Seeding the **FUTURE**

Solvency and Financial Condition Report 2020
/ UNIQA Insurance Group AG

Ladies and gentlemen,
dear shareholders,
dear UNIQA customers,

With this Solvency and Financial Condition Report, we want to share with you the results achieved by our company in the areas of risk and capital management in what was a challenging 2020. It is intended to furnish detailed, transparent yet universally accessible insights without neglecting to provide a general overview of our company.

A sound solvency position and proactive approach to risks continue to form the basis of our business actions for the benefit of our customers, employees and shareholders.

The year 2020 was marked by the Covid-19 pandemic. In terms of the capitalisation ratio, the effects of the pandemic were particularly obvious in the results of the financial markets correction in the first quarter of the year. While the stock markets began to recover from the second quarter, the long-term downward trend continued on the interest rate markets. This continues to be a challenge for insurance companies with long-term life and health insurance business.

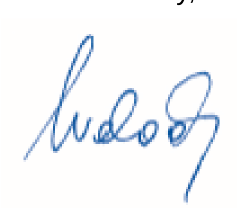
However, the biggest influence on capitalisation was the purchase of AXA S.A.'s subsidiaries in Poland, the Czech Republic and Slovakia, which was completed last year and has positive prospects for the future. This acquisition, the largest in the company's history to date, has sustainably strengthened UNIQA's market position in the highly competitive CEE growth markets.

With the new "UNIQA 3.0 – Seeding the Future" growth programme, UNIQA is proactively taking measures both to meet the expected challenges, as well as to be able to embrace these as opportunities. This also includes a commitment to further developing the risk management and the models and systems used to measure and control.

We hope that this report on the 2020 solvency and financial condition of our company helps to further strengthen your trust in UNIQA and our products and services.

Thank you for this trust.

Yours sincerely,



Kurt Svoboda
CFO/CRO UNIQA Insurance Group AG

Contents

Executive summary

The following executive summary is aimed at providing a compact overview of the main content in this report on the solvency and financial condition of the UNIQA Group.

The figures stated here, both in the executive summary and in the report itself, relate exclusively to UNIQA Group.

Those for UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG can be found in the respective 2020 Solvency and Financial Condition Reports for the relevant companies (in German only).

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 UNIQA Group provides 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 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.

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 multichannel 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.

UNIQA's total premium volume, including savings portions from unit-linked and index-linked life insurance in the amount of €304.1 million (2019: €309.8 million), increased by 3.6 per cent to €5,565.3 million in 2020 (2019: €5,372.6 million). Premiums written in property and casualty insurance grew by 5.7 per cent to €3,010.3 million in 2020 (2019: €2,846.8 million). In health insurance, premiums written in the reporting period increased by 3.2 per cent to €1,167.6 million (2019: €1,130.8 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell overall by 0.5 per cent to €1,387.5 million (2019: €1,394.9 million).

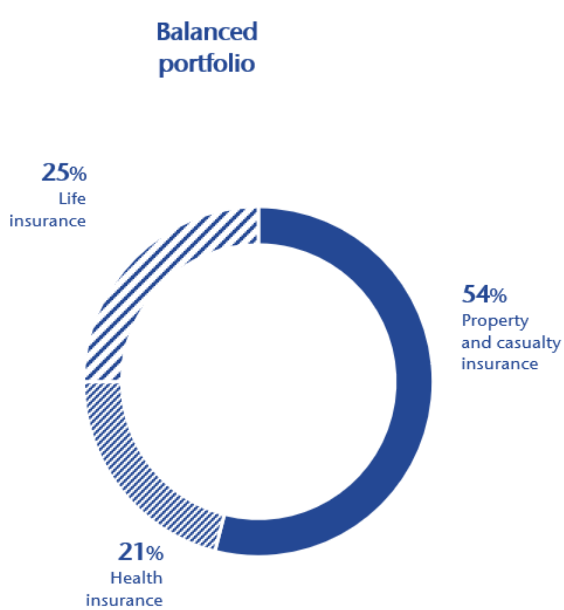


Figure 1: Distribution of premiums by business line on the UNIQA Group's balance sheet

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 2020 consolidated financial statements based on the IAS 8 adjustment. A detailed explanation of the adjustments made is provided in the notes on the consolidated financial statements under "38. Error correction and change in accounting policies pursuant to 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).

A comprehensive committee structure 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 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 and the requirements for the professional qualifications ("fit") and personal reliability ("proper") of persons who actively run the business or hold other key functions also form part of a fitting system of governance.

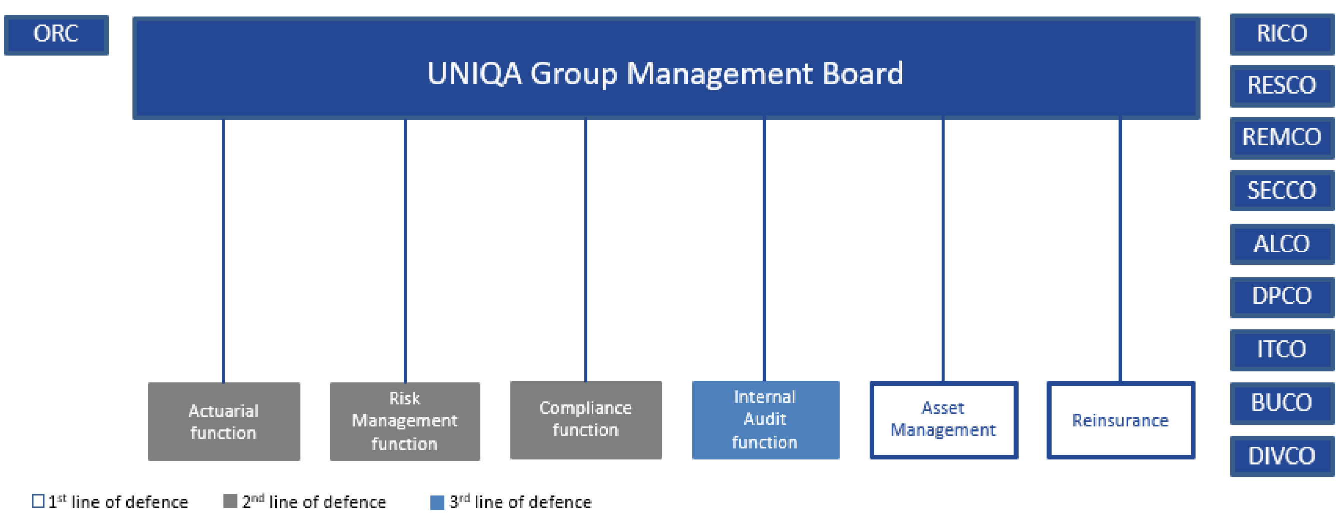


Figure 2: Key functions in the UNIQA Group

Particular attention is paid to the risk management system 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) process plays an important role here.

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 own funds.

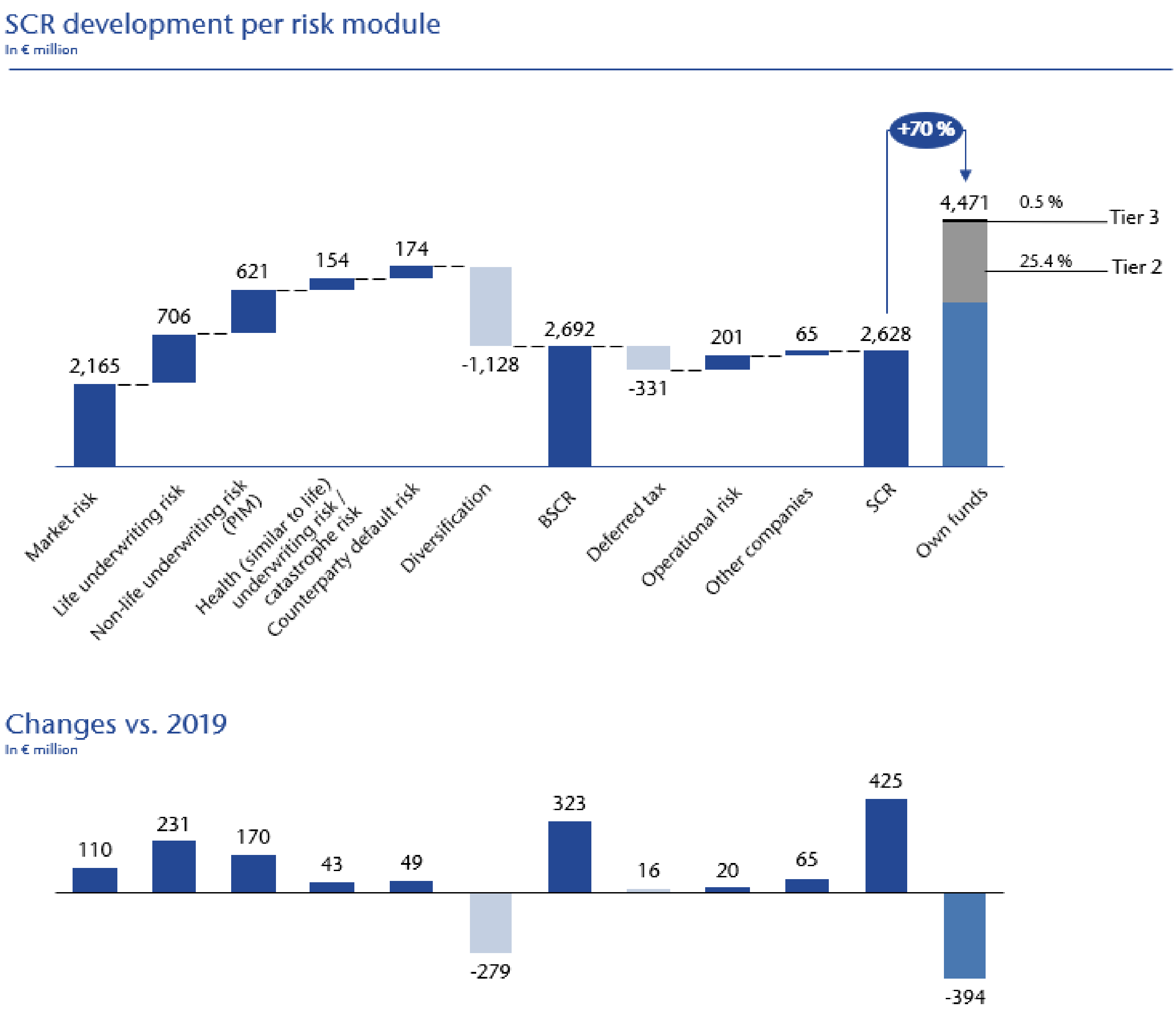


Figure 3: Risk profile of the UNIQA Group (in € million)

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 (57 per cent).

UNIQA has a sound capital position with a solvency ratio of 170 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. 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 130 per cent.

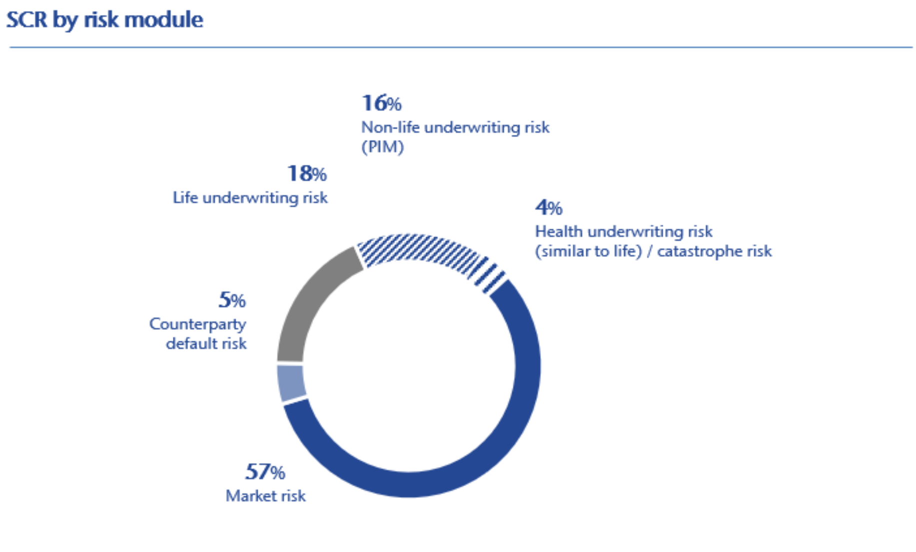


Figure 4: Distribution of the overall capital requirement across risk sub-modules

The methods used to measure individual balance sheet items in the solvency balance sheet are outlined in Chapter D, Measurement 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 €3,472 million (2019: €4,100 million) and constitutes the Group's
net asset value.

Finally, in Chapter E, Capital management, the net asset value is reconciled with the own funds ultimately eligible. The eligible own funds of the UNIQA Group amount to €4,471 million (2019: €4,865 million). At around €3,313 million (2019: €3,931 million), most of the own funds here also consist of top-quality capital (Tier 1). This results in a SCR ratio of 170 per cent. The eligible own funds for MCR coverage amount to €3,482 million (2019: €4,203 million). At around €3,313 million (2019: €3,931 million), most of the own funds here also consist of top-quality capital (Tier 1). The MCR ratio amounts to 221 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 2020 because they were requested to do so in accordance with Solvency II.

Subsidiary name	Country code	Report name	Published at
UNIQA Österreich Versicherungen AG	AT	Bericht über die Solvabilität und Finanzlage 2020	www.uniqa.at
UNIQA Insurance Group AG	AT	Bericht über die Solvabilität und Finanzlage 2020	www.uniqa.at
UNIQA Insurance plc.	BG	Отчет за финансовото състояние и платежоспособност към 31 декември 2020 г. на УНИКА АД	www.uniqa.bg
UNIQA Life plc.	BG	Отчет за финансовото състояние и платежоспособност към 31 декември 2020 г. на УНИКА Живот АД	www.uniqa.bg
UNIQA pojišťovna, a.s	CZ	Zpráva o solventnosti a finanční situaci 2020	www.uniqa.cz
AXA životní pojišťovna, a.s.	CZ	Zpráva o solventnosti a finanční situaci 2020	www.axa.cz
AXA pojišťovna, a.s.	CZ	Zpráva o solventnosti a finanční situaci 2020	www.axa.cz
UNIQA osiguranje d.d.	HR	Izvješće o solventnosti i financijskom stanju za 2020. godinu	www.uniqa.hr
UNIQA Biztosító Zrt.	HU	Fizetőképességről és pénzügyi helyzetről szóló jelentés 2020	www.uniqa.hu
UNIQA Versicherung AG	LI	Bericht über die Solvabilität und Finanzlage 2020	www.uniqa.li
UNIQA TU S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej 2020	www.uniqa.pl
UNIQA TU na Zycie S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej 2020	www.uniqa.pl
AXA Ubezpieczenia TUiR S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej 2020	www.uniqa.pl
AXA Życie TU S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej 2020	www.uniqa.pl
UNIQA Asigurari S.A.	RO	Raport privind Solvabilitatea și Situația Financiară 2020	www.uniqa.ro
UNIQA Asigurari de Viata SA	RO	Raport privind Solvabilitatea și Situația Financiară 2020	www.uniqa.ro
UNIQA Poisťovňa a.s.	SK	Správa o solventnosti a finančnom stave 2020	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 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). 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 has been the Group’s only direct insurer on the Austrian market since 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.at

Shareholder structure

The free float is at 36.4 per cent at the end of 2020. Therefore, market capitalisation based on the free float amounted to approximately €700 million at the end of 2020. 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 3.0 per cent stake in UNIQA. The portfolio of treasury shares now amounts to 0.7 per cent. There is a voting trust in place applicable to the shares of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH.

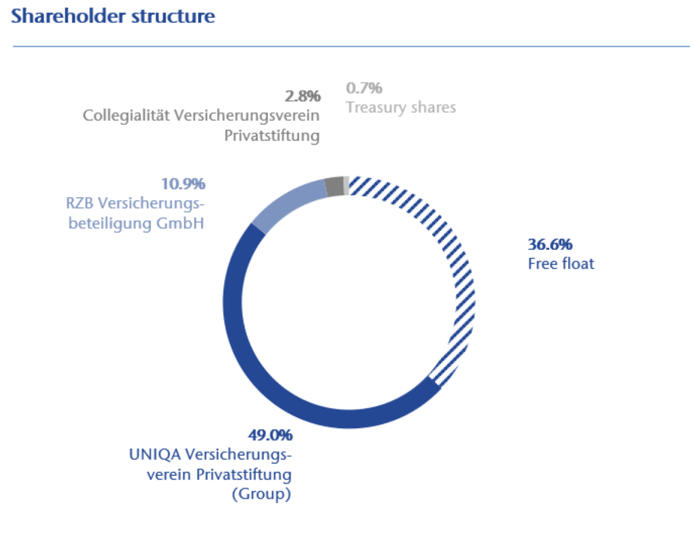


Figure 5: Shareholder structure of UNIQA Insurance Group AG

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 addition to UNIQA Insurance Group AG, the UNIQA Group's 2020 IFRS consolidated financial statements also include 33 Austrian and 66 international subsidiaries, as well as five Austrian and six international controlled investment funds. The associates relate to four 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".

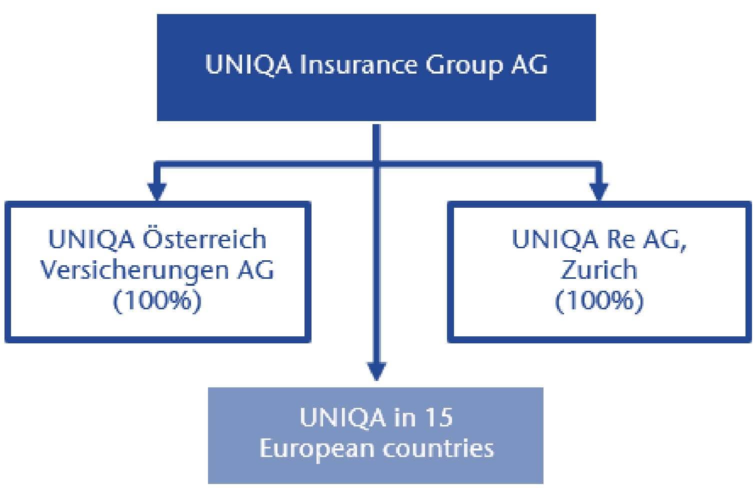


Figure 6: Group structure of the UNIQA Group

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.

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 sales. The banking sales channel supplements the UNIQA Group's extensive local presence.

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.

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

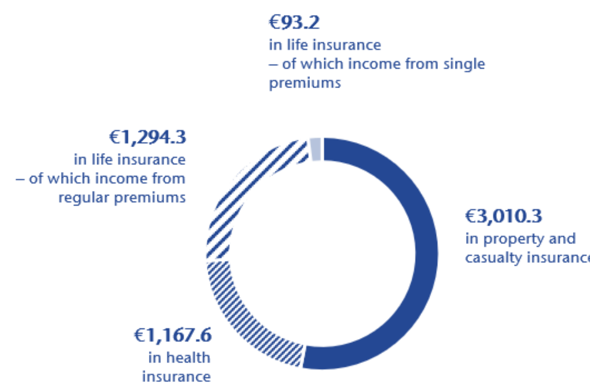


Figure 7: Premiums written including savings portions from unit-linked and index-linked life insurance (in € million)

Broad distribution across a great many customers and the relatively short duration of these products enables moderate capital requirements and makes this business segment 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 €3,010.3 million in 2020, i.e. 54.1 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 €1,387.5 million in 2020, i.e. 24.9 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 2020 health insurance premiums written amounted to €1,167.6 million across the Group, equating to 21.0 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 inpatient 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.

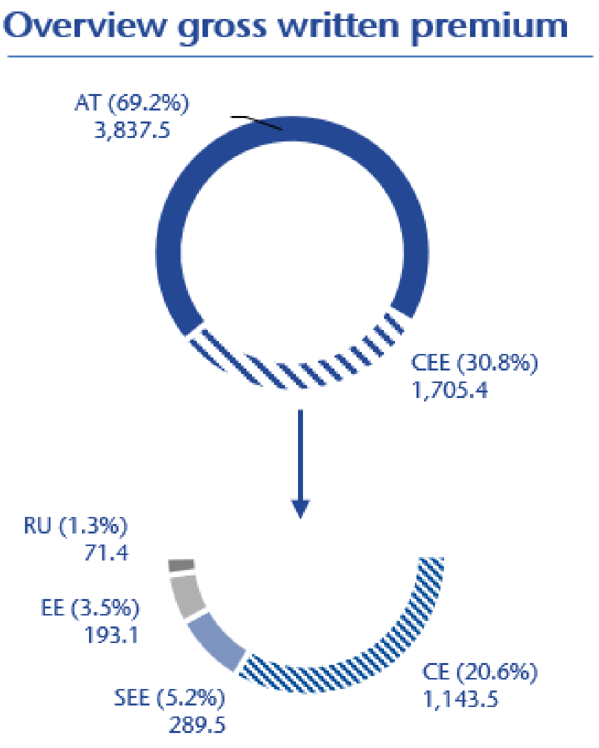


Figure 8: Premiums by geographical areas (in € million)

Main geographic areas

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. A total of 15.5 million customers have already placed their trust in UNIQA – 25 per cent of them in Austria and 75 per cent in international markets. The UNIQA Group is the second-largest insurance group in Austria, with a market share of around 21 per cent based on premium volume. In 2020 we generated around 69 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 – in Liechtenstein, Switzerland as well as in Germany and in the UK with branches. 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 2020 we generated around 31 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 Central Europe (CE) – which includes Poland, Slovakia, the Czech Republic and Hungary – premiums written including savings portions from unit-linked and index-linked life insurance increased in the 2020 financial year by 21.2 per cent to €1,143.5 million due to the inclusion of the AXA-CEE companies (2019: €943.7 million). In Eastern Europe (EE), comprising Romania and Ukraine, they fell by 4.1 per cent to €193.1 million (2019: €201.5 million). In Southeastern Europe (SEE), comprising Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia, the premiums written including savings portions from unit-linked and index-linked life insurance fell in 2020 by 9.4 per cent to €289.5 million (2019: €319.4 million). In Russia (RU), they fell by 19.3 per cent to €71.4 million (2019: €88.5 million). They remained stable in Western Europe (WE) – Liechtenstein and Switzerland – at €8.0 million (2019: €8.1 million).

Significant events after the reporting date

In early March 2021, the Austrian Supreme Court ruled in favour of the insurance industry in connection with business interruptions arising from Covid-19. In this decision, the Court clarified that a coverage obligation on the part of the insurer from the business interruption caused by the epidemic only applies in the case of a business closed due to the Austrian Epidemic Act, but not based on a ban on entry and access ordered under the Austrian Covid-19 Measures Act. This is expected to have a positive impact on claim payments in the 2021 financial year.

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 TECHNICAL RESULT

This chapter describes the UNIQA Group's technical result 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.

Technical result in non-life insurance by essential business lines – gross

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Technical result	
In € million	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Medical expense insurance	50	52	48	46	28	28	0	0	14	13	7	5
Income protection insurance	402	389	399	385	198	207	0	0	143	132	58	46
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	678	610	670	613	395	417	0	4	171	150	104	49
Other motor insurance	589	575	589	573	346	388	0	0	177	163	67	22
Marine, aviation and transport insurance	64	67	67	68	53	21	0	0	22	23	-8	24
Fire and other damage to property insurance	801	741	786	728	425	442	0	0	271	236	90	50
General liability insurance	279	264	277	262	267	170	0	0	92	80	-83	11
Credit and suretyship insurance	26	32	26	26	11	7	0	0	9	9	6	9
Legal expenses insurance	99	97	99	96	47	48	0	0	32	29	20	19
Assistance	20	23	20	23	5	7	0	0	9	10	7	6
Miscellaneous financial loss	52	48	48	50	42	23	0	0	244	208	-238	-181
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	**3,060**	**2,899**	**3,031**	**2,869**	**1,818**	**1,758**	**0**	**4**	**1,184**	**1,053**	**29**	**61**

Table 2: Technical result in non-life insurance by essential business lines – gross

Technical result in non-life insurance by essential business lines – net

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Technical result	
In € million	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Medical expense insurance	49	51	48	45	27	29	0	0	14	13	7	3
Income protection insurance	401	388	398	385	198	215	0	0	143	135	57	35
Workers' compensation insurance	0	0	0	0	0	0	0	0	0	0	0	0
Motor vehicle liability insurance	664	585	650	587	380	397	0	4	170	143	101	51
Other motor insurance	582	552	582	549	342	365	0	0	176	148	64	36
Marine, aviation and transport insurance	52	60	55	60	41	29	0	0	21	22	-6	9
Fire and other damage to property insurance	713	670	697	661	395	340	0	0	266	224	37	96
General liability insurance	253	243	246	241	228	167	0	0	89	79	-71	-4
Credit and suretyship insurance	20	29	21	23	7	7	0	0	8	8	7	8
Legal expenses insurance	99	97	99	96	47	51	0	0	32	30	19	16
Assistance	14	20	15	19	4	7	0	0	8	9	3	4
Miscellaneous financial loss	51	47	47	47	41	22	0	0	244	208	-238	-182
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	**2,898**	**2,743**	**2,858**	**2,714**	**1,710**	**1,627**	**0**	**4**	**1,170**	**1,018**	**-22**	**72**

Table 3: Technical result in non-life insurance by essential business lines – net

Technical result 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	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Premiums written														
Gross	1,824	1,775	373	269	275	238	132	140	93	95	77	79	2,775	2,597
Net	1,802	1,748	345	257	263	226	127	135	89	91	70	72	2,697	2,530
Premiums earned														
Gross	1,825	1,773	360	270	263	231	131	137	93	96	77	77	2,750	2,583
Net	1,799	1,745	326	257	251	220	126	132	89	92	70	72	2,661	2,518
Claims expenses														
Gross	1,181	1,084	235	164	144	133	53	72	44	48	43	46	1,701	1,547
Net	1,152	1,072	199	156	140	130	52	71	43	48	43	45	1,629	1,521
Change in other technical provisions														
Gross	0	0	0	0	0	-4	0	0	0	0	0	0	0	-4
Net	0	0	0	0	0	-4	0	0	0	0	0	0	0	-4
Expenses incurred	650	570	122	93	79	75	45	36	62	58	37	35	995	867
Total technical result – net	**-2**	**104**	**4**	**8**	**33**	**18**	**29**	**24**	**-16**	**-14**	**-10**	**-7**	**37**	**134**

Table 4: Technical result in non-life insurance by main geographic areas

Premiums earned and claims expenses show an increase on the previous year. Premiums earned increased over the previous year in Austria, Poland and the Czech Republic.

As in the previous year, the focus of non-life business is on Austria. The increase in premiums earned in Austria is primarily due to the increased business volumes in other motor insurance and fire and other damage to property insurance. Correspondingly, the expenses incurred in these business lines have also increased. The technical result decreased in Austria in the 2020 financial year due to an increase in claims expenses and incurred expenses.

In Poland and the Czech Republic, premium income increased significantly, mainly due to the initial consolidation of the AXA companies in the fourth quarter of 2020. Motor vehicle liability insurance in particular recorded a significant increase in the two countries. Claims expenses and expenses incurred have also increased correspondingly.

Technical result in life insurance by essential business lines – gross

	Premiums written		Premiums earned		Claims expenses		Change in other technical provisions		Expenses incurred		Technical result	
In € million	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Health insurance	1,118	1,079	1,118	1,080	877	880	0	0	239	203	2	-4
Insurance with profit participation	779	799	779	800	887	900	0	0	125	116	-234	-216
Index-linked and unit-linked insurance	26	29	26	28	-45	-14	0	0	87	69	-17	-27
Other life insurance	279	257	279	258	111	99	0	0	157	155	10	4
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	**2,201**	**2,164**	**2,201**	**2,166**	**1,831**	**1,865**	**0**	**0**	**608**	**544**	**-238**	**-243**

Table 5: Technical result in life insurance by essential business lines – gross

Technical result in life insurance by essential business lines – net

In € million	Premiums written 2020	Premiums written 2019	Premiums earned 2020	Premiums earned 2019	Claims expenses 2020	Claims expenses 2019	Change in other technical provisions 2020	Change in other technical provisions 2019	Expenses incurred 2020	Expenses incurred 2019	Technical result 2020	Technical result 2019
Health insurance	1,116	1,077	1,116	1,079	877	905	0	0	238	214	1	-40
Insurance with profit participation	768	790	767	791	873	906	0	0	123	123	-229	-238
Index-linked and unit-linked insurance	25	28	26	28	-45	-13	0	0	87	69	-17	-28
Other life insurance	263	249	263	249	103	99	0	0	155	155	5	-5
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	**2,172**	**2,145**	**2,172**	**2,147**	**1,808**	**1,897**	**0**	**0**	**604**	**561**	**-240**	**-311**

Table 6: Technical result in life insurance by essential business lines – net

Technical result in life insurance by main geographic areas

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

In € million	Austria 2020	Austria 2019	Czech Republic 2020	Czech Republic 2019	Russia 2020	Russia 2019	Poland 2020	Poland 2019	Ukraine 2020	Ukraine 2019	Slovakia 2020	Slovakia 2019	Total 2020	Total 2019
Premiums written														
Gross	1,835	1,830	78	42	70	86	52	22	46	53	35	31	2,115	2,065
Net	1,818	1,809	78	42	70	87	48	22	45	52	34	31	2,093	2,043
Premiums earned														
Gross	1,834	1,829	78	42	70	88	52	22	44	49	34	32	2,113	2,063
Net	1,817	1,809	78	42	70	88	48	22	43	48	34	32	2,091	2,041
Claims expenses														
Gross	1,710	1,756	41	18	56	70	30	9	18	20	17	16	1,871	1,890
Net	1,691	1,735	41	18	56	70	28	9	18	20	17	16	1,850	1,868
Change in other technical provisions														
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	505	446	28	19	13	15	30	13	25	28	18	16	619	538
Total technical result – net	**-379**	**-372**	**9**	**5**	**1**	**3**	**-10**	**-1**	**0**	**1**	**0**	**0**	**-378**	**-365**

Table 7: Technical result in life insurance by main geographic areas

Premiums earned increased in Austria, the Czech Republic, Poland and Slovakia.

As in the previous year, the focus for life insurance is on Austria. Premiums booked experienced a slight increase as compared with the previous year. While claims expenses decreased compared to the previous year, an increase was recorded in the expenses incurred for the life insurance business in Austria compared to the previous year.

There was a significant increase in premiums earned in health insurance in Austria.

The significant increase in premiums earned as well as claims expenses and the expenses incurred in Poland and the Czech Republic is due to the initial consolidation of the AXA companies in the fourth quarter of 2020.

Changes in premiums, insurance benefits and operating expenses

In € million	Non-life 2020	Non-life 2019	Life (incl. health) 2020	Life (incl. health) 2019 adjusted	Total 2020	Total 2019 adjusted
Premiums earned (net)	2,858	2,714	2,172	2,147	5,031	4,861
Claims expenses (net)	-1,710	-1,627	-1,808	-1,897	-3,518	-3,524
Change in other technical provisions (net)	0	4	0	0	0	4
Expenses incurred (including asset management expenses) (net)	-1,170	-1,018	-604	-561	-1,774	-1,579
Other technical expenses	-45	-44	-9	-6	-54	-50
Technical result in accordance with reporting template S.05.01.02	**-67**	**28**	**-249**	**-317**	**-316**	**-289**
Asset management expenses	19	17	18	19	36	36
Technical interest income	1	2	321	330	322	331
Other technical income	29	16	13	5	42	22
Health insurance (similar to non-life)	-7	-3	7	3	0	0
Differences in scope	73	12	-79	-21	-6	-9
Technical result in accordance with the IFRS consolidated financial statements	**48**	**72**	**31**	**19**	**78**	**91**

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 €304.1 million (2019: €309.8 million), increased by 3.6 per cent to €5,565.3 million in 2020 (2019: €5,372.6 million). The main driver of this was the initial consolidation of AXA CEE companies in the fourth quarter of 2020.

The premium volume fell slightly overall compared with the previous year due to the coronavirus pandemic after adjusting the premiums from the AXA companies acquired. Slight declines in premiums in property and casualty insurance were recorded in the maritime, aeronautical and transportation insurance business lines as well as in other forms of insurance due to the coronavirus. No Covid-19-related effects were observed in the health and life insurance business areas.

Premiums written in property and casualty insurance grew by 5.7 per cent to €3,010.3 million in 2020 (2019: €2,846.8 million). In health insurance, premiums written in the reporting period increased by 3.2 per cent to €1,167.6 million (2019: €1,130.8 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell overall by 0.5 per cent to €1,387.5 million (2019: €1,394.9 million). One of the reasons for this was the subdued demand due to low interest rates and the temporary closure of our partner banking branches during the lockdown phases in 2020, especially in CEE.

The Group premiums earned, including savings portions from unit-linked and index-linked life insurance (after reinsurance) in the amount of €304.1 million (2019: €309.8 million), rose by 3.1 per cent to €5,333.7 million (2019: €5,170.8 million). The volume of premiums earned (net, in accordance with IFRSs) even grew by 3.5 per cent to €5,029.5 million (2019: €4,861.1 million).

Change in insurance benefits

The insurance benefits before reinsurance rose in the 2020 financial year by 1.4 per cent to €3,819.8 million (2019: €3,765.3 million). Consolidated insurance benefits (net) rose less strongly than the volume of premiums earned in the past year, by 0.8 per cent to €3,694.6 million (2019: €3,666.1 million).

In 2020 despite the extraordinary charges associated with the Covid-19 pandemic, the loss ratio after reinsurance in property and casualty insurance fell to 63.2 per cent (2019: 64.2 per cent) due to a favourable trend in basic losses. An additional loss was incurred of around €70 million mainly from the area of business interruption insurance in direct connection with Covid-19. This was counteracted by lower expenses for motor vehicle insurance due to lower mobility in 2020. However, the combined ratio after reinsurance deteriorated to 97.8 per cent (2019: 96.4 per cent) due to the higher cost ratio at Group level.

Operating expenses

Total consolidated operating expenses, less reinsurance commissions received and the share of profit from reinsurance ceded, rose by 11.3 per cent to €1,566.4 million in the 2020 financial year (2019: €1,407.1 million). Expenses for the acquisition of insurance less reinsurance commission received and the share of profit from reinsurance ceded in the amount of €18.5 million (2019: €17.9 million) increased slightly more than the volume of premiums earned, by 3.0 per cent to €934.9 million (2019:

€907.4 million). Other operating expenses rose by 26.4 per cent to €631.5 million (2019: €499.7 million) due to higher personnel and IT costs in connection with the integration of the AXA companies in CEE in the amount of €39 million and one-off restructuring expenses of €99 million. This includes expenses amounting to around €62 million (2019: around €51 million) as part of the innovation and investment programme.

The cost ratio after reinsurance, i.e. the ratio of total operating expenses less the amounts received from reinsurance commission and share of profit from reinsurance ceded to the Group premiums earned, including savings portions from unit-linked and index-linked life insurance, increased to 29.4 per cent during the past year (2019: 27.2 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance rose to 28.6 per cent (2019: 26.7 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 €23,373.3 million as at 31 December 2020 (2019: €21,497.6 million). Investments consisted of investment property amounting to €2,542.3 million (2019: €2,276.7 million), affiliated companies amounting to €707.4 million (2019: €590.8 million) and financial investments amounting to €20,123.6 million (2019: €18,630.1 million).

Compared with 2019, the UNIQA Group recorded an increase in investments of €1,875.7 million, mainly from the fixed-income portfolio. The investments include the portfolios of the insurance policies taken over from the AXA Group in the amount of €1,279.0 million. Of these investments, €1,132.7 million are attributable to the fixed-income portfolio.

Net investment income classified by type of income

	Dividends		Interest		Rent		Net gains and losses		Unrealised gains and losses	
In € million	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
Property	0	0	0	0	100	108	0	21	151	88
Equities	6	11	0	0	0	0	1	0	-39	1
Government bonds	0	0	208	220	0	0	6	12	470	473
Corporate bonds	0	0	108	115	0	0	-4	4	126	275
Undertakings for collective investment	63	41	0	0	0	0	-7	27	57	238
Derivatives	0	0	0	-2	0	0	-2	0	-1	1
Time deposits	0	0	7	12	0	0	-3	-1	6	2
Total	69	52	322	344	100	108	-9	64	770	1,078

Table 9: Net investment income by type of income, excluding loans

The investment property portfolio amounted to €2,542.3 million in the 2020 financial year (2019: €2,276.7 million). This portfolio increased by €265.6 million in 2020. The increase was mainly attributable to increases in market value due to scheduled property surveys. Two properties were also purchased in Poland with market values totalling around €138 million. Rental income fell by €8.0 million to €99.6 million compared with the previous year. The main reason for the decline is Praterstraße Eins Hotelbetriebs GmbH, with a fall in rents amounting to €7.8 million.

The portfolio of affiliated companies amounted to €707.4 million in 2020 (2019: €590.8 million), which represents an increase of €116.6 million or 19.73 per cent. This increase results primarily from the initial recognition of the acquired AXA pension and investment funds in Poland, the Czech Republic and Slovakia in the amount of €152.9 million as well as from a decrease in value of the participation in STRABAG SE in the amount of €40.0 million.

The portfolio of listed equities decreased by €52.1 million in 2020 to €129.9 million (2019: €182.0 million). The decrease is a result of disposals of €17.4 million on the one hand, and the negative measurement results of €34.7 million on the other, and is mainly attributable to UNIQA Österreich Versicherungen AG. The largest item, the shares of Raiffeisen Bank International AG, accounted for a negative measurement result of €31 million. Compared to the previous year, the decrease in dividend income is mainly due to the fact that Raiffeisen Bank International AG did not distribute any dividends in 2020 as a result of the Covid-19 crisis.

The portfolio of unlisted equities increased by €13.4 million to €125.5 million in 2020 (2019: €112.1 million) and is mainly composed of shares in unlisted Austrian companies. The increase results primarily from the addition of the unlisted other equity investments held by UNIQA Ventures GmbH in the amount of €15.7 million. A negative measurement result from unlisted shares of

€–2.9 million is offset by net additions of €0.7 million in UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG. The largest item, the Leipnik-Lundenburger ordinary shares with a stake of around €58 million, accounted for dividends of €2.0 million.

The bond portfolio consists of government and corporate bonds and of structured and collateralised bonds. The bond portfolio amounted to €16,219.2 million in the 2020 financial year (2019: €14,832.6 million). The increase in the bond portfolio of €1,386.6 million is due to the addition of the bond portfolio of the insurance companies taken over from the AXA Group in the amount of €1,132.7 million on the one hand, and to the positive bond performance of €595.7 million as a result of the low interest rate environment in 2020 on the other. By contrast, there were net additions and disposals as well as effects from currency translations totalling €–341.8 million. Interest income from bonds amounting to €318.6 million in 2020 (2019: €334.9 million) is below the previous year's level due to the lower volume of the nominal portfolio, particularly in UNIQA Österreich Versicherungen AG.

The portfolio of government bonds valued at €10,625.3 million (2019: €8,866.1 million) and the portfolio of corporate bonds valued at €5,488.4 million (2019: €5,865.8 million) recorded a measurement gain of €595.7 million, mainly from Western and Central European securities. UNIQA Österreich Versicherungen AG and UNIQA Re AG accounted for just over 90 per cent of this.

The portfolio of investment certificates increased by €284.7 million to €3,421.3 million compared with 2019 (2019: €3,136.6 million). The increase is due to the addition from the companies taken over from the AXA Group of €49.0 million, to acquisitions in the amount of €186.2 million and to measurement gains of €49.5 million. Income from dividends amounting to €62.7 million is €22.0 million higher than in the previous year. This increase is mainly the result of the UNIQA Group investment funds that are subject to consolidation. The positive measurement result of €49.5 million is composed of equity funds in the amount of €20.3 million and bond funds in the amount of €29.2 million.

The UNIQA Group's derivatives portfolio consists mainly of forwards and swaps. The interest result from swaps amounts to €–0.05 million (2019: €–2.2 million) and is thus above the previous year's level.

The portfolio of time deposits with a value of €217.1 million decreased by €129.7 million compared with the previous year (2019: €346.8 million), mainly at UNIQA Österreich Versicherungen AG and UNIQA pojišťovna, a.s., Czech Republic. The decrease in income is attributable to the lower volume.

A.4 PERFORMANCE OF OTHER ACTIVITIES

Leases

There are around 1,500 contracts throughout the entire Group which fall within the scope of IFRS 16 (Leases) and for which UNIQA is lessee. They are almost exclusively standard contracts of low complexity. These relate mainly to real estate and partly to office furniture and equipment. A significant portion of the capitalised usage rights consists of a small number of contracts concluded for an indefinite period. For these contracts, estimates were made on the basis of the most probable assumptions regarding the term and the exercise of termination options. The terms used to calculate these contracts are up to 40 years. The average term of the other contracts is between three and five years.

The discount rate used to determine the liability consists of the risk-free interest rate adjusted for country risk, creditworthiness, the quality of collateral and a repayment factor.

There is no breakdown of the non-lease components contained in the leases. Leases with a contract term of less than twelve months and assets of minor value have not been recognised.

The usage rights and the lease liabilities shown in the solvency balance sheet have not been remeasured because they are not considered material. Since the UNIQA Group already makes use in the consolidated financial statements of the option of not recognising usage rights for intangible assets, there are no differences in measurement arising from this in the solvency balance sheet.

The economic value of the usage rights amounts to €79.9 million (2019: €61.8 million) and the leasing liability to €81.6 million (2019: €62,8 million) in 2020.

Amounts recognised in the consolidated financial statements in accordance with IFRSs

In € million

	2020	2019
Recognised in the consolidated income statement		
Interest expenses for lease liabilities	1	1
Expenses for short-term leases	1	2
Expenses for low-value assets (excluding expenses for short-term leases)	5	5
Recognised in the consolidated statement of cash flows		
Cash outflows for leases	-14	-11

Table 10: Amounts recognised in the consolidated financial statements in accordance with IFRSs

Other income and expenses

Other income rose by 12.6 per cent in 2020 to €216.5 million (2019: €192.4 million). Other expenses rose by 20.7 per cent to €230.5 million in the reporting period (2019: €191.0 million). The details of other income and other expenses are as follows:

Other income according to IFRSs

In € million

	2020	2019
Property and casualty insurance	**47**	**19**
Health insurance	**145**	**157**
Life insurance	**25**	**17**
Of which		
Medical services	143	155
Other services	25	10
Changes in exchange rates	30	16
Other	19	11
Total	**217**	**192**

Table 11: Other income according to IFRSs

Other expenses according to IFRSs

In € million

	2020	2019
Property and casualty insurance	**39**	**38**
Health insurance	**147**	**147**
Life insurance	**45**	**5**
Of which		
Medical services	142	143
Other services	26	20
Exchange rate losses	35	9
Other	27	19
Total	**230**	**191**

Table 12: Other expenses according to IFRSs

A.5 ANY OTHER INFORMATION

Options received

There were 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 (call option for UNIQA) or to sell (put option for the non-controlling shareholders) the non-controlling shares based on pre-agreed purchase price formulas by 30 June 2020 at the latest. UNIQA exercised the call option in June 2020 and as a result it will own 100 per cent of the shares in both UNIQA companies in Ukraine following a successful share transfer (expected in the first quarter of 2021).

There is also the possibility to acquire the company shares held by the minority shareholders through exercising a mutual option between UNIQA and the minority shareholders in the SIGAL Group based on previously agreed purchase price formulas. A new option period was agreed by extending the previous shareholders' agreement, with the exercise period agreed to be from 1 July 2023 to 30 June 2024.

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 €574.2 million (2019: €565.9 million).

B System of governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

In accordance with 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 Insurance Group AG has defined adequate internal governance requirements for the entire Group that are in line with the structure, business model and risks of the Group and its affiliated companies.

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

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

On 19 November 2019, the Management Board and Supervisory Board of UNIQA Insurance Group AG (hereinafter referred to as the “Holding Management Board” and the “Holding Supervisory Board”) passed a resolution to examine the fusion of UNIQA Insurance Group AG (UIG), UNIQA Österreich Versicherungen AG (UAT) and UNIQA International AG (UI) by means of a merger with UAT as the absorbing company and with implementation expected in 2020, and issued the necessary orders to examine this fusion.

On 19 February 2020, the Holding Management Board and the Holding Supervisory Board adopted an amending resolution to merge UI as the assigning company with UAT as the acquiring company in the course of 2020, following the completion of the audits. UIG shall remain a holding company for the time being, but transfer other functions and its holdings in certain service companies to UAT, in particular all internal Group services. UIG was to surrender its reinsurance licence and transfer its reinsurance business to UAT and/or UNIQA Re AG, Zurich.

The Holding Management Board postponed the planned transfer of internal Group services and reinsurance business to UAT in April 2020 due to the restrictions imposed by the Covid-19 pandemic and the resulting change in prioritisations. UIG will thus continue to exist as a reinsurance company for the time being. The merger of UI with UAT, with implementation in 2020, should be pursued. The merger agreement was concluded on 14 April 2020 and the official approval procedures in the foreign countries of operation were initiated.

The merger of UI as the assigning company with UAT as the acquiring company became effective and was completed by entry in the company registry of the Commercial Court of Vienna on 8 December 2020.

The Holding Supervisory Board and the Supervisory Board of UAT have been composed of the same individuals as shareholders’ representatives since 25 May 2020. Employee representatives are delegated only to the Holding Supervisory Board.

In accordance with the fundamental resolutions of the Holding Supervisory Board from 19 November 2019, the Management Boards of UIG and UAT are made up of the same individuals as of 1 July 2020:

<u>UNIQA Insurance Group AG</u>
Andreas BRANDSTETTER (Chairman)
Peter EICHLER (since 1 July 2020)
Wolf-Christoph GERLACH (since 1 July 2020)
Peter HUMER (since 1 July 2020)
Wolfgang KINDL (since 1 July 2020)
René KNAPP (since 1 July 2020)
Erik LEYERS

Klaus PEKAREK (since 1 July 2020)
Kurt SVOBODA

UNIQA Österreich Versicherungen AG
Andreas BRANDSTETTER (since 1 July 2020, Chairman)
Peter EICHLER
Wolf-Christoph GERLACH (since 1 January 2020)
Peter HUMER
Wolfgang KINDL (since 1 July 2020)
René KNAPP (since 1 January 2020)
Erik LEYERS
Klaus PEKAREK
Kurt SVOBODA (Chairman until 30 June 2020)

B.1.1 Supervisory Board

The Holding Supervisory Board

The Holding Supervisory Board supervises the executive management of the Holding Management Board and reviews whether the management is implementing suitable measures in order to increase the company's value over the long term. It ensures that the significant company risks are determined and efficiently managed, and that the compliance and governance requirements are implemented. The Holding Supervisory Board can request a report from the Holding Management Board at any time on the UNIQA Insurance Group AG's affairs, including details on its relations with Group companies.

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

In addition, 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.

The Supervisory Board appoints members of the Holding Management Board and dismisses them. If required for the good of the company, it has the right and obligation to convene the Annual General Meeting.

The Holding Supervisory Board meets at least once per quarter.

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 2016 Austrian Insurance Supervision Act (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 Stock Corporation Act and Section 123(7 to 9) of the 2016 Austrian Insurance Supervision Act. 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 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, acquisition and sale of equity investments and real estate with a value in each individual case exceeding €75 million;
- Establishment or discontinuation of business activities outside of Austria; and
- Reorganisations, amendments of the articles of association, capital measures.

Committee for 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 take place in accordance with the meetings by the full Holding Supervisory Board. It is made up of four shareholder representatives and two employee representatives.

B.1.2 Management Board and committees

The Holding Management Board

Duties and rights of the Holding Management Board

The Holding Management Board is independently responsible for managing the business of UNIQA Insurance Group AG 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.

Since 1 July 2020, the Management Boards of UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG have been composed of the same individuals. Uniform (identical) rules of procedure were adopted for the Management Board and the Supervisory Board, as was a uniform (identical) allocation of responsibilities within the Management Boards.

The uniform Management Boards of UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG form the "Group Executive Board".

Allocation of responsibilities in the Holding Management Board

As can be seen from the following chart, until 30 June 2020, the members of the Holding Management Board were:

- Andreas Brandstetter – Chief Executive Officer (CEO)
- Kurt Svoboda – Finance & Risk Management
- Erik Leyers – Data & IT

Allocation of responsibilities in the Holding Management Board until 30 June 2020:

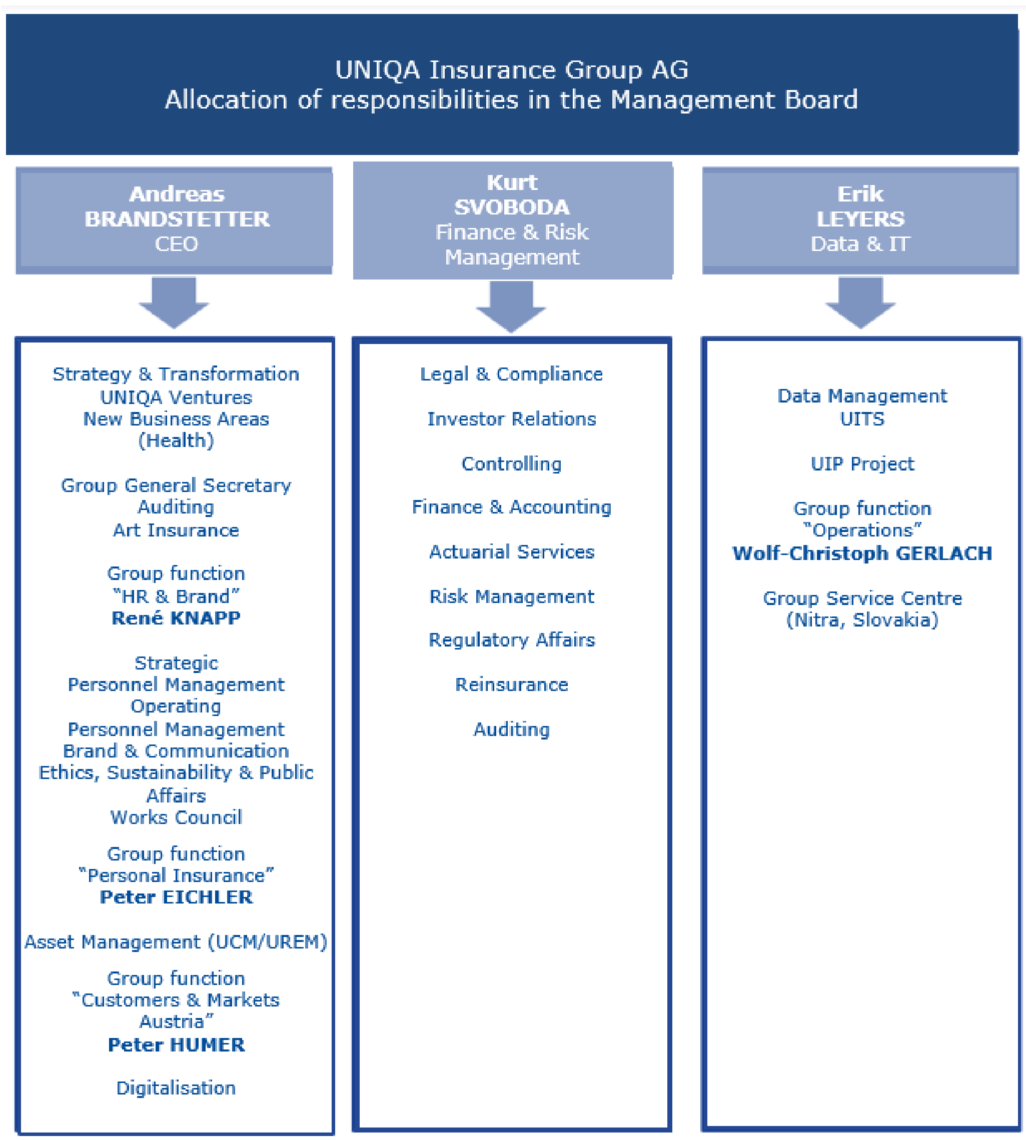


Figure 9: Management Board until 30 June 2020

As can be seen from the chart, since 1 June 2020, the Holding Management Board has been composed of the same individuals as the Management Board of UNIQA Österreich Versicherungen AG and includes:

- Andreas Brandstetter – Chief Executive Officer (CEO)
- Peter Eichler – Personal Insurance & Asset Investment
- Wolf-Christoph Gerlach – Operations
- René Knapp – HR & Brand
- Erik Leyers – Data & IT
- Kurt Svoboda – Finance & Risk Management
- Peter Humer – Customers & Markets Austria
- Klaus Pekarek – Customers & Markets Bancassurance Austria
- Wolfgang Kindl – Customers & Markets International

Allocation of responsibilities in the Holding Management Board since 1 July 2020:

The committees of the Holding Management Board (are composed of the same individuals and act uniformly also as committees of the Management Board of UNIQA Österreich Versicherungen AG)

There is a three-level committee structure aimed at enabling efficiency and in-depth content-related discussion with the appropriate parties with functional responsibility.

The committees fall under the responsibility of the Group Executive Board (Level 1) or under the responsibility of the member of the Management Board who is functionally in charge according to the allocation of responsibilities (Levels 2 and 3).

If a required decision exceeds the expertise 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.

The Management Board approves the Charters and Rules of Procedure for each committee with details set out here on the objectives, responsibilities, composition and organisation. With the Charters and Rules of Procedure, competencies of the Group Executive Board can be delegated to the committees headed by functionally responsible members of the Management Board (Level 2). The Operations & Risk Committee is required to report regularly on decisions made by the Level 2 committees. If the expertise of the Level 2 committees is exceeded, the Operations & Risk Committee serves as a decision-making body. Decisions of the committees are implementation recommendations to the individual Group companies and require executive decisions by the legal representatives of the Group companies concerned in order to be effective.

An overview of the different levels of the committee structure is provided below.

Overview of the committees in 2020

Level 1 committee

Operations & Risk Committee (ORC)

The ORC is under the responsibility of the 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 Management Board;
- the holders of the governance functions in accordance with Solvency II (actuarial, risk, audit, compliance); and the further defined key functions Asset Management and Reinsurance.

Level 2 committees

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

- Group Risk Committee (RICO) – headed by the Management Board member responsible for Finance & Risk
- Group Reserving Committee (RESCO) – headed by the Management Board member responsible for Finance & Risk
- Group Asset Liability Committee (ALCO) – headed by the Management Board member responsible for Personal Accident Insurance & Asset Investment
- Group Remuneration Committee (REMCO) – headed by the Management Board member responsible for HR & Brand
- Group Security Committee (SECCO) – headed by the Management Board member responsible for Finance & Risk Management
- Group Data Protection Committee (DPCO) – headed by the Management Board member responsible for Finance & Risk Management

The appointment of the following additional committees was agreed upon in 2020:

- Group IT Committee (ITCO) – to be headed by the Management Board member responsible for Data & IT
- Group Business Committee (BUCO) – to be headed by the Management Board member responsible for Customers & Markets International
- Group Diversity Committee (DIVCO) – to be headed by the Management Board member responsible for HR & Brand

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 Committee is chaired by the Management Board member responsible for Finance & Risk Management.

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 Committee is chaired by the Management Board member responsible for Finance & Risk Management.

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 Committee is chaired by the Management Board member responsible for Personal Accident Insurance & Asset Investment.

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. The Committee is chaired by the Management Board member responsible for HR & Brand.

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 Committee is chaired by the Management Board member responsible for Finance & Risk Management.

Group Data Protection Committee (DPCO)
The DPCO was founded on the basis of the Group Data Protection Management Policy in response to the introduction of the EU General Data Protection Regulation (GDPR) and focuses on the specification and implementation of data protection regulations within the UNIQA Group. The Committee is chaired by the Management Board member responsible for Finance & Risk Management.

The DPCO mainly discusses and decides on the following topics:

- Coordinating introduction of the data protection management system in the subsidiaries;
- Supervision of 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 guidelines (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)
- 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 2016 Austrian Insurance Supervision Act:

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

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 Holding Management Board:

- Asset management
- Reinsurance

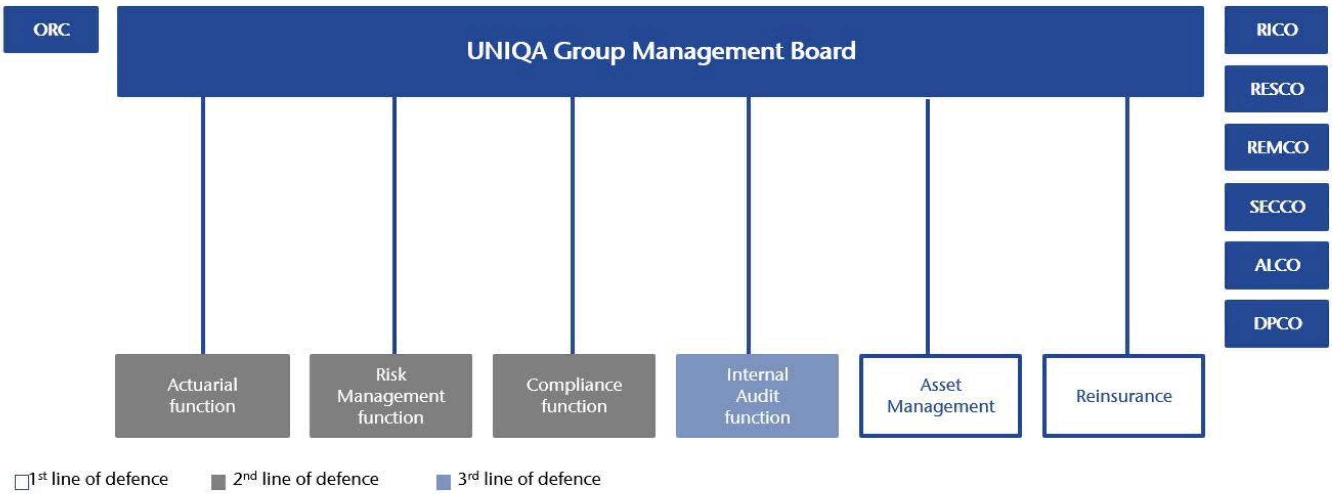


Figure 10: Presentation of the reporting lines of the key functions

Actuarial function

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

The actuarial function at UNIQA Insurance Group AG reports directly to the Management Board. From an organisational point of view, it reports to the Management Board member responsible for Finance & Risk Management.

The actuarial function is exercised independently of any further governance or key functions. The main task involves coordination of the measurement 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 tasks of the actuarial function at UNIQA Insurance Group AG at Group level are as follows:

- Issuing a technical opinion on the following topics:
  - Group underwriting risks;
  - Asset-liability aspects;
  - Group solvency;
  - Performing stress tests and scenario analysis relating to the measurement of technical provisions, especially in connection with asset liability management for life insurance;
  - Profit participation, based on expected future profits;
  - Creating Group policies, standards and other documents;
  - Reinsurance arrangements and other forms of risk transfer;
  - Risk mitigation techniques for insurance risks;
- Coordinating the calculation of the technical provisions;
- Ensuring that the methods and models used are appropriate and that the assumptions made in the measurement 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 technical 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 2020 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;
- Preparation of the ORSA report;
- 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.

Risk management function

The risk management function is organised at the level of both UNIQA Insurance Group AG and on the level of each UNIQA Group insurance company. The risk management function of UNIQA Insurance Group AG reports directly to the Holding Management Board. From an organisational point of view, it reports to the Management Board member responsible for Finance & Risk Management. The risk management function is responsible for effective implementation of the risk management system and its monitoring. The key function has the duty to coordinate the risks at the UNIQA Group and to assess them independently. The risk management function acts as a close support and adviser 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 at Group level are listed below:

- Developing and preparing the risk strategy;
- Determining risk appetite and risk preference 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;
- Executing, implementing and providing support for the uniform risk management process at the Group 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, the tasks include:

- Designing and implementing the internal model;
- Testing, validating and documenting the internal model;
- Documenting the model;
- Preparing summary reports;
- Ensuring that the Holding Management Board is kept up-to-date at all times.

Compliance function

The compliance function is organised at the level of both UNIQA Insurance Group AG and on the level of each insurance company within the UNIQA Group.

The compliance function of UNIQA Insurance Group AG reports quarterly to the Holding Management Board and the Risk Committee. The compliance function also reports quarterly to the Holding Supervisory Board and annually to the Audit Committee of the Holding Supervisory Board. From an organisational point of view, it is subordinate to the Management Board member responsible for Finance & Risk Management. The compliance function is exercised independently of any further governance or key functions.

The compliance function is part of the internal control system (Section 117 of the 2016 Austrian Insurance Supervision Act) 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 Group Compliance Policy describes the compliance programme, consisting of compliance tasks and resulting measures, which is the core element for ensuring compliance with both external and – subsequently – internal regulations. Furthermore, the framework conditions and minimum standards for the establishment of the compliance function (e.g. in accordance with Solvency II) are defined. This policy also defines compliance-relevant topics, assigns responsibilities and answers questions relating to the other three governance functions according to Solvency II.

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

- Control: the UIG compliance function is responsible for controlling compliance in the UNIQA Group. Its aim is to keep requirements for the compliance functions up to date and compliant with regulatory stipulations.
- Early warning system:
  - Identifying and assessing developments (changes, innovations, trends) in the national and international legal and regulatory environment, legally binding/non-binding requirements (e.g. EIOPA pronouncements, IAIS standards);
  - Draft laws and ongoing legal proceedings;
  - Providing findings in a suitable form to the local compliance functions;
  - Advising the UIG Management Board with regard to possible (above mentioned) developments;
- Internal regulations: developing, specifying and issuing compliance-relevant internal regulations (policy, standard, etc.) including instructions for their implementation in the UNIQA Group in order to ensure uniform minimum standards;
- Training: organisation and implementation of (regular) compliance training (e.g. compliance conferences, compliance lectures or presentations) for employees of the local compliance function;
- Advising the local management boards or the local compliance function;
- Implementing the compliance plan;
- Right to be heard or have a say as regards appointment of the local compliance function;
- Development and providing tools and methodology to ensure uniform minimum standards for the entire UNIQA Group, such as compliance risk analysis and compliance review, as tools for analysing or monitoring compliance;
- Compliance plan: reviewing the compliance plan submitted by the local Compliance Officer and proposing any adjustments;
- Implementing (regular) company visits in accordance with the compliance plan;
- Compliance reports: compliance reports to the Holding Management Board, the Holding Supervisory Board, the Audit Committee of the Holding Management Board, and the Group Risk Committee. The frequency and content of compliance reports are defined in the Group Compliance Policy and the Group Compliance Standard directive.

Internal audit function

The internal audit function (Internal Audit) is organised at the level of both UNIQA Insurance Group AG and on the level of each UNIQA Group insurance company.

Internal Audit reports directly to the Holding Management Board. From an organisational point of view, it is subordinate to the CEO as well as to the Management Board member responsible for Finance & Risk Management. Internal Audit also submits quarterly reports to the relevant chair of the Supervisory Board and/or to the Audit Committee. 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 measurement of the effectiveness of the internal control system and other components of the system of governance.

The internal audit function supports the top management of UNIQA Insurance Group AG along with the management teams of the UNIQA Group companies in their management and monitoring functions. It provides independent and objective audit and advisory services aimed at creating added value and improving business processes. Internal Audit 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.

The responsibilities of Internal Audit, including its responsibilities in Group auditing, 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;
- 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.

Asset management

The asset management function has been outsourced by UNIQA Insurance Group AG to UNIQA Capital Markets GmbH (UCM) with the consent of the Financial Market Authority. UCM is a wholly owned subsidiary of UNIQA Insurance Group AG. UCM's main responsibility involves providing financial services for the Group companies in the UNIQA Group. These services relate to portfolio management and investment advice. UCM also acts as the delegated fund manager for Austrian funds in which the UNIQA Group operating companies have investments.

The asset management function of UNIQA Insurance Group AG reports to the Holding Management Board. From an organisational point of view, it is subordinate to the Management Board member responsible for Personal Accident Insurance & Asset Investment.

The responsibilities of the asset management function of UNIQA Insurance Group AG at Group level are summarised as follows:

- Providing advice on investments;
- Managing portfolios;
- Accepting and transferring orders/contracts;
- Tactical asset allocation;
- Carrying out research and preparing forecasts;
- Providing advice on strategic asset allocation;
- Daily risk control in relation to the financial instruments managed by the UCM;
- 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 UNIQA Insurance Group AG;
- Authority to control the financial instruments on behalf and for account of UNIQA Insurance Group AG;
- 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;
- Administration and deposit of securities;
- Financial accounting;
- Invoicing transactions.

Reinsurance

The key function of reinsurance at UNIQA Insurance Group AG 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 is 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 at UNIQA is to ensure a proper balance between market trends, statutory and regulatory requirements, and the expectations of the shareholders and post holders. UNIQA's core principles in relation to remuneration include the following:

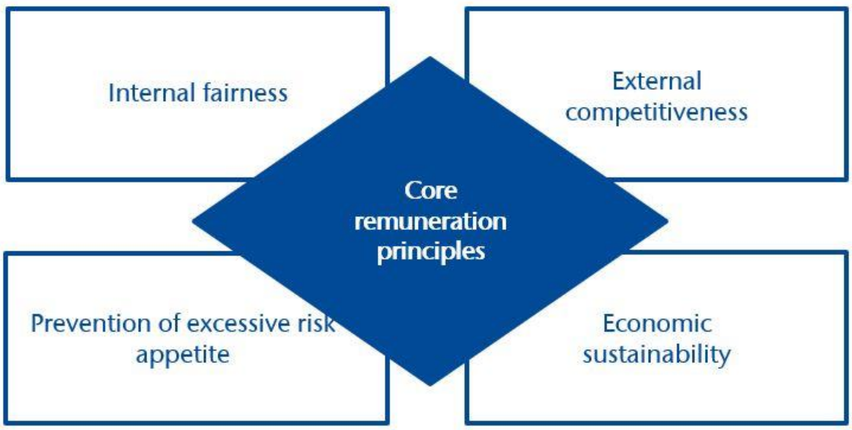


Figure 11: Core remuneration principles

Internal fairness encompasses fair remuneration for employees within a unit/department based on the assessment of the job concerned and the individual characteristics of the person in the role.

External competitiveness is reviewed using market salary benchmarks in order to ensure that remuneration packages at UNIQA 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.

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

Fixed remuneration

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

When determining the amount of basic annual salary for executives, 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 appetite.

Variable remuneration

Annual bonus – STI

In addition to fixed remuneration, UNIQA offers Management Board members and other executive managers the prospect of a performance-related variable remuneration component. An annual bonus is offered for this as short-term variable remuneration (short-term incentive, STI). 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.

The actual amount of the annual bonus depends on the attainment of the company and business line targets specified at the beginning of a financial year. Personal objectives are taken into account in an individual bonus component within the STI, which is awarded on a discretionary basis.

The maximum STI that members of the Management Board can achieve is 100 per cent of their basic annual salary.

The first management level under the Management Board members receives an average STI percentage of approximately 23 per cent.

Deferred bonus

In accordance with the regulatory requirements under Solvency II, a significant proportion of the annual bonus for members of the Management Board and selected management functions must be classified as a deferred bonus in order to meet the requirement for a deferred variable component. 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.

Covid-19 crisis

Against the background of the uncertain progress with the Covid-19 crisis and the associated financial impact on UNIQA, the Management Board took the decision in April 2020 that the short-term variable remuneration (short-term incentive, STI) would cease to apply in its entirety for members of the Management Board and managers at UNIQA for the 2020 financial year.

Long-term variable remuneration (LTI)

A long-term incentive (LTI) is also granted to the Management Board members annually as long-term variable compensation.

The long-term incentive (LTI) is a share-based compensation plan with cash settlement that 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.

There is no share option programme in place.

Pension schemes and similar benefits

Pension entitlements, occupational disability insurance, and survivor benefits have been agreed with the Board members for which a contractual arrangement has been set up with Valida Pension AG and which are covered by reinsurance policies with UNIQA Österreich Versicherungen AG. 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). In the case of pension liability insurance, the amount of the benefits corresponds to the annuitisation of the insurance proceeds from the pension liability insurance.

Active salaries of members of the Management Board and Supervisory Board in 2020

Since 1 July 2020, the members of the Management Board of UNIQA Insurance Group AG assume a dual operational role in their function, as they also hold the Management Board function at UNIQA Österreich Versicherungen AG. All disclosures on the Management Board remuneration exclusively include amounts disbursed in relation to the entire 2020 financial year.

From 1 July 2020 all employment contracts of the members of the Management Board will be with UNIQA Insurance Group AG, which will pay out all remuneration from this date.

The remuneration components for the first half of the year for those members of the Management Board who will also be members of the Management Board at UNIQA Insurance Group AG from 1 July 2020 relate to their Management Board functions at UNIQA Österreich Versicherungen AG and the former UNIQA International AG, which merged with UNIQA Österreich Versicherungen AG as at 8 December 2020.

The active salaries disbursed in the reporting year to the members of the Management Board at UNIQA Insurance Group AG who are, at the same time, also members of the Management Board at UNIQA Österreich Versicherungen AG amounted to €8,731 thousand (2019: €3,183 thousand). Fixed salary components accounted for €4,377 thousand of this and variable components for €4,354 thousand. The fixed salary components included remuneration in kind equivalent to €110 thousand. No allocations are made to UNIQA Österreich Versicherungen AG based on individual values, but instead based on a cost centre allocation procedure that is in line with the market and based on causation.

In addition to the remuneration stated for the members of the Management Board of the company, the amount of €1,024 thousand (2019: €359 thousand) was paid for pension commitments via Valida Pension AG and for pension liability insurance with UNIQA Österreich Versicherungen AG. The amount expended on pensions in the reporting year for former members of the Management Board and their survivors was €2,084 thousand (2019: €2,766 thousand).

The remuneration of the members of the Supervisory Board for their work in the 2019 financial year was €745 thousand. Provisions of €790 thousand have been recognised for the remuneration to be paid for work completed in 2020. Daily allowances and cash expenses of €75 thousand (2019: €72 thousand) were paid out in the financial year.

Since 14 April 2020, the members of the Supervisory Board of UNIQA Insurance Group AG who are also members of the Supervisory Board of UNIQA Österreich Versicherungen AG have received their daily allowances and remuneration exclusively from UNIQA Insurance Group AG despite their dual function. These daily allowances and remunerations therefore also cover the Supervisory Board activities at UNIQA Österreich Versicherungen AG.

B.1.5 Significant related party transactions with companies and individuals

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

Related companies refer to companies which 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 persons include the members of management holding key positions along with their close family members. This also captures in particular the members of management in key positions at those companies which exercise either a controlling or a crucial influence on the UNIQA Group, along with their close family members.

Transactions and balances with affiliated companies In € million	Companies with significant influence on the UNIQA Group	Unconsolidated subsidiaries	Associates of the UNIQA Group	Other affiliated companies	Total
Transactions 2020					
Premiums written (gross)	1	0	1	21	23
Income from investments	2	1	14	4	21
Expenses from investments	-2	0	0	-2	-4
Other income	0	7	2	0	10
Other expenses	-3	-9	-2	-26	-39
At 31 December 2020					
Investments	183	16	689	47	935
Cash and cash equivalents	293	0	0	45	339
Receivables including receivables from insurance business	0	10	0	4	14
Liabilities and other items classified as liabilities	0	4	0	5	9

Table 13: Related party transactions – companies

t

Related party transactions – individuals In € million	2020	2019
Premiums written (gross)	1	1
Salaries and short-term benefits1)	-5	-5
Pension expenses	-2	-1
Post-employment benefits	0	0
Share-based payments	0	-1
Other income	0	0
Other expenses	0	0

Table 14: Related party transactions – individuals

For the 2020 financial year, no short-term incentive was made due to Covid-19.

B.2 FIT AND PROPER REQUIREMENTS

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

From following additional requirements have been specified for the governance functions at UNIQA:

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 reviewing professional qualifications and personal trustworthiness

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:

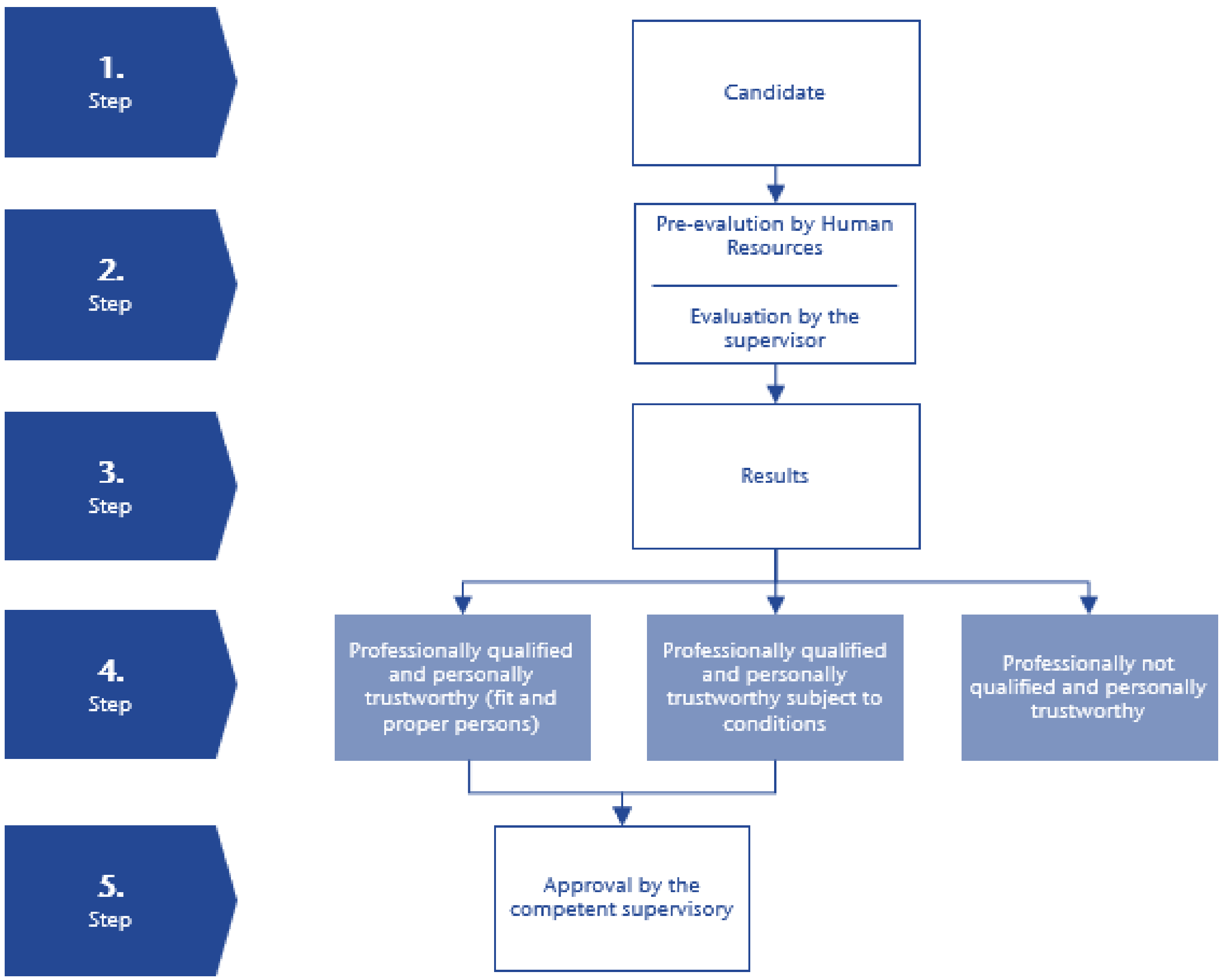


Figure 12: Process for reviewing professional qualifications and personal trustworthiness

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 set up 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

B.3.1 General

The risk management system is an integral part of the governance system. Its purpose is to identify, measure 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.

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

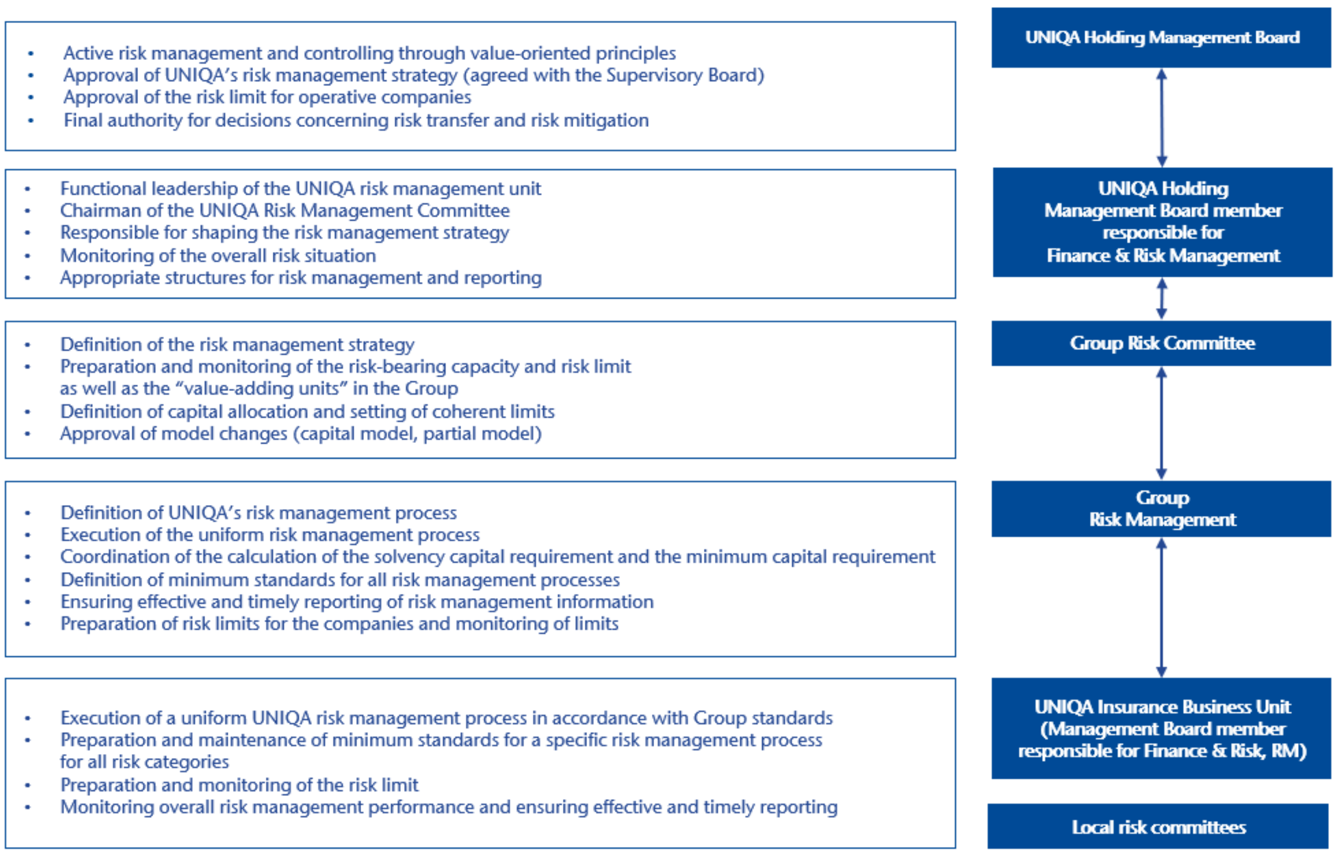


Figure 13: Organisational structure of the risk management system

The relevant responsibilities are shown in the above overview. In addition, the Supervisory Board at UNIQA Insurance Group AG receives comprehensive risk reports at Supervisory Board meetings.

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 risk categories:

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

Figure 14: Risk strategy

The UNIQA Group defines its risk appetite based on the solvency capital requirement (SCR).

The underwriting risks within property and casualty insurance are calculated using a partial internal model.

In 2019 this model was extended to include the market risks of the Austrian companies, submitted to the Austrian Financial Market Authority for authorisation and approved in November 2019. The other risk categories are calculated using the standard model according to Solvency II.

The internal minimum capitalisation is defined at 135 per cent for the UNIQA Group. The Group's target capitalisation is defined as greater than 170 per cent. For subsidiaries there is also an internal minimum capitalisation and a lower limit for the target capitalisation. These are determined for each company on the basis of its respective local requirements.

Further details can be seen in the following figure.

B.3.4 Risk management process

Group Risk Management defines the risk categories that are at the focus of the risk management processes, along with the organisational and process structure, in order to ensure a transparent and optimal 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 (ALM risk)
- Credit risk/default risk
- Liquidity risk
- Concentration risk
- Strategic risk
- Reputational risk
- Operational risk
- Contagion risk (only relevant at Group level)
- Emerging risk

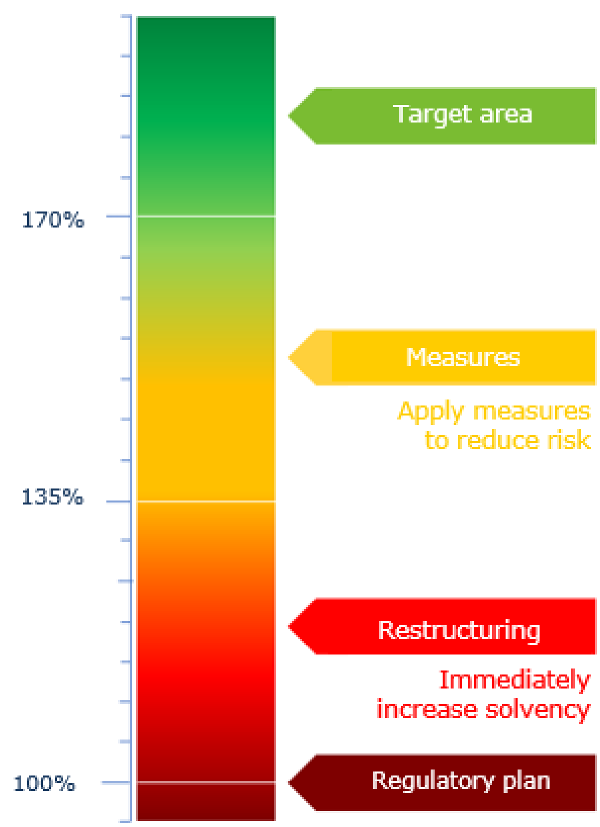


Figure 15: Target capitalisation of the UNIQA Group

A Group-wide, standardised risk management process regularly identifies, measures 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 measured at UNIQA by means of quantitative procedures either on the basis of the partial internal model or the standard Solvency II approach. 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). All other risk categories are measured 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 net asset value) 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 of the UNIQA Group, who 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 capital requirement and risk profile.

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

B.3.5 Risk-related committees

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

As at UNIQA Group 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 the Risk Management of UNIQA Insurance Group AG, 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 and the market risks within the scope of the solvency capital requirement. The model was developed in two phases and submitted for approval to the College of Supervisors of the UNIQA Group under the direction of the Austrian Financial Market Authority (FMA). Authorisation to use the model for the risks of non-life and health similar to non-life technique was granted as at 14 November 2017; approval to expand the model to include market risks was granted by the Financial Market Authority on 20 November 2019.

The partial internal model is developed and maintained by Group Risk Management at Group level. The model for the risks of non-life and health similar to non-life technique is implemented and applied within every UNIQA Insurance Business Unit that has a material portfolio of non-life business. Its expansion to include market risks affects UNIQA Insurance Group AG as an individual company, UNIQA Österreich Versicherungen AG and the UNIQA Group. The general methodology and the assumptions are determined within the areas Group 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 Business Unit. 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 CFO/CRO and the Group Risk Committee (e.g. from validation of the model).

- Group Risk Committee (Level 2 committee/Chairman: CFO/CRO): 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 measurement 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;
- 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.

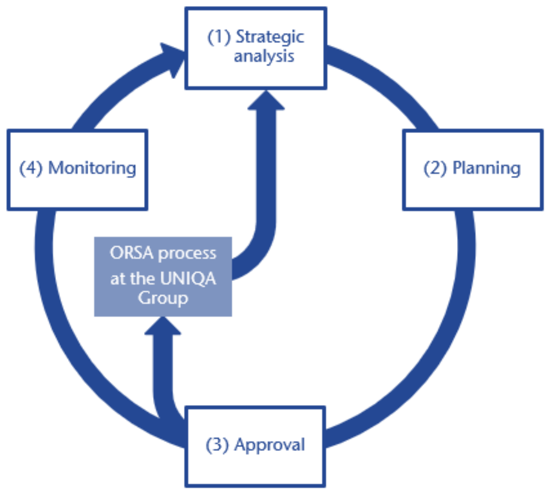


Figure 16: Strategy and planning process

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 Risk Management department 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.

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 the UNIQA Group Risk Management, the Group risk management function, 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 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 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.

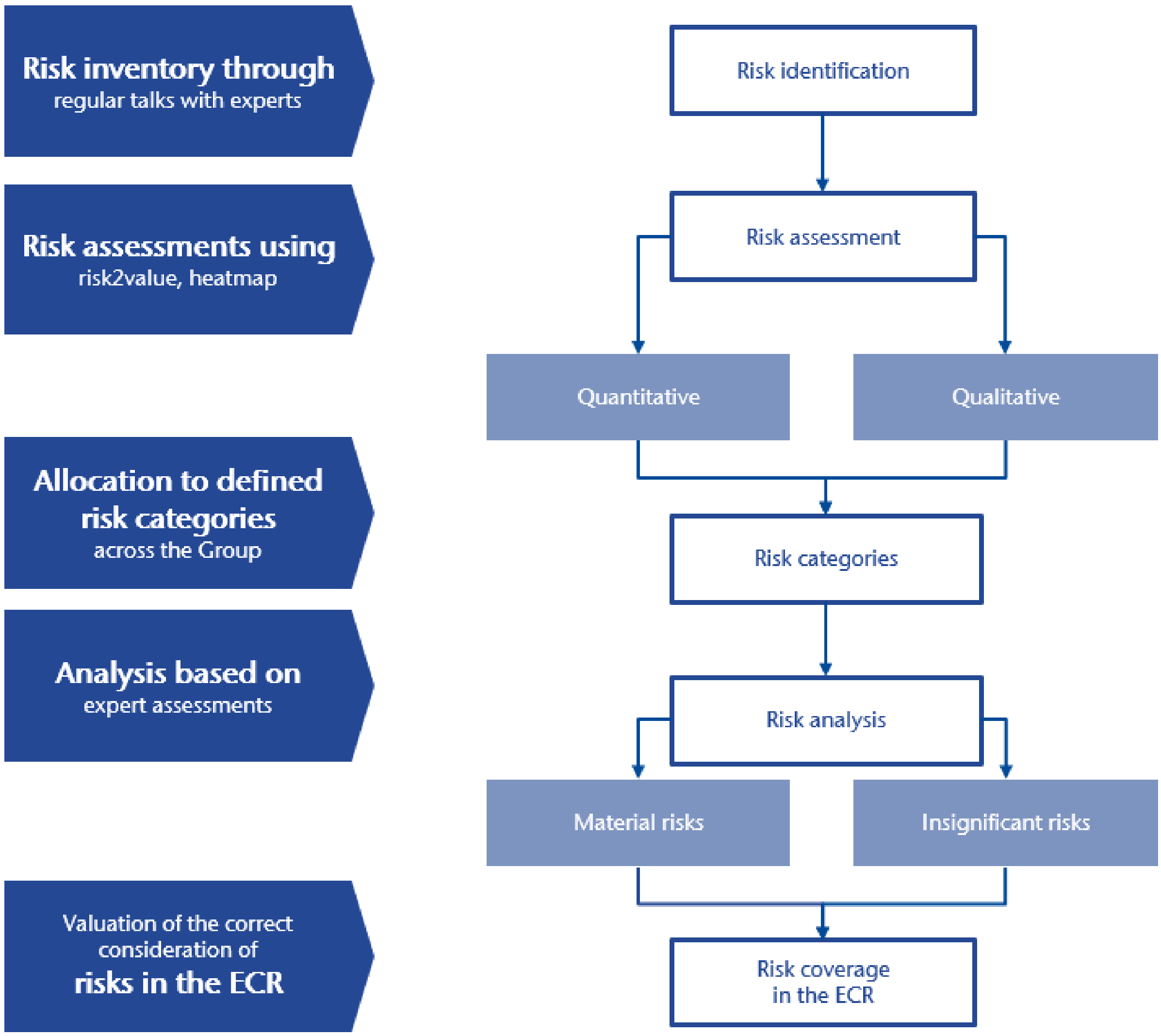


Figure 17: Risk management process

Overall solvency needs

The overall solvency needs (OSN) of the UNIQA Group are based on the regulatory solvency capital requirement (SCR) and represent 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 measured using the following methods: partial internal model, Solvency II standard approach or qualitative assessment for non-quantifiable risks.

Ongoing fulfilment of solvency capital 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 regulatory solvency capital requirement SCR, the overall solvency needs 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.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Overview of the internal control system

The UNIQA Group's internal control system (ICS) reduces secondary risks using effective and efficient control mechanisms. Responsibilities are assigned in a clear manner and the quality of the control measures including the documentation is continuously improved. At the same time, it ensures compliance with the applicable regulatory stipulations.

The foundation is the UNIQA Group ICS standard, which defines the minimum requirements related to organisation, methods and scope. Based on this, the local companies have each implemented a local ICS standard, thus ensuring that there is a uniform procedure throughout the UNIQA Group.

The ICS cycle consists of the following key elements:

- Scoping: one-time identification and subsequent annual review of key risks for each main process;
- Risk and control self-assessment: one-time definition of key controls to reduce key risks and subsequent annual review of their validity, documentation of the implementation of control measures, evaluation of the effectiveness and efficiency of key controls at least once per year, description of the residual risk, application of further risk-reducing measures if needed;
- Monitoring: observation of key risks and controls, as well as possible measures;
- Reporting: providing well-structured ICS reports to the management at least once per year.

The basis from the identifying key risks is the UNIQA Group risk catalogue with the following risk groups:

- Financial reporting
- Tax risks
- Legal risks
- Compliance risks
- Operational risks

The new ICS standard has been implemented in the UNIQA Group since mid-2019.

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 Group Outsourcing Policy was issued by the Holding Management Board. It applies throughout the Group, meaning that all (re)insurance companies in the UNIQA Group are obliged to implement this.

In particular, the Group Outsourcing Policy includes:

- The legal definitions of outsourcing, sub-outsourcing, important and critical functions and activities;
- How to assess whether an arrangement constitutes outsourcing according to Solvency II;
- The procedure to determine whether the outsourcing relates to important and critical functions and activities;
- The contract modules to be incorporated into 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 entered into between the UNIQA Group's (re)insurance company and the service provider ("Outsourcing Agreement"), which in particular clearly governs all of the requirements listed in the Group Outsourcing Policy.

Requirements for the outsourcing of critical or important functions or activities

In the event that a critical or important function or activity is outsourced, then in addition to the aforementioned obligation and before the outsourcing begins, the (re)insurance company must fulfil the following obligations:

A due diligence review must be conducted of the service provider and emergency plans must be prepared.

The FMA must be notified of the outsourcing agreement in good time before the outsourcing is implemented. Prior approval is required by the FMA if the service provider is not an insurance or reinsurance undertaking.

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 has 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 critically review 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 at regular intervals whether the service provider delivers according to contract.

B.8 ANY OTHER INFORMATION

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

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 2016 Austrian Insurance Supervision Act and is the sum of the following four components:

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

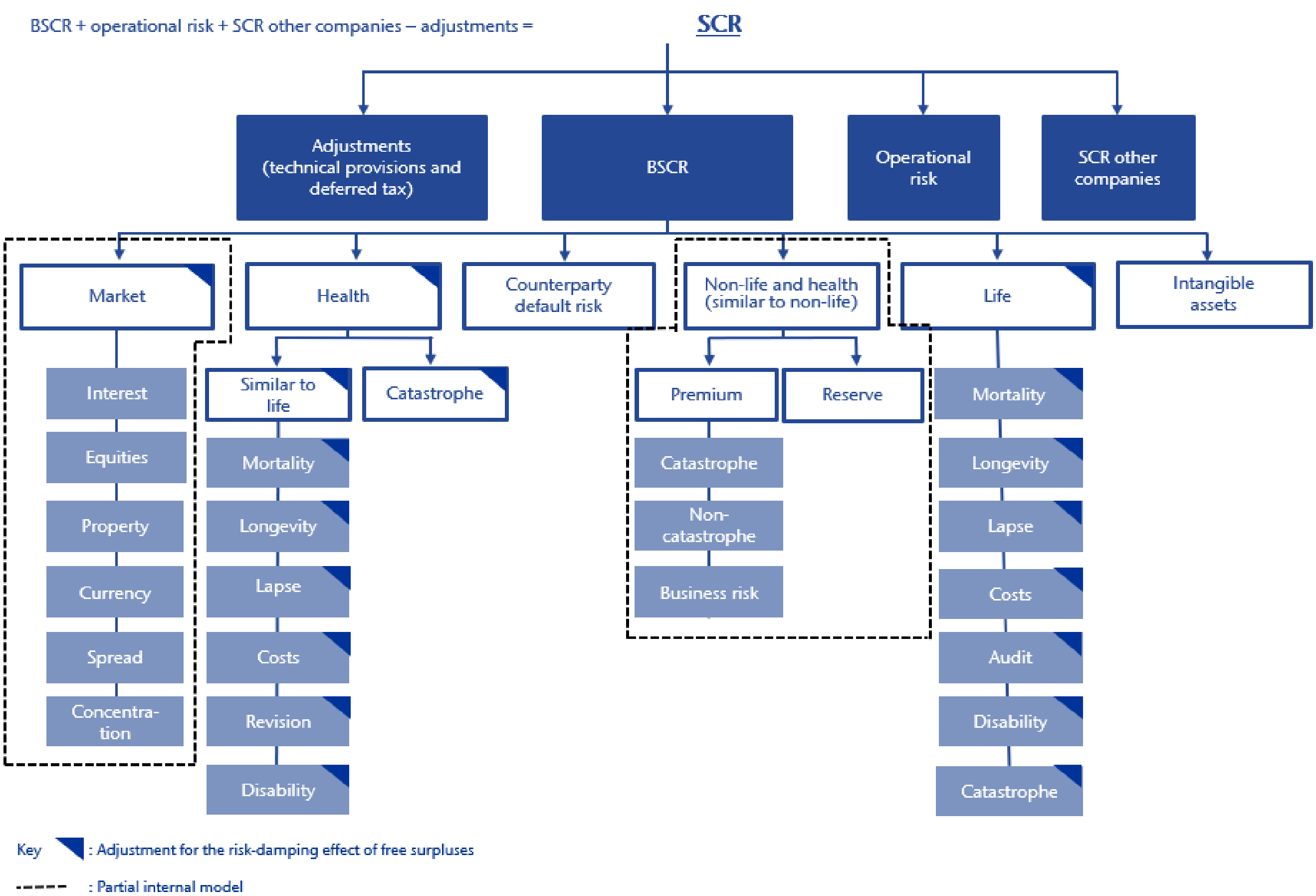


Figure 18: Structure of the solvency capital requirement

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 in accordance with 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 total sum of the BSCR, the capital requirement for operational risk, the capital requirement for other entities as well as adjustments for free surpluses and deferred taxes results in 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 2020 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 applied	Description of the components	Sub-components	SCR
Solvency capital requirement			2,628
Risks that use the partial 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	621
		Premium risk (PIM NL)	415
		Reserve risk (PIM NL)	320
		Diversification (PIM NL)	-225
		Underwriting risk AXA (SF)	133
		Diversification	-23
	Market risk	Market risk, total	2,165
		Interest rate risk	983
		Equity risk	719
		Property risk	182
		Spread risk	978
		Exchange rate risk	271
		Concentration risk	426
		Diversification	-1,393
Risks that use the standard formula	Counterparty default risk	Counterparty default risk, total	174
		Type 1 credit and default risk	108
		Type 2 credit and default risk	77
		Diversification	-12
	Life underwriting risk	Life underwriting risk, total	706
		Mortality risk	42
		Longevity risk	68
		Disability-morbidity risk	35
		Lapse risk	544
		Expense risk	188
		Revision risk	1
		Catastrophe risk	50
		Diversification	-221
	Health underwriting risk	Health underwriting risk	154
		Underwriting risk similar to life, total	138
		Mortality risk	43
		Longevity risk	0
		Disability-morbidity risk	50
		Lapse risk	99
		Expense risk	20
		Revision risk	0
		Diversification	-74
		Health insurance catastrophe risk	42
		Similar to life technique	31
		Similar to non-life technique	21
		Diversification	-10
		Diversification	-26
	Operational risk		201
	Capital requirement for other companies		65
	Risk from intangible assets		0
Total undiversified components			6,070
Total diversification			-3,111
Diversification of the partial internal model			-1,331
Diversification from the standard model aggregation			-259
Diversification through integration of the partial internal model			-1,522
Reduction from deferred taxes			-331
Own funds to cover SCR			4,471
Solvency ratio			170 %

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

The following figure shows the composition of the SCR as at 31 December 2020.

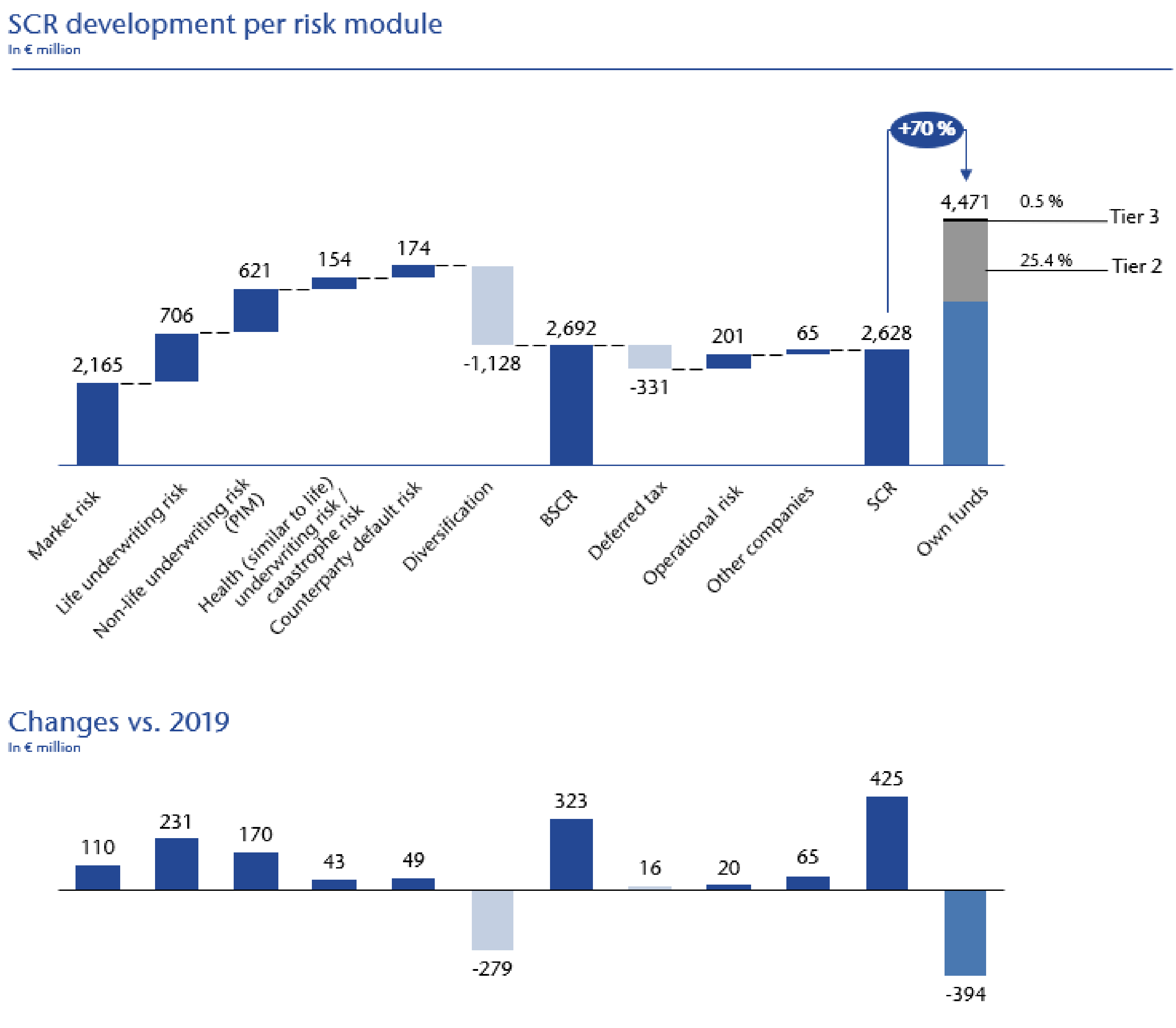


Figure 19: Risk profile of the UNIQA Group (in € million)

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 57 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 life insurance (18 per cent of the BSCR taking into account the adjustment for the loss-absorbing capacity of free surpluses).

At 31 December 2020, the solvency ratio was 170 per cent, demonstrating that the UNIQA Group is backed by an adequate level of capital.

C.1 UNDERWRITING RISK

C.1.1 Description of the risk

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

- 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 measured based on a partial internal model (PIM). This results in the following measurement categories for the UNIQA Group:

- Non-life and health (similar to non-life) underwriting risk
- 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 partial internal 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 catastrophes and remaining basic losses.
Reserve risk	Risk of loss through adverse changes in claims processing, 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.

The portfolios acquired by AXA in Poland, the Czech Republic and Slovakia were still measured according to the standard approach as at 31 December 2020. The corresponding model change process is currently underway.

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.1.2 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 16 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 and general liability insurance.

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

	2020	
	In € million	In per cent
Overall requirement	**621**	
Premium risk (PIM NL)	415	56%
Reserve risk (PIM NL)	320	44%
Diversification (PIM NL)	-225	-31%
Underwriting Risk AXA (SF)	133	18%
Diversification	-23	

Table 18: Non-life underwriting risk

As mentioned at the beginning, the premium risk (including business risk) constitutes the largest portion, 56 per cent, of the non-life insurance. This is mainly driven by claims from natural catastrophes. 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 segments there is also a significantly high level of diversification.

The portfolios acquired by AXA in the markets of Poland, the Czech Republic and Slovakia were still being measured according to the standard approach as at 31 December 2020. In order to integrate these results with the existing partial model of non-life insurance to the total underwriting risk capital requirement of non-life insurance and health (similar to non-life), the aggregation method no. 3 was applied as described in the Solvency II regulations.

Life underwriting risk

The proportion of the life underwriting risk module in the BSCR is 18 per cent. Of the shocks for the lapse risk described in Chapter C.1.3, Risk assessment, the decline in lapses was the relevant shock in the year 2020.

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

	2020	
	In € million	In per cent
SCR, life underwriting risk	**706**	
Mortality risk	42	4%
Longevity risk	68	7%
Disability-morbidity risk	35	4%
Lapse risk	544	59%
Expense risk	188	20%
Revision risk	1	0%
Catastrophe risk	50	5%
Diversification	-221	

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) which includes tariffs for casualty insurance and short-term health insurance.

The proportion of the health underwriting risk module in the BSCR is 4 per cent. The following table shows the composition of the solvency capital requirements for health underwriting risk by risk sub-module. The only relevant driver of health underwriting risk (similar to life technique) is the portfolio of the company UNIQA Österreich Versicherungen AG. The short-term health insurance business results primarily from the casualty insurance line.

Capital requirement for health underwriting risk

	2020	
	In € million	In per cent
SCR, health underwriting risk	**154**	
Underwriting risk (similar to life)	138	76%
Health insurance catastrophe risk	42	24%
Diversification	-26	

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)

	2020	
	In € million	In per cent
SCR, health underwriting risk (similar to life)	**138**	
Mortality risk	43	20%
Longevity risk	0	0%
Disability-morbidity risk	50	24%
Lapse risk	99	47%
Expense risk	20	9%
Revision risk	0	0%
Diversification	-74	

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.1.3 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 measured based on a partial internal model. The model depicts the technical result for the next year and shows an entire distribution of possible realisations. The distributions and parameters used are derived from internal company data according to recognised 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 catastrophes
- Basic losses

The risk of natural catastrophes is measured 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 bootstrap approach, or for certain business areas also on a LogNormal distribution, whereby the corresponding parameters are derived from damage triangles per business segment.

The business risk covers other risks of the business process:

- Risk of fluctuation in premium sales (e.g. due to lapse 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 technical 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.

The companies acquired from AXA in Poland, the Czech Republic and Slovakia were still measured according to the standard approach and were integrated into the Group as at 31 December 2020. Integration into the Group's partial model will take place during the course of 2021, with plans to adopt the model for the first time in 2022.

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 catastrophes are modelled on the basis of data from external model providers. Measurement is done by business line or by threat.
Reserve risk	The fluctuation in benefits for the claims from the previous year 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 2016 Austrian Insurance Supervision Act Part 8 (1) in the sub-module on underwriting risks. The solvency capital requirement for each risk sub-module is derived from the change in the best estimates for liabilities when applying shock scenarios. An example of the net asset value approach is shown in the following figure.

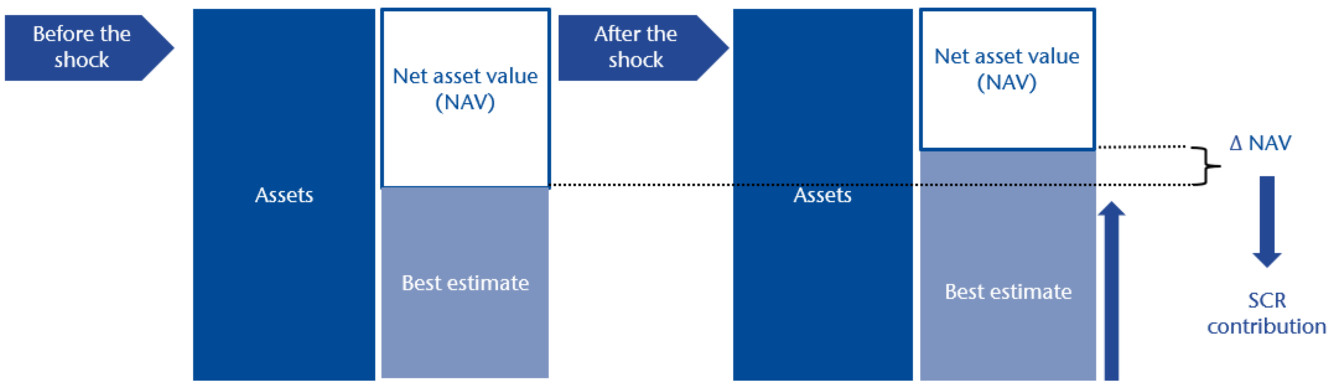


Figure 20: Presentation of the net asset value approach for underwriting risk

In the net asset value approach, the shocks presented in the table below are applied to each risk sub-module and the net asset value (also referred to as economic capital) 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 rates 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 of 10 per cent · Increase in the expense inflation rate of 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 2016 Austrian Insurance Supervision Act, Part 8 (1) in the sub-module on underwriting risks. The solvency capital requirement for each risk sub-module is derived from the change in the best estimates for guaranteed benefits when applying shock scenarios.

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 medical payments by 5 per cent - Increase in the rate of inflation for medical payments by 1 per cent
Lapse risk	Three shocks are used: - Immediate and permanent fall by 50 per cent in the lapse rate - Immediate and permanent rise by 50 per cent in the lapse rate - Mass lapse of 40 per cent of such 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 expense inflation rate of 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.1.4 Risk concentration

In terms of underwriting risk, risk concentrations arise mainly 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 catastrophes 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 due to the geographical concentration of the UNIQA Group 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 catastrophes 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 cross-border events. This means that an overall picture of the impact of catastrophes can be created at the level of the UNIQA Group.

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 catastrophes.

C.1.5 Risk mitigation

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

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 technical 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.

Increasing the profitability of the UNIQA Group's non-life portfolio forms part of the "UNIQA 3.0" strategy and also contributes towards risk mitigation. UNIQA 3.0 sets out a long-term strategy until 2025 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 choice of the calculation principles when calculating premiums representing crucial cornerstones in terms of product design. By including premium adjustment clauses, the potential to reduce risk can be improved, especially in 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 their sustainability and also define expectations of the 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 value of business in force 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 health insurance products (e.g. through health checks);
- Careful selection of the termination rate probabilities (death and lapse) in order to obtain adequate premiums for the benefits to be expected;
- 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 measuring 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.1.6 Stress and sensitivity analyses

A flat-rate change in lapse rates of 10 per cent is assumed for the underwriting risk of all business lines and the impact is determined on the technical provisions.

An increase in the lapse rates would lead to a reduction in the solvency ratio by –1.4 per cent to 168.6 per cent.

A reduction in the lapse rates would lead to a 3.9 per cent increase in the solvency ratio to 173.9 per cent.

For non-life underwriting risk and health underwriting risk (similar to non-life technique), the risk of an earthquake has been identified as the most significant sensitivity. An earthquake with an epicentre in Austria is assumed to recur every 250 years in this sensitivity analysis. Such an earthquake would lead to a reduction of the solvency ratio by –1 per cent to 169 per cent.

C.2 MARKET RISK

C.2.1 Description of the risk

In accordance with Section 179 of the 2016 Austrian Insurance Supervision Act, market risk measures the risk arising from fluctuations in the market prices of financial instruments that affect the value of assets and liabilities. UNIQA measures market risk with an (approved) internal model. Market risk is divided into the following risk sub-modules as illustrated in the following table:

Risk sub-module	Definition
Interest rate risk	Risk of a loss due to the fluctuation of the yield curve or the fluctuation of the implied interest rate volatilities
Equity risk	Risk of a loss due to the fluctuation of market prices for shares or funds without a review, or due to fluctuations in implied equity volatilities
Property risk	Risk of a loss due to the fluctuation of real estate market prices
Credit spread risk	Risk of a loss due to the fluctuation of spread curves or the fluctuation of migration and default probabilities
Exchange rate risk	Risk of a loss due to fluctuation of exchange rates
Concentration risk	Lack of diversification of the asset portfolio of spread securities

Table 25: Risk sub-modules for market risk

C.2.2 Risk exposure

Due to the fact that the personal insurance business stretches over so many years, the risk module of market risk represents the largest risk position. The following table shows the composition of the SCR for the risk module of market risk. Currently, the greatest risks are interest rate risk and credit spread risk. 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	2020	
	In € million	In per cent
SCR, market risk	**2,165**	
Interest rate risk	983	28 %
Equity risk	719	20 %
Property risk	182	5 %
Credit spread risk	978	27 %
Exchange rate risk	271	8 %
Concentration risk	426	12 %
Diversification	-1,393	

Table 26: SCR market risk

C.2.3 Risk assessment

The UNIQA Group calculates the market risk using the corresponding module from its partial internal model. Market risk is illustrated according to the projection of gains and losses due to stochastic fluctuations of the individual market risk drivers into the next year. Aggregated risk drivers are simulated using a calculated correlation matrix, whereby the historical time series of the individual market parameters and their correlations with one another are calculated from both external data sources and internal data. The impact on economic own funds is determined in each stochastic scenario. The corresponding risk figure shows the loss incurred in the event of a 200-year event, and is thus equal to the 99.5 per cent value-at-risk of the resulting stochastic distribution of the loss of own funds. In addition to the ratio for the total, diversified market risk, the following risk sub-modules are also illustrated:

- Interest rate risk
- Equity risk
- Property risk
- Credit spread risk
- Exchange rate risk

- Concentration risk

For a better understanding, the individual market risk sub-modules are briefly described below.

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 a stochastic distribution of interest rate stress scenarios, as well as their impact on economic own funds. This distribution includes both scenarios that simulate a rise and scenarios that simulate a fall in interest rates. Furthermore, the interest rate risk sub-module contains stochastic fluctuations due to changes in underlying interest rate volatilities.

When calculating the capital requirement for the **equity risk**, all investments are subject to a shock by means of appropriate risk factor distributions of suitable equity or index prices. The equity risk sub-module also includes investments of own funds in affiliated companies of a strategic nature as well as the resulting effect of changes in implied equity volatilities.

The capital requirement for the **property risk** is calculated analogously using internal company data for property-specific risk drivers.

The capital requirement for the **credit 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 required distribution of economic own funds is determined using stochastic distributions of the corresponding spreads and the probabilities of default depending on the credit rating. Accordingly, the credit spread risk includes fluctuations in market value due to spreads, changes in the creditworthiness of issuers and the expected loss due to defaults.

The capital requirement for the **exchange rate risk** is calculated by subjecting all currency-sensitive positions on the asset and liability side to a shock according to stochastic simulation of the relevant exchange rates. As with all other risk sub-modules, the distribution of the exchange rate risk drivers includes both positive and negative shocks and the risk corresponds to the 99.5 per cent value-at-risk of the loss of economic own funds.

A more detailed description of the **concentration risk** is provided in the next section.

C.2.4 Risk concentration

As part of the market risk module of UNIQA's partial internal model, an estimate of the concentration risk is also carried out. The concentration of risk in market risk results from holding larger positions in debt securities of individual issuers or strongly interconnected groups of issuers. The potential default of one of these issuer(s) (or groups of issuers) results in a potentially larger individual loss than the probability of default averaged over many market participants.

The corresponding quantification is performed within the framework of the credit spread risk sub-module. The concentration risk is determined for this purpose by comparing two stochastic projections for spread-carrying securities. Firstly, the entire investment with a certain (or group of) issuers is treated as a single security, and secondly, the individual securities are regarded as independent of each other. By considering the securities as independent value investments, a notional diversification between the securities would be included in the model.

For each of the two projection types, the credit spread risk is determined as described in the previous section. The concentration risk is measured by the difference between the risk calculated in the two projections.

C.2.5 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.

Other risk mitigation techniques include adjustments of future profit participation, which is carried out in compliance with legal and contractual framework conditions. 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.

C.2.6 Stress and sensitivity analyses

The UNIQA Group carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events in the economic environment on the solvency capital requirement, own funds, and subsequently on the coverage ratio.

The following sensitivity calculations are carried out in relation to the economic environment:

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 25 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 or –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

To calculate the credit spread sensitivity, a widening of the spread by 50 basis points is assumed separately for government bonds and corporate bonds. Spreads are widened irrespective of the underlying rating.

Results

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

Results of the sensitivity calculation 2020

In per cent	Own funds	SCR	SCR ratio	Change (percentage points)
Basic scenario	4,471	2,628	170%	
Key sensitivities:				
Interest rate sensitivity				
Parallel shift in interest rate of –50 bps (up to last liquid point)	4,800	2,481	193%	23%
Parallel shift in interest rate of –50 bps (up to last liquid point)	4,103	2,816	146%	-24%
Decrease in ultimate forward rate (UFR) of 50 bps	4,146	2,721	152%	-18%
Equity sensitivity				
Fall in the fair value by 25 per cent	4,265	2,590	165%	-5%
Foreign exchange sensitivity				
Foreign currency shock of +10 per cent	4,560	2,628	174%	4%
Foreign currency shock of –10 per cent	4,344	2,628	165%	-5%
Spread sensitivity				
Widening in credit spread for corporate bonds of 50 bps	4,348	2,657	164%	-6%
Widening in credit spread for government bonds of 50 bps	4,110	2,672	154%	-16%

Table 27: Results of the sensitivity calculation

C.3 CREDIT RISK/DEFAULT RISK

C.3.1 Description of the risk

In accordance with Section 179(5) of the 2016 Austrian Insurance Supervision Act, 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 measured using a rating. This normally includes among other things 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. This includes in particular receivables from brokers, receivables from policyholders, loans on policies, letters of credit, guarantees and mortgages.

C.3.2 Risk exposure

Credit risk or default risk accounts for 4.6 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

	2020
SCR, type 1 and type 2 credit and default risk	**174**
Total type 1 credit and default risk	108
Total type 2 credit and default risk	77
Diversification	-12

Table 28: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk at 31 December 2020. 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 58.4 per cent of overall default risk (excluding diversification). The solvency capital requirement for type 1 results mainly from bank deposits, deposits with cedants, reinsurance agreements and derivatives.

Type 2 risk exposures represent the remaining 41.6 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.3.3 Risk assessment

The solvency capital requirement for credit and default risk is calculated using the risk factors and methods described in the Delegated Regulations (EU) 2015/35 and 2019/981 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 so-called 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.3.4 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 earnings 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 transfer 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 order) were reported for the following banks as at the relevant reporting date: Raiffeisen Bank International AG, Commerzbank AG, Northern Trust Corp 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.3.5 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 measurement options.

C.3.6 Stress and sensitivity analyses

No separate stress or sensitivity analyses have been carried out due to the minor significance of the credit or default risk for the risk profile.

C.4 LIQUIDITY RISK

C.4.1 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.4.2 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 included in future premiums (EPIFP)

In € million

	2020
Expected profits included in future premiums (EPIFP)	**2,864**
of which non-life	361
of which in life insurance	2,502

Table 29: Expected profits included 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.

C.4.3 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.

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. For companies and business lines in health and life insurance in particular, the strategic asset allocation is based on the expected cash flows on the liabilities side in order to minimise the long-term liquidity risk. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.4.4 Stress and sensitivity analyses

Due to the ongoing monitoring of the liquidity requirement and the associated assessment of liquidity risk as low, no separate stress or sensitivity analyses have been carried out.

C.5 OPERATIONAL RISK

C.5.1 Description of the risk

In accordance with Section 177(3) of the 2016 Austrian Insurance Supervision Act, 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 2016 Austrian Insurance Supervision Act.

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.

C.5.2 Risk exposure

The operational risk is quantified based on the standard formula and amounted to €201 million at 31 December 2020.

Capital requirement for operational risk

In € million	2020
Operational risk	201

Table 30: 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 measured and categorised based on a risk matrix using expert assessments on the probability of occurrence and level of risk. Using this qualitative procedure, 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.5.3 Risk assessment

The UNIQA Group calculates 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 2016 Austrian Insurance Supervision Act.

The operational risk is measured regularly using qualitative criteria in risk assessments and interviews with experts. A catalogue of threats includes potential risk scenarios which can be measured 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.5.4 Risk concentration

Measurements of risk concentrations in the operational risk for the UNIQA Group 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 measurement (risk acceptance, risk minimisation or similar factors). There are no substantial risk concentrations in this respect for the UNIQA Group.

C.5.5 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. 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.5.6 Stress and sensitivity analyses

No separate stress or sensitivity analyses have been carried out due to the minor significance of the operational risks for the risk profile.

C.6 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.

The strategic risk refers to the risk that results from management decisions or insufficient implementation of management decisions that may influence current or 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.

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.7 ANY OTHER INFORMATION

C.7.1 Risk concentration

Aside from identification and measurement 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 catastrophes

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 2020, this results in a materiality threshold for risk concentrations at Group level in the amount of €262.8 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 partial internal model (see Chapter C.2.4 for further details).

No material risk concentrations were identified in the other exposure categories at year-end 2020.

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 are primarily composed of publicly issued debt securities (e.g. government bonds, bonds from regional governments).

Exposure by NACE code

In per cent

	2020
General public administration activities	29.78%
Other monetary intermediation	21.44%
Fund management activities	17.84%
Renting and operating of own or leased real estate	10.39%
Extra-territorial organisations and bodies	3.43%
Trust funds and other funds and similar financial institutions	1.76%
Civil engineering	1.54%
Public administration, defence, social security	1.41%
Other	12.39%
Total	**100.00%**

Table 31: Exposure by NACE code

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

Exposure by country

In per cent

	2020
Austria	27.22%
France	8.51%
Luxembourg	5.97%
Poland	5.25%
Netherlands	3.78%
Canada	3.68%
Belgium	3.40%
Czech Republic	3.19%
Germany	3.09%
Spain	2.80%
Ireland	2.46%
United States of America	2.43%
Slovakia	1.73%
United Kingdom of Great Britain and Northern Ireland	1.60%
Hungary	1.37%
Italy	1.25%
Romania	1.13%
Slovenia	0.90%
Finland	0.88%
Russia	0.86%
Other	18.49%
Total	**100.00%**

Table 32: Exposure by country

Natural catastrophes

UNIQA Group's portfolio does not include any catastrophe-related bonds (CAT bonds). At year-end 2020, there were also no concentrations of natural catastrophe risks within insurance liabilities.

C.7.2 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 Measurement 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 measurement in the solvency balance sheet. In accordance with Article 75 of the Solvency II Framework Directive, assets and liabilities are measured 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 measurement can be used for the measurement.

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 remeasurement 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 the remeasurement of solvency balance sheet items denominated in foreign currencies for the reporting period:

EUR closing rates	Code	2020
Albanian lek	ALL	123.26
Bosnia and Herzegovina convertible mark	BAM	1.96
Bulgarian lev	BGN	1.96
Swiss franc	CHF	1.08
Czech koruna	CZK	26.24
Euro	EUR	1.00
Croatian kuna	HRK	7.55
Hungarian forint	HUF	363.89
Macedonian denar	MKD	61.68
Polish zloty	PLN	4.56
Romanian leu	RON	4.87
Serbian dinar	RSD	117.63
Russian rouble	RUB	91.47
Ukrainian hryvnia	UAH	34.60
US dollar	USD	1.23

Table 33: Foreign exchange rates

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and with IFRSs at the reporting point at 31 December 2020.

Assets as at the reporting date of 31 December 2020

In € million

		Solvency II	IFRS	Remeasurement
1	Goodwill	0	353	-353
2	Deferred acquisition costs	0	1,116	-1,116
3	Intangible assets	0	630	-630
4	Deferred tax assets	30	9	21
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	548	198	349
7	Investments (other than assets held for index-linked and unit-linked contracts)	23,373	22,292	1,081
7.1	Property (other than for own use)	2,542	1,376	1,166
7.2	Shares in affiliated companies including participations	707	691	17
7.3	Equities	255	277	-22
	Equities – listed	130	145	-15
	Equities – unlisted	126	133	-7
7.4	Bonds	16,219	17,581	-1,362
	Government bonds	10,625	11,639	-1,014
	Corporate bonds	5,488	5,907	-418
	Structured notes	33	34	-1
	Collateralised securities	72	1	72
7.5	Undertakings for collective investment	3,421	2,071	1,350
7.6	Derivatives	11	18	-7
7.7	Deposits other than cash equivalents	217	278	-61
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	5,272	5,272	0
8	Loans and mortgages	131	130	1
8.1	Loans on policies	13	12	1
8.2	Loans and mortgages to individuals	8	0	8
8.3	Other loans and mortgages	110	118	-8
9	Recoverables from reinsurance contracts	459	514	-56
9.1	Non-life insurance and health insurance similar to non-life	336	389	-53
	Non-life insurance excluding health insurance	335	389	-54
	Health insurance similar to non-life	1	0	1
9.2	Life insurance and health insurance similar to life, excluding health insurance and index-linked and unit-linked insurance	123	125	-2
	Health insurance similar to life	1	1	0
	Life insurance, excluding health and index-linked and unit-linked insurance	122	124	-2
9.3	Life insurance, index-linked and unit-linked	0	0	0
10	Deposits with cedants	5	5	0
11	Insurance and intermediaries receivables	228	368	-140
12	Reinsurance receivables	94	77	17
13	Receivables (trade, not insurance)	228	236	-7
14	Treasury shares (held directly)	13	11	2
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	600	641	-41
17	Any other assets, not shown elsewhere	65	72	-8
Total assets		**31,047**	**31,925**	**-877**

Table 34: Assets in accordance with Solvency II

The following categories of assets are not asset components of the UNIQA Group at 31 December 2020 and therefore have not been subject to comments:

- 5. Pension benefit surplus
- 7.8. Other investments
- 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 measurement is based for solvency purposes, with a quantitative and qualitative explanation of the material differences with the measurement according to IFRSs in the annual financial statements.

1. Goodwill

In € million	Solvency II	IFRS	Remeasurement
Goodwill	0	353	-353

Table 35: 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 measured at zero, thereby differing from statements according to IFRSs.

2. Deferred acquisition costs

In € million	Solvency II	IFRS	Remeasurement
Deferred acquisition costs	0	1,116	-1,116

Table 36: 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 measured at zero, which explains the difference in value.

3. Intangible assets

In € million	Solvency II	IFRS	Remeasurement
Intangible assets	0	630	-630

Table 37: Intangible assets

Intangible assets comprise the value of business in force 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 value of business in force in life insurance is amortised in accordance with the progression of the estimated gross margins.

No values of business in force are assessed under Solvency II, meaning that the value that arises for the item "Intangible assets" 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 20 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.

No usage rights are recognised for leased intangible assets.

4. Deferred tax assets

In € million	Solvency II	IFRS	Remeasurement
Deferred tax assets	30	9	21

Table 38: 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 measurements 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.

Offsetting the deferred tax assets with the deferred tax liabilities results in a surplus on the assets side in accordance with the Austrian Commercial Code. For an explanation of the origins of the UNIQA Group's deferred taxes, we therefore refer to Chapter D.3, Deferred tax liabilities.

6. Property, plant and equipment held for own use

In € million	Solvency II	IFRS	Remeasurement
Property, plant and equipment held for own use	548	198	349

Table 39: Property, plant and equipment held for own use

For the IFRS consolidated financial statements, 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 remeasurement for the solvency balance sheet.

The values of the properties for own use for Solvency II purposes are determined using expert reports prepared by independent experts. These expert reports are prepared based on the income approach. It requires making assumptions about the future, principally concerning the discount rate, the exit yield, the expected utilisation (vacancy rate), the development of future rental charges, and the condition of the land and buildings. Property value, location, usable area and usage category for the property are also taken into account.

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

For considerations of materiality, the usage rights of the leases shown in the solvency balance sheet have not been revalued. A description of the measurement method applied can be found in Chapter A.4.

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

The measurement 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	Remeasurement
Property (other than for own use)	2.542	1.376	1.166

Table 40: 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.

The values of the investment properties for Solvency II purposes are determined using expert reports prepared by independent experts. These expert reports are prepared based on the income approach. It requires making assumptions about the future, principally concerning the discount rate, the exit yield, the expected utilisation (vacancy rate), the development of future rental charges, and the condition of the land and buildings. Property value, location, usable area and usage category for the property are also taken into account.

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

7.2 Shares in affiliated companies, including equity investments

In € million	Solvency II	IFRS	Remeasurement
Shares in affiliated companies including participations	707	691	17

Table 41: 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 measured 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 initial 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 measured 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 measured at 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 29 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 their measurement corresponds to the IFRS value in accordance with Solvency II as per Article 13(1)(c) of the Delegated Regulation (EU) 2015/35.

By way of derogation from the IFRS basis of consolidation, the companies UNIQA Capital Markets GmbH, AXA Towarzystwo Funduszy Inwestycyjnych S.A., AXA Powszechne Towarzystwo Emerytalne S.A., UNIQA penzijní společnost a.s., UNIQA investiční společnost a.s., UNIQA d.d.s. a.s. and UNIQA d.s.s. a.s. are not fully consolidated but are 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	Remeasurement
Equities	255	277	-22
Equities – listed	130	145	-15
Equities – unlisted	126	133	-7

Table 42: 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 measured at 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 remeasurement 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	Remeasurement
Bonds	16,219	17,581	-1,362
Government bonds	10,625	11,639	-1,014
Corporate bonds	5,488	5,907	-418
Structured notes	33	34	-1
Collateralised securities	72	1	72

Table 43: 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 measurement 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. Further variances arise from reporting bonds differently in special funds subject to mandatory consolidation. Only the bonds held directly by the UNIQA Group are reported in this item in Solvency II, whereas a look-through approach is applied for IFRSs.

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 measured at 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 measurement was possible, alternative measurement methods were used in order to ascertain the value (mark-to-model). The mark-to-model techniques used are described in brief below.

Measurement of non-liquid 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 measured 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 measured by discounting the cash flow with the parameters described above.

Measurement of structured products

Structures are presented under the item “Bonds” in the solvency balance sheet.

The method used for determining the price depends on the relevant product. Analytical models are applied 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 measurement results are crucially affected by the underlying assumptions, in particular by the determination of the payment flows and the discounting factors.

7.5 Undertakings for collective investment in transferable securities

In € million	Solvency II	IFRS	Remeasurement
Undertakings for collective investment	3,421	2,071	1,350

Table 44: Undertakings for collective investment in transferable securities

Measurement 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	Remeasurement
Derivatives	11	18	-7

Table 45: Derivatives

Derivatives are measured 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 measured at 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 measurement was possible either, alternative measurement methods were used in order to ascertain the value (mark-to-model).

7.7 Deposits other than cash equivalents

In € million	Solvency II	IFRS	Remeasurement
Deposits other than cash equivalents	217	278	-61

Table 46: 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 measurement because deposits other than cash equivalents are measured at their amortised cost under IFRSs.

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

In € million	Solvency II	IFRS	Remeasurement
Assets held for index-linked and unit-linked contracts	5,272	5,272	0

Table 47: 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 differences in measurement because the approaches used in the IFRS and Solvency II statements are consistent.

8. Loans and mortgages

In € million	Solvency II	IFRS	Remeasurement
Loans and mortgages	131	130	1
Loans on policies	13	12	1
Loans and mortgages to individuals	8	0	8
Other loans and mortgages	110	118	-8

Table 48: Loans and mortgages

Loans and mortgages for private customers are measured at amortised cost for the IFRS consolidated financial statements. A remeasurement for Solvency II is carried out only if it could lead to significant deviations due to the volume; otherwise, the IFRS values are adopted as fair values. The remeasurement of loan receivables shown above is mainly due to differences in the presentation between Solvency II and IFRSs, as loans and mortgages to private individuals are not reported separately under IFRSs.

9. Recoverables from reinsurance contracts

In € million		Solvency II	IFRS	Remeasurement
9	**Recoverables from reinsurance contracts**	**459**	**514**	**-56**
9.1	Non-life insurance and health insurance similar to non-life	336	389	-53
	Non-life insurance excluding health insurance	335	389	-54
	Health insurance similar to non-life	1	0	1
9.2	Life insurance and health insurance similar to life, excluding health insurance and index-linked and unit-linked insurance	123	125	-2
	Health insurance similar to life	1	1	0
	Life insurance, excluding health and index-linked and unit-linked insurance	122	124	-2
9.3	Life insurance, index-linked and unit-linked	0	0	0

Table 49: 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 measurement from changing to the best estimate approach under Solvency II.

10. Deposits with cedants

In € million	Solvency II	IFRS	Remeasurement
Deposits with cedants	5	5	0

Table 50: Deposits with cedants

The deposits with cedants from inward reinsurance business are reported under this item. For the IFRS consolidated financial statements, these are measured at the principal amount or the cost of the receivables unless a lower fair value is recognised in the case of identified individual risks. There are no differences in measurement because the approaches used in the IFRS and Solvency II statements are consistent.

11. Insurance and intermediaries receivables

In € million	Solvency II	IFRS	Remeasurement
Insurance and intermediaries receivables	228	368	-140

Table 51: Insurance and intermediaries receivables

Receivables from insurance companies and insurance brokers due within twelve months are recognised at their nominal values both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are measured 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 measurement.

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	Remeasurement
Reinsurance receivables	94	77	17

Table 52: Reinsurance receivables

This item comprises receivables from reinsurers that are not allocated to the item “Deposits with cedants”. Receivables due within twelve months are recognised at their nominal values both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are measured 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 measurement.

13. Receivables (trade, not insurance)

In € million	Solvency II	IFRS	Remeasurement
Receivables (trade, not insurance)	228	236	-7

Table 53: 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 values both for the IFRS consolidated financial statements as well as for the solvency balance sheet. Receivables due in more than twelve months are measured 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 measurement.

14. Treasury shares (held directly)

In € million	Solvency II	IFRS	Remeasurement
Treasury shares (held directly)	13	11	2

Table 54: 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	Remeasurement
Cash and cash equivalents	600	641	-41

Table 55: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are measured at the economic value which corresponds with the nominal value. Differences between IFRSs 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	Remeasurement
Any other assets, not shown elsewhere	65	72	-8

Table 56: 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 measured at the economic value which corresponds with the nominal value.

D.2 TECHNICAL PROVISIONS

Technical provisions within at the UNIQA Group are measured 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 the remeasurement of technical provisions in the IFRS balance sheet to arrive at an economic measurement. According to the principle of equivalence, a provision for life insurance is defined as the difference between the present value of future benefits/costs 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 measurement assumptions). Time value of financial options and guarantees (TVFOG) are included in the best estimate for the provisions where relevant.

The following table compares the Solvency II provisions of the UNIQA Group with the relevant corresponding provisions in accordance with IFRSs at 31 December 2019 and 31 December 2020:

Measurement of technical provisions

In € million				2020			2019
		Solvency II	IFRS	Remeasure-ment	Solvency II	IFRS	Remeasure-ment
1	**Technical provisions – non-life**	**3,685**	**4,121**	**-437**	**2,865**	**3,281**	**-416**
1.1	Technical provisions – non-life (excluding health)	3,397	3,669	-272	2,604	2,872	-268
	Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
	Best estimate	3,161	n. a.	n. a.	2,443	n. a.	n. a.
	Risk margin	236	n. a.	n. a.	161	n. a.	n. a.
1.2	Technical provisions – health insurance (similar to non-life)	288	452	-164	261	409	-148
	Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
	Best estimate	270	n. a.	n. a.	245	n. a.	n. a.
	Risk margin	17	n. a.	n. a.	16	n. a.	n. a.
2	**Technical provisions – life (excluding index-linked and unit-linked insurance)**	**14,453**	**15,074**	**-621**	**13,368**	**14,510**	**-1,142**
2.1	Technical provisions – health (similar to life)	2,086	3,624	-1,538	1,750	3,361	-1,610
	Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
	Best estimate	1,663	n. a.	n. a.	1,463	n. a.	n. a.
	Risk margin	423	n. a.	n. a.	287	n. a.	n. a.
2.2	Technical provisions – life (excluding health and index-linked and unit-linked insurance)	12,367	11,451	917	11,618	11,149	469
	Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
	Best estimate	11,834	n. a.	n. a.	11,244	n. a.	n. a.
	Risk margin	533	n. a.	n. a.	374	n. a.	n. a.
3	**Technical provisions – index-linked and unit-linked insurance**	**5,188**	**5,238**	**-50**	**4,711**	**4,706**	**5**
3.1	Technical provisions calculated as a whole	21	n. a.	n. a.	19	n. a.	n. a.
3.2	Best estimate	5,090	n. a.	n. a.	4,656	n. a.	n. a.
3.3	Risk margin	77	n. a.	n. a.	37	n. a.	n. a.
4	**Other technical provisions**	**n. a.**	**0**	**0**	**n. a.**	**0**	**0**
Total technical provisions		**23,326**	**24,434**	**-1,108**	**20,945**	**22,497**	**-1,552**

Table 57: Measurement of technical provisions

A description is provided in the following sections of the principles, methods and main assumptions upon which the measurement 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 measurement in accordance with IFRSs in the consolidated financial statements. The increase in technical provisions in non-life and health insurance (similar to non-life technique) is driven primarily by the addition of AXA's portfolios in Poland, the Czech Republic and Slovakia.

In life and health insurance (similar to life technique), the increase in provisions under Solvency II is primarily the result of a decrease in the interest rate assumptions for the Austrian portfolio. Furthermore, the addition of AXA's portfolios in Poland, the Czech Republic and Slovakia in classic and unit-linked life insurance contributes to an increase in technical provisions.

Moreover, the technical provisions for index-linked and unit-linked insurance include liabilities from investment contracts.

D.2.1 Non-life technical provisions

The methods used for the measurement 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 measuring the technical provisions:

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

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 measure the individual components, as described further below.

Claims reserves

Claim triangles for each business line form the principles for measuring reserves for unsettled claims. General statistically recognised methods are used for measuring the best estimate.

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 best estimate reserves and the specified reference interest rates are used for the discounting.

The new provisions are calculated based on a gross/net factor which 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 are measured based on the individual contract data as at the reference measurement 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 measure 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 loss ratio
- 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 measuring the best estimate:

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

Overview of the non-life and health insurance (similar to non-life technique) technical provisions (best estimate and risk margin) at the reporting date of 31 December 2020:

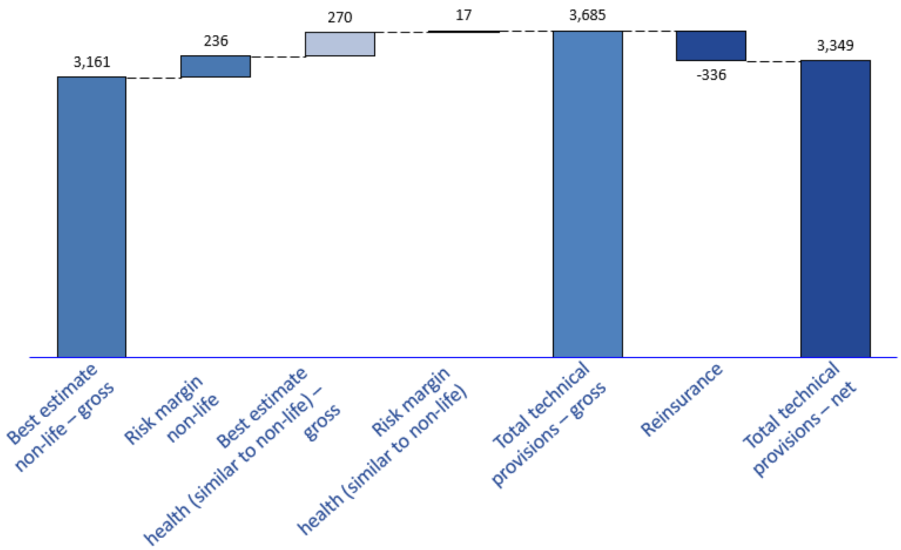


Figure 21: Non-life and health technical provisions (similar to non-life, in € million)

The best estimate reserves are largely determined by the claims reserves, with the premium reserve representing a smaller share. As the UNIQA Group does not take up any significant external proportional reinsurance business ceded, the reinsurance shares of the best estimate reserves arise primarily 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).

Measurement of non-life technical provisions – gross

	2020			2019		
In € million	Solvency II	IFRS	Remeasure-ment	Solvency II	IFRS	Remeasure-ment
Technical provisions – non-life	**3,685**	**4,121**	**-437**	**2,865**	**3,281**	**-416**
Technical provisions – non-life (excluding health)	3,397	3,669	-272	2,604	2,872	-268
Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
Best estimate	3,161	n. a.	n. a.	2,443	n. a.	n. a.
Risk margin	236	n. a.	n. a.	161	n. a.	n. a.
Technical provisions – health insurance (similar to non-life)	288	452	-164	261	409	-148
Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
Best estimate	270	n. a.	n. a.	245	n. a.	n. a.
Risk margin	17	n. a.	n. a.	16	n. a.	n. a.

Table 58: Measurement of technical provisions (non-life) – gross

As already stated at the beginning, the non-life and health (similar to non-life insurance) technical provisions have increased sharply compared with 31 December 2019. The main reason for this is the integration of the portfolios acquired from AXA as already described.

The measurement 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 results in greater effects in the liability business lines in particular, as there are large reserves here with a long processing period.
- The unearned premium reserve (UPR) represents the equivalent to the premium best estimate in accounting according to IFRSs. There is a remeasurement effect here also in Solvency II, since it is not the entire UPR that is set aside but just the part for the expected future 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 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	2020 Solvency II	2020 IFRS	2020 Remeasure-ment	2019 Solvency II	2019 IFRS	2019 Remeasure-ment
Technical provisions – non-life	3,685	4,121	-437	2,865	3,281	-416
Technical provisions – non-life (excluding health)	3,397	3,669	-272	2,604	2,872	-268
Motor vehicle liability insurance	1,352	1,403	-51	967	978	-11
Technical provisions calculated as a whole	n.a.	1,403	-1,403	n.a.	978	-978
Best estimate	1,301	n.a.	n.a.	935	n.a.	n.a.
Risk margin	52	n.a.	n.a.	33	n.a.	n.a.
Other motor insurance	201	261	-59	188	224	-35
Technical provisions calculated as a whole	n.a.	261	-261	n.a.	224	-224
Best estimate	183	n.a.	n.a.	176	n.a.	n.a.
Risk margin	18	n.a.	n.a.	13	n.a.	n.a.
Marine, aviation and transport insurance	69	73	-3	77	69	7
Technical provisions calculated as a whole	n.a.	73	-73	n.a.	69	-69
Best estimate	66	n.a.	n.a.	68	n.a.	n.a.
Risk margin	3	n.a.	n.a.	8	n.a.	n.a.
Fire and other damage to property insurance	556	642	-85	473	593	-120
Technical provisions calculated as a whole	n.a.	642	-642	n.a.	593	-593
Best estimate	467	n.a.	n.a.	411	n.a.	n.a.
Risk margin	89	n.a.	n.a.	62	n.a.	n.a.
General liability insurance	944	938	6	734	772	-38
Technical provisions calculated as a whole	n.a.	938	-938	n.a.	772	-772
Best estimate	892	n.a.	n.a.	707	n.a.	n.a.
Risk margin	52	n.a.	n.a.	27	n.a.	n.a.
Credit and suretyship insurance	89	105	-16	27	46	-19
Technical provisions calculated as a whole	n.a.	105	-105	n.a.	46	-46
Best estimate	87	n.a.	n.a.	26	n.a.	n.a.
Risk margin	2	n.a.	n.a.	0	n.a.	n.a.
Legal expenses insurance	58	161	-103	31	150	-119
Technical provisions calculated as a whole	n.a.	161	-161	n.a.	150	-150
Best estimate	55	n.a.	n.a.	25	n.a.	n.a.
Risk margin	3	n.a.	n.a.	6	n.a.	n.a.
Assistance	11	17	-6	8	11	-3
Technical provisions calculated as a whole	n.a.	17	-17	n.a.	11	-11
Best estimate	10	n.a.	n.a.	7	n.a.	n.a.
Risk margin	0	n.a.	n.a.	0	n.a.	n.a.
Miscellaneous financial loss	106	70	36	77	30	47
Technical provisions calculated as a whole	n.a.	70	-70	n.a.	30	-30
Best estimate	91	n.a.	n.a.	66	n.a.	n.a.
Risk margin	15	n.a.	n.a.	11	n.a.	n.a.
Non-proportional fire and other damage to property insurance	1	0	1	14	0	14
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	1	n.a.	n.a.	13	n.a.	n.a.
Risk margin	0	n.a.	n.a.	0	n.a.	n.a.
Accepted non-proportional reinsurance: property	9	0	9	9	0	9
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	8	n.a.	n.a.	8	n.a.	n.a.
Risk margin	0	n.a.	n.a.	0	n.a.	n.a.
Accepted non-proportional reinsurance: marine, aviation and transpc	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.	n.a.	0	n.a.	n.a.
Risk margin	0	n.a.	n.a.	0	n.a.	n.a.
Technical provisions – health insurance (similar to non-life)	288	452	-164	261	409	-148
Medical expense insurance	23	38	-15	21	26	-5
Technical provisions calculated as a whole	n.a.	38	-38	n.a.	26	-26
Best estimate	21	n.a.	n.a.	20	n.a.	n.a.
Risk margin	2	n.a.	n.a.	1	n.a.	n.a.
Income protection insurance	262	414	-151	238	384	-146
Technical provisions calculated as a whole	n.a.	414	-414	n.a.	384	-384
Best estimate	247	n.a.	n.a.	223	n.a.	n.a.

Risk margin	15	n.a.	n.a.	15	n.a.	n.a.
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.	n.a.	2	n.a.	n.a.
Risk margin	0	n.a.	n.a.	0	n.a.	n.a.
Accepted non-proportional reinsurance: health	1	0	1	1	0	1
Technical provisions calculated as a whole	n.a.	0	0	n.a.	0	0
Best estimate	1	n.a.	n.a.	1	n.a.	n.a.
Risk margin	0	n.a.	n.a.	0	n.a.	n.a.

Table 59: Measurement of technical provisions (non-life)

The main drivers for the increase in the technical provisions compared with the previous year are motor vehicle liability insurance and general liability insurance.

The increase in the motor vehicle business is essentially driven by the inclusion of the AXA portfolio, which has the largest provisions in this business line. In general liability insurance, the increase is mainly due to special loss events in Austria in 2020.

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

Description of the methods for measurement 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 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 measurement 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 best estimate reserves 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 best estimate reserves in the traditional life insurance business. The interest rate assumptions for the latest measurement of best estimate of liabilities are shown in the following table:

Risk-free interest rates 2020 (excl. volatility adjustment)

Year	EUR	CZK	HUF	PLN	CHF	RUB	RON	HRK
1	-0.62%	0.39%	0.29%	-0.15%	-0.83%	3.49%	2.29%	-0.26%
5	-0.56%	1.02%	1.20%	0.43%	-0.66%	5.10%	2.58%	0.25%
10	-0.37%	1.19%	1.93%	1.19%	-0.39%	5.90%	2.94%	0.79%
15	-0.17%	1.39%	2.27%	1.71%	-0.41%	6.50%	3.18%	1.33%
20	-0.09%	1.68%	2.57%	2.07%	-0.37%	6.61%	3.30%	1.74%
25	0.27%	1.96%	2.84%	2.34%	-0.20%	6.48%	3.38%	2.05%

Table 60: 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 2020.

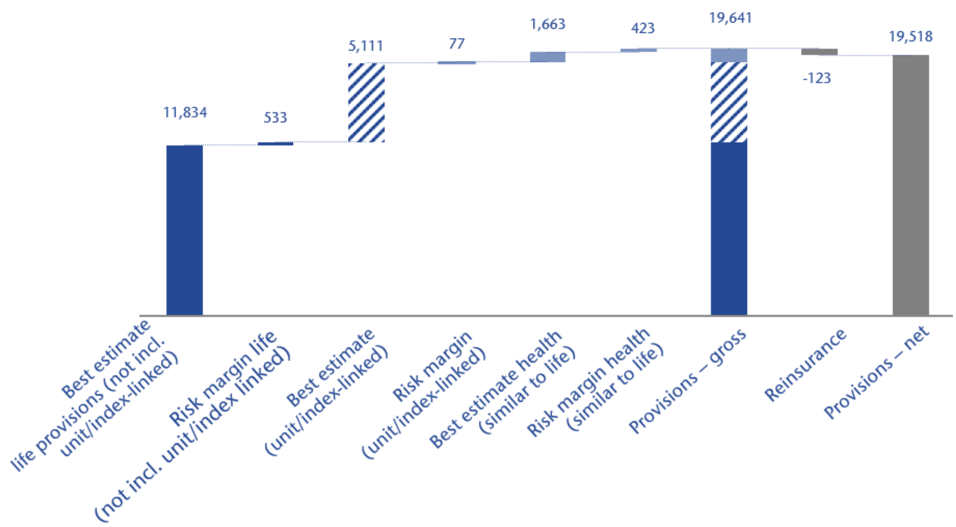


Figure 22: Life and health (similar to life technique) technical provisions (in € million)

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

Measurement of technical provisions – gross

In € million	2020			2019		
	Solvency II	IFRS	Remeasure-ment	Solvency II	IFRS	Remeasure-ment
Technical provisions – life (excluding index-linked and unit-linked insurance)	**14,453**	**15,074**	**-621**	**13,368**	**14,510**	**-1,142**
Technical provisions – health (similar to life)	2,086	3,624	-1,538	1,750	3,361	-1,610
Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
Best estimate	1,663	n. a.	n. a.	1,463	n. a.	n. a.
Risk margin	423	n. a.	n. a.	287	n. a.	n. a.
Technical provisions – life (excluding health and index-linked and unit-linked insurance)	12,367	11,451	917	11,618	11,149	469
Technical provisions calculated as a whole	n. a.	n. a.	n. a.	n. a.	n. a.	n. a.
Best estimate	11,834	n. a.	n. a.	11,244	n. a.	n. a.
Risk margin	533	n. a.	n. a.	374	n. a.	n. a.
Technical provisions – index-linked and unit-linked insurance	**5,188**	**5,238**	**-50**	**4,711**	**4,706**	**5**
Technical provisions calculated as a whole	21	n. a.	n. a.	19	n. a.	n. a.
Best estimate	5,090	n. a.	n. a.	4,656	n. a.	n. a.
Risk margin	77	n. a.	n. a.	37	n. a.	n. a.
Other technical provisions	**n. a.**	**0**	**0**	**n. a.**	**0**	**0**

Table 61: Measurement of technical provisions – gross

For the portfolio of classic life insurance, the 2020 technical provisions in accordance with Solvency II exceed the values pursuant to IFRSs (not including health or index-linked and unit-linked insurance). The technical provisions for index-linked and unit-linked insurance include liabilities from investment contracts.

The increase in technical provisions compared with 2019 under Solvency II compared with IFRSs is driven by the decrease in the interest rate assumptions for the eurozone. The addition of AXA's portfolios in Poland, the Czech Republic and Slovakia results in an increase in the technical provisions, although the impact is relatively small as the level of provisions for classic life insurance is not crucial in these companies. The increase for the index-linked and unit-linked business is driven primarily by the addition of AXA's portfolios in Poland, the Czech Republic and Slovakia, which was diminished in part by the 2020 payouts in Austria.

The remeasurement 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 lower remeasurement effect in 2020 is due to the increased technical provisions under Solvency II. This increase is mainly influenced by the changed interest rate assumptions.

Adjustments (based on the IFRS balance sheet) are made in order to prepare the solvency 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 2016 Austrian Insurance Supervision Act 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	Incl. volatility adjustment		Excl. volatility adjustment		Relat. change	
In € million	2020	2019	2020	2019	2020	2019
Technical provisions	23,326	20,945	23,427	21,064	0%	1%
Basic own funds	4,471	4,865	4,386	4,787	-2%	-2%
Eligible own funds to meet SCR	4,471	4,865	4,386	4,787	-2%	-2%
SCR	2,628	2,203	3,373	2,606	28%	18%
Eligible own funds to meet MCR	3,642	4,203	3,600	4,124	-1%	-2%
Minimum capital requirement	1,646	1,363	1,856	1,370	13%	0%

Table 62: 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 2020, measured in accordance with Solvency II and IFRSs:

Other liabilities

In € million

		Solvency II	IFRS	Remeasurement
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	277	279	-2
3	Pension benefit obligations	566	568	-2
4	Deposits from reinsurers	116	116	0
5	Deferred tax liabilities	645	424	221
6	Derivatives	2	2	0
7	Liabilities to banks	4	4	0
8	Financial liabilities other than liabilities to banks	699	692	8
9	Liabilities to insurance companies and intermediaries	286	284	1
10	Liabilities to reinsurance companies	47	47	1
11	Payables (trade, not insurance)	453	493	-40
12	Subordinated liabilities	1,134	1,070	64
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	1,134	1,070	64
13	Any other liabilities, not shown elsewhere	20	20	0
Total other liabilities		**4,249**	**3,999**	**250**

Table 63: Other liabilities

The following classes of liabilities were not reported as at the reporting date of 31 December 2020 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 measurement for solvency purposes, with a quantitative and qualitative explanation of the material differences compared with the measurement according to IFRSs in the annual financial statements.

2. Provisions other than technical provisions

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Provisions other than technical provisions	277	279	-2

Table 64: 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 measurement 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

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Pension benefit obligations	566	568	-2

Table 65: 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 measured 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	2020
Discount rate	
Termination benefits	-0.1
Pension obligations	0.4
Valorisation of remuneration	3.0
Pensions inflation adjustment	2.0
Employee turnover rate	Dependent on years of service
Calculation principles	AVÖ 2018 P – salaried employees

Table 66: Calculation factors applied

4. Deposits from reinsurers

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Deposits from reinsurers	116	116	0

Table 67: 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 measurement differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Deferred tax liabilities	645	424	221

Table 68: 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 taxes are outlined in more detail below. The calculation was performed with an average tax rate with respect to the remeasurement between the IFRS and solvency balance sheet.

Overview of the origins of deferred tax

In € million

Origin	Solvency II	IFRS	Remeasurement
Technical items (incl. DAC)	-296	-304	8
Investments	-593	-262	-331
Social capital	73	73	0
Other	184	61	124
Loss carryforwards	17	17	0
Deferred tax balance (surplus on the liabilities side)	**-615**	**-415**	**-199**

Table 69: Overview of the origins of deferred tax

6. Derivatives

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Derivatives	2	2	0

Table 70: Derivatives

Derivatives with a negative economic value are stated under this item. The measurement is based on market-consistent measurement methods in line with derivatives with a positive economic value. The statements in Chapter D.1, Assets, apply accordingly.

7. Liabilities to banks

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Liabilities to banks	4	4	0

Table 71: 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 remeasurement is involved.

8. Financial liabilities other than liabilities to banks

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Financial liabilities other than liabilities to banks	699	692	8

Table 72: Financial liabilities other than liabilities to banks

This item mainly comprises loan liabilities and liabilities from leases. A description of the measurement method applied to the lease liability can be found in Chapter A.4.

As the parent company, UNIQA Insurance Group AG issued a senior bond in the amount of €600 million on the capital market on 2 July 2020. The senior bond has a maturity of 10 years and an annual coupon of 1.375 per cent. The issue price was 99.436 per cent. The net proceeds from the issue, which took place in 2020, were largely passed on to UNIQA Österreich Versicherungen AG, in order to finance a part of the purchase price for the acquisition of AXA Group subsidiaries in Poland, the Czech Republic and Slovakia.

9. Liabilities to insurance companies and intermediaries

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Liabilities to insurance companies and intermediaries	286	284	1

Table 73: 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

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Liabilities to reinsurance companies	47	47	1

Table 74: 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)

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Payables (trade, not insurance)	453	493	-40

Table 75: 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

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Subordinated liabilities	1,134	1,070	64
Subordinated liabilities in basic own funds	1,134	1,070	64

Table 76: Subordinated liabilities

This item includes the subordinated liabilities issued on the capital market by UNIQA Insurance Group AG, the parent company of the UNIQA Group.

UNIQA Insurance Group AG issued a new subordinated bond (Tier 2) on the capital market in July 2020.

Please refer to Chapter E.1., Capital management, in this report for information on the composition and details such as maturities and interest rates.

For UNIQA Insurance Group AG's economic balance sheet, the financial liabilities were measured 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

Angaben in Millionen Euro	Solvency II	IFRS	Remeasurement
Any other liabilities, not shown elsewhere	20	20	0

Table 77: 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 MEASUREMENT

For assets and liabilities whose measurement is not done using 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 measurement methods.

The UNIQA Group uses these measurement methods mainly for bonds, investment property and unlisted shares. In the case of bonds, these are mainly loans, infrastructure financing, private equities, hedge funds, and structured products. Investment property refers to real estate held as a financial investment.

The measurements with the help of alternative measurement 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	Measurement 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) revenue growth rate, (long-term) profit margins, 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, shares)	Contract specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 78: 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 itself a target capitalisation for the Group of over 170 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 and minimum capital requirements in Pillar 1;
- Regular reporting to the Management Board on the current overall solvency;
- Measures for restoring adequate solvency in the event of undercapitalisation; and
- 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 2016 Austrian Insurance Supervision Act. 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

In accordance with 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.

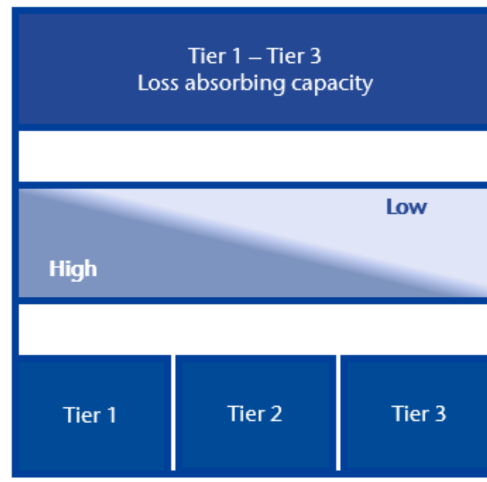


Figure 23: Loss absorption

Reconciliation of IFRS Group equity with regulatory own funds

The following table shows the reconciliation of IFRS equity including non-controlling interests to regulatory own funds.

Reconciliation of IFRS equity with regulatory own funds

In € million

	2020	2019
IFRS equity (excl. IAS 8 adjustment 2017)	**3,475**	**3,420**
Treasury shares	**17**	**17**
Remeasurement of assets	-877	-490
Goodwill	-353	-291
Deferred acquisition costs	-1,116	-1,124
Shares in affiliated companies including participations	17	-87
Property	1,516	1,319
Loans and mortgages	1	1
Other	-942	-307
Remeasurement of technical provisions	1,108	1,552
Technical provisions – non-life insurance and health insurance (similar to non-life)	437	416
Technical provisions – life and health insurance (similar to life)	621	1,142
Technical provisions – index-linked and unit-linked insurance	50	-5
Other technical provisions	0	0
Remeasurement of other liabilities	-250	-399
Deferred tax liabilities	-221	-351
Other	-29	-48
Total remeasurement	**-19**	**663**
Basic own funds	**3,473**	**4,100**
Planned dividends	-58	-58
Treasury shares	-13	-19
Tier 2 – subordinated liabilities	1,134	930
Deduction items	-225	-88
Own funds from other financiial areas	160	0
Basic own funds	**4,471**	**4,865**

Table 79: Reconciliation of IFRS Group equity with regulatory own funds

Net asset value refers to the excess of assets over liabilities and represents Tier 1 capital.

At the reporting date of 31 December 2020, the IFRS equity amounted to €3,475 million (2019: €3,420 million). Own funds in accordance with the regulatory measurement principles amounted to €4,471 million (2019: €4,865 million).

The difference between the IFRS equity and the net asset value amounted to a total of €3 million (2019: €680 million) and is a result of the different treatment of individual items in the relevant measurement approach.

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 measured in accordance with mark-to-market values for this. If these are unavailable for the balance sheet items, mark-to-model values are used.

Liabilities are measured using a mark-to-model assessment which models the future payment flows of the existing business.

The main measurement differences in relation to regulatory own funds are in connection with the following items:

- Goodwill and intangible assets are measured at zero.
- The deferred acquisition costs are measured 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 net asset value amounted to €3,472 million (2019: €4,100 million). The planned dividends in the amount of €58 million (2019: €58 million) were deducted as part of the reconciliation of the available own funds and were added to the subordinated liabilities.

The item “Planned dividends” includes the planned dividend payments for 2021 based on the 2020 profits that have not yet been paid out and do not represent own funds.

Information on own funds

In € million	2020	2019
Basic own funds	**4,471**	**4,865**
Tier 1	**3,313**	**3,931**
Share capital including capital reserves	1,991	1,991
Surplus funds (free provision for policyholder bonuses)	34	18
Initial fund	2	2
Reconciliation reserve	1,306	1,948
Eligible non-controlling interests	39	50
Deduction items	-218	-78
Tier 2	**1,134**	**930**
Subordinated liabilities	1,134	930
Deduction items	0	0
Tier 3	**24**	**4**
Deferred tax assets	30	14
Non-controlling interests	0	0
Deduction items	7	10
Reduction in eligibility thresholds	**161**	**0**
Own funds to cover SCR	**4,310**	**4,865**

Table 80: 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 €3,931 million to €3,313 million. This change essentially resulted from a fall in the net asset value. Reference is made here to the explanations in Chapter D, Measurement for solvency purposes, of this report in order to avoid redundancies. Tier 1 capital included own funds from other financial areas in the amount of 160 million euros for the first time in the reporting year.

The Tier 2 capital amounting to €1,134 million (2019: €930 million) consisted of 100 per cent of subordinated liabilities in the 2020 financial year. The increase of €204 million is essentially due to the new issue of a subordinated liability with a nominal value of €200 million in July 2020 as well as measurement changes.

The following table shows the features of the subordinated liabilities:

Subordinated liabilities issued by the UNIQA Group

In € million	Interest rate 3.25%	Interest rate 6.875%
Nominal value	200	350
Solvency II value	202	380
Tier	2	2
Transitional regulations	No	No
Issue date	09/07/2020	31/07/2013
First cancellation date	09/07/2025	31/07/2023
Date of maturity	09/10/2035	31/07/2043
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 81: Subordinated debt securities

There were Tier 3 own funds components in the amount of €24 million in the 2020 financial year (2019: €14 million), resulting primarily from net deferred tax assets of €30 million. A significant part of this increase of around €14 million resulted from the net deferred tax assets of the new AXA companies. Taking into account the transferability, around €7 million of the deferred tax assets were not eligible at Group level and had to be deducted.

There were no supplementary own funds in the UNIQA Group over the entire reporting year of 2020. 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	In € million 2020	2019
Solvency capital requirement		**2,628**	**2,203**
SCR cover			
Tier 1	Min. 50% of SCR	1,314	1,102
Tier 1 – restricted	Max. 20% of total Tier 1	0	0
Tier 3	Max. 15% of SCR	394	330
Tier 2 + Tier 3	Max. 50% of SCR	1,314	1,102
Minimum capital requirement		**1,646**	**1,363**
MCR cover			
Tier 1	Min. 80% of MCR	1,317	1,090
Tier 1 – restricted	Max. 20% of total Tier 1	0	0
Tier 2	Max. 20% of MCR	329	273

Table 82: Eligible own funds – general

Own funds eligible for the SCR for each tier

In € million	Basic own funds 2020	2019	Own funds eligible to cover SCR 2020	2019
Tier 1 – unrestricted	3,313	3,931	3,153	3,931
Tier 1 – restricted	0	0	0	0
Tier 2	1,134	930	1,134	930
Tier 3	24	4	24	4
Total	4,471	4,865	4,310	4,865

Own funds eligible for the MCR for each tier

In € million	Basic own funds 2020	2019	Own funds eligible to cover MCR 2020	2019
Tier 1 – unrestricted	3,153	3,931	3,153	3,931
Tier 1 – restricted	0	0	0	0
Tier 2	1,134	930	329	273
Total	4,287	4,861	3,482	4,203

Table 83: Eligible own funds as at the reporting date

As at 31 December 2020, there was no limitation of the eligibility of own fund items to cover the Group's solvency capital requirements. €805 million of basic own funds (2019: €657 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 €39 million (2019: €50 million) in non-controlling interests are eligible for own funds. Of this total, an amount of €31 million (2019: €44 million) is capped for the calculation of the consolidated own funds as a result of restrictions on eligibility.

Furthermore, €27 million (2019: €34 million) of own funds components of participations for which there is insufficient information available were deducted from own funds.

A total of €64 million (2019: €55 million) are own fund items that are not available at Group level.

The following table also shows that there were own funds from companies from other financial sectors for the first time in the reporting year.

Information on the own funds eligible for the SCR for each tier In € million	31/12/2020	31/12/2019	Change
Available consolidated own funds before capping own funds with restricted transferability and non-controlling interests	4,535	4,953	-418
Of which Tier 1	3,371	4,009	-638
Of which Tier 2	1,134	930	204
Of which Tier 3	30	14	16
– Capping of own funds for which transfer is restricted	7	10	-4
Of which Tier 1	0	0	0
Of which Tier 2	0	0	0
Of which Tier 3	7	10	-4
– Capping of non-controlling interests	31	44	-13
Of which Tier 1	31	44	-13
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	**4,497**	**4,898**	**-401**
+ Proportion of own funds of entities in other financial sectors	160	0	160
– Deduction of equity investments	27	34	-7
– Limitation of eligibility	0	0	0
= Eligible own funds (after taking into account the own funds of entities in other financial sectors)	**4,471**	**4,865**	**-394**

Table 84: 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 generally 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.

Affiliated companies that are institutions under company pension scheme or which are UCITS management companies are taken into account at Group level by means of method 2 (deduction and aggregation method) with their respective solvency capital requirement specific to the industry.

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 2020 at Group level.

Risk profile (in accordance with future profit distribution)

In € million

	2020
Solvency capital requirement (SCR)	**2,562**
Basic solvency capital requirement	2,692
Market risk	2,165
Counterparty default risk	174
Life underwriting risk	706
Non-life underwriting risk	621
Health underwriting risk	154
Diversification	-1,128
Operational risk	201
Loss-absorbing capacity of deferred tax	-331
Capital requirement for other companies	65
Own funds to cover the solvency capital requirement	**4,310**
Ordinary share capital (including treasury shares)	309
Share premium account related to ordinary share capital	1,682
Surplus funds	34
Reconciliation reserve	1,306
Excess of assets over liabilities	3,472
Treasury shares (held directly and indirectly)	-13
Foreseeable dividends, distributions and charges	-58
Other basic own fund items	-2,095
Non-controlling interests	39
Subordinated liabilities	1,134
Amount equal to the value of net deferred tax assets	30
Total own funds eligible to meet the SCR	4,471
Solvency ratio	**170%**
Available surplus	**1,908**
Minimum capital requirement (MCR)	**1,646**

Table 85: UNIQA Group overview

None of the group-specific parameters pursuant to Section 178 of the 2016 Austrian Insurance Supervision Act are applied at the UNIQA Group.

In accordance with Section 211(1) of the 2016 Austrian Insurance Supervision Act, the consolidated 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 2016 Austrian Insurance Supervision Act, then the minimum capital requirement is used, in accordance with Section 193 of the 2016 Austrian Insurance Supervision Act. 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 solvency capital requirement (SCR) and therefore the amount of own funds that are to be used to absorb unforeseen losses over a certain period of time. Currently the non-life and health (similar to non-life) risk modules are included in the scope of the SCR framework. All other risk modules (e.g. life underwriting risk, credit risk, etc.) are consistently measured and evaluated using the Solvency II standard formula.

The non-life and health (similar to non-life) risk describes the uncertainties associated with taking out non-life and health (similar to non-life) primary and reinsurance contracts. It also includes the uncertainties of the payment flows arising from this, i.e. premiums, receivables and expenditures. The market risk describes the uncertainties associated with capital market developments and their impact on the company's own funds.

Due to the different types of sources of uncertainty, the partial internal model of the UNIQA Group is broken down into:

- Non-life and health (similar to non-life) risk
  - Premium risk
    - Business risk
    - Catastrophe risk (CAT)
    - Non-catastrophe risk (non-CAT)
  - Reserve risk
- Market risk
  - Interest rate risk
  - Equity risk
  - Property risk
  - Credit spread risk
  - Foreign currency risk
  - Concentration risk

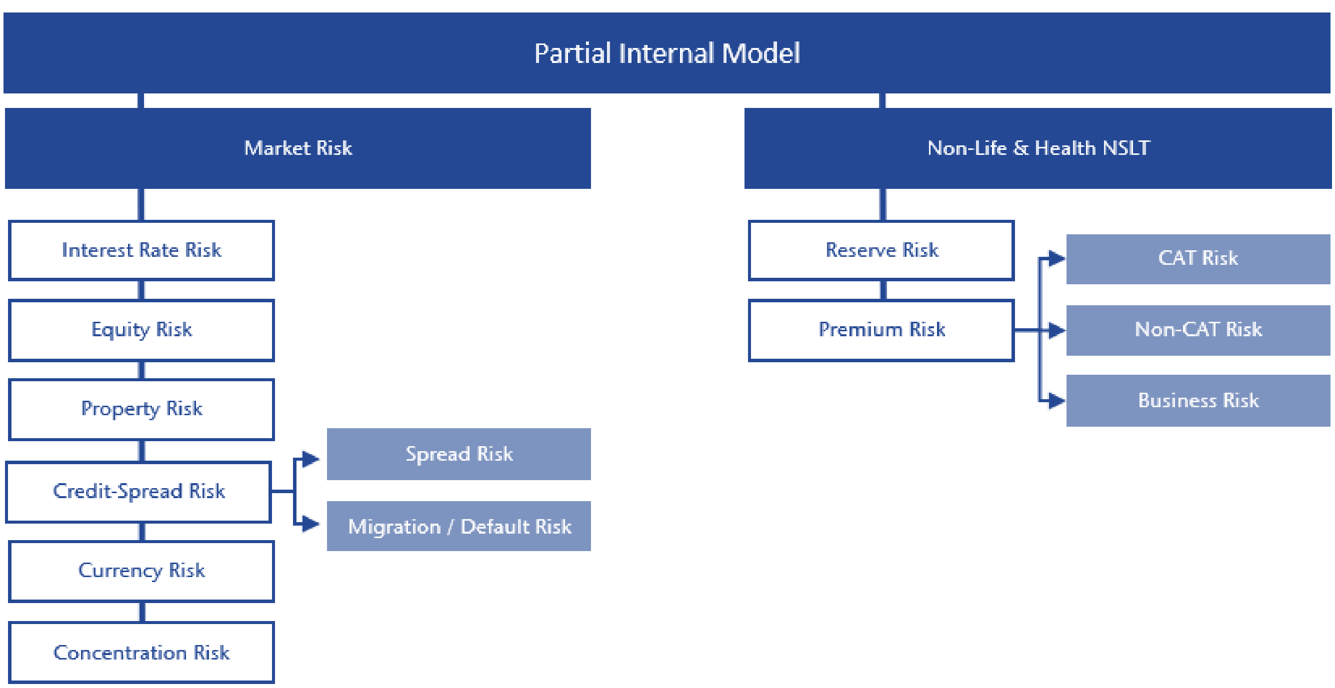


Figure 24: Structure of the partial internal model

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 following processes:

- Own Risk and Solvency Assessment (ORSA)
- Strategic asset allocation
- 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:

		Used in the Solo SCR?		Used in the Group SCR?	
Name	**Country**	**Market risk**	**Non-life risk**	**Market risk**	**Non-life risk**
UNIQA Insurance Group AG	Austria	Yes	No	Yes	Yes
UNIQA Österreich Versicherungen AG	Austria	Yes	Yes	Yes	Yes
UNIQA Re AG	Switzerland	No	No	No	Yes
UNIQA poisťovňa, a.s.	Slovakia	No	Yes	No	Yes
UNIQA pojišťovna, a.s.	Czech Republic	No	Yes	No	Yes
UNIQA osiguranje d.d.	Croatia	No	No	No	Yes
UNIQA TU S.A.	Poland	No	No	No	Yes
UNIQA Biztosító Zrt.	Hungary	No	Yes	No	Yes
UNIQA osiguranje d.d. Sarajevo	Bosnia	Not an EU country	Not an EU country	No	Yes
UNIQA Insurance plc.	Bulgaria	No	No	No	Yes
UNIQA Versicherung	Ukraine	Not an EU country	Not an EU country	No	Yes
UNIQA neživotno osiguranje a.d.o.	Serbia	Not an EU country	Not an EU country	No	Yes
UNIQA Asigurari	Romania	No	Yes	No	Yes

Table 86: 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**
Interest rate risk		=>	Market risk	Interest rate risk
Equity risk		=>	Market risk	Equity risk
Property risk		=>	Market risk	Property risk
Spread risk		=>	Market risk	Credit spread risk
Foreign currency risk		=>	Market risk	Foreign currency risk
Concentration risk		=>	Market risk	Concentration risk
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
	Man-made catastrophe risk ("man-made CAT")	=>	Premium risk	Man-made catastrophe risk
Lapse risk	Lapse risk	=>	Premium risk	Business risk

Table 87: 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-specific 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 SCR 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 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 is done using a Gaussian copula-based approach. In the market risk module, a t-copula is applied to aggregate individual risks.

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 the future development in premiums and costs over the period being modelled (non-life part).

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 loss ratio 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 · Scenario approach
Reserve risk	Reserve risk	· Model for loss development
Market risk	Interest rate risk	· Stochastic model for yield curves · Stochastic model for implied interest rate volatilities
	Equity risk	· Stochastic model for equity or index prices · Stochastic model for implied equity volatilities
	Property risk	· Stochastic model for property-specific risk drivers (e.g. rental income)
	Credit spread risk	· Stochastic model for spreads and migration and default probability
	Foreign currency risk	· Stochastic model for exchange rates
	Concentration risk	· Stochastic model for concentrations of securities with spreads, which results in a volatility evaluation of the migration and default probabilities (in credit risk)

Table 88: 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 and UNIQA Capital Markets. In addition, most non-CAT models and market data 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 and expenses) · Forecast data (e.g. forecast premiums and 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 catastrophes (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 measurement date
Premium risk - business risk	· Forecast data (forecast premiums, budgeted expenses, planned exposure) from historical years for the following year · Accounting data (premiums and expenses) from previous years
Reserve risk	· Historical loss information per individual loss event
Interest rate risk	· Historical interest rate swaps · Historical implied interest rate volatilities
Equity risk	· Historical stock and index time series · Historical implied equity volatilities
Property risk	· Parameters provided by experts
Credit spread risk	· Historical spread time series · Historical one-year migration matrices · Long-term one-year migration matrices · Long-term recovery rates
Foreign currency risk	· Historical exchange rates
Concentration risk	· Long-term one-year migration matrices

Table 89: Risk categories and data required

Data quality is ensured using a strict governance framework with a particular focus on validation. This is intended to validate the accuracy, adequacy and completeness 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. Here, 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 (similar to non-life technique) 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 (similar to non-life technique) portfolio.

As regards non-life insurance, 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.

In market risk, only the observed developments of the market risk factors are used to derive parameters for the dependencies. No expert opinion is applied here, and since the nature of the risks is different from non-life, negative dependency parameters are also allowed.

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 (non-life) or t-copula (market) 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 minimum capital requirement and solvency capital requirement at all times in the 2020 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

Appendix I (Group) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	30,071
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	547,760
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	23,373,316
Property (other than for own use)	R0080	2,542,303
Holdings in related undertakings, including participations	R0090	707,397
Equities	R0100	255,465
Equities - listed	R0110	129,944
Equities - unlisted	R0120	125,521
Bonds	R0130	16,219,226
Government Bonds	R0140	10,625,327
Corporate Bonds	R0150	5,488,439
Structured notes	R0160	32,962
Collateralised securities	R0170	72,498
Collective Investments Undertakings	R0180	3,421,289
Derivatives	R0190	10,576
Deposits other than cash equivalents	R0200	217,059
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	5,272,016
Loans and mortgages	R0230	131,482
Loans on policies	R0240	13,163
Loans and mortgages to individuals	R0250	8,149
Other loans and mortgages	R0260	110,170
Reinsurance recoverables from:	R0270	458,571
Non-life and health similar to non-life	R0280	335,757
Non-life excluding health	R0290	335,135
Health similar to non-life	R0300	622
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	122,831
Health similar to life	R0320	1,287
Life excluding health and index-linked and unit-linked	R0330	121,544
Life index-linked and unit-linked	R0340	-17
Deposits to cedants	R0350	5,230
Insurance and intermediaries receivables	R0360	228,461
Reinsurance receivables	R0370	94,069
Receivables (trade, not insurance)	R0380	228,411
Own shares (held directly)	R0390	13,022
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	600,173
Any other assets, not elsewhere shown	R0420	64,587
Total assets	R0500	**31,047,169**

		Solvency II value
		C0010
Liabilities		
Technical provisions – non-life	R0510	3,684,729
Technical provisions – non-life (excluding health)	R0520	3,397,041
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	3,161,269
Risk margin	R0550	235,773
Technical provisions - health (similar to non-life)	R0560	287,688
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	270,467
Risk margin	R0590	17,221
Technical provisions - life (excluding index-linked and unit-linked)	R0600	14,453,403
Technical provisions - health (similar to life)	R0610	2,086,191
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	1,663,100
Risk margin	R0640	423,091
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	12,367,212
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	11,833,881
Risk margin	R0680	533,331
Technical provisions – index-linked and unit-linked	R0690	5,187,815
Technical provisions calculated as a whole	R0700	21,205
Best Estimate	R0710	5,089,578
Risk margin	R0720	77,032
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	276,518
Pension benefit obligations	R0760	566,303
Deposits from reinsurers	R0770	116,113
Deferred tax liabilities	R0780	644,689
Derivatives	R0790	2,022
Debts owed to credit institutions	R0800	4,217
Financial liabilities other than debts owed to credit institutions	R0810	699,164
Insurance & intermediaries payables	R0820	285,617
Reinsurance payables	R0830	47,418
Payables (trade, not insurance)	R0840	452,784
Subordinated liabilities	R0850	1,133,889
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	1,133,889
Any other liabilities, not elsewhere shown	R0880	20,460
Total liabilities	R0900	**27,575,140**
Excess of assets over liabilities	R1000	**3,472,029**

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	49,805	402,130		678,203	589,321	64,174	800,593	279,233	25,985
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	1,023	1,111		14,030	7,266	11,893	87,396	26,186	6,136
Net	R0200	48,782	401,019		664,173	582,055	52,280	713,197	253,047	19,849
Premiums earned										
Gross - Direct Business	R0210	48,481	399,082		670,126	588,824	67,304	786,307	276,585	25,801
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	976	993		19,857	6,470	12,109	89,311	30,170	4,941
Net	R0300	47,505	398,089		650,269	582,355	55,195	696,996	246,415	20,860
Claims incurred										
Gross - Direct Business	R0310	27,704	198,298		395,047	345,593	53,219	425,460	267,410	10,523
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	645	163		14,877	3,526	12,317	30,655	39,648	3,949
Net	R0400	27,060	198,135		380,169	342,068	40,902	394,805	227,762	6,573
Changes in other technical provisions										
Gross - Direct Business	R0410		6			43	1	19	26	
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440								2	
Net	R0500		6			43	1	19	24	
Expenses incurred	R0550	13,604	143,072		169,505	176,278	20,776	265,656	89,229	7,678
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	99,178	19,767	51,722					3,060,111
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140	145	5,983	742					161,911
Net	R0200	99,033	13,784	50,980					2,898,200
Premiums earned									
Gross - Direct Business	R0210	99,184	20,416	48,406					3,030,516
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240	145	5,638	1,527					172,136
Net	R0300	99,040	14,778	46,879					2,858,380
Claims incurred									
Gross - Direct Business	R0310	47,115	4,751	42,496					1,817,617
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340	-121	305	1,518					107,482
Net	R0400	47,236	4,446	40,979					1,710,135
Changes in other technical provisions									
Gross - Direct Business	R0410								95
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								2
Net	R0500								92
Expenses incurred	R0550	32,408	7,742	244,182					1,170,129
Other expenses	R1200								45,053
Total expenses	R1300								1,215,182

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	C0270	C0280	C0300
Premiums written										
Gross	R1410	1,117,771	778,873	25,616	278,854					2,201,113
Reinsurers' share	R1420	1,540	11,118	150	15,830					28,638
Net	R1500	1,116,230	767,755	25,466	263,024					2,172,475
Premiums earned										
Gross	R1510	1,117,840	778,594	25,792	278,789					2,201,015
Reinsurers' share	R1520	1,639	11,112	150	15,830					28,731
Net	R1600	1,116,201	767,482	25,642	262,959					2,172,284
Aufwendungen für Versicherungsfälle										
Gross	R1610	876,862	887,215	-44,527	111,444					1,830,994
Reinsurers' share	R1620	-13	14,132	123	8,463					22,705
Net	R1700	876,874	873,084	-44,651	102,982					1,808,289
Changes in other technical provisions										
Gross	R1710		-2	164	-1					161
Reinsurers' share	R1720									
Net	R1800		-2	164	-1					161
Expenses incurred	R1900	238,370	123,002	87,272	155,171					603,815
Other expenses	R2500									9,009
Total expenses	R2600									612,824

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	1,824,476	373,038	275,009	132,238	93,452	76,698	**2,774,912**
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	22,079	28,031	11,800	5,066	4,208	6,331	**77,515**
Net	R0200	1,802,397	345,007	263,209	127,172	89,244	70,367	**2,697,397**
Premiums earned								
Gross - Direct Business	R0210	1,824,813	360,441	263,178	131,060	92,870	77,418	**2,749,780**
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	25,339	34,653	12,370	5,102	4,066	7,125	**88,656**
Net	R0300	1,799,474	325,788	250,808	125,958	88,804	70,292	**2,661,124**
Claims incurred								
Gross - Direct Business	R0310	1,180,738	235,463	144,217	52,742	44,258	43,412	**1,700,831**
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	29,106	36,494	4,685	434	1,131	372	**72,221**
Net	R0400	1,151,632	198,969	139,532	52,308	43,127	43,041	**1,628,609**
Changes in other technical provisions								
Gross - Direct Business	R0410					-74		**-74**
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500					-74		**-74**
Expenses incurred	R0550	650,039	122,456	78,769	44,545	62,105	37,442	**995,355**
Other expenses	R1200							**39,234**
Total expenses	R1300							**1,034,590**

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	Ukraine	Czech Republik	Slovakia	Bulgaria	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	1,834,972	77,881	69,739	52,076	45,645	34,513	**2,114,826**
Reinsurers' share	R1420	17,001	316	123	3,656	802	111	**22,008**
Net	R1500	1,817,971	77,565	69,617	48,420	44,843	34,402	**2,092,818**
Premiums earned								
Gross	R1510	1,834,494	78,130	70,159	52,077	43,535	34,423	**2,112,818**
Reinsurers' share	R1520	17,094	316	131	3,656	802	111	**22,111**
Net	R1600	1,817,400	77,814	70,028	48,421	42,732	34,313	**2,090,708**
Claims incurred								
Gross	R1610	1,710,092	40,976	55,574	29,952	18,216	16,555	**1,871,365**
Reinsurers' share	R1620	18,923	73	43	1,606	604		**21,249**
Net	R1700	1,691,169	40,903	55,531	28,346	17,611	16,555	**1,850,116**
Changes in other technical provisions								
Gross	R1710						1	**1**
Reinsurers' share	R1720							
Net	R1800						1	**1**
Expenses incurred	R1900	505,138	27,815	13,009	30,160	24,800	17,998	**618,919**
Other expenses	R2500							**6,677**
Total expenses	R2600							**625,596**

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	23,325,947			100,805	
Basic own funds	R0020	4,470,744			-84,266	
Eligible own funds to meet Solvency Capital Requirement	R0050	4,470,744			-84,266	
Solvency Capital Requirement	R0090	2,627,587			745,383	

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	33,846	33,846			
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	1,305,692	1,305,692			
Subordinated liabilities	R0140	1,133,889			1,133,889	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	30,071				30,071
The amount equal to the value of net deferred tax assets not available at the group level	R0170	6,581				6,581
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	39,054	38,953			101
Non-available minority interests at group level	R0210	31,120	31,117			3
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	160,372	160,372			
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	26,518	26,518			
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	37,701	31,117			6,584
Total deductions	R0280	224,591	218,007			6,584
Total basic own funds after deductions	R0290	4,310,372	3,152,895		1,133,889	23,588

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	113,889	113,889			
Institutions for occupational retirement provision	R0420	46,482	46,482			
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440	160,372	160,372			
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	4,310,372	3,152,895		1,133,889	23,588
Total available own funds to meet the minimum consolidated group SCR	R0530	4,286,784	3,152,895		1,133,889	
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	4,310,372	3,152,895		1,133,889	23,588
Total eligible own funds to meet the minimum consolidated group SCR	R0570	3,482,075	3,152,895		329,180	
Minimum consolidated Group SCR	R0610	1,645,901				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	212 %				
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	4,470,744	3,313,267		1,133,889	23,588
Group SCR	R0680	2,627,587				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	170 %				
Reconciliation reserve						
Excess of assets over liabilities	R0700	3,472,029				
Own shares (held directly and indirectly)	R0710	13,022				
Foreseeable dividends, distributions and charges	R0720	57,932				
Other basic own fund items	R0730	2,095,382				
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	1,305,692				
Expected profits						
Expected profits included in future premiums (EPIFP) – Life business	R0770	2,502,289				
Expected profits included in future premiums (EPIFP) – Non-life business	R0780	361,455				
Total EPIFP	R0790	2,863,745				

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	2,423,292	2,052,482		
2	Counterparty Default Risk	173,829			
3	Life Underwriting Risk	562,521			
4	Health Underwriting Risk	76,724			
5	Non-Life Underwriting Risk	620,576	503,486		
6	Intangible asset risk				
7	Operational Risk	201,017			
8	LAC Technical Provisions	-163,481			
9	LAC Deferred Taxes	-331,014			

		C0100
Calculation of Solvency Capital Requirement		
Total undiversified components	R0110	3,628,727
Diversification	R0060	-1,001,140
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency capital requirement excluding capital add-on	R0200	2,627,587
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	2,562,323
Other information on SCR		
Amount/estimate of the overall loss-absorbing capacity of technical provisions	R0300	-163,481
Amount/estimate of the overall loss-absorbing capacity ot deferred taxes	R0310	-331,014
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 portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	1,645,901
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	817
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	4,039
Capital requirement for other financial sectors (Non-insurance capital requirements) — Institutions for occupational retirement provisions	R0520	60,408
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	65,264
Solvency capital requirement	R0570	2,627,587

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
SLOVAKIA	LEI/097900BFGI0000027225		UNIQA poisťovňa a.s.	Composite insurer	Akciová spoločnosť	Non-mutual	NÁRODNÁ BANKA SLOVENSKA - NBS
POLAND	LEI/2594000FPG3KJG5MW326		AXA Powszechne Towarzystwo Emerytalne S.A.	Institutions for occupational retirement provision	Spółka akcyjna	Non-mutual	KOMISJA NADZORU FINANSOWEGO - KNF
POLAND	LEI/259400EL55G3025MIL40		AXA Towarzystwo Funduszy Inwestycyjnych Spolka Akcyna	Credit institutions, investment firms and financial institutions	Spółka akcyjna	Non-mutual	KOMISJA NADZORU FINANSOWEGO - KNF
POLAND	LEI/259400FX3J0R7A6MU186		AXA Zycie Towarzystwo Ubezpieczen S.A.	Life undertakings	Spółka akcyjna	Non-mutual	KOMISJA NADZORU FINANSOWEGO - KNF
POLAND	LEI/259400JPZG18Z3V8R922		UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Non-Life undertakings	Spółka akcyjna	Non-mutual	KOMISJA NADZORU FINANSOWEGO - KNF
POLAND	LEI/259400NNS5ISLPJP7921		AXA Ubezpieczenia Towarzystwo Ubezpieczen i Reasekuracji S.A.	Non-Life undertakings	Spółka akcyjna	Non-mutual	KOMISJA NADZORU FINANSOWEGO - KNF
POLAND	LEI/259400WV4XF5OZV6N231		UNIQA Towarzystwo Ubezpieczeń S.A.	Life undertakings	Spółka akcyjna	Non-mutual	KOMISJA NADZORU FINANSOWEGO - KNF
CZECHIA	LEI/31570010000000041126		UNIQA investiční společnost a.s.	Credit institutions, investment firms and financial institutions	Akciová společnost	Non-mutual	ČESKÁ NÁRODNÍ BANKA - ČNB
CZECHIA	LEI/31570010000000044812		AXA pojišťovna a.s.	Non-Life undertakings	Akciová společnost	Non-mutual	ČESKÁ NÁRODNÍ BANKA - ČNB
CZECHIA	LEI/31570010000000044909		AXA životní pojišťovna a.s.	Life undertakings	Akciová společnost	Non-mutual	ČESKÁ NÁRODNÍ BANKA - ČNB
CZECHIA	LEI/31570010000000045103		UNIQA penzijní společnost a.s.	Institutions for occupational retirement provision	Akciová společnost	Non-mutual	ČESKÁ NÁRODNÍ BANKA - ČNB
SLOVAKIA	LEI/31570020000000001923		UNIQA d.d.s. a.s.	Institutions for occupational retirement provision	Akciová spoločnosť	Non-mutual	NÁRODNÁ BANKA SLOVENSKA - NBS
SLOVAKIA	LEI/31570020000000002020		UNIQA d.s.s., a.s.	Institutions for occupational retirement provision	Akciová spoločnosť	Non-mutual	NÁRODNÁ BANKA SLOVENSKA - NBS
CZECHIA	LEI/31570053VJ0RMQ3JJK93		UNIQA pojišťovna, a.s.	Composite insurer	Akciová společnost	Non-mutual	ČESKÁ NÁRODNÍ BANKA - ČNB
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	
BOSNIA AND HERZEGOVINA	LEI/52990008W7D6FWJRHW55		UNIQA osiguranje d.d.	Composite insurer	dioničko društvo	Non-mutual	AGENCIJA ZA NADZOR OSIGURANJA FEDERACIJE BOSNE I HERCEGOVINE
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	
MONTENEGRO	LEI/5299005QVZ2NKVMMW074		UNIQA životno osiguranje a.d.	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
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
99%	100%	99%		Dominant	99%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
49%	0%	49%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
50%	100%	61%		Dominant	50%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	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	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/5299007U38CLFZMP3U51		UNIQA Real Estate Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
KOSOVO	LEI/5299008MJFY57C0R1O02		SIGAL LIFE UNIQA Group AUSTRIA sh.a	Life undertakings	Sh.A.	Non-mutual	BANKA QENDRORE E REPUBLIKËS SË KOSOVËS - BQK
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	LEI/529900B0OFX1G2LS5L25		UNIQA Österreich Versicherungen AG	Composite insurer	Aktiengesellschaft	Non-mutual	ÖSTERREICHISCHE FINANZMARKTAUFSICHT - FMA
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	
ROMANIA	LEI/529900EHBJY3Z379SR41		UNIQA Asigurari S.A.	Non-Life undertakings	Societăţi pe acţiuni	Non-mutual	COMISIA DE SUPRAVEGHERE A ASIGURARILOR - CSA
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	
RUSSIAN FEDERATION	LEI/529900H62411VJ4YBN69		Limited Liability Company "Insurance Company "Raiffeisen Life"	Composite insurer	Aktiengesellschaft	Non-mutual	BANK OF RUSSIA - CBR
AUSTRIA	LEI/529900HMZ56PVEYFSE35		UNIQA Leasing GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
MACEDONIA, THE FORMER YUGOSLAV REPUBLIC OF	LEI/529900IODZTCBBULHW72		UNIQA Life AD Skopje	Life undertakings	a.d.	Non-mutual	NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA - NBRM
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	Non-mutual	
BULGARIA	LEI/529900JXZ3AOURHL8Z49		UNIQA Life insurance plc	Life undertakings	Aktiengesellschaft	Non-mutual	FINANCIAL SUPERVISION COMMISSION - FSC
ROMANIA	LEI/529900L3YL1512DQN720		UNIQA Asigurari De Viata S.A.	Life undertakings	Societăţi pe acţiuni	Non-mutual	COMISIA DE SUPRAVEGHERE A ASIGURARILOR - CSA
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	
MONTENEGRO	LEI/529900NCGWV3EFRJTI23		UNIQA neživotno osiguranje a.d.	Non-Life undertakings	a.d.	Non-mutual	AGENCIJA ZA NADZOR OSIGURANJA - ANO
SERBIA	LEI/529900NH029TVWX6PY28		UNIQA životno osiguranje a.d.o.	Life undertakings	a.d.	Non-mutual	NATIONAL BANK OF SERBIA - NBS
AUSTRIA	LEI/529900OOW8ELHOXWZP82		UNIQA Insurance Group AG	Reinsurance undertakings	Aktiengesellschaft	Non-mutual	ÖSTERREICHISCHE FINANZMARKTAUFSICHT - FMA

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
33%	0%	33%		Significant	33%	Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant	87%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
75%	100%	75%		Dominant	75%	Included into scope of group supervision		Method 1: Full consolidation
25%	0%	25%		Significant	25%	Included into scope of group supervision		Method 1: Adjusted equity method
87%	100%	100%		Dominant	87%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
						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
KOSOVO	LEI/529900OS3ERHXXJ4Y667		SIGAL UNIQA Group AUSTRIA sh.a.	Non-Life undertakings	Sh.A.	Non-mutual	BANKA QENDRORE E REPUBLIKËS SË KOSOVËS - BQK
MACEDONIA, THE FORMER YUGOSLAV REPUBLIC OF	LEI/529900OXQAQIADK93B31		UNIQA AD Skopje	Non-Life undertakings	a.d.	Non-mutual	NATIONAL BANK OF THE REPUBLIC OF NORTH MACEDONIA - NBRM
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/529900Q95SSA0F6E6J80		Real Versicherungsvermittlung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
BULGARIA	LEI/529900QUFCNI937IFE22		UNIQA Insurance plc	Non-Life undertakings	Aktiengesellschaft	Non-mutual	FINANCIAL SUPERVISION COMMISSION - FSC
LIECHTENSTEIN	LEI/529900SCZKCX0WMOCC24		UNIQA Versicherung AG	Non-Life undertakings	Aktiengesellschaft	Non-mutual	FINANZMARKTAUFSICHT LIECHTENSTEIN - FMA
AUSTRIA	LEI/529900SDO0BXNI4DBB46		Agenta Risiko- und Finanzierungsberatung Ges.m.b.H.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
AUSTRIA	LEI/529900SILRELJ2C2LF08		UNIQA Real Estate 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/529900UVLVCYSELWF743		UNIQA Capital Markets GmbH	Credit institutions, investment firms and financial institutions	GmbH	Non-mutual	ÖSTERREICHISCHE FINANZMARKTAUFSICHT - FMA
SWITZERLAND	LEI/529900VLUHW11YFG6K52		UNIQA Re AG	Reinsurance undertakings	Aktiengesellschaft	Non-mutual	EIDGENÖSSISCHE FINANZMARKTAUFSICHT - FINMA
ALBANIA	LEI/529900WVIAHY6N2PA091		SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Life undertakings	Sh.A.	Non-mutual	AUTORITETI I MBIKËQYRJES FINANCIARE - AMF
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
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	
HUNGARY	LEI/549300RLBB7L1SYSG775		UNIQA Biztosító Zrt.	Composite insurer	Biztosító részvénytársaság	Non-mutual	MAGYAR NEMZETI BANK - MNB
CROATIA	LEI/74780000P058TI5YPX93		UNIQA osiguranje d.d.	Composite insurer	dioničko društvo	Non-mutual	HRVATSKA AGENCIJA ZA NADZOR FINANCIJSKIH USLUGA - HANFA
UKRAINE	LEI/894500ENYY7S0G165U84		UNIQA LIFE, Private Joint Stock Company	Life undertakings	Aktiengesellschaft	Non-mutual	NATIONAL BANK OF UKRAINE - NBU

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
87%	100%	100%		Dominant	87%	Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant	87%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
14%	0%	14%		Significant	14%	Included into scope of group supervision		Other Method
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Sectoral rules
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
87%	100%	100%		Dominant	87%	Included into scope of group supervision		Method 1: Full consolidation
87%	100%	87%		Dominant	87%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	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
UKRAINE	LEI/894500F7ZJLL00XH8234		UNIQA Insurance company, Private Joint Stock Company	Non-Life undertakings	Aktiengesellschaft	Non-mutual	NATIONAL BANK OF UKRAINE - NBU
ALBANIA	SC/LEI/529900OOW8ELHOXWZP82/AL/12530		SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Institutions for occupational retirement provision	Sp. z o.o.	Non-mutual	AUTORITETI I MBIKËQYRJES FINANCIARE - AMF
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	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/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 CCA 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/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/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	Non-mutual	
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	Non-mutual	
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	Non-mutual	
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	Non-mutual	
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	Non-mutual	
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	Non-mutual	
AUSTRIA	SC/LEI/529900OOW8ELHOXWZP82/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/529900OOW8ELHOXWZP82/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/529900OOW8ELHOXWZP82/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	

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	100%	Included into scope of group supervision		Method 1: Full consolidation
51%	0%	51%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
64%	100%	64%		Dominant	64%	Included into scope of group supervision		Method 1: Full consolidation
23%	0%	23%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
25%	0%	25%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
40%	0%	40%		Significant	40%	Included into scope of group supervision		Method 1: Adjusted equity method
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
49%	0%	49%		Significant	0%	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/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/529900OOW8ELHOXWZP82/AT/14380		PremiaFIT GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
AUSTRIA	SC/LEI/529900OOW8ELHOXWZP82/AT/14420		UNIQA Ventures GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
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	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		SVS 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	
AUSTRIA	SC/LEI/529900OOW8ELHOXWZP82/AT/14740		AS Otto Karnthaler & Co. 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/14750		UNIQA Linzer Strasse 104 GmbH& Co KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
AUSTRIA	SC/LEI/529900OOW8ELHOXWZP82/AT/14760		Sanus X 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%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
35%	0%	35%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
93%	100%	93%		Dominant	93%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
49%	0%	49%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
75%	100%	75%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
50%	0%	50%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
50%	0%	50%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	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/529900OOW8ELHOX WZP82/AT/14800		Fintech Growth Fund Europe 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/529900OOW8ELHOX WZP82/AT/14820		UVG Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
AUSTRIA	SC/LEI/529900OOW8ELHOX WZP82/AT/14830		PPS Eins 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/529900OOW8ELHOX WZP82/AT/14840		UNIQA 5 Star GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
BOSNIA AND HERZEGOVINA	SC/LEI/529900OOW8ELHOX WZP82/BA/16110		UNIQA Assistance d.o.o. Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o.	Non-mutual	
BULGARIA	SC/LEI/529900OOW8ELHOX WZP82/BG/15660		Vitosha Auto OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	OOD	Non-mutual	
BULGARIA	SC/LEI/529900OOW8ELHOX WZP82/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	
BULGARIA	SC/LEI/529900OOW8ELHOX WZP82/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	
POLAND	SC/LEI/529900OOW8ELHOX WZP82/BG/16380		AXA Polska S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Spółka akcyjna	Non-mutual	
SWITZERLAND	SC/LEI/529900OOW8ELHOX WZP82/CH/12160		UNIQA GlobalCare S.A.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.A. (Aktiengesellschaft)	Non-mutual	
CZECHIA	SC/LEI/529900OOW8ELHOX WZP82/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	
CZECHIA	SC/LEI/529900OOW8ELHOX WZP82/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	
GERMANY	SC/LEI/529900OOW8ELHOX WZP82/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	
CROATIA	SC/LEI/529900OOW8ELHOX WZP82/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/529900OOW8ELHOX WZP82/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/529900OOW8ELHOX WZP82/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	
HUNGARY	SC/LEI/529900OOW8ELHOX WZP82/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/529900OOW8ELHOX WZP82/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	

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
43%	0%	43%		Significant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
60%	100%	60%		Dominant	60%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	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
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	
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	
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	
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	
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	
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	
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	
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	
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	
POLAND	SC/LEI/529900OOW8ELHOXWZP82/PL/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	
POLAND	SC/LEI/529900OOW8ELHOXWZP82/PL/16290		Zablocie Park 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	
POLAND	SC/LEI/529900OOW8ELHOXWZP82/PL/16300		City One Park 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	
POLAND	SC/LEI/529900OOW8ELHOXWZP82/PL/16360		TREIMORFA PROJECT 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	
POLAND	SC/LEI/529900OOW8ELHOXWZP82/PL/16370		Treimorfa Hotel 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	
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	
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	

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	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
92%	0%	92%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
50%	0%	50%		Significant	50%	Included into scope of group supervision		Method 1: Adjusted equity method
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	0%	100%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
85%	100%	85%		Dominant	85%	Included into scope of group supervision		Method 1: Full consolidation
85%	100%	85%		Dominant	85%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	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/529900OOW8ELHOX WZP82/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	
SLOVAKIA	SC/LEI/529900OOW8ELHOX WZP82/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	
SLOVAKIA	SC/LEI/529900OOW8ELHOX WZP82/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	
SLOVAKIA	SC/LEI/529900OOW8ELHOX WZP82/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	
SLOVAKIA	SC/LEI/529900OOW8ELHOX WZP82/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	
CZECHIA	SC/LEI/529900OOW8ELHOX WZP82/SK/16430		UNIQA Management Services 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	
UKRAINE	SC/LEI/529900OOW8ELHOX WZP82/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	
UKRAINE	SC/LEI/529900OOW8ELHOX WZP82/UA/15930		UNIQA Software Service Ukraine GmbH LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	Non-mutual	
UKRAINE	SC/LEI/529900OOW8ELHOX WZP82/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/529900OOW8ELHOX WZP82/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/529900OOW8ELHOX WZP82/UA/16060		Asena LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	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	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
99%	0%	99%		Dominant	0%	Included into scope of group supervision		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation
100%	100%	100%		Dominant	100%	Included into scope of group supervision		Method 1: Full consolidation

Appendix II (Group) – regulatory requirements for the SFCR

This section lists the regulatory requirements upon which this SFRC 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 2016 Austrian Insurance Supervision Act (Level 4).

Chapter A
This chapter contains information on the company's business 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) (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 system of governance, in accordance with Article 294 of the Delegated Regulation (EU) (Level 2) as well as guidelines 3 and 4 EIOPA-BoS-15/109 (Level 3). Article 359 (b) of the Delegated Regulation (EU) (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) (Level 2) as well as guideline 5 EIOPA-BoS-15/109 (Level 3). Article 359 (c) of the Delegated Regulation (EU) (Level 2) also applies for the reporting at Group level.

Chapter D
This chapter contains information on the measurement requirements for Solvency II, in accordance with Article 296 of the Delegated Regulation (EU) (Level 2) as well as guidelines 6 to 10 EIOPA-BoS-15/109 (Level 3). Article 359 (d) of the Delegated Regulation (EU) (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) (Level 2) as well as guidelines 11 to 13 EIOPA-BoS-15/109 (Level 3). Article 359 (e) of the Delegated Regulation (EU) (Level 2) also applies for the reporting at Group level, as well as guideline 15 EIOPA-BoS-15/109 (Level 3).

List of figures

List of tables

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

Design and project management
be.public Corporate & Financial Communications GmbH
www.bepublic.at
Translation and proofreading
ASI GmbH/www.asint.at

Contact
UNIQA Österreich Versicherungen AG
Integrated Risk Management
Untere Donaustrasse 21, 1029 Vienna, Austria
E-mail: rmr@uniqa.at

www.uniqagroup.com