UNIQA

Seeding the **FUTURE**

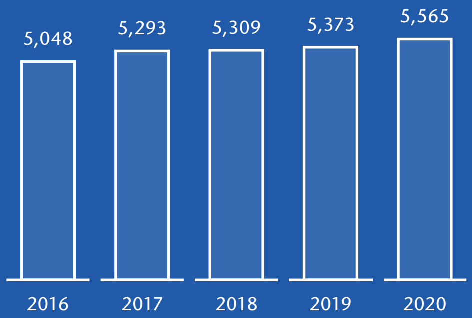
Group Report 2020 / *UNIQA Group*

UNIQA Group at a glance

Consolidated key figures In € million	2020	2019	Change
Premiums written	**5,261.2**	**5,062.8**	**+3.9%**
Savings portions from unit-linked and index-linked life insurance (before reinsurance)	304.1	309.8	–1.8%
Premiums written including savings portions from unit-linked and index-linked life insurance	**5,565.3**	**5,372.6**	**+3.6%**
of which property and casualty insurance	3,010.3	2,846.8	+5.7%
of which health insurance	1,167.6	1,130.8	+3.2%
of which life insurance	1,387.5	1,394.9	–0.5 %
of which recurring premiums	1,294.3	1,290.3	+0.3%
of which single premiums	93.2	104.6	–10.9%
Premiums written including savings portions from unit-linked and index-linked life insurance	**5,565.3**	**5,372.6**	**+3.6%**
of which UNIQA Austria	3,837.5	3,800.8	+1.0%
of which UNIQA International	1,705.4	1,561.2	+9.2%
of which reinsurance	1,162.7	1,129.2	+3.0%
of which consolidation	–1,140.3	–1,118.7	+1.9%
Premiums earned (net)	**5,029.5**	**4,861.1**	**+3.5%**
of which property and casualty insurance	2,809.0	2,678.4	+4.9%
of which health insurance	1,163.6	1,123.0	+3.6%
of which life insurance	1,057.0	1,059.6	–0.2%
Savings portions from unit-linked and index-linked life insurance (after reinsurance)	304.1	309.8	–1.8%
Premiums earned including savings portions from unit-linked and index-linked life insurance	**5,333.7**	**5,170.8**	**+3.1%**
Insurance benefits[1]	**–3,694.6**	**–3,666.1**	**+0.8%**
of which property and casualty insurance	–1,775.1	–1,719.5	+3.2%
of which health insurance	– 963.1	–969.3	–0.6%
of life insurance[2]	–956.4	–977.3	–2.1%
Operating expenses (net)[3]	**–1,566.4**	**–1,407.1**	**+11.3%**
of which property and casualty insurance	–970.7	–861.2	+12.7%
of which health insurance	–225.0	–187.8	+19.8%
of which life insurance	–370.7	–358.1	+3.5%
Cost ratio (after reinsurance)	**29.4%**	**27.2%**	–
Combined ratio (net after reinsurance)	**97.8%**	**96.4%**	–
Net investment income	**505.4**	**585.2**	**–13.6%**
Earnings before taxes	**57.1**	**232.0**	**–75.4%**
Profit/(loss) for the period	**24.3**	**175.1**	**–86.1%**
Consolidated profit/(loss)	**19.4**	**171.0**	**–88.6%**
Operating return on equity	**0.6%**	**5.4%**	–
Investments	**22,319.2**	**20,624.8**	**+8.2%**
Shareholders' equity	3,450.1	3,367.7	+2.4%
Equity, including non-controlling interests	**3,474.8**	**3,387.1**	**+2.6%**
Technical provisions (net)[4]	23,796.8	22,083.9	+7.8%
Total assets	**31,908.0**	**28,673.8**	**+11.3%**
Number of insurance contracts	25,058,554	20,923,632	+19.8%
Average number of employees (FTEs)	**13,408**	**13,038**	**+2.8%**

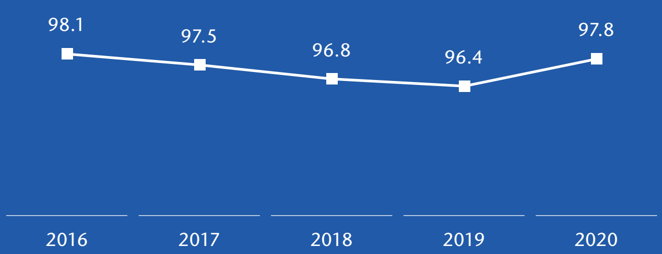
1) Including expenditure for profit participation and premium refunds
2) Including expenditure for (deferred) profit participation
3) Less reinsurance commissions and share of profit from reinsurance ceded
4) Including technical provisions for life insurance policies held on account and at risk of policyholders

Premiums written
In € million



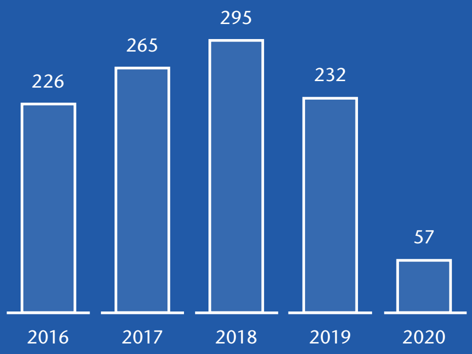
(Including savings portions from unit-linked and index-linked life insurance)

Combined ratio
In per cent

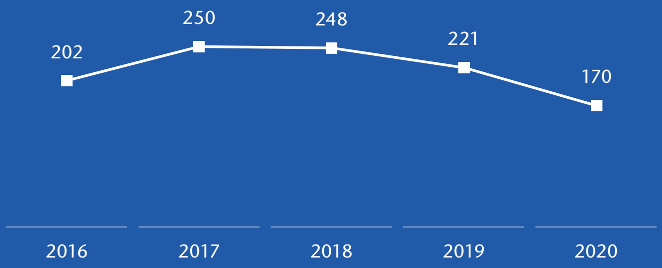


(After reinsurance)

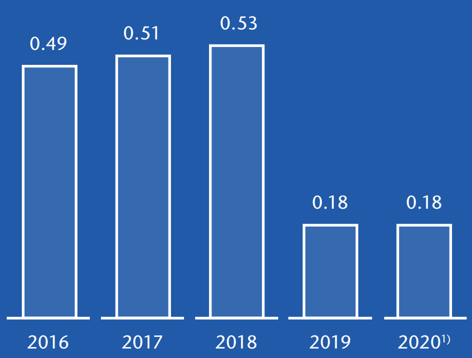
Earnings before taxes
In € million



Regulatory solvency capital requirement (SCR)
In per cent

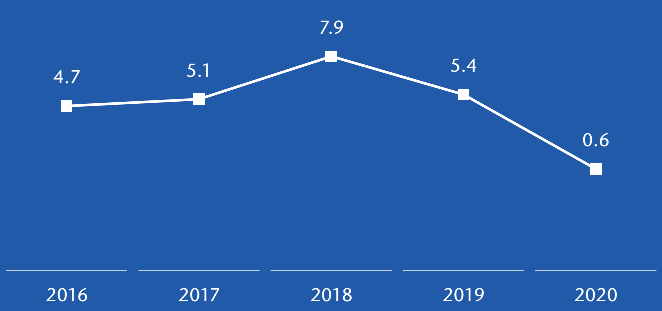


Dividend per share
In €



[1] Proposal to the Annual General Meeting

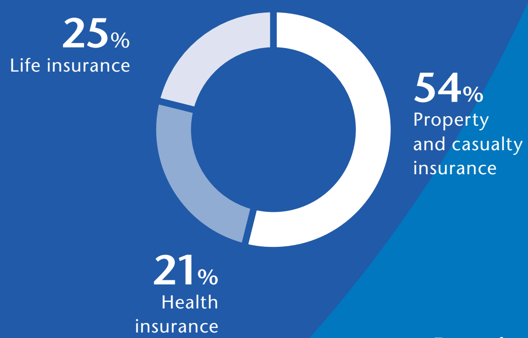
Return on equity
In per cent



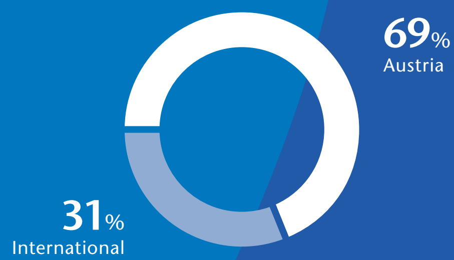
Definitions of the essential key figures can be found in the glossary from page 177.

The UNIQA Group is one of the leading insurance companies in its core markets of Austria and Central and Eastern Europe (CEE). Around 23,500 employees and exclusive sales partners serve around 15.5 million customers across 18 countries. UNIQA is the second largest insurance group in Austria with a market share of over 21 per cent. In the CEE growth region, UNIQA is present in 15 markets: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. In addition, insurance companies in Switzerland and Liechtenstein are also part of the UNIQA Group.

Balanced portfolio …



… in the core markets of Austria and CEE



Premium distribution

[1] Evaluated externally

[2] Audited

Seeding the FUTURE

New customers: One billion euros in investments for five million new customers in CEE, for €800 million more in premiums and for plenty of knowledge and expertise from our new colleagues!

New responsibility: Special support for our private and corporate clients to deal with Covid-19 and its consequences as effectively as possible. Despite all the strains placed on them, our employees have achieved some great things and make us proud!

New strategy: Covid-19 has proven to us that we are on the right track. A radical focus on the customer, simplification, investment in digitalisation, data, IT and health. And once again attractive, reliable returns for you, as our owners. Are you, just like Albert Einstein, more interested in your future than in the past because you intend to live in the former? Same here! So we are preparing for it now: "UNIQA 3.0 – Seeding the Future"!

Highlights of 2020

Two bonds placed successfully: financing for the AXA acquisition and the green bond

We successfully issued bonds with a value of €800 million in July 2020 – a senior bond for €600 million and a green bond for €200 million. Investor demand was considerable: the senior bond was more than five times oversubscribed, while the green subordinated bond – the first green bond issued by an insurance company in Austria – was even more than nine times oversubscribed. While the funds from the senior bond are being used to finance the AXA acquisition, the proceeds from the green bond will be used for projects aimed at protecting the environment and climate, such as wind energy, solar energy, environmentally friendly transport solutions, as well as waste and water recycling. The sustainable character of this bond issue was also highlighted by the award of the Austrian Ecolabel for Sustainable Financial Products. After these two issues, rating agency Standard & Poor's has confirmed its "A–" rating with a stable outlook.

UNIQA provides compelling, innovative digital services

UNIQA has been relying heavily on digital tools to support its customers for years. One example of this is the myUNIQA app from UNIQA Austria, which has been translating our 24/7 service requirements into the mobile online world since 2018. The mobile customer portal already allows 150,000 users to access information, report claims and submit doctor and medication bills whenever and wherever they wish. This has been particularly helpful during the coronavirus pandemic: the app was accessed more than 2.1 million times in 2020 alone. The offer in 2020 of medical consultation by video via smartphone, tablet or computer was also very well received: since right after the start of the first lockdown in March 2020, we have been offering all customers who have health insurance including the supplementary Akut-Versorgt (acute care) product the option of remote medical care – regardless of their location and with no long waiting times for appointments.

UNIQA acquires AXA subsidiaries in CEE: ascent to the Top 5

Around five million customers, 2,100 employees and €800 million in premiums – these are the key figures from those companies in the French AXA Group in Poland, the Czech Republic and Slovakia which we acquired in 2020 for around €1 billion. The transaction was formally closed on 15 October once all necessary approvals had been granted, and integration of the acquired companies, which fit perfectly into our long-term growth strategy, began immediately. They complement our Group's existing business with their focus on profitable retail business, a balanced product mix and a solid sales network perfectly. This acquisition strengthens UNIQA's position in the highly competitive CEE growth markets and makes it the fifth largest provider in the region.

New business models on the rise: CHERRISK and SanusX

The UNIQA Group made significant progress in 2020 with two new business models, thereby already implementing an important aspect of its new UNIQA 3.0 strategy. Our digital second brand CHERRISK (cherrisk.com) – which offers simple travel, household and casualty insurance online that can be cancelled at any time – is now expanding to Germany following the positive experience in Hungary. With SanusX (sanusx.com) we want to establish ourselves as a holistic healthcare provider that goes beyond the pure insurance business. SanusX launched its first product in response to the increasing number of Covid-19 cases: SanusX Health Shield offers fast, easy and reliable Covid-19 testing to companies at individual locations throughout Austria.

"Stopp Corona" app: notable contribution from UNIQA Stiftung

The UNIQA Stiftung foundation, the main shareholder of the UNIQA Group with a share of 49 per cent, enabled the development of the "Stopp Corona" app of the Austrian Red Cross through a donation of €2 million immediately following the outbreak of the coronavirus crisis in March 2020. The app has been downloaded around 1.4 million times in total, and has been able to help break chains of infection and protect countless people from becoming infected with over 12,000 alerts.

Sustainability strategy defined, implementation launched

UNIQA also made great progress in 2020 in terms of sustainability and climate protection. We signed the UN Global Compact (UNGC), for instance, and have therefore made a commitment involving consistent compliance with the ten principles of this pact in the areas of human rights, labour standards, environmental protection and anti-corruption. We have also signed the Principles for Sustainable Insurance and the Principles for Responsible Investments of the United Nations and are already taking both sets of rules into account in our new UNIQA 3.0 strategy. In addition to phasing out coal in our investments, we are also committed to continuously reducing our own carbon footprint and showing our progress through transparent disclosure of information and internationally recognised external ratings. We received ratings from the Institutional Shareholder Services (ISS) agency and the Carbon Disclosure Project (CDP) among others in 2020, achieving a good starting position with ratings of C– and B–, respectively.

Red Cross honours UNIQA: outstanding humanitarian commitment

The Humanity Award from the Heinrich Treichl Foundation of the Austrian Red Cross 2020 went to UNIQA Stiftung and the UNIQA Group in recognition of the contribution to the "Stopp Corona" app, as well as for the support provided in setting up a stem cell donor database and expanding the defibrillator network in Austria. Our foundation had already contributed significantly to the establishment of the new stem cell donor database of the Red Cross in November 2018, and defibrillators have been installed at around 100 schools as well as other publicly accessible places since 2019 thanks to another donation.

Dear ladies and gentlemen,
dear shareholders,

We had carefully calculated multiple scenarios prior to the decision last April to communicate a profit warning as well as the lack of a dividend for the 2020 financial year due to Covid-19. Although we had correctly included all potentially burdensome effects, we did underestimate the **strength of our core business**.

Earnings exceed expectations and allow for a dividend

As a result, the past financial year not only went much better economically than expected at the time, but we were even able to absorb a number of **one-off special charges** in this extraordinary transformation year:

- €99 million in restructuring provisions as a basis for reducing our future cost base
- €39 million for one-off integration costs from the AXA acquisition
- €106 million for impairments of goodwill in CEE

"… the past financial year was much better from an economic point of view than expected thanks to the strength of our core business …"

The **earnings before taxes of €57** million reported after deduction of these three one-off special charges totalling €244 million means that we can propose a **dividend** for financial year 2020 to the Annual General Meeting on 31 May 2021 after all, contrary to our original forecast of April 2020: just as in the previous financial year, this will once again amount to **18 cents per share**.

Premiums rise by 3.6 per cent

Covid-19 put a significant brake on our new business, particularly between April and June 2020, since many Europeans were concerned with other matters than buying insurance. It was often not possible for our customer service managers to meet existing or potential clients physically. The branches at our most important strategic partner the Raiffeisen Banking Group were also partially closed and reported heavy reductions in customer traffic.

The **premium growth reported of 3.6 per cent** was therefore significantly above our expectations. Minus the premium income of €212 million from the newly acquired AXA companies in Poland, the Czech Republic and Slovakia which were consolidated for the first time in the fourth quarter of 2020, we only recorded a slight decline of 0.4 per cent overall, despite the huge reduction in new business already stated for the second quarter. We are proud of the achievements of our colleagues in sales and customer service:

- In **Austria** we recorded growth of a satisfactory **1.0 per cent**.
- **We grew** by **9.2 per cent** internationally once the newly acquired AXA companies are included. Excluding AXA, we recorded a decline of 4.3 per cent, primarily due to the significantly lower production volume in the cooperation arrangements with Raiffeisen Bank International. This decline in CEE amounts to just 0.7 per cent once adjusted for currency differences.

We have maintained our **customer base** of approximately ten million customers (excluding AXA). Once we factor in the customers from the newly acquired companies, we are already at more than 15 million customers. Lapses and cancellations were within normal limits despite Covid-19. At 75 per cent, our aided **brand awareness** in Austria remains at the top, and with a few local exceptions in the motor vehicle business, we were able to keep our **prices** largely unchanged in a difficult environment.

Improved loss and benefit ratios

We paid €42 million more for storm damage in **property and casualty insurance** in 2020 than in the previous year, with charges from major claims also high, and we earmarked around €70 million for payments related to Covid-19, primarily for business interruption. Since the welcome trend of falling motor vehicle "basic damage" has continued in 2020, the **loss ratio** has fallen to a very healthy 63.2 per cent despite these charges (2019: 64.2 per cent).

The **benefit ratio** in **health insurance** fell by 2.7 percentage points to 82.8 per cent, and by 1.4 percentage points in **life insurance** to 92.6 per cent despite one-off expenses of €23 million. The excess mortality rates due to Covid-19 that became apparent in Austria towards the end of the year are not (yet) reflected in our portfolio.

Our **costs** rose by 11.3 per cent, which is significantly higher than the premiums written (+3.6 per cent). Excluding the restructuring expenses and integration costs stated above totalling €137 million, which have nothing to do with ongoing operations, the increase (due to continued high investments in IT and strategic projects) amounts to 2.6 per cent. Strict cost management and consistent reduction of the cost ratio therefore are a particular priority for us within the scope of our new "UNIQA 3.0 – Seeding the Future" strategic programme.

"… once we factor in the newly acquired companies from AXA, we are already at more than 15 million customers …"

High levels of stability in operations and IT

Despite Covid-19 and the associated factor of most colleagues working from home, Operations and IT in **Austria** recorded **high levels of stability** last year.

Apart from the rapid implementation of **home working** for our back office colleagues in March, **IT** strengthened its governance and security and also went live with new front-end systems, in parallel with its support for the construction of the new UNIQA Insurance Platform (UIP) core system. **Operations** was successful in meeting our service levels: the only backlogs in service were the very high number of customer requests for business interruption services that were received at the same time due to the lockdown.

In **CEE**, the focus for both Operations and IT was on preparations for the **integration of the AXA companies** into our core markets of Poland, the Czech Republic and Slovakia.

Declining capital earnings and solvency ratio

Net investment income of €505 million was 14 per cent or €80 million below the previous year's figure. The two main reasons for this are the sales of properties not completed in 2020 (2019: €45 million in extraordinary income) and impairments for participations, shares, equity funds and fixed-income securities (€34 million). The **average return on our new investments** (around €3 billion) decreased significantly from 2.8 per cent to 2.07 per cent.

From a value of 221 per cent at 2019 year end, our **regulatory capital requirement ratio under Solvency II** fell noticeably year-on-year to 170 per cent: around 20 percentage points of this decline are due to the general decline in interest rates in 2020, about 30 percentage points originate from the newly acquired AXA companies.

> "… our new 'UNIQA 3.0 – Seeding the Future' strategic programme represents our powerful and optimistic response to the major megatrends in our industry …"

Accounting and company management

- **IFRS 17 and IFRS 9** will be introduced in less than two years, i.e. in January 2023. With total expenditure of more than €50 million, this major project is not only a cost and resource-intensive one, but it also fundamentally changes the way we manage our business due to new interdependencies, even greater consideration of long-term value drivers and a view of business performance focused on the future and on investors. We have therefore made this topic a particular priority in training courses for management and the Supervisory Board.

- As reported, the Austrian Financial Reporting Enforcement Panel (OePR) conducted an enforcement review in 2020 of our 2019 annual financial report and the 2019 and 2020 half-year financial reports. While there were no findings in most of the audit areas, the analysis of the impairment tests for the goodwill in Romania and Bulgaria showed that the growth assumptions and discount rates used by us did not comply with IFRS requirements in some cases. This resulted in subsequent impairment of goodwill in Romania and Bulgaria to the value of €55 million. The corresponding adjustment was made as an error correction to the 2019 annual results in accordance with IAS 8 and had no impact on the 2020 results. We notified the capital market of this by way of an ad hoc announcement.

UNIQA 3.0 – Seeding the Future

Our new strategic programme which we unveiled in November and which runs from 2021 to 2025 represents our **powerful and optimistic response** to the four major megatrends in our industry: low interest rates and economic power shifts, demographic and social changes, innovation and digitalisation, as well as climate change and sustainability.

"… UNIQA 3.0 is an attractive option for our investors …"

We have therefore been managing the **classic insurance business** based on a particularly lean Group structure in all our markets according to the three customer groups Retail, Corporate and Banking since January 2020. The overriding principle is a radical focus on the customer with a significant reduction in the cost ratio at the same time.

We are driving innovation in **disruptive business models** that are consciously outside the classic insurance business through our digital "low-cost carrier" **CHERRISK** and in our corporate health start-up **SanusX**.

Dear Shareholders, "UNIQA 3.0 – Seeding the Future" is an **attractive strategic programme for our investors**. Average annual premium growth of 3 per cent, a significant reduction in the expense ratio to approximately 25 per cent and a reduction in the combined ratio to a net 93 per cent enable a **return on equity of between 8 and 10 per cent**. We want to **return the dividend per share to pre-coronavirus levels and increase it once again each year – at a payout ratio of between 50 and 60 per cent in each case**. The regulatory solvency ratio should be well above 170 per cent every year, and we plan to reduce our leverage ratio from the current level of around 42 per cent to well below 35 per cent.

The difficult transformation year 2020 proved how strong our core business is across Europe. We are building on this with UNIQA 3.0 and driving forward decisively with further developments in our corporate Group. On behalf of all UNIQA employees, I would like to thank you for your interest in our work and for your trust, and I am very confident that we will justify this in the first year of our new "UNIQA 3.0 – Seeding the Future" strategic programme.

Vienna, April 2021

Best regards,

Andreas Brandstetter
on behalf of the Group Executive Board

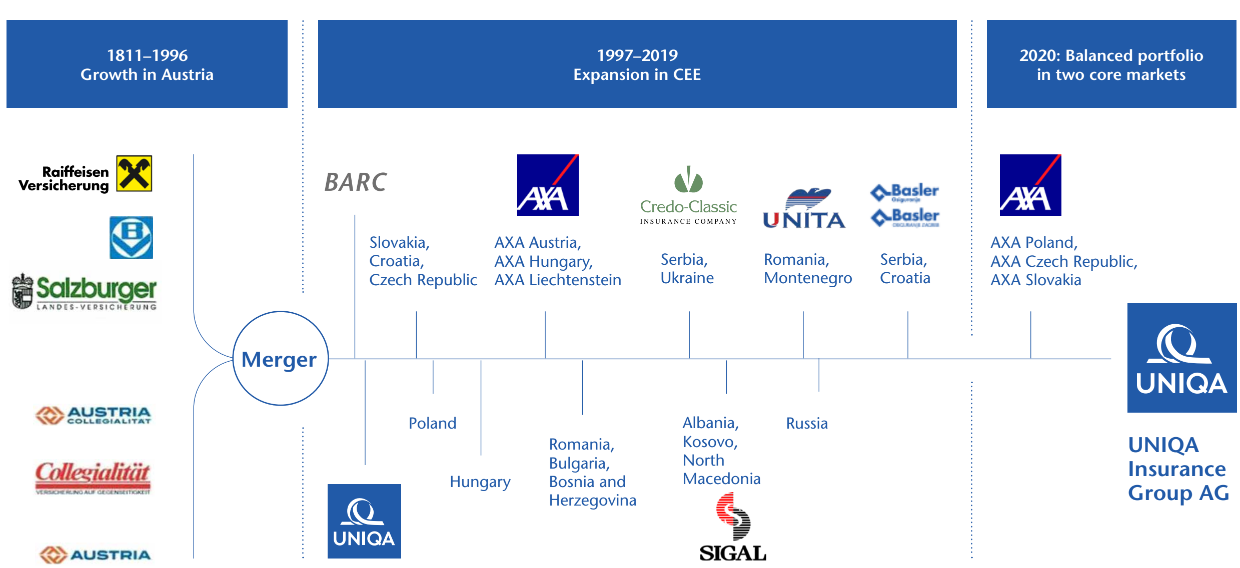
What we **STAND FOR**

Living better, together.

Since 1811, people have been trusting us and insuring themselves with us, and our mission has not changed since then: risks that cannot be borne by the individual alone are shared across the shoulders of our community. We rely on this combined strength of our community to make a difference in our customers' lives and to provide them with services that go beyond pure protection.

Looking after more than 15 million people in 18 countries, we see it as our mission to improve the lives of our customers and their families as reliable companions and as inspiring coaches with innovative offers and services that are relevant every day, while at the same time using our combined strength in exactly the same way to support the sustainable and responsible development of our society and environment.

Active as a service provider for over 200 years



RESPONSIBLE for more than 15 million customers

Providing first-class service to around 15.5 million customers in Austria and Central Europe is the basis for the success and future potential of the UNIQA Group. While we are traditionally firmly anchored in our home market of Austria, we are pursuing a course of consistent growth in CEE. The acquisition of the AXA companies in Poland, the Czech Republic and Slovakia considerably strengthened our market position in this promising region last year in particular.

Austria: strong brand, strong position

We have been operating our insurance business in our home market of Austria for more than 200 years. With a market share of around 21 per cent, we are now the second-largest Austrian insurance company, and rank first in the health insurance segment. We service 3.7 million customers in Austria, either directly or through our banking and sales partner Raiffeisen.

The key factors in our healthy market position are innovative products, a powerful sales force and the firmly established UNIQA and Raiffeisen brands. The significant economic growth expected following the end of the Covid-19 crisis, a stable political environment and a prudent regulator also open up good prospects for the future. This is because there is still potential in the Austrian insurance market: Austrians currently spend €2,002 on average on insurance each year. This is still relatively low compared with other western European countries, especially given the high standard of living in Austria.

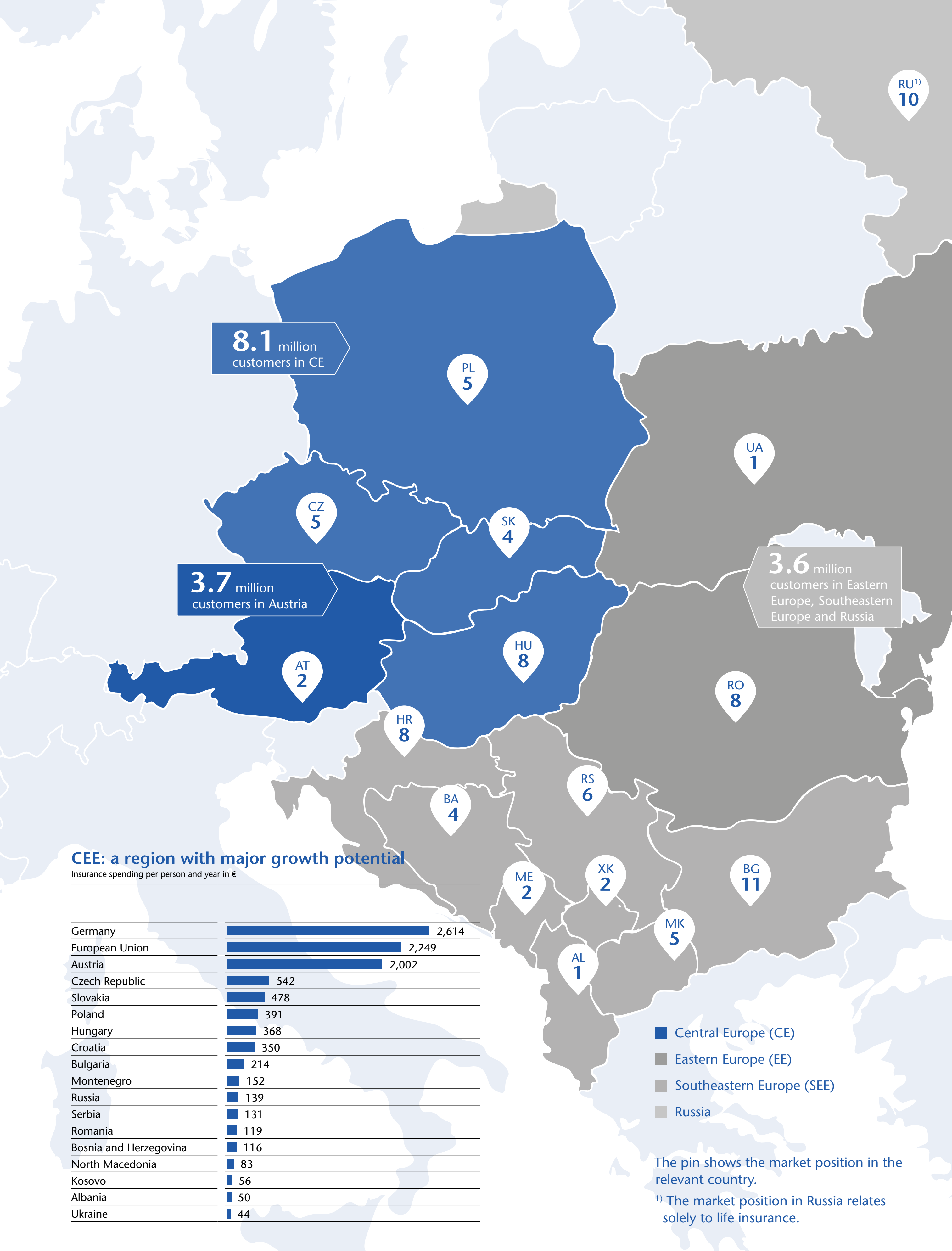
CEE: Significant catch-up potential in insurance density

Insurance expenditure in Central and Eastern Europe is currently still well below this level. With an average annual premium of €233 per capita, CEE contributes a total of around 40 per cent to UNIQA Group premiums following the acquisition of the AXA companies in Poland, the Czech Republic and Slovakia. Yet the region is catching up: the average premium per capita is already around €425 in the more developed Central European insurance markets of the Czech Republic, Hungary, Poland and Slovakia, which we have defined as our second core market, and this trend is on the rise.

This represents an attractive potential for UNIQA: with around 11.7 million people, three quarters of our customers already live in CEE. This region, which is home to around 155 million people, or even more than 300 million when Russia is included, has been experiencing a remarkable economic upswing for years. Although Covid-19 also caused a noticeable economic slump here last year as well, the performance of the insurance markets in the region overall was largely stable. And the insurance density will also increase once again as the overall economic situation continues to improve following the pandemic.

This is because with growing prosperity, insurance for apartments and homes as well as personal protection products, such as accident and health insurance, are gaining more ground in addition to motor vehicle liability insurance, which traditionally represents the largest volume in CEE.

We are also relying on a strong sales force in CEE and on our well-established partnership with Raiffeisen and, in some countries, with Addiko and mBank, in order to exploit this growth potential. Overall, these sales partnerships with the well-established regional banks provide us with access to approximately 19 million of their customers in twelve countries.



CEE: a region with major growth potential

Insurance spending per person and year in €

Germany	2,614
European Union	2,249
Austria	2,002
Czech Republic	542
Slovakia	478
Poland	391
Hungary	368
Croatia	350
Bulgaria	214
Montenegro	152
Russia	139
Serbia	131
Romania	119
Bosnia and Herzegovina	116
North Macedonia	83
Kosovo	56
Albania	50
Ukraine	44

The pin shows the market position in the relevant country.

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

GROUP EXECUTIVE BOARD

Andreas Brandstetter, 51

has been a member of the Management Board since 2002 and its Chairman since 2011. Before joining UNIQA, he was head of the EU office of the Austrian Raiffeisen Association in Brussels. He holds a doctorate in political science having studied in Vienna and the USA (University of California, San Diego) and completed an Executive MBA at California State University, Hayward/IMADEC. Andreas Brandstetter completed his postgraduate studies at the Stanford Graduate School of Business and Harvard Business School. He was elected President of Insurance Europe in May 2018, the representative body of European insurance and reinsurance in Brussels.

Peter Eichler, 59

has worked as a member of the Management Board at various Group companies since 1999, and has been responsible for personal insurance and asset management for the entire Group since 2020. He is Chairman of the Health and Life Insurance segments at the Austrian Insurance Association (VVO). In addition to studying commercial science, he also studied law at the University of Vienna, which he completed with a doctorate. He graduated from the University of St. Gallen and Harvard Business School Executive Programmes.

Wolf-Christoph Gerlach, 41

has been responsible for Operations since 2020. A graduate in business administration, he began his career with the Allianz Group before joining UNIQA's International Bank Sales in 2008 and subsequently headed the Group Strategy Division from 2010 until 2012. He then served as Chief Operations Officer of our Romanian subsidiary for four years, before joining the Management Board for Retail at UNIQA Hungary in 2016. Wolf-Christoph Gerlach completed his postgraduate studies at Harvard Business School.

Peter Humer, 49

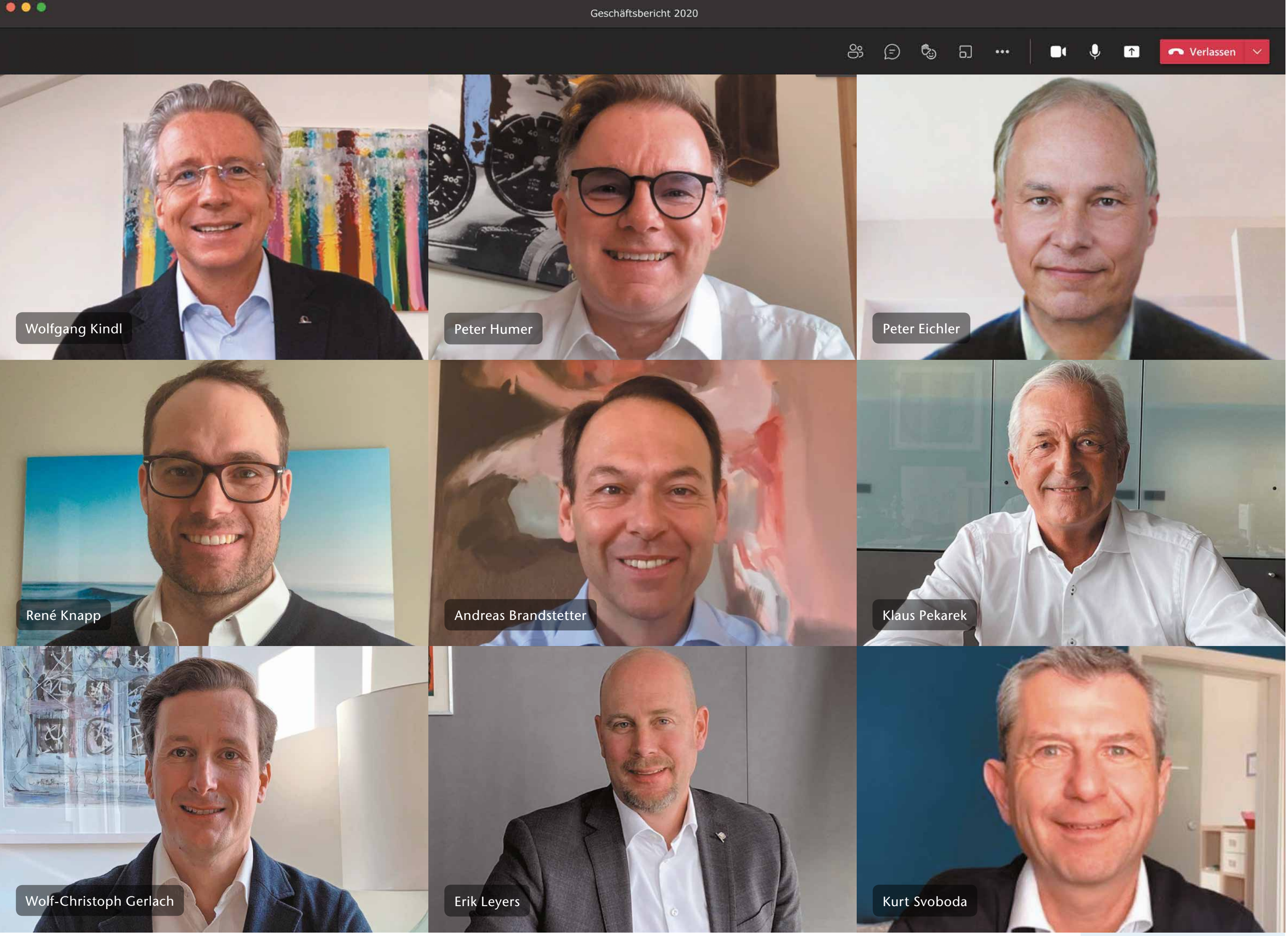
has been responsible for Customers & Markets Austria since January 2020. With a doctorate in social and economic sciences (Johannes Kepler University in Linz), he started his professional career at UNIQA in 1996 in sales, followed by various national and international positions in the Group. He assumed the position of Provincial Director in Salzburg in 2009 and also became a member of the Management Board at Salzburger Landes-Versicherung AG. Peter Humer became a member of the Management Board for Sales at UNIQA Österreich Versicherungen AG in 2017. He completed further studies at Harvard Business School in 2019.

Wolfgang Kindl, 54

has been responsible for Customers & Markets International since January 2020. Wolfgang Kindl has worked for the UNIQA Group since 1996, managing our Swiss subsidiary in Geneva from 2000 to 2004 and acting as Managing Director of UNIQA International from 2005. He was appointed to the Group Management Board in 2011 and was head of UNIQA International as Chairman of the Management Board. He completed doctoral studies in social and economic sciences at the Vienna University of Economics and Business, as well as postgraduate studies in environmental management at Danube University Krems. Wolfgang Kindl completed postgraduate studies at the IMD in Lausanne and at Harvard Business School.

René Knapp, 38

has been the Management Board member responsible for Human Resources, Brand and Sustainability since January 2020. The mathematics graduate (Vienna University of Technology) and recognised actuary (Austrian Actuarial Society, AVÖ) began his career at UNIQA in 2007 and took over responsibility for the life insurance actuarial department in 2010. He became head of Group Actuarial in 2012, which was expanded as of 2015 to include Risk Management followed by Security Management. In addition to his activities for UNIQA, René Knapp is not only committed to the actuarial profession as a member of the Management Board of AVÖ and the Risk Management Committee of the Actuarial Association of Europe (AAE), but has also held numerous guest professorships at the University of Salzburg and the Vienna University of Technology. He also completed executive programmes at Harvard Business School and the Sloan School of Management (MIT).



Erik Leyers, 51
has been a member of the Management Board since 2015 and is responsible for Data & IT. The doctor of economics (Ludwig Maximilian University of Munich) began his professional career as a research assistant at his home university before joining McKinsey in 2001 as a consultant and project manager. He held an executive position at the Allianz Group in Munich from 2003 onwards, where he was responsible for business development, shared services and global non-IT and IT procurement. Erik Leyers also completed postgraduate studies at Harvard Business School.

Klaus Pekarek, 64
has been responsible for the function Customers & Markets Bancassurance Austria since January 2020. He has been working for the UNIQA Group since 2009, when he took over as CEO of Raiffeisen Versicherung AG. The doctor of law (Karl Franzens University in Graz) also completed a degree in business administration and is a certified banker. He began his career as a contract assistant for finance and commercial law at the University of Graz and the University of Klagenfurt. He took over the management of the legal and audit department of Raiffeisenlandesbank Carinthia in 1984, and was Chairman of its Management Board for twenty years from 1988. He completed his postgraduate studies at Harvard Business School.

Kurt Svoboda, 53
has been responsible for finance and risk management on the Group Management Board since July 2011. He was also CEO of UNIQA Österreich Versicherungen AG from December 2017 until June 2020. He began his career at KPMG Austria GmbH in Vienna in 1992, before joining the Group as Managing Director of UNIQA Finanz Service GmbH in 2003 after holding management positions at the Wiener Städtische Group (now VIG) and AXA Versicherung AG. Kurt Svoboda studied business administration in Vienna, specialising in international taxation and insurance management, and completed an international management course (IMEA) at the University of St. Gallen, as well as postgraduate studies at the Stanford Graduate School of Business and Harvard Business School.

What we **WANT TO BE**

More than just an insurance company.

Moving towards a **SUCCESSFUL FUTURE**

Society is facing some huge challenges: in addition to continued low levels of interest rates, the Covid-19 pandemic is also causing a severe crisis in the real economy. Housing and pension provision are becoming more expensive, with wealth distribution more unequal. People in Europe are getting older and having fewer children. Digitalisation provides opportunities for innovation, but also causes upheaval within society and the economy. Climate change and natural catastrophes are already posing major challenges to the world's agriculture and impacting on people's health. These factors also leave companies such as UNIQA with questions regarding how they plan to steer their course for the future in order to remain successful over the long term. Against this background, UNIQA formulated its UNIQA 2.0 long-term strategy as early as 2011.

UNIQA 2.0 (2011–2020) Laying a solid foundation

A lot has happened at UNIQA since the UNIQA 2.0 Group strategy was launched in 2011 – from doubling of our customer base to a significant increase in our earning power in the insurance business, through to the largest IT investment programme in our history. The latest highlight has been the acquisition of the AXA subsidiaries in Poland, the Czech Republic and Slovakia with a total of five million customers. We feel that we are in a strong position to develop our Group further as a result of all these developments, with a focus on the future within the framework of UNIQA 3.0.

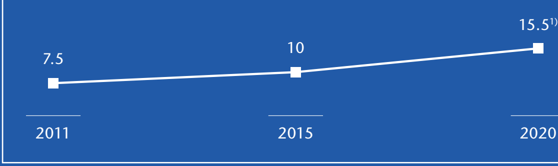
UNIQA 2.0
Objectives –> Successes

1 Customer growth

Double the number of customers from 7.5 million to 15 million by 2020

Number of customers +107%

In million



2 Concentration on the core business

Concentrate on the core business: primary insurance in both core markets, Austria and CEE

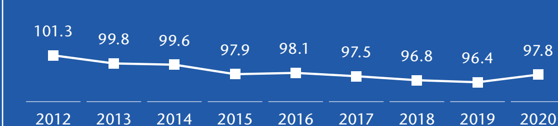
	Disinvestments	Investments
Regional	Insurance companies in Germany and Italy	Basler (Croatia, Serbia), AXA (Poland, Czech Republic, Slovakia), EBRD shares (CEE)
Business	Hotels, media groups	Hospitals

3 Implementation of key programmes

– UNIQA Austria: increase profitability
– Raiffeisen Insurance: increase productivity
– UNIQA International: profitable growth
– Risk/return: management based on values

Combined ratio –3.5 pp

In per cent



4 Solid capital base

– Strengthen equity
– Lighter and exchange-friendly Group structure
– Re-IPO 2013

Economic capital requirement ratio (ECR/SCR) +62 pp

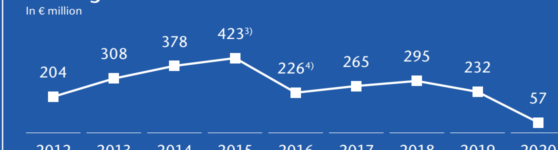
In per cent

5 Attractive financial figures

Improving earnings before taxes by up to €400 million

Earnings before taxes

In € million



Dividend per share

In cents

[1] Including the AXA companies
[2] 2019, 2020: regulatory solvency capital requirement (SCR)
[3] Including Italian contributions
[4] Excluding Italian contributions
[5] Proposal to the Annual General Meeting

UNIQA 3.0 (2021–2025) Seeding the future

We want to see a sustainable increase in our relevance in our customers' lives based on this healthy starting position. This guiding principle forms the starting point for our new UNIQA 3.0 strategic programme. If we are to meet this objective, we need to evolve further once again. Yet the focus has changed. It is not enough for us to be just an insurance company. We must and we also want to become more than that.

Megatrends are permanently changing our business segment.

To begin with, we looked at the question of what the future will be like for people in general. Therefore, we closely examined the most significant global megatrends and their impact on our business. We used the results to create the UNIQA World Picture 2030, which also forms the basis for the UNIQA 3.0 strategic programme.

- Low interest rates and a shift in economic power
  In addition to the consistently low levels of interest rates, we are about to see one of the biggest crises ever to hit the real economy due to the Covid-19 crisis. We are already feeling the effects of the low interest rate policy in many areas: housing and pension provision are becoming more expensive, with wealth distribution becoming more unequal, and the concentration of wealth increasing. Public debt is growing at an alarming rate in Europe, and we can only imagine today the burdens that this will place on our society in future.

- Demographic and social change
  People in Europe are getting older and having fewer children. The need for private provision is increasing. The population could decline from 160 million in 2019 to 153 million in 2030, for instance in UNIQA's core markets according to current estimates. There are several reasons for this: net migration and fertility rates are falling, while the mean age is rising. Around 25 per cent of the Austrian population will be 65 or older in 2030. The trend towards urbanisation is also expected to increase despite the coronavirus pandemic: 60 per cent of the population in Austria lived in urban areas in 2018; this figure may reach 70 per cent by 2050.

- Innovation and digitalisation
  Digitalisation provides opportunities, but also causes upheaval within society and the economy. Competitors from outside the industry are intensifying the competitive environment. Automation and artificial intelligence will replace humans in many areas; conversely, new job profiles will also emerge. The automation of standard manual activities and use of artificial intelligence represent the two main areas here. A remarkable 40 per cent of activities currently carried out by humans could be automated. A trend can also be recorded towards increased cooperation. There will be more partnerships for instance between full-service insurance companies and FinTech start-ups: the proportion of 32 per cent in 2016 compares with 45 per cent in 2017, and this proportion is expected to continue to rise significantly to 82 per cent between 2020 and 2023.

- Climate change and sustainability
  Resources are becoming scarcer and climate change already represents a major challenge to us in the areas of agriculture and human health. New solutions need to be found. The annual damage caused by flood events in Austria will increase from an average of €400 million to a predicted €1.6 billion by 2065. The requirements related to climate protection are increasing in this context: the EU has set an objective of reducing emissions by 40 per cent by 2030 as compared with the levels from 1990 and making Europe the first climate-neutral continent by 2050. The trend towards urbanisation is intensifying: 60 per cent of the population in Austria lived in urban areas in 2018; this figure will reach 70 per cent by 2050.

These megatrends are having a major impact on the structure of society and the macroeconomy, as well as on people's behaviour and their relationship with consumption, plus their expectations related to insurance. This means that our business and our "ecosystems" of health, provision, housing and mobility are also being significantly affected.

Our response: UNIQA 3.0

The "UNIQA 3.0 – Seeding the Future" growth programme represents a positive response to the challenges that arise with these megatrends. Our overriding vision is to improve the health and prosperity of our customers, as opposed to simply averting or mitigating the consequences of illness, harm and loss. We ensure a maximum focus on the customer for this by consistently aligning ourselves with our customers' needs and further developing business segments that enable us to have more positive touch points with our customers.

As inspiring coaches we want to be reliable companions for our customers in improving their lives. People want to feel that someone is taking care of them. And we do this better than anyone else.

We will be the leader among service providers for a better life. Our Guiding Principles help us to act in line with this approach. As inspiring coaches, we carry an unwavering attitude in our hearts towards the world around us. An attitude that is positive, humane, builds on the strength of our community and creates benefits at all levels.

Customer first

We are organised around the customer segments Retail, Corporate and Affinity, and Banking. We focus resolutely on our customers' needs and requirements and ask them for their opinions. Customer feedback with five-star ratings shows us whether we are living up to this principle.

Responsible

We all take responsibility as a company and seek out the best and fastest solutions for our customers. We act in an entrepreneurial and customer-focused way, rather than based on bureaucracy or policy. We take decisions and also give our colleagues this space.

Community

We also support each other beyond our established responsibilities in order to serve our customers as effectively as possible. We are committed to continuously improving our cooperation. We live diversity as part of everyday life – intolerance and exclusion have no place in our company.

Simplicity

We prioritise the benefits provided by simple solutions above those of best-in-class solutions. We place personal conversations and discussions above written communication in our cooperation and reduce the number of recipients to just those expected to take action. We always respond promptly and to the point.

Integrity

We stand firmly by our values and policies in all our actions. Transparent communication forms part of our everyday life. We do everything we can to keep the promises we have made.

Our **BUSINESS OBJECTIVES** 2021–2025

Cost efficiency and profitability	Net reduction in operating costs by €50 million
Attractive employer	
New business models	€100 million in turnover
Top 5 in international focus markets	Top 5 position retained in non-life in Poland, the Czech Republic, Slovakia and Hungary
Market leader in Austria	First place in property and health insurance
Best service provider	

Core financial initiatives **UNIQA 3.0**

	Core financial initiatives	Operational performance indicators
Growth	**1. Austria – market leadership in** property/casualty and health insurance **2. CEE – No. 5 in the market** **3. New business segments** – SanusX, CHERRISK	**Premium growth 2025: ~3%**
Earnings	**4. Cost reductions for Austria & synergies with AXA CEE** **5. Increased profitability** – property/casualty insurance **6. Stabilisation of the portfolio** – life insurance	**Total cost rate 2025: ~25%** **Combined ratio 2025: ~93%** **Return on equity 2025: 8–10%**
Quality	**7. Strong solvency position** **8. Attractive dividends** **9. Debt reduction** (leverage ratio)	**Solvency ratio 2025: >170%** **Payout ratio: 50–60%** **Leverage ratio 2025: <35%**

Strategic pillars

We are focusing on standardising, simplifying and scaling our existing business as well as on maximum efficiency increases and the targeted development of new business segments in implementing these ambitious objectives. The significant strategic pillars of this programme are as follows:

- **Austria and CEE will remain our core markets**
  Our two core geographic markets remain Austria and CEE; here, the focus will be on Poland, the Czech Republic, Slovakia and Hungary. In the past, 65 per cent of all customers, 30 per cent of premiums and 25 per cent of income came from CEE. As a result of the successful integration of the AXA companies acquired in 2020, 75 per cent of customers will come from CEE in future, and we aim to generate more than 40 per cent of premiums and more than 50 per cent of our income with these customers. The CEE countries are therefore clearly gaining in strategic importance: this is because a wider diversification of our profit sources improves our economic stability and makes us less dependent on unexpected developments in individual markets.

- **Optimisation and expansion of the existing business**
  The Group restructuring already initiated in the previous year as well as thorough cost restructuring and optimisation form the basis for implementing the ambitious objectives of UNIQA 3.0. We defined a number of critical initiatives for this. These involved topics such as our processes, IT and data, the organisational structure, new business models, as well as attractive key financial figures we intend to achieve. In Austria these programmes are aimed at securing and expanding UNIQA's strong market position, particularly in the area of health insurance, strengthening profitability in property and casualty insurance through the reduction of administrative costs, efficient claims processing and improved pricing, and stabilising the life insurance portfolio through an increased focus on capital-preserving and biometric products. The focus in CEE is on the integration of the AXA companies and further expansion of business based on the solid foundations created in the past and the positive growth and prospects for convergence in the region. We will consolidate and expand our position further among the top five here in the medium term.

  In addition to massive savings in material costs in Austria, the reduction of around 600 existing jobs over the next 24 months, combined naturally with other accompanying measures, will ensure a net sustainable cost reduction of more than €50 million per year.

- **Access to new markets: structure in line with customer segments instead of business lines**
  By merging UNIQA Austria and UNIQA International into one company and thereby reducing the number of Management Board members, we have already taken a first step towards a customer-focused organisational structure in 2020. Effective 1 January 2020, all operational insurance companies of the UNIQA Group are now organised according to the customer segments Retail, Corporate and Affinity, and Banking instead of the previous business line structure. This enables us to address the individual customer groups in a much more focused manner across the boundaries of product lines or families and, in addition to further increasing customer satisfaction and loyalty, should also lead to a growth in premiums. The continuous strength of the UNIQA brand, an attractive and easy-to-understand product portfolio, transparent pricing, cross-border cooperation, customer-specific affinity programmes and a wide range of digital tools and services form the basis for this. Another key success factor is a corporate culture that is actually implemented in practice, through which UNIQA positions itself as an inspiring coach for its respective customer groups.

  UNIQA had already launched the largest innovation programme in the company's history in 2016 with an investment of more than €500 million. These investments – most of which are used for the purposes of redesigning our business model as well as for the necessary IT systems and digital innovations – are having a lasting effect. Covid-19 has most recently even accelerated the development of digital offers for UNIQA customers, particularly in the health sector.

- **Opening up attractive new business models: CHERRISK and SanusX**
  In addition to simplifying and optimising our business model and reducing our cost base, we are also focusing on two completely new and disruptive concepts as part of our company's further development: the purely digital, app-based sales platform CHERRISK for simple travel, household and accident insurance policies that can be cancelled at any time, and the subsidiary SanusX, which was founded in April 2020 in the aim of driving development of our Group into a holistic healthcare provider. This means that we are specifically promoting innovation and developing new business models that go beyond pure insurance.

CHERRISK – digital expansion to Germany

CHERRISK by UNIQA

With its digital second brand CHERRISK (cherrisk.com), UNIQA is expanding to Germany based on the positive experiences in Hungary, with further steps into other western European countries also possible in future. As a purely digital sales platform, CHERRISK provides simple travel, household and casualty insurance options that can be cancelled at any time. The CHERRISK GO app also promotes the health of customers in a fun way by rewarding health-conscious behaviour and thereby supporting charitable initiatives. This way, the journey leads back to the risk community, and therefore to the roots of insurance. This is because customers are able to use the bonus points collected – known as cherries – to protect their own assets and to avoid damage through risk-conscious behaviour, as well as to do good for society by making donations.

We have also invested around €40 million in start-ups in the FinTech, InsurTech and digital health sectors in recent years through the corporate incubator programme UNIQA Ventures and currently hold 26 financial investments here throughout Europe. In addition to providing us with an increase in value, these investments have even more significantly provided us with more than 25,000 new customers thanks to innovative business models.

- Adjustments in asset management focused on earnings and sustainability
  UNIQA will be investing more in illiquid assets going forward with more attractive yields, such as infrastructure debt & equity, private equity and mortgage loans, instead of in government bonds in order to support current earnings. Alongside this, UNIQA is also pursuing a clear sustainability strategy with its investments: supported by the high market power of insurance companies, it is consistently pursuing its exit from the coal business, which was decided in 2018 and has already largely been implemented, both as an investor and as an insurance company. UNIQA has already invested around €600 million in infrastructure investments today, with around €200 million of this in projects aimed at promoting the energy transition (wind and solar energy, hydropower, energy generation from waste). UNIQA also issued a green bond with a value of €200 million in July 2020. The plan is to establish a portfolio of €1 billion in sustainable investments by 2025.

- Increased earnings for our owners
  Safeguarding and strengthening the Group's financial position is a central element of UNIQA 3.0, which should naturally also have a positive effect on UNIQA's shareholders. We see it as our duty to offer our shareholders both an appropriate return on the capital invested as well as dividends that are consistently stable. This is based on the targets for premium growth formulated for 2025 (around 3 per cent), the combined ratio in property and casualty insurance (around 93 per cent), the total cost rate (around 25 per cent), the return on equity (>9 per cent), the solvency ratio (>170 per cent) and customer satisfaction rate (4.5 stars out of five). This should enable UNIQA to earn its capital costs on a sustainable basis, as well as to repay part of its liabilities and distribute solid dividends at the same time.

SanusX – rethinking health

sanusx
FOR A HEALTHIER SOCIETY

Founded in April 2020, the subsidiary SanusX (sanusx.com) is responsible for the UNIQA Group developing into a holistic healthcare provider that goes beyond the pure insurance business. Placing people and their needs at the centre, SanusX develops and scales innovative business models that contribute to a healthier society, in line with the motto: "Stay healthy and get healthy." We are aiming for turnover in the region of €100 million overall with SanusX by 2025.

UNIQA is able to build on its experience as Austria's leading health insurer with the LARA network (comprising laboratories, physicians, X-rays, pharmacies) with more than 260 partners, around 100 VitalCoaches and five hospitals (PremiQaMed) and therefore already has a high level of expertise in the healthcare sector. SanusX has already launched its first product in response to the rising Covid-19 case numbers: SanusX Health Shield offers fast, easy and reliable Covid-19 testing to companies at individual locations throughout Austria.

ASCENT into the premier league in CEE

Acquisition of AXA subsidiaries in Poland, the Czech Republic and Slovakia

Around 5 million customers, 2,100 employees and €800 million in premiums – these are the key figures from those companies in the French AXA Group in Poland, the Czech Republic and Slovakia, which UNIQA acquired in 2020, thereby making it one of the leading insurance groups in CEE. The object of purchase was insurance companies in the life and non-life sectors as well as securities companies, pension funds and service companies of the AXA Group in these three countries. UNIQA has therefore managed to invest available capital in profitable cash-generating business.

A perfect strategic fit

The AXA companies fit brilliantly into UNIQA's long-term growth strategy. They complement the Group's existing business with their focus on profitable retail business, a balanced product mix and a solid sales network perfectly. With this acquisition, the UNIQA Group is strengthening its position in the highly competitive CEE growth markets on a sustainable basis and moves from number seven to number five in the region as a whole. The companies acquired by AXA enjoyed first-class management and hold an excellent position in the market. The UNIQA Group is gaining private and corporate customers with this transaction in three growth markets in which it has already been very profitable. The product mix at the companies is well balanced with 35 per cent life business and 65 per cent property business.

A 20-year record of success in CEE

UNIQA has almost 30 years of experience in CEE. The first steps in the region involved investments in the Czech Republic and Slovakia in the early 1990s, followed by further acquisitions in Croatia, Poland and Hungary at the turn of the millennium. With the launch of the UNIQA 2.0 long-term strategic programme introduced in 2011 and completed in 2020, the company defined the countries of Central and Eastern Europe as its second core market alongside Austria. The Group operates under the UNIQA brand in all countries except Russia.

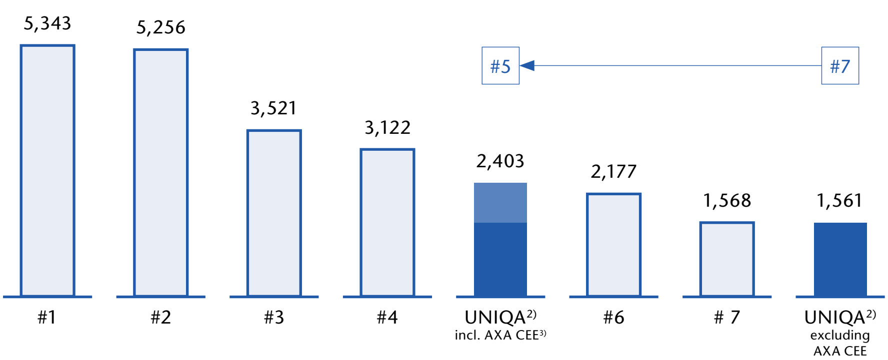
Before the acquisition, UNIQA was number ten in the Polish market with 1.5 million customers, number six in the Czech Republic with 800,000 customers and number four in Slovakia with 500,000 customers. AXA in turn brought in 3.2 million customers in Poland, 800,000 in the Czech Republic and 750,000 in Slovakia, making UNIQA number five in terms of premiums in Poland and the Czech Republic and further consolidating its fourth place in Slovakia.

Region with major potential

This transaction means that the Group has invested in three growth markets in Eastern Europe with a population of more than 50 million people and with economies that have expanded much more quickly than Austria's in recent years. With average growth rates of 3 per cent over the last ten years, the growth rate for GDP in these countries is significantly higher than that of Austria, which was approximately 1.6 per cent. This transaction means that UNIQA has invested in sustainable and lasting growth, as

Ascent to the Top 5 in CEE[1]

Gross premiums in € million



[1] Excluding Russia, adjusted for currency effects
[2] Including Russia
[3] Including pensions

the economic dynamism in the CEE region is expected to continue in the long term and to remain significantly above that of Austria and western Europe.

Unique opportunity, rapid closing

With an acquisition price of around €1 billion, this was both the largest company acquisition in the history of UNIQA Insurance Group AG (UNIQA) and the largest acquisition in the Austrian insurance industry in Central and Eastern Europe to date. The transaction, which was agreed with AXA at the beginning of February 2020, was formally closed on 15 October once all required approvals had been granted. The transaction was therefore completed rapidly within eight months, despite the challenging situation and extensive travel restrictions as a result of Covid-19. The European Commission had already approved the takeover in July, with the regulatory approvals provided in the countries concerned following this.

Rapid integration and use of synergies

Integration of the acquired companies began immediately after the closing on 15 October, and these should be largely completed by the end of 2022 under the current plan. UNIQA expects significant profit contributions from the new companies as early as 2021, and these should increase further as the integration progresses. With a current premium volume of just under €850 million, the contribution of the AXA companies including synergies is expected to grow to around one quarter of the total earnings before tax by 2025.

The main objective of integrating the acquired companies into the UNIQA Group is to exploit synergies and economies of scale, which should bring positive effects of up to €45 million annually overall from 2023. However, this requires substantial investments that will continue until 2022. The above savings represent 15 to 20 per cent of the current cost base of both the existing and new subsidiaries and also include a headcount reduction involving between 600 and 700 full-time employees. Specific measures include the consolidation of numerous roles, the introduction of UNIQA's new Target Operating Model, accelerated digitalisation and automation, the consolidation of systems and projects and the harmonisation of IT platforms. Alongside this, the expanded UNIQA Group in CEE will benefit from the complementary expansion of its product range and the use of the knowledge and expertise available in the AXA companies.

Fit for the **FUTURE**

Reducing costs and increasing efficiency in Austria

A thorough restructuring of the cost base and optimisation of our existing business represent a significant element of UNIQA 3.0 and a key prerequisite for achieving the ambitious objectives under the programme. We must reduce high administrative costs at times of negative yields on government bonds, which threaten the income of both our clients and our shareholders. We have the potential of catching up with our biggest competitors here, including in an international comparison. Overall, we will make a net saving of €50 million per year in administration costs compared with 2019. The majority of this will be achieved in Austria.

Measured against the cost base for 2019, this equates to a highly ambitious reduction in administrative costs of just under 10 per cent. Since there are high investments for IT and the fulfilment of new regulatory requirements at the same time, this means a reduction target of around €125 million gross per year, which we must achieve by 2022. 70 per cent of this – i.e. approximately €85 million per year – relate to material costs, and around 30 per cent, i.e. €40 million, to personnel costs. This means a reduction in our headcount in Austria by around 600 full-time employees.

All areas of the company will play their part in reducing these costs, from sales and IT, which will be affected the most in absolute terms, to finance and general administration. In terms of cost types, the focus is on external IT and other consulting costs, which will be saved primarily through restructuring and increased implementation of projects using internal resources. Optimisation of our sites across Austria will be another key factor.

We are aiming for a total cost ratio of 25 per cent overall in relation to premium volume across the Group by 2025, which is a reduction of around four percentage points compared with current levels. However, this does not detract from our goal of positioning ourselves as the best service provider and most attractive employer in the industry. This is ensured by the targeted streamlining of our organisation, extensive process simplifications and market access focused strictly on the customer, as well as simplification and standardisation of our product portfolio and optimisation of our pricing.

Broad combination of measures

These overall objectives include a wealth of individual measures that run through all of UNIQA's business areas and activities in Austria:

- **Optimisation of our location network** is one key area for action. Examples include the closure of 35 service centres and the development of successful field sales employees into general agencies. In addition, just three hubs (West, Central and East) will perform partner service, HR and administrative tasks in future instead of nine regional offices.

  These measures will both reduce personnel costs, and also enable significant savings in material costs. In addition, strict cost discipline will contribute to the fulfilment of the objectives at the regional office level.

Further savings in personnel and also in material costs are intended to ensure streamlining and also strict cost discipline at head office.

- We are also planning a series of **improvements in sales alongside this:** combined with the development of successful field sales employees mentioned above, we are setting our sights here on a future growth course for the profitable agency route. This not only increases our local presence, but also reduces our administrative costs at the same time. Further savings will be made by adjusting the span of management in field sales. In future, we also want to manage our cooperation with brokers based on the evaluation of individual earnings.

- We will be consolidating market research, product marketing, product development, pricing, sales and customer management by customer groups (Retail/Corporate) in a single department in each case going forward in an effort to ensure that our **product policy and sales management** is even more targeted. This end-to-end focus is intended to make our decision-making processes and the implementation of adopted measures much more efficient and effective.

We are also planning to streamline our entire product landscape and give it a modular design at the same time. The development of the product landscape is facilitated by daily customer surveys that provide ongoing input and also enable a feedback process for measures and any corrections that may be required. We will be realigning customer loyalty based on our new CRM system and the highly successful myUNIQAplus app. In addition to serving our loyal regular customers, we will be placing a special focus on new customers under the age of 27, as we still see catch-up potential in the insurance sector among this group.

We will in future create earnings forecasts at the level of individual clients and link these directly to our pricing regulations so as not to lose sight of earnings when expanding our client portfolio. We are not least ensuring a positive risk selection through this. In general, we are focusing on risk-appropriate pricing in line with the market, with a short time-to-market as well as a consistent pricing system across all sales channels.

Efficient organisational structure

Processes focused around the customer

Higher productivity

What is **IMPORTANT** to us

Transparency, dialogue and fairness.

INSPIRING COACHES
for our customers

We also redefined our vision as part of our efforts to formulate the new UNIQA 3.0 strategic programme. The key principles of this are: "As inspiring coaches we want to be reliable companions for our customers in improving their lives. People want to feel that there is someone who cares, and we do this better than anyone else. We will be the leader among service providers for a better life." In order to turn this ambitious claim into reality, we have entirely restructured the way that we cultivate the market and therefore the support that we provide to our customers as of the beginning of 2021, switching from the original business line structure to a structure in line with customer segments. A host of other measures accompany this fundamental new direction.

All operational insurance companies of the UNIQA Group were organised according to the **Retail**, **Corporate** and **Banking** customer segments effective 1 January 2021 instead of the previous business line structure. This enables us to address the individual customer groups in a much more focused manner across the boundaries of product lines and, in addition to further increasing customer satisfaction, should also lead to a growth in premiums. In addition to the continuous strength of the UNIQA brand, an attractive and easy-to-understand product portfolio, transparent pricing, cross-border cooperation, customer-specific affinity programmes and a wide range of digital tools and services form the basis for this.

An important building block for this is consistent digitalisation of our business, for which we already laid the foundations in 2016: the investment programme of more than €500 million adopted at that time is the largest innovation programme in the company's history. These investments – most of which are used for the purposes of redesigning our business model as well as for the necessary IT systems and digital innovations – are having a lasting effect. Covid-19 has most recently accelerated the development of digital offers for UNIQA customers, particularly in the health sector.

Depending on the region and customer segment, different detailed strategies and corresponding measures follow from the fundamental new direction for our market access, which are presented in the following overview.

UNIQA Austria

In Austria we are striving to safeguard and expand our strong market position, particularly in the area of health insurance, and to strengthen profitability in property and casualty insurance. We are undertaking a major effort to reduce costs and increase efficiency at the same time (see also the chapter "Fit for the future", p. 26). This creates the basis for us to continue to offer our customers the highest quality in the insurance market at competitive prices. It also at the same time supports our overriding objective of positioning ourselves as the best service provider and most attractive employer in the industry. This is ensured by the efforts to streamline our organisation, extensive process simplifications and a strictly customer-focused market approach, as well as simplification and standardisation of our product portfolio.

- In terms of customer segments, we are striving to achieve further growth in exclusive sales and distribution in our domestic market in the **Retail** segment, which comprises around 2.6 million customers. Regular customer earnings ratings help us to design our services even more around target groups and at the same time support our efforts to increase profitability.

  We would like to address different types of customers on a more individual basis going forward, focusing on the areas of mobility, housing, pension provision and health. The UNIQA Customer Platform (UCP) ensures comprehensive support with a 360-degree perspective, while digital offers such as myUNIQA or our myUNIQAplus and myUNIQAplus Youth customer loyalty programmes complement the range of services available and respond in particular to the increased demand for digital services.

- In the **Corporate** segment we want to position ourselves more intensively as a local corporate insurer. We are developing special affinity solutions for individual sectors in order to be able to offer our customers tailor-made solutions for their individual needs; additional services such as healthcare services are also planned in the medium term. We also rely on automation and digitalisation in our standard business with corporate clients with the support of the Corporate Business Navigator, our Group-wide IT platform for underwriting, sales and risk management.

- In the **Banking** segment, we are expediting the sale of unit-linked products in view of the low interest rate environment. This way we are supporting sustainable long-term pension provisions. We want to grow in business lines that are linked to the Bank's financing business, e.g. term life or home insurance. These products will be mapped directly in the regional digital bank (via "Mein ELBA" app and "Smart Beratung" solution of the Raiffeisen bank) in order to provide optimum support for this growth.

- In terms of business lines, we want to increase our market share in Austria in **property and casualty insurance** through a modular, standardised product architecture, while in **life insurance** we are striving for a balanced distribution of risks by expediting unit-linked products with a bullet guarantee, in view of the low interest rate environment. Further sustainable fund products will follow here in future. Lastly, in **health insurance**, we plan to develop our inpatient services while maintaining high levels of profitability. Simultaneously, we are also working intensively on the development of automation-supported health checks.

UNIQA Austria: safeguarding and expanding our strong market position

- We are working intensively in Austria to improve our production for the sake of our customers. This includes increasing the cross-policy rate in claims settlement as well as optimising manual activities, e.g. by reducing service elements that are required for operations, consistent process simplification and further automation. This will also be clearly felt by the customers through service improvements.

UNIQA International: exploiting the high potential in CEE

UNIQA International

Strengthened by the acquisition of AXA subsidiaries in Poland, the Czech Republic and Slovakia, we want to make targeted use of the continued high potential in CEE thanks to high GDP growth rates and low insurance density compared with western Europe. We are relying on a radical transformation of our business model with this through digitalisation, increased comparability, more transparency, hybrid offers for different channels, as well as cross-border customer-focused services. While we are building on an all-lines approach in all customer segments in our four core CEE markets of the Czech Republic, Slovakia, Poland and Hungary, we are taking a more selective approach in the remaining CEE markets in line with the respective market conditions. We are relying on a joint venture with RBI in Russia, whereas Liechtenstein serves as a hub for our digital business models. There will be a standardised evaluation according to economic criteria in place for each country as of 2022.

- In the **Retail** segment in CEE, we are focusing on a uniform product architecture across all countries, further streamlining of our product range, standardised pricing models and a multichannel approach in sales. The Group-wide harmonisation and automation of our process landscape also falls under this aspect. This is expected to bring a significant increase in service quality, particularly in our four core markets. Our general focus in this customer segment is on service-oriented, hybrid and digital-savvy customers as well as on microenterprises, and we are accelerating our efforts in the profitable non-motor business in particular.

- State-of-the-art risk engineering is a high priority for us in the **Corporate** segment in CEE. Our focus here is on property insurance and affinity programmes, i.e. offers for our customers' own clients. Employee benefits in health, accident and life insurance are an important example of this. The Corporate Business Navigator mentioned above enables centralised management across all process steps with this.

- In the **Banking** customer segment, which is still small but profitable and which we manage together with RBI and in some countries additionally with Addiko and mBank in CEE, our focus is on the retail customers of our banking partners. In addition to further developing our product portfolio, the priority here is on improving our process and service standards and sustainably optimising our portfolio quality. Other important focal points are continued digitalisation and the creation of alternative sales channels. The plans for the new Digital Sales Platform (DSP) will support the banks' omnichannel strategy in full.

- In the area of **Operations** in CEE, our focus will be on the standardisation of our core processes and integration of the AXA companies acquired in 2020 into our IT infrastructure. The overriding objective is to reduce internal complexities so that we can help our clients quickly and efficiently whenever they need us.

(MOST) ATTRACTIVE employer

The UNIQA Group has also set out plans for its employees with its new UNIQA 3.0 strategic programme. The overriding objective is to become the most attractive employer in the industry by 2024. Specifically, UNIQA wants to achieve a score of at least 4.5 stars on a scale of one to five. A wealth of measures have been designed to achieve this, with a plan to implement these consistently over the next few years, and this in an environment that is not exactly straight-forward, particularly for Human Resources.

HR management is also facing considerable challenges in the same way as the UNIQA Group as a whole. A clear strategy and various other measures are also required therefore with regard to employees in order to be able to achieve the ambitious objectives of the new UNIQA 3.0 Group strategy. This has already become inevitable as a result of external requirements, such as comprehensive digitalisation, new job profiles and working models, new working techniques as well as changes in the aspirations of potential employees. Work as such is changing massively due to new activities and jobs, digital media and working from home; at the same time the demands on employees are also shifting, as different and new skills are increasingly required, and the geographical working environment is undergoing significant transformation.

UNIQA also faces various internal challenges, such as an upcoming wave of retirements in Austria, the requirement for even greater Group-wide harmonisation of HR standards and processes, and a resource situation that is under strain overall. On the one hand, the coronavirus pandemic, integration of the companies acquired from AXA in Poland, the Czech Republic and Slovakia as well as the preparations for and implementation of the headcount reduction currently under way in Austria have placed additional demands on HR over the past year.

On the other hand, the high level of employee satisfaction at UNIQA accompanied by the well-established brand is a positive factor. Ratings of 3.9 out of five stars in an employee survey in Austria in August 2020 and 4.0 out of five stars on company satisfaction website kununu reinforce this finding.

Irrespective of this, UNIQA needs to implement changes and also improvements in many areas, from HR management to the structure of the working environment, in order to be able to continue to compete for the best talents in the future. In summary, there are three main lines of impact here:

- Ensuring an attractive **employee experience** from recruitment and onboarding through to leaving the company; digital solutions, rapid feedback and continuous improvement are essential elements of this.
- Ensuring that more openness, personal responsibility and innovation are enshrined in a **new corporate culture** where shared objectives take precedence over those of the individual and where meaningful work is possible.
- Making change visible by designing a **working environment for the future** that is flexible in time and place and offers workspaces that are adapted to different work activities.

Four strategic pillars …

Our employees are the most important resource and the real capital at UNIQA. We are therefore making targeted investments in existing and future employees, while at the same time strengthening our diverse, performance- and people-oriented culture in our efforts to become the most attractive employer in the financial services industry. This should be reflected accordingly not least in UNIQA's employer branding.

Four strategic pillars define our overall course:

❶ People & Culture

We are transforming our corporate culture and providing an outstanding employee experience.

❷ Brand & Communication

We remain the leading brand in our region, including as an employer.

❸ Sustainability

We incorporate environmental and social objectives within our corporate governance structures.

❹ Diversity

We promote diversity out of conviction because it creates innovation and growth.

... five key action areas for HR

As far as the strategic area "People" is concerned, i.e. the direct field of Human Resources, we have defined five key action areas where we want to work on improving our attractiveness as an employer over the next years. The overriding objectives in all of this are to improve the entire "employee journey" and to initiate the cultural transformation sought within the framework of UNIQA 3.0.

- The **Employee Experience** action area forms the first essential pillar. We will continue to make our recruiting process even more professional in this regard, create a Group-wide harmonised evaluation system (five-star rating) and develop both onboarding as well as offboarding even further. This way, we are creating Group-wide minimum standards that we will continuously improve based on structured employee feedback. It ensures that we can integrate and retain the talents that we have engaged as effectively as possible in all business segments. We measure our success based on employee satisfaction. Other key components of this action area include the planned development of career paths and establishment of the UNIQA brand as Austria's leading employer brand.

- The **Employee Engagement** action area based on our strategic declarations and our non-financial strategy, conveys the target image of a shared corporate culture. The objective is to create a culture that is based on community and that follows the same principles across the entire Group. It should support employees in all regions and business segments in establishing end-to-end responsibility and improving cross-functional cooperation. To this end, the topic of corporate culture at UNIQA is formulated in highly specific terms and in a way that can be measured. Comprehensive change management and credible internal communication are aimed at making the new corporate culture a tangible concept, which will also be easy to appreciate through the establishment of a so-called "culture radar".

- The **Learning & Leadership** action area involves designing new leadership programmes, while at the same time focusing more on performance measurement. We are gradually establishing a new remuneration system with a longer-term character, which also includes non-financial targets for the first time. We are also working on defining a "learning" strategy. The specific objectives include enabling agile ways of working, preparing for future digital and hybrid working environments, as well as ensuring further compulsory training. We are promoting the effective and efficient deployment of our employees and also supporting our transformation in the international environment through all these initiatives.

- Our initiatives in the **Digital Skills** action area are the foundation of almost all other activities in the HR field. The existing human resources management system is being modernised based on new methods for classifying and segmenting activities and forms the basis for new analysis and analytics capabilities. In particular, this enables the introduction of strategic human resource planning, which allows for forward-looking, future-oriented planning for our capabilities and resources. Digitalisation of HR processes will also enable our managers to perform their leadership tasks much more independently and more effectively than before.

- The coronavirus crisis is not the only factor to have highlighted that digitalisation and technical progress will bring huge changes to the workplace of the future. For UNIQA, the **Future of Work** action area, which is also anchored in a separate organisational unit, will continuously analyse this process, evaluate technical possibilities and develop new concepts.The focus here is on new ways of working and workplaces of the future, as well as on tasks such as analysing labour and training markets in order to support strategic human resources planning. In the short and medium term, the expansion of mobile working options, the introduction of shared desk concepts at all sites, support for employees and managers in transitioning to modified working environments and support for IT in scaling agile ways of working are all on the agenda.

❶ Employee Experience

We offer an outstanding employee journey in line with standards across the entire Group.

❷ Employee Engagement

We shape a culture of inspiring coaches in line with our approach and principles.

❸ Learning & Leadership

Further development, reflection and feedforward are at the heart of management work.

❹ Digital Skills

We are digitising our processes and developing data-based management.

❺ Future of Work

We are designing the workspaces and ways of working for the future.

Diversity

The strategic pillar of diversity, which is also highly relevant for employees, is defined by a clear commitment both internally and externally that diversity results in significantly more innovation and growth. We have created the role of a dedicated Diversity & Inclusion Officer as of August 2020 in order to highlight this. UNIQA is focusing on all dimensions related to diversity, although three specific objectives are being pursued as a priority: more women in management positions, equal pay for work of equal value and good cooperation between generations. We have developed a comprehensive UNIQA diversity strategy alongside this. In addition to the three objectives already mentioned, this also focuses more on issues such as work/life balance, internationality and cultural diversity, integration of people with disabilities, and respect for all sexual orientations and identities.

We are working specifically on enshrining and promoting diversity and inclusion within the structure and organisation at UNIQA in the Diversity@UNIQA project. Aware that confronting our own unconscious biases is the most important prerequisite for living diversity as part of everyday life, a workshop was held in September 2020 with board members on the topic of "Unconscious Bias". A mandatory module "Unconscious Bias. Inclusive Leadership" was introduced in the newly launched "#leader_ship" programme for all managers as a logical next step.

We launched structured surveys on diversity at the same time in the fourth quarter of 2020: one example of this is the new Women's Career Index, an important tool for determining where we stand and for measuring and managing our gender equality objectives. The DisAbility Performance Check serves the same objective and is intended to provide starting points for effective measures for more inclusion of people with disabilities at UNIQA.

The women's network "Women with Power – Network Now" established in November 2020 involved the introduction of an initiative aimed at enabling experiences to be exchanged, and at the same time supports the professional development of women and identifies any obstacles. More than 70 women provided strong momentum at the launch event. The "Get ready" event in June 2020 was dedicated to generation management as a focal point for diversity.

The current figures show that there is still a long way to go in terms of women holding leadership roles: at 56 per cent, there are more women working in the UNIQA Group than men (44 per cent). However, the proportion of women on the management boards at our insurance companies is just 23 per cent across the Group, and 42 per cent in management as a whole.

More information on diversity management can be found in the Corporate Governance Report starting on page 38.

Investment with **POTENTIAL**

UNIQA remains a solid investment. Despite the coronavirus pandemic and the one-off expenses associated with the new UNIQA 3.0 strategic programme, we can point to solid business development for 2020 and are proposing a dividend of 18 cents per share. As the market leader in the attractive Austrian health insurance sector and thanks to the completed acquisition of the AXA companies in CEE, which makes us a top 5 player in the region, we have positioned ourselves perfectly in our two core markets. Our medium-term growth potential is intact and, together with our robust capital resources, we have a strong foundation on which to shape a successful future.

The stock markets were mostly positive despite the Covid-19 pandemic

The 2020 equity year started on a clearly positive note for the majority of equity markets. However, the global stock market experienced a dramatic slump due to the outbreak of the Covid-19 pandemic and the associated lockdowns in the first quarter of 2020. The downward trend was stopped as early as mid-March 2020, however, thanks to the broad-based rescue measures implemented by central banks and governments: the promise to provide liquidity to financial markets and government support to economies led to a turnaround in global equity markets. As a result, the majority of global stock markets had recovered by the end of the year, even recording substantial price gains in some cases. In particular, the successful development and approval of a highly effective vaccine to combat the Sars-CoV-2 virus in October 2020 further fuelled recovery on the equity markets. The example of the world stock index MSCI World, which gained around 6 per cent at the end of 2020, highlights that the rescue policy for the global stock market was successful, despite the dramatic losses in March.

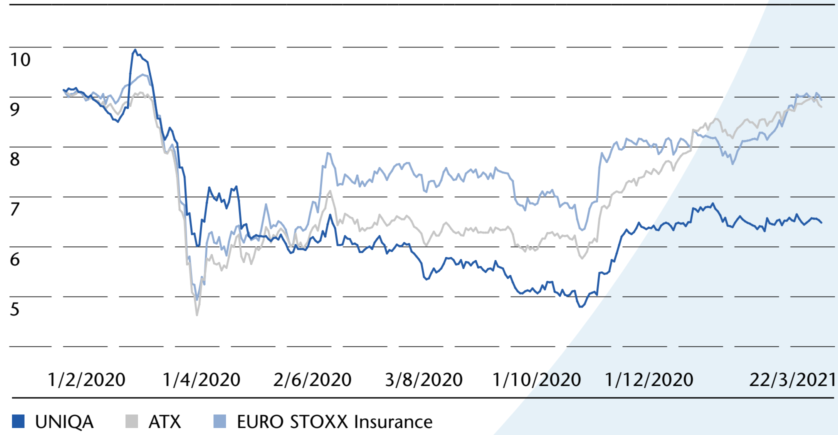
The outbreak of the Covid-19 pandemic also led to a dramatic slump on the stock markets in Europe. However, the downward trend was stopped as early as March 2020 thanks to the rescue measures implemented by the ECB and the respective governments. The European Union alone has allocated €750 billion to combat the economic consequences of the Covid-19 pandemic with the launch of the European Recovery Plan. The ECB's bond purchase programme (PEPP) also made a significant contribution to easing the financing conditions in the eurozone, as this was increased further several times over the course of the year. However, the market opinion is that the resulting

EQUITY STORY

- Market leader in the profitable Austrian health insurance sector
- Integration of AXA companies in CEE makes significant contribution to results
- Radical cost reductions in Austria
- Solid capital position
- Increasing shareholder return

UNIQA share performance

In €



STAKEHOLDERS

lower yields on euro government bonds will remain at low levels in the near future. Unlike the USA, the European stock indexes have not yet been able to record a full recovery; the EURO STOXX 50 for instance showed performance of –2 per cent at the end of 2020. A return to pre-crisis levels is not expected before 2023 at the earliest according to leading economic research institutes. The pandemic's progression and a successful vaccination policy are crucial factors in the continued recovery of the economy.

UNIQA shares – key figures

In €

	2020	2019	2018	2017	2016
UNIQA share price as at 31 December	6.40	9.10	7.86	8.82	7.20
High	9.95	9.56	10.46	9.05	7.45
Low	4.78	7.84	7.72	7.09	5.04
Average stock exchange turnover/day (in € million)	4.3	3.3	4.7	5.6	5.2
Market capitalisation as at 31 December (in € million)	1,964.6	2,793.4	2,412.7	2,707.4	2,218.5
Average number of shares in circulation	306,965,261	306,965,261	306,965,261	306,965,261	308,129,721
Earnings per share	0.06	0.56	0.79	0.56	0.48
Dividend per share	0.18[1)]	0.18	0.53	0.51	0.49

1) Proposal to the Annual General Meeting

The Vienna Stock Exchange was unable to escape the fall in prices on the international stock markets. The leading index ATX, which is characterised by numerous financial stocks, lost almost 49 per cent at its lowest point in the first quarter. Although it recovered over the course of the year, boosted by the approval of the vaccine in October 2020, it still showed a loss of around 10 per cent for the year.

UNIQA shares continue to produce attractive yields

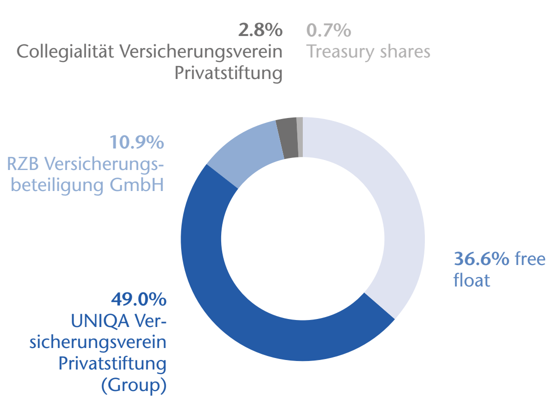
Following the successful re-IPO in October 2013 and the resulting sharp increase in liquidity, UNIQA shares have also been listed on Austria's leading ATX index since 2014. The UNIQA share price fell almost continuously over the course of 2020 through the impact of the coronavirus pandemic. It began the stock market year at €9.14 on 2 January and reached its high for the year of €9.95 on 12 February. Subsequently, however, the share price fell to around €6 and remained within this range over the summer months.

The UNIQA share reached its low for the year of €4.78 on 29 October 2020, only to rise slightly after this. In the end, the UNIQA share closed the 2020 stock market year at €6.40, thereby recording a year-on-year loss of around 30 per cent. The benchmark index for the European insurance industry, the Euro Stoxx Insurance, fell by around 11 per cent in the same period. At the beginning of 2021, the price of UNIQA shares moved sideways and amounted to €6.47 on 22 March 2021.

Financial calendar 2021

20 May	First Quarter Results 2021, Solvency and Financial Condition Report 2020
21 May	Record date for the Annual General Meeting
31 May	Annual General Meeting
10 June	Ex-dividend date
11 June	Dividend record date
14 June	Dividend payment date
19 Aug.	Half-Year Financial Report 2021
18 Nov.	First to Third Quarter Results 2021

Shareholder structure

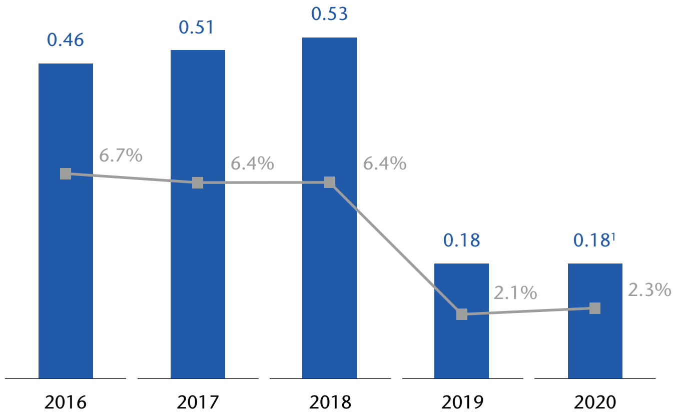


Shareholder structure unchanged

The shareholder structure of the UNIQA Group continues to be stable: the core shareholder UNIQA Versicherungsverein Privatstiftung (Group) holds a total of 49.0 per cent of the UNIQA shares. Of these, 41.3 per cent belong to Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, while UNIQA Versicherungsverein Privatstiftung holds 7.7 per cent. Raiffeisen Bank International AG is another core shareholder that holds 10.9 per cent of shares through RZB Versicherungsbeteiligung GmbH. Finally, the core shareholder Collegialität Versicherungsverein Privatstiftung holds 3.0 per cent of the UNIQA shares. The company's portfolio of treasury shares remains unchanged at 0.7 per cent. The free float amounted to 36.4 per cent by the end of 2020, and therefore represented more than one-third of total shares and a value of around €800 million.

Changes in the UNIQA dividend

In € (indexed)



[1] Proposal to the Annual General Meeting

■ Dividends in € ■ Dividend yield (average closing rate)

The shares of the three core shareholders are counted together as a result of their pooled voting rights. Reciprocal purchase option rights have also been agreed.

Dividend of 18 cents – despite the coronavirus and restructuring

Conscious of our responsibility for UNIQA's long-term sustainable development, and knowing that the capital invested by our shareholders is a concern of ours, it is important to us that our shareholders receive a fair share of the company's profits. On the basis of the separate financial statements of UNIQA Insurance Group AG, the Management Board will therefore propose to the Annual General Meeting the payment of a dividend of €0.18 per dividend-bearing share for the 2020 financial year. This means a dividend payment of around €55 million.

Our new UNIQA 3.0 strategy includes clear operational and financial targets up to 2025, including a return on equity of between 8 and 10 per cent and a payout ratio of between 50 and 60 per cent of consolidated profit. We therefore want to return the dividend per share to the level of the pre-coronavirus era in the medium term and increase it annually in line with rising company results.

UNIQA shares – information

Ticker symbol	UQA
Reuters	UNIQ.VI
Bloomberg	UQA AV
ISIN	AT0000821103
Market segment	Vienna Stock Exchange – prime market
Trade segment	Official Market
Indices	ATX, ATX FIN, VÖNIX, MSCI Europe Small Cap
Number of shares	309,000,000

In constant dialogue with the financial community

We attach the utmost importance to providing our shareholders, analysts, as well as the entire financial community with regular, comprehensive and up-to-date information regarding the company's ongoing performance. To this end, UNIQA's management team was available to answer questions from investors and analysts at numerous roadshows and investor conferences in 2020 and held a large number of one-on-one meetings. All reports and corporate information can be accessed online at www.uniqagroup.com. In addition, our investor relations team is ready to answer individual questions at any time.

RESEARCH

The following investment banks currently publish regular research reports on UNIQA shares:

- Commerzbank
- Erste Group Bank
- J.P. Morgan
- Kepler Cheuvreux
- Raiffeisen Centrobank

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Investor Relations
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Tel.: (+43) 01 21175-3773
E-mail: investor.relations@uniqa.at

Consolidated **CORPORATE GOVERNANCE** Report

UNIQA has been committed to compliance with the Austrian Code of Corporate Governance since 2004 and publishes the declaration of conformity both in the Group report and on www.uniqagroup.com in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly available at www.uniqagroup.com and www.corporate-governance.at.

The Corporate Governance Report and the Consolidated Corporate Governance Report of UNIQA Insurance Group AG are summarised in this report in accordance with Section 267b in conjunction with Section 251(3) of the Austrian Commercial Code.

Implementation and compliance with the individual rules in the Austrian Code of Corporate Governance, with the exception of Rules 77 to 83, are evaluated annually by PwC Wirtschaftsprüfung GmbH. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out based mainly on the questionnaire, published by the Austrian Working Group for Corporate Governance, for the evaluation of compliance with the Code. The reports on the external evaluation in accordance with Rule 62 of the Austrian Code of Corporate Governance can also be found at www.uniqagroup.com.

The Supervisory Board is supported by Vienna Strategy HUB GmbH with self-assessments of the Supervisory Board regarding the efficiency of its activities (Rule 36 of the Austrian Code of Corporate Governance).

UNIQA also declares its continued willingness to comply with the Austrian Code of Corporate Governance as currently amended. However, UNIQA deviates from the provisions of the Code as amended with regard to the following C rules (comply or explain rules), and the explanations are set out below.

Rule 49 of the Austrian Code of Corporate Governance

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of assets, there are a number of contracts with companies related to individual members of the Supervisory Board in which these Supervisory Board members discharge duties as members of governing bodies. If such contracts require approval by the Supervisory Board in accordance with Section 95(5)(12) of the Austrian Stock Corporation Act (Rule 48 of the Austrian Code of Corporate Governance), the details of these contracts cannot be made public for reasons of company policy and competition law. All transactions are in any case entered into and processed on an arm's length basis.

Members of the Management Board

Name	Responsible for	Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements
Andreas Brandstetter, Chief Executive Officer (CEO) * 1969, appointed 1 January 2002 until 30 June 2024	Strategy & Transformation, UNIQA Ventures, New Business Areas (Health), Group General Secretary, Auditing, Art Insurance (until 31 July 2020)	▪ Member of the Supervisory Board of STRABAG SE, Villach ▪ Member of the Advisory Board of the KHM Association of Museums, Vienna
Peter Eichler, Personal Insurance * 1961, appointed 1 July 2020 until 30 June 2024	Product Development – Health, Life & Casualty, Health Inpatient Benefits, Asset Management (UCM/UREM)	
Wolf-Christoph Gerlach, Operations * 1979, appointed 1 July 2020 until 30 June 2023	Applications, Contracts & Customer Service, Property–Motor Vehicle/Property/Casualty Insurance, Life & Health Outpatient Benefits, Business Organisation (incl. OPEX & GPO), Purchasing & Administration, Group Service Centre (Nitra)	
Peter Humer, Customers & Markets Austria * 1971, appointed 1 July 2020 until 30 June 2024	Regional offices, Retail (Product Development & Pricing for Motor Vehicle and Standard Property Business, Sales Service, Sales Management), Corporate (Product Development & Risk Engineering for Corporate Property Insurance, Affinity Business, Art Insurance (since 1 August 2020)), Digitalisation	▪ Member of the Supervisory Board of Salzburg Wohnbau GmbH, Salzburg
Wolfgang Kindl, Customers & Markets International * 1966, appointed 1 July 2020 until 30 June 2024	Retail (Product Development & Pricing for Motor Vehicles and Standard Property Business, Sales Service, Sales Management), Corporate (Product Development & Risk Engineering for Corporate Property Insurance, Major/International Brokers, Affinity Business), Bank International (Product Service, Sales Service, Sales Management), New Insurance Solutions, Mergers & Acquisitions, Performance & Change Management International, General Secretariat International	
René Knapp, HR & Brand * 1983, appointed 1 July 2020 until 30 June 2023	Strategic Personnel Management, Operating Personnel Management, Brand & Communication, Ethics, Sustainability & Public Affairs, Works Council	
Erik Leyers, Data & IT * 1969, appointed 1 June 2016 until 30 June 2024	Data Management, UITS, UIP Project	▪ Member of the Supervisory Board of Raiffeisen Informatik Geschäftsführungs GmbH, Vienna

Management and monitoring functions in significant subsidiaries	Number of UNIQA shares held
▪ Chairman of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 July 2020) ▪ Chairman of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana ▪ Chairman of the Supervisory Board of SIGAL LIFE UNIQA Group AUSTRIA sh.a., Tirana ▪ Chairman of the Board of Directors of UNIQA Re AG, Zurich	as at 31 December 2020: 124,479 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Member of the Management Board of UNIQA International AG, Vienna (until 8 December 2020) ▪ Chairman of the Supervisory Board of PremiQaMed Holding GmbH, Vienna ▪ Member of the Supervisory Board of Valida Holding AG, Vienna ▪ Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest ▪ Member of the Board of Directors of UNIQA Versicherung AG, Vaduz ▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Warsaw ▪ Member of the Supervisory Board of UNIQA LIFE Private Joint Stock Company, Kiev (until 31 December 2020) ▪ Member of the Supervisory Board of UNIQA poisťovňa a.s., Bratislava (since 15 January 2021) ▪ Member of the Supervisory Board of AXA Życie Towarzystwo Ubezpieczeń S.A., Warsaw (since 15 October 2020) ▪ Chairman of the Board of Directors of UNIQA GlobalCare SA, Geneva (Member of the Board of Directors until 19 March 2021)	as at 31 December 2020: 9,669 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 January 2020) ▪ Member of the Supervisory Board of UNIQA Asigurari de Viata SA, Bucharest (since 3 March 2021) ▪ Member of the Supervisory Board of CherryHUB BSC Korlátolt Felelősségű Társaság, Budapest ▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 15 March 2021) ▪ Member of the Supervisory Board of AXA životní pojišťovna a.s., Prague (since 15 March 2021) ▪ Member of the Supervisory Board of AXA pojišťovna a.s., Prague (since 15 March 2021)	as at 31 December 2020: 6,570 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Vice Chairman of the Supervisory Board of UNIQA International AG, Vienna (until 8 December 2020)	as at 31 December 2020: 7,937 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 July 2020) ▪ Chairman of the Management Board of UNIQA International AG, Vienna (until 8 December 2020) ▪ Vice Chairman of the Board of Directors of UNIQA Versicherung AG, Vaduz (until 22 January 2021) ▪ Chairman of the Supervisory Board of UNIQA Asigurari SA, Bucharest ▪ Chairman of the Supervisory Board of UNIQA Asigurari de Viata SA, Bucharest ▪ Chairman of the Supervisory Board of UNIQA Insurance plc, Sofia ▪ Member of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana ▪ Member of the Supervisory Board of SIGAL LIFE UNIQA Group AUSTRIA sh.a., Tirana ▪ Chairman of the Supervisory Board of UNIQA Biztosító Zrt., Budapest (until 31 December 2020) ▪ Chairman of the Supervisory Board of UNIQA poisťovňa a.s., Bratislava (until 15 January 2021) ▪ Chairman of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (until 15 March 2021) ▪ Chairman of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń na Życie S.A., Warsaw ▪ Chairman of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Warsaw ▪ Member of the Board of Directors of UNIQA GlobalCare SA, Geneva (Chairman of the Board of Directors until 19 March 2021) ▪ Chairman of the Supervisory Board of UNIQA Insurance Company Private Joint Stock Company, Kiev (until 31 December 2020) ▪ Chairman of the Supervisory Board of UNIQA LIFE Private Joint Stock Company, Kiev (until 31 December 2020)	as at 31 December 2020: 17,848 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (since 1 January 2020) ▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (until 15 March 2021) ▪ Member of the Supervisory Board of UNIQA osiguranje d.d., Zagreb (until 4 March 2021) ▪ Member of the Supervisory Board of UNIQA poisťovňa a.s., Bratislava (until 15 January 2021)	as at 31 December 2020: 5,000 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Member of the Management Board of UNIQA International AG, Vienna (until 8 December 2020) ▪ Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest (until 14 October 2020) ▪ Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest (until 12 October 2020) ▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Warsaw ▪ Member of the Supervisory Board of AXA Ubezpieczenia Towarzystwo Ubezpieczeń i Reasekuracji S.A., Warsaw (since 15 October 2020) ▪ Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest ▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague ▪ Member of the Supervisory Board of AXA životní pojišťovna a.s., Prague (since 15 March 2021) ▪ Member of the Supervisory Board of AXA pojišťovna a.s., Prague (since 15 March 2021) ▪ Chairman of the Supervisory Board of UNIQA Group Service Center Slovakia, spol. s r.o., Nitra ▪ Chairman of the Supervisory Board of sTech d.o.o., Belgrade	as at 31 December 2020: 9,371 shares

Members of the Management Board

Name	Responsible for	Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements
Klaus Pekarek, Customers & Markets Bancassurance Austria * 1956, appointed 1 July 2020 until 30 June 2022	Product Service, Sales Service, Sales Management	
Kurt Svoboda, Finance & Risk Management * 1967, appointed 1 July 2011 until 30 June 2024	Legal & Compliance, Investor Relations, Controlling, Finance & Accounting, Actuarial Services, Risk Management, Regulatory Affairs, Reinsurance, Auditing	▪ Member of the Supervisory Board of Wiener Börse AG, Vienna

The work of the Management Board

The work of the members of the Management Board of UNIQA Insurance Group AG is regulated by the rules of procedure. The allocation of the business responsibilities as decided by the Group Management Board is approved by the Supervisory Board. The rules of procedure govern the obligations of the members of the Management Board to provide the Supervisory Board and each other with information and approve each other’s activities. The rules of procedure also specify a list of activities that require consent from the Supervisory Board. The Management Board generally holds weekly meetings in which the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions. In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

From 1 January 2020, all members of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG participated in the meetings of UNIQA Insurance Group AG with an advisory vote (Group Executive Board). Since 1 July 2020, the meetings of the Management Boards of UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG, which are composed of the same people, have been held as joint sessions.

The Management Board informs the Supervisory Board at regular intervals, in a timely and comprehensive manner, about all relevant questions of business development, including the risk situation and the risk management of the Group. In addition, the Chairman of the Supervisory Board is in regular contact with the CEO to discuss the company’s strategy, business performance and risk management.

Management and monitoring functions in significant subsidiaries	Number of UNIQA shares held
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Chairman of the Supervisory Board of UNIQA International AG, Vienna (until 8 December 2020) ▪ Vice Chairman of the Supervisory Board of Valida Holding AG, Vienna	as at 31 December 2020: 13,178 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna (Chairman of the Management Board until 30 June 2020) ▪ Member of the Management Board of UNIQA International AG, Vienna (until 8 December 2020) ▪ Chairman of the Board of Directors of UNIQA Versicherung AG, Vaduz (until 22 January 2021) ▪ Vice Chairman of the Board of Directors of UNIQA Re AG, Zurich ▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague (since 15 March 2021) ▪ Member of the Supervisory Board of AXA životní pojišťovna a.s., Prague (since 15 March 2021) ▪ Member of the Supervisory Board of AXA pojišťovna a.s., Prague (since 15 March 2021)	as at 31 December 2020: 17,797 shares

Members of the Supervisory Board

Name	Supervisory Board appointments in domestic and foreign listed companies	Management and monitoring tasks in significant subsidiaries	Number of UNIQA shares held
Walter Rothensteiner, Chairman * 1953, appointed 3 July 1995 until the 24th AGM (2023)		▪ Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 14 April 2020)	
Christian Kuhn, 1st Vice Chairman * 1954, appointed 15 May 2006 until the 24th AGM (2023)		▪ Vice Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 14 April 2020)	
Johann Strobl, 2nd Vice Chairman * 1959, appointed 25 May 2020 until the 24th AGM (2023)	▪ Member of the Supervisory Board of Tatra banka, a. s., Bratislava	▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020)	
Erwin Hameseder, 2nd Vice Chairman * 1956, appointed 21 May 2007 until 25 May 2020 (resigned)	▪ Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna ▪ Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna ▪ Vice Chairman of the Supervisory Board of STRABAG SE, Villach ▪ 2nd Vice Chairman of the Supervisory Board of Südzucker AG, Mannheim	▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (from 14 April 2020 until 25 May 2020)	
Burkhard Gantenbein, 3rd Vice Chairman * 1963, appointed 29 May 2017 until the 24th AGM (2023)		▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (Chairman of the Supervisory Board until 14 April 2020) ▪ Member of the Supervisory Board of UNIQA International AG, Vienna (until 8 December 2020)	as at 31 December 2020: 25,250 shares
Markus Andréewitch, Member * 1955, appointed 26 May 2014 until the 24th AGM (2023)		▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020)	
Marie-Valerie Brunner, Member * 1967, appointed 28 May 2018 until the 24th AGM (2023)		▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020)	as at 31 December 2019: 1,750 shares
Anna Maria D´Hulster, Member * 1964, appointed 20 May 2019 until the 24th AGM (2023)		▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020)	
Elgar Fleisch, Member * 1968, appointed 28 May 2018 until the 24th AGM (2023)		▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020)	
Martin Grüll, Member * 1959, appointed 20 May 2019 until the 24th AGM (2023)		▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020)	
Jutta Kath, Member * 1960, appointed 30 May 2016 until the 24th AGM (2023)	▪ Member of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna (since 25 May 2020) ▪ Member of the Board of Directors of UNIQA Re AG, Zurich		

Delegated by the Central Works Council	
Sabine Andre * 1966, since 20 May 2019	
Peter Gattinger * 1976, from 10 April 2013 until 26 May 2015 and since 30 May 2016	
Heinrich Kames * 1962, since 10 April 2013	as at 31 December 2020: 56 shares
Harald Kindermann * 1969, since 26 May 2015	as at 31 December 2020: 750 shares
Franz-Michael Koller (until 20 May 2020) * 1956, from 17 September 1999 until 20 May 2020	as at 20 May 2020: 912 shares
Irene Scheiber * 1965, since 20 May 2020	

Committees of the Supervisory Board

Committee	Chairpeople	Vice Chairman	Members	Delegated by the Central Works Council
Committee for Board Affairs	Walter Rothensteiner	Christian Kuhn	Burkhard Gantenbein, Erwin Hameseder (until 25 May 2020), Johann Strobl (since 25 May 2020)	
Working Committee	Walter Rothensteiner	Christian Kuhn	Elgar Fleisch, Burkhard Gantenbein, Martin Grüll, Erwin Hameseder (until 25 May 2020), Johann Strobl (since 25 May 2020)	Sabine Andre (since 20 May 2020), Peter Gattinger, Heinrich Kames, Franz-Michael Koller (until 20 May 2020)
Audit Committee	Walter Rothensteiner	Christian Kuhn	Anna Maria D'Hulster, Burkhard Gantenbein, Erwin Hameseder (until 25 May 2020), Jutta Kath, Johann Strobl (since 25 May 2020)	Sabine Andre (since 20 May 2020), Peter Gattinger, Heinrich Kames, Franz-Michael Koller (until 20 May 2020)
Investment Committee	Martin Grüll	Christian Kuhn	Marie-Valerie Brunner, Anna Maria D´Hulster, Burkhard Gantenbein, Jutta Kath	Sabine Andre (since 19 May 2020), Peter Gattinger, Heinrich Kames, Franz-Michael Koller (until 19 May 2020)
IT Committee	Markus Andréewitch	Jutta Kath	Marie-Valerie Brunner, Elgar Fleisch	Peter Gattinger (since 19 May 2020), Heinrich Kames, Franz-Michael Koller (until 19 May 2020)
Digital Transformation Committee (since 23 June 2020)	Elgar Fleisch (since 23 June 2020)	Burkhard Gantenbein (since 23 June 2020)	Markus Andréewitch (since 23 June 2020), Marie-Valerie Brunner (since 23 June 2020), Anna Maria D'Hulster (since 23 June 2020), Walter Rothensteiner (since 23 June 2020)	Sabine Andre (since 23 June 2020), Peter Gattinger (since 23 June 2020), Heinrich Kames (since 23 June 2020)

The work of the Supervisory Board and its committees

The Supervisory Board advises the Management Board in its strategic planning and projects. It decides on the matters assigned to it by law, the Articles of Association and its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board. It is comprised of ten shareholder representatives and five employee representatives, and it convened for seven meetings in 2020. Five decisions were made by way of circular resolution. All members of the Supervisory Board attended more than half of the meetings of the Supervisory Board in the 2020 financial year either in person, or virtually via telephone or video conference.

A Committee for Board Affairs has been appointed to handle the relationship between the company and the members of its Management Board relating to employment and salary; this committee also acts as the Nominating and Remuneration Committee and is composed of the members of the Executive Committee of the Supervisory Board. The Committee dealt with the remuneration strategy and succession planning in three meetings in 2020.

The Working Committee of the Supervisory Board is only called upon to make decisions if the urgency of the matter means that the decision cannot wait until the next meeting of the Supervisory Board. It is the Chairman's responsibility to assess the urgency of the matter. The resolutions passed must be reported in the next meeting of the Supervisory Board. Generally, the Working Committee can make decisions on any issue that is the responsibility of the Supervisory Board, but this does not include issues of particular importance or matters that must be decided upon by the full Supervisory Board by law. The Working Committee did not convene for any meetings in 2020. One decision was made by way of circular resolution.

The Audit Committee of the Supervisory Board performs the duties assigned to it by law. The Audit Committee convened for three meetings, which were also attended by the statutory auditor of the (consolidated) financial statements. The meetings dealt with all the documents relating to the financial statements, the Corporate Governance Report and the appropriation of profit proposed by the Management Board (each for the 2019 financial year). Furthermore, the audit of the 2020 financial statements of the companies of the consolidated group was planned, and the statutory auditor reported on the results of preliminary audits. In particular, the Audit Committee received quarterly reports from Internal Audit concerning audit areas and material findings based on the audits conducted.

The Investment Committee advises the Management Board with regard to its investment policy; it has no decision-making authority. The Investment Committee held four meetings during which the members discussed the capital investment strategy, questions concerning capital structure and the focus of risk management and asset liability management.

The IT Committee dealt with the ongoing monitoring of the progress of the project implementing the UNIQA Insurance Platform (new core IT system) over the course of four meetings.

The newly established Digital Transformation Committee held two meetings in 2020 in which it dealt with the digitalisation of core processes, the reduction in complexities in the product portfolio and the consolidation of digital work processes related to customers and employees.

The chairmen of the respective committees informed the full Supervisory Board about the meetings and their committees' work.

For information concerning the activities of the Supervisory Board and its committees, please also refer to the details in the Report of the Supervisory Board.

As the shareholder representatives are composed of the same individuals, the Supervisory Board of UNIQA Insurance Group AG meets in a joint session with the Supervisory Board of UNIQA Österreich Versicherungen AG.

Independence of the Supervisory Board

All members of the Supervisory Board elected during the Annual General Meeting have declared their independence under Rule 53 of the Austrian Code of Corporate Governance. Both Anna Maria D'Hulster and Jutta Kath also fulfil the criteria of Rule 54 of the Austrian Code of Corporate Governance, as they are not shareholders with a stake of more than 10 per cent and they equally do not represent the interests of this group.

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

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

- The Supervisory Board member should not have been a member of the Management Board or a senior executive of the company or a subsidiary of the company in the past five years.

- The Supervisory Board member should not maintain or have maintained within the last year any business relationship with the company or a subsidiary of the company that is material for the Supervisory Board member concerned. This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest, but does not apply to functions performed on decision-making bodies in the Group.

- The Supervisory Board member should not have been an auditor of the company or a shareholder or salaried employee of the auditing company within the last three years.

- The Supervisory Board member should not be a member of the Management Board of another company in which a Management Board member of the company is a member of the other company's Supervisory Board unless one of the companies is a member of the other company's group or holds an investment in the other company.

- The Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with a business investment or who are representing the interests of such a shareholder.

- The Supervisory Board member should not be a close family relative (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, niece or nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

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

UNIQA is convinced that a high degree of diversity can enhance its success on a sustainable basis. Diversity makes employees successful together and has a positive influence on corporate culture. In this context, diversity means different nationalities, cultures and a collective of men and women, especially in executive positions. Together, they contribute to the diversity of thought.

With Marie-Valerie Brunner, Anna Maria D'Hulster and Jutta Kath, three women have been elected to join the Supervisory Board of UNIQA Insurance Group AG. The proportion of female Supervisory Board members among the elected members (shareholder representatives) therefore amounts to the legally required 30 per cent. Sabine Andre was appointed to the group of employee representatives on the Supervisory Board on 20 May 2019, with Irene Scheiber appointed on 20 May 2020. At 40 per cent, the proportion of female Supervisory Board members among employee representatives therefore exceeds the 30 per cent required by law.

A total of nine Management Board members were appointed to the Management Boards of UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG in Austria in 2020, none of whom were women. However, because UNIQA is convinced that a high level of diversity at all levels can sustainably increase the company's success, the Management Board made a clear commitment in October 2020 to the objective of including more women in management positions. A multitude of different perspectives means that the relevant risks can be identified in good time, with better decisions made and the full potential for innovation exploited. Following the UNIQA transformation in the international companies, the board and executive levels show a share of women at 31 per cent (19 women and 43 men).

Of a total of 509 managers at the Austrian location, 158 are women, which corresponds to a share of 31 per cent. In the UNIQA Group's international companies outside Austria, 329 of a total of 678 managers are currently women, which equates to 48.5 per cent. In the entire UNIQA Group, the average number of female managers is 39.4 per cent (487 of a total of 1,187 persons).

Diversity concept

The development of a comprehensive diversity concept was continued consistently in 2020 and has now also been reflected within the organisation with the appointment of Ulrike Kienast-Salmhofer as Diversity & Inclusion Officer as at 1 August 2020. Three aspects were added to the priorities selected in 2019 and defined as specific objectives for upcoming years:

1. Women in management – more women in management positions
2. Compensation fairness – equal pay for work of equal value
3. Generation management – old and young together contribute to the success of the company
4. People with disabilities – integrate, promote and offer positions where they can use their strengths
5. Achieving a work/life balance
6. Internationality and background – using internationality and cultural diversity as a strength
7. Sexual orientation – all sexual orientations and identities are respected

Another workshop was held with Board members in September 2020 on the topic of unconscious bias. A mandatory module "Unconscious Bias. Inclusive Leadership" was introduced in the newly launched #leader_ship programme for all managers as a logical next step. UNIQA recognises that self-reflective confrontation with an individual's own unconscious prejudices is the most important prerequisite for practising diversity in everyday life.

Women in management

UNIQA has acknowledged that equal participation of women in all processes and at all levels in the company is a crucial competitive factor. The Women's Career Index was launched in the fourth quarter of 2020 as a well-founded assessment of the current situation aimed at pursuing the objective of more women in management positions in an even more structured and effective manner going forward. This has provided UNIQA with a tool to determine its standpoint regarding the topic as well as a way to measure and manage the company's equality objectives.

The women's network "Women with Power – Network Now" established in November 2020 involved the introduction of an initiative to exchange experiences, at the same time supporting the professional development of women and identifying any obstacles for that. More than 70 women from all areas of UNIQA provided strong momentum at the launch event.

UNIQA also constantly provides opportunities for personal development. The successful cooperation initiatives continued for instance with Female Founders and Business Riots. Even though the measures imposed as a result of the coronavirus required some changes to be made from March 2020, three female managers were able to take part in the three-month digital leadership programme Lead F, as well as to gain valuable insights from various events.

Improving work/life balance plays a clear role in equal opportunities. Important experiences from expanding working from home options in the context of the coronavirus crisis have given this topic particular momentum. In the sense of "smart working", a significant expansion of flexible working options is being evaluated for when the pandemic is over.

UNIQA was awarded the equalitA seal of approval for the internal promotion of women in November 2020 as a result of these initiatives, which were able to build on existing foundations. UNIQA sees this seal of approval, which is awarded by the Federal Ministry for Digital and Economic Affairs, primarily as a mandate to promote gender equality more forcefully and sustainably going forward.

Generation management

The UNIQA Group has continued to deal with the issue of how it can make even more targeted use of the age diversity in the company in future, optimise the transfer of knowledge and further promote intergenerational cooperation. The "Get ready" format launched in the previous year was used in this context, and the topic of generations in 2020 was covered as part of an event.

Transfer of knowledge was defined as a priority within the scope of the demography consultation. Its objective is to provide UNIQA managers with tools that enable a structured, appreciative and comprehensive handover when people with knowledge and experience leave the organisation.

People with disabilities

Following the preliminary work completed in previous years, UNIQA began an intensive collaboration with myAbility in 2020. In addition to participating in and supporting events, such as the myAbility Lounge in February and the Disability Comfort Day in November, UNIQA also became a member of the myAbility Business Forum. The myAbility Business Forum is the largest B2B network on the topic of business and disability in the German-speaking world. Its objective is to achieve an economy accessible to all.

The fourth quarter of 2020 also saw the launch of the DisAbility Performance Check at UNIQA. This initiative aims to provide a well-founded assessment of the current situation as well as starting points for effective measures aimed to enhance inclusion of people with disabilities at UNIQA.

UNIQA's fundamental stance against any form of exclusion or discrimination was underlined by numerous points. For example, the UNIQA Tower was illuminated with orange lights to commemorate the International Day for the Elimination of Violence against Women as part of the "Orange the World" campaign, and it glowed in purple on the International Day of People with Disabilities ("Purple Light Up" campaign). UNIQA was also one of the first companies in Austria to sign the #positiv arbeiten ("working positively") declaration, an initiative by the Austrian AIDS charity, "AIDS-Hilfen Österreich", to promote a working environment free from discrimination for people who are HIV-positive.

Remuneration Report

The Remuneration Report is prepared by the Supervisory Board of UNIQA Insurance Group AG in accordance with Section 78c of the Austrian Stock Corporation Act and will be submitted to a vote at the Annual General Meeting on 31 May 2021.

Risk report, directors' dealings

A comprehensive risk report (Rules 69 and 70 of the Austrian Code of Corporate Governance) is included in the notes to the consolidated financial statements. The notifications concerning directors' dealings in the year under review (Rule 73 of the Austrian Code of Corporate Governance) can be found in the Investor Relations section of the Group website at www.uniqagroup.com.

External evaluation

Implementation of, and compliance with, the individual rules in the Austrian Code of Corporate Governance were evaluated by PwC Wirtschaftsprüfung GmbH for the 2020 financial year – with the exception of Rules 77 to 83. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out based mainly on the questionnaire, published by the Austrian Working Group for Corporate Governance, for the evaluation of compliance with the Code.

The evaluation by PwC Wirtschaftsprüfung GmbH and Schönherr Rechtsanwälte GmbH confirming that UNIQA complied with the rules of the Austrian Code of Corporate Governance in 2020 – to the extent that these rules were covered by UNIQA's declaration of conformity – will be published simultaneously with the annual financial report for the 2020 financial year. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 22 March 2021

Andreas Brandstetter
Chairman of the
Management Board

Peter Eichler
Member of the
Management Board

Wolf-Christoph Gerlach
Member of the
Management Board

Peter Humer
Member of the
Management Board

Wolfgang Kindl
Member of the
Management Board

René Knapp
Member of the
Management Board

Erik Leyers
Member of the
Management Board

Klaus Pekarek
Member of the
Management Board

Kurt Svoboda
Member of the
Management Board

Report of the **SUPERVISORY BOARD**

Dear Shareholders,

We had barely set the structural and staff-related course for the future of the UNIQA Group at the end of 2019 when 2020 began with two major upheavals: the strategically important acquisition in Eastern Europe in February and the emergence of Covid-19 in March. I am dividing my report into three parts in order to give you a good overview of the work of the Supervisory Board in this special transformation year.

1. The most important features of 2020

The **first meetings of the year** were dedicated to the largest acquisition in UNIQA's corporate history: the Supervisory Board dealt intensively with the financial situation of the **AXA companies in Poland, the Czech Republic and Slovakia** at the time along with their development potential. We paid special attention to various options for financing the purchase price of approximately €1 billion as well as to possible effects on the leverage ratio, risk capital, solvency ratio and the applicable balance sheet items of our Group.

The Management Board and Supervisory Board were involved intensively with the possible **consequences of Covid-19** from the **second half of the first quarter**. The focus was on the potential impact on our clients, employees, business performance, risk modelling and profit forecasts, as well as the possible consequences for our dividends. The Supervisory Board held weekly discussions with the Management Board in the second quarter regarding the most significant decisions of the internal Covid-19 crisis team.

The **operating principles for our Supervisory Board** and all its committees also changed abruptly in the second quarter: All meetings of the Supervisory Board were held virtually from April onwards, with one exception in the summer. First of all, we had to learn how to handle this technically and in terms of Group dynamics. We soon realised that even better preparation of the written documents, strict meeting discipline and good time management would make a particularly effective contribution towards significantly increasing the quality and therefore the efficiency of our digital meetings. The decision to hold the **Annual General Meeting** virtually was not an easy one for us either – following the capital increase in October 2013, the "Re-IPO", active and modern capital market cultivation and therefore personal discussions with you as our shareholders are a key concern of the Management Board and Supervisory Board.

From the middle of the year, our work was focused on the details of our new **"UNIQA 3.0 – Seeding the Future" strategic programme**. Aligning the findings from the Covid-19 pandemic with the essential cornerstones of UNIQA 3.0 was of particular concern to the Supervisory Board here: are our assumptions still correct regarding how society and customer needs will evolve by 2030? Are there any new trends that we had not considered adequately prior to this? Do certain initiatives need to be prioritised differently by the Management Board? Can the promises made by the Management Board with UNIQA 3.0 be kept to you as shareholders, including the impact of Covid-19? We deliberately took a few months longer than originally planned for this discussion process and only took the relevant decisions at our last meeting of the year in November.

Due to the concentration of topics with major strategic importance, we had little time to reflect on the **quality of our cooperation within the Supervisory Board** over the course of the past year. At the same time, a significant need for constant further development of our activities and our capabilities has become apparent in an environment subject to dynamic and even disruptive change, particularly as a result of Covid-19. Towards the end of the year, we therefore decided to appoint Werner H. Hoffmann, Head of the Institute for Strategic Management at the Vienna University of Economics and Business, to support us in a structured process to optimise cooperation within the Supervisory Board. The results are expected in the course of 2021.

2. Timeline and details of our main areas of focus

In the course of 2020, the Supervisory Board was regularly informed by the Management Board about the business performance and position of UNIQA Insurance Group AG and the Group as a whole. It also supervised the Management Board's management of the business and fulfilled all the tasks assigned to the Supervisory Board by law and the Articles of Association. At the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral as well as written reports. The Supervisory Board was given timely and comprehensive information about measures requiring our approval.

No informational events or special seminars were held for the Supervisory Board in 2020 due to the restrictions imposed through the Covid-19 pandemic.

Focus of our deliberations

The Supervisory Board met on seven occasions in 2020. Our meetings focused on the respective earnings situation within our Group and its further strategic development. We also made five decisions by way of circular resolution.

- We discussed the results of the due diligence of the AXA Group companies for sale in Poland, the Czech Republic and Slovakia at an extraordinary meeting on **14 January** and approved the submission of a binding offer by UNIQA.

- At our meeting held on **19 February**, we mainly dealt with the preliminary results of the Group in the 2019 financial year and the status of talks with AXA on the takeover of the AXA Group companies in Poland, the Czech Republic and Slovakia. We also received reports on the status of the UNIQA 3.0 strategic programme and examined the options for restructuring the Austrian Group structure.

- On **10 April** the shareholder representatives on the Supervisory Board passed a resolution in writing to meet the minimum proportion of women and men on the Supervisory Board required by law separately from the employee representatives on the Supervisory Board.

- The Supervisory Board's (virtual) meeting on **15 April** focused on the audit of the annual financial statements and consolidated financial statements for the year ended 31 December 2019 and on the reports from the Management Board regarding the latest developments in the Group in the first quarter of 2020. We also discussed the agenda for the 21st Annual General Meeting held on 25 May 2020, in particular the proposed appropriation of profits and the proposal to the Annual General Meeting to elect PwC Wirtschaftsprüfung GmbH as statutory auditors for the 2021 financial year. The report by auditors PwC Wirtschaftsprüfung GmbH and lawyers Schönherr Rechtsanwälte GmbH regarding compliance with the provisions of the Austrian Code of Corporate Governance (ÖCGK) in the 2019 financial year was also acknowledged.

- We passed a resolution on **27 April** by way of circular resolution to propose Johann Strobl for election to the Supervisory Board at the 21st Annual General Meeting on 25 May 2020. A subsequent special election was required following the resignation of Erwin Hameseder.

- At the (virtual) meeting on **20 May**, we looked in detail at the Group's results in the first quarter of 2020.

- The Supervisory Board was constituted by way of circular resolution on **25 May** and, following Erwin Hameseder's resignation from the Supervisory Board, Johann Strobl was elected to the Executive Committee, the Committee for Board Affairs, the Working Committee and the Audit Committee of the Supervisory Board.

- We also passed a resolution in writing on **25 May** to appoint the (additional) Management Board members of UNIQA Österreich Versicherungen AG and UNIQA International AG (the company ceased to exist as a result of the merger on 8 December 2020) to the Management Board, which will now consist of nine members going forward, in accordance with the modified organisational structure of the Austrian insurance Group with effect from 1 July 2020. The Management Board of UNIQA Österreich Versicherungen AG was set up with the same individuals as were on the company's Management Board as at 1 July 2020. Similarly, the Supervisory Board of UNIQA Österreich Versicherungen AG also consisted of the same individuals as the company's Supervisory Board on 25 May 2020. The same individuals appointed to all committees of the Supervisory Board at the level of UNIQA Insurance Group AG were appointed at the level of UNIQA Österreich Versicherungen AG, including with identical responsibilities. Meetings of the company's Supervisory Board and its committees will be held to coincide with the corresponding meetings of UNIQA Österreich Versicherungen AG from 25 May 2020.

- At our (virtual) extraordinary meeting on **23 June** we discussed the operational development of the AXA companies in Poland, the Czech Republic and Slovakia acquired through the purchase agreement of 7 February 2020 as far as possible before closing, and the status of the competition law proceedings before the EU Commission, as well as the status of the proceedings before the local supervisory authorities required for the completion of the transaction. We also discussed the possible options available for financing the acquisition price.

- On **29 June**, we finally approved by way of circular resolution the issue of a senior bond with a value of up to €600 million and a hybrid capital bond ("Green Bond") with a value of up to €200 million.

- On **19 August**, we discussed the Group's earnings in the first half of 2020 and developments in the third quarter of 2020. We also focused intensively on the development of the future UNIQA 3.0 strategic programme (including the "Cherrisk" and "Emerging Business Opportunities" business areas).

- In addition to reporting on the Group's profits in the first three quarters of 2020 and ongoing developments in the fourth quarter of 2020, our (virtual) meeting on **18 November** also covered the updated forecast for the 2020 financial year and the report on the Own Risk and Solvency Assessment (ORSA) 2020. One-off measures affecting the 2020 financial statements (headcount reductions, impairments) were acknowledged. We also approved the UNIQA 3.0 strategic programme (in particular the investments in the "Cherrisk" and "Emerging Business Opportunities" business areas) and adopted the budget for 2021 as well as the medium-term planning up to 2025. A new process was introduced for evaluating the activities of the Supervisory Board in accordance with the Austrian Code of Corporate Governance.

Committees of the Supervisory Board

In addition to the Audit Committee required by law, we have set up a further five committees in order to ensure that the work of our Supervisory Board is structured effectively.

- The work of the **Executive Committee** of the Supervisory Board, which consists of the same members as the **Committee for Board Affairs** and the **Nominating and Remuneration Committee** for the Management Board, was also of particular significance in 2020. The Committee dealt intensively with the final developments to the UNIQA 3.0 strategic programme and the remuneration strategy of the extended Management Board over the course of multiple meetings.

- The **Audit Committee** held three meetings in 2020 and these meetings were also attended by the auditors of the (consolidated) financial statements. All documents relating to the financial statements were discussed at the (virtual) meeting on 15 April, with the proposal for the appropriation of profits adjusted with the agreement of the Management Board. The annual activity report 2019 from the Compliance Officer was also submitted and acknowledged. At the (virtual) meeting held on 20 May, the auditor presented the plans for the audit of the 2020 financial statements prepared by the companies in the UNIQA Group and coordinated this planning and strategy with the Committee. At the (virtual) meeting held on 18 November, the auditor informed the Committee about the findings from its preliminary audits. In addition, the Committee received quarterly reports from Internal Audit on the areas audited by this department and any material findings that arose from these audits.

- The **Investment Committee** held four meetings at which the members discussed the capital investment strategy, questions concerning capital structure and the focus of risk and asset liability management.

- The **IT Committee** dealt with the ongoing monitoring of the progress of the project implementing the UNIQA Insurance Platform over the course of four meetings.

- The new **Digital Transformation Committee** established on 23 June 2020 held two meetings dedicated to the digitalisation of core processes, the reduction of complexities in the product portfolio and the consolidation of digital working processes related to customers and employees.

- The **Working Committee** did not hold any meetings in the past financial year. A decision was taken by way of circular resolution to sell a property.

The various chairs of the committees then informed the members of the Supervisory Board in detail about the meetings and their committee's work.

3. Separate and consolidated financial statements

The separate financial statements prepared by the Management Board, the Management Report of UNIQA Insurance Group AG, the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) and the Group Management Report for 2020 were audited by PwC Wirtschaftsprüfung GmbH; the statutory auditor also verified that a separate consolidated non-financial report and a consolidated corporate governance report had been prepared for the 2020 financial year. The audit raised no objections. The separate and consolidated financial statements were each awarded an unqualified audit opinion for 2020.

The Supervisory Board acknowledged and approved the findings of the audit.

The evaluation of UNIQA's compliance with the rules of the Austrian Code of Corporate Governance in the 2020 financial year was carried out by PwC Wirtschaftsprüfung GmbH, whereas compliance with Rules 77 to 83 of the Austrian Code of Corporate Governance was assessed by Schönherr Rechtsanwälte GmbH. The audits found that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in the 2020 financial year – to the extent that they were included in UNIQA's declaration of conformity.

The Supervisory Board acknowledged the consolidated financial statements for 2020 and approved the 2020 annual financial statements of UNIQA Insurance Group AG. It also endorsed both the Management Report and the Group Management Report. The 2020 annual financial statements were thereby adopted in accordance with Section 96(4) of the Austrian Stock Corporation Act.

The Supervisory Board reviewed and approved the proposal for the appropriation of profit submitted by the Management Board. Accordingly, a dividend distribution of €0.18 per share will be proposed to the Annual General Meeting on 31 May 2021.

Once again this year on behalf of the entire Supervisory Board, I would like to thank all employees of UNIQA Insurance Group AG and all Group companies for their major personal commitment in the 2020 financial year and wish them every continued success for their future.

Vienna, April 2021

On behalf of the Supervisory Board

Walter Rothensteiner
Chairman of the Supervisory Board

PERFORMANCE 2020

GROUP MANAGEMENT REPORT

Group Management Report

Economic environment

Economic development was shaped above all by the coronavirus pandemic and the associated restrictions in 2020. At the beginning of the spring, the rapidly rising Covid-19 figures in the eurozone led to some harsh restrictions on business activities. This was accompanied by an unprecedented recession affecting almost all sectors of the economy. As a result, GDP in the eurozone fell by approximately 15 per cent cumulatively in the first half of 2020, and industrial production in April 2020 was almost 30 per cent below the level at the beginning of the year. Unlike in previous crises, sharp fluctuations were observed not only in cyclical sectors, but also in the service sector and private consumption.

Starting in May 2020, economic activity in the eurozone rose again once the restrictions were relaxed, and some areas were even able to catch up with pre-coronavirus levels again. However, this should not hide the fact that production output and consumer demand lost in the spring were not compensated by a long shot, and that overall economic output in the third quarter was still around 4 per cent below the levels at the end of 2019. To control the rapidly increasing spread of Covid-19, some severe restrictions were reintroduced in Europe from September 2020 onwards, particularly in November 2020. The service sector in particular and therefore private consumption were also severely affected by this. In the winter of 2020/2021, we therefore expect a further decline in macroeconomic activity, but it is likely to be significantly less extreme than in the first half of 2020.

The slump in consumer demand caused by the business environment also put a dampener on inflation. While inflation was still at 1.4 per cent p.a. at the beginning of 2020, and the rate of inflation slipped in to a negative range from August onwards. The ECB responded to the coronavirus crisis and its accompanying effects with a comprehensive easing of monetary policy. It offered additional refinancing possibilities for banks, while making the conditions for targeted long-term refinancing transactions much more attractive. The existing bond acquisition programme, worth €20 billion per month, was supplemented by an envelope of €120 billion by the end of the year and a pandemic emergency purchase programme (PEPP) at an initial total of €1,350 billion. Overall, this succeeded in preventing distortions in the financial system and ensuring favourable credit supplies to the public and private sectors.

Following the strong increase due to the coronavirus crisis, risk premiums in the eurozone fell sharply over the course of the year and are currently at approximately the same level as at the beginning of 2020. Returns have also declined generally and in some cases are at new all-time lows. One of the main reasons for the decline in the spreads for euro government bonds since the pandemic broke out was the ECB's significant monetary easing policy, in particular the bond purchase programmes, which reduced the net liquidity available on the market. In addition, the reconstruction assistance planned by the EU strengthened investor confidence in the creditworthiness of the eurozone countries: direct borrowing by the EU, which ensures low-cost financing, is intended to provide grants and loans to the member states. The expectations with regard to the immunisation programmes that have now begun and the anticipated economic recovery were and remain an additional factor in the decline in risk premiums.

Property and casualty insurance and health insurance continue to grow in Austria

Premium revenues in Austrian property and casualty insurance were strong in 2020 with 2.6 per cent growth to €10.2 billion. Health insurance performed even more strongly in 2020 than in the previous year with growth in premiums of 3.9 per cent to €2.4 billion.

However, the trend towards premium attrition continued in life insurance, with premiums shrinking by around 1.4 per cent year-on-year to just under €5.4 billion. The main reason for this was a decline in life insurance with recurring premiums. These fell by 2.0 per cent to €4.7 billion. Single-premium insurance on the other hand rose by 2.7 per cent to €0.7 billion in 2020.

Pandemic interrupts the catch-up process in Eastern Europe, return to growth expected in 2021 and 2022

Covid-19 resulted in a noticeable decline in economic output of over 4 per cent in the markets of Central and Eastern Europe last year, but experts expect the CEE markets to return to significant economic growth of around 3 to 4 per cent for 2021 and 2022. Based on the positive economic forecasts, the growth advantage currently enjoyed by the CEE markets compared with western European markets should also be established again following the coronavirus pandemic.

The consequences of the pandemic also had an impact on the insurance markets in CEE, with strong premium growth in recent years no longer achieved in the previous year. However, the extent to which the pandemic is affecting the individual countries in the region varies. There are also significant differences in the restrictive measures imposed by local governments to prevent the spread of the virus. However, according to the data currently available, most insurance markets in Central and Eastern Europe show generally stable revenue performance overall, despite the difficult economic conditions in 2020.

Demand for insurance products was higher in the previous year in particular in some segments of property insurance, such as fire insurance, general liability insurance and motor insurance. In contrast, the segment of life insurance saw a marked fall in premiums, following a slight increase here in 2019. In addition to the persistently low interest rate environment, the main reason for this was the decline in new business via bank branches. Many of the financial institutions' offices were closed during the lockdowns and various other restrictions, meaning that the consultation-intensive pensions business could not take place as usual. However, demand for life insurance is generally expected to recover in CEE over the next few years, as there is still a need for private pension provision outside of the state pension systems. Many insurers have also responded to the persistently low interest rates by launching new provision solutions.

CEE remains a region with high growth potential for UNIQA even though the growth of the insurance markets was interrupted over the past year due to the coronavirus. UNIQA has been active in Central and Eastern Europe for more than 20 years. UNIQA significantly strengthened its market position in this growth region once again with the purchase of the AXA companies in Poland, the Czech Republic and Slovakia at the beginning of 2020. The positive economic performance expected in CEE after the end of the pandemic is expected to contribute towards higher income levels and household consumer spending in the coming years. Increasing prosperity and growing purchasing power go hand in hand with higher demand for insurance solutions.

Premiums per capita (insurance density) as well as the share of the insurance industry in gross domestic product (insurance penetration) in CEE remain well below the average for western European markets, thus clearly demonstrating the very high potential for these insurance markets to catch up.

UNIQA Group

With premiums written including savings portions from unit-linked and index-linked life insurance of €5,565.3 million, the UNIQA Group is among the leading insurance groups in Central and Eastern Europe. The savings portions from unit-linked and index-linked life insurance in the amount of €304.1 million were netted out against the change in insurance provision pursuant to FAS 97 (US GAAP). Without taking the savings portions from unit-linked and index-linked life insurance into consideration, the volume of premiums written amounted to €5,261.2 million.

UNIQA in Europe

UNIQA offers its products and services via all distribution channels (hired sales force, general agencies, brokers, banks and direct sales) and covers virtually the entire range of insurance lines. UNIQA is the second-largest insurance group in Austria, with a presence in 15 countries of the CEE growth region: Albania, Bosnia and Herzegovina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. In addition, insurance companies in Switzerland and Liechtenstein are also part of the UNIQA Group.

The listed holding company UNIQA Insurance Group AG manages the Group and also operates the indirect insurance business concluded as active reinsurance with another insurance company. Moreover, UNIQA Insurance Group AG carries out numerous service functions for UNIQA Österreich Versicherungen AG and its international Group companies, in order to take best advantage of synergy effects and to implement the Group's long-term corporate strategy consistently.

Property and casualty insurance

The property and casualty insurance line includes property insurance for private individuals and companies, as well as private casualty insurance. The UNIQA Group received premiums written in property and casualty insurance in the amount of €3,010.3 million in 2020 (2019: €2,846.8 million) – which is 54.1 per cent (2019: 53.0 per cent) of total premium volume. The largest share by far in the volume of property and casualty insurance comes from private consumer business. Most property and casualty insurance policies are taken out for a limited term of up to three years. A broad spread across the different risks of a great many customers and the relatively short terms of these contracts lead to only moderate capital requirements and also make this business segment attractive as a result.

Health insurance

Health insurance in Austria includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain independent professions such as lawyers, architects and chemists. Although health insurance is still at the early stages in CEE, increased levels of prosperity in the region make the long-term growth potential even greater. Across the entire Group, premiums written amounted to €1,167.6 million in 2020 (2019: €1,130.8 million) – or 21.0 per cent (2019: 21.0 per cent) of total premium volume. UNIQA is the undisputed market leader in this strategically important business line in Austria, with around 46 per cent of market share. The overwhelming majority comes from Austria with around 93 per cent of premiums, with the remaining 7 per cent from international business.

Life insurance

Life insurance covers economic risks that stem from the uncertainty as to how long a customer will live. It includes savings products such as classic and unit-linked life insurance. There are also biometric products which hedge against risks such as occupational disability, long-term care needs or death. The life insurance business model is structured towards the long term with terms that are around 25 years on average. Life insurance is still facing major challenges, as the low interest rate environment is particularly disadvantageous to all long-term forms of saving and investment, including for life insurance. In life insurance, UNIQA achieved a Group-wide premium volume (including savings portions from unit-linked and index-linked life insurance) of €1,387.5 million (2019: €1,394.9 million) – i.e. 24.9 per cent (2019: 26.0 per cent) of total premium volume in 2020.

Companies included in the IFRS consolidated financial statements

In addition to the annual financial statements of UNIQA Insurance Group AG, the consolidated financial statements include the financial statements of all subsidiaries in Austria and abroad as well as those of the investment funds under the Group's control. The basis of consolidation – including UNIQA Insurance Group AG – consisted of 33 Austrian (2019: 33) and 66 international subsidiaries (2019: 57) as well as five Austrian (2019: 6) and six international pension and investment funds (2019: 1). The associates are four Austrian companies (2019: 5) and one international company (2019: 1) that were accounted for using the equity method for the Group accounting.

Details on the consolidated companies and associates are contained in the corresponding overview in the consolidated financial statements. The accounting and measurement methods are also described in the consolidated financial statements.

Error correction in accordance with IAS 8

As a result of a model change in the impairment test, the goodwill allocated to the CGUs Bulgaria and Romania in the 2019 financial year amounts to €54.6 million. The determination of the cash flow in perpetuity and the discount rate is adjusted in the revised impairment test.

Furthermore, in preparation for the initial application of IFRS 17 (Insurance Contracts) which is to be applied from 1 January 2023, it was discovered that deferred profit participation was not accounted for in health insurance. This is being corrected and the same content is also being changed retroactively in the accounting method for life insurance, in order to achieve a uniform presentation. The adjustments are retroactive to 1 January 2019 and have an impact of €9.0 million on the earnings before taxes for the 2019 financial year.

Risk reporting

UNIQA's comprehensive risk report is included in the notes to the 2020 consolidated financial statements.

Corporate Governance Report

Since 2004, UNIQA has pledged to comply with the Austrian Code of Corporate Governance. UNIQA publishes its consolidated Corporate Governance Report at www.uniqagroup.com in the Investor Relations section.

Consolidated non-financial statement, consolidated non-financial report

In accordance with Section 267a (6) of the Austrian Commercial Code, UNIQA Insurance Group AG prepares its consolidated non-financial statement as a separate combined non-financial report. The separate condensed non-financial report is prepared and signed by all legal representatives. It is submitted to the Supervisory Board for review and published together with the Group Management Report pursuant to Section 280 of the Austrian Commercial Code.

UNIQA 3.0

At the end of 2020, the UNIQA Group decided on a far-reaching strategic programme named UNIQA 3.0 for the years 2021 to 2025. Part of this transformation programme involves UNIQA becoming even more customer-focused and making internal processes simpler, more efficient and more cost-effective. This will also be accompanied by the reduction of around 600 employees in Austria by the end of 2022. These measures will therefore result in restructuring expenses in the amount of approximately €99 million in the 2020 consolidated financial statements. In addition, impairments to the goodwill in Serbia, Bulgaria and Romania result in a one-off charge of €106 million.

Group business development

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose by 3.6 per cent to €5,565.3 million
- The combined ratio deteriorated from 96.4 per cent to 97.8 per cent
- Non-recurring expenses of €205 million for the restructuring provision and impairment losses on goodwill in the fourth quarter of 2020
- Consolidated profit/(loss) due to non-recurring effects of €19.4 million
- Proposed dividend of €0.18 per share for 2020
- Pre-tax profit at 2018 levels expected for 2021

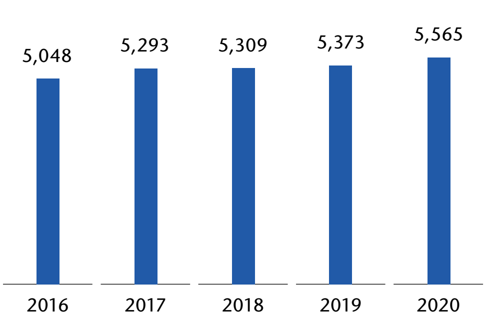
UNIQA Group
In € million

	2020	2019	2018
Premiums written including savings portions from unit-linked and index-linked life insurance	5,565.3	5,372.6	5,309.5
Cost ratio (after reinsurance)	29.4%	27.2%	25.9%
Combined ratio (after reinsurance)	97.8%	96.4%	96.8%
Earnings before taxes	57.1	232.0	294.6
Consolidated profit/(loss) (proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG)	19.4	171.0	243.3

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. Details on the acquisition of the AXA companies can be found in note 1 to the consolidated financial statements.

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



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 other insurance policies due to the coronavirus. No Covid-19-related effects were observed in the health and life insurance business areas.

In the area of insurance policies against recurring premium payments, there was a pleasant increase of 3.9 per cent to €5,472.2 million (2019: €5,267.9 million). In the area of the single premium business, however, the premium volume fell by 10.9 per cent to €93.2 million (2019: €104.6 million) in line with the strategy.

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

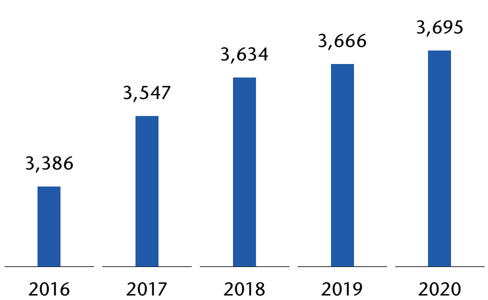
(2019: €309.8 million), rose by 3.1 per cent to €5,333.7 million (2019: €5,170.8 million). The volume of premiums earned (net, in accordance with IFRSs) even grew by 3.5 per cent to €5,029.5 million (2019: €4,861.1 million).

Change in insurance benefits

Insurance benefits before reinsurance (see note 9 in the consolidated financial statements) increased 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).

Insurance benefits (net)

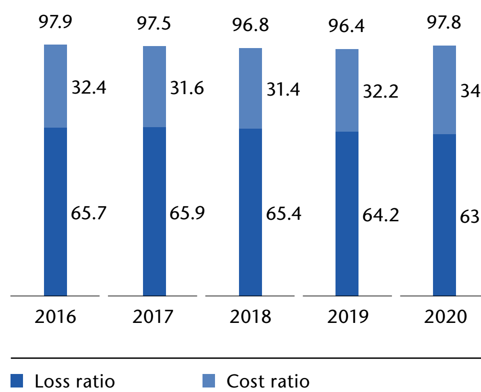
In € million



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.

Combined ratio after reinsurance

In per cent



Operating expenses

Total consolidated operating expenses (see note 10 in the consolidated financial statements) less reinsurance commission and 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 less 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

Property and casualty insurance

In € million

	2020	2019	2018
Premiums written	3,010.3	2,846.8	2,774.4
Insurance benefits (net)	–1,775.1	–1,719.5	–1,690.1
Loss ratio (after reinsurance)	63.2%	64.2%	65.4%
Operating expenses (net)	–970.7	–861.2	–811.0
Cost ratio (after reinsurance)	34.6%	32.2%	31.4%
Combined ratio (after reinsurance)	97.8%	96.4%	96.8%
Net investment income	29.5	122.1	128.1
Earnings before taxes	–67.9	61.4	120.3
Technical provisions (net)	3,732.1	3,061.3	2,970.6

Health insurance

In € million

	2020	2019	2018
Premiums written	1,167.6	1,130.8	1,086.4
Insurance benefits (net)	–963.1	–969.3	–908.0
Operating expenses (net)	–225.0	–187.8	–183.9
Cost ratio (after reinsurance)	19.3%	16.7%	17.0%
Net investment income	104.5	109.0	103.4
Earnings before taxes	79.5	85.8	96.2
Technical provisions (net)	3,622.8	3,433.9	3,190.9

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).

Investments

The UNIQA Group's investment portfolio (including investment property, financial assets accounted for using the equity method and other investments) rose by €1,694.4 million to €22,319.2 million in the 2020 financial year (31 December 2019: €20,624.8 million). The main reason for this was the first-time inclusion of the capital investment portfolio of the AXA-CEE companies.

Net investment income fell to €505.4 million (2019: €585.2 million). The reasons for this were losses in the value of shares, fixed-income securities and equity investments. In addition, gains realised from the sale of properties of around €46 million had a positive impact in 2019. No significant gains from the sale of properties were recorded in 2020. Currency effects amounting to around €15.7 million also had a negative effect on net investment income. In addition, the equity method accounting of the 14.3 per cent holding in STRABAG SE in 2020 resulted in a positive contribution to earnings of €56.0 million (2019: €57.4 million). A detailed description of net investment income can be found in the consolidated financial statements (see note 5 in the consolidated financial statements).

Net investment income declined compared with the previous year due to negative capital market developments as a result of the coronavirus pandemic. However, an upward trend was observed in the capital markets from the second quarter of 2020. Any reversals of impairment losses were recognised in other comprehensive income in the item "Profits recognised in equity from the measurement of financial instruments available for sale".

Other income and other 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).

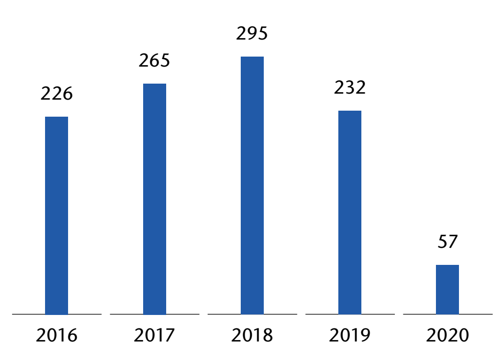
Results

The UNIQA Group's technical result fell in 2020 by 13.5 per cent to €78.3 million (2019: €90.5 million) as a result of the increased cost burden from one-off expenses. Operating profit fell by 28.4 per cent to €247.6 million (2019: €345.9 million).

UNIQA's earnings before taxes fell by 75.4 per cent to €57.1 million (2019: €232.0 million), primarily due to the one-off restructuring provision and impairment of goodwill. Profit/(loss) for the year also fell by 86.1 per cent to €24.3 million (2019: €175.1 million). Income tax expense fell to €32.8 million in 2020 (2019: €57.0 million).

Earnings before taxes

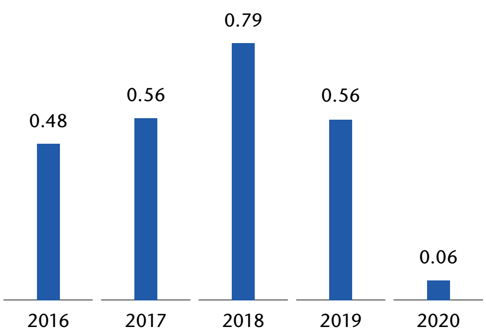
In € million



The consolidated profit/(loss) (i.e. proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG) amounted to €19.4 million (2019: €171.0 million). Earnings per share fell as a result to €0.06 (2019: €0.56).

Earnings per share

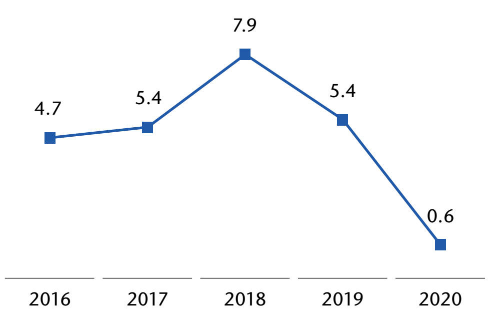
In €



The return on equity (after taxes and non-controlling interests) fell to 0.6 per cent in the reporting period (2019: 5.4 per cent).

Return on equity

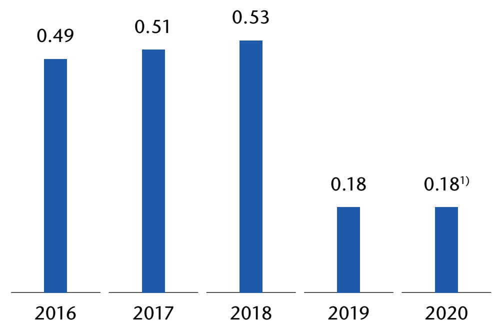
In per cent



On this basis, the Management Board will propose a dividend of €0.18 per share to the Supervisory Board and the Annual General Meeting (2019: €0.18 per share).

Dividend per share

In €



[1)] Proposal to the Annual General Meeting

Own funds and total assets

Total equity attributable to the shareholders of UNIQA Insurance Group AG increased by €82.4 million to €3,450.1 million in the past financial year (31 December 2019: €3,367.7 million). This was due to the increased measurement of financial instruments available for sale caused by the general fall in interest rates. Non-controlling interests came to €24.8 million (31 December 2019: €19.4 million). The Group's total assets came to €31,908.0 million as at 31 December 2020 (31 December 2019: €28,673.8 million).

Life insurance

In € million

	2020	2019	2018
Premiums written including savings portions from unit-linked and index-linked life insurance	1,387.5	1,394.9	1,448.6
Insurance benefits (net)	–956.4	–977.3	–1,035.7
Operating expenses (net)	–370.7	–358.1	–319.8
Cost ratio (after reinsurance)	27.2%	26.1%	22.6%
Net investment income	371.3	354.1	353.5
Earnings before taxes	45.5	84.8	78.2
Technical provisions (net)	16,442.0	15,588.7	15,483.4
of which technical provisions from unit-linked and index-linked life insurance (net)	5,115.4	4,646.0	4,721.8

Cash flow

UNIQA's net cash flow from operating activities amounted to €167.9 million in 2020 (2019: €519.9 million). Cash flow from investment activities amounted to €–714.7 million (2019: €–526.9 million). Net cash flows from financing activities amounted to €712.8 million as a result of the issuance of two bonds (2019: €–958.9 million). Overall, cash and cash equivalents increased by €161.1 million to €640.7 million in the 2020 financial year (2019: €479.6 million).

Employees

UNIQA's average number of employees (full-time equivalents, FTEs) rose in 2020 to 13,408 (2019: 13,038) due to the inclusion of the AXA-CEE companies. These included 4,138 (2019: 4,202) field sales employees. The number of employees in administration amounted to 9,271 (2019: 8,836).

In 2020, the Group had an average of 3,231 FTEs (2019: 2,766) in the Central Europe (CE) region – Poland, Slovakia, the Czech Republic and Hungary – as well as 2,285 FTEs (2019: 2,278) in the Southeastern Europe (SEE) region – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia – and 1,622 FTEs (2019: 1,647) in the Eastern Europe (EE) region – Romania and Ukraine. There were 103 FTEs (2019: 112) working in Russia (RU). The average number of FTEs in the Western European markets in 2020 was 42 (2019: 42). A total of 6,125 FTEs were employed in Austria (2019: 6,193). Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the Group amounts to around 23,500.

In 2020, 60 per cent of the staff working in administrative positions at UNIQA in Austria were women (2019: 55 per cent). In sales the ratio was 80 per cent men to 20 per cent women (2019: 82 per cent men to 18 per cent women). 24.6 per cent (2019: 15.4 per cent) of employees were working part time. The average age in the past year was 44.5 years (2019: 44 years).

There was no bonus for managers or selected key employees nor was there any employee participation in the 2020 financial year due to the coronavirus pandemic.

In addition, UNIQA offers young people in training the opportunity to get to know foreign cultures and make international contacts. Currently 93 apprentices are being trained.

Operating segments

UNIQA Austria

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose to €3,837.5 million
- The cost ratio increased to 23.4 per cent due to restructuring measures
- Combined ratio increased from 93.9 per cent to 98.7 per cent
- Earnings before taxes amounting to €–119.1 million

UNIQA Austria In € million	2020	2019	2018
Premiums written including savings portions from unit-linked and index-linked life insurance	3,837.5	3,800.8	3,734.4
Cost ratio (after reinsurance)	23.4%	20.8%	18.6%
Combined ratio (after reinsurance)	98.7%	93.9%	91.6%
Earnings before taxes	–119.1	159.6	231.7

Changes in premiums

At UNIQA Austria, premiums written including savings portions from unit-linked and index-linked life insurance increased by 1.0 per cent to €3,837.5 million in 2020 (2019: €3,800.8 million). Recurring premiums rose by 0.8 per cent to €3,807.7 million (2019: €3,775.7 million). The single premium business increased by 18.6 per cent to €29.8 million (2019: €25.1 million).

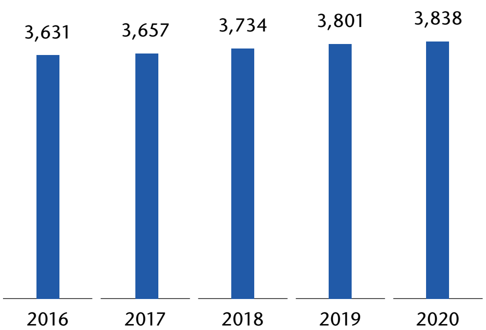
Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned at UNIQA Austria amounted to €3,076.7 million (2019: €3,057.0 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 0.9 per cent to €2,869.7 million in 2020 (2019: €2,845.4 million).

While premiums written in property and casualty insurance rose by 2.0 per cent to €1,796.1 million (2019: €1,760.7 million), they increased by as much as 3.2 per cent in health insurance to €1,089.6 million (2019: €1,056.3 million). In life insurance (including savings portions from unit-linked and index-linked life insurance), they fell by 3.3 per cent to €951.8 million (2019: €983.9 million).

Property and casualty insurance In € million	2020	2019	2018
Premiums written	1,796.1	1,760.7	1,703.5
Insurance benefits (net)	–698.6	–688.3	–691.2
Loss ratio (after reinsurance)	65.5%	65.6%	66.9%
Operating expenses (net)	–353.7	–297.4	–255.4
Cost ratio (after reinsurance)	33.2%	28.3%	24.7%
Combined ratio (after reinsurance)	98.7%	93.9%	91.6%
Net investment income	–196.1	33.7	39.0
Earnings before taxes	–197.3	83.1	112.8
Technical provisions (net)	1,171.6	1,099.3	1,090.3

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

In € million



Premiums earned (net, according to IFRSs) rose by 1.5 per cent to €1,066.1 million in property and casualty insurance (2019: €1,049.8 million) and by 3.1 per cent to €1,082.7 million in health insurance (2019: €1,050.6 million). However, in life insurance they fell by 3.2 per cent to €720.9 million (2019: €744.9 million). Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €927.9 million (2019: €956.6 million).

Changes in insurance benefits

Net insurance benefits at UNIQA Austria fell by 1.8 per cent in 2020 to €2,383.7 million (2019: €2,426.3 million). In property and casualty insurance, they rose by 1.5 per cent to €698.6 million (2019: €688.3 million) in line with premiums earned. As a result, the loss ratio in property and casualty insurance fell slightly in 2020 to 65.5 per cent (2019: 65.6 per cent). Nevertheless, the combined ratio in the UNIQA Austria segment increased after reinsurance to 98.7 per cent (2019: 93.9 per cent) due to the higher cost ratio. In health insurance, net insurance benefits fell by 1.2 per cent to €916.9 million (2019: €927.8 million). In life insurance, they fell by 5.2 per cent to €768.2 million (2019: €810.3 million).

Operating expenses

Operating expenses less reinsurance commissions received and the share of profit from reinsurance ceded in the amount of €194.3 million (2019: €190.5 million) increased by 13.2 per cent to €719.3 million (2019: €635.7 million) in the 2020 financial year due to the one-off expenses related to the restructuring. They rose by 18.9 per cent in property and casualty insurance to €353.7 million (2019: €297.4 million). In health insurance, they also grew 15.3 per cent to reach €176.9 million (2019: €153.3 million). They also increased in life insurance by 2.0 per cent to €188.8 million (2019: €185.1 million).

The cost ratio of UNIQA Austria after reinsurance, i.e. the ratio of total operating expenses, less reinsurance commission and share of profit from reinsurance ceded, to premiums earned, including savings portions from unit-linked and index-linked life insurance, thus rose to 23.4 per cent during the past year (2019: 20.8 per cent).

Net investment income

In the UNIQA Austria segment, net investment income fell by 62.1 per cent in 2020 to €160.8 million (2019: €424.1 million). The main reason for this development was the merger of UNIQA International AG with UNIQA Österreich Versicherungen AG. Through the merger, measurements of international insurance companies, that have been performed internally until now, are represented across the UNIQA Austria and UNIQA International segments. However, this negative measurement result is balanced out by the consolidation and therefore had no effect on profit or loss for the UNIQA Group.

Health insurance

In € million	2020	2019	2018
Premiums written	1,089.6	1,056.3	1,008.9
Insurance benefits (net)	–916.9	–927.8	–864.4
Operating expenses (net)	–176.9	–153.3	–140.9
Cost ratio (after reinsurance)	16.3%	14.6%	14.0%
Net investment income	95.1	101.2	103.0
Earnings before taxes	84.6	70.9	107.0
Technical provisions (net)	3,573.2	3,386.2	3,151.4

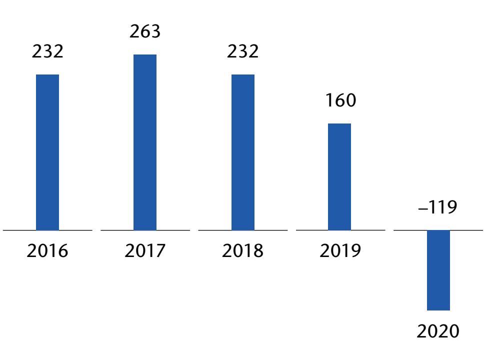
Life insurance In € million	2020	2019	2018
Premiums written including savings portions from unit-linked and index-linked life insurance	951.8	983.9	1,022.0
Insurance benefits (net)	–768.2	–810.3	–834.7
Operating expenses (net)	–188.8	–185.1	–168.6
Cost ratio (after reinsurance)	20.3%	19.3%	17.0%
Net investment income	261.9	289.1	276.3
Earnings before taxes	–6.3	5.5	12.0
Technical provisions (net)	13,817.0	13,940.2	13,910.8

Earnings before taxes

Earnings before taxes at UNIQA Austria fell to €–119.1 million (2019: €159.6 million) in the reporting period, primarily due to the increase in costs and the fall in net investment income. They fell to €–197.3 million in property and casualty insurance (2019: €83.1 million). In health insurance, they increased by 19.2 per cent to €84.6 million (2019: €70.9 million). In life insurance, earnings before taxes fell to €–6.3 million (2019: €55 million).

Earnings before taxes UNIQA Austria

In € million



UNIQA International

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose to €1,705.4 million
- Combined ratio improved to 93.3 per cent
- The technical result rose to €40.9 million
- Earnings before taxes at €–27.0 million due to impairment of goodwill

UNIQA International
In € million

	2020	2019	2018
Premiums written including savings portions from unit-linked and index-linked life insurance	1,705.4	1,561.2	1,564.6
Cost ratio (after reinsurance)	38.8%	38.3%	35.6%
Combined ratio (after reinsurance)	93.3%	95.0%	95.5%
Earnings before taxes	–27.0	16.0	55.1

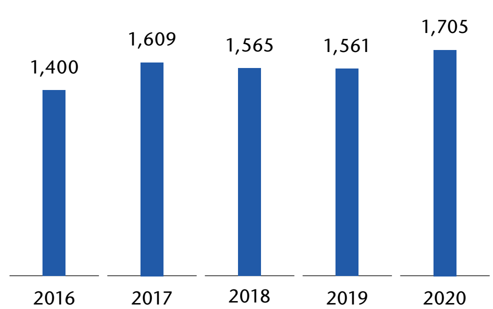
Changes in premiums

Premiums written including savings portions from unit-linked and index-linked life insurance increased in the UNIQA International segment in 2020 by 9.2 per cent to €1,705.4 million (2019: €1,561.2 million) as a result of the acquisition of AXA companies in Poland, the Czech Republic and Slovakia. While recurring premiums increased by 10.8 per cent to €1,642.1 million (2019: €1,481.8 million), single premiums fell as planned by 20.3 per cent to €63.4 million (2019: €79.5 million). That means that in 2020 the international companies contributed a total of 30.6 per cent (2019: 29.1 per cent) to total Group premiums.

Including savings portions from unit-linked and index-linked life insurance, the segment's volume of premiums earned amounted to €1,200.5 million (2019: €1,082.6 million). The volume of premiums earned (net, in accordance with IFRSs) increased in 2020 by 12.1 per cent to €1,103.4 million (2019: €984.5 million).

While premiums written grew in property and casualty insurance by 10.7 per cent to €1,192.6 million (2019: €1,076.9 million), they rose by 4.5 per cent to €77.9 million in health insurance (2019: €74.6 million). In life insurance, premiums written (including savings portions from unit-linked and index-linked life insurance) rose by 6.1 per cent to €434.9 million (2019: €409.8 million).

Premiums written including savings portions from unit-linked and index-linked life insurance UNIQA International
In € million



In property and casualty insurance, premiums earned (net, in accordance with IFRSs) rose by 14.4 per cent to €702.5 million (2019: €614.1 million), while in health insurance they grew by 11.1 per cent to €74.4 million (2019: €67.0 million). In life insurance, they increased by 7.5 per cent to €326.4 million (2019: €303.5 million). Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €423.5 million (2019: €401.6 million).

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

Property and casualty insurance
In € million

	2020	2019	2018
Premiums written	1,192.6	1,076.9	1,067.4
Insurance benefits (net)	–386.2	–347.6	–339.2
Loss ratio (after reinsurance)	55.0%	56.6%	58.0%
Operating expenses (net)	–269.4	–235.7	–219.6
Cost ratio (after reinsurance)	38.3%	38.4%	37.5%
Combined ratio (after reinsurance)	93.3%	95.0%	95.5%
Net investment income	34.2	25.3	23.8
Earnings before taxes	–37.2	–30.5	17.5
Technical provisions (net)	1,275.9	678.6	653.7

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).

Changes in insurance benefits
Net insurance benefits at UNIQA International increased in 2020 by 12.3 per cent to €608.1 million (2019: €541.6 million). They rose by 11.1 per cent in property and casualty insurance to €386.2 million (2019: €347.6 million). In health insurance, they grew 8.6 per cent to reach €42.2 million (2019: €38.8 million). In life insurance, they also increased by 15.9 per cent to €179.8 million (2019: €155.1 million). This pushed the loss ratio in property and casualty insurance down to 55.0 per cent in 2020 (2019: 56.6 per cent), while the combined ratio after reinsurance in the UNIQA International segment improved to 93.3 per cent (2019: 95.0 per cent).

In the Central Europe region, insurance benefits rose by 33.8 per cent in 2020 to €372.5 million (2019: €278.4 million), while in the Eastern Europe region, they increased by 14.5 per cent to €63.7 million (2019: €55.6 million). In Southeastern Europe, they decreased by 15.9 per cent to €115.6 million (2019: €137.5 million). At €54.9 million, benefits in Russia were 20.6 per cent below the previous year's level (2019: €69.2 million). In Western Europe, they rose to €1.3 million (2019: €0.8 million).

Operating expenses
Operating expenses less reinsurance commissions received and the share of profit from reinsurance ceded in the amount of €129.2 million (2019: €133.0 million) increased in the 2020 financial year by 12.4 per cent to €466.4 million (2019: €414.9 million). They rose 14.3 per cent in property and casualty insurance to €269.4 million (2019: €235.7 million), while in health insurance they rose by 28.4 per cent to €27.4 million (2019: €21.3 million). In life insurance, they increased by 7.4 per cent to €169.6 million (2019: €157.9 million).

The cost ratio of UNIQA International after reinsurance, i.e. the ratio of total operating expenses, less reinsurance commission and share of profit from reinsurance ceded, to premiums earned, including savings portions from unit-linked and index-linked life insurance, amounted to 38.8 per cent during the past year (2019: 38.3 per cent).

In Central Europe, operating expenses less reinsurance commissions received and the share of profit from reinsurance ceded rose by 34.6 per cent to €256.9 million (2019: €190.9 million) in the reporting period. In Eastern Europe, they fell by 17.0 per cent to €69.3 million (2019: €83.5 million). They remained stable in Southeastern Europe at €101.5 million (2019: €101.3 million). In Russia, costs fell by 18.4 per cent to €13.4 million (2019: €16.4 million), while in Western Europe they also dropped by 32.4 per cent to €1.4 million (2019: €2.1 million). In administration (UNIQA International AG), costs rose by 15.4 per cent to €23.8 million (2019: €20.7 million).

Health insurance
In € million

	2020	2019	2018
Premiums written	77.9	74.6	77.6
Insurance benefits (net)	–42.2	–38.8	–41.3
Operating expenses (net)	–27.4	–21.3	–24.7
Cost ratio (after reinsurance)	36.8%	31.8%	37.5%
Net investment income	0.0	0.4	0.5
Earnings before taxes	4.5	7.1	0.2
Technical provisions (net)	46.0	44.8	37.2

Life insurance

In € million

	2020	2019	2018
Premiums written including savings portions from unit-linked and index-linked life insurance	434.9	409.8	419.7
Insurance benefits (net)	–179.8	–155.1	–181.4
Operating expenses (net)	–169.6	–157.9	–132.4
Cost ratio (after reinsurance)	40.0%	39.3%	32.4%
Net investment income	71.8	35.9	57.5
Earnings before taxes	5.7	39.4	37.5
Technical provisions (net)	2,651.6	1,654.4	1,577.7

Net investment income

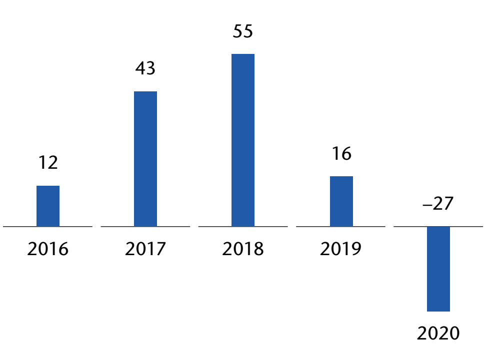
The segment's net investment income increased in 2020 by 72.3 per cent to €106.1 million (2019: €61.6 million).

Earnings before taxes

Despite the improvement in the technical result, earnings before taxes in the UNIQA International segment fell to €–27.0 million due to the impairment of goodwill (2019: €16.0 million). Earnings before taxes in property and casualty insurance therefore fell to €–37.2 million (2019: €–30.5 million), in health insurance they fell to €4.5 million (2019: €7.1 million). Lastly, in life insurance, earnings before taxes fell to €5.7 million (2019: €39.4 million).

Earnings before taxes UNIQA International

In € million



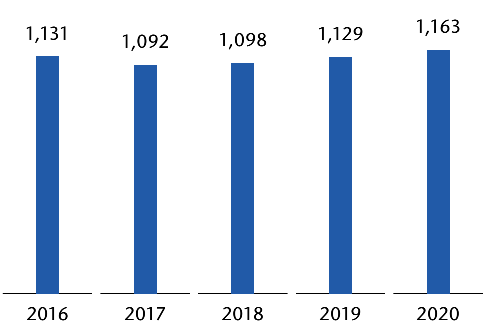
Reinsurance

Reinsurance
In € million

	2020	2019	2018
Premiums written	1,162.7	1,129.2	1,098.3
Insurance benefits (net)	–700.6	–700.4	–682.4
Operating expenses (net)	–311.0	–303.7	–299.6
Cost ratio (after reinsurance)	29.4%	29.5%	30.4%
Earnings before taxes	58.3	33.5	20.9
Technical provisions (net)	1,373.6	1,406.4	1,352.1

In the reinsurance segment, the volume of premiums written rose in 2020 by 3.0 per cent to €1,162.7 million (2019: €1,129.2 million).

Premiums written including savings portions from unit-linked and index-linked life insurance Reinsurance
In € million



The volume of premiums earned (net, in accordance with IFRSs) increased by 2.6 per cent to €1,056.1 million (2019: €1,029.3 million).

Net insurance benefits in 2020 remained stable at €700.6 million (2019: €700.4 million).

Operating expenses less reinsurance commissions received and the share of profit from reinsurance ceded in the amount of €12.2 million (2019: €10.1 million) rose by 2.4 per cent to €311.0 million (2019: €303.7 million).

Net investment income decreased to €6.9 million (2019: €29.5 million) in 2020.

Earnings before taxes in the reinsurance segment increased by 73.9 per cent to €58.3 million (2019: €33.5 million).

Group functions

Group functions
In € million

	2020	2019	2018
Operating expenses (net)	–80.0	–48.5	–68.4
Net investment income	96.2	356.3	309.8
Earnings before taxes	–48.5	255.0	185.6

In the Group functions segment, operating expenses rose by 65.0 per cent to €80.0 million (2019: €48.5 million).

Net investment income amounted to €96.2 million (2019: €356.3 million).

Earnings before taxes fell to €–48.5 million in the 2020 financial year (2019: €255.0 million).

Consolidation

Consolidation In € million	2020	2019	2018
Net investment income	135.4	–286.2	–248.3
Earnings before taxes	193.4	–232.1	–198.7

In the Consolidation segment, net investment income amounted to €135.4 million in 2020 (2019: €–286.2 million).

Earnings before taxes amounted to €193.4 million (2019: €–232.1 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.

Outlook

The ongoing Covid-19 pandemic considerably increases the uncertainty of all statements on future business development, as not only all forecasts regarding the further course of the pandemic and the associated effects on overall economic development, but also the assessment of future central bank policy, government measures, and reactions on the capital market are currently subject to major uncertainty.

On the other hand, we regard the situation in our technical core business as relatively strong. Despite our initial fears at the start of the pandemic, our insurance business has proven to be highly resilient. Despite significant restrictions, which affected sales in particular, we were able to keep our premium volume relatively stable on a comparable basis, i.e. before factoring in the AXA acquisition in CEE. Our customers did not waive their insurance coverage despite the economic challenges, meaning that the rate of cancellations remained very moderate for the given conditions. This makes us optimistic about the premium volume for 2021.

The loss directly related to Covid-19 was already entered in the books in full in 2020 and will certainly not be repeated to the same extent in 2021. Conversely, people's mobility in our core markets is no longer as reduced as the levels we saw in the first half of 2020, despite recent repeated lockdowns. Thus, we cannot expect fewer claims in our motor vehicle insurance over the long term.

We began the largest restructuring in our corporate history in the past financial year. The first partial successes of this restructuring should be seen in the form of a decrease in administrative costs as early as 2021.

In summary, we do not see any significant distortions in our core insurance business despite the ongoing pandemic. This expectation is, however, linked to the hope of improvements in the pandemic situation thanks to the broad availability of effective vaccines in the second half of 2020.

The outlook for the UNIQA Group for 2021 is subject to the following assumptions:

- A global economic recovery is occurring that balances out at least some of the economic output lost in 2020.
- The ECB's monetary policy will also remain extremely loose in 2021. UNIQA does not therefore expect any noticeable rise in the general interest rate level in the eurozone.
- Fluctuations on the capital markets remain high, but there is no lasting significant decline in securities prices.
- There are no drastic fiscal, regulatory or legal interventions on the horizon.
- Damages from natural catastrophes remain within the average of previous years.

Overall, UNIQA is expecting earnings before taxes for the 2021 financial year at approximately the 2018 level.

The dividend distribution is based on the company's profits. UNIQA plans to distribute 50 to 60 per cent of consolidated profit to shareholders in the form of a dividend.

Information pursuant to Section 243a(1) of the Austrian Commercial Code

1. The share capital of UNIQA Insurance Group AG amounts to €309,000,000 and is comprised of 309,000,000 individual no-par-value bearer shares. €285,356,365 of the share capital was fully paid in cash and €23,643,635 was paid in non-cash contributions. All shares confer the same rights and obligations.

2. A voting trust exists for shareholdings of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH. Reciprocal purchase option rights have been agreed upon.

3. Raiffeisen Bank International AG holds indirectly, via RZB – BLS Holding GmbH and RZB Versicherungsbeteiligung GmbH, a total of 10.87 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the company's share capital; UNIQA Versicherungsverein Privatstiftung holds directly and indirectly through Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH a total of 49.00 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the company's share capital.

4. No shares with special control rights have been issued.

5. The employees who have share capital exercise their voting rights directly.

6. There are no provisions of the Articles of Association or other provisions that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the Articles of Association, with the exception of the rule that, when a Supervisory Board member turns 70 years of age, they retire from the Supervisory Board at the end of the next Annual General Meeting.

7. The Management Board is authorised to increase the company's equity capital up to and including 30 June 2024 with the approval of the Supervisory Board by a total of no more than €80,000,000 by issuing up to 80,000,000 no-par-value bearer or registered shares conferring voting rights in exchange for payment in cash or in kind, one time or several times. The Management Board is further authorised until 30 May 2023 to buy back up to 30,900,000 treasury shares (together with other treasury shares that the company has already acquired and still possesses) through the company and/or through subsidiaries of the company (Section 66 of the Stock Corporation Act). The company held 2,034,739 treasury shares as at 31 December 2020. 1,215,089 treasury shares are held through UNIQA Österreich Versicherungen AG. This share portfolio resulted from the merger in 2016 of BL Syndikat Beteiligungs Gesellschaft m.b.H. as the transferring company, with UNIQA Insurance Group AG as acquiring company (payment of portfolio in UNIQA shares to shareholders of BL Syndikat Beteiligungs Gesellschaft m.b.H.). This share portfolio is not to be included in the highest number of treasury shares.

8. Corresponding agreements with other shareholders of STRABAG SE are in place concerning the holding in this company.

9. No reimbursement agreements exist for the event of a public takeover offer.

Information pursuant to Section 243a(2) of the Austrian Commercial Code

The internal control and risk management system at UNIQA Insurance Group AG is comprised of transparent systems that encompass all company activities and include a systematic and permanent approach, based on a defined risk strategy, with the following elements: identification, analysis, measurement, management, documentation and communication of risks, as well as the monitoring of these activities. Identification, analysis, measurement, management, documentation and communication of risks and monitoring of these activities. The scope and orientation of these systems were designed on the basis of company-specific requirements. Despite creating appropriate frameworks, there is always a certain residual risk because even appropriate and functional systems cannot guarantee absolute security with regard to the identification and management of risks.

Objectives:

a) Identification and measurement of risks that could obstruct the goal of producing (consolidated) financial statements that comply with regulations

b) Limiting recognised risks, for example by consulting with external specialists

c) Review of external risks with regard to their influence on the consolidated financial statements and the corresponding reporting of these risks

The aim of the internal control system in the accounting process is to guarantee sufficient security by means of implementing controls so that, despite identified risks, proper financial statements are prepared. Along with the risks described in the Risk Report, the risk management system also analyses additional risks within internal business processes, compliance, internal reporting, etc.

Organisational structure and control environment

The company's accounting process is incorporated into the UNIQA Group accounting process. In addition to the SAP S/4HANA accounting system, a harmonised insurance-specific IT system is also used for the company's purposes. Compliance guidelines and manuals for company organisation, accounting and consolidation exist for the purpose of guaranteeing secure processes.

Identification and control of risks

An inventory and appropriate control measures were conducted to identify existing risks. The type of controls was defined in the guidelines and instructions and coordinated with the existing authorisation concept.

The controls include both manual coordination and comparison routines, as well as the acceptance of system configurations for connected IT systems. New risks and control weaknesses in the accounting process are quickly reported to management so that it can undertake corrective measures. The procedure for the identification and control of risks is evaluated on a regular basis by an external independent auditor.

Information and communication

Deviations from expected results and evaluations are monitored by means of monthly reports and key figures, and they form the foundation of information provided to management on an ongoing basis. The management review that is based on this information, and the approval of the processed data, form the foundation of further treatment in the company's financial statements.

Measures to ensure effectiveness

Rather than being made up of static systems, the internal control and risk management system is adjusted on an ongoing basis to changing requirements and the business environment. The identification of the necessity of changes requires constant monitoring of the effectiveness of all systems. The foundations for this are:

a) Regular self-evaluations by the persons tasked with controls

b) Evaluations of key data to validate transaction results in relation to indications that suggest control deficiencies

c) Random tests of effectiveness by the Internal Audit department and comprehensive efficacy tests by the Internal Audit department and/or special teams

Reporting to the Supervisory Board/ Audit Committee

In the context of compliance and internal control and risk management systems, the Management Board reports regularly to the Supervisory Board and the Audit Committee by means of Internal Audit department reports and the separate engagement of external auditors.

Proposed appropriation of profit

The separate financial statements of UNIQA Insurance Group AG prepared in accordance with the Austrian Commercial Code and the Insurance Supervision Act show a net profit of €€55,722,592.34 (2019: €168,233,424.34) for the 2020 financial year. The Management Board will propose to the Annual General Meeting on 31 May 2021 that this profit be used for the distribution of a dividend of €0.18 for each of the 309,000,000 entitled no-par-value bearer shares issued as of the reporting date and to carry the remaining amount forward to new account.

Vienna, 22 March 2021

Andreas Brandstetter
Chairman of the
Management Board

Peter Eichler
Member of the
Management Board

Wolf-Christoph Gerlach
Member of the
Management Board

Peter Humer
Member of the
Management Board

Wolfgang Kindl
Member of the
Management Board

René Knapp
Member of the
Management Board

Erik Leyers
Member of the
Management Board

Klaus Pekarek
Member of the
Management Board

Kurt Svoboda
Member of the
Management Board

GROUP MANAGEMENT REPORT

Consolidated Financial Statements

General information

UNIQA Insurance Group AG (UNIQA) is a company domiciled in Austria. The address of the company's registered office is Untere Donaustrasse 21, 1029 Vienna, Austria. The Group primarily conducts business with property and casualty, as well as health and life insurance.

UNIQA Insurance Group AG is registered in the company registry of the Commercial Court of Vienna under FN 92933t. The shares of UNIQA Insurance Group AG are listed on the prime market segment of the Vienna Stock Exchange.

UNIQA Insurance Group AG is subject to the regulatory requirements of European and Austrian supervisory authorities (Financial Market Authority, European Insurance and Occupational Pensions Authority). The requirements include in particular the quantitative and qualitative solvency requirements.

Unless otherwise stated, these consolidated financial statements are prepared in thousand euros; rounding differences may occur through the use of automated calculation tools when totalling rounded amounts and percentages. The functional currency at UNIQA is the euro.

UNIQA's reporting date is 31 December.

Accounting principles

The consolidated financial statements were prepared in line with the International Financial Reporting Standards (IFRSs) as well as the provisions of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU) as at the reporting date. The additional requirements of Section 245a(1) of the Austrian Commercial Code and Section 138(8) of the Austrian Insurance Supervision Act were met.

Use of discretionary decisions and estimates

The consolidated financial statements require the Group Management Board to make discretionary decisions, estimates and assumptions that relate to the application of accounting policies and the amounts stated for the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recorded prospectively.

Discretionary judgements and assumptions regarding the future which could have a significant impact on these consolidated financial statements are described in the following notes:

Note 2: Investment property (assumptions used in determining fair values)

Note 3: Financial assets accounted for using the equity method (assumptions and models used in STRABAG SE's earnings estimates)

Note 4: Other investments and unit-linked and index-linked life insurance investments (determination of fair values)

Note 6: Technical provisions (assumptions and models used in calculating actuarial provisions)

Note 12: Intangible assets (assumptions used in determining goodwill)

Note 16: Deferred taxes (assessment of the ability to realise deferred tax assets)

Note 17: Defined benefit plans (calculation of the present value of the defined benefit obligations)

The following table provides a summary of the measurement standards for the individual balance sheet items in the assets and liabilities:

Balance sheet item

Balance sheet item	Standard of measurement
Assets	
Property, plant and equipment	At lower of amortised cost or recoverable amount
Intangible assets	
- with determinable useful life	At lower of amortised cost or recoverable amount
- with indeterminable useful life	At lower of acquisition cost or recoverable amount
Investments	
Investment property	At lower of amortised cost or recoverable amount
Financial assets accounted for using the equity method	At lower of amortised pro-rata value of the equity or recoverable amount
Other investments	
- Financial assets at fair value through profit or loss	Fair value
- Financial assets held for sale	Fair value
- Loans and receivables	Amortised cost
Unit-linked and index-linked life insurance investments	Fair value
Reinsurers' share of technical provisions	As per the measurement of technical provisions
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	As per the measurement of technical provisions
Receivables, including insurance receivables	Amortised cost
Income tax receivables	At the amount of any expected claims to the tax authorities, based on the tax rates applicable on the reporting date or in the near future
Deferred tax assets	Undiscounted measurement applying the tax rates that are expected for the period in which an asset is realised or a liability met
Cash and cash equivalents	Amortised cost
Assets in disposal groups held for sale	Lower of carrying amount and fair value less cost to sale
Liabilities	
Subordinated liabilities	Amortised cost
Technical provisions	Property insurance: provisions for losses and unsettled claims (undiscounted value of expected future payment obligations) Life and health insurance: insurance provision in accordance with actuarial calculation principles (discounted value of expected future benefits less premiums)
Technical provisions for unit-linked and index-linked life insurance	Insurance provision based on the change in value of the contributions assessed
Financial liabilities	
- Liabilities from loans	Amortised cost
- Derivative financial instruments	Fair value
Other provisions	
- from defined benefit obligations	Actuarial measurement applying the projected benefit obligation method
- other	Present value of future settlement value
Liabilities and other items classified as liabilities	Amortised cost
Income tax liabilities	At the amount of any obligations to the tax authorities, based on the tax rates applicable on the reporting date or in the near future
Deferred tax liabilities	Undiscounted measurement applying the tax rates that are expected for the period in which an asset is realised or a liability met

Consolidated Statement of Financial Position at 31 December 2020

Assets
In € thousand

	Notes	31/12/2020	31/12/2019 adjusted
Property, plant and equipment	11	364,739	351,780
Intangible assets	12	2,098,769	1,586,516
Investments			
Investment property	2	1,219,213	1,137,444
Financial assets accounted for using the equity method	3	677,921	642,414
Other investments	4	20,422,107	18,844,939
Unit-linked and index-linked life insurance investments	4	5,218,124	4,680,403
Reinsurers' share of technical provisions	6	514,268	350,022
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	7	131	113
Receivables, including insurance receivables	13	684,249	546,659
Income tax receivables	15	59,130	48,660
Deferred tax assets	16	8,594	5,237
Cash and cash equivalents	14	640,713	479,621
Total assets		**31,907,957**	**28,673,809**

Equity and liabilities
In € thousand

	Notes	31/12/2020	31/12/2019 adjusted	1/1/2019 adjusted
Equity				
Portion attributable to shareholders of UNIQA Insurance Group AG				
Subscribed capital and capital reserves	21	1,789,923	1,789,923	1,789,923
Treasury shares	22	–16,614	–16,614	–16,614
Accumulated results		1,676,762	1,594,411	1,223,699
		3,450,072	**3,367,720**	**2,997,008**
Non-controlling interests	**24**	**24,760**	**19,399**	**14,438**
		3,474,832	**3,387,119**	**3,011,446**
Liabilities				
Subordinated liabilities		1,069,920	870,110	869,832
Technical provisions	6	19,195,742	17,787,900	17,324,215
Technical provisions for unit-linked and index-linked life insurance	7	5,115,506	4,646,152	4,721,904
Financial liabilities	25	693,566	75,516	798,484
Other provisions	17, 19	847,235	685,709	662,998
Liabilities and other items classified as liabilities	26	994,221	803,095	807,210
Income tax liabilities	15	93,051	60,669	64,378
Deferred tax liabilities	16	423,884	357,539	242,246
		28,433,125	**25,286,690**	**25,492,355**
Total equity and liabilities		**31,907,957**	**28,673,809**	**28,503,801**

Consolidated Income Statement from 1 January until 31 December 2020

In € thousand

	Notes	1–12/2020	1–12/2019 adjusted
Premiums earned (net)	8		
Gross		5,231,531	5,034,721
Reinsurers' share		−201,992	−173,651
		5,029,539	**4,861,071**
Technical interest income		**322,125**	**331,238**
Other insurance income			
Gross		41,302	21,438
Reinsurers' share		368	75
		41,669	**21,514**
Insurance benefits	9		
Gross		−3,819,752	−3,765,286
Reinsurers' share		125,174	99,186
		−3,694,579	**−3,666,100**
Operating expenses	10		
Expenses for the acquisition of insurance		−953,377	−925,258
Other operating expenses		−631,546	−499,741
Reinsurance commission and share of profit from reinsurance ceded		18,524	17,883
		−1,566,399	**−1,407,116**
Other technical expenses			
Gross		−49,830	−46,360
Reinsurers' share		−4,232	−3,742
		−54,061	**−50,102**
Technical result		**78,295**	**90,504**
Net investment income	5		
Income from investments		773,686	768,959
Expenses from investments		−333,965	−248,143
Financial assets accounted for using the equity method		65,689	64,428
		505,409	**585,244**
Other income	27	**216,548**	**192,359**
Reclassification of technical interest income		**−322,125**	**−331,238**
Other expenses	28	**−230,497**	**−191,019**
Non-technical result		**169,335**	**255,346**
Operating profit/(loss)		**247,631**	**345,850**
Amortisation of VBI and impairment of goodwill		**−125,817**	**−59,162**
Finance cost		**−64,758**	**−54,643**
Earnings before taxes		**57,056**	**232,045**
Income taxes	15	**−32,775**	**−56,953**
Profit/(loss) for the period		**24,281**	**175,092**
of which attributable to shareholders of UNIQA Insurance Group AG		19,405	170,957
of which attributable to non-controlling interests		4,876	4,135
Earnings per share (in €)[1)]		**0.06**	**0.56**
Average number of shares in circulation		**306,965,261**	**306,965,261**

1) Diluted earnings per share equate to undiluted earnings per share. This is calculated on the basis of the consolidated profit/(loss).

Consolidated Statement of Comprehensive Income from 1 January until 31 December 2020

In € thousand

	1–12/2020	1–12/2019 adjusted
Profit/(loss) for the period	**24,281**	**175,092**
Items not reclassified to profit or loss in subsequent periods		
Remeasurement of defined benefit obligations		
Gains (losses) recognised in equity	–35,708	–66,648
Gains (losses) recognised in equity – deferred tax	8,913	16,651
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	–5,188	459
	–31,983	**–49,538**
Items reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	–48,135	10,294
Recognised in the consolidated income statement	0	10
Measurement of financial instruments available for sale		
Gains (losses) recognised in equity	632,111	1,003,627
Gains (losses) recognised in equity – deferred tax	–68,467	–133,326
Gains (losses) recognised in equity – deferred profit participation	–339,329	–447,842
Recognised in the consolidated income statement	–68,659	–46,216
Recognised in the consolidated income statement – deferred tax	9,498	13,724
Recognised in the consolidated income statement – deferred profit participation	36,260	16,336
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	–10,004	1,550
	143,275	**418,157**
Other comprehensive income	**111,292**	**368,618**
Total comprehensive income	**135,573**	**543,710**
of which attributable to shareholders of UNIQA Insurance Group AG	134,805	533,690
of which attributable to non-controlling interests	768	10,020

Consolidated Statement of Cash Flows from 1 January until 31 December 2020

In € thousand

	Notes	1–12/2020	1–12/2019 adjusted
Profit/(loss) for the period		24,281	175,092
Amortisation of VBI, impairment of goodwill and other intangible assets, and depreciation of property, plant and equipment		191,812	114,273
Impairment losses/reversal of impairment losses on other investments		132,409	70,616
Gain/loss on the disposal of investments		–40,089	–74,458
Change in deferred acquisition costs		7,592	28,299
Change in securities at fair value through profit or loss		45,408	110,137
Change in direct insurance receivables		8,542	–44,131
Change in other receivables		–6,437	51,724
Change in direct insurance liabilities		–56,653	–2,603
Change in other liabilities		22,250	–11,103
Change in technical provisions		–208,442	19,754
Change in defined benefit obligations		208	–27,965
Change in deferred tax assets and deferred tax liabilities		–5,936	11,702
Change in other statement of financial position items		52,963	98,525
Net cash flow from operating activities		**167,908**	**519,864**
Proceeds from disposal of intangible assets and property, plant and equipment		13,712	4,615
Payments for acquisition of intangible assets and property, plant and equipment		–122,625	–165,074
Proceeds from disposal of consolidated companies		587	0
Net payments for acquisition of consolidated companies		–967,128	–4,523
Proceeds from disposal and maturity of other investments		3,466,661	3,810,353
Payments for acquisition of other investments		–3,447,712	–4,243,088
Change in unit-linked and index-linked life insurance investments		341,815	70,779
Net cash flow from investing activities		**–714,690**	**–526,938**
Dividend payments	21	–56,658	–164,809
Transactions between owners		–577	–54
Proceeds from other financing activities		792,871	0
Payments from other financing activities	25	–22,815	–794,017
Net cash flow from financing activities		**712,821**	**–958,880**
Change in cash and cash equivalents		**166,039**	**–965,954**
of which due to acquisitions of consolidated subsidiaries		31,202	58
Change in cash and cash equivalents due to movements in exchange rates		–4,948	1,185
Cash and cash equivalents at beginning of year	14	479,621	1,444,391
Cash and cash equivalents at end of period	**14**	**640,713**	**479,621**
Income taxes paid (Net cash flow from operating activities)		–33,371	–45,053
Interest paid (Net cash flow from operating activities)		–65,202	–60,945
Interest received (Net cash flow from operating activities)		386,059	401,064
Dividends received (Net cash flow from operating activities)		43,544	52,218

Consolidated Statement of Changes in Equity

In € thousand	Notes	Subscribed capital and capital reserves	Treasury shares	Accumulated Measurement of financial instruments available for sale	Remeasurement of defined benefit obligations
At 31 December 2018		**1,789,923**	**–16,614**	**169,907**	**–264,893**
IAS 8 restatement	38			62,209	
At 1 January 2019 (adjusted)		**1,789,923**	**–16,614**	**232,116**	**–264,893**
Change in basis of consolidation					
Dividends to shareholders					
Total comprehensive income (adjusted)				**401,255**	**–49,967**
Profit/(loss) for the period (adjusted)	38				
Other comprehensive income (adjusted)				401,255	–49,967
At 31 December 2019 (adjusted)		**1,789,923**	**–16,614**	**633,372**	**–314,860**
At 1 January 2020		**1,789,923**	**–16,614**	**633,372**	**–314,860**
Change in basis of consolidation					
Dividends to shareholders	21				
Total comprehensive income				**200,033**	**–26,847**
Profit/(loss) for the period					
Other comprehensive income				200,033	–26,847
At 31 December 2020		**1,789,923**	**–16,614**	**833,405**	**–341,707**

results

Differences from currency translation	Other accumulated results	Portion attributable to shareholders of UNIQA Insurance Group AG	Non-controlling interests	Total equity
−179,722	**1,473,511**	**2,972,112**	**14,438**	**2,986,550**
	−37,314	24,896		24,896
−179,722	**1,436,197**	**2,997,008**	**14,438**	**3,011,446**
	−287	−287	−2,942	−3,228
	−162,692	−162,692	−2,117	−164,809
9,436	**172,966**	**533,690**	**10,020**	**543,710**
	170,957	170,957	4,135	175,092
9,436	2,009	362,733	5,885	368,618
−170,286	**1,446,185**	**3,367,720**	**19,399**	**3,387,119**
−170,286	**1,446,185**	**3,367,720**	**19,399**	**3,387,119**
	2,801	2,801	5,998	8,799
	−55,254	−55,254	−1,405	−56,658
−42,596	**4,214**	**134,805**	**768**	**135,573**
	19,405	19,405	4,875	24,281
−42,596	−15,192	115,399	−4,107	111,292
−212,882	**1,397,946**	**3,450,072**	**24,760**	**3,474,832**

Notes to the Consolidated Financial Statements

Segment reporting

The accounting and measurement methods of the segments that are subject to mandatory reporting correspond with the consolidated accounting and measurement methods. The earnings before taxes for the segments were determined taking the following components into consideration: summation of the IFRS profits in the individual companies, taking the elimination of net investment income in the various segments and impairment of goodwill into consideration. All other consolidation effects (profit/(loss) for the period at associates, elimination of interim results, and other overall effects) are included in "Consolidation". The segment profit/(loss) obtained in this manner is reported to the Management Board of UNIQA Insurance Group AG to manage the Group in the following operating segments:

UNIQA Austria – includes the Austrian insurance business.

UNIQA International – includes all international primary insurance companies and an international service company as well as investment management companies and pension funds. This segment is divided on a regional basis into the following main areas:

- Central Europe (CE – Poland, Slovakia, the Czech Republic and Hungary)
- Eastern Europe (EE – Romania and Ukraine)
- Russia (RU)
- Southeastern Europe (SEE – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia)
- Western Europe (WE – Liechtenstein and Switzerland)
- Administration

Reinsurance – includes UNIQA Re AG (Zurich, Switzerland) and the reinsurance business of UNIQA Insurance Group AG.

Group functions – includes the remaining items for UNIQA Insurance Group AG (net investment income and administrative costs) as well as all other remaining Austrian and international service companies.

Operating segments

In € thousand	UNIQA Austria 1–12/2020	UNIQA Austria 1–12/2019 adjusted	UNIQA International 1–12/2020	UNIQA International 1–12/2019 adjusted	Reinsurance 1–12/2020	Reinsurance 1–12/2019
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	3,837,500	3,800,819	1,705,441	1,561,242	1,162,667	1,129,178
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	3,076,677	3,057,035	1,200,485	1,082,632	1,056,076	1,029,297
Savings portions from unit-linked and index-linked life insurance (gross)	207,018	211,683	97,104	98,083	0	0
Savings portions from unit-linked and index-linked life insurance (net)	207,018	211,683	97,104	98,083	0	0
Premiums written (gross)	3,630,482	3,589,137	1,608,337	1,463,159	1,162,667	1,129,178
Premiums earned (net)	2,869,659	2,845,352	1,103,382	984,549	1,056,076	1,029,297
Premiums earned (net) – intragroup	–727,578	–704,769	–369,557	–381,412	1,096,712	1,084,309
Premiums earned (net) – external	3,597,237	3,550,121	1,472,938	1,365,961	–40,636	–55,012
Technical interest income	294,250	300,108	27,875	31,130	0	0
Other insurance income	4,977	3,842	26,636	20,576	7,606	216
Insurance benefits	–2,383,735	–2,426,336	–608,096	–541,556	–700,605	–700,442
Operating expenses	–719,347	–635,734	–466,354	–414,880	–310,966	–303,674
Other technical expenses	–13,405	–14,873	–42,579	–40,075	–14,801	–15,430
Technical result	**52,399**	**72,360**	**40,864**	**39,745**	**37,311**	**9,966**
Net investment income	160,801	424,126	106,084	61,587	6,899	29,450
Income from investments	486,190	539,199	132,427	89,737	37,579	43,163
Expenses from investments	–338,250	–133,651	–26,599	–28,319	–30,680	–13,713
Financial assets accounted for using the equity method	12,861	18,578	256	169	0	0
Other income	1,592	1,565	46,161	23,334	18,013	2,540
Reclassification of technical interest income	–294,250	–300,108	–27,875	–31,130	0	0
Other expenses	–9,527	–11,470	–63,793	–15,400	–1,031	–5,544
Non-technical result	**–141,384**	**114,113**	**60,577**	**38,392**	**23,881**	**26,446**
Operating profit/(loss)	**–88,985**	**186,473**	**101,441**	**78,136**	**61,192**	**36,412**
Amortisation of VBI and impairment of goodwill	–1,786	–1,786	–123,947	–57,377	0	0
Finance cost	–28,287	–25,102	–4,530	–4,743	–2,901	–2,901
Earnings before taxes	**–119,058**	**159,585**	**–27,036**	**16,017**	**58,291**	**33,511**
Combined ratio (property and casualty insurance, after reinsurance)	98.7%	93.9%	93.3%	95.0%	95.8%	97.4%
Cost ratio (after reinsurance)	23.4%	20.8%	38.8%	38.3%	29.4%	29.5%

Impairment by segment

In € thousand	UNIQA Austria 1–12/2020	UNIQA Austria 1–12/2019	UNIQA International 1–12/2020	UNIQA International 1–12/2019 adjusted	Reinsurance 1–12/2020	Reinsurance 1–12/2019
Goodwill						
Impairments	0	0	–105,752	–56,653	0	0
Investments						
Impairments	–19,627	–6,631	–1,200	0	0	0
Reversal of impairment losses	51	54	0	1	0	0

	Group functions		Consolidation		Group	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
	0	0	−1,140,262	−1,118,689	5,565,346	5,372,550
	0	0	423	1,872	5,333,662	5,170,836
	0	0	0	0	304,122	309,766
	0	0	0	0	304,122	309,766
	0	0	−1,140,262	−1,118,689	5,261,224	5,062,785
	0	0	423	1,872	5,029,539	4,861,071
	0	0	423	1,872	0	0
	0	0	0	0	5,029,539	4,861,071
	0	0	0	0	322,125	331,238
	13,288	349	−10,839	−3,469	41,669	21,514
	2,318	3,354	−4,461	−1,120	−3,694,579	−3,666,100
	−80,049	−48,513	10,316	−4,315	−1,566,399	−1,407,116
	−163	2,345	16,887	17,931	−54,061	−50,102
	−64,606	**−42,466**	**12,327**	**10,898**	**78,295**	**90,504**
	96,202	356,284	135,424	−286,202	505,409	585,244
	321,071	482,698	−203,581	−385,839	773,686	768,959
	−225,227	−130,954	286,791	58,495	−333,965	−248,143
	358	4,540	52,213	41,141	65,689	64,428
	180,237	194,271	−29,455	−29,351	216,548	192,359
	0	0	0	0	−322,125	−331,238
	−184,942	−186,557	28,796	27,952	−230,497	−191,019
	91,498	**363,997**	**134,764**	**−287,601**	**169,335**	**255,346**
	26,892	**321,532**	**147,091**	**−276,703**	**247,631**	**345,850**
	0	0	−84	0	−125,817	−59,162
	−75,428	−66,511	46,389	44,614	−64,758	−54,643
	−48,537	**255,021**	**193,396**	**−232,089**	**57,056**	**232,045**
	n/a	n/a	n/a	n/a	97.8%	96.4%
	n/a	n/a	n/a	n/a	29.4%	27.2%

	Group functions		Consolidation		Group	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
	0	0	0	0	−105,752	−56,653
	−49,943	−15,507	0	0	−70,770	−22,138
	0	7	0	0	51	62

Classified by business line

Property and casualty insurance

In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted	1–12/2020	1–12/2019
Premiums written (gross)	1,796,102	1,760,672	1,192,585	1,076,924	1,125,744	1,089,855
Premiums earned (net)	1,066,070	1,049,839	702,548	614,061	1,039,922	1,012,808
Technical interest income	0	0	789	1,590	0	0
Other insurance income	2,923	2,459	7,529	16,889	7,581	199
Insurance benefits	−698,649	−688,258	−386,161	−347,571	−687,026	−684,346
Operating expenses	−353,673	−297,358	−269,392	−235,704	−309,509	−302,111
Other technical expenses	−7,612	−8,297	−36,442	−36,631	−11,748	−12,197
Technical result	**9,059**	**58,384**	**18,871**	**12,634**	**39,220**	**14,353**
Net investment income	−196,135	33,744	34,234	25,306	1,651	23,203
Income from investments	84,348	73,677	48,615	33,641	32,331	36,916
Expenses from investments	−280,686	−40,226	−14,637	−8,504	−30,680	−13,713
Financial assets accounted for using the equity method	203	293	256	169	0	0
Other income	1,355	679	18,302	5,209	18,011	2,521
Reclassification of technical interest income	0	0	−789	−1,590	0	0
Other expenses	−8,344	−9,678	−15,503	−10,681	−929	−5,452
Non-technical result	**−203,124**	**24,745**	**36,245**	**18,244**	**18,733**	**20,272**
Operating profit/(loss)	**−194,065**	**83,129**	**55,116**	**30,878**	**57,953**	**34,624**
Amortisation of VBI and impairment of goodwill	0	0	−87,947	−57,001	0	0
Finance cost	−3,220	0	−4,374	−4,352	−2,901	−2,901
Earnings before taxes	**−197,285**	**83,129**	**−37,205**	**−30,475**	**55,052**	**31,724**

Health insurance

In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2020	1–12/2019 adjusted	1–12/2020	1–12/2019	1–12/2020	1–12/2019
Premiums written (gross)	1,089,620	1,056,263	77,936	74,558	6,795	5,747
Premiums earned (net)	1,082,685	1,050,575	74,409	66,972	6,420	5,407
Technical interest income	88,746	86,386	2	2	0	0
Other insurance income	1,455	1,212	143	118	0	0
Insurance benefits	−916,935	−927,766	−42,177	−38,842	−6,056	−5,962
Operating expenses	−176,857	−153,324	−27,362	−21,314	−249	−387
Other technical expenses	−227	−429	−433	−515	0	0
Technical result	**78,867**	**56,654**	**4,581**	**6,421**	**115**	**−942**
Net investment income	95,073	101,237	30	352	0	0
Income from investments	120,805	124,051	254	663	0	0
Expenses from investments	−31,097	−30,564	−224	−310	0	0
Financial assets accounted for using the equity method	5,365	7,750	0	0	0	0
Other income	127	555	3,278	3,146	0	0
Reclassification of technical interest income	−88,746	−86,386	−2	−2	0	0
Other expenses	−749	−1,122	−3,415	−2,821	−14	−68
Non-technical result	**5,705**	**14,284**	**−110**	**675**	**−14**	**−68**
Operating profit/(loss)	**84,573**	**70,938**	**4,471**	**7,096**	**102**	**−1,011**
Amortisation of VBI and impairment of goodwill	0	0	0	0	0	0
Finance cost	0	−1	0	0	0	0
Earnings before taxes	**84,573**	**70,938**	**4,471**	**7,096**	**102**	**−1,011**

	Group functions		Consolidation		Group	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
	0	0	−1,104,104	−1,080,668	3,010,327	2,846,783
	0	0	414	1,729	2,808,954	2,678,436
	0	0	0	0	789	1,590
	13,253	299	−2,450	−3,403	28,836	16,443
	153	99	−3,436	609	−1,775,119	−1,719,467
	−42,022	−25,539	3,872	−530	−970,724	−861,241
	−868	920	11,618	12,317	−45,053	−43,889
	−29,485	**−24,220**	**10,017**	**10,722**	**47,683**	**71,872**
	40,683	321,995	149,113	−282,171	29,547	122,077
	182,732	388,007	−127,167	−298,470	220,859	233,770
	−141,175	−68,438	265,340	11,587	−201,837	−119,295
	−874	2,426	10,940	4,712	10,525	7,601
	8,537	12,093	481	−1,894	46,685	18,607
	0	0	0	0	−789	−1,590
	−11,066	−13,616	−2,676	1,208	−38,518	−38,219
	38,153	**320,471**	**146,918**	**−282,857**	**36,925**	**100,875**
	8,669	**296,251**	**156,935**	**−272,136**	**84,607**	**172,747**
	0	0	−82	0	−88,029	−57,001
	−67,437	−59,239	13,414	12,142	−64,519	−54,349
	−58,769	**237,012**	**170,266**	**−259,994**	**−67,941**	**61,397**

	Group functions		Consolidation		Group	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
	0	0	−6,796	−5,747	1,167,554	1,130,821
	0	0	99	73	1,163,614	1,123,027
	0	0	0	0	88,747	86,388
	0	0	−1	0	1,597	1,331
	2,165	3,255	−53	17	−963,056	−969,298
	−20,486	−12,773	−12	−14	−224,966	−187,813
	390	750	0	52	−270	−143
	−17,931	**−8,769**	**33**	**129**	**65,666**	**53,493**
	28,468	20,029	−19,029	−12,584	104,542	109,034
	83,032	46,352	−42,871	−41,109	161,220	129,957
	−54,564	−26,656	7,901	14,454	−77,985	−43,075
	0	333	15,941	14,070	21,307	22,153
	168,409	180,931	−27,121	−27,398	144,693	157,234
	0	0	0	0	−88,747	−86,388
	−169,985	−170,992	27,606	27,509	−146,556	−147,494
	26,893	**29,969**	**−18,543**	**−12,473**	**13,931**	**32,387**
	8,962	**21,200**	**−18,510**	**−12,344**	**79,597**	**85,879**
	0	0	0	0	0	0
	−65	−44	0	0	−66	−44
	8,896	**21,157**	**−18,510**	**−12,344**	**79,531**	**85,835**

Life insurance
In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2020	1–12/2019 adjusted	1–12/2020	1–12/2019	1–12/2020	1–12/2019
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	951,778	983,884	434,921	409,760	30,128	33,576
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	927,921	956,620	423,528	401,599	9,734	11,083
Savings portions from unit-linked and index-linked life insurance (gross)	207,018	211,683	97,104	98,083	0	0
Savings portions from unit-linked and index-linked life insurance (net)	207,018	211,683	97,104	98,083	0	0
Premiums written (gross)	744,760	772,201	337,817	311,677	30,128	33,576
Premiums earned (net)	720,903	744,938	326,424	303,516	9,734	11,083
Technical interest income	205,504	213,722	27,084	29,538	0	0
Other insurance income	599	171	18,964	3,569	25	17
Insurance benefits	–768,151	–810,312	–179,758	–155,143	–7,523	–10,134
Operating expenses	–188,817	–185,051	–169,599	–157,862	–1,208	–1,176
Other technical expenses	–5,566	–6,146	–5,704	–2,928	–3,053	–3,233
Technical result	**–35,527**	**–42,678**	**17,412**	**20,690**	**–2,025**	**–3,444**
Net investment income	261,862	289,144	71,820	35,929	5,248	6,248
Income from investments	281,036	341,472	83,558	55,433	5,248	6,248
Expenses from investments	–26,467	–62,861	–11,738	–19,504	0	0
Financial assets accounted for using the equity method	7,293	10,534	0	0	0	0
Other income	111	331	24,581	14,980	2	19
Reclassification of technical interest income	–205,504	–213,722	–27,084	–29,538	0	0
Other expenses	–435	–670	–44,875	–1,898	–88	–24
Non-technical result	**56,034**	**75,083**	**24,442**	**19,472**	**5,162**	**6,242**
Operating profit/(loss)	**20,507**	**32,405**	**41,854**	**40,162**	**3,137**	**2,798**
Amortisation of VBI and impairment of goodwill	–1,786	–1,786	–36,000	–375	0	0
Finance cost	–25,067	–25,101	–155	–391	0	0
Earnings before taxes	**–6,346**	**5,518**	**5,698**	**39,396**	**3,137**	**2,798**

Group functions		Consolidation		Group	
1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
0	0	–29,363	–32,273	1,387,465	1,394,946
0	0	–89	70	1,361,094	1,369,372
0	0	0	0	304,122	309,766
0	0	0	0	304,122	309,766
0	0	–29,363	–32,273	1,083,343	1,085,180
0	0	–89	70	1,056,972	1,059,607
0	0	0	0	232,589	243,260
35	50	–8,387	–67	11,237	3,740
0	0	–972	–1,746	–956,404	–977,335
–17,541	–10,202	6,457	–3,771	–370,708	–358,062
315	675	5,269	5,562	–8,739	–6,071
–17,190	**–9,476**	**2,277**	**48**	**–35,053**	**–34,861**
27,050	14,260	5,340	8,553	371,321	354,133
55,306	48,339	–33,542	–46,260	391,606	405,232
–29,489	–35,861	13,550	32,454	–54,143	–85,773
1,233	1,781	25,332	22,359	33,858	34,674
3,292	1,247	–2,816	–59	25,171	16,517
0	0	0	0	–232,589	–243,260
–3,891	–1,950	3,866	–765	–45,423	–5,307
26,452	**13,557**	**6,390**	**7,729**	**118,479**	**122,084**
9,261	**4,080**	**8,667**	**7,777**	**83,426**	**87,223**
0	0	–1	0	–37,787	–2,161
–7,926	–7,229	32,975	32,472	–173	–249
1,336	**–3,148**	**41,640**	**40,249**	**45,466**	**84,813**

UNIQA International – classified by region

In € thousand	Premiums earned (net) 1–12/2020	Premiums earned (net) 1–12/2019	Net investment income 1–12/2020	Net investment income 1–12/2019
Poland	264,324	167,831	15,551	9,543
Slovakia	89,735	89,432	3,197	3,311
Czech Republic	246,685	183,097	7,754	7,372
Hungary	73,985	75,540	6,023	4,790
Central Europe (CE)	**674,728**	**515,901**	**32,525**	**25,015**
Romania	53,743	55,246	4,901	4,308
Ukraine	84,936	90,442	10,598	1,144
Eastern Europe (EE)	**138,679**	**145,688**	**15,499**	**5,452**
Russia	70,253	87,098	37,525	6,557
Russia (RU)	**70,253**	**87,098**	**37,525**	**6,557**
Albania	31,367	34,400	661	432
Bosnia and Herzegovina	27,670	28,895	2,481	4,848
Bulgaria	37,058	46,499	1,065	1,534
Kosovo	11,541	11,693	271	203
Croatia	49,241	49,240	11,696	13,967
Montenegro	10,241	10,830	684	787
North Macedonia	14,360	13,647	342	356
Serbia	37,036	39,470	3,958	3,592
Southeastern Europe (SEE)	**218,515**	**234,673**	**21,158**	**25,718**
Liechtenstein	1,206	1,189	64	16
Switzerland	0	0	–31	–21
Western Europe (WE)	**1,206**	**1,189**	**33**	**–6**
Austria	0	0	–655	–1,150
Administration	**0**	**0**	**–655**	**–1,150**
UNIQA International	**1,103,382**	**984,549**	**106,084**	**61,587**
Of which:				
Earnings before taxes insurance companies				
Impairment of goodwill				

Insurance benefits		Operating expenses		Earnings before taxes	
1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
−162,139	−99,535	−112,662	−60,215	4,184	15,010
−45,321	−47,675	−41,405	−37,874	5,364	5,247
−144,319	−107,601	−72,298	−59,459	33,325	22,499
−20,733	−23,609	−30,571	−33,371	8,632	6,263
−372,512	**−278,420**	**−256,935**	**−190,919**	**51,506**	**49,019**
−29,598	−18,212	−24,954	−35,897	−58,218	−31,900
−34,116	−37,423	−44,386	−47,646	14,166	6,687
−63,714	**−55,636**	**−69,339**	**−83,543**	**−44,052**	**−25,213**
−54,919	−69,211	−13,394	−16,413	20,178	19,480
−54,919	**−69,211**	**−13,394**	**−16,413**	**20,178**	**19,480**
−10,971	−14,959	−14,640	−16,356	244	1,227
−16,834	−19,109	−11,345	−11,431	1,683	1,394
−12,387	−24,052	−20,960	−19,973	−14,855	−15,724
−7,152	−6,387	−4,712	−5,270	100	255
−34,289	−34,989	−21,007	−20,939	1,813	8,079
−5,060	−5,686	−4,657	−5,139	965	501
−6,721	−7,187	−7,304	−6,896	581	−498
−22,222	−25,096	−16,841	−15,292	−20,232	2,007
−115,638	**−137,465**	**−101,467**	**−101,296**	**−29,701**	**−2,761**
−1,313	−824	−1,385	−2,050	−789	−1,585
0	0	0	0	310	169
−1,313	**−824**	**−1,385**	**−2,050**	**−479**	**−1,417**
0	0	−23,832	−20,659	−24,488	−23,092
0	**0**	**−23,832**	**−20,659**	**−24,488**	**−23,092**
−608,096	**−541,556**	**−466,354**	**−414,880**	**−27,036**	**16,017**
				−2,859	38,940
				−105,752	−56,653

Consolidated Statement of Financial Position – classified by business line

In € thousand	Property and casualty insurance 31/12/2020	Property and casualty insurance 31/12/2019 adjusted	Health insurance 31/12/2020	Health insurance 31/12/2019 adjusted
Assets				
Property, plant and equipment	192,969	192,493	36,906	37,855
Intangible assets	683,508	627,415	294,903	281,368
Investments				
Investment property	196,515	214,693	235,293	242,077
Financial assets accounted for using the equity method	81,270	72,436	230,391	220,089
Other investments	5,682,319	4,864,151	3,874,305	3,554,843
Unit-linked and index-linked life insurance investments	0	0	0	0
Reinsurers' share of technical provisions	389,131	219,739	1,141	1,591
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Receivables, including insurance receivables	483,558	238,194	311,762	357,724
Income tax receivables	46,406	42,759	1,821	1,596
Deferred tax assets	3,693	1,803	0	0
Cash and cash equivalents	266,613	280,748	164,526	71,129
Total assets by business line	**8,025,983**	**6,754,431**	**5,151,047**	**4,768,272**
Liabilities				
Subordinated liabilities	1,069,920	870,110	0	0
Technical provisions	4,122,722	3,295,437	3,623,875	3,435,554
Technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Financial liabilities	715,976	94,009	29,461	31,674
Other provisions	395,230	356,183	408,517	313,899
Liabilities and other items classified as liabilities	694,209	655,029	241,173	101,640
Income tax liabilities	63,214	55,336	6,598	3,612
Deferred tax liabilities	61,344	74,547	156,837	130,314
Total liabilities by business line	**7,122,614**	**5,400,650**	**4,466,461**	**4,016,693**

	Life insurance		Consolidation		Group	
	31/12/2020	31/12/2019 adjusted	31/12/2020	31/12/2019	31/12/2020	31/12/2019 adjusted
	134,863	121,432	0	0	364,739	351,780
	1,120,382	722,793	−25	−45,060	2,098,769	1,586,516
	787,405	680,674	0	0	1,219,213	1,137,444
	366,260	349,889	0	0	677,921	642,414
	11,493,995	10,976,431	−628,512	−550,486	20,422,107	18,844,939
	5,218,124	4,680,403	0	0	5,218,124	4,680,403
	124,028	128,644	−31	49	514,268	350,022
	131	113	0	0	131	113
	208,767	160,986	−319,837	−210,244	684,249	546,659
	10,903	4,305	0	0	59,130	48,660
	4,901	3,434	0	0	8,594	5,237
	209,574	127,745	0	0	640,713	479,621
	19,679,332	**17,956,847**	**−948,405**	**−805,742**	**31,907,957**	**28,673,809**
	419,258	410,741	−419,258	−410,741	1,069,920	870,110
	11,450,699	11,071,340	−1,554	−14,431	19,195,742	17,787,900
	5,115,506	4,646,152	0	0	5,115,506	4,646,152
	91,574	49,363	−143,444	−99,530	693,566	75,516
	45,468	17,133	−1,980	−1,505	847,235	685,709
	441,129	325,767	−382,290	−279,341	994,221	803,095
	23,239	1,722	0	0	93,051	60,669
	205,703	152,678	0	0	423,884	357,539
	17,792,575	**16,674,896**	**−948,525**	**−805,549**	**28,433,125**	**25,286,690**
Consolidated equity and non-controlling interests					**3,474,832**	**3,387,119**
Total equity and liabilities					**31,907,957**	**28,673,809**

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

Business combinations

If the Group has obtained control, it accounts for business combinations in line with the acquisition method. The consideration transferred for the acquisition and the identifiable net assets acquired are measured at fair value. Transaction costs are recognised as expenses immediately.

1. Acquisition of AXA companies

On 7 February 2020, UNIQA Österreich Versicherungen AG agreed with AXA S.A. and its subsidiary Société Beaujon on the acquisition of shares in the AXA subsidiaries and branches in Poland, the Czech Republic and Slovakia.

The closing took place on 15 October 2020 through the transfer of the shares, by which control over the acquired companies was obtained. Prior to this, approval was obtained from the EU Commission and the supervisory authorities in the countries concerned.

Both life and non-life insurance companies were acquired, as well as investment management companies, pension funds and service companies, each constituting a business operation within the meaning of IFRS 3. The acquisition of the companies implements UNIQA's strategy of further growth in countries where UNIQA is already represented.

Acquired company	Company's registered office	Business purpose	Acquired share	CGU
AXA Życie Towarzystwo Ubezpieczeń S.A.	Warsaw, Poland	Life insurance company	100%	Poland
AXA Ubezpieczenia Towarzystwo Ubezpieczeń i Reasekuracji S.A.	Warsaw, Poland	Property/casualty insurance company	100%	Poland
AXA Polska S.A.	Warsaw, Poland	Service company	100%	Poland
AXA Towarzystwo Funduszy Inwestycyjnych S.A.	Warsaw, Poland	Investment fund	100%	Poland
AXA Powszechne Towarzystwo Emerytalne S.A.	Warsaw, Poland	Pension fund	100%	Poland
AXA pojišťovna a.s.	Prague, Czech Republic	Property/casualty insurance company	100%	Czech Republic
AXA životní pojišťovna a.s.	Prague, Czech Republic	Life insurance company	100%	Czech Republic
AXA penzijní společnost a.s.	Brno, Czech Republic	Pension fund	99.98%	Czech Republic
AXA investiční společnost a.s.	Prague, Czech Republic	Investment management company	100%	Czech Republic
AXA Management Services s.r.o.	Prague, Czech Republic	Service company	100%	Czech Republic
AXA d.d.s., a.s.	Bratislava, Slovakia	Pension fund	100%	Czech Republic
AXA d.s.s., a.s.	Bratislava, Slovakia	Pension fund	100%	Czech Republic

AXA companies in Poland

UNIQA acquired 93.42 per cent of the issued share capital of the life insurance company AXA Życie Towarzystwo Ubezpieczeń S.A. from Société Beaujon and 6.58 per cent from AXA S.A. AXA Życie Towarzystwo Ubezpieczeń S.A. holds all shares in the service company AXA Polska S.A. and in the investment fund AXA Towarzystwo Funduszy Inwestycyjnych S.A.

AXA Ubezpieczenia Towarzystwo Ubezpieczeń i Reasekuracji S.A. is a non-life insurance company with its registered office in Warsaw, in which UNIQA acquired 100 per cent of the issued share capital from Société Beaujon.

AXA Powszechne Towarzystwo Emerytalne S.A. is a pension fund in which UNIQA acquired 100 per cent of the issued share capital from Société Beaujon.

AXA companies in the Czech Republic

AXA pojišťovna a.s. is a non-life insurance company in which UNIQA acquired 100 per cent of the issued share capital from Société Beaujon.

AXA životní pojišťovna a.s. is a life insurance company in which UNIQA also acquired 100 per cent of the issued share capital from Société Beaujon.

In turn, this company holds all shares in the investment management company AXA investiční společnost a.s., in the service company AXA Management Services s.r.o. and in the two Slovakian pension funds AXA d.d.s., a.s. and AXA d.s.s., a.s.

Finally, 99.98 per cent of the issued share capital in AXA penzijní společnost a.s., a Czech pension fund, was acquired from Société Beaujon.

AXA companies in Slovakia

The two companies AXA d.d.s., a.s. and AXA d.s.s., a.s., held by the Czech AXA životní pojišťovna a.s. are pension funds with their registered offices in Slovakia.

The amounts recognised at fair value for the identifiable assets acquired and the liabilities assumed are shown in the table below.

Assets and liabilities from business combinations at acquisition date

In € thousand

Property, plant and equipment	32,742
Intangible assets	353,176
Investments	1,309,405
Unit-linked and index-linked life insurance investments	879,536
Reinsurers' share of technical provisions	180,086
Deferred tax assets	17,250
Receivables, including insurance receivables	117,148
Income tax receivables	2,112
Cash and cash equivalents	31,202
Total assets	**2,922,657**
Technical provisions	981,152
Technical provisions for unit-linked and index-linked life insurance	817,239
Other provisions	26,856
Deferred tax liabilities	36,118
Financial liabilities	30,739
Liabilities and other items classified as liabilities	232,147
Income tax liabilities	19,753
Total liabilities	**2,144,004**
Net identifiable assets acquired	**778,653**

Consideration transferred

In € thousand

Contractually agreed purchase price	1,002,000
Adjustments to the sale price	−3,670
Price paid[1)]	**998,330**
Acquired bank balances	−31,202
Consideration transferred less acquired bank balances	**967,128**

1) The purchase price was paid in full by cash transfer.

Preliminary differential amount

In € thousand

Consideration transferred	998,330
Net identifiable assets acquired at fair value	778,653
Preliminary differential amount	**219,677**

The calculations include the knowledge gained in the period between obtaining control on 15 October 2020 until the preparation of these consolidated financial statements. In particular in the area of technical provisions it is possible that subsequent adjustments may be made once a full insight into the parameters of the portfolios relevant to the calculation is available.

The goodwill resulting from the acquisition in the amount of €219,767 thousand reflects the value of synergies anticipated in connection with the acquisition (market positioning, potential addition of new customers, savings in administrative processes and infrastructures). The allocation of the difference is based on the acquired identifiable net asset values attributable to the respective CGUs and taking into account future synergies. Accordingly, €15.8 million of the difference is allocated to the CGU Poland and €203.9 million to the CGU Czech Republic.

Goodwill is deductible for income tax purposes.

The fair value of the receivables acquired amounts to €117,148 thousand. At the time of acquisition, the gross contract value amounts to €182,182 thousand. The balance of value adjustments at the acquisition date thus amounts to €65,034 thousand.

To finance the acquisition, a senior bond in the amount of €600 million was issued at an issue price of 99.436 per cent of the nominal amount (see Chapter "Financial liabilities") in July 2020.

The acquisition-related costs (mainly reported under operating expenses) amount to €12,083 thousand.

For the period between the date of acquisition and the reporting date, the acquisition contributed €211,881 thousand to the premiums written and €1,654 thousand to UNIQA's profit/(loss) for the period.

Had the aforementioned acquisition already taken place on 1 January 2020, UNIQA would have reported premiums written in the amount of €6,170,312 thousand. The profit/(loss) for the period would have amounted to €81,040 thousand and earnings per share €0.21.

Investments

2. Investment property

Land and buildings, including buildings on third-party land, held as long-term investments to generate rent revenue and/or for the purpose of capital appreciation are measured in accordance with the cost model. The investment property is subject to straight line depreciation over the useful life of 5 to 80 years and is recognised under the item "Net investment income".

The fair value is determined using 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.

For this reason, all measurements of the fair value for the land and buildings come under Level 3 of the hierarchy in accordance with IFRS 13. The measurement techniques respond to the underlying assumptions and parameters.

For instance, any reduction in the discount rate applied would result in an increase in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged.

Conversely, any reduction in the expected utilisation or the expected rental charges would, for instance, result in a decrease in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged. The measurement-related assumptions and parameters are ascertained at each key date based on the best estimate by management with due respect to the current prevailing market conditions.

The effects of Covid-19

UNIQA's real estate portfolio is oriented mainly towards office space. In addition, UNIQA holds properties in retail, residential and hotel sectors. An analysis performed showed no material impact related to Covid-19 on carrying amounts and current income and expenses.

Impairment tests led to minor impairments in the hotel sector. Current income was affected by minor rent reductions, which were offset by lower maintenance expenses.

Acquisition costs

In € thousand

At 1 January 2019	**1,697,905**
Currency translation	3,242
Additions	61,997
Disposals	–41,908
Reclassifications	10,596
Reclassifications held for sale	78,049
At 31 December 2019	**1,809,883**
At 1 January 2020	**1,809,883**
Currency translation	–20,596
Change in basis of consolidation	97,606
Additions	52,232
Disposals	–5,201
Reclassifications	–14,408
At 31 December 2020	**1,919,516**

Accumulated depreciation and impairment losses

In € thousand

At 1 January 2019	**−593,759**
Currency translation	−1,569
Additions from depreciation	−40,013
Additions from impairment	−1,848
Disposals	20,129
Reversal of impairment	3,981
Reclassifications held for sale	−59,360
At 31 December 2019	**−672,439**
At 1 January 2020	**−672,439**
Currency translation	6,118
Additions from depreciation	−38,344
Additions from impairment	−9,459
Disposals	2,214
Reclassifications	5,986
Reversal of impairment	5,621
At 31 December 2020	**−700,303**

Carrying amounts

In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 1 January 2019	**227,191**	**235,225**	**641,731**	**1,104,146**
At 31 December 2019	**214,693**	**242,077**	**680,674**	**1,137,444**
At 31 December 2020	**196,515**	**235,293**	**787,405**	**1,219,213**

Fair values

In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 31 December 2019	**434,938**	**576,950**	**1,246,974**	**2,258,862**
At 31 December 2020	**439,767**	**624,609**	**1,456,785**	**2,521,161**

3. Financial assets accounted for using the equity method

Investments in associates are accounted for using the equity method. They are initially recognised at acquisition cost, which also includes transaction costs. After initial recognition, the consolidated financial statements include the Group's share in profit/(loss) for the period and in changes in other comprehensive income until the date the applicable influence ends.

At each reporting date, UNIQA reviews whether there are any indications that the investments in associates are impaired. If this is the case, then the impairment loss is recorded as the difference between the participation carrying amount of the associate and the corresponding recoverable amount and recognised separately in profit/(loss) for the period. An impairment loss is reversed in the event of an advantageous change in the estimates used to determine the recoverable amount.

Reconciliation of summarised financial information

In € thousand

	STRABAG SE		Associated companies not material on a stand-alone basis	
	2020[1) 2)]	2019[2)]	2020	2019
Net assets at 1 January	**3,789,440**	**3,542,415**	**162,884**	**151,166**
Dividends	–92,340	–133,380	–495	–9,633
Profit/(loss) after taxes	366,695	375,535	27,562	17,731
Other comprehensive income	–97,046	4,870	–892	3,620
Net assets at 31 December	**3,966,748**	**3,789,440**	**189,059**	**162,884**
Shares in associated companies	14.26%	14.26%	Various investment amounts	
Carrying amount	**606,320**	**579,218**	**71,601**	**63,196**

1) Estimate for 31 Dec. 2020 based on financial information as at 30 July 2020 on STRABAG SE available as at the reporting date
2) The carrying amounts are calculated based on the shares in circulation. 2020: 15.29%, 2019: 15.29%

As at 31 December 2020, UNIQA held a 14.3 per cent stake in STRABAG SE (31 December 2019: 14.3 per cent). UNIQA treats STRABAG SE as an associate due to contractual arrangements. As part of the accounting using the equity method, an assessment of the share in STRABAG SE was made, based on the financial information published at 30 June 2020, for the period up until 31 December 2020.

The fair value of the shares is based on the stock market price at 31 December 2020 and amounts to €446,950 thousand (2019: €486,156 thousand). Although the external impairment indicator was available, no impairment was required.

Summarised statement of comprehensive income

In € thousand

	STRABAG SE[1)]	
	1–6/2020	1–6/2019
Revenue	6,321,813	6,979,073
Depreciation	–255,012	–233,738
Interest income	20,572	15,403
Interest expenses	–34,058	–34,898
Income taxes	–30,984	–27,563
Profit/(loss) for the period	630	13,942
Other comprehensive income	–58,194	2,167
Total comprehensive income	**–57,564**	**16,109**

1) STRABAG SE Semi-Annual Report 2020 as published in August 2020

Summarised statement of financial position

In € thousand

	STRABAG SE[1)]	
	30/6/2020	31/12/2019
Cash and cash equivalents	2,019,596	2,460,814
Other current assets	4,782,118	4,540,145
Current assets	**6,801,714**	**7,000,959**
Non-current assets	**5,147,915**	**5,249,852**
Total assets	**11,949,629**	**12,250,811**
Current financial liabilities	155,965	355,509
Other current liabilities	5,700,032	5,694,876
Current liabilities	**5,855,997**	**6,050,385**
Non-current financial liabilities	1,004,711	1,066,698
Other non-current liabilities	1,294,970	1,277,829
Non-current liabilities	**2,299,681**	**2,344,527**
Total liabilities	**8,155,678**	**8,394,912**
Net assets	**3,793,951**	**3,855,899**

1) STRABAG SE Semi-Annual Report 2020 as published in August 2020

All other financial assets accounted for using the equity method are negligible from the perspective of the Group when considered individually and are stated in aggregate form.

The financial statements of the associates most recently published have been used for the purpose of the accounting using the equity method, and have been adjusted based on any essential transactions between the relevant reporting date and 31 December 2020.

Summary of information on associated companies not material on a stand-alone basis
In € thousand

	1–12/2020	1–12/2019
Group's share of profit from continuing operations	10,827	6,693
Group's share of loss from continuing operations	–36	0
Group's share of other comprehensive income	–357	1,453
Group's share of total comprehensive income	10,434	8,145

4. Other investments and unit-linked and index-linked life insurance investments
UNIQA has applied the deferral approach for IFRS 9 since 1 January 2018. This enables UNIQA to postpone the date of first-time application of IFRS 9 until IFRS 17 comes into force.

Financial assets are recognised for the first time on the settlement date. They are derecognised when the contractual rights to cash flows from an asset expire or the rights to receive the cash flows in a transaction in which all major risks and opportunities connected with the ownership of the financial asset are transferred.

Financial assets at fair value through profit or loss
Financial assets are recognised at fair value through profit or loss if the asset is either held for trading or is designated at fair value and recognised in profit and loss (fair value option). These include structured bonds, hedge funds and investment certificates whose original classification fell within this category.

The fair value option is applied to structured products that are not split between the underlying transaction and the derivative but are instead accounted for as a unit. Unrealised gains and losses are recognised in profit/(loss) for the period.

Derivatives are used within the limits permitted under the Austrian Insurance Supervisory Act for hedging investments and for increasing earnings. All fluctuations in value are recognised in profit/(loss) for the period. Financial assets from derivative financial instruments are recognised under other investments. Financial liabilities from derivative financial instruments are recognised under financial liabilities.

Available-for-sale financial assets
Available-for-sale financial assets are initially measured at fair value plus directly attributable transaction costs. Subsequently, available-for-sale financial assets are measured at fair value. Corresponding value changes are, with the exception of impairment and foreign exchange differences in the case of available-for-sale debt securities, recognised in the accumulated profits in equity. When an asset is derecognised, the accumulated other comprehensive income is reclassified to profit/(loss) for the period.

Impairment of available-for-sale financial assets is recognised in profit/(loss) for the period by reclassifying the losses accumulated in equity. The accumulated loss that is reclassified from equity to profit/(loss) for the period is the difference between the acquisition cost, net of any redemptions, amortisations and less any impairment loss previously recognised in profit or loss – and current fair value. If the fair value of an impaired, available-for-sale debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment was recognised, the impairment is reversed, with the amount of the reversal recognised in profit/(loss) for the period. Reversals of impairment losses of equity instruments held at fair value cannot be recognised in profit/(loss) for the period.

Loans and receivables
When first recognised, loans and receivables are measured at their fair value plus directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

For debt instruments and assets in the category "Loans and receivables", this test is executed within the framework of an internal impairment process. If there are objective indications that the value currently attributed is not tenable, an impairment is recognised.

Objective indications that financial assets are impaired are:

- the default or delay of a debtor,
- the opening of bankruptcy proceedings for a debtor, or signs indicating that such proceedings are imminent,
- adverse changes in the rating of borrowers or issuers,
- changes in the market activity of a security, or
- other observable data that indicate a significant decrease in the expected payments from a group of financial assets.

In the case of an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment. A significant decrease is a decrease of 20 per cent, and a prolonged decline is one that lasts for at least nine months.

Impairment is calculated as the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate of the asset. Losses are recognised in profit/(loss) for the period. If there are no realistic chances of recovering the asset, an impairment has to be recognised. In case of an event that causes a reversal of impairment losses, this is recognised in profit/(loss) for the period. In the event of a definitive non-performance, the asset is derecognised.

Other investments are broken down into the following classes and categories of financial instruments:

Other investments At 31 December 2020

In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Carrying amounts						
Financial assets at fair value through profit or loss	6,442	162,844	0	17,823	53,920	241,029
Available-for-sale financial assets	978,834	18,700,091	0	0	0	19,678,925
Loans and receivables	0	88,269	413,883	0	0	502,152
Total	**985,276**	**18,951,204**	**413,883**	**17,823**	**53,920**	**20,422,107**
of which fair value option	6,442	162,844	0	0	0	169,286

Other investments At 31 December 2019

In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Financial assets at fair value through profit or loss	7,345	201,234	0	21,981	58,547	289,106
Available-for-sale financial assets	909,764	16,992,181	0	0	0	17,901,946
Loans and receivables	0	114,050	539,837	0	0	653,887
Total	**917,109**	**17,307,466**	**539,837**	**21,981**	**58,547**	**18,844,939**
of which fair value option	7,345	201,234	0	0	0	208,579

Carrying amounts of other investments, with the exception of reclassified bonds, represent fair values. Reclassified bonds are subsumed in the item "Fixed-income securities" under "Loans and receivables", the fair value of which amounts to €122,614 thousand at 31 December 2020 (31 December 2019: €129,233 thousand).

Unit-linked and index-linked life insurance investments are broken down into the following classes and categories of financial instruments:

Unit-linked and index-linked life insurance investments At 31 December 2020

In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Total
Financial assets at fair value through profit or loss	2,076,362	3,024,384	117,378	5,218,124
Total	**2,076,362**	**3,024,384**	**117,378**	**5,218,124**

Unit-linked and index-linked life insurance investments At 31 December 2019

In € thousand

	Variable-income securities	Fixed-income securities	Loans and other investments	Total
Financial assets at fair value through profit or loss	1,452,371	2,966,084	261,949	4,680,403
Total	**1,452,371**	**2,966,084**	**261,949**	**4,680,403**

Determination of fair value

A range of accounting policies and disclosures requires the determination of the fair value of financial and non-financial assets and liabilities. UNIQA has defined a control framework with regard to the determination of fair value. This includes a measurement team, which bears general responsibility for monitoring all major measurements of fair value, including Level 3 fair values, and reports directly to the respective Member of the Management Board.

A review of the major unobservable inputs and the measurement adjustments is carried out regularly. If information from third parties (e.g. price quotations from brokers or price information services) is used to determine fair values, the evidence obtained from third parties is examined in order to see whether such measurements meet the requirements of IFRSs. The level in the fair value hierarchy to which these measurements are attributable is also tested. Major items in the measurement are reported to the Audit Committee.

As far as possible, UNIQA uses data that are observable on the market when determining the fair value of an asset or a liability. Based on the inputs used in the measurement techniques, the fair values are assigned to different levels in the fair value hierarchy.

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. At UNIQA, these primarily involve quoted shares, quoted bonds and quoted investment funds.
- Level 2: Measurement parameters that are not quoted prices included in Level 1 but which can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices), or are based on prices from markets that have been classified as inactive. The parameters that can be observed here include, for example, exchange rates, yield curves and volatilities. At UNIQA, these include in particular quoted bonds that do not fulfil the conditions under Level 1, along with structured products.
- Level 3: measurement parameters for assets or liabilities that are not based or are only partly based on observable market data. The measurement here primarily involves application of the discounted cash flow method, comparative procedures with instruments for which there are observable prices and other procedures. As there are no observable parameters here in many cases, the estimates used can have a significant impact on the result of the measurement. At UNIQA, it is primarily other equity investments, private equity and hedge funds as well as structured products that do not fulfil the conditions under Level 2 that are assigned to Level 3.

If the inputs used to determine the fair value of an asset or a liability can be assigned to different levels of the fair value hierarchy, the entire fair value measurement is assigned to the respective level of the fair value hierarchy that corresponds to the lowest input significant for the measurement overall.

UNIQA recognises reclassifications between different levels of the fair value hierarchy at the end of the reporting period in which the change occurred.

The measurement processes and methods are as follows:

Financial instruments measured at fair value
For the measurement of capital investments, techniques best suited for the establishment of corresponding value are applied. The following standard measurement techniques are applied for financial instruments which come under Levels 2 and 3:

- Market approach
  The measurement method in the market approach is based on prices or other applicable information from market transactions which involve identical or comparable assets and liabilities.
- Income approach
  The income approach corresponds to the method whereby the future (expected) payment flows or earnings are inferred on a current amount.
- Cost approach
  The cost approach generally corresponds to the value which would have to be applied in order to procure the asset once again.

Measurement techniques and inputs in the determination of fair values

Assets	Price method	Input factors	Price model
Fixed-income securities			
Listed bonds	Listed price	-	-
Unlisted bonds	Theoretical price	CDS spread, yield curves	Discounted cash flow
Unquoted asset-backed securities	Theoretical price	-	Discounted cash flow, single deal review, peer
Infrastructure financing	Theoretical price	-	Discounted cash flow
Variable-income securities			
Listed shares/investment funds	Listed price	-	-
Private equities	Theoretical price	Certified net asset values	Net asset value method
Hedge funds	Theoretical price	Certified net asset values	Net asset value method
Other shares	Theoretical value	WACC, (long-term) revenue growth rate, (long-term) profit margins, control premium	Expert opinion
Derivative financial instruments			
Equity basket certificate	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes Monte Carlo N-DIM
CMS floating rate note	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	LIBOR market model, Hull-White-Garman-Kohlhagen Monte Carlo
CMS spread certificate	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Contract specific model
FX (binary) option	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM
Option (inflation, OTC, OTC FX options)	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes Monte Carlo N-DIM, contract specific model, inflation market model NKIS
Structured bonds	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM
Swap, cross currency swap	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, Black-76-model, LIBOR market model, contract specific model
Swaption, total return swaption	Theoretical price	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Black - basis point volatility, contract specific model
Investments under investment contracts			
Listed shares/investment funds	Listed price	-	-
Unlisted investment funds	Theoretical price	Certified net asset values	Net asset value method

Valuation hierarchy of other investments

Assets and liabilities measured at fair value

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Available-for-sale financial assets								
Variable-income securities	770,685	729,829	2,866	20,298	205,283	159,637	978,834	909,764
Fixed-income securities	14,048,895	13,170,835	3,535,446	2,941,560	1,115,750	879,787	18,700,091	16,992,181
Total	**14,819,580**	**13,900,664**	**3,538,312**	**2,961,858**	**1,321,033**	**1,039,424**	**19,678,925**	**17,901,946**
Financial assets at fair value through profit or loss								
Variable-income securities	912	0	1,966	2,077	3,564	5,267	6,442	7,345
Fixed-income securities	115,158	108,261	28,239	51,098	19,447	41,876	162,844	201,234
Derivative financial instruments	65	261	9,336	3,695	8,422	18,025	17,823	21,981
Investments under investment contracts	45,534	49,977	3,543	3,727	4,843	4,843	53,920	58,547
Total	**161,669**	**158,498**	**43,084**	**60,597**	**36,277**	**70,011**	**241,029**	**289,106**

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Financial liabilities								
Derivative financial instruments	0	0	1,908	669	0	1	1,908	670
Total	**0**	**0**	**1,908**	**669**	**0**	**1**	**1,908**	**670**

Fair values of assets and liabilities measured at amortised cost

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Investment property	**0**	**0**	**0**	**0**	**2,521,161**	**2,258,862**	**2,521,161**	**2,258,862**
Loans and receivables								
Loans and other investments	0	0	278,384	384,350	135,499	155,488	413,883	539,837
Fixed-income securities	16,051	16,276	85,746	112,957	0	0	101,797	129,233
Total	**16,051**	**16,276**	**364,130**	**497,307**	**135,499**	**155,488**	**515,680**	**669,070**

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Financial liabilities								
Liabilities from loans and leases	0	0	0	0	691,657	74,846	691,657	74,846
Total	**0**	**0**	**0**	**0**	**691,657**	**74,846**	**691,657**	**74,846**
Subordinated liabilities	**1,231,774**	**1,051,425**	**0**	**0**	**0**	**0**	**1,231,774**	**1,051,425**

Transfers between levels 1 and 2

In the reporting period transfers from Level 1 to Level 2 were made in the amount of €255,520 thousand (2019: €492,529 thousand) and from Level 2 to Level 1 in the amount of €493,055 thousand (2019: €144,533 thousand). These are attributable primarily to changes in trading frequency and trading activity.

Valuation hierarchy in unit-linked and index-linked life insurance investments
Assets and liabilities measured at fair value

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019	31/12/2020	31/12/2019
Financial assets at fair value through profit or loss	2,908,360	3,220,431	1,116,739	1,339,171	1,193,026	120,801	5,218,124	4,680,403
Total	2,908,360	3,220,431	1,116,739	1,339,171	1,193,026	120,801	5,218,124	4,680,403

The increase in financial instruments of unit- and index-linked life insurance under Level 3 relates to changes in the basis of consolidation.

Level 3 financial instruments
The following table shows the changes to the fair values of financial instruments whose measurement techniques are not based on observable inputs.

In € thousand	Fixed-income securities		Other		Other investments Total	
	2020	2019	2020	2019	2020	2019
At 1 January	879,787	501,453	229,648	239,356	1,109,434	740,809
Transfers from Level 3 to Level 2	–39,342	0	0	–4,218	–39,342	–4,218
Transfers to Level 3	2,610	0	1	0	2,611	0
Gains and losses recognised in profit or loss	–1,854	–2,432	–24,777	–1,539	–26,631	–3,971
Gains and losses recognised in other comprehensive income	14,275	46,002	1,874	–1,500	16,149	44,502
Additions	258,597	343,940	108,603	32,645	367,201	376,585
Disposals	–11,267	–9,206	–88,333	–35,078	–99,600	–44,284
Changes from currency translation	–189	30	–550	–19	–739	11
Change in basis of consolidation	13,133	0	15,094	0	28,227	0
At 31 December	1,115,750	879,787	241,560	229,648	1,357,310	1,109,434

Sensitivities
Fixed-income securities
The main unobservable input in the measurement of fixed-income securities is the specific credit spread. In order to be able to measure these securities in a discounted cash flow model, the spreads are derived from a selection of reference securities with comparable characteristics. For the fixed-income securities in Level 3, an increase in the discount rate by 100 basis points results in a 7.0 per cent reduction in value (2019: 6.2 per cent). A reduction in the discount rate by 100 basis points results in an 8.3 per cent increase in value (2019: 7.5 per cent).

Other
Other securities under Level 3 mainly comprise private equity funds and other participations. Private equity funds are measured based on the net asset values which are determined by the fund manager using specific unobservable inputs for all underlying portfolio positions. This is done in accordance with the International Private Equity and Venture Capital Valuation (IPEV) Guideline. For other equity investments under Level 3, invested capital is considered to be an appropriate measure of fair value. In these cases, a sensitivity analysis is not applicable.

Carrying amounts for loans and other investments

In € thousand

	31/12/2020	31/12/2019
Loans		
Loans to affiliated unconsolidated companies	0	4,400
Mortgage loans	7,925	9,931
Loans and advance payments on policies	12,343	12,827
Other loans	110,000	103,094
Total	**130,269**	**130,251**
Other investments		
Bank deposits	278,384	384,350
Deposits retained on assumed reinsurance	5,230	25,236
Total	**283,614**	**409,586**
Total sum	**413,883**	**539,837**

The carrying amounts of the loans and other investments correspond to their fair values. The measurement is based on collateral and the creditworthiness of the debtor; for deposits with banks it is based on quoted prices.

Impairment of loans

In € thousand

	31/12/2020	31/12/2019
At 1 January	**−2,713**	**−3,657**
Use	83	502
Reversal	16	439
Currency translation	13	3
At 31 December	**−2,602**	**−2,713**

Contractual maturities for fair values of loans

In € thousand

	31/12/2020	31/12/2019
Up to 1 year	7,141	3,096
More than 1 year and up to 5 years	22,759	16,059
More than 5 years up to 10 years	95,368	103,478
More than 10 years	5,001	7,619
Total	**130,269**	**130,251**

5. Net investment income

Classified by business line

In € thousand

	Property and casualty insurance		Health insurance		Life insurance		Total	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019
Investment property	**−4,806**	**15,278**	**7,762**	**12,983**	**37,306**	**54,047**	**40,263**	**82,308**
Financial assets accounted for using the equity method	**10,525**	**7,601**	**21,307**	**22,153**	**33,858**	**34,674**	**65,689**	**64,428**
Variable-income securities	**−17,782**	**4,422**	**10,067**	**9,576**	**5,781**	**1,487**	**−1,934**	**15,484**
Available for sale	−17,757	6,333	9,565	8,861	5,897	1,185	−2,295	16,379
At fair value through profit or loss	−25	−1,912	502	715	−116	302	361	−894
Fixed-income securities	**53,207**	**119,094**	**70,586**	**69,321**	**281,809**	**247,904**	**405,602**	**436,319**
Available for sale	48,751	112,090	65,790	60,868	281,747	247,768	396,288	420,726
At fair value through profit or loss	4,456	7,004	4,796	8,454	62	136	9,314	15,593
Loans and other investments	**2,283**	**6,033**	**1,133**	**3,932**	**23,940**	**26,879**	**27,356**	**36,843**
Loans	816	967	1,327	1,637	4,808	6,394	6,951	8,999
Other investments	1,467	5,066	−194	2,294	19,132	20,485	20,405	27,845
Derivative financial instruments	**8,910**	**−10,416**	**1,851**	**311**	**−169**	**422**	**10,591**	**−9,682**
Investment administration expenses, interest paid and other investment expenses	**−22,790**	**−19,935**	**−8,163**	**−9,241**	**−11,204**	**−11,280**	**−42,158**	**−40,456**
Total	**29,547**	**122,077**	**104,542**	**109,034**	**371,321**	**354,133**	**505,409**	**585,244**
Of which:								
Current income/expenses	108,512	107,685	93,794	86,621	316,712	336,775	519,018	531,081
Gains/losses from disposals and changes in value	−78,965	14,391	10,748	22,414	54,609	17,358	−13,609	54,163
Impairments	−35,121	−11,992	−29,698	−6,941	−5,951	−3,204	−70,770	−22,138

Classified by type of income

In € thousand

	Current income/expenses		Gains/losses from disposals and changes in value		Total		of which impairment	
	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019	1–12/2020	1–12/2019
Financial assets at fair value through profit or loss	**14,378**	**1,414**	**5,889**	**3,603**	**20,266**	**5,017**	**0**	**0**
Variable-income securities (within the framework of fair value option)	760	595	–399	–1,490	361	–894	0	0
Fixed-income securities (within the framework of fair value option)	1,095	2,572	8,219	13,022	9,314	15,593	0	0
Derivative financial instruments	12,523	–1,752	–1,931	–7,930	10,591	–9,682	0	0
Investments under investment contracts[1]	0	0	0	0	0	0	0	0
Available-for-sale financial assets	**375,078**	**390,453**	**18,915**	**46,651**	**393,993**	**437,104**	**–61,311**	**–20,258**
Variable-income securities	29,053	29,015	–31,348	–12,636	–2,295	16,379	–44,439	–12,385
Fixed-income securities	346,025	361,438	50,263	59,287	396,288	420,726	–16,872	–7,873
Loans and receivables	**30,157**	**37,234**	**–2,801**	**–391**	**27,356**	**36,843**	**0**	**–32**
Fixed-income securities	3,724	5,959	–26	–349	3,698	5,610	0	0
Loans and other investments	26,432	31,275	–2,775	–42	23,658	31,233	0	–32
Investment property	**74,723**	**78,007**	**–34,460**	**4,300**	**40,263**	**82,308**	**–9,459**	**–1,848**
Financial assets accounted for using the equity method	**66,840**	**64,428**	**–1,151**	**0**	**65,689**	**64,428**	**0**	**0**
Investment administration expenses, interest paid and other investment expenses	**–42,158**	**–40,456**	**0**	**0**	**–42,158**	**–40,456**	**0**	**0**
Total	**519,018**	**531,081**	**–13,609**	**54,163**	**505,409**	**585,244**	**–70,770**	**–22,138**

[1] Income from investments under investment contracts is not stated due to its transitory character.

Details of net investment income

In € thousand

	1–12/2020	1–12/2019
Current income/expenses from investment property		
Rent revenue	99,575	108,418
Operational expenses	–24,851	–30,411
Currency gains/losses		
currency gains	90,345	42,610
currency losses	–106,091	–60,311
Proft from currency gains/losses	**–15,746**	**–17,701**
of which gains/losses from derivative financial instruments as part of US dollar underlying	–17,103	3,547
of which gains/losses from derivative financial instruments as part of hedge transactions in US dollar	13,878	–7,755

Negative currency effects from investments amounting to €8,547 thousand (2019: positive currency effects amounting to €1,304 thousand) were recognised directly in equity.

The effects of Covid-19

Net investment income fell overall compared with the previous year due to negative capital market developments caused by Covid-19 in the 2020 financial year. However, an upward trend was recorded in developments on the capital markets from the second quarter of 2020 onwards.

Expenses from investments increased on the previous year primarily as a result of impairments. Any reversals of impairment losses were recognised in other comprehensive income under the item "Profits recognised in equity from the measurement of financial instruments available for sale".

Net profit/(loss) by measurement category

In € thousand

	1–12/2020	1–12/2019
Financial assets at fair value through profit or loss		
Recognised in profit/(loss) for the period	20,266	5,017
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	393,993	437,104
of which reclassified from equity to consolidated income statement	–68,659	–46,216
Recognised in other comprehensive income	563,452	957,411
Net income	**957,445**	**1,394,515**
Loans and receivables		
Recognised in profit/(loss) for the period	27,356	36,843
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	–64,758	–54,643

Technical items

Insurance and reinsurance contracts along with investment contracts with a discretionary participation feature fall within the scope of IFRS 4 (Insurance Contracts). In accordance with IAS 8, the provisions of US Generally Accepted Accounting Principles (US GAAP) in the version applicable on 1 January 2005 were applied to all cases for which IFRS 4 contains no specific regulations on recognition and measurement. For accounting and measurement of the insurance-specific items of life insurance with profit participation, FAS 120 was observed; FAS 60 was applied for specific items in health, property and casualty insurance and FAS 113 for reinsurance. Unit-linked life insurance, where the policyholder bears the entire investment risk, was accounted for in accordance with FAS 97.

Based on the regulations, technical items must be covered by suitable assets (cover funds). As is standard in the insurance industry, amounts dedicated to the cover funds are subject to a limitation as regards availability in the Group.

Insurance and investment contracts

Insurance contracts are contracts through which a significant insurance risk is assumed. Investment contracts, i.e. contracts that do not transfer a significant insurance risk and that do not include a discretionary profit participation feature. They fall under the scope of IAS 39 (Financial Instruments).

Reinsurance contracts

Ceded reinsurance is stated in a separate item under assets. The profit and loss items (premiums and payments) are deducted openly from the corresponding items in the gross account, while commission income is reported separately as its own item. Reinsurance acquired (indirect business) is recognised as an insurance contract.

6. Technical provisions

Unearned premiums

For short-term insurance contracts, such as most property and casualty insurance policies, premiums relating to future years are reported as unearned premiums in line with the applicable regulations of US GAAP. The amount of these unearned premiums corresponds to the insurance cover granted proportionally in future periods. Premiums levied upon entering into certain long-term contracts (e.g. upfront fees) are recognised as unearned premiums. In line with the applicable regulations of US GAAP, these fees are recorded in the same manner as the redemption of deferred acquisition costs. These unearned premiums are in principle calculated for each individual policy and exactly to the day. If they are attributable to life insurance, they are included in insurance provision.

Insurance provision

Insurance provisions are essentially established in the life and health insurance lines. Their carrying amount is determined based on actuarial principles on the basis of the present value determined prospectively of future benefits to be paid by the insurer less the present value of future net premiums the insurer expects to receive on an individual contract basis. Insurance provisions are also established in the property and casualty lines that cover lifelong obligations (accident pensions as well as pensions in motor vehicle liability insurance). The insurance provision of the life insurer is calculated by taking into account contractually agreed calculation principles, which are explained in more detail under the actuarial risks in Chapter 44, “Risk profile”. These calculation principles take into account assumptions related to costs, mortality, invalidity and interest rate changes. Reasonable safety margins are included here in order to account for the risk of adjustments, errors and contingencies over the term of the contract.

For policies that are mainly of investment character (e.g. unit-linked life insurance), the provisions of FAS 97 are used to measure insurance provision. Insurance provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy.

Insurance provisions for health insurance are determined based on calculation principles that correspond to the “best estimate”, taking into account safety margins. Once calculation principles have been determined, they have to be applied to the corresponding partial portfolio for the whole duration (locked-in principle).

Provision for unsettled claims

The provision for unsettled claims includes both the provision for claims already reported by the reporting date as well as the provision for damage that has not yet been reported but which has already occurred.

The provision in property and casualty insurance is determined based on a best estimate. Standard actuarial models are used to calculate the claim reserves with the parameters for these based on historical data. The assumptions made are reviewed continuously and adjusted if necessary. Examples of material assumptions include growth in claims frequency and in average claims expenses. Another material assumption is the settlement patterns for the individual lines of business which can be impacted by various factors. Assumptions regarding the future progress of claims inflation are only made to the extent that the future development is extrapolated based on historical observations. In insurance lines in which past experience does not allow the application of statistical methods, calculations are made on the basis of market data or expert assessments.

Discounting of claims reserves only takes place with respect to a small section of the annuity reserves for which an insurance provision is also formed. Recourse payments expected in future are deducted from the provision for unsettled claims. Costs of settling the claim that are directly attributable to the claim event such as costs of an expert report are already included in the calculation for the provision. Provisions for internal settlement expense are determined in a separate calculation procedure. The calculation of the provision for unsettled claims involves uncertainty on account of the contingency risk in the underlying assumptions. Further information on this can be found in Chapter 44, “Risk profile”.

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

Life insurance is calculated on an individual loss basis with the exception of the provision for unreported claims.

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

Provisions for premium refunds and profit participation

The provision for premium refunds includes the amounts for profit-related and non-profit related profit participation to which the policyholders are entitled on the basis of statutory or contractual provisions.

In life insurance, policies with a discretionary participation feature, differences between local measurement and measurement in accordance with IFRSs are presented with deferred profit participation taken into account, whereby this is also reported in profit/(loss) for the period or in other comprehensive income depending on the recognition of the change in the underlying measurement differences. The amount of the provision for deferred profit participation generally comes to 85 per cent of the measurement differentials after tax.

Other technical provisions

This item contains provisions for contingent losses for acquired reinsurance portfolios as well as provisions for expected cancellations and premium defaults.

Liability Adequacy Test

The Liability Adequacy Test evaluates whether the established IFRS reserves are sufficient. For life insurance portfolios, a best estimate reserve is compared with the IFRS reserve less deferred acquisition costs plus unearned revenue liability (URL). This calculation is done separately each quarter for mixed insurance policies, pension policies, risk insurance policies, and unit-linked and index-linked policies.

Because UNIQA already uses the best estimate approach for calculating loss reserves in non-life insurance, only the premiums to be expected in the future will be tested. Business lines that feature a surplus in the annual calculation of less than 5 per cent from future premiums less claims and costs expected in future are reviewed each quarter. In non-life insurance, the business lines tested are motor vehicle liability insurance, general liability insurance and other.

Gross
In € thousand

Gross In € thousand	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2020	**618,125**	**12,380**	**2,607,932**	**30,572**	**1,049**	**10,975**	**3,281,033**
Foreign exchange differences	−22,320	−1,075	−36,545	−139	−30	−312	−60,422
Change in basis of consolidation	290,145		475,485			2,167	767,797
Portfolio changes	−105		−31,846	156	−205	1,671	−30,328
Additions		1,783		39,036	16	13,197	54,032
Disposals		−1,559		−28,012	−89	−6,468	−36,129
Premiums written	3,010,327						3,010,327
Premiums earned	−2,984,051						−2,984,051
Claims reporting year			1,753,449				1,753,449
Claims payments reporting year			−908,651				−908,651
Change in claims previous years			26,839				26,839
Claims payments previous years			−752,651				−752,651
At 31 December 2020	**912,122**	**11,528**	**3,134,012**	**41,612**	**741**	**21,231**	**4,121,245**
Health insurance							
At 1 January 2020	**20,857**	**3,075,435**	**198,338**	**14,630**	**125,574**	**693**	**3,435,527**
Foreign exchange differences	−2,083	−498	−811	−53	0	−8	−3,453
Portfolio changes	−35	0	−68	32	−32	0	−103
Additions		200,896		11,459	28,000	1,192	241,548
Disposals		−31,160		−9,262	−18,693	−664	−59,780
Premiums written	1,167,554						1,167,554
Premiums earned	−1,167,195						−1,167,195
Claims reporting year			688,708				688,708
Claims payments reporting year			−556,435				−556,435
Change in claims previous years			38,597				38,597
Claims payments previous years			−161,093				−161,093
At 31 December 2020	**19,098**	**3,244,673**	**207,236**	**16,807**	**134,848**	**1,213**	**3,623,875**
Life insurance							
At 1 January 2020		**9,807,418**	**183,565**	**7,181**	**1,068,226**	**4,950**	**11,071,340**
Foreign exchange differences		−67,719	−2,740	−216	−2,585	−352	−73,611
Change in basis of consolidation		156,291	53,136	7,726	764	1,264	219,182
Portfolio changes		329	−583		−1,508		−1,762
Additions		465,383		1,742	389,295	1,320	857,739
Disposals		−548,846		−1,451	−81,434	−685	−632,415
Claims reporting year			1,049,951				1,049,951
Claims payments reporting year			−893,296				−893,296
Change in claims previous years			−13,540				−13,540
Claims payments previous years			−132,965				−132,965
At 31 December 2020		**9,812,856**	**243,527**	**14,982**	**1,372,760**	**6,497**	**11,450,622**
Total							
At 1 January 2020	**638,981**	**12,895,233**	**2,989,835**	**52,383**	**1,194,849**	**16,618**	**17,787,899**
Foreign exchange differences	−24,403	−69,292	−40,096	−408	−2,615	−672	−137,485
Change in basis of consolidation	290,145	156,291	528,622	7,726	764	3,431	986,979
Portfolio changes	−139	329	−32,498	188	−1,745	1,671	−32,192
Additions		668,062		52,237	417,311	15,709	1,153,318
Disposals		−581,565		−38,726	−100,216	−7,817	−728,324
Premiums written	4,177,881						4,177,881
Premiums earned	−4,151,245						−4,151,245
Claims reporting year			3,492,107				3,492,107
Claims payments reporting year			−2,358,382				−2,358,382
Change in claims previous years			51,896				51,896
Claims payments previous years			−1,046,710				−1,046,710
At 31 December 2020	**931,220**	**13,069,057**	**3,584,775**	**73,401**	**1,508,349**	**28,940**	**19,195,742**

Reinsurers' share

In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2020	**29,467**	**12**	**187,799**			**2,462**	**219,739**
Foreign exchange differences	−1,335	−1	−2,632			−78	−4,047
Change in basis of consolidation	67,314		110,667				177,981
Portfolio changes	−94		−91				−184
Additions		1,368		20		1,786	3,175
Disposals		−1				−1,609	−1,610
Premiums written	161,744						161,744
Premiums earned	−174,836						−174,836
Claims reporting year			55,995				55,995
Claims payments reporting year			−22,813				−22,813
Change in claims previous years			51,222				51,222
Claims payments previous years			−77,234				−77,234
At 31 December 2020	**82,259**	**1,378**	**302,912**	**20**		**2,561**	**389,131**
Health insurance							
At 1 January 2020	**207**	**520**	**862**			**1**	**1,591**
Foreign exchange differences	−21		−115			0	−136
Portfolio changes	20		−461				−440
Disposals		−54				0	−54
Premiums written	2,596						2,596
Premiums earned	−2,433						−2,433
Claims reporting year			637				637
Claims payments reporting year			−424				−424
Change in claims previous years			44				44
Claims payments previous years			−271				−271
At 31 December 2020	**370**	**467**	**273**			**1**	**1,110**
Life insurance							
At 1 January 2020		**124,186**	**4,451**			**55**	**128,692**
Foreign exchange differences		−226	−61			0	−287
Change in basis of consolidation		219	1,402				1,621
Portfolio changes		−784	20				−764
Additions		68,875				6	68,881
Disposals		−75,249				−3	−75,252
Claims reporting year			21,801				21,801
Claims payments reporting year			−19,838				−19,838
Change in claims previous years			1,592				1,592
Claims payments previous years			−2,418				−2,418
At 31 December 2020		**117,021**	**6,950**			**57**	**124,028**
Total							
At 1 January 2020	**29,674**	**124,717**	**193,113**			**2,518**	**350,022**
Foreign exchange differences	−1,357	−227	−2,808			−79	−4,470
Change in basis of consolidation	67,314	219	112,069				179,602
Portfolio changes	−73	−784	−532				−1,389
Additions		70,243		20		1,792	72,055
Disposals		−75,304				−1,612	−76,916
Premiums written	164,340						164,340
Premiums earned	−177,269						−177,269
Claims reporting year			78,433				78,433
Claims payments reporting year			−43,075				−43,075
Change in claims previous years			52,858				52,858
Claims payments previous years			−79,923				−79,923
At 31 December 2020	**82,629**	**118,865**	**310,135**	**20**		**2,619**	**514,268**

Net

In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2020	**588,658**	**12,369**	**2,420,132**	**30,572**	**1,049**	**8,514**	**3,061,293**
Foreign exchange differences	−20,984	−1,074	−33,913	−139	−30	−234	−56,375
Change in basis of consolidation	222,831		364,819			2,167	589,816
Portfolio changes	−11		−31,755	156	−205	1,671	−30,143
Additions		414		39,016	16	11,411	50,857
Disposals		−1,558		−28,012	−89	−4,860	−34,519
Premiums written	2,848,583						2,848,583
Premiums earned	−2,809,215						−2,809,215
Claims reporting year			1,697,454				1,697,454
Claims payments reporting year			−885,837				−885,837
Change in claims previous years			−24,383				−24,383
Claims payments previous years			−675,417				−675,417
At 31 December 2020	**829,862**	**10,151**	**2,831,100**	**41,592**	**741**	**18,670**	**3,732,115**
Health insurance							
At 1 January 2020	**20,649**	**3,074,915**	**197,475**	**14,630**	**125,574**	**692**	**3,433,936**
Foreign exchange differences	−2,062	−498	−696	−53	0	−8	−3,317
Portfolio changes	−55	0	393	32	−32	0	337
Additions		200,896		11,459	28,000	1,192	241,548
Disposals		−31,107		−9,262	−18,693	−664	−59,726
Premiums written	1,164,958						1,164,958
Premiums earned	−1,164,762						−1,164,762
Claims reporting year			688,071				688,071
Claims payments reporting year			−556,012				−556,012
Change in claims previous years			38,553				38,553
Claims payments previous years			−160,822				−160,822
At 31 December 2020	**18,729**	**3,244,206**	**206,963**	**16,807**	**134,848**	**1,212**	**3,622,765**
Life insurance							
At 1 January 2020		**9,683,232**	**179,114**	**7,181**	**1,068,226**	**4,894**	**10,942,648**
Foreign exchange differences		−67,493	−2,679	−216	−2,585	−351	−73,324
Change in basis of consolidation		156,072	51,734	7,726	764	1,264	217,561
Portfolio changes		1,113	−603		−1,508		−998
Additions		396,508		1,742	389,295	1,314	788,858
Disposals		−473,597		−1,451	−81,434	−682	−557,163
Claims reporting year			1,028,150				1,028,150
Claims payments reporting year			−873,458				−873,458
Change in claims previous years			−15,133				−15,133
Claims payments previous years			−130,548				−130,548
At 31 December 2020		**9,695,835**	**236,578**	**14,982**	**1,372,760**	**6,439**	**11,326,594**
Total							
At 1 January 2020	**609,307**	**12,770,516**	**2,796,722**	**52,383**	**1,194,849**	**14,100**	**17,437,877**
Foreign exchange differences	−23,046	−69,066	−37,288	−408	−2,615	−593	−133,015
Change in basis of consolidation	222,831	156,072	416,553	7,726	764	3,431	807,377
Portfolio changes	−66	1,113	−31,966	188	−1,745	1,671	−30,804
Additions		597,818		52,217	417,311	13,917	1,081,263
Disposals		−506,262		−38,726	−100,216	−6,205	−651,408
Premiums written	4,013,541						4,013,541
Premiums earned	−3,973,976						−3,973,976
Claims reporting year			3,413,675				3,413,675
Claims payments reporting year			−2,315,307				−2,315,307
Change in claims previous years			−962				−962
Claims payments previous years			−966,787				−966,787
At 31 December 2020	**848,591**	**12,950,192**	**3,274,640**	**73,381**	**1,508,349**	**26,321**	**18,681,474**

Gross
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2019	**592,185**	**12,301**	**2,599,264**	**29,251**	**1,319**	**11,843**	**3,246,163**
Foreign exchange differences	4,188	−323	6,492	−46	10	3	10,325
Portfolio changes	999		−4,331		−1	16	−3,318
Additions		606		1,499	284	3,714	6,103
Disposals		−204		−133	−564	−4,600	−5,501
Premiums written	2,846,783						2,846,783
Premiums earned	−2,826,030						−2,826,030
Claims reporting year			1,815,775				1,815,775
Claims payments reporting year			−957,048				−957,048
Change in claims previous years			−57,330				−57,330
Claims payments previous years			−794,890				−794,890
At 31 December 2019	**618,125**	**12,380**	**2,607,932**	**30,572**	**1,049**	**10,975**	**3,281,033**
Health insurance							
At 1 January 2019 adjusted	**12,894**	**2,932,119**	**183,216**	**13,082**	**106,529**	**715**	**3,248,556**
Foreign exchange differences	700	47	386	−12	0	−3	1,117
Portfolio changes	0		99			−11	88
Additions		144,544		10,764	40,251	22	195,581
Disposals		−1,276		−9,203	−21,206	−30	−31,715
Premiums written	1,130,821						1,130,821
Premiums earned	−1,123,558						−1,123,558
Claims reporting year			741,288				741,288
Claims payments reporting year			−556,796				−556,796
Change in claims previous years			−12,149				−12,149
Claims payments previous years			−157,705				−157,705
At 31 December 2019 adjusted	**20,857**	**3,075,435**	**198,338**	**14,630**	**125,574**	**693**	**3,435,527**
Life insurance							
At 1 January 2019 adjusted		**9,979,484**	**199,684**	**4,931**	**640,041**	**5,357**	**10,829,497**
Foreign exchange differences		22,185	1,221	−15	774	−85	24,080
Change in basis of consolidation		95			0		95
Portfolio changes		1,642	−282		−582		779
Additions		239,543		2,496	443,064	1,161	686,264
Disposals		−435,531		−231	−15,071	−1,483	−452,316
Claims reporting year			1,168,680				1,168,680
Claims payments reporting year			−1,018,554				−1,018,554
Change in claims previous years			−14,337				−14,337
Claims payments previous years			−152,847				−152,847
At 31 December 2019 adjusted		**9,807,418**	**183,565**	**7,181**	**1,068,226**	**4,950**	**11,071,340**
Total							
At 1 January 2019 adjusted	**605,079**	**12,923,904**	**2,982,164**	**47,264**	**747,889**	**17,915**	**17,324,215**
Foreign exchange differences	4,888	21,909	8,098	−73	784	−86	35,521
Change in basis of consolidation		95			0		95
Portfolio changes	999	1,642	−4,515		−583	5	−2,451
Additions		384,694		14,758	483,599	4,898	887,948
Disposals		−437,011		−9,566	−36,841	−6,114	−489,532
Premiums written	3,977,604						3,977,604
Premiums earned	−3,949,588						−3,949,588
Claims reporting year			3,725,742				3,725,742
Claims payments reporting year			−2,532,397				−2,532,397
Change in claims previous years			−83,816				−83,816
Claims payments previous years			−1,105,442				−1,105,442
At 31 December 2019 adjusted	**638,982**	**12,895,233**	**2,989,835**	**52,383**	**1,194,849**	**16,618**	**17,787,900**

Reinsurers' share
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2019	**27,557**	**22**	**245,429**			**2,600**	**275,608**
Foreign exchange differences	614	−1	1,723			−10	2,327
Change in basis of consolidation			−1				−1
Portfolio changes	732		3,834				4,566
Additions						1,489	1,489
Disposals		−10				−1,618	−1,627
Premiums written	146,668						146,668
Premiums earned	−146,105						−146,105
Claims reporting year			168,497				168,497
Claims payments reporting year			−105,582				−105,582
Change in claims previous years			−18,558				−18,558
Claims payments previous years			−107,544				−107,544
At 31 December 2019	**29,467**	**12**	**187,799**			**2,462**	**219,739**
Health insurance							
At 1 January 2019	**624**	**566**	**863**			**4**	**2,057**
Foreign exchange differences	56		111			0	167
Portfolio changes			1				1
Additions							
Disposals		−46				−3	−48
Premiums written	2,557						2,557
Premiums earned	−3,029						−3,029
Claims reporting year			1,289				1,289
Claims payments reporting year			−1,045				−1,045
Change in claims previous years			−65				−65
Claims payments previous years			−293				−293
At 31 December 2019	**207**	**520**	**862**			**1**	**1,591**
Life insurance							
At 1 January 2019		**130,590**	**5,089**			**17**	**135,696**
Foreign exchange differences		122	21			0	143
Portfolio changes		−42	−721			34	−729
Additions		6,877				4	6,880
Disposals		−13,361				0	−13,361
Claims reporting year			25,348				25,348
Claims payments reporting year			−22,101				−22,101
Change in claims previous years			1,312				1,312
Claims payments previous years			−4,497				−4,497
At 31 December 2019		**124,186**	**4,451**			**55**	**128,692**
Total							
At 1 January 2019	**28,181**	**131,178**	**251,381**			**2,621**	**413,361**
Foreign exchange differences	670	121	1,856			−10	2,637
Change in basis of consolidation			−1				−1
Portfolio changes	732	−42	3,115			34	3,839
Additions		6,877				1,493	8,370
Disposals		−13,416				−1,620	−15,036
Premiums written	149,225						149,225
Premiums earned	−149,134						−149,134
Claims reporting year			195,134				195,134
Claims payments reporting year			−128,727				−128,727
Change in claims previous years			−17,311				−17,311
Claims payments previous years			−112,334				−112,334
At 31 December 2019	**29,674**	**124,717**	**193,113**			**2,518**	**350,022**

Net In € thousand	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2019	**564,628**	**12,279**	**2,353,835**	**29,251**	**1,319**	**9,243**	**2,970,555**
Foreign exchange differences	3,574	−322	4,768	−46	10	13	7,998
Change in basis of consolidation			1				1
Portfolio changes	267		−8,166		−1	16	−7,884
Additions		606		1,499	284	2,225	4,614
Disposals		−194		−133	−564	−2,983	−3,873
Premiums written	2,700,115						2,700,115
Premiums earned	−2,679,925						−2,679,925
Claims reporting year			1,647,278				1,647,278
Claims payments reporting year			−851,466				−851,466
Change in claims previous years			−38,771				−38,771
Claims payments previous years			−687,346				−687,346
At 31 December 2019	**588,659**	**12,369**	**2,420,132**	**30,572**	**1,049**	**8,514**	**3,061,294**
Health insurance							
At 1 January 2019 adjusted	**12,270**	**2,931,554**	**182,353**	**13,082**	**106,529**	**711**	**3,246,498**
Foreign exchange differences	644	47	274	−12	0	−3	950
Portfolio changes	0		97			−11	87
Additions		144,544		10,764	40,251	22	195,581
Disposals		−1,230		−9,203	−21,206	−27	−31,667
Premiums written	1,128,264						1,128,264
Premiums earned	−1,120,529						−1,120,529
Claims reporting year			739,999				739,999
Claims payments reporting year			−555,751				−555,751
Change in claims previous years			−12,084				−12,084
Claims payments previous years			−157,412				−157,412
At 31 December 2019 adjusted	**20,649**	**3,074,915**	**197,475**	**14,630**	**125,574**	**692**	**3,433,936**
Life insurance							
At 1 January 2019 adjusted		**9,848,894**	**194,595**	**4,931**	**640,041**	**5,340**	**10,693,800**
Foreign exchange differences		22,063	1,200	−15	774	−85	23,937
Change in basis of consolidation		95			0		95
Portfolio changes		1,685	439		−582	−34	1,507
Additions		232,667		2,496	443,064	1,158	679,384
Disposals		−422,170		−231	−15,071	−1,483	−438,955
Claims reporting year			1,143,333				1,143,333
Claims payments reporting year			−996,453				−996,453
Change in claims previous years			−15,650				−15,650
Claims payments previous years			−148,350				−148,350
At 31 December 2019 adjusted		**9,683,232**	**179,114**	**7,181**	**1,068,226**	**4,894**	**10,942,648**
Total							
At 1 January 2019 adjusted	**576,898**	**12,792,727**	**2,730,783**	**47,264**	**747,889**	**15,294**	**16,910,854**
Foreign exchange differences	4,218	21,788	6,242	−73	784	−75	32,884
Change in basis of consolidation		95	1		0		96
Portfolio changes	267	1,685	−7,629		−583	−29	−6,290
Additions		377,817		14,758	483,599	3,405	879,579
Disposals		−423,595		−9,566	−36,841	−4,493	−474,496
Premiums written	3,828,380						3,828,380
Premiums earned	−3,800,454						−3,800,454
Claims reporting year			3,530,609				3,530,609
Claims payments reporting year			−2,403,670				−2,403,670
Change in claims previous years			−66,505				−66,505
Claims payments previous years			−993,108				−993,108
At 31 December 2019 adjusted	**609,308**	**12,770,516**	**2,796,722**	**52,383**	**1,194,849**	**14,100**	**17,437,878**

The interest rates used as an accounting basis for the insurance provision were as follows:

In per cent

	Health insurance	Life insurance
2020		
For insurance provision	1.30 – 5.50	0.00 – 4.00
For deferred acquisition costs	1.30 – 5.50	2.31 – 2.51
2019		
For insurance provision	1.50 – 5.50	0.00 – 4.00
For deferred acquisition costs	1.50 – 5.50	2.41 – 2.59

Development of the provision for deferred profit participation

In € thousand

	31/12/2020	31/12/2019 adjusted
At 1 January	1,074,803	633,794
Fluctuation in value, available-for-sale securities	303,069	431,506
Remeasurement through profit or loss	4,538	9,504
At 31 December	**1,382,410**	**1,074,803**

Claims payments

In € thousand

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	Total
Financial year	773,996	714,267	778,329	798,573	729,222	734,691	746,846	814,664	844,675	1,033,986	957,846	
1 year later	1,138,253	1,068,406	1,142,524	1,174,639	1,106,066	1,106,222	1,118,644	1,233,210	1,481,070	1,491,304		
2 years later	1,229,475	1,177,160	1,255,972	1,285,030	1,204,327	1,202,760	1,231,387	1,569,429	1,618,802			
3 years later	1,276,504	1,225,202	1,308,792	1,334,305	1,251,179	1,251,488	1,464,279	1,636,436				
4 years later	1,300,643	1,251,970	1,339,606	1,362,980	1,278,898	1,435,597	1,493,126					
5 years later	1,318,705	1,266,660	1,358,361	1,380,369	1,438,378	1,466,811						
6 years later	1,329,655	1,278,874	1,372,186	1,523,376	1,453,604							
7 years later	1,338,526	1,289,116	1,494,991	1,530,573								
8 years later	1,346,403	1,381,323	1,503,368									
9 years later	1,437,635	1,387,501										
10 years later	1,441,591											

Cumulated payments and provision for unsettled claims

In € thousand

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	
Financial year	1,401,783	1,337,566	1,444,917	1,489,270	1,475,068	1,476,130	1,515,928	1,615,166	1,719,067	1,933,668	1,881,282	
1 year later	1,395,983	1,348,006	1,436,610	1,472,322	1,457,929	1,449,504	1,495,915	1,606,939	1,972,501	1,959,874		
2 years later	1,404,598	1,350,674	1,449,431	1,495,723	1,437,879	1,429,766	1,479,026	1,871,458	1,933,021			
3 years later	1,392,071	1,353,309	1,454,301	1,489,480	1,413,637	1,417,989	1,699,464	1,883,684				
4 years later	1,394,923	1,353,437	1,447,394	1,474,842	1,399,226	1,612,176	1,699,511					
5 years later	1,401,018	1,351,386	1,447,991	1,470,199	1,563,394	1,627,982						
6 years later	1,399,677	1,349,836	1,449,843	1,620,378	1,553,798							
7 years later	1,397,935	1,346,159	1,578,290	1,614,232								
8 years later	1,395,533	1,445,372	1,581,023									
9 years later	1,491,767	1,445,308										
10 years later	1,484,753											
Settlement gains/losses	7,014	64	−2,733	6,146	9,596	−15,805	−47	−12,227	39,480	−26,206		5,282
Settlement gains/losses before 2010												279
Total settlement gains/losses												**5,561**
Provision for unsettled claims	43,162	57,807	77,654	83,659	100,193	161,170	206,385	247,249	314,220	468,570	923,436	2,683,505
Provision for unsettled claims for accident years before 2010												327,813
Plus other reserve components (components not in triangle, internal claims regulation costs, etc.)												122,694
Provisions for unsettled claims (gross at 31 December 2020)												**3,134,012**

7. Technical provisions for unit-linked and index-linked life insurance

This item relates to insurance provisions and remaining technical provisions for obligations from life insurance policies where the value or income is determined by investments for which the policyholder bears the risk or for which the benefit is index-linked. The investments in question are collected in asset pools, recognised at their fair value and kept separately from the other investments. As a general rule, the measurement of the provisions corresponds with the item “Unit-linked and index-linked life insurance investments”. The policyholders are entitled to all income from these investments. The unrealised gains and losses from fluctuations in the fair values of the investment pools are thus offset by the appropriate changes in these provisions. The reinsurers’ share corresponds to a liability for deposits in the same amount.

An unearned revenue liability allocated to future year premium shares (such as preliminary fees) is calculated for unit-linked and index-linked life insurance contracts in accordance with FAS 97 and amortised correspondingly to deferred acquisition costs over the contract period.

Technical provisions for unit-linked and index-linked life insurance
In € thousand

	31/12/2020	31/12/2019
Gross	5,115,506	4,646,152
Reinsurers’ share	–131	–113
Total	**5,115,375**	**4,646,039**

8. Premiums

The item “Premiums written – gross” includes those amounts that have been called due either once or on an ongoing basis in the financial year for the purposes of providing the insurance coverage. In the event of payment in instalments, premiums written are increased by the charges added during the year and the ancillary charges in line with the tariffs. In the case of unit-linked and index-linked life insurance, only the premiums decreased by the savings portion are stated in the item “Premiums written”.

Premiums
In € thousand

	1–12/2020	1–12/2019
Premiums written – gross	**5,261,224**	**5,062,785**
Premiums written – reinsurer’s share	–190,549	–175,330
Premiums written – net	**5,070,675**	**4,887,455**
Change in premiums earned – gross	–29,693	–28,063
Change in premiums earned – reinsurers’ share	–11,443	1,679
Premiums earned	**5,029,539**	**4,861,071**

Direct insurance
In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	2,952,952	2,806,564
Health insurance	1,164,558	1,127,991
Life insurance	1,079,697	1,081,627
Total	**5,197,208**	**5,016,182**
Of which:		
Austria	3,613,820	3,573,023
remaining EU member states and other states which are party to the Agreement on the European Economic Area	1,254,479	1,081,618
other countries	328,909	361,541
Total	**5,197,208**	**5,016,182**

Indirect insurance
In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	57,375	40,219
Health insurance	2,996	2,830
Life insurance	3,646	3,553
Total	**64,016**	**46,602**

Property and casualty insurance premiums written
In € thousand

	1–12/2020	1–12/2019
Direct insurance		
Fire and business interruption insurance	273,683	252,819
Liability insurance	275,426	260,012
Household insurance	209,275	195,086
Motor TPL insurance	671,080	604,372
Legal expense insurance	99,178	96,687
Marine, aviation and transport insurance	62,908	67,244
Other motor insurance	587,090	573,887
Other property insurance	299,740	288,910
Other forms of insurance	73,040	79,056
Casualty insurance	401,532	388,491
Total	**2,952,952**	**2,806,564**
Indirect insurance		
Fire and business interruption insurance	27,268	19,566
Motor TPL insurance	7,123	5,580
Other forms of insurance	22,983	15,072
Total	**57,375**	**40,219**
Total direct and indirect insurance (amount consolidated)	**3,010,327**	**2,846,783**

Reinsurance premiums ceded
In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	161,744	146,668
Health insurance	2,596	2,557
Life insurance	26,209	26,106
Total	**190,549**	**175,330**

Premiums earned
In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	**2,808,954**	**2,678,436**
Gross	2,982,095	2,822,991
Reinsurers' share	–173,141	–144,555
Health insurance	**1,163,614**	**1,123,027**
Gross	1,166,261	1,126,022
Reinsurers' share	–2,648	–2,994
Life insurance	**1,056,972**	**1,059,607**
Gross	1,083,175	1,085,708
Reinsurers' share	–26,203	–26,102
Total	**5,029,539**	**4,861,071**

Premiums earned – indirect insurance
In € thousand

	1–12/2020	1–12/2019
Recognised simultaneously	51,926	36,379
Recognised with a delay of up to 1 year	2,976	3,059
Posted after more than 1 year	108	140
Property and casualty insurance	**55,009**	**39,579**
Recognised simultaneously	2,990	2,807
Recognised with a delay of up to 1 year	6	23
Health insurance	**2,996**	**2,830**
Recognised simultaneously	3,405	3,178
Recognised with a delay of up to 1 year	240	375
Life insurance	**3,646**	**3,553**
Total	**61,651**	**45,962**

Earnings – indirect insurance
In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	8,533	3,721
Health insurance	–111	–126
Life insurance	–1,900	–3,218
Total	**6,522**	**378**

The effects of Covid-19
After adjustment for the premiums of the acquired AXA companies, premium volumes fell slightly overall compared with the previous year due to Covid-19. While premium volumes decreased slightly in the UNIQA International segment, a slight increase was recorded in the UNIQA Austria segment despite Covid-19.

In property and casualty insurance, the marine, aviation and transport insurance business lines as well as other insurance lines recorded a slight decline in premiums as a result of Covid-19.

No impact was observed in the health and life insurance business lines that could be clearly attributed to Covid-19.

9. Insurance benefits

In € thousand	Gross		Reinsurers' share		Net	
	1–12/2020	1–12/2019 adjusted	1–12/2020	1–12/2019	1–12/2020	1–12/2019 adjusted
Property and casualty insurance						
Claims expenses						
Claims paid	1,711,589	1,751,937	−100,048	−142,187	1,611,541	1,609,750
Change in provision for unsettled claims	117,850	6,508	−7,169	59,797	110,681	66,305
Total	**1,829,439**	**1,758,445**	**−107,217**	**−82,390**	**1,722,222**	**1,676,055**
Change in insurance provision	212	410	1	10	213	420
Change in other technical provisions	−95	−3,993	−2	0	−97	−3,993
Non-profit-related and profit-related premium refund expenses	52,781	46,985	0	0	52,781	46,985
Total benefits	**1,882,337**	**1,801,848**	**−107,218**	**−82,380**	**1,775,119**	**1,719,467**
Health insurance						
Claims expenses						
Claims paid	745,499	771,718	−694	−750	744,804	770,969
Change in provision for unsettled claims	9,783	13,989	14	114	9,797	14,102
Total	**755,282**	**785,707**	**−680**	**−636**	**754,602**	**785,071**
Change in insurance provision	169,727	143,265	−46	46	169,682	143,310
Change in other technical provisions	0	19	0	0	0	19
Non-profit-related and profit-related premium refund expenses	38,772	40,898	0	0	38,772	40,898
Total benefits	**963,782**	**969,888**	**−726**	**−590**	**963,056**	**969,298**
Life insurance						
Claims expenses						
Claims paid	1,073,882	1,182,199	−22,256	−22,543	1,051,626	1,159,656
Change in provision for unsettled claims	11,204	−17,270	−1,137	656	10,067	−16,615
Total	**1,085,086**	**1,164,928**	**−23,393**	**−21,887**	**1,061,693**	**1,143,041**
Change in insurance provision	−145,657	−208,217	6,163	5,672	−139,493	−202,545
Change in other technical provisions	−161	232	0	0	−161	232
Non-profit-related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	34,365	36,607	0	0	34,365	36,607
Total benefits	**973,634**	**993,550**	**−17,230**	**−16,215**	**956,404**	**977,335**
Total	**3,819,752**	**3,765,286**	**−125,174**	**−99,186**	**3,694,579**	**3,666,100**

The effects of Covid-19

Covid-19 had differing effects on insurance benefits – after adjustment of the insurance benefits of the acquired AXA companies.

In property and casualty insurance, due to limited mobility, there was a significant decline in payments for insurance claims in motor vehicle liability insurance, other motor vehicle insurance and private casualty insurance.

Conversely, there was a slight increase in insurance benefits due to business interruptions and event cancellations. Overall, insurance benefits in property and casualty insurance declined.

In absolute terms, there was an increase in benefits in health insurance, although it was small in relation to the rise in premiums. This is primarily due to the lower utilisation of medical services.

No significant impact was identified on insurance benefits in life insurance as a result of Covid-19.

10. Operating expenses

In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance		
Acquisition costs		
Payments	671,155	614,472
Change in deferred acquisition costs	–26,506	–10,117
Other operating expenses	340,144	269,600
Reinsurance commission and share of profit from reinsurance ceded	–14,068	–12,713
	970,724	**861,241**
Health insurance		
Acquisition costs		
Payments	115,654	107,054
Change in deferred acquisition costs	–14,930	–14,504
Other operating expenses	124,594	95,733
Reinsurance commission and share of profit from reinsurance ceded	–352	–470
	224,966	**187,813**
Life insurance		
Acquisition costs		
Payments	175,891	172,103
Change in deferred acquisition costs	32,114	56,252
Other operating expenses	166,808	134,408
Reinsurance commission and share of profit from reinsurance ceded	–4,104	–4,700
	370,708	**358,062**
Total	**1,566,399**	**1,407,116**

Other non-current assets

11. Property, plant and equipment

Property, plant and equipment are accounted for using the cost model.

Gains on the disposal of property, plant and equipment are recorded under the item “Other insurance income”, while losses are recorded under “Other technical expenses”.

If the use of a property changes and an owner-occupied property becomes an investment property, the property is reclassified as investment land and buildings with the carrying amount at the date of the change.

Property, plant and equipment are depreciated on a straight line basis over a useful life for buildings of 5 to 80 years and for technical systems and operating and office equipment of 2 to 20 years. Depreciation methods, useful lives and residual values are reviewed on every reporting date and adjusted if necessary. The depreciation charges for property, plant and equipment are recognised in profit/(loss) for the period on the basis of allocated operating expenses under the items “Insurance benefits”, “Operating expenses” and “Net investment income” so that the expenses and earnings are distributed on the basis of their causation.

Leases

There are around 1,500 contracts throughout the entire Group which fall within the scope of the standard and for which UNIQA is lessee. Nearly all contracts are simple standard contracts. They mainly relate to real estate and in part to operating and office equipment. A significant portion of the capitalised rights of use consists of a small number of contracts concluded for an indefinite period. for which estimates had to be made regarding their duration and the exercise of termination options. The terms used to calculate these contracts are up to 40 years. The average contract term of the remaining 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.

Non-lease components included in the leases will not be allocated. Leases with a contractual term of less than twelve months and low value assets were not recognised.

UNIQA has not made use of the relief option for Covid-19-related payment benefits (see also Chapter "Changes in major accounting policies as well as new and amended standards").

Acquisition costs

In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2019	**411,374**	**0**	**249,709**	**0**	**661,083**
Currency translation	–364	25	269	9	–61
Change in basis of consolidation	0	–25	275	–9	240
Additions	6,141	70,977	20,696	1,773	99,588
Disposals	–2,511	–394	–21,964	–16	–24,884
Reclassifications	–56	0	–10,556	0	–10,612
At 31 December 2019	**414,585**	**70,584**	**238,429**	**1,757**	**725,355**
At 1 January 2020	**414,585**	**70,584**	**238,429**	**1,757**	**725,355**
Currency translation	–5,268	–409	–2,776	–62	–8,514
Change in basis of consolidation	0	27,332	3,128	2,584	33,044
Additions	1,907	31,106	21,331	119	54,463
Disposals	–33,048	–29,498	–8,831	–249	–71,626
Reclassifications	14,355	0	73	0	14,428
At 31 December 2020	**392,532**	**99,115**	**251,354**	**4,148**	**747,149**

Accumulated depreciation and impairment losses

In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2019	**–175,801**	**0**	**–174,219**	**0**	**–350,021**
Currency translation	170	0	–102	0	68
Change in basis of consolidation	0	0	11	0	11
Additions from depreciation	–10,874	–10,254	–15,004	–659	–36,791
Additions from impairment	–13	0	0	0	–13
Disposals	471	317	12,364	16	13,167
Reclassifications	0	0	4	0	4
Reversal of impairment	0	0	1	0	1
At 31 December 2019	**–186,048**	**–9,937**	**–176,947**	**–643**	**–373,575**
At 1 January 2020	**–186,048**	**–9,937**	**–176,947**	**–643**	**–373,575**
Currency translation	1,910	112	1,694	27	3,745
Change in basis of consolidation	0	0	0	0	0
Additions from depreciation	–11,142	–13,066	–16,673	–736	–41,617
Additions from impairment	–23	0	0	0	–23
Disposals	27,660	599	6,561	235	35,054
Reclassifications	–5,986	0	–9	0	–5,994
At 31 December 2020	**–173,628**	**–22,292**	**–185,373**	**–1,117**	**–382,410**

Carrying amounts
In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2019	235,573	0	75,489	0	311,062
At 31 December 2019	228,537	60,647	61,482	1,114	351,780
At 31 December 2020	218,904	76,823	65,981	3,031	364,739

The fair values of the land and buildings for own use are derived from expert reports and are comprised as follows:

Fair values
In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 31 December 2019	208,991	31,076	185,784	425,851
At 31 December 2020	189,887	38,566	205,250	433,703

Other property, plant and equipment refers mainly to technical systems and operating and office equipment.

Amounts recognised in consolidated financial statements
In € thousand

	2020	2019
Amounts recognised in the consolidated income statement		
Interest on lease liabilities	759	1,074
Expenses relating to short-term leases	1,405	1,717
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	4,838	5,200
Amounts recognised in the consolidated statement of cash flows		
Cash outflows for leases	–13,768	–10,628

12. Intangible assets

Deferred acquisition costs

Based on US GAAP, deferred acquisition costs are accounted for in accordance with IFRS 4. 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. Deferred acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised. They are amortised over the term of the respective insurance contract. If they are attributable to property and casualty insurance, they are amortised over the probable contractual term. For long-term health insurance contracts, the amortisation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. In life insurance, the acquisition costs are amortised over the duration of the contract in the same proportion as the actuarial profit margin of each individual year is realised in comparison to the total margin to be expected from the contracts. The changes in deferred acquisition costs are recognised as part of profit/(loss) for the period under the item "Operating expenses".

Value of business in force (VBI)

Values of life, property and casualty insurance policies as well as pension fund contracts relate to expected future margins from purchased operations. They are recognised at the fair value at the acquisition date.

The amortisation of the current value of business in force follows the progression of the estimated gross margins. The amortisation of the value of business in force is recognised in the profit/(loss) for the period under "Amortisation of VBI and impairment of goodwill".

Goodwill

Ascertainment and allocation of goodwill

For the purpose of the impairment test, UNIQA has allocated the goodwill to cash-generating units (CGUs) below, which coincide with the countries in which UNIQA operates. An exception to this was the SIGAL Group, in which the three countries of Albania, Kosovo and North Macedonia were combined as one CGU due to their similar development and organisational connection:

- UNIQA Austria
- Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group (SEE)
- Bulgaria (SEE)
- Poland (CE)
- Romania (EE)
- Russia (RU)
- Serbia (SEE)
- Czech Republic (CE)
- Hungary (CE)

Goodwill by CGU
In € thousand

	31/12/2020	31/12/2019 adjusted
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group	17,689	23,299
Bulgaria	17,512	36,612
Poland	41,873	27,927
Romania	0	63,060
Serbia	0	19,998
Czech Republic	219,871	8,347
Hungary	14,696	16,179
UNIQA Austria	37,737	37,737
Other	3,544	3,567
Total	**352,922**	**236,727**

Impairment test for goodwill

The impairment test was performed during the preparation of the financial statements. In order to test the impairment for goodwill, the recoverable amount of the CGUs is determined. Impairment is recognised when the recoverable amount of a CGU is less than its value to be covered, consisting of goodwill, the proportional net assets and any capital increases. The impairment of goodwill is recognised in profit/(loss) for the period under the item "Amortisation of VBI and impairment of goodwill".

Determination of the recoverable amount

The recoverable amount of the CGUs with goodwill allocated is calculated on the basis of value in use by applying generally accepted measurement principles by means of the discounted dividend method (DDM). The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term net profits achievable by the CGUs and long-term growth rates (perpetuity) are used as the starting point for determination of the capitalised value.

The capitalised value is determined by discounting the future profits with a suitable capitalisation rate after assumed retention to strengthen the capital base. In the process, the capitalised values are separated by the three business lines, which are then totalled to yield the value for the entire company.

Cash flow forecast (multi-phase model)

Phase 1: five-year company planning

The detailed company planning generally encompasses a period of five years. The company plans used for the calculation are the result of a structured and standardised management dialoge. This includes an integrated reporting and documentation process integrated into this dialogue and takes into account empirical values from previous planning periods. The plans are formally approved by the Group Management Board and also include material assumptions regarding the combined ratio, capital earnings, market shares and the like.

Phase 2: perpetuity growth rate

The last year of the detailed planning phase is used as the basis for determining cash flows in phase 2. From the 2020 financial year, the perpetuity growth rate is based on medium-term growth forecasts of the respective national economy and is not derived based on the insurance density as before. The underlying growth assumptions depend on the geographical location and range from 1 to 4 per cent. Various studies and statistical analyses were used as sources to provide a basis for determining the growth rates in order to consistently and realistically reflect the market situation and macroeconomic development. The reference sources include our own research, as well as country risks, growth rate estimations and multiples published by Damodaran (NYU Stern).

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

In order to depict the economic situation of income values as accurately as possible, considering the volatility on the markets, the capitalisation rate was calculated as follows: a uniform, risk-free interest rate according to the Svensson method (a 30-year spot rate for German federal bonds) was used as a base interest rate.

The beta factor was determined on the basis of the monthly betas over the last ten years for a defined peer group. The betas for the non-life, life and health insurance business lines were determined using the revenues in the relevant business lines of the individual peer group companies. The health insurance business line, which is strongly focused on the Austrian market, is operated in a manner similar to life insurance. A uniform beta factor for personal insurance is therefore used in relation to the health and life insurance lines.

In Austrian measurement practice, the market risk premium is derived at the reporting date from the implied market return based on capital market data. The growth factor is derived in the same manner as the growth in the profit from ordinary activities in the impairment test.

An additional country risk premium was defined in accordance with Professor Damodaran's models. The basic principles for calculation of the country risk premium in accordance with the Damodaran method are as follows: the spread of credit default swap spreads in a rating class of "risk-free" US government bonds is determined starting from the rating of the country concerned (Moody's). Then the spread is adjusted by the amount of the volatility difference between equity and bond markets.

The calculation also factored in the inflation differential for countries outside the eurozone. In general, the inflation differential represents inflation trends in different countries and is used as a key indicator in assessing competitiveness. In order to calculate the inflation differential, the deviation of the inflation forecast for the country of the CGU in question in relation to the inflation forecast for a risk-free environment (Germany, in this case) was used. This is adjusted annually in the detailed planning by the expected inflation, and is subsequently applied for perpetuity with the value of the last year of the detailed planning phase.

Capitalisation rate 2020

In per cent	Discount factor		Discount factor perpetuity	
	Property/ casualty	Life & health	Property/ casualty	Life & health
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group[1)]	12.1–13.2	12.9–14.0	11.7–13.4	12.5–14.1
Bulgaria	10.3	11.1	9.7	10.5
Austria	8.6	9.4	8.6	9.4
Poland	10.0	10.8	9.7	10.4
Romania	11.8	12.5	10.7	11.5
Russia	12.8	13.5	12.1	12.9
Serbia	12.6	13.4	12.5	13.3
Czech Republic	9.2	10.0	8.6	9.4
Hungary	12.1	12.8	11.1	11.9

1) The discount rate ranges listed for the SIGAL Group and the regions relate to the spread over the respective countries grouped under these headings.

Capitalisation rate 2019

In per cent	Discount factor		Discount factor perpetuity	
	Property/ casualty	Life & health	Property/ casualty	Life & health
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group[1)]	12.7–15.0	13.1–15.4	12.9–15.0	13.3–15.4
Bosnia and Herzegovina	16.3	16.7	16.8	17.2
Bulgaria	11.9	12.3	10.7	11.1
Austria	8.5	8.9	8.5	8.9
Poland	9.9	10.3	9.2	9.6
Romania	13.7	14.1	11.3	11.7
Russia	14.7	15.1	13.2	13.6
Serbia	13.7	14.1	13.7	14.1
Slovakia	9.1	9.5	9.1	9.5
Czech Republic	10.3	10.7	8.7	9.1
Hungary	12.8	13.2	11.7	12.2

1) The discount rate ranges listed for the SIGAL Group and the regions relate to the spread over the respective countries grouped under these headings.

Impairments for the financial year

The UNIQA 3.0 strategic programme also requires a review of medium-term planning. The changes to the planning assumptions result in impairment losses on goodwill for the CGU Bulgaria in the amount of €19.1 million, the CGU Romania in the amount of €61.3 million, the CGU Serbia in the amount of €20.0 million and the CGU SIGAL Group in the amount of €5.3 million.

Sensitivity analyses

In order to substantiate the results of the calculation and estimation of the value in use, sensitivity analyses with regard to the capitalisation rate and the main value drivers are performed.

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

In the event that the insurance markets develop entirely differently from the assumptions made in those business plans and forecasts, the individual goodwill amounts may incur impairment losses.

A sensitivity analysis shows that if there was a rise in interest rates of 50 basis points or a change in the underlying cash flow by –5 per cent for CGU Bulgaria and SIGAL, the value in use could fall below the carrying amount.

Other intangible assets

Other intangible assets include both purchased and internally developed software, which is depreciated on a straight-line basis over its useful economic life of 2 to 20 years.

Costs that are incurred at the research stage for internally generated software are recognised through profit or loss for the period in which they were incurred. Costs that are incurred in the development phase are deferred provided that it is foreseeable that the software will be completed, there is the intention and ability for future internal use, and this will result in a future economic benefit.

Rights of use for leased intangible assets are not recognised.

The amortisation of the other intangible assets is recognised in profit/(loss) for the period on the basis of allocated operating expenses under the items “Insurance benefits”, “Operating expenses” and “Net investment income”.

Measurement of non-financial assets

The carrying amounts of UNIQA’s non-financial assets – excluding deferred tax assets – are reviewed at every reporting date to determine whether there is an indication of impairment. If this is the case, the recoverable amount of the asset is estimated. The goodwill and intangible assets under construction are tested for impairment annually, unless a triggering event occurs.

An impairment loss on goodwill is not reversed. In the case of other assets, an impairment loss is reversed only to the extent that it does not increase the carrying amount of the asset above the carrying amount that would have been determined net of depreciation or amortisation had no impairment loss been recognised.

Acquisition costs

In € thousand

	Deferred acquisition costs	Value of business in force	Goodwill (adjusted)	Other intangible assets	Total
At 1 January 2019	**1,152,095**	**112,896**	**363,272**	**332,076**	**1,960,338**
Currency translation	2,738	−701	−2,068	−90	−121
Change in basis of consolidation	0	0	−109	0	−109
Additions	0	0	0	77,886	77,886
Disposals	0	0	−2,648	−2,917	−5,566
Reclassifications	0	0	0	15	15
Interest capitalised	−8,399	0	0	0	−8,399
Capitalisation	238,513	0	0	0	238,513
Portfolio additions and disposals	145	0	0	0	145
Amortisation	−261,297	0	0	0	−261,297
At 31 December 2019	**1,123,795**	**112,195**	**358,446**	**406,970**	**2,001,406**
At 1 January 2020	**1,123,795**	**112,195**	**358,446**	**406,970**	**2,001,406**
Currency translation	−17,174	−579	2,181	−4,717	−20,290
Change in basis of consolidation	0	349,389	219,767	8,907	578,063
Additions	203	0	0	96,148	96,351
Disposals	−156,674	−2,634	−171,752	−3,385	−334,447
Reclassifications	0	0	0	−20	−20
Interest capitalised	−366	0	0	0	−366
Capitalisation	367,072	0	0	0	367,072
Portfolio additions and disposals	−199	0	0	0	−199
Amortisation	−200,454	0	0	0	−200,454
At 31 December 2020	**1,116,203**	**458,371**	**408,641**	**503,902**	**2,487,116**

Accumulated amortisation and impairment losses

In € thousand

	Deferred acquisition costs	Value of business in force	Goodwill	Other intangible assets	Total
At 1 January 2019		**−102,206**	**−67,758**	**−171,490**	**−341,454**
Currency translation		687	0	285	973
Change in basis of consolidation		0	44	0	44
Additions from amortisation		−2,509	0	−18,862	−21,371
Additions from impairment		0	−56,653	0	−56,653
Disposals		0	2,648	927	3,575
Reversal of impairment		0	0	−1	−1
Reclassifications		0	0	−4	−4
At 31 December 2019		**−104,028**	**−121,719**	**−189,144**	**−414,890**
At 1 January 2020		**−104,028**	**−121,719**	**−189,144**	**−414,890**
Currency translation		534	0	3,538	4,071
Additions from amortisation		−20,064	0	−24,355	−44,419
Additions from impairment		0	−105,752	0	−105,752
Disposals		134	171,752	748	172,635
Reclassifications		0	0	9	9
At 31 December 2020		**−123,424**	**−55,719**	**−209,205**	**−388,348**

Carrying amounts

In € thousand

	Deferred acquisition costs	Value of business in force	Goodwill (adjusted)	Other intangible assets	Total
At 1 January 2019	**1,152,095**	**10,690**	**295,513**	**160,586**	**1,618,885**
At 31 December 2019	**1,123,795**	**8,168**	**236,727**	**217,826**	**1,586,516**
At 31 December 2020	**1,116,203**	**334,947**	**352,922**	**294,697**	**2,098,769**

Other intangible assets mainly comprise software.

Other current assets

13. Receivables, including insurance receivables

In € thousand	31/12/2020	31/12/2019
Reinsurance receivables		
Receivables from reinsurance business	76,757	50,912
	76,757	**50,912**
Insurance receivables		
from policyholders	324,837	250,196
from insurance intermediaries	29,547	22,941
from insurance companies	13,741	12,419
	368,124	**285,557**
Other receivables		
Receivables from services	81,788	69,070
Other tax refund claims	14,150	14,654
Remaining receivables	143,431	126,467
	239,368	**210,191**
Subtotal	**684,249**	**546,659**
of which receivables with a remaining maturity of		
up to 1 year	680,264	544,081
more than 1 year	3,985	2,578
	684,249	**546,659**
of which receivables with values not yet impaired		
up to 3 months overdue	6,939	8,177
more than 3 months overdue	4,880	8,034
Total receivables including insurance receivables	**684,249**	**546,659**

The fair values are essentially equal to the carrying amounts.

Impairments

In € thousand	Reinsurance receivables 2020	Reinsurance receivables 2019	Insurance receivables[1] 2020	Insurance receivables[1] 2019	Other receivables 2020	Other receivables 2019
At 1 January	0	–2,329	–12,076	–17,187	–6,971	–6,694
Change in basis of consolidation	–380	0	–64,028	0	–625	0
Allocation	0	0	–2,684	–1,957	–1,587	–1,312
Use	38	2,304	2,481	779	2,149	609
Reversal	0	25	2,861	6,380	207	1,009
Currency translation	0	0	763	–91	743	–582
At 31 December	**–342**	**0**	**–72,684**	**–12,076**	**–6,084**	**–6,971**

[1] Impairment losses related to policyholders are shown under the cancellation provision.

There are no material overdue receivables that have not been impaired.

14. Cash and cash equivalents

Cash and cash equivalents in foreign currencies are measured at the exchange rate in effect on the reporting date. The item "Cash and cash equivalents" in the consolidated statement of cash flows corresponds to the item with the same name in the consolidated statement of financial position.

Taxes

15. Income tax

Income tax

In € thousand	1–12/2020	1–12/2019 adjusted
Actual tax – reporting year	46,378	33,647
Actual tax – previous year	–8,736	11,345
Deferred tax	–4,867	11,961
Total	**32,775**	**56,953**

The basic corporate income tax rate applied for all segments was 25 per cent. National tax regulations in conjunction with life insurance profit participation may lead to a different calculated income tax rate.

Reconciliation statement

In € thousand	1–12/2020	1–12/2019 adjusted
Earnings before taxes	**57,056**	**295,667**
Expected tax expenses[1]	**14,264**	**73,917**
Adjusted by tax effects from		
Tax-free investment income	–17,873	–17,250
Amortisation of value of business in force	26,438	513
Tax-neutral consolidation effect	–79	27
Other non-deductible expenses/other tax-exempt income	16,001	994
Changes in tax rates	2,024	–20
Deviations in tax rates	–26,063	–18,069
Tax deducted at source	1,562	1,356
Taxes for previous years	8,206	8,532
Lapse of loss carried forward and other	8,293	6,952
Income tax expenses	**32,775**	**56,953**
Average effective tax burden (in per cent)	**57.4**	**19.3**

[1] Earnings before taxes multiplied by the corporate income tax rate

Excluding impairments of goodwill in the amount of €105,752 thousand, the average effective tax burden would come to 20.1 per cent.

Group taxation

In Austria, UNIQA exercises the option of forming a group of companies for tax purposes. There are three taxable groups of companies with the parent groups UNIQA Insurance Group AG, PremiQaMed Holding GmbH and R-FMZ Immobilienholding GmbH.

The group members are generally charged, or relieved by, the corporation tax amounts attributable to them by the parent group through the distribution of their tax burden in the tax group. Losses from foreign group members are also included within the scope of taxable profits. The tax realisation for these losses is accompanied by a future tax obligation to pay income taxes at an unspecified point in time. A corresponding provision is therefore formed for future subsequent taxation of foreign losses.

16. Deferred taxes

The calculation of deferred taxes is based on the specific tax rates of each country, which were between 9 and 25 per cent in the financial year (2019: between 9 and 25 per cent). Changes in tax rates in effect at 31 December 2020 are taken into account.

The deferred tax assets and deferred tax liabilities stated in the consolidated statement of financial position performed as follows:

Net deferred tax

In € thousand

At 1 January 2019 adjusted	**–236,488**
Changes recognised in profit/(loss)	–11,961
Changes recognised in other comprehensive income	–102,951
Reclassifications held for sale	–1,088
Foreign exchange differences	186
At 31 December 2019 adjusted	**–352,302**
At 1 January 2020	**–352,302**
Changes recognised in profit/(loss)	4,867
Changes recognised in other comprehensive income	–50,057
Changes due to changes in basis of consolidation	–18,964
Foreign exchange differences	1,166
At 31 December 2020	**–415,291**

Changes recorded in other comprehensive income essentially relate to measurements of financial instruments available for sale and remeasurements of defined benefit obligations.

The differences between the tax carrying amounts and the carrying amounts in the IFRS consolidated statement of financial position have the following effect:

In € thousand

	31/12/2020	31/12/2019 adjusted
Deferred tax assets		
Technical items	54,528	57,568
Investments	54,482	22,349
Actuarial gains and losses on defined benefit obligations	73,309	61,891
Loss carried forward	17,046	12,471
Other items	89,675	22,212
Total	**289,040**	**176,490**
Netting effect	–280,447	–171,253
Total after netting	**8,594**	**5,237**
Deferred tax liabilities		
Technical items	358,749	293,287
Investments	316,586	211,903
Actuarial gains and losses on defined benefit obligations	1	1
Other items	28,994	23,600
Total	**704,331**	**528,792**
Netting effect	–280,447	–171,253
Total after netting	**423,884**	**357,539**
Net deferred tax	**–415,291**	**–352,302**

The temporary differences in connection with shares in subsidiaries and associates for which no deferred tax liabilities were recognised amounted to €1,778,691 thousand (2019: €1,657,532 thousand).

An assessment of the ability to realise deferred tax assets for tax losses not yet used, tax credits not yet used and deductible temporary differences requires an estimate of the amount of future taxable profits. The resulting forecasts are based on business plans that are prepared, reviewed and approved using a uniform procedure throughout the company. Especially convincing evidence regarding the value and future chance of realisation of deferred tax assets is required under internal Group policies if the relevant Group company has suffered a loss in the current or a prior period.

The deferred tax assets stated include €17,046 thousand (2019: €12,471 thousand) attributable to tax loss carryforwards. Deferred tax assets from loss carryforwards in the amount of €11,023 thousand (2019: €10,577 thousand) were not recognised, as a realisation of these in the near future cannot be assumed, taking maturities into account.

The tax loss carryforwards of €139,365 thousand (2019: €132,128thousand) are forfeited as follows, with "more than 5 years" also including tax loss carryforwards with no forfeit date of €112,986 thousand (2019: €87,247 thousand).

In € thousand	31/12/2020	31/12/2019
Up to 1 year[1]	8,358	11,187
2 to 5 years[2]	12,336	19,604
More than 5 years[3]	118,671	101,338
Total	**139,365**	**132,128**

[1] Loss carryforwards for which no deferred tax assets have been recognised amount to €1,081 thousand at 31 December 2020 (31 December 2019: €4,560 thousand)
[2] Loss carryforwards for which no deferred tax assets have been recognised amount to €5,455 thousand at 31 December 2020 (31 December 2019: €3,664 thousand)
[3] Loss carryforwards for which no deferred tax assets have been recognised amount to €53,409 thousand at 31 December 2020 (31 December 2019: €54,048 thousand)

The tax loss carryforwards include both loss carryforwards on which deferred tax assets have been recognised and loss carryforwards on which no deferred tax assets have been recognised.

Social capital

17. Defined benefit plans

There are individual contractual pension obligations, individual contractual bridge payments, and pension allowances in accordance with association recommendations.

The calculation of defined benefit obligations is carried out annually using the projected unit credit (PUC) method. If the calculation results in a potential asset, the asset recognised is limited to the present value of any economic benefit available in the form of future refunds from the plan or reductions in future contributions to the plan. Any valid minimum funding requirements are included in the calculation of the present value of the economic benefit.

Remeasurement of net liabilities from defined benefit plans are recognised directly in other comprehensive income. The remeasurement includes the actuarial gains and losses, the income from plan assets (not including projected interest income) and the effect of any asset ceiling. Net interest expenses (income) on net liabilities (assets) from defined benefit plans re calculated for the reporting period by applying the discount rate. The discount rate was used to measure the defined benefit obligation at the start of the annual reporting period. This discount rate is applied to net liabilities (assets) from defined benefit plans on this date. Any changes in net liabilities (assets) from defined benefit plans resulting from contribution and benefit payments over the course of the reporting period are taken into account. Net interest expenses and other expenses for defined benefit plans are recognised through profit or loss in profit/(loss) for the period.

If a plan's defined benefits are changed or a plan is curtailed, the resulting change in the benefit relating to past service costs or the gain or loss on the curtailment is recognised directly in profit/(loss) for the period. Gains and losses from the settlement of a defined benefit plan are recognised at the date of the settlement. The defined benefit obligations are stated under the balance sheet item "Other provisions".

Pension entitlements

Individuals who hold an individual contractual agreement can generally claim a pension when they reach the age of 60 or 65, subject to certain conditions. The amount of the pension generally depends on the number of their years of service and their last salary before leaving their active employment. In the event of death, the spouse of the individual entitled to the claim receives a pension at 60, 50 or 40 per cent depending on the policy. The pensions are suspended for any period in which a termination benefit is paid, and their value is generally guaranteed. The pensions that are based on individual policies or on association recommendations are financed through provisions. The final pension contribution which guarantees a fixed cash value for when the beneficiary begins their retirement is set aside during the contribution phase and transferred to the pension fund at the time of retirement. The financing is specified in the pension fund's business plan, in the works council agreement and in the pension fund contract.

Termination benefit entitlements

In the case of employees of Austrian companies whose employment began prior to 31 December 2002 and lasted three years without interruption, the employee is entitled to termination benefits when the employment is terminated, unless the employee resigns, leaves without an important reason or is dismissed.

Defined benefit obligations
In € thousand

	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Termination benefits	Total defined benefit obligations
At 1 January 2020	**498,469**	**–100,536**	**397,933**	**134,318**	**532,251**
Current service costs	20,936	0	20,936	10,524	31,460
Interest expense/income	3,901	–713	3,188	378	3,567
Past service costs and gains or losses from settlements	–2,156	0	–2,156	0	–2,156
Components of defined benefit obligations recognised in the income statement	**22,682**	**–713**	**21,969**	**10,902**	**32,871**
Return on plan assets recognised in other comprehensive income	0	10	10	–47	–37
Actuarial gains and losses that arise from changes in demographic assumptions	57	0	57	–62	–5
Actuarial gains and losses that arise from changes in financial assumptions	32,306	0	32,306	3,870	36,176
Actuarial gains and losses that arise from experience adjustments	941	0	941	–694	248
Other comprehensive income	**33,305**	**10**	**33,315**	**3,066**	**36,381**
Changes from currency translation	–43	0	–43	27	–16
Payments	–17,171	624	–16,547	–7,537	–24,085
Contribution to plan assets	91	–9,831	–9,741	0	–9,741
Transfer in	75	0	75	–217	–142
Transfer out	–9,846	9,816	–31	0	–31
At 31 December 2020	**527,562**	**–100,632**	**426,930**	**140,560**	**567,490**

Defined benefit obligations
In € thousand

	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Termination benefits	Total defined benefit obligations
At 1 January 2019	**439,983**	**–90,102**	**349,881**	**143,687**	**493,568**
Current service costs	16,203	0	16,203	3,180	19,383
Interest expense/income	7,158	–1,376	5,782	1,387	7,169
Past service costs and gains or losses from settlements	–1,378	0	–1,378	0	–1,378
Components of defined benefit obligations recognised in the income statement	**21,983**	**–1,376**	**20,608**	**4,567**	**25,175**
Return on plan assets recognised in other comprehensive income	0	–5,971	–5,971	288	–5,683
Actuarial gains and losses that arise from changes in demographic assumptions	51	0	51	690	741
Actuarial gains and losses that arise from changes in financial assumptions	55,527	0	55,527	7,738	63,266
Actuarial gains and losses that arise from experience adjustments	7,367	0	7,367	3,679	11,046
Other comprehensive income	**62,946**	**–5,971**	**56,974**	**12,395**	**69,369**
Changes from currency translation	6	0	6	1	7
Payments	–19,433	0	–19,433	–26,078	–45,511
Contribution to plan assets	0	–8,116	–8,116	0	–8,116
Transfer in	7	0	7	–254	–247
Transfer out	–7,022	5,029	–1,993	0	–1,993
At 31 December 2019	**498,469**	**–100,536**	**397,933**	**134,318**	**532,251**

The plan assets for the defined benefit obligations are comprised as follows:

In per cent

	31/12/2020		31/12/2019	
	Listed	Unlisted	Listed	Unlisted
Bonds – euro	22.4	1.3	29.4	0.1
Bonds – euro high yield	0.0	0.0	0.3	0.0
Corporate bonds – euro	30.4	1.0	20.1	0.0
Equities – euro	9.5	0.0	6.8	0.0
Equities – non-euro	7.2	0.0	6.1	0.0
Equities – emerging markets	4.1	0.0	3.0	0.0
Alternative investment instruments	4.2	10.1	0.5	3.7
Land and buildings	0.0	4.9	0.0	5.0
Cash	0.0	4.7	0.0	24.0
HTM bonds/term deposits	0.0	0.0	1.2	0.0
Total	**78.0**	**22.0**	**67.2**	**32.8**

Contributions to plan assets are expected for the coming year in the amount of €6,271 thousand.

The measurement of the defined benefit obligations is based on the following actuarial calculation parameters:

Calculation factors applied

In per cent

	2020	2019
Discount rate in termination benefits	–0.1	0.3
Discount rate in pensions	0.4	0.8
Valorisation of remuneration	3.0	3.0
Valorisation of pensions	2.0	2.0
Employee turnover rate	dependent on years of service	dependent on years of service
Calculation principles	AVÖ 2018 P – salaried employees	AVÖ 2018 P – salaried employees

Weighted average duration in years

	Pensions	Termination benefits
31 December 2020	13.4	7.1
31 December 2019	14.6	7.7

The essential risks from the benefit plan are limited to the investment risk, the interest rate risk, life expectancy as well as salary risk.

The sensitivity of the defined benefit obligations on changes in the weighted actuarial calculation parameters is:

Sensitivity analysis

In € thousand

	Pensions		Termination benefits	
	2020	2019	2020	2019
Remaining life expectancy				
Change in DBO (+ 1 year)	3.1	3.8		
Change in DBO (– 1 year)	–3.3	–4.0		
Discount rate				
Change in DBO (+1 percentage point)	–12.5	–12.1	–6.6	–7.1
Change in DBO (–1 percentage point)	15.7	15.1	7.5	8.1
Future salary increase rate				
Change in DBO (+ 0.75%)	4.6	4.3	5.3	5.8
Change in DBO (– 0.75%)	–3.9	–3.8	–4.9	–5.3
Future pension increase rate				
Change in DBO (+ 0.25%)	3.7	3.6		
Change in DBO (– 0.25%)	–3.5	–3.4		

18. Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as expenses through profit or loss as soon as the associated work is performed. Prepaid contributions are recognised as assets if an entitlement to refund or reduction of future payments arises. The defined contribution plan is financed largely by UNIQA.

Pension entitlements

Board members, special policyholders and active employees in Austria are subject to a basic defined contribution pension fund scheme. The beneficiaries are also entitled to a final pension fund contribution which guarantees them a fixed cash value when they begin their retirement. Since the first pension to be paid out to the beneficiaries has a fixed benefit amount, this commitment is to be classified as a defined benefit in the contribution phase. The works council agreement states the extent to which a final pension fund contribution is provided to the beneficiary's individual assurance cover account in the event of a transfer to the old-age pension or of an incapacity to work or the death of a participant. UNIQA has no obligations during the benefit phase.

Contributions to company pension funds

Under the defined contribution company pension scheme, the employer pays the fixed amounts into company pension funds. The insurance contributions to company pension funds amounted to €4,537 thousand (2019: €4,231 thousand). The employer has satisfied their obligation by making these contributions.

19. Restructuring measures

The Supervisory Board approved the UNIQA 3.0 strategic programme in November 2020. This programme aims to make UNIQA even more focused on the customer and makes internal processes simpler, more efficient and more cost-effective. This will be accompanied by cutbacks in the UNIQA Group's workforce. Staff reductions will be achieved wherever possible through natural attrition and contract terminations agreed through mutual consent. The severance scheme that has been agreed includes special severance, partial retirement and other compensation models. A provision for restructuring measures was recognised in the amount of €98,587 thousand on account of these measures, which mainly involve a reduction in the number of employees in Austria.

The provision for restructuring measures is stated under the balance sheet item "Other provisions". It is mainly disclosed in the consolidated income statement under the items "Insurance benefits" and "Operating expenses".

Disclosure in the consolidated income statement

In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
Insurance benefits	6,801	4,117	2,819	13,738
Expenses for the acquisition of insurance	14,123	7,475	5,118	26,716
Other operating expenses	27,773	16,787	11,477	56,037
Expenses from investments	1,333	456	308	2,096
Total	**50,030**	**28,835**	**19,721**	**98,587**

20. Employees

Personnel expenses

In € thousand

	1–12/2020	1–12/2019
Salaries	444,997	454,780
Expenses for termination benefits	10,902	4,567
Pension expenses	21,969	20,608
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	127,861	128,921
Other social expenditures	5,631	7,040
Personnel-related restructuring expenses	96,319	0
Total	**707,679**	**615,916**
of which sales	133,748	120,436
of which administration	574,322	493,351
of which retirees	–391	2,129

Average number of employees

	31/12/2020	31/12/2019
Total	**13,408**	**13,038**
of which sales	4,138	4,202
of which administration	9,271	8,836

At 31 December 2020 the number of employees of the acquired AXA companies is 1,986. These were reported in the average number of salaried employees in relation to the time period from the acquisition date.

Equity

21. Subscribed capital and capital reserves

The share capital is comprised of 309,000,000 no-par-value bearer shares. Capital reserves include unallocated capital reserves, which primarily result from share premiums.

A dividend of €0.18 per share was paid on 8 June 2020. This corresponds with a distribution amounting to €55,254 thousand. Subject to the approval of the Annual General Meeting, a dividend payment in the amount of €0.18 per share is planned for the financial year, which equates to a distribution in the amount of €55,254 thousand.

22. Treasury shares

Treasury shares

	31/12/2020	31/12/2019
UNIQA Insurance Group AG		
Number of shares	819,650	819,650
Cost in € thousand	10,857	10,857
Share of subscribed capital in %	0.27	0.27
UNIQA Österreich Versicherungen AG		
Number of shares	1,215,089	1,215,089
Cost in € thousand	5,774	5,774
Share of subscribed capital in %	0.39	0.39
Total	**2,034,739**	**2,034,739**

Authorisations of the Management Board

In accordance with the resolution of the Annual General Meeting dated 20 May 2019, the Management Board is authorised to increase the company's share capital up to and including 30 June 2024 with the approval of the Supervisory Board by a total of up to €80,000,000 by issuing up to 80,000,000 no-par-value bearer or registered shares in exchange for payment in cash or in kind, one time or several times.

In accordance with the resolution of the Annual General Meeting dated 25 May 2020, the Group Management Board was again authorised to acquire, with the approval of the Supervisory Board, treasury shares for a period of 30 months from 30 November 2020 (the authorisation granted in accordance with the resolution of the Annual General Meeting on 28 May 2018 expired at 29 November 2020). The proportion of the share capital represented by newly acquired shares, together with the proportion of other treasury shares that the company has already acquired and still holds, may not exceed 10 per cent of the share capital. The authorisation to acquire treasury shares also includes the acquisition of shares in the company by subsidiaries of the company.

The treasury shares held via UNIQA Österreich Versicherungen AG stem from the merger of BL Syndikat Beteiligungs Gesellschaft m.b.H., the assigning company, with UNIQA Insurance Group AG, the acquiring company. These shares held are not to be counted towards the 10 per cent limit.

23. Capital management

Capital management takes place with due regard to the regulatory and statutory requirements. After Solvency II came into force on 1 January 2016, the definitions and methods used to calculate available own funds, as well as risk capital requirements and management standards, were replaced by Solvency II standards.

In the context of Group management, the appropriate coverage of the solvency capital requirement in accordance with Solvency II on a consolidated basis is constantly monitored. Active capital management is implemented in order to ensure that the individual Group companies and the Group as a whole have a reasonable capital base at all times. Aside from the five-year planning, another objective of active capital management is also to actively guarantee UNIQA'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, UNIQA has set itself a target capitalisation for the Group of at least 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.

UNIQA also takes the potential impact on the rating by recognised rating agencies into account in the capital management process. Standard & Poor's (S&P) currently applies a credit rating of "A–" to UNIQA Insurance Group AG. In the S&P capital model UNIQA achieves significant surplus coverage for the current level. UNIQA assumes that it will secure its surplus coverage of the AA level at a minimum in the long term and will also improve the rating in line with the corporate strategy as a result.

UNIQA Österreich Versicherungen AG and UNIQA Re AG each have a rating of "A". The supplementary capital bond issued in 2013 (€350.0 million Tier 2, first call date: 31 July 2023), the subordinated capital bond issued in 2015 (€500.0 million Tier 2, first call date: 27 July 2026) and the subordinated capital bond issued in 2020 (€200.0 million Tier 2, first call date: 9 July 2025) are rated "BBB" by S&P. The agency rates the outlook for all companies as "stable".

Further quantitative and qualitative information related to capital management according to Solvency II is included in the "Solvency and Financial Condition Report" (SFCR).

24. Non-controlling interests

Non-controlling interests are measured at the acquisition date with their proportionate share in the identifiable net assets of the acquired entity.

Changes in the share in a subsidiary that do not result in a loss of control are recognised directly as equity transactions with non-controlling interests.

Non-controlling interests
In € thousand

	31/12/2020	31/12/2019
In measurement of financial instruments available for sale	5,636	4,255
In actuarial gains and losses on defined benefit plans	–155	–207
In retained profit	11,297	5,129
In other equity	7,982	10,221
Total	**24,760**	**19,399**

Subordinated liabilities

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond to the value of €350 million with institutional investors in Europe. The bond has a maturity period of 30 years and cannot be terminated until after 10 years. The coupon equals 6.875 per cent per annum during the first ten years, after which a variable interest rate applies. The supplementary capital bond satisfies the requirements for equity netting as Tier 2 capital under the Solvency II regime. The issue was also aimed at replacing older supplementary capital bonds from Austrian insurance groups and at bolstering UNIQA's capital resources and capital structure in preparation for Solvency II and optimising these over the long term. The supplementary capital bond has been listed on the Luxembourg Stock Exchange since the end of July 2013. The issue price was set at 100 per cent.

In July 2015, UNIQA Insurance Group AG successfully placed a subordinated capital bond (Tier 2) to the value of €500 million with institutional investors in Europe. The bond is eligible for netting as Tier 2 capital under Solvency II. The bond is scheduled for repayment after a period of 31 years and subject to certain conditions, and can only be cancelled by UNIQA after eleven years have elapsed and under certain conditions. The coupon equals 6.00 per cent per annum during the first eleven years, after which a variable interest rate applies. The bond has been listed on the Vienna Stock Exchange since July 2015. The issue price was set at 100 per cent.

In July 2020 a subordinated bond was also issued in the amount of €200 million at an issue price of 99.507 per cent of the nominal amount. With a term of 15.25 years, it may be terminated for the first time after 5.25 years subject to certain conditions. The annual interest rate is fixed at 3.25 per cent for the first 5.25 years, after which a variable interest rate applies. The bond is eligible for netting as Tier 2 capital under Solvency II. By issuing a green bond, UNIQA has committed to finance or refinance suitable assets in accordance with the Green Bond Framework at the same level as the issue proceeds. The bond issue has been listed on the Vienna Stock Exchange since July 2020.

Carrying amounts
In € thousand

At 1 January 2019	**869,832**
Amortisation of transaction costs	355
Additions from accrued interests	23,061
Disposals from accrued interests	–23,139
At 31 December 2019	**870,110**
At 1 January 2020	**870,110**
Additions	197,826
Amortisation of transaction costs	576
Additions from accrued interests	24,483
Disposals from accrued interests	–23,075
At 31 December 2020	**1,069,920**

Maturity
In € thousand

	2020 long term	2020 short term	2019 long term	2019 short term
Subordinated liabilities	1,045,451	24,469	847,034	23,075

Other current and non-current liabilities

25. Financial liabilities

Carrying amounts
In € thousand

	Liabilities from collateral received for securities lending	Liabilities from loans	Derivative financial instruments	Lease liabilities	Total
At 1 January 2019	**772,196**	**12,943**	**13,345**	**0**	**798,484**
Additions	0	3	37	75,179	75,219
Disposals	–772,196	0	–11,015	–3,404	–786,614
Changes from currency translation	0	0	7	0	7
Profit or loss from changes of exchange rates	0	0	–1,413	0	–1,413
Additions from accrued interests	0	0	30	859	890
Disposals from accrued interests	0	0	–322	0	–322
Ordinary amortisation	0	–942	0	–9,793	–10,735
At 31 December 2019	**0**	**12,004**	**670**	**62,842**	**75,516**
At 1 January 2020	**0**	**12,004**	**670**	**62,842**	**75,516**
Additions	0	594,803	70	28,214	623,088
Disposals	0	0	–437	–25,086	–25,523
Change in basis of consolidation	0	0	1,540	29,916	31,456
Changes from currency translation	0	0	–7	–343	–350
Profit or loss from changes of exchange rates	0	0	72	–14	59
Additions from accrued interests	0	3,955	0	955	4,910
Disposals from accrued interests	0	0	0	–8	–8
Extraordinary amortisation	0	0	0	–584	–584
Ordinary amortisation	0	–907	0	–14,331	–15,238
Amortisation of transaction costs	0	241	0	0	241
At 31 December 2020	**0**	**610,098**	**1,908**	**81,560**	**693,566**

Maturity
In € thousand

	2020 long term	2020 short term	2019 long term	2019 short term
Liabilities from loans	606,142	3,955	11,104	900
Derivative financial instruments	292	1,617	1	669
Lease liabilities	73,609	7,951	57,861	4,980
Total	**680,043**	**13,523**	**68,966**	**6,550**

In July 2020 UNIQA Insurance Group AG issued a senior bond in the amount of €600 million at an issue price of 99.436 per cent of the nominal amount. The senior bond has a term of ten years at a nominal interest rate of 1.375 per cent. The proceeds are used to finance the purchase of former AXA companies of AXA companies in Poland, the Czech Republic and Slovakia.

Changes in financial liabilities
In € thousand

	Subordinated liabilities	Financial liabilities	Changes in financial liabilities
At 1 January 2019	**869,832**	**798,484**	**1,668,316**
Payments from other financing activities	0	−794,017	−794,017
Currency translation	0	7	7
Change in basis of consolidation	0	10,255	10,255
Other changes	278	60,787	61,065
At 31 December 2019	**870,110**	**75,516**	**945,625**
At 1 January 2020	**870,110**	**75,516**	**945,625**
Proceeds from other financing activities	197,826	595,045	792,871
Payments from other financing activities	0	−22,815	−22,815
Currency translation	0	−350	−350
Change in basis of consolidation	0	37,883	37,883
Other changes	1,984	8,287	10,271
At 31 December 2020	**1,069,920**	**693,566**	**1,763,485**

26. Liabilities and other items classified as liabilities

In € thousand

	31/12/2020	31/12/2019
Reinsurance liabilities		
Deposits retained on assumed reinsurance	116,113	123,578
Reinsurance settlement liabilities	46,555	37,321
	162,668	**160,899**
Insurance liabilities		
to policyholders	183,672	161,586
to insurance brokers	83,254	57,225
to insurance companies	17,411	16,279
	284,337	**235,091**
Liabilities to credit institutions	**4,217**	**3,501**
Other liabilities		
Personnel-related obligations	86,839	87,763
Liabilities from services	122,152	86,813
Liabilities from investment contracts	122,807	59,368
Other tax liabilities (without income tax)	55,964	79,858
Other liabilities	155,236	89,802
	542,999	**403,604**
Subtotal	**994,221**	**803,095**
of which liabilities with a maturity of		
up to 1 year	889,166	729,845
more than 1 year and up to 5 years	30,600	16,233
more than 5 years	74,454	57,017
	994,221	**803,095**
Total liabilities and other items classified as liabilities	**994,221**	**803,095**

Other non-technical income and expenses

27. Other income

In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	46,685	18,607
Health insurance	144,693	157,234
Life insurance	25,171	16,517
Of which:		
Medical services	142,676	154,877
Other services	24,588	9,837
Changes in exchange rates	30,471	16,208
Other	18,814	11,437
Total	**216,548**	**192,359**

Revenues from medical services are almost always realised at the time of purchase.

28. Other expenses

In € thousand

	1–12/2020	1–12/2019
Property and casualty insurance	38,518	38,219
Health insurance	146,556	147,494
Life insurance	45,423	5,307
Of which:		
Medical services	142,455	142,959
Other services	25,706	19,925
Exchange rate losses	35,437	9,449
Other	26,900	18,686
Total	**230,497**	**191,019**

Other disclosures

29. Group holding company

UNIQA's Group holding company is UNIQA Insurance Group AG. In addition to its duties as Group holding company, this company also performs the duties of a group reinsurer.

30. Remuneration for the Management Board and Supervisory Board

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. This identical composition of the Management Board in both companies enables efficient control of the UNIQA Group. 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 of the company from 1 July 2020 relate to their Management Board functions at UNIQA Österreich Versicherungen AG and the former UNIQA International AG, which has been merged with UNIQA Österreich Versicherungen AG.

Remuneration of the Management Board

In € thousand

	1–12/2020	1–12/2019
Fixed remuneration[1]	4,377	1,574
Variable remuneration[2]	2,217	1,141
Multi-year share-based remuneration[3]	2,137	468
Current remuneration	**8,731**	**3,183**

1) The fixed salary components include remuneration in kind equivalent to €110 thousand (2019: €35 thousand).

2) The Short-Term Incentive (STI) comprises a variable remuneration component which is paid beginning with the 2017 financial year, partly in the following year and partly after three years (the "deferred component").

3) The Long-Term Incentive (LTI) corresponds to a share-based remuneration agreement first introduced in 2013, with the beneficiary entitled to receive a cash settlement following a four-year term.

For the 2017 financial year, expected payments of €806 thousand will be made for variable remuneration (STI) in subsequent years. For the 2018 financial year, payments of €909 thousand are expected to be made in the year 2022. For the 2019 financial year, payments of €795 thousand are expected to be made in the year 2023. For the 2020 financial year, no short-term incentive due to Covid-19 was made.

As part of the multi-year long-term incentive plan (LTI), payments of €2,137 thousand were made to the members of the Management Board of UNIQA Insurance Group AG in 2020. For the subsequent years 2021 to 2024, a payment of €2,894 thousand is expected for the virtual shares allocated up to 31 December 2020.

For pension commitments and reinsurance to cover these commitments for the members of the Management Board €1,024 thousand were paid in the reporting year (2019: €359 thousand). Of the pension reinsurance amounting to €244 thousand, €184 thousand will be paid in 2021. No compensation payments were made in the current financial year. 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. The amount paid out in attendance fees and cash expenditures in the financial year was €75 thousand (2019: €72 thousand). From 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 will receive 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.

31. Share-based payment agreement with cash settlement

A share-based remuneration programme has been in place for the members of the Management Board of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG (merged with UNIQA Österreich Versicherungen AG in the 2020 financial year) since the 2013 financial year. Virtual UNIQA shares are granted conditionally for each financial year as part of this programme. Cash payments subject to agreed limits are provided for at the end of a performance period of four years for the individual annual tranches or depending on certain key performance targets.

The selected key performance targets are aimed at ensuring a relative market-based performance measurement and absolute performance measurement in accordance with the individual corporate objectives of the UNIQA Group. These defined equally-weighted key performance targets include the total shareholder return (TSR) of the UNIQA ordinary share compared with the TSR of the shares in the companies on the DJ EURO STOXX TMI Insurance, the P&C Net Combined Ratio in UNIQA's property and casualty business and the return on risk capital (the return on equity required).

The programme stipulates annual investments in UNIQA shares with a holding period also of four years in each case.

The cash settlement is calculated as follows for each tranche of shares: payment = A × B × C

A = number of virtual shares awarded for the performance period.

B = average price of the UNIQA ordinary share in the period of six months before the end of the performance period.

C = degree of target achievement at the end of the performance period. The maximum target achievement is 200 per cent.

The fair value on the date that share-based payment awards are granted is recognised as expense over the period in which the unconditional entitlement to the award is obtained. The fair value is based on expectations with respect to achievement of the defined key performance targets. Changes in measurement assumptions result in an adjustment of the recognised provision amounts affecting income. Obligations from share-based remuneration are stated under "Other provisions".

As at 31 December 2020 a total of 1,139,469 virtual shares (2019: 1,066,194 shares) were relevant for the measurement. The fair value of share-based remuneration (excluding non-wage labour costs) at the reporting date amounts to €3,993 thousand (2019: €7,169 thousand).

32. Relationships with related companies and persons

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

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 covers in particular the members of management in key positions at those companies which exercise either a controlling or a significant influence on the UNIQA Group, along with their close family members.

Transactions and balances with related companies

In € thousand

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 2020					
Premiums written (gross)	966	34	1,238	21,151	23,389
Income from investments	1,695	566	14,116	4,299	20,677
Expenses from investments	–1,647	0	0	–2,491	–4,138
Other income	157	7,384	1,922	385	9,847
Other expenses	–2,574	–8,886	–2,092	–25,576	–39,128
At 31 December 2020					
Investments	182,630	16,270	689,036	47,409	935,345
Cash and cash equivalents	293,184	0	0	45,422	338,606
Receivables, including insurance receivables	112	10,161	1	3,687	13,961
Liabilities and other items classified as liabilities	0	4,222	135	5,133	9,489

In € thousand

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 2019					
Premiums written (gross)	897	52	1,232	49,371	51,551
Income from investments	8,583	526	22,785	5,313	37,207
Expenses from investments	–929	0	0	–2,078	–3,007
Other income	164	7,487	1,953	555	10,159
Other expenses	–3,265	–8,841	–2,674	–38,896	–53,675
At 31 December 2019					
Investments	211,065	29,901	644,941	45,172	931,078
Cash and cash equivalents	301,093	0	0	235,372	536,465
Receivables, including insurance receivables	27	2,727	39	3,752	6,545
Liabilities and other items classified as liabilities	0	906	245	4,399	5,550

Transactions with related persons
In € thousand

	1–12/2020	1–12/2019
Premiums written (gross)	898	529
Salaries and short-term benefits [1]	–4,915	–5,382
Pension expenses	–2,015	–1,420
Compensation on termination of employment contract	–174	–158
Expenditures for share-based payments	0	–1,255
Other income	275	213
Other expenses	–144	0

[1] This item includes fixed and variable Management Board remuneration paid in the financial year and remuneration of the Supervisory Board.

33. Other financial obligations and contingent liabilities

Options to purchase granted

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 owe 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.

34. Expenses for the auditor of the financial statements

The auditor fees in the financial year were €2.340 thousand (2019: €2,439 thousand); of which €386 thousand (2019: €369 thousand) is attributable to the annual audit, €1.660 thousand (2019: €1,146 thousand) to other auditing services and €294 thousand (2019: €924 thousand) to other general services.

35. Basis of consolidation

Subsidiaries

Subsidiaries are entities controlled by UNIQA. UNIQA is regarded as controlling an entity if:

- UNIQA is able to exercise power over the relevant entity,
- UNIQA is exposed to fluctuating returns from its participation, and
- UNIQA is able to influence the amount of the returns as a result of the power it exercises.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the date control ends.

Loss of control

If UNIQA loses control over a subsidiary, the subsidiary's assets and liabilities and all associated non-controlling interests and other equity components are deleted from the accounts. Any resulting profit or loss is recognised in profit/(loss) for the period. Any retained shares in the former subsidiary is measured at fair value at the date of the loss of control.

Investment in associates

Associates are all the entities 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. Inclusion in the basis of consolidation is based on the proportionate equity (equity method).

Pension and investment funds

Controlled pension and investment funds are included in the consolidation unless the relevant fund volumes were considered to be immaterial when viewed separately and as a whole. A fund is regarded as controlled if:

- UNIQA determines the relevant activities of the fund, such as the definition of the investment strategy and short and medium-term investment decisions,
- UNIQA has the risk of and the rights to variable successes of the fund in the form of distributions and participates in the performance of the fund assets, and
- the determining power over the relevant activities is exercised in the interest of UNIQA by determining the investment objectives and the individual investment decisions.

Basis of consolidation

	31/12/2020	31/12/2019
Consolidated companies		
Austria	33	33
Other countries	66	57
Associates		
Austria	4	5
Other countries	1	1
Consolidated pension and investment funds		
Austria	5	6
Other countries	6	1

Shares in subsidiaries that are not consolidated, associates as well as joint ventures that are not accounted for using the equity method are classified as financial assets available for sale and stated under the item "Other investments".

36. Consolidation principles

Transactions eliminated on consolidation

Intragroup balances and transactions and all income and expenses from intragroup transactions are eliminated when consolidated financial statements are prepared.

Initial consolidation

UNIQA Ventures GmbH (Vienna) and City One Park Sp. z o.o. (Warsaw, Poland) were consolidated for the first time in the first quarter of 2020. Poland, Warsaw.

Acquisitions

In addition to the acquired AXA companies in Poland, the Czech Republic and Slovakia described in the Chapter "Business combinations", 85 per cent of the shares in Treimorfa Project Sp. z o.o. (Krakow, Poland) were acquired in the second quarter of 2020. UNIQA 5 Star GmbH (Vienna) (previously: SASR Alpha Siebenundfünfzigste Beteiligungsverwaltung GmbH) was acquired in the third quarter of 2020. The acquisitions of Treimorfa Project Sp. z o.o. and UNIQA 5 Star GmbH do not represent a business combination within the meaning of IFRS 3.

Restructuring processes

UNIQA International AG (Vienna) as assigning company was merged in the fourth quarter with UNIQA Österreich Versicherungen AG (Vienna) as acquiring company with retroactive effect from 1 January 2020.

PremiQaMed Management Services GmbH (Vienna) was merged in the third quarter of 2020 with PremiQaMed Holding GmbH (Vienna) as acquiring company.

In the fourth quarter of 2020, UNIQA Real Estate d.o.o. (Belgrade, Serbia) was merged with Renaissance Plaza d.o.o. (Belgrade, Serbia) as the acquiring company.

Sales

The 25 per cent shareholding in SK Versicherung Aktiengesellschaft (Vienna) was sold in September 2020.

Deconsolidation

The fully consolidated investment fund UNIQA Diversified Bond Fund was deconsolidated on 19 October 2020.

Company	Type of consolidation	Location	Equity interest at 31/12/2020 In per cent	Equity interest at 31/12/2019 In per cent
Domestic insurance companies				
UNIQA Insurance Group AG (Group Holding Company)		Vienna		
UNIQA Österreich Versicherungen AG	Fully consolidated	Vienna	100.0	100.0
SK Versicherung Aktiengesellschaft (Deconsolidation: 3/9/2020)	Equity method	Vienna	0.0	25.0
Foreign insurance companies				
AXA Życie Towarzystwo Ubezpieczeń S.A. (Initial consolidation: 15 October 2020)	Fully consolidated	Poland, Warsaw	100.0	0.0
AXA Ubezpieczenia Towarzystwo Ubezpieczeń i Reasekuracji S.A. (Initial consolidation: 15 October 2020)	Fully consolidated	Poland, Warsaw	100.0	0.0
AXA pojišťovna a.s. (Initial consolidation: 15/10/2020)	Fully consolidated	Czech Republic, Prague	100.0	0.0
AXA životní pojišťovna a.s. (Initial consolidation: 15/10/2020)	Fully consolidated	Czech Republic, Prague	100.0	0.0
Raiffeisen Life Insurance Company LLC	Fully consolidated	Russia, Moscow	75.0	75.0
SIGAL LIFE UNIQA Group AUSTRIA sh.a	Fully consolidated	Kosovo, Pristina	86.9	86.9
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.9	86.9
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.9	86.9
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Kosovo, Pristina	86.9	86.9
UNIQA AD Skopje	Fully consolidated	North Macedonia, Skopje	86.9	86.9
UNIQA Asigurari de Viata S.A.	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Asigurari S.A.	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Biztosító Zrt.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Insurance Company, Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.0	100.0
UNIQA Insurance plc	Fully consolidated	Bulgaria, Sofia	99.9	99.9
UNIQA Life AD Skopje	Fully consolidated	North Macedonia, Skopje	86.9	86.9
UNIQA Life Insurance plc	Fully consolidated	Bulgaria, Sofia	99.8	99.8
UNIQA LIFE Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Croatia, Zagreb	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Bosnia and Herzegovina, Sarajevo	100.0	100.0
UNIQA poisťovňa a.s.	Fully consolidated	Slovakia, Bratislava	100.0	99.9
UNIQA pojišťovna, a.s.	Fully consolidated	Czech Republic, Prague	100.0	100.0
UNIQA Re AG	Fully consolidated	Switzerland, Zurich	100.0	100.0
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Fully consolidated	Poland, Lodz	99.8	99.8
UNIQA Towarzystwo Ubezpieczeń S.A.	Fully consolidated	Poland, Lodz	98.6	98.6
UNIQA Versicherung AG	Fully consolidated	Liechtenstein, Vaduz	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
Group domestic service companies				
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Assistance Beteiligungs-GesmbH	Fully consolidated	Vienna	64.0	64.0
call us Assistance International GmbH	Fully consolidated	Vienna	50.2	50.2
UNIQA 5 Star GmbH (Initial consolidation: 1/10/2020)	Fully consolidated	Vienna	100.0	0.0
UNIQA Capital Markets GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA International AG (Merger: 1/1/2020)	Fully consolidated	Vienna	0.0	100.0
UNIQA IT Services GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Finanzierungs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Management GmbH	Fully consolidated	Vienna	100.0	100.0

Company	Type of consolidation	Location	Equity interest at 31/12/2020 In per cent	Equity interest at 31/12/2019 In per cent
Valida Holding AG	Equity method	Vienna	40.1	40.1
Versicherungsmarkt-Servicegesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Group foreign service companies				
UNIQA investiční společnost, a.s. (Initial consolidation: 15/10/2020; formerly: AXA investiční společnost a.s.)	Fully consolidated	Czech Republic, Prague	100.0	0.0
UNIQA Management Services, s.r.o. (Initial consolidation: 15/10/2020; formerly: AXA Management Services s.r.o.)	Fully consolidated	Czech Republic, Prague	100.0	0.0
AXA Polska S.A. (Initial consolidation: 15/10/2020)	Fully consolidated	Poland, Warsaw	100.0	0.0
DEKRA-Expert Műszaki Szakértői Kft.	Equity method	Hungary, Budapest	50.0	50.0
sTech d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA GlobalCare SA	Fully consolidated	Switzerland, Geneva	100.0	100.0
UNIQA Group Service Center Slovakia, spol. s r.o.	Fully consolidated	Slovakia, Nitra	100.0	100.0
UNIQA Ingatlanhasznosító Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA InsService spol. s r.o.	Fully consolidated	Slovakia, Bratislava	100.0	99.9
UNIQA Raiffeisen Software Service Kft.	Fully consolidated	Hungary, Budapest	60.0	60.0
UNIQA Raiffeisen Software Service S.R.L.	Fully consolidated	Romania, Cluj-Napoca	100.0	60.0
UNIQA Számítástechnikai Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Vitosha Auto OOD	Fully consolidated	Bulgaria, Sofia	99.9	99.9
Financial and strategic domestic shareholdings				
Diakonissen & Wehrle Privatklinik GmbH	Fully consolidated	Gallneukirchen	92.6	90.0
Goldenes Kreuz Privatklinik BetriebsGmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Ambulatorien GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Beteiligungs GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Holding GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Management Services GmbH (Merger: 1/7/2020)	Fully consolidated	Vienna	0.0	100.0
PremiQaMed Privatkliniken GmbH	Fully consolidated	Vienna	100.0	100.0
STRABAG SE	Equity method	Villach	14.3	14.3
UNIQA Beteiligungs-Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
UNIQA Leasing GmbH	Equity method	Vienna	25.0	25.0
UNIQA Ventures GmbH (Initial consolidation: 1/1/2020)	Fully consolidated	Vienna	100.0	0.0
Real estate companies				
"Hotel am Bahnhof" Errichtungs GmbH & Co KG	Fully consolidated	Vienna	100.0	100.0
Asena LLC	Fully consolidated	Ukraine, Kiev	100.0	100.0
AVE-PLAZA LLC	Fully consolidated	Ukraine, Kharkiv	100.0	100.0
Black Sea Investment Capital LLC	Fully consolidated	Ukraine, Kiev	100.0	100.0
Design Tower GmbH	Fully consolidated	Vienna	100.0	100.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity method	Vienna	33.0	33.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Fully consolidated	Vienna	100.0	100.0
Floreasca Tower SRL	Fully consolidated	Romania, Bucharest	100.0	100.0
Hotel Burgenland Betriebs GmbH	Fully consolidated	Vienna	100.0	100.0
IPM International Property Management Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Fully consolidated	Germany, Berlin	100.0	100.0
Praterstraße Eins Hotelbetriebs GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Immobilien GmbH	Fully consolidated	Vienna	100.0	100.0
Pretium Ingatlan Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Renaissance Plaza d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
Reytarske LLC	Fully consolidated	Ukraine, Kiev	100.0	100.0

Company	Type of consolidation	Location	Equity interest at 31/12/2020 In per cent	Equity interest at 31/12/2019 In per cent
R-FMZ Immobilienholding GmbH	Fully consolidated	Vienna	100.0	100.0
Software Park Kraków Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Immobilien-Projekterrichtungs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Linzer Straße 104 GmbH & Co KG	Fully consolidated	Vienna	100.0	100.0
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA poslovni centar korzo d.o.o.	Fully consolidated	Croatia, Rijeka	100.0	100.0
UNIQA Real Estate Bulgaria EOOD	Fully consolidated	Bulgaria, Sofia	100.0	100.0
UNIQA Real Estate BV	Fully consolidated	Netherlands, Hoofddorp	100.0	100.0
UNIQA Real Estate CZ, s.r.o.	Fully consolidated	Czech Republic, Prague	100.0	100.0
UNIQA Real Estate d.o.o. (Merger: 22/12/2020)	Fully consolidated	Serbia, Belgrade	0.0	100.0
UNIQA Real Estate GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Inlandsholding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Polska Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Real Estate Property Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real III, spol. s r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Real s.r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Retail Property GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA-Invest Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Zablocie Park Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
City One Park Sp. z o.o. (Formerly: Dabrine Investments Sp. z o.o.)	Fully consolidated	Poland, Warsaw	100.0	0.0
Treimorfa Project Sp. z o.o. (Initial consolidation: 1.4.2020)	Fully consolidated	Poland, Krakow	85.0	0.0
Treimorfa Hotel Sp. z o.o.	Fully consolidated	Poland, Krakow	85.0	0.0
Pension and investment funds				
UNIQA d.d.s., a.s. (Initial consolidation: 15/10/2020; formerly: AXA d.d.s., a.s.)	Fully consolidated	Slovakia, Bratislava	100.0	0.0
UNIQA d.s.s., a.s. (Initial consolidation: 15/10/2020; formerly: AXA d.s.s., a.s.)	Fully consolidated	Slovakia, Bratislava	100.0	0.0
UNIQA penzijní společnost, a.s. (Initial consolidation: 15/10/2020; formerly: AXA penzijní společnost a.s.)	Fully consolidated	Slovakia, Brno	100.0	0.0
AXA Powszechne Towarzystwo Emerytalne S.A. (Initial consolidation: 15 October 2020)	Fully consolidated	Poland, Warsaw	100.0	0.0
AXA Towarzystwo Funduszy Inwestycyjnych S.A. (Initial consolidation: 15 October 2020)	Fully consolidated	Poland, Warsaw	100.0	0.0
SSG Valluga Fund	Fully consolidated	Ireland, Dublin	100.0	100.0
UNIQA Corporate Bond	Fully consolidated	Vienna	100.0	100.0
UNIQA Diversified Bond Fund (Deconsolidation: 19/10/2020)	Fully consolidated	Vienna	0.0	100.0
UNIQA Eastern European Debt Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Emerging Markets Debt Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Euro Government Bond Fund	Fully consolidated	Vienna	99.7	99.7
UNIQA World Selection	Fully consolidated	Vienna	100.0	100.0

37. Changes in major accounting policies as well as new and amended standards

With the exception of the following changes, the outlined accounting policies were consistently applied to all periods presented in these consolidated financial statements.

Amendments and standards to be applied for the first time

The Group applied the following amendments to standards with the initial application date of 1 January 2020. None of the new regulations arising from this have any essential impact on UNIQA's assets, liabilities, financial position and profit or loss.

Standard	Content	First-time application by UNIQA	Impact on UNIQA
Miscellaneous	Updated Framework	1 January 2020	Yes
IFRS 3	Definition of a Business – Amendments to IFRS 3	1 January 2020	Yes
IAS 1, IAS 8	Definition of Material – Amendments to IAS 1 and IAS 8	1 January 2020	Yes
IFRS 9, IAS 39, IFRS 7	Amendments to IFRS 9, IAS 39 and IFRS 7: Interest Rate Benchmark Reform	1 January 2020	Yes

New and amended standards to be applied in the future

The IASB has also published a range of new standards that will be applicable in the future. UNIQA does not intend to adopt these standards early.

Standard	Content	First-time application by UNIQA	Endorsement by the EU at 31 December 2020	Likely to be relevant for UNIQA
New standards				
IFRS 9	Financial Instruments	1 January 2023[1)]	Yes	Yes
IFRS 9	Amendments to IFRS 9 – Prepayment Features with Negative Compensation	1 January 2023[1)]	Yes	Yes
IFRS 17	Insurance Contracts	1 January 2023[1)]	No	Yes
Amended standards				
IAS 1	Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-Current	1 January 2022	No	Yes
IFRS 16	Amendments to IFRS 16 Leases: Covid-19-Related Rent Concessions	1 June 2020	Yes	Yes
IFRS 4, IFRS 9	Amendments to IFRS 4 Insurance Contracts: Extension of the Temporary Exemption from Applying IFRS 9	1 January 2021	No	Yes

1) Preliminary decision of the IASB to defer the date of IFRS 17 coming into force and to extend the temporary exemption of IFRS 9 by one year

The following standards to be applied in future are expected to have a significant impact on reporting at UNIQA:

IFRS 9 – Financial Instruments

Since UNIQA's business is predominantly insurance-related and UNIQA has not yet adopted IFRS 9 in any other version, a deferral to apply IFRS 9 for the first time is permitted until 1 January 2023 (see Footnote 1 to the table above). The use of UNIQA's deferral approach requires the publication of additional information in the notes for the period up to the first-time application of IFRS 9.

Classification and measurement

The future classification and measurement of financial assets under IFRS 9 is derived from the business model criterion and the SPPI criterion (solely payments of principal and interest). Depending on the principle-based classification rules, IFRS 9 requires that subsequent measurement be carried out at amortised cost or at fair value.

UNIQA has already completed the technical development and implementation of an IT-system-based assessment of the SPPI criterion for the entire portfolio of relevant assets.

Fixed-income securities make up a large portion of the investment portfolio. Given that these securities tend to follow the principal/interest payment structure in most cases, they largely fulfil the criteria of the SPPI test. If an instrument meets the requirements of the SPPI test, there are two options: it can then be measured at amortised cost, or it can be measured at fair value through other comprehensive income. The portion of the UNIQA portfolio that does not fulfil the SPPI criteria will in future be measured at fair value through profit or loss.

Requirements for SPPI fulfilled based on carrying amounts in per cent[1)]	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts
Financial assets at fair value through profit or loss	0.0	0.1	-	0.0	0.0
Available-for-sale financial assets	0.0	90.7	-	-	-
Loans and receivables	-	0.4	99.5	-	-
Total	**0.0**	**91.2**	**99.5**	**0.0**	**0.0**

1) Classification according to IAS 39

Asset allocation of other investments
In € thousand

	At amortised cost or at fair value through other comprehensive income			At fair value through profit or loss		
	Carrying amount	Fair value	Change in fair value over the period	Carrying amount	Fair value	Change in fair value over the period
Government bonds	11,639,942	11,541,953	1,559,196	6,780	6,693	–477
Corporate bonds	3,486,221	3,471,831	92,482	130,817	131,564	–81,708
Covered bonds	2,141,159	2,120,240	–550,742	0	0	0
Loans	128,335	127,663	0	1,934	1,850	0
Other	0	0	0	1,546,285	1,545,774	645,790
Total	**17,395,657**	**17,261,688**	**1,100,936**	**1,685,817**	**1,685,881**	**563,605**

In addition, the logic of the business models was created in accordance with IFRS 9. Based on current indications, a large part of UNIQA's business is classified under the hold-and-sell business model. This may result in changes due to the interactions with IFRS 17 that cannot yet be fully assessed at the time the financial statements are being prepared.

Impairment

The new provisions of IFRS 9 concerning impairment must be applied in future to financial assets measured at amortised cost or at fair value through other comprehensive income. Under IFRS 9, the impairment calculation to be applied is based on a forward-looking model for the recognition of expected credit losses.

The model logic used to determine expected credit losses has been implemented in the IT systems and will be tested until initial application of IFRS 9. For the purpose of assessing the default risk, recourse was made to the definition in IFRS 9 of financial instruments with a low default risk at the reporting date. An external investment grade rating can therefore be used to assess whether a financial instrument has a low default risk.

Financial instruments by rating
In € thousand

	Government bonds	Corporate bonds	Covered bonds	Loans	Other	Total
AAA	2,246,890	72,462	1,369,367	0	0	3,688,718
AA	3,499,527	260,996	577,221	0	0	4,337,744
A	3,460,494	1,387,524	87,343	10,110	0	4,945,472
BBB	1,813,096	1,213,171	0	0	0	3,026,267
BB	248,791	98,985	25,129	0	0	372,904
B	303,048	9,067	0	0	0	312,115
Not rated	68,097	444,016	82,099	118,224	0	712,437
Total	**11,639,942**	**3,486,221**	**2,141,159**	**128,335**	**0**	**17,395,657**

The fair value of the instruments which do not feature a low default risk (non-investment grade) amounts to €685 million.

UNIQA expects effects from the conversion to IFRS 9 both as a result of the new classification and measurement rules and due to the new impairment model. In this regard, possible initial application and subsequent measurement effects are to be expected in the category "Variable-income securities" in particular, as these financial assets will have to be measured at fair value through profit or loss in future. In a holistic view, interactions with IFRS 17 must also be taken into account in this context. For the further course of the project, the focus is on the parallel phase in order to analyse the financial effects of the differences between IAS 39 and IFRS 9 even further.

IFRS 17 – Insurance Contracts

The IASB (International Accounting Standards Board) decided on 17 March 2020 to postpone the date of initial application of IFRS 17 by two years from 1 January 2021 to 1 January 2023. The IASB also decided to align the effective date for IFRS 9 for insurance companies with IFRS 17 to 1 January 2023. At the next stage, the EFRAG (European Financial Reporting Advisory Group) will work on the recommendation to the European Commission regarding the adoption of IFRS 17 into EU law. IFRS 17 establishes principles relating to recognition, measurement, presentation and disclosures of insurance contracts.

An essential element of the standard is a general measurement model, according to which all insurance contracts are to be valued on the basis of a prospective model. This involves combining current values (best estimate cash flows) plus a risk margin with a mode for distributing the future profit from the contracts (contractual service margin).

The contractual service margin is the equivalent of the expected future profit from contracts held in the respective portfolio and thus creates a high degree of transparency with regard to UNIQA's future profitability. This margin is a residual figure and its amount depends significantly on the best estimate of future cash flows, the discount rate and the method used to determine the risk margin.

For short-term insurance contracts, there is an option to use a simplified measurement model. UNIQA will primarily value and account for insurance contracts from the property and casualty insurance area based on the premium allocation approach.

There is a mandatory special model (variable fee approach) for participating contracts and contracts of unit-linked and index-linked life insurance. The variable fee approach is expected to be applied at UNIQA in health insurance and in life insurance.

For both, the general measurement model and the variable fee approach, UNIQA assumes at the time of publication of the Group report that the so-called OCI option will be applied where the respective allocated financial instruments on the asset side are also measured through other comprehensive income. The objective of applying this option is to reduce volatility in the financial position and income statement.

Since IFRS 17 is expected to lead to significant changes in the accounting and measurement of UNIQA's core business, a separate project team consisting of actuaries, accountants, controllers and IT experts has been appointed, and it reports to a central programme management. This organisation was set up concurrently in all affected UNIQA subsidiaries in order to provide support in defining the requirements of the respective local characteristics and the product features for the entire UNIQA Group.

In order to adequately reflect the complexity of the standard, UNIQA decided to implement an insurance subledger. In the course of its implementation, characteristic sample business transactions, so-called use cases, were developed for all existing product groups in the entire UNIQA portfolio. These sample business transactions reflect the technical interpretation of IFRS 17 from UNIQA's point of view and illustrate the configuration plan for the insurance subledger. They are the core of the new software solution.

The sample business transactions were created in close cooperation with the actuaries, accountants and the technical implementation team and shared with the UNIQA Group subsidiaries in a two-stage feedback process. In the course of numerous workshops and feedback rounds, specific features of the product landscapes of the individual subsidiaries were updated and integrated in the pool of use cases. The functional and technical design of the core of the reporting and process environment required under IFRS 17 was continued in the 2020 financial year.

In addition to the use cases, various IFRS 17 technical concepts in the actuarial and accounting areas were shared with the subsidiaries in 2020 and expanded to include their features and specifics. The integration and preparation of the data required for the measurement of and accounting for insurance contracts represents a key challenge in implementing IFRS 17. Significant progress was achieved here in the 2020 financial year.

The effects and interaction of IFRS 9 and IFRS 17 on the financial position and income statement of selected UNIQA companies were analysed in the past financial year. This analysis was based on several simplifications and assumptions. For example, in health and life insurance business lines, the future expected cash flows were based on the results of the market consistent embedded value (MCEV). In addition, an approximate cost allocation according to IFRS 17 was applied in the analysis. A simplified approach was also used to derive the risk adjustment.

Despite simplifications and estimates, important lessons have been learned:

- The comparability of IFRS 4 and IFRS 17 is limited due to the fundamental differences between the two accounting standards.
- Despite certain similarities with the solvency regulations under Solvency II, the interpretation of the results according to IFRS 17 is a great challenge due to the significantly increased complexity. In addition, the parameters for measuring the success of the company will change and new indicators such as the contractual service margin or loss component will be added.
- In order to ensure that the measurement of insurance contracts is in accordance with the provisions of IFRS 17, much larger volumes of data need be processed and validated compared to IFRS 4.

In the course of the impact analysis, all three measurement models described above (general measurement model, variable fee approach and premium allocation approach) were applied specifically to the portfolio of selected UNIQA companies. Due to the continued limited scope of this impact analysis, no conclusions can be drawn regarding the impact of IFRS 17 on the Group as a whole.

38. Error correction and change in accounting policies pursuant to IAS 8

A change in the impairment test model

A change in the impairment test model results in an impairment of goodwill allocated to CGU Bulgaria and Romania in the amount of €54,600 thousand for the 2019 financial year. In the revised impairment test the determination of the cash flow in the perpetuity and the discount rate has been adjusted.

The adjustment is implemented based on an audit by the Austrian Audit Agency for Financial Reporting (OePR). This showed that the growth assumptions used in the model and the discount rates also need to be changed.

Following review and evaluation of these findings by UNIQA Insurance Group AG, there is an impairment of goodwill of CGU Bulgaria in the amount of €19,200 thousand and of CGU Romania in the amount of €35,400 thousand.

Adjustments of deferred profit participation

In preparation for the initial application of IFRS 17 (Insurance Contracts) which is to be applied from 1 January 2023, it was discovered that deferred profit participation was not accounted for in health insurance. Due to this error correction, a provision for deferred profit participation is being recognised – with retroactive effect from 1 January 2019 – for contracts in health insurance that involve profit participation. The amount of the provision for the deferred profit participation is determined by taking into account the amounts from endowed profit participations deducted in previous years. In the course of this correction the same content is also being changed retroactively in the accounting method for life insurance, in order to achieve a uniform presentation. For this purpose – as in health insurance – a deduction of the endowed profit participations of the previous years is made. The corrections and changes in accounting policies relate exclusively to the UNIQA Austria segment.

Equity and liabilities
In € thousand

	1/1/2019 published	Change in the impairment test model	Deferred profit participation	1/1/2019 adjusted
Equity				
Portion attributable to shareholders of UNIQA Insurance Group AG				
Subscribed capital and capital reserves	1,789,923			1,789,923
Treasury shares	–16,614			–16,614
Accumulated results	1,198,803		24,896	1,223,699
	2,972,112		**24,896**	**2,997,008**
Non-controlling interests	**14,438**			**14,438**
	2,986,550		**24,896**	**3,011,446**
Liabilities				
Technical provisions	17,336,358		–12,143	17,324,215
Deferred tax liabilities	254,999		–12,752	242,246
	25,517,251		**–24,896**	**25,492,355**
Total equity and liabilities	**28,503,801**	**0**	**0**	**28,503,801**

Assets
In € thousand

	31/12/2019 published	Change in the impairment test model	Deferred profit participation	31/12/2019 adjusted
Intangible assets	1,641,116	–54,600		1,586,516
Total assets	**28,728,409**	**–54,600**		**28,673,809**

Equity and liabilities
In € thousand

	31/12/2019 published	Change in the impairment test model	Deferred profit participation	31/12/2019 adjusted
Equity				
Portion attributable to shareholders of UNIQA Insurance Group AG				
Subscribed capital and capital reserves	1,789,923			1,789,923
Treasury shares	–16,614			–16,614
Accumulated results	1,627,714	–54,600	21,296	1,594,410
	3,401,023	**–54,600**	**21,296**	**3,367,719**
Non-controlling interests	**19,399**			**19,399**
	3,420,422	**–54,600**	**21,296**	**3,387,118**
Liabilities				
Technical provisions	17,791,006		–3,106	17,787,900
Deferred tax liabilities	375,729		–18,190	357,539
	25,307,986		**–21,296**	**25,286,690**
Total equity and liabilities	**28,728,409**	**–54,600**	**0**	**28,673,809**

Consolidated income statement
In € thousand

	1–12/2019 published	Change in the impairment test model	Deferred profit participation	1–12/2019 adjusted
Insurance benefits				
Gross	–3,756,264		–9,023	–3,765,286
	–3,657,078		**–9,023**	**–3,666,100**
Technical result	**99,526**		**–9,023**	**90,504**
Operating profit/(loss)	**354,872**		**–9,023**	**345,850**
Amortisation of VBI and impairment of goodwill	**–4,562**	**–54,600**		**–59,162**
Earnings before taxes	**295,667**	**–54,600**	**–9,023**	**232,045**
Income taxes	**–59,172**		**2,219**	**–56,953**
Profit/(loss) for the period	**236,496**	**–54,600**	**–6,804**	**175,092**
of which attributable to shareholders of UNIQA Insurance Group AG	232,360	–54,600	–6,804	170,956
of which attributable to non-controlling interests	4,135			4,135
Earnings per share (in €)	**0.76**			**0.56**

39. Currency translation

Functional currency and reporting currency

The items included in the financial statements for each operating subsidiary are measured based on the currency that corresponds with the currency of the primary economic environment in which the subsidiary operates (functional currency). The consolidated financial statements are prepared in euros which is UNIQA's reporting currency.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Group entity at the exchange rate on the date of the transaction or, in the case of remeasurement, at the time of measurement.

Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the rate valid on the date the fair value is calculated. Currency translation differences are generally recognised in profit/(loss) for the period. Non-monetary items recognised in a foreign currency at historical cost are stated with the historical exchange rate. This results in no currency translation difference.

Currency translation differences from equity instruments available for sale are recognised in other comprehensive income by way of derogation from the general principle. An exception to this are impairments for which currency translation differences are reclassified from other comprehensive income to profit/(loss) for the period.

Foreign operations

Assets and liabilities from foreign operations, including the goodwill and fair value adjustments that result from the acquisition, are translated into euros at the closing rate on the reporting date. Income and expenses from foreign operations are translated at the monthly closing rates.

Currency translation differences are reported in other comprehensive income and recognised in equity as a part of the accumulated profits in the item "Differences from currency translation" if the foreign exchange difference is not attributable to non-controlling interests. Currency translation differences from the share of the carrying amount in the consolidated income statement and attributable to the amortised cost are recognised in the item "Available-for-sale financial assets".

Major exchange rates

	EUR closing rates		EUR average rates	
	31/12/2020	31/12/2019	1–12/2020	1–12/2019
Czech koruna (CZK)	26.2420	25.4080	26.4138	25.6638
Hungarian forint (HUF)	363.8900	330.5300	352.2423	325.3846
Croatian kuna (HRK)	7.5519	7.4395	7.5355	7.4198
Polish złoty (PLN)	4.5597	4.2568	4.4518	4.2992
Romanian leu (RON)	4.8683	4.7830	4.8379	4.7434
Ukrainian hryvnia (UAH)	34.6022	26.6796	30.9282	28.9962
Russian rouble (RUB)	91.4671	69.9563	83.1271	72.7949
US dollar (USD)	1.2271	1.1234	1.1452	1.1214

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.

Risk Report

40. Risk strategy

Principles

UNIQA's strategic objectives are directly linked to the company's risk strategy. The cornerstones of the risk strategy are based on the business strategy and the risks it entails. A clear definition of the risk preference creates the foundation for all business policy decisions.

Organisation

UNIQA's core business is to relieve customers of risk, pool the risk to reduce it and thereby generate profit for the company. The focus is on understanding risks and their particular features. To ensure a strong focus on risk, UNIQA has created a separate risk function on the Group's Management Board with a Group Chief Risk Officer (CRO) who is also acting concurrently as Group Chief Financial Officer (CFO). In the Group companies, the Chief Risk Officer is also a part of the Management Board. This ensures that decision-making is risk-based in all relevant bodies. UNIQA has established processes that make it possible to identify, analyse and manage risks.

The risk profile is regularly validated at all levels of the hierarchy and discussions are held in specially instituted committees with the members of the Management Board. Internal and external sources are consulted to obtain a complete picture of the risk situation. UNIQA regularly checks for new threats both in the Group and in the subsidiaries.

Risk-bearing capacity and risk appetite

UNIQA assumes risk in full awareness of its risk-bearing capacity. This is defined as the capacity to absorb potential losses from extreme events so that medium- and long-term objectives are not put in danger.

The Solvency Capital Requirement (SCR) is at the centre of risk-related decisions. The SCR corresponds with a company-specific risk assessment based on a partial internal model for market risks and non-life risks, as well as on the standard model according to Solvency II for the other risk categories. As such, it corresponds with the regulatory risk calculations under the Solvency II framework. We are aiming for risk capital cover (capital requirement ratio) of more than 170 per cent based on this approach. Immediate steps will be taken to improve the capital position if the marginal value falls below 135 per cent. Details for the reporting date as at 31 December 2020, including a detailed analysis of changes, can be found in the "Group Capital" presentation.

Non-quantifiable risks, in particular operational risk, litigation risk and strategic risk are identified and assessed as part of the risk assessment process. This assessment is then used as the basis for implementing any necessary risk mitigation measures.

UNIQA's risk strategy specifies the risks the company intends to assume and those it plans to avoid. Within the scope of the strategy process, risk appetite is defined based on UNIQA's risk-bearing capacity. This risk appetite is then used to determine tolerances and limits, which provide a sufficient early warning system for the company to initiate prompt corrective action in the event of any deviation from targets. UNIQA counters risks that fall outside the defined risk appetite, such as reputational risk, with proactive measures, transparency and careful assessment.

Opportunities
Risk also means opportunity. UNIQA analyses trends and risks that influence the society and thus customers and the company itself. Employees throughout the company are involved in order to recognise and analyse trends at an early stage, produce suitable action plans and develop innovative approaches.

41. Risk management system
The focus of risk management with management structures and defined processes is the attainment of UNIQA's and its Group companies' strategic goals.

UNIQA's Risk Management Guidelines form the basis for a uniform standard at various company levels. The guidelines are approved by the CFO/CRO and the Group Executive Board and describe the minimum requirements in terms of organisational structure and process structure.

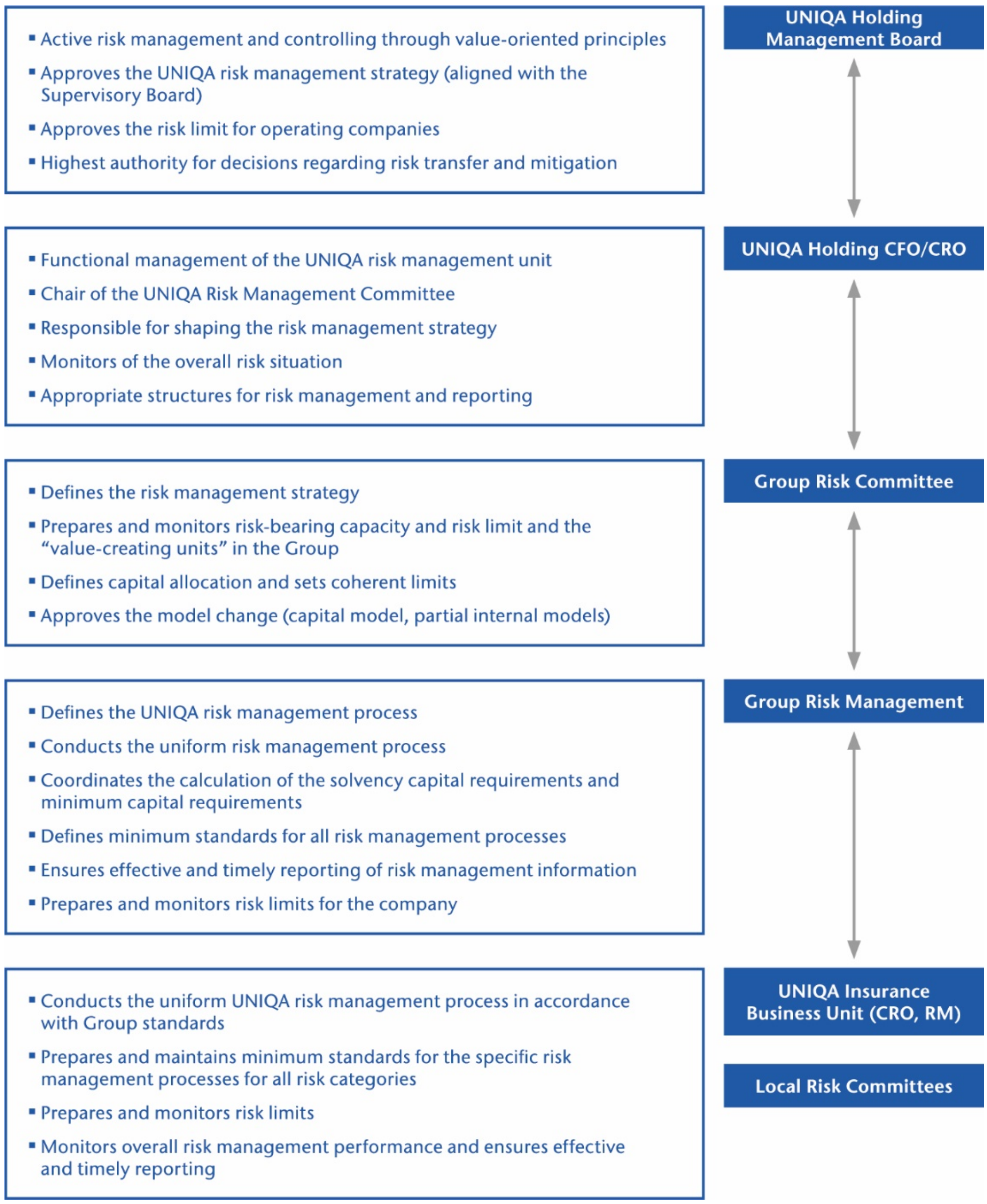
In addition to the Group Risk Management Guidelines, similar guidelines have also been prepared and approved for the Group companies. The Risk Management Guidelines at company level were approved by the Management Board of the UNIQA Group companies and are consistent with UNIQA's Risk Management Guidelines.

Organisational structure (governance)
The detailed setup of the process and organisational structure of risk management is set out in UNIQA's Risk Management Guidelines. They reflect the principles embodied in the concept of "three lines of defence" and the clear differences between the individual lines of defence.

First line of defence: risk management within the business activity
Those responsible for business activities must develop and put into practice an appropriate risk control environment to identify and monitor the risks that arise in connection with the business and processes.

Second line of defence: supervisory functions including risk management functions
The risk management function and the supervisory functions, such as controlling, must monitor business activities without encroaching on operational activities.

Third line of defence: internal audit
This enables an independent review of the formation and effectiveness of the entire internal control system, which comprises risk management and compliance (e.g. internal auditing).



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

Risk management process

UNIQA's risk management process delivers periodic information about the risk profile and enables the top management to make the decisions for the long-term achievement of objectives.

The process concentrates on risks relevant to the company and is defined for the following classes of risk:

- Market risk/Asset-Liability Management risk (ALM risk)
- Credit risk/default risk
- Liquidity risk
- Concentration risk
- Underwriting risk (property and casualty insurance, health and life insurance)
- Operational risk
- Emerging risk
- Reputational risk
- Contagion risk
- Strategic risk

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks to UNIQA and its Group companies within these categories of risk.

Risk identification is the starting point for the risk management process, systematically recording all major risks and describing them 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 categories of risk, subsidiaries, processes and systems are included.

The risk categories of market risk, underwriting risk and default risk are evaluated at UNIQA by means of quantitative methods either based on the Solvency II standard approach or the partial internal model (for non-life or market risks). Furthermore, risk drivers are identified for the results from the standard approach, and analysed to assess whether the risk situation is adequately represented (in accordance with the Company's Own Risk and Solvency Assessment (ORSA)). All other categories of risk are evaluated quantitatively or qualitatively with their own risk scenarios.

42. Activities and objectives in 2020

Based on external and internal developments, activities in 2020 focused on the following:

- Covid-19
- AXA integration
- Review of Solvency II (holistic impact assessment)
- GRC tool implementation

The world was affected by the global Covid-19 pandemic earlier this year, and this has had a significant impact on many nations around the world, on the global economic system and, as a result, on the solvency position of insurance companies. UNIQA therefore set up a crisis management team in which a group of experts from different areas regularly monitors developments associated with the spread of the coronavirus as well as the effects on UNIQA in order to be able to make decisions and implement the corresponding measures. The challenge of having all employees work remotely was mastered within a very short time, meaning that business was able to continue with almost no problems. The crisis management team continues to monitor further developments with the pandemic in order to be able to implement measures at short notice if necessary.

Due to strong capitalisation in recent years, UNIQA already actively expressed its interest and willingness some time ago to make an acquisition in its core markets in Central and Eastern Europe. On 7 February 2020 UNIQA officially announced the acquisition of AXA's subsidiaries in Poland, the Czech Republic and Slovakia, which was completed on 15 October 2020. This transaction involving the AXA subsidiaries significantly increased UNIQA's market share and led UNIQA to become the fifth largest player in the CEE market. The preparations and activities for integrating the processes and employees from the new companies into the UNIQA Group began in 2020. This topic continues to affect UNIQA in the fourth quarter of 2020 and beyond, with a merger of the AXA companies with the UNIQA companies being the next step planned. As stated above, the greatest challenge will be the integration of all the processes, employees and IT systems.

As in the previous year, the topic of the Solvency II Review continued to occupy UNIQA in 2020. The European Insurance and Occupational Pensions Authority (EIOPA) already published extensive consultation papers in 2019, containing a total of 19 topics divided into two consultation waves. These waves dealt with both qualitative (e.g. Group supervision, macro-prudential issues, reporting and disclosure) and quantitative topics (e.g. risk-free rate, risk margin, SCR, own funds). Although the review of Solvency II is not binding in nature, the initial proposals already determine the direction in which the entire Solvency II framework may change. EIOPA carried out two holistic impact assessments in 2020 on this topic in order to gain an overview of the quantitative impact of the proposals. UNIQA took part in these assessments. There is therefore a project in place with a group of experts analysing the impact of this review on the company. This will enable UNIQA to prepare for upcoming changes in good time and mitigate the risk of being unable to meet future regulatory requirements.

UNIQA has been working intensively on expanding the concept of its internal control system (ICS) in recent years. The primary focus in 2020 was on creating an IT solution for this. A Governance, Risk & Compliance (GRC) tool was introduced in order to support implementation of the ICS through the systems. The challenge here in particular was in the conceptual coordination of four areas (compliance, security management, data protection and risk management) and then reflecting this in the tool.

43. Challenges and priorities in risk management for 2021

Capital market environment

The current capital market environment is a topic that will continue to occupy UNIQA in 2021. Last year was also characterised by a low interest rate environment. In addition, the Covid-19 pandemic caused interest rates to drop sharply in early 2020 along with a strong increase in spreads and losses on the equity markets. The stock markets saw some of the most dramatic daily losses in history. The risk premiums (spreads) – in particular but not only for corporate bonds – rose sharply and recorded movements in some cases similar to those during the financial crisis of 2008–2009. Interest rates reached almost historic lows. Even though the situation has stabilised at present and the worst seems to be over for the moment, the overall situation and further developments still entail a good deal of uncertainty. This topic therefore represents a major challenge for UNIQA. UNIQA will continue to monitor the capital market environment closely in 2021 in order to be able to respond quickly to potential movements (triggered e.g. by another wave of Covid-19).

Sustainability

Sustainability is one of the topics that has become increasingly important in recent years, both in the applicable regulations as well as in terms of public perception. UNIQA established a separate group for this topic in the “HR & Brand” Management Board department at the beginning of 2020 in order to account for this trend. The focus for risk management is particularly on managing and handling sustainability risks. A working group was set up for this reason with the objective of monitoring the various developments in the area of sustainability regulation and analysing the impact on the risk management system. The output of this working group and main focus in 2021 will be on incorporating the new aspects of the requirements into the internal processes, internal regulations and reporting.

Further development of the internal model

In October 2020, the decision was taken to develop UNIQA’s partial internal model into a full internal model over the next few years. With the approval of the market risk PIM approximately 80 per cent of the risk profile is already covered by the partial internal model. The plan is to replace the remaining 20 per cent currently still modelled using the standard formula with an internal model. This would make UNIQA the first Austrian insurance group to have a full internal model. This project is designed to be a multi-year project that will continue beyond 2021.

GRC tool rollout

As mentioned in the section on activities, a GRC tool has been set up as a central instrument for managing operational risk. Rolling it out across the entire Group will be one of the focal points and challenges in 2021. The focus on the one hand will be on the fact that the relevant employees must be trained to work with the tool, and on the other hand that the data must be migrated into this new system.

44. Risk profile

UNIQA’s risk profile is very heavily influenced by the life and health insurance portfolios of UNIQA Österreich Versicherungen AG. This situation means that market risk plays a central role in UNIQA’s risk profile.

The Group companies in Central Europe operate in the property and casualty business linesas well as in the life and health insurance business lines. In the CEE region, the property and casualty sectors are the most dominant.

This structure is important to UNIQA, because it offers a high level of diversification from the life and health insurance lines that dominate in the Austrian companies.

The distinctive risk features of the regions are also reflected in the risk profiles determined by using the internal measurement approach.

Market and credit risk

The strength of the market and credit risks depends on the structure of the capital investment and its allocation to the different asset categories. The table below shows investments classified by asset category.

Asset allocation
In € thousand

	31/12/2020	31/12/2019
Fixed-income securities	17,577,469	16,473,243
Real estate assets	1,219,213	1,137,444
Pension fund	1,373,557	834,227
Equity investments and other stocks	822,476	794,450
Shares and equity funds	840,135	765,038
Time deposits	279,315	384,762
Other investments	207,077	235,631
Total	**22,319,241**	**20,624,797**

However, the market and credit risks not only have an impact on the value of investments, but also influence the level of technical liabilities. Thus, there is – particularly in life insurance – a dependence between the (price) growth of assets and liabilities from insurance contracts. UNIQA manages the income expectations and risks of assets and liabilities arising from insurance contracts as part of the asset liability management (ALM) process. The objective is to ensure sufficient liquidity while retaining the greatest possible security and balanced risk in order to achieve a return on capital that is sustainably higher than the guaranteed performance of the technical liabilities. To do this, assets and liabilities are allocated to different accounting groups.

The following two tables show the main accounting groups generated by the various product categories.

Assets
In € thousand

	31/12/2020	31/12/2019
Long-term life insurance contracts with guaranteed interest and profit participation	12,565,453	12,251,003
Long-term unit-linked and index-linked life insurance contracts	4,238,569	4,680,403
Long-term health insurance contracts	4,434,179	4,068,651
Short-term property and casualty insurance contracts	5,577,045	5,073,948
Total	**26,815,246**	**26,074,005**

These values refer to the following items:

- Land and buildings for own use
- Investment property
- Financial assets accounted for using the equity method
- Other investments
- Unit-linked and index-linked life insurance investments
- Cash and cash equivalents

Technical provisions and liabilities (net)
In € thousand

	31/12/2020	31/12/2019
Long-term life insurance contracts with guaranteed interest and profit participation	11,243,000	11,143,552
Long-term unit-linked and index-linked life insurance contracts	4,208,512	4,646,152
Long-term health insurance contracts	3,519,993	3,359,589
Short-term property and casualty insurance contracts	3,147,659	3,061,309
Total	**22,119,164**	**22,210,602**

These values refer to the following items:

- Technical provisions
- Technical provisions for unit-linked and index-linked life insurance
- Reinsurance liabilities (only securities account liabilities from reinsurance ceded)
- Reinsurers' share of technical provisions
- Reinsurers' share of technical provisions for unit-linked and index-linked life insurance

The market and credit risk is broken down into interest rate, credit spread, equity, currency and market concentration risk.

The **interest rate risk** arises on all asset and liability items of the statement of financial position whose value fluctuates as a result of changes in risk-free yield curves or associated volatility. Given the high proportion of interest-bearing securities in the assets, interest rate risk forms an important part of market risk. The interest rate risk is actively managed as part of the ALM-based investment strategy.

The following table shows the maturity structure of fixed-income securities.

Exposure by term
In € thousand

	31/12/2020	31/12/2019
Up to 1 year	975,698	673,476
More than 1 year up to 3 years	1,668,822	1,888,393
More than 3 years up to 5 years	2,307,840	2,468,311
More than 5 years up to 7 years	2,579,998	2,323,011
More than 7 years up to 10 years	2,863,478	3,067,014
More than 10 years up to 15 years	2,635,322	2,503,197
More than 15 years	4,546,309	3,549,841
Total	**17,577,469**	**16,473,243**

In comparison with this, the next table shows the insurance provision before reinsurance in health and life insurance and the gross provision for unsettled claims in non-life insurance, broken down into annual brackets. In health and life insurance the breakdown takes place using expected cash flows from the ALM process.

IFRS reserve by expected maturity date
In € thousand

	31/12/2020	31/12/2019
Up to 1 year	1,015,663	1,133,007
More than 1 year up to 3 years	1,122,053	1,085,507
More than 3 years up to 5 years	1,290,754	994,309
More than 5 years up to 7 years	1,074,151	1,127,128
More than 7 years up to 10 years	1,453,751	1,490,459
More than 10 years up to 15 years	2,233,169	2,433,869
More than 15 years	8,002,000	7,226,506
Total	**16,191,540**	**15,490,785**

Since the interest rate risk is particularly relevant in life insurance as a result of the long-term liabilities, the focus below is placed on this segment. Using UNIQA Österreich Versicherungen AG as an example, the average interest rate sensitivity of life insurance in the event of a change in interest rates of +/–50 basis points for the assets is €524.0 million, and that of liabilities €655.0 million. The difference between these two values is used as the control basis for the interest rate risk or the duration gap. During the annual ALM process, it is determined from a strategic point of view which budgets for interest rate risk can be accepted at the operating company level.

The discount rate that may be used in the costing when new business is written in most UNIQA companies takes into account a maximum discount rate imposed by the relevant local supervisory authority. In all those countries in which the maximum permissible discount rate is not imposed in this way, appropriate prudent, market-based assumptions are made by the actuaries responsible for the calculation. In our core market of Austria, the maximum interest rate beginning 1 January 2017 is 0.5 per cent per year. However, the portfolio also includes older contracts with different discount rates. In the relevant markets of the UNIQA Group, these rates amount to as much as 4.0 per cent per year. The following table provides an overview of the average technical discount rates by region and currency.

Average technical discount rates, core business by region and currency
In per cent

	EUR	USD	Local currency
Austria (AT)	2.2		
Central Europe (CE)	3.3		3.0
Eastern Europe (EE)	3.4	3.5	3.2
Southeastern Europe (SEE)	2.2	1.7	0.6
Russia (RU)	2.5	2.5	4.0

As these interest rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Since classic life insurance business predominantly invests in interest-bearing securities, the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. Investment and reinvestment risk arises from the fact that premiums received in the future must be invested to achieve the rate of return guaranteed when a policy is written. However, it is entirely possible that no appropriate securities will be available at the time the premium is received. Likewise, future income must be reinvested to achieve a return equivalent to at least the original discount rate. For this reason, UNIQA has already decided to only offer products in its key markets that are based on a low or zero discount rate. One example of this in Austria is the sale of deferred pension products with a discount rate of 0.0 per cent.

The **credit spread risk** refers to the risk of changes in the price of asset or liability items in the financial statement, as a consequence of changes in credit risk premiums or associated volatility, and is ascertained for individual securities in accordance with their rating and duration. When investing in securities, UNIQA chooses securities with a wide variety of ratings, taking into consideration the potential risks and returns.

The following table shows the credit quality of those fixed-income securities that are neither overdue nor written down, based on their ratings.

Exposure by rating

In € thousand

	31/12/2020	31/12/2019
AAA	3,704,679	3,770,117
AA	4,337,744	4,063,442
A	4,957,442	4,135,223
BBB	3,051,150	3,191,344
BB	397,365	421,238
B	317,206	271,218
≤ CCC	1	2,837
Not rated	811,881	617,825
Total	17,577,469	16,473,243

Equity risk arises from movements in the value of equities and similar investments as a result of fluctuations in international stock markets, and therefore, stems in particular from the asset categories "Equity investments and other stocks" and "Equities". The effective equity weighting is controlled by hedging with the selective use of derivative financial instruments.

Foreign currency risk is caused by fluctuations in exchange rates and associated volatility. Given the international nature of the insurance business, UNIQA invests in securities denominated in different currencies, thus following the principle of ensuring matching liabilities with assets in the same currency to cover liabilities at the coverage fund or company level. Despite the selective use of derivative financial instruments for hedging purposes, it is not always possible on cost grounds or from an investment point of view to achieve complete and targeted currency matching between the assets and liabilities. The following tables show a breakdown of assets and liabilities by currency.

Currency risk

31/12/2020

In € thousand

	Assets	Provisions and liabilities
EUR	**25,405,823**	**23,317,599**
USD	307,258	130,128
CZK	1,372,728	1,009,002
HUF	461,516	573,488
PLN	3,017,455	2,343,060
RON	289,071	203,474
Other	1,046,284	877,670
Total	31,900,133	28,454,421

Currency risk

31/12/2019 adjusted

In € thousand

	Assets	Provisions and liabilities
EUR	**24,859,575**	**22,255,561**
USD	315,363	92,359
CZK	651,244	530,656
HUF	492,803	576,893
PLN	993,648	804,969
RON	379,563	203,371
Other	981,612	844,177
Total	28,673,809	25,307,986

In addition to figures from the established market and credit risk models (MCEV, SCR, etc.), stress tests and sensitivity analyses are used to measure and manage market and credit risk and their components.

The following tables show the most important market risks in the form of key sensitivity figures, along with their impact on equity and profit/(loss) for the period. Depending on the measurement principle to be applied, any future losses from the measurement at fair value may result in different fluctuations in profit/(loss) for the period or in other comprehensive income. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects between the individual market risks or countermeasures taken in the various market scenarios.

Sensitivities for other investments are determined by simulating each scenario for each individual item, keeping all other parameters constant in each case. Market value changes that have no effect on the balance sheet include reclassified bonds and loans in the case of interest rate and credit spread risk.

Interest rate risk

In € thousand	31/12/2020 +50 basis points	31/12/2020 −50 basis points	31/12/2019[1)] +50 basis points	31/12/2019[1)] −50 basis points
Government bonds	−564,293	633,667	−432,715	478,340
Corporate bonds (incl. covered)	−198,932	207,914	−193,807	205,992
Other	−32,159	38,838	−8,366	15,098
Total	**−795,383**	**880,419**	**−634,888**	**699,430**
Of which income statement	3,179	194	1,725	3,746
Of which equity	−798,563	880,225	−636,613	695,684

Credit spread risk

In € thousand	31/12/2020 +50 basis points	31/12/2019[1)] +50 basis points
Income statement	503	−930
Equity	−877,721	−672,726
Total	**−877,218**	**−673,656**

Equity risk

In € thousand	31/12/2020 −25%	31/12/2019[1)] −25%
Income statement	−33,160	−74,691
Equity	−166,949	−120,425
Total	**−200,110**	**−195,117**

1) The adjustment to the sensitivity calculation was made as a result of the changed market environment and in line with current market practice.

Currency risk

In € thousand	31/12/2020 10%	31/12/2020 −10%	31/12/2019 10%	31/12/2019 −10%
PLN	146,247	−146,247	51,970	−51,970
USD	14,494	−40,788	24,921	−50,962
CZK	65,034	−65,098	40,396	−30,432
RUB	22,491	−22,491	26,206	−26,206
HUF	16,112	−16,112	17,283	−17,283
Other	43,532	−46,942	53,026	−57,559
Total	**307,910**	**−337,678**	**213,802**	**−234,412**
Of which income statement	183,189	−217,999	203,222	−223,833
Of which equity	124,721	−119,679	10,580	−10,580

In **life insurance** the interest rate assumptions are the crucial influencing factor on the liability adequacy test and deferred acquisition costs. The impact of the implied new funds assumption (including reinvestment) is therefore stated below.

If new funds are assumed with a +100 bp increase, then the resulting net effect (after accounting for the deferred profit participation) amounts to €8.5 million. A –100 bp reduction in this assumption results in a net effect of €–9.0 million. The effects described relate to the changes in deferred acquisition costs along with the impact on the liability adequacy test. The results were determined using the traditional business in Austria which makes up the majority of insurance provision in the Group.

In **non-life insurance**, the provision for unsettled claims is formed based on reported claims and applying accepted statistical methods. One crucial assumption here is that the pattern of claims observed from the past can be sensibly extrapolated for the future. Additional adjustments need to be made in cases where this assumption is not possible.

The calculation of claim provisions is associated with uncertainty based on the time required to process claims. In addition to the normal chance risk, there are also other factors that may influence the future processing of the claims that have already occurred. In particular, the reserving process for court damages in property and casualty insurance should be mentioned here. A reserve estimate is prepared here for these damages based on expert assessment, although this estimate can be exposed to high levels of volatility specifically with major damage at the start of the process for collecting court costs.

The partial internal model in property and casualty insurance is a suitable instrument for quantifying the volatility involved in processing. Pursuant to analysis of these model results, it was determined that a deviation of 5 per cent from the basic provision calculated may represent a realistic scenario. Based on the current provision for unsettled claims of €3,068.0 million (excluding additional provisions such as provisions for claim settlement) in the Group on a gross basis, this would mean an increase in claims incurred by €153.0 million.

Health insurance similar to life technique is now also affected by the period of low interest rates. Since 1 January 2018 only tariffs with the 1.0 per cent discount rate are being sold. That fact, together with the tariffs sold in 2017 at the discount rate of 1.75 per cent, further reduces the average discount rate. A reduction in the capital earnings by 100 bp (based on investment results 2019) would reduce the earnings before taxes by €38.2 million.

Liquidity risk

Ongoing liquidity planning takes place in order to ensure that UNIQA is able to meet its payment obligations over the next twelve months.

Obligations with a term of more than twelve months are covered by investments with matching maturities as far as possible within the framework of the ALM process and the strategic guidelines. In addition, a majority of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required.

There are underwriting obligations mainly in the form of funds from holdings in healthcare and investments in private debt, as well as in the infrastructure sector, amounting to €574,187 thousand (2019: €565,916 thousand).

Contractual maturities at 31 December 2020
In € thousand

	Liabilities from loans	Derivative financial instruments	Lease liabilities	Total
2021	19,348	1,617	14,210	35,174
2022	8,250	13	11,051	19,314
2023	8,250	278	9,601	18,129
2024	8,250	0	7,393	15,643
2025	8,250	0	6,936	15,186
> 2026	641,250	0	34,891	676,141

Contractual maturities at 31 December 2019
In € thousand

	Liabilities from loans	Derivative financial instruments	Lease liabilities	Total
2020	900	436	8,888	10,224
2021	11,104	233	7,757	19,094
2022	0	0	7,334	7,334
2023	0	0	5,801	5,801
2024	0	0	4,452	4,452
> 2025	0	1	33,514	33,515

Contractual maturities at 31 December 2020
In € thousand

	Notional amount[1]	Coupon payments	Total
2021	0	60,563	60,563
2022	0	60,563	60,563
2023	350,000	60,563	410,563
2024	0	36,500	36,500
2025	200,000	36,500	236,500
> 2026	500,000	30,000	530,000

Contractual maturities at 31 December 2019
In € thousand

	Notional amount[1]	Coupon payments	Total
2020	0	54,063	54,063
2021	0	54,063	54,063
2022	0	54,063	54,063
2023	350,000	54,063	404,063
2024	0	30,000	30,000
> 2025	500,000	60,000	560,000

[1] Contractual maturities based on the first possible termination date

Concentration risks

UNIQA strives to keep **concentration risks** as low as possible.

These could arise, for example, from the transfer of insurance business to individual reinsurance companies to an inappropriate extent. This can have a material influence on UNIQA's result in case of late payment (or non-payment) by an individual reinsurer. UNIQA controls such risks with an internal reinsurance company that is responsible for selecting external reinsurance parties, taking into account strict guidelines for avoiding material concentration risks.

However, concentration risk can also arise among other things from the composition of balance sheet items reported in the assets. Throughout the investment period, the company continuously checks to ensure that the investment volumes in securities of individual issuers do not exceed certain limits in relation to the total investment volume, defined according to the respective credit rating.

Underwriting risks

The underwriting risks are divided into non-life, life and health insurance.

The underwriting risk in **non-life** is broken down into the three risk categories of premium, reserve and catastrophe risk.

Premium risk is defined as the risk that future benefits and expenses in connection with insurance operations will exceed the premiums collected for the insurance concerned. Such a loss may also be caused in insurance operations by exceptionally significant, but rare loss events, known as major claims or shock losses. Natural catastrophes represent a further threat from events that are infrequent but that nevertheless cause substantial losses. This risk includes financial losses caused by natural hazards, such as floods, storms, hail or earthquakes. In contrast to major individual claims, insurance companies in this case refer to cumulative losses.

Reserve risk refers to the risk that technical provisions recognised for claims that have already occurred will turn out to be inadequate. The loss in this case is referred to as settlement loss. The claim reserve is calculated using actuarial methods. External factors, such as changes in the amount or frequency of claims, legal decisions, repair and/or handling costs, can lead to differences compared with the estimate.

To counter and actively manage these risks, UNIQA runs a number of processes integrated into its insurance operations. For example, a Group Policy specifies that new products may only be launched if they satisfy certain profitability criteria. Major claims and losses from natural catastrophes are appropriately managed by means of special risk management in the underwriting process (primarily in corporate activities) and by the provision of suitable reinsurance capacity.

In connection with claim reserves, guidelines also specify the procedures to be followed by local units when recognising such reserves in accordance with IFRSs. A quarterly monitoring

system and an internal review process safeguard the quality of the reserves recognised in the whole of the Group.

An essential element in risk assessment and further risk management is the use of the non-life partial model. This risk model uses stochastic simulations to quantify the risk capital requirement for each risk category at both company and Group levels.

The entities acquired by AXA in Poland, the Czech Republic and Slovakia are still measured according to the EIOPA standard model as at 31 December 2020. They will be integrated into the Group model in 2021.

In **life insurance**, the underwriting risk is generally defined as the risk of loss or adverse developments affecting the value of insurance liabilities. It is divided into the categories mortality, longevity, disability-morbidity, lapse, expense, revision and catastrophe risk.

The mortality risk depends on possible fluctuations in mortality rates due to an increase in deaths which would have an adverse effect on the expected benefits to pay on risk insurance policies.

Longevity risk refers to the adverse effects of random fluctuations in mortality rates due to a decline in the mortality rate. The insurer is thereby exposed to the risk that the anticipated life expectancy in the calculation of the premium will be exceeded in reality and that the expenditure for pension payments will be higher than planned.

The disability-morbidity risk is caused by possible adverse fluctuations in disability, sickness and morbidity rates compared to what they were at the time the premium was calculated.

The lapse risk arises from the fluctuations in policy cancellation, termination, renewal, capital selection and surrender rates of insurance policies. Overall, it represents the uncertainty regarding customer behaviour.

The expense risk refers to adverse effects due to fluctuations in the administrative costs of insurance and reinsurance contracts.

The revision risk results from fluctuations in the revision rates for annuities due to changes in the legal environment.

The catastrophe risk results from significant uncertainty in relation to pricing and the assumptions made in the creation of provisions for extreme/exceptional events.
The most relevant risk in this context is an immediate dramatic increase in mortality rates: in this case, death benefits in the risk portfolio could not be fully financed by the risk premium collected.

In the context of life insurance, the main techniques for risk mitigation are the adjustment of future profit participations or a corresponding premium adjustment as well as additional reinsurance policies, which are carried out in compliance with legal and contractual framework conditions. These measures are crucial for the underlying risk models and contain detailed information and regulations, particularly with regard to profit participation. In practice, profitable new business supports the risk-bearing capacity of the existing portfolio, whereby careful risk selection (e.g. health checks) and cautiously chosen calculation principles for premiums are essential cornerstones when designing products. By including premium adjustment clauses, the potential to reduce risk can be improved, especially in the risk and occupational disability portfolio.

The **health insurance business** is operated primarily in Austria. As a result, risk management in this line focuses mainly on Austria.

Health insurance is a loss insurance which is calculated under consideration of biometric risks and is operated in Austria according to the similar to life technique.

The risk categories of the underwriting risk in health insurance with the similar to life technique are based on the subdivisions of life insurance already described above, with minor deviations.

Analogous to life insurance, the main techniques for risk mitigation are the adjustment of future profit participations or a corresponding premium adjustment which is carried out in compliance with legal and contractual framework conditions. These measures are crucial for the underlying risk models and contain detailed information and regulations, particularly with regard to profit participation. In practice, classic risk-mitigation techniques are also relevant here.

For health insurance they include:

- Prudent setting of the discount rate at a level that can be earned in the long term;
- Risk selection, i.e. a targeted pre-selection of prospective customers for insurance products, for example through health checks;
- Careful selection of the withdrawal probabilities (death and policy cancellation) in order to obtain sufficient premiums for the expected benefits;
- The consideration of premium adjustment clauses in various health insurance products in order to be able to adjust premiums in line with changes in the calculation principles in case of changes in the expected values.

In addition to these classic risk mitigation techniques, an ongoing process for managing portfolios has been established. This process is carried out annually by determining and evaluating the need for rate adjustments. The effectiveness of the risk mitigation techniques described for the health business is assessed by comparing invoiced and actual benefits as well as by calculating contribution margin calculations.

Operational risk

Operational risk includes losses that are caused by insufficient or failed internal processes, as well as losses caused by systems, human resources or external events.

The operational risk includes legal risk, but not reputation or strategic risk. Legal risk is the risk of uncertainty due to lawsuits or uncertainty in the applicability or interpretation of contracts, laws or other legal requirements. At UNIQA, legal risks are monitored on an on-going basis, and reports made to the Group Management Board. UNIQA's risk management process also defined the risk process for operational risks in terms of methodology, workflow and responsibilities. The risk manager is responsible for compliance throughout all Group companies.

A distinctive feature of operational risk is that it can surface in all processes and departments. This is why operational risk is identified and evaluated in every operational company at a very broad level within UNIQA. Risks are identified with the help of a standardised risk catalogue that is regularly checked for completeness.

According to international standards, UNIQA – as a financial service provider – forms part of the critical infrastructure of key importance to the national community. If this infrastructure were to fail or become impaired, it would cause considerable disruption to public safety and security or lead to other drastic consequences.

As a rule, emergencies, crises and disasters are unexpected events for which it is impossible to plan, although systems and processes can be put in place to deal with such events. The systems and processes must then be treated as a special responsibility of management and must be dealt with professionally, efficiently and as quickly as possible.

UNIQA has implemented a business continuity management system covering the issues of crisis prevention, crisis management and business recovery (including business emergency plans). The UNIQA BCM model is based on international rules and standards and is developed on a continuous basis.

Emerging risk
Emerging risk refers to newly arising or changing risks that are difficult to quantify and can have a significant impact on an organisation. Among the main drivers of the changing risk landscape are new economic, technological, socio-political and ecological developments and the increasing interdependencies between them, which may lead to a growing concentration of risk. In addition, a changing business environment – the further development of regulatory rules, the increased expectations of stakeholders and the shift in risk perception – must be taken into account.

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

Reputational risks that occur in the course of core processes such as claim processing or advising and service quality are identified, evaluated and managed as operational risks in the Group companies.

Contagion risk
Group risk management analyses whether the reputation risk observed in the Group or in another unit may occur, and whether the danger of "contagion" within the Group is possible. The analyses performed guard against contagion risk.

Strategic risk
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. Like operational and reputational risks, strategic risks are evaluated on an ongoing basis.

Sustainability risk
Sustainability risks are not currently classified as a separate risk category but are allocated among the existing categories. Up until now, UNIQA has identified potential sustainability risks with the following topics from the materiality analysis: clear evaluation of damage and rapid assistance, process for handling data and new technologies, customer information and financing, complaints management, avoidance of critical investment, employee satisfaction as well as ethics and compliance. UNIQA's risk identification process is subject to continuous development and will also ascertain in the future whether an identified risk is relevant from a sustainability point of view. According to the definition used by UNIQA this is the case if a risk exists in relation to ecological and/or social aspects of the sustainability topics.

45. Reinsurance
The Group Management Board determines, directly and indirectly, the strategic contents of reinsurance policy with its decisions regarding risk and capital policy. The structure of the purchasing of external reinsurance is linked to the risk management process, thus enabling the risk capital to be relieved.

Reinsurance structures support the continuous optimisation of the required risk capital and the management of the use of this risk capital. Great importance is attached to the maximum use of diversification effects. Continuous analysis of reinsurance purchasing for efficiency characteristics is an essential component of internal risk management processes.

UNIQA Re AG in Zurich, Switzerland, is responsible for the operational implementation of these tasks. It is responsible for and guarantees the implementation of reinsurance policies issued by the Group Management Board. UNIQA Re AG is available to all Group companies as the risk carrier for their reinsurance needs.

The assessment of the exposure of the portfolios assumed by the group companies is of central importance. Periodic risk assessments have been performed for years in the interest of a value-based management of the capital commitment. Extensive data are used to assess risk capital requirements for the units in question and their reinsurance programmes are structured in a targeted manner.

For the property and casualty insurer, promises of performance for protection against losses resulting from natural hazards frequently represent the greatest stress on risk capital by far due to the volatile nature of such claims and the conceivable amount of catastrophic damages. UNIQA has set up a specialised unit in order to deal with this problem. Exposure is constantly monitored and evaluated at the country and Group levels in cooperation with internal and external authorities. UNIQA substantially eases the pressure on its risk capital through the targeted utilisation of all applicable diversification effects and the launching of an efficient retrocession programme.

UNIQA Re AG has assumed almost all of the UNIQA Group's required reinsurance business ceded in the reporting period. Only in the life insurance line was a portion of the necessary cessions given directly to external reinsurance partners. The Group assumes reasonable deductibles in the retrocession programmes based on risk- and value-based approaches.

Approval for publication

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

Vienna, 22 March 2021

Andreas Brandstetter
Chairman of the Management Board

Peter Eichler
Member of the Management Board

Wolf-Christoph Gerlach
Member of the Management Board

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René Knapp
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Klaus Pekarek
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Declaration of the legal representatives

Pursuant to Section 82(4) of the Austrian Stock Exchange Act, the Management Board of UNIQA Insurance Group AG hereby confirms, that, to the best of our knowledge, the consolidated financial statements, which were prepared in accordance with the relevant accounting standards, give a true and fair view of the financial position, financial performance and cash flows of the Group, and that the Group management report describes the relevant risks and uncertainties which the Group faces.

Vienna, 22 March 2021

Andreas Brandstetter
Chairman of the Management Board

Peter Eichler
Member of the Management Board

Wolf-Christoph Gerlach
Member of the Management Board

Peter Humer
Member of the Management Board

Wolfgang Kindl
Member of the Management Board

René Knapp
Member of the Management Board

Erik Leyers
Member of the Management Board

Klaus Pekarek
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Auditor's Report

Report on the Consolidated Financial Statements

Audit Opinion
We have audited the consolidated financial statements of UNIQA Insurance Group AG, Vienna, and its subsidiaries (the Group), which comprise the consolidated statement of financial position as at 31 December 2020, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year then ended, and the notes.

In our opinion, the accompanying consolidated financial statements comply with legal requirements and give a true and fair view of the financial position of the Group as at 31 December 2020, and of its financial performance and cash flows for the financial year then ended in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code and the supplementary provisions of section 138 para. 8 Austrian Insurance Supervision Act.

Basis for Opinion
We conducted our audit in accordance with Regulation (EU) No. 537/2014 (hereinafter EU Regulation) and Austrian Generally Accepted Standards on Auditing. Those standards require the application of the International Standards on Auditing (ISAs). Our responsibilities under those provisions and standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are independent of the Group in accordance with Austrian Generally Accepted Accounting Principles and professional requirements, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained until the date of the auditor's report is sufficient and appropriate to provide a basis for our opinion by this date.

Key Audit Matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the financial year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We have structured key audit matters as follows:

- Description
- Audit approach and key observations
- Reference to related disclosures

1. Recognition and measurement of the restructuring provision in the course of the strategy programme UNIQA 3.0
- Description

In the financial year 2020, an extensive strategy programme for the upcoming years called UNIQA 3.0 was agreed and approved. An essential element of the programme is the downsizing of the workforce intended to be achieved by terminating contracts by way of mutual consent and agreeing on a social plan. Taking into account the planned measures, a provision in the amount of EUR 98,587k was set up. The measurement of this restructuring provision is based on discretionary decisions, estimates and assumptions, in particular with regard to the likelihood of whether the affected employees will accept the termination offers presented to them.

Due to the matter described, we considered the recognition and measurement of the restructuring provision as a key audit matter in our audit.

▪ Audit approach and key observations

We:

- examined the criteria and prerequisites for recognizing the provision,
- tested the systematics in deriving the assumptions and parameters for calculating the provision,
- checked whether these assumptions and parameters match the agreed social plan,
- reconciled, based on samples, the inputs taken into consideration in the calculation of the provision and
- took into consideration, in our assessment of the measurement of the provision at the reporting date, the findings established in the course of employee interviews and the actual contract terminations occurred within the adjustment period until the date of this report.

The accounting and measurement methods applied are in accordance with IFRSs. We consider the recognition and measurement of the restructuring provision to be plausible and reasonable.

▪ Reference to related disclosures

Refer to chapter “Use of discretionary decisions and estimates” under General information in the notes as well as “19. Restructuring measures” in the notes to the consolidated financial statements

2. Measurement of goodwill as well as of other intangible assets

▪ Description

Goodwill in the amount of EUR 352,922k as well as intangible assets still under development in the amount of EUR 64,544k, which mainly relate to software development in the course of the renewal of the Group-wide IT systems, are tested for impairment at least once a year and additionally whenever there is an indication for impairment.

The impairment tests carried out for this purpose require the Management Board to make discretionary decisions, estimates and assumptions, which particularly includes budgeted cash flows in the individual cash-generating units, future market conditions, growth rates and capital costs. Changes in these assumptions as well as in the methods used may have a material impact on measurement.

Due to the matter described, we considered the measurement of goodwill as well as of other intangible assets as a key audit matter in our audit.

▪ Audit approach and key observations

We:

- evaluated work flows and the measurement approach as well as tested selected key controls,
- compared the accounting and measurement methods with the accounting provisions of IAS 38 and IAS 36,
- examined whether the calculation method of the impairment test is appropriate and assessed the significant discretionary decisions and assumptions,
- verified the derivation of the capital costs and juxtaposed it to a calculation we made ourselves and
- compared the company planning approved by the Management Board and Supervisory Board with the cash flows included in the impairment test.

The accounting and measurement methods applied are in accordance with IFRSs. We consider the underlying assumptions and measurement parameters to be plausible and reasonable.

▪ Reference to related disclosures

Refer to chapter “Use of discretionary decisions and estimates” under General information in the notes as well as “12. Intangible assets” in the notes to the consolidated financial statements

3. Acquisition of AXA subsidiaries in Poland, the Czech Republic and Slovakia

▪ Description

On 7 February 2020, a purchase agreement was concluded with AXA and its subsidiary Sociéte Beaujon covering the acquisition of AXA subsidiaries and branches in Poland, the Czech Republic and Slovakia. The acquisition was completed after all necessary regulatory approvals were obtained as per 15 October 2020. The purchase price amounted to EUR 998,330k.

The business combination is accounted for according to IFRS 3.

The assets, liabilities and contingent liabilities acquired were stated at their fair values which were determined in the course of the purchase price allocation performed. This results in preliminary net assets measured at fair value in the amount of EUR 778,653k and goodwill in the amount of EUR 219,677k.

The purchase price allocation performed requires the Management Board to make discretionary decisions, estimates and assumptions. Changes in these assumptions may have a material impact on the fair values.

Due to the matter described, we considered the business combination and in particular the purchase price allocation as a key audit matter in our audit.

- Audit approach and key observations

We:

- verified, based on the purchase agreements and the agreements under company law as well as the criteria defined in IFRS 10, the assessment made by the Management Board with regard to the control over the shares taken over and the consolidation in the consolidated financial statements,
- assessed the methodical approach in identifying the assets acquired and liabilities assumed at the acquisition date,
- verified the measurement methods applied and examined, consulting component auditors in Poland and the Czech Republic, the determination of the identifiable assets acquired as well as of the liabilities and contingent liabilities assumed and
- examined the disclosures on the acquisition made in the notes in accordance with the requirements of IFRS 3.

The accounting and measurement methods applied are in accordance with IFRSs. We consider the underlying assumptions and measurement parameters to be plausible and reasonable.

- Reference to related disclosures

Refer to chapter “1. Acquisition of AXA companies” under General information in the notes

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the consolidated financial statements, the management report for the Group and our auditor’s report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor’s report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and the Audit Committee for the Consolidated Financial Statements

Management is responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the EU (IFRSs) and the additional regulations of section 245a Austrian Company Code and the supplementary provisions of section 138 para. 8 Austrian Insurance Supervision Act, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Audit Committee is responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with the EU Regulation and with Austrian Generally Accepted Standards on Auditing, which require the application of ISAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risks of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the Audit Committee with a statement that we have complied with all relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

Comments on the Management Report for the Group

Pursuant to Austrian Generally Accepted Accounting Principles, the management report for the Group is to be audited as to whether it is consistent with the consolidated financial statements and as to whether the management report for the Group was prepared in accordance with the applicable legal regulations.

Management is responsible for the preparation of the management report for the Group in accordance with Austrian Generally Accepted Accounting Principles and the provisions of the Austrian Insurance Supervision Act.

We conducted our audit in accordance with Austrian standards on auditing for the audit of the management report for the Group.

Opinion

In our opinion, the management report for the Group was prepared in accordance with the applicable legal regulations, comprising the details in accordance with section 243a UGB, and is consistent with the consolidated financial statements.

Statement

Based on the findings during the audit of the consolidated financial statements and due to the obtained understanding concerning the Group and its circumstances no material misstatements in the management report for the Group came to our attention.

Additional Information in Accordance with Article 10 of the EU Regulation

We were elected as statutory auditor at the ordinary general meeting dated 20 May 2019. We were appointed by the Supervisory Board on 16 December 2019. Besides that, we were elected as auditor for the following financial year by the ordinary general meeting on 25 May 2020 and appointed by the Supervisory Board on 30 November 2020. We have audited the Company for an uninterrupted period since 31 December 2013.

We confirm that the audit opinion in the "Report on the Consolidated Financial Statements" section is consistent with the additional report to the Audit Committee referred to in Article 11 of the EU Regulation.

We declare that no prohibited non-audit services (Article 5 para. 1 of the EU Regulation) were provided by us and that we remained independent of the audited company in conducting the audit.

Responsible Engagement Partner

Responsible for the proper performance of the engagement is Werner Stockreiter, Austrian Certified Public Accountant.

Vienna
22 March 2021

PwC Wirtschaftsprüfung GmbH

signed:

Werner Stockreiter
Austrian Certified Public Accountant

This report is a translation of the original report in German, which is solely valid. Publication and sharing with third parties of the financial statements together with our auditor's report is only allowed if the financial statements and the management report are identical with the German audited version. This auditor's report is only applicable to the German and complete financial statements with the management report. For deviating versions, the provisions of section 281 para. 2 UGB apply.

Glossary

Acquisition costs

The amount paid to acquire an asset in cash or cash equivalents or the fair value of another form of compensation at the time of acquisition.

Affiliated companies

The parent company and its subsidiaries are affiliated companies. Subsidiaries are entities controlled by UNIQA.

Amortised cost

Amortised costs are costs of acquisition less permanent impairment (e.g. ongoing depreciation and amortisation).

Asset allocation

The structure of the investments, i.e. the proportional composition of the overall investments made up of the different types of investment (e.g. equities, fixed-income securities, equity investments, land and buildings, money market instruments).

Asset liability management

Management concept whereby decisions related to company assets and the equity and liabilities are coordinated. Strategies related to the assets and the equity and liabilities are formulated, implemented, monitored and revised with this in a continuous process in order to attain the financial objectives given the risk tolerances and restrictions specified.

Associates

Associates are all the entities 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.

Available-for-sale financial assets

The available-for-sale financial assets include financial assets that are neither due to be held to maturity, nor have been acquired for short-term trading purposes. Available-for-sale financial assets are measured at fair value. Fluctuations in value are recognised in other comprehensive income in the consolidated statement of comprehensive income.

Benchmark method

An accounting and measurement method preferred within the scope of IFRS accounting.

Best estimate

Calculation based on the 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.

Claims rate

The ratio of insurance benefits in property and casualty insurance to premiums earned.

Combined ratio

Total of operating expenses and insurance benefits divided by the (net) premiums earned in property and casualty insurance.

Corporate governance

Corporate governance refers to the legal and factual framework for managing and monitoring companies. Corporate governance regulations are used in order to ensure transparency and thereby boost confidence in responsible company management and controls based around added value.

Cost ratio

Ratio of total 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).

Deferred acquisition costs

These include the costs of the insurance company incurred in connection with the acquisition of new or the extension of existing contracts. Costs such as acquisition commissions as well as costs for processing applications and risk assessments are some of the items to be recorded here.

Direct insurance/insurance business acquired with the company itself

This relates to those contracts that a direct insurer enters into with private individuals or companies. The opposite of this is insurance acquired as a reinsurer (indirect business) for business acquired from another primary insurer or a reinsurer.

Duration

Duration refers to the weighted average term of an interest-rate-sensitive investment or of a portfolio and is a measure of risk for the sensitivity of investments in the event of changes to interest rates.

ECM

Economic capital model. UNIQA assessment based on the EIOPA standard formula for calculating the risk capital requirement with the deviations of risk exposure for EEA (European Economic Area) government bonds, treatment of asset-backed securities and using the partial internal model for property and casualty insurance.

ECR

Economic capital requirement. Risk capital requirement that results from the economic capital model.

ECR ratio

Economic capital requirement ratio. Ratio of eligible capital (own funds) to risk capital according to the UNIQA economic capital model. It represents a solvency ratio according to internal calculation methodology.

Equity method

Investment in associates is accounted for using this method. The value carried corresponds to the Group's proportional equity in these companies. In the case of shares in companies that prepare their own consolidated financial statements, their Group equity is assessed accordingly in each case. Within the scope of ongoing measurement, this value must be updated to incorporate proportional changes in equity with the share of net income/(loss) being allocated to consolidated profit/(loss).

Fair value

The fair value is the price that would be collected in an ordinary business transaction between market participants for the sale of an asset or that would be paid for transferring a liability.

FAS

US Financial Accounting Standards that set out the details on US GAAP (Generally Accepted Accounting Principles).

Gross (premiums written)

The gross (premiums written) includes details on the items in the balance sheet and the income statement, excluding the proportion from reinsurance.

Hedging

Hedging against unwanted changes in exchange rates or prices using an appropriate offsetting item, particularly derivative financial instruments.

IASs

International Accounting Standards.

IFRSs

International Financial Reporting Standards. Since 2002 the term IFRSs has applied to the overall concept of standards adopted by the International Accounting Standards Board. Standards already adopted beforehand continue to be referred to as International Accounting Standards (IASs).

Insurance benefits

Total of insurance benefit payments and changes in the claims provision during the financial year in connection with direct insurance and reinsurance contracts (gross). This involves net insurance benefits when reduced by the amount ceded to reinsurance companies. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.

Insurance provision

Provision in the amount of the existing obligation to pay insurance benefits and reimbursements, predominantly in life and health insurance. The provision is determined using actuarial methods as a balance of the present value of future obligations less the present value of future premiums.

MCR

Minimum Capital Requirement. The 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.

Non-controlling interests

Shares in the profit/(loss) that are not attributable to the Group but rather to companies outside the Group that hold shares in affiliated companies.

Operating expenses

This item includes acquisition expenses, portfolio management expenses and the expenses for implementing reinsurance. The operating expenses remain for the company's own account following deduction of the commissions and profit participation received from the reinsurance business ceded.

ORSA

Own Risk and Solvency Assessment. The company's own forward-looking risk and solvency assessment process. It forms an integral part of corporate strategy and the planning process – but is also part of the overall risk management strategy.

Overall solvency needs

Overall solvency needs (OSN) refer to the company's individual risk assessment and capital requirements resulting therefrom. Corresponds to the ECR at UNIQA.

(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).

Premiums

Total premiums written. All premiums from contracts written in the financial year from business acquired by the company directly and as inward reinsurance.

Premiums earned

The actuarial premiums earned that determine the income for the year. In order to determine these, the changes to the unearned premiums, the cancellation provisions and the premium volume not yet written are taken into account, along with the gross premium volume written attributable to the financial year.

Premiums written

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. This involves (net) premiums written when reduced by the amount ceded to reinsurance companies.

Profit participation

Policyholders have a reasonable right under statutory and contractual regulations to the company's surplus profits generated in life and health insurance. The level of this profit participation is determined again each year.

Provisions for premium refunds and profit sharing

The part of the surplus set aside for future distribution to the policyholders is placed in the provisions for premium refunds or profit participation. Deferred amounts are also included in the provision.

Provisions for unsettled claims

Also known as a claims reserve; takes into account obligations from claims that have already occurred as at the reporting date but which have not yet been settled in full.

Reinsurance

An insurance company insures part of its risk via another insurance company.

Reinsurance premiums ceded

Proportion of premiums to which the reinsurer is entitled as a result of assuming certain risks within the scope of reinsurance coverage.

Retention

The part of risk which is assumed but that the insurer/reinsurer does not cede as reinsurance.

Retrocession

Retrocession means reinsurance of inward reinsurance and is used as a risk policy instrument by professional reinsurance companies as well as in active reinsurance by other insurance companies.

Return on equity (ROE)

The return on equity is the ratio of the profit/(loss) to the average equity, after deducting non-controlling interests in each case.

Revaluation reserves

Unrealised gains and losses resulting from the difference between the fair value and the amortised cost are recorded directly in the equity in the item “Revaluation reserve” without affecting profit, and following deduction of deferred tax and deferred profit participation (in life insurance).

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

Under 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.

SCR

Solvency Capital Requirement. 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, life underwriting risk) are reliably taken into account. It covers both current operating activities and the new business expected in the subsequent twelve months.

Securities held to maturity

Securities that are held to maturity are debt securities that are intended to be held until they reach maturity. They are accounted for at amortised cost.

Solvency

An insurance company’s equity base.

Solvency II

European Union Directive on publication obligations and solvency rules for the equity base of an insurance company.

Standard model (formula)

Standard formula for calculating the solvency capital requirement.

Stress test

Stress tests are a special form of scenario analysis. The objective is to provide a quantitative statement on the loss potential for portfolios in the event of extreme market fluctuations.

Subordinated liabilities

Liabilities that can only be repaid following the rest of the liabilities in the event of liquidation or bankruptcy.

Supplementary capital

Paid-in capital that is provided to the insurance company for a minimum of five years with a waiver of the right to cancel under the relevant agreement, and for which interest may only be paid provided that this is covered by the annual net profit.

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.

Unearned premiums

The part of the premiums that represents the compensation for the insurance period after the reporting date but which has not yet been earned as at the reporting date. Except in the case of life insurance, unearned premiums must be stated in the balance sheet as a separate item under the technical provisions.

US GAAP

US Generally Accepted Accounting Principles.

Value at risk

Risk quantification method. This involves the calculation of the expected value of a loss that may arise in the event of unfavourable market developments with a probability specified within a defined period.

Value of business in-force

Calculation of the value of business in-force (VBI). Designates the present value of future profits arising from life insurance contracts, less the present value of the costs arising from the capital to be held in connection with this business.

Overview of key figures 2016 – 2020

Consolidated key figures – 5-year comparison In € million	2020	2019	2018	2017	2016
Premiums written, including savings portions from unit-linked and index-linked life insurance	**5,565**	**5,373**	**5,309**	**5,293**	**5,048**
of which property and casualty insurance	3,010	2,847	2,774	2,640	2,518
of which health insurance	1,168	1,131	1,086	1,042	1,004
of which life insurance	1,387	1,395	1,449	1,612	1,526
Insurance benefits (net)	**–3,695**	**–3,666**	**–3,634**	**–3,547**	**–3,386**
of which property and casualty insurance	–1,775	–1,719	–1,690	–1,645	–1,551
of which health insurance	–963	–969	–908	–878	–844
of which life insurance	–956	–977	–1,036	–1,025	–991
Operating expenses (net)	**–1,566**	**–1,407**	**–1,315**	**–1,276**	**–1,286**
of which property and casualty insurance	–971	–861	–811	–788	–763
of which health insurance	–225	–188	–184	–168	–175
of which life insurance	–371	–358	–320	–320	–348
Combined ratio after reinsurance (in per cent)	**97.8%**	**96.4%**	**96.8%**	**97.5%**	**98.1%**
Claims rate (in per cent)	63.2%	64.2%	65.4%	65.9%	65.7%
Cost ratio (in per cent)	34.6%	32.2%	31.4%	31.6%	32.4%
Net investment income	**505**	**585**	**585**	**572**	**589**
Earnings before taxes	**57**	**232**	**295**	**265**	**226**
of which property and casualty insurance	–68	61	120	95	58
of which health insurance	80	86	96	110	96
of which life insurance	45	85	78	60	72
Consolidated profit/(loss)	**19**	**171**	**243**	**172**	**148**
Earnings per share (in €)	**0.06**	**0.56**	**0.79**	**0.56**	**0.48**
Dividend per share (in €)	**0.18**[1)]	**0.18**	**0.53**	**0.51**	**0.49**
Equity (portion attributable to shareholders of UNIQA Insurance Group AG)	**3,450**	**3,368**	**2,972**	**3,158**	**3.186**
Total assets	**31,908**	**28,674**	**28,504**	**28,744**	**33,639**
Operating return on equity (in per cent)	**0.6%**	**5.4%**	**7.9%**	**5.1%**	**4.7%**
Solvency capital requirement – SCR ratio (in per cent)	**170%**	**221%**	**248%**	**250%**	**202%**

[1)] Proposal to the Annual General Meeting

Due to the sale of the Italian Group companies, the key figures for the 2016 financial year (except for total assets) are presented excluding Italy.

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Information
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This is a translation of the German Group Report of UNIQA Group. In case of any divergences, the German original is legally binding.

Clause regarding predictions about the future
This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached on the basis of all of the information available to us at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

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