internal economic capital requirements, partial internal model or qualitative assessment for non-quantifiable risks.

Ongoing fulfilment of solvency requirements

The UNIQA Group ensures that it can guarantee the regulatory capital requirements over the business planning period and beyond based on projections. For this reason, the SCR, the ECR and the availability of equity are projected over a forecasting period of five years. Stress tests are also carried out via scenario and sensitivity analyses. These scenario analyses are based on potential future scenarios with a material influence on the UNIQA Group's equity and/or solvency positions. The sensitivity analysis is used to test the impact on individual risk drivers using scenario tests. The UNIQA Group's entire risk budget can be determined based on the available equity and the risk appetite.

The details described apply equally to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG as an individual company.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The UNIQA Group's internal control system (ICS) ensures that litigation risks are minimised or eliminated using effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement and clear responsibilities are assigned. At the same time, regulatory compliance is ensured.

In addition to the supervisory law requirements, special importance is also attached to transparent and efficient process design. This is why an internal control system has been implemented to prevent or to mitigate risks for all processes in which material financial and/or operational risks as well as compliance risks could arise.

A Group standard in which the minimum requirements related to organisation, methods and scope are defined is used as the basis for implementing the internal control system. An ICS standard based on the UNIQA Group ICS standard has been implemented by each of the local companies, meaning that a uniform procedure is ensured within the UNIQA Group.

The UNIQA Group defines mandatory ICS implementation across the entire Group (all companies including service companies) for the following core processes at a minimum:

- Balance sheet accounting
- Accounting
- Capital investments
- Product development
- Collection and payments
- Underwriting
- Processing of claims
- Risk management process
- Reinsurance
- IT processes
- Controlling

The "three lines of defence" concept (see Chapter B.3.2) is also applicable to the ICS framework. There is a process manager responsible for organising an efficient internal control system within their area of responsibility for each of the processes named.

The following activities must be carried out in accordance with the UNIQA Group ICS standard for each of the processes described above:

- Process documentation
- Risk identification and definition of checks
- Implementation and documentation of checks
- Assessment of risks and checks
- Monitoring
- Reporting

A monitoring system aimed at reviewing the implementation of checks, traceability and efficiency is crucial for the purposes of ensuring a continuous assessment of the quality of checks, and must be established in accordance with the criteria defined in advance for processes. These criteria should be reviewed through a standardised assessment of checks and must be defined individually for every process.

The following criteria must be taken into account here:

- Effectiveness/implementation – are defined controls and checks reliably implemented?
- Traceability – is appropriate documentation available for the checks carried out?
- Efficiency – the cost/benefit analysis and risk situation within the process play an important role in the ICS design.

Each process manager sends an ICS report on an annual basis with details on the implementation of checks and on existing weak points and actions planned. Each ICS manager within the companies of the UNIQA Group in turn creates an overall ICS report for their company. The ICS report includes an overall assessment of the processes captured in the ICS in the form of a maturity analysis (i.e. level of maturity of the ICS implementation). For UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG, the function of the ICS manager is identical to the Group one and as such the same requirements and processes also apply. The ICS manager in the UNIQA Group records a summary overview of the companies in the UNIQA Group in their report, supplemented by UNIQA Insurance Group AG's processes. The Group ICS Report is created annually and is provided to the Group CFRO and is also discussed in the Risk Committee.

B.4.2 Compliance function

The compliance function and its tasks and responsibilities have already been described in Chapter B.1.3.

B.5 INTERNAL AUDIT FUNCTION

The internal audit function and its tasks and responsibilities have already been described in Chapter B.1.3.

B.6 ACTUARIAL FUNCTION

The actuarial function and its tasks and responsibilities have already been described in Chapter B.1.3.

B.7 OUTSOURCING

In accordance with Solvency II and the 2016 Austrian Insurance Supervision Act, insurance and reinsurance companies are required to regulate the topic of outsourcing with internal directives.

The Holding Management Board issued the updated Group Outsourcing Policy in May 2017. The Group Outsourcing Policy applies Group-wide and all companies within the UNIQA Group in the (re)insurance company are required to implement this policy.

In particular, the Group Outsourcing Policy includes:

- The legal definitions of outsourcing, sub-outsourcing, as well as important and critical functions and activities;
- The assessment of whether an arrangement constitutes outsourcing according to Solvency II;
- The process to determine whether the outsourcing relates to important and critical functions and activities;
- The contract modules to be included in the written agreement with the service provider taking into consideration the requirements laid down in the Delegated Regulation (EU) 2015/35.

Requirements for any outsourcing arrangement

In the case of an outsourcing arrangement, a written agreement must be concluded between the UNIQA Group's (re)insurance company and the service provider ("Outsourcing Agreement"), which shall in particular clearly state all of the requirements listed in the Group Outsourcing Policy.

Requirements for the outsourcing of critical or important functions or activities

For the outsourcing of a critical or important function or activity, in addition to the requirements defined above, the (re)insurance company must also fulfil the following requirements prior to concluding the respective outsourcing agreement: contracts under which critical or important operational functions or activities are outsourced must be communicated to the FMA in a timely manner before they are outsourced. They require prior approval by the FMA if the service provider is not an insurance or reinsurance company. In the case of outsourcing of important and critical functions or activities, a due diligence of the service provider must be conducted and emergency plans must be prepared.

Requirements for the outsourcing of a key function

When a key function is outsourced, a person within the (re)insurance company should be designated who shall have overall responsibility for the outsourced key function ("Responsible person for the outsourced key function") who is fit and proper and possesses sufficient knowledge and experience regarding the outsourced key function to be able to challenge the performance and results of the service provider.

Monitoring and review of the outsourced activity or function

In order to ensure the effective control of outsourced activities and to manage the risks associated with the outsourcing arrangement, the (re)insurance company must assess whether the service provider delivers according to contract.

A detailed description of the outsourced essential business activities can be found in Chapter B.7 of the UNIQA Insurance Group AG report.

B.8 APPROPRIATENESS OF THE SYSTEM OF GOVERNANCE

The UNIQA Group is committed to high quality standards in the design of its system of governance. In particular, the "three lines of defence" approach is strictly observed to achieve a clear separation of responsibilities (see also Chapter B.3.2).

This is underscored by the comprehensive committee system that the Holding Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The system of governance of the UNIQA Group is reviewed on an annual basis.

C Risk profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement of the UNIQA Group is calculated using a partial internal model in accordance with Section 182 et seq. (1) of the Austrian Insurance Supervision Act 2016 and is the sum of the following three components:

- Basic solvency capital requirement (BSCR)
- Capital requirement for operational risks
- Adjustments for risk-mitigating effects

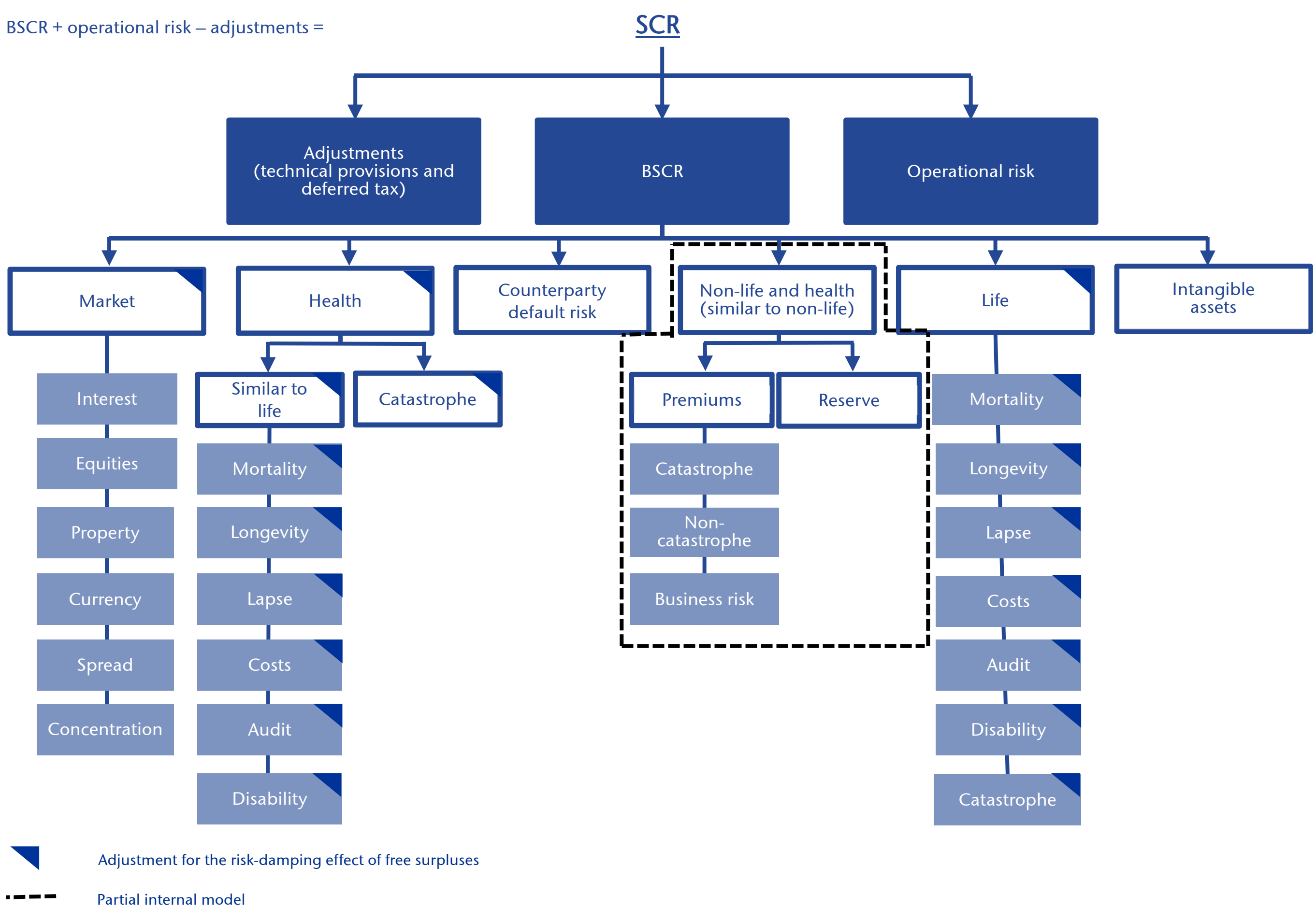


Figure 18: Structure of the standard formula

The BSCR is calculated by aggregating the different risk modules and risk sub-modules with due regard to correlation effects. The underlying risk measure is the 99.5 per cent value-at-risk (VaR) over a time horizon of one year.

The result of the partial internal model is integrated into the BSCR. The basis for integration is the BSCR pursuant to the Solvency II standard formula. A detailed description of the integration method for the partial internal model can be found in Chapter E.4.

An adjustment is also made for the loss-absorbing capacity of free surpluses. The sum of the BSCR, the capital requirement for operational risk and adjustments for free surpluses and deferred tax is the solvency capital requirement (SCR).

All of the calculations for the risk modules and risk sub-modules, together with their aggregation, are based on the methodologies specified by law in the Delegated Regulation (EU) 2015/35.

The figure above shows the breakdown of the relevant risk modules and risk sub-modules presented in accordance with the Solvency II standard formula. The modules covered by the partial internal model are highlighted.

The following table outlines the risk profile and the composition of the SCR at 31 December 2018 for the UNIQA Group. The adjustment for the loss-absorbing capacity of free surpluses is already included in the BSCR.

Solvency capital requirement per risk category

In € million

Type of underlying model that was applied	Description of the components	Sub-components	SCR
Solvency capital requirement			**2,142**
Risks that use the internal model	Non-life underwriting risk and health underwriting risk similar to non-life	Non-life underwriting risk and health underwriting risk similar to non-life, total	432
		Premium risk	355
		Reserve risk	267
		Diversification	-190
Risks that use the standard formula	Market risk	Market risk, total	1,929
		Interest rate risk	558
		Equity risk	349
		Property risk	600
		Spread risk	685
		Exchange rate risk	323
		Concentration risk	44
		Diversification	-631
	Counterparty default risk	Counterparty default risk, total	169
		Type 1 credit and default risk	123
		Type 2 credit and default risk	55
		Diversification	-10
	Life underwriting risk	Life underwriting risk, total	367
		Mortality risk	26
		Longevity risk	35
		Disability-morbidity risk	7
		Lapse risk	250
		Expense risk	142
		Revision risk	0
		Catastrophe risk	25
		Diversification	-117
	Health underwriting risk	Health underwriting risk	151
		SLT health underwriting risk, total	138
		Mortality risk	57
		Longevity risk	0
		Disability-morbidity risk	52
		Lapse risk	100
		Expense risk	8
		Revision risk	0
		Diversification	-80
		Health insurance catastrophe risk	35
		Similar to life	25
		Similar to non-life	22
		Diversification	-12
		Diversification	-22
	Operational risk		178
	Risk from intangible assets		0
Total undiversified components			4,286
Total diversification			-1,783
Diversification within the internal model			-190
Diversification from the standard model aggregation			-779
Diversification through integration of the internal model			-813
Reduction from deferred taxes			-361
Own funds to cover SCR			5,319
Solvency ratio			248%
Available surplus			3,177

Table 15: Overview of the risk profile of the UNIQA Group

The following figure shows the composition of the solvency capital requirement as at 31 December 2018.

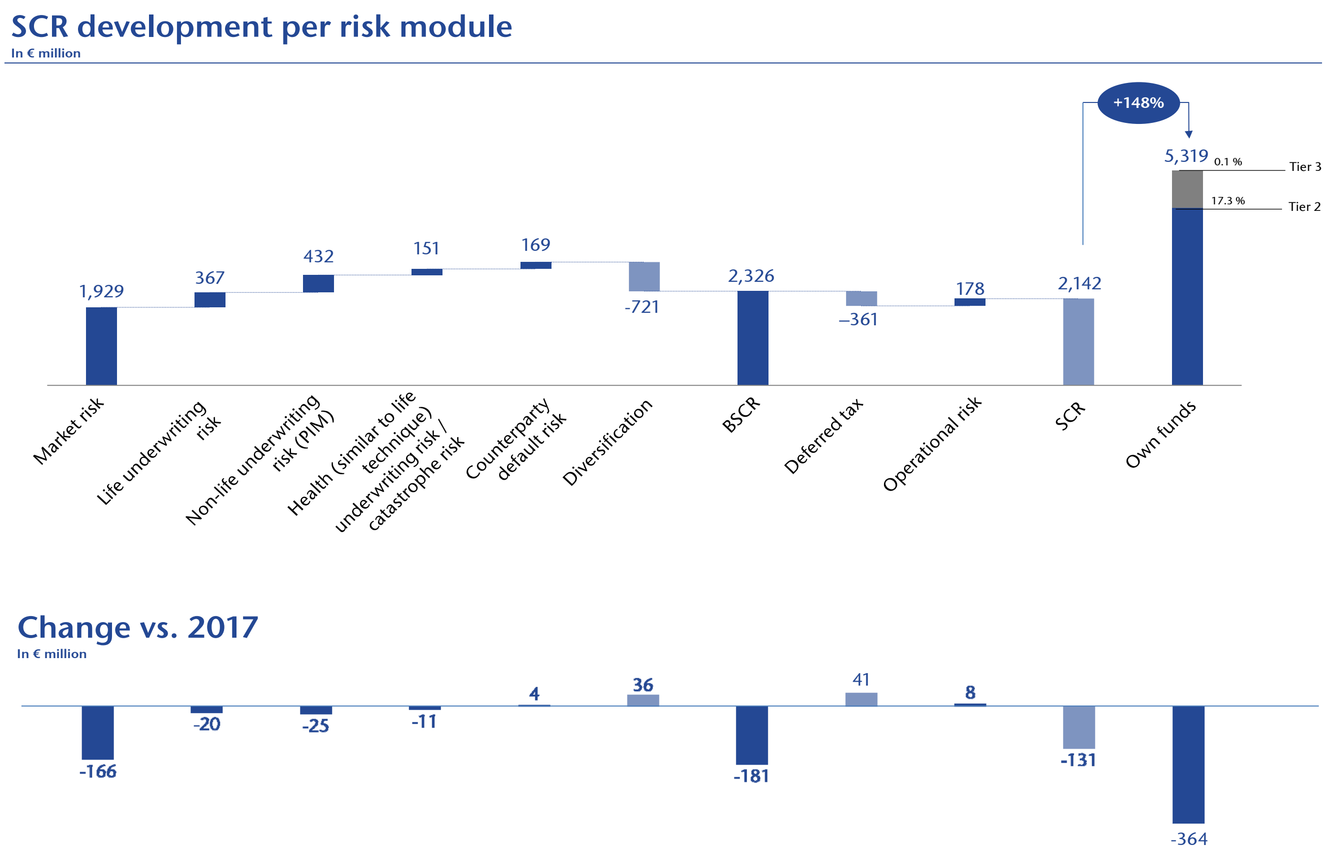


Figure 19: Risk profile of the UNIQA Group (in € million)

Because of the use of correlation matrices and the resulting diversification effects, the percentage disclosures given in the rest of the report for the proportion of a capital requirement accounted for by a risk module or sub-module are determined on the basis of the total for the risk modules or risk sub-modules concerned, taking into account the adjustment for the loss-absorbing capacity of free surpluses.

The greatest risk driver for the UNIQA Group is market risk, which accounts for 63 per cent of the BSCR (including the adjustment for the loss-absorbing capacity of free surpluses). The relevance of market risk is explained by the large portfolio of life and health insurance at UNIQA Österreich Versicherungen AG. The detailed composition of the individual risk modules is described in the following sub-sections.

The largest share of underwriting risk can be ascribed to non-life insurance (14 per cent of the BSCR taking into account the adjustment for the loss-absorbing capacity of free surpluses).

At 31 December 2018, the solvency ratio was 248 per cent, demonstrating that the UNIQA Group is backed by an adequate level of capital.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

Underwriting risk is made up of the following risk modules in accordance with Section 179 of the Austrian Insurance Supervision Act 2016:

- Non-life underwriting risk
- Life underwriting risk
- Health underwriting risk

At UNIQA, non-life underwriting risk and health underwriting risk (similar to non-life) is calculated based on a partial internal model. This results in the following measurement categories for the UNIQA Group:

- Underwriting risk, non-life and health (similar to non-life)
- Life underwriting risk
- Health underwriting risk (similar to life technique)

Non-life and health (similar to non-life) underwriting risk

The non-life and health (similar to non-life) underwriting risk is generally defined as the risk of loss or of detrimental changes in terms of the value of insurance liabilities. The risks are divided into the following risk sub-modules for the purposes of the internal partial model as illustrated in the following table:

Risk sub-module	Definition
Premium risk	Risk of loss through an increase in damage in the next year. The following damage types are modelled: large and very large losses, losses from natural disasters and remaining basic losses.
Reserve risk	Risk of loss through adverse changes in claims settlement, e.g. higher reporting of late claims than expected.
Business risk	The risk of a loss due to fluctuations in premium sales as well as administrative and commission expenses.

Table 16: Risk sub-modules for non-life and health (similar to non-life) underwriting risk

The business risk is simulated and reported together with the premium risk.

Life underwriting risk

Life underwriting risk is generally defined as the risk of loss or of detrimental changes in terms of the value of insurance liabilities. The risks are divided into the following risk sub-modules for the purposes of the SCR model as illustrated in the following table:

Risk sub-module	Definition
Mortality risk	The risk of fluctuations related to the mortality rates that are attributable to an increase in mortality rates.
Longevity risk	Potential detrimental effects of any incidental fluctuations related to the mortality rates that are attributable to a fall in mortality rates.
Disability-morbidity risk	The disability-morbidity risk is caused by potential fluctuations related to the invalidity, illness and morbidity rates.
Lapse risk	The risk of fluctuations related to cancellation, termination, extension, capital selection and surrender rates for insurance policies.
Expense risk	Potential detrimental effects on account of fluctuations related to the administrative costs of insurance and reinsurance contracts.
Revision risk	The revision risk arises from fluctuations related to the revision rates for annuities that are attributable to changes in the legal framework.
Catastrophe risk	The risk that arises from significant uncertainty in relation to the pricing and the assumptions used to form the provisions for extreme or extraordinary events.

Table 17: Risk sub-modules for life underwriting risk

Health underwriting risk (similar to life technique)

The risk sub-modules are based on the above subdivision of life insurance, although there are minor deviations.

C.2.2 Risk exposure

Non-life and health (similar to non-life) underwriting risk

The proportion of the risk module for “non-life and health (similar to non-life) underwriting risk” in the BSCR is 12 per cent. The following table shows the composition of the risk module for “non-life underwriting risk”. The greatest risk sub-module is the premium risk (including business risk). This is mainly attributable to the high proportion of insurance accounted for by the “Fire and other damage to property” insurance line, followed by “Motor vehicle liability insurance”, “General liability insurance” and “Other vehicle insurance”.

Capital requirement for non-life underwriting risk and health insurance similar to non-life

	2018	
	In € million	In per cent
Total requirement	**432**	
Premium risk	355	57%
Reserve risk	267	43%
Diversification	-190	

Table 18: Non-life underwriting risk

As mentioned at the beginning, at 57 per cent, the premium risk (including business risk) represents the largest portion of the non-life insurance. This is mainly driven by claims from natural disasters. The reserve risk is mainly driven by the settlement risk in the high reserve portfolios of liability insurance.

Because the Group is active in different countries and business areas there is also a significantly high level of diversification.

Life underwriting risk

The proportion of the risk module for life underwriting risk in the overall solvency capital requirement is 17 per cent. Of the shocks for the lapse risk described in Chapter C.2.3 Risk assessment, mass lapse is the relevant shock in the year 2018.

The following table shows the composition of the solvency capital requirements of the life underwriting risk for each risk sub-module. The lapse and expense risk sub-modules are the greatest drivers of the life underwriting risk.

Capital requirement for life underwriting risk

2018

	In € million	In per cent
SCR, life underwriting risk	**367**	
Mortality risk	26	5%
Longevity risk	35	7%
Disability-morbidity risk	7	1%
Lapse risk	250	52%
Expense risk	142	29%
Revision risk	0	0%
Catastrophe risk	25	5%
Diversification	-117	

Table 19: Life underwriting risk

Health underwriting risk (similar to life technique)

As described above, health underwriting risk is broken down as follows:

- Health underwriting risk (similar to life technique) which includes tariffs that are able to react promptly to changes in the calculation principles by increasing or reducing the insurance premium as a result of a clause; and
- Health underwriting risk (similar to non-life technique) which includes tariffs for casualty insurance and short-term health insurance.

The following table shows the composition of the solvency capital requirements for health underwriting risk by risk sub-module. The only driver of health underwriting risk (similar to life technique) is the portfolio of the local company, UNIQA Insurance Group AG, in Austria. The short-term health insurance business results primarily from the casualty insurance line.

Capital requirement for health underwriting risk

2018

	In € million	In per cent
SCR, health underwriting risk	**151**	
SLT health underwriting risk	138	85%
Health insurance catastrophe risk	24	15%
Diversification	-12	

Table 20: Health underwriting risk

The following table shows the composition of the health underwriting risk sub-module (similar to life technique). The disability-morbidity risk, mortality risk and lapse risk are the essential risk drivers for this risk sub-module.

Capital requirement for health underwriting risk (similar to life)

	2018	
	In € million	In per cent
SCR, health underwriting risk (similar to life)	**138**	
Mortality risk	57	26%
Longevity risk	0	0%
Disability-morbidity risk	52	24%
Lapse risk	100	46%
Expense risk	8	4%
Revision risk	0	0%
Diversification	-80	

Table 21: Health underwriting risk (similar to life technique)

The shock of mass lapse is the biggest shock in health underwriting risk (similar to life technique). The scenario relates primarily to younger portfolios that are progressing well, since only minor age provisions have been accumulated here.

The mortality risk also has a significant influence on the underwriting risk, as future earnings will be lower as a result of increased mortality. The morbidity risk has a significant impact on the underwriting risk as an important benefit in health insurance.

C.2.3 Risk assessment

Non-life and health (similar to non-life) underwriting risk

The non-life and health (similar to non-life) underwriting risk is made up of the following risk sub-modules:

- Premium risk
- Reserve risk
- Business risk

Non-life and health (similar to non-life) underwriting risk is calculated based on a partial internal model. The model depicts the technical result for next year and shows an entire distribution of possible realisations. The distributions and parameters used are derived from internal company data according to recognized actuarial methods.

Calculation of the non-life and health (similar to non-life) underwriting risk also includes unexpected losses from new business that is acquired within the next twelve months. However, there are no plans to offset any potential profit or loss from this new business in the economic balance sheet.

The following loss types are modelled in premium risk modelling:

- Large and major damage claims
- Claims and natural disasters
- Basic losses

The risk of natural disasters is assessed for each threat: storm, earthquake, flood, hail, frost and snow pressure. Where available, models from external model providers are used. If necessary, the corresponding loss distributions are also determined from internal data.

The reserve risk represents the risk of a possible negative settlement of the loss reserves held. The simulation is based on a LogNormal distribution, whereby the corresponding parameters are derived from damage triangles per business line.

The business risk covers other risks of the business process:

- Risk of fluctuations in premium sales (e.g. due to cancellation or increased discounts)
- Risk of fluctuation in cost expenditure: commission expenses as well as costs of general administration (e.g. due to poor planning)

Here too, the corresponding distribution assumptions and parameters are derived from internal data.

For each simulation, the individual risk sub-modules are aggregated into an overall actuarial result using correlation assumptions that are also derived from internal data. The premium risk and the business risk are simulated together and cannot be shown separately.

Risk sub-module	Shock used
Premium risk	Loss distributions for the individual loss types are parameterised from internal company data. Where available, losses from natural disasters are modelled on the basis of data from external model providers. Valuation is done by business line or by threat.
Reserve risk	The fluctuation in benefits for prior-year claims is determined on the basis of damage triangles specific to the business line.
Business risk	The fluctuation parameters and distributions are determined on the basis of internal company data.

Table 22: Shocks used for each risk sub-module

Life underwriting risk

The solvency capital requirement for life underwriting risk and the risk mitigation from future profit participation are calculated based on the application of the risk factors and methods described in the chapter on the underwriting risk module in the Austrian Insurance Supervision Act 2016 Part 8(1) in the module on underwriting risks. The solvency capital requirement for each risk sub-module is derived from the change in the best estimates for liabilities under shock. An example of the economic capital approach is shown in the following figure.

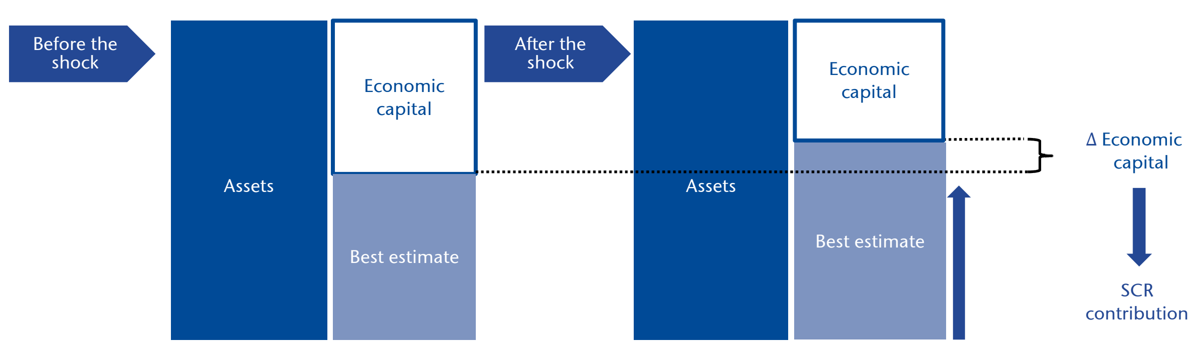


Figure 20: Presentation of the economic capital approach for underwriting risk

In the economic capital approach, the shocks presented in the table below are applied to each risk sub-module and the economic capital (also referred to as net asset value) is then determined on this basis.

The results of the risk sub-modules are aggregated for the purposes of determining the solvency capital requirement for the life underwriting risk using the correlation factors described in the Delegated Regulation (EU) 2015/35.

Only those scenarios are selected for calculation of the lapse risk that have the effect of increasing the best estimate (e.g. based on the assumption that lapse ratios will fall or rise or on the assumption of a mass lapse).

Risk sub-module	Shock used
Mortality risk	Immediate and permanent increase of 15 per cent in the mortality rate.
Longevity risk	Immediate and permanent fall of 20 per cent in the mortality rate.
Disability-morbidity risk	A combination occurs of the following immediate events: - increase in the disability and morbidity rate by 35 per cent in the next twelve months - increase of 25 per cent in the period following the next twelve months - a fall in the disability and morbidity recovery rate of 20 per cent
Lapse risk	Three different scenario calculations are carried out: - immediate and permanent fall in the exercise of option rights of 50 per cent - immediate and permanent increase in the exercise of option rights of 50 per cent - a mass lapse based on a combination of different immediate events
Expense risk	A combination of the following immediate and permanent events: - increase in expenses by 10 per cent - increase in the cost inflation rate by 1 per cent
Revision risk	An immediate and permanent increase of 3 per cent in the annual payments for annuities exposed to revision risk
Catastrophe risk	An immediate, non-permanent increase of 0.15 per cent in mortality rates (expressed in percentage points) for the next twelve months

Table 23: Shocks used for each risk sub-module

Health underwriting risk (similar to life technique)

When calculating the solvency capital requirement for the health underwriting risk, a distinction is made between the two types already mentioned as part of the definition:

- Health underwriting risk (similar to life technique)
- Health underwriting risk (similar to non-life technique)

The solvency capital requirement for health underwriting risk (similar to life technique) is calculated using the risk factors and methods that are described in the Austrian Insurance Supervision Act 2016, Part 8(1) on the underwriting risk sub-module. The solvency capital requirement for each risk sub-module is derived from the change in the best estimates for guaranteed benefits that are under shock.

Only those scenarios that have the effect of increasing the best estimate are used in the calculation of lapse risk.

The results of the risk sub-modules are aggregated for the health underwriting risk (similar to life technique) using the correlation factors described in the Delegated Regulation (EU) 2015/35.

There are three stress scenarios calculated for the health insurance catastrophe risk. One scenario includes the large-scale accident risk, and a concentration risk also needs to be calculated for accidents; and then, finally, there is a pandemic scenario. The results of these three scenarios are correlated into an overall catastrophe risk.

Risk sub-module	Shock used
Mortality risk	Immediate and permanent increase of 15 per cent in the mortality rate.
Longevity risk	Immediate and permanent fall of 20 per cent in the mortality rate.
Disability-morbidity risk	A combination of the following immediate events: - increase in payments for health treatments by 5 per cent - increase in the rate of inflation for payments for health treatments by 1 per cent
Lapse risk	Three shocks are used: - immediate and permanent fall by 50 per cent in the rate of cancellations - immediate and permanent rise by 50 per cent in the rate of cancellations - mass lapse of 40 per cent of contracts for which the technical provision would increase through the lapse
Expense risk	A combination of the following immediate and permanent events: - increase in expenses by 10 per cent - increase in the cost inflation rate by 1 per cent
Catastrophe risk	Three shocks are calculated with specified factors for each risk and tariff group: - large-scale casualty risk - casualty concentration risk - pandemic risk

Table 24: Shocks used for each risk sub-module

C.2.4 Risk concentration

In terms of underwriting risk material risk concentrations only arise for the non-life underwriting risk. These are outlined in this chapter.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the fact that the UNIQA Group operates in various countries that neighbour one another. Uniform guidelines and standards are used to ensure that the local companies in the UNIQA Group have implemented comprehensive risk management processes and risk mitigation measures, and to reduce to a minimum the risks to which they are exposed. However, the total sum of the risks, which consists of a large number of local companies, must be considered at the UNIQA Group level. The risk of natural disasters represents the essential concentration risk, and relates in particular to the natural hazards of storms, hail, flooding and earthquakes. All these natural hazards have the potential to affect a large geographical area. Any such natural hazard can affect multiple UNIQA companies at the same time as a result of the UNIQA Group's geographical concentration in Central and Eastern Europe. One concrete example for such a scenario is a potential flood along the Danube, which could affect a large number of the UNIQA Group's local companies.

This type of catastrophe risk is measured by using models for natural disasters from various external providers. The same models are also used in the UNIQA Group's local companies in order to measure the precise impact of the cross-border events. This means that an overall picture of the impact of disasters can be created at the Group level of UNIQA Insurance Group AG.

Based on the results of these models, corresponding risk management measures are implemented. The most important risk mitigation measures are appropriate underwriting guidelines (e.g. no flood insurance sold for buildings in the so-called "red zone"), and adequate reinsurance protection purchased in order to cover any possible concentrations across the entire Group. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Underwriting risk, non-life and health (similar to non-life)

Reinsurance is the essential risk-mitigation technique in terms of the non-life and health (similar to non-life) underwriting risk at the UNIQA Group. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Re AG serves as an internal reinsurer for the UNIQA Group. UNIQA Re AG is responsible for coordinating and designing the internal and external reinsurance relations and plays a part in optimising the use of risk capital. Among other things, this structure allows risks to be balanced out and effective retrocession coverage to be acquired, and is therefore of central importance in terms of the UNIQA Group's risk strategy. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Establishing and acquiring external reinsurance protection (retrocession) is very important in terms of reducing the required risk capital and balancing out the volatility of the UNIQA Group's actuarial result on a sustained basis. This is ensured by the requirement to implement an effectiveness analysis for reinsurance protection for each class or each contract.

The effectiveness of the risk mitigation mechanisms described for the non-life and health (similar to non-life) insurance is monitored within the framework of the partial internal model. Quantified measurement of the reinsurance protection takes place based on key figures, such as risk-weighted profitability (also known as return on risk adjusted capital or RoRAC) as well as economic value added (EVA), both before as well as after deduction of the reinsurance protection.

Increased profitability of the UNIQA Group's non-life portfolio, with a particular focus on UNIQA Österreich Versicherungen AG, is part of the UNIQA 2.0 strategy; it also contributes towards risk mitigation. UNIQA 2.0 sets out a long-term strategy until 2020 and focuses on the core business. A targeted, ongoing portfolio management process and consistent reviews of tariffs are essential components of this. The latter component is a crucial prerequisite for calculating and selling risk adjusted premiums.

Life underwriting risk

Within the scope of life insurance, the essential risk-mitigation techniques involve the adjustment of future profit participation or corresponding premium adjustments, and taking out reinsurance, which all take place in compliance with the statutory and contractual structural conditions. These techniques are essential to the underlying risk models and include detailed disclosures and regulations, especially in relation to profit participation. Profitable new business supports the risk-bearing capacity of the existing portfolio in practice, with careful risk selection (e.g. health checks) and careful selection of the calculation principles when calculating premiums representing crucial cornerstones in terms of product design. Premium adjustment clauses increase the potential for risk mitigation, particularly in relation to the risk and occupational disability portfolio.

The risk mitigation techniques can be divided into the following strategic categories:

- Management rules: determination of the profit participation is selected within the scope of the statutory provisions in such a way that permanent over-fulfilment of the minimum statutory contributions can be guaranteed. For the Austrian life insurance portfolio, in particular, this means maintaining buffers in the profit participation provision in order to retain adjustment options in order to be able to counteract unforeseeable loss scenarios.
- Profitability of new business: planned new products must undergo profitability tests that demonstrate a sustainable expected value and acceptable risk profile.
- Ongoing portfolio management process: this process makes it possible to identify non-profitable segments along with potential measures for the purposes of responding to these non-profitable segments. A distinction is made here between the portfolio value and new business value.
- Use of reinsurance: organising and purchasing external reinsurance offers crucial benefits in terms of optimising and controlling the risk capital required. The amount of the risk transferred to UNIQA Re AG in Switzerland, and to external retrocessionaires, is determined in accordance with the planning for the solvency capital requirements defined within the scope of drawing up the risk strategy.
- The effectiveness of the risk mitigation mechanisms described for the life insurance business is monitored on an ongoing basis. A quantified measurement takes place using the key figures of embedded value and new business value/new business margin.

Health underwriting risk (similar to life technique)

As in life insurance, the main risk mitigation techniques in health insurance are the adjustment of future profit participation and/or corresponding adjustment to premiums. These adjustments are applied in accordance with statutory requirements and contractual terms and conditions. These techniques are essential to the underlying risk models and include detailed disclosures and regulations, especially in relation to profit participation. In this regard, conventional risk mitigation techniques are also relevant in practice. In terms of health insurance these include:

- Cautious determination of the discount rate at a level that can be earned over the long term;
- A risk selection involving a targeted pre-selection of clients interested in life insurance products (e.g. through health checks);
- Careful selection of the termination rate probabilities (death and cancellation) in order to obtain adequate premiums for the benefits to be expected; and
- Consideration of premium adjustment clauses in different health insurance products in order to be able to adjust the premiums in line with changes in expected values in the event of a change in the calculation principles.

Another significant component put in place by the UNIQA Group in addition to these traditional risk mitigation mechanisms is a continuous portfolio management process.

This process is implemented annually and involves ascertaining and assessing the need for tariff adjustments.

The effectiveness of the risk mitigation mechanisms for the health insurance business described is evaluated using comparisons of actuarial and actual benefits as well as contribution margin calculations.

The process also includes a quantitative approach using key figures such as embedded value, new business value, and new business margin.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in the following factors:

Risk sub-module	Factor
Interest rate risk	Yield curve or volatility of interest rates
Equity risk	Level or volatility of equity market prices
Property risk	Level or volatility of real estate market prices
Spread risk	Level or volatility of credit spread via the risk-free yield curve
Exchange rate risk	Level or volatility of exchange rates
Concentration risk	Lack of diversification in the asset portfolio or high exposure to the default risk in an individual issuer of securities or a group of associated issuers

Table 25: Risk sub-modules for market risk

C.3.2 Risk exposure

The following table shows the composition of the SCR for the market risk module. The aggregated capital requirement is lower than the sum of the requirements for the individual risk sub-modules, based on the fact that extreme shocks do not generally occur simultaneously for individual market risks (diversification).

Capital requirement for market risk

	2018	
	In € million	In per cent
SCR, market risk	**1,929**	
Interest rate risk	558	22 %
Equity risk	349	14 %
Property risk	600	23 %
Spread risk	685	27 %
Exchange rate risk	323	13 %
Concentration risk	44	2 %
Diversification	-631	

Table 26: SCR market risk

Investments of the portfolios managed by the UNIQA Group in accordance with the "prudent person" principle

The practical implementation of this elementary approach under Solvency II means that all investments must belong to a well-defined family. This family is defined and constantly updated to satisfy the following parameters:

- Risk identification – based on the permissible security categories, the investments are assigned to risk categories that allow risks to be assessed properly and calculated in the portfolio and risk management system.
- Risk measurement – based on the identified risk, the risk is quantified using various stress and sensitivity calculations.
- Risk monitoring – the results of the risk measurements are analysed and monitored on an ongoing basis in the limit system, for example. This includes a credit rating analysis independent of rating agencies for national and corporate loans, as well as covered bonds.
- Reporting – the calculation results are reported on an ongoing basis in order to determine capital requirements and calculate limits, as well as for other evaluations.

Whether investments are in line with the prudent person principle, is assessed on two levels:

1. Centralised asset management – centralising all of the corporate investment activities of UNIQA Capital Markets GmbH provides a uniform, company-wide understanding of the permissible investment portfolio; it also ensures that the trading of securities is in line with the provisions of the Austrian Securities Supervision Act.
2. Independent review – securities are reviewed by the UNIQA Group Actuarial and Risk Management Department in the inventory and risk management system. This process ensures that new securities cannot be purchased without a review that is independent of the investment.

The fund review for relevant fund investments within the meaning of Section 6(2)(1) of the Austrian Insurance Undertakings Investment Regulation is carried out on an individual position basis. By recording all investments in these fund investments in the portfolio management and risk management system, the fund portfolios can be evaluated at any time using the look-through approach.

C.3.3 Risk assessment

The UNIQA Group calculates the operational risk in accordance with the standard Solvency II formula. The market risk is mapped in accordance with the risk sub-modules defined in the standard formula that are aggregated using a correlation matrix. The process for determining the risk in accordance with the Solvency II standard formula is described in the following chapters in a compact and abridged format for the purpose of better understanding the risk values ascertained.

Interest rate risk

The capital requirement for interest-rate risk is determined by calculating the change in value for all assets and liabilities sensitive to interest rates based on two interest rate scenarios, as well as their impact on economic own funds. One scenario simulates a rise in interest rates and the other one simulates a fall in interest rates for all relevant currencies: The shock to be applied is specified on a relative basis and diminishes in the interest rate increase/decrease scenarios according to maturity from 70 per cent (75 per cent in the interest rate decrease scenario) for one year to 20 per cent for 90 years.

The scenario that results in the most detrimental change on the basic own funds is considered the relevant one for calculating the capital requirement. This was the scenario of a fall in interest rates for the UNIQA Group at 31 December 2018.

Equity risk

A distinction is made between type 1 equities and type 2 equities for calculation of the capital requirement for the equity risk, with the different shock scenarios applied dependent on this.

Type 1 equities are equities that are listed on regulated markets in Member States of the EEA or the OECD or are traded via multilateral trading systems that are registered or have their headquarters in an EU Member State. A direct fall in the fair value of 39 per cent is ascertained for these along with an anti-cyclical adjustment factor of up to +/-10 per cent.

By contrast, type 2 equities are defined as equities that are listed on stock exchanges in countries other than EEA or OECD Member States, equities not listed on the stock exchange and other alternative investments that are not covered in the interest-rate risk, real estate risk or spread risk sub-modules. A direct fall in the fair value of 49 per cent is calculated for these along with an anti-cyclical adjustment factor of up to +/– 10 per cent for the purposes of determining the risk arising from these investments.

A direct fall in the fair value of 22 per cent is calculated for investments of own funds in affiliates of a strategic nature for the purposes of determining the capital requirement, irrespective of whether this involves type 1 or type 2 equity investments. Aggregation of the capital requirements for type 1 and type 2 investments takes place by aggregating these types of risk with a correlation of 0.75.

Property risk

The calculation of the capital requirement for the property risk equates to the loss of basic own funds with a direct 25 per cent fall in the value of all values for land and buildings.

Spread risk

The capital requirement for the spread risk is calculated by aggregating the total sum of the capital requirements under stress scenarios for bonds and loans, securitisation positions and credit derivatives. The capital requirement for bonds and loans (not including mortgages for residential land and buildings) is determined with a factor-based calculation under a stress scenario. In this stress scenario, the credit spreads for all bonds and loans increase depending on the credit rating and the modified duration of the individual instruments. There are certain special provisions in the shock factors to be applied for specific risk exposures depending on the type of security (such as mortgage bonds, infrastructure investments, structured securitisations) and the issuer (such as governments). In particular, it is worth mentioning that the risk factor for investments in bonds issued by EU Member States in their domestic currency is zero and that no capital requirement for the spread risk arises from these investments.

Exchange rate risk

The capital requirement for the exchange rate risk is calculated by applying two exchange rate shocks defined in accordance with the standard formula (25 per cent appreciation in value, 25 per cent depreciation in value) to each individual relevant foreign currency, and determining their aggregate impact on the own funds. The exchange rate risk affects all items of the assets and liabilities and equity sensitive to currency.

However, the only shock that is considered relevant for the purposes of calculating the capital requirements is the one that results in the most detrimental change. Factors that have been separately defined in accordance with the standard approach are used for currencies pegged to the euro.

Concentration risk

The capital requirements for the concentration risk are calculated by allocating a risk requirement to investment values from a threshold value dependent on the rating level and as defined in the standard formula. Once the threshold values have been exceeded, the risk factors stipulated in accordance with the standard formula are applied to the surplus of the risk exposure above the relevant threshold, and the total sum of all requirements is aggregated with due consideration of a diversification effect.

C.3.4 Risk concentration

As part of the efforts to determine the concentration risk in accordance with the Solvency II standard formula, all issuers (or groups of issuers) are monitored on an ongoing basis in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2018 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): Raiffeisen Bank International AG, STRABAG SE and Poland.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing the market risk is permissible and is implemented in order to reduce the following risks or in practice with the following financial instruments:

- Equity risk: exchange-traded futures on stock indexes
- Interest rate risk: exchange-traded futures on interest rate indexes for the currencies EUR and USD
- Exchange rate risk: non-exchange traded forwards

Derivatives can only be used if the base risk between the underlying security and the derivative used for risk mitigation purposes is low. A series of clearly defined conditions and requirements must be satisfied to ensure this is the case.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Austrian Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. The credit risk/default risk covers risk-mitigating contracts such as reinsurance agreements, securitisations and derivatives, as well as receivables from brokers and all other credit risks that are not covered by the sub-module for the spread risk. It accounts for the accessory collateral held by or for the insurance or reinsurance undertaking and the risks associated with this. The credit risk/default risk accounts for the entire risk exposure stemming from any potential counterparty default of the relevant insurance or reinsurance company in relation to all of its counterparties, irrespective of the legal form of its contractual obligations towards this company.

The credit or default risk is made up of the following two types:

- Type 1 risk exposure: these risk exposures normally feature low levels of diversification and relate to counterparties that have a high probability of being assessed using a rating. This normally includes inter alia the following: reinsurance contracts, derivatives, securitisations, bank balances, other risk-mitigating contracts, letters of credit, guarantees and products with external guarantors.
- Type 2 risk exposure: this type usually includes all exposures not already classified as Type 1 and not covered by the spread risk sub-module. They are normally highly diversified and have no rating. These include in particular receivables from brokers, receivables from policyholders, policy loans, letters of credit, guarantees and mortgages.

C.4.2 Risk exposure

Credit risk or default risk accounts for 5.7 per cent of the UNIQA Group's BSCR (including the adjustment for the loss-absorbing capacity of free surpluses).

Capital requirement for type 1 and type 2 credit and default risk

In € million

	2018
SCR, type 1 and type 2 credit and default risk	**169**
Total type 1 credit and default risk	123
Total type 2 credit and default risk	55
Diversification	-10

Table 27: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2017. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure is the essential driver with a share of about 83.3 per cent of overall default risk (excluding diversification). The solvency capital requirements for type 1 result from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposures represent the remaining 16.7 per cent of the overall default risk (excluding diversification). The receivables from brokers and policyholders are the greatest risk drivers for this. Mortgages are also included in the solvency capital requirement for the counterparty default risk for type 2.

C.4.3 Risk assessment

The solvency capital requirement for counterparty default risk is calculated using the risk factors and methods described in the Delegated Regulation (EU) 2015/35 in the section on the counterparty default risk module.

The capital requirement for both types of credit and counterparty default risk is determined based on the loss given default (LGD). Under predefined circumstances, liabilities to counterparties to be offset in the event of counterparty default result in a reduction of the LGD. There are clear regulations for calculating the LGD in accordance with the type of exposure. Solvency II also provides clear regulations regarding the extent to which risk-mitigating effects can be used.

C.4.4 Risk concentration

The risk of potential concentrations arises from the transfer of reinsurance businesses to only a few reinsurers. This can have a material impact on the UNIQA Group's results in the event that an individual reinsurer is delayed or defaults with payment. This risk is managed in the UNIQA Group using an internal reinsurance undertaking to which the business units assign their business and which is responsible for selecting external reinsurance parties. UNIQA Re AG has set out reinsurance standards for this purpose that govern the process for selecting the counterparties precisely and that avoid these types of external concentrations (e.g. there is a stipulation that an individual reinsurer can only hold a maximum of 20 per cent of the contract, and that each reinsurer must have an "A" rating as a minimum in order to be selected).

Another potential source of concentration within credit/default risk arises from bank deposits. For this reason, maximum investment volumes are specified for individual credit institutions taking into account any existing ratings (if available) and financial credit rating criteria. The greatest investment volumes (listed in decreasing amount) were reported for the following banks as at the relevant reporting date: Raiffeisen Bank International AG, Erste Group Bank AG, UniCredit S.p.A. and Credit Suisse Group AG.

No material concentrations of risk exist for these areas due to the comparatively low absolute volume of off-market derivative transactions, mortgage loans and other relevant exposure.

C.4.5 Risk mitigation

The UNIQA Group has defined the following measures aimed at minimising the credit/default risk:

- Limits
- Minimum ratings
- Official warning processes

Limits for bank deposits are defined for each country in order to avoid concentrations related to the credit or default risk. These limits are monitored based on a two-week cycle.

Minimum ratings have been defined for external reinsurers, with upper limits defined for the exposure stated per reinsurer. Clear processes for official warnings have been implemented aimed at keeping arrears from insurance brokers and policyholders to the lowest level possible. These are reviewed regularly using precise evaluation options.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

The UNIQA Group distinguishes between two categories of liquidity risk: market liquidity risk and refinancing risk. Market liquidity risk exists when assets cannot be sold quickly enough, or will only be sold at a lower price than expected as a result of the market's low absorption capacity. Refinancing risk arises when an insurance company is unable to procure liquid funds – or can only do this at excessive costs – when these liquid funds are required urgently in order to meet its financial obligations.

C.5.2 Risk exposure

Ongoing liquidity planning takes place in order to ensure that the UNIQA Group is able to meet its payment obligations. Moreover, most of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required.

The following table depicts the anticipated profit calculated from future premiums as required by Article 295 of Delegated Regulation (EU) 2015/35. The values presented account for the probability of occurrence, the extent of the damage, and also take into account those risks that are categorised as material and immaterial.

Expected profits in future premiums (EPIFP)

In € million

	2018
Expected profits in future premiums (EPIFP)	**1,791**
of which in non-life insurance	321
of which in life insurance	1,469

Table 28: Expected profits in future premiums (EPIFP)

The expected profits from life insurance also include the premiums from health insurance similar to life technique. Derivation of the expected profits from future premiums for these contracts is based on net liabilities (premiums, benefits and costs) from the calculation for the technical provisions. The cash value of the profits is determined from the ratio of the future expected premiums to the associated expected costs and benefits. Significant premiums in life insurance come from the health insurance business and from endowment insurance and unit-linked life insurance business.

C.5.3 Risk assessment and risk mitigation

A distinction is made between two types of payment obligations in relation to the liquidity risk:

- Payment obligations due within less than twelve months
- Payment obligations due in more than twelve months

Payment obligations due within less than twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected payments is implemented in order to ensure that the UNIQA Group is able to meet its payment obligations within the next twelve months. The essential companies in the UNIQA Group prepare liquidity plans as part of this process. Furthermore a minimum amount of cash reserves that must be available daily is defined for these individual companies according to their business model. In addition to the daily reporting on an operative level, a weekly report is presented to the Management Board on the available liquidity.

Payment obligations due in more than twelve months

For longer-term payment obligations, the UNIQA Group aims to match the maturities of investments with those of liabilities to the greatest possible extent as part of the asset-liability management process. Particularly in those companies involved in life insurance, the strategic assets of individual companies are allocated based on anticipated liability-side cash flows to minimise, therefore, long-term liquidity risk. This process was established based on the fact that these companies are exposed to long-term obligations. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 177(3) of the Austrian Insurance Supervision Act 2016, operational risk comprises those risks not already included in the risk modules referred to above. Risk assessment details are set out in the next chapter.

Generally, operational risk is defined as the risk of loss caused by inadequacies or failures in internal processes, employees or systems, or by external events. Operational risk does not include reputational or strategic risk, as defined in Section 175(4) of the Austrian Insurance Supervision Act 2016.

Special attention is paid to the topic of preventing money laundering and financing terrorism. Operational risk in this area is a result of missing or inadequate processes for identification and monitoring as well as reporting for the purposes of preventing potential money laundering activities.

These definitions apply to the two solo insurance companies UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG.

C.6.2 Risk exposure

The operational risk is quantified based on the standard formula and amounted to €178 million at 31 December 2018.

Capital requirement for operational risk

In € million

	2018
Operational risk	178

Table 29: Solvency capital requirement for the operational risk

The operational risk is also determined using qualitative criteria within the UNIQA Group in accordance with a catalogue of threats. Operational risks are assessed and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative process, the following risks have been identified as being material:

- Litigation risk, particularly in relation to product development and settlement of claims;
- Employee risks (staff shortages and dependency on holders of knowledge and expertise);
- IT risks (particularly IT security and the high complexity of the IT landscape, along with the risk of business interruptions);
- Miscellaneous project risks.

C.6.3 Risk assessment

The UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG calculate the operational risk quantitatively with a factor-based approach in accordance with the standard formula as described in the Solvency II Framework Directive and the Austrian Insurance Supervision Act 2016.

The operational risk is assessed regularly using qualitative criteria in risk assessments and interviews with experts. A catalogue of threats includes potential risk scenarios which can be assessed based on the probability of occurrence and level of risk. The risk-bearing capacity or net own funds represent the classification basis for this.

C.6.4 Risk concentration

Evaluations of risk concentrations in the operational risk for the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG are carried out on a regular basis and relate, for example, to dependencies on sales channels, essential customers or key staff. Corresponding measures are implemented in accordance with the result of the evaluation (risk acceptance, risk minimisation or similar factors). There are no substantial risk concentrations in this respect for the UNIQA Group.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. The risk preference for taking operational risks is categorised as “medium” in the risk strategy of the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG. The classification is based on the current activities in the area of strategic initiatives, in particular initiatives relating to the modernisation of IT and the improvement of process efficiency.

The most significant risk mitigation measures for operational risk are:

- Implementation and maintenance of a comprehensive internal control system;
- Process optimisation and maintenance;
- Continuous education and training for employees;
- Preparation of emergency plans.

The specific measures defined for reducing risk are constantly monitored.

C.7 STRESS AND SENSITIVITY ANALYSES

The UNIQA Group carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment.

A sensitivity calculation is defined as the recalculation of a key performance indicator (KPI) based on the change to an input parameter. The change is direct, refers to a particular date, and is not generally extreme. The effects of sensitivity can be positive or negative.

A stress test is defined as the recalculation of a KPI based on a change in an input parameter. The change is more significant than in a sensitivity analysis and has a negative impact on the KPI.

The UNIQA Group focuses on interest rate sensitivities based on the results of past stress tests and sensitivity calculations and against the background of the prevailing low interest rates. These sensitivities are challenges for insurance companies in which life insurance represents a major share of their business.

The UNIQA Group uses the sensitivities shown in the following table:

Key sensitivities	Impact
Interest rate sensitivity	Direct
Equity sensitivity	Direct
Foreign exchange sensitivity	Direct
Spread sensitivity	Direct
Natural catastrophes	Direct

Table 30: Overview of sensitivities

The sensitivities presented in the above table are described in detail below.

Interest rate sensitivity

Interest is only subject to a shock within the liquid range of the yield curve (up to the last liquid point, LLP). After the LLP, the interest rates are extrapolated to the ultimate forward rate (UFR) with a convergence rate that remains the same. The UFR corresponds with the value that maps the interest rate development over the last decades, although it is supplemented by forecasts in the economic development of the eurozone.

There are three sensitivities that concentrate on interest rates:

- A parallel shift in the yield curve by +50 basis points up to the LLP followed by extrapolation at the UFR;
- A parallel shift in the yield curve by –50 basis points up to the LLP followed by extrapolation at the UFR;
- Use of interest rates that converge against a UFR reduced by 50 basis points.

Equity sensitivity

For equity sensitivity, a general decline in fair values of 30 per cent is assumed for the entire equity portfolio. The amount of the assumed market value losses is at a level that is standard for the sector.

Foreign exchange sensitivity

For foreign currency positions, an exchange rate change of +10 per cent and –10 per cent is assumed for all currencies. There are no exceptions for currencies that are pegged to the euro. These foreign exchange shocks are applied to:

- All financial instruments with an underlying foreign currency exchange rate
- All securities that are quoted in a currency other than the portfolio currency

Spread sensitivity

A widening of the spread by 100 basis points is assumed for the credit spread sensitivity. Spreads are widened irrespective of the underlying rating.

Natural catastrophes

The risk of an earthquake has been identified as the most significant natural disaster risk. An earthquake with an epicentre in Austria is assumed to recur every 250 years in this sensitivity analysis.

Operational risk and counterparty default risk

The UNIQA Group does not calculate any separate sensitivities for the operational risk or for the counterparty default risk. These risk modules are not assessed as material following analysis of all risk categories.

Results

The following table provides an overview of the changes to the SCR ratio as a result of the shocks defined for the individual sensitivity calculations.

Results of the sensitivity calculation

In per cent	2018 SCR ratio	2018 Change (pp)	2017 SCR ratio	2017 Change (pp)
Basic scenario	248%		250%	
Key sensitivities				
Interest rate sensitivity				
Parallel shift in interest rate of +50bp (up to last liquid point)	263%	15%	266%	17%
Parallel shift in interest rate of -50bp (up to last liquid point)	231%	-17%	237%	-13%
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	238%	-10%	236%	-14%
Equity sensitivity				
Fall in the fair value by 30 per cent	240%	-8%	247%	-2%
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	253%	5%	254%	5%
Foreign currency shock of -10 per cent	244%	-5%	245%	-5%
Spread sensitivity				
Widening in credit spread by 100 basis points	213%	-36%	204%	-46%
Natural catastrophes				
Natural catastrophes: earthquake	247%	-1%	248%	-2%

Table 31: Results of the sensitivity calculation

As an internationally active multiline insurer, the results of the UNIQA Group's sensitivity calculation are significantly influenced by the life and health business, with the latter being particularly strong in Austria.

Interest rate sensitivity

The sensitivity 'Reduction in the Ultimate Forward Rate' was based on a change by 100 basis points in the previous year. This year the sensitivity was calculated based on a change by 50 basis points.

Equity sensitivity

The increase in the impact of equity sensitivity is driven on the one hand by adjustments to the portfolio structure. A higher market value as a result of a higher portfolio leads to higher sensitivity of own funds. On the other hand the symmetrical adjustment used to calculate the equity risk fell from 1.9 per cent in the previous year to minus 6 per cent. This results in a lower sensitivity of the SCR.

Spread sensitivity

The lower sensitivity is as a result of lower investment volumes and a lower average spread sensitivity.

The impact of the other remaining sensitivities is comparable with the level from the previous year.

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for reputational, contagion and strategic risks in the UNIQA Group in addition to the risk categories described above.

Reputational risk describes the risk of loss that arises because of possible damage to the company's reputation, because of deterioration in prestige, or because of a negative overall impression caused by negative perception by customers, business partners, shareholders or supervisory agencies.

Strategic risk describes the risk that results from management decisions or insufficient implementation of management decisions that may influence current/future income or solvency. This includes the risk that arises from management decisions that are inadequate because they ignore a changed business environment.

The most significant reputational risks along with the strategic risks are identified, assessed and reported in a process similar to the operational risks.

Reputational and strategic risks are also monitored in the same way at UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

UNIQA Group risk management then analyses whether the observed risk may occur in the Group or in another unit, and whether the danger of "contagion" within the Group is possible (contagion risk).

The contagion risk includes the possibility that any negative effects that arise in a company within the UNIQA Group could widen to affect other companies. There is no standardised approach for handling the contagion risk since this risk can have various sources. Establishing an understanding of the correlations between the different types of risk is essential in particular for the purposes of identifying any potential contagion risk.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Aside from identification and assessment of risks in the local companies of the UNIQA Group, an additional assessment also takes place at the UNIQA Group level. The objective of this is to identify significant risk concentrations that cannot be identified on the level of the local companies but which could become material on the level of the UNIQA Group as a whole. The following risk concentrations are considered in this chapter:

- Individual counterparties
- Groups of individual but affiliated counterparties (e.g. companies within the same Group)
- Specific geographical areas or sectors
- Natural disasters

Following a decision by the FMA, a risk is considered material if it accounts for more than 10 per cent of the solvency capital requirement of the UNIQA Group. The final calculation of solvency capital at the end of the year is used to determine the threshold value. At the end of 2018, this results in a materiality threshold for risk concentrations at Group level in the amount of €214.2 million.

The most important exposures from the balance sheet are regularly checked to make sure they do not exceed the materiality threshold. In the process, the following categories are analysed and monitored:

- Bonds
- Own funds
- Assets from reinsurance
- Other assets
- Liabilities from insurance
- Liabilities from bonds
- Liabilities from debts
- Other liabilities
- Contingent assets
- Contingent liabilities

Individual counterparties/groups of individual but affiliated counterparties

Risk concentrations in the asset portfolio are reviewed in accordance with the standard formula see Chapter C.3.4 for further details).

No risk concentrations were identified in the other exposure categories at year-end 2018.

Specific geographical areas or sectors

The following table represents a breakdown of assets by branch of economic activity (NACE classification). This shows that the UNIQA Group's assets (not including assets from the unit-linked business) are primarily composed of publicly issued debt securities (e.g. government bonds, bonds from regional governments).

Exposure by NACE category
In per cent

	2018
General public administration	46.56%
Credit institute (without specialist financial institution)	22.31%
Fund management	12.19%
Activities of insurance brokers	2.54%
Associated companies	1.71%
Life insurances	1.19%
Other service activities n.e.c	1.11%
Other business support service activities n.e.c	0.83%
Security and commodity contracts dealing activities	0.70%
Support activities for transportation	0.70%
Other	10.15%
Total	100.00%

Table 32: Exposure by NACE category

The following table provides an overview of the geographical distribution of assets.

Exposure by country

In per cent	2018
Austria	29.55%
France	7.42%
Luxembourg	6.43%
Belgium	5.22%
Poland	4.71%
Netherlands	4.25%
Germany	4.10%
United States of America	3.00%
Spain	3.00%
United Kingdom of Great Britain and Northern Ireland	2.55%
Czech Republic	2.44%
Slovakia	2.40%
Ireland	2.39%
Romania	1.99%
Italy	1.94%
Croatia	1.84%
Finland	1.54%
Hungary	1.53%
Slovenia	1.40%
Australia	1.36%
Russian Federation	1.15%
Other	9.79%
Total	**100.00%**

Table 33: Exposure by country

Natural disasters

UNIQA Group's portfolio does not include any catastrophe-related bonds (CAT bonds). At year-end 2018, there were also no concentrations of natural disaster risks within insurance liabilities.

C.9.2 Risk mitigation from deferred tax

The use of deferred tax is a general risk mitigation technique that can be applied to all risk categories and business lines. It is taken into account in the calculation for the UNIQA Group's solvency capital requirements, as well as that of the business units.

Deferred tax is defined in Chapter D.1 Assets. When deferred tax is used as a risk mitigation technique, it is assumed – in the event that an extreme scenario occurs that reduces the value of the relevant asset (or increases the value of the liability) – that part of the impact can be absorbed because any potential existing and stated deferred tax liability will no longer be due following occurrence of the scenario. This reduces the overall influence of the scenario.

D Valuation for solvency purposes

The methods stated in the Framework Directive and Implementing Regulation are applied for the derivation of the solvency balance sheet. They are based on the going-concern principle as well as on individual assessment. The International Financial Reporting Standards (IFRSs) form the framework for recognition and valuation in the solvency balance sheet. Assets and liabilities are valued in accordance with Article 75 of the Solvency II Framework Directive, assets and liabilities are valued at the amount for which they could be exchanged between knowledgeable willing parties in an arm's length transaction. If there are no fair values available for this purpose, then mark-to-market values must be assessed in line with the fair value hierarchy under Solvency II, or if these values are not available, then the mark-to-model valuation can be used for the valuation.

The deviations from the fair value permitted in accordance with IFRSs are not permissible under Solvency II. If individual balance sheet items are immaterial, the IFRS value deviating from the fair value is transferred to the solvency balance sheet and thus no revaluation is made in accordance with Solvency II.

The relevant IFRS balance sheet forms the basis for creating the solvency balance sheet internally within UNIQA. The principles, methods and main assumptions used at Group level for the measurement of assets, technical provisions and other liabilities are consistent with those that are used in the subsidiaries and that comply with the Solvency II calculation principles.

The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Foreign currency translation

The following exchange rates of the European Central Bank are used for translating solvency balance sheet items denominated in foreign currencies for the reporting period:

EUR closing rates	Currency code	2018
Albanian lek	ALL	123.94
Bosnia and Herzegovina convertible mark	BAM	1.96
Bulgarian lev	BGN	1.96
Swiss franc	CHF	1.13
Czech koruna	CZK	25.72
Euro	EUR	1.00
Croatian kuna	HRK	7.41
Hungarian forint	HUF	320.98
Macedonian denar	MKD	61.49
Polish złoty	PLN	4.30
Romanian leu	RON	4.66
Serbian dinar	RSD	118.33
Russian rouble	RUB	79.72
Ukrainian hryvnia	UAH	31.78
US dollar	USD	1.15

Table 34: Foreign exchange rates

D.1 ASSETS

The following table shows a comparison between the determination of total assets in accordance with Solvency II and with IFRSs at the reporting date of 31 December 2018.

Assets as at the reporting date of 31 December 2018

In € million

		Solvency II	IFRS	Revaluation
1	Goodwill	0	296	-296
2	Deferred acquisition costs	0	1,152	-1,152
3	Intangible assets	0	171	-171
4	Deferred tax assets	13	6	7
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	463	126	336
7	Investments (other than assets held for index-linked and unit-linked contracts)	20,145	19,344	802
7.1	Property (other than for own use)	2,198	1,274	924
7.2	Shares in affiliated companies including equity investments	468	615	-147
7.3	Equities	292	279	13
	Equities – listed	169	183	-14
	Equities – unlisted	123	96	27
7.4	Bonds	14,125	15,479	-1,354
	Government bonds	8,449	9,531	-1,081
	Corporate bonds	5,562	5,846	-284
	Structured notes	103	103	0
	Collateralised securities	11	0	11
7.5	Undertakings for collective investment	2,725	1,257	1,469
7.6	Derivatives	20	21	-1
7.7	Deposits other than cash equivalents	316	395	-79
7.8	Other investments	0	23	-23
7.9	Assets held for index-linked and unit-linked contracts	4,809	4,808	1
8	Loans and mortgages	87	87	0
8.1	Loans on policies	14	13	1
8.2	Loans and mortgages to individuals	15	0	15
8.3	Other loans and mortgages	58	73	-15
9	Reinsurance recoverables from:	425	413	11
9.1	Non-life insurance and health insurance similar to non-life	289	276	14
	Non-life insurance excluding health	289	276	14
	Health insurance similar to non-life	0	0	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	134	138	-4
	Health insurance similar to life	0	2	-2
	Life insurance, excluding health and index-linked and unit-linked	134	136	-2
9.3	Life insurance, index-linked and unit-linked	2	0	1
10	Deposits with cedants	25	26	-1
11	Insurance and intermediaries receivables	189	260	-71
12	Reinsurance receivables	32	32	0
13	Receivables (trade, not insurance)	257	257	-1
14	Treasury shares (held directly)	16	11	5
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	1,429	1,444	-15
17	Any other assets, not shown elsewhere	60	88	-28
Total assets		**27,950**	**28,520**	**-571**

Table 35: Assets in accordance with Solvency II

The following categories of assets are not asset components of the UNIQA Group at 31 December 2018 and were therefore not commented on:

- 5. Pension benefit surplus
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A separate description for each class of assets is provided below of the principles, methods and main assumptions upon which the valuation is based for solvency purposes, with a quantitative and qualitative explanation of the material differences with the valuation according to IFRSs in the annual financial statements.

1. Goodwill

In € million	Solvency II	IFRS	Revaluation
Goodwill	0	296	-296

Table 36: Goodwill

Goodwill arises upon acquisition of subsidiaries and represents the surplus of the consideration transferred for acquisition of the company above the fair value of UNIQA's share in the identifiable assets acquired, the liabilities assumed, contingent liabilities and all non-controlling shares in the acquired company at the time of the acquisition. Under IFRSs, this goodwill is measured at cost less accumulated impairment losses.

Under Solvency II, goodwill is valued at zero, thereby differing from financial statements according to IFRSs.

2. Deferred acquisition costs

In € million	Solvency II	IFRS	Revaluation
Deferred acquisition costs	0	1,152	-1,152

Table 37: Deferred acquisition costs

Deferred acquisition costs comprise costs that exist especially upon the conclusion of the policy from the underwritten insurance risks and the sale of insurance contracts.

Deferred acquisition costs are accounted for in accordance with IFRS 4 in conjunction with US GAAP. In the case of property and casualty insurance contracts, costs directly attributable to the acquisition are deferred and distributed over the expected contract term or according to the unearned premiums. In life insurance, the deferred acquisition costs are amortised in line with the pattern of expected gross profits or margins. The acquisition costs for long-term health insurance are amortised on the basis of the proportion of premiums earned to the present value of future expected premiums.

Under Solvency II, the deferred acquisition costs are valued at zero, which explains the difference in value.

3. Intangible assets

In € million	Solvency II	IFRS	Revaluation
Intangible assets	0	171	-171

Table 38: Intangible assets

Intangible assets comprise the value of the in-force business from insurance contracts and other intangible assets.

Intangible assets are amortised in accordance with their useful lives over a defined period.

The values of life, property and casualty insurance policies relate to expected future margins from purchased operations and are recognised in the IFRS consolidated financial statements at the fair value at the acquisition date. The portfolio value in life insurance is amortised in accordance with the progression of the estimated gross margins.

No values of in-force business are assessed under Solvency II, meaning that the value that arises for the "intangible assets" item is zero.

Other intangible assets include both purchased and internally generated software, which is amortised on a straight-line basis in the IFRS consolidated financial statements over its useful life of 2 to 40 years. Intangible assets from both purchased and internally generated software can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined.

4. Deferred tax assets

In € million	Solvency II	IFRS	Revaluation
Deferred tax assets	13	6	7

Table 39: Deferred tax assets

Differences between the Solvency II and IFRS values arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the IFRS consolidated financial statements are formed based on the different valuations between the tax balance sheet and the IFRS consolidated financial statements. If the difference between IFRS or solvency financial statements and the tax base means that the tax expense is too high in relation to the reference figures, and the excess tax expense will reverse in subsequent financial years, an asset must be recognised in accordance with IAS 12 for future tax refund.

It should be noted that an overall netting approach is required in relation to the recognition of deferred tax if there are tax assets and liabilities due from/to the same tax authority and these assets and liabilities can be offset. All temporary differences that meet the relevant criteria and are expected to reverse in subsequent financial years must therefore be included and netted in the calculation of deferred tax. This then results in either a net deferred tax asset or a net deferred tax liability. This overall approach is not affected by differing maturities.

A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

An assessment of the ability to recover deferred tax assets requires an estimate of the amount of future taxable profits, or an estimate of the amount of deferred tax liabilities to be offset. The amount and type of these taxable earnings, the periods in which they are incurred, and the available tax planning measures are all taken into account in budget calculations.

Deferred tax assets on loss carryforwards were assessed in the amount of €14.4 million based on the regulations stated above, and these were partly offset against the deferred tax liabilities in accordance with the regulations stated. Deferred tax assets from loss carryforwards in the amount of €24.8 million were not assessed as realisation cannot be assumed within a foreseeable period with due regard to local expiration periods.

The origins of the UNIQA Group's deferred tax are outlined in more detail below.

Overview of the origins of deferred tax

In € million

Origin	Solvency II	IFRS	Revaluation
Underwriting items (incl. DAC)	676	244	432
Investments	243	34	209
Social capital	-45	-45	0
Other	44	30	13
Loss carryforwards	-14	-14	0
Deferred tax balance (surplus of liabilities)	903	249	654

Table 40: Overview of the origins of deferred tax

6. Property, plant and equipment held for own use

In € million	Solvency II	IFRS	Revaluation
Property, plant and equipment held for own use	463	126	336

Table 41: Property, plant and equipment held for own use

For the IFRS consolidated financial statements, the property, plant and equipment held for own use is measured according to the cost model in accordance with IAS 16, meaning that there is a revaluation for the solvency balance sheet.

The property, plant and equipment held for own use is valued for Solvency II purposes based on expert reports that are prepared on a regular basis. The valuation results arise based both on mixed values as well as on a discounted cash flow valuation method, and are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

The payment flows take into account the following parameters:

- Standard local rental prices
- Vacancy costs/loss of rental income
- Management and marketing costs
- Maintenance and production costs
- Costs that cannot be allocated
- Competitive environment
- Benchmark with comparable buildings in a similar location

Since the cost model does not take into account the increased value of land and buildings, this model significantly underestimates the fair value, and in many cases that explains the high revaluation in comparison to IFRSs.

7. Investments (other than assets held for index-linked and unit-linked contracts)

The valuation approaches and differences for the investments of the UNIQA Group are explained in detail in the following chapters.

7.1. Property (other than for own use)

In € million	Solvency II	IFRS	Revaluation
Property (other than for own use)	2,198	1,274	924

Table 42: Property (other than for own use)

Property (other than for own use) includes buildings on third-party land held as long-term investments to generate rental income and/or for the purpose of capital appreciation. Under IFRSs, these are measured upon acquisition at cost. Subsequent measurement follows the cost model in accordance with IAS 40.56 in conjunction with IAS 16.

In preparing the economic balance sheet under Solvency II, a revaluation is performed: the investment property is valued for Solvency II purposes based on valuation models that are created by an independent expert annually as at the reference valuation date. The regulations under IAS 40 are applied for the fair value model.

The valuation results arise based both on mixed values as well as on a discounted cash flow valuation method, and are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

The payment flows take into account the following parameters:

- Rental income
- Vacancy costs/loss of rental income
- Management and marketing costs
- Maintenance and production costs
- Costs that cannot be allocated
- Competitive environment
- Benchmark with comparable buildings in a similar location

Since the cost model does not take into account the increased value of land and buildings, this model significantly underestimates the fair value, and in many cases that explains the high revaluation in comparison to IFRSs.

7.2 Shares in affiliated companies, including equity investments

In € million	Solvency II	IFRS	Revaluation
Shares in affiliated companies including equity investments	468	615	-147

Table 43: Shares in affiliated companies, including equity investments

Shares in affiliated companies, which are not included as consolidated in the Solvency II consolidated balance sheet in accordance with Article 335 of the Delegated Regulation (EU) 2015/35, are valued in accordance with the regulations under Article 13.

This category includes companies over which the Group exercises a substantial influence or that are involved in the joint control of a company in which investments are held. In agreement with IFRSs, these assets are recognised using the equity method accounting. They are initially recognised at acquisition cost, which also includes transaction costs. After the first-time recognition, the consolidated financial statements include the Group's share in the comprehensive income of the financial investments recognised using the equity method until the date the significant influence or joint control ends. Under Solvency II, these companies are valued in accordance with the valuation hierarchy in accordance with Article 13 of the Delegated Regulation (EU) 2015/35. Accordingly, the shares in STRABAG SE are valued with the current fair value of the equities, whereas the net asset value (NAV) is calculated in accordance with the adjusted equity method.

UNIQA also has 26 equity investments that are not included in the basis of consolidation on materiality grounds according to IFRSs, and these are measured at amortised cost. All of these companies represent service companies and are valued at zero in accordance with Solvency II as per Article 13(2)(a) of the Delegated Regulation (EU) 2015/35.

By way of derogation from the IFRS basis of consolidation, UNIQA Capital Markets GmbH is not consolidated because it is a securities company; rather, it is included in the solvency balance sheet with a pro-rata investment value. The calculation is in accordance with the sectoral regulations in accordance with Article 335(1)(e) of the Delegated Regulation (EU) 2015/35.

7.3 Equities

In € million	Solvency II	IFRS	Revaluation
Equities	292	279	13
Equities – listed	169	183	-14
Equities – unlisted	123	96	27

Table 44: Equities

The UNIQA Group ascertains fair values in accordance with IFRS 13 for the reporting data for the IFRS consolidated financial statements. As there was a price listed on an active market at the observation date, these equities were valued with the unchanged stock exchange or market price (mark-to-market). The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet, meaning that there are no differences in value. The fair values for the shares that are not listed are used from the IFRS consolidated financial statements. The revaluation of unlisted equities relates to a change to the figures reported for other equity investments in which the holding equates to less than 20 per cent. Under Solvency II, profit participation rights and participation certificates are reported under unlisted equities.

7.4 Bonds

In € million	Solvency II	IFRS	Revaluation
Bonds	14,125	15,479	-1,354
Government bonds	8,449	9,531	-1,081
Corporate bonds	5,562	5,846	-284
Structured notes	103	103	0
Collateralised securities	11	0	11

Table 45: Bonds

In the UNIQA Group, bonds are allocated to the following categories in accordance with IAS 39: “available for sale”, “at fair value through profit or loss” and “loans and receivables”. In the event of a valuation at “available for sale” and “at fair value through profit or loss”, the fair values ascertained correspond with the economic value in accordance with Solvency II and can be used in the solvency balance sheet. The bonds stated in the “loans and receivables” category are reassessed at fair value for the economic balance sheet.

The UNIQA Group ascertains fair values in accordance with IFRS 13 for the IFRS consolidated financial statements. Any bonds for which there was a price listed on an active market at the observation date were valued with the unchanged stock exchange or market price (mark-to-market). If there are no prices available from an active market, then the economic value is derived from comparable assets, with due regard to any adjustment required to specific parameters (marking-to-market). If no marking-to-market valuation was possible, alternative valuation methods were used in order to ascertain the value (mark-to-model). The mark-to-model techniques used are described in brief below.

Valuation of illiquid fixed interest rate bonds

Non-liquid fixed interest rate bonds or other fixed-income securities for which the company is unable to determine reliable fair values are valued using the method described below.

The first step involves identification of those securities for which no reliable fair value can be determined. The credit spread is then ascertained as follows for each security: if there is a CDS curve available for the relevant issuer, then it is used. If there is no CDS curve available, then a bond curve is used based on liquid bonds from the same issuer. If there are no liquid bonds available from this same issuer, then liquid bonds from similar issuers or spread curves for the same sector (e. g. banks, insurance companies, etc.) and seniority (subordinated, etc.) are used. The credit spreads determined using this method can be adjusted to specific situations and/or insolvency if required.

As part of the third step, these securities are valued by discounting the cash flow with the parameters described above.

Asset-backed securities (ABSs)

ABSs are presented under the item "Collateralised securities" in the solvency balance sheet and under "Bonds" in the IFRS consolidated financial statements.

The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet, meaning that there are no differences in value.

7.5 Undertakings for collective investment in transferable securities

In € million	Solvency II	IFRS	Revaluation
Undertakings for collective investment	2,725	1,257	1,469

Table 46: Undertakings for collective investment in transferable securities

Valuation is at fair value in accordance with IFRS 13 for both the IFRS consolidated financial statements and Solvency II.

The variances arise because of a difference in treatment relating to institutional funds subject to consolidation. Under Solvency II, the funds are reported under this item whereas IFRSs specify application of a look-through approach.

7.6 Derivatives

In € million	Solvency II	IFRS	Revaluation
Derivatives	20	21	-1

Table 47: Derivatives

Derivatives are valued in accordance with IAS 39. The UNIQA Group ascertains fair values in accordance with IFRS 13 for the IFRS consolidated financial statements. The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet. As described in the previous paragraph, variances arise as a result of the difference in treatment for institutional funds subject to consolidation. Fair values are ascertained as follows:

Any derivatives for which there was a price listed on an active market at the observation date are valued with the unchanged stock exchange or market price (mark-to-market). If there are no prices available from an active market, then the economic value is derived from comparable assets, with due regard to any adjustment required to specific parameters (marking-to-market). If no marking-to-market valuation was possible either, alternative valuation methods were used in order to ascertain the value (mark-to-model). The mark-to-model techniques used are described in brief below:

Valuation of structured products

Structures are presented under the items “Bonds” and “Derivatives” (solvency balance sheet) or under “Bonds”, “Derivatives” and “Undertakings for collective investment”.

The method used for determining the price depends on the relevant product. Analytical models are used if these are available. If there are no such analytical models available (e. g. for exotic options), then a suitable simulation procedure is used where possible (“Monte Carlo Simulation”). If there are no pricing models available, a suitable model is developed using generally accepted pricing methods. In this case, a “contract-specific model” is applied.

The review is normally carried out using external pricing information so that the model calibration is as up-to-date as possible.

The valuation results are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

7.7 Deposits other than cash equivalents

In € million	Solvency II	IFRS	Revaluation
Deposits other than cash equivalents	316	395	-79

Table 48: Deposits other than cash equivalents

Deposits other than cash equivalents are reported in the economic balance sheet at the present value of the estimated future cash flows. This explains the difference in valuation because deposits other than cash equivalents are valued at their amortised cost under IFRSs.

7.8 Other investments

In € million	Solvency II	IFRS	Revaluation
Other investments	0	23	-23

Table 49: Other investments

Other investments are stated as assets at nominal value both for the IFRS consolidated financial statements as well as for the solvency balance sheet, meaning that there are no valuation differences. The revaluation between Solvency II and IFRS shown above relates to the carrying amounts of profit-sharing rights and participation certificates, which are reported under unlisted equities in Solvency II.

7.9 Assets held for index-linked and unit-linked contracts

In € million	Solvency II	IFRS	Revaluation
Assets held for index-linked and unit-linked contracts	4,809	4,808	1

Table 50: Assets held for index-linked and unit-linked contracts

The assets held for index-linked and unit-linked contracts are recognised at fair value both for the IFRS consolidated financial statements as well as for the solvency balance sheet. There are no material valuation differences because the approaches used in the IFRS and Solvency II statements are consistent.

8. Loans and mortgages

In € million	Solvency II	IFRS	Revaluation
Loans and mortgages	87	87	0
Loans on policies	14	13	1
Loans and mortgages to individuals	15	0	15
Other loans and mortgages	58	73	-15

Table 51: Loans and mortgages

Loans and mortgages for private customers are valued at amortised cost for the IFRS consolidated financial statements. The IFRS values are adopted for the solvency balance sheet.

9. Recoverables from reinsurance contracts

In € million		Solvency II	IFRS	Revaluation
9	**Reinsurance recoverables**	**425**	**413**	**11**
9.1	Non-life insurance and health insurance similar to non-life	289	276	14
	Non-life insurance excluding health	289	276	14
	Health insurance similar to non-life	0	0	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	134	138	-4
	Health insurance similar to life	0	2	-2
	Life insurance, excluding health and index-linked and unit-linked	134	136	-2
9.3	Life insurance, index-linked and unit-linked	2	0	1

Table 52: Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts” includes amounts outstanding based on reinsurance contracts external to the Group. In accordance with the economic assessment of the technical provisions under Solvency II, i.e. based on discounted best estimates, the claims against reinsurance companies are stated under the reinsurance receivables minus the agreed reinsurance premiums (time difference between the demands and the direct payments).

Ceded reinsurance is also subject to the application of IFRS 4 and is therefore presented in a separate item under assets.

The differences between the values assessed in the financial reporting and the solvency balance sheet arise analogously to the gross valuation from changing to the best estimate approach under Solvency II.

10. Deposits with cedants

In € million	Solvency II	IFRS	Revaluation
Deposits with cedants	25	26	-1

Table 53: Deposits with cedants

The deposits with cedants from inward reinsurance business are reported under this item. For the IFRS consolidated financial statements, these are valued at the principal amount or the cost of the receivables unless a lower fair value is recognised in the case of identified individual risks. A valuation difference arises compared with IFRSs when discounting for maturities of more than one year is taken into account.

11. Insurance and intermediaries receivables

In € million	Solvency II	IFRS	Revaluation
Insurance and intermediaries receivables	189	260	-71

Table 54: Insurance and intermediaries receivables

Receivables from insurance companies and insurance brokers due within twelve months are recognised at their principal amounts both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

A lapse provision is recognised for receivables from policyholders (based on fixed percentage rates for the overall portfolio per company). The receivables from brokers are written down directly, and a separate provision is therefore not recognised.

12. Reinsurance receivables

In € million	Solvency II	IFRS	Revaluation
Reinsurance receivables	32	32	0

Table 55: Reinsurance receivables

This item comprises receivables from reinsurers that are not allocated to the "Deposits with cedants" item. Receivables due within twelve months are recognised at their principal amounts both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

There are no valuation differences because the approaches used in the IFRS and Solvency II statements are consistent.

13. Receivables (trade, not insurance)

In € million	Solvency II	IFRS	Revaluation
Receivables (trade, not insurance)	257	257	-1

Table 56: Receivables (trade, not insurance)

This item comprises all receivables that do not originate from the insurance business. Receivables due within twelve months are recognised at their principal amounts both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

14. Treasury shares (held directly)

In € million	Solvency II	IFRS	Revaluation
Treasury shares (held directly)	16	11	5

Table 57: Treasury shares (held directly)

Treasury shares comprise shares that are held by the UNIQA Group.

Treasury shares are reported in the IFRS consolidated financial statements at cost, and in the solvency balance sheet at economic value, which corresponds to the fair value.

16. Cash and cash equivalents

In € million	Solvency II	IFRS	Revaluation
Cash and cash equivalents	1,429	1,444	-15

Table 58: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. Differences between IFRS and Solvency II arise from the reporting of the business transactions in accordance with the trading day in the solvency balance sheet and in accordance with the value date in the IFRS balance sheet.

17. Any other assets, not shown elsewhere

In € million	Solvency II	IFRS	Revaluation
Any other assets, not shown elsewhere	60	88	-28

Table 59: Any other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). They are valued at the economic value which corresponds with the nominal value.

D.2 TECHNICAL PROVISIONS

Technical provisions within at the UNIQA Group are determined almost exclusively on the basis of a best estimate plus a risk margin because of the nature of the liabilities. A replication of technical cash flows with the help of financial instruments, thus measuring these elements together, is only done on a Group level for a small unit-linked portfolio in Croatia.

Calculation of the provisions based on the best estimate involves restating technical provisions in the IFRS balance sheet to arrive at an economic valuation. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits and the present value of future premiums. Best estimate of provisions or best estimate of liabilities are determined by using assumptions regarding the best estimate when calculating these future cash flows (instead of the prudent valuation assumptions). Options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with IFRSs at 31 December 2017 and 31 December 2018 for the UNIQA Group:

Valuation of technical provisions

In € million		2018 Solvency II	IFRS	Revaluation	2017 Solvency II	IFRS	Revaluation
1	**Technical provisions – non-life insurance**	**2,676**	**3,246**	**-570**	**2,625**	**3,113**	**-488**
1.1	Technical provisions – non-life insurance (excluding health insurance)	2,406	3,246	-840	2,341	3,113	-772
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	2,282	n.a.	2,282	2,233	n.a.	2,233
	Risk margin	124	n.a.	124	108	n.a.	108
1.2	Technical provisions – health insurance (similar to non-life)	270	0	270	284	0	284
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	258	n.a.	258	275	n.a.	275
	Risk margin	12	n.a.	12	9	n.a.	9
2	**Technical provisions – life insurance (excluding index-linked and unit-linked insurance)**	**11,736**	**14,024**	**-2,287**	**11,907**	**14,234**	**-2,326**
2.1	Technical provisions – health insurance (similar to life)	983	3,193	-2,210	876	3,039	-2,163
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	726	n.a.	726	638	n.a.	638
	Risk margin	257	n.a.	257	238	n.a.	238
2.2	Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	10,753	10,831	-78	11,032	11,195	-163
	Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
	Best estimate	10,507	n.a.	10,507	10,826	n.a.	10,826
	Risk margin	246	n.a.	246	206	n.a.	206
3	**Technical provisions – index-linked and unit-linked insurance**	**4,798**	**4,845**	**-46**	**5,071**	**5,080**	**-9**
3.1	Technical provisions calculated as a whole	11	n.a.	11	6	n.a.	6
3.2	Best estimate	4,742	n.a.	4,742	4,996	n.a.	4,996
3.3	Risk margin	45	n.a.	45	68	n.a.	68
4	**Other technical provisions**	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**
Total technical provisions		19,211	22,115	-2,904	19,603	22,426	-2,824

Table 60: Valuation of technical provisions

A description is provided in the following sections of the principles, methods and main assumptions upon which the valuation is based for solvency purposes – individually for the life and non-life technical provisions – with a quantitative and qualitative explanation of the material differences with the valuation in accordance with IFRSs in the consolidated financial statements.

A slight increase was recorded in the non-life and health technical provisions (similar to non-life technique) The increase in the revaluation effect is essentially explained by the portfolio in Austria.

The fall in the technical provisions in life under Solvency II is driven most intensively by the portfolio in Austria. In health insurance (similar to life technique) the increase is primarily the result of changes in the assumptions for the Austrian portfolio (cost, lapse and mortality assumptions).

D.2.1 Non-life and health (similar to non-life technique) technical provisions

The methods used for valuation of technical provisions in non-life and health (similar to non-life technique) are stipulated by the Group and governed in standards. This Group standard is applied in all operating units and business lines for non-life insurance. The non-life methods are also generally used in health insurance business pursued on a similar technical basis to that of non-life insurance (health similar to non-life technique).

A distinction is made between the following parts of the technical provisions in Solvency II:

- Claims reserve
- Premium reserve
- Risk margin

All expenses also stated in Article 31 of the Delegated Regulation (EU) 2015/35 are taken into account in calculating the technical provisions:

- Expenses for new business acquisition
- Administrative expenses
- Expenses for claim settlements

The assumptions of the future cost ratios in the cash flow projections are based on the scheduled expenses in the business plans for the operational units and the Group.

Different methods are generally used to value the individual components:

Claims reserves

Claim triangles for each business line form the principles for valuing reserves for unsettled claims. General statistically recognised methods are used for valuation of the best estimate (if appropriate):

If these methods are not appropriate (e.g. for business lines where the available claims data is limited), then other best practice methods are used (e.g. based on claims frequency/amount of the claims).

Sample cash flows using the claim triangles are used to ascertain the discounted reserves best estimate with specified reference interest rates used for the discounting.

The new provisions are calculated based on a gross/net factor that is determined based on IFRS data. This means the Group-external reinsurance coverage is deducted from the gross provisions at Group level in order to ascertain the Group's net claims reserve.

Premium reserve

The following categories are taken into account in calculating the premium reserve:

- Unearned premium: based on premiums not yet earned
- Unincepted premium: based on future premiums (the boundary/lapse concept is applied here)

The estimate for this provision is based on the cash flow modelling from inflows (premiums paid) and outflows (claims, commissions, costs) which are determined based on budget data along with historical time series.

The "contract boundaries", i.e. contractual limits, are valued based on the individual contract data as at the reference valuation date as defined in the Delegated Acts. Lapse behaviour is analysed based on portfolio at the level of the relevant business line.

As opposed to the claims reserve, when modelling the premium reserve, the proportional and non-proportional contracts of the reinsurance are shown separately.

Risk margin

The risk margin is calculated as the present value of all future costs of capital. The future solvency capital requirements are first updated with this, and the costs of capital are set at 6 per cent as defined by statute. It is assumed that all market risks are hedgeable.

An assessment is used at the UNIQA Group which calculates the future SCRs via its risk drivers, i.e. future premiums and reserves.

The risk margin is calculated for each operating company on a net basis following deduction of the reinsurance. At Group level therefore the risk margin arises from the sum of all operating companies including internal reinsurance.

Degree of uncertainty

The parameters or assumptions used to calculate the technical provisions are subject to natural uncertainty based on potential fluctuations in the benefits and costs, along with economic assumptions such as discount rates.

The UNIQA Group therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the best estimate provisions. The following parameters and assumptions are specifically analysed in non-life insurance:

- Changes in the development of the future claims rate
- Changes in the development of the future cost ratio
- Changes in the claims reserve
- Changes to the discount rate

The resulting changes to the amount of the technical provisions are subject to both quantitative and qualitative analyses and are also reported in the Actuarial Function Report to the Group Management Board. This report also includes back-testing in which the basic assumptions of the calculations are compared with actual results.

In non-life insurance, the following factors constitute the major sources of uncertainty when evaluating the best estimate:

- Assumed discount rate
- Assumptions about future claims processing in long-term business lines (liability insurance)
- Claims rate assumptions for multi-year policies

Overview of the non-life and health (similar to non-life technique) technical provisions (best estimate and risk margin) at the reporting date of 31 December 2018:

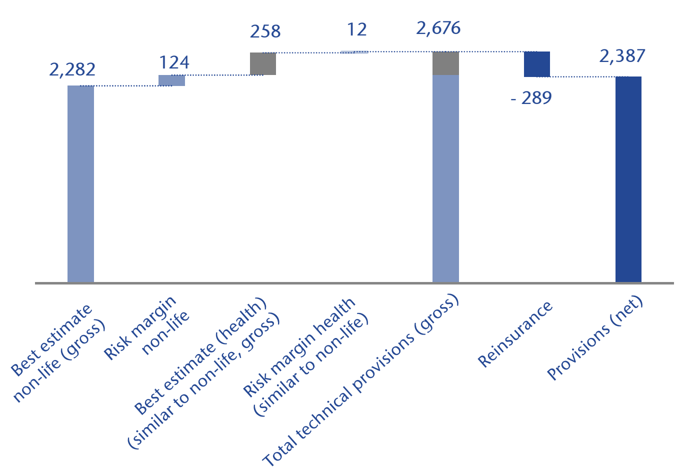


Figure 21: Non-life and health technical provisions (similar to non-life, in € million)

The reserves best estimate is largely determined by the claims reserves, with the premium reserve representing a smaller share. As the UNIQA Group does not take up external proportional reinsurance business ceded, the reinsurance shares of the reserves best estimate arise solely from the existing non-proportional reinsurance and are therefore relatively low at Group level compared with the gross provision.

No significant simplified methods were used to calculate the technical provisions. This also applies to calculation of the risk margin.

The following table shows a reconciliation between Solvency II and the IFRS balance sheet for the gross technical provisions relating to non-life and health (similar to non-life technique).

Valuation of non-life technical provisions (gross)

In € million	2018			2017		
	Solvency II	IFRS	Revaluation	Solvency II	IFRS	Revaluation
Technical provisions – non-life insurance	**2,676**	**3,246**	**-570**	**2,625**	**3,113**	**-488**
Technical provisions – non-life insurance (excluding health insurance)	2,406	3,246	-840	2,341	3,113	-772
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	2,282	n.a.	2,282	2,233	n.a.	2,233
Risk margin	124	n.a.	124	108	n.a.	108
Technical provisions – health insurance (similar to non-life)	270	0	270	284	0	284
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	258	n.a.	258	275	n.a.	275
Risk margin	12	n.a.	12	9	n.a.	9

Table 61: Valuation of non-life technical provisions (gross)

As already mentioned at the beginning, the non-life and health (similar to non-life) technical provisions have increased slightly.

The valuation of the technical provisions in property and casualty insurance is lower under Solvency II than under IFRSs. The main reasons for this are as follows:

- In Solvency II, the claims reserves are presented discounted, which primarily entails greater effects in the Austrian entities, as there are major reserves here for long-tail liability insurance business lines.
- The unearned premium reserve (UPR) represents the equivalent to the premium best estimate in accounting according to IFRSs. There is a revaluation effect here also in Solvency II, since it is not the entire UPR that is set aside but just the part for the claims and administrative costs. Closure commissions have already been paid and are therefore no longer taken into account in the cash flow analysis.
- Expected profit from future contributions on multi-year agreements also reduces the best estimate. This is not taken into account under IFRSs.

The revaluation effect has increased significantly compared with 2017. This effect is essentially driven by changes in settlement assumptions (longer payment patterns) in the Austrian portfolio.

The following table shows the reconciliation of balance sheet values from Solvency II to IFRSs for each segment of the non-life and health (similar to non-life) insurance business:

Technical provisions

In € million	2018 Solvency II	2018 IFRS	2018 Revaluation	2017 Solvency II	2017 IFRS	2017 Revaluation
Technical provisions – non-life insurance	2,676	3,246	-570	2,625	3,113	-488
Technical provisions – non-life insurance (excluding health insurance)	2,406	2,871	-465	2,341	2,761	-420
Motor vehicle liability insurance	853	1,046	-194	908	1,094	-186
Technical provisions calculated as a whole	n.a.	1,046	-1,046	n.a.	1,094	-1,094
Best estimate	835	n.a.	835	887	n.a.	887
Risk margin	18	n.a.	18	21	n.a.	21
Other motor insurance	184	227	-44	178	213	-34
Technical provisions calculated as a whole	n.a.	227	-227	n.a.	213	-213
Best estimate	175	n.a.	175	171	n.a.	171
Risk margin	9	n.a.	9	8	n.a.	8
Marine, aviation and transport insurance	90	87	3	55	63	-8
Technical provisions calculated as a whole	n.a.	87	-87	n.a.	63	-63
Best estimate	84	n.a.	84	52	n.a.	52
Risk margin	6	n.a.	6	3	n.a.	3
Fire and other damage to property insurance	494	557	-63	404	452	-48
Technical provisions calculated as a whole	n.a.	557	-557	n.a.	452	-452
Best estimate	446	n.a.	446	364	n.a.	364
Risk margin	48	n.a.	48	40	n.a.	40
General liability insurance	612	732	-121	648	729	-82
Technical provisions calculated as a whole	n.a.	732	-732	n.a.	729	-729
Best estimate	600	n.a.	600	633	n.a.	633
Risk margin	12	n.a.	12	15	n.a.	15
Credit and suretyship insurance	20	38	-17	20	38	-18
Technical provisions calculated as a whole	n.a.	38	-38	n.a.	38	-38
Best estimate	20	n.a.	20	19	n.a.	19
Risk margin	1	n.a.	1	0	n.a.	0
Legal expenses insurance	56	142	-86	56	133	-77
Technical provisions calculated as a whole	n.a.	142	-142	n.a.	133	-133
Best estimate	47	n.a.	47	51	n.a.	51
Risk margin	9	n.a.	9	5	n.a.	5
Assistance	7	12	-5	7	9	-3
Technical provisions calculated as a whole	n.a.	12	-12	n.a.	9	-9
Best estimate	7	n.a.	7	6	n.a.	6
Risk margin	0	n.a.	0	0	n.a.	0
Miscellaneous financial loss	55	29	26	39	30	9
Technical provisions calculated as a whole	n.a.	29	-29	n.a.	30	-30
Best estimate	40	n.a.	40	28	n.a.	28
Risk margin	15	n.a.	15	11	n.a.	11
Non-proportional fire and other damage to property insurance	24	0	24	12	0	12
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	21	n.a.	21	11	n.a.	11
Risk margin	3	n.a.	3	1	n.a.	1
Accepted non-proportional reinsurance: property	12	0	12	14	0	14
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	8	n.a.	8	9	n.a.	9
Risk margin	4	n.a.	4	4	n.a.	4
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – health insurance (similar to non-life)	270	375	-105	284	352	-68
Medical expense insurance	23	16	6	15	5	10
Technical provisions calculated as a whole	n.a.	16	-16	n.a.	5	-5
Best estimate	21	n.a.	21	14	n.a.	14
Risk margin	2	n.a.	2	1	n.a.	1
Income protection insurance	245	359	-114	266	347	-81
Technical provisions calculated as a whole	n.a.	359	-359	n.a.	347	-347

Best estimate	235	n.a.	235	258	n.a.	258
Risk margin	11	n.a.	11	8	n.a.	8
Workers' compensation insurance	2	0	2	2	0	2
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	2	n.a.	2	2	n.a.	2
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: health	1	0	1	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	1	n.a.	1	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0

Table 62: Valuation of technical provisions (non-life)

Generally, a negative revaluation effect is also evident at business line level. The "Motor vehicle liability insurance", "General liability insurance" and "Fire and other damage to property" business lines stand out in particular. The long-term nature of the liabilities in these business lines lead to discounting effects and to corresponding revaluation effects of the best estimate of premiums.

D.2.2 Life and health (similar to life technique) technical provisions

Description of the methods for valuation of technical provisions

The assumptions for the best estimate are determined using previous, present and projected trends along with other relevant data. The assumptions for the best estimate are reviewed and updated at least once a year.

The details described apply equally to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

The main assumptions used for determining the technical provisions are:

- Profit participation
- Costs
- Lapse
- Commission
- Mortality and disability-morbidity
- Interest

Profit participation

The policyholder's assumed profit participation for the corresponding life insurance business is derived for each economic scenario with application of the management rules for each life insurance company considered. The profit participation is derived in accordance with the applicable statutory profit participation regulations.

Provisions for future profit participation in Austria which are not assigned to the contracts are classified as own funds.

Costs

Cost assumptions are based on the actual costs incurred in the years prior to the reference valuation date. There are no extraordinary costs contained in the cost schedule if these are not expected again in future. If additional costs are expected in future, then these are also included in the cost allocation.

The costs expected along the projection period are based on the performance of the portfolio, with differences in the administrative expenditure taken into account in accordance with relevant contractual features (e.g. higher administrative expenditure for contracts with mandatory premiums as compared with those that are premium-free).

Lapse

Lapse rates are based on an analysis of previous lapse rates and the average for the last three years. For new products the lapse assumptions are based on similar products from the past.

Commission

The commission estimates are based on the applicable commission agreements.

Mortality and disability-morbidity

Mortality and disability-morbidity assumptions are based on the best estimate for future events. Trends from the past are taken into account here. Trends from the sector are also used if this information is insufficient.

Interest rate assumptions

The interest rates assumed in the calculations of the reserves best estimate are derived under Solvency II based on the specified risk-free interest rates. The interest rate assumptions have the greatest influence on the value of the reserves best estimate in the traditional life insurance business. The interest rate assumptions for the latest assessment of best estimate of liabilities are shown in the following table:

Risk-free interest rates 2018 (excl. volatility adjustment)

Year	EUR	CZK	HUF	PLN	CHF	RUB	RON	HRK
1	-0.33%	1.96%	0.44%	0.94%	-0.75%	9.22%	3.38%	0.08%
5	0.10%	1.71%	2.24%	2.13%	-0.35%	9.19%	4.25%	1.14%
10	0.73%	1.65%	3.13%	2.77%	0.22%	8.90%	4.79%	2.18%
15	1.11%	1.77%	3.61%	2.94%	0.53%	8.41%	5.08%	2.69%
20	1.28%	2.02%	3.83%	3.10%	0.69%	7.85%	5.07%	2.98%
25	1.56%	2.28%	3.95%	3.23%	0.72%	7.36%	4.98%	3.16%

Table 63: Interest rate assumptions

Risk margin

The risk margin is calculated as the present value of all future costs of capital. The future SCRs are updated with this in a process similar to the development of the best estimate, and the costs of capital are set at 6 per cent. It is assumed that all market risks are hedgeable.

The UNIQA Group uses an approach in which the future SCRs are calculated via their risk drivers. One example of a risk driver would be the history of administrative costs in order to map the development of the expense risk capital. The risk margin is calculated for each company on a net basis following deduction of the reinsurance. At Group level therefore the risk margin arises from the sum of all companies including internal reinsurance.

Degree of uncertainty

The degree of uncertainty for the technical provisions is reviewed within the scope of the market consistent embedded value (MCEV) calculation in the change analysis. In the change analysis, the parameters observed are compared with the assumptions in the projection. If the development of the technical provisions can be explained based on the parameters observed, then this shows that all relevant risks are adequately mapped in the model.

The change analysis reveals in particular the impact of events that have taken place as compared with the parameters originally assumed on the value of the technical provision under Solvency II. Analogous information can be obtained from the variation analysis under Solvency II.

The degree of uncertainty can be stated in the form of a confidence level for stochastic models, with the empirical distribution of the capital market simulation used forming the starting point. The greatest fluctuation bands related to the value of the technical provision depending on the assumptions for the traditional life insurance business are covered with the capital market scenarios.

The following figure gives an overview of the life and health technical provisions, similar to life technique (best estimate) as at the reporting date of 31 December 2018.

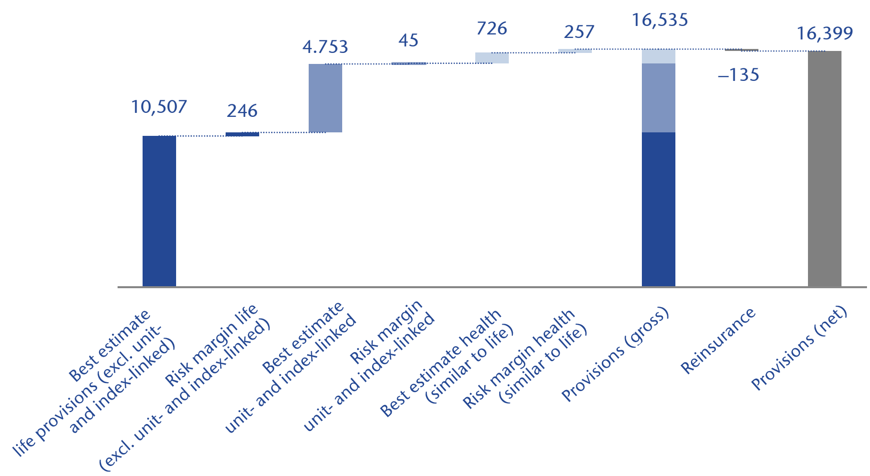


Figure 22: Life and health (similar to life technique) technical provisions (in € million)

No significant simplified methods were used to calculate the technical provisions. This also applies to calculation of the risk margin.

Reconciliation of the gross technical provisions with the IFRS balance sheet

For the portfolio of classic life insurance, the 2018 technical provisions in accordance with Solvency II are below the values pursuant to IFRSs (not including health or index-linked and unit-linked insurance). The fall in technical provisions compared with 2017 under

Valuation of technical provisions (gross)

	2018			2017		
In € million	Solvency II	IFRS	Revaluation	Solvency II	IFRS	Revaluation
Technical provisions – life insurance (excluding index-linked and unit-linked)	**11,736**	**14,024**	**-2,287**	**11,907**	**14,234**	**-2,326**
Technical provisions – health insurance (similar to life)	983	3,193	-2,210	876	3,039	-2,163
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	726	n.a.	726	638	n.a.	638
Risk margin	257	n.a.	257	238	n.a.	238
Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	10,753	10,831	-78	11,032	11,195	-163
Technical provisions calculated as a whole	n.a.	n.a.	0	n.a.	n.a.	0
Best estimate	10,507	n.a.	10,507	10,826	n.a.	10,826
Risk margin	246	n.a.	246	206	n.a.	206
Technical provisions – index-linked and unit-linked insurance	**4,798**	**4,845**	**-46**	**5,071**	**5,080**	**-9**
Technical provisions calculated as a whole	11	n.a.	11	6	n.a.	6
Best estimate	4,742	n.a.	4,742	4,996	n.a.	4,996
Risk margin	45	n.a.	45	68	n.a.	68
Other technical provisions	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**

Table 64: Valuation of technical provisions (gross)

Solvency II and IFRSs is driven by payouts on maturity for the portfolio in Austria. The reduction caused by expiry of the portfolio is cushioned under Solvency II by increased cost assumptions in 2018 for UNIQA Insurance Group AG.
The fall in the revaluation for the index-linked and unit-linked business is primarily caused by increased cost assumptions and detrimental lapse assumptions for the portfolio in Hungary under Solvency II. The fall under IFRSs and Solvency II is driven by the portfolios in Austria and Poland.

The revaluation effect of IFRSs to Solvency II in the health insurance business (similar to life technique) leads to a reduction in the technical provisions, as the locked-in principle applies for IFRSs and therefore improvements following subsequent calculations in sub-portfolios with an unfavourable premium/benefit ratio are not taken into account. The provisions of adverse deviation (PADs) in the projection also have a greater effect than the safety margins in the cost-of-capital approach. The increased revaluation effect in 2018 is attributable to increased premium portfolios, lower discount rate expectations and the higher additions to the covering capital fund associated with this under IFRSs. The increase in the technical provisions under Solvency II is influenced by changes to the assumptions (costs, lapse and mortality). The increase in the topological degree of the portfolio in the model and the associated adjustment in benefit assumptions conversely have a positive effect.

Adjustments are made in order to prepare the solvency balance sheet (starting from the IFRS balance sheet): for reinsurance receivables (total of all outstanding receivables) based on discounted best estimates, in the same way as technical provisions; these receivables are based on reinsurance contracts with entities outside the Group; internal Group reinsurance is eliminated in the consolidation.

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment in accordance with Section 167 of the Austrian Insurance Supervision Act 2016 was applied in the Solvency II calculation for all property and casualty business lines (non-life) and for health insurance.

This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the life, non-life and health provisions is shown in the following table:

Volatility adjustments

In € million	Incl. volatility adjustment 2018	Incl. volatility adjustment 2017	Excl. volatility adjustment 2018	Excl. volatility adjustment 2017	Relative change 2018	Relative change 2017
Technical provisions	19,211	19,603	19,525	19,653	2%	0%
Economic capital	5,319	5,683	5,089	5,644	-4%	-1%
Own funds eligible to meet SCR	5,319	5,683	5,089	5,644	-4%	-1%
SCR	2,142	2,274	2,236	2,279	4%	0%
Own funds eligible to meet MCR	4,636	5,002	4,411	4,964	-5%	-1%
Minimum capital requirement	1,195	1,194	1,215	1,197	2%	0%

Table 65: Volatility adjustments

The greatest absolute impact from the volatility adjustment comes from traditional life insurance and health insurance (similar to life technique) because of the long-term nature of the business and the higher interest rate sensitivity compared with non-life insurance.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities at the reporting date of 31 December 2018, valued in accordance with Solvency II and IFRS:

Other liabilities
In € million

		Solvency II	IFRS	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	232	169	63
3	Pension benefit obligations	493	494	0
4	Deposits from reinsurers	130	130	0
5	Deferred tax liabilities	916	255	661
6	Derivatives	13	13	-0
7	Liabilities to banks	776	4	772
8	Financial liabilities other than liabilities to banks	13	785	-772
9	Liabilities to insurance companies and intermediaries	237	225	12
10	Liabilities to reinsurance companies	32	44	-12
11	Payables (trade, not insurance)	320	396	-76
12	Subordinated liabilities	919	870	49
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	919	870	49
13	Any other liabilities, not shown elsewhere	27	18	9
Other liabilities total		4,106	3,403	703

Table 66: Other liabilities

The following classes of liabilities were not reported as at the reporting date of 31 December 2018 and were therefore not commented on:

- 1. Contingent liabilities
- 12.1 Subordinated liabilities – Subordinated liabilities not in basic own funds

The section below describes – separately for other non-technical provisions and liabilities – the principles, methods and main assumptions underlying the valuation for solvency purposes, with a quantitative and qualitative explanation of the material differences compared with the valuation according to IFRSs in the annual financial statements.

2. Provisions other than technical provisions

In € million	Solvency II	IFRS	Revaluation
Provisions other than technical provisions	232	169	63

Table 67: Provisions other than technical provisions

For the IFRS consolidated financial statements of the UNIQA Group, other non-technical provisions are measured at the expected settlement amount based on a best possible estimate in accordance with the regulations under IAS 37. Provisions with a maturity of more than one year are discounted with corresponding pre-tax discount rates in line with the risk and period until settlement with due regard to market expectations. IAS 37 is applied consistently for the valuation of other non-technical provisions in the solvency balance sheet.

This item mainly comprises provisions for jubilee benefits, customer services and marketing, legal and consulting expenses, premium adjustments from reinsurance contracts and portfolio maintenance commission.

3. Pension benefit obligations

In € million	Solvency II	IFRS	Revaluation
Pension benefit obligations	493	494	0

Table 68: Pension benefit obligations

The net liability of the pension obligations as well as the severance provisions of the UNIQA Group are reported under this item. The provisions are valued for the IFRS consolidated financial statements in accordance with the regulations under IAS 19 and are correspondingly used for Solvency II purposes.

The actuarial value is ascertained in accordance with the project unit credit method, with due regard to projected future salary increases, benefits and medical expenses. The discounting factor applied reflects the market conditions at the reporting date. It is derived from corporate bonds with a rating of AA (high quality) that are consistent with the currency and maturity of the liabilities (portfolio related).

The measurement of the defined benefit obligations is based on the following actuarial calculation parameters:

Calculation factors applied

In per cent	2018
Discount rate	
Termination benefits	1.18
Pension obligations	1.72
Valorisation of remuneration	2.98
Pensions inflation adjustment	2.00
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2008 P – Pagler & Pagler/salaried employees

Table 69: Calculation factors applied

4. Deposits from reinsurers

In € million	Solvency II	IFRS	Revaluation
Deposits from reinsurers	130	130	0

Table 70: Deposits from reinsurers

The deposits from reinsurers and settlement liabilities from ceded reinsurance are reported under this item. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

In € million	Solvency II	IFRS	Revaluation
Deferred tax liabilities	916	255	661

Table 71: Deferred tax liabilities

Differences between the Solvency II and IFRS values arise through the different reference values used to recognise deferred tax liabilities. Deferred tax liabilities are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax and solvency balance sheets, whereas deferred tax liabilities in the IFRS consolidated financial statements are recognised for differences in carrying amounts between the tax and the IFRS balance sheets. If the difference between IFRS or solvency financial statements and the tax base means that the tax expense is too low in relation to the reference figures, and the tax expense shortfall will reverse in subsequent financial years, a liability must be recognised in accordance with IAS 12 for future tax expense.

It should be noted that an overall netting approach is required in relation to the recognition of deferred tax if there are tax assets and liabilities due from/to the same tax authority and these assets and liabilities can be offset. All temporary differences that meet the relevant criteria and are expected to reverse in subsequent financial years must therefore be included and netted in the calculation of deferred tax. This then results in either a net deferred tax asset or a net deferred tax liability. This overall approach is not affected by differing maturities.

A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

An assessment of the ability to recover deferred tax assets requires an estimate of the amount of future taxable profits, or an estimate of the amount of deferred tax liabilities to be offset. The amount and type of these taxable earnings, the periods in which they are incurred, and the available tax planning measures are all taken into account in budget calculations.

The origins of the UNIQA Group's deferred tax are outlined in more detail below. The calculation was performed with an average tax rate with respect to the revaluation between the IFRS and solvency balance sheet.

Overview of the origins of deferred tax

In € million

Origin	Solvency II	IFRS	Revaluation
Underwriting items (incl. DAC)	676	244	432
Investments	243	34	209
Social capital	-45	-45	0
Other	44	30	13
Loss carryforwards	-14	-14	0
Deferred tax balance (surplus of liabilities)	903	249	654

Table 72: Overview of the origins of deferred tax

6. Derivatives

In € million	Solvency II	IFRS	Revaluation
Derivatives	13	13	-0

Table 73: Derivatives

Derivatives with a negative economic value are stated under this item. The valuation is based on market-consistent valuation methods in line with derivatives with a positive economic value. The statements in Chapter D.1 Assets apply accordingly.

7. Liabilities to banks

In € million	Solvency II	IFRS	Revaluation
Liabilities to banks	776	4	772

Table 74: Liabilities to banks

The carrying amount of the liability under liabilities to banks is the same as the fair value with the result that the amounts recognised under Solvency II and IFRSs are the same. No revaluation is involved.

8. Financial liabilities other than liabilities to banks

In € million	Solvency II	IFRS	Revaluation
Financial liabilities other than liabilities to banks	13	785	-772

Table 75: Financial liabilities other than liabilities to banks

This item mainly comprises loan liabilities.

9. Liabilities to insurance companies and intermediaries

In € million	Solvency II	IFRS	Revaluation
Liabilities to insurance companies and intermediaries	237	225	12

Table 76: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

10. Liabilities to reinsurance companies

In € million	Solvency II	IFRS	Revaluation
Liabilities to reinsurance companies	32	44	-12

Table 77: Liabilities to reinsurance companies

This item includes other liabilities to reinsurance companies. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

11. Payables (trade, not insurance)

In € million	Solvency II	IFRS	Revaluation
Payables (trade, not insurance)	320	396	-76

Table 78: Payables (trade, not insurance)

This item includes other liabilities that cannot be allocated to any of the other categories. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

12. Subordinated liabilities

In € million	Solvency II	IFRS	Revaluation
Subordinated liabilities	919	870	49
Subordinated liabilities in basic own funds	919	870	49

Table 79: Subordinated liabilities

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond with institutional investors in Europe to the value of €350 million. The bond has a term of 30 years and may only be called after ten years. The coupon equals 6.9 per cent per annum during the first ten years, after which a variable interest rate applies. The supplementary capital bond satisfies the requirements for equity netting as Tier 2 capital under the Solvency II regime. The issue was also aimed at replacing older supplementary capital bonds from Austrian insurance groups and at bolstering UNIQA Insurance Group AG's capital resources and capital structure in preparation for Solvency II and optimising these over the long term. The supplementary capital bond has been listed on the Luxembourg Stock Exchange since the end of July 2013. The issue price was set at 100 per cent.

In July 2015, UNIQA Insurance Group AG successfully placed a subordinated capital bond to the value of €500 million with institutional investors in Europe. The bond is eligible for netting as Tier 2 capital under Solvency II. The bond is scheduled for repayment after a period of 31 years and subject to certain conditions, and can only be called by UNIQA Insurance Group AG after eleven years have elapsed and under certain conditions. The coupon equals 6.0 per cent per annum during the first eleven years, after which a variable interest rate applies. The bond has been listed on the Vienna Stock Market since July 2015. The issue price was set at 100 per cent.

For UNIQA Insurance Group AG's economic balance sheet the financial liabilities were valued in accordance with the Solvency II principles. The initial measurement of the subordinated liabilities was based on a fair-value approach in accordance with the IFRS framework. Subsequent measurement will not take any changes in the company's own creditworthiness into account.

13. Any other liabilities, not shown elsewhere

In € million	Solvency II	IFRS	Revaluation
Any other liabilities, not shown elsewhere	27	18	9

Table 80: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. Other liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not based on listed market prices in active markets (mark-to-market) or using listed market prices for similar instruments (marking-to-market), the UNIQA Group uses alternative valuation methods.

The UNIQA Group uses these valuation methods mainly for bonds, investment property and unlisted shares. In the case of bonds, these are mainly loans, infrastructure financing, private equities, hedge funds, asset-backed securities (ABSs) and structured products. Investment property refers to real estate held as a financial investment. The unlisted shares include the shares in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB shares) as their most relevant individual item.

The valuations with the help of alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The inputs and pricing models for the individual assets and liabilities are set out in detail below:

Assets and liabilities	Pricing method	Valuation techniques	Inputs	Pricing model
Property (other than for own use)	Theoretical price	Capital value oriented	Construction value and base value, position, useful area, condition, current contractual leases and current vacancies with rental forecast	Income approach, intrinsic value approach, weighted income and net asset value
Bonds	Theoretical price	Capital value oriented	CDS spread, yield curves, verified net asset values (NAV), volatilities	Present value approach, discounted cash flow, NAV method
Unlisted equities	Theoretical price	Capital value oriented	WACC, (long-term) sales growth rate, (long-term) profit margin, control premium	Expert valuation report
Loans and mortgages	Theoretical price	Capital value oriented	Cash flows already fixed or determined via forward rates, yield structure curve, credit risk of contract partners, collateral, creditworthiness of debtor	Discounted cash flow
Derivatives	Theoretical price	Capital value oriented	CDS spread, yield curves, Volatilities (FX, Cap/Floor, Swaption, Constant Maturity Swap, Equities)	Contract-specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 81: Overview of inputs and pricing models for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

No other disclosures.

E Capital management

E.1 OWN FUNDS

This chapter contains information on the capital management and control processes of the UNIQA Group as is also documented in the capital management guidelines. The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Capital management at the UNIQA Group takes place with due regard to the regulatory and statutory requirements.

The UNIQA Group uses active capital management to ensure that the individual Group companies and the Group as a whole have a reasonable capital base at all times. Both the available as well as the eligible own funds must suffice in order to meet the regulatory capital requirements under Solvency II as well as UNIQA's own internal regulations. Aside from the five-year planning, another objective of active capital management is also to actively guarantee the UNIQA Group's financial capacity, including under difficult economic conditions, in order to safeguard the continued existence of the insurance business.

In addition to the solvency capital/minimum capital requirements, the UNIQA Group has set a target solvency ratio corridor for the Group of between 155 per cent and 190 per cent.

The solvency ratio is managed using strategic measures which result in a reduction in the capital requirements and/or increase the amount of existing capital.

The solvency of the UNIQA Group is monitored on a regular basis in order to meet the regulatory overall solvency needs. The processes for monitoring and management of own funds and solvency levels are set out in UNIQA's internal Group policies on capital management and risk management. The Group policies set up among other things:

- A quarterly review of the coverage of the solvency/minimum capital requirements in Pillar 1;
- The regular reporting to the Management Board on the current overall solvency;
- Measures for restoring adequate solvency in the event of undercapitalisation;
- Determination of internal limits and triggers for operational implementation of a target capital ratio.

No material process adjustments were implemented in relation to management of own funds in the reporting period.

Methods for calculating consolidated own funds

The UNIQA Group's consolidated own funds are calculated based on the consolidated financial statements using Method 1 in accordance with Section 211 of the Austrian Insurance Supervision Act 2016. The consolidation method differs from IFRSs in the way the relevant Group companies are included in the consolidation.

The UNIQA Group uses one of the following five methods for inclusion of affiliated companies or equity investments as consolidated own fund items:

1. In *full consolidation*, the individual own fund items of the subsidiaries are included in their entirety in the calculation of consolidated own funds.
2. In *proportionate consolidation*, the calculation of the consolidated own funds includes the individual own fund items of the relevant equity investments, but limited according to the proportion of capital held.
3. In the *adjusted equity method*, equity investments and their own funds components are included on the basis of the pro rata excess of assets over equity and liabilities.
4. Affiliated companies in other financial sectors are subject to different *sector requirements*. A relative proportion of the solvency capital requirements for the Group is determined for these companies.

5. The *risk* consolidation method covers equity investments that are not included in methods 1 to 4.

Categorisation of own funds into classes

Under the Solvency II Directive, own fund instruments are categorised into three different classes of quality known as tiers.

Categorisation of the own fund items depends upon whether the relevant instrument needs to be categorised as a basic own fund item or ancillary own fund item and on the relevant characteristics featured pursuant to Article 93 of the Framework Directive 2009/138/EC. Tier 1 own fund instruments are normally judged to have greater loss-absorbing capacity than Tier 2 or Tier 3 own fund instruments.

The following figure shows the loss-absorbing capacity of own fund instruments in the different tier classes.

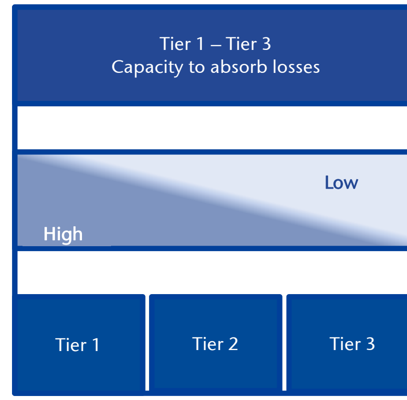


Figure 23: Loss absorption

Reconciliation of IFRS Group equity with regulatory own funds

The following table shows the reconciliation of IFRS equity including non-controlling interests with regulatory own funds.

Reconciliation of IFRS equity with regulatory own funds

In € million

	2018	2017
IFRS equity (incl. IAS 8 restatement in 2017)	**2.987**	**3.249**
IAS 8 restatement	**0**	**56**
IFRS equity (excl. IAS 8 restatement in 2017)	**2.987**	**3.193**
Treasury shares	**17**	**17**
Revaluation of assets	-571	-433
Goodwill	-296	-296
Deferred acquisition costs	-1.152	-1.133
Shares in affiliated companies including equity investments	-147	82
Property	1.260	1.140
Loans and mortgages	0	0
Other	-237	-227
Valuation of technical provisions	2.904	2.824
Technical provisions – non-life and health insurance (similar to non-life)	570	488
Technical provisions – life and health insurance (similar to life)	2.287	2.326
Technical provisions – index-linked and unit-linked insurance	46	9
Other technical provisions	0	0
Revaluation of other liabilities	-703	-617
Deferred tax liabilities	-661	-664
Other	-42	46
Total revaluation	**1.630**	**1.773**
Economic capital	**4.633**	**5.039**
Planned dividends	-163	-159
Treasury shares	-16	-18
Tier 2 – subordinated liabilities	919	915
Deduction items	-53	-39
Basic own funds	**5.319**	**5.683**

Table 82: Reconciliation of IFRS Group equity with regulatory own funds

Economic capital refers to the excess of assets over liabilities and represents Tier 1 capital.

At the reporting date of 31 December 2018, the IFRS equity amounted to €2,987 million (2017: €3,249 million). Own funds in accordance with the regulatory valuation principles amounted to €5,319 million (2017: €5,683 million).

The difference between the IFRS equity and the economic capital amounted to a total of €1,630 million (2017: €1,773 million) and is a result of the different treatment of individual items in the relevant valuation assessment.

A solvency balance sheet is prepared in accordance with the stipulations under the Delegated Regulation (EU) 2015/35 for the calculation of the regulatory own funds. Assets are valued in accordance with mark-to-market values for this. Mark-to-model values are used if these are unavailable for the balance sheet items.

Liabilities are valued using a mark-to-model assessment that models the future payment flows of the existing business.

The main valuation differences in relation to regulatory own funds are in connection with the following items:

- Goodwill and intangible assets are valued at zero.
- The deferred acquisition costs are valued at zero.
- The IFRS carrying amounts for equity investments, land and buildings and investments not measured at fair value are replaced by market values under Solvency II.
- Technical provisions and reinsurance receivables are measured in regulatory own funds with a significantly lower value than under IFRSs, based on the discounted best estimate plus a risk margin.

Reconciliation of regulatory own funds to regulatory basic own funds

On a regulatory basis, the economic capital amounted to €4,633 million (2017: €4,983 million). The planned dividends in the amount of €163 million (2017: €159 million) were deducted as part of the reconciliation of the available own funds and were added to the subordinated liabilities.

The "Planned dividends" item includes the planned dividend payments for 2019 based on the 2018 profits that have not yet been paid out and do not represent own funds.

Information on own funds

Information on own funds In € million	2018	2017
Basic own funds	**5,319**	**5,683**
Tier 1	**4,396**	**4,763**
Share capital including capital reserves	1,991	1,991
Surplus funds (free provision for policyholder bonuses)	33	46
Initial fund	2	2
Reconciliation reserve	2,363	2,717
Eligible non-controlling interests	52	41
Deduction items	45	33
Tier 2	**919**	**915**
Subordinated liabilities	919	915
Deduction items	0	0
Tier 3	**5**	**5**
Deferred tax assets	13	11
Non-controlling interests	0	0
Deduction items	8	6
Reduction in eligibility thresholds	**0**	**0**
Own funds to cover SCR	**5,319**	**5,683**

Table 83: Information on own funds

The basic own funds in the UNIQA Group consisted almost exclusively of Tier 1 capital at the reporting date. The consolidated Tier 1 capital essentially consisted of the subscribed share capital including the allocated share premium account and the reconciliation reserve. This is determined from the total surplus of the assets over the liabilities less treasury shares, planned dividend payments and other basic own funds. The Tier 1 instruments fell in the reporting year from €4,763 million to €4,396 million. This change essentially resulted from a fall in the economic capital. Reference is made here to the explanations in Chapter D Valuation for solvency purposes of this report in order to avoid redundancies.

The Tier 2 capital amounting to €919 million (2017: €915 million) consisted of 100 per cent of subordinated liabilities in the 2018 financial year. The increase amounting to €4 million is the result of a slight increase in the interest rate level. There were no changes in the composition of the Tier 2 subordinated liabilities in the reporting year.

The following table shows the features of the subordinated liabilities:

Subordinated liabilities issued by the UNIQA Insurance Group

In € million	Interest rate 6.875%	Interest rate 6.000%
Nominal value	350	500
Solvency II value	385	534
Tier	2	2
Transitional regulations	No	No
Issue date	31/7/2013	27/7/2015
First cancellation date	31/7/2023	27/7/2026
Date of maturity	31/7/2043	27/7/2046
Status	Subordinated and unsecured	Subordinated and unsecured
Interest	Fixed until the first cancellation date, then variable	Fixed until the first cancellation date, then variable

Table 84: Subordinated debt securities

In the 2018 financial year there were Tier 3 own fund items in the amount of €13 million (2017: €11 million) resulting from net deferred tax assets. Taking into account transferability, €5 million of this amount (2017: €5 million) was available and eligible at Group level.

There were no supplementary own funds in the UNIQA Group over the entire reporting year of 2018. No supplementary own funds had been applied for from the national supervisory authorities by the time that the report had been completed.

Eligible own funds (SCR and MCR cover for each tier)

Tier 1 own funds can be used in full to cover the regulatory capital requirement. The Solvency II Framework Directive provides for a limit on the eligibility of Tier 2 and Tier 3 own fund items, and therefore not all basic own funds are necessarily eligible with respect to the solvency capital requirement or the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the instrument.

The following table shows the limit on coverage of the solvency and minimum capital requirements. The amount is calculated based on the total solvency and minimum capital requirement.

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	2018	2017
		In € million	
Solvency capital requirement		**2,142**	**2,274**
SCR cover			
Tier 1	Min. 50% of SCR	1,071	1,137
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 3	Max. 15% of SCR	321	341
Tier 2 + Tier 3	Max. 50% of SCR	1,071	1,137
Minimum capital requirement		**1,195**	**1,194**
MCR cover			
Tier 1	Min. 80% of MCR	956	955
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 2	Max. 20% of MCR	239	239

Table 85: Eligible own funds (general)

Own funds eligible for the SCR for each tier

In € million	Basic own funds 2018	Basic own funds 2017	Own funds eligible to cover SCR 2018	Own funds eligible to cover SCR 2017
Tier 1 unrestricted	4,396	4,763	4,396	4,763
Tier 1 restricted	0	0	0	0
Tier 2	919	915	919	915
Tier 3	5	5	5	5
Total	5,319	5,683	5,319	5,683

Own funds eligible for the MCR for each tier

In € million	Basic own funds 2018	Basic own funds 2017	Own funds eligible to MCR cover 2018	Own funds eligible to MCR cover 2017
Tier 1 unrestricted	4,396	4,763	4,396	4,763
Tier 1 restricted	0	0	0	0
Tier 2	919	915	239	241
Total	5,314	5,678	4,635	5,004

Table 86: Eligible own funds as at the reporting date

As at 31 December 2018, there was no limitation of the eligibility of own fund items to cover the Group's solvency capital requirements. With respect to the minimum capital requirement, €679 million of the basic own funds (2017: €674 million) was not used to cover the minimum capital requirement as a result of the limitation.

Additional Group information

A consolidation method is used to prepare the consolidated solvency balance sheet in a process that is similar to reporting under IFRSs.

The restrictions on transferability of own funds are reviewed in order to determine own fund items that are used to cover the UNIQA Group's SCR. A total of €52 million (2017: €41 million) in non-controlling interests are eligible for own funds. Of this total, an amount of €45 million (2017: €32 million) is capped for the calculation of the consolidated own funds as a result of restrictions on eligibility.

A total of €53 million (2017: €39 million) are own fund items that are not available at Group level.

The following table shows that there were no equity investments in companies from other financial sectors deducted in the reporting year.

Information on the own funds eligible for the SCR for each tier In € million	31/12/2018	31/12/2017	Change
Available consolidated own funds before capping own funds with restricted transferability and non-controlling interests	5.372	5.722	-349
of which Tier 1	4.441	4.796	-355
of which Tier 2	919	915	3
of which Tier 3	13	11	2
- capping of own funds for which transfer is restricted	8	6	2
of which Tier 1	0	0	0
of which Tier 2	0	0	0
of which Tier 3	8	6	2
- capping of non-controlling interests	45	33	12
of which Tier 1	45	33	12
of which Tier 2	0	0	0
of which Tier 3	0	0	0
= available consolidated own funds after capping non-controlling interests and own funds with restricted transferability	**5.319**	**5.683**	**-364**
+ proportion of own funds of entities in other financial sectors	0	0	0
- limitation of eligibility	0	0	0
= eligible own funds (after taking into account own funds of entities in other financial sectors)	**5.319**	**5.683**	**-364**

Table 87: Restrictions on transferability at Group level

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

The UNIQA Group uses a partial internal model to calculate the solvency capital requirement at Group level.

The solvency capital requirement is calculated using method 1 (as explained in Chapter E.1) in accordance with the applicable Solvency II regulations based on the principle of a going concern. The solvency capital requirement is calibrated in such a way that guarantees that all quantifiable risks to which the UNIQA Group is exposed are taken into account. This includes both current operating activities and the new business expected in the subsequent twelve months. It only covers unexpected losses in relation to ongoing business activities. The solvency capital requirement corresponds with the value-at-risk of the UNIQA Group's basic own funds at a confidence level of 99.5 per cent over a one-year period.

The following overview shows the amounts for the solvency capital requirement for each risk module and for the minimum capital requirement at the end of the reporting period at 31 December 2018 at Group level.

Risk profile (in accordance with future profit distribution)

In € million

	2018
Solvency capital requirement (SCR)	**2,142**
Basic solvency capital requirement	2,326
Market risk	1,929
Counterparty default risk	169
Life underwriting risk	367
Non-life underwriting risk	432
Health underwriting risk	151
Diversification	-721
Operational risk	178
Loss-absorbing capacity of deferred tax	-361
Own funds to cover the solvency capital requirement	**5,319**
Ordinary share capital (including treasury shares)	309
Share premium account related to ordinary share capital	0
Surplus funds	33
Reconciliation reserve	2,363
Excess of assets over liabilities	4,633
Own shares (held directly and indirectly)	-16
Foreseeable dividends, distributions and charges	-163
Other basic own fund items	-2,091
Non-controlling interests	97
Subordinated liabilities	919
Amount equal to the value of net deferred tax assets	13
Total own funds eligible to meet the SCR	5,319
Solvency ratio	**248 %**
Available surplus	**3,177**
Minimum capital requirement (MCR)	**1,195**

Table 88: UNIQA Group overview

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation [EU] 2015/35), the UNIQA Group AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35. None of the group-specific parameters pursuant to Section 178 of the Austrian Insurance Supervision Act 2016 are applied.

In accordance with Section 211(1) of the Austrian Insurance Supervision Act 2016, the solvency capital requirement for the Group is based on the total sum of the minimum capital requirements of the solo companies as a minimum. Provided that a solo company is subject to the Austrian Insurance Supervision Act 2016, then the minimum capital requirement is used, in accordance with Section 193 of the Austrian Insurance Supervision Act 2016. Otherwise that local capital requirement is applied that would result in a discontinuation of business operations if this requirement were not met.

The regulatory own funds, solvency capital requirement and minimum capital requirement for the UNIQA Group are shown in detail in the table above.

The diversification effects at Group level that arise in an analysis of the solvency capital requirements of the solo insurance companies compared with the solvency capital requirement for the UNIQA Group result from:

- Elimination of intragroup business relationships (reinsurance, equity investments)
- Diversification as a result of the pooling of risk in a larger portfolio

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for the UNIQA Group.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

The objective of the partial internal model at UNIQA is to ascertain the risk-based capital (RBC) and therefore the amount of own funds that are to be used to absorb unforeseen losses over a certain period of time. Currently only the non-life and health similar to non-life technique (hereafter health-NSLT) are included in the scope of the RBC framework. All other risk modules (e.g. market risk, credit risk, etc.) are measured and evaluated consistently using the Solvency II standard formula.

The non-life and health-NSLT risk describes the uncertainties associated with taking out non-life and health-NSLT primary and reinsurance contracts. It also includes the uncertainties of the payment flows arising from this, i.e. premiums, receivables and expenditures. The non-life and health-NSLT risk is broken down into the following within the UNIQA Group's partial internal model as a result of the different types of sources of uncertainty:

- Premium risk
  - Business risk
  - Catastrophe risk (CAT)
  - Non-catastrophe risk (Non-CAT)
- Reserve risk

The following figure shows the structure of the UNIQA Group's partial internal model:

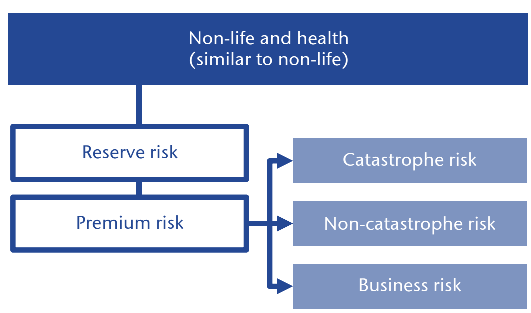


Figure 24: Structure of the partial internal model

The partial internal model is used for different purposes within the UNIQA Group. Aside from the regulatory SCR calculation, the partial internal model also provides data for the non-life and health-NSLT risk for the following processes:

- Own Risk and Solvency Assessment (ORSA)
- Risk strategy and limit system
- Profit testing
- Planning
- Monitoring the effectiveness of reinsurance

The following businesses are mapped within the framework of the UNIQA Group's partial internal model:

Name	Country	Used in the Solo SCR?	Used in the Group SCR?
UNIQA Insurance Group AG	Austria	No	Yes
UNIQA Österreich Versicherungen AG	Austria	Yes	Yes
UNIQA Re AG	Switzerland	No	Yes
UNIQA poisťovňa, a.s.	Slovakia	Yes	Yes
UNIQA pojišťovna, a.s.	Czech Republic	Yes	Yes
UNIQA osiguranje d.d.	Croatia	No	Yes
UNIQA TU S.A.	Poland	No	Yes
UNIQA Biztosító Zrt.	Hungary	Yes	Yes
UNIQA osiguranje d.d. Sarajevo	Bosnia	Not an EU country	Yes
UNIQA Insurance plc.	Bulgaria	No	Yes
UNIQA Versicherung	Ukraine	Not an EU country	Yes
UNIQA neživotno osiguranje a.d.o.	Serbia	Not an EU country	Yes
UNIQA Asigurari	Romania	Yes	Yes

Table 89: Businesses within the framework of the partial internal model

As only a part of the UNIQA Group's business is covered in the partial internal model, this part is combined with the rest of the business that is handled using the Solvency II standard assessment. Integration techniques ("Technique 3") for partial internal models pursuant to Solvency II Delegated Regulation (EU) 2015/35 are used for this purpose. Diversification effects between the business covered within the framework of the partial internal model and business that is not covered are also accounted for with the selected integration technique.

The following table shows the most significant differences between the methodology used and risk categorisation in the standard formula and the partial internal model:

Standard formula sub-module			Partial internal model module	Partial internal model sub-module
Premium and reserve risk	Premium risk	=>	Premium risk	Non-catastrophe risk
			Premium risk	business risk
	Reserve risk	=>	Reserve risk	Reserve risk
CAT Risk	Catastrophe risk	=>	Premium risk	Catastrophe risk
	Catastrophe risk caused by humans ("man-made CAT")	=>	Premium risk	Catastrophe risk caused by humans
Lapse risk	Lapse risk	=>	Premium risk	Business risk

Table 90: Risk categorisation in the standard formula and the partial internal model

The most significant differences between the standard formula and the partial internal model are as follows:

- Detailed structure of the model which is adjusted to the UNIQA-specific portfolio;
- Parameters based on UNIQA-internal data which best describes the risk profile of the companies;
- Correct mapping of reinsurance contracts, especially non-proportional reinsurance.

The confidence level for the partial internal model in accordance with the RBC framework for UNIQA is set at 99.5 per cent, which equates to a recurrence interval of 1 in 200 years. The retention period is generally set at one year; the ultimate risk (i.e. the risk until maturity of the existing business and of that business that is written in the year being modelled) is used instead of the one-year risk for the non-CAT premium risk. Both the premium and the reserve risk are aggregated in order to obtain the comprehensive non-life risk. This takes place using a Gaussian copula-based approach.

Compared with the standard formula, UNIQA's partial internal model explicitly includes the business risk in a separate risk module. It covers the uncertainty related to future changes in premiums and costs over the period being modelled.

The following methods are applied in order to calculate the probability distribution:

Partial internal model module	Partial internal model Sub-module	Method used
Premium risk	Non-catastrophe risk	· Stochastic claims rate model for basic damage · Individual risk model for major damage
	Business risk	· Stochastic model for premiums and operating expenses · Acquisition costs in connection with actual premiums
	Catastrophe risk	· Use of models from external providers · Otherwise individual and collective risk model
	Catastrophe risk caused by humans	· Scenario approach
Reserve risk	Reserve risk	· Model for loss development

Table 91: Calculation of the probability distribution

The data used in the partial internal model is provided by various departments: Accounting, Controlling, Reinsurance, Actuarial Services, Risk Management, Claims and Underwriting. Most non-CAT models also come from external service providers.

The crucial data required depends on the risk model:

Risk categories	Data required
Premium risk – non-catastrophe	· Accounting (e.g. premiums & expenses) · Forecast data (e.g. forecast premiums & budgeted expenses) · Historical loss information per individual loss event · Historical information on total amounts insured and time in-force per individual contract · Detailed information on reinsurance contracts · Information on business performance (e.g. expected change in claims progress)
Premium risk – catastrophe	· Natural disasters (loss events tables): internal exposure and contract data at the level of granularity required for the external models · Man-made scenarios: detailed information on the insured sum and on the probable maximum loss (PML) for the contracts in force as at the valuation date
Reserve risk	· Historical loss information per individual loss event
Business risk	· Forecast data (forecast premiums, budgeted expenses, planned exposure) from historical years for the following year · Accounting data (premiums & expenses) from previous years · Historical exposure information per business line

Table 92: Risk categories and data required

Data quality is ensured using a strict governance framework with a particular focus on validation. The aim of this is to validate the accuracy, appropriateness and integrity of the data. Another objective involves ensuring that all internal and external data required for parameterisation of the partial internal model and for the validation process is available and up to date. With external data it is also important that its use is explained and reasons are provided, and that any training carried out with the aim of ensuring understanding of the external data is documented.

The most important assumptions are those regarding diversification and dependencies. The UNIQA Group considers concentrations and dependencies between different hierarchy levels in the portfolio here (except at Group level). This takes place in order to account for the fact that not all causes of risk occur at the same time. This effect is known as the diversification effect. Managing diversification plays an important role in UNIQA's risk management approach. A separate system has been set up for the purpose of measuring diversification within the framework of the partial internal model. The objective is to structure the non-life and health-NSLT portfolio in such a way that the diversification effects are exploited to optimum effect. The diversification effect also assists here in neutralising adverse events in certain sections of the portfolio through positive developments in other parts of the portfolio. The optimum level of diversification is generally generated with a balanced portfolio without any major concentration on just a few business lines or sources of risks.

The dependency parameters are generally derived from historical data from the UNIQA Group's non-life and health-NSLT portfolio. The UNIQA Group considers all available historical years annually. These parameters are merged with a series of parameters defined previously (for each source of risk) through use of risk rankings for the purposes of damage. This approach is known as the shrinkage method. Expert assessments can be added later in order to account for local features. The UNIQA Group also does not permit any negative dependency parameters (i.e. the worst-case losses in a portfolio increase the chance of a gain in another portfolio) for the dependencies between different claims for damage.

The UNIQA Group defines the dependency parameters in such a way that the dependency of the risks is presented under adverse conditions. A Gaussian copula-based approach is applied using these parameters in order to determine the comprehensive dependency structure of all sources of risks and portfolios for the business covered.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT OR SOLVENCY CAPITAL REQUIREMENT

The UNIQA Group met the solvency capital requirement at all times in the 2018 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA GROUP

Vienna, 6 May 2019

Andreas Brandstetter Chairman of the Management Board	Erik Leyers Member of the Management Board	Kurt Svoboda Member of the Management Board

Solvency and Financial Condition Report for the UNIQA Insurance Group AG

Reporting date: 31 December 2018

Contents

Executive Summary

The figures presented in the summary relate in all cases to UNIQA Insurance Group AG.

We present the company and its underlying business model together with the most important figures related to premium revenues, benefits and investment performance in Chapter **A Business and performance**. Overview:

The listed holding company UNIQA Insurance Group AG handles indirect property and casualty insurance along with life insurance and functions as an administrative and marketing organisation for the operative insurance companies. The Group's international activities are controlled via UNIQA International AG.

The premium volume in indirect business amounted to €54.3 million in the 2018 financial year (2017: €58.5 million), of which €27.1 million (2017: €28.1 million) originated from acquisitions of companies outside of the Group. Details on the individual business lines and explanations of their developments are provided in Chapter A.2 to A.5 in this Annex.

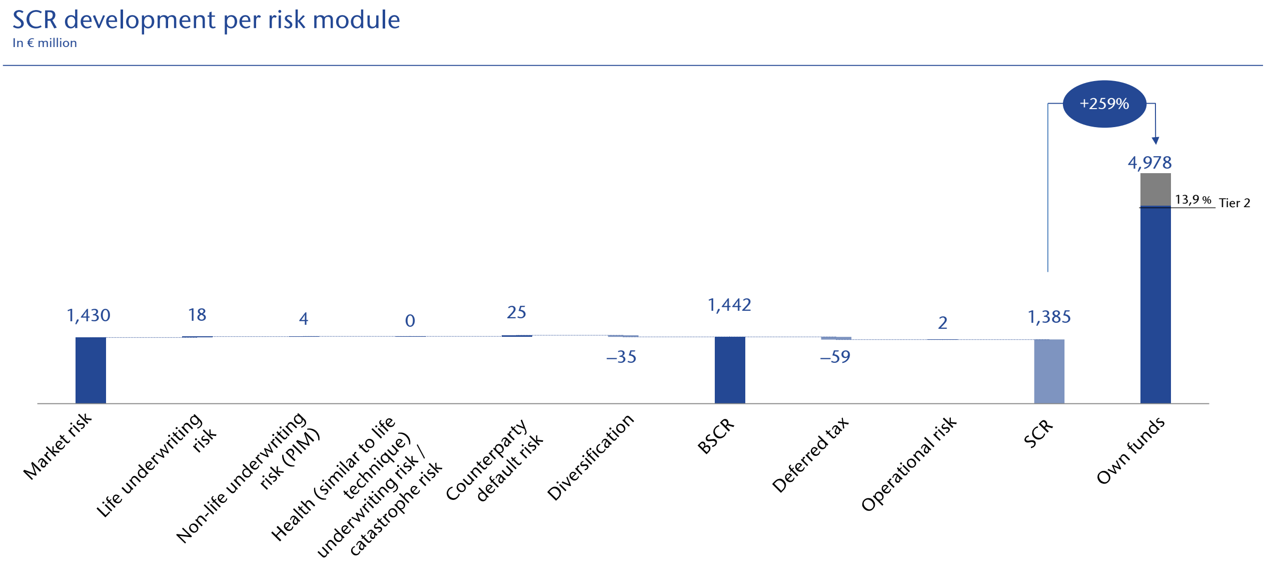
There may be differences between the values published last year and the figures for the previous year in this report. This is due to the adjustments made to the previous year's figures in the 2018 consolidated financial statements based on IAS 8. A detailed explanation of the adjustments made is provided in the notes on the consolidated financial statements under "37 Error corrections in accordance with IAS 8".

The UNIQA Insurance Group AG organisational structure is illustrated in Chapter **B System of governance**. The organisational structure is in line with the statutory requirements. The system of governance is uniform with that of the UNIQA Group. Among other items it includes the fit and proper requirements, the risk management system including the company's own risk and solvency assessment and information on the internal control system.

The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile**. This includes above all the material risks related to underwriting, market risks, credit risks or risks of default, liquidity risks along with operational risks. The solvency capital requirement at UNIQA Insurance Group AG is calculated in accordance with the Solvency II standard formula.

Given UNIQA Insurance Group AG's business model and function within the group, its risk profile is dominated by market risk, which amounted to €1,430 million. The additional risk modules (credit/default risk, operational risk and underwriting risk) assume a relatively subordinate role in contrast. The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.

UNIQA Insurance Group AG has an excellent capital position with a solvency ratio of 359 per cent.



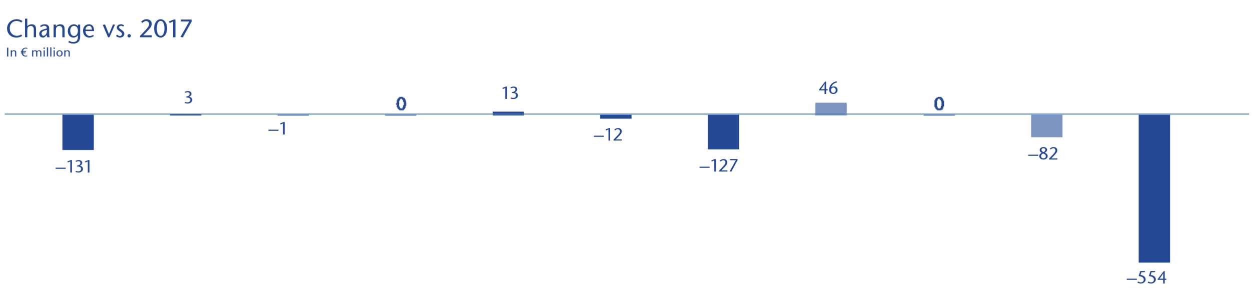


Figure 25: SCR development per risk module

The methods used to measure individual balance sheet items in the solvency balance sheet are outlined in Chapter **D Valuation for solvency purposes**, and a comparison is provided with the items in the UNIQA Insurance Group AG separate financial statements in accordance with the Austrian Commercial Code. If the volatility adjustment is not taken into account the solvency ratio is reduced to 334 per cent.

Finally, in Chapter **E Capital management**, the economic capital is reconciled with the equity ultimately eligible. The eligible own funds of UNIQA Insurance Group AG amount to €4,978 million (2017: €5,533 million). At around €4,286 million (2017: €4,799 million), most of the own funds consist of top-quality capital (Tier 1). The eligible own funds for MCR coverage amount to €4,355 million (2017: €4,872 million). At around €4,286 million (2017: €4,799 million), most of the own funds here also consist of top-quality capital (Tier 1). The MCR ratio amounts to 1,258 per cent.

A Business and performance

The report for UNIQA Insurance Group AG is structured in the same way as the report for the UNIQA Group. To avoid repetition, only company-specific details and material differences compared with the UNIQA Group are addressed.

The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

A.1 BUSINESS ACTIVITIES

A detailed description of business activity can be found in Chapter A.1 of the UNIQA Group report.

UNIQA Insurance Group AG handles indirect insurance and functions as an administrative and marketing organisation for the operative insurance companies.

In the year under review, the company had a branch in Slovakia.

Property and casualty insurance

In 2018, €54.3 million of indirect business was written at UNIQA Insurance Group AG (2017: €58.5 million). The company also offers health and life insurance in the property and casualty line.

Around 62.3 per cent (2017: 65.6 per cent) of total premium volumes are generated in life insurance, i.e. €33.8 million in 2018 (2017: €38.4 million).

No premiums were written at UNIQA Insurance Group AG in the indirect business in health insurance in 2017 or 2018.

A.2 UNDERWRITING PERFORMANCE

This chapter describes the underwriting performance of UNIQA Insurance Group AG in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis and broken down by the essential business lines and geographical areas in which the UNIQA Insurance Group AG pursues its activities. The details are then compared with the information contained in the company's separate financial statements submitted in the reporting period and compared with the previous year.

Underwriting performance in non-life insurance by essential business lines (gross)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	0	0	0	0	0	0	0	0	0	0	-0	0
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	4	5	4	5	3	2	0	0	2	2	-0	0
Other motor insurance	1	1	1	1	1	1	0	0	0	0	-0	-0
Marine, aviation and transport insurance	0	0	0	0	0	-0	0	0	0	0	0	0
Fire and other damage to property insurance	11	11	11	11	7	6	0	0	6	5	-2	-1
General liability insurance	1	1	1	1	0	1	0	0	1	1	0	-1
Credit and suretyship insurance	0	0	0	0	0	0	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0	0	0	0	0	0	0
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	0	0	0	0	33	24	-33	-24
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	-0	0
Accepted non-proportional reinsurance: casualty	1	0	1	0	-2	0	2	0	0	0	5	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	-0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	2	2	2	2	2	2	0	0	0	0	-0	0
Total	21	20	20	20	12	13	2	0	42	32	-31	-25

Table 93: Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines (net)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	0	0	0	0	0	0	0	0	0	0	-0	-0
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	1	1	1	1	1	0	0	0	1	1	-1	-0
Other motor insurance	0	0	0	0	0	0	0	0	0	0	-0	-0
Marine, aviation and transport insurance	0	0	0	0	0	-0	0	0	0	0	0	0
Fire and other damage to property insurance	2	2	2	2	1	1	0	0	3	3	-2	-2
General liability insurance	0	0	0	0	-0	0	0	0	0	0	0	-0
Credit and suretyship insurance	0	0	0	0	0	0	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0	0	0	0	0	0	0
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	0	0	0	0	33	24	-33	-24
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	-0	0
Accepted non-proportional reinsurance: casualty	1	0	1	0	-2	0	2	0	0	0	5	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	-0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	-0	0	-0	0	-0	-0	0	0	0	0	-0	1
Total	4	4	4	4	-0	2	2	0	37	28	-31	-25

Table 94: Underwriting performance in non-life insurance by essential business lines (net)

The technical result fell from €–25.5 million in the 2017 financial year to €–31.0 million in the 2018 financial year. The main reasons for this are an increase of €9.8 million in expenses incurred due to higher overheads and a decrease of €2.1 million in claims expenses.

Underwriting performance in non-life insurance by main geographic areas

Premiums, claims and expenses by country

Top countries (by amount of gross premiums written) – non-life insurance obligations

	Austria		Germany		Croatia		Spain		Total	
In € thousand	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Premiums written										
Gross	18,338	18,042	2,129	2,042	42	30	0	0	20,509	20,114
Net	3,699	3,589	429	406	8	6	0	0	4,137	4,001
Premiums earned										
Gross	18,281	17,982	2,108	1,998	42	30	3	-1	20,434	20,009
Net	3,690	3,575	426	397	8	6	1	-0	4,124	3,978
Claims expenses										
Gross	9,643	13,390	2,250	607	33	12	-231	-1	11,695	14,009
Net	-196	1,824	-46	83	-1	2	5	-0	-238	1,908
Change in other technical provisions										
Gross	2,108	0	0	0	0	0	0	0	2,108	0
Net	2,108	0	0	0	0	0	0	0	2,108	0
Expenses incurred	33,500	24,855	3,889	2,813	76	42	1	1	37,466	27,710
Total underwriting performance – net	-27,507	-23,104	-3,418	-2,498	-67	-37	-5	-1	-30,996	-25,640

Table 95: Underwriting performance in non-life insurance by main geographic areas

As in the previous year, the focus of the business is on the domestic market of Austria and Germany. There are no essential changes related to the business in the other countries.

Underwriting performance in life insurance by essential business lines (gross)

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Health insurance	0	0	0	0	0	0	0	0	21	20	-21	-20
Insurance with profit participation	0	0	0	0	0	0	0	0	0	0	0	0
Index-linked and unit-linked insurance	0	0	0	0	0	0	0	0	0	0	0	0
Other life insurance	0	0	0	0	0	0	0	0	21	18	-21	-18
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	34	38	34	39	40	39	7	4	1	3	-0	0
Total	34	38	34	39	40	39	7	4	44	42	-43	-38

Table 96: Underwriting performance in life insurance by essential business lines (gross)

Underwriting performance in life insurance by essential business lines (net)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Health insurance	0	0	0	0	0	0	0	0	21	19	-21	-19
Insurance with profit participation	0	0	0	0	0	0	0	0	0	0	0	0
Index-linked and unit-linked insurance	0	0	0	0	0	0	0	0	0	0	0	0
Other life insurance	0	0	0	0	0	0	0	0	21	18	-21	-18
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	14	16	14	17	21	20	4	2	1	3	-4	-5
Total	14	16	14	17	21	20	4	2	43	40	-45	-41

Table 97: Underwriting performance in life by essential business lines (net)

Compared with the 2017 financial year, premiums earned fell by €2.1 million to €14.5 million, while expenses incurred rose in the same period by €3.2 million to €42.9 million. Accordingly, the technical result fell from €–41.2 million in the 2017 financial year to €–45.3 million in the 2018 financial year.

Underwriting performance in life insurance by main geographic areas

Premiums, claims and expenses by country

Top countries (by amount of gross premiums written) – life insurance obligations	Austria		Germany		Croatia		Spain		Total	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Premiums written										
Gross	30	35	3	2	1	1	0	0	34	38
Net	13	15	1	1	0	0	0	0	14	16
Premiums earned										
Gross	30	35	3	3	1	1	0	0	34	39
Net	13	15	1	1	0	0	0	0	14	17
Claims expenses										
Gross	30	31	8	7	1	1	0	0	40	39
Net	16	15	4	4	1	1	0	0	21	20
Change in other technical provisions										
Gross	3	1	4	3	0	0	0	0	7	4
Net	2	0	2	1	0	0	0	0	4	2
Expenses incurred	38	36	4	2	1	1	0	0	43	40
Underwriting performance – net	-39	-37	-5	-4	-1	-1	0	-0	-45	-41

Table 98: Underwriting performance in life insurance by main geographic areas

As in the previous year, the focus of the business is on the domestic market of Austria and Germany. There are no essential changes related to the business in the other countries.

Changes in premiums, insurance benefits and expenses

Changes in premiums, insurance benefits and expenses

Non-life

In € million	2018	2017
Premiums earned (net)	19	21
Claims expenses (net)	-21	-21
Change in other technical provisions (net)	6	2
Expenses incurred (including asset management expenses) (net)	-80	-67
Other technical expenses	-7	-7
Technical result in accordance with reporting template S.05.01.02	-83	-73
Technical interest income	9	10
Other insurance income	1	1
Change in volatility reserve	-2	31
Asset management expenses (in financial result)	6	6
Technical result in accordance with the Austrian Commercial Code/Insurance Supervision Act	-70	-26

Table 99: Changes in premiums, insurance benefits and operating expenses

Changes in premiums

The premium volume in indirect business amounted to €54.3 million in the financial year (2017: €58.5 million), of which €27.1 million (2017: €28.1 million) originated from acquisitions of companies outside of the Group.

The reinsurance premiums ceded amounted to €36.0 million in 2018 (2017: €38.3 million).

Premiums earned (net) amounted to €18.6 million (2017: €20.5 million).

Claims expenses

Premium income was offset by payments for insurance benefits to the Group companies of €27.2 million (2017: €26.7 million) and to companies outside of the Group in the amount of €26.2 million (2017: €24.1 million).

The proportion ceded to reinsurers amounted to €29.8 million (2017: €28.7 million).

The change in provision for unsettled claims amounted to €–2.0 million in the 2018 financial year (2017: €1.2 million).

The proportion ceded to reinsurers amounted to €1.0 million (2017: €1.9 million).

Claims expenses (net) amounted to €20.5 million (2017: €21.4 million).

Operating expenses

Operating expenses in the 2018 financial year, including asset management expenses, amounted to €80.4 million (2017: €67.4 million).

Change in equalisation reserve

The equalisation reserve is calculated in accordance with the provisions of the Regulation of the Federal Minister of Finance Law Gazette II No. 324/2016 or the orders issued by the Financial Market Authority.

In the 2018 financial year, €2.3 million was allocated to the equalisation reserve.

In a decision dated 27 December 2017, the Financial Market Authority ordered a deviation from calculation rules of the equalisation reserve for the reinsurance sector in the fire insurance line due to special circumstances, in particular changed loss ratios for the years 2002 to 2015 in accordance with Section 154(4) of the Austrian Insurance Supervision Act. In the financial year 2017, €30.9 million were released.

A.3 INVESTMENT PERFORMANCE

This chapter illustrates UNIQA Insurance Group AG's investment results in the reporting period and compares it with the company's financial reports for the previous reporting period.

As at 31 December 2018, the investment portfolio of UNIQA Insurance Group AG amounted to €5,451.8 million (2017: €5,694.1 million). Investments consisted of investment property amounting to €146.4 million (2017: €167.2 million), affiliated companies amounting to €5,074.4 million (2017: €5,264.0 million) and financial investments amounting to €231.0 million (2017: €262.7 million).

Compared to 2017, UNIQA Insurance Group AG recorded a decline in investments of €242.2 million, mainly from affiliated companies and the fixed-income portfolio.

Investment income by type of income	Dividends		Interest		Leases		Net profits and losses		Unrealised gains and losses	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Properties	0	0	0	0	9	6	0	0	-2	-5
Equities	2	3	0	0	0	0	0	0	2	1
Government bonds	0	0	1	1	0	0	0	0	-1	-1
Corporate bonds	0	0	10	10	0	0	0	0	-13	6
Undertakings for collective investment	1	2	0	0	0	0	-0	0	-3	-0
Derivatives	0	0	0	0	0	0	0	0	0	0
Term deposits	0	0	0	-0	0	0	0	0	0	-0
Total	**3**	**5**	**11**	**11**	**9**	**6**	**0**	**0**	**-17**	**1**

Table 100: Investment income by type of income

The investment property portfolio amounted to €146.4 million in the 2018 financial year (2017: €167.3 million). This portfolio reduced in size as a result of measures aimed at streamlining the portfolio, essentially based on sales of smaller and empty properties and real estate in worse locations. There were no essential gains made on these disposals.

While the higher net rental income in 2018 as compared with 2017 is the result of improvements in lettings, the higher earnings among the unrealised profits is attributable to a change in the market value as a result of expert surveys, which still resulted in the need for depreciation in 2018.

The holdings in related undertakings fell in 2018 by €189.6 million to €5,074.4 million (2017: €5,264.0 million).

This fall is attributable to a reduction in the NAV in UNIQA Österreich Versicherungen AG by €118.5 million, in UNIQA International AG by €20.8 million and in UNIQA Beteiligungs-Holding GmbH by €13.9 million.

The equities portfolio amounted to €42.7 million in the 2018 financial year and is predominantly made up of unlisted strategic investments. The majority of dividend income comes from equities listed on the Vienna Stock Exchange. The equities held by UNIQA Insurance Group AG saw a positive value development in 2018 in the amount of €2.0 million.

The bond portfolio amounted to €135.4 million in 2018 and generated ongoing income of €11.0 million which corresponds with last year's level. The portfolio of government bonds amounted to €17.6 million in 2018 (2017: €25.9 million) and consists of western European government bonds. The portfolio was reduced in 2018 by €8.3 million as a result of the sale of an Austrian government bond with a negligible sales profit.

The portfolio of corporate bonds amounted to €117.8 million in 2018 (2017: €130.9 million) and generated ongoing income in the amount of €10.0 million. The negative measurement result in 2018 of €–13.2 million is attributable to a supplementary capital bond. The previous year saw a positive measurement result in the amount of €5.8 million due to the positive interest rate situation.

The negative measurement results among the government and corporate bonds in 2018 are attributable on the one hand to the widening in spreads and on the other to the pull to par effect. This was accompanied by a general fall in interest rates which was only partly able to compensate for the negative performance.

The portfolio of investment certificates was €51.5 million in 2018 and fell by €14.4 million compared with the previous year. The fall is the result of the disposal of shares in funds valued at €12.2 million. The sale resulted in a negligible loss.

Information on investments in securitisations

UNIQA Insurance Group AG has not invested in any asset-backed securities (ABSs).

A.4 PERFORMANCE OF OTHER ACTIVITIES

Other non-underwriting income of UNIQA Insurance Group AG fell in 2018 to €48 thousand (2017: €1.3 million). Other non-underwriting expenses increased in the reporting year to €0.3 million (2017: €0.2 million). Other non-underwriting income no longer includes trailer commissions associated with unit-linked life insurance (2017: €0.8 million). Other non-underwriting expenses include securities supervision fees paid to the FMA at €0.1 million (2017: €0.1 million).

Lease expenses

Lease instalments in the amount of €3.6 million arose in 2018 in connection with the financing of the UNIQA Tower based on the capital investment costs and a specific calculation interest rate (2017: €3.6 million). The resulting liability for the next five years amounts to €1.8 million.

Other income and expenses In € thousand	2018	2017
Other income	48	1,297
Other expenses	-266	-204
Net other income and expenses	-218	1,094

Table 101: Other income and expenses in accordance with the Austrian Commercial Code

A.5 ANY OTHER INFORMATION

No other disclosures.

B System of governance

B.1 GENERAL DISCLOSURES ON THE SYSTEM OF GOVERNANCE

Under Solvency II, insurance and reinsurance undertakings must establish an effective system of governance which guarantees sound and prudent management of the business and which is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

A detailed description of the system of governance is contained in Chapter B.1 of the UNIQA Group report.

B.1.1 Supervisory Board

The Supervisory Board supervises the executive management and monitors whether the management is implementing suitable measures in order to increase the company's value over the long term.

A detailed description of the Supervisory Board is contained in Chapter B.1 of the UNIQA Group report.

B.1.2 Management Board and committees

The Management Board of UNIQA Insurance Group AG is independently responsible for managing the business of the company with the level of care dictated by prudent and diligent business management in accordance with the applicable statutory regulations and the articles of association and in line with its internal company regulations.

It is responsible for all matters that have not been specifically assigned to the Annual General Meeting, the Holding Supervisory Board or one of its committees.

A detailed description of the Management Board and committees is contained in Chapter B.1 of the UNIQA Group report.

B.1.3 Key functions

Governance and other key functions

As already described in Chapter B.1 of the UNIQA Group report, the system of governance includes the following governance functions:

- Actuarial function
- Risk management function
- Compliance function
- Internal audit function

In addition, UNIQA Insurance Group AG has also laid down the following functions as other key functions:

- Asset management
- Reinsurance

A detailed description of the key functions is contained in Chapter B.1 of the UNIQA Group report.

B.1.4 Remuneration

The objective of the remuneration strategy at UNIQA Insurance Group AG is to achieve a balance between market trends, statutory and regulatory requirements, shareholder expectations and the needs of salaried employees. A detailed description of this can be found in Chapter B.1.4 of the UNIQA Group report.

B.1.5 Significant related party transactions with companies and individuals

A detailed description of related companies and individuals is contained in Chapter B.1.5 of the UNIQA Group report.

The following two tables show the transactions with related companies and individuals of UNIQA Insurance Group AG in the 2018 reporting period.

Related party transactions – companies

In € thousand

	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other affiliated companies	Total
Transactions 2018					
Premiums written (gross)	0	0	0	0	0
Earnings from investments	0	0	153	38	192
Financial expenses	92	0	0	0	92
Other earnings	117	6,091	1,778	46	8,032
Other expenses	0	1,678	17	1,222	2,918
At 31 December 2018					
Investments	0	8,672	53,411	3,313	65,396
Deposits with credit institutions	6,755	0	0	2,001	8,756
Other receivables	0	1,573	49	76	1,698
Other liabilities	0	684	5	0	688

Table 102: Related party transactions – companies

Related party transactions – individuals

In € thousand

	2018
Premiums written (gross)	0
Salaries and short term benefits	3,613
Pension expenses	788
Post-employment benefits	128
Share-based payments	898
Other income	0

Table 103: Related party transactions – individuals

B.2 REQUIREMENTS FOR FIT AND PROPER PERSONS

In accordance with the Solvency II Directive, UNIQA Insurance Group AG has specified **fit** and **proper** requirements for persons who effectively run the business or hold other key functions. The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter. A detailed description of this can be found in Chapter B.2 of the UNIQA Group report.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE COMPANY'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

B.3.1 General

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which UNIQA Insurance Group AG is exposed. The internal Group guidelines form the basis for uniform standards within UNIQA Insurance Group AG. They include a detailed description of the process and organisational structure.

B.3.2 Risk management, governance and organisational structure

Detailed information is set out in Chapter B.3.2 of the UNIQA Group report.

B.3.3 Risk strategy

Detailed information is set out in Chapter B.3.3 of the UNIQA Group report.

B.3.4 Risk management process

Detailed information is set out in Chapter B.3.4 of the UNIQA Group report.

B.3.5 Risk-related committees

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.

Detailed information is set out in Chapter B.1.2 of the UNIQA Group report.

B.3.6 Governance of the partial internal model

UNIQA Insurance Group AG uses the standard formula.

B.3.7 The company's Own Risk and Solvency Assessment (ORSA)

The descriptions in Chapter B.3.7 for the UNIQA Group covering the company's Own Risk and Solvency Assessment apply equally to UNIQA Insurance Group AG.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The internal control system at UNIQA Insurance Group AG ensures that litigation risks are minimised or eliminated by effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and that there is also a guarantee that the regulations are complied with.

A detailed description can be found in Chapter B.4.1 of the UNIQA Group report.

B.4.2 Compliance function

A detailed description of the compliance function is contained in Chapter B.1.3 of the UNIQA Group report.

B.5 INTERNAL AUDIT FUNCTION

A detailed description of the internal audit function is contained in Chapter B.1.3 of the UNIQA Group report.

B.6 ACTUARIAL FUNCTION

A detailed description of the actuarial function is contained in Chapter B.1.3 of the UNIQA Group report.

B.7 OUTSOURCING

Detailed information on outsourcing can be found in Chapter B.7 of the UNIQA Group report.

Significant outsourced activities

UNIQA Insurance Group AG has outsourced the following critical or important functions or activities.

Contracts by which the critical or important operational functions were outsourced have been presented to the FMA (and – where legally required – have been approved by the FMA):

1. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Service Center Slovakia spol. s r.o. as service provider on the other hand, dated 17 March 2014 in the version of the supplement dated 6 March 2017 [Administrative Activities]
2. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Capital Markets GmbH as service provider on the other hand, dated 17 March 2014 [Asset Management]
3. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG as principal on the one hand and UNIQA IT Services GmbH as service provider on the other hand, dated 17 March 2014 [Information Technology, Telecommunications]
4. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Audit GmbH as service provider on the other hand, dated 25 July 2008 [Internal Controls]

All service providers except one have their head offices in Austria and are thus subject to Austrian and European law. The service provider for the cross-border service has their head office in Slovakia.

B.8 APPROPRIATENESS OF THE SYSTEM OF GOVERNANCE

UNIQA Insurance Group AG sets high quality standards for the purposes of structuring its system of governance. The “three lines of defence” approach is strictly observed to achieve a clear separation of responsibilities (see Chapter B.3.2 of the UNIQA Group report).

This is underscored by the comprehensive committee system that the Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The system of governance at UNIQA Insurance Group AG is reviewed on an annual basis.

C Risk profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement at UNIQA Insurance Group AG is calculated in accordance with the Solvency II standard formula.

The following table outlines the risk profile and composition of the SCR at 31 December 2018 for UNIQA Insurance Group AG.

Risk profile of UNIQA Insurance Group AG

In € million

	2018
Solvency capital requirement (SCR)	1,385
Basic solvency capital requirement net (nBSCR)	1,442
Market risk	1,430
Counterparty default risk	25
Life underwriting risk	18
Non-life underwriting risk	4
Health underwriting risk	0
Diversification	-35
Intangible assets (associated risk)	0
Operational risk	2
Risk reduction from deferred tax	-59
Own funds to cover SCR	4,978
Solvency ratio	359%
Available surplus	3,593

Table 104: Risk profile – solvency capital calculation for 2018

Given UNIQA Insurance Group AG's business model and function within the Group, its risk profile is dominated by market risk, which amounts to €1,430.3 million. In contrast, the additional risk modules such as credit/default risk, operational risk and underwriting risk from life, non-life and health insurance assume a relatively subordinate role.

As market risk is so dominant, there is little diversification between the risk modules.

The risk capital requirement is reduced by risk mitigation in the form of an adjustment for the loss-absorbing capacity of deferred tax in an amount of €59.2 million. Details on this topic can be found in Chapter D.1 of this Annex.

For detailed information on market risk, default risk and life underwriting risk, please refer to the chapters below.

Own funds of UNIQA Insurance Group AG are derived from equity investments and subordinated liabilities. The major equity investments are intragroup investments in UNIQA Österreich Versicherungen AG, UNIQA International AG and UNIQA Re AG.

More detailed information on own funds of UNIQA Insurance Group AG can be found in Chapter E.3 of this Annex.

The resulting solvency ratio for UNIQA Insurance Group AG is 359.4 per cent.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

Non-life and health (similar to non-life technique) technical provisions

Non-life underwriting risk is generally defined as the risk of loss or of detrimental changes in terms of the value of insurance liabilities. The risks are divided into the following risk sub-modules for the purposes of the SCR model as illustrated in the following table:

Sub-risk module	Definition
Premium risk	Risk of loss through an increase in damage in the next year, e.g. through a higher damage frequency or higher level of average damage than expected.
Reserve risk	Risk of loss through adverse changes in claims settlement, e.g. through higher reports of claims incurred but not reported than expected.
Lapse risk	Risk of an increase in the best estimate based on cancellation of profitable contracts.
Catastrophe risk	Risk of damage from natural catastrophes or individual major damage in the next year.

Table 105: Risk sub-modules for non-life and health (similar to non-life) underwriting risk

Life underwriting risk

For the underwriting risk of life insurance, the descriptions in the corresponding chapter of the UNIQA Group report apply. (Chapter C.2.1). UNIQA Insurance Group AG does not underwrite health insurance (similar to life technique).

C.2.2 Risk exposure

The proportion of the risk module for "life underwriting risk" in the overall solvency capital requirement is 1 per cent. The cancellation and expense risks are the primary risk drivers for the life underwriting risk. Of the lapse risk shocks described in Chapter C.2.3 of the UNIQA Group report, the relevant shock in 2018 was the decline in lapses. The increase in underwriting risk compared with the previous year is driven by higher cost assumptions.

Underwriting risk from non-life and health (similar to non-life technique) business accounted for a total of 0.3 per cent of the total risk capital requirement of UNIQA Insurance Group AG, and was therefore immaterial. Underwriting risk in the health (similar to non-life technique) insurance line came to just €118,070. For this reason, these tables are not presented.

The following tables show the solvency capital requirement for underwriting risk, broken down by module and by sub-module:

Capital requirement for non-life underwriting risk

	2018	
	In € million	In per cent
SCR, non-life underwriting risk	**4**	
Premium and reserve risk	3	75%
Catastrophe risk	1	25%
Lapse risk	0	0%
Diversification	-1	

Table 106: Non-life underwriting risk

Capital requirement for life underwriting risk

	2018	
	In € million	In per cent
SCR, life underwriting risk	**18**	
Mortality risk	1	5%
Longevity risk	0	0%
Disability-morbidity risk	0	0%
Lapse risk	6	30%
Expense risk	13	61%
Revision risk	0	0%
Catastrophe risk	1	4%
Diversification	-4	

Table 107: Life underwriting risk

C.2.3 Risk assessment

Non-life and health (similar to non-life) underwriting risk

The non-life underwriting risk is made up of the following risk sub-modules:

- Premium and reserve risk
- Catastrophe risk
- Lapse risk

The non-life underwriting risk is calculated based on the application of the risk factors and methods described in the Austrian Insurance Supervision Act 2016, Part 8(1) in the module on underwriting risks. The capital requirements of the various sub-modules are combined here, based on the application of the specified correlation parameters.

Calculation of the non-life underwriting risk also includes unexpected losses from new business that is acquired within the next twelve months. However, there are no plans to offset any potential profit or loss from this new business in the economic balance sheet.

The premium and reserve risk is calculated based on premium and reserve volumes. The shocks are determined individually for each line of insurance and then aggregated into the overall risk via correlation matrices, which are described in the Delegated Regulation (EU) 2015/35.

The risk of natural disasters is assessed for each threat via the relevant exposure: the corresponding insured sums are sub-divided into individual zones (CRESTA zones) on the basis of which factor-based shocks are calculated. The following scenarios are evaluated for UNIQA Insurance Group AG: storms, earthquake, flood and hail.

Different scenarios are assessed in the man-made area as stipulated in the Delegated Regulation (EU) 2015/35. The corresponding portfolio data is used as a basis for this, along with the reinsurance programme currently in place. The overall risk is also aggregated via correlation matrices in this sub-module.

A mass lapse of 40 per cent is specified by EIOPA in the lapse risk. The shock is only applied to those contracts for which the best estimate would increase in the event of a lapse or cancellation.

Sub-risk module	Shock used
Premium risk	Direct increase in damage in the next year by a percentage rate specific to the business line.
Reserve risk	Direct increase in benefits for damage from previous years by a percentage rate specific to the business line.
Lapse risk	The following shock scenario is assessed: Direct cancellation of 40% of contract with a negative best estimate.
Catastrophe risk	Damage event occurring from the natural disasters coverage, or potential major damage. The scenario applied is calculated individually for each threat and event.

Table 108: Shocks used for each risk sub-module

For the underwriting risk of life insurance, the descriptions in the corresponding chapter (Chapter C.2.3) of the UNIQA Group report apply. UNIQA Insurance Group AG does not write health insurance (similar to life technique).

C.2.4 Risk concentration

In terms of underwriting risk, material risk concentrations only arise for the non-life underwriting risk. These are outlined below.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the potential geographical accumulation of risks.

The risk of natural disasters represents the main concentration risk for UNIQA Insurance Group AG. The natural hazards of storms, hail and flooding in particular represent the biggest threats here. All these natural hazards have the potential to affect a large geographical area. A major meteorological event can lead to many claims if there is a geographical concentration of business in Austria. However, it should be noted that UNIQA Insurance Group AG's catastrophe risk is of minor significance in the non-life underwriting risk.

The most important risk mitigation measures are appropriate underwriting guidelines. However, the greatest risk reduction is through the reinsurance structure agreed with UNIQA Re AG. This guarantees adequate reinsurance protection in order to cover potential cumulative events. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Details of the major strategies for minimising risk in life insurance can be found in Chapter C.2.5 of the UNIQA Group report.

Non-life and health (similar to non-life) underwriting risk

Reinsurance is the principal risk mitigation tool used. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Insurance Group AG's reinsurance partner is the Group's internal reinsurance company UNIQA Re AG. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Moreover, clearly defined underwriting guidelines and controls ensure high quality when taking on underwriting risk and guarantee appropriate risk selection. Furthermore the focus with contract renewals is clearly placed on profitable development of the portfolio.

The effectiveness of the risk mitigation mechanisms described for the non-life insurance business is monitored within the scope of the standard formula and using our own internal risk model. Quantified measurement of the reinsurance protection takes place based on key figures, such as risk-weighted profitability (also known as return on risk adjusted capital or RoRAC) as well as economic value added (EVA), both before as well as after deduction of the reinsurance protection.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in certain factors. A detailed description can be found in Chapter C.3.1 of the UNIQA Group report.

C.3.2 Risk exposure

The following table shows the composition of the SCR for the market risk module. The aggregated capital requirement is lower than the sum of the requirements for the individual risk sub-modules, based on the fact that extreme shocks do not generally occur simultaneously for individual market risks (diversification).

Capital requirement for market risk

	2018	
	In € million	In per cent
SCR, market risk	**1,430**	
Interest rate risk	6	0%
Equity risk	1,187	62%
Property risk	52	3%
Spread risk	114	6%
Exchange rate risk	6	0%
Concentration risk	553	29%
Diversification	-488	

Table 109: SCR market risk

Investments of the portfolios managed by UNIQA Insurance Group AG in accordance with the prudent person principle

A detailed description can be found in Chapter C.3.2 of the UNIQA Group report.

C.3.3 Risk assessment

UNIQA Insurance Group AG calculates market risk in accordance with the Solvency II standard formula. A detailed description can be found in Chapter C.3.3 of the UNIQA Group report.

C.3.4 Risk concentration

As part of the efforts to determine the concentration risk in accordance with the Solvency II standard formula, all issuers (or groups of issuers) are monitored on an ongoing basis in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2018 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): UNIQA Group (intragroup portfolios), Raiffeisen-Holding Niederösterreich-Wien and Raiffeisen Bank International AG.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing market risk is permissible. A detailed description can be found in Chapter C.3.5 of the UNIQA Group report.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Austrian Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. A detailed description can be found in Chapter C.4.1 of the UNIQA Group report.

C.4.2 Risk exposure

The credit risk or default risk accounts for 1.7 per cent of UNIQA Insurance Group AG's risk profile.

Capital requirement for type 1 and type 2 credit and default risk

In € million

	2018
SCR, type 1 and type 2 credit and default risk	**25**
Total type 1 credit and default risk	16
Total type 2 credit and default risk	11
Diversification	-2

Table 110: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2018. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure accounts for 58.1 per cent of the total default risk and is the largest risk driver of credit or default risk (excluding diversification effects between type 1 and type 2 risk exposures). The calculated solvency capital requirement results mainly from deposits with cedants, reinsurance agreements and bank deposits.

Type 2 risk exposure has a share of about 41.9 per cent of overall default risk. The most significant exposures in this category are other receivables, receivables from direct insurance business from insurance brokers, reinsurance settlement receivables and internal funding within the UNIQA Group.

C.4.3 Risk assessment

The solvency capital requirement for counterparty default risk is calculated using the risk factors and methods described in Article 189 et seq. of the Delegated Regulation (EU) 2015/35. A detailed description can be found in Chapter C.4.3 of the UNIQA Group report.

C.4.4 Risk concentration

For UNIQA Insurance Group AG there is a concentration in terms of reinsurance, which for the most part is ceded to the Group's reinsurance partner UNIQA Re AG. Due to the existing reinsurance standard (see Chapter C.4.4 of the UNIQA Group report), these intragroup reinsurance risks are retroceded according to clear and proven rules. As a result of this item, there is no concentration risk for UNIQA Insurance Group AG.

In terms of bank deposits, the greatest investment volumes at the relevant reporting date (listed in decreasing amount) were reported for the following banks: Raiffeisen-Holding Niederösterreich-Wien reg. Gen.m.b.H., Raiffeisen Bank International AG, Raiffeisenverband Salzburg eGen, Raiffeisenlandesbank Kärnten – Rechenzentrum und Revisionsverband, regGen.m.b.H, Raiffeisenlandesbank Burgenland und Revisionsverband eGen, UniCredit S.p.A.

No material concentrations of risk exist for these areas due to the comparatively low absolute volume of off-market derivative transactions, mortgage loans and other relevant exposure.

C.4.5 Risk mitigation

Measures have been put in place to minimise credit/default risk. A detailed description can be found in Chapter C.4.5 of the UNIQA Group report.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk
A detailed description can be found in Chapter C.5.1 of the UNIQA Group report.

C.5.2 Risk exposure
Ongoing liquidity planning and control is carried out in order to ensure that UNIQA Insurance Group AG is able to meet its payment obligations.

The following table depicts the anticipated profit calculated from future premiums as required by Article 295 of Delegated Regulation (EU) 2015/35. The values presented account for the probability of occurrence, the extent of the damage, and also take into account those risks that are categorised as material and immaterial.

Expected profits in future premiums (EPIFP)
In € million

	2018
Expected profits in future premiums (EPIFP)	**0**
of which in non-life insurance	0
of which in life insurance	0

Table 111: Expected profits in future premiums (EPIFP)

Derivation of the expected profits from future premiums for life insurance is based on net liabilities (premiums, benefits and costs) from the calculation for the technical provisions. The cash value of the profits is determined from the ratio of the future expected premiums to the associated expected costs and benefits. No profits from future premiums are expected for UNIQA Insurance Group AG as these are primarily consumed by cost expenditure.

C.5.3 Risk assessment and risk mitigation
A distinction is made between two types of payment obligations in relation to the liquidity risk:

- Payment obligations due within less than twelve months
- Payment obligations due in more than twelve months

Payment obligations due within less than twelve months
A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected cash flows is implemented in order to ensure that UNIQA Insurance Group AG is able to meet its payment obligations within the next twelve months. In addition, a minimum amount of cash reserves which must be available daily is also defined. In addition to the daily reporting on an operative level, a weekly report is presented to the Management Board on the available liquidity.

Payment obligations due in more than twelve months
For longer-term payment obligations, the UNIQA Group aims to match the maturities of investments with those of liabilities to the greatest possible extent as part of the asset-liability management process. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 5(42) of the Austrian Insurance Supervision Act 2016, operational risk is defined as the risk of financial losses caused by inefficient internal processes, systems or individuals, or by external events. A detailed description can be found in Chapter C.6.1 of the UNIQA Group report.

C.6.2 Risk exposure

The operational risk is quantified based on the standard formula and amounts to €2.2 million.

The following table shows the operational risk at 31 December 2018.

Capital requirement for the operational risk

In € million	2018
Operational risk	2

Table 112: Solvency capital requirement for the operational risk

The operational risk is also determined using qualitative criteria within the UNIQA Group. Operational risks are assessed and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative process, the following risks have been identified as being material:

- IT risks (particularly IT security and the high complexity of the IT landscape, along with the risk of business interruptions)
- Miscellaneous project risks

C.6.3 Risk assessment

UNIQA Insurance Group AG calculates the operational risk on the one hand with a factor-based approach in accordance with the Solvency II standard formula, and on the other hand using interviews with experts. A detailed description of the valuation method is contained in Chapter C.6.3 of the UNIQA Group report.

C.6.4 Risk concentration

There are no substantial risk concentrations in this respect for UNIQA Insurance Group AG.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. A detailed description can be found in Chapter C.6.5 of the UNIQA Group report.

C.7 STRESS AND SENSITIVITY ANALYSES

UNIQA Insurance Group AG carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently also on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment. A detailed description of the individual sensitivity calculations can be found in Chapter C.7 of the UNIQA Group report.

Results
The following table provides an overview of the change to the SCR ratio as a result of the shocks specified for the individual stress and sensitivity calculations.

Results of the sensitivity calculation

In per cent	2018 SCR ratio	2018 Change (pp)	2017 SCR ratio	2017 Change (pp)
Basic scenario	359%		377%	
Key sensitivities				
Interest rate sensitivity				
Parallel shift in interest rate of +50bp (up to last liquid point)	360%	1%	376%	-1%
Parallel shift in interest rate of -50bp (up to last liquid point)	359%	-0%	377%	0%
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	360%	0%	377%	0%
Equity sensitivity				
Fall in the fair value by 30 per cent	314%	-46%	336%	-41%
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	360%	0%	379%	2%
Foreign currency shock of -10 per cent	359%	-0%	375%	-2%
Spread sensitivity				
Widening in credit spread by 100 basis points	357%	-3%	372%	-5%

Table 113: Results of the sensitivity calculation

The results of the sensitivity calculation are generally comparable with the level from the previous year.

The foreign exchange sensitivity is no longer stated as the UNIQA Re AG stake is now accounted for in euros (previously Swiss francs).

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for reputational, contagion and strategic risks in the UNIQA Group in addition to the risk categories described above. Reputational and strategic risks are also monitored in the same way at UNIQA Insurance Group AG. A detailed description can be found in Chapter C.8 of the UNIQA Group report.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration
Information on the risk concentrations at Group level in accordance with Article 376 of the Delegated Regulation (EU) 2015/35 is described in detail in Chapter C.9.1 of UNIQA Group report.

C.9.2 Risk mitigation
A description of the risk mitigation from deferred tax can be found in Chapter C.9.2 of the UNIQA Group report.

D Valuation for solvency purposes

A detailed description of the valuation for solvency purposes is found in Chapter D of the UNIQA Group report.

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and the carrying amounts in accordance with the Austrian Commercial Code at the reporting date of 31 December 2018.

Valuation of assets

Assets as at the reporting date of 31 December 2018 In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Goodwill	n.a.	0	0
2	Deferred acquisition costs	n.a.	0	0
3	Intangible assets	0	113	-113
4	Deferred tax assets	85	27	58
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	74	56	18
7	Investments (other than assets held for index-linked and unit-linked contracts)	5,452	2,911	2,541
7.1	Property (other than for own use)	146	101	46
7.2	Shares in affiliated companies including equity investments	5,074	2,584	2,490
7.3	Equities	43	38	5
	Equities – listed	0	0	0
	Equities – unlisted	43	38	5
7.4	Bonds	135	138	-3
	Government bonds	18	16	2
	Corporate bonds	118	122	-5
	Structured notes	0	0	0
	Collateralised securities	0	0	0
7.5	Undertakings for collective investment	51	50	1
7.6	Derivatives	0	0	0
7.7	Deposits other than cash equivalents	2	0	2
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	0	0	0
8	Loans and mortgages	614	603	11
8.1	Loans on policies	0	0	0
8.2	Loans and mortgages to individuals	0	0	0
8.3	Other loans and mortgages	614	603	11
9	Reinsurance recoverables from:	91	147	-55
9.1	Non-life insurance and health insurance similar to non-life	20	25	-5
	Non-life insurance excluding health	20	24	-5
	Health insurance similar to non-life	1	1	-0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	71	122	-51
	Health insurance similar to life	0	0	0
	Life insurance, excluding health and index-linked and unit-linked	71	122	-51
9.3	Life insurance, index-linked and unit-linked	0	0	0
10	Deposits with cedants	223	223	0
11	Insurance and intermediaries receivables	8	8	0
12	Reinsurance receivables	9	9	0
13	Receivables (trade, not insurance)	251	263	-12
14	Treasury shares (held directly)	6	0	6
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	18	18	0
17	Any other assets, not shown elsewhere	25	25	0
Assets total		6,856	4,402	2,454

Table 114: Assets at the reporting date of 31 December 2018

The following categories of assets were not asset components of UNIQA Insurance Group AG at 31 December 2018 and were therefore not commented on:

- 1. Goodwill
- 2. Deferred acquisition costs
- 5. Pension benefit surplus
- 7.3.1. Equities – listed
- 7.4.3. Structured notes
- 7.4.4. Collateralised securities
- 7.6. Derivatives
- 7.8. Other investments
- 7.9. Assets held for index-linked and unit-linked contracts
- 8.1. Loans on policies
- 8.2. Loans and mortgages to individuals
- 9.2.1. Health insurance, similar to life technique
- 9.3. Life insurance, index-linked and unit-linked
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A quantitative and qualitative explanation of the main differences compared with valuation in accordance with the Austrian Commercial Code in the annual financial statements is provided below, separately for each class of assets.

3. Intangible assets

In € million	Solvency II	Austrian Commercial Code	Revaluation
Intangible assets	0	113	-113

Table 115: Intangible assets

Intangible assets are composed of purchased computer software as well as licences and copyrights. Intangible assets are amortised in accordance with their useful lives over a defined period.

Intangible assets can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined. These assets were not recognised in the solvency balance sheet since neither of these criteria could be met. This explains the difference in value.

4. Deferred tax assets

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax assets	85	27	58

Table 116: Deferred tax assets

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax balance sheet and the Austrian Commercial Code balance sheet. A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

Provided that the deferred tax assets and liabilities relate to the same tax authority and are actually offsettable then they must be offset (consideration of the overall difference; irrespective of the relevant term of the deferred tax). If the deferred tax assets can be realised in subsequent years, then deferred charges are recognised in the assets (budget calculations required).

Offsetting deferred tax assets against deferred tax liabilities results in a surplus on the assets side for the Austrian Commercial Code and the economic balance sheet.

The origins of UNIQA Insurance Group AG's deferred tax are outlined in more detail below.

Overview of the origins of deferred tax

In € million

Origin	Local GAAP	IFRS adj.	IFRS total	Solvency II adj.	Deferred tax total
Untaxed reserves	-1	1	0	0	0
Underwriting items (incl. DAC)	2	-5	-3	29	27
Social capital	12	11	24	0	24
Other	1	-3	-1	17	16
Capital investments	1	-5	-4	12	8
Other provisions	0	0	0	-0	0
Loss carryforwards	10	0	10	0	10
Deferred tax assets	27	-1	26	59	85

Table 117: Origins of deferred tax

6. Property, plant and equipment held for own use

In € million	Solvency II	Austrian Commercial Code	Revaluation
Property, plant and equipment held for own use	74	56	18

Table 118: Property, plant and equipment held for own use

The difference between the Solvency II value and the Austrian Commercial Code value of the property, plant and equipment and inventories held for own use results from the difference between the valuation at fair value under Solvency II and the amortised cost model in accordance with the Austrian Commercial Code.

7. Investments (other than assets held for index-linked and unit-linked contracts)

The valuation approaches and differences for the investments of the UNIQA Insurance Group AG are explained in detail below.

7.1 Property (other than for own use)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Property (other than for own use)	146	101	46

Table 119: Property (other than for own use)

The property (other than for own use) is valued in accordance with the same valuation methodology as the property, plant and equipment held for own use (item 6). This results in a valuation difference compared with the economic value.

7.2 Shares in affiliated companies, including equity investments

In € million	Solvency II	Austrian Commercial Code	Revaluation
Shares in affiliated companies including equity investments	5,074	2,584	2,490

Table 120: Shares in affiliated companies, including equity investments

Shares in affiliated companies and equity investments are valued with application of the strict lower of cost or market principle in the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.3.2 Equities – unlisted

In € million	Solvency II	Austrian Commercial Code	Revaluation
Equities – unlisted	43	38	5

Table 121: Equities – unlisted

Equities are valued in accordance with provisions in Section 144(2) of the Austrian Insurance Supervision Act 2016. Write-downs have only been recognised if the impairment is expected to be permanent. This results in a valuation difference compared with the economic value.

7.4 Bonds

In € million	Solvency II	Austrian Commercial Code	Revaluation
Anleihen	135	138	-3
Government bonds	18	16	2
Corporate bonds	118	122	-5
Structured notes	0	0	0
Collateralised securities	0	0	0

Table 122: Bonds

In accordance with local accounting regulations bonds are assigned to the fixed assets (Section 204 of the Austrian Commercial Code) and are valued at the alleviated lower of cost or market principle. This results in a valuation difference compared with the economic value.

7.5 Undertakings for collective investment

In € million	Solvency II	Austrian Commercial Code	Revaluation
Undertakings for collective investment	51	50	1

Table 123: Undertakings for collective investment

In accordance with local accounting principles (Section 207 of the Austrian Commercial Code), undertakings for collective investment are valued in accordance with the strict lower of cost or market principle applying the valuation exemption. Write-downs of the lower fair value in the event of an expected temporary impairment can only be omitted to the extent that the overall amount of any write-down that does not take place does not exceed 50 per cent of the total or otherwise of existing hidden net reserves of the company in the relevant accounting department.

Undertakings for collective investment in bonds (subject to consolidation) represent an exception. These undertakings are valued using the alleviated lower of cost or market principle as under 7.4 Bonds.

This gives rise to a valuation difference between Solvency II and Austrian Commercial Code figures for this balance sheet item.

7.7 Deposits other than cash equivalents

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits other than cash equivalents	2	0	2

Table 124: Deposits other than cash equivalents

Deposits other than cash equivalents are valued at the strict lower of cost or market principle in accordance with local accounting principles (Section 207 of the Austrian Commercial Code). This results in a valuation difference compared with the economic value.

8. Loans and mortgages

In € million	Solvency II	Austrian Commercial Code	Revaluation
Loans and mortgages	614	603	11
Loans on policies	0	0	0
Loans and mortgages to individuals	0	0	0
Other loans and mortgages	614	603	11

Table 125: Loans and mortgages

For the purposes of the separate financial statements in accordance with the Austrian Commercial Code, loans and mortgages are valued at their principal amounts or at the cost of the outstanding loan. In the case of identifiable individual risks, the lower applicable value is used. The Austrian Commercial Code values plus the pro rata interest rates are used in the solvency balance sheet. This explains the valuation differences.

9. Recoverables from reinsurance contracts

In € million		Solvency II	Austrian Commercial Code	Revaluation
9	Reinsurance recoverables	91	147	-55
9.1	Non-life insurance and health insurance similar to non-life	20	25	-5
	Non-life insurance excluding health	20	24	-5
	Health insurance similar to non-life	1	1	-0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	71	122	-51
	Health insurance similar to life	0	0	0
	Life insurance, excluding health and index-linked and unit-linked	71	122	-51
9.3	Life insurance, index-linked and unit-linked	0	0	0

Table 126: Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts” includes amounts outstanding based on reinsurance contracts external to the company.

The differences between the values assessed in the solvency balance sheet and the valuation in accordance with the Austrian Commercial Code result from the fact that the values in accordance with the Austrian Commercial Code are assessed and valued at nominal value.

This results in a valuation difference compared with the economic value.

10. Deposits with cedants

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits with cedants	223	223	0

Table 127: Deposits with cedants

The nominal values are stated for these items in accordance with the Austrian Commercial Code, and are adjusted by an allowance for the default risk if necessary. They are also recognised as economic values in accordance with Solvency II.

11. Insurance and intermediaries receivables

In € million	Solvency II	Austrian Commercial Code	Revaluation
Insurance and intermediaries receivables	8	8	0

Table 128: Insurance and intermediaries receivables

This item comprises receivables from insurance companies and insurance brokers. In accordance with the Austrian Commercial Code, receivables due within twelve months are recognised at their nominal amounts. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation. There are no valuation differences as the same approach is applied under Solvency II.

12. Reinsurance receivables

In € million	Solvency II	Austrian Commercial Code	Revaluation
Reinsurance receivables	9	9	0

Table 129: Reinsurance receivables

This item comprises reinsurance receivables that are not already included in the deposits with cedants. The nominal values are stated for these items in accordance with the Austrian Commercial Code. These are also reported as economic values in accordance with Solvency II if the amounts concerned are due in less than twelve months. The valuation methodology is identical to the one used for deposits with cedants (item 10). There are no differences in valuation as a result of this.

13. Receivables (trade, not insurance)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Receivables (trade, not insurance)	251	263	-12

Table 130: Receivables (trade, not insurance)

This item comprises all receivables that do not originate from the insurance business. Receivables due within twelve months are recognised at their nominal value both in the financial statements in accordance with the Austrian Commercial Code and in the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective

of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.
In accordance with the Austrian Commercial Code, pro rata interest is reported in other receivables, whereas in the solvency balance sheet this interest is reported with each asset.

14. Treasury shares (held directly)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Treasury shares (held directly)	6	0	6

Table 131: Treasury shares (held directly)

Treasury shares are stated as deduction items from the share capital at the nominal value in accordance with Section 144(3) of the Austrian Insurance Supervision Act 2016. Treasury shares are valued at fair values under Solvency II. This explains the valuation differences.

16. Cash and cash equivalents

In € million	Solvency II	Austrian Commercial Code	Revaluation
Cash and cash equivalents	18	18	0

Table 132: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. There are no differences compared with Solvency II.

17. Any other assets, not shown elsewhere

In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other assets, not shown elsewhere	25	25	0

Table 133: Any other assets not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). The valuation is at amortised cost under the Austrian Commercial Code. There is no revaluation for Solvency II.

D.2 TECHNICAL PROVISIONS

The technical provisions within at UNIQA Insurance Group AG are determined solely on the basis of a best estimate plus a risk margin because of the nature of the liabilities. There is no attempt to match technical cash flows with financial instruments and value these elements together on a net basis.

Calculation of the provisions based on the best estimate involves restating technical provisions in the Austrian Commercial Code balance sheet to arrive at an economic valuation. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits and the present value of future premiums. The best estimate of provisions or the best estimate of liabilities are determined by using assumptions regarding the best estimate when calculating these future cash flows (instead of the prudent valuation assumptions). Options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.
The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with the Austrian Commercial Code at 31 December 2017 and 31 December 2018 for UNIQA Insurance Group AG.

Valuation of technical provisions

In € million		2018			2017		
		Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
1	**Technical provisions – non-life insurance**	**33**	**51**	**-18**	**34**	**53**	**-19**
1.1	Technical provisions – non-life insurance (excluding health insurance)	32	50	-18	33	52	-19
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	30	n.a.	30	32	n.a.	32
	Risk margin	2	n.a.	2	1	n.a.	1
1.2	Technical provisions – health insurance (similar to non-life)	1	1	0	1	1	0
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	1	n.a.	1	1	n.a.	1
	Risk margin	0	n.a.	0	0	n.a.	0
2	**Technical provisions – life insurance (excluding index-linked and unit-linked insurance)**	**291**	**227**	**64**	**360**	**318**	**43**
2.1	Technical provisions – health insurance (similar to life)	0	0	0	0	0	0
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	0	n.a.	0	0	n.a.	0
	Risk margin	0	n.a.	0	0	n.a.	0
2.2	Technical provisions – life insurance (excluding health and unit-linked and index-linked insurance)	291	227	64	360	318	43
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	281	n.a.	281	351	n.a.	351
	Risk margin	11	n.a.	11	9	n.a.	9
3	**Technical provisions – index-linked and unit-linked life insurance**	**0**	**0**	**0**	**0**	**0**	**0**
3.1	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
3.2	Best estimate	0	n.a.	0	0	n.a.	0
3.3	Risk margin	0	n.a.	0	0	n.a.	0
4	**Other technical provisions**	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**
Total technical provisions		324	278	46	395	371	24

Table 134: Valuation of technical provisions

D.2.1 Non-life and health (similar to non-life technique) technical provisions

The technical provisions for non-life and health (similar to non-life technique) are valued as stipulated in the standards of the UNIQA Group. The provisions are classified into homogeneous risk groups in accordance with the FMA's guidelines on segmenting business areas. The FMA's requirements from the guidelines relating to Pillar 1 regarding the valuation of technical provisions are also taken into account accordingly. Since there are no material holdings kept in foreign currencies, only the euro yield curve is used for discounting the provisions.

The parameters or assumptions used to calculate the technical provisions are subject both to natural uncertainty based on potential fluctuations in the benefits and costs, and economic assumptions such as discount rates.

UNIQA Insurance Group AG therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the best estimate provisions. The following parameters and assumptions are specifically analysed in non-life insurance:

- Changes in the development of the future claims rate
- Changes in the development of the future cost ratio
- Changes in the claims reserve
- Changes to the discount rate

Furthermore, the assumptions are also compared with empirical values on an ongoing basis.

The results of these calculations are subject to both quantitative and qualitative analyses and are also reported to the Management Board in the annual report on technical functions.

In non-life insurance, the following factors constitute the major sources of uncertainty when evaluating the best estimate:

- Assumed discount rate
- Assumptions about future claims processing in long-term business lines (liability insurance)
- Claims rate assumptions for multi-year policies

The following figure gives an overview of non-life technical provisions (best estimate and risk margin) at 31 December 2018:

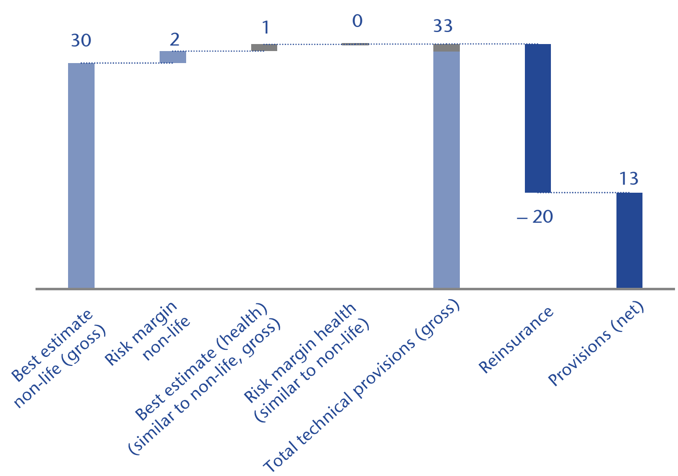


Figure 26: Non-life and health technical provisions (similar to non-life, in € million)

Non-life and health (similar to non-life technique) technical provisions at UNIQA Insurance Group AG are largely determined on the basis of a best estimate. This is mainly derived from the claims reserves. The premium reserve is of minor significance in this case.

The significant reinsurance quota shares ceded result in a material reduction in the provisions on a net basis.

Valuation of non-life technical provisions

In € million	2018			2017		
	Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – non-life insurance	**33**	**51**	**-18**	**34**	**53**	**-19**
Technical provisions – non-life insurance (excluding health insurance)	32	50	-18	33	52	-19
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	30	n.a.	30	32	n.a.	32
Risk margin	2	n.a.	2	1	n.a.	1
Technical provisions – health insurance (similar to non-life)	1	1	0	1	1	0
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	1	n.a.	1	1	n.a.	1
Risk margin	0	n.a.	0	0	n.a.	0

Table 135: Valuation of gross technical provisions (non-life)

The reconciliation of the non-life and health (similar to non-life technique) technical provisions to the carrying amounts recognised in accordance with the Austrian Commercial Code financial statements highlights significant differentials. The essential difference arises from not taking into account the equalisation reserve under Solvency II. Otherwise, the same valuation differences apply as those described in Chapter D.2.1 of the UNIQA Group report.

The following table shows the reconciliation of balance sheet values from Solvency II values to the Austrian Commercial Code balance sheet values for each segment of the non-life and health (similar to non-life) insurance business:

Technical provisions

In € million	2018 Solvency II	2018 Austrian Commercial Code	2018 Revaluation	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation
Technical provisions – non-life insurance	**33**	**51**	**-18**	**34**	**53**	**-19**
Technical provisions – non-life insurance (excluding health insurance)	32	50	-18	34	52	-19
Motor vehicle liability insurance	8	13	-4	8	13	-5
Technical provisions calculated as a whole	n.a.	13	-13	n.a.	13	-13
Best estimate	8	n.a.	8	8	n.a.	8
Risk margin	0	n.a.	0	0	n.a.	0
Other motor insurance	1	5	-5	1	5	-4
Technical provisions calculated as a whole	n.a.	5	-5	n.a.	5	-5
Best estimate	1	n.a.	1	1	n.a.	1
Risk margin	0	n.a.	0	0	n.a.	0
Marine, aviation and transport insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	-0	n.a.	0	-0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Fire and other damage to property insurance	6	12	-6	5	11	-6
Technical provisions calculated as a whole	n.a.	12	-12	n.a.	11	-11
Best estimate	6	n.a.	6	5	n.a.	5
Risk margin	0	n.a.	0	0	n.a.	0
General liability insurance	7	9	-3	7	7	-0
Technical provisions calculated as a whole	n.a.	9	-9	n.a.	7	-7
Best estimate	6	n.a.	6	7	n.a.	7
Risk margin	0	n.a.	0	0	n.a.	0
Credit and suretyship insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Legal expenses insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Assistance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Miscellaneous financial loss	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Non-proportional fire and other damage to property insurance	2	2	0	2	3	-0
Technical provisions calculated as a whole	n.a.	2	-2	n.a.	3	-3
Best estimate	1	n.a.	1	2	n.a.	2
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: property	9	9	-1	10	13	-3
Technical provisions calculated as a whole	n.a.	9	-9	n.a.	13	-13
Best estimate	8	n.a.	8	9	n.a.	9
Risk margin	1	n.a.	1	1	n.a.	1
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	-0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – health insurance (similar to non-life)	1	1	0	1	1	0
Medical expense insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Income protection insurance	0	0	0	0	0	0

Technical provisions calculated as a whole	n.a.	0	-0	n.a.	0	-0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Workers' compensation insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: health	1	1	0	0	0	0
Technical provisions calculated as a whole	n.a.	1	-1	n.a.	0	-0
Best estimate	1	n.a.	1	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0

Table 136: Valuation of technical provisions (property and casualty)

The largest differential between the Austrian Commercial Code and Solvency II figures at UNIQA Insurance Group AG is evident in the “Fire and other damage to property” insurance line. This is where the largest proportion of the claims equalisation reserve is reported in accordance with the Austrian Commercial Code.

D.2.2 Life and health (similar to life technique) technical provisions

The reserve surplus for life insurance under Solvency II compared with the Austrian Commercial Code figures is attributable to the assumed costs for the liabilities in the best estimate.

The reduction in the reserve under the Austrian Commercial Code (UGB) is caused by the termination of a large contract. This effect is cushioned under Solvency II as a result of higher cost assumptions.

Valuation of technical provisions (gross)

In € million	2018			2017		
	Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – life insurance (excluding index-linked and unit-linked)	**291**	**227**	**64**	**360**	**318**	**43**
Technical provisions – health insurance (similar to life)	0	0	0	0	0	0
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	291	227	64	360	318	43
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	281	n.a.	281	351	n.a.	351
Risk margin	11	n.a.	11	9	n.a.	9
Technical provisions – index-linked and unit-linked insurance	**0**	**0**	**0**	**0**	**0**	**0**
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Other technical provisions	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**

Table 137: Valuation of gross technical provisions

The following figure shows the breakdown of the best estimate reserve under Solvency II for the life insurance business (in € million):

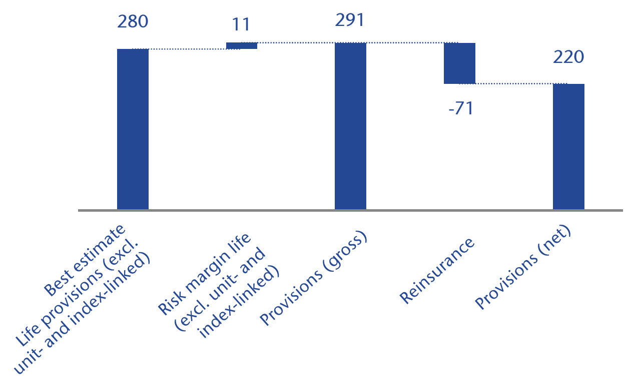


Figure 27: Technical provisions for life (in € million)

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment in accordance with Section 167 of the Austrian Insurance Supervision Act 2016 was applied in the Solvency II calculation for all property and casualty business lines (non-life) as well as for the short-term health insurance business (similar to non-life technique). This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the life, non-life and health (similar to non-life technique) provisions is shown in the following table:

Volatility adjustments

	Incl. Volatility adjustment		Excl. volatility adjustment		Relative Change	
In € million	2018	2017	2018	2017	2018	2017
Technical provisions	324	395	325	395	0%	0%
Basic own funds	5,289	5,777	5,067	5,741	-4%	-1%
Own funds eligible to meet SCR	4,978	5,533	4,803	5,496	-4%	-1%
SCR	1,385	1,467	1,385	1,467	0%	0%
Own funds eligible to meet MCR	4,355	4,872	4,137	4,836	-5%	-1%
Minimum capital requirement	346	367	346	367	0%	0%

Table 138: Volatility adjustments

The effect of the volatility adjustment on the technical provisions is of minor significance in life insurance at UNIQA Insurance Group AG because mortality risk is the dominant risk in the portfolio. In the non-life and health (similar to non-life technique) insurance lines, the effect of the volatility adjustment could be considered immaterial because of the short-term nature of the liabilities.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities at the reporting date of 31 December 2018, valued in accordance with Solvency II and with the Austrian Commercial Code.

In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	93	92	0
3	Pension benefit obligations	215	169	46
4	Deposits from reinsurers	118	118	0
5	Deferred tax liabilities	0	0	0
6	Derivatives	0	0	0
7	Liabilities to banks	0	0	0
8	Financial liabilities other than liabilities to banks	360	355	5
9	Liabilities to insurance companies and intermediaries	11	11	0
10	Liabilities to reinsurance companies	6	6	0
11	Payables (trade, not insurance)	102	136	-34
12	Subordinated liabilities	919	850	69
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	919	850	69
13	Any other liabilities, not shown elsewhere	7	7	0
Total other liabilities		1,829	1,744	85

Table 139: Other liabilities

The following classes of liabilities were not present at the reporting date of 31 December 2018 and were therefore not commented on:

- 5. Deferred tax liabilities
- 6. Derivatives
- 7. Liabilities to banks
- 12.1 Subordinated liabilities not in basic own funds

A quantitative and qualitative explanation of the material differences compared with valuation in accordance with the Austrian Commercial Code in the separate financial statements is provided below separately for other liabilities.

1. Contingent liabilities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Contingent liabilities	0	0	0

Table 140: Contingent liabilities

The contingent liabilities result from letters of comfort to various reinsurance undertakings, to whom the UNIQA Insurance Group AG commits to ensure that the sub-subsidiary, UNIQA Versicherung AG, Vaduz, is able to fulfil all its duties from reinsurance contracts at all times.

Pursuant to the Austrian Commercial Code, these contingent liabilities are valued at zero and only explained in the notes.

Since in all cases these are insignificant contingent liabilities, the value is also set at zero in the solvency balance sheet.

2. Provisions other than technical provisions

In € million	Solvency II	Austrian Commercial Code	Revaluation
Provisions other than technical provisions	93	92	0

Table 141: Provisions other than technical provisions

Other non-technical provisions include the following items:

In € million	Solvency II	Austrian Commercial Code	Revaluation
Jubilee benefits	2	1	0
Customer services and marketing provisions	57	57	0
Other provisions	30	30	0
Provisions for share-based payment	4	4	0
Total	93	92	0

Table 142: Provisions other than technical provisions (detailed presentation)

Other non-technical provisions have been recognised to the extent to which the provisions will probably be utilised. They take into account all identifiable risks and the amount of liabilities that has not yet been determined.

Provisions with a maturity of more than twelve months are discounted at standard market discount rates in accordance with Section 211(2) of the Austrian Commercial Code. This results in no valuation difference to Solvency II.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Austrian Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 "Provisions for pension, severance, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code" from June 2016.

The projected unit credit method has been used to calculate the entitlements.

Based on the first-time application of Section 211 of the Austrian Commercial Code in the version of the Austrian Accounting Amendment Act 2014 and with regard to the AFRAC opinion no. 27 from June 2016, a differential amount was determined in accordance with Section 906(33) and (34) of the Austrian Commercial Code in the version of the Austrian Audit Law Amendment Act 2016 at the start of the financial year of the first-time application, i.e. 1 January 2016.

In August 2018, the Austrian Actuarial Society (AVÖ) published the new mortality tables, as "Pensionstafeln [Retirement tables] AVÖ 2018-P". According to AFRAC Opinion 27 "Personnel Provisions (Austrian Commercial Code)", the most appropriate mortality table should be used. A mortality table is suitable if it is based on current data and analyses. Accordingly, the new mortality tables have already been used to calculate severance and pension provisions.

The difference resulting from the first-time application of the new mortality tables was distributed evenly over a period of five years on the basis of the so-called "Override Regulation" (Federal Law Gazette II No. 283/2018).

The differential amounts were reported under prepaid expenses, i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code value shown here is reduced by the differential amounts for the long-service provision of €0.3 million because, in the solvency balance sheet, the differential amounts are presented under the relevant provisions on the liabilities side.

The discount rate applied was 1.48 per cent. This results in valuation differences as compared with Solvency II. The fair value was ascertained for cash-settled share-based remuneration agreements in line with the AFRAC opinion "The treatment of share-based remuneration in Austrian Commercial Code financial statements" dated September 2007 (including update from March 2018). In accordance with this programme, eligible employees are conditionally awarded virtual shares effective on 1 January of the relevant financial year, conferring the right to a cash payment after the end of the benefit period of four years. The obligations from share-based remuneration are reported under other provisions. This results in no valuation differences as compared with Solvency II.

3. Pension benefit obligations

In € million	Solvency II	Austrian Commercial Code	Revaluation
Pension benefit obligations	215	169	46
of which termination benefit provisions	22	18	4
of which pension provisions	193	152	41

Table 143: Pension benefit obligations

Calculation factors applied	2018
Discount rate	
Termination benefits	1.76
Pension obligations	2.30
Valorisation of remuneration	3.00
Pensions inflation adjustment	2.00
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2018 P – Pagler & Pagler/salaried employees

Table 144: Calculation factors applied

This item includes the obligations for pension provisions and severance provisions at UNIQA Insurance Group AG.

The pension and severance provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Austrian Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 “Provisions for pension, severance, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code” from June 2016.

The projected unit credit method has been used to calculate the entitlements.

Based on the first-time application of Section 211 of the Austrian Commercial Code in the version of the Austrian Accounting Amendment Act 2014 and with regard to the AFRAC opinion no. 27 from June 2016, a differential amount was determined in accordance with Section 906(33) and (34) of the Austrian Commercial Code in the version of the Austrian Audit Law Amendment Act 2016 at the start of the financial year of the first-time application, i.e. 1 January 2016.

In August 2018, the Austrian Actuarial Society (AVÖ) published the new mortality tables, as “Pensionstafeln [Retirement tables] AVÖ 2018-P”. According to AFRAC Opinion 27 “Personnel Provisions (Austrian Commercial Code)”, the most appropriate mortality table should be used. A mortality table is suitable if it is based on current data and analyses. Accordingly, the new mortality tables have already been used to calculate severance and pension provisions.

The difference resulting from the first-time application of the new mortality tables was distributed evenly over a period of five years on the basis of the so-called “Override Regulation” (Federal Law Gazette II No. 283/2018).

The differential amounts were reported under prepaid expenses (with a positive value), i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code values are reduced by the differential amounts for the severance provisions of €3.5 million and for the pension provisions of €28.7 million because, in the solvency balance sheet, the differential amounts are presented under the relevant provisions on the liabilities side.

This results in valuation differences as compared with Solvency II.

4. Deposits from reinsurers

In € million	Solvency II	Austrian Commercial Code	Revaluation
Securities account liabilities from reinsurance ceded	118	118	0

Table 145: Deposits from reinsurers

The deposits from reinsurers are reported under this item. Liabilities are measured at the settlement amount, both for the Austrian Commercial Code financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

8. Financial liabilities other than liabilities to banks

In € million	Solvency II	Austrian Commercial Code	Revaluation
Financial liabilities other than liabilities to banks	360	355	5

Table 146: Financial liabilities other than liabilities to banks

The nominal values are stated for these items in accordance with the Austrian Commercial Code. Nominal values are also stated in accordance with Solvency II if the liabilities are due within twelve months. In accordance with Solvency II, financial liabilities with a term of more than twelve months are measured using a current risk-free yield curve and risk spreads at the time of issue, which results in valuation differences.

9. Liabilities to insurance companies and intermediaries

In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to insurance companies and intermediaries	11	11	0

Table 147: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are recognised and valued at the settlement amount in accordance with the Austrian Commercial Code. There are no valuation differences as the same approach is applied under Solvency II.

10. Liabilities to reinsurance companies

In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to reinsurance companies	6	6	0

Table 148: Liabilities to reinsurance companies

This item comprises liabilities to reinsurance companies, which are posted at their settlement amount in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

11. Payables (trade, not insurance)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Payables (trade, not insurance)	102	136	-34

Table 149: Payables (trade, not insurance)

This item includes other liabilities that cannot be allocated to any of the other categories. Liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet.

In the financial statements in accordance with the Austrian Commercial Code, pro rata interest is reported under other liabilities, whereas in the solvency balance sheet this interest is recognised under subordinated liabilities. The solvency value also contains IFRS adjustment postings.

12. Subordinated liabilities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Subordinated liabilities	919	850	69
Subordinated liabilities in basic own funds	919	850	69

Table 150: Subordinated liabilities

Subordinated liabilities are recognised and valued at their nominal value in accordance with the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

13. Any other liabilities, not shown elsewhere

In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other liabilities, not shown elsewhere	7	7	0

Table 151: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. Other liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet, which means there are no valuation differences.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not performed using listed market prices in active markets (mark-to-market) or using listed market prices for similar instruments (marking-to-market), the UNIQA Insurance Group AG uses alternative methods for valuation.

These methods for valuation are mainly used for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, infrastructure financing, private equities, hedge funds, asset-backed securities (ABSs) and structured products. Investment property refers to real estate held as a financial investment.

The valuations with the help of alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The inputs and pricing models for the individual assets and liabilities are set out in detail below:

Assets and liabilities	Pricing method	Valuation techniques	Inputs	Pricing model
Property (other than for own use)	Theoretical price	Capital value-oriented	Construction value and base value, position, useful area, condition, current contractual leases and current vacancies with rental forecast	Income approach, intrinsic value approach, weighted income and net asset value
Bonds	Theoretical price	Capital value-oriented	CDS spread, yield curves, verified net asset values (NAV), volatilities	Present value approach, discounted cash flow, NAV method
Unlisted equities	Theoretical price	Capital value-oriented	WACC, (long-term) sales growth rate, (long-term) profit margin, control premium	Expert valuation report
Loans and mortgages	Theoretical price	Capital value-oriented	Cash flows already fixed or determined via forward rates, yield structure curve, credit risk of contract partners, collateral, creditworthiness of debtor	Discounted cash flow
Derivatives	Theoretical price	Capital value-oriented	CDS spread, yield curves, Volatilities (FX, Cap/Floor, Swaption, Constant Maturity Swap, Equities)	Contract-specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 152: Overview of inputs and pricing models for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The receivables, pro-rata interest rates, liabilities and provisions in foreign currencies were valued using the reference rates of the European Central Bank. Securities in foreign currencies are accounted for using the reference rates of the European Central Bank at the reporting date, or at acquisition value in relation to previous years.

E Capital management

E.1 OWN FUNDS

Please refer Chapter E.1 of the UNIQA Group report for further information regarding the requirements for the solvency and financial condition report. The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

At the reporting date of 31 December 2018, the Austrian Commercial Code equity amounted to €2,380 million (2017: €2,374 million). The available own funds in accordance with the regulatory valuation principles (basic own funds) amounted to €5,289 million (2017: €5,777 million). The following table shows the reconciliation of Austrian Commercial Code equity to regulatory own funds along with the essential changes in the reporting year.

Reconciliation of Austrian Commercial Code equity to regulatory own funds
In € million

	2018	2017
Austrian Commercial Code equity including treasury shares	**2,380**	**2,374**
Revaluation of assets	2,454	2,768
Goodwill	0	0
Deferred acquisition costs	0	0
Shares in affiliated companies including equity investments	2,490	2,731
Property	63	60
Loans and mortgages	11	11
Other	-111	-34
Revaluation of technical provisions	-46	-24
Technical provisions – non-life and health insurance (similar to non-life)	18	19
Technical provisions – life and health insurance (similar to life)	-64	-43
Technical provisions – index-linked and unit-linked insurance	0	0
Other technical provisions	0	0
Revaluation of other provisions	-85	-91
Deferred tax liabilities	0	0
Other	-85	-91
Total revaluation	2,323	2,653
Economic capital	**4,703**	**5,026**
Treasury shares	6	7
Planned dividends	326	157
Tier 1 – restricted	0	0
Tier 2 – subordinated liabilities	919	915
Basic own funds	**5,289**	**5,777**

Table 153: Reconciliation of Austrian Commercial Code equity to regulatory own funds

Economic capital refers to the excess of assets over liabilities.

The economic capital amounted to €4,703 million at 31 December 2018 (2017: €5,026 million). The planned dividends in the amount of €326 million (2017: €157 million) and treasury shares in the amount of €6 million (2017: €7 million) were deducted and added to the subordinated liabilities as part of the reconciliation of the economic capital to the basic own funds.

The "Planned dividends" item is made up of the planned dividend payments for 2019 that have not yet been paid out and do not represent own funds. As at 31 December 2018, UNIQA Insurance Group AG is stating dividends received internally in the same period from subsidiaries in the amount of €163 million in this item for the first time. This item was not included in the calculation of own funds as at 31 December 2017. As at 31 December 2017, the dividends received in the same period from subsidiaries amounted to €167 million. The difference between the Austrian Commercial Code equity and the economic capital valued in accordance with the Solvency II regulations amounted to a total of €2,323 million (2017: 2,653 million).

Composition of basic own funds

Basic own funds were made up as follows in the relevant tiers:

Information on own funds

In € million

	2018	2017
Basic own funds	**5,289**	**5,777**
Tier 1 unrestricted	4,286	4,799
Share capital including capital reserves	1,991	1,991
Surplus funds (free provision for policyholder bonuses)	0	0
Reconciliation reserve	2,295	2,808
Tier 1 restricted – subordinated liabilities	0	0
Tier 2 – subordinated liabilities	919	915
Tier 3 – deferred tax assets	85	63
Reduction in eligibility thresholds	**311**	**245**
Own funds to cover SCR	**4,978**	**5,533**

Table 154: Information on own funds

The own fund instruments were allocated to the relevant tiers in accordance with the statutory principles.

The largest section of own funds at around €4,286 million (2017: €4,799 million) consisted of Tier 1 (top quality) capital, which essentially comprised paid-in share capital, the associated share premium and the reconciliation reserve.

At the reporting date, UNIQA Insurance Group AG held subordinated Tier 2 liabilities with a Solvency II value of €919 million in its portfolio (2017: €915 million). The subordinated liabilities have the following features:

Subordinated debt securities

In € million

	Interest rate 6.875%	Interest rate 6.000%
Nominal value	350	500
Solvency II value	385	530
Tier	2	2
Transitional regulations	No	No
Issue date	31/7/2013	27/7/2015
First cancellation date	31/7/2023	27/7/2026
Date of maturity	31/7/2043	27/7/2046
Status	Subordinated and unsecured	Subordinated and unsecured
Interest	Fixed until the first cancellation date, then variable	Fixed until the first cancellation date, then variable

Table 155: Subordinated liabilities

The Tier 3 capital components in the amount of 85 million (2017: €63 million) consist entirely of deferred net tax assets.

Reconciliation to eligible own funds

Tier 1 own funds can be used in full to cover the regulatory capital requirement. The Solvency II Framework Directive provides for a limit on the eligibility of Tier 2 and Tier 3 own fund items, and therefore not all basic own funds are necessarily eligible with respect to the solvency capital requirement or the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the instrument.

The following table shows the limit on coverage of the solvency capital and minimum capital requirements. The amount is calculated based on the total solvency and minimum capital requirement.

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	In € million 2018	2017
Solvency capital requirement		**1,385**	**1,467**
SCR cover			
Tier 1	Min. 50% of SCR	693	734
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 3	Max. 15% of SCR	208	220
Tier 2 + Tier 3	Max. 50% of SCR	693	734
Minimum capital requirement		**346**	**367**
MCR cover			
Tier 1	Min. 80% of MCR	277	293
Tier 1 restricted	Max. 20% of total Tier 1	0	0
Tier 2	Max. 20% of MCR	69	73

Table 156: Eligible own funds (general)

Own funds eligible for the SCR for each tier

In € million	Basic own funds 2018	2017	Own funds eligible to cover SCR 2018	2017
Tier 1 – unrestricted	4,286	4,799	4,286	4,799
Tier 1 – restricted	0	0	0	0
Tier 2	919	915	693	734
Tier 3	85	63	0	0
Total	5,289	5,777	4,978	5,533

Own funds eligible for the MCR for each tier

In € million	Basic own funds 2018	2017	Own funds eligible to cover MCR 2018	2017
Tier 1 – unrestricted	4,286	4,799	4,286	4,799
Tier 1 – restricted	0	0	0	0
Tier 2	919	915	69	73
Total	5,204	5,715	4,355	4,872

Table 157: Eligible own funds at the reporting date of 31 December 2018

Due to the limitation, €311 million of basic own funds (2017: €244 million) were not used for the minimum solvency capital requirement coverage.

With respect to the minimum capital requirement, €849 million of the basic own funds (2017: €842 million) was not used to cover the minimum capital requirement as a result of the limitation.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Insurance Group AG uses the Solvency II standard formula to calculate the solvency capital requirement.

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation [EU] 2015/35), the UNIQA Group AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35.

Pursuant to Section 178(4) of the Austrian Insurance Supervision Act 2016, no company-specific parameters are applied.

The minimum capital requirement is calculated in accordance with Chapter 6 of the Austrian Insurance Supervision Act 2016 (Section 193 et seq.). The input parameters are net premiums and best estimates of net provisions for all business lines.

The following table presents the solvency capital requirement amounts for each risk module and the minimum capital requirement at 31 December 2018. UNIQA Insurance Group AG satisfies both the solvency capital requirement and the minimum capital requirement.

Solvency capital requirement and own funds to cover the solvency capital requirement

In € million

	2018
By risk module	
Market risk	1,430
Counterparty default risk	25
Life underwriting risk	18
Health underwriting risk	0
Non-life underwriting risk	4
Operational risk	2
Solvency capital requirement (SCR)	**1,385**
Minimum capital requirement (MCR)	**346**
Own funds to cover the solvency capital requirement	**4,978**

Table 158: Solvency capital requirement of UNIQA Insurance Group AG

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for UNIQA Insurance Group AG.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

UNIQA Insurance Group AG uses the standard formula.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT OR SOLVENCY CAPITAL REQUIREMENT

UNIQA Insurance Group AG met the minimum capital requirement and solvency capital requirement at all times during the 2018 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA INSURANCE GROUP AG

Vienna, 6 May 2019

Andreas Brandstetter
Chairman of the
Management Board

Erik Leyers
Member of the
Management Board

Kurt Svoboda
Member of the
Management Board

Solvency and Financial Condition Report for the UNIQA Österreich Versicherungen AG

Reporting date: 31 December 2018

Contents

Executive Summary

The figures presented in the summary relate to UNIQA Österreich Versicherungen AG in all cases.

We present the company and its underlying business model together with the most important figures related to premium revenues, benefits and investment performance in Chapter **A Business and performance**. Overview:

UNIQA Österreich Versicherungen AG is a wholly owned subsidiary of UNIQA Insurance Group AG and became the Group's only direct insurer on the Austrian market in October 2016. The company sells both direct and indirect insurance in all product lines.

UNIQA Österreich Versicherungen AG's premium volume written in the 2018 financial year before reinsurance business ceded amounted to €3,734.4 million (2017: €3,656.6 million). This corresponds with a 2.1 per cent increase on the previous year. Details on the individual business lines and explanations of the developments are provided in Chapter A.2 to A.5 in this Annex.

There may be differences between the values published last year and the figures for the previous year in this report. This is due to the adjustments made to the previous year's figures in the 2018 consolidated financial statements based on IAS 8. A detailed explanation of the adjustments made is provided in the notes on the consolidated financial statements under "37 Error corrections in accordance with IAS 8".

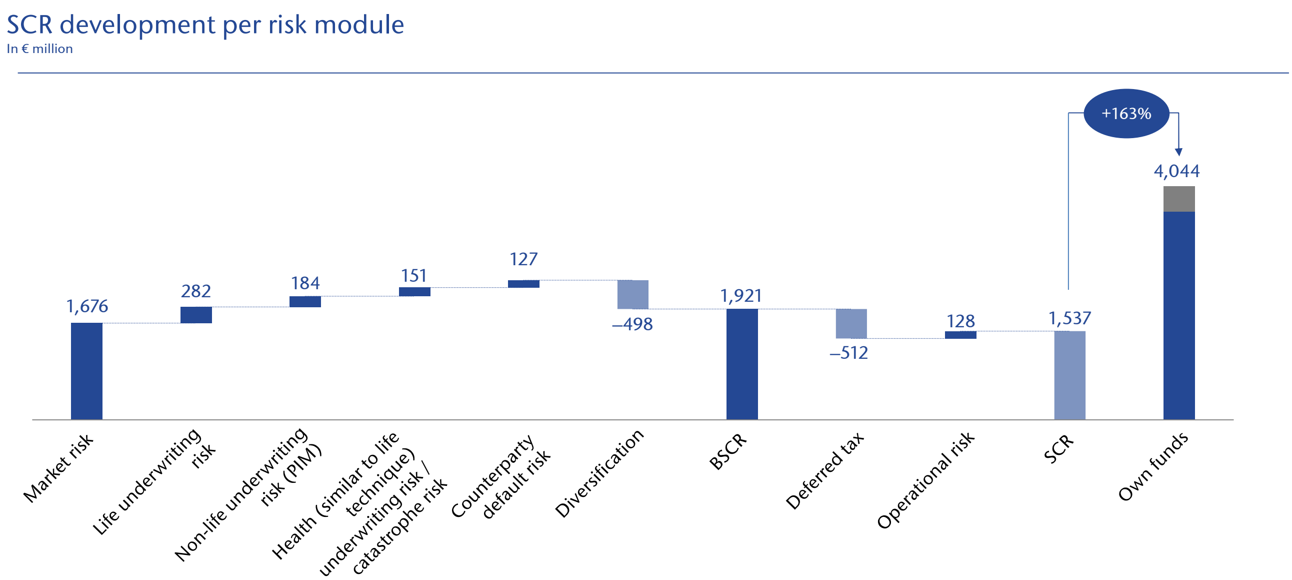
The UNIQA Österreich Versicherungen AG organisational structure is illustrated in Chapter **B System of governance** and is in line with the statutory requirements. The company's system of governance is consistent with that of the UNIQA Group (including a standardised definition of key functions and the partial internal model). This also includes the fit and proper requirements, the risk management system including the company's own risk and solvency assessment and information on the internal control system.

One material change to the system of governance of UNIQA Österreich Versicherungen AG in 2018 includes the creation of new Management Board functions implemented as at 1 January 2018: these relate to the "Customers and Market" and "Digitalisation" functions.

Similar to the UNIQA Group, a new committee was created within UNIQA Österreich Versicherungen AG to handle data protection issues.

The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile**. This includes above all the material risks related to underwriting, market risks, credit risks or risks of default, liquidity risks along with operational risks. The solvency capital requirement of UNIQA Österreich Versicherungen AG is calculated using a partial internal model.

The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.



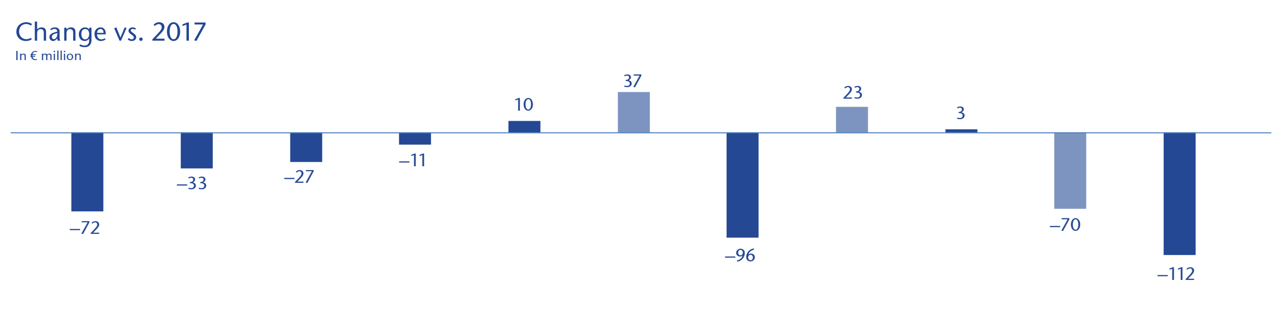


Figure 28: SCR development per risk module

The risk profile is dominated by market risk, which results mainly from the large size of the portfolio of life and health insurance contracts.

UNIQA has an excellent capital position with a solvency ratio of 263 per cent. It should also be explicitly mentioned here that no transitional measures are taken. If the volatility adjustment is not taken into account the solvency ratio is reduced to 229 per cent.

In Chapter **D Valuation for solvency purposes**, the methods used to measure individual balance sheet items in the solvency balance sheet are outlined and compared with the items of the UNIQA Österreich Versicherungen AG separate financial statements according to the Austrian Commercial Code.

Finally, in Chapter **E Capital management**, the economic capital is reconciled with the equity ultimately eligible. The eligible own funds of UNIQA Österreich Versicherungen AG amount to €4,044 million (2017: €4,156 million). At around €3,609 million (2017: €3,723 million), most of the own funds consist of top-quality capital (Tier 1). This results in a SCR ratio of 263 per cent. The eligible own funds for MCR coverage amount to €3,738 million (2017: €3,857 million). At around €3,609 million (2017: €3,723 million), most of the own funds here also consist of top-quality capital (Tier 1). The MCR ratio amounts to 746 per cent.

A Business and performance

The report on UNIQA Österreich Versicherungen AG is set up analogously to the report on the UNIQA Group. To avoid repetition, only company-specific details and material differences compared with the UNIQA Group are addressed.

The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

A.1 BUSINESS ACTIVITIES

A detailed description of business activity can be found in Chapter A.1 of the UNIQA Group report.

UNIQA Österreich Versicherungen AG sells both direct and indirect insurance in all three business lines.

The company operated branches in Italy, the United Kingdom, Germany and Switzerland during the financial year. In Italy, life insurance is sold, in the other countries non-life insurance.

Property and casualty insurance

In UNIQA Österreich Versicherungen AG, €1,703.5 million in premiums were accounted for in 2018 (2017: €1,621.8 million) – this was about 45.6 per cent (2017: 44.4 per cent) of total premium volume.

Life insurance

In UNIQA Österreich Versicherungen AG in life insurance, €1,022.0 million in premiums were accounted for in 2018 (2017: €1,055.2 million), equating to 27.4 per cent (2017: 28.9 per cent) of total premium volume.

Of this, €247.7 million came from unit-linked and index-linked life insurance (2017: €262.1 million); this was about 6.6 per cent of total premium volume (2017: 7.2 per cent).

Health insurance

Health insurance at UNIQA Österreich Versicherungen AG accounted for €1,008.9 million in premiums in 2018 (2017: €979.7 million); this was about 27.0 per cent (2017: 26.8 per cent) of total premium volume.

A.2 UNDERWRITING PERFORMANCE

The chapter illustrates UNIQA Österreich Versicherungen AG's underwriting performance in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis and broken down by the essential business lines and geographical areas in which the UNIQA Österreich Versicherungen AG pursues its activities. The details are then compared with the information contained in the company's separate financial statements submitted in the reporting period and compared with the previous year.

Underwriting performance in non-life insurance by essential business lines (gross)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	308	296	308	296	172	156	0	0	104	98	33	41
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	314	307	313	307	186	146	0	0	70	69	57	92
Other motor insurance	261	245	260	243	183	188	0	0	71	67	6	-12
Marine, aviation and transport insurance	53	40	51	41	51	16	0	0	16	14	-16	11
Fire and other damage to property insurance	449	428	446	427	271	260	0	0	148	140	28	27
General liability insurance	189	181	186	183	119	156	0	0	61	61	7	-33
Credit and suretyship insurance	3	3	3	3	0	0	0	0	1	1	2	2
Legal expenses insurance	90	88	90	88	46	53	0	0	29	28	15	6
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	36	35	35	35	17	10	-1	-0	11	11	7	13
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	-0	0	-0	0	-0	0	0	0	0	0	-0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	-0	0	0	0	0	0	0
Total	1,704	1,622	1,694	1,622	1,044	986	-1	-0	510	488	138	147

Table 159: Underwriting performance in non-life insurance by essential business lines (gross)

Underwriting performance in non-life insurance by essential business lines (net)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Medical expense insurance	0	0	0	0	0	0	0	0	0	0	0	0
Income protection insurance	172	165	172	165	94	86	0	0	48	45	30	34
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	230	226	229	226	138	104	0	0	48	46	44	76
Other motor insurance	118	112	117	111	91	92	0	0	35	32	-8	-12
Marine, aviation and transport insurance	43	33	43	33	25	13	0	0	15	14	3	6
Fire and other damage to property insurance	279	272	277	272	164	160	0	0	108	99	6	12
General liability insurance	83	82	83	82	55	76	0	0	35	34	-7	-28
Credit and suretyship insurance	1	2	2	2	-0	0	0	0	0	1	2	1
Legal expenses insurance	90	88	90	88	46	53	0	0	29	28	16	6
Assistance	0	0	0	0	0	0	0	0	0	0	0	0
Miscellaneous financial loss	20	20	20	20	8	6	-1	-0	8	6	3	7
Accepted non-proportional reinsurance: health	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	-0	0	-0	0	-0	0	0	0	0	0	-0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	-0	0	0	0	0	0	0
Total	1,037	1,000	1,034	1,000	620	591	-1	-0	326	305	88	104

Table 160: Underwriting performance in non-life insurance by essential business lines (net)

The non-life division recorded a fall in the technical result by €16.0 million. This fall is essentially the result of an increase in premiums earned by €34.2 million, an increase in claims expenses by €29.0 million and an increase in general expanses by €20.9 million.

Underwriting performance in non-life insurance by main geographic areas

More than 90 per cent of business is generated in our home country of Austria with no further details available.

Underwriting performance in life insurance by essential business lines (gross)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Health insurance	1,009	979	1,008	979	689	667	-159	-160	184	161	-23	-8
Insurance with profit participation	694	715	699	719	995	1,422	182	548	71	74	-186	-230
Index-linked and unit-linked insurance	247	262	247	262	324	346	186	-69	30	48	80	-201
Other life insurance	79	75	79	76	33	25	-10	-9	51	45	-15	-3
Bonds stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Bonds stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	2	3	2	3	0	0	-1	-0	1	3	1	-1
Total	2,031	2,035	2,036	2,039	2,041	2,460	198	310	336	332	-143	-443

Table 161: Underwriting performance in life insurance by essential business lines (gross)

Underwriting performance in life insurance by essential business lines (net)

Premiums, claims and expenses by business line – life (net)

In € million	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Underwriting performance	
	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Health insurance	1,009	979	1,008	979	689	665	-159	-160	184	161	-23	-7
Insurance with profit participation	672	687	677	691	971	1,397	178	546	69	73	-185	-233
Index-linked and unit-linked insurance	247	256	248	256	328	308	191	-96	33	42	78	-190
Other life insurance	70	66	70	66	28	20	-10	-9	50	44	-18	-6
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0	0	0	0	0	0	0
Life reinsurance	2	3	2	3	0	0	-1	-0	1	3	1	-1
Total	1,999	1,991	2,004	1,995	2,015	2,389	200	281	337	324	-148	-436

Table 162: Underwriting performance in life insurance by essential business lines (net)

The improvement of the technical result by €288.8 million is mainly due to a decline of €374.4 million in expenses for insurance claims. The 2017 financial year saw a discontinuation in a large portfolio of endowment insurance, with an associated fall in benefits. The remaining change in the technical result arises from an increase in premiums earned by €9.0 million, a greater change in other technical provisions by €81.4 million and an increase in expenses by €13.2 million.

Underwriting performance in life insurance by main geographic areas

More than 90 per cent of business is generated in our home country of Austria with no further details available.

Changes in premiums, insurance benefits and expenses

Changes in premiums

In € million	Non-life 2018	Non-life 2017	Life (incl. health) 2018	Life (incl. health) 2017	Total 2018	Total 2017
Premiums earned (net)	1,034	1,000	2,004	1,995	3,038	2,995
Claims expenses (net)	-620	-591	-2,015	-2,389	-2,634	-2,980
Change in other technical provisions (net)	-1	-0	200	281	199	281
Expenses incurred (including asset management expenses) (net)	-326	-305	-337	-324	-663	-629
Other technical expenses	-19	-15	-12	-27	-31	-43
Technical result in accordance with reporting template S.05.01.02	68	88	-159	-464	-91	-376
Technical interest income	0	0	335	478	335	478
Unrealised gains and losses on investments	0	0	-106	88	-106	88
Other insurance income	3	3	0	2	3	5
Expenses for premium refunds	-25	-23	-43	-51	-68	-74
Change in volatility reserve	-27	-13	0	0	-27	-13
Asset management expenses (in financial result)	4	4	14	11	18	15
Technical result in accordance with the Austrian Commercial Code/Insurance Supervision Act	23	59	40	63	63	122

Table 163: Changes in premiums, insurance benefits and operating expenses

Changes in premiums

UNIQA Österreich Versicherungen AG's premium volume written in the 2018 financial year before reinsurance business ceded amounted to €3,734.4 million (2017: €3,656.6 million). This corresponds with a 2.1 per cent increase on the previous year. Total premiums include €1,703.5 million (2017: €1,621.8 million) for property and casualty insurance, €1,008.9 million (2017: €979.7 million) for health insurance and €1,022.0 million (2017: €1,055.2 million) for life insurance. Of this, €247.6 million came from unit-linked and index-linked life insurance (2017: €262.1 million). Premiums earned (net) from all business lines amounted to €3,038.2 million (2017: €2,995.0 million).

Claims expenses

Payments for insurance benefits decreased by 15.2 per cent in the total calculation in 2018 to €3,049.1 million (2017: €3,594.5 million). The direct business accounted for €3,047.1 million (2017: €3,593.1 million) and the indirect business for €2.0 million (2017: €1.4 million).

Claims expenses (net), which are reported under Solvency II without claim processing costs, stood at €2,634.3 million (2017: €2,976.6 million).

The number of claims and benefit cases for all direct business lines amounted to 1.8 million in the reporting year (2017: 1.7 million).

Operating expenses

The operating expenses (net) including the costs of asset management and claim processing amounted to €663.1 million in the reporting year (2017: €629.1 million). The total expenses for the direct and indirect business include commissions expenses of €360.8 million (2017: €381.9 million).

A.3 INVESTMENT PERFORMANCE

This chapter illustrates UNIQA Österreich Versicherungen AG's investment results in the reporting period and compares it with the company's financial reports for the previous reporting period.

The capital investment portfolio amounted to €16,195.3 million as at 31 December 2018 (2017: €16,710.9 million). Investments consisted of investment property amounting to €1,371.9 million (2017: €1,323.7 million), affiliated companies amounting to €942.3 million (2017: €1,075.2 million) and financial investments amounting to €13,881 million (2017: €14,312 million).

Compared to 2017, UNIQA Österreich Versicherungen AG recorded a decline in investments of €515.6 million, mainly from the fixed-income portfolio.

The investment property portfolio amounted to €1,371.9 million in the 2018 financial year (2017: €1,323.7 million). This portfolio increased in 2018 by €48.2 million, partly as a result of investments and partly from increases in market value as a result of the latest expert surveys.

Disposals took place as a result of measures aimed at streamlining the portfolio, essentially based on sales of smaller and empty properties and real estate in worse locations, with no essential gains made on these disposals.

While the increase in net rental income by €18 million in 2018 as compared with 2017 is the result of improvements in lettings, the lower earnings among the unrealised profits is attributable to a change in the market value as a result of expert surveys.

The investments in affiliated companies amounted to €942.3 million in 2018. The value of this stake fell by €133 million as compared with 31 December 2017. This effect can essentially be explained by the loss in value of the STRABAG SE holding in the amount of €119.8 million and the loss in value of UNIQA's acquisition of investments in the amount of €11.2 million. Other significant effects included a value increase for UNIQA Real Estate AG in the amount of €9.5 million and depreciation for R-FMZ Immobilien in the amount of €14.6 million.

The equities portfolio amounted to €250.8 million in the 2018 financial year (2017: €139.3 million) and is predominantly made up of listed and unlisted equities.

The portfolio of listed equities rose by €105.8 million in 2018. This increase is not attributable to additions and disposals in the 2018 financial year, and instead results primarily from the merger of UNIQA Finanzbeteiligung GmbH with UNIQA Österreich Versicherungen AG at the start of 2018. At the time of the merger, shares of Raiffeisen Bank International AG with a market value of €153.5 million were merged with UNIQA Österreich Versicherungen AG. The market value of Raiffeisen Bank International AG amounted to €120.1 million at 31 December 2018. The shares of Raiffeisen Bank International AG accounted for dividend income amounting to €3.3 million and a negative measurement result of around €–43 million.

The portfolio of unlisted equities rose by 5.7 million to €72.1 million in 2018 (2017: €66.4 million) and includes shares in Austrian unlisted companies. The overwhelming proportion of dividends in the amount of €2.2 million and of the unrealised result of €0.9 million is attributable to Leipnik Lundenburger ordinary shares with a stake of around €60 million.

The negative measurement results among equities in 2018 are due to a downward trend in the global markets, particularly in the fourth quarter. Fears of a global recession, uncertainty surrounding Brexit and the trade dispute between China and the USA played a major role in this development.

The bond portfolio amounted to €11,066.8 million in the 2018 financial year (2017: €12,062.2 million). The fall in the bond portfolio in the amount of €995.4 million is largely due to strategic shifts between the bond and investment certificates item in the amount of approx. €300 million, disposals and negative bond performance in 2018.

Interest income from bonds amounting to €245 million in 2018 is at the same level as the previous year.

The portfolio of government bonds valued at €6,117.7 million (2017: €6,749 million) registered a negative performance in the amount of €–62.2 million. Losses of €–12.5 million were made over the course of 2018 mainly from western and central European securities.

The portfolio of corporate bonds valued at €4,839.5 million (2017: €5,127.4 million) registered a negative performance in the amount of €–68.6 million. Losses of €–20.3 million were made over the course of 2018 mainly from western and central European securities.

The negative measurement results among the government and corporate bonds in 2018 are attributable on the one hand to the widening in spreads and on the other to the pull-to-par effect. This was accompanied by a general fall in interest rates which was only partly able to compensate for the negative performance.

The portfolio of investment certificates rose by €473.9 million on 2017 to €2,457.4 million. The increase is attributable to acquisitions valued at approx. €614 million and a valuation loss in the amount of €135.0 million. Dividend income rose from €29.0 million to €49.0 million. The increase is the result of higher distributions from the fund certificates controlled by UNIQA. The negative measurement result in the amount of €–135.0 million results primarily from equity funds amounting to €–73.0 million and annuity funds amounting to €–62.0 million.

UNIQA Österreich Versicherungen AG's derivative portfolio consists primarily of forwards and swaps. The portfolio recorded a loss from the measurement in the amount of €–1.9 million in 2018.

The portfolio of term deposits valued at €86 million was changed on the previous year by €15 million. The income and measurement only changed negligibly on the previous year.

Investment income by type of income

	Dividends		Interest		Leases		Net profits and losses		Unrealised gains and losses	
In € million	2018	2017	2018	2017	2018	2017	2018	2017	2018	2017
Properties	0	0	0	0	53	35	2	19	75	107
Equities	7	3	0	0	0	0	1	14	-42	15
Government bonds	0	0	143	154	0	0	-12	-17	-62	-102
Corporate bonds	0	0	100	105	0	0	-20	-12	-69	-55
Undertakings for collective investment	42	26	0	0	0	0	-5	-20	-135	55
Derivatives	0	0	-3	-3	0	0	-0	10	-2	5
Term deposits	0	0	4	3	0	0	-4	-4	4	2
Total	49	29	245	259	53	35	-40	-10	-231	26

Table 164: Investment income by type of income

A.4 PERFORMANCE OF OTHER ACTIVITIES

Other non-underwriting income of UNIQA Österreich Versicherungen AG fell by 34.9 per cent in 2018 from €1.2 million to €0.8 million in property and casualty insurance. Other expenses increased in the reporting year to €8.0 million (2017: €7.9 million). Other non-underwriting income in health insurance fell to €0.1 million (2017: €0.4 million). Other expenses fell to €0.1 million in the reporting year (2017: €0.9 million). Other non-underwriting income in life insurance rose to €0.3 million (2017: €0.2 million). Other expenses fell to €0.1 million in the reporting year (2017: €0.7 million). Other non-underwriting income includes €0.9 million from exchange gains (2017: €0.7 million), and other non-actuarial expenses include €0.4 million from exchange losses (2017: €2.0 million) and €7.8 million (2017: €7.1 million) from expenses for vehicle registrations.

Other income and expenses In € million	2018	2017
Other income	1	2
Other expenses	-8	-9
Net other income and expenses	-7	-8

Table 165: Other income and expenses in accordance with the Austrian Commercial Code

A.5 ANY OTHER INFORMATION

No other disclosures.

B System of governance

B.1 GENERAL DISCLOSURES ON THE SYSTEM OF GOVERNANCE

Under Solvency II, insurance and reinsurance undertakings must establish an effective system of governance which guarantees sound and prudent management of the business and which is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

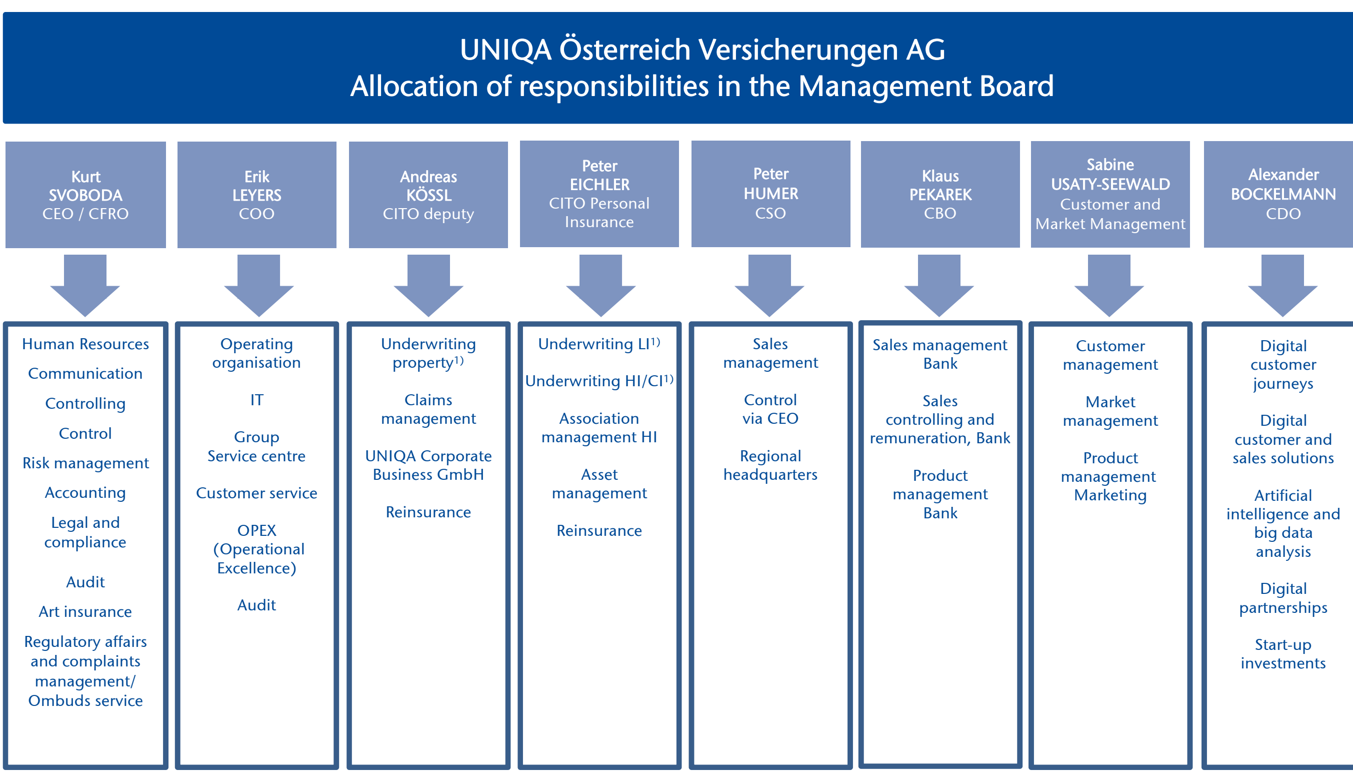
A detailed description of the system of governance is contained in Chapter B.1 of the UNIQA Group report.

B.1.1 Supervisory Board

The rights and responsibilities of the Supervisory Board as set out in Chapter B.1 also apply to the Supervisory Board of UNIQA Österreich Versicherungen AG and refer in this context exclusively to UNIQA Österreich Versicherungen AG.

B.1.2 Management Board and committees

Management Board of UNIQA Österreich Versicherungen AG



From: January 2018

[1] Includes actuarial services and pricing

Figure 29: Business distribution

New composition of the Management Board of UNIQA Österreich Versicherungen AG as at December 2017

The Management Board of UNIQA Österreich Versicherungen AG was restructured and positioned in line with future requirements after former chairman of the Management Board of UNIQA Österreich Versicherungen AG Hartwig Löger left to join the Austrian government.

Kurt Svoboda is the chairman of the Management Board at UNIQA Österreich Versicherungen AG. Kurt Svoboda also remains Chief Finance and Risk Officer on the Management Board of UNIQA Österreich Versicherungen AG.

New Management Board member Peter Humer is responsible for sales management and the regional headquarters. Klaus Pekarek remains responsible for bank sales.

Alexander Bockelmann took over as head of the newly created Management Board function “Digitalisation” at UNIQA Österreich Versicherungen AG effective 1 January 2018.

Sabine Usaty-Seewald took charge of the other new Management Board function “Customers and Market” at UNIQA Österreich Versicherungen AG as of the same date.

In the 2018 financial year, the Management Board of UNIQA Österreich Versicherungen AG is composed of the following members:

- Kurt Svoboda, CEO/Chief Financial and Risk Officer
- Alexander Bockelmann, Digitalisation
- Peter Eichler, Personal Insurance
- Peter Humer, Sales (not including bank sales)
- Andreas Kössl, Property Insurance
- Erik Leyers, Operations & IT
- Klaus Pekarek, Bank Sales
- Sabine Usaty-Seewald, Customers and Market Management

Rights and responsibilities of the Management Board of UNIQA Österreich Versicherungen AG

The rights and responsibilities of the Management Board of UNIQA Group as set out in Chapter B.1.2 also apply to the Management Board of UNIQA Österreich Versicherungen AG and refer in this context exclusively to UNIQA Österreich Versicherungen AG.

The committees of UNIQA Österreich Versicherungen AG

UNIQA Österreich Versicherungen AG has set up a committee structure aimed at enabling efficiency and in-depth content-related discussion with the appropriate parties with functional responsibility. A Charter & Rules of Procedure has been laid down for each body with details set out here on the objectives, responsibilities, composition and organisation. The committees are under the responsibility of the members of the Management Board with the relevant functional remit according to the allocation of business.

Risk Committee (RICO) of UNIQA Österreich Versicherungen AG

The tasks of RICO at UNIQA Österreich Versicherungen AG are identical with those listed in Chapter A.1.2 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

The committee is chaired by the CFRO of UNIQA Österreich Versicherungen AG.

Data Protection Committee – (DPCO) of UNIQA Österreich Versicherungen AG

The Data Protection Committee (DPCO) of UNIQA Österreich Versicherungen AG was founded on the basis of the Group Data Protection Management Policy in response to the EU General Data Protection Regulation (GDPR) and focuses on data protection legislation and its implementation in the broadest sense, in particular as regards:

- Assuming responsibility for data protection and compliance with the relevant laws, in particular the GDPR;
- Ensuring compliance with data protection regulations and the Data Protection Management System;
- Ensuring compliance with the implemented data protection processes;
- Identifying and adopting improvement measures resulting from the data protection status;
- Monitoring and implementing accepted improvement measures;
- Report on data protection impact assessments that were carried out and on the status of measures;
- Report on "Business Unit Visits" carried out by the Group Data Protection Officer;
- Report on data protection processes, in particular on rights of data subjects and data protection incident;
- Training and awareness activities carried out and planned;
- Specifying local regulations for data protection taking into account local data protection risks;
- Approving level 2 and level 3 data protection regulations for UNIQA Österreich Versicherungen AG.

The committee is chaired by the Management Board member responsible for customer and market management at UNIQA Österreich Versicherungen AG.

Product committee of UNIQA Österreich Versicherungen AG

The product committee is responsible for making the product development decisions throughout the UNIQA product development process (PDP), with the stakeholders giving the technical sign-off for the relevant area of responsibility:

- Technical sign-off (based on the results of product development at all stages of the UNIQA PDP) and decision on whether the UNIQA PDP should be continued or not
- Decision on the next steps related to product development

Subcommittees

The UNIQA Österreich Versicherungen AG committees referred to above can in turn set up sub-committees for the purpose of adequately discussing special issues with experts involved. These sub-committees are explained and defined in greater detail in the corresponding regulations or there are also separate committee procedures for each of them. The subcommittees currently implemented by the RICO at UNIQA Österreich Versicherungen AG are as follows:

- Internal Model Committee

B.1.3 Key functions

Governance and other key functions

As already described in Chapter B.1 of the UNIQA Group report, the system of governance includes the following governance functions:

- Actuarial function
- Risk management function
- Compliance function
- Internal audit function

In addition, UNIQA Österreich Versicherungen AG has also laid down the following functions as other key functions:

- Asset management
- Reinsurance

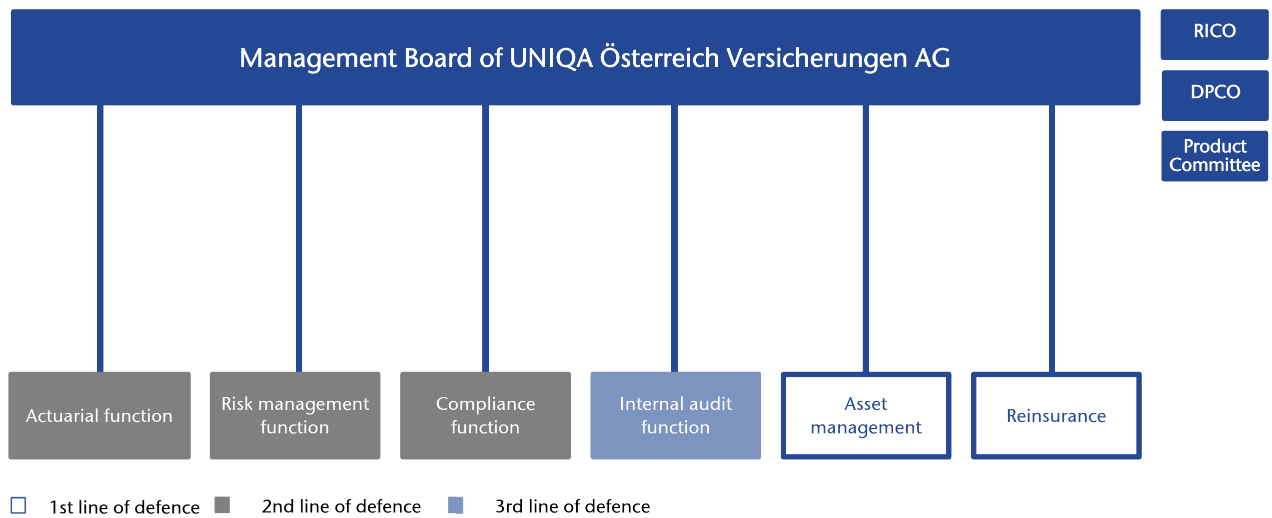


Figure 30: Key functions

Actuarial function

The actuarial function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it is subordinate to the CFRO.

The actuarial function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. All of the tasks of the actuarial function are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Risk management function

The risk management function of UNIQA Österreich Versicherungen AG reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it is subordinate to the CFRO.

The risk management function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. The responsibilities of the risk management function of UNIQA Österreich Versicherungen AG are generally identical to those contained in Chapter B.1 of the UNIQA Group report, with the exception that processes and models are implemented in accordance with Group standards and are not designed separately. However, it is currently reviewing the appropriateness of the processes and of the internal model.

Compliance function

The compliance function at UNIQA Österreich Versicherungen AG reports to the Management Board of UNIQA Österreich Versicherungen AG. It is subordinate to the CFRO from an organisational point of view.

All of the tasks of the compliance function at UNIQA Österreich Versicherungen AG are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Internal audit function

The actuarial function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it is subordinate to the CFRO.

The actuarial function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. All of the tasks of the actuarial function are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Asset management

Asset management activities have been outsourced by UNIQA Österreich Versicherungen AG to UNIQA Capital Markets GmbH (UCM) with the consent of the Financial Market Authority.

UCM's responsibilities for the asset management function at UNIQA Österreich Versicherungen AG are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Reinsurance

The reinsurance function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. This function supports the Management Board with the development of a medium- and long-term reinsurance strategy for UNIQA Österreich Versicherungen AG within the scope of the general finance and risk policy as well as the Group reinsurance policy resulting from this. The key function is available to the Management Board of UNIQA Österreich Versicherungen AG as well as to any corporate bodies for professional advice and support.

Aside from compliance with the existing Group guidelines, special importance is also attached to designing and implementing effective reinsurance optimised for risk and capital purposes. Consideration and monitoring of activities that are in line with market requirements, both in substance and in all material respects, must be ensured using suitable processes and measures. Establishing comprehensive reporting with regular reports on all reinsurance activities within the company are also part of the key function's responsibilities. This involves ensuring the best possible transparency on the various asset and liability-based business segments and includes the planning processes.

Designing the substance of the internal reinsurance relations and the processes for annual coverage renewals follow regulations and guidelines resulting from an up-to-date risk management process across the entire Group. The following table summarises the responsibilities of the key reinsurance function for UNIQA Österreich Versicherungen AG:

B.1.4 Remuneration

The objective of the remuneration strategy at UNIQA Österreich Versicherungen AG is to achieve a balance between market trends, statutory and regulatory requirements, shareholder expectations and the needs of salaried employees. A detailed description of this can be found in Chapter B.1.4 of the UNIQA Group report.

B.1.5 Significant related party transactions with companies and individuals

A detailed description of related companies and individuals is contained in Chapter B.1.5 of the UNIQA Group report.

The following two tables show the transactions with related companies and individuals of UNIQA Österreich Versicherungen AG in the 2018 reporting period.

Related party transactions – companies

In € million

	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other affiliated companies	Total
Transactions 2018					
Premiums written (gross)	2,079	27	768	2,055	4,930
Earnings from investments	3,317	200	18,661	3,815	25,992
Financial expenses	901	0	0	0	901
Other earnings	0	187	0	0	187
Other expenses	0	120	0	0	120
At 31 December 2018					
Investments	217,126	4,647	534,956	1,450	758,179
Deposits with credit institutions	1,136,026	0	0	92,032	1,228,058
Bank liabilities at credit institutions	772,196	0	0	0	772,196
Other receivables	0	165	0	0	165
Other liabilities	0	59	0	0	59

Table 166: Related party transactions – companies

Related party transactions – individuals

In € thousand

	2018
Premiums written (gross)	508
Salaries and short-term benefits	787
Pension expenses	152
Post-employment benefits	23
Share-based payments	214
Other income	228

Table 167: Related party transactions – individuals

B.2 REQUIREMENTS FOR FIT AND PROPER PERSONS

In accordance with the Solvency II Directive, UNIQA Österreich Versicherungen AG has specified **fit** and **proper** requirements for persons who effectively run the business or hold other key functions. The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter. A detailed description of this can be found in Chapter B.2 of the UNIQA Group report.

B.3 RISK MANAGEMENT SYSTEM INCLUDING THE COMPANY'S OWN RISK AND SOLVENCY ASSESSMENT (ORSA)

B.3.1 General

The risk management system is an integral part of the system of governance. Its purpose is to identify, assess and monitor short-term and long-term risks to which UNIQA Österreich Versicherungen AG is exposed. The internal Group guidelines form the basis for uniform standards within UNIQA Österreich Versicherungen AG. They include a detailed description of the process and organisational structure.

B.3.2 Risk management, governance and organisational structure

Detailed information is set out in Chapter B.3.2 of the UNIQA Group report.

B.3.3 Risk strategy

Detailed information is set out in Chapter B.3.3 of the UNIQA Group report.

B.3.4 Risk management process

Detailed information is set out in Chapter B.3.4 of the UNIQA Group report.

B.3.5 Risk-related committees

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits. Detailed information is set out in Chapter B.1.2 of the UNIQA Group report.

B.3.6 Governance of the partial internal model

Detailed information is set out in Chapter B.3.6 of the UNIQA Group report.

B.3.7 The company's Own Risk and Solvency Assessment (ORSA)

The descriptions in Chapter B.3.7 for the UNIQA Group covering the company's Own Risk and Solvency Assessment apply equally to UNIQA Österreich Versicherungen AG.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The internal control system at UNIQA Österreich Versicherungen AG ensures that litigation risks are minimised or eliminated by effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and that there is also a guarantee that the regulations are complied with. A detailed description can be found in Chapter B.4.1 of the UNIQA Group report.

B.4.2 Compliance function

A detailed description of the compliance function can be found in Chapter B.1.3 of the UNIQA Österreich Versicherungen AG report.

B.5 INTERNAL AUDIT FUNCTION

The internal audit function and its tasks and responsibilities have already been described in Chapter B.1.3 of the UNIQA Österreich Versicherungen AG report.

B.6 ACTUARIAL FUNCTION

A detailed description of the actuarial function can be found in Chapter B.1.3 of the UNIQA Österreich Versicherungen AG report.

B.7 OUTSOURCING

Detailed information on the outsourcing process can be found in Chapter B.7 of the UNIQA Group report.

Significant outsourced activities

UNIQA Österreich Versicherungen AG has outsourced the following critical or important functions or activities.

Contracts by which the critical or important operational functions were outsourced have been presented to the FMA (and – where legally required – have been approved by the FMA):

1. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Service Center Slovakia spol. s r.o. as service provider on the other hand, dated 17 March 2014 in the version of the supplement dated 6 March 2017 [Administrative Activities]
2. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Capital Markets GmbH as service provider on the other hand, dated 17 March 2014 [Asset Management]
3. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG as principal on the one hand and UNIQA IT Services GmbH as service provider on the other hand, dated 17 March 2014 [Information Technology, Telecommunications]
4. Outsourcing contract between UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG each as principal on the one hand, and UNIQA Group Audit GmbH as service provider on the other hand, dated 25 July 2008 [Internal Controls]
5. Outsourcing contract between UNIQA Österreich Versicherungen AG as principal on the one hand and UNIQA Insurance Group AG as service provider on the other, dated 17 March 2014 [Accounting, Controlling]
6. Outsourcing contract between UNIQA Österreich Versicherungen AG as principal on the one hand and Valida Consulting GesmbH as service provider on the other dated 18 September 2008 [Administrative Activities Occupational Group Insurance]. The outsourcing between UNIQA Österreich Versicherungen AG and Valida Consulting GmbH was terminated effective 31 December 2018, and the previously outsourced activities are now carried out in UNIQA Österreich Versicherungen AG.

All service providers except one have their head offices in Austria and are thus subject to Austrian and European law. The service provider for the cross-border service has their head office in Slovakia.

B.8 APPROPRIATENESS OF THE SYSTEM OF GOVERNANCE

UNIQA Österreich Versicherungen AG sets high quality standards for the purposes of structuring its system of governance. The “three lines of defence” approach is strictly observed to achieve a clear separation of responsibilities (see Chapter B.3.2 of the UNIQA Group report).

This is underscored by the comprehensive committee system that the Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The system of governance at UNIQA Österreich Versicherungen AG is reviewed on an annual basis.

C Risk profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement of UNIQA Österreich Versicherungen AG is calculated using a partial internal model for non-life insurance in accordance with Section 182 et seq. (1) of the Austrian Insurance Supervision Act 2016. General explanations can be found in Chapter C.1 of the UNIQA Group report.

The following table outlines the risk profile and composition of the SCR at 31 December 2018 for UNIQA Österreich Versicherungen AG.

As a composite insurer, UNIQA Österreich Versicherungen AG provides life, non-life and health insurance. The risk profile is dominated by market risk, which results mainly from the large size of the portfolio of life and health insurance contracts.

The underwriting risk from life insurance in the amount of €282.5 million is determined by the lapse risk and takes second place in the risk profile.

The health insurance underwriting risk amounting to €150.6 million is composed of the risk of health insurance similar to similar to life technique and the health catastrophe risk.

The non-life underwriting risk is composed of the non-life insurance and health insurance (similar to non-life) risk. Amounting to €183.7 million it takes third place in the risk profile and is mainly determined by the premium risk.

At €126.5 million, the default risk is essentially caused by bank deposits and recoverable amounts from reinsurance contracts and plays a subordinate role in the risk profile.

The balance in the insurance portfolio in the areas of life, non-life and health insurance means that there is diversification in the amount of €498.0 million.

For detailed information on the underwriting risks and the market and default risk, please see the following chapter.

The operational risk in the amount of €128.4 million is determined by its premium-based components and is described in detail in Chapter B.3.6.

The adjustment for the loss-absorbing capacity of the deferred tax has a reduced influence on the capital requirements. This amounts to €512.5 million and is described in detail in Chapter C.9.2.

The risk capital requirements and eligible own funds in the amount of €1,537.4 million and €4,044.0 million respectively result in a solvency ratio of 263.0 per cent.

Solvency capital requirement per risk category

In € million

Type of underlying model that was applied	Description of the components	Sub-components	Solvency capital requirement
Solvency capital requirement			1,537
Risks that use the internal model	Non-life underwriting risk and health underwriting risk similar to non-life	Non-life underwriting risk and health underwriting risk similar to non-life, total	184
		Premium risk	159
		Reserve risk	88
		Diversification	-64
Risks that use the standard formula	Market risk	Market risk, total	1,676
		Interest rate risk	576
		Equity risk	458
		Property risk	286
		Spread risk	591
		Exchange rate risk	90
		Concentration risk	451
		Diversification	-776
	Counterparty default risk	Counterparty default risk, total	127
		Type 1 credit and default risk	98
		Type 2 credit and default risk	35
		Diversification	-7
	Life underwriting risk	Life underwriting risk, total	282
		Mortality risk	8
		Longevity risk	34
		Disability-morbidity risk	0
		Lapse risk	208
		Expense risk	96
		Revision risk	0
		Catastrophe risk	2
		Diversification	-67
	Health underwriting risk	Health underwriting risk	151
		SLT health underwriting risk, total	137
		Mortality risk	57
		Longevity risk	0
		Disability-morbidity risk	51
		Lapse risk	100
		Expense risk	8
		Revision risk	0
		Diversification	-79
		Health insurance catastrophe risk	36
		Similar to life	25
		Similar to non-life	24
		Diversification	-13
		Diversification	-23
	Operational risk		128
	Risk from intangible assets		0
Total undiversified components			3,397
Total diversification			-882
Diversification within the internal model			-64
Diversification from the standard model aggregation			-872
Diversification through integration of the internal model			-924
Reduction from deferred taxes			-512
Own funds to cover SCR			4,044
Solvency ratio			**263%**
Available surplus			**2,507**

Table 168: Risk profile – solvency capital calculation at 31 December 2018

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

For life, health and non-life insurance the descriptions in Chapter C.2.1 of the UNIQA Group report apply.

C.2.2 Risk exposure

Non-life and health (similar to non-life technique) technical provisions

The proportion of the risk module for non-life and health (similar to non-life) underwriting risk in the overall solvency capital requirement is 6 per cent. The main risk driver for the non-life underwriting risk is primarily the premium risk (including business risk). The greatest risk sub-module is the premium risk (including business risk). This is driven significantly by the natural disaster exposure in the fire and other damage to property insurance line. The reserve risk is substantially determined by the major reserves in the mandatory liability insurance lines.

The diversification effect is also at a significantly high level as a result of operating several different business areas.

Capital requirement for non-life underwriting risk and health underwriting risk (similar to non-life)

	2018	
	In € million	In per cent
SCR, non-life underwriting risk and health underwriting risk (similar to non-life)	**184**	
Premiums	159	64%
Reserve risk	88	36%
Diversification	-64	

Table 169: Non-life and health (similar to non-life) underwriting risk

Life underwriting risk

The proportion of the "life underwriting risk module" in the overall solvency capital requirement is 18 per cent. The cancellation and expense risks are the primary risk drivers for the life underwriting risk. Of the lapse risk shocks described in Chapter C.2.1 of the UNIQA Group report, the relevant shock in 2018 was the decline in lapses.

The following table shows the composition of the solvency capital requirement of the life underwriting risk for each risk sub-module.

Capital requirement for life underwriting risk

	2018	
	In € million	In per cent
SCR, life underwriting risk	**282**	
Mortality risk	8	2%
Longevity risk	34	10%
Disability-morbidity risk	0	0%
Lapse risk	208	60%
Expense risk	96	28%
Revision risk	0	0%
Catastrophe risk	2	1%
Diversification	-67	

Table 170: SCR, life underwriting risk

Health underwriting risk (similar to life technique)

The biggest shock of this underwriting risk is the shock of mass lapse. The scenario relates primarily to younger portfolios that are progressing well, since only minor age provisions have been accumulated here.

The mortality risk also has a significant influence on the underwriting risk, as future earnings will be lower as a result of increased mortality. The morbidity risk has a significant impact on the underwriting risk as an important benefit in health insurance.

The following table shows the composition of the solvency capital requirements of the health underwriting risk (similar to life technique) for each risk sub-module.

Capital requirement for health underwriting risk

	2018	
	In € million	In per cent
SCR, health underwriting risk	**151**	
SLT health underwriting risk	137	79%
Health insurance catastrophe risk	36	21%
Diversification	-23	

Table 171: SCR, health underwriting risk

Catastrophe risk is measured in its entirety for the health insurance segment and is also shown in the table above.

Capital requirement for health underwriting risk (similar to life)

	2018	
	In € million	In per cent
SCR, health underwriting risk (similar to life)	**137**	
Mortality risk	57	26%
Longevity risk	0	0%
Disability-morbidity risk	51	24%
Lapse risk	100	46%
Expense risk	8	4%
Revision risk	0	0%
Diversification	-79	

Table 172: SCR, health underwriting risk (similar to life technique)

C.2.3 Risk assessment

For life, non-life and health insurance the descriptions in Chapter C.2.3 of the UNIQA Group report apply.

C.2.4 Risk concentration

In terms of underwriting risk, material risk concentrations only arise for the non-life underwriting risk. These are outlined below.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the potential geographical accumulation of risks.

The risk of natural disasters represents the essential concentration risk of UNIQA Österreich Versicherungen AG, and relates in particular to the natural hazards of storms, hail, flooding and earthquakes. All these natural hazards have the potential to affect a large geographical area. A major meteorological event can lead to many claims if there is a geographical concentration of business in Austria. One concrete example for such a scenario is a potential flood along the Danube.

This type of catastrophe risk is measured by using models for natural disasters from various external providers.

Essential risk mitigation measures involve corresponding guidelines for underwriting, e.g. no flood insurance sold for buildings in the so-called “red zone”. There are special tools and also guidelines in the industrial area in particular aimed at managing the exposure accordingly. The greatest risk reduction is through the reinsurance structure agreed with UNIQA Re AG. This guarantees adequate reinsurance protection in order to cover potential cumulative events. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Details of the major strategies for minimising risk in life insurance can be found in Chapter C.2.5 of the UNIQA Group report.

Non-life and health (similar to non-life) underwriting risk

Reinsurance is the principal risk mitigation tool used. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Österreich Versicherungen AG’s essential reinsurance partner is the Group’s internal reinsurance company, UNIQA Re AG. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Moreover, clearly defined underwriting guidelines and controls ensure high quality when taking on underwriting risk and guarantee appropriate risk selection. Furthermore the focus with contract renewals is clearly placed on profitable development of the portfolio.

The effectiveness of the risk mitigation mechanisms described for the non-life insurance business is monitored within the framework of the internal risk model. Quantified measurement of the reinsurance protection takes place based on key figures, such as risk-weighted profitability (also known as return on risk adjusted capital or RoRAC), as well as economic value added (EVA) both before as well as after deduction of the reinsurance protection.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in certain factors. A detailed description can be found in Chapter C.3.1 of the UNIQA Group report.

C.3.2 Risk exposure

The following table shows the composition of the SCR for the market risk module. The aggregated capital requirement is lower than the sum of the requirements for the individual risk sub-modules, based on the fact that extreme shocks do not generally occur simultaneously for individual market risks (diversification).

Capital requirement for market risk

	2018	
	In € million	In per cent
SCR, market risk	**1,676**	
Interest rate risk	576	23%
Equity risk	458	19%
Property risk	286	12%
Spread risk	591	24%
Exchange rate risk	90	4%
Concentration risk	451	18%
Diversification	-776	

Table173: SCR, market risk

Investments of the portfolio managed by UNIQA Österreich Versicherungen AG in accordance with the prudent person principle

A detailed description can be found in Chapter C.3.2 of the UNIQA Group report.

C.3.3 Risk assessment

UNIQA Österreich Versicherungen AG calculates the operational risk in accordance with the standard Solvency II formula. A detailed description can be found in Chapter C.3.3 of the UNIQA Group report.

C.3.4 Risk concentration

As part of the efforts to determine the concentration risk in accordance with the Solvency II standard formula, all issuers (or groups of issuers) are monitored on an ongoing basis in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2018 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): UNIQA Group (intragroup portfolios), STRABAG SE, Crédit Agricole Group, Poland and Raiffeisen Bank International AG.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing market risk is permissible. A detailed description can be found in Chapter C.3.5 of the UNIQA Group report.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Austrian Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. A detailed description can be found in Chapter C.4.1 of the UNIQA Group report.

C.4.2 Risk exposure

The credit risk or default risk accounts for 5.2 per cent of UNIQA Österreich Versicherungen AG's risk profile.

Capital requirement for type 1 and type 2 credit and default risk

In € million

	2018
SCR, type 1 and type 2 credit and default risk	**127**
Total type 1 credit and default risk	98
Total type 2 credit and default risk	35
Diversification	-7

Table 174: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2018. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure is the essential driver with a share of about 73.7 per cent of overall default risk without taking the diversification between Type 1 and Type 2 risk exposures into consideration. The calculated solvency capital requirement results mainly from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposure has a share of about 26.3 per cent of overall default risk. In this category, the most important risk drivers are receivables from reinsurance business and intermediaries, reinsurance settlement receivables and mortgage loans.

C.4.3 Risk assessment

The solvency capital requirement for credit/default risk is calculated using the risk factors and methods described in the Delegated Regulation (EU) 2015/35 in the section on the counterparty default risk module (Chapter V, Section 6, Article 189 et seq.). A detailed description can be found in Chapter C.4.3 of the UNIQA Group report.

C.4.4 Risk concentration

For UNIQA Österreich Versicherungen AG there is a concentration in terms of reinsurance, which for the most part is transferred to the Group's reinsurance partner UNIQA Re AG. Due to the existing reinsurance standard (see Chapter C.4.4 of the UNIQA Group report), these intragroup reinsurance risks are retroceded according to clear and proven rules. As a result of this, there is no concentration risk for UNIQA Österreich Versicherungen AG in terms of reinsurance.

In terms of bank deposits, the greatest investment volumes at the relevant reporting date (listed in decreasing amount) were reported for the following banks: Raiffeisen Bank International AG, Erste Group Bank AG and UniCredit S.p.A.

No material concentrations of risk exist for these areas due to the comparatively low absolute volume of off-market derivative transactions, mortgage loans and other relevant exposure.

C.4.5 Risk mitigation

Measures have been put in place to minimise credit/default risk. A detailed description can be found in Chapter C.4.5 of the UNIQA Group report.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

A detailed description can be found in Chapter C.5.1 of the UNIQA Group report.

C.5.2 Risk exposure

Ongoing liquidity planning and control is carried out in order to ensure that UNIQA Österreich Versicherungen AG is able to meet its payment obligations. Moreover, most of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required.

The following table depicts the anticipated profit calculated from future premiums as required by Article 295 of Delegated Regulation (EU) 2015/35. The values presented account for the probability of occurrence, the extent of the damage, and also take into account those risks that are categorised as material and immaterial.

Expected profits in future premiums (EPIFP)

In € million

	2018
Expected profits in future premiums (EPIFP)	**1,595**
of which in non-life insurance	311
of which in life insurance	1,285

Table 175: Expected profits in future premiums (EPIFP)

The expected profits from life insurance also include the premiums from health insurance similar to life technique. Derivation of the expected profits from future premiums for these contracts is based on net liabilities (premiums, benefits and costs) from the calculation for the technical provisions. The cash value of the profits is determined from the ratio of the future expected premiums to the associated expected costs and benefits. Significant premiums in life insurance come from the health insurance business and from endowment insurance and unit-linked life insurance business.

C.5.3 Risk assessment and risk mitigation

A distinction is made between two types of payment obligations in relation to the liquidity risk:

- Payment obligations due within less than twelve months
- Payment obligations due in more than twelve months

Payment obligations due within less than twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected cash flows is implemented in order to ensure that UNIQA Österreich Versicherungen AG is able to meet its payment obligations within the next twelve months. In addition, a minimum amount of cash reserves which must be available daily is also defined. In addition to the daily reporting on an operational level, a report is presented weekly to the Management Board on the available liquidity. Key liquidity risk indicators are also calculated on a regular basis. These are also subjected to stress scenarios as part of the annual stress and sensitivity analyses.

Payment obligations due in more than twelve months

For longer-term payment obligations, the UNIQA Group aims to match the maturities of investments with those of liabilities to the greatest possible extent as part of the asset-liability management process. Particularly for those investments made for the life insurance business, the strategic assets are allocated based on anticipated liability cash flows to thus minimise long-term liquidity risk. This process was established based on the fact that this business model is exposed to long-term obligations. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 5(42) of the Austrian Insurance Supervision Act 2016, operational risk is defined as the risk of financial losses caused by inefficient internal processes, systems or individuals, or by external events. A detailed description can be found in Chapter C.6.1 of the UNIQA Group report.

C.6.2 Risk exposure

The operational risk is quantified based on the standard formula and amounts to €128.4 million.

The following table shows the operational risk at 31 December 2018.

Capital requirement for the operational risk
In € million

	2018
Operational Risk	128

Table 176: Solvency capital requirement for the operational risk

The operational risk is also determined using qualitative criteria within the UNIQA Group based on a catalogue of threats. Operational risks are assessed and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative process, the following risks have been identified as being material:

- Litigation risk, particularly in relation to settlement of claims
- Employee risks (staff shortages and dependency on holders of knowledge and expertise)
- IT risks (particularly IT security and the high complexity of the IT landscape, along with the risk of business interruptions)
- Miscellaneous project risks
- Miscellaneous legal risks

C.6.3 Risk assessment

UNIQA Österreich Versicherungen AG calculates the operational risk on the one hand with a factor-based approach in accordance with the Solvency II standard formula, and on the other hand using interviews with experts. A detailed description of the valuation method is contained in Chapter C.6.3 of the UNIQA Group report.

C.6.4 Risk concentration

There are no substantial risk concentrations in this respect for UNIQA Österreich Versicherungen AG.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. A detailed description can be found in Chapter C.6.5 of the UNIQA Group report.

C.7 STRESS AND SENSITIVITY ANALYSES

UNIQA Österreich Versicherungen AG carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently also on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment. A detailed description of the sensitivity calculation made can be found in Chapter C.7 of the UNIQA Group report.

Results

The following table provides an overview of the change to the SCR ratio as a result of the shocks specified for the individual stress and sensitivity analyses.

Results of the sensitivity calculation

In per cent	2018 SCR ratio	2018 Change (pp)	2017 SCR ratio	2017 Change (pp)
Basic scenario	263%		259%	
Key sensitivities				
Interest rate sensitivity				
Parallel shift in interest rate of +50bp (up to last liquid point)	283%	19%	280%	21%
Parallel shift in interest rate of -50bp (up to last liquid point)	239%	-24%	236%	-23%
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	249%	-14%	235%	-23%
Equity sensitivity				
Fall in the fair value by 30 per cent	246%	-17%	251%	-7%
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	265%	2%	261%	3%
Foreign currency shock of -10 per cent	261%	-2%	256%	-3%
Spread sensitivity				
Widening in credit spread by 100 basis points	216%	-47%	197%	-62%
Natural catastrophes				
Natural catastrophes: earthquake	262%	-1%	257%	-2%

Table 177: Results of the sensitivity calculation

Interest rate sensitivity

The sensitivity “Reduction in the Ultimate Forward Rate” was based on a change by 100 basis points in the previous year. This year the sensitivity was calculated based on a change by 50 basis points.

Equity sensitivity

The increase in the impact of equity sensitivity is driven on the one hand by adjustments to the portfolio structure. A higher market value as a result of a higher portfolio leads to higher sensitivity of own funds. On the other hand the symmetrical adjustment used to calculate the equity risk fell from 1.9 per cent in the previous year to minus 6 per cent. The results in a lower sensitivity of the SCR.

The impact of the other remaining sensitivities is comparable with the level from the previous year.

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for reputational, contagion and strategic risks in the UNIQA Group in addition to the risk categories described above. Reputational and strategic risks are also monitored in the same way at UNIQA Österreich Versicherungen AG. A detailed description can be found in Chapter C.8 of the UNIQA Group report.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Information on the risk concentrations at Group level in accordance with Article 376 of the Delegated Regulation (EU) 2015/35 is described in detail in Chapter C.9.1 of UNIQA Group Report.

C.9.2 Risk mitigation

A description of the risk mitigation from deferred tax can be found in Chapter C.9.2 of the UNIQA Group report.

D Valuation for solvency purposes

A detailed description of the valuation for solvency purposes is found in Chapter D of the UNIQA Group report.

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and the carrying amounts in accordance with the Austrian Commercial Code at the reporting date of 31 December 2018.

Valuation of assets

Assets as at the reporting date of 31 December 2018

In € million

		Solvency II	Austrian Commercial Code	Revaluation
1	Goodwill	n.a.	0	0
2	Deferred acquisition costs	n.a.	0	0
3	Intangible assets	0	0	0
4	Deferred tax assets	0	54	-54
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	2	2	-0
7	Investments (other than assets held for index-linked and unit-linked contracts)	16,195	14,503	1,692
7.1	Property (other than for own use)	1,372	575	797
7.2	Shares in affiliated companies including equity investments	942	938	5
7.3	Equities	251	263	-12
	Equities – listed	184	190	-6
	Equities – unlisted	67	73	-6
7.4	Bonds	11,067	10,198	869
	Government bonds	6,118	5,458	660
	Corporate bonds	4,840	4,632	207
	Structured notes	98	97	1
	Collateralised securities	11	11	0
7.5	Undertakings for collective investment	2,457	2,449	9
7.6	Derivatives	20	0	20
7.7	Deposits other than cash equivalents	86	82	4
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	4,311	4,311	-0
8	Loans and mortgages	293	292	1
8.1	Loans on policies	11	11	0
8.2	Loans and mortgages to individuals	15	0	15
8.3	Other loans and mortgages	267	281	-14
9	Reinsurance recoverables from:	901	1,167	-266
9.1	Non-life insurance and health insurance similar to non-life	708	962	-254
	Non-life insurance excluding health	582	796	-213
	Health insurance similar to non-life	126	166	-41
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	191	205	-14
	Health insurance similar to life	0	1	-1
	Life insurance, excluding health and index-linked and unit-linked	191	205	-14
9.3	Life insurance, index-linked and unit-linked	2	0	1
10	Deposits with cedants	1	1	0
11	Insurance and intermediaries receivables	93	93	0
12	Reinsurance receivables	10	10	0
13	Receivables (trade, not insurance)	70	191	-121
14	Treasury shares (held directly)	0	0	0
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	1,127	1,135	-8
17	Any other assets, not shown elsewhere	5	5	0
Total assets		23,009	21,766	1,243

Table 178: Assets at the reporting date of 31 December 2018

The following categories of assets were not asset components of UNIQA Österreich Versicherungen AG at 31 December 2018, and were therefore not commented on:

- 1. Goodwill
- 2. Deferred acquisition costs
- 5. Pension benefit surplus
- 7.8. Other investments
- 14. Treasury shares
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A quantitative and qualitative explanation of the main differences compared with valuation in accordance with the Austrian Commercial Code in the annual financial statements is provided below, separately for each class of assets.

3. Intangible assets

In € million	Solvency II	Austrian Commercial Code	Revaluation
Intangible assets	0	0	0

Table 179: Intangible assets

Intangible assets are composed of purchased computer software as well as licences and copyrights. Intangible assets are amortised in accordance with their useful lives over a defined period.

Intangible assets can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined. These assets were not recognised in the solvency balance sheet since neither of these criteria could be met. This explains the difference in value.

4. Deferred tax assets

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax assets	0	54	-54

Table 180: Deferred tax assets

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax balance sheet and the Austrian Commercial Code balance sheet. A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

Provided that the deferred tax assets and liabilities relate to the same tax authority and are actually offsettable then they must be offset (consideration of the overall difference; irrespective of the relevant term of the deferred tax). If the deferred tax assets can be realised in subsequent years, then deferred charges are recognised in the assets (budget calculations required).

Offsetting the deferred tax liabilities with the deferred tax assets results in a surplus on the assets side in accordance with the Austrian Commercial Code. Deferred tax liabilities were reported in the economic balance sheet.

Overview of origin of deferred taxes

In € million

Cause	Local GAAP	IFRS adj.	IFRS total	Solvency II adj.	Deferred tax total
Untaxed reserves	-6	0	-6	0	-6
Underwriting items (incl. DAC)	43	-254	-211	-421	-632
Social capital	7	7	14	0	14
Other	0	-4	-4	-22	-26
Capital investments	9	-40	-31	-171	-202
Other provisions	0	0	0	0	0
Loss carried forward	0	0	0	0	0
Deferred tax liabilities	54	-291	-237	-614	-851

Table 181: Origin of deferred tax

6. Property, plant and equipment held for own use

In € million	Solvency II	Austrian Commercial Code	Revaluation
Property, plant and equipment held for own use	2	2	-0

Table 182: Property, plant and equipment held for own use

The difference between the Solvency II value and the Austrian Commercial Code value of the property, plant and equipment and inventories held for own use results from the difference between the valuation at fair value under Solvency II and the amortised cost model in accordance with the Austrian Commercial Code.

7. Investments (other than assets held for index-linked and unit-linked contracts)

The valuation approaches and differences for the investments of the UNIQA Österreich Versicherungen AG are explained in detail below.

7.1 Property (other than for own use)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Property (other than for own use)	1,372	575	797

Table 183: Property (other than for own use)

The property (other than for own use) is valued in accordance with the same valuation methodology as the property, plant and equipment held for own use (item 6). This results in a valuation difference compared with the economic value.

7.2 Shares in affiliated companies, including equity investments

In € million	Solvency II	Austrian Commercial Code	Revaluation
Shares in affiliated companies including equity investments	942	938	5

Table 184: Shares in affiliated companies, including equity investments

Shares in affiliated companies and equity investments are valued with application of the strict lower of cost or market principle in the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.3 Equities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Equities	251	263	-12
Equities – listed	184	190	-6
Equities – unlisted	67	73	-6

Table 185: Equities

7.3.1. Equities – listed

Equities are valued in accordance with provisions in Section 144(2) of the Austrian Insurance Supervision Act 2016. Write-downs have only been recognised if the impairment is expected to be permanent. This results in a valuation difference compared with the economic value.

7.3.2 Equities – unlisted

An identical valuation methodology is applied to both “Equities – listed” and “Equities – unlisted” in accordance with the Austrian Commercial Code. The differences arise from the valuation in accordance with Solvency II based on the economic values.

7.4 Bonds

In € million	Solvency II	Austrian Commercial Code	Revaluation
Bonds	11,067	10,198	869
Government bonds	6,118	5,458	660
Corporate bonds	4,840	4,632	207
Structured notes	98	97	1
Collateralised securities	11	11	0

Table 186: Bonds

In accordance with local accounting regulations bonds are assigned to the fixed assets (Section 204 of the Austrian Commercial Code) and are valued at the alleviated lower of cost or market principle.

No distinction is made between government bonds and corporate bonds under the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.5 Undertakings for collective investment

In € million	Solvency II	Austrian Commercial Code	Revaluation
Undertakings for collective investment	2,457	2,449	9

Table 187: Undertakings for collective investment

In accordance with local accounting principles (Section 207 of the Austrian Commercial Code), undertakings for collective investment are valued in accordance with the strict lower of cost or market principle applying the valuation exemption. Write-downs of the lower fair value in the event of an expected temporary impairment can only be omitted to the extent that the overall amount of any write-down that does not take place does not exceed 50 per cent of the total or otherwise of existing hidden net reserves of the company in the relevant accounting department.

Undertakings for collective investment in bonds (subject to consolidation) represent an exception. These undertakings are valued using the alleviated lower of cost or market principle as under 7.4 Bonds.

This gives rise to a valuation difference between Solvency II and Austrian Commercial Code figures for this balance sheet item.

7.6 Derivatives

In € million	Solvency II	Austrian Commercial Code	Revaluation
Derivatives	20	0	20

Table 188: Derivatives

Derivative financial instruments represent pending transactions in accordance with the Austrian Commercial Code and are not accounted for on the assets side, in accordance with this Code. This results in a difference in the valuation between Solvency II and the Austrian Commercial Code for this balance sheet item.

7.7 Deposits other than cash equivalents

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits other than cash equivalents	86	82	4

Table 189: Deposits other than cash equivalents

Deposits other than cash equivalents are valued at the strict lower of cost or market principle in accordance with local accounting principles (Section 207 of the Austrian Commercial Code). This results in a valuation difference compared with the economic value.

7.9 Assets held for index-linked and unit-linked contracts

In € million	Solvency II	Austrian Commercial Code	Revaluation
Assets held for index-linked and unit-linked contracts	4,311	4,311	-0

Table 190: Assets held for index-linked and unit-linked contracts

The assets stated as unit-linked and index-linked life insurance investments for which a coverage fund has to be formed have been measured at current values in accordance with the provisions of the Austrian Insurance Supervision Act 2016. This results in no difference in the valuation between Solvency II and the Austrian Commercial Code for this balance sheet item.

8. Loans and mortgages

In € million	Solvency II	Austrian Commercial Code	Revaluation
Loans and mortgages	293	292	1
Loans on policies	11	11	0
Loans and mortgages to individuals	15	0	15
Other loans and mortgages	267	281	-14

Table 191: Loans and mortgages

Loans on policies are assessed and valued at nominal value in accordance with the Austrian Commercial Code. There is no revaluation.

For the purposes of the separate financial statements in accordance with the Austrian Commercial Code, loans and mortgages are valued at their principal amounts or at the cost of the outstanding loan. In the case of identifiable individual risks, the lower applicable value is used. The Austrian Commercial Code values plus the pro rata interest rates are used in the solvency balance sheet. This explains the valuation differences.

9. Recoverables from reinsurance contracts

In € million		Solvency II	Austrian Commercial Code	Revaluation
9	**Reinsurance recoverables**	**901**	**1,167**	**-266**
9.1	Non-life insurance and health insurance (similar to non-life)	708	962	-254
	Non-life insurance excluding health	582	796	-213
	Health insurance similar to non-life	126	166	-41
9.2	Life and health similar to life, excluding health and index-linked and unit-linked insurance	191	205	-14
	Health insurance similar to life	0	1	-1
	Life insurance, excluding health and index-linked and unit-linked	191	205	-14
9.3	Life insurance, index-linked and unit-linked	2	0	1

Table 192: Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts” includes amounts outstanding based on reinsurance contracts external to the company.

The differences between the values assessed in the solvency balance sheet and the valuation in accordance with the Austrian Commercial Code result from the fact that the values in accordance with the Austrian Commercial Code are assessed and valued at nominal value. This results in a valuation difference compared with the economic value.

10. Deposits with cedants

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deposits with cedants	1	1	0

Table 193: Deposits with cedants

The nominal values are stated for these items in accordance with the Austrian Commercial Code, and are adjusted by an allowance for the default risk if necessary. They are also recognised as economic values in accordance with Solvency II.

11. Insurance and intermediaries receivables

In € million	Solvency II	Austrian Commercial Code	Revaluation
Insurance and intermediaries receivables	93	93	0

Table 194: Insurance and intermediaries receivables

This item comprises receivables from insurance companies and insurance brokers. In accordance with the Austrian Commercial Code, receivables due within twelve months are recognised at their nominal amounts. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation. There are no valuation differences as the same approach is applied under Solvency II.

12. Reinsurance receivables

In € million	Solvency II	Austrian Commercial Code	Revaluation
Reinsurance receivables	10	10	0

Table 195: Reinsurance receivables

This item comprises reinsurance receivables that are not already included in the deposits with cedants. The nominal values are stated for these items in accordance with the Austrian Commercial Code. These are also reported as economic values in accordance with Solvency II if the amounts concerned are due in less than twelve months. The valuation methodology is identical to the one used for deposits with cedants (item 10). There are no differences in valuation as a result of this.

13. Receivables (trade, not insurance)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Receivables (trade, not insurance)	70	191	-121

Table 196: Receivables (trade, not insurance)

This item comprises all receivables that do not originate from the insurance business. Receivables due within twelve months are recognised at their nominal value both in the financial statements in accordance with the Austrian Commercial Code and in the solvency balance sheet. Receivables due in more than twelve months are valued at the present value of future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation.

In accordance with the Austrian Commercial Code, pro rata interest is reported in other receivables, whereas in the solvency balance sheet this interest is reported with each asset.

16. Cash and cash equivalents

In € million	Solvency II	Austrian Commercial Code	Revaluation
Cash and cash equivalents	1,127	1,135	-8

Table 197: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value.

The difference presented here only arises as a result of securities transactions beyond the reporting date.

17. Any other assets, not shown elsewhere

In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other assets, not shown elsewhere	5	5	0

Table 198: Any other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). The valuation is at amortised cost under the Austrian Commercial Code. There is no revaluation for Solvency II.

D.2 TECHNICAL PROVISIONS

The technical provisions within UNIQA Österreich Versicherungen AG are determined solely on the basis of a best estimate plus a risk margin because of the nature of the liabilities. There is no attempt to match technical cash flows with financial instruments and thus to value these elements together on a net basis.

Calculation of the provisions based on the best estimate involves restating technical provisions in the Austrian Commercial Code balance sheet to arrive at an economic valuation. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits and the present value of future premiums. The best estimate of provisions or the best estimate of liabilities are determined by using assumptions regarding the best estimate when calculating these future cash flows (instead of the prudent valuation assumptions). Options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with the Austrian Commercial Code at 31 December 2017 and 31 December 2018 for UNIQA Österreich Versicherungen AG.

Bewertung der versicherungstechnischen Rückstellungen

In € million		2018			2017		
		Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
1	**Technical provisions – non-life insurance**	**1,527**	**2,390**	**-863**	**1,538**	**2,288**	**-750**
1.1	Technical provisions – non-life insurance (excluding health insurance)	1,327	2,023	-695	1,316	1,930	-615
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	1,263	n.a.	1,263	1,264	n.a.	1,264
	Risk margin	64	n.a.	64	52	n.a.	52
1.2	Technical provisions – health insurance (similar to non-life)	200	368	-168	222	358	-135
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	193	n.a.	193	218	n.a.	218
	Risk margin	7	n.a.	7	5	n.a.	5
2	**Technical provisions – life insurance (excluding index-linked and unit-linked)**	**10,620**	**12,119**	**-1,499**	**10,757**	**12,141**	**-1,384**
2.1	Technical provisions – health insurance (similar to life)	981	3,267	-2,286	874	3,093	-2,220
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	724	n.a.	724	636	n.a.	636
	Risk margin	257	n.a.	257	238	n.a.	238
2.2	Technical provisions – life insurance (excluding health and index-linked and unit-linked)	9,639	8,852	787	9,883	9,016	868
	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
	Best estimate	9,435	n.a.	9,435	9,719	n.a.	9,719
	Risk margin	205	n.a.	205	164	n.a.	164
3	**Technical provisions – index-linked and unit-linked life insurance**	**4,338**	**4,348**	**-10**	**4,511**	**4,489**	**22**
3.1	Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
3.2	Best estimate	4,308	n.a.	4,308	4,463	n.a.	4,463
3.3	Risk margin	30	n.a.	30	48	n.a.	48
4	**Other technical provisions**	**n.a.**	**0**	**0**	**n.a.**	**0**	**0**
Total technical provisions		16,485	18,858	-2,372	16,806	18,918	-2,112

Table 199: Valuation of technical provisions

D.2.1 Non-life and health (similar to non-life technique) technical provisions

The technical provisions for non-life and health (similar to non-life technique) are valued as stipulated in the standards of the UNIQA Group. The provisions are classified into homogeneous risk groups in accordance with the FMA's guidelines on segmenting business areas. The FMA's requirements from the guidelines relating to Pillar 1 regarding the valuation of technical provisions are also taken into account accordingly. Since there are no material holdings kept in foreign currencies, only the euro yield curve is used for discounting the provisions.

The parameters or assumptions used to calculate the technical provisions are subject both to natural uncertainty based on potential fluctuations in the benefits and costs, and economic assumptions such as discount rates.

UNIQA Österreich Versicherungen AG therefore carries out continuous sensitivity analyses aimed at testing the sensitivity of the parameters and assumptions used for the best estimate provisions. The following parameters and assumptions are specifically analysed in non-life insurance:

- Changes in the development of the future claims rate
- Changes in the development of the future cost ratio
- Changes in the claims reserve
- Changes to the discount rate

Furthermore, the assumptions are also compared with empirical values on an ongoing basis.

The results of these calculations are subject to both quantitative and qualitative analyses and are also reported to the Management Board in the annual report on technical functions.

In non-life insurance, the following factors constitute the major sources of uncertainty when evaluating the best estimate:

- Assumed discount rate
- Assumptions about future claims processing in long-term business lines (liability insurance)
- Claims rate assumptions for multi-year policies

The following figure gives an overview of non-life technical provisions (best estimate and risk margin) at 31 December 2018:

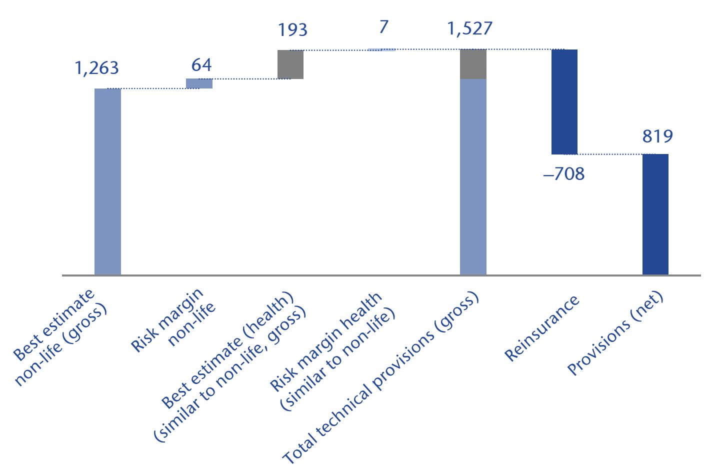


Figure 31: Non-life and health technical provisions (similar to non-life technique, in € million)

The technical provisions of UNIQA Österreich Versicherungen AG in the non-life and health (similar to non-life technique) insurance lines are mainly valued according to the best estimate. Due to the high quota contributions to the Group's internal reinsurer, UNIQA Re AG, there is a material reduction on a net basis. The provisions in the health insurance line (similar to non-life technique) are mainly driven by the business in casualty insurance. The following tables show the details of the technical provisions in non-life and health (similar to non-life technique) insurance.

Valuation of non-life technical provisions (gross)

In € million	2018 Solvency II	2018 Austrian Commercial Code	2018 Revaluation	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation
Technical provisions – non-life insurance	**1,527**	**2,390**	**-863**	**1,538**	**2,288**	**-750**
Technical provisions – non-life insurance (excluding health insurance)	1,327	2,023	-695	1,316	1,930	-615
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	1,263	n.a.	1,263	1,264	n.a.	1,264
Risk margin	64	n.a.	64	52	n.a.	52
Technical provisions – health insurance (similar to non-life)	200	368	-168	222	358	-135
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	193	n.a.	193	218	n.a.	218
Risk margin	7	n.a.	7	5	n.a.	5

Table 200: Valuation of non-life technical provisions (gross)

There is a clear redundancy compared to the provisions which are posted in accordance with the Austrian Commercial Code. This is largely based on the following valuation assumptions between the two regimes:

- The provisions in the Austrian Commercial Code are established using the principle of caution (including the equalisation reserve), whilst in Solvency II a best estimate is determined.
- Under Solvency II, discounted provisions are taken into consideration.
- In economic terms, future premiums of multi-year policies are also taken into account, which in profitable businesses lead to a reduction of the best estimate.

The slight decline in technical provisions in non-life and health (similar to non-life) insurance lines is essentially explained by the fall in the best estimate in health (similar to non-life) insurance.

Technical provisions

In € million	2018 Solvency II	2018 Austrian Commercial Code	2018 Revaluation	2017 Solvency II	2017 Austrian Commercial Code	2017 Revaluation
Technical provisions – non-life insurance	**1,527**	**2,390**	**-863**	**1,538**	**2,288**	**-750**
Technical provisions – non-life insurance (excluding health insurance)	1,327	2,023	-695	1,316	1,930	-615
Motor vehicle liability insurance	379	583	-204	376	581	-205
Technical provisions calculated as a whole	n.a.	583	-583	n.a.	581	-581
Best estimate	372	n.a.	372	372	n.a.	372
Risk margin	7	n.a.	7	5	n.a.	5
Other motor insurance	46	77	-31	51	76	-26
Technical provisions calculated as a whole	n.a.	77	-77	n.a.	76	-76
Best estimate	43	n.a.	43	49	n.a.	49
Risk margin	3	n.a.	3	2	n.a.	2
Marine, aviation and transport insurance	74	81	-6	44	56	-12
Technical provisions calculated as a whole	n.a.	81	-81	n.a.	56	-56
Best estimate	70	n.a.	70	41	n.a.	41
Risk margin	4	n.a.	4	2	n.a.	2
Fire and other damage to property insurance	236	387	-151	232	371	-139
Technical provisions calculated as a whole	n.a.	387	-387	n.a.	371	-371
Best estimate	208	n.a.	208	209	n.a.	209
Risk margin	28	n.a.	28	24	n.a.	24
General liability insurance	495	673	-178	520	640	-120
Technical provisions calculated as a whole	n.a.	673	-673	n.a.	640	-640
Best estimate	490	n.a.	490	516	n.a.	516
Risk margin	5	n.a.	5	4	n.a.	4
Credit and suretyship insurance	2	31	-29	2	25	-23
Technical provisions calculated as a whole	n.a.	31	-31	n.a.	25	-25
Best estimate	2	n.a.	2	2	n.a.	2
Risk margin	0	n.a.	0	0	n.a.	0
Legal expenses insurance	52	157	-105	55	145	-90
Technical provisions calculated as a whole	n.a.	157	-157	n.a.	145	-145
Best estimate	45	n.a.	45	51	n.a.	51
Risk margin	7	n.a.	7	5	n.a.	5
Assistance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Miscellaneous financial loss	42	34	8	35	35	0
Technical provisions calculated as a whole	n.a.	34	-34	n.a.	35	-35
Best estimate	32	n.a.	32	25	n.a.	25
Risk margin	11	n.a.	11	10	n.a.	10
Non-proportional fire and other damage to property insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transp	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Technical provisions – health insurance (similar to non-life)	200	368	-168	222	358	-135
Medical expense insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Income protection insurance	200	368	-168	222	358	-135
Technical provisions calculated as a whole	n.a.	368	-368	n.a.	358	-358

Best estimate	193	n.a.	193	218	n.a.	218
Risk margin	7	n.a.	7	5	n.a.	5
Workers' compensation insurance	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	0	n.a.	0	0	n.a.	0
Risk margin	0	n.a.	0	0	n.a.	0

Table 201: Valuation of technical provisions (non-life)

As already mentioned, adoption of the partial model results in a significant decline in the risk margin, which is also evident in the individual business lines.

The differences between the Austrian Commercial Code and Solvency II can vary significantly due to the specific features of the business lines. The reasons for this are the high discount effects in long-term business lines (liability insurance) on the one hand and a reduction in the best estimate in business lines with profitable multiyear contracts on the other.

D.2.2 Life and health (similar to life technique) technical provisions

For the portfolio of classic life insurance, the technical provisions under Solvency II are higher compared with the Austrian Commercial Code (not including health or unit-linked and index-linked business), influenced by the average guaranteed interest rate level for the portfolio in the current environment of low interest rates. It should also be noted that the future profit participation is part of the provision under Solvency II (contrary to the Austrian Commercial Code). The fall in the reserve is primarily the result of payouts on maturity and is intensified under Solvency II by an additional reduction in future profit participation.

For unit-linked and index-linked insurance, which features a significantly lower level of interest rate sensitivity, provisions in the solvency balance sheet excluding the risk margin under Solvency II are also comparable with the corresponding values under the Austrian Commercial Code, including in the current market environment. The fall in accordance with the Austrian Commercial Code and Solvency II is driven by payments made in 2018.

The increase in technical provisions in health insurance (similar to life technique) under Solvency II is influenced by changes to assumptions (costs, lapse and mortality). The increase in the topological degree of the portfolio in the model and the associated adjustment in benefit assumptions conversely have a positive effect.

Valuation of technical provisions (gross)

In € million	2018			2017		
	Solvency II	Austrian Commercial Code	Revaluation	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – life insurance (excluding index-linked and unit-linked)	**10,620**	**12,119**	**-1,499**	**10,757**	**12,141**	**-1,384**
Technical provisions – health insurance (similar to life)	981	3,267	-2,286	874	3,093	-2,220
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	724	n.a.	724	636	n.a.	636
Risk margin	257	n.a.	257	238	n.a.	238
Technical provisions – life insurance (excluding health and index-linked and unit-linked insurance)	9,639	8,852	787	9,883	9,016	868
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	9,435	n.a.	9,435	9,719	n.a.	9,719
Risk margin	205	n.a.	205	164	n.a.	164
Technical provisions – index-linked and unit-linked insurance	**4,338**	**4,348**	**-10**	**4,511**	**4,489**	**22**
Technical provisions calculated as a whole	0	n.a.	0	0	n.a.	0
Best estimate	4,308	n.a.	4,308	4,463	n.a.	4,463
Risk margin	30	n.a.	30	48	n.a.	48
Other technical provisions	n.a.	0	0	n.a.	0	0

Table 202: Valuation of technical provisions (gross)

The following figure shows the breakdown of the best estimate reserve under Solvency II for the life insurance business and the health insurance business similar to life technique.

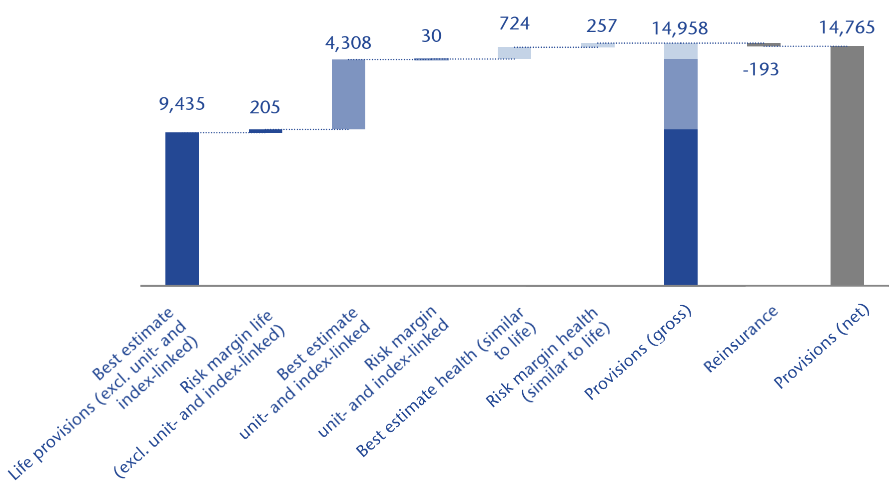


Figure 32: Non-life and health technical provisions (similar to life technique, in € million)

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment in accordance with Section 167 of the Austrian Insurance Supervision Act 2016 has been applied in the Solvency II calculation for all lines of life, property and casualty business (non-life) as well as for the short-term health business (similar to non-life) and health business (similar to life technique). This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the provisions in life, non-life and health (similar to non-life technique) as well as life insurance is shown in the following table:

Volatility adjustments

In € million	Incl. volatility adjustment 2018	Incl. volatility adjustment 2017	Excl. volatility adjustment 2018	Excl. volatility adjustment 2017	Relative change 2018	Relative change 2017
Technical provisions	16,485	16,806	16,783	16,853	2%	0%
Basic own funds	4,044	4,156	3,831	4,123	-5%	-1%
Own funds eligible to meet SCR	4,044	4,156	3,831	4,123	-5%	-1%
SCR	1,537	1,607	1,670	1,618	9%	1%
Own funds eligible to meet MCR	3,738	3,857	3,530	3,824	-6%	-1%
Minimum capital requirement	501	525	521	528	4%	1%

Table 203: Volatility adjustments

The greatest absolute impact from the volatility adjustment comes from traditional life insurance and health insurance (similar to life technique) because of the long-term nature of the business and the higher interest rate sensitivity compared with non-life insurance.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities at the reporting date of 31 December 2018, valued in accordance with Solvency II and with the Austrian Commercial Code.

In € million		Solvency II	Austrian Commercial Code	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	39	38	1
3	Pension benefit obligations	250	223	27
4	Deposits from reinsurers	201	201	0
5	Deferred tax liabilities	851	0	851
6	Derivatives	12	11	1
7	Liabilities to banks	772	772	0
8	Financial liabilities other than liabilities to banks	0	0	0
9	Liabilities to insurance companies and intermediaries	91	91	0
10	Liabilities to reinsurance companies	16	16	0
11	Payables (trade, not insurance)	80	91	-10
12	Subordinated liabilities	435	410	25
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	435	410	25
13	Any other liabilities, not shown elsewhere	3	3	0
Total other liabilities		2,751	1,856	895

Table 204: Other liabilities

The following classes of liabilities were not present at the reporting date of 31 December 2018 and were therefore not commented on:

- 1. Contingent liabilities
- 8. Financial liabilities other than liabilities to banks
- 12.1 Subordinated liabilities not in basic own funds

A quantitative and qualitative explanation of the material differences compared with valuation in accordance with the Austrian Commercial Code in the separate financial statements is provided below separately for other liabilities.

2. Provisions other than technical provisions

In € million	Solvency II	Austrian Commercial Code	Revaluation
Provisions other than technical provisions	39	38	1

Table 205: Provisions other than technical provisions

Other non-technical provisions include the following items:

In € million	Solvency II	Austrian Commercial Code	Revaluation
Jubilee benefits	10	9	1
Variable remuneration components	3	3	0
Provision for reinstatement premiums	8	0	8
Customer services and marketing provisions	9	9	0
Provision for property segments	4	4	0
Other provisions	5	13	-8
Total	39	38	1

Table 206: Provisions other than technical provisions (detailed presentation)

Other non-technical provisions have been recognised to the extent to which the provisions will probably be utilised. They take into account all identifiable risks and the amount of liabilities that has not yet been determined.

Provisions with a maturity of more than twelve months are discounted at standard market discount rates in accordance with Section 211(2) of the Austrian Commercial Code. This results in no valuation difference to Solvency II.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Austrian Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 "Provisions for pension, severance, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code" from June 2016.

The projected unit credit method has been used to calculate the entitlements.

In August 2018, the Austrian Actuarial Society (AVÖ) published the new mortality tables, as "Pensionstafeln [Retirement tables] AVÖ 2018-P". According to AFRAC Opinion 27 "Personnel Provisions (Austrian Commercial Code)", the most appropriate mortality table should be used. A mortality table is suitable if it is based on current data and analyses. Accordingly, the new mortality tables have already been used to calculate severance and pension provisions.

The difference resulting from the first-time application of the new mortality tables was distributed evenly over a period of five years on the basis of the so-called "Override Regulation" (Federal Law Gazette II No. 283/2018).

The differential amount was reported under prepaid expenses, i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code value shown here is reduced by the differential amount for the long-service provision of €0.4 million because, in the solvency balance sheet, the differential amount is presented under the relevant provisions on the liabilities side.

The discount rate applied was 1.48 per cent.

This results in valuation differences as compared with Solvency II.

The fair value was ascertained for cash-settled share-based remuneration agreements in line with the AFRAC opinion "The treatment of share-based remuneration in Austrian Commercial Code financial statements" dated September 2007 (including update from March 2018). In accordance with this programme, eligible employees are conditionally awarded virtual shares effective on 1 January of the relevant financial year, conferring the right to a cash payment after the end of the benefit period of four years. The obligations from share-based remuneration are reported under other provisions. This results in no valuation differences as compared with Solvency II.

3. Pension benefit obligations

In € million

	Solvency II	Austrian Commercial Code	Revaluation
Pension benefit obligations	250	223	27
of which termination benefit provisions	105	101	4
of which pension provisions	146	123	23

Table 207: Pension benefit obligations

Calculation factors applied

	2018
Discount rate	
Termination benefits	1.76
Pension obligations	2.3
Valorisation of remuneration	3.00
Pensions inflation adjustment	2.00
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2018 P – Pagler & Pagler/salaried employees

Table 208: Calculation factors applied

This item includes the obligations for pension provisions and severance provisions at UNIQA Österreich Versicherungen AG.

The pension and severance provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Austrian Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 "Provisions for pension, severance, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code" from June 2016.

The projected unit credit method has been used to calculate the entitlements.

In August 2018, the Austrian Actuarial Society (AVÖ) published the new mortality tables, as "Pensionstafeln [Retirement tables] AVÖ 2018-P". According to AFRAC Opinion 27 "Personnel Provisions (Austrian Commercial Code)", the most appropriate mortality table should be used. A mortality table is suitable if it is based on current data and analyses. Accordingly, the new mortality tables have already been used to calculate severance and pension provisions.

The difference resulting from the first-time application of the new mortality tables was distributed evenly over a period of five years on the basis of the so-called "Override Regulation" (Federal Law Gazette II No. 283/2018).

The differential amount was reported under prepaid expenses (with a positive value), i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code values are reduced by the differential amounts for the severance provisions of €–0.3 million and for the pension provisions of €4.7 million because, in the solvency balance sheet, the differential amounts are presented under the relevant provisions on the liabilities side.

This results in valuation differences as compared with Solvency II.

4. Deposits from reinsurers

In € million

	Solvency II	Austrian Commercial Code	Revaluation
Deposits from ceded reinsurance business	201	201	0

Table 209: Deposits from reinsurers

The deposits from reinsurers are reported under this item. Liabilities are measured at the settlement amount, both for the Austrian Commercial Code financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax liabilities	851	0	851

Table 210: Deferred tax liabilities

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet. By contrast, deferred tax assets in the financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax balance sheet and the Austrian Commercial Code balance sheet. A deferred tax asset is recognised for unused tax losses, for unused tax credits, and for deductible temporary differences to the extent that it is probable that future taxable profit or deferred tax liabilities will be available for offsetting in the future.

Provided that the deferred tax assets and liabilities relate to the same tax authority and are actually offsettable then they must be offset (consideration of the overall difference; irrespective of the relevant term of the deferred tax). If the deferred tax liabilities exceed the deferred tax assets, then provisions must be formed for the future tax burden (budget calculations required).

Offsetting the deferred tax liabilities with the deferred tax assets results in a surplus on the assets side in accordance with the Austrian Commercial Code. Deferred tax liabilities were reported in the economic balance sheet.

The origins of UNIQA Österreich Versicherungen AG's deferred tax are outlined in more detail below.

Overview of the origins of deferred tax

In € million

Origin	Local GAAP	IFRS adj.	IFRS total	Solvency II adj.	Deferred tax total
Untaxed reserves	-6	0	-6	0	-6
Underwriting items (incl. DAC)	43	-254	-211	-421	-632
Social capital	7	7	14	0	14
Other	0	-4	-4	-22	-26
Investments	9	-40	-31	-171	-202
Other provisions	0	0	0	0	0
Loss carryforwards	0	0	0	0	0
Deferred tax liabilities	54	-291	-237	-614	-851

Table 211: Origin of deferred tax

6. Derivatives

In € million	Solvency II	Austrian Commercial Code	Revaluation
Derivatives	12	11	1

Table 212: Derivatives

Provisions for pending losses are formed at fair value under the Austrian Commercial Code for forward foreign-exchange contracts.

7. Liabilities to banks

In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to banks	772	772	0

Table 213: Liabilities to banks

This item includes liabilities from collateral received for securities lending transactions, which are measured at fair value in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

9. Liabilities to insurance companies and intermediaries

In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to insurance companies and intermediaries	91	91	0

Table 214: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are recognised and valued at the settlement amount in accordance with the Austrian Commercial Code. There are no valuation differences as the same approach was applied under Solvency II.

10. Liabilities to reinsurance companies

In € million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to reinsurance companies	16	16	0

Table 215: Liabilities to reinsurance companies

This item comprises liabilities to reinsurance companies, which are posted at their settlement amount in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

11. Payables (trade, not insurance)

In € million	Solvency II	Austrian Commercial Code	Revaluation
Payables (trade, not insurance)	80	91	-10

Table 216: Payables (trade, not insurance)

This item includes other liabilities that cannot be allocated to any of the other categories. Liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet.

In the financial statements in accordance with the Austrian Commercial Code, pro rata interest is reported under other liabilities, whereas in the solvency balance sheet this interest is recognised under subordinated liabilities.

12. Subordinated liabilities

In € million	Solvency II	Austrian Commercial Code	Revaluation
Subordinated liabilities	435	410	25
Subordinated liabilities in basic own funds	435	410	25

Table 217: Subordinated liabilities

Subordinated liabilities are recognised and valued at their nominal value in accordance with the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

13. Any other liabilities, not shown elsewhere

In € million	Solvency II	Austrian Commercial Code	Revaluation
Any other liabilities, not shown elsewhere	3	3	0

Table 218: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. Other liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet, with no valuation differences arising.

D.4 ALTERNATIVE METHODS FOR VALUATION

UNIQA Österreich Versicherungen AG uses alternative methods for the valuation of assets and liabilities whose valuation is not performed using listed market prices in active markets (mark-to-market) or using listed market prices for similar instruments (marking-to-market).

These methods for valuation are mainly used for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, infrastructure financing, private equities, hedge funds, asset-backed securities (ABSs) and structured products. Investment property refers to real estate held as a financial investment.

The valuations with the help of alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The inputs and pricing models for the individual assets and liabilities are set out in detail below:

Assets and liabilities	Pricing method	Valuation techniques	Inputs	Pricing model
Property (other than for own use)	Theoretical price	Capital value-oriented	Construction value and base value, position, useful area, condition, current contractual leases and current vacancies with rental forecast	Income approach, intrinsic value approach, weighted income and net asset value
Bonds	Theoretical price	Capital value-oriented	CDS spread, yield curves, verified net asset values (NAV), volatilities	Present value approach, discounted cash flow, NAV method
Unlisted equities	Theoretical price	Capital value-oriented	WACC, (long-term) sales growth rate, (long-term) profit margin, control premium	Expert valuation report
Loans and mortgages	Theoretical price	Capital value-oriented	Cash flows already fixed or determined via forward rates, yield structure curve, credit risk of contract partners, collateral, creditworthiness of debtor	Discounted cash flow
Derivatives	Theoretical price	Capital value-oriented	CDS spread, yield curves, Volatilities (FX, Cap/Floor, Swaption, Constant Maturity Swap, Equities)	Contract-specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 219: Overview of inputs and pricing models for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The receivables, pro-rata interest rates, liabilities and provisions in foreign currencies are valued using the reference rate of the European Central Bank. Securities in foreign currencies are accounted for using the reference rates of the European Central Bank at the reporting date, or at acquisition value in relation to previous years.

E Capital management

E.1 OWN FUNDS

Please refer to Chapter E.1 of the UNIQA Group report for further information regarding the requirements for the Solvency and Financial Condition Report. The numbers in the subsequent tables and figures in this report are presented in € million, therefore there may be rounding differences.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

At the reporting date of 31 December 2018, the Austrian Commercial Code equity amounted to €1,052 million (2017: €991 million). Basic own funds in accordance with the regulatory valuation principles amounted to €4,044million (2017: €4,156 million). The following table shows the reconciliation of Austrian Commercial Code equity to basic own funds.

Reconciliation of Austrian Commercial Code equity to regulatory own funds
In € million

	2018	2017
Austrian Commercial Code equity including treasury shares	**1,052**	**991**
Revaluation of assets	1,243	1,780
Goodwill	0	0
Deferred acquisition costs	0	0
Shares in affiliated companies including equity investments	5	127
Property	797	721
Loans and mortgages	1	71
Other	440	861
Revaluation of technical provisions	2,372	2,112
Technical provisions – non-life and health insurance (similar to non-life)	863	750
Technical provisions – life and health insurance (similar to life)	1,499	1,384
Technical provisions – index-linked and unit-linked insurance	10	-22
Other technical provisions	0	0
Revaluation of other provisions	-895	-993
Deferred tax liabilities	-851	-893
Other	-44	-100
Total revaluation	**2,720**	**2,899**
Economic capital	**3,772**	**3,891**
Planned dividends	163	167
Tier 1 – restricted	29	28
Tier 2 – subordinated liabilities	406	405
Basic own funds	**4,044**	**4,156**

Table 220: Reconciliation of Austrian Commercial Code equity to regulatory own funds

Economic capital refers to the excess of assets over liabilities.

The economic capital amounted to €3,772 million at 31 December 2018 (2017: €3,891 million). The planned dividends in the amount of €163 million (2017: €167 million) were deducted and added to the subordinated liabilities as part of the reconciliation of the economic capital with the basic own funds. The planned dividends item includes the planned dividend payments for 2019 based on the 2018 profits that have not yet been paid out and do not represent own funds.

The difference between the Austrian Commercial Code equity and the economic capital valued in accordance with the Solvency II regulations amounted to a total of €2,720 million (2017: €2,899 million) and was a result of the different treatment of individual items in the relevant valuation assessment under Solvency II.

Composition of basic own funds

Basic own funds were made up as follows in the relevant tiers:

Information on own funds

In € million	2018	2017
Basic own funds	**4,044**	**4,156**
Tier 1 unrestricted	3,609	3,723
Share capital including capital reserves	146	146
Surplus funds (free provision for policyholder bonuses)	33	46
Reconciliation reserve	3,431	3,532
Tier 1 restricted – subordinated liabilities	29	28
Tier 2 – subordinated liabilities	406	405
Tier 3 – deferred tax assets	0	0
Reduction in eligibility thresholds	**0**	**0**
Own funds to cover SCR	**4,044**	**4,156**

Table 221: Information on own funds

The own fund instruments were allocated to the relevant tiers in accordance with the statutory principles.

The largest section of own funds at around €3,609 million (2017: €3,723 million) consisted of Tier 1 (top quality) capital, which essentially comprised paid-in share capital, the associated share premium and the reconciliation reserve. The fall in tier 1 capital largely results from the fall in economic own funds. Please refer to the sections “Assets” and “Other liabilities” of this report for a detailed analysis of the changes.

At the reporting date, UNIQA Österreich Versicherungen AG held subordinated liabilities with a Solvency II value of €435 million in its portfolio (2017: €433 million). This included €29 million (2017: €28 million) in instruments classified as restricted Tier 1 and €406 million (2017: €405 million) as Tier 2 capital instruments. The valuation of the subordinated liabilities fell slightly in the reporting period as a result of the increase in general interest rates.

Subordinated liabilities

In € million	Variable interest rate	Interest rate 6.875%	Interest rate 6.875%	Interest rate 5.250%
Nominal value	30	155	125	100
Solvency II value	28	171	138	96
Tier	Restricted 1	2	2	2
Transitional regulations	Yes	No	No	No
Issue date	20/12/2006	16/12/2016	16/2/2016	30/11/2015
First cancellation date	30/12/2016	16/12/2023	16/12/2023	31/5/2026
Date of maturity	Perpetual	Perpetual	Perpetual	31/5/2046
Status	Subordinated and unsecured	Subordinated and unsecured	Subordinated and unsecured	Subordinated and unsecured
Interest	Variable	Fixed until the first cancellation date	Fixed until the first cancellation date	Fixed until the first cancellation date

Table 222: Subordinated liabilities

UNIQA Österreich Versicherungen AG did not hold any Tier 3 own fund instruments at the reporting date.

Reconciliation to eligible own funds

Tier 1 own funds can be used in full to cover the regulatory capital requirement. The Solvency II Framework Directive provides for a limit on the eligibility of Tier 2 and Tier 3 own fund items, and therefore not all basic own funds are necessarily eligible with respect to the solvency capital requirement or the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the instrument. The following table shows the limit on coverage of the solvency and minimum capital requirements. The amount is calculated based on the total solvency and minimum capital requirement.

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	In € million	
		2018	2017
Solvency capital requirement		**1,537**	**1,607**
SCR cover			
Tier 1	Min. 50% of SCR	769	804
Tier 1 restricted	Max. 20% of total Tier 1	6	6
Tier 3	Max. 15% of SCR	231	241
Tier 2 + Tier 3	Max. 50% of SCR	769	804
Minimum capital requirement		**501**	**525**
MCR cover			
Tier 1	Min. 80% of MCR	400	420
Tier 1 restricted	Max. 20% of total Tier 1	6	6
Tier 2	Max. 20% of MCR	100	105

Table 223: Eligible own funds (general)

Own funds eligible for the SCR for each tier

	Basic own funds		Own funds eligible to cover SCR	
In € million	2018	2017	2018	2017
Tier 1 – unrestricted	3,609	3,723	3,609	3,723
Tier 1 – restricted	29	28	29	28
Tier 2	406	405	406	405
Tier 3	0	0	0	0
Total	4,044	4,156	4,044	4,156

Own funds eligible for the MCR for each tier

	Basic own funds		Own funds eligible to cover MCR	
In € million	2018	2017	2018	2017
Tier 1 – unrestricted	3,609	3,723	3,609	3,723
Tier 1 – restricted	29	28	29	28
Tier 2	406	405	100	105
Total	4,044	4,156	3,738	3,857

Table 224: Eligible own funds at the reporting date

As at 31 December 2018, there was no limitation on the eligibility of basic own funds to cover the solvency capital requirements. With respect to the minimum capital requirements, €306 million of the basic own funds (2017: €299 million) was not used to cover the minimum capital requirement as a result of the limitation.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Österreich Versicherungen AG uses a partial internal model to calculate the solvency capital requirement.

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation [EU] 2015/35), UNIQA Österreich Versicherungen AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35 of the Commission.

Pursuant to Section 178(4) of the Austrian Insurance Supervision Act 2016, no company-specific parameters are applied.

The minimum capital requirement is calculated in accordance with Chapter 6 of the Austrian Insurance Supervision Act 2016 (Section 193 et seq.). The input parameters are net premiums and best estimates of net provisions for all business lines.

The following table presents the solvency capital requirement amounts for each risk module and the minimum capital requirement at 31 December 2018. UNIQA Österreich Versicherungen AG satisfies both the solvency capital requirement and the minimum capital requirement.

Risk profile (in accordance with future profit distribution)

In € million

	2018
Solvency capital requirement (SCR)	**1,537**
Basic solvency capital requirement	1,921
Market risk	1,676
Counterparty default risk	127
Life underwriting risk	282
Non-life underwriting risk	184
Health underwriting risk	151
Diversification	-498
Operational risk	128
Loss-absorbing capacity of deferred tax	-512
Own funds to cover the solvency capital requirement	4,044
Ordinary share capital (including treasury shares)	38
Share premium account related to ordinary share capital	108
Surplus funds	33
Reconciliation reserve	3,431
Excess of assets over liabilities	3,772
Treasury shares (held directly and indirectly)	0
Foreseeable dividends, distributions and charges	163
Other basic own fund items	179
Subordinated liabilities	435
Amount equal to the value of net deferred tax assets	0
Total own funds eligible to meet the SCR	4,044
Solvency ratio	**3**
Available surplus	**2,507**
Minimum capital requirement (MCR)	**501**

Table 225: Overview of UNIQA Österreich Versicherungen AG

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for UNIQA Österreich Versicherungen AG.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODELS USED

For the non-life insurance business, UNIQA Österreich Versicherungen AG uses a non-life internal model to determine the SCR. The differences between the standard formula and the UNIQA Group non-life internal model are described in detail in Chapter E.4 and apply accordingly to the non-life internal model of UNIQA Österreich Versicherungen AG.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT OR SOLVENCY CAPITAL REQUIREMENT

UNIQA Österreich Versicherungen AG met the minimum capital requirement and solvency capital requirement at all times during the 2018 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA ÖSTERREICH VERSICHERUNGEN AG

Vienna, 6 May 2019

UNIQA ÖSTERREICH VERSICHERUNGEN AG

Vienna, 6 May 2019

Kurt Svoboda
Chairman of the
Management Board

Peter Eichler
Member of the
Management Board

Andreas Kößl
Member of the
Management Board

Erik Leyers
Member of the
Management Board

Klaus Pekarek
Member of the
Management Board

Peter Humer
Member of the
Management Board

Sabine Usaty
Member of the
Management Board

Appendices

As at: 31 December 2018

Appendix I (UNIQA Group) – Affiliated companies and associates (31 December 2018)

IFRS BASIS OF CONSOLIDATION (CONSOLIDATED FINANCIAL STATEMENTS)

Company	Type of consolidation	Location	Equity interest at 31/12/2018 In per cent
Domestic insurance companies			
UNIQA Insurance Group AG (Group Holding Company)		Vienna	
UNIQA Österreich Versicherungen AG	Fully consolidated	Vienna	100.00
SK Versicherung Aktiengesellschaft	Equity method	Vienna	24.96
Foreign insurance companies			
Raiffeisen Life Insurance Company LLC	Fully consolidated	Russia, Moscow	75.00
SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	44.33
SIGAL LIFE UNIQA Group AUSTRIA sh.a	Fully consolidated	Kosovo, Pristina	86.93
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.93
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.93
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Kosovo, Pristina	86.93
UNIQA AD Skopje	Fully consolidated	North Macedonia, Skopje	86.94
UNIQA Asigurari de Viata S.A.	Fully consolidated	Romania, Bucharest	100.00
UNIQA Asigurari S.A.	Fully consolidated	Romania, Bucharest	100.00
UNIQA Biztosító Zrt.	Fully consolidated	Hungary, Budapest	100.00
UNIQA Insurance Company, Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.00
UNIQA Insurance plc	Fully consolidated	Bulgaria, Sofia	99.88
UNIQA Life AD Skopje	Fully consolidated	North Macedonia, Skopje	86.93
UNIQA Life Insurance plc	Fully consolidated	Bulgaria, Sofia	99.57
UNIQA LIFE Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.00
UNIQA neživotno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.00
UNIQA neživotno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.00
UNIQA osiguranje d.d.	Fully consolidated	Croatia, Zagreb	100.00
UNIQA osiguranje d.d.	Fully consolidated	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA poisťovňa a.s.	Fully consolidated	Slovakia, Bratislava	99.93
UNIQA pojišťovna, a.s.	Fully consolidated	Czech Republic, Prague	100.00
UNIQA Re AG	Fully consolidated	Switzerland, Zurich	100.00
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Fully consolidated	Poland, Lodz	99.79
UNIQA Towarzystwo Ubezpieczeń S.A.	Fully consolidated	Poland, Lodz	98.59
UNIQA Versicherung AG	Fully consolidated	Liechtenstein, Vaduz	100.00
UNIQA životno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.00
UNIQA životno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.00
Group domestic service companies			
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Fully consolidated	Vienna	100.00
Assistance Beteiligungs-GesmbH	Fully consolidated	Vienna	64.00
call us Assistance International GmbH	Fully consolidated	Vienna	50.20
UNIQA Capital Markets GmbH	Fully consolidated	Vienna	100.00
UNIQA Finanzbeteiligung GmbH (Merger: 30/9/2018)	Fully consolidated	Vienna	0.00
UNIQA Group Audit GmbH	Fully consolidated	Vienna	100.00
UNIQA International AG	Fully consolidated	Vienna	100.00
UNIQA internationale Beteiligungs-Verwaltungs GmbH	Fully consolidated	Vienna	100.00
UNIQA IT Services GmbH	Fully consolidated	Vienna	100.00
UNIQA Real Estate Finanzierungs GmbH	Fully consolidated	Vienna	100.00
UNIQA Real Estate Management GmbH	Fully consolidated	Vienna	100.00
Valida Holding AG	Equity method	Vienna	40.13
Versicherungsmarkt-Servicegesellschaft m.b.H.	Fully consolidated	Vienna	100.00
Group foreign service companies			
DEKRA-Expert Műszaki Szakértői Kft.	Equity method	Hungary, Budapest	50.00
sTech d.o.o.	Fully consolidated	Serbia, Belgrade	100.00
UNIPARTNER s.r.o.	Fully consolidated	Slovakia, Bratislava	99.93
UNIQA GlobalCare SA (formerly: UNIQA Assurances SA)	Fully consolidated	Switzerland, Geneva	100.00

Group foreign service companies			
DEKRA-Expert Műszaki Szakértői Kft.	Equity method	Hungary, Budapest	50.00
sTech d.o.o.	Fully consolidated	Serbia, Belgrade	100.00
UNIPARTNER s.r.o.	Fully consolidated	Slovakia, Bratislava	99.93
UNIQA GlobalCare SA (formerly: UNIQA Assurances SA)	Fully consolidated	Switzerland, Geneva	100.00
UNIQA Group Service Center Slovakia, spol. s r.o. (formerly: InsData spol. s r.o.)	Fully consolidated	Slovakia, Nitra	98.03
UNIQA Ingatlanhasznosító Kft.	Fully consolidated	Hungary, Budapest	100.00
UNIQA InsService spol. s r.o.	Fully consolidated	Slovakia, Bratislava	99.93
UNIQA Raiffeisen Software Service Kft.	Fully consolidated	Hungary, Budapest	60.00
UNIQA Raiffeisen Software Service S.R.L.	Fully consolidated	Romania, Cluj-Napoca	60.00
UNIQA Számítástechnikai Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.00
Vitosha Auto OOD	Fully consolidated	Bulgaria, Sofia	99.82

Financial and strategic domestic shareholdings			
Diakonissen & Wehrle Privatklinik GmbH	Fully consolidated	Gallneukirchen	90.00
Goldenes Kreuz Privatklinik BetriebsGmbH	Fully consolidated	Vienna	75.00
Medial Beteiligungs-Gesellschaft m.b.H. (Deconsolidation: 15/1/2018)	Equity method	Vienna	0.00
PremiQaMed Ambulatorien GmbH	Fully consolidated	Vienna	100.00
PremiQaMed Beteiligungs GmbH	Fully consolidated	Vienna	100.00
PremiQaMed Holding GmbH	Fully consolidated	Vienna	100.00
PremiQaMed Management Services GmbH	Fully consolidated	Vienna	100.00
PremiQaMed Privatkliniken GmbH	Fully consolidated	Vienna	100.00
STRABAG SE	Equity method	Villach	14.30
UNIQA Beteiligungs-Holding GmbH	Fully consolidated	Vienna	100.00
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Fully consolidated	Vienna	100.00
UNIQA Leasing GmbH	Equity method	Vienna	25.00

Real estate companies			
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Fully consolidated	Vienna	100.00
ALBARAMA Limited Company (Deconsolidation: 15/6/2018)	Fully consolidated	Cyprus, Nikosia	0.00
Asena LLC	Fully consolidated	Ukraine, Nikolaev	100.00
AVE-PLAZA LLC	Fully consolidated	Ukraine, Kharkiv	100.00
Black Sea Investment Capital LLC	Fully consolidated	Ukraine, Kiev	100.00
Design Tower GmbH	Fully consolidated	Vienna	100.00
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity method	Vienna	33.00
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Fully consolidated	Vienna	100.00
Floreasca Tower SRL	Fully consolidated	Romania, Bucharest	100.00
Hotel Burgenland Betriebs GmbH	Fully consolidated	Vienna	100.00
IPM International Property Management Kft.	Fully consolidated	Hungary, Budapest	100.00
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Fully consolidated	Germany, Berlin	100.00
LEGIWATON INVESTMENTS Limited Company	Fully consolidated	Cyprus, Limassol	100.00
Praterstraße Eins Hotelbetriebs GmbH	Fully consolidated	Vienna	100.00
PremiQaMed Immobilien GmbH	Fully consolidated	Vienna	100.00
Pretium Ingatlan Kft.	Fully consolidated	Hungary, Budapest	100.00
Renaissance Plaza d.o.o.	Fully consolidated	Serbia, Belgrade	100.00
Reytarske LLC	Fully consolidated	Ukraine, Kiev	100.00
R-FMZ Immobilienholding GmbH	Fully consolidated	Vienna	100.00
Software Park Kraków Sp. z o.o. (Initial consolidation: 4/12/2018)	Fully consolidated	Poland, Warsaw	100.00
UNIQA Immobilien-Projekterrichtungs GmbH	Fully consolidated	Vienna	100.00
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Fully consolidated	Hungary, Budapest	100.00
UNIQA poslovni centar korzo d.o.o.	Fully consolidated	Croatia, Rijeka	100.00
UNIQA Real Estate Bulgaria EOOD	Fully consolidated	Bulgaria, Sofia	100.00
UNIQA Real Estate BV	Fully consolidated	Netherlands, Hoofddorp	100.00
UNIQA Real Estate CZ, s.r.o.	Fully consolidated	Czech Republic, Prague	100.00
UNIQA Real Estate d.o.o.	Fully consolidated	Serbia, Belgrade	100.00
UNIQA Real Estate GmbH	Fully consolidated	Vienna	100.00
UNIQA Real Estate Inlandsholding GmbH	Fully consolidated	Vienna	100.00
UNIQA Real Estate Polska Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.00
UNIQA Real Estate Property Holding GmbH (formerly: UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH)	Fully consolidated	Vienna	100.00
UNIQA Real III, spol. s r.o.	Fully consolidated	Slovakia, Bratislava	100.00
UNIQA Real s.r.o.	Fully consolidated	Slovakia, Bratislava	100.00
UNIQA Retail Property GmbH (formerly: Raiffeisen-Fachmarktzentrum VIER GmbH)	Fully consolidated	Vienna	100.00
UNIQA Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.00
UNIQA-Invest Kft.	Fully consolidated	Hungary, Budapest	100.00

Investment funds			
Diamond I SICAV – Opportunities Fund (Deconsolidation: 31/12/2018)	Fully consolidated	Luxembourg, Luxembourg	0.00
Platinum I SICAV – Opportunities Fund (Deconsolidation: 30/9/2018)	Fully consolidated	Luxembourg, Luxembourg	0.00
SSG Valluga Fund	Fully consolidated	Dublin, Ireland	100.00
UNIQA Corporate Bond	Fully consolidated	Vienna	100.00
UNIQA Diversified Bond Fund	Fully consolidated	Vienna	100.00
UNIQA Eastern European Debt Fund	Fully consolidated	Vienna	100.00
UNIQA Emerging Markets Debt Fund	Fully consolidated	Vienna	100.00
UNIQA Euro Government Bond Fund	Fully consolidated	Vienna	99.70
UNIQA World Selection	Fully consolidated	Vienna	100.00

Appendix II (UNIQA Group) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	13.036
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	462.702
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	20.145.196
Property (other than for own use)	R0080	2.197.888
Holdings in related undertakings, including participations	R0090	468.134
Equities	R0100	292.229
Equities - listed	R0110	169.183
Equities - unlisted	R0120	123.046
Bonds	R0130	14.125.024
Government Bonds	R0140	8.449.421
Corporate Bonds	R0150	5.561.740
Structured notes	R0160	102.650
Collateralised securities	R0170	11.213
Collective Investments Undertakings	R0180	2.725.483
Derivatives	R0190	20.283
Deposits other than cash equivalents	R0200	316.154
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	4.809.000
Loans and mortgages	R0230	87.181
Loans on policies	R0240	14.202
Loans and mortgages to individuals	R0250	14.613
Other loans and mortgages	R0260	58.367
Reinsurance recoverables from:	R0270	424.737
Non-life and health similar to non-life	R0280	289.359
Non-life excluding health	R0290	289.284
Health similar to non-life	R0300	75
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	133.777
Health similar to life	R0320	0
Life excluding health and index-linked and unit-linked	R0330	133.776
Life index-linked and unit-linked	R0340	1.601
Deposits to cedants	R0350	25.198
Insurance and intermediaries receivables	R0360	188.947
Reinsurance receivables	R0370	32.264
Receivables (trade, not insurance)	R0380	256.827
Own shares (held directly)	R0390	15.993
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	1.428.891
Any other assets, not elsewhere shown	R0420	59.778
Total assets	R0500	**27.949.750**

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	2.676.483
Technical provisions – non-life (excluding health)	R0520	2.406.137
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	2.282.430
Risk margin	R0550	123.707
Technical provisions - health (similar to non-life)	R0560	270.346
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	257.901
Risk margin	R0590	12.446
Technical provisions - life (excluding index-linked and unit-linked)	R0600	11.736.200
Technical provisions - health (similar to life)	R0610	982.931
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	726.184
Risk margin	R0640	256.747
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	10.753.269
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	10.507.266
Risk margin	R0680	246.003
Technical provisions – index-linked and unit-linked	R0690	4.798.388
Technical provisions calculated as a whole	R0700	10.962
Best Estimate	R0710	4.742.334
Risk margin	R0720	45.092
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	232.282
Pension benefit obligations	R0760	492.515
Deposits from reinsurers	R0770	129.963
Deferred tax liabilities	R0780	916.205
Derivatives	R0790	12.893
Debts owed to credit institutions	R0800	775.701
Financial liabilities other than debts owed to credit institutions	R0810	12.943
Insurance & intermediaries payables	R0820	236.637
Reinsurance payables	R0830	31.692
Payables (trade, not insurance)	R0840	319.656
Subordinated liabilities	R0850	918.628
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	918.628
Any other liabilities, not elsewhere shown	R0880	26.612
Total liabilities	R0900	**23.316.797**
Excess of assets over liabilities	R1000	**4.632.953**

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	33.623	375.275		605.936	551.297	67.620	724.949	257.827	26.747
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	1.633	1.011		11.408	5.716	11.174	86.082	27.759	4.981
Net	R0200	31.989	374.264		594.528	545.581	56.446	638.867	230.068	21.767
Premiums earned										
Gross - Direct Business	R0210	31.683	371.959		605.116	542.410	66.514	713.554	253.562	22.227
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	1.646	985		10.585	5.049	11.195	88.143	26.291	4.209
Net	R0300	30.037	370.974		594.531	537.362	55.319	625.411	227.271	18.018
Claims incurred										
Gross - Direct Business	R0310	20.536	206.428		389.761	373.469	60.166	498.848	143.380	6.133
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	989	329		9.180	4.534	25.978	98.540	1.452	198
Net	R0400	19.547	206.099		380.581	368.935	34.188	400.308	141.928	5.935
Changes in other technical provisions										
Gross - Direct Business	R0410	9	0		175	-5	-8	-113	2.094	891
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	9	0		175	-5	-8	-113	2.094	891
Expenses incurred	R0550	13.038	129.482		162.478	162.597	21.709	238.677	81.893	6.014
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	91.288	24.513	48.983					2.808.058
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140	185	4.945	4.237					159.132
Net	R0200	91.103	19.568	44.746					2.648.926
Premiums earned									
Gross - Direct Business	R0210	91.068	23.188	49.315					2.770.597
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240	185	4.876	3.316					156.482
Net	R0300	90.883	18.312	46.000					2.614.116
Claims incurred									
Gross - Direct Business	R0310	47.544	7.716	23.679					1.777.661
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340	47	351	1.570					143.170
Net	R0400	47.498	7.365	22.108					1.634.491
Changes in other technical provisions									
Gross - Direct Business	R0410			3					3.044
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500			3					3.044
Expenses incurred	R0550	29.408	8.714	88.236					942.248
Other expenses	R1200								41.872
Total expenses	R1300								984.121

In EUR Tausend

		Line of Business for: life insurance obligations						Life reinsurance obligations		Total
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C00270	C0280	C0300
Premiums written										
Gross	R1410	1.052.821	830.972	46.327	250.778					2.180.898
Reinsurers' share	R1420	1.977	16.972	180	13.697					32.826
Net	R1500	1.050.844	814.000	46.147	237.081					2.148.072
Premiums earned										
Gross	R1510	1.052.308	830.366	46.166	250.641					2.179.481
Reinsurers' share	R1520	2.005	16.972	180	13.696					32.853
Net	R1600	1.050.302	813.394	45.987	236.945					2.146.628
Aufwendungen für Versicherungsfälle										
Gross	R1610	874.102	907.952	4.774	135.891					1.922.720
Reinsurers' share	R1620	393	18.504	128	6.221					25.246
Net	R1700	873.710	889.448	4.645	129.670					1.897.473
Changes in other technical provisions										
Gross	R1710			0						0
Reinsurers' share	R1720									
Net	R1800			0						0
Expenses incurred	R1900	194.797	135.069	61.064	144.542					535.472
Other expenses	R2500									5.377
Total expenses	R2600									540.849

S.05.02.01
Premiums, claims and expenses by country
In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) — nonlife obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Poland	Czech Republik	Hungary	Slovakia	Romania	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1.717.869	281.255	218.303	132.390	97.541	75.904	2.523.263
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	26.540	11.855	11.373	4.258	3.711	4.623	62.360
Net	R0200	1.691.330	269.400	206.930	128.132	93.830	71.281	2.460.903
Premiums earned								
Gross - Direct Business	R0210	1.710.196	274.920	212.817	126.046	95.719	74.736	2.494.433
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	21.713	12.024	11.012	3.802	3.697	3.146	55.394
Net	R0300	1.688.484	262.896	201.804	122.244	92.022	71.590	2.439.039
Claims incurred								
Gross - Direct Business	R0310	1.088.473	167.227	123.077	69.368	52.505	36.541	1.537.192
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	8.086	7.066	3.889	689	-723	-691	18.317
Net	R0400	1.080.386	160.160	119.188	68.680	53.228	37.232	1.518.874
Changes in other technical provisions								
Gross - Direct Business	R0410	-2.108		-175	-3	95		-2.191
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500	-2.108		-175	-3	95		-2.191
Expenses incurred	R0550	551.597	86.691	62.897	32.418	52.153	32.561	818.317
Other expenses	R1200							37.277
Total expenses	R1300							855.594

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) — life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Russia	Czech Republik	Bulgaria	Slovakia	Croatia	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	1.817.642	97.706	37.965	33.523	33.303	33.021	**2.053.160**
Reinsurers' share	R1420	23.929	1.108	225		21	1.286	**26.569**
Net	R1500	1.793.713	96.598	37.740	33.523	33.282	31.735	**2.026.591**
Premiums earned								
Gross	R1510	1.817.122	97.620	37.970	33.523	32.639	31.990	**2.050.865**
Reinsurers' share	R1520	23.929	1.161	225		21	1.286	**26.622**
Net	R1600	1.793.193	96.459	37.746	33.523	32.618	30.704	**2.024.243**
Claims incurred								
Gross	R1610	1.728.241	79.472	13.625	23.075	16.737	16.370	**1.877.520**
Reinsurers' share	R1620	23.788	185	114			842	**24.929**
Net	R1700	1.704.453	79.287	13.511	23.075	16.737	15.527	**1.852.591**
Veränderung sonstiger versicherungstechnischer Rückstellungen								
Gross	R1710							
Reinsurers' share	R1720							
Net	R1800							
Expenses incurred	R1900	383.605	15.065	16.763	9.249	16.268	16.677	**457.627**
Other expenses	R2500							**3.501**
Total expenses	R2600							**461.128**

S.22.01.22
Impact of long term guarantees and transitional measures
In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	19.211.071			313.434	
Basic own funds	R0020	5.319.277			-230.618	
Eligible own funds to meet Solvency Capital Requirement	R0050	5.319.277			-230.618	
Solvency Capital Requirement	R0090	2.142.468			93.173	

S.23.01.22
Own funds
In EUR Thousand

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	309.000	309.000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	1.681.668	1.681.668			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	1.743	1.743			
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	32.915	32.915			
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	2.363.214	2.363.214			
Subordinated liabilities	R0140	918.628			918.628	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	13.036				13.036
The amount equal to the value of net deferred tax assets not available at the group level	R0170	7.989				7.989
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200	52.153	52.153			
Non-available minority interests at group level	R0210	45.089	44.978			111
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that shall not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	53.078	44.978			8.100
Total deductions	R0280	53.078	44.978			8.100
Total basic own funds after deductions	R0290	5.319.277	4.395.714		918.628	4.936

In EUR Thousand

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0330					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit Institutions, investment firms, financial institutions, alternative investment fund managers, UCITS management companies	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	5.319.277	4.395.714		918.628	4.936
Total available own funds to meet the minimum consolidated group SCR	R0530	5.314.341	4.395.714		918.628	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	5.319.277	4.395.714		918.628	4.936
Total eligible own funds to meet the minimum consolidated group SCR	R0570	4.634.683	4.395.714		238.970	
Minimum consolidated Group SCR	R0610	1.194.848				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	387,9 %				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	5.319.277				
Group SCR	R0680	2.142.468				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	248,3 %				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4.632.953
Own shares (held directly and indirectly)	R0710	15.993
Foreseeable dividends, distributions and charges	R0720	163.233
Other basic own fund items	R0730	2.090.514
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Other non available own funds	R0750	
Reconciliation reserve	R0760	2.363.214
Expected profits		
Expected profits included in future premiums (EPIFP) – Life business	R0770	1.469.446
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	321.464
Total EPIFP	R0790	1.790.909

S.25.02.22

Solvency Capital Requirement – for groups using the standard formula and partial internal model

In EUR Thousand

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market Risk	2.209.635	0		
2	Counterparty Default Risk	168.950	0		
3	Life Underwriting Risk	534.024	0		
4	Health Underwriting Risk	127.676	0		
5	Non-Life Underwriting	431.544	431.544		
6	Intangible asset risk	0	0		
7	Operational Risk	177.702	0		
8	LAC Technical Provisions	-332.282	0		
9	LAC Deferred Taxes	-360.901	0		

		C0100
Calculation of Solvency Capital Requirement		
Total undiversified components	R0110	2.402.458
Diversification	R0060	-259.990
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	2.142.468
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	2.142.468
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-332.282
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	-360.901
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	1.194.848
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) – Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) – Institutions for	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) – Capital requirement for non-regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	2.142.468

S.32.01.22
Undertakings in the scope of the group
In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	LEI/529900OOW8ELHOXWZP82		UNIQA Insurance Group AG	Reinsurance undertakings	Aktiengesellschaft	non-mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	LEI/529900B0OFX1G2LS5L25		UNIQA Österreich Versicherungen AG	Composite insurer	Aktiengesellschaft	non-mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	LEI/529900DYOEB8C25L1K78		SK Versicherung Aktiengesellschaft	Non-Life undertakings	Aktiengesellschaft	non-mutual	Österreichische Finanzmarktaufsicht - FMA
Switzerland	LEI/529900VLUHW11YFG6K52		UNIQA Re AG	Reinsurance undertakings	Aktiengesellschaft	non-mutual	Eidgenössische Finanzmarktaufsicht - FINMA
Slovakia	LEI/097900BFGI0000027225		UNIQA poisťovňa a.s.	Composite insurer	Akciová spoločnosť	non-mutual	Národná banka Slovenska - NBS
Czechia	LEI/31570053VJ0RMQ3JJK93		UNIQA pojišťovna, a.s.	Composite insurer	Akciová společnost	non-mutual	České národní banka - CNB
Croatia	LEI/74780000P058TI5YPX93		UNIQA osiguranje d.d.	Composite insurer	Delniška družba	non-mutual	Hrvatska agencija za nadzor financijskih usluga - HANFA
Poland	LEI/259400WV4XF5OZV6N231		UNIQA Towarzystwo Ubezpieczeń S.A.	Life undertakings	Spółka akcyjna	non-mutual	Komisji Nadzoru Finansowego - KNF
Poland	LEI/259400JPZG18Z3V8R922		UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Non-Life undertakings	Spółka akcyjna	non-mutual	Komisji Nadzoru Finansowego - KNF
Hungary	LEI/549300RLBB7L1SYSG775		UNIQA Biztosító Zrt.	Composite insurer	Biztosító részvénytársaság	non-mutual	Pénzügyi Szervezetek Állami Felügyelete - PSZAF
Liechtenstein	LEI/529900SCZKCX0WMOCC24		UNIQA Versicherung AG	Non-Life undertakings	Aktiengesellschaft	non-mutual	Finanzmarktaufsicht Liechtenstein - FMA
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/12290		UNIQA osiguranje d.d.	Composite insurer	Delniška družba	non-mutual	Agencija za nadzor osiguranja Federacije Bosne i Hercegovine - NADOS
Bulgaria	LEI/529900QUFCNI937IFE22		UNIQA Insurance plc	Non-Life undertakings	Aktiengesellschaft	non-mutual	Financial Supervision Commission - FSC
Bulgaria	LEI/529900JXZ3AOURHL8Z49		UNIQA Life Insurance plc	Life undertakings	Aktiengesellschaft	non-mutual	Financial Supervision Commission - FSC
Serbia	LEI/529900NH029TVWX6PY28		UNIQA životno osiguranje a.d.o.	Life undertakings	a.d.	non-mutual	National Bank Of Serbia (NBS)
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/12340		UNIQA Insurance company, Private Joint Stock Company	Non-Life undertakings	Aktiengesellschaft	non-mutual	State Commission for the Regulation of Financial Services
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/12350		UNIQA LIFE Private Joint Stock Company	Life undertakings	Aktiengesellschaft	non-mutual	State Commission for the Regulation of Financial Services
Montenegro	LEI/5299005QVZ2NKVMMW074		UNIQA životno osiguranje a.d.	Life undertakings	a.d.	non-mutual	Agencija za nadzor osiguranja (ANO)
Albania	LEI/529900YGZQYA423B1677		SIGAL UNIQA Group AUSTRIA sh.a.	Non-Life undertakings	Sh.A.	non-mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Serbia	LEI/529900ZGQS1JZWJXCA21		UNIQA neživotno osiguranje a.d.o.	Non-Life undertakings	a.d.	non-mutual	National Bank Of Serbia (NBS)
Montenegro	LEI/529900NCGWV3EFRJTI23		UNIQA neživotno osiguranje a.d.	Non-Life undertakings	a.d.	non-mutual	Agencija za nadzor osiguranja (ANO)

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
						Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
25%	0%	25%		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
99%	100%	99%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
87%	100%	87%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Romania	LEI/529900EHBJY3Z379SR41		UNIQA Asigurari S.A.	Non-Life undertakings	Societăţi pe acţiuni	non-mutual	Comisia de Supraveghere a Asigurarilor - CSA
Romania	LEI/529900L3YL1512DQN720		UNIQA Asigurari De Viata S.A.	Life undertakings	Societăţi pe acţiuni	non-mutual	Comisia de Supraveghere a Asigurarilor - CSA
Russia	LEI/529900H62411VJ4YBN69		Raiffeisen Life Insurance Company LLC	Composite insurer	Aktiengesellschaft	non-mutual	Federal Financial Markets Service - FFMS
Republic of North Macedonia	LEI/529900OXQAQIADK93B31		UNIQA AD Skopje	Non-Life undertakings	a.d.	non-mutual	National Bank of the Republic of Macedonia - NBRM
Albania	LEI/529900WVIAHY6N2PA091		SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Life undertakings	Sh.A.	non-mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Kosovo	LEI/529900OS3ERHXXJ4Y667		SIGAL UNIQA Group AUSTRIA sh.a.	Non-Life undertakings	Sh.A.	non-mutual	Banka Qendrore e Republikës së Kosovës - BQK
Kosovo	LEI/5299008MJFY57C0R1O02		SIGAL LIFE UNIQA Group AUSTRIA sh.a	Life undertakings	a.d.	non-mutual	Banka Qendrore e Republikës së Kosovës - BQK
Republic of North Macedonia	LEI/529900IODZTCBBULHW72		UNIQA Life AD Skopje	Life undertakings	a.d.	non-mutual	National Bank of the Republic of Macedonia - NBRM
Albania	SC/LEI/529900OOW8ELHOXWZP82/AL/12530		SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Institutions for occupational retirement provision	Sh.A.	non-mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Austria	LEI/5299007U38CLFZMP3U51		UNIQA Real Estate Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900GHCLW1R44YWU31		Versicherungsmarkt-Servicegesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900SDO0BXNI4DBB46		Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900BMZFXD8CKPJO45		RSG – Risiko Service und Sachverständigen GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900PHKKKJWP5N0Y07		UNIQA IT Services GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900UVLVCYSELWF743		UNIQA Capital Markets GmbH	Credit institutions, investment firms and financial institutions	GmbH	non-mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13200		UNIQA Immobilien-Projekterrichtungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900566VFWLWCIFU53		call us Assistance International GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13390		UNIQA International AG	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	Aktiengesellschaft	non-mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
75%	100%	75%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
44%	100%	51%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
50%	100%	61%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13400		UNIQA internationale Beteiligungs-Verwaltungs GmbH	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	GmbH	non-mutual	
Austria	LEI/5299007DZYFEJHVDOH86		DIANA-BAD Errichtungs- und Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900LJ0W0Y74HQ0B69		UNIQA Beteiligungs-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900HMZ56PVEYFSE35		UNIQA Leasing GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13500		PremiQaMed Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13520		PremiQaMed Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/391200LJQOME0JLSOT24		Versicherungsbüro Dr. Ignaz Fiala Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13580		Assistance Beteiligungs-GesmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13610		Together Internet Services GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900Q95SSA0F6E6J80		Real Versicherungsvermittlung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900TYYSRJH2VJSP60		STRABAG SE	Other	SE (Aktiengesellschaft)	non-mutual	
Austria	LEI/529900SILRELJ2C2LF08		UNIQA Real Estate GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Aktiengesellschaft	non-mutual	
Austria	LEI/5299009R0BCRPZWBKU46		UNIQA HealthService – Services im Gesundheitswesen GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14000		Design Tower GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14020		Privatklinik Villach Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14000		Design Tower GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
33%	0%	33%		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
25%	0%	25%		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
33%	0%	33%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
64%	100%	64%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
23%	0%	23%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
14%	0%	14%		Significant		Included into scope of group supervision		Other Method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
25%	0%	25%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14050		Privatklinik Villach Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14130		UNIQA Real Estate Property Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14150		"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH& Co. KG	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14170		UNIQA Real Estate Finanzierungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14190		UNIQA Group Audit GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	LEI/529900JRE2FAV5WP2C28		UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14210		Valida Holding AG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Aktiengesellschaft	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14220		EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH& Co. KG	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14240		PremiQaMed Immobilien GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14250		PremiQaMed Privatkliniken GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14280		Ambulatorien Betriebsgesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14290		GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14320		R-SKA Baden Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14340		Praterstraße Eins Hotelbetriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14380		PremiaFIT Facility und IT Management u. Service GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	LEI/529900DL3B1718ENGH39		UNIQA Finanzbeteiligung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
25%	0%	25%		Significant		Included into scope of group supervision		Other Method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
40%	40%	40%		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Other Method
49%	0%	49%		Significant		Included into scope of group supervision		Other Method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Other Method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14420		UNIQA Corporate Business GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	nicht auf Gegenseitigkeit beruhend	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14130		UNIQA Real Estate Property Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14150		"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH& Co. KG	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14170		UNIQA Real Estate Finanzierungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14190		UNIQA Group Audit GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	LEI/529900JRE2FA V5WP2C28		UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14210		Valida Holding AG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Aktiengesellschaft	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14220		EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH& Co. KG	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14240		PremiQaMed Immobilien GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14250		PremiQaMed Privatkliniken GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14280		PremiQaMed Ambulatorien GmbH.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14290		GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14320		R-SKA Baden Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14340		Praterstraße Eins Hotelbetriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14380		PremiaFIT Facility und IT Management u. Service GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OO W8ELHOXWZP82/ AT/14420		UNIQA Ventures GmbH (formerly: UNIQA Corporate Business GmbH)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	0%	100%		Dominant		Included into scope of group supervision		Other Method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
40%	0%	40%		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
49%	0%	49%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14470		Hotel Burgenland Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14480		R-FMZ Immobilienholding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14540		UNIQA Retail Property GmbH (vormals: Raiffeisen-Fachmarktzentrum VIER GmbH)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14580		PKV Beteiligungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14590		Diakonissen & Wehrle Privatklinik GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14600		PremiQaMed Beteiligungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14630		UNIQA Real Estate Inlandsholding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14640		SVA Gesundheitszentrum Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14650		Goldenes Kreuz Privatklinik BetriebsGmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14670		Salzburg Institute of Actuarial Studies GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14710		goSmart Mobility GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14730		TRIPLE-A Versicherungsmakler Gesellschaft m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15020		UNIQA Raiffeisen Software Service Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15050		UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Czechia	SC/LEI/529900OOW8ELHOXWZP82/CZ/15060		UNIQA Real Estate CZ, s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15080		UNIQA Real s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
35%	0%	35%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
90%	100%	90%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
49%	0%	49%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
75%	100%	75%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
50%	0%	50%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
50%	0%	50%		Significant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
60%	100%	60%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Czechia	SC/LEI/529900OOW8ELHOXWZP82/CZ/15110		ProUNIQA s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15120		UNIQA InsService spol. s r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15140		UNIQA Ingatlanhasznosító Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15180		UNIQA Szolgáltató Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15190		UNIQA Claims Services International Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15200		Elsö Közszolgalati Penzügyi Tanacsado Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15210		UNIQA Számitástechnikai Szolgáltató Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15270		UNIPARTNER s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15660		Vitosha Auto OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	OOD	non-mutual	
Romania	SC/LEI/529900OOW8ELHOXWZP82/RO/15680		Floreasca Tower SRL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.R.L. (limited liability company)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15690		Pretium Ingatlan Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Croatia	SC/LEI/529900OOW8ELHOXWZP82/HR/15700		UNIQA poslovni centar korzo d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15710		UNIQA-Invest Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Germany	SC/LEI/529900OOW8ELHOXWZP82/DE/15720		Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Romania	LEI/549300EUO7I4HNV21S11		UNIQA Raiffeisen Software Service S.R.L.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.R.L. (limited liability company)	non-mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15740		UNIQA Real Estate Bulgaria EOOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	EOOD	non-mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
92%	0%	92%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
60%	100%	60%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/15790		UNIQA Real Estate d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15810		UNIQA Group Service Center Slovakia, spol. s r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/15830		Renaissance Plaza d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15840		IPM International Property Management Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/PL/15850		UNIQA Real Estate Polska Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sp. z o.o.	non-mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15860		Black Sea Investment Capital LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non-mutual	
Cyprus	SC/LEI/529900OOW8ELHOXWZP82/CY/15880		LEGIWATON INVESTMENTS Limited Company	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd	non-mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15890		UNIQA Real III, spol. s r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non-mutual	
Netherlands	SC/LEI/529900OOW8ELHOXWZP82/NL/15910		UNIQA Real Estate BV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	BV (Besloten Vennootschap)	non-mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15920		UNIQA Software Service Bulgaria OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	OOD	non-mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15930		UNIQA Software Service Ukraine GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non-mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15970		Reytarske LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non-mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/16050		AVE-PLAZA LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non-mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/16060		Asena LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non-mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16110		UNIQA Assistance doo Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16120		UNIQA Agent doo za zastupanje u osiguranju Banja Luka	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
98%	100%	98%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
99%	0%	99%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
99%	0%	99%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16130		UNIQA Agent doo za zastupanje u osiguranju Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16140		UNIQA Software Service Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/16160		sTech d.o.o	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	non-mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/PL/16180		UNIQA Services Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sp. z o.o.	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16220		DEKRA-Expert Műszaki Szakértői Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Switzerland	SC/LEI/529900OOW8ELHOXWZP82/CH/12160		UNIQA GlobalCare SA	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A. (Aktiengesellschaft)	non-mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16270		CherryHUB BSC Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non-mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/RS/16280		Software Park Kraków Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Sp. z o.o.	non-mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
50%	0%	50%		Significant		Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant		Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant		Included into scope of group supervision		Method 1: Full consolidation

Appendix III (UNIQA Insurance Group AG) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	85.123
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	74.038
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5.451.848
Property (other than for own use)	R0080	146.434
Holdings in related undertakings, including participations	R0090	5.074.417
Equities	R0100	42.661
Equities - listed	R0110	
Equities - unlisted	R0120	42.661
Bonds	R0130	135.357
Government Bonds	R0140	17.577
Corporate Bonds	R0150	117.780
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	51.352
Derivatives	R0190	
Deposits other than cash equivalents	R0200	1.628
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	613.844
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	613.844
Reinsurance recoverables from:	R0270	91.270
Non-life and health similar to non-life	R0280	20.319
Non-life excluding health	R0290	19.656
Health similar to non-life	R0300	663
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	70.951
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	70.951
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	222.781
Insurance and intermediaries receivables	R0360	7.759
Reinsurance receivables	R0370	8.793
Receivables (trade, not insurance)	R0380	250.809
Own shares (held directly)	R0390	6.442
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	17.976
Any other assets, not elsewhere shown	R0420	25.122
Total assets	R0500	**6.855.805**

		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	32.980
Technical provisions – non-life (excluding health)	R0520	32.028
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	30.424
Risk margin	R0550	1.603
Technical provisions - health (similar to non-life)	R0560	952
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	907
Risk margin	R0590	45
Technical provisions - life (excluding index-linked and unit-linked)	R0600	291.335
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	291.335
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	280.563
Risk margin	R0680	10.771
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	92.555
Pension benefit obligations	R0760	214.680
Deposits from reinsurers	R0770	117.665
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	359.509
Insurance & intermediaries payables	R0820	11.046
Reinsurance payables	R0830	5.573
Payables (trade, not insurance)	R0840	101.806
Subordinated liabilities	R0850	918.628
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	918.628
Any other liabilities, not elsewhere shown	R0880	7.245
Total liabilities	R0900	**2.153.022**
Excess of assets over liabilities	R1000	**4.702.783**

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110									
Gross - Proportional reinsurance accepted	R0120		181		4.236	1.110	0	11.131	1.005	
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		144		3.388	888		8.871	804	
Net	R0200		36		847	222	0	2.261	201	
Premiums earned										
Gross - Direct Business	R0210									
Gross - Proportional reinsurance accepted	R0220		179		4.255	1.100	0	11.060	994	
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		143		3.404	880		8.812	793	
Net	R0300		36		851	220	0	2.248	201	
Claims incurred										
Gross - Direct Business	R0310									
Gross - Proportional reinsurance accepted	R0320		114		2.764	794	-4	7.421	-4	-9
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		95		2.211	642		6.173	352	
Net	R0400		19		554	152	-4	1.248	-356	-9
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500									
Expenses incurred	R0550		55		886	230	1	2.635	269	
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								0
Gross - Proportional reinsurance accepted	R0120								17.663
Gross - Non-proportional reinsurance accepted	R0130				123	760		1.963	2.846
Reinsurers' share	R0140					98		2.179	16.373
Net	R0200				123	662		-215	4.137
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								17.588
Gross - Non-proportional reinsurance accepted	R0230				123	760		1.963	2.846
Reinsurers' share	R0240					98		2.179	16.310
Net	R0300				123	662		-215	4.124
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320	-1							11.076
Gross - Non-proportional reinsurance accepted	R0330				290	-1.712	-88	1.986	475
Reinsurers' share	R0340					232		2.081	11.786
Net	R0400	-1			290	-1.944	-88	-95	-235
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500					2.108			2.108
Expenses incurred	R0550			33.392					37.466
Other expenses	R1200								1.794
Total expenses	R1300								39.260

In EUR Thousand

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410								33.827	33.827
Reinsurers' share	R1420								19.640	19.640
Net	R1500								14.187	14.187
Premiums earned										
Gross	R1510								34.113	34.113
Reinsurers' share	R1520								19.649	19.649
Net	R1600								14.464	14.464
Claims incurred										
Gross	R1610								39.809	39.809
Reinsurers' share	R1620								19.046	19.046
Net	R1700								20.763	20.763
Changes in other technical provisions										
Gross	R1710								6.807	6.807
Reinsurers' share	R1720								2.887	2.887
Net	R1800								3.919	3.919
Expenses incurred	R1900	20.826			20.856				1.222	42.904
Other expenses	R2500									5.318
Total expenses	R2600									48.222

S.05.02.01
Premiums, claims and expenses by country
In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) — non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Germany	Croatia	Spain			
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	15.614	2.007	42	0			17.663
Gross - Non-proportional reinsurance accepted	R0130	2.724	121					2.846
Reinsurers' share	R0140	14.639	1.700	33	0			16.373
Net	R0200	3.699	429	8	0			4.137
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	15.556	1.987	42	3			17.588
Gross - Non-proportional reinsurance accepted	R0230	2.724	121					2.846
Reinsurers' share	R0240	14.591	1.683	33	2			16.310
Net	R0300	3.690	426	8	1			4.124
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	9.246	2.080	33	-231			11.129
Gross - Non-proportional reinsurance accepted	R0330	396	170					566
Reinsurers' share	R0340	9.839	2.296	34	-236			11.933
Net	R0400	-196	-46	-1	5			-238
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430	2.108						2.108
Reinsurers' share	R0440							
Net	R0500	2.108						2.108
Expenses incurred	R0550	33.500	3.889	76	1			37.466
Other expenses	R1200							1.794
Total expenses	R1300							39.260

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) — non-life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Germany	Croatia	Switzerland			
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	30.069	2.987	762	9			33.827
Reinsurers' share	R1420	17.458	1.734	442	5			19.640
Net	R1500	12.611	1.253	320	4			14.187
Premiums earned								
Gross	R1510	30.106	3.189	809	9			34.113
Reinsurers' share	R1520	17.341	1.837	466	5			19.649
Net	R1600	12.765	1.352	343	4			14.464
Claims incurred								
Gross	R1610	30.460	8.146	1.097	106			39.809
Reinsurers' share	R1620	14.574	3.897	525	51			19.046
Net	R1700	15.887	4.249	572	55			20.763
Changes in other technical provisions								
Gross	R1710	3.082	3.622	4	98			6.807
Reinsurers' share	R1720	1.308	1.537	2	42			2.887
Net	R1800	1.775	2.086	2	57			3.919
Expenses incurred	R1900	38.137	3.789	966	12			42.904
Other expenses	R2500							5.318
Total expenses	R2600							48.222

S.12.01.02
Life and Health SLT Technical Provisions
In EUR Thousand

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030									280.563	**280.563**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080									70.951	**70.951**
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090									209.612	**209.612**
Risk Margin	R0100									10.771	**10.771**
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200									291.335	**291.335**

In EUR Thousand

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090						
Risk Margin	R0100						
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200						

S.17.01.02
Non-life Technical Provisions
In EUR Tausend

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		48		535	333		2.105	289	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		18		151	109		678	95	
Net Best Estimate of Premium Provisions	R0150		30		385	224		1.427	194	
Claims provisions										
Gross - Total	R0160		283		7.599	308	19	4.065	6.047	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		213		5.581	248		3.164	3.542	
Net Best Estimate of Claims Provisions	R0250		70		2.018	60	19	902	2.505	
Total Best estimate - gross	R0260		331		8.135	641	19	6.170	6.336	
Total Best estimate - net	R0270		101		2.403	284	19	2.329	2.699	
Risk margin	R0280		13		221	21	2	131	289	
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		344		8.355	662	21	6.301	6.625	
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		231		5.732	357		3.842	3.638	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		114		2.623	305	21	2.460	2.987	

In EUR Thousand

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060								3.311
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								1.050
Net Best Estimate of Premium Provisions	R0150								2.261
Claims provisions									
Gross - Total	R0160	7			576	8.019	6	1.090	28.021
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240				432	5.239		849	19.269
Net Best Estimate of Claims Provisions	R0250	7			144	2.780	6	242	8.752
Total Best estimate - gross	R0260	7			576	8.019	6	1.090	31.331
Total Best estimate - net	R0270	7			144	2.780	6	242	11.013
Risk margin	R0280	1			32	605	1	334	1.648
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	8			608	8.624	7	1.424	32.980
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330				432	5.239		849	20.319
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	8			176	3.385	7	576	12.661

S.19.01.21
Non-life Insurance Claims Information
In EUR Thousand

Total Non-Life Business

Accident year / Underwriting year	Z0020	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Jahr	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											250
N-9	R0160	269.281	142.955	39.262	17.313	8.474	4.880	23	73	52	66	
N-8	R0170	183.582	112.355	33.671	16.268	8.841	113	36	31	12		
N-7	R0180	192.778	124.002	51.758	23.308	-17	96	71	61			
N-6	R0190	165.285	108.915	40.020	616	177	91	49				
N-5	R0200	175.112	108.172	884	339	112	41					
N-4	R0210	10.023	3.664	702	320	131						
N-3	R0220	8.837	2.521	545	230							
N-2	R0230	8.572	2.611	504								
N-1	R0240	8.165	2.870									
N	R0250	8.914										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	250	250
	R0160	66	482.378
	R0170	12	354.911
	R0180	61	392.057
	R0190	49	315.153
	R0200	41	284.660
	R0210	131	14.840
	R0220	230	12.133
	R0230	504	11.687
	R0240	2.870	11.035
	R0250	8.914	8.914
Total	R0260	13.127	1.888.016

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Jahr	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
vorher	R0100											9.358
N-9	R0160								1.144	1.100	1.037	
N-8	R0170							641	663	596		
N-7	R0180						1.373	1.176	1.172			
N-6	R0190					2.239	3.690	3.591				
N-5	R0200				1.860	1.723	1.106					
N-4	R0210			1.963	1.043	700						
N-3	R0220		2.639	1.807	1.177							
N-2	R0230	5.731	2.020	1.536								
N-1	R0240	6.551	1.991									
N	R0250	6.616										

		Year end (discounted data)
		C0360
	R0100	8.915
	R0160	985
	R0170	560
	R0180	1.124
	R0190	3.503
	R0200	1.076
	R0210	678
	R0220	1.153
	R0230	1.501
	R0240	1.957
	R0250	6.568
Total	R0260	28.021

S.22.01.21

Impact of long term guarantees and transitional measures

In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	324.314			1.135	
Basic own funds	R0020	5.289.461			-222.051	
Eligible own funds to meet Solvency Capital Requirement	R0050	4.978.325			-175.070	
Solvency Capital Requirement	R0090	1.385.229			106	
Eligible own funds to meet Minimum Capital Requirement	R0100	4.354.972			-217.727	
Minimum Capital Requirement	R0110	346.307			26	

S.23.01.01
Own funds
In EUR Thousand

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	309.000	309.000			
Share premium account related to ordinary share capital	R0030	1.681.668	1.681.668			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2.295.043	2.295.043			
Subordinated liabilities	R0140	918.628			918.628	
An amount equal to the value of net deferred tax assets	R0160	85.123				85.123
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	5.289.461	4.285.711		918.628	85.123
Ergänzende Eigenmittel						
Ancillary own funds	R0300					
Unpaid and uncalled ordinary share capital callable on demand	R0310					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0320					
Unpaid and uncalled preference shares callable on demand	R0330					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0340					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0360					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0390					
Other ancillary own funds	R0400					
Total ancillary own funds						
Available and eligible own funds	R0500	5.289.461	4.285.711		918.628	
Total available own funds to meet the SCR	R0510	5.204.338	4.285.711		918.628	
Total available own funds to meet the MCR	R0540	4.978.325	4.285.711		692.614	
Total eligible own funds to meet the SCR	R0550	4.354.972	4.285.711		69.261	
Total eligible own funds to meet the MCR	R0580	1.385.229				
SCR	R0600	346.307				
MCR	R0620	359%				
Ratio of Eligible own funds to MCR	R0640	1258%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	4.702.783
Own shares (held directly and indirectly)	R0710	6.442
Foreseeable dividends, distributions and charges	R0720	325.507
Other basic own fund items	R0730	2.075.791
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	2.295.043
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	
Total Expected profits included in future premiums (EPIFP)	R0790	

S.25.01.21
Solvency Capital Requirement — for undertakings on Standard Formula
In EUR Thousand

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0120
Market risk	R0010	1.430.198		
Counterparty default risk	R0020	25.171		
Life underwriting risk	R0030	17.550		
Health underwriting risk	R0040	118		
Non-life underwriting risk	R0050	3.835	0	
Diversification	R0060	-34.610		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	**1.442.262**		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2.202
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-59.236
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	**1.385.229**
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	**1.385.229**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01

Minimum Capital Requirement — Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

In EUR Thousand

		C0010
MCRNL Result	R00120	1.879

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030	101	36
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	2.403	410
Other motor insurance and proportional reinsurance	R0060	284	199
Marine, aviation and transport insurance and proportional reinsurance	R0070	19	
Fire and other damage to property insurance and proportional reinsurance	R0080	2.329	713
General liability insurance and proportional reinsurance	R0090	2.699	31
Credit and suretyship insurance and proportional reinsurance	R0100		
Legal expenses insurance and proportional reinsurance	R0110	7	
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		
Non-proportional health reinsurance	R0140	144	25
Non-proportional casualty reinsurance	R0150	2.780	788
Non-proportional marine, aviation and transport reinsurance	R0160	6	
Non-proportional property reinsurance	R0170	242	1.935

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	621

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		886.527

Overall MCR calculation

		C0070
Linear MCR	R0300	2.500
SCR	R0310	1.385.229
MCR cap	R0320	623.353
MCR floor	R0330	346.307
Combined MCR	R0340	346.307
Absolute floor of the MCR	R0350	3.600
		C0070
Minimum Capital Requirement	R0400	346.307

Appendix IV (UNIQA Österreich Versicherungen AG) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	2.032
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	16.195.309
Property (other than for own use)	R0080	1.371.951
Holdings in related undertakings, including participations	R0090	942.279
Equities	R0100	250.833
Equities - listed	R0110	183.567
Equities - unlisted	R0120	67.266
Bonds	R0130	11.066.848
Government Bonds	R0140	6.117.717
Corporate Bonds	R0150	4.839.502
Structured notes	R0160	98.416
Collateralised securities	R0170	11.213
Collective Investments Undertakings	R0180	2.457.374
Derivatives	R0190	19.978
Deposits other than cash equivalents	R0200	86.045
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	4.310.934
Loans and mortgages	R0230	292.794
Loans on policies	R0240	11.410
Loans and mortgages to individuals	R0250	14.532
Other loans and mortgages	R0260	266.852
Reinsurance recoverables from:	R0270	900.753
Non-life and health similar to non-life	R0280	708.154
Non-life excluding health	R0290	582.443
Health similar to non-life	R0300	125.711
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	190.999
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	190.999
Life index-linked and unit-linked	R0340	1.600
Deposits to cedants	R0350	1.070
Insurance and intermediaries receivables	R0360	92.706
Reinsurance receivables	R0370	10.340
Receivables (trade, not insurance)	R0380	70.249
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	1.127.338
Any other assets, not elsewhere shown	R0420	5.090
Total assets	R0500	**23.008.615**

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	1.527.278
Technical provisions – non-life (excluding health)	R0520	1.327.421
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	1.263.134
Risk margin	R0550	64.288
Technical provisions - health (similar to non-life)	R0560	199.857
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	193.324
Risk margin	R0590	6.532
Technical provisions - life (excluding index-linked and unit-linked)	R0600	10.620.166
Technical provisions - health (similar to life)	R0610	980.749
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	724.002
Risk margin	R0640	256.747
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	9.639.417
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	9.434.757
Risk margin	R0680	204.660
Technical provisions – index-linked and unit-linked	R0690	4.337.866
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	4.307.614
Risk margin	R0720	30.251
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	38.833
Pension benefit obligations	R0760	250.197
Deposits from reinsurers	R0770	200.815
Deferred tax liabilities	R0780	851.354
Derivatives	R0790	12.328
Debts owed to credit institutions	R0800	772.196
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	90.942
Reinsurance payables	R0830	16.446
Payables (trade, not insurance)	R0840	80.453
Subordinated liabilities	R0850	434.735
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	434.735
Any other liabilities, not elsewhere shown	R0880	2.906
Total liabilities	R0900	**19.236.516**
Excess of assets over liabilities	R1000	**3.772.099**

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110		308.135		313.971	261.425	51.123	445.700	185.633	2.519
Gross - Proportional reinsurance accepted	R0120				102		1.730	3.271	3.490	560
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		135.878		84.037	143.284	9.645	170.102	105.906	1.653
Net	R0200		172.256		230.035	118.141	43.209	278.870	83.217	1.426
Premiums earned										
Gross - Direct Business	R0210		307.957		313.050	260.007	49.925	443.354	185.478	2.541
Gross - Proportional reinsurance accepted	R0220				97		1.393	3.066	951	445
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		135.816		83.800	142.547	8.697	169.022	102.990	1.361
Net	R0300		172.141		229.347	117.460	42.620	277.397	83.438	1.625
Claims incurred										
Gross - Direct Business	R0310		171.569		186.092	182.666	50.939	266.066	119.848	302
Gross - Proportional reinsurance accepted	R0320		-2		87		211	4.793	-1.073	4
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		77.638		48.565	91.990	26.373	107.328	63.582	570
Net	R0400		93.929		137.615	90.677	24.777	163.531	55.193	-264
Changes in other technical provisions										
Gross - Direct Business	R0410		136							
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500		136							
Expenses incurred	R0550		47.936		47.878	34.546	15.275	108.294	35.346	336
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	90.439		35.562					1.694.508
Gross - Proportional reinsurance accepted	R0120								9.153
Gross - Non-proportional reinsurance accepted	R0130					-134			-134
Reinsurers' share	R0140	5		15.775					666.285
Net	R0200	90.434		19.787		-134			1.037.243
Premiums earned									
Gross - Direct Business	R0210	90.270		35.479					1.688.059
Gross - Proportional reinsurance accepted	R0220								5.952
Gross - Non-proportional reinsurance accepted	R0230					-134			-134
Reinsurers' share	R0240	5		15.750					659.989
Net	R0300	90.265		19.729		-134			1.033.888
Claims incurred									
Gross - Direct Business	R0310	45.911		17.029					1.040.424
Gross - Proportional reinsurance accepted	R0320								4.020
Gross - Non-proportional reinsurance accepted	R0330							36	-15
Reinsurers' share	R0340	128		8.712					424.886
Net	R0400	45.783		8.317		-15			619.543
Changes in other technical provisions									
Gross - Direct Business	R0410			-891					-755
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500			-891					-755
Expenses incurred	R0550	28.919		7.505					326.037
Other expenses	R1200								19.079
Total expenses	R1300								345.116

In EUR Thousand

		Line of Business for: life insurance obligations						Life reinsurance obligations		
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	Total
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	1.008.859	694.083	247.048	79.086				1.797	2.030.872
Reinsurers' share	R1420	329	22.490	-232	9.061					31.647
Net	R1500	1.008.530	671.593	247.280	70.026				1.797	1.999.226
Premiums earned										
Gross	R1510	1.008.469	699.019	247.488	79.173				1.797	2.035.947
Reinsurers' share	R1520	329	22.490	-226	9.063					31.656
Net	R1600	1.008.141	676.530	247.714	70.110				1.797	2.004.291
Claims incurred										
Gross	R1610	688.995	994.884	323.868	33.442			3	30	2.041.221
Reinsurers' share	R1620	383	24.122	-3.634	5.628					26.500
Net	R1700	688.612	970.761	327.501	27.814			3	30	2.014.721
Changes in other technical provisions										
Gross	R1710	-159.024	181.517	185.961	-9.900				-602	197.952
Reinsurers' share	R1720	68	3.047	-5.324	226					-1.983
Net	R1800	-159.092	178.470	191.285	-10.126				-602	199.935
Expenses incurred	R1900	183.658	69.431	33.454	49.963				534	337.041
Other expenses	R2500									11.835
Total expenses	R2600									348.876

S.12.01.02
Life and Health SLT Technical Provisions
In EUR Thousand

			Index-linked and unit-linked insurance			Other life insurance					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	9.684.363		2.713.855	1.593.759		-249.606				13.742.372
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	190.691		1.008	592		308				192.599
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	9.493.672		2.712.847	1.593.167		-249.914				13.549.773
Risk Margin	R0100	150.114	30.251			54.545					234.911
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200	9.834.478	4.337.866			-195.061					13.977.283

In EUR Thousand

		Health insurance (direct business)					
			Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030		724.002				724.002
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		724.002				724.002
Risk Margin	R0100	256.747					256.747
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200	980.749					980.749

S.17.01.02
Non-life Technical Provisions
In EUR Thousand

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		-80.576		-6.459	1.355	4.043	4.897	-37.564	751
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		5.106		512	5.967	3.388	11.796	-20.732	695
Net Best Estimate of Premium Provisions	R0150		-85.682		-6.970	-4.612	655	-6.899	-16.831	56
Claims provisions										
Gross - Total	R0160		273.900		378.345	42.079	66.216	203.378	527.596	1.295
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		120.605		144.391	20.791	31.354	78.287	285.727	533
Net Best Estimate of Claims Provisions	R0250		153.295		233.954	21.287	34.862	125.092	241.868	762
Total Best estimate - gross	R0260		193.324		371.886	43.434	70.259	208.275	490.032	2.046
Total Best estimate - net	R0270		67.613		226.984	16.675	35.517	118.192	225.037	818
Risk margin	R0280		6.532		7.282	2.842	4.035	27.522	5.286	87
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		199.857		379.168	46.276	74.294	235.797	495.318	2.134
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		125.711		144.902	26.759	34.742	90.083	264.995	1.228
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		74.146		234.266	19.517	39.551	145.714	230.323	905

In EUR Thousand

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	Total Non-Life obligation
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060	-86.783		21.860					-178.476
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-268		14.699					21.162
Net Best Estimate of Premium Provisions	R0150	-86.515		7.161					-199.638
Claims provisions									
Gross - Total	R0160	132.121		10.004					1.634.934
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	739		4.564					686.992
Net Best Estimate of Claims Provisions	R0250	131.381		5.440					947.942
Total Best estimate - gross	R0260	45.338		31.864					1.456.458
Total Best estimate - net	R0270	44.866		12.601					748.304
Risk margin	R0280	6.658		10.576					70.820
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	51.996		42.440					1.527.278
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	471		19.263					708.154
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	51.525		23.177					819.124

S.19.01.21
Non-life Insurance Claims Information
In EUR Thousand

Total Non-Life Business

Accident year / Underwriting	Z0020	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											31.039
N-9	R0160	455.724	259.972	73.605	34.104	16.260	10.164	10.171	5.645	5.615	5.291	
N-8	R0170	400.120	239.685	69.655	34.402	13.773	12.496	7.015	5.857	5.524		
N-7	R0180	410.303	247.946	89.759	37.628	17.507	9.571	8.376	7.013			
N-6	R0190	467.079	246.382	83.929	36.636	18.624	10.354	7.548				
N-5	R0200	459.824	245.461	80.240	33.033	18.345	10.378					
N-4	R0210	423.936	250.048	70.876	31.855	19.546						
N-3	R0220	454.802	241.041	72.318	36.621							
N-2	R0230	458.895	234.350	85.176								
N-1	R0240	498.975	283.960									
N	R0250	482.299										

Development year

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	31.039	31.039
	R0160	5.291	876.551
	R0170	5.524	788.528
	R0180	7.013	828.103
	R0190	7.548	870.552
	R0200	10.378	847.282
	R0210	19.546	796.261
	R0220	36.621	804.782
	R0230	85.176	778.422
	R0240	283.960	782.935
	R0250	482.299	482.299
Total	R0260	974.397	7.886.755

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Year	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											234.052
N-9	R0160	0	0	0	0	0	0	0	43.385	38.787	42.019	
N-8	R0170	0	0	0	0	0	0	47.050	40.648	33.955		
N-7	R0180	0	0	0	0	0	58.028	48.724	39.356			
N-6	R0190	0	0	0	0	65.854	54.160	48.733				
N-5	R0200	0	0	0	99.148	70.193	59.046					
N-4	R0210	0	0	156.943	108.916	82.218						
N-3	R0220	0	239.322	157.104	111.792							
N-2	R0230	510.385	268.639	172.874								
N-1	R0240	551.517	272.449									
N	R0250	567.864										

Development year

		Year end (discounted data)
		C0360
	R0100	229.536
	R0160	39.332
	R0170	31.640
	R0180	36.545
	R0190	44.851
	R0200	54.862
	R0210	77.814
	R0220	105.710
	R0230	165.122
	R0240	267.678
	R0250	581.844
Total	R0260	1.634.934

S.22.01.21
Impact of long term guarantees and transitional measures
In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	16.485.310			297.934	
Basic own funds	R0020	4.044.019			-212.715	
Eligible own funds to meet Solvency Capital Requirement	R0050	4.044.019			-212.715	
Solvency Capital Requirement	R0090	1.537.421			132.404	
Eligible own funds to meet Minimum Capital Requirement	R0100	3.738.433			-208.690	
Minimum Capital Requirement	R0110	500.565			20.128	

S.23.01.01
Own funds
In EUR Thousand

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	37.689	37.689			
Share premium account related to ordinary share capital	R0030	108.018	108.018			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070	32.915	32.915			
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3.430.662	3.430.662			
Subordinated liabilities	R0140	434.735		29.035	405.699	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	4.044.019	3.609.284	29.035	405.699	
Ancillary own funds	R0300					
Unpaid and uncalled ordinary share capital callable on demand	R0310					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0320					
Unpaid and uncalled preference shares callable on demand	R0330					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0340					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0360					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0390					
Other ancillary own funds	R0400					
Total ancillary own funds						
Available and eligible own funds	R0500	4.044.019	3.609.284	29.035	405.699	
Total available own funds to meet the SCR	R0510	4.044.019	3.609.284	29.035	405.699	
Total available own funds to meet the MCR	R0540	4.044.019	3.609.284	29.035	405.699	
Total eligible own funds to meet the SCR	R0550	3.738.433	3.609.284	29.035	100.113	
Total eligible own funds to meet the MCR	R0580	1.537.421				
SCR	R0600	500.565				
MCR	R0620	263,0 %				
Ratio of Eligible own funds to MCR	R0640	746,8 %				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	3.772.099	
Own shares (held directly and indirectly)	R0710		
Foreseeable dividends, distributions and charges	R0720	162.815	
Other basic own fund items	R0730	178.622	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	3.430.662	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770	1.284.740	
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	310.586	
Total Expected profits included in future premiums (EPIFP)	R0790	1.595.326	

S.25.02.21
Solvency Capital Requirement – for undertakings using the standard formula and partial internal model
In EUR Thousand

Unique number of component	Components description	Calculation of the Solvency Capital Requirement	Amount modelled	USP	Simplifications
C0010	C0020	C0030	C0070	C0090	C0120
1	Market Risk	1.948.677			
2	Counterparty Default Risk	126.517			
3	Life Underwriting Risk	714.013			
4	Health Underwriting Risk	127.390			
5	Non-Life Underwriting Risk	183.695	182.249		
6	Intangible asset risk				
7	Operational Risk	128.411			
8	LAC Technical Provisions	-458.324			
9	LAC Deferred Taxes	-512.474			

		C0100
Calculation of Solvency Capital Requirement		
Total undiversified components	R0110	2.257.905
Diversification	R0060	-720.484
Capital requirement for business operated in accordance with Art. 4 of Directive	R0160	
Solvency capital requirement excluding capital add-on	R0200	1.537.421
Capital add-ons already set	R0210	
Solvency capital requirement	R0220	1.537.421
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-458.324
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	-512.474
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirement for matching adjustment	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.02.01.01
Minimum Capital Requirement — Both life and non-life insurance activity
In EUR Thousand

		MCR components	
		Non-life activities	Life activities
		MCR(NL, NL) Result	MCR(NL, L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	166.444	

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030	67.613	172.256		
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050	226.984	230.035		
Other motor insurance and proportional reinsurance	R0060	16.675	118.141		
Marine, aviation and transport insurance and proportional reinsurance	R0070	35.517	43.209		
Fire and other damage to property insurance and proportional reinsurance	R0080	118.192	278.471		
General liability insurance and proportional reinsurance	R0090	225.037	83.083		
Credit and suretyship insurance and proportional reinsurance	R0100	818	1.426		
Legal expenses insurance and proportional reinsurance	R0110	44.866	90.439		
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130	12.601	20.187		
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

In EUR Thousand

		Non-life activities MCR(L, NL) Result	Life activities MCR(L, L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	-13.715	347.836

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	268.910		8.853.540	
Obligations with profit participation - future discretionary benefits	R0220	455.092		640.132	
Index-linked and unit-linked insurance obligations	R0230			4.306.014	
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				33.428.131

Overall MCR calculation

		C0130
Linear MCR	R0300	500.565
SCR	R0310	1.537.421
MCR cap	R0320	691.839
MCR floor	R0330	384.355
Combined MCR	R0340	500.565
Absolute floor of the MCR	R0350	7.400
		C0130
Minimum Capital Requirement	R0400	500.565

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	152.729	347.836
Notional SCR excluding add-on (annual or latest calculation)	R0510	469.088	1.068.333
Notional MCR cap	R0520	211.089	480.750
Notional MCR floor	R0530	117.272	267.083
Notional Combined MCR	R0540	152.729	347.836
Absolute floor of the notional MCR	R0550	3.700	3.700
Notional MCR	R0560	152.729	347.836

Appendix V – regulatory requirements for the Solvency and Financial Condition Report

This appendix lists the regulatory requirements upon which this Solvency and Financial Condition Report is based and with which it corresponds and complies. In addition to these regulatory requirements this **document** is also in accordance with Articles 51 to 56 of Directive (EU) 2009/138/EC (Level 1) and Sections 241 to 245 of the Austrian Insurance Supervision Act 2016 (Level 4).

Chapter A

This chapter contains information on the company's business activities and performance, in accordance with Article 293 of the Delegated Regulation (EU) (Level 2) as well as guidelines 1 and 2 EIOPA-BoS-15/109 (Level 3). Article 359 (a) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level, as well as guideline 14 EIOPA-BoS-15/109 (Level 3).

Chapter B

This chapter contains information on the company's governance system, in accordance with Article 294 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 3 and 4 EIOPA-BoS-15/109 (Level 3). Article 359 (b) Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter C

This chapter contains information on the company's risk profile, in accordance with Article 295 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guideline 5 to 5 EIOPA-BoS-15/109 (Level 3). Article 359 (c) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter D

This chapter contains information on the valuation requirements for Solvency II, in accordance with Article 296 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 6 to 10 EIOPA-BoS-15/109 (Level 3). Article 359(d) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter E

This chapter contains information on the company's capital management, in accordance with Articles 297 and 298 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 11 to 13 EIOPA-BoS-15/109 (Level 3). Article 359(e) of the Delegated Regulation (EU) 2015/35 (Level 2), as well as guideline 15 EIOPA-BoS-15/109 (Level 3) also apply for the reporting at Group level.

Glossary

Term	Definition
(Partial) internal model	Internally generated model developed by the insurance or reinsurance entity concerned and at the instruction of the FMA to calculate the solvency capital requirement or relevant risk modules (on a partial basis).
Reinsurance premiums ceded	Proportion of premiums to which the reinsurer is entitled for assuming certain reinsurance risks.
Premiums earned (gross)	Total gross premiums written less the change in gross premiums carried forward for the direct insurance business.
Premiums earned (net)	Total gross premiums written less the change in gross premiums carried forward in relation to the total direct insurance business and inward reinsurance business, reduced by the amount in relation to reinsurance ceded.
Deferred acquisition costs	These include the insurance company's costs associated with entering into new or extending existing insurance contracts. They include costs such as closure commissions and costs for processing applications and preparing risks assessments.
Expenses incurred	All the entity's technical expenses allocated to the reporting period.
Acquisition costs	The amount of cash or cash equivalents paid to acquire an asset or the fair value of another form of charge at the time of acquisition.
Non-controlling interests	Interests in the profit/(loss) for the period which are attributable to third parties outside of the Group that hold shares in affiliates and not to the Group.
Asset allocation	The structure of investments, i.e. the proportional composition of the overall investments from the different types of investment (e.g. equities, fixed-income securities, holdings, land and buildings, money market instruments).
Asset liability management	Management concept whereby decisions related to company assets and liabilities are matched with each other. Strategies on the assets and liabilities are formulated, implemented, monitored and revised for this in a continuous process in order to achieve the financial targets with specified risk tolerances and limitations.
Associates	Associates are all companies over which UNIQA has significant influence but does not exercise control or joint control over their financial and operating policies. This is generally the case as soon as there is a voting share of between 20 and 50 per cent or a comparable significant influence is guaranteed legally or in practice via other contractual regulations.
Operating expenses	This item includes acquisition costs, expenses for portfolio management and for implementing reinsurance. Deduction of the commissions received and profit participation from reinsurance business ceded results in operating expenses for own account.
Fair value	The fair value is the price that would be received for the sale of an asset or would be paid for assigning a debt in an orderly business transaction between market participants.
Benchmark method	An accounting and valuation method preferred in IFRS accounting.
Best Estimate	This is the probability-weighted average of future cash flows taking into account the expected present value and using the relevant risk-free yield curve.
Value Of business in-force (VBI)	Designates the cash value of future profits arising from life insurance contracts, less the cash value of the costs arising from the capital to be held in connection with this business.
Combined ratio	Combined ratio of damage claims and costs. Sum of the operating expenses and insurance benefits relative to the premiums earned, net in all cases – in property and casualty insurance.
Corporate Governance	Corporate Governance designates the legal and actual framework for managing and monitoring companies. Corporate Governance regulations are aimed at ensuring transparency and thereby at boosting confidence in responsible company management and controls based around added value.
Insurance provision	Provision at the amount of the existing liability to pay insurance benefits and reimbursements, primarily in life and health insurance. The provision is ascertained in accordance with actuarial methods as the balance of the cash value of future liabilities minus the cash value of future premiums.
Direct insurance business	This relates to the insurance contracts that a direct insurer enters into with private individuals or companies. This is in contrast with reinsurance business acquired by a direct insurer or reinsurer.
Duration	The duration describes the weighted average duration of an interest-rate sensitive investment or portfolio and is a measure of risk of the sensitivity of investments in the event of changes in interest rates.
Economic capital model (ECM)	UNIQA's assessment is based on the EIOPA standard formula for calculating the risk capital requirement with the variations of the risk exposure for EEA (European Economic Area) government bonds and handling of asset backed securities, and using the partial internal model for property and casualty insurance.
Overall solvency needs (OSN)	Designates the company's individual risk assessment and capital requirements resulting from this. Corresponds with the ECR at UNIQA.
Economic capital requirement (ECR)	Risk capital requirement that results from the economic capital model. See overall solvency needs.
Net	The part of risks assumed which the insurer/reinsurer does not reinsure.
Return on equity (ROE)	The return on equity is the ratio of the profit/(loss) to the average equity, after non-controlling interests in each case.
Own funds	In the case of stock corporations, the paid-in share capital; in the case of insurance associations (to the extent that the own funds are used to cover losses), the capital reserves, the retained earnings and the risk reserve together with the net retained profit not earmarked for distribution.

Equity method	Investments in associates are accounted for using this method. The value assessed corresponds with the Group's share in these companies' equity. With investments in companies that prepare consolidated financial statements themselves, their Group equity is assessed accordingly in each case. This value must be updated to take account of proportional changes in equity as part of ongoing valuations; the proportional profit on ordinary activities is attributed to the consolidated profit/(loss) with this.
Supplementary capital	Paid-in capital that is provided to the insurance company under an agreement for a minimum of five years with a waiver of the right of termination and for which interest can only be disbursed if this is covered in the annual net profit.
FAS	US Financial Accounting Standards which set out the details on US GAAP (Generally Accepted Accounting Principles).
Amortised cost	Amortised cost relates to acquisition costs less permanent impairment (such as ongoing amortisation).
Gross (premiums written)	The item includes details on items in the balance sheet and income statement, excluding the proportion from reinsurance.
Profit participation	In life and health insurance the policyholders with profit participation insurance contracts must be allowed under statutory and contractual provisions to participate appropriately in the company’s surpluses generated. The amount of this profit participation is determined again each year.
Hedging	Hedging against undesirable changes in rates or prices using an appropriate offsetting item, particularly using derivative financial instruments.
IASs	International Accounting Standards
IFRSs	International Financial Reporting Standards. Since 2002 the term IFRS has applied to the overall concept of the standards enacted by the International Accounting Standards Board. Standards already enacted before this continue to be known as International Accounting Standards (IASs).
Tiers	Classification of the basic own fund components into Tier 1, Tier 2 and Tier 3 capital using the own funds list in accordance with the criteria specified in the EU implementing regulation. If a component of basic own funds is not included in the list, an entity must carry out its own assessment and decide on a classification.
Cost ratio	Ratio of total insurance operating expenses (net of reinsurance commissions received and share of profit from reinsurance ceded) to consolidated premiums earned (including savings portions of unit-linked and index-linked life insurance).
Minimum capital requirement (MCR)	Minimum level of security below which the eligible basic own funds should not fall. The MCR is calculated using a formula in relation to the solvency capital requirement (SCR).
Subordinated liabilities	Liabilities that can only be repaid after the other liabilities in the event of liquidation or bankruptcy.
Revaluation reserve	Unrealised gains and losses that result from the difference between the fair value and the amortised costs are directly recognised in other comprehensive income in the item “Revaluation reserve” following deduction of deferred tax and deferred profit participation (in the area of life insurance).
Own risk and solvency assessment (ORSA)	Forward-looking risk and solvency assessment process carried out by the entity itself. It forms an integral part of corporate strategy and the planning process – but at the same time also part of the overall risk management strategy.
Economic capital	The economic capital (or net asset value, NAV) results from the residual amount between the assets assessed at fair values and the liabilities assessed at fair values and is a synonym for economic own funds.
Premiums	Total premiums written. All premiums written in the financial year from insurance contracts for direct insurance and inward reinsurance business.
Unearned premiums	The part of the premiums that represents the remuneration for the insurance period after the reporting date, and has therefore not been earned as at the reporting date. Except in the case of life insurance, unearned premiums must be stated as a separate item in the balance sheet under the technical provisions.
Retrocession	Retrocession means reinsurance of the reinsurance assumed and is used as a risk-policy tool by professional reinsurance companies and in inward reinsurance by other insurance companies.
Risk appetite	Conscious assumption and handling of risk within risk-bearing capacity.
Risk limit	Limits the level of risk and ensures that, based on a specified probability, a certain level of loss or a certain negative variance from budgeted values (estimated performance) is not exceeded.
Risk margin	Pursuant to the Section 161 of the Austrian Insurance Supervision Act 2016, the risk margin is an add-on to the best estimate to ensure that the value of technical provisions equates to the amount that insurers and reinsurers would need so that they are able to assume and satisfy their insurance and reinsurance obligations.
Provision for unsettled claims	Also known as claim provision; takes into account liabilities from claims that have already arisen as at the reporting date but which have not yet been settled or settled in full.
Provision for premium refunds and profit participation	The part of the surplus scheduled for future distribution to the policyholders is placed into the provisions for premium refunds or profit participation. Deferred amounts are also accounted for in the provision.
Reinsurance	An insurance company insures part of its risk with another insurance company.
Claims rate	Insurance benefits in property and casualty insurance in relation to the premiums earned.
Key functions	Bodies or committees that must be established under mandatory statutory requirements; they prepare regular reports to be submitted to the management board and supervisory board of an entity. The reported information is used for the purposes of review and decision-making.

Solvency capital requirement (SCR)	The eligible own funds that insurers or reinsurers must hold to enable them to absorb significant losses and give reasonable assurance to policyholders and beneficiaries that payments will be made as they fall due. It is calculated to ensure that all quantifiable risks (such as market risk, credit risk, underwriting risk) are taken into account. It covers both current operating activities and the new business expected in the subsequent twelve months.
Solvency	An insurance company's own funds.
Solvency II	The European Union Directive on publication obligations and solvency regulations in terms of insurance company's own funds.
Solvency balance sheet	Total of the assets and liabilities of an insurance or reinsurance entity (defined differently from the financial reporting requirements under IFRSs). Assets and liabilities are measured at the amount that would be agreed for exchange or settlement between independent, knowledgeable, willing parties.
Standard formula	Standard formula for calculating the solvency capital requirement in accordance with Section 177 of the Austrian Insurance Supervision Act 2016
Stress test	Stress tests are a special form of scenario analysis. The objective is to be able to make a quantitative statement on the loss potential for portfolios in the event of extreme market fluctuations.
US GAAP	US Generally Accepted Accounting Principles
Value at risk	Risk quantification method. This involves calculating the expected value of a loss which may arise following unfavourable market developments with a specified probability within a defined period.
Affiliated companies	The parent company and its subsidiaries are affiliated companies. Subsidiaries are companies controlled by UNIQA.
Premiums written (gross)	All premiums due during the financial year arising from insurance contracts under direct insurance business, regardless of whether these premiums relate (either wholly or partially) to a later financial year.
Premiums written (net)	Total premiums from direct insurance business and inward reinsurance less amounts in respect of reinsurance ceded.
Insurance benefits (gross)	Total of insurance benefit payments and changes in the claims provision during the financial year in connection with direct insurance and reinsurance contracts. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.
Insurance benefits (net)	Total of insurance benefit payments and changes in the claims provision during the financial year in relation to the total of direct insurance and inward reinsurance business, less the amount related to reinsurance ceded. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.
Available-for-sale financial assets	The available-for-sale financial assets include financial assets that are neither due to be held until final maturity, nor have they been acquired for short-term trading purposes. Available-for-sale financial assets are assessed at fair value. Fluctuations in value are recorded in other comprehensive income in the consolidated statement of comprehensive income.

Imprint

Owner and publisher
UNIQA Insurance Group AG
Commercial registry no.: 92933t

Editorial chapter: concept, advice, and design
be.public Corporate & Financial Communications GmbH
www.bepublic.at
Rosebud, Inc. / www.rosebud-inc.com
Translation and linguistic consulting
ASI GmbH / www.asint.at
Paper
Cover: Munken Polar, 240 g/m²
Interior: Munken Polar, 100 g/m²
Printed by
AV+Astoria Druckzentrum GmbH

Contact
UNIQA Insurance Group AG
Integrated Risk Management
Untere Donaustraße 21, 1029 Vienna, Austria
E-mail: qualitativeRM@uniqa.at

www.uniqagroup.com