Solvency and Financial Condition Report 2016
UNIQA Group / UNIQA Insurance Group AG / UNIQA Österreich Versicherungen AG

Think
right on target
with
the right equipment!

Think UNIQA

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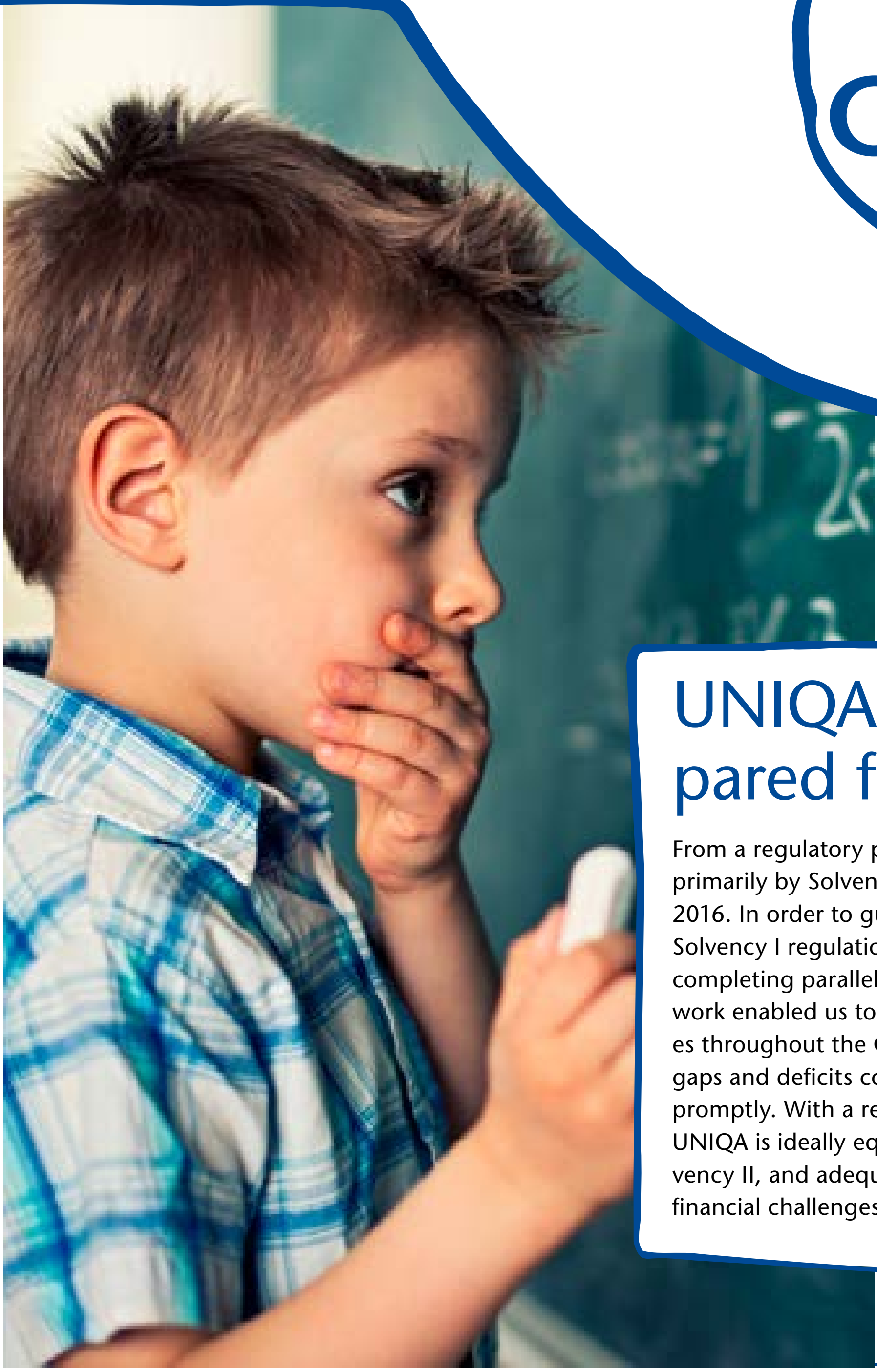
2016 AT 1 GLANCE



UNIQA well prepared for Solvency II

From a regulatory point of view, 2016 was characterised primarily by Solvency II and its entry into force on 1 January 2016. In order to guarantee a smooth transition from the Solvency I regulations previously in place, UNIQA has been completing parallel calculations since 2008. This preparatory work enabled us to introduce the new methods and processes throughout the Group at an early stage. That meant any gaps and deficits could be identified early and addressed promptly. With a regulatory solvency ratio of 202 per cent, UNIQA is ideally equipped for the new requirements of Solvency II, and adequately capitalised to overcome any future financial challenges.

Low interest rate environment remains a challenge

The persistent low interest rate environment of recent years sharpened further in 2016, with historical lows reached in some areas. This has a particularly marked effect on the life insurance sector. Depending on the investment strategy, the persistently low interest rates can lead to a situation in which the income generated is insufficient to finance the guarantees made to policyholders. This is why UNIQA has placed particular focus in the defined strategy for the life insurance business on implementing the Asset Liability Management (ALM) approach. This also includes rigorous management rules. Amongst other things these cover the management of profit participation, and continuous portfolio management to support the new business strategy in the personal insurance business.

UNIQA sells Italian subsidiaries

In order to strengthen our focus on UNIQA's key markets of Austria and Central and Eastern Europe, we are transferring our Italian companies to the Italian insurance group Reale Mutua. Regulatory approvals for this transaction are expected in the first half of 2017.

Now only one direct insurer in Austria

In October 2016, Raiffeisen Versicherung AG, FINANCE LIFE Lebensversicherung AG and Salzburger Landes-Versicherung AG were merged with UNIQA Österreich Versicherungen AG (UNIQA Austria). Since then, UNIQA Austria has been the Group's sole direct insurer in the Austrian market, serving around 3.5 million customers – a market share of over 21 per cent.

Modernisation of the IT landscape

One of the most important current projects for the UNIQA Group is the modernisation of the entire IT administration and service systems. UNIQA began the preparations for this in early 2016, and started the implementation process in the first quarter of 2017. With this initiative UNIQA is tackling the modernisation of the most important insurance software, taking a proactive approach to the ongoing changes in the competitive environment and customers' expectations of products and services in the modern insurance market.

New reporting requirements

With the entry into force of Solvency II, UNIQA Risk Management has been working on setting up the new reporting required under Pillar III. In addition to the Solvency and Financial Condition Report (SFCR), UNIQA is also required to provide a fully comprehensive supervisory report known as the Regular Supervisory Report (RSR). This differs from the SFCR principally by the inclusion of details on the results, the business planning periods and projections. The Quantitative Reporting Templates (QRTs) are a further essential part of the reporting requirements: these include purely quantitative statements on an insurance company, and must be submitted to the supervisory authorities. UNIQA is investing in technical service programmes to ensure this can be done in a proper and timely manner.

Solvency and Financial Condition Report

* Additional voluntary and unaudited publication

Ladies and Gentlemen,
dear Shareholders,

Compiling this report on the solvency and financial position of our company has called for a balancing act: we want to provide the necessary information in as detailed and transparent a manner as possible, but also to present a clear view of the whole picture. We hope that reading or browsing through this report gives you an impression of the way we work and convinces you that we take risk management and capital management seriously in our company. A sound solvency position and proactive approach to risks form the basis of our business and a strong foundation for our mission to support "safer, better, longer living" for our customers, employees and shareholders.

In our field of business – financial services – it is important to find the right balance between security and freedom of movement. We comply with the demanding standards of security required of insurance companies, but at the heart of our business is the constant need to shoulder risks for our customers and shareholders.

Particularly in the kind of economically challenging times we are currently experiencing, it is important that we are able to fulfil our benefit commitments sustainably and responsibly. Consequently we have placed increased focus in the last few years on strengthening our capital position and reducing certain risks. The steps we have taken, such as the 2013 re-IPO and reduction of our investment risks, have resulted in the excellent capital and risk position the UNIQA Group enjoys today.

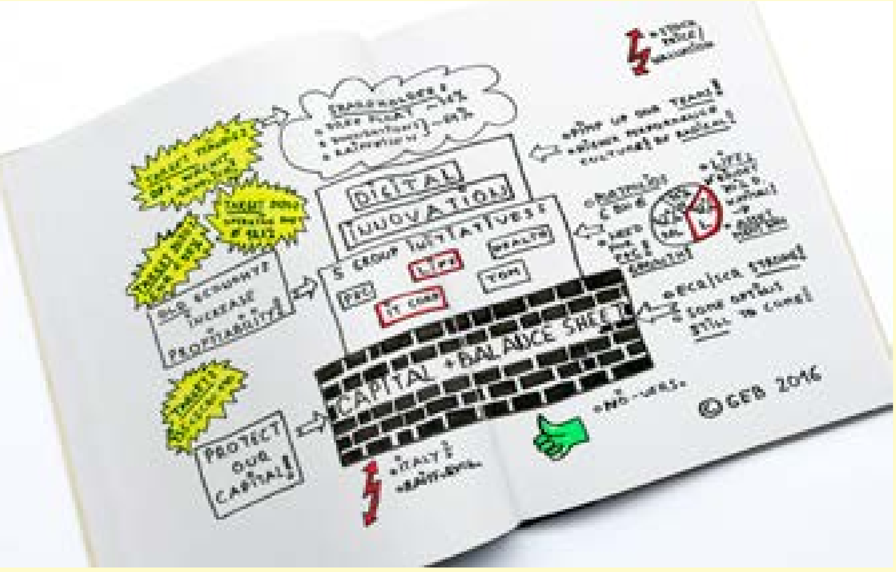
Our corporate strategy – the "UNIQA 2.0" strategy for 2011–2020 – provides the foundation for our decision-making on risk strategy and the resulting risk preference for our company. For this reason the introductory pages of this report once again provide all the details of our strategic objectives and the principles which inform our approach to risk management.

We hope that this report on the solvency and financial condition of our company for 2016 helps to further strengthen your trust in UNIQA and our products and services.

Yours sincerely,

Kurt Svoboda
CFRO UNIQA Insurance Group AG

The "UNIQA 2.0" strategy 2011–2020



The image of the "UNIQA House" is a striking symbol which represents the UNIQA Group strategy in a simple way.

The current structural conditions harbour major challenges as well as attractive opportunities for insurance companies. In particular, the sustained period of low interest rates and changes in customer needs in the digital age are putting significant pressures on the traditional business model. Against this background, UNIQA launched an ambitious strategic programme in 2011 entitled "UNIQA 2.0" and featuring multiple stages. As a memorable image for the programme's objectives and strategic actions a symbol was developed – the UNIQA House.

Specific objectives, ...

UNIQA is already at the third stage of the strategic programme, which is running from 2016 until 2020. The objectives for this third stage were adapted in the first quarter of 2016 and presented to the public:

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

2. Cost ratio: The aim is to continually improve efficiency and the cost structure. Although the investment programme launched in 2016 of around €500 million over ten years will lead to an increase in the cost ratio in the medium term, UNIQA does expect an overall cost ratio of under 24 per cent from 2020 as a result of these investments.[1)]

3. Combined ratio: The combined ratio in property and casualty insurance is the most important key indicator for UNIQA in terms of profitability in our core underwriting business. The objective of bringing the combined ratio below 95 per cent on a sustainable basis by 2020 is therefore a high priority.

4. Economic capital ratio (ECR): UNIQA is striving to achieve an economic capital ratio of 170 per cent with a fluctuation margin (target range) of between 155 and 190 per cent.

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

6. Attractive dividends: Shareholders should receive an attractive dividend in return for providing their capital. Despite high ongoing investments and a sustained low-interest environment, UNIQA intends to continue increasing its annual distribution per share over the next few years as part of a progressive dividend policy.

... compact strategy

A series of measures and initiatives have been defined and introduced aimed at achieving these ambitious objectives. A brief overview of these is provided below, with more details on the individual areas provided on the following pages.

Capital – the foundation

Customer confidence in our ability to meet our liabilities at any time forms the basis of our business. A balance sheet that is strong and balanced is therefore a strategic must for UNIQA. As already mentioned, UNIQA has set itself the objective of attaining an economic capital ratio (ECR) of 170 per cent, with a fluctuation margin (target range) of between 155 and 190 per cent. This enables us to ensure that UNIQA remains solvent at all times, including under structural conditions that have deteriorated significantly, and is able to make the most of any →

1) This objective has been adjusted in the Group following the signing of the agreement to sell the Italian companies and the decrease in single premium business associated with this.

2) Definitions of the essential key figures can be found in the glossary.

opportunities in the insurance business at all times, but also remains capable of attaining appropriate interest on the capital employed at the same time. We have been very successful in recent years in implementing this capital objective. A gradual strengthening of equity and targeted reduction in risks means that we are able to build on very strong and healthy foundations today.

Five Group initiatives – how UNIQA is increasing efficiency and profitability in its core business

Several strategic initiatives in the core underwriting business are building on the foundation of this strong capital base. A programme aimed at safeguarding or increasing sustainable operating profitability has been developed in each of the three business lines of property and casualty insurance, health insurance and life insurance, and these programmes are now being implemented under the responsibility of the relevant specialist Board Member. Two further strategic initiatives are running in parallel with this which affect our core business across the Group: IT Core and the target operating model (TOM).

1.

Property and casualty insurance – combined ratio below 95 per cent: A significant increase in technical earnings power is one clear objective in the property and casualty insurance division. The combined ratio is the index used to measure this, i.e. the ratio of expenditures for insurance operations and benefits to premiums. We have already begun a number of projects aimed at reducing the combined ratio to below 95 per cent on a sustainable basis by 2020, supported by investments in operational excellence. The priority with these includes a focus on optimising pricing processes, portfolio management and claims management, as well as on enhancing the efforts to fight fraud.

2.

Health insurance – defending market leadership: We are the clear market leaders in Austrian health insurance. This line of business is a crucial centre of excellence and therefore a main pillar that supports the company's earnings, and is also closely linked to the UNIQA brand. This is why defending our leadership position in this profitable line is one of our most important objectives. Further expansion in services to our customers is a key priority with this. Selective investments are planned along the value chain in the areas of health advice and provision, health services as well as digital health solutions.

3.

Life insurance – optimising the product portfolio: Earning capital costs over the long term is difficult under the current conditions in the capital markets, depending on the relevant investment strategy. The capital forming life insurance that traditionally prevails in Austria is particularly affected by this. The strategic initiative in this line of insurance is therefore targeted predominantly at ensuring a new direction for the product portfolio and increasing the profitability of existing contracts. One crucial element here involves designing life insurance products that generate the required margins both for customers as well as for UNIQA despite the low interest rates and that have capital requirements in line with profitability.

Innovation and digitalisation – we are building the future

Building on these initiatives in the core business, we are providing additional momentum aimed at continually adapting the business model to current requirements. The overriding objective here is to still be able to inspire our current customers in the future.

Innovation – developing as a service provider: This strategic initiative is aimed at the further evolution of the insurer value chain from purely providing coverage to being a fully-comprehensive service provider. This transformation, which is closely linked to digitalisation of the insurance industry, includes a package of different measures. These range from analysis of innovative business models from outside the insurance sector to selective investments in start-ups in the financial and technology sector through to collaborations with incubators.

Digitalisation – rethinking the business and service model: The service concept and also keeping the promise to the customer in the digital age are crucial to this strategic initiative. Realignment of the customer contact points and downstream service processes are at the centre of this, since communication channels and customer requirements related to quality, response times and service expectations will also undergo a significant transformation over the next few years in the insurance industry. We have to rethink our own business and service model from the customer's point of view given this level of disruption in the market environment. In light of UNIQA's leading position in health insurance we are placing a particular focus on the area of health.

4. 5.

Group-wide initiatives – new direction for IT and business processes: There are two initiatives here that are largely interlocked and interdependent: on the one hand, the complete realignment of UNIQA's IT landscape (UNIQA Insurance Platform, UIP) and on the other, the extensive overhaul to business processes (target operating model, TOM). The new UIP is replacing existing IT systems that no longer map innovative processes, products and functionalities effectively. Efforts to implement this efficient and powerful IT platform in turn require harmonised business processes and standardised products. As such, both initiatives together will fulfil the requirements aimed at offering simpler and more comprehensible solutions and products that suit our customers even more perfectly. We gain increased flexibility at the same time for further innovations, allowing it to respond more quickly and effectively to new challenges in future.

Risk strategy

Our principles

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

Our risk strategy is underpinned by our business strategy and the risks that this entails. A clear definition of our risk preference provides the foundation for all our business policy decisions.

We actively seek to take on underwriting risks, we accept market risks where the business model requires it and try to avoid other associated risks. This is the basis on which we generate income from our core business. We aim for a balanced mix of risk to achieve the greatest possible effect from diversification.

Risk-bearing capacity and internal perspective

We take risks in full knowledge of our risk-bearing capacity. We define this as our ability to absorb potential losses from extreme events so that our medium and long-term objectives are not put in danger.

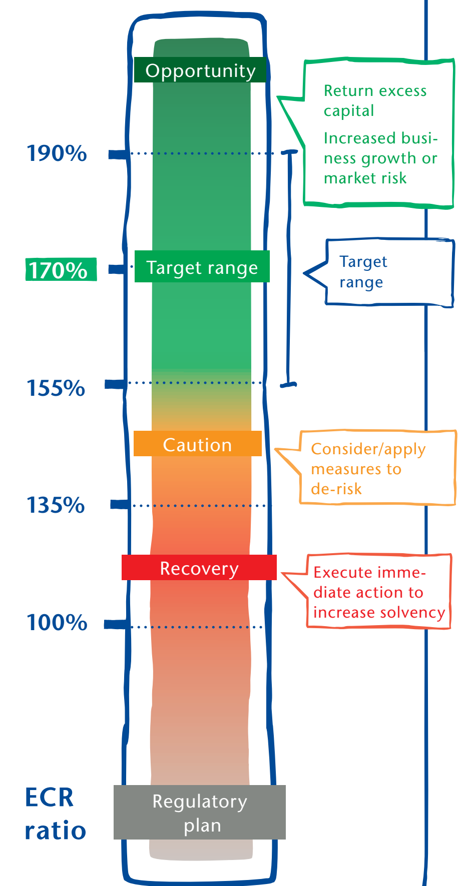
A clear perspective on our own risk situation is fundamental to all strategic and operational decisions the company makes. On this basis, the UNIQA Group has further developed the standard formula for evaluating risks and risk capital, using an internal perspective, which provides stronger support for the Group's business and risk strategy. This internal perspective varies in two fundamental ways from the standard formula. The clearest difference is in the treatment of market risks: in contrast to the regulatory requirement, here we also back all state bonds with risk capital.

Risk class

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

Risk strategy

UNIQA defines the risk appetite on the basis of an economic capital model (ECM). The cover for quantifiable risks with eligible own funds – the economic capital requirement (ECR) ratio – should lie between 155 and 190 per cent, with a target value of 170 per cent.



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

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

To reduce complexity and align the internal and regulatory perspectives, UNIQA is working towards a step-by-step formulation and authorisation of the partial internal model. Until that time, the regulatory solvency capital requirement (SCR) differs from our internal economic capital requirement (ECR).

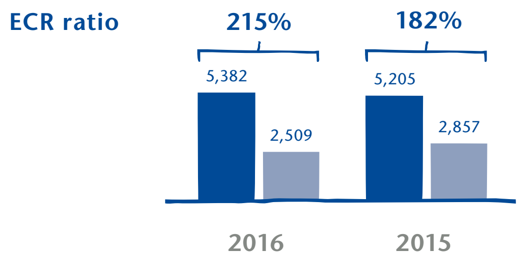
The Solvency and Financial Condition Report is based exclusively on the regulatory requirements (SCR).

The chart below provides an overview of UNIQA's capitalisation in terms of both requirements – ECR and SCR.

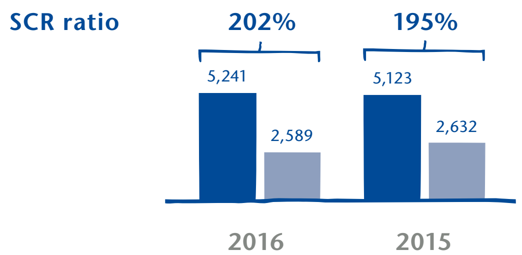
Organisation

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

Economic capital position

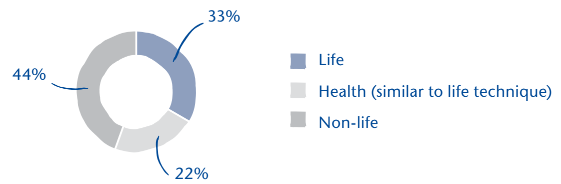


Regulatory Solvency II capital position

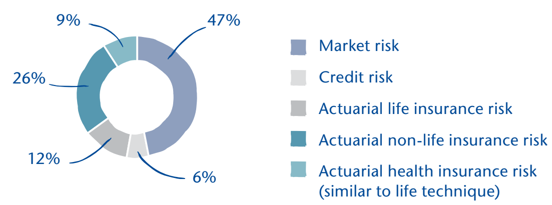


Own funds (in € million)   Capital requirement (in € million)

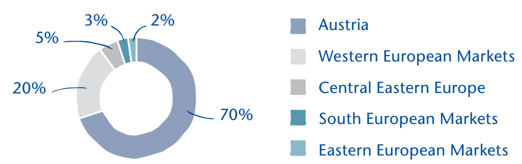
SCR by balance sheet columns



SCR by risk module



SCR by each region



UNIQA Group 2016

9.6
million customers

202%
solvency ratio

€ 5.2
billion own funds
to cover
solvency capital requirement

€ 2.6
billion
solvency capital requirement

€ 0.49
dividend
per share

€ 5
billion in
premium volumes

€ 1.4
billion in minimum capital requirement

€ 25.4
billion in investments

Active in
18
countries

€ 225.5
million in
earnings before taxes

Around
20,000
employees and
exclusive sales partners

Solvency and Financial Condition Report for the UNIQA Group

Reporting date: 31 December 2016

Contents

Executive Summary

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

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

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

The Group's international activities are also controlled via *UNIQA International AG*. The UNIQA Group operates in the core markets of Austria and Central and Eastern Europe as well as Western Europe. The Group is now made up of more than 40 companies in 18 countries. The Management Board's decision to approve the sale of the stake in the Group company UNIQA Assicurazioni SpA (Italian Group) on 2 December 2016 results in a material change to the UNIQA Group's business volumes and risk profile. The transaction will be completed in the second quarter of 2017.

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

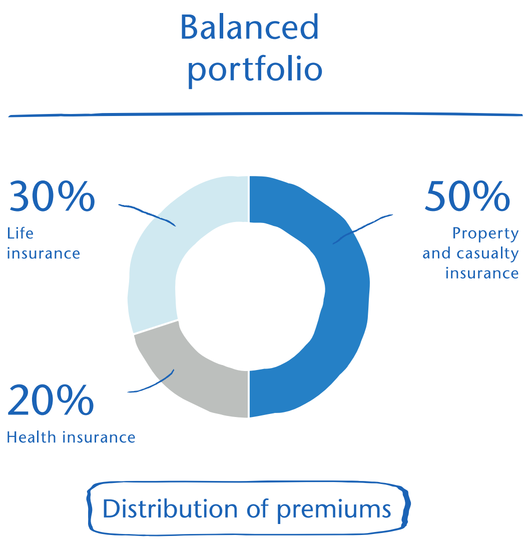


Figure 1: Distribution of premiums by business line on the UNIQA Group's balance sheet

UNIQA's total premium volume fell in 2016 by 3.1 per cent to €5,048.2 million, taking into account the savings portions of the unit-linked and index-linked life insurance. The fall is the result of a conscious decrease in the single premium business in life insurance that is not profitable in the current interest rate environment. While consolidated insurance benefits (net) fell by 7.8 per cent to €3,385.6 million, consolidated operating expenses rose by 8.1 per cent to €1,286.4 million. Net earnings on investments decreased by 19.5 per cent to €588.9 million as a result of low interest rates, impairment losses and a significant fall in sales profits from the sale of land and buildings. Details on the individual lines of business and explanations on the developments are provided in Chapter A.2 to A.5.

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

One of the key further developments at UNIQA included the efforts to establish a comprehensive committee structure (see B.1.2 for details), which is available as a strategic supervisory, advisory and decision-making body to the Holding Management Board. The topics of risk management, reserving, asset liability management (ALM), remuneration and issues related to security management are covered in these committees. Establishing key functions (see B.1.3 for details) is also a crucial element in the governance system. UNIQA has also defined asset management and reinsurance as key functions in addition to the mandatory governance functions under statute (actuarial function, risk management, compliance and internal audit). Clear definitions of the remuneration principles (B.1.4) and the requirements for persons who actively run the business or hold other key functions (B.2) also form part of a fitting governance system.

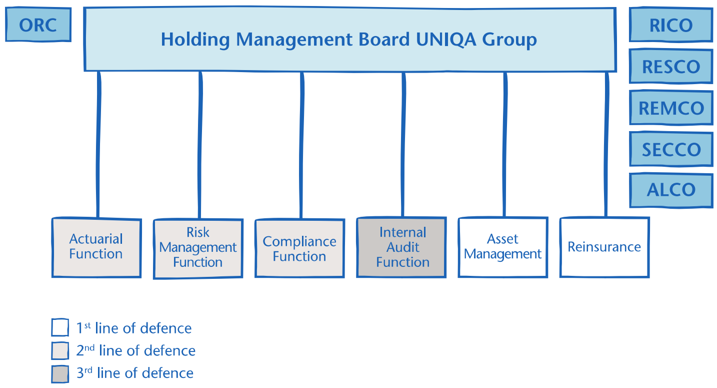


Figure 2: Key functions in the UNIQA Group

Particular attention is paid to the risk management system (Chapter B.3) as an integral part of the governance system. It defines responsibilities, processes and general rules which allow us to manage our risks in an effective and appropriate manner. The clear objective is to allow the findings gained from the risk management system – from risk identification to risk assessment – to be used in strategic and material corporate decision making. The Company's Own Risk and Solvency Assessment (ORSA) plays an important role here.

The risk capital to be covered, defined as the potential economic loss within one year with a probability of occurrence of 1:200, is at the centre of the quantitative requirements under Solvency II and the Austrian Insurance Supervision Act 2016. The details on the composition and calculation of the risk capital are outlined in Chapter **C Risk profile**. This includes above all the material risks related to actuarial practice, market risks, credit risks or risks of default along with operational risks. As a multiline insurance company, UNIQA is very well diversified. The following overview illustrates the capital requirements for the individual risk modules, the overall solvency capital requirement (SCR), and the accompanying equity.

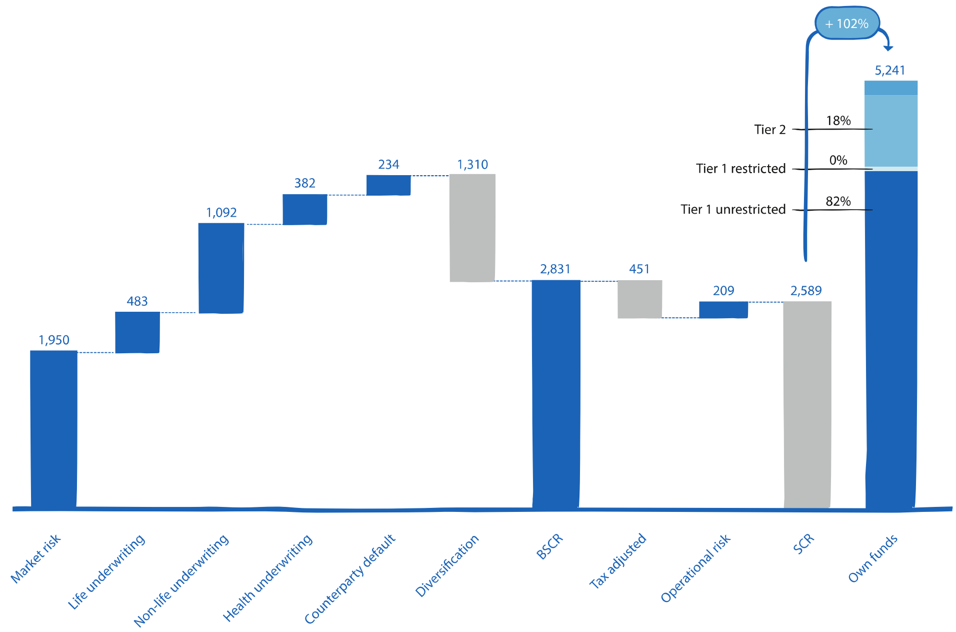


Figure 3: Risk profile of the UNIQA Group (in € million)

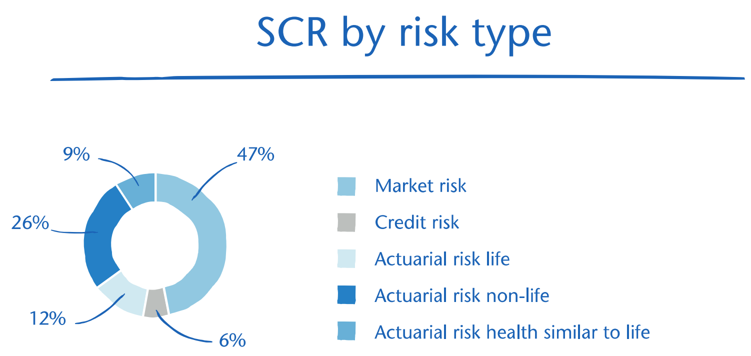


Figure 4: Distribution of the overall capital requirement across risk sub-modules

As a result of the significant share of long-term liabilities from the life and health insurance business where we invest our customers' money, we set ourselves a correspondingly high risk capital requirement for market risks (47 per cent). The interest rate risk plays a subordinate role within the market risks thanks to the very consistent asset liability management approach implemented over the past few years. The essential capital requirement comes predominantly from the risk of credit spreads and a reduction in market values in the real estate portfolio (see C.3.2 for details). While the actuarial risks from life and health insurance are easy to control using risk-mitigating measures, the actuarial risk in non-life insurance forms an essential contribution with a 26 per cent share. UNIQA has developed a partial internal model (PIM) in order to record these specific company risks in future which will be submitted for approval in 2017; it provides a much better reflection of the actual risk capital requirement.

UNIQA has an excellent capital position with a solvency ratio of 202 per cent. Even under various stress scenarios the UNIQA Group's solvency ratio remains well above the minimum measurement defined internally of 135 per cent (see C.7 for details). It should be explicitly mentioned here that UNIQA does not make use of any transitional measures. If the volatility adjustment is not taken into account, the solvency ratio is reduced to 195 per cent.

The methods used to measure individual balance sheet items in the solvency balance sheet are outlined in Chapter **D Valuation for solvency purposes** and a comparison with the IFRS consolidated financial statements is provided. When comparing, it should be noted that the values disclosed in accordance with Solvency II include the figures for the Italian group for each balance sheet item because IFRS 5 does not apply. The surplus of assets over liabilities stated in the solvency balance sheet amounts to €4,526 million and is the Group's so-called economic capital.

Finally, in Chapter **E Capital management,** the economic capital is reconciled with the ultimately eligible equity. Following deduction of the projected dividends (€151 million) and non-controlling interests (€51 million), along with attribution of Tier 2 capital components (€929 million) and the surplus funds (€49 million), the eligible equity amounts to €5,241 million. The solvency capital requirement of €2,589 million is thus more than adequately covered (solvency ratio of 202 per cent). Most (82 per cent) of the eligible equity consists of Tier 1 capital.

The following table lists all the subsidiaries of the UNIQA Group that prepared and published a report about their solvency and financial condition at 31 December 2016 because they were requested to do so in accordance with Solvency II.

Name of subsidiary	BU Code	Name of the report	Published
UNIQA Insurance plc.	BG	Отчет за платежоспособност и финансовото състояние 2016	www.uniqa.bg
UNIQA Life plc.	BG	Отчет за платежоспособност и финансовото състояние 2016	www.uniqa.bg
UNIQA pojišťovna, a.s	CZ	Zpráva o solventnosti a finanční situaci 2016	www.uniqa.cz
UNIQA osiguranje d.d.	HR	Izvješće o solventnosti i financijskom stanju za 2016. godinu	www.uniqa.hr
UNIQA Biztosító Zrt.	HU	Fizetőképességről és pénzügyi helyzetről szóló jelentés 2016	www.uniqa.hu
UNIQA Assicurazioni S.p.A.	IT	Relazione sulla solvibilità e condizione finanziaria (SFCR)	www.uniqagroup.it
UNIQA Previdenza S.p.A.	IT	Relazione sulla solvibilità e condizione finanziaria (SFCR)	www.uniqagroup.it
UNIQA Life S.p.A.	IT	Relazione sulla solvibilità e condizione finanziaria (SFCR)	www.uniqagroup.it
UNIQA Versicherung AG	LIE	Bericht über die Solvabilität und Finanzlage (SFCR) UNIQA Versicherung AG 2016	www.uniqa.li
UNIQA TU S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej	www.uniqa.pl
UNIQA TU na Zycie S.A.	PL	Sprawozdanie na temat wypłacalności i kondycji finansowej	www.uniqa.pl
UNIQA Asigurari S.A.	RO	Raport privind Solvabilitatea și Situația Financiară 2016	www.uniqa.ro
UNIQA Life SA	RO	Raport privind Solvabilitatea și Situația Financiară 2016	www.uniqa.ro
UNIQA Poisťovňa a.s.	SK	Správa o solventnosti a finančnom stave 2016	www.uniqa.sk

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

A Business and Performance

A.1 BUSINESS

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

UNIQA Österreich Versicherungen AG is a wholly owned subsidiary of UNIQA Insurance Group AG (referred to below as UNIQA or the UNIQA Group) and has been the Group's only primary insurer on the Austrian market since 1 October 2016.

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

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

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

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

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

PwC Wirtschaftsprüfung GmbH
Erdbergstraße 200
1030 Vienna
www.pwc.at

The numbers in the subsequent tables of this report are presented in euro million, therefore there may be rounding differences.

Shareholder structure

The free float amounted to 36.9 per cent as at the end of 2016, i.e. more than one-third of the total number of shares, and a slight increase on the previous year. At the end of 2016, market capitalisation based on the free float therefore amounted to approximately €823 million.

The sale of a package of shares in UNIQA Insurance Group AG to UNIQA Versicherungsverein Privatstiftung, as announced in July 2016 by Raiffeisen Zentralbank Österreich AG, was legally executed on 15 December 2016 after approval by the relevant authorities. The core shareholder UNIQA Versicherungsverein Privatstiftung (Group) now holds a total of 49.0 per cent (Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH 41.3 per cent, UNIQA Versicherungsverein Privatstiftung 7.7 per cent). Raiffeisen Bank International AG now holds 10.9 per cent via RZB Versicherungsbeteiligung GmbH as core shareholder. The core shareholder Collegialität Versicherungsverein Privatstiftung holds a 2.5 per cent stake in UNIQA.

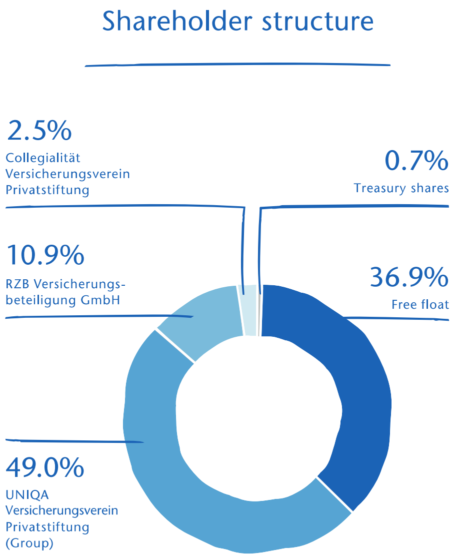


Figure 5: Shareholder structure of UNIQA Insurance Group AG

The portfolio of treasury shares now amounts to 0.7 per cent.

There is a binding voting agreement in place applicable to the shares of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH.

UNIQA International AG manages the international activities of the Group. This entity is also responsible for the ongoing monitoring and analysis of the international target markets and for acquisitions and post-merger integration. The UNIQA Group operates in the core markets of Austria and Central and Eastern Europe as well as Western Europe. The Group is now made up of more than 40 companies in 18 countries. The UNIQA Group is active in the following countries: Austria, Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Liechtenstein, Macedonia, Montenegro, Poland, Romania, Russia, Switzerland, Serbia, Slovakia, Czech Republic, Ukraine and Hungary, as well as in Germany and in the UK with branches.

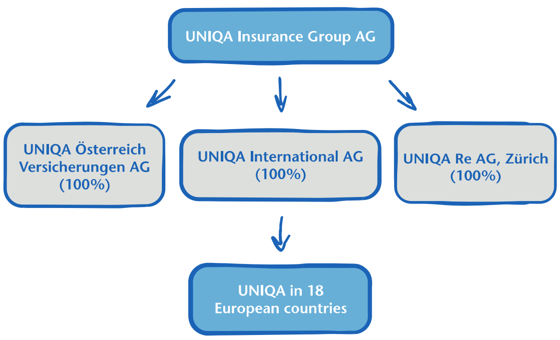


Figure 6: Group structure of UNIQA Insurance Group AG

The UNIQA Group prepares consolidated financial statements and a management report in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU.

Separate financial statements are also prepared at the UNIQA Insurance Group AG level. Likewise, UNIQA Österreich Versicherungen AG prepares separate financial statements. In Annexes 1 and 2, the information in Chapters A.2 to A.5 is presented for the separate financial statements of UNIQA Insurance Group AG and UNIQA Österreich Versicherungen AG. In addition to UNIQA Insurance Group AG, the UNIQA Group's 2016 IFRS consolidated financial statements also include 54 Austrian and 62 international companies. The associates relate to six domestic and one international company that were included in the consolidated financial statements using equity method accounting. Further details on the affiliated companies and associates are provided in Appendix I – Affiliated companies and associates.

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

Discontinued operations

The Management Board approved the sale of the 99.7 per cent share in the Group company UNIQA Assicurazioni SpA (Italian Group) on 2 December 2016.

In accordance with the regulations of IFRS 5, the sale of the Italian Group is presented in the consolidated financial statements as a discontinued operation. The profit/(loss) attributable to the discontinued operation is disclosed separately under Chapter A.5.

Essential business lines

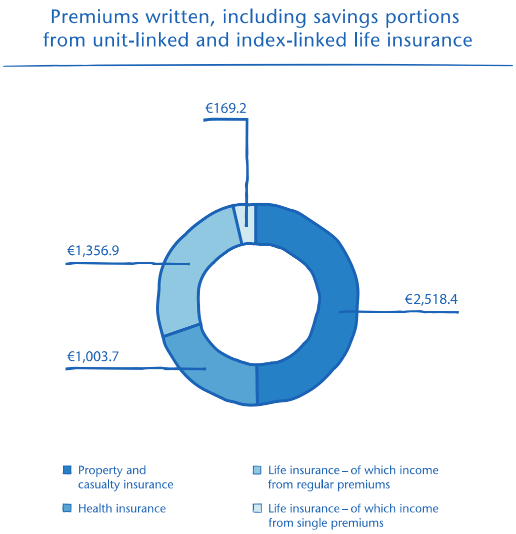


Figure 7: Premiums written by business line on the balance sheet (in € million)

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

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

Property and casualty insurance

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

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

Property and casualty insurance includes non-life insurance for private individuals and companies, as well as private casualty insurance. In property and casualty insurance, the UNIQA Group achieved a premium volume written in the amount of €2,518.4 million in 2016, i.e. 49.9 per cent of the total premium volume.

Life insurance

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

Life insurance includes savings products such as classic and unit-linked life insurance. There are also biometric products to secure against such risks as occupational disability, nursing, or death. In life insurance, UNIQA achieved a premium volume across the Group (including savings portions from unit-linked and index-linked life insurance) of €1,526.1 million in 2016, i.e. 30.2 per cent of the total premium volume.

Health insurance

Health insurance includes voluntary health insurance for private customers, commercial preventive healthcare and opt-out offers for certain independent contractors such as lawyers, architects, and chemists. In 2016, health insurance premiums written amounted to €1,003.7 million across the group, equating to 19.9 per cent of total premium volume.

The UNIQA Group is the undisputed market leader in this strategically important line of insurance in Austria with a 47 per cent market share. About 95 per cent of premiums come from Austria, with the remaining 5 per cent coming from international business.

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

Main geographic areas

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

The UNIQA Group is the second-largest insurance group in Austria, with a market share of around 22 per cent based on premium volume. In 2016 we generated around 72 per cent of Group premiums in our domestic market. UNIQA is the undisputed leader in the strategically important health insurance line, with a market share of about 47 per cent.

In Austria, the four operational primary insurers were merged into one company in 2016. FINANCE LIFE Lebensversicherung AG, Raiffeisen Versicherung AG and Salzburger Landes-Versicherung AG were merged with UNIQA Österreich Versicherungen AG as the acquiring

company. The insurance portfolios for the previous four companies were thereby consolidated within UNIQA Österreich Versicherungen AG.
Aside from these core markets, the UNIQA Group is also active in Western Europe – in Liechtenstein, Switzerland as well as in Germany and in the UK with branches. The UNIQA Group and its subsidiaries are represented in 15 countries in Central and Eastern Europe. These companies operate around 1,500 service centres. In 2016 we generated around 28 per cent of Group premiums in the CEE markets. We also work together with the subsidiaries of Raiffeisen Bank International AG in Eastern Europe as part of the preferred partnership that was renewed in 2013 for a period of ten years.

In the Central Europe region (CE) – Poland, Slovakia, the Czech Republic and Hungary – the premiums written, including savings portions from unit-linked and index-linked life insurance, increased by 9.8 per cent in the 2016 financial year to €865.6 million (2015: €788.5 million). In Eastern Europe (EE) – comprising Romania and Ukraine – premiums written, including savings portions from the unit-linked and index-linked life insurance, increased by 14.5 per cent to €164.6 million (2015: €143.8 million). However, in the Southeastern Europe region (SEE) – Albania, Bosnia and Herzegovina, Bulgaria, Kosovo, Croatia, Macedonia, Montenegro and Serbia – they fell by 5.4 per cent to €274.9 million in 2016 (2015: €290.4 million). In Russia (RU) the premiums written, including savings portions from the unit-linked and index-linked life insurance, grew strongly and increased by 18.7 per cent to €58.2 million (2015: €49.1 million). In Western Europe (WE) – Italy, Liechtenstein and Switzerland – the premiums written, including savings portions from the unit-linked and index-linked life insurance, rose by 18.2 per cent to €36.5 million (2015: €30.9 million).

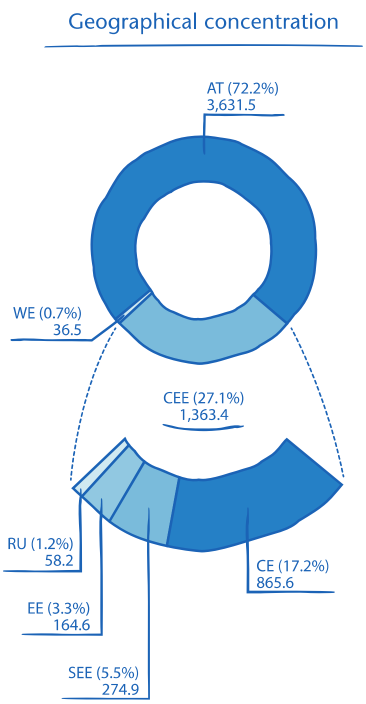


Figure 8: Premiums by geographical areas (in € million)

Significant events after the reporting date

The merger between Raiffeisen Bank International AG (RBI) and Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB) was decided in an extraordinary General Meeting of Raiffeisen Bank International AG on 24 January 2017. UNIQA held a 2.5 per cent stake in RZB. The conversion ratio of RZB equities for RBI equities is 1 : 31.55. An increase in the RBI share capital was also implemented with subscription rights excluded in order to achieve the conversion ratio. UNIQA has a 1.7 per cent stake in RBI following the merger.

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

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

Relevant operations and transactions within the Group

Please refer to Chapter B.1.5 of this report for details on these.

A.2 UNDERWRITING PERFORMANCE

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

Non-life insurance premiums written

The following disclosures do not include the Italian group, which constitutes a discontinued operation in accordance with IFRS 5.

Property and casualty insurance premiums written

EUR million	2016
Direct insurance	
Fire and business interruption insurance	228
Household insurance	178
Other property insurance	229
Motor TPL insurance	580
Other motor insurance	475
Casualty insurance	347
Liability insurance	236
Legal expense insurance	85
Marine, aviation and transport insurance	60
Other forms of insurance	64
Total	2,482
Indirect insurance	
Marine, aviation and transport insurance	2
Other forms of insurance	35
Total	36
Total direct and indirect insurance	**2,518**

Table 2: Non-life insurance obligations by essential business lines – gross

Premiums, insurance benefits and insurance operating expenses by main geographical areas

The following disclosures have been determined according to the location of the registered office of the company that is insuring the risk.

Allocation of premiums by material geographical areas

EUR million	Premiums earned (net) 2016	Insurance benefits 2016	Operating expenses 2016
Austria	3	-2	-1
Western Europe (WE)	12	-9	-4
Central Europe (CE)	414	-234	-174
Eastern Europe (EE)	101	-54	-46
Southeastern Europe (SEE)	221	-139	-86
Russia (RU)	56	-49	-10

Table 3: Premium distribution by main geographic areas

Premiums by essential business lines

Premiums allocated according to lines of business

EUR millionen	Property and casualty insurance 2016	Health insurance 2016	Life insurance 2016
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance			1,526
Premiums earned (net) including savings portions from unit-linked and index-linked life insurance			1,468
Savings portions in unit-linked and index-linked life insurance			405
Savings portions in unit-linked and index-linked life insurance (net)			385
Premiums written (gross)	2,518	1,004	1,121
Premiums earned (net)	2,359	1,000	1,084
Technical interest income	0	78	256
Other technical income	18	2	4
Insurance benefits	-1,551	-844	-991
Operating expenses	-763	-175	-348
Other technical expenses	-33	-1	-20
Underwriting performance	**30**	**60**	**-16**

Table 4: Premiums, insurance benefits and operating expenses

Change in premiums

UNIQA's total premium volume fell in 2016, taking into account the savings portions of the unit-linked and index-linked life insurance in the amount of €405.1 million (2015: €382.0 million), by 3.1 per cent to €5,048.2 million (2015: €5,211.0 million).

In the area of insurance policies with recurring premium payments, there was a rise of 2.3 per cent to €4,879.0 million (2015: €4,770.4 million). In the single premium business the premium volume fell by 61.6 per cent to €169.2 million (2015: €440.6 million) due to restraint in the Austrian single premium business.

Premiums written in property and casualty insurance grew in 2016 by 3.2 per cent to €2,518.4 million (2015: €2,439.2 million). In health insurance, premiums written in the reporting period rose by 4.1 per cent to €1,003.7 million (2015: €964.4 million). In life insurance, the premiums written including savings portions from the unit-linked and index-linked life insurance fell by 15.6 per cent to €1,526.1 million (2015: €1,807.5 million). The reason for this was the general lack of single premiums in the UNIQA Austria segment.

The Group premiums earned including savings portions from unit-linked and index-linked life insurance (after reinsurance) in the amount of €384.7 million (2015: €365.9 million) fell by

3.8 per cent to €4,827.7 million (2015: €5,017.0 million). The volume of net premiums earned (in accordance with IFRSs) fell by 4.5 per cent to €4,443.0 million (2015: €4,651.1 million).

Change in insurance benefits

The insurance benefits before reinsurance fell in the 2016 financial year by 8.1 per cent to €3,478.2 million (2015: €3,786.4 million). Consolidated insurance benefits (net) also fell in the past year by 7.8 per cent to €3,385.6 million (2015: €3,671.3 million). The loss ratio after reinsurance in property and casualty insurance fell in 2016 to €65.7 per cent (2015: 67.5 per cent) primarily on account of less damage from natural disasters and in spite of an extraordinary claim load in Poland. However, the combined ratio after reinsurance increased slightly at Group level to 98.1 per cent (2015: 97.9 per cent) in spite of the improved loss ratio, as a result of the increase in costs from the innovation and investment programme.

Change in operating expenses

Total consolidated operating expenses less reinsurance commissions received and the share of profit from reinsurance ceded rose in the financial year 2016 by 8.1 per cent to €1,286.4 million (2015: €1,190.4 million). Expenses for the acquisition of insurance less reinsurance commissions received and share of profit from reinsurance ceded in the amount of €21.3 million (2015: €19.1 million) increased by 3.0 per cent to €869.4 million (2015: €844.2 million) as a result of a short-term increase in commissions in the area of health insurance and life insurance. The other operating expenses increased as a result of expenses in the amount of around €55 million in connection with the innovation and investment programme by 20.4 per cent to €417.0 million (2015: €346.3 million). Amendments to works agreements on pension funds provision in the previous year also had a positive impact on other operating expenses.

UNIQA's cost ratio after reinsurance, i.e. the ratio of total operating expenses less the amounts received from reinsurance commissions and the share of profit from reinsurance ceded to the Group premiums earned including savings portions from the unit-linked and index-linked life insurance, increased to 26.6 per cent during the past year (2015: 23.7 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance was 26.1 per cent (2015: 23.3 per cent).

A.3 INVESTMENT PERFORMANCE

The following chapter illustrates UNIQA Group's investment performance in the reporting period as compared with the information submitted in the previous reporting period and contained in the company's financial statements.

Net investment income fell by 19.5 per cent to €588.9 million (2015: €732.0 million) due to the low interest rates, and a significant fall in sales profits from the sale of land and buildings.

The continued restructuring of strategic asset allocation for economic optimisation of capital and positive currency effects from investments in US dollars were material to this change. The sales profit in the amount of €37.2 million from the sale of Niederösterreichische Versicherung AG was one of the factors that had a positive effect on investment income in the financial year 2016.

Impairment losses in the amount of €80.5 million, falls in income from the bond portfolio (€34.5 million deterioration) and lower net sales results for land and buildings (€58.4 million deterioration) were the primary contributors to the decline in net income from €731.9 million in 2015 to €588.9 million in 2016.

The use of the equity method to account for the 14.3 per cent holding in STRABAG SE resulted in a positive contribution to earnings in the amount of €30.9 million in 2016.

Net investment income according to IFRS

EUR million	2016
Investment property	46
Financial assets accounted for using the equity method	39
Variable-income securities	44
Available for sale	40
At fair value through profit or loss	4
Fixed-income securities	455
Available for sale	446
At fair value through profit or loss	8
Loans and other investments	56
Loans	16
Other investments	40
Derivative financial instruments (trading portfolio)	-15
Investment administration expenses, interest paid and other investment expenses	-36
Total (amount consolidated)	**589**

Table 5: Net investment income according to IFRS

As at 31 December 2016, UNIQA held a 14.3 per cent stake in STRABAG SE (31 December 2015: 13.8 per cent). UNIQA is continuing to treat STRABAG SE as an associate due to contractual arrangements. The carrying amount of the investment in STRABAG SE at 31 December 2016 amounted to €475.8 million (31 December 2015: €463.0 million).

On 6 September 2016 the Kärntner Ausgleichszahlungs-Fonds (KAF) made an offer in accordance with Section 2(a) of the Financial Market Stability Act to the holders of debt instruments in HETA for purchase of their senior bonds for cash consideration or in exchange for zero-coupon bonds, which are fully and unconditionally collateralised by the Republic of Austria. An offer was also made to the holders of subordinated debt instruments in HETA for purchase of these for cash consideration or to exchange these either for zero-coupon bonds or long-term zero-coupon promissory notes of the Republic of Austria, which are also fully and unconditionally collateralised by the Republic of Austria. UNIQA decided to exchange the senior bonds in its portfolio with a nominal value of 25 million for zero-coupon bonds and the subordinated bonds with a nominal value of 36 million for zero-coupon promissory notes.

Information on gains and losses recognised in other comprehensive income

The following overview shows the gains and losses on available-for-sale financial instruments and on equity-accounted financial assets in 2016 recognised in other comprehensive income.

Items to be reclassified to profit or loss in the subsequent periods

EUR million	2016
Remeasurement of available for sale financial instruments	
Gains (losses) recognised in other comprehensive income	344
Gains (losses) recognised in other comprehensive income – deferred tax	-40
Gains (losses) recognised in other comprehensive income – deferred profit participation	-196
Reclassified to the consolidated income statement	-102
Reclassified to the consolidated income statement – deferred tax	14
Reclassified to the consolidated income statement – deferred profit participation	43
Other comprehensive income from financial assets accounted for using the equity method	
Gains (losses) recognised in other comprehensive income	-6
Total	**57**

Table 6: Excerpt from the consolidated statement of comprehensive income

A.4 PERFORMANCE OF OTHER ACTIVITIES

The UNIQA Group does not have any material finance leases or operating leases.

Other income rose in 2016 mainly due to differences in the exchange rate for the Russian rouble by 18.8 per cent to €42.6 million (2015: €35.8 million). Other expenses fell by 4.6 per cent to €53.1 million in the reporting year (2015: €55.7 million).

Other income according to IFRS

EUR million	2016
Other income	43
Other non-technical income	42
Property and casualty insurance	22
Health insurance	5
Life insurance	14
of which	
services	6
changes in exchange rates	20
other	16
Other income	1
from currency translation	1
from other	0

Table 7: Other income according to IFRS

The other underwriting expenses of the UNIQA Group amounted to €53.1 million in 2016, with the detail as follows:

Other expenses according to IFRS

EUR million	2016
Other expenses	53
Other non-technical expenses	49
Property and casualty insurance	37
Health insurance	6
Life insurance	6
of which	
services	0
exchange rate losses	10
motor vehicle registration	6
other	33
Other expenses	4
for currency translation	0
other	4

Table 8: Other expenses according to IFRS

A.5 ANY OTHER INFORMATION

Expenses for the auditor of the financial statements

The expenses for the auditor of the financial statements amounted to €1,567 thousand in the financial year (2015: €1,965 thousand); of which €485 thousand (2015: €307 thousand) is attributable to the annual audit, €859 thousand (2015: €1,590 thousand) to other auditing and confirmation services and €223 thousand (2015: €68 thousand) to other services.

Sale of the Italian subsidiary

The breakdown of profit/(loss) from discontinued operations is as follows:

Development of premiums, insurance benefits and operating expenses

EUR thousand	2016
Premiums earned (net)	1,237,722
Technical interest income	87,797
Other technical income	208
Insurance benefits	-1,196,318
Operating expenses	-107,709
Other technical expenses	-9,592
Underwriting performance	12,107
Net investment income and investment property	98,564
Other income	6,664
Reclassification of technical interest income	-87,797
Other expenses	-3,668
Non-technical result	13,764
Operating profit/(loss)	25,871
Amortisation of value of in-force business	-1,571
Earnings before taxes	24,300
Income taxes	-6,756
Current profit/(loss) from discontinued operations (after tax)	17,544
Impairments and costs of sales	-70,649
Profit/(loss) from discontinued operations (after tax)	-53,105
of which attributable to shareholders of UNIQA Insurance Group AG	-53,810
of which attributable to non-controlling interests	705

Table 9: Profit/(loss) from discontinued operations

The profit/loss from discontinued operations includes a fair value impairment loss of €72,642 thousand and disposal costs in addition to the net current income and expense.

Ukraine (non-life) – options received

The interest in UNIQA Insurance Company, Private Joint Stock Company (Kiev, Ukraine) held by UNIQA was acquired from the Ukrainian Closed JSC Credo-Classic Insurance Company in 2006 and increased gradually to the current level of 92.23 per cent. The existing option agreements with the two remaining minority shareholders were renewed in 2015. These agreements give UNIQA the option of acquiring further shares in the company from the local minority shareholders based on previously agreed purchase price formulas in option windows in 2017 and 2020.

SIGAL Group – options received

The interest in SIGAL UNIQA Group AUSTRIA sh.a. held by UNIQA has also been increased gradually to the current level of 86.93 per cent. The existing option agreements with the two remaining minority shareholders were amended in 2016. These give UNIQA the option of acquiring additional company shares from the local minority shareholders in the option period between July 2017 and June 2021 based on an agreed purchase price formula.

B System of Governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Under Solvency II and the Austrian Insurance Supervision Act 2016, insurance and reinsurance undertakings must establish an effective governance system which guarantees sound and prudent management of the business and is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

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

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

B.1.1 Supervisory Board

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

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

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

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

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

Committees of the Holding Supervisory Board

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

With the exception of the Working Committee, the committees do not decide directly on approvals for issues subject to mandatory Supervisory Board approval, but rather review the contents of the proposals and develop recommendations which are then subsequently put to the entire Holding Supervisory Board for approval. Approval by the Holding Supervisory Board can be provided both within the scope of meetings as well as by way of circular resolution.

Each committee chair reports regularly to the entire Supervisory Board on the work of the committee. However, the Holding Supervisory Board is free to handle committee matters in the entire Holding Supervisory Board.

Audit Committee

Pursuant to Section 92(4)(a) of the Stock Corporation Act, an Audit Committee is to be formed which is made up of the chairman, his three deputies, two further shareholder representatives selected by the Holding Supervisory Board as well as three employee representatives. The Audit Committee carries out preparatory activities for the Holding Supervisory Board.

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

The Audit Committee meets at least three times a year.

Working Committee

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

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

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

- Supervision of the executive management in general (Section 95(1) of the Stock Corporation Act);

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

Committee for Management Board Affairs ("Personnel Committee")

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

Remuneration for the Holding Management Board and for upper management is structured in such a way that it is competitive as compared with the rest of the market environment. The overriding objective is to attract highly qualified management staff and retain them within the company – and in particular to guarantee and promote corporate management with a sustainable focus on values.

The Personnel Committee meets when required, however at least once a year. The Personnel Committee includes the Nomination Committee and the Remuneration Committee based on the rules stipulated under the Code of Corporate Governance.

The Nomination Committee puts forwards proposals to the Holding Supervisory Board on filling positions that are becoming vacant in the Holding Management Board and deals with issues involving succession planning. The Nomination Committee (or the entire Supervisory Board) puts forward proposals to the Annual General Meeting on filling positions that are becoming vacant within the Supervisory Board.

The Remuneration Committee deals with the content of contracts of employment with members of the Holding Management Board, ensures that the regulations of the remuneration system are implemented and reviews the remuneration policy for members of the Holding Management Board at regular intervals. At least one member of the Remuneration Committee must have special knowledge and experience in relation to remuneration policy.

The Holding Supervisory Board chairman updates the Annual General Meeting on the basic principles of the remuneration system at least once a year.

Investment Committee

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

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

IT Committee

The Holding Supervisory Board uses the IT Committee to exercise its consultation and supervisory rights within the scope of implementing a new IT core system for the UNIQA Group.

This project – the UNIQA Insurance Platform (UIP) – is to introduce a new insurance policy system in the UNIQA Group. IT Committee meetings are based on the meetings by the entire Holding Supervisory Board. It is made up of four shareholder representatives and two employee representatives.

B.1.2 Management Board and committees

Duties and rights of the Holding Management Board

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

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

Allocation of responsibilities in the Holding Management Board

The Holding Management Board consists of:

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

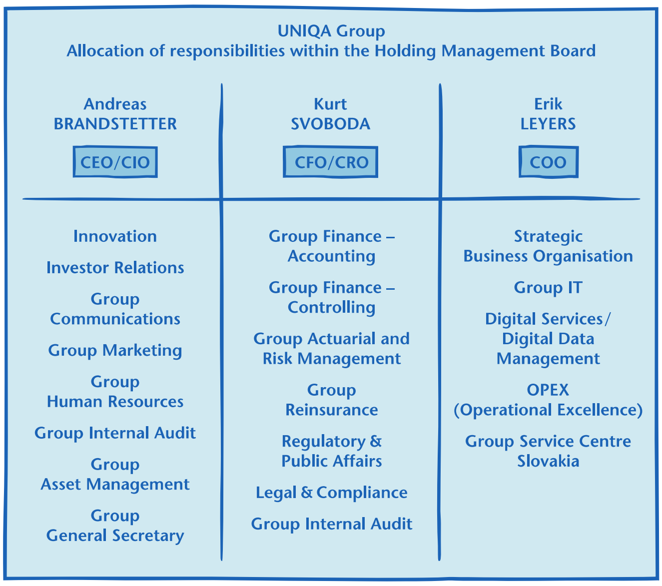


Figure 9: Allocation of responsibilities in the Management Board

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

The members of the Holding Management Board update each other on all important business operations on an ongoing basis independently of their departmental responsibilities.

Meetings of the Holding Management Board should be held once per month. Important matters must be covered in the meetings, which may be convened at any time by any member of the Holding Management Board.

Group Executive Board

The Group Executive Board is the meeting of the Holding Management Board, together with the respective chairmen of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG, along with the member of the UNIQA Österreich Versicherungen AG Management Board responsible for Raiffeisen Austria bank sales, each with an advisory vote. The Group Executive Board meets on a regular basis, to the extent possible every two weeks.
The Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG also meet every two weeks.

The committees of the Holding Management Board

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

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

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

Level 1 committee

Operations & Risk Committee (ORC)

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

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

The Holding Management Board can pass resolutions during ORC meetings.

Level 2 committees

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

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

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

Group Risk Committee (RICO)

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

Group Reserving Committee (RESCO)

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

Group Asset Liability Committee (ALCO)

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

Group Remuneration Committee (REMCO)

The REMCO defines fundamental remuneration strategies for the entire UNIQA Group which provide a framework for policies and individual decisions in relation to compensation and benefits for Group executives and managers. The REMCO takes decisions related to the structure and targets for variable salary components as well as all compensation-related systems and in relation to the amount and structure of fixed and variable salary arrangements for individual managers. The REMCO takes these decisions in compliance with applicable laws, in particular with due regard to all of the regulations under Solvency II and the Austrian Insurance Supervision Act 2016, and thereby follows the principle of internal fairness and external appropriateness.

Group Security Committee (SECCO)

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

Level 3 committees

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

- Internal Model Committee
- Data Quality Committee and
- Asset Risk Committee.

B.1.3 Key functions

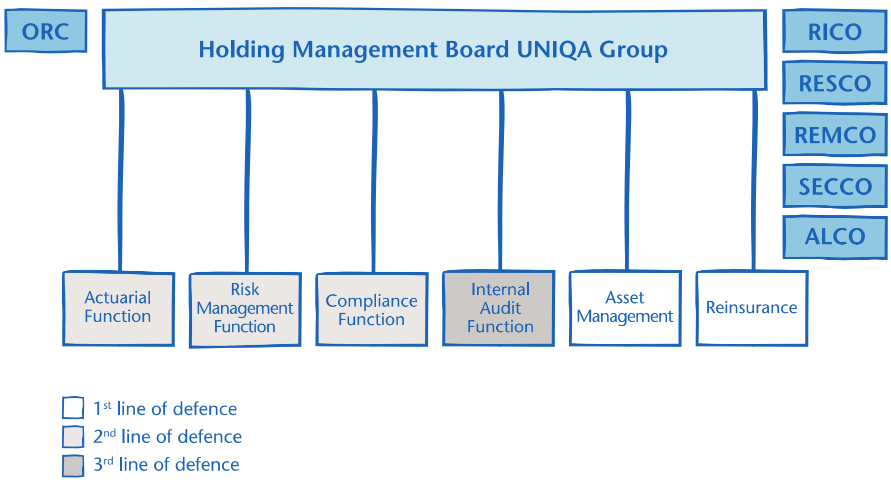


Figure 10: Presentation of the reporting lines of the key functions

Governance and other key functions

Governance functions

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

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

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

Other key functions

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

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

- Asset Management
- Reinsurance

Actuarial function

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

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

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

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

- Coordinates the calculation of the technical provisions;
- Ensures that the methods and models used are appropriate and that the assumptions made in the calculation of the technical provisions are reasonable;
- Assesses whether the data is sufficient and of adequate quality;
- Compares best estimates with past experience;
- Provides the Holding Management Board with information on whether the calculation of technical provisions is reliable and appropriate;
- Reviews the general underwriting and acceptance policy and

- Reviews whether reinsurance agreements are appropriate;
- Supervises the calculation of the technical provisions;
- Is involved in implementing the risk management system effectively, in particular in relation to the creation of risk models used as the basis for calculating the capital requirement.

Risk management function

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

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

The risk management function is responsible for effective implementation of the risk management system and monitoring of this. The key function has the duty to coordinate the risks at the UNIQA Group and to assess them independently. The risk management function acts as a close support and adviser to the Management Board, and must be involved in all material business decisions. Close cooperation with the actuarial function is crucial for the purposes of fulfilling the main responsibilities. The risk management function has additional responsibilities within the framework of the internal model. The responsibilities of the risk management function are listed below:

- to develop and prepare the risk strategy;
- to determine risk appetite and risk preference at the level of the UNIQA Group and allocate economic capital for the operating companies;
- to identify and monitor relevant Group risks, and take responsibility for the associated reporting system;
- to calculate the risk capital for the UNIQA Group;
- to execute, implement and support the uniform risk management process at UNIQA Group level in accordance with Group standards;
- to prepare and maintain standards for the specific risk management processes for all classes of risk; and
- to prepare and monitor UNIQA Group risk limits.

In the context of the internal model,

- to design and implement the internal model;
- to test, validate and document the internal model;
- to document the model;
- to prepare summary reports; and
- to ensure that the Holding Management Board is kept up-to-date at all times.

Compliance function

The compliance function represents a part of the internal control system (Section 117 of the Austrian Insurance Supervision Act 2016) and this role is responsible for monitoring compliance with the requirements and for assessing the appropriateness of the measures implemented by the company aimed at preventing non-compliance.

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

A Compliance Officer and deputy are appointed within the scope of each compliance function. The Compliance Officer is the holder of the key function and must fulfil special professional and personal requirements. This basic structure is reproduced through the entire

UNIQA Group. No distinction is made between the companies in the EU and in non-EU countries in implementing the compliance structure and the compliance regulations, and all companies in the UNIQA Group are required to establish the same structure.

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

The compliance function in the UNIQA Group reports to the Holding Management Board. It reports to the CFRO from an organisational point of view.

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

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

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

- recognising and assessing the potential effects of changes to the legal environment on the company's activities and its organisation (early warning role);
- identifying and assessing the risks associated with non-compliance with the legal regulations in the essential compliance-related areas and therefore assessing the company's exposure to risk. This takes place as part of a compliance risk analysis (risk assessment);
- reviewing the adequacy of the measures implemented aimed at preventing non-compliance (adequacy function) as part of a compliance review (in accordance with the annual compliance plan);
- assessing and monitoring compliance with the regulations applicable to contract insurance and whether any compliance is encouraged by effective internal procedures within the company (monitoring function);
- ensuring that adequate preventive measures have been implemented aimed at preventing non-compliance; the most important preventive measures include internal regulations and training;
- advising the Management Board and all relevant employees on all of the legal regulations applicable for contract insurance (in particular in relation to Solvency II);
- topics related to ethical and legally compliant company management (Code of Conduct) and money laundering, including the Foreign Account Tax Compliance Act (FATCA) are also evaluated within the scope of the UNIQA Insurance Group AG compliance function.

Internal audit function

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

The internal audit in the UNIQA Group reports directly to the Holding Management Board. It reports to the CEO as well as to the CFRO from an organisational point of view. UNIQA Group

Audit GmbH (UGA), a wholly owned subsidiary of the UNIQA Group, also submits a report to the relevant chair of the Supervisory Board and/or to the Audit Committee each quarter. This reporting relates to the audit areas and material audit findings for the audit projects carried out in the relevant quarter.

The UNIQA Group's internal audit has been outsourced to UGA, with the consent of the Financial Market Authority. UGA reports directly to the Holding Management Board. The internal audit function is an exclusive one and it cannot be exercised in conjunction with other functions that are not audit-related. This ensures that it remains independent and thereby guarantees strict monitoring and assessment of the effectiveness of the internal control system and other components of the governance system. The responsibilities of internal audit, including its responsibilities in Group Audit, are summarised as follows:

- to hold overall responsibility for all the audit-specific activities of the companies in the UNIQA Group;
- to ensure that the Group strategy is implemented;
- to determine the audit strategy and the quality criteria, and ensure compliance;
- to manage escalation in relation to audit matters;
- to ensure that the audit-specific reporting required by law is carried out;
- to prepare the risk-based multi-year audit plan for Group Audit and, where required, obtain approval from the legally authorised governing bodies in the case of material changes to the audit plan;
- to carry out scheduled audits and special audits in the companies of the UNIQA Group;
- to initiate special audits by Group Audit in the event of imminent danger
- to report annually on whether the audit plan has been fulfilled;
- to define and harmonise audit standards, including procedural instructions, across the whole of the UNIQA Group
- to monitor the local audit units to ensure they are effective and fully operational;
- to audit compliance with Group standards.

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

- preparing a risk-based multi-year audit plan for the UNIQA Group and, if necessary, obtaining approvals from the bodies with legal authority in the event of material changes to the audit plan,
- implementing scheduled audits and special audits,
- initiating special audits conducted by external auditors in exigent circumstances,
- reporting annually on whether the audit plan has been fulfilled,
- ensuring that audit-specific reporting is carried out in accordance with statutory requirements.

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

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

Asset Management

The asset management function in the UNIQA Group reports to the Holding Management Board. It reports to the CEO/CIO from an organisational point of view.

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

- to provide advice on investments;
- to manage portfolios;
- to accept and transfer orders/contracts;
- to manage equity investments;
- tactical asset allocation;
- to carry out research;
- to advise on strategic asset allocation; and
- to submit monthly reports on trends in the finance portfolio.

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

- purchase and sale of securities and derivative instruments on behalf and for account of the UNIQA Group;
- authority to control the financial instruments on behalf and for account of the UNIQA Group;
- conversion or exchange of financial instruments; and
- exercise of rights related to financial instruments.

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

- acquisition and sale of real estate;
- issuing and managing refinancing loans;
- fund management in relation to unit-linked insurance products;
- administration and deposit of securities;
- financial accounting; and
- invoicing transactions.

Reinsurance

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

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

The responsibilities of the reinsurance key function include:

- to draw up and implement policies governing the handling of reinsurance in the UNIQA Group;
- to translate strategic objectives set by the holding company into uniform processes and the associated monitoring and control;
- to help the Holding Management Board develop and draft reinsurance strategies and corresponding policies;
- to ensure that uniform organisational measures and processes are put in place throughout the Group so that Group requirements are implemented efficiently and in the same way;
- to provide advice and specialist support for the Holding Management Board and the management boards of the insurance companies in the UNIQA Group;
- to ensure that activities are in line with market requirements, both in substance and in all material respects, and carries out associated monitoring;
- to ensure that all reinsurance activities within the Group are comprehensively reported; and
- to ensure that the following requirements are taken into account in the structure of internal and external reinsurance relationships:
  - minimisation of local risk capital requirement through needs-based, tailored reinsurance structures,
  - determination on the basis of regular local risk assessments,
  - maximum use of diversification across the Group,
  - optimisation of the proportion of business retained by the Group,
  - reduction of volatility as far as possible, and
  - efficient retrocession capacity purchased centrally with the aim of further reducing risk capital at Group level.

B.1.4 Remuneration

Basic principles of remuneration

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

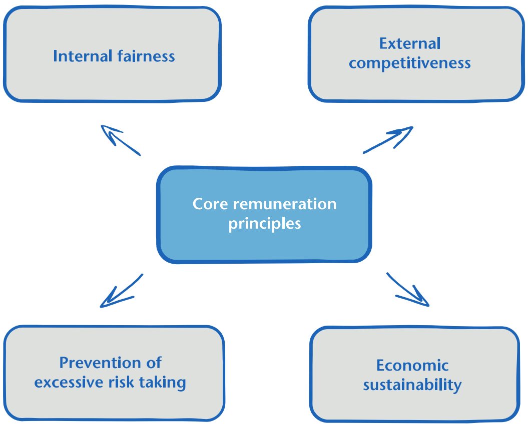


Figure 11: Core remuneration principles

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

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

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

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

Fixed remuneration

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

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

Variable remuneration

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

An annual bonus and an individual bonus as short-term variable compensation (short-term incentive, STI) will be made available.

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

Short-term incentive (STI)

Annual bonus

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

Deferred Bonus

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

Individual bonus

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

Long-term variable remuneration

Share-based remuneration

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

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

Pension schemes and similar benefits

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

Active salaries of members of the Management Board

The active salaries of the members of the Management Board at UNIQA Insurance Group AG amounted to €4,621 thousand in the reporting year (2015: €3,498 thousand). The pension funds contributions for members of the Management Board amounted to €3,308 thousand (2015: €681 thousand). The expenses for pensions in the reporting year for former members of the Management Board and their surviving dependants amounted to €815 thousand (2015: €2,751 thousand).

The remuneration of the members of the Supervisory Board for their work in the 2015 financial year was €425 thousand. Provisions of €470 thousand have been recognised for the remuneration to be paid for this work in 2016. The amount paid out in attendance fees and for out-of-pocket expenses in the financial year was €77 thousand (2015: €49 thousand).

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

B.1.5 Significant transactions with related parties

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

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

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

Related party transactions – companies

EUR million	Entities with significant influence over the UNIQA Group 2016	Unconsolidated subsidiaries 2016	Associated companies of the UNIQA Group 2016	Other related parties 2016	**Total 2016**
Transactions					
Premiums written (gross)	0	0	1	30	**32**
Interest income and expenses arising from loans to					
related parties (excluding banks)	0	0	0	-2	**-2**
related banks and from investments in related parties	1	0	10	4	**15**
At 31 December 2016					
Investments ait fair value	156	10	532	57	**755**
Bank deposits	276	0	0	147	**423**

Table 10: Related party transactions – companies

Related party transactions – individuals

EUR million	2016
Premiums written (gross)	2
Salaries and short-term benefits	5
Pension expenses	0
Payments on termination of employment contract	3
Share-based payments	2
Other income	0

Table 11: Related party transactions – individuals

In 2017, it is expected that the members of the Management Board of the UNIQA Insurance Group AG will be paid a variable remuneration (STI) in the amount of €1,739 thousand for the financial year 2016.

B.2 FIT AND PROPER REQUIREMENTS

In accordance with the Solvency II Directive and the Austrian Insurance Supervision Act 2016, the UNIQA Group has specified fit and proper requirements for persons who effectively run the business or hold other key functions.

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

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

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

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

Members of the Management Board and the Supervisory Board

Requirements to ensure that Management and Supervisory Board members are fit for the position include a level of expertise that is adequate for the challenges they will face and experience in the following areas:

- insurance and financial markets;
- business strategy and model;
- governance system;
- financial and actuarial analyses; and
- regulatory frameworks and requirements.

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

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

- no relevant criminal offences;
- no relevant breaches of duty or administrative offences, and in addition; and
- honesty, reputation, integrity, freedom from conflicts of interest, good personal conduct and financial integrity.

Holders of key functions

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

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

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

- no relevant criminal offences;
- no relevant breaches of duty or administrative offences, as well as
- honesty, reputation, integrity, freedom from conflicts of interest, good personal conduct and financial integrity.

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

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

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

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

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

Process for verifying that fit and proper requirements are satisfied

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

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

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

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

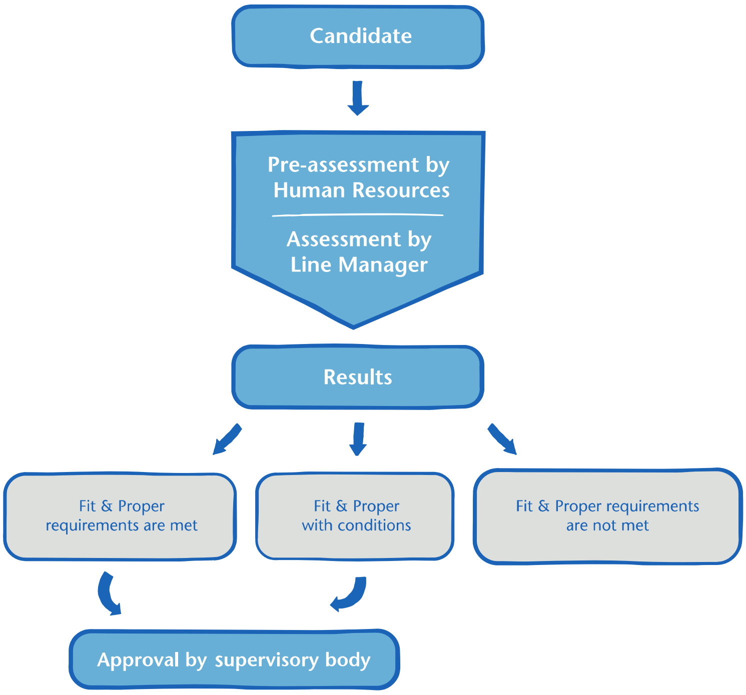


Figure 12: Process for verifying that fit and proper requirements are satisfied

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

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

Verification process for key functions.

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

Result of the assessment

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

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

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

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

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

Reassessment

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

Ongoing fulfilment of requirements

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

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

B.3.1 General

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

B.3.2 Risk management, governance and organisational structure

The organisational structure for the risk management system reflects the "three lines of defense" concept. It is clearly defined in the following sections.

First line of defense: risk management within the business activity

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

Second line of defense: supervisory functions including risk management functions

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

Third line of defense: internal audits by internal audit department

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

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

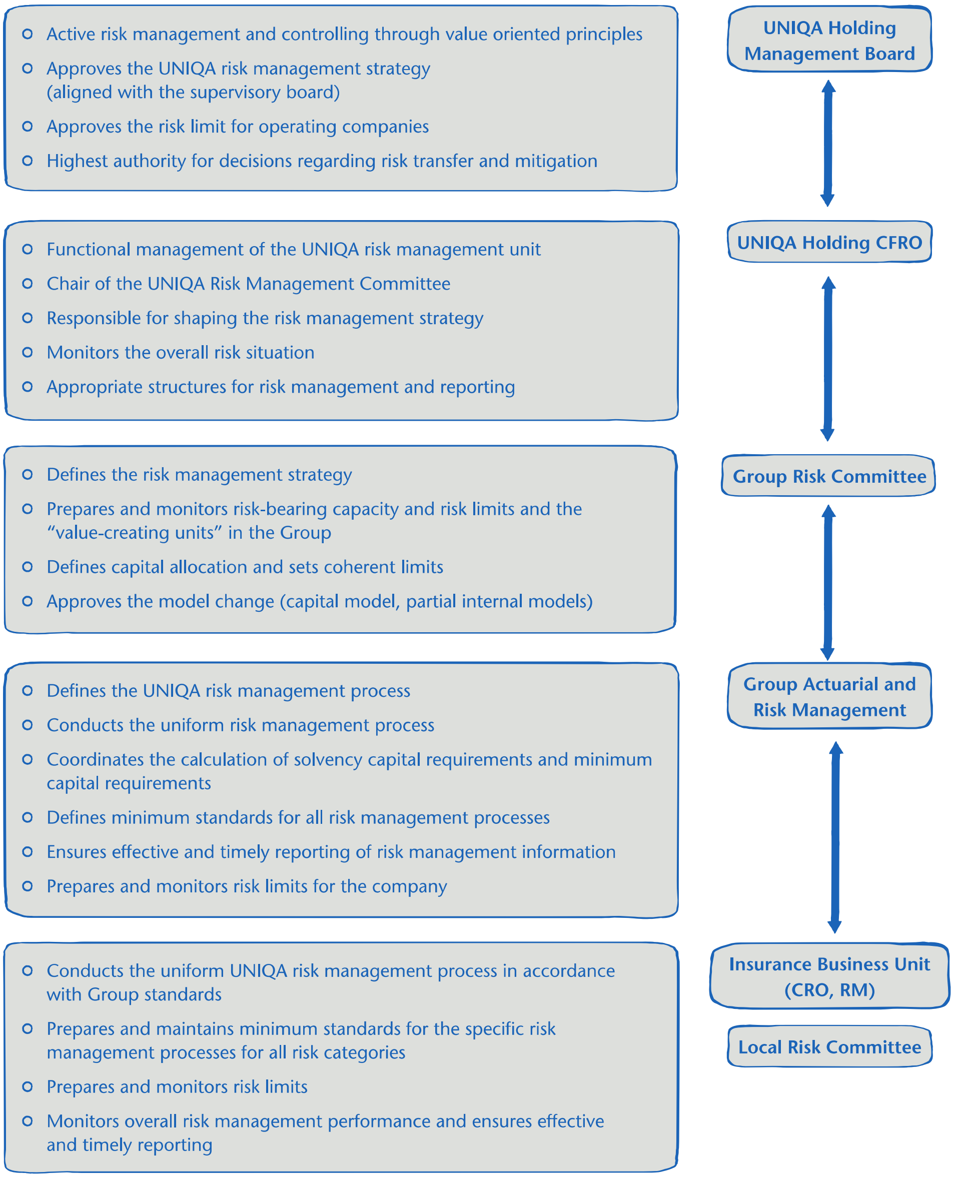


Figure 13: Organisational structure of the risk management system

Management Board and Group functions

The UNIQA Group Management Board is responsible for establishing the business policy objectives and determining the associated risk strategy. The core components of the risk management system and the associated governance are embedded in the UNIQA Group Risk Management Policy adopted by the Management Board.

The function of Chief Financial and Risk Officer (CFRO) is a separate area of responsibility at the UNIQA Group Management Board level. This ensures that the topic of risk management is represented on the Group Management Board. In fulfilling risk management responsibilities, the CFRO receives specific support from the UNIQA Group Actuarial and Risk Management division, which is responsible for implementing the risk management processes and methods at the operational level.

The Risk Management Committee is responsible for management of the UNIQA Group's risk profile and the associated specification and monitoring of risk-bearing capacity and limits. The objective is to control and monitor both the short-term and the long-term risk profile as defined within the scope of the UNIQA Group's risk strategy. The Committee is also responsible for defining, controlling and monitoring the risk bearing capacity and the risk limit.

Companies in the UNIQA Group

The CRO functions (the CFRO functions for UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG), the Risk Management Committee and the risk management function are also established within the UNIQA Group companies in the same way as with the Group itself. A consistent and uniform risk management system has therefore been set up within the UNIQA Group. To guarantee this, clear processes and procedures are defined at Group level through Group guidelines, and these must be applied by the local companies.

At its meetings, the Supervisory Board of the UNIQA Group receives comprehensive risk reports.

B.3.3 Risk strategy

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

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

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

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

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

Figure 14: Risk strategy

The defined risk preferences also apply to UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

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

The internal minimum capitalisation is defined at 135 per cent, both within the UNIQA Group as well as for UNIQA Österreich Versicherungen AG. By way of derogation from this, the internal minimum capitalisation is defined as 125 per cent for international companies. The Group's target capitalisation is defined within a range of between 155 per cent and 190 per cent, with further details provided in Figure 15.

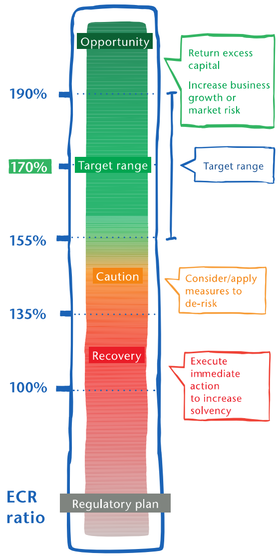


Figure 15: Target capitalisation of the UNIQA Group

B.3.4 Risk management process

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

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

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

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks within these risk categories. For most of the risk categories stated above, guidelines are implemented aimed at regulating the process. The following chart illustrates the risk management process at the UNIQA Group and its companies:

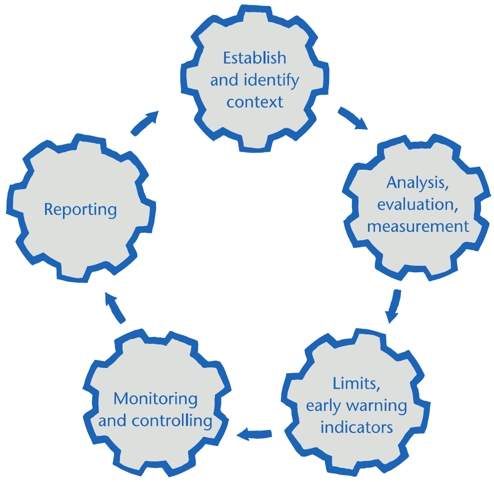


Figure 16: Risk management process

Risk identification

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

Evaluation/measurement

The risk categories of market risk, underwriting risk, counterparty default risk and concentration risk are assessed using quantitative procedures based on Solvency II regulations (Delegated Regulation (EU) 2015/35) for the SCR and ECM (Economic Capital Model) approach. Risk drivers are identified for the results from the standard approach and an analysis is done to assess whether the risk situation is adequately represented (in accordance with the ORSA process). All other classes of risk are evaluated quantitatively or qualitatively with their own risk scenarios.

The risks are assessed in order to ascertain particular risks which require special management and control.

Limits and early warning indicators

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

Management and monitoring

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

Reporting

A risk report is created for every company in the UNIQA Group as a result of the risk analysis and monitoring. All risk reports have the same structure, providing an overview of major risk indicators as well as risk-bearing capacity, solvency requirements and risk profile. There is also a reporting form available in order to provide a monthly update on the major risks to the UNIQA Group (the heat map).

Operational and other important risks are evaluated on an ongoing basis using expert assessments in addition to the assessment in accordance with Solvency II and the Austrian Insurance Supervision Act 2016. The quantitative and qualitative risk assessments are consolidated in a risk report and presented to management.

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

B.3.5 Risk-related committees

An overview of the committees has already been presented in Chapter B 1.2 "Management Board and Committees".

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

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

B.3.6 The Company's Own Risk and Solvency Assessment (ORSA)

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

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

Integration of the ORSA process

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

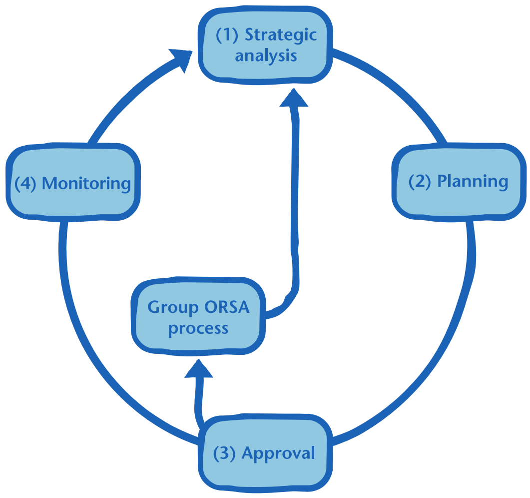


Figure 17: Strategy and planning process

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

The ORSA eight-step approach

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

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

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

Risk identification

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

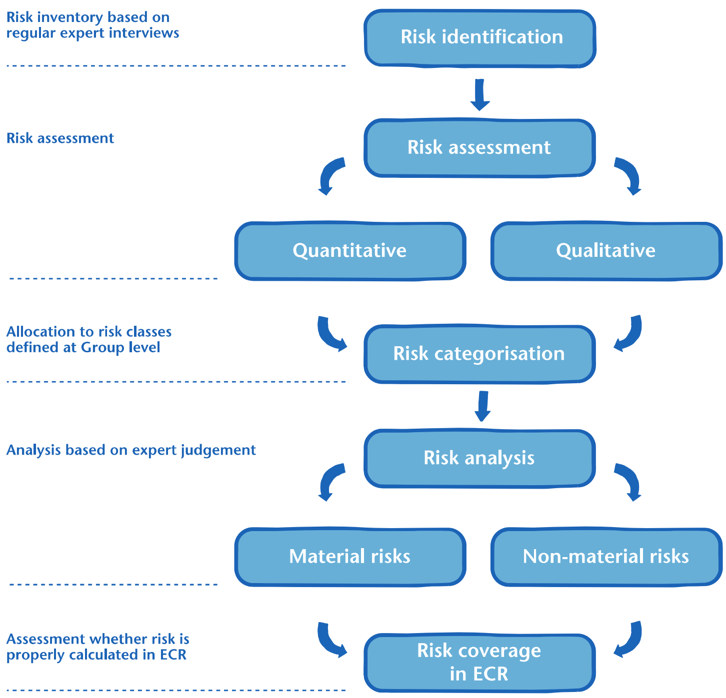


Figure 18: Risk identification

Overall solvency needs

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

Ongoing fulfilment of solvency requirements

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

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

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The UNIQA Group's internal control system (ICS) ensures that process risks are minimised or eliminated using effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and there is also a guarantee at the same time that the regulations are complied with.

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

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

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

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

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

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

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

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

The following criteria must be taken into account with this:

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

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

The Group ICS Report is created annually, is provided to the Group CFRO and is also discussed by the Risk Committee.

B.4.2 Compliance function

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

B.5 INTERNAL AUDIT FUNCTION

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

B.6 ACTUARIAL FUNCTION

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

B.7 OUTSOURCING

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

The aim of the UNIQA Group Outsourcing Policy is to fulfil the requirements defined in the Guidelines on System of Governance as well as to ensure consistent outsourcing processes within UNIQA Group. The Group Outsourcing Policy applies group-wide and all companies within UNIQA Group in the (re)insurance business are required to implement this policy.

In particular, the Group Outsourcing Policy includes:

- the legal definitions of outsourcing, sub-outsourcing, service provider, critical or important functions and activities
- how to assess whether an arrangement constitutes outsourcing according to Solvency II
- the process for determining whether a function or activity is critical or important
- how to select a service provider of suitable quality and how and how often to assess its performance and results
- the details to be included in the written agreement with the service provider taking into consideration the requirements laid down in the Delegated Regulation (EU) 2015/35, as well as
- business contingency plans, including exit strategies for outsourced critical or important functions or activities

Requirements for any outsourcing arrangement

For any outsourcing arrangement (i.e. including simple outsourcing), a written agreement must be concluded between the (re)insurance business unit and the service provider (“Outsourcing Agreement”), which shall in particular clearly state all of the requirements listed in the Group Outsourcing Policy.

In order to ensure that every outsourcing agreement meets the above requirements, all (re)insurance business units must attach to its (implemented) local outsourcing policy – in the form of an attachment – a template outsourcing agreement (“Template Outsourcing

Agreement") laying down the provisions defined in the Group Outsourcing Policy. The template outsourcing agreement forms the basis of each outsourcing agreement.

Requirements for the outsourcing of critical or important functions or activities

For the outsourcing of a critical or important function or activity, in addition to the requirements defined above, the (re)insurance business unit must also fulfil the following requirements prior to concluding the respective outsourcing agreement.

Due diligence of the service provider

A detailed examination of the potential service provider must be performed ("Due Diligence Process").

The following items must be verified in the due diligence process:

- that the service provider has the necessary financial resources to perform the respective tasks in a proper and reliable way
- that all staff of the service provider who will be involved in providing the outsourced functions or activities are sufficiently qualified and reliable
- verify the technical ability of the service provider
- assess the capacity of the service provider to perform the outsourced function or activity
- monitor all the conflicts of interest defined in the Group Outsourcing Policy
- examine the control framework (monitoring) of the service provider
- examine whether the service provider has all authorisations required by law to provide critical or important functions or activities

When examining the points listed above, the objectives and needs of the (re)insurance business line must be taken into consideration.

Contingency plans

The (re)insurance business unit shall ensure that the service provider has adequate contingency plans in place to deal with emergency situations or business disruptions and periodically tests backup facilities where necessary, taking into account the nature of the outsourced functions and activities.

The (re)insurance business unit must consider in its own contingency plan how, if necessary, to transfer the outsourced function or activity to a new service provider, or to bring this back in-house, as appropriate.

Written notification to the supervisory authority

The (re)insurance business unit shall, in a timely manner defined in the applicable local law, notify the supervisory authority prior to the outsourcing of critical or important functions or activities and of any subsequent material developments with respect to those functions or activities. Such notification is mandatory, irrespective of whether the service provider is an entity authorised by the supervisory authority or not.

Requirements for the outsourcing of a key function

For the outsourcing of a key function, in addition to the requirements defined in paragraphs above, the (re)insurance business unit must fulfil the following requirements prior to concluding the respective outsourcing agreement:

Designation of the responsible person for the outsourced key function

The (re)insurance business unit shall designate a person within the (re)insurance business unit with overall responsibility for the outsourced key function ("responsible person for the outsourced key function") who is fit and proper and possesses sufficient knowledge and experience regarding the outsourced key function to be able to challenge the performance and results of the service provider.

Assessment of the responsible person for the outsourced key function and relevant person(s) at the service provider as fit and proper

The appropriateness of the responsible person for the outsourced key function and relevant person(s) at the service provider shall be assessed.

Notification of the responsible person for the outsourced key function

The supervisory authority must be notified of the responsible person for the outsourced key function in accordance with Section 122(1) of the Austrian Insurance Supervision Act 2016, including the name of the person, to enable the supervisory authority to approach the service provider directly as appropriate and necessary.

Monitoring and review of the outsourced activity or function

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

The (re)insurance business unit must effectively monitor whether the service provider is in compliance with all the terms of the written agreement.

Significant outsourced activities

The UNIQA Group has outsourced the following essential tasks or processes within the group: all service providers except one have their head offices in Austria and are thus subject to Austrian and European law. The service provider for the cross-border service has their head office in Slovakia.

Activity	Outsourcing justification	Outsourcing objectives
Accounting/controlling	· Personnel with requisite professional skills and qualifications · Increase in quality	For all operating companies and at Group level, central servicing of financial reporting, non-strategic financial planning and control, and investment administration.
Cross-border service	· Technical and HR resources	For all operating companies and at Group level, assistance with the administration of existing insurance contracts and with claims
Internal audit	· Personnel with requisite professional qualifications and personal skills · Independence	Ongoing, comprehensive auditing of operating companies and at Group level to ensure activities are lawful, proper and fit for purpose.
Asset management	· Technical resources · Personnel with requisite professional skills and qualifications	For all operating companies and at Group level, portfolio management, operational asset management, strategic asset allocation, tactical asset allocation.
IT services	· Personnel with requisite professional skills and qualifications · Comprehensive monitoring of IT quality assurance · Pooling of activities relating to information technology and telecommunications	For all operating companies and at Group level, provision and delivery of information technology and telecommunications infrastructure/services.
Administrative assistance for company group insurance	· Administrative assistance	Support in administrative tasks and distribution of information regarding company group insurance on behalf of UNIQA Österreich Versicherungen AG.

Table 12: Essential outsourced tasks or processes

B.8 ANY OTHER INFORMATION

The UNIQA Group sets high quality standards for the purposes of structuring its governance system. In particular, the “three lines of defense” approach is strictly observed to achieve a clear separation of responsibilities (see also Chapter B.3.2). This is underscored by the comprehensive committee system that the Holding Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

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

C Risk Profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement of the UNIQA Group is calculated using the Solvency II standard formula in accordance with Section 177(1) of the Austrian Insurance Supervision Act 2016 and is the sum of the following three components:

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

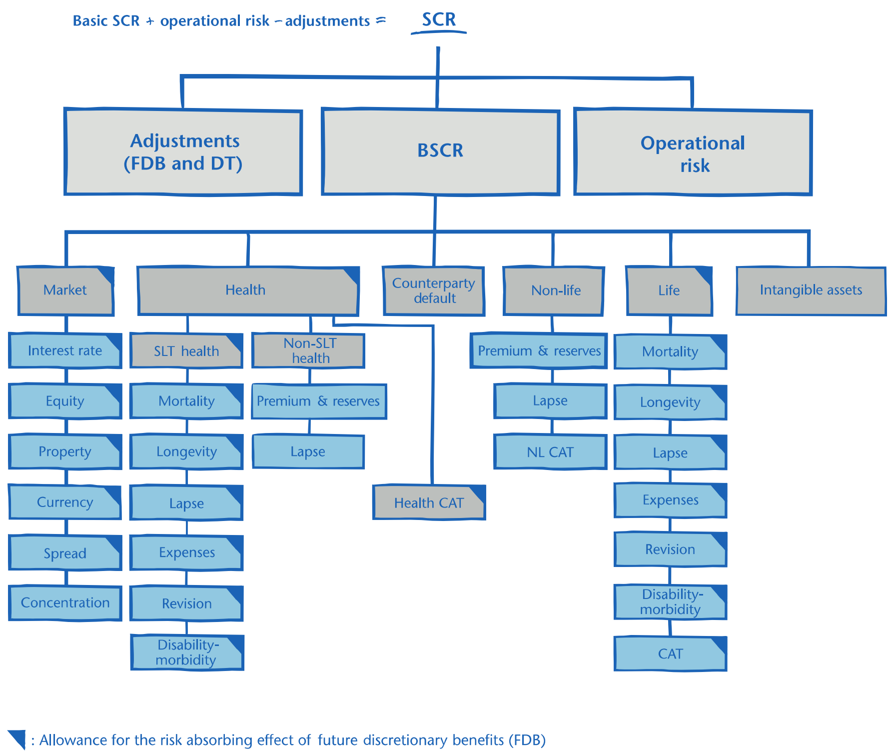


Figure 19: Structure of the standard formula

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

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

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

The figure above shows the breakdown of the relevant risk modules and risk sub-modules; they are explained in the following chapters.

The following table shows the risk profile and composition of the SCR as at 31 December 2016 for the UNIQA Group. The adjustment for the loss-absorbing capacity of free surpluses is already included in the BSCR.

Risk profile of the UNIQA Group

EUR million	2016
SCR	2,589
Basic SCR, net (nBSCR)	2,831
Market risk	1,950
Counterparty default risk	234
Life underwriting risk	483
Non-life underwriting risk	1,092
Health underwriting risk	382
Diversification	-1,310
Intangible asset risk (associated risk)	0
Operational risk	209
Reduction from deferred taxes	-451
Own funds to cover SCR	5,241
Solvency ratio	202%
Available surplus	2,652

Table 13: Risk profile of the UNIQA Group

The following figure shows the composition of the SCR as at 31 December 2016.

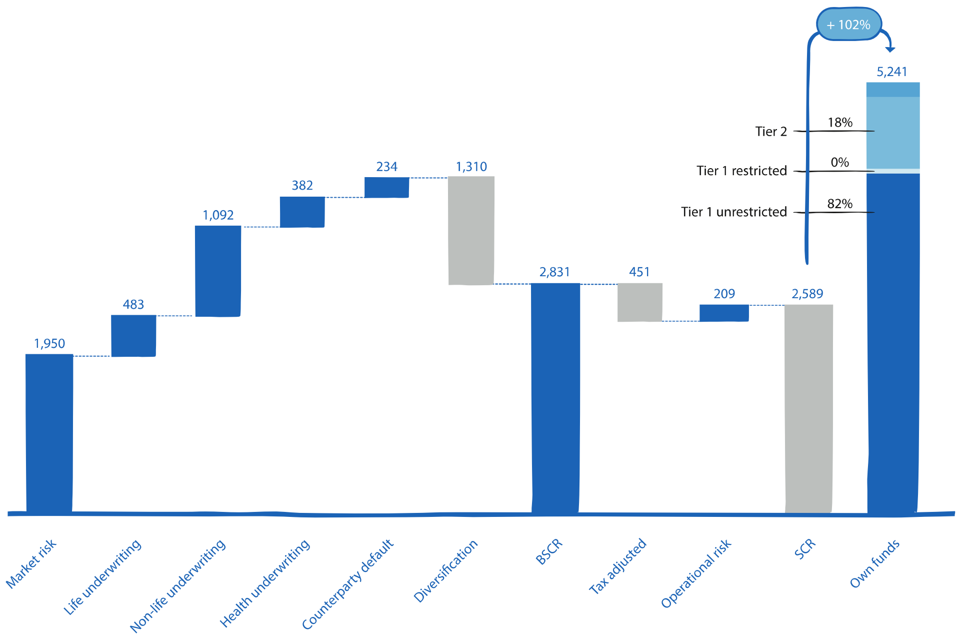


Figure 20: Risk profile of the UNIQA Group (in € million)

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

The greatest risk driver for the UNIQA Group is market risk, which accounts for 47 per cent of the BSCR (including the adjustment for the loss-absorbing capacity of free surpluses). The relevance of market risk is explained by the large portfolio of life and health insurance at UNIQA Österreich Versicherungen AG. The detailed composition of the individual risk modules is described in the following sub-sections.

The largest share of underwriting risk can be ascribed to the non-life line of business (26 per cent of the BSCR taking into account the adjustment for the loss-absorbing capacity of free surpluses).

As at 31 December 2016, the solvency ratio was 202 per cent, demonstrating that the UNIQA Group is backed by an adequate level of capital.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

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

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

Non-life underwriting risk

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

Risk sub-module	Definition
Premium risk	Risk of loss through an increase in damage in the next year. E.g. through a higher damage frequency or higher level of average damage than expected.
Reserve risk	Risk of loss through adverse development in claims settlement. E.g. through higher reports of claims incurred but not reported than expected.
Lapse risk	Risk of an increase in the best estimate based on cancellation of profitable contracts.
Catastrophe risk	Risk of damage from natural disasters or individual major damage in the next year.

Table 14: Non-life underwriting risk sub-modules

Life underwriting risk

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

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

Table 15: Life underwriting risk sub-modules

Health underwriting risk

Health underwriting risk is subdivided into the following:

- similar to non-life
- similar to life

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

C.2.2 Risk exposure

Non-life underwriting risk

The proportion of the BSCR (including the adjustment for the loss-absorbing capacity of free surpluses) accounted for by the non-life underwriting risk module is 26 per cent. The following table shows the composition of the risk module for non-life underwriting risk. The greatest risk sub-module is the premium and reserve risk. This is mainly attributable to the high proportion of insurance accounted for by the "Motor vehicle liability insurance", "Fire and other damage to property insurance" and "General liability insurance" classes of insurance.

Capital requirement for non-life underwriting risk	2016	
	EUR million	in per cent
SCR, non-life underwriting risk	1,092	
Premium and reserve risk	974	70%
Catastrophe risk	289	21%
Lapse risk	138	9%
Diversification	-309	

Table 16: Capital requirement for non-life underwriting risk

As mentioned at the beginning, at 70 per cent premium and reserve risk represents the largest portion of the non-life insurance. It is followed by catastrophe risk at 21 per cent. The remaining 9 per cent consists of the risk of lapse, which is mainly determined by long-term contracts in individual business lines of UNIQA Österreich Versicherungen AG.

Life underwriting risk

The proportion of the BSCR (including the adjustment for the loss-absorbing capacity of free surpluses) accounted for by the life underwriting risk module is 12 per cent. Of the lapse risk shocks described in Chapter C.2.3 "Risk assessment", the relevant shock in 2016 was the decline in lapses.

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

Capital requirement for life underwriting risk	2016	
	EUR million	in per cent
SCR, life underwriting risk	483	
Mortality risk	29	5%
Longevity risk	49	8%
Disability-morbidity risk	8	1%
Lapse risk	360	58%
Expense risk	155	25%
Revision risk	0	0%
Catastrophe risk	18	3%
Diversification	-136	

Table 17: Capital requirement for life underwriting risk

Health underwriting risk

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

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

The following table shows the composition of the solvency capital requirements for health underwriting risk by risk sub-module. The portfolio of local companies in UNIQA Insurance Group AG in Austria along with the health insurance portfolio of the subsidiary in Italy are the greatest drivers of health underwriting risk (similar to life technique). The short-term health insurance business results primarily from the casualty insurance line.

Capital requirement for health underwriting risk	2016	
	EUR million	in per cent
SCR, health underwriting risk	382	
SLT health underwriting risk	146	32%
Non-SLT health underwriting risk	278	61%
Health insurance catastrophe risk	29	6%
Diversification	-71	

Table 18: Capital requirement for health underwriting risk

Health underwriting risk (similar to life insurance)

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

Capital requirement for health underwriting risk (similar to life)	2016	
	EUR million	in per cent
SCR, health underwriting risk (similar to life)	146	
Mortality risk	70	30%
Longevity risk	0	0%
Disability-morbidity risk	53	23%
Lapse risk	93	40%
Expense risk	15	7%
Revision risk	0	0%
Diversification	-86	

Table 19: Capital requirement for health underwriting risk (similar to non-life technique)

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

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

Health underwriting risk (similar to non-life technique)

The following table shows the composition of the health underwriting risk sub-module (similar to non-life technique). The premium and reserve risk is the essential risk driver for this module.

Capital requirement for health underwriting risk (similar to non-life)	2016	
	EUR million	in per cent
SCR, health underwriting risk (similar to non-life)	278	
Premium and reserve risk	276	89%
Lapse risk	35	11%
Diversification	-33	

Table 20: Capital requirement for health underwriting risk (similar to non-life technique)

Health underwriting risk (similar to non-life technique) largely arises from the portfolios of casualty insurance at UNIQA Österreich Versicherungen AG. As mentioned at the beginning, premium and reserve risk is the main risk driver. Lapse risk is of comparatively minor significance.

The diversification effect between the individual risk drivers is 11 per cent. Catastrophe risk is measured in its entirety for the health insurance segment and is also shown in the table above.

C.2.3 Risk assessment

Non-life underwriting risk

Non-life underwriting risk is made up of the following risk sub-modules:

- Premium and reserve risk
- Catastrophe risk
- Lapse risk

The non-life underwriting risk is calculated based on the application of the risk factors and methods described in the Austrian Insurance Supervision Act, Part 8, Chapter 1 in the module on actuarial risks. The capital requirements of the various sub-modules are combined with this, based on the application of the specified correlation parameters.

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

The premium and reserve risk is calculated based on premium and reserve volumes. The shocks are determined individually for each line of insurance and then aggregated into the overall risk via correlation matrices, which are described in the Delegated Regulation (EU) 2015/35.

The risk of natural disasters is assessed for each threat via the relevant exposure: the corresponding insured sums are sub-divided into individual zones (CRESTA zones) on the basis of which factor-based shocks are calculated. The following scenarios are evaluated for UNIQA Group: windstorm, earthquake, flood and hail.

Different scenarios are assessed in the man-made area as stipulated in the Delegated Regulation (EU) 2015/35. The corresponding portfolio data is used as a basis for this, along with the reinsurance programme currently in place. The overall risk is also aggregated via correlation matrices in this sub-module.

A mass lapse of 40 per cent is specified by EIOPA in the lapse risk. The shock is only applied to those contracts for which the best estimate would increase in the event of a lapse or cancellation.

Risk sub-module	Shock used
Premium risk	Direct increase in damage in the next year by a percentage rate specific to the line of business.
Reserve risk	Direct increase in benefits for damage from previous years by a percentage rate specific to the line of business.
Lapse risk	Direct cancellation of 40 per cent of contract with a negative best estimate.
Catastrophe risk	Damage event occurring from the natural disasters coverage, or potential major damage. The scenario applied is calculated individually for each threat and event.

Table 21: Shocks used for each risk sub-module

Life underwriting risk

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

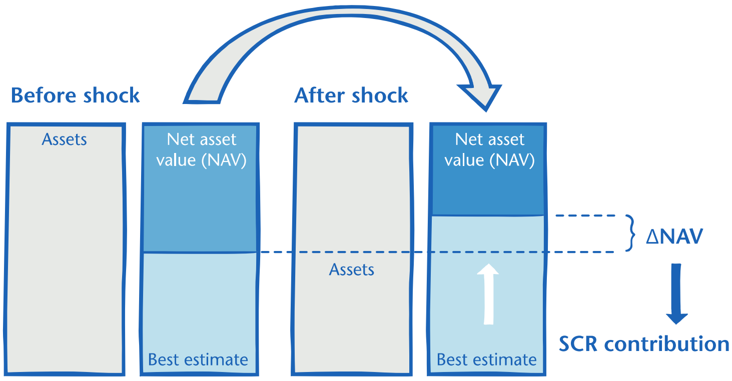


Figure 21: Presentation of the economic capital approach for underwriting risk

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

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

The calculation of the lapse risk only includes those scenarios that have the effect of increasing the best estimate (e.g. assumptions that lapse rates will fall or rise or the assumption of a mass lapse).

Risk sub-module	Shock used
Mortality risk	Immediate and permanent increase of 15 per cent in the mortality rate
Longevity risk	Immediate and permanent fall of 20 per cent in the mortality rate
Disability-morbidity risk	A combination of the following immediate events: - Increase of disablity-morbidity rate of 35 per cent within the next twelve months - Increase of 25 per cent for the time after the twelve months - Decrease of disablity-morbidity recovery rate of 20 per cent
Lapse risk	Three different shock scenarios are calculated: - Immediate and permanent decrease of option calls by 50 per cent - Immediate and permanent increase of option calls by 50 per cent - Large scale lapse based on a combination of different immediate events
Expense risk	A combination of the following immediate and permanent events: · Increase in expenses by 10 per cent · Increase in the cost inflation rate by 1 per cent
Revision risk	Immediate and permament increase of annual payments for annuities, which are exposed to revision risk of 3 per cent
Catastrophe risk	Immediate but not permanent increase of 0.15 per cent additional to the mortality rate expressed in per cent for the next twelve months

Table 22: Shocks used for each risk sub-module

Health underwriting risk

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

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

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

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

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

The standard model is also applied in accordance with the Delegated Regulation (EU) 2015/35 in the calculation of the solvency capital requirement for the health underwriting risk (similar to non-life insurance). An identical approach to that used for non-life underwriting risk is used to assess premium and reserve risk.

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

Risk sub-module	Shock used
Mortality risk	Immediate and permanent increase of 15 per cent in the mortality rate
Longevity risk	Immediate and permanent fall of 20 per cent in the mortality rate
Health costs risk	A combination of the following immediate events: - Increase in payments for health treatments by 5 per cent - Increase in the rate of inflation for payments for health treatments by 1 per cent
Lapse risk	Three shocks are used: - Immediate and permanent fall by 50 per cent in the rate of cancellations - Immediate and permanent rise by 50 per cent in the rate of cancellations - Large-scale cancellation of 40 per cent of such contracts for which the technical provision would increase through the cancellation
Expense risk	A combination of the following immediate and permanent events: - Increase in expenses by 10 per cent - Increase in the cost inflation rate by 1 per cent
Revision risk	Three shocks are calculated with specified factors for each risk and tariff group: - Large-scale casualty risk - Casualty concentration risk - Pandemic risk
Catastrophe risk	Immediate but not permanent increase of 0.15 per cent additional to the mortality rate expressed in per cent for the next twelve months

Table 23: Shocks used for each risk sub-module

C.2.4 Risk concentration

In terms of underwriting risk, material risk concentrations only arise for the non-life underwriting risk. These are outlined below.

Non-life underwriting risk

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

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

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

C.2.5 Risk mitigation

Non-life underwriting risk

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

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

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

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

Life underwriting risk

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

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

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

Health underwriting risk

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

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

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

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

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

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

C.3 MARKET RISK

C.3.1 Description of the risk

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

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

Table 24: Market risk sub-modules

C.3.2 Risk exposure

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

Capital requirement for market risk	2016	
	EUR million	in per cent
SCR, market risk	1,950	
Interest rate risk	366	14%
Equity risk	456	18%
Property risk	598	23%
Spread risk	740	29%
Exchange rate risk	371	14%
Concentration risk	42	2%
Diversification	-624	

Table 25: Capital requirement for market risk

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

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

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

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

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

C.3.3 Risk assessment

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

Interest rate risk

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

The scenario that results in the most detrimental change on the basic own funds is considered the relevant one for calculating the capital requirement. This was the scenario of a fall in interest rates for the UNIQA Group as at 31 December 2016.

Equity risk

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

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

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

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

Property risk

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

Spread risk

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

Exchange rate risk

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

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

Concentration risk

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

C.3.4 Risk concentration

All issuers (or groups of issuers) are monitored on an ongoing basis as part of the efforts to determine the concentration risk in accordance with the standard formula, in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. As at 31 December 2016, this type of risk premium was applied to financial instruments from the following issuers: Strabag AG.

C.3.5 Risk mitigation

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

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

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

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

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

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

- Type 1 risk exposure (usually the diversification is low and the probability is high that the counterparty has obtained a rating. This type normally includes *inter alia* the following: reinsurance contracts, derivatives, securitisations, bank balances, other risk-mitigating contracts, letters of credit, guarantees and products with external guarantors.)
- Type 2 risk exposure (usually includes all exposure not already covered by the spread risk sub-module and that is normally highly diversified and with no rating. This type normally includes *inter alia* the following: receivables from brokers, receivables from policyholders, policy loans, letters of credit, guarantees and mortgages.)

C.4.2 Risk exposure

Credit risk or default risk accounts for 6 per cent of the UNIQA Group's BSCR (including the adjustment for the loss-absorbing capacity of free surpluses).

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

EUR million	2016
SCR, type 1 and type 2 credit and default risk	234
Total type 1 credit and default risk	184
Total type 2 credit and default risk	62
Diversification	–12

Table 26: Capital requirement for type 1 and type 2 credit and default risk

The above table shows the composition of the credit or default risk. A distinction is made between type 1 and type 2 risk exposure. Type 1 risk exposure is the essential driver with a share of about 79 per cent of overall default risk (excluding diversification). The solvency capital requirements for type 1 result from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposure accounts for 21 per cent of overall default risk (excluding diversification). The receivables from brokers and policyholders are the greatest risk driver for type 2 risk exposure. Mortgages are also included in the solvency capital requirement for type 2.

C.4.3 Risk assessment

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

The capital requirement for type 1 and type 2 is determined based on the loss given default (LGD). With this, any liabilities towards the counterparty can be used to reduce the LGD in the event of a default, although not before the point in time at which the liability is accounted for. There are clear regulations for calculating the LGD in accordance with the type of exposure. There are also clear regulations regarding the extent to which risk-mitigating effects can be used.

C.4.4 Risk concentration

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

Another potential source of concentration within credit/default risk arises from investments in credit institutions. For this reason, maximum investment volumes are specified for individual credit institutions taking into account any existing ratings and financial credit rating criteria. The highest deposits (listed in order of decreasing amount) were reported for the following banks: Raiffeisenlandesbank Niederösterreich–Wien, Raiffeisen Bank International AG, UniCredit Bank Austria AG.

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

C.4.5 Risk mitigation

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

- Limits
- Minimum ratings
- Official warning processes

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

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

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

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

C.5.2 Risk exposure

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

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

Expected profits in future premiums (EPIFP)

EUR million	2016
Expected profits in future premiums (EPIFP)	1,694
of which non-life	280
of which life	1,413

Table 27: Expected profits in future premiums (EPIFP)

C.5.3 Risk assessment and risk mitigation

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

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

Payment obligations due within twelve months

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

Payment obligations due in more than twelve months

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

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

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

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

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

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

C.6.2 Risk exposure

The UNIQA Group is exposed to a highly diverse environment of operational risks. These risks are tested regularly via the UNIQA Group's catalogue of threats. The following risks have been identified as material ones:

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

The following table shows the composition of operational risk as at 31 December 2016.

Capital requirement for the operational risk

	2016	
EUR million	Premiums earned (gross)	Technical provisions (gross)
Proportional solvency capital		
Life (excluding unit-linked)	2,010	15,642
Health (similar to life)	590	545
Non-life	2,683	2,613
Operational risk (premium based)	202	
Operational risk (provision based)		151
Unit-linked annual costs (of which 25%)	7	
Operational risk	209	

Table 28: Capital requirement for market risk

The premium-based component at UNIQA Group is €202.3 million and comprises premium portfolio in life insurance business (including health insurance similar to life insurance), followed by the premium portfolio of non-life insurance business. Because the volume of earned premiums remained stable in comparison to 2015, there is no element of operational risk that depends on premium growth.

The provision-based elements of operational risk is €151.2 million, and is mainly determined by the provisions from non-life.

The fact that the premium-based share is higher than the provision-based share is taken into consideration in the calculation. In addition, the proportion of the costs of index-linked and unit-linked life insurance is also taken into consideration. In total, this results in an operational risk of €209.5 million.

C.6.3 Risk assessment

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

The capital requirement for the operational risk with this corresponds with the smaller of the following values:

- the basic capital requirement for the operational risk, or
- 30 per cent of the calculated basic solvency capital requirement together, as well as an additional factor, which corresponds with 25 per cent of the amount that equates with the costs incurred for life insurance in the last twelve months where the investment risk is borne by the policyholders.

A distinction is made between two approaches for the purposes of calculating the basic capital requirement:

- Calculation based on the premiums: 4 per cent of the premiums earned in the life insurance area (not including those where the policyholder bears the investment risk) and 3 per cent of the premiums earned in the non-life insurance area. Additional margins are also added using a standard approach in the event of an increase in these premiums of more than 120 per cent on the previous year.
- Calculation based on the technical provisions: 0.45 per cent of the best estimate of the technical provisions from the life insurance area (not including those where the policyholder bears the investment risk) and 3 per cent of the best estimate of the technical provisions from the non-life insurance area. Certain values are excluded here in accordance with the standard approach.

The only approach that is considered relevant for the purposes of calculating the capital requirements is the one that results in the most detrimental change.

C.6.4 Risk concentration

Evaluations of risk concentrations in the operational risk for the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG are carried out on a regular basis and relate, for example, to dependencies on sales channels, essential customers or key staff. Corresponding measures are implemented in accordance with the result of the evaluation (risk acceptance, risk minimisation or similar factors). The development of risk concentrations related to the operational risk is also minimised as follows:

- A clear and structured control model with corresponding processes
- Ongoing compliance with rules, known as rules compliance
- An internal control system that is set out and structured clearly

Further information on the internal control system can be found in Chapter B.4.1.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. The risk preference for taking operational risks is categorised as "low" in the risk strategy of the UNIQA Group, UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG. The objective pursued, therefore, within the UNIQA Group and the local companies is to reduce the operational risk as far as possible.

The most significant risk mitigation measures for operational risk are:

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

The specific measures defined for reducing risk are constantly monitored.

C.7 STRESS AND SENSITIVITY ANALYSES

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

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

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

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

Key Sensitivities	Impact
Interest rate sensitivities	Direct
Equity sensitivities	Direct
Foreign currency sensitivities	Direct
Spread sensitivities	Direct
Natural disaster	Direct

Table 29: Overview of sensitivities

The sensitivities presented in the above table are described in detail later on in this section.

Interest rate sensitivity

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

There are three sensitivities that concentrate on interest rates:

- A parallel shift in the yield curve by + 50 basis points up to the LLP followed by extrapolation at the UFR
- A parallel shift in the yield curve by – 50 basis points up to the LLP followed by extrapolation at the UFR
- Use of interest rates that, unlike the Solvency II methodology, approximate a UFR reduced by 100 basis points

Equity sensitivity

A general shock of 0 per cent is used for equities. The shock is at a level that is standard for the sector.

Foreign exchange sensitivity

All currencies are subject to a shock of +10 per cent or of –10 per cent for foreign currency exposures. There are no exceptions for currencies that are pegged to the euro. These foreign exchange shocks are applied to:

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

Spread sensitivity

A widening of the spread by 100 basis points is assumed for the credit spread sensitivity. This widening of the spread takes place independently of the relevant rating.

Natural disasters

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

Operational risk and counterparty default risk

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

Results

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

Results of the sensitivity calculation

In per cent	SCR ratio
Basic scenario	202%
Main sensitivities	
Interest rate sensitivities	
Interest +50 basis points (to last liquid point)	213%
Interest -50 basis points (to last liquid point)	187%
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	186%
Equity sensitivities	
Equities -30 per cent	194%
Foreign currency sensitivities	
Foreign currency +10 per cent	207%
Foreign currency -10 per cent	197%
Spread sensitivities	
Widening in credit spread by 100 basis points	154%
Natural disaster	
Natural disaster: earthquake	201%

Table 30: Results of the sensitivity calculation

C.8 OTHER MATERIAL RISKS

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

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

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

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

The reputational and strategic risk is also monitored in the same way at UNIQA Österreich Versicherungen AG and UNIQA Insurance Group AG.

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

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

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

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

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

As dictated by an FMA decision, a risk is considered material within the scope of this section if it accounts for more than 10 per cent of the solvency capital requirement of the UNIQA Group. The solvency capital requirement for the previous year is the relevant factor in determining the threshold value – which means "day 1 reporting" for this year's report. The relevant threshold value is therefore €263.1 million.

Individual counterparties/groups of individual but affiliated counterparties
The risk related to counterparties is essentially assessed in two modules as part of the calculation of the solvency capital requirements:

- Counterparty default risk and
- Market risk concentrations as a risk sub-module in the market risk module

The counterparty default risk evaluates the risk of potential losses as a result of an unexpected default of payment, or of a downward adjustment in the creditworthiness of the insurance and reinsurance undertakings' counterparties or debtors over the next twelve months. Any concentration related to counterparties (individuals or groups) is therefore included in the assessment.

The concentration risk sub-module in the market risk module evaluates the risk in relation to an insurance or reinsurance undertaking as a result of poor diversification in the investment portfolio or major default risk of an individual issuer of securities or group of affiliated issuers (market risk concentrations).

The analysis as at 31 December 2016 in the following table shows that neither of the two risk modules exceeded the threshold specified above.

Risk concentrations

Risk (sub-)module	SCR in EUR million
Counterparty default risk	234
Market risk concentrations	68

Table 31: Risk concentrations

The counterparty default risk including the largest counterparties is already described in full in Chapter C.4. No other material risk concentrations were identified that have not already been mentioned in this chapter.

Specific geographical areas or sectors

The concentration of the UNIQA Group's business on the Austrian market is considered the main risk in terms of concentration in specific geographical areas. The calculation of the solvency capital requirements as at 31 December 2016 shows that around 70 per cent of the solvency capital requirements originate from the domestic market of Austria (see the following figure). The high risk concentration is essentially a result of the comprehensive life insurance portfolio in Austria and the market risk associated with this. For this reason, the focus is placed on the Austrian business for the purposes of ensuring proper and sustainable development. Any decline in the development of the Austrian market is monitored continuously with counter-measures implemented if necessary.

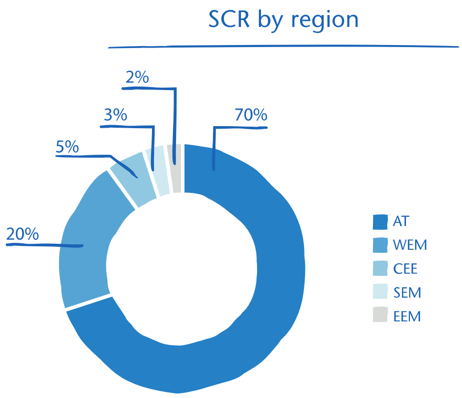


Figure 22: Composition of the SCR by geographic areas
Note: WEM comprises UNIQA Re and UNIQA Liechtenstein.

In terms of the concentration in specific lines of business, there was no concentration identified above the materiality limit as at 31 December 2016. In terms of the underwriting risk, the insurance undertakings of the UNIQA Group are composite insurers that insure all types of risks for a broad group of customers (from private through to corporate customers and industry). There is thus no specific concentration here. The UNIQA Group portfolio also features no sector-specific concentrations in terms of the investments.

Natural disasters

Based on the calculation as at 31 December 2016, the figure for catastrophe risk amounting to €289 million was slightly higher than the threshold value specified above. This risk is dominated by natural disaster risk (€284.6 million), which comprises the risks for windstorm, earthquakes, floods and hail, according to the standard formula. Each of these individual sub-risks is well below the threshold value and is also spread across a number of countries in the UNIQA Group. Therefore, there is no risk concentration, even within natural disaster risk.

Composition of the catastrophe risk

Risk (sub-)module	SCR in EUR million
Non-life catastrophe risk	289
Health catastrophe risk (similar to non-life)	15
Health catastrophe risk (similar to life)	22
Catastrophe risk, life	18

Table 32: Composition of the catastrophe risk

There is also no high dependency expected between the different types of catastrophe risks that results in a concentration of the catastrophe risk between the different underwriting risks.

No potential additional source of concentrations was identified as there were no catastrophe-related bonds (CAT bonds) held in the portfolio as at 31 December 2016.

C.9.2 Risk mitigation from deferred tax

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

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

D Valuation for Solvency Purposes

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

Deviations from the fair value permitted under IFRS are not permissible under Solvency II. Unless individual balance sheet items exceed the threshold value defined in the UNIQA Group's materiality concept, the IFRS value that deviates from the fair value will be used in the solvency balance sheet and therefore no revaluation in accordance with Solvency II will be carried out.

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

The solvency balance sheet of the UNIQA Group includes the data from the Italian subsidiary, which is why there can also be conversion effects even when the IFRS and Solvency II measurement principles are the same.

Foreign currency translation

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

EUR closing rates	Currency code	2016
Albanian lek	ALL	134,97
Bosnian convertible mark	BAM	1,96
Bulgarian lev	BGN	1,96
Swiss franc	CHF	1,07
Czech koruna	CZK	27,02
Croatian kuna	HRK	7,56
Hungarian forint	HUF	309,83
Macedonian denar	MKD	61,52
Polish złoty	PLN	4,42
Romanian leu	RON	4,54
Serbian dinar	RSD	123,40
Russian rouble	RUB	64,30
Ukrainian hryvnia	UAH	28,29
US dollar	USD	1,05

Table 33: Foreign exchange rates

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and with IFRS as at the reporting date of 31 December 2016.

Valuation of assets

Assets as at the reporting date of 31 December 2016

EUR million		Solvency II	IFRS	Revaluation
1	Goodwill	0	295	-295
2	Deferred acquisition costs	0	1,135	-1,135
3	Intangible assets	0	62	-62
4	Deferred tax assets	10	6	5
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	358	289	69
7	Investments (other than assets held for index-linked and unit-linked contracts)	25,014	19,772	5,242
7.1	Property (other than for own use)	2,291	1,311	980
7.2	Shares in affiliated companies including equity investments	641	750	-110
7.3	Equities	293	65	228
	Equities – listed	44	n.a.	n.a.
	Equities – unlisted	250	n.a.	n.a.
7.4	Bonds	18,880	16,227	2,654
	Government bonds	11,814	9,463	2,352
	Corporate bonds	6,660	6,486	174
	Structured notes	340	212	128
	Collateralised securities	66	66	0
7.5	Undertakings for collective investment	2,381	687	1,694
7.6	Derivatives	23	135	-112
7.7	Deposits other than cash equivalents	504	576	-72
7.8	Other investments	0	21	-21
7.9	Assets held for index-linked and unit-linked contracts	5,295	4,940	355
8	Loans and mortgages	44	40	4
8.1	Loans on policies	12	n.a.	n.a.
8.2	Loans and mortgages to individuals	24	n.a.	n.a.
8.3	Other loans and mortgages	8	n.a.	n.a.
9	Reinsurance recoverables from:	816	643	173
9.1	Non-life insurance and health insurance similar to non-life technique	201	178	23
	Non-life insurance excluding health	199	176	23
	Health insurance similar to non-life technique	2	2	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked	307	146	161
	Health similar to life	0	0	0
	Life, excluding health and index-linked and unit-linked	307	146	161
9.3	Life, index-linked and unit-linked	308	319	-10
10	Deposits with cedants	113	114	-1
11	Insurance and intermediaries receivables	263	243	20
12	Reinsurance receivables	40	38	2
13	Receivables (trade, not insurance)	297	387	-90
14	Treasury shares (held directly)	15	17	-2
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	812	550	262
17	Any other assets, not shown elsewhere	53	5,125	-5,072
Total assets		**33,129**	**33,656**	**-527**

Table 34: Assets in accordance with Solvency II

The following categories of assets are not asset components of the UNIQA Group as at 31 December 2016 and have therefore not been commented on:

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

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

1. Goodwill

Assets EUR million	Solvency II	IFRS	Revaluation
Goodwill	0	295	–295

Table 35: Goodwill

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

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

2. Deferred acquisition costs

Assets EUR million	Solvency II	IFRS	Revaluation
Deferred acquisition costs	0	1,135	–1,135

Table 36: Deferred acquisition costs

The deferred acquisition costs comprise those costs that exist especially upon the conclusion of the policy from the underwritten insurance risks and the sale of insurance policies.

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

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

3. Intangible assets

Assets EUR million	Solvency II	IFRS	Revaluation
Intangible assets	0	62	–62

Table 37: Intangible assets

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

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

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

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

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

4. Deferred tax assets

Assets EUR million	Solvency II	IFRS	Revaluation
Deferred tax assets	10	6	5

Table 38: Deferred tax assets

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

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

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

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

Deferred tax assets in accordance with IFRS amount to €5.6 million whereas the deferred tax assets to be recognised in the solvency balance sheet amount to €10.2 million.

6. Property, plant and equipment held for own use

Assets EUR million	Solvency II	IFRS	Revaluation
Property, plant and equipment held for own use	358	289	69

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

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

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

The payment flows take into account the following parameters:

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

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

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

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

7.1. Property (other than for own use)

Assets EUR million	Solvency II	IFRS	Revaluation
Property (other than for own use)	2,291	1,311	980

Table 40: Property (other than for own use)

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

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

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

The payment flows take into account the following parameters:

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

Because the cost model does not take into account the value increase for land and buildings, this model significantly underestimates the fair value in many cases, which explains the significant revaluation compared with IFRS.

7.2 Shares in affiliated companies, including equity investments

Assets EUR million	Solvency II	IFRS	Revaluation
Shares in affiliated companies including equity investments	641	750	-110

Table 41: Shares in affiliated companies, including equity investments

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

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

UNIQA also has 28 equity investments that are not included in the basis of consolidation on materiality grounds according to IFRS, and these are valued at amortised cost. All of these companies represent service companies and are valued at zero in accordance with Solvency II as per Article 13(2) (a) of the Delegated Regulation (EU) 2015/35.

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

7.3 Equities

Assets EUR million	Solvency II	IFRS	Revaluation
Equities	293	65	228
Equities – listed	44	n.a.	n.a.
Equities – unlisted	250	n.a.	n.a.

Table 42: Equities

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

7.4 Bonds

Assets EUR million	Solvency II	IFRS	Revaluation
Bonds	18,880	16,227	2,654
Government bonds	11,814	9,463	2,352
Corporate bonds	6,660	6,486	174
Structured notes	340	212	128
Collateralised securities	66	66	0

Table 43: Bonds

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

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

Valuation of illiquid fixed interest rate bonds

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

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

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

Asset-backed securities (ABSs)

ABSs are presented unter the item “Collateralised securities” in the solvency balance sheet and under “Bonds” in the IFRS statements.

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

7.5 Undertakings for collective investment in transferable securities

Assets EUR million	Solvency II	IFRS	Revaluation
Undertakings for collective investment	2,381	687	1,694

Table 44: Undertakings for collective investment in transferable securities

Valuation is at fair value in accordance with IFRS 13 for both the IFRS consolidated financial statements and Solvency II. The fair values ascertained correspond with the economic value in accordance with Solvency II and can therefore be used in the solvency balance sheet, meaning that there is no revaluation.

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

7.6 Derivatives

Assets EUR million	Solvency II	IFRS	Revaluation
Derivatives	23	135	-112

Table 45: Derivatives

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

Fair values are ascertained as follows: any derivatives for which there was a price listed on an active market at the observation date are valued with the unchanged stock exchange or market price (mark-to-market). If there are no prices available from an active market, then the economic value is derived from comparable assets, with due regard to any adjustment required to specific parameters (marking-to-market). If no marking-to-market valuation was possible, alternative valuation methods were used in order to ascertain the value (mark-to-model). Below is a short description of the “mark-to-model” technique used.

Valuation of structured products

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

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

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

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

There are no valuation differences because the approaches used in IFRS and Solvency II statements are identical (except in the case of the recognition of accrued interest on interest rate derivatives in the economic balance sheet).

7.7 Deposits other than cash equivalents

Assets EUR million	Solvency II	IFRS	Revaluation
Deposits other than cash equivalents	504	576	-72

Table 46: Deposits other than cash equivalents

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

7.8 Other investments

Assets EUR million	Solvency II	IFRS	Revaluation
Other investments	0	21	-21

Table 47: Other investments

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

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

Assets EUR million	Solvency II	IFRS	Revaluation
Assets held for index-linked and unit-linked contracts	5,295	4,940	355

Table 48: Assets held for index-linked and unit-linked contracts

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

8. Loans and mortgages

Assets EUR million	Solvency II	IFRS	Revaluation
Loans and mortgages	44	40	4
Loans on policies	12	n.a.	n.a.
Loans and mortgages to individuals	24	n.a.	n.a.
Other loans and mortgages	8	n.a.	n.a.

Table 49: Loans and mortgages

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

9. Recoverables from reinsurance contracts

Assets

EUR million		Solvency II	IFRS	Revaluation
9	Recoverables from reinsurance contracts	816	643	173
9.1	Non-life insurance and health insurance similar to non-life technique	201	178	23
	Non-life insurance excluding health	199	176	23
	Health insurance similar to non-life technique	2	2	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked	307	146	161
	Health similar to life	0	0	0
	Life, excluding health and index-linked and unit-linked	307	146	161
9.3	Life, index-linked and unit-linked	308	319	-10

Table 50: Recoverables from reinsurance contracts

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

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

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

10. Deposits with cedants

Assets

EUR million	Solvency II	IFRS	Revaluation
Deposits with cedants	113	114	-1

Table 51: Deposits with cedants

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

11. Insurance and intermediaries receivables

Assets

EUR million	Solvency II	IFRS	Revaluation
Insurance and intermediaries receivables	263	243	20

Table 52: Insurance and intermediaries receivables

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

Between the financial statements prepared in accordance with IFRS and Solvency II, there are no differences between the approaches used, and thus no differences in valuation.

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

12. Reinsurance receivables

Assets EUR million	Solvency II	IFRS	Revaluation
Reinsurance receivables	40	38	2

Table 53: Reinsurance receivables

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

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

13. Receivables (trade, not insurance)

Assets EUR million	Solvency II	IFRS	Revaluation
Receivables (trade, not insurance)	297	387	–90

Table 54: Receivables (trade, not insurance)

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

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

14. Treasury shares (held directly)

Assets EUR million	Solvency II	IFRS	Revaluation
Treasury shares (held directly)	15	17	–2

Table 55: Treasury shares (held directly)

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

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

16. Cash and cash equivalents

Assets EUR million	Solvency II	IFRS	Revaluation
Cash and cash equivalents	812	550	262

Table 56: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. There are no differences compared with Solvency II.

17. Other assets, not shown elsewhere

Assets EUR million	Solvency II	IFRS	Revaluation
Any other assets, not shown elsewhere	53	5,125	-5,072

Table 57: Other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). They are valued at the economic value which corresponds with the nominal value. The variance between Solvency II and IFRS arises from the presentation of the discontinued operation relating to the Italian companies.

D.2 TECHNICAL PROVISIONS

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

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

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with IFRS as at 31 December 2016 for the UNIQA Group:

Valuation of technical provisions

EUR million		Solvency II	IFRS	Revaluation
1	Technical provisions – non-life insurance	2,880	2,870	10
1.1	Technical provisions – non-life insurance (excluding health insurance)	2,591	2,870	-279
	Technical provisions calculated as a whole	n.a.	n.a.	0
	Best estimate	2,367	n.a.	2,367
	Risk margin	223	n.a.	223
1.2	Technical provisions – health (similar to non-life)	289	0	289
	Technical provisions calculated as a whole	n.a.	n.a.	0
	Best estimate	245	n.a.	245
	Risk margin	43	n.a.	43
2	Technical provisions – life (excluding index-linked and unit-linked)	16,780	14,715	2,065
2.1	Technical provisions – health (similar to life)	800	2,881	-2,081
	Technical provisions calculated as a whole	n.a.	n.a.	0
	Best estimate	549	n.a.	549
	Risk margin	251	n.a.	251
2.2	Technical provisions – life (excluding health and index-linked and unit-linked)	15,980	11,833	4,147
	Technical provisions calculated as a whole	n.a.	n.a.	0
	Best estimate	15,641	n.a.	15,641
	Risk margin	339	n.a.	339
3	Technical provisions – index-linked and unit-linked	5,089	4,907	182
3.1	Technical provisions calculated as a whole	3	n.a.	3
3.2	Best estimate	5,037	n.a.	5,037
3.3	Risk margin	48	n.a.	48
4	Other technical provisions	n.a.	0	0
Total technical provisions		**24,749**	**22,491**	**2,258**

Table 58: Valuation of gross technical provisions

A separate description for the life and non-life technical provisions is provided below of the principles, methods and main assumptions upon which the valuation is based for solvency purposes, with a quantitative and qualitative explanation of the material differences with the valuation according to IFRS in the consolidated financial statements.

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

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

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

1. Claims reserve
2. Premium reserve
3. Risk margin

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

- expenses for new business acquisition,
- administrative expenses, and
- expenses for claim settlements.

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

Different methods are generally used to value the individual components:

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

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

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

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

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

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

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

The boundaries and lapses, i.e. contractual limits and cancellations are valued based on the individual contract data as at the reference valuation date as defined in the delegated regulations.

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

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

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

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

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

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

- changes in the development of the future claims rate
- changes in the development of the future cost ratio
- changes in the claims reserve, as well as
- changes to the discount rate

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

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

- assumed discount rate
- assumptions about future claims processing in long-term lines of business (liability insurance), and
- claims rate assumptions for multi-year policies

Overview of the non-life and health (similar to non-life technique) technical provisions (best estimate and risk margin) as at the reporting date of 31 December 2016:

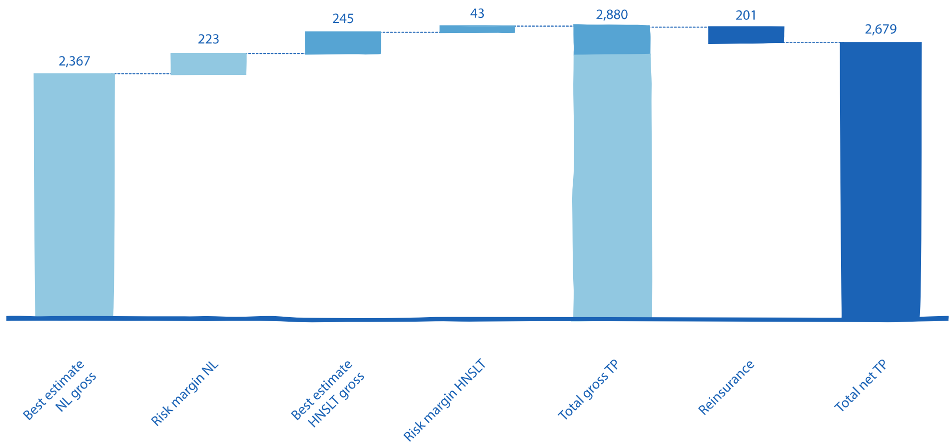


Figure 23: Technical provisions, non-life and health similar to non-life technique (in € million)

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

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

The following table shows a reconciliation between Solvency II and the IFRS balance sheet for the gross technical provisions relating to non-life and health (similar to non-life technique). It should be noted that, as in the IFRS annual report, the IFRS carrying amounts for the Group are reported excluding the liabilities of the Italian subsidiaries. The actual revaluation effect amounts to €336 million including the IFRS liabilities of UNIQA Italy.

Valuation of non-life technical provisions (gross)

EUR million	Solvency II	IFRS	Revaluation
Technical provisions – non-life insurance	2,880	2,870	10
Technical provisions – non-life insurance (excluding health insurance)	2,591	2,870	-279
Technical provisions calculated as a whole	n.a.	n.a.	0
Best estimate	2,367	n.a.	2,367
Risk margin	223	n.a.	223
Technical provisions – health (similar to non-life)	289	0	289
Technical provisions calculated as a whole	n.a.	n.a.	0
Best estimate	245	n.a.	245
Risk margin	43	n.a.	43

Table 59: Valuation of gross technical provisions

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

- In Solvency II, the claims reserves are presented discounted, which primarily entails greater effects in the Austrian entities, as there are major reserves here for long-tail liability insurance lines of business.
- The unearned premium reserve (UPR) represents the equivalent to the premium best estimate in accounting according to IFRS. There is a revaluation effect here also in Solvency II, since it is not the entire UPR that is set aside but just the part for the claims and administrative costs. Initial commission has already been paid and is therefore no longer taken into account in the cash flow analysis.
- Expected profit on multi-year agreements also reduces the best estimate.
- Reinsurance business ceded outside the Group is appropriately taken into account in the calculation of the net liabilities.

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

Valuation of property/casualty technical provisions (gross)

EUR million	Solvency II	IFRS	Revaluation
Technical provisions – non-life insurance	2,880	2,870	10
Motor vehicle liability insurance	1,112	1,050	62
Technical provisions calculated as a whole	0	1,050	0
Best estimate	1,057	n.a.	1,057
Risk margin	55	n.a.	55
Other motor insurance	207	200	7
Technical provisions calculated as a whole	0	200	0
Best estimate	184	n.a.	184
Risk margin	24	n.a.	24
Marine, aviation and transport insurance	67	72	-4
Technical provisions calculated as a whole	0	72	0
Best estimate	60	n.a.	60
Risk margin	7	n.a.	7
Fire and other damage to property insurance	427	410	16
Technical provisions calculated as a whole	0	410	0
Best estimate	368	n.a.	368
Risk margin	59	n.a.	59
General liability insurance	648	635	13
Technical provisions calculated as a whole	0	635	0
Best estimate	600	n.a.	600
Risk margin	48	n.a.	48
Credit and suretyship insurance	18	20	-2
Technical provisions calculated as a whole	0	20	0
Best estimate	16	n.a.	16
Risk margin	1	n.a.	1
Legal expenses insurance	51	112	-61
Technical provisions calculated as a whole	0	112	0
Best estimate	34	n.a.	34
Risk margin	16	n.a.	16
Assistance	6	7	-1
Technical provisions calculated as a whole	0	7	0
Best estimate	6	n.a.	6
Risk margin	1	n.a.	1
Miscellaneous financial loss	45	28	16
Technical provisions calculated as a whole	0	28	0
Best estimate	38	n.a.	38
Risk margin	7	n.a.	7
Accepted non-proportional reinsurance: property	7	0	7
Technical provisions calculated as a whole	0	0	0
Best estimate	4	n.a.	4
Risk margin	3	n.a.	3
Accepted non-proportional reinsurance: casualty	0	0	0
Technical provisions calculated as a whole	0	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transport	3	0	3
Technical provisions calculated as a whole	0	0	0
Best estimate	0	n.a.	0
Risk margin	3	n.a.	3
Health technical provisions (similar to non-life)	289	336	-47
Medical expense insurance	14	na.	
Technical provisions calculated as a whole	0	na.	0
Best estimate	13	n.a.	13
Risk margin	1	n.a.	1
Income protection insurance	273	n.a.	
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	230	n.a.	230
Risk margin	43	n.a.	43
Workers' compensation insurance	2	n.a.	
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	2	n.a.	2
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: health	0	n.a.	
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0

Table 60: Valuation of non-life technical provisions

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

A different picture emerges under miscellaneous financial loss. The premium reserve is higher here as a result of the high claims burden. This line of business is also exposed to high premium risk, which is reflected accordingly in the risk margin.

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

Description of the methods for valuation of the technical provisions

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

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

The main assumptions used for determining the technical provisions are:

- profit participation
- costs
- cancellation
- commission
- mortality and disability-morbidity, and
- interest

Profit participation

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

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

Costs

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

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

Lapse

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

Commission

The commission estimates are based on the applicable commission agreements.

Mortality and disability-morbidity

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

Interest rate assumptions

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

Risk-free interest rates 2016 (excl. volatility adjustment)

Year	EUR	CZK	HUF	PLN	CHF	RUB	RON	HRK
1	-0.30%	0.06%	0.26%	1.48%	-0.77%	10.12%	0.97%	0.74%
5	-0.02%	0.40%	1.69%	2.84%	-0.42%	8.74%	2.59%	2.37%
10	0.57%	0.77%	3.03%	3.55%	0.05%	8.22%	3.62%	2.97%
15	0.96%	1.01%	3.74%	3.79%	0.34%	7.70%	3.98%	3.17%
20	1.12%	1.33%	4.09%	3.90%	0.46%	7.19%	4.12%	3.33%
25	1.42%	1.71%	4.22%	3.97%	0.53%	6.76%	4.18%	3.45%

Table 61: Interest rate assumptions

Risk margin

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

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

Degree of uncertainty

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

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

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

The following figure gives an overview of the life and health technical provisions, similar to life (best estimate) as at the reporting date of 31 December 2016.

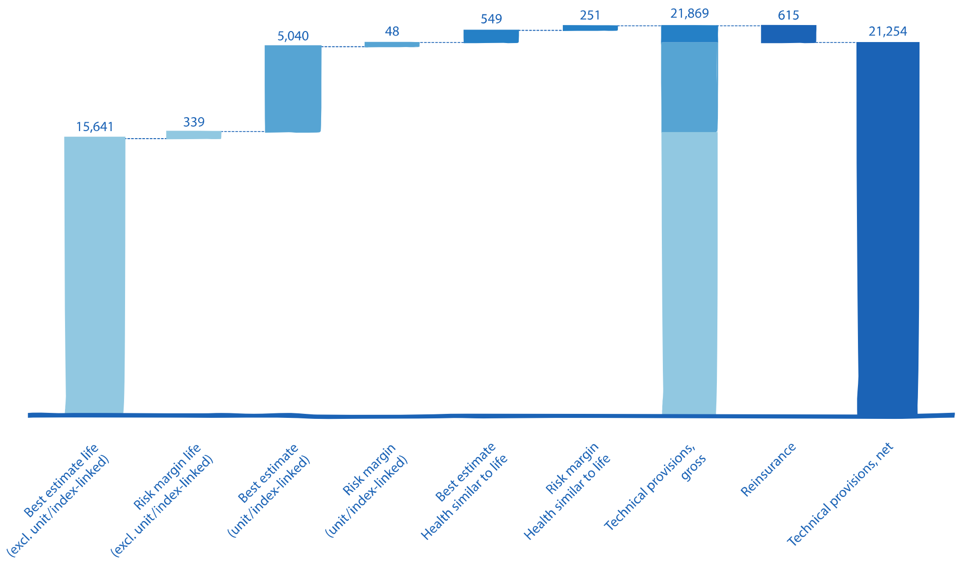


Figure 24: Life and health (similar to life technique) technical provisions (in € million)

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

Reconciliation of the gross technical provisions with the IFRS balance sheet

Valuation of technical provisions (gross)

EUR million	Solvency II	IFRS	Revaluation
Technical provisions – life (excluding index-linked and unit-linked)	16,780	14,715	2,065
Technical provisions – health (similar to life)	800	2,881	-2,081
Technical provisions calculated as a whole	n.a.	n.a.	0
Best estimate	549	n.a.	549
Risk margin	251	n.a.	251
Technical provisions – life (excluding health and index-linked and unit-linked)	15,980	11,833	4,147
Technical provisions calculated as a whole	n.a.	n.a.	0
Best estimate	15,641	n.a.	15,641
Risk margin	339	n.a.	339
Technical provisions – index-linked and unit-linked	5,089	4,907	182
Technical provisions calculated as a whole	3	n.a.	3
Best estimate	5,037	n.a.	5,037
Risk margin	48	n.a.	48
Other technical provisions	n.a.	0	0

Table 62: Valuation of gross technical provisions

The above table does not include IFRS figures for the portfolio relating to the Italian subsidiaries because these subsidiaries are presented separately as discontinued operations in the IFRS consolidated financial statements. The Solvency II values include Italy.

For the portfolio of classic life insurance, the technical provisions under Solvency II are higher at Group level compared with IFRS (not including health or index-linked and unit-linked business), driven primarily by the average guaranteed interest rate level for the Austrian portfolio in the current environment of low interest rates. It should also be noted that the future profit participation is part of the provision under Solvency II (unlike the situation with IFRS). If Italy were included, the IFRS figure would increase by approximately €3.9 billion.

For unit-linked and index-linked business, which features a significantly lower level of interest rate sensitivity, provisions in the solvency balance sheet under Solvency II are also smaller than those under IFRS, even in the current market environment. If Italy were included, the IFRS figure would exceed that under Solvency II in the table above.

The revaluation effect of IFRS to Solvency II in the health insurance business (SLT) leads to a reduction in the technical provisions, as the locked-in principle applies for IFRS, and therefore improvements following subsequent calculations in sub-portfolios with an unfavourable premium/benefit ratio are not taken into account. The PADs (provisions of adverse deviation) in the projection also have a greater effect than the safety margins in the cost-of-capital approach.

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

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

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

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

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

Volatility adjustments

EUR million	Incl. volatility adjustment	Excl. volatility adjustment	Relative change
Technical provisions	24,749	24,899	1%
Basic own funds	4,526	4,415	-2%
Own funds eligible to meet SCR	5,241	5,130	-2%
SCR	2,589	2,632	2%
Own funds eligible to meet MCR	4,465	4,257	-5%
Minimum capital requirement	1,397	1,372	-2%

Table 63: Volatility adjustments

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

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities as at the reporting date of 31 December 2016, valued in accordance with Solvency II and IFRS:

Other liabilities

EUR million		Solvency II	IFRS	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	208	199	9
3	Pension benefit obligations	600	600	0
4	Deposits from reinsurers	642	460	182
5	Deferred tax liabilities	831	297	535
6	Derivatives	19	31	-12
7	Liabilities to banks	4	4	0
8	Financial liabilities other than liabilities to banks	15	16	-1
9	Liabilities to insurance companies and intermediaries	181	176	6
10	Liabilities to reinsurance companies	31	28	3
11	Payables (trade, not insurance)	341	370	-29
12	Subordinated liabilities	929	846	83
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	929	846	83
13	Any other liabilities, not shown elsewhere	53	4,910	-4,857
Total other liabilities		**3,855**	**7,935**	**-4,080**

Table 64: Other liabilities

The following classes of liabilities were not reported as at the reporting date of 31 December 2016 and were therefore not commented on:

• 1. Contingent liabilities
• 12.1 Subordinated liabilities – Subordinated liabilities not in basic own funds

The section below describes – separately for other non-technical provisions and liabilities – the principles, methods and main assumptions underlying the valuation for solvency purposes, with a quantitative and qualitative explanation of the material differences compared with the valuation according to IFRS in the annual financial statements.

2. Provisions other than technical provisions

Provisions other than technical provisions

EUR million	Solvency II	IFRS	Revaluation
Provisions other than technical provisions	208	199	9

Table 65: Provisions other than technical provisions

For the IFRS consolidated financial statements of the UNIQA Group, other non-technical provisions are measured at the expected settlement amount based on a best possible estimate in accordance with the regulations under IAS 37. Provisions with a maturity of more than one year are discounted with corresponding pre-tax discount rates in line with the risk and period until settlement with due regard to market expectations. IAS 37 is applied consistently for the valuation of other non-technical provisions in the solvency balance sheet.

This item mainly comprises provisions for jubilee benefits, customer services and marketing, legal and consulting expenses, premium adjustments from reinsurance contracts and portfolio maintenance commission.

3. Pension benefit obligations

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Pension benefit obligations	600	600	0

Table 66: Pension benefit obligations

The net liability of the pension obligations as well as the severance provisions of the UNIQA Group are reported under this item. The provisions are valued for the IFRS consolidated financial statements in accordance with the regulations under IAS 19 and are correspondingly used for Solvency II purposes.

The actuarial value is ascertained in accordance with the projected unit credit method, with due regard to projected future salary increases, benefits and medical expenses. The discounting factor applied reflects the market conditions as at the reporting date. It is derived from corporate bonds with a rating of AA (high quality) that are consistent with the currency and maturity of the liabilities (portfolio-related).

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

Calculation factors applied In per cent	2016
Discount rate	
Termination benefit obligations	0.90
Pension obligations	1.64
Valorisation of compensation	3.00
Valorisation of pensions	2.00
Employee turnover rate	dependent on years of service
Calculation principles	AVÖ 2008 P – Pagler & Pagler/salaried employees

Table 67: Calculation factors applied

4. Deposits from reinsurers

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Deposits from reinsurers	642	460	182

Table 68: Deposits from reinsurers

The deposits from reinsurers and settlement liabilities from ceded reinsurance are reported under this item. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Deferred tax liabilities	831	297	535

Table 69: Deferred tax liabilities

Differences between the Solvency II and IFRS values arise through the different reference values used to recognise deferred tax liabilities. Deferred tax liabilities are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet, whereas deferred tax liabilities in the IFRS consolidated financial statements are recognised for differences in carrying amounts between the tax base and the

IFRS consolidated financial statements. If the difference between IFRS or solvency financial statements and the tax base means that the tax expense is too low in relation to the reference figures, and the tax expense shortfall will reverse in subsequent financial years, a liability must be recognised in accordance with IAS 12 for the future tax expense.

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

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

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

Deferred tax liabilities in accordance with IFRS amounted to €296.7 million. Deferred tax liabilities of €831.5 million are recognised in the solvency balance sheet.

The differences between the values according to IFRS or the solvency balance sheet and those in the tax base largely relate to investments, technical provisions and other provisions.

6. Derivatives

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Derivatives	19	31	-12

Table 70: Derivatives

Derivatives with a negative economic value are stated under this item. The valuation is based on market-consistent valuation methods in line with derivatives with a positive economic value. The statements in Chapter D.1 Assets apply accordingly. There are no valuation differences since the approach is the same under Solvency II and IFRS.

7. Liabilities to banks

The carrying amount of the liability under liabilities to banks is the same as the fair value with the amounts recognised under Solvency II and IFRS. No revaluation is involved.

8. Financial liabilities other than liabilities to banks

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Financial liabilities other than liabilities to banks	15	16	-1

Table 71: Financial liabilities other than liabilities to banks

This item mainly comprises loan liabilities. The carrying amount determined for the IFRS consolidated financial statements is the same as the economic value and there are thus no valuation differences.

9. Liabilities to insurance companies and intermediaries

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Liabilities to insurance companies and intermediaries	181	176	6

Table 72: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

There are no valuation differences as the same approach was applied under Solvency II.

10. Liabilities to reinsurance companies

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Liabilities to reinsurance companies	31	28	3

Table 73: Liabilities to reinsurance companies

This item includes other liabilities to reinsurance companies. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

There are no valuation differences as the same approach was applied under Solvency II.

11. Payables (trade, not insurance)

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Payables (trade, not insurance)	341	370	–29

Table 74: Payables (trade, not insurance)

This item includes other liabilities which cannot be allocated to one of the other categories. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

There are no valuation differences as the same approach was applied under Solvency II.

12. Subordinated liabilities

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Subordinated liabilities	929	846	83
Subordinated liabilities in basic own funds	929	846	83

Table 75: Subordinated liabilities

UNIQA has called the bond issued in 2006 with a total nominal amount of €150 million as well as the bond issued in 2007 with a total nominal amount of €100 million effective 30 December 2016, and therefore at the first possible call date in accordance with the bond terms and conditions. The interest rate for the bond issued in 2006 until December 2016 was 5.1 per cent, and the interest rate for the bond issued in 2007 until December 2016 was 5.3 per cent.

In July 2013, UNIQA successfully placed a supplementary capital bond to the value of €350 million with institutional investors in Europe. The bond has a term of 30 years and may only be called after ten years. The coupon equals 6.9 per cent per annum during the first ten years, after which a variable interest rate applies. The supplementary capital bond meets 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 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 called by UNIQA after 11 years have elapsed and under certain conditions. The coupon equals 6.0 per cent per annum during the first eleven years, after which a variable interest rate applies. The bond has been listed on the Vienna Stock Market since July 2015. The issue price was set at 100 per cent.

For UNIQA's economic balance sheet the financial liabilities were valued in accordance with the Solvency II principles. The initial valuation of the subordinated liabilities was based on a fair-value approach in accordance with the IFRS framework. Subsequent valuations will not take any changes in the company's own creditworthiness into account.

13. Any other liabilities, not shown elsewhere

Other liabilities EUR million	Solvency II	IFRS	Revaluation
Any other liabilities, not shown elsewhere	53	4,910	-4,857

Table 76: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. The other liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

There are no valuation differences as the same approach was applied under Solvency II.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not done using listed market prices in active markets (mark-to-market) or using listed market prices for similar instruments (marking-to-market), the UNIQA Group uses alternative valuation methods.

The UNIQA Group uses these valuation methods mainly for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, private equity funds, hedge funds, asset-backed securities (ABSs) and structured products. In the case of the investment property, it is real estate held as a financial investment. The shares that are not listed include the shares in Raiffeisen Zentralbank Österreich Aktiengesellschaft (RZB shares) as their most crucial individual item.

The valuations with the help of alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The input factors and price models for the individual assets and liabilities are presented in detail below.

Assets /Liabilities	Price method	Valuation technique	Input factors	Price model
Land and buildings (not owner-occupied property)	Theoretical value	Income approach	Construction and property valuation, location, useable area, usage category, condition, current contractual rent rates and current vacancies including rental forecasts	Income value method, asset value method, income value and net asset value weighted
Bonds	Theoretical value	Income approach	CDS spreads, yield curves, certified net asset values, volatilities	Present value method, Discounted cash flow, Net asset value method
Not listed shares	Theoretical value	Income approach	WACC, (long-term) revenue growth rate, (long-term) profit margins, control premium	Expert opinion
Loans & Mortgages	Theoretical value	Income approach	cash flows fixed or determined by forward rates, yield curves, credit risk of contracting parties, collateral, debtor's credit rating	Discounted cash flow
Derivative financial instruments	Theoretical value	Income approach	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Contract specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 77: Overview of input factors and pricing modules for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The values disclosed in accordance with Solvency II include the figures for the Italian group because IFRS 5 does not apply.

E Capital Management

E.1 OWN FUNDS

This chapter contains information on the capital management of the UNIQA Group which is also documented in the capital management guidelines.

UNIQA Group uses active capital management to ensure that the company and the Group have a reasonable capital base at all times. Own funds available must suffice in order to meet the capital requirements under Solvency II as well as UNIQA's own internal regulations. One further objective of active capital management is to guarantee UNIQA Group's financial capacity, including under difficult economic conditions.

In addition to the SCR/MCR requirements, the UNIQA Group has set a target solvency ratio corridor for the Group of between 155 per cent and 190 per cent.

If the capital base exceeds this target solvency ratio significantly then the UNIQA Group will return any capital not required to its shareholders, provided that the strategic planning permits this. Conversely, measures aimed at re-establishing the target solvency ratio will be implemented in the event of undercapitalisation. The solvency ratio is managed using strategic measures which result in a reduction in the capital requirements and/or increase the amount of existing capital.

The overall solvency of the UNIQA Group is monitored on a regular basis in order to meet overall solvency needs. The processes for monitoring and management of own funds are set out in UNIQA's internal guidelines on capital management and risk management. The guidelines define inter alia the following:

- A quarterly review of the coverage of the capital requirements in Pillar 1
- The regular reporting to the Management Board on the current overall solvency
- Measures for restoring adequate solvency in the event of undercapitalisation
- Determination of internal limits and triggers for operational implementation of a target capital ratio

No material changes were implemented in relation to management of owns funds in the reporting period.

Methods for calculating consolidated own funds

The UNIQA Group's consolidated own funds are calculated based on the consolidated financial statements using Method 1 in accordance with Section 211 of the Insurance Supervision Act 2016. The consolidation method differs from IFRS in the way the relevant group companies are included in the consolidation.

The UNIQA Group uses five consolidation methods for determining the consolidated own funds:

1. In *full consolidation*, the individual own funds components of the subsidiaries are included in their entirety in the calculation of consolidated own funds.
2. In *proportionate consolidation*, the calculation of the consolidated own funds includes the individual own funds components of the relevant equity investments, but limited according to the proportion of capital held.
3. In the adjusted equity method, equity investments and their own funds components are included on the basis of the pro rata excess of assets over liabilities.
4. Affiliated companies in other financial sectors are subject to different *sector requirements*. A relative proportion of the solvency capital requirements for the Group is determined for these companies.
5. The *risk* consolidation method covers equity investments that are not included in methods 1–4.

Categorisation of own funds into classes

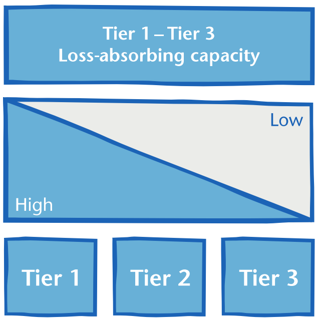


Figure 20: Loss-absorbing capacity of own funds

Under Solvency II, own funds are categorised into three different classes known as tiers which differ according to qualitative criteria such as loss-absorbing capacity. These different characteristics are shown in the figure on the right. Tier 1 own funds are normally judged to have greater loss-absorbing capacity than Tier 2 or Tier 3 own funds.

As demonstrated over the course of this chapter, the own funds held by the UNIQA Group in the 2016 reporting year were of superior and good quality.

The following table shows the essential features in the difference between the own funds (tiering) classes.

Quality criteria	Tier 1	Tier 2	Tier 3
Loss-absorbing capacity	Loss-absorbing capacity on going concern basis and in the case of winding-up	Loss-absorbing capacity on going concern basis and in the case of winding-up	Loss-absorbing capacity in the case of winding-up, as a minimum
Duration	Indefinite duration; first contractual opportunity for repayment or redemption occurs 5 years after issue at the earliest	Indefinite, or original duration of at least 10 years; first contractual opportunity for repayment or redemption occurs 5 years after issue at the earliest	Indefinite or original duration of at least 5 years
Subordination	Ranks above or equally with paid-in share capital or initial capital; subordinated compared with basic T2 and T3 own funds components, the claims of all policyholders and claims beneficiaries, and non-subordinated	Subordinated compared with claims of all policyholders, claims beneficiaries and non-subordinated creditors	Subordinated compared with claims of all policyholders, claims beneficiaries and non-subordinated creditors

Table 78: Quality criteria for each tier relevant to UNIQA

Reconciliation of IFRS Group equity to regulatory own funds

As at the reporting date of 31 December 2016 the IFRS equity including non-controlling interests amounted to €3,213 million (of which €26 million are non-controlling interests). Own funds in accordance with the regulatory valuation principles amounted to €5,241 million. The following table shows the reconciliation of IFRS equity including non-controlling interests to regulatory own funds.

Reconciliation of IFRS equity with regulatory own funds

EUR million	2016
IFRS equity including treasury shares	3,213
Revaluation of assets	-527
Goodwill	-295
Deferred acquisition costs	-1,135
Shares in affiliated companies including equity investments	-110
Property	1,049
Loans and mortgages	4
Other	-39
Revaluation of technical provisions	2,075
Technical provisions, non-life and non-SLT health	10
Technical provisions, life and SLT health	2,065
Other technical provisions	0
Revaluation of other provisions	-4,080
Deferred tax liabilities	535
Other	-4,615
Economic capital	4,526
Planned dividends	151
Tier 1 – restricted	0
Tier 2 – subordinated liabilities – due 2043	392
Tier 2 – subordinated liabilities – due 2046	537
Own shares	15
Adjustment items	48
Basic own funds	5,241

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

The difference between the IFRS equity including treasury shares and the basic own funds valued in accordance with the Solvency II rules amounts to a total of €2,028 million and is a result of the different treatment of individual items in the relevant valuation approach.

A solvency balance sheet is prepared in accordance with the stipulations under the Delegated Regulation (EU) 2015/35 for the valuation of the regulatory own funds. Assets are valued in accordance with mark-to-market values for this. Mark-to-model values are used if these are unavailable for the balance sheet items.

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

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

- Goodwill and intangible assets are valued at zero
- The deferred acquisition costs are valued at zero
- The IFRS carrying amounts for equity investments, land and buildings and investments not measured at fair value are replaced by market values under Solvency II
- Technical provisions and reinsurance receivables are measured in regulatory own funds with a significantly lower value than under IFRS, based on the discounted best estimate plus a risk margin

Reconciliation of regulatory own funds to regulatory basic own funds

On a regulatory basis, the excess of assets over liabilities amounts to €4,526 million. The foreseeable dividends in the amount of €151 million were deducted as part of the reconciliation of the allowable own funds pursuant to Article 70(1)(b) of Delegated Regulation (EU) 2015/35.

The "Planned dividends" item includes the planned dividend payments for 2017 based on the 2016 earnings. These dividends have not yet been paid out and are not eligible as regulatory own funds.

The subordinated liabilities are also assigned to own funds.

Information on own funds

Information on own funds

EUR million	2016
Basic own funds	5,241
Tier 1 - unristricted	4,308
Share capital incl. capital reserves	1,991
Surplus funds (free provision for policyholder bonuses)	49
Initial funds	2
Reconciliation reserve	2,257
Eligible non-controlling interests	51
Adjustment items	42
Tier 1 – restricted – subordinated liabilities	0
Tier 2 – subordinated liabilities	929
Tier 3 – deferred tax assets	4
Reduction in eligibility thresholds	0
Own funds to cover SCR	5,241

Table80: Information on own funds

Tier 1 own funds components pursuant to Articles 69 to 71 of Delegated Regulation (EU) 2015/35 can be used in full to cover the regulatory capital requirement. The eligibility of Tier 2 components within the meaning of Articles 72 to 75 and Tier 3 components pursuant to Articles 76 to 78 of the Delegated Regulation (EU) 2015/35 is subject to specific limits according to the Solvency II requirements.

The regulatory own funds in the UNIQA Group consist almost exclusively of Tier 1 capital both on a consolidated basis as well as at the individual company level. The majority of the Tier 1 capital in turn consists of subscribed capital followed by the revaluation reserve and the new valuation reserve (reduced by the expected dividend payments). Tier 1 own funds increased in the reporting period, largely as a result of the change in the measurement methodology to conform with Solvency II. As at 31 December 2016, there was no limitation of the eligibility of own funds components to cover the Group's solvency capital requirements.

The Tier 2 capital consists entirely of subordinated liabilities. In 2016, the only Tier 3 own funds components were those that resulted from net deferred tax assets.

Changes to own funds during the reporting period

Eligible own funds increased in the period 1 January 2016 to 31 December 2016. The principal reasons were the fall in interest rates and a correction in the measurement methodology used for balance sheet items.

Eligible own funds (SCR and MCR cover for each tier)

The following limits are in place under Solvency II and these must be taken into account when determining the eligibility of own funds for covering the capital requirements (SCR/MCR). In line with the Delegated Regulation (EU) 2015/35, the UNIQA Group uses the following restrictions when determining eligible own funds to cover the Group solvency capital requirements:

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	EUR million
SCR cover		
Tier 1	Min. 50% of SCR	1,294
Tier 1 restricted	Max. 20% of total Tier 1	0
Tier 3	Max. 15% of SCR	388
Tier 2 + Tier 3	Max. 50% of SCR	1,294
MCR cover		
Tier 1	Min. 80% of MCR	1,092
Tier 1 restricted	Max. 20% of total Tier 1	0
Tier 2	Max. 20% of MCR	273

Table 81: Eligible own funds (general)

The following table compares basic own funds with eligible own funds for SCR coverage subdivided into tiers. As at the reporting date of 31 December 2016 there were no additional own funds in the Group pursuant to Articles 74, 75 and 78 of the Delegated Regulation (EU) 2015/35.

Eligible own funds

EUR million	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3	Total
Basic own funds	4,308	0	929	4	**5,241**
Own funds eligible to cover SCR	4,308	0	929	4	**5,241**

Table 82: Eligible own funds as at the reporting date of 31 December 2016

No requests were made for additional own funds in the reporting period.

Additional Group information

The consolidation method is used to prepare the solvency balance sheet at Group level, in a process that reflects reporting under IFRS.

The restrictions on transferability of own funds were reviewed in order to determine own funds components that are used to cover the UNIQA Group's SCR. A total of €51 million are eligible non-controlling interests. Of this total, an amount of €42 million of non-controlling interests was capped for the calculation of the consolidated own funds.

Information on the own funds eligible for the SCR for each tier

EUR million	Tier 1	Tier 2	Tier 3	Total
Available consolidated own funds	4,350	929	10	**5,288**
- capping of own funds for which transfer is restricted	0	0	6	**6**
- capping of non-controlling interests	42	0		**42**
= Eligible own funds (before taking into account the own funds of entities in other financial sectors)	4,308	929	4	**5,241**
+ proportion of the own funds of entities in other financial sectors	0	0	0	**0**
= Eligible own funds (after taking into account the own funds of entities in other financial sectors)	4,308	929	4	**5,241**

Table 83: Restrictions on transferability at Group level.

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Group AG uses the standard formula to calculate the solvency capital requirement at the Group level.

The solvency capital requirement is calculated using Method 1 (as explained in Chapter E.1) in accordance with the applicable Solvency II regulations based on the principle of a going-concern. The solvency capital requirement is calibrated in such a way that guarantees that all quantifiable risks to which the UNIQA Group is exposed are taken into account. This includes both current operating activities and the new business expected in the subsequent twelve months. It only covers unexpected losses in relation to ongoing business activities. The solvency capital requirement corresponds with the value-at-risk of the UNIQA Group's basic own funds at a confidence level of 99.5 per cent over a one-year period.

The following overview shows the amounts for the solvency capital requirement for each risk module and for the minimum capital requirement as at the end of the reporting period at 31 December 2016 at Group level.

EUR million	2016
Solvency capital requirement (SCR)	2,589
Basic solvency capital requirement	2,831
Market risk	1,950
Counterparty default risk	234
Life underwriting risk	483
Non-life underwriting risk	1,092
Health underwriting risk	382
Diversification	-1,310
Operational risk	209
Loss-absorbing capacity of deferred taxes	-451
Own funds to cover the solvency capital requirement	5,241
Tier 1 – unrestricted	4,308
Share capital incl. capital reserves	1,991
Surplus funds (free provision for policyholder bonuses)	49
Initial funds	2
Reconciliation reserve	2,257
Eligible non-controlling interests	51
Adjustment items	42
Tier 1 – restricted – subordinated liabilities	0
Tier 2 – subordinated liabilities	929
Tier 3 – deferred tax assets	4
Reduction in eligibility thresholds	0
Solvency ratio	202%
Available surplus	2,652
Minimum capital requirement (MCR)	1,397

Table 84: UNIQA Group overview

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation (EU) 2015/35), the UNIQA Group uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35. None of the group-specific parameters pursuant to Section 178 of the Austrian Insurance Supervision Act 2016 are applied.

In accordance with Section 211(1) of the Austrian Insurance Supervision Act 2016, the solvency capital requirement for the Group is based on the total sum of the minimum capital requirements of the solo companies as a minimum. Provided that a solo company is subject to the Austrian Insurance Supervision Act 2016, then the minimum capital requirement is used, in accordance with Section 193 of the Insurance Supervision Act 2016. Otherwise any local capital requirement is applied which would result in a discontinuation of business operations if this requirement was not met.

The regulatory own funds, solvency capital requirement and minimum capital requirement for the UNIQA Group are shown in detail in the table above.

The diversification effects at Group level that arise in an analysis of the solvency capital requirements of the solo insurance companies compared with the solvency capital requirement for the UNIQA Group result from:

- Elimination of intragroup business relationships (reinsurance, equity investments)
- Application of geographical diversification in the reserve risk related to non-life underwriting risk
- Diversification as a result of the pooling of risk in a larger portfolio (for example, natural disaster risk)

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The duration-based equity risk sub-module is not used to determine the SCR for the UNIQA Group.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

The UNIQA Group uses the standard formula.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

The UNIQA Group met the minimum capital requirement and solvency capital requirement at all times in the 2016 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA GROUP

Vienna, 11 May 2017

Andreas Brandstetter Chairman of the Management Board	Erik Leyers Member of the Management Board	Kurt Svoboda Member of the Management Board

Solvency and Financial Condition Report for UNIQA Insurance Group AG

Reporting date: 31 December 2016

Contents

A Business and Performance

The report for UNIQA Insurance Group AG is structured in the same way as the report for the UNIQA Group. To avoid repetition, only company-specific details and material differences compared with the UNIQA Group are addressed.

The numbers in the subsequent tables of this report are presented in euro million, therefore there may be rounding differences.

A.1 BUSINESS

A detailed description of business activity can be found in Chapter A.1. of the UNIQA Group report.

UNIQA Insurance Group AG handles indirect insurance and functions as an administrative and marketing organisation for the operative insurance companies.

Property and casualty insurance

In 2016, €63.1 million of indirect business was written at UNIQA Insurance Group AG (2015: €63.2 million). The company also offers health and life insurance in the property and casualty division.

Life insurance

In life insurance at UNIQA Insurance Group AG, premiums written amounted to €42.5 million in 2016 (2015: €42.8 million) – this was about 67.4 per cent of total premium volume (2015: 67.7 per cent).

Health insurance

No premiums were written at UNIQA Insurance Group AG in the indirect business in health insurance in 2016.

A.2 UNDERWRITING PERFORMANCE

This chapter describes the underwriting performance of UNIQA Insurance Group AG in the reporting period. This performance is described qualitatively and quantitatively both on an aggregated basis and broken down by the essential business lines (in accordance with Solvency II business lines) and geographical areas in which the UNIQA Insurance Group AG pursues its activities. The breakdown by geographical area is based on the location of the cedant. The details are subsequently compared with the information submitted in the reporting period and contained in the company's separate financial statements.

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

Premiums, claims and expenses by business line – non-life (gross)

EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Medical expense insurance	0	0	0	0	0	0
Income protection insurance	0	0	0	0	0	0
Workers' compensation insurance	0	0	0	0	0	0
Motor vehicle liability insurance	5	5	2	0	2	0
Other motor insurance	1	1	1	0	1	0
Marine, aviation and transport insurance	0	0	0	0	0	0
Fire and other damage to property insurance	11	11	6	0	7	-3
General liability insurance	1	1	1	0	1	0
Credit and suretyship insurance	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0
Assistance	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	15	-15
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	2	2	3	0	0	-1
Total	**21**	**20**	**13**	**0**	**26**	**-18**

Table 85: Non-life insurance obligations by essential business lines – gross

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

Premiums, claims and expenses by business line – non-life (net)

EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Medical expense insurance	0	0	0	0	0	0
Income protection insurance	0	0	0	0	0	0
Workers' compensation insurance	0	0	0	0	0	0
Motor vehicle liability insurance	0	0	0	0	1	-1
Other motor insurance	0	0	0	0	0	0
Marine, aviation and transport insurance	0	0	0	0	0	0
Fire and other damage to property insurance	1	1	1	0	4	-4
General liability insurance	0	0	-1	0	0	0
Credit and suretyship insurance	0	0	0	0	0	0
Legal expenses insurance	0	0	0	0	0	0
Assistance	0	0	0	0	0	0
Miscellaneous financial loss	0	0	0	0	15	-15
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	2	2	3	0	0	-1
Total	**4**	**4**	**3**	**0**	**21**	**-20**

Table 86: Non-life insurance obligations by essential business lines – net

Underwriting performance in non-life insurance by main geographic areas

Premiums, claims and expenses by country EUR thousand	Austria 2016	Germany 2016	Croatia 2016	France 2016	Spain 2016	Italy 2016	Total 2016
	Top five countries (by amount of gross premiums written) – non-life insurance obligations						
Premiums written							
Gross	18,580	1,954	36	1	0	0	20,572
Net	3,717	391	7	0	0	0	4,116
Premiums earned							
Gross	18,551	1,830	36	1	3	15	20,437
Net	3,599	355	7	0	1	3	3,965
Claims expenses							
Gross	12,157	828	32	-5	16	6	13,034
Net	2,866	195	8	-1	4	1	3,072
Change in other technical provisions							
Gross	0	0	0	0	0	0	0
Net	0	0	0	0	0	0	0
Expenses incurred	19,228	2,023	38	1	0	0	21,290
Total underwriting performance (net)	**-18,495**	**-1,863**	**-38**	**0**	**-3**	**1**	**-20,397**

Table 87: Non-life insurance obligations by main geographic areas

Underwriting performance in life insurance by essential business lines – gross

Premiums, claims and expenses by business line – life (gross) EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Health insurance	0	0	0	0	12	-12
Insurance with profit participation	0	0	0	0	0	0
Index-linked and unit-linked insurance	0	0	0	0	0	0
Other life insurance	0	0	0	0	24	-24
Annuities stemming from non-life insurance contracts and relating to health insurance	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0
Life reinsurance	42	43	40	1	10	-6
Total	**42**	**43**	**40**	**1**	**46**	**-42**

Table 88: Life insurance obligations by essential business lines – gross

Underwriting performance in life insurance by essential business lines – net

Premiums, claims and expenses by business line – life (net)						
	Premiums written	Premiums earned	Claims expenses	Change in other technical provisions	Expenses incurred	Underwriting performance
EUR million	2016	2016	2016	2016	2016	2016
Health insurance	0	0	0	0	12	-12
Insurance with profit participation	0	0	0	0	0	0
Index-linked and unit-linked insurance	0	0	0	0	0	0
Other life insurance	0	0	0	0	24	-24
Annuities stemming from non-life insurance contracts and relating to health insurance	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	0	0	0	0	0	0
Health reinsurance	0	0	0	0	0	0
Life reinsurance	19	19	21	0	8	-10
Total	**19**	**19**	**21**	**0**	**44**	**-46**

Table 89: Life insurance obligations by essential business lines – net

Underwriting performance in life insurance by main geographic areas

Premiums, claims and expenses by country	Top five countries (by amount of gross premiums written) – life insurance obligations					
	Austria	Germany	Croatia	Italy	Switzerland	Total
EUR thousand	2016	2016	2016	2016	2016	2016
Premiums written						
Gross	37,828	3,638	989	18	11	42,483
Net	16,648	1,601	435	8	5	18,697
Premiums earned						
Gross	37,895	3,848	1,029	19	11	42,802
Net	16,834	1,709	457	8	5	19,013
Claims expenses						
Gross	31,181	7,909	1,108	0	2	40,200
Net	16,210	4,111	576	0	1	20,899
Change in other technical provisions						
Gross	-817	2,206	-171	0	-5	1,213
Net	8	-21	2	0	0	-11
Expenses incurred	38,899	3,741	1,017	18	11	43,687
Total underwriting performance (net)	**-38,268**	**-6,164**	**-1,135**	**-10**	**-8**	**-45,584**

Table 90: Life insurance obligations by main geographic areas

Development of premiums, insurance benefits and expenses

Development of premiums, insurance benefits and expenses	Property and casualty insurance
EUR million	2016
Premiums written	63
Premiums earned (net)	23
Technical interest income	10
Other technical income	7
Insurance benefits	-24
Change in insurance provision	0
Expenses for premium refunds	0
Operating expenses	-57
Other technical expenses	-6
Change in volatility reserve	-2
Underwriting performance	**-49**

Table 91: Development of premiums, insurance benefits and operating expenses

Changes in premiums

The premium volume in indirect business amounted to €63.1 million in the financial year (2015: €71.4 million), of which €30.3 million (2015: €37.2 million) originated from acquisitions from companies outside of the Group.

The reinsurance premiums ceded amounted to €40.2 million in 2016 (2015: €46.3 million).

Premiums earned (net) amounted to €23.0 million (2015: €25.5 million).

Insurance benefits

Premium income was offset by payments for insurance benefits to the Group companies of €27.4 million (2015: €26.4 million) and to companies outside of the Group in the amount of €26.2 million (2015: €33.2 million).

The proportion ceded to reinsurers amounted to €29.8 million (2015: €62.7 million).

Deferred benefits (net) amounted to €24.0 million (2015: €7.8 million).

Operating expenses

Operating expenses in the financial year 2016 amounted to €56.7 million (2015: €31.7 million).

A.3 INVESTMENT PERFORMANCE

The following chapter illustrates UNIQA Insurance Group AG's investment results in the reporting period as compared with the information submitted in the previous reporting period and contained in the company's financial reports. Investments of UNIQA Insurance Group AG increased in the reporting year by 7.2 per cent to €4,012.3 million overall. These include deposits with cedants to the value of €321.4 million. Land and buildings recorded receipts to the value of €1.2 million. Depreciation, amortisation and impairment losses in the reporting year amounted to €6.7 million. As at 31 December 2016 the carrying amount was €181.1 million. All real estate is located in Austria.

The investments in affiliated companies and holdings as at the end of 2016 amounted to €3,188.3 million. Write-downs on shares in affiliated companies amounted to €49.3 million in the financial year.

The other expenses increased in the reporting year by €68.8 million to €321.4 million.

Income less expenses from investments

The financial income from the company's investments amounted to €180.3 million in the reporting year.

Income from investments (net)	Property and casualty insurance
EUR million	2016
Income from investments and interest	319
Income from equity investments	219
Income from land and buildings	8
Income from other investments	43
Gains from the disposal of investments	37
Income from reversal of impairment	0
Other income from investments and interest	12
Investment and interest expenses	-139
Asset management expenses	-8
Impairment losses on investments	-57
Interest expenses	-73
Losses on the disposal of investments	0
Other investment expenses	-1
Net other income from and expenses for investments	180
Capital earnings transferred to the underwriting account	-10

Table 92: Net investment income in accordance with the Austrian Commercial Code

No assets are measured directly in equity in accordance with the Austrian Commercial Code. These are measured exclusively through profit or loss.

Information on investments in securitisations

UNIQA Insurance Group AG has not invested in Asset-Backed Securities (ABSs).

A.4 PERFORMANCE OF OTHER ACTIVITIES

The other non-underwriting income of UNIQA Insurance Group AG fell by 35.4 per cent in 2016 to €0.7 million (2015: €1.1 million). The other non-underwriting expenses decreased in the reporting year to €0.3 million (2015: €1.1 million). The other non-underwriting income includes trailer commissions of €0.6 million associated with unit-linked life insurance. The other non-underwriting expenses include securities supervision fees paid to the FMA at €0.1 million.

Lease expenses

Lease instalments in the amount of €3.6 million arose in 2016 in connection with the financing of UNIQA Tower based on the capital investment costs and a specific calculation interest rate (2015: €3.6 million). The resulting liability for the next five years amounts to €8.8 million.

Other income and expenses

EUR million	2016
Other income	738
Other expenses	-320
Net other income and expenses	**418**

Table 93: Other income and expenses in accordance with the Austrian Commercial Code

A.5 ANY OTHER INFORMATION

No other disclosures.

B System of Governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Under Solvency II and the Austrian Insurance Supervision Act 2016, insurance and reinsurance undertakings must establish an effective governance system which guarantees sound and prudent management of the business and is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

A detailed description of the governance system is contained in Chapter B.1 of the UNIQA Group report.

B.1.1 Supervisory Board

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

A detailed description of the Supervisory Board is contained in Chapter B.1 of the UNIQA Group report.

B.1.2 Management Board and committees

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

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

A detailed description of the Management Board and committees is contained in Chapter B.1 of the UNIQA Group report.

B.1.3 Key functions

Governance and other key functions

As already described in Chapter B.1 of the UNIQA Group report, the governance system includes the following governance functions:

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

UNIQA Insurance Group AG has also determined the following as other key functions:

- Asset Management
- Reinsurance

A detailed description of the key functions is contained in Chapter B.1 of the UNIQA Group report.

B.1.4 Remuneration

The objective of the remuneration strategy at UNIQA Insurance Group AG is to achieve a balance between market trends, statutory and regulatory requirements, and the expectations of shareholders and post holders. A detailed description can be found in Chapter B.1.4 of the UNIQA Group report.

B.1.5 Significant transactions with related parties

A detailed description of related companies and persons is contained in Chapter B.1.5 of the UNIQA Group report.

The following two tables show the related party transactions at UNIQA Insurance Group AG in the reporting period.

Related party transactions – companies

EUR thousand	Entities with significant influence over the UNIQA Group	Unconsolidated subsidiaries	Associated companies of the UNIQA Group	Other related parties	Total
2016 transactions					
Premiums written (gross)	0	0	0	0	**0**
Interest income arising from loans with entities that are	0	0	0	0	**0**
Interest expenses arising from loans with entities that are related parties (excluding banks)	0	0	0	0	**0**
Interest income arising from loans with related banks and from investments in related parties	0	0	139	42	**181**
Interest expenses arising from loans with related banks and from investments in related parties	-27	0	0	0	**-27**
At 31 December 2016					
Investments at fair value	0	37	43,236	3	**43,276**
Bank deposits	16,325	0	0	1,802	**18,128**

Table 94: Related party transactions – companies

Related party transactions – individuals

EUR thousand	2016
Premiums written (gross)	0
Salaries and short-term benefits	5,168
Pension expenses	407
Payments on termination of employment contract	2,513
Share-based payments	2,495
Other income	0

Table 95: Related party transactions – individuals

B.2 FIT AND PROPER REQUIREMENTS

In accordance with the Solvency II Directive, UNIQA Insurance Group AG has specified fit and proper requirements for persons who effectively run the business or hold other key functions. The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter. A detailed description of this can be found in Chapter B.2 of the UNIQA Group report.

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

B.3.1 General

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

B.3.2 Risk management, governance and organisational structure

Detailed information is set out in Chapter B.3.2 of the UNIQA Group report.

B.3.3 Risk strategy

Detailed information is set out in Chapter B.3.3 of the UNIQA Group report.

B.3.4 Risk management process

Detailed information is set out in Chapter B.3.4 of the UNIQA Group report.

B.3.5 Risk-related committees

The Risk Management Committee is responsible for management of the risk profile and the associated specification and monitoring of risk-bearing capacity and limits.
Detailed information is set out in Chapter B.3.5 of the UNIQA Group report.

B.3.6 The Company's Own Risk and Solvency Assessment (ORSA)

The descriptions in Chapter B.3.6 for the UNIQA Group covering the Company's Own Risk and Solvency Assessment apply equally to UNIQA Insurance Group AG.

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

A detailed description of the risk management system including the Company's Own Risk and Solvency Assessment (ORSA) for UNIQA Insurance Group AG can be found in Chapter B.3.6 of the UNIQA Group report.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The internal control system at UNIQA Insurance Group AG ensures that litigation risk are minimised or eliminated by effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and there is also a guarantee at the same time that the regulations are complied with.

A detailed description can be found in Chapter B.4.1 of the UNIQA Group report.

B.4.2 Compliance function

A detailed description of the compliance function is contained in Chapter B.1.3 of the UNIQA Group report.

B.5 INTERNAL AUDIT FUNCTION

A detailed description of the internal audit function is contained in Chapter B.1.3 of the UNIQA Group report.

B.6 ACTUARIAL FUNCTION

A detailed description of the actuarial function is contained in Chapter B.1.3 of the UNIQA Group report.

B.7 OUTSOURCING

UNIQA Insurance Group AG has outsourced essential activities internally within the Group (see Chapter B.7 of the UNIQA Group report for details). Above all, care is taken to ensure that the service providers to which the activities are outsourced are reliable partners. To guarantee compliance with this requirement, UNIQA Insurance Group AG has put in place a binding outsourcing policy which is based on the outsourcing process and lays down standards. The policy makes a distinction between intragroup outsourcing and outsourcing to external service providers.

Detailed information on the outsourcing process can be found in Chapter B.7 of the UNIQA Group report.

B.8 ANY OTHER INFORMATION

UNIQA Insurance Group AG sets high quality standards for the purposes of structuring its governance system. The “three lines of defense” approach is strictly observed to achieve a clear separation of responsibilities (see Chapter B.3.2 of the UNIQA Group report). This is underscored by the comprehensive committee system that the Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The governance system at UNIQA Insurance Group AG is reviewed on an annual basis.

C Risk Profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement at UNIQA Insurance Group AG is calculated in accordance with the Solvency II standard formula. General explanations can be found in Chapter C.1 of the UNIQA Group report.

The following table outlines the risk profile and composition of the SCR as at 31 December 2016 for UNIQA Insurance Group AG.

Risk profile of UNIQA Insurance Group AG

EUR million	2016
Solvency capital requirement (SCR)	1,400
Net basic solvency capital requirement (nBSCR)	1,508
Market risk	1,477
Counterparty default risk	60
Life underwriting risk	52
Non-life underwriting risk	3
Health underwriting risk	0
Diversification	-84
Intangible asset risk (associated risk)	0
Operational risk	3
Risk reduction from deferred tax	-110
Own funds to cover SCR	5,169
Solvency ratio	369%
Available surplus	3,769

Table 96: Risk profile – solvency capital calculation for 2016

Given UNIQA Insurance Group AG's business model and function within the group, its risk profile is dominated by market risk, which amounted to €1,476.9 million. In contrast, the additional risk modules such as credit/default risk, operational risk and underwriting risk from life, non-life and health insurance assume a relatively subordinate role.

As market risk is so dominant, there is little diversification between the risk modules.

The risk capital requirement is reduced by risk mitigation in the form of an adjustment for the loss-absorbing capacity of deferred taxes in an amount of €110.2 million. Details on this topic can be found in Chapter D.1 of this Annex.

For detailed information on market risk, default risk and life underwriting risk, please refer to the chapters below.

Own funds of UNIQA Insurance Group AG are derived from equity investments and subordinated liabilities. The major equity investments are intragroup investments in UNIQA Österreich Versicherungen AG, UNIQA International AG and UNIQA Re AG.

More detailed information on own funds of UNIQA Insurance Group AG can be found in Chapter E.3 of this Annex.

The resulting solvency ratio for UNIQA Insurance Group AG is 369.3 per cent.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

For the underwriting risks of life, non-life and health (similar to non-life technique) insurance, the descriptions in chapter C.2.1 of the UNIQA Group report apply. UNIQA Insurance Group AG does not underwrite health insurance (similar to life technique).

C.2.2 Risk exposure

The proportion of the life underwriting risk module in the overall solvency capital requirement is 4 per cent. The lapse and expense risks are the primary risk drivers for the life underwriting risk. Of the lapse risk shocks described in Chapter C.2.1 of the UNIQA Group report, the relevant shock in 2016 was the decline in lapses.

Underwriting risk from non-life and health (similar to non-life technique) business accounted for a total of 0.2 per cent of the total risk capital requirement of UNIQA Insurance Group AG, and was therefore immaterial. Underwriting risk in the health (similar to non-life technique) line of business came to just €88,000. For this reason, these tables are not shown.

The following tables show the solvency capital requirement for underwriting risk, broken down by module and by sub-module:

Capital requirement for non-life underwriting risk

	2016	
	EUR million	in per cent
SCR, non-life underwriting risk	3	
Premium and reserve risk	3	80%
Catastrophe risk	1	20%
Lapse risk	0	0%
Diversification	0	

Table 97: Non-life underwriting risk

Capital requirement for life underwriting risk

	2016	
	EUR million	in per cent
SCR, life underwriting risk	52	
Mortality risk	2	3%
Longevity risk	0	0%
Disability-morbidity risk	0	0%
Lapse risk	37	60%
Expense risk	22	35%
Revision risk	0	0%
Catastrophe risk	1	1%
Diversification	-10	

Table 98: Life underwriting risk

C.2.3 Risk assessment

For the underwriting risks of life, non-life and health (similar to non-life technique) insurance, the descriptions in the chapter C.2.3 of the UNIQA Group report apply. UNIQA Insurance Group AG does not write health insurance (similar to life technique).

C.2.4 Risk concentration

In terms of underwriting risk, material risk concentrations only arise for the non-life underwriting risk. These are outlined below.

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the potential geographical accumulation of risks.

The risk of natural disasters represents the main concentration risk for UNIQA Insurance Group AG. This is essentially the result of a contract in reinsurance and the exposure is limited there to one federal state. The natural hazards of storms, hail and flooding in particular represent the biggest threats. All these natural hazards have the potential to affect a large geographical area. A major meteorological event can lead to many claims if there is a geographical concentration of business in one federal state. However, it should be noted that UNIQA Insurance Group AG's catastrophe risk is of minor significance in the non-life underwriting risk.

The most important risk mitigation measures are appropriate underwriting guidelines. However, the greatest risk reduction is through the reinsurance structure agreed with UNIQA Re AG. This guarantees adequate reinsurance protection in order to cover potential cumulative events. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Details on the major strategies for minimising risk in life insurance can be found in Chapter C.2.5 of the UNIQA Group report.

Non-life underwriting risk

Reinsurance is the principal risk mitigation tool used. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Insurance Group AG's reinsurance partner is the Group's internal reinsurance company UNIQA Re AG. Reinsurance protection is organised and acquired in order to manage the required risk capital.

Moreover, clearly defined underwriting guidelines and controls ensure high quality when taking on underwriting risk and guarantee appropriate risk selection. Furthermore the focus with contract renewals is clearly placed on profitable development of the portfolio.

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

Reinsurance is the essential instrument for mitigating risk in the health insurance business (similar to non-life technique) as well.

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in certain factors. A detailed description can be found in Chapter C.3.1 of the UNIQA Group report.

C.3.2 Risk exposure

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

Capital requirement for market risk

	2016	
	EUR million	in per cent
SCR, market risk	1,477	
Interest rate risk	4	0%
Equity risk	1,220	64%
Property risk	61	3%
Spread risk	182	10%
Exchange rate risk	104	5%
Concentration risk	337	18%
Diversification	-431	

Table 99: SCR market risk

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

A detailed description can be found in Chapter C.3.2 of the UNIQA Group report.

C.3.3 Risk assessment

UNIQA Insurance Group AG calculates market risk in accordance with the Solvency II standard formula. A detailed description can be found in Chapter C.3.3 of the UNIQA Group report.

C.3.4 Risk concentration

All issuers (or groups of issuers) are monitored on an ongoing basis as part of the efforts to determine the concentration risk in accordance with the Solvency II standard formula, in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. As at 31 December 2016 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): UNIQA Group (intragroup portfolios), Raiffeisen-Holding NÖ-Wien.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing market risk is permissible. A detailed description can be found in Chapter C.3.5 of the UNIQA Group report.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months.

A detailed description can be found in Chapter C.4.1 of the UNIQA Group report.

C.4.2 Risk exposure

The credit risk or default risk accounts for 3.7 per cent of UNIQA Insurance Group AG's risk profile.

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

EUR million	2016
SCR, type 1 and type 2 credit and default risk	60
Total type 1 credit and default risk	20
Total type 2 credit and default risk	43
Diversification	-4

Table 100: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk as at 31 December 2016. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure accounts for 31.6 per cent of the total default risk (excluding diversification effects between type 1 and type 2 risk exposures). The calculated solvency capital requirement results mainly from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposure accounts for 68.4 per cent of the total default risk and is the largest risk driver of credit or default risk. The most significant exposures in this category are receivables from direct insurance business from insurance brokers, reinsurance settlement receivables and internal funding within the UNIQA Group.

C.4.3 Risk assessment

The solvency capital requirement for counterparty default risk is calculated using the risk factors and methods described in Article 189 et seq. of the Delegated Regulation (EU) 2015/35. A detailed description can be found in Chapter C.4.3 of the UNIQA Group report.

C.4.4 Risk concentration

For UNIQA Insurance Group AG there is a concentration in terms of reinsurance, which for the most part is ceded to the Group's reinsurance partner UNIQA Re AG. Due to the existence of a reinsurance standard that regulates the way reinsurance is handled at UNIQA Re AG, no concentration risk exists for UNIQA Insurance Group AG as a result of this item.

In terms of bank deposits, the greatest investment volumes at the relevant reporting date (listed in decreasing amount) were reported for the following banks: Raiffeisenlandesbank Niederösterreich–Wien, Raiffeisen Bank International AG, Raiffeisenlandesbank Oberösterreich.

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

A detailed description of risk concentrations can be found in Chapter C.4.4 of the UNIQA Group report.

C.4.5 Risk mitigation

Measures have been put in place to minimise credit/default risk. A detailed description can be found in Chapter C.4.5 of the UNIQA Group report.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

A detailed description can be found in Chapter C.5.1 of the UNIQA Group report.

C.5.2 Risk exposure

Ongoing liquidity planning and control is carried out in order to ensure that UNIQA Insurance Group AG is able to meet its payment obligations.

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

Liquidity risk exposure

EUR million	2016
Expected profits in future premiums (EPIFP)	0
of which non-life	0
of which life	0

Table 101: Expected profits in future premiums (EPIFP)

C.5.3 Risk assessment and risk mitigation

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

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

Payment obligations due within twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected cash flows is implemented in order to ensure that UNIQA Insurance Group AG is able to meet its payment obligations within the next twelve months. Furthermore, a minimum amount of cash reserves which must be available daily is also defined. In addition to the daily reporting on an operative level, a weekly report is presented to the Management Board on the available liquidity.

Payment obligations due in more than twelve months

For longer-term payment obligations, the company aims for the greatest possible level of maturity matching between assets and liabilities as part of the asset-liability management process. Compliance with this approach is ensured with a regular and consistent monitoring system.

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 5(42) of the Insurance Supervision Act 2016, operational risk is defined as the risk of financial losses caused by inefficient internal processes, systems or individuals, or by external events. A detailed description can be found in Chapter C.6.1 of the UNIQA Group report.

C.6.2 Risk exposure

UNIQA Insurance Group AG is exposed to a highly diverse environment of operational risks, which need to be measured and managed accordingly.

The following table shows the composition of operational risk as at 31 December 2016.

Capital requirement for the operational risk

EUR million	2016 Premiums earned (gross)	Technical provisions (gross)
Proportional solvency capital		
Life (excluding unit-linked life insurance)	43	449
Health (similar to life)	0	0
Non-life	20	29
Operational risk (premium based)	2	
Operational risk (provision based)		3
Unit-linked annual costs (of which 25%)	0	
Operational risk	3	

Table 102: Solvency capital requirement for the operational risk

The premium-based component at UNIQA Insurance Group AG is €2.3 million, and comprises the premium portfolio in life insurance business followed by the premium portfolio of the non-life insurance business. Because the volume of earned premiums remained stable in comparison to 2015, there is no element of operational risk that depends on premium growth.

The provision-based elements of operational risk is €2.9 million, which is equally determined by the provisions from life and non-life.

The overall operational risk is €2.9 million and only plays a minor role for UNIQA Insurance Group AG.

C.6.3 Risk assessment

UNIQA Insurance Group AG calculates the operational risk with a factor-based approach, in accordance with the Solvency II standard formula. A detailed description of the valuation method can be found in Chapter C.6.3 of the UNIQA Group report.

C.6.4 Risk concentration

The risk concentration in the operational risk is evaluated on a regular basis and is minimised accordingly with the help of appropriate measures. A detailed description can be found in Chapter C.6.4 of the UNIQA Group report.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. A detailed description can be found in Chapter C.6.5 of the UNIQA Group report.

C.7 STRESS AND SENSITIVITY ANALYSES

UNIQA Insurance Group AG carries out stress and sensitivity calculations annually in order to determine the impact of certain unfavourable events on the solvency capital requirement, on the own funds, and subsequently also on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment. A detailed description of the individual sensitivity calculations made can be found in Chapter C.7 of the UNIQA Group report.

Results

The following table provides an overview of the change to the SCR ratio as a result of the shocks specified for the individual stress and sensitivity analyses.

Results of the sensitivity calculation

In per cent	SCR ratio
Basic scenario	369%
Main sensitivities	
Interest rate sensitivities	
Interest +50 basis points (to last liquid point)	367%
Interest -50 basis points (to last liquid point)	371%
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	369%
Equity sensitivities	
Equities -30 per cent	380%
Foreign currency sensitivities	
Foreign currency +10 per cent	371%
Foreign currency -10 per cent	367%
Spread sensitivities	
Widening in credit spread by 100 basis points	367%

Table 103: Results of the sensitivity calculation

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for strategic, reputational and contagion risks in the UNIQA Group in addition to the risk categories described above. The reputational and strategic risk is also monitored in the same way at UNIQA Insurance Group AG. A detailed description can be found in Chapter C.8 of the UNIQA Group report.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Information about risk concentration can be found in Chapter C.9.1 of the UNIQA Group report.

C.9.2 Risk mitigation

A description of the risk mitigation from deferred tax can be found in Chapter C.9.2 of the UNIQA Group report.

D Valuation for Solvency Purposes

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and the carrying amounts in accordance with the Austrian Commercial Code at the reporting date of 31 December 2016.

Valuation of assets

Assets as at the reporting date of 31 December 2016 EUR million		Solvency II	Austrian Commercial Code	Revaluation
1	Goodwill	n.a.	0	0
2	Deferred acquisition costs	n.a.	0	0
3	Intangible assets	0	8	-8
4	Deferred tax assets	112	58	54
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	82	57	25
7	Investments (other than assets held for index-linked and unit-linked contracts)	5,424	2,991	2,433
7.1	Property (other than for own use)	171	135	36
7.2	Shares in affiliated companies including equity investments	4,997	2,494	2,504
7.3	Equities	36	32	4
	Equities – listed	0	0	0
	Equities – unlisted	36	32	4
7.4	Bonds	152	269	-117
	Government bonds	27	22	5
	Corporate bonds	125	247	-122
	Structured notes	0	0	0
	Collateralised securities	0	0	0
7.5	Undertakings for collective investment	66	62	4
7.6	Derivatives	0	0	0
7.7	Deposits other than cash equivalents	2	0	2
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	0	0	0
8	Loans and mortgages	662	653	9
8.1	Loans on policies	0	0	0
8.2	Loans and mortgages to individuals	0	0	0
8.3	Other loans and mortgages	662	653	9
9	Reinsurance recoverables from:	86	152	-66
9.1	Non-life insurance and health insurance similar to non-life	16	22	-7
	Non-life insurance excluding health	15	22	-7
	Health insurance similar to non-life technique	0	0	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked	71	130	-59
	Health similar to life	0	0	0
	Life, excluding health and index-linked and unit-linked	71	130	-59
9.3	Life, index-linked and unit-linked	0	0	0
10	Deposits with cedants	321	321	0
11	Insurance and intermediaries receivables	11	11	0
12	Reinsurance receivables	9	9	0
13	Receivables (trade, not insurance)	609	523	86
14	Treasury shares (held directly)	6	0	6
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	142	17	125
17	Any other assets, not shown elsewhere	25	25	0
	Total assets	**7,490**	**4,826**	**2,664**

Table 104: Assets as at the reporting date of 31 December 2016

The following categories of assets are not asset components of UNIQA Insurance Group AG as at 31 December 2016 and have therefore not been commented on:

- 1. Goodwill
- 2. Deferred acquisition costs
- 5. Pension benefit surplus
- 7.3.1 Equities – listed
- 7.4.3. Structured notes
- 7.4.4. Collateralised securities
- 7.6 Derivatives
- 7.8 Other investments
- 7.9 Assets held for index-linked and unit-linked contracts
- 8.1 Loans on policies
- 8.2. Loans and mortgages to individuals
- 9.2.1. Health insurance, similar to life technique
- 9.3. Life insurance, index-linked and unit-linked
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A quantitative and qualitative explanation of the main differences compared with valuation in accordance with the Austrian Commercial Code in the annual financial statements is provided below, separately for each class of assets.

3. Intangible assets

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Intangible assets	0	8	–8

Table 105: Intangible assets

Intangible assets are composed of purchased computer software as well as licenses and copyrights. Intangible assets are amortised in accordance with their useful life over a defined period.

Intangible assets can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined. These assets were not recognised in the solvency balance sheet since neither of these criteria could be met. This explains the difference in value.

4. Deferred tax assets

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax assets	112	58	54

Table 106: Deferred tax assets

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet, whereas deferred tax assets in the separate financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax base and the Austrian Commercial Code financial statements. If the difference between Austrian Commercial Code or solvency financial statements and the tax base means that the tax expense is too high in relation to the reference figures, and the excess tax expense will reverse in subsequent financial years, an asset must be recognised for the future tax relief.

It should be noted that an overall netting approach is required in relation to the recognition of deferred taxes in accordance with Section 198(9) in conjunction with (10) of the Austrian Commercial Code if there are tax assets and liabilities due from/to the same tax authority and these assets and liabilities can be offset. All temporary differences that meet the relevant criteria and are expected to reverse in subsequent financial years must therefore be included and netted in the calculation of deferred taxes. This then results in either a net deferred tax asset or a net deferred tax liability. This overall approach is not affected by differing maturities.

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

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

The netting of deferred tax assets and deferred tax liabilities under the required overall netting approach resulted in net deferred tax assets of €58.1 million in accordance with the Austrian Commercial Code. However, the equivalent figure in the economic balance sheet came to a net deferred tax asset of €112.4 million as a result of differences in the measurement methodologies.

The differences between the values according to the Austrian Commercial Code or the solvency balance sheet and those in the tax base largely relate to investments, technical provisions and other provisions.

6. Property, plant and equipment held for own use

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Property, plant and equipment held for own use	82	57	25

Table 107: Property, plant and equipment held for own use

The difference between the Solvency II value and the Austrian Commercial Code value of the property, plant and equipment and inventories held for own use results from the difference between the valuation at fair value under Solvency II and the amortised cost model in accordance with the Austrian Commercial Code.

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

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

7.1. Property (other than for own use)

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Property (other than for own use)	171	135	36

Table 108: Property (other than for own use)

The property (other than for own use) is valued in accordance with the same valuation methodology as the accounting for the property, plant and equipment held for own use (item 6). This results in a valuation difference compared with the economic value.

7.2 Shares in affiliated companies, including equity investments

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Shares in affiliated companies including equity investments	4,997	2,494	2,504

Table 109: Shares in affiliated companies, including equity investments

Shares in affiliated companies and equity investments are valued with application of the strict lower of cost or market principle in the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.3.1 Equities – unlisted

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Equities – unlisted	36	32	4

Table 110: Equities – unlisted

Equities are valued in accordance with the provisions in Section 144(2) of the Austrian Insurance Supervision Act 2016. Write-downs have only been recognised if the impairment is expected to be permanent. This results in a valuation difference compared with the economic value.

7.4 Bonds

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Bonds	152	269	–117
Government bonds	27	22	5
Corporate bonds	125	247	–122
Structured notes	0	0	0
Collateralised securities	0	0	0

Table 111: Bonds

In accordance with local accounting regulations bonds are assigned to the fixed assets (Section 204 of the Austrian Commercial Code) and are valued at the alleviated lower of cost or market principle. This results in a valuation difference compared with the economic value.

7.5 Undertakings for collective investment

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Undertakings for collective investment	66	62	4

Table 112: Undertakings for collective investment

In accordance with local accounting standards (Section 207 of the Austrian Commercial Code), undertakings for collective investment are valued in accordance with the strict lower of cost or market principle applying the valuation exemption. Write-downs of the lower fair value in the event of an expected temporary impairment can only be omitted to the extent that the overall amount of any write-down that does not take place does not exceed 50 per cent of the total or otherwise of existing hidden net reserves of the company in the relevant accounting department.

Undertakings for collective investment in bonds (subject to consolidation) represent an exception. These undertakings are valued using the alleviated lower of cost or market principle as under 7.4 “Bonds”.

This gives rise to a valuation difference between Solvency II and Austrian Commercial Code figures for this balance sheet item.

7.7 Deposits other than cash equivalents

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deposits other than cash equivalents	2	0	2

Table 113: Deposits other than cash equivalents

Deposits other than cash equivalents are valued at the strict lower of cost or market principle in accordance with local accounting regulations (Section 207 of the Austrian Commercial Code). This results in a valuation difference compared with the economic value.

8. Loans and mortgages

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Loans and mortgages	662	653	9
Loans on policies	0	0	0
Loans and mortgages to individuals	0	0	0
Other loans and mortgages	662	653	9

Table 114: Loans and mortgages

For the purposes of the separate financial statements in accordance with the Austrian Commercial Code, loans and mortgages are valued at their principal amounts or at the cost of the outstanding loan. In the case of identifiable individual risks the lower applicable value is used. The Austrian Commercial Code values plus the pro rata interest rates are used in the solvency balance sheet. This explains the valuation differences.

9. Recoverables from reinsurance contracts

Assets EUR million		Solvency II	Austrian Commercial Code	Revaluation
9	Recoverables from reinsurance contracts	86	152	-66
9.1	Non-life insurance and health insurance similar to non-life technique	16	22	-7
	Non-life insurance excluding health	15	22	-7
	Health insurance similar to non-life technique	0	0	0
9.2	Life and health similar to life, excluding health and index-linked and unit-linked	71	130	-59
	Health similar to life	0	0	0
	Life, excluding health and index-linked and unit-linked	71	130	-59
9.3	Life, index-linked and unit-linked	0	0	0

Table 115: Recoverables from reinsurance contracts

The item “Recoverables from reinsurance contracts” includes amounts outstanding based on reinsurance contracts external to the company.

The differences between the values assessed in the solvency balance sheet and the valuation in accordance with the Austrian Commercial Code result from the fact that the values in accordance with the Austrian Commercial Code are assessed and valued at nominal value.

This results in a valuation difference compared with the economic value.

10. Deposits with cedants

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deposits with cedants	321	321	0

Table 116: Deposits with cedants

The nominal values are stated for these items in accordance with the Austrian Commercial Code, and are adjusted by an allowance for the default risk if necessary. They are also recognised as economic values in accordance with Solvency II.

11. Insurance and intermediaries receivables

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Insurance and intermediaries receivables	11	11	0

Table 117: Insurance and intermediaries receivables

This item comprises receivables from insurance companies and insurance brokers. In accordance with the Austrian Commercial Code, receivables due within twelve months are recognised at their nominal amounts. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation. There are no valuation differences as the same approach is applied under Solvency II.

12. Reinsurance receivables

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Reinsurance receivables	9	9	0

Table 118: Reinsurance receivables

This item comprises reinsurance receivables that are not already included in the deposits with cedants. The nominal values are stated for these items in accordance with the Austrian Commercial Code. These are also reported as economic values in accordance with Solvency II if the amounts concerned are due in less than twelve months. The valuation methodology is identical to the one used for deposits with cedants (item 10). There are no differences in valuation as a result of this.

13. Receivables (trade, not insurance)

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Receivables (trade, not insurance)	609	523	86

Table 119: Receivables (trade, not insurance)

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

Under the Austrian Commercial Code, pro rata interest is reported in the other receivables, whereas in the solvency balance sheet this interest is reported with each asset. The solvency value also contains a receivable arising from the allocation of costs in accordance with IFRS.

14. Treasury shares (held directly)

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Treasury shares (held directly)	6	0	6

Table 120: Treasury shares (held directly)

Treasury shares are stated as deduction items from the share capital at the nominal value in accordance with Section 144(3) of the Insurance Supervision Act 2016. Treasury shares were valued at fair values under Solvency II. This explains the valuation differences.

16. Cash and cash equivalents

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Cash and cash equivalents	142	17	125

Table 121: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. There are no differences compared with Solvency II.

17. Other assets, not shown elsewhere

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Any other assets, not shown elsewhere	25	25	0

Table 122: Other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). The valuation is at amortised cost in accordance with the Austrian Commercial Code. There is no revaluation for Solvency II.

D.2 TECHNICAL PROVISIONS

The technical provisions within at UNIQA Insurance Group AG are determined solely on the basis of a best estimate plus a risk margin because of the nature of the liabilities. There is no attempt to match technical cash flows with financial instruments and value these elements together on a net basis.

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

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with the Austrian Commercial Code as at 31 December 2016 for UNIQA Insurance Group AG:

Valuation of technical provisions

EUR million		Solvency II	Austrian Commercial Code	Revaluation
1	Technical provisions – non-life insurance	31	83	-52
1.1	Technical provisions – non-life insurance (excluding health insurance)	31	83	-53
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	29	n.a.	29
	Risk margin	2	n.a.	2
1.2	Technical provisions – health (similar to non-life)	1	0	1
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	1	n.a.	1
	Risk margin	0	n.a.	0
2	Technical provisions – life (excluding index-linked and unit-linked)	483	326	157
2.1	Technical provisions – health (similar to life)	0	0	0
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	0	n.a.	0
	Risk margin	0	n.a.	0
2.2	Technical provisions – life (excluding health and index-linked and unit-linked)	483	326	157
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	449	n.a.	449
	Risk margin	34	n.a.	34
3	Technical provisions – index-linked and unit-linked life insurance	0	0	0
3.1	Technical provisions calculated as a whole	0	n.a.	0
3.2	Best estimate	0	n.a.	0
3.3	Risk margin	0	n.a.	0
4	Other technical provisions	n.a.	0	0
	Total technical provisions	**514**	**409**	**105**

Table 123: Valuation of technical provisions

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

Overview of non-life technical provisions (best estimate and risk margin) at 31 December 2016:

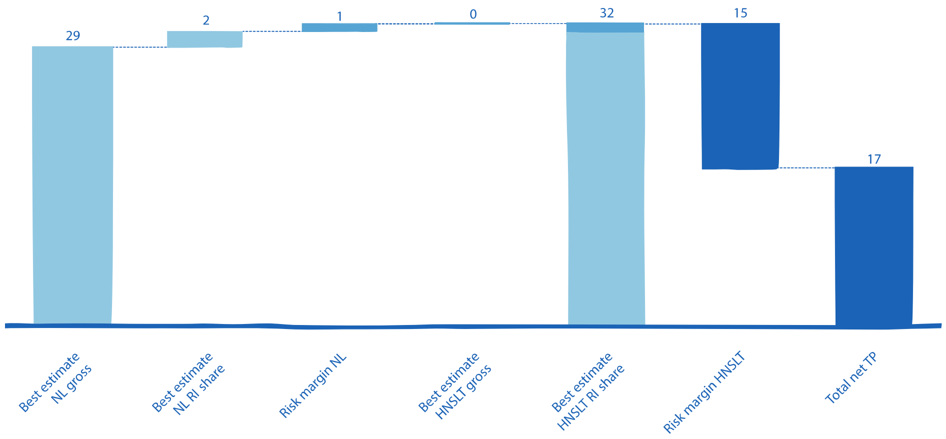


Figure 25: Technical provisions, non-life and health similar to non-life technique(in € million)

Non-life and health (similar to non-life technique) technical provisions at UNIQA Insurance Group AG are largely determined on the basis of a best estimate. This is mainly derived from the claims reserves. The premium reserve is of minor significance in this case.

The significant reinsurance quota shares ceded result in a material reduction in the provisions on a net basis.

Valuation of non-life technical provisions (gross)

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – non-life insurance	31	83	-52
Technical provisions – non-life insurance (excluding health insurance)	31	83	-53
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	29	n.a.	29
Risk margin	2	n.a.	2
Technical provisions – health (similar to non-life)	1	0	1
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	1	n.a.	1
Risk margin	0	n.a.	0

Table 124: Valuation of gross technical provisions

The reconciliation of the non-life and health (similar to non-life technique) technical provisions to the carrying amounts recognised in accordance with the Austrian Commercial Code financial statements highlights significant differentials. This is largely explained by the high proportion of claims equalisation reserves recognised under the Austrian Commercial Code (€44.0 million). Otherwise, the same valuation differences apply as those described in Chapter D.2.1 of the UNIQA Group report.

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

Valuation of technical provisions (property/casualty)

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – non-life insurance	31	83	-52
Motor vehicle liability insurance	13	18	-5
Technical provisions calculated as a whole	n.a.	18	0
Best estimate	13	n.a.	13
Risk margin	0	n.a.	0
Other motor insurance	0	4	-4
Technical provisions calculated as a whole	n.a.	4	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Marine, aviation and transport insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Fire and other damage to property insurance	6	44	-38
Technical provisions calculated as a whole	n.a.	44	0
Best estimate	6	n.a.	6
Risk margin	0	n.a.	0
General liability insurance	11	14	-3
Technical provisions calculated as a whole	n.a.	14	0
Best estimate	10	n.a.	10
Risk margin	1	n.a.	1

Credit and suretyship insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Legal expenses insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Assistance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Miscellaneous financial loss	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: property	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: casualty	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Technical provisions – health (similar to non-life)	1	1	0
Medical expense insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Income protection insurance	1	1	0
Technical provisions calculated as a whole	n.a.	1	0
Best estimate	1	n.a.	1
Risk margin	0	n.a.	0
Workers' compensation insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: health	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0

Table 125: Valuation of non-life technical provisions

The largest differential between the Austrian Commercial Code and Solvency II figures at UNIQA Insurance Group AG is evident in the "Fire and other damage to property insurance" business line. This is where the largest proportion of the claims equalisation reserve is reported in accordance with the Austrian Commercial Code.

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

The significant reserve surplus for life insurance under Solvency II compared with the Austrian Commercial Code figures is attributable to the assumed costs for the liabilities in the best estimate.

Valuation of gross technical provisions

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – life (excluding index-linked and unit-linked)	483	326	157
Technical provisions – health (similar to life)	0	0	0
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Technical provisions – life (excluding health and index-linked and unit-linked)	483	326	157
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	449	n.a.	449
Risk margin	34	n.a.	34
Technical provisions – index-linked and unit-linked	0	0	0
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Other technical provisions	n.a.	0	0

Table 126: Valuation of gross technical provisions

The following figure shows the breakdown of the best estimate reserve under Solvency II for the life insurance business:

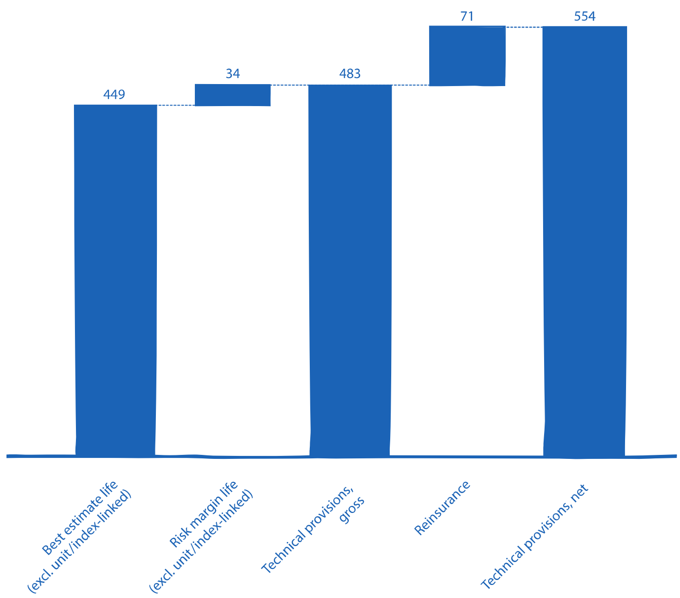


Figure 26: Technical provisions for life (in € million)

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment specified in Article 77(d) of Directive 2009/138/EC (Solvency II) has been applied in the Solvency II calculation for all lines of life and non-life business and for the short-term health insurance business (similar to non-life technique).

This volatility adjustment is also added to the risk-free yield curve. The effect of the volatility adjustment on the life, non-life and health provisions similar to non-life insurance is shown in the following table:

Volatility adjustments

EUR million	Incl. volatility adjustment	Excl. volatility adjustment	Relat. change
Technical provisions	514	515	0%
Basic own funds	5,510	5,402	-2%
Own funds eligible to meet SCR	5,169	5,061	-2%
SCR	1,400	1,400	0%
Own funds eligible to meet MCR	4,539	4,431	-2%
Minimum capital requirement	350	350	0%

Table 127: Volatility adjustments

The effect from the volatility adjustment is of minor significance in life insurance at UNIQA Insurance Group AG because mortality risk is the dominant risk in the portfolio. In the non-life and health (similar to non-life technique) insurance business, the effect from the volatility adjustment could be considered immaterial because of the short-term nature of the liabilities.

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities as at the reporting date of 31 December 2016, valued in accordance with Solvency II and with the Austrian Commercial Code.

Other liabilities

EUR million		Solvency II	Austrian Commercial Code	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	112	110	2
3	Pension benefit obligations	570	416	154
4	Deposits from reinsurers	126	126	0
5	Deferred tax liabilities	0	0	0
6	Derivatives	0	0	0
7	Debts owed to credit institutions	0	0	0
8	Financial liabilities other than liabilities to banks	305	305	0
9	Liabilities to insurance companies and intermediaries	11	11	0
10	Liabilities to reinsurance companies	11	11	0
11	Payables (trade, not insurance)	168	214	-46
12	Subordinated liabilities	929	850	79
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	929	850	79
13	Any other liabilities, not shown elsewhere	5	5	0
	Total other liabilities	**2,237**	**2,049**	**188**

Table 128: Other liabilities

The following classes of liabilities were not present as at the reporting date of 31 December 2016 and were therefore not commented on:

- 5. Deferred tax liabilities
- 6. Derivatives
- 7. Liabilities to banks
- 12.1 Subordinated liabilities not in basic own funds

A quantitative and qualitative explanation of the material differences compared with valuation in accordance with the Austrian Commercial Code in the separate financial statements is provided below separately for the other liabilities.

1. Contingent liabilities

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Contingent liabilities	0	0	0

Table 129: Contingent liabilities

Contingent liabilities are recognised and valued at their settlement amount in accordance with the Austrian Commercial Code. A contingent liability has resulted from a letter of comfort to UNIQA Versicherung AG, Vaduz, in which UNIQA Insurance Group AG has undertaken to ensure that the second-tier subsidiary is able to meet all its obligations under inward reinsurance contracts at all times. The maximum amount of the obligation is the total of the reinsurance liabilities. This contingent liability is valued and recognised at zero in the balance sheet in accordance with the Austrian Commercial Code. However, the contingent liability is disclosed in the Annex.

At 31 December 2016 there was no true risk, as a result of which the solvency value is zero.

2. Provisions other than technical provisions

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Provisions other than technical provisions	112	110	2

Table 130: Provisions other than technical provisions

The other non-technical provisions include the following items:

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Jubilee benefit provision	12	11	2
Customer services and marketing provisions	61	61	0
Provision for legal and consulting expenses	0	0	0
Provision for variable compensation components	3	3	0
Provision for premium adjustments from reinsurance	0	0	0
Provision for portfolio maintenance commission	0	0	0
Provision for income taxes	0	0	0
Provision for employee leave	0	0	0
Other HR provisions	1	1	0
Other provisions	34	34	0
Total	**112**	**110**	**2**

Table 131: Provisions other than technical provisions (detailed presentation)

Other non-technical provisions have been recognised to the extent to which the provisions will probably be utilised. They take into account all identifiable risks and the amount of liabilities that has not yet been determined.

Provisions with a maturity of more than twelve months are discounted at standard market discount rates in accordance with Section 211(2) of the Austrian Commercial Code. This results in no valuation differences in accordance with Solvency II.

The jubilee payment provision values are calculated in accordance with the stipulations under Sections 198 and 211 Austrian Commercial Code in the version of the Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 “Provisions for pension, severance, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code” from June 2016.

The projected unit credit method has been used to calculate the entitlements (whereas the entry-age normal method was used at the previous reporting date).

Based on the first time application of Section 211 of the Austrian Commercial Code in the version of the Accounting Amendment Act 2014 and with regard to the AFRAC opinion no. 27 from June 2016, a differential amount was determined in accordance with Section 906(33) and (34) of the Austrian Commercial Code in the version of the Audit Law Amendment Act 2016 at the start of the financial year of the first-time application, i.e. 1 January 2016.

The differential amount was reported under prepaid expenses, i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code values shown here are reduced by the differential amount for the long-service provision of €0.4 million because, in the solvency balance sheet, the differential amount is presented under the relevant provisions on the liabilities side.

The discount rate applied was the seven-year average interest rate as at 31 October 2016. This arises from the rates as at the last 84 month-ends in accordance with the German Provision Discounting Regulation. The applicable average maturity of the portfolio as at the current reporting date was assumed to be seven years. The discount rate applied was 2.5 per cent.

This results in valuation differences as compared with Solvency II.

The fair value was ascertained for cash-settled share-based remuneration agreements in line with the AFRAC opinion “The treatment of share-based remuneration in Austrian Commercial Code financial statements” dated September 2007. In accordance with this programme, eligible employees are conditionally awarded virtual shares effective on 1 January of the relevant financial year, conferring the right to a cash payment after the end of the benefit period of four years. The obligations from share-based remuneration are reported under the other provisions (Provision for variable remuneration components). This results in no valuation differences as compared with Solvency II.

3. Pension benefit obligations

Other liabilities

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Pension benefit obligations	570	416	154
of which termination benefit provisions	155	127	28
of which pension provisions	415	288	127

Table 132: Pension benefit obligations

Calculation factors applied

EUR million		2016
7-year average interest rate		
Termination benefit obligations		2.68
Pension obligations		3.32
Compensation inflation adjustment		3.00
Pensions inflation adjustment		2.00
Employee turnover rate	dependent on years of service	
Calculation principles	AVÖ 2008 P – Pagler & Pagler/salaried employees	

Table 133: Calculation factors applied

This item includes the obligations for pension provisions and severance provisions at UNIQA Insurance Group AG.

The pension and severance provision values were calculated in accordance with the provisions under Sections 198 and 211 of the Austrian Commercial Code in the version of the Accounting Amendment Act 2014 with due regard to the AFRAC opinion no. 27 “Provisions for pension, severance, anniversary allowances and similar obligations due over the long term in accordance with the regulations under the Austrian Commercial Code” dated June 2016.

The projected unit credit method has been used to calculate the entitlements (whereas the entry-age normal method was used at the previous reporting date).

Based on the first time application of Section 211 of the Austrian Commercial Code in the version of the Accounting Amendment Act 2014 and with regard to the AFRAC opinion no. 27 from June 2016, a differential amount was determined in accordance with Section 906(33) and (34) of the Austrian Commercial Code in the version of the Audit Law Amendment Act 2016 at the start of the financial year of the first-time application, i.e. 1 January 2016.

The differential amount was reported under prepaid expenses (with a positive value), i.e. the provision in the company balance sheet corresponds with the new balance sheet carrying amount in its entirety.

The Austrian Commercial Code values are reduced by the differential amounts for the severance provisions of €7.0 million and for the pension provisions of €38.4 million because, in the solvency balance sheet, the differential amounts are presented under the relevant provisions on the liabilities side.

The discount rate applied was the seven-year average interest rate as at 31 October 2016. This arises from the rates as at the last 84 month-ends in accordance with the German Provision Discounting Regulation. The applicable average maturity of the portfolio as at the current reporting date was assumed to be 15 years.

This results in valuation differences as compared with Solvency II.

4. Deposits from reinsurers

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deposits from ceded reinsurance business	126	126	0

Table 134: Deposits from reinsurers

The deposits from reinsurers are reported under this item. Liabilities are measured at the settlement amount, both for the Austrian Commercial Code financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

8. Financial liabilities other than liabilities to banks

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Financial liabilities other than liabilities to banks	305	305	0

Table 135: Financial liabilities other than liabilities to banks

The nominal values are stated for these items in accordance with the Austrian Commercial Code. Nominal values are also stated in accordance with Solvency II if the liabilities are due within twelve months. There are no differences in valuation as a result of this.

9. Liabilities to insurance companies and intermediaries

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to insurance companies and intermediaries	11	11	0

Table 136: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are recognised and valued at the settlement amount in accordance with the Austrian Commercial Code. There are no valuation differences as the same approach was applied under Solvency II.

10. Liabilities to reinsurance companies

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to reinsurance companies	11	11	0

Table 137: Liabilities to reinsurance companies

This item comprises liabilities to reinsurance companies, which are posted at their settlement amount in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

11. Payables (trade, not insurance)

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Payables (trade, not insurance)	168	214	-46

Table 138: Payables (trade, not insurance)

This item includes other liabilities which cannot be allocated to one of the other categories. Liabilities are measured at the settlement amount both for the IFRS consolidated financial statements as well as for the solvency balance sheet.

In the financial statements in accordance with the Austrian Commercial Code, pro rata interest is reported under other liabilities, whereas in the solvency balance sheet this interest is recognised under subordinated liabilities. The solvency value also contains IFRS adjustment postings.

12. Subordinated liabilities

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Subordinated liabilities	929	850	79
Subordinated liabilities in basic own funds	929	850	79

Table 139: Subordinated liabilities

Subordinated liabilities are recognised and valued at their nominal value in accordance with the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

13. Any other liabilities, not shown elsewhere

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Any other liabilities, not shown elsewhere	5	5	0

Table 140: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. Other liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet, thus, there are no valuation differences.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not performed using listed market prices in active markets (mark-to-market) or using listed market prices for similar instruments (marking-to-market), the UNIQA Insurance Group AG uses alternative valuation methods.

These valuation methods are mainly used for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, private equity funds, hedge funds, asset-backed securities (ABSs) and structured products. In the case of the investment property, it is real estate held as a financial investment.

The valuations with the help of alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The input factors and price models for the individual assets and liabilities are presented in detail below.

Assets /Liabilities	Price method	Valuation technique	Input factors	Price model
Land and buildings (not owner-occupied property)	Theoretical value	Income approach	Construction and property valuation, location, useable area, usage category, condition, current contractual rent rates and current vacancies including rental forecasts	Income value method, asset value method, income value and net asset value weighted
Bonds	Theoretical value	Income approach	CDS spreads, yield curves, certified net asset values, volatilities	Present value method, Discounted cash flow, Net asset value method
Not listed shares	Theoretical value	Income approach	WACC, (long-term) revenue growth rate, (long-term) profit margins, control	Expert opinion
Loans & Mortgages	Theoretical value	Income approach	cash flows fixed or determined by forward rates, yield curves, credit risk of contracting parties, collateral, debtor's credit	Discounted cash flow
Derivative financial instruments	Theoretical value	Income approach	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Contract specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 141: Overview of input factors and pricing modules for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The receivables, pro-rata interest rates, liabilities and provisions in foreign currencies were valued using the reference rates of the European Central Bank. Securities in foreign currencies were accounted for using the reference rates of the European Central Bank as at the reporting date, or at acquisition value in relation to previous years.

A detailed description of the valuation for solvency purposes is found in Chapter D of the UNIQA Group report.

E Capital Management

E.1 OWN FUNDS

Please refer to Chapter E of the UNIQA Group report for further information regarding the requirements for the solvency and financial condition report.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

At the reporting date of 31 December 2016, the Austrian Commercial Code equity amounted to €2,368 million. The available own funds in accordance with the regulatory valuation principles (basic own funds) amounted to €5,510 million. The following table shows the reconciliation of Austrian Commercial Code equity to regulatory own funds.

Reconciliation of Austrian Commercial Code equity with regulatory own funds

EUR million	2016
Austrian Commercial Code equity including own (treasury) shares	2,368
Revaluation of assets	2,664
Goodwill	0
Deferred acquisition costs	0
Shares in affiliated companies including equity investments	2,504
Property	61
Loans and mortgages	9
Other	90
Revaluation of technical provisions	-52
Technical Technical provisions, non-life and health (similar to non-life)	-52
Technical Insurance provisions for life and health insurance (similar to life)	0
Other technical provisions	0
Revaluation of other provisions	188
Deferred tax liabilities	0
Other	188
Economic capital	4,738
Surplus funds (free provision for policyholder bonuses)	6
Planned dividends	151
Tier 1 – restricted	0
Tier 2 – subordinated liabilities – due 2043	392
Tier 2 – subordinated liabilities – due 2046	537
Basic own funds	5,510

Table 142: Reconciliation of Austrian Commercial Code equity to regulatory own funds

The difference between the Austrian Commercial Code equity including treasury shares and the basic own funds valued in accordance with the Solvency II rules amounts to a total of €3,142 million and is a result of the different treatment of individual items in the relevant valuation approach.

On an economic basis, the excess of assets over liabilities (economic capital) amounts to €4,738 million. The foreseeable dividends in the amount of €151 million within the meaning of Article 70(1)(b) of the Delegated Regulation (EU) 2015/35 were deducted as part of the reconciliation to eligible own funds. The subordinated liabilities are also assigned to own funds.

Composition of basic own funds and reconciliation to eligible own funds

The table below shows the composition of the basic own funds in the relevant tiers. The largest proportion of own funds consists of capital of the highest quality at €4,469 million. As at the reporting date, UNIQA Insurance Group AG held Tier 2 subordinated liabilities amounting to €929 million.

Tier 1 own funds are the highest quality and can be used in full to cover the regulatory capital requirement. The eligibility of Tier 2 and Tier 3 own funds is subject to specific limits according to the Solvency II requirements. At the reporting date 31 December 2016, the eligibility thresholds were reduced by €341 million.

The limits on the eligibility of available own funds for the capital requirements (SCR/MCR) can be seen in the following tables.

Information on own funds

EUR million	2016
Basic own funds	5,510
Tier 1 - Unrestricted	4,469
Share capital incl. capital reserves	1,991
Surplus funds (free provision for policyholder bonuses)	0
Reconciliation Reserve	2,478
Tier 1 restricted – subordinated liabilities	0
Tier 2 – subordinated liabilities	929
Tier 3 – deferred tax assets	112
Reduction in eligibility thresholds	341
Own funds to cover SCR	5,169

Table143: Information on own funds

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	EUR million
SCR cover		
Tier 1	Min. 50% of SCR	700
Tier 1 restricted	Max. 20% of total Tier 1	0
Tier 3	Max. 15% of SCR	210
Tier 2 + Tier 3	Max. 50% of SCR	700
MCR cover		
Tier 1	Min. 80% of MCR	280
Tier 1 restricted	Max. 20% of total Tier 1	0
Tier 2	Max. 20% of MCR	70

Table 144: Eligible own funds (general)

The EU has set limits on the eligibility of own funds. Therefore, not all of the available own funds held by an insurer are necessarily eligible, i.e. for use in satisfying the solvency capital requirement and the minimum capital requirement. The eligibility limits depend on the amount of the solvency capital requirement and minimum capital requirement, and on the quality of the own funds instruments.

Eligible own funds

EUR million	Tier 1 Unrestricted	Tier 1 Restricted	Tier 2	Tier 3	Gesamt
Basic own funds	4,469	0	929	112	**5,510**
Own funds eligible to cover SCR	4,469	0	700	0	**5,169**

Table 145: Eligible own funds as at the reporting date of 31 December 2016

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Insurance Group AG uses the Solvency II standard formula to calculate the solvency capital requirement.

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation (EU) 2015/35), the UNIQA Insurance Group AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35.

Pursuant to Section 178(4) of the Austrian Insurance Supervision Act 2016, no company-specific parameters are applied.

The minimum capital requirement is calculated in accordance with Chapter 6 of the Austrian Insurance Supervision Act 2016 (Section 193 et seq.) The input parameters are net premiums and net best estimates of the provisions of all lines of business.

The following table presents the solvency capital requirement amounts for each risk module and the minimum capital requirement as at 31 December 2016. UNIQA Insurance Group AG satisfies both the solvency capital requirement and the minimum capital requirement.

Solvency capital requirement and own funds to cover the solvency capital requirement

EUR million	2016
By risk module	
Market risk	1,477
Counterparty default risk	60
Life underwriting risk	52
Health underwriting risk	0
Non-life underwriting risk	3
Operational risk	3
Solvency capital requirement (SCR)	1,400
Minimum capital requirement (MCR)	350
Own funds to cover the solvency capital requirement	5,169

Table 146: Solvency capital requirement of UNIQA Insurance Group AG

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN THE CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENTS

The duration-based equity risk sub-module is not used to determine the SCR for UNIQA Insurance Group AG.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

UNIQA Insurance Group AG uses the standard formula.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

UNIQA Insurance Group AG met the minimum capital requirement and solvency capital requirement at all times during the 2016 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA INSURANCE GROUP AG

Vienna, 11 May 2017

Andreas Brandstetter
Chairman of the Management Board

Erik Leyers
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Solvency and Financial Condition Report for UNIQA Österreich Versicherungen AG

Reporting date: 31 December 2016

Contents

A Business and Performance

The report on UNIQA Österreich Versicherungen AG is set up analogously to the report on the UNIQA Group. To avoid repetition, only company-specific details and material differences compared with the UNIQA Group are addressed.

The numbers in the subsequent tables of this report are presented in euro million, therefore there may be rounding differences.

A.1 BUSINESS

A detailed description of business activity can be found in Chapter A.1. of the UNIQA Group report.

UNIQA Österreich Versicherungen AG sells both direct and indirect insurance in all three lines of business.

UNIQA Österreich Versicherungen AG was the acquiring company in the financial year 2016 in a merger between Raiffeisen Versicherung AG, Salzburger Landes-Versicherung AG and FINANCE LIFE Lebensversicherung AG (the transferring companies), whose assets were transferred in the course of the universal succession, effective 1 January 2016. The previous year's figures in this report have not been adjusted and therefore contain the values of the acquiring company. This means a comparison with the previous year's figures is not possible.

Property and casualty insurance

In UNIQA Österreich Versicherungen AG, €1,568.7 million in premiums were accounted for in 2016 (2015: €1,248.7 million) – this was about 43.2 per cent (2015: 34.4 per cent) of total premium volume.

Life insurance

Life insurance premiums were written by UNIQA Österreich Versicherungen AG in 2016 for a total of €1,106.5 million (2015: €348.5 million); this was about 30.5 per cent of total premium volume (2015: 9.6 per cent).

Of this, €278.0 million came from unit-and index-linked life insurance (2015: €0.0 million); this was about 7.7 per cent of total premium volume (2015: 0.0 per cent).

Health insurance

Health insurance at UNIQA Österreich Versicherungen AG accounted for just under €956.3 million in premiums in 2016 (2015: €921.6 million); this was about 26.3 per cent (2015: 25.4 per cent) of total premium volume.

A.2 UNDERWRITING PERFORMANCE

The following chapter illustrates UNIQA Österreich Versicherungen AG's underwriting performance in the reporting period. This is both aggregated as well as explained from a qualitative and quantitative aspect broken down by essential business lines (in accordance with Solvency II business lines) and the geographical areas in which UNIQA Österreich Versicherungen AG pursues its activities. In direct business the division by geographical area was done by place of risk and in indirect business by the country in which the cedant was located. The details are subsequently compared with the information submitted in the reporting period and contained in the company's separate financial statements.

Underwriting performance in non-life by essential business lines – gross

Premiums, claims and expenses by business line – non-life (gross)

EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Medical expense insurance	0	0	0	0	0	0
Income protection insurance	286	287	163	0	100	24
Workers' compensation insurance	0	0	0	0	0	0
Motor vehicle liability insurance	300	299	189	0	73	37
Other motor insurance	226	225	162	0	66	-2
Marine, aviation and transport insurance	45	46	29	0	16	1
Fire and other damage to property insurance	413	412	235	0	143	34
General liability insurance	178	178	129	0	61	-12
Credit and suretyship insurance	2	2	0	0	1	2
Legal expenses insurance	84	84	56	0	28	1
Assistance	0	0	0	0	0	0
Miscellaneous financial loss	34	34	19	-1	11	3
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	0	0	0	0	0	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0	0	0	0
Accepted non-proportional reinsurance: property	0	0	0	0	0	0
Total	**1,569**	**1,566**	**981**	**-1**	**499**	**86**

Table 147: Non-life insurance obligations by essential business lines – gross

Underwriting performance in non-life by essential business lines – net

Premiums, claims and expenses by business line – non-life (net)

EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Medical expense insurance	0	0	0	0	0	0
Income protection insurance	159	159	90	0	49	21
Workers' compensation insurance	0	0	0	0	0	0
Motor vehicle liability insurance	213	212	125	0	41	46
Other motor insurance	111	111	83	0	30	-2
Marine, aviation and transport insurance	44	45	30	0	16	-1
Fire and other damage to property insurance	275	275	156	0	100	19
General liability insurance	92	91	71	0	29	-10
Credit and suretyship insurance	2	2	-1	0	1	2
Legal expenses insurance	84	84	55	0	28	1
Assistance	0	0	0	0	0	0
Miscellaneous financial loss	20	20	9	-1	7	4
Accepted non-proportional reinsurance: health	0	0	0	0	0	0
Accepted non-proportional reinsurance: casualty	-2	-2	0	0	0	-1
Accepted non-proportional reinsurance: marine, aviation and transport	-7	-6	-4	0	0	-2
Accepted non-proportional reinsurance: property	-51	-50	-24	0	0	-26
Total	**941**	**941**	**590**	**-1**	**300**	**51**

Table 148: Non-life insurance obligations by essential business lines – net

Underwriting performance in non-life insurance by main geographic areas

Premiums, claims and expenses by country	Top five countries (by amount of gross premiums written) – non-life insurance obligations					
EUR thousand	Austria 2016	Italy 2016	Germany 2016	Switzerland 2016	United Kingdom 2016	Belgium 2016	Total 2016
Premiums written							
Gross	1,505,749	25,907	21,971	3,404	2,945	1,311	1,561,287
Net	903,542	15,546	13,184	2,042	1,767	787	936,868
Premiums earned							
Gross	1,503,238	26,912	21,217	3,552	2,818	1,309	1,559,045
Net	902,137	16,168	12,747	2,134	1,693	786	935,665
Claims expenses							
Gross	950,268	19,660	5,290	279	558	67	976,123
Net	571,061	11,815	3,179	167	335	40	586,598
Change in other technical provisions							
Gross	-568	0	0	0	0	0	-568
Net	-568	0	0	0	0	0	-568
Expenses incurred	287,942	4,954	4,202	651	563	251	298,563
Total underwriting performance (net)	**42,566**	**-600**	**5,366**	**1,316**	**795**	**495**	**49,937**

Table 149: Non-life insurance obligations by main geographic areas

Underwriting performance in life insurance by essential business lines – gross

Premiums, claims and expenses by business line – life (gross)

EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Health insurance	956	956	642	-148	137	28
Insurance with profit participation	755	753	1,504	635	87	-204
Index-linked and unit-linked insurance	278	278	895	-44	58	-719
Other life insurance	71	70	-420	-10	73	407
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance	0	0	0	0	0	0
Health reinsurance	0	0	0	0	24	-23
Life reinsurance	2	2	0	0	2	0
Total	**2,063**	**2,059**	**2,621**	**432**	**382**	**-512**

Table 150: Life insurance obligations by essential business lines – gross

Underwriting performance in life insurance by essential business lines – net

Premiums, claims and expenses by business line – life (net)

EUR million	Premiums written 2016	Premiums earned 2016	Claims expenses 2016	Change in other technical provisions 2016	Expenses incurred 2016	Underwriting performance 2016
Health insurance	955	955	642	-148	137	28
Insurance with profit participation	755	753	1,504	635	87	-204
Index-linked and unit-linked insurance	257	257	868	-41	55	-707
Other life insurance	31	30	-452	-10	71	401
Annuities stemming from non-life insurance contracts and relating to health insurance obligations	0	0	0	0	0	0
Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance	0	0	0	0	0	0
Health reinsurance	0	0	0	0	24	-23
Life reinsurance	2	2	0	0	2	0
Total	**2,001**	**1,997**	**2,562**	**435**	**376**	**-506**

Table 151: Life insurance obligations by essential business lines – net

Underwriting performance in life insurance by main geographic areas

Premiums, claims and expenses by country	Top five countries (by amount of gross premiums written) – life insurance obligations						
	Austria	Germany	Switzerland	Slovenia	Italy	Bulgaria	Total
EUR thousand	2016	2016	2016	2016	2016	2016	2016
Premiums written							
Gross	2,049,788	8,328	874	605	453	323	2,060,371
Net	1,988,232	8,077	848	587	440	313	1,998,497
Premiums earned							
Gross	2,046,342	8,328	874	605	453	176	2,056,777
Net	1,984,810	8,077	848	587	440	170	1,994,931
Claims expenses							
Gross	2,613,173	6,093	0	357	1,422	23	2,621,068
Net	2,554,141	5,956	0	349	1,390	22	2,561,857
Change in other technical provisions							
Gross	432,035	-65	0	0	0	0	431,970
Net	435,038	-65	0	0	0	0	434,972
Expenses incurred	373,620	1,518	159	110	83	59	375,549
Total underwriting performance (net)	**-507,914**	**538**	**689**	**128**	**-1,033**	**89**	**-507,502**

Table 152: Life insurance obligations by essential geographic areas

Premiums by essential business lines

Premium development	Property and Casualty insurance	Health insurance	Life insurance
EUR million	2016	2016	2016
Premiums written (gross)	1,569	956	1,107
Premiums earned (net)	941	955	1,042
Technical interest income	0	124	348
Unrealised gains on investments	0	0	252
Other technical income	2	0	0
Insurance benefits	-643	-654	-1,925
Change in insurance provision	-1	-148	583
Expenses for premium refunds	-19	-44	-26
Operating expenses	-244	-153	-194
Unrealised losses on investments	0	0	-34
Other technical expenses	-12	-3	-22
Change in volatility reserve	18	0	0
Underwriting performance	**42**	**78**	**25**

Table 153: Development of premiums, insurance benefits and operating expenses

Changes in premiums

UNIQA Österreich Versicherungen AG's premium volume written in the 2016 financial year before reinsurance business ceded amounted to €3,631.5 million (2015: €2,518.8 million). This corresponds with a 44.2 per cent increase on the previous year. Total premiums include €1,568.7 million (2015: €1,248.7 million) for property and casualty insurance, €956.3 million (2015: €921.6 million) for health insurance and €1,106.5 million (2015: €348.5 million) for life insurance. Of this, €278.0 million came from unit-and index-linked life insurance (2015: €0.0 million) Premiums earned (net) from all departments amounted to €2,938.4 million (2015: €2,012.8 million).

Insurance benefits

Payments for insurance benefits increased by 82.9 per cent in the total calculation in 2016 to €3,576.8 million (2015: €1,955.8 million). The direct business accounted for €3,572.4 million (2015: €1,949.3 million) and the indirect business for €4.4 million (2015: €6.5 million). Deferred benefits (net) amounted to €3,221.6 million (2015: €1,665.2 million).

The number of claims and benefit cases for all direct business lines amounted to 1.7 million in the reporting year (2015: 1.4 million).

Operating expenses

The operating expenses (net) amounted to €591.8 million in the reporting year (2015: €405.7 million). The total expenses for the direct and indirect business include commissions expenses of €421.3 million (2015: €256.1 million). The cost/premium ratio in total expenses amounted to 22.0 per cent in 2016 after reaching 21.8 per cent in 2015.

A.3 INVESTMENT PERFORMANCE

The following chapter illustrates UNIQA Österreich Versicherungen AG's investment results in the reporting period as compared with the information submitted in the previous reporting period and contained in the company's financial reports.

UNIQA Österreich Versicherungen AG's investments as at the reporting date amounted to €14,863.92 million. The mix, diversification and profitability of the investments meet the regulations under the Insurance Supervision Act. The investments are dedicated overwhelmingly to covering technical provisions.

Land and buildings

The new acquisitions in the amount of €8.06 million were accompanied by depreciation, amortisation and impairment losses of €19.57 million as well as disposals in the amount of €7.18 million. As at 31 December 2016 the carrying amount, including the additional value from reorganisations of €5.23 million, amounted to €639.09 million. All real estate is located in Austria.

Investments in affiliated companies and holdings

The investments in affiliated companies and holdings as at the reporting date amounted to €1,389.12 million.

Other investments

The other investments increased by €5,701.60 million in 2016 to €12,835.61 million. Of this amount, €1,983.88 million was attributable to equities and other variable-income securities and €10,646.92 million to debt securities and other fixed-income securities. The other loans fell in 2016 to €3.61 million.

Unit-linked and index-linked life insurance investments

The total portfolio of investments in unit-linked life insurance amounts to €2,822.15 million. The savings premiums included in the policyholders' premiums are invested exclusively in shares in funds. Tax credits and distributed earnings were credited again to the funds. The total portfolio of investments in index-linked life insurance amounts to €1,591.75 million.

Income less expenses from investments

The company's net financial income amounted to €493.33 million in the reporting year. Unscheduled depreciation, amortisation and impairment losses fell by €68.07 million as a result of utilising the valuation reliefs for funds and applying the alleviated lower of cost or market principle for debt securities and other fixed-income securities. The average return over the financial year was 3.2 per cent.

The following table shows a summary of the net investment income, broken down by business lines:

Income minus expenses from investments (net) EUR million	Property and Casualty insurance 2016	Health insurance 2016	Life insurance 2016
Income from investments and interest	**72**	**145**	**541**
Income from equity investments	-2	7	8
Income from land and buildings	6	12	24
Income from other investments	32	60	251
Income from reversal of impairment	8	20	40
Gains from the disposal of investments	25	44	155
Other income from investments and interest	2	1	63
Investment and interest expenses	**-51**	**-21**	**-193**
Asset management expenses	-2	-2	-9
Impairment losses on investments	-31	-7	-35
Interest expenses	-14	-4	-23
Losses on the disposal of investments	-2	-2	-93
Other investment expenses	-1	-5	-32
Net other income from and expenses for investments	**21**	**124**	**348**
Capital earnings transferred to the underwriting account	**0**	**-124**	**-348**

Table 154: Net investment income in accordance with the Austrian Commercial Code

No assets are measured directly in equity in accordance with the Austrian Commercial Code. These are measured exclusively through profit or loss.

The investment portfolio in structured securitisations held by UNIQA Österreich Versicherungen AG amounted to €208.2 million at the reporting date and consisted almost entirely of collateralised loan obligations (CLO), whose assets involve debt securities from companies from the US. Risk management for these securities includes regular monitoring of the Trustee's reports by specially qualified portfolio managers, who are in close contact with the investment managers responsible for the securitisation portfolios.

A.4 PERFORMANCE IN OTHER ACTIVITIES

The other non-actuarial income of UNIQA Österreich Versicherungen AG fell by 16.1 per cent in 2016 from €6.5 million to €5.5 million in property and casualty insurance. The other expenses increased in the reporting year to €11.8 million (2015: €10.8 million). The other non-insurance income in health insurance rose by 98.6 per cent to €1.0 million (2015: €0.5 million). The other expenses decreased in the reporting year to €0.2 million (2015: €0.3 million). The other non-insurance income in life insurance rose by 396.7 per cent to €1.5 million (2015: €0.3 million). The other expenses increased in the reporting year to €1.1 million (2015: €0.5 million). The other non-actuarial income includes €6.2 million from exchange gains, and other non-actuarial expenses includes €5.2 million from exchange losses.

Other income and expenses

EUR million	2016
Other income	8
Other expenses	-13
Net other income and expenses	**-5**

Table 155: Other income and expenses in accordance with the Austrian Commercial Code

A.5 ANY OTHER INFORMATION

No other disclosures.

B System of Governance

B.1 GENERAL INFORMATION ON THE SYSTEM OF GOVERNANCE

Under Solvency II and the Austrian Insurance Supervision Act 2016, insurance and reinsurance undertakings must establish an effective governance system which guarantees sound and prudent management of the business and is appropriate to the nature, scope and complexity of the business activity. This system must at a minimum include a suitable and transparent organisational structure with a clear allocation and appropriate separation of the responsibilities, along with an effective system aimed at guaranteeing the transmission of information.

A detailed description of the governance system is contained in Chapter B.1 of the UNIQA Group report.

B.1.1 Supervisory Board

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

A detailed description of the Supervisory Board is contained in Chapter B.1 of the UNIQA Group report.

B.1.2 Management Board and committees

Management Board of UNIQA Österreich Versicherungen AG

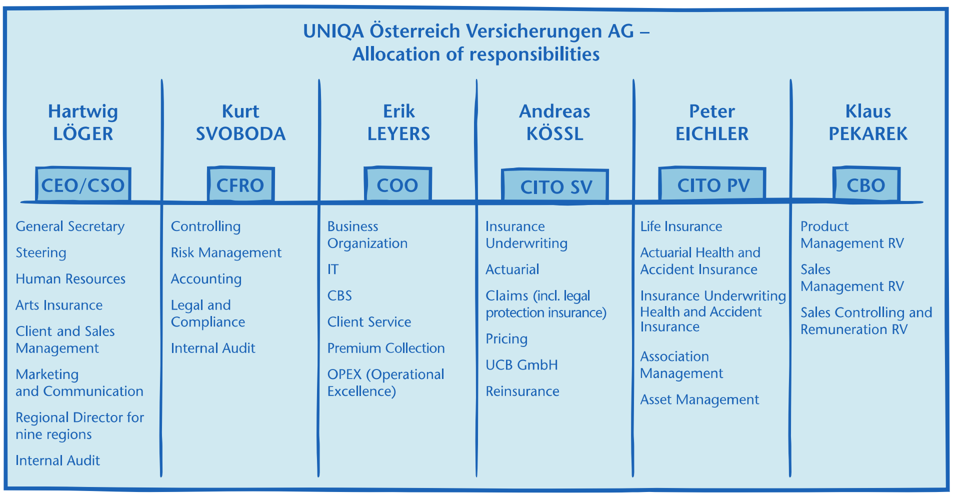


Figure 27: Allocation of responsibilities

Rights and responsibilities of the Management Board of UNIQA Österreich Versicherungen AG

The rights and responsibilities of the Management Board of UNIQA Group as set out in Chapter B.1.2 also apply to the Management Board of UNIQA Österreich Versicherungen AG and refer in this context exclusively to UNIQA Österreich Versicherungen AG.

Allocation of responsibilities on the Management Board of UNIQA Österreich Versicherungen AG

The allocation of responsibilities among the members of the Management Board of UNIQA Österreich Versicherungen AG is in accordance with a plan on the allocation of responsibilities (see the following figure), which must be submitted by the Management Board to the Supervisory Board of UNIQA Österreich Versicherungen AG for approval. The allocation of responsibilities does not affect the collective responsibility of the members of the Management Board of UNIQA Österreich Versicherungen AG.

The committees of UNIQA Österreich Versicherungen AG

UNIQA Österreich Versicherungen AG has set up a three-level committee structure aimed at enabling efficiency and in-depth content-related discussion with the appropriate parties with functional responsibility. A Charter & Rules of Procedure has been laid down for each body with details set out here on the objectives, responsibilities, composition and organisation. The committees are under the divisional responsibility of the members of the Management Board with the relevant functional remit according to the distribution of business.

B.1.3 Key functions

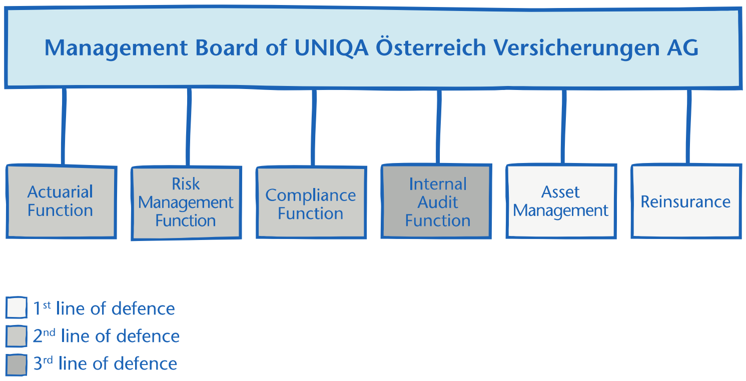


Figure 28: Other key functions

Governance and other key functions

As already described in Chapter B.1 of the UNIQA Group report, the governance system includes the following governance functions:

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

In addition, UNIQA Österreich Versicherungen AG has also laid down the following functions as other key functions :

- Asset Management
- Reinsurance

Actuarial function

The actuarial function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it reports to the CFRO.

The actuarial function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. All of the tasks of the actuarial function are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Risk management function

The risk management function of UNIQA Österreich Versicherungen AG reports directly to the Management Board of UNIQA Österreich Versicherungen AG. From an organisational point of view, it reports to the CFRO.

The risk management function is exercised within UNIQA Österreich Versicherungen AG independently of any further governance or key functions. The responsibilities of the risk management function of UNIQA Österreich Versicherungen AG are generally identical to those contained in Chapter B.1 of the UNIQA Group report, with the exception that processes and models are implemented in accordance with Group standards and are not designed separately. However, it is currently reviewing the appropriateness of the processes and of the internal model.

Compliance function

The compliance function at UNIQA Österreich Versicherungen AG reports to the Management Board of UNIQA Österreich Versicherungen AG. It reports to the CFRO from an organisational point of view.

All of the tasks of the compliance function at UNIQA Österreich Versicherungen AG are identical with those listed in Chapter B.1 of the UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Internal audit function

The internal audit at UNIQA Österreich Versicherungen AG was also outsourced to UNIQA Group Audit GmbH, a wholly owned subsidiary of the UNIQA Group, and reports directly to the Management Board of UNIQA Österreich Versicherungen AG. The internal audit function is an exclusive one and it cannot be exercised in conjunction with other functions that are not audit-related. This ensures that it remains independent and thereby guarantees strict monitoring and assessment of the effectiveness of the internal control system and other components of the governance system.

Asset Management

The Asset management division was outsourced by UNIQA Österreich Versicherungen AG to UNIQA Capital Market (UCM) with the consent of the Financial Market Authority.

UCM's responsibilities regarding the asset management division of UNIQA Österreich Versicherungen AG are identical with those listed in Chapter B.1 of UNIQA Group report, whereby the activities are restricted to UNIQA Österreich Versicherungen AG.

Reinsurance

The Reinsurance function reports directly to the Management Board of UNIQA Österreich Versicherungen AG. This function supports the Management Board with the development of a medium and long-term reinsurance strategy for UNIQA Österreich Versicherungen AG within the scope of the general finance and risk policy as well as the Group reinsurance policy resulting from this. The key function is available to the Management Board of UNIQA Österreich Versicherungen AG as well as to any corporate bodies for professional advice and support.

Aside from compliance with the existing Group guidelines, special importance is also attached to designing and implementing effective reinsurance optimised for risk and capital purposes. Consideration and monitoring of activities that are in line with market requirements, both in substance and in all material respects, must be ensured using suitable processes and measures. Establishing comprehensive reporting with regular reports on all reinsurance activities within the company are also part of the key function's responsibilities. This involves ensuring the best possible transparency on the various asset and liability-based business segments and includes the planning processes.

Designing the substance of the internal reinsurance relations and the processes for annual coverage renewals follow regulations and guidelines resulting from an up-to-date risk management process across the entire Group.

B.1.4 Remuneration

The objective of the remuneration strategy at UNIQA Österreich Versicherungen AG is to ensure a balance between market trends, statutory and regulatory requirements, shareholder expectations and the needs of salaried employees. A detailed description can be found in Chapter B.1.4 of the UNIQA Group report.

B.1.5 Significant transactions with related parties

A detailed description of related companies and persons is contained in Chapter B.1.5 of the UNIQA Group report.

The following two tables show the transactions with related companies and persons of UNIQA Österreich Versicherungen AG in the 2016 reporting period.

Transactions in 2016

EUR thousand	Entities with significant influence over the UNIQA Group	Unconsolidated subsidiaries	Associated companies of the UNIQA Group	Other related parties	Total
2016 transactions					
Premiums written (gross)	0	81	1,231		**1,312**
Interest income arising from loans with entities that are related parties (excluding banks)	0	79	0	0	**79**
Interest expenses arising from loans with entities that are related parties (excluding banks)	0	0	0	0	**0**
Interest income arising from loans with related banks and from investments in related parties	1,371	0	9,372	3,821	**14,564**
Interest expenses arising from loans with related banks and from investments in related parties	-282	0	0	0	**-282**
At 31 December 2016					
Investments at fair value	155,653	10,127	485,891	0	**651,671**
Bank deposits	259,952	0	0	82,893	**342,845**

Table 156: Related party transactions – companies

Premiums written (gross)

EUR thousand	2016
Premiums written (gross)	1,861
Salaries and short-term benefits	0
Pension expenses	0
Payments on termination of employment contract	0
Share-based payments	0
Other income	203

Table 157: Related party transactions – individuals

B.2 FIT AND PROPER REQUIREMENTS

In accordance with the Solvency II Directive, UNIQA Österreich Versicherungen AG has specified fit and proper requirements for persons who effectively run the business or hold other key functions. The objective of these requirements is to ensure that the relevant individuals are fit and proper persons for the roles involved.

The UNIQA Group has implemented a process for carrying out suitability assessments and for documenting the results to ensure that the individuals satisfy the fit and proper requirements, both at the time they are appointed to a function and on an ongoing basis thereafter. A detailed description of this can be found in Chapter B.2 of the UNIQA Group report.

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

B.3.1 General

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

B.3.2 Risk management, governance and organisational structure

Detailed information is set out in Chapter B.3.2 of the UNIQA Group report.

B.3.3 Risk strategy

Detailed information is set out in Chapter B.3.3 of the UNIQA Group report.

B.3.4 Risk management process

Detailed information is set out in Chapter B.3.4 of the UNIQA Group report.

B.3.5 Risk-related committees

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

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

Detailed information can be found in Chapter B.1.2. of this Annex.

B.3.6 The Company's Own Risk and Solvency Assessment (ORSA)

The descriptions in Chapter B.3.6 for the UNIQA Group covering the Company's Own Risk and Solvency Assessment apply equally to UNIQA Österreich Versicherungen AG.

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

A detailed description of the risk management system including the Company's Own Risk and Solvency Assessment (ORSA) for UNIQA Österreich Versicherungen AG can be found in Chapter B.3.6 of the UNIQA Group report.

B.4 INTERNAL CONTROL SYSTEM

B.4.1 Internal control system

The internal control system at UNIQA Österreich Versicherungen AG ensures that procedural risks are minimised or eliminated by effective and efficient controls. This ensures that the effectiveness of all processes is subject to continuous improvement, clear responsibilities are assigned and there is also a guarantee at the same time that the regulations are complied with. A detailed description can be found in Chapter B.4.1 of the UNIQA Group report.

B.4.2 Compliance function

The compliance function as well as its tasks and responsibilities have already been illustrated in Chapter B.1.3 of this Annex.

B.5 INTERNAL AUDIT FUNCTION

The internal audit function as well as its tasks and responsibilities have already been described in Chapter B.1.3 of this Annex.

B.6 ACTUARIAL FUNCTION

The compliance function as well as its tasks and responsibilities have already been illustrated in Chapter B.1.3 of this Annex.

B.7 OUTSOURCING

UNIQA Österreich Versicherungen AG has outsourced essential activities internally within the Group (see Chapter B.7 of the UNIQA Group report for details). Above all, care is taken to ensure that the service providers to which the activities are outsourced are reliable partners. In order to guarantee this, UNIQA Österreich Versicherungen AG has created a binding Outsourcing Policy aligned towards the outsourcing process and with standards defined. The policy makes a distinction between intragroup outsourcing and outsourcing to external service providers.

Detailed information on the outsourcing process can be found in Chapter B.7 of the UNIQA Group report.

B.8 ANY OTHER INFORMATION

The UNIQA Österreich Versicherungen AG sets high quality standards for the purposes of structuring its governance system. The “three lines of defense” approach is strictly observed to achieve a clear separation of responsibilities (see Chapter B.3.2 of the UNIQA Group report). This is underscored by the comprehensive committee system that the Management Board uses for the structured incorporation of governance and key functions in the decision-making process.

The governance system at UNIQA Österreich Versicherungen AG is reviewed on an annual basis.

C Risk Profile

C.1 OVERVIEW OF THE RISK PROFILE

The solvency capital requirement of UNIQA Österreich Versicherungen AG is calculated in accordance with the Solvency II standard formula. General explanations can be found in Chapter C.1 of the UNIQA Group report.

The following table outlines the risk profile and composition of the SCR as at 31 December 2016 for UNIQA Österreich Versicherungen AG.

Risk profile of UNIQA Österreich Versicherungen AG

EUR million	2016
Solvency capital requirement (SCR)	1,594
Net basic solvency capital requirement (nBSCR)	2,006
Market risk	1,474
Counterparty default risk	143
Life underwriting risk	370
Non-life underwriting risk	615
Health underwriting risk	289
Diversification	-885
Intangible asset risk (associated risk)	0
Operational risk	120
Risk reduction from deferred tax	-531
Own funds to cover SCR	3,870
Solvency ratio	243%
Available surplus	2,275

Table 158: Risk profile – solvency capital calculation for 31 December 2016

As a composite insurer, UNIQA Österreich Versicherungen AG provides life, non-life and health insurance.

The risk profile is dominated by market risk which results mainly from the large size of the portfolio of life and health insurance policies.

The underwriting risk from non-life insurance in the amount of €615.4 million holds second place and is mainly determined by the premium risk.

The health insurance underwriting risk amounting to €289.4 million is compiled equally of the risk of health insurance similar to non-life and health insurance similar to life technique.

Due to the balance in the insurance portfolio in the areas of life, non-life and health insurance there is an impressive diversification in the amount of €885.2 million.

For detailed information on the underwriting risks and the market and default risk, please see the following chapter.

The operational risk in the amount of €119.7 million is determined by its premium based components and described in detail in Chapter B.3.6.

The adjustment for the loss-absorbing capacity of the deferred tax has a reduced influence on the capital requirements. This amounts to €531.5 million and is described in detail in Chapter C.9.2.

The risk capital requirements and eligible own funds in the amount of €1,594.4 million and €3,869.7 million respectively result in a solvency ratio of 242.7 per cent.

There is more information about the composition of own funds in Chapter B.5.1.

C.2 UNDERWRITING RISK

C.2.1 Description of the risk

For life, non-life and health underwriting risks the descriptions in Chapter C.2.1 of the UNIQA Group report apply.

C.2.2 Risk exposure

Non-life underwriting risk

The proportion of the non-life underwriting risk module in the overall solvency capital requirement is 19 per cent. The main risk driver for the non-life underwriting risk is the premium and reserve risk. The catastrophe and the lapse risks are significantly lower. The reduction of the capital requirement due to diversification between the various sub-modules amounts to 25 per cent.

The following table shows the composition of the solvency capital requirements of the non-life underwriting risk for each risk sub-module.

Capital requirement for non-life underwriting risk

	2016	
	EUR million	in per cent
SCR, non-life underwriting risk	615	
Premium and reserve risk	551	67%
Catastrophe risk	138	17%
Lapse risk	136	16%
Diversification	-209	

Table 159: SCR, non-life underwriting risk

Life underwriting risk

The proportion of the life underwriting risk module in the overall solvency capital requirement is 23 per cent. The lapse and expense risks are the primary risk drivers for the life underwriting risk. Of the lapse risk shocks described in Chapter C.2.1 of the UNIQA Group report, the relevant shock in 2016 was the decline in lapses.

The following table shows the composition of the solvency capital requirements of the life underwriting risk for each risk sub-module.

Capital requirement for life underwriting risk

	2016	
	EUR million	in per cent
SCR, life underwriting risk	370	
Mortality risk	10	2%
Longevity risk	48	11%
Disability-morbidity risk	3	1%
Lapse risk	300	67%
Expense risk	88	19%
Revision risk	0	0%
Catastrophe risk	3	1%
Diversification	-80	

Table 160: SCR, life underwriting risk

Health underwriting risk

The biggest shock of this underwriting risk is the shock of mass lapse. The scenario relates primarily to younger portfolios that are progressing well, since only lower age provisions have been accumulated here.

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

The following table shows the composition of the solvency capital requirements of the health underwriting risk (similar to life technique) for each risk sub-module.

Capital requirement for health underwriting risk

	2016	
	EUR million	in per cent
SCR, health underwriting risk	289	
SLT health underwriting risk	143	40%
Non-SLT health underwriting risk	178	50%
Health insurance catastrophe risk	32	9%
Diversification	-64	

Table 161: SCR, SLT health underwriting risk

The premium and reserve risk is also the dominant risk category in health insurance similar to non-life. As in non-life insurance, the lapse risk is of minor importance here. Because this segment only includes the casualty insurance sector, the reduction by diversification is, at 14 per cent, noticeably lower than in the non-life sector.

Catastrophe risk is measured in its entirety for the health insurance segment and is also shown in the table above.

Solvency capital requirement for health underwriting risk (similar to life)

	2016	
	EUR million	in per cent
SCR, health underwriting risk (similar to life)	143	
Mortality risk	70	31%
Longevity risk	0	0%
Disability-morbidity risk	51	23%
Lapse risk	91	40%
Expense risk	14	6%
Revision risk	0	0%
Diversification	-84	

Table 162: SC for, health underwriting risk (similar to life technique)

The table below gives an overview of the underwriting risk in health insurance (similar to non-life technique):

Solvency capital requirement for health underwriting risk (similar to non-life)

	2016	
	EUR million	in per cent
SCR, health underwriting risk (similar to non-life)	178	
Premium and reserve risk	175	84%
Lapse risk	32	16%
Diversification	-29	

Table 163: SCR for health underwriting risk (similar to non-life technique)

C.2.3 Risk assessment

For life, non-life and health underwriting risks the descriptions in Chapter C.2.3 of the UNIQA Group report apply.

C.2.4 Risk concentration

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

Non-life underwriting risk

The risk concentration in non-life underwriting risk results from the potential geographical accumulation of risks.

The risk of natural disasters represents the essential concentration risk of UNIQA Österreich Versicherungen AG, and relates in particular to the natural hazards of storms, hail and flooding. All these natural hazards have the potential to affect a large geographical area. A major meteorological event can lead to many claims if there is a geographical concentration of business in Austria. One concrete example for such a scenario is a potential flood along the Danube.

This type of catastrophe risk is measured by using models for natural disasters from various external providers.

Essential risk mitigation measures involve corresponding guidelines for underwriting, e.g. no flood insurance sold for buildings in the so-called “red zone”. There are special tools and also guidelines in the industrial area in particular aimed at managing the exposure accordingly. The greatest risk reduction is through the reinsurance structure agreed with UNIQA Re AG. This guarantees adequate reinsurance protection in order to cover potential cumulative events. This takes place primarily based on consideration of the period for covering potential natural disasters.

C.2.5 Risk mitigation

Details on the major strategies for minimising risk in life insurance can be found in Chapter C.2.5 of the UNIQA Group report.

Non-life underwriting risk

The essential risk mitigation mechanism for non-life insurance at UNIQA Österreich Versicherungen AG is reinsurance. This is used in addition to the reduction in the volatility of profit or loss as a capital and risk control tool and as a replacement for risk capital. UNIQA Österreich Versicherungen AG’s essential reinsurance partner is the Group’s internal reinsurance company UNIQA Re AG. Reinsurance protection is organised and acquired in order to manage the required risk capital.

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

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

C.3 MARKET RISK

C.3.1 Description of the risk

Pursuant to Section 179(4) of the Austrian Insurance Supervision Act 2016, the market risk reflects the sensitivity of asset, liability and financial instrument values to changes in certain factors. A detailed description can be found in Chapter C.3.1 of the UNIQA Group report.

C.3.2 Risk exposure

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

Capital requirement for market risk

	2016	
	EUR million	in per cent
SCR, market risk	1,474	
Interest rate risk	358	17%
Equity risk	434	20%
Property risk	251	12%
Spread risk	603	28%
Exchange rate risk	145	7%
Concentration risk	347	16%
Diversification	-664	

Table 164: SCR market risk

Investments of the portfolio managed by UNIQA Österreich Versicherungen AG in accordance with the "prudent person" principle

A detailed description can be found in Chapter C.3.2 of the UNIQA Group report.

C.3.3 Risk assessment

UNIQA Österreich Versicherungen AG calculates the operational risk in accordance with the standard Solvency II formula. A detailed description can be found in Chapter C.3.3 of the UNIQA Group report.

C.3.4 Risk concentration

All issuers (or groups of issuers) are monitored on an ongoing basis as part of the efforts to determine the concentration risk in accordance with the standard formula, in order to review whether the investment volumes exceed defined limits relative to the total investment volumes depending on the issuer's rating. If a limit is exceeded, then the portfolios exceeding the limit are provided with a risk premium. At 31 December 2016 this type of risk premium was applied to investment portfolios from the following issuers (listed in descending order of the risk premiums): UNIQA Group (company internal portfolios) and Strabag AG.

C.3.5 Risk mitigation

The use of derivative financial instruments for the purposes of reducing market risk is permissible. A detailed description can be found in Chapter C.3.5 of the UNIQA Group report.

C.4 CREDIT RISK/DEFAULT RISK

C.4.1 Description of the risk

In accordance with Section 179(5) of the Insurance Supervision Act 2016, the credit or default risk takes account of potential losses generated from an unexpected default or deterioration in the credit rating of counterparties and debtors of insurance and reinsurance undertakings during the next twelve months. A detailed description can be found in Chapter C.4.1 of the UNIQA Group report.

C.4.2 Risk exposure

The credit risk or default risk accounts for 4.3 per cent of UNIQA Österreich Versicherungen AG's risk profile.

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

EUR million	2016
SCR, type 1 and type 2 credit and default risk	143
Total type 1 credit and default risk	123
Total type 2 credit and default risk	26
Diversification	-5

Table 165: Type 1 and type 2 credit and default risk

The table above shows the composition of the credit or default risk as at 31 December 2016. A distinction is made between type 1 and type 2 risk exposure.

Type 1 risk exposure is the essential driver with a share of about 82.8 per cent of overall default risk without taking the diversification between type 1 and type 2 risk exposures into consideration. The calculated solvency capital requirement results mainly from bank deposits, reinsurance agreements and derivatives.

Type 2 risk exposure has a share of about 17.2 per cent of overall default risk. In this category, the most important risk drivers are receivables from reinsurance business and intermediaries, from reinsurance settlements and from mortgage loans.

C.4.3 Risk assessment

The solvency capital requirement for credit/default risk is calculated using the risk factors and methods described in the Delegated Regulation (EU) 2015/35 in the section on the counterparty default risk module (Chapter V, Section 6, Article 189 et seq.). A detailed description can be found in Chapter C.4.3 of the UNIQA Group report.

C.4.4 Risk concentration

For UNIQA Österreich Versicherungen AG there is a concentration in terms of reinsurance, which for the most part is transferred to the Group's reinsurance partner UNIQA Re AG. Due to the existence of reinsurance standards (see Chapter C.4.4 of the UNIQA Group report), which regulates the way reinsurance is handled at UNIQA Re AG, no concentration risk therefore exists for the UNIQA Österreich Versicherungen AG as a result of this item.

In terms of bank deposits, the greatest investment volumes at the relevant reporting date (listed in decreasing amount) were reported for the following banks: Raiffeisen Bank International AG, UniCredit Bank Austria AG, Raiffeisenlandesbank Niederösterreich–Wien.

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

A detailed description of risk concentrations can be found in Chapter C.4.4 of the UNIQA Group report.

C.4.5 Risk mitigation

Measures have been put in place to minimise credit/default risk. A detailed description can be found in Chapter C.4.5 of the UNIQA Group report.

C.5 LIQUIDITY RISK

C.5.1 Description of the risk

A detailed description can be found in Chapter C.5.1 of the UNIQA Group report.

C.5.2 Risk exposure

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

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

Expected profits in future premiums (EPIFP)

EUR million	2016
Expected profits in future premiums (EPIFP)	1,555
of which non-life	272
of which life	1,283

Table 166: Expected profits in future premiums (EPIFP)

C.5.3 Risk assessment and risk mitigation

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

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

Payment obligations due within twelve months

A regular planning process aimed at guaranteeing the availability of adequate liquid funds to cover expected cash flows is implemented in order to ensure that UNIQA Österreich Versicherungen AG is able to meet its payment obligations within the next twelve months. In addition, a minimum amount of cash reserves which must be available daily is also defined. In addition to the daily reporting on an operative level, a weekly report is presented to the Management Board on the available liquidity.

Payment obligations due in more than twelve months

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

C.6 OPERATIONAL RISK

C.6.1 Description of the risk

In accordance with Section 5(42) of the Insurance Supervision Act 2016, operational risk is defined as the risk of financial losses caused by inefficient internal processes, systems or individuals, or by external events. A detailed description can be found in Chapter C.6.1 of the UNIQA Group report.

C.6.2 Risk exposure

UNIQA Österreich Versicherungen AG is exposed to a highly diverse environment of operational risks, which need to be measured and managed accordingly.

The following table shows the composition of operational risk as at 31 December 2016.

Capital requirement for the operational risk

EUR million	2016 Premiums earned (gross)	 Technical provisions (gross)
Proportional solvency capital		
Life (excluding unit-linked life insurance)	1,045	10,633
Health (similar to life)	956	531
Non-life	1,566	1,408
Operational risk (premium based)	116	
Operational risk (provision based)		92
Unit-linked annual costs (of which 25%)	15	
Operational risk	120	

Table 167: Solvency capital requirement for the operational risk

The premium-based component at UNIQA Österreich Versicherungen AG is €115.9 million comprises premium portfolio in life insurance business (including health insurance similar to life insurance), followed by the premium portfolio of non-life insurance business. Because the volume of earned premiums remained stable in comparison to 2015, there is no element of operational risk that depends on premium growth.

The provision-based elements of operational risk is €92.5 million, which is equally determined by the provisions from life and non-life.

The fact that the premium-based share is higher than the provision-based share is taken into consideration in the calculation. In addition, the proportion of the costs of index-linked and unit-linked life insurance is also taken into consideration. This results in an operational risk of €119.7 million.

C.6.3 Risk assessment

UNIQA Österreich Versicherungen AG calculates the operational risk with a factor-based approach in accordance with the standard formula as described in the Solvency II Framework Directive and the Austrian Insurance Supervision Act 2016. A detailed description of the valuation method can be found in Chapter C.6.3 of the UNIQA Group report.

C.6.4 Risk concentration

The risk concentration in the operational risk is evaluated on a regular basis and is minimised accordingly with the help of appropriate measures. A detailed description can be found in Chapter C.6.4 of the UNIQA Group report.

C.6.5 Risk mitigation

Defining the measures that mitigate risk is a crucial step in the risk management processes for operational risks. A detailed description can be found in Chapter C.6.5 of the UNIQA Group report.

C.7 STRESS AND SENSITIVITY ANALYSES

UNIQA Österreich Versicherungen AG carries out annual stress and sensitivity calculations in order to determine the impact of certain unfavourable events on the solvency capital requirement, own funds and subsequently also on the coverage ratio. The results provide valuable indications with respect to the stability of the coverage ratio and sensitivities in relation to changes to the economic environment. A detailed description of the sensitivity calculation made can be found in Chapter C.7 of the UNIQA Group report.

Results

The following table provides an overview of the change to the SCR ratio as a result of the shocks specified for the individual stress and sensitivity analyses.

Results of the sensitivity calculation

In per cent	SCR ratio
Basic scenario	243%
Main sensitivities	
Interest rate sensitivities	
Interest +50 basis points (to last liquid point)	257%
Interest -50 basis points (to last liquid point)	223%
Reduction in the Ultimate Forward Rate (UFR) by 100 basis points	219%
Equity sensitivities	
Equities -30 per cent	228%
Foreign currency sensitivities	
Foreign currency +10 per cent	245%
Foreign currency -10 per cent	241%
Spread sensitivities	
Widening in credit spread by 100 basis points	182%
Natural disaster	
Natural disaster: earthquake	241%

Table 168: Results of the sensitivity calculation

C.8 OTHER MATERIAL RISKS

Risk management processes are also defined for strategic, reputational and contagion risks in the UNIQA Group in addition to the risk categories described above. The reputational and strategic risk is also monitored in the same way at UNIQA Österreich Versicherungen AG. A detailed description can be found in Chapter C.8 of the UNIQA Group report.

C.9 ANY OTHER INFORMATION

C.9.1 Risk concentration

Information about risk concentration can be found in Chapter C.9.1 of the UNIQA Group report.

C.9.2 Risk mitigation

A description of the risk mitigation from deferred taxes can be found in Chapter C.9.2 of the UNIQA Group report.

No other disclosures are necessary for UNIQA Österreich Versicherungen AG.

D Valuation for Solvency Purposes

D.1 ASSETS

The following table shows a comparison between the determination of the total assets in accordance with Solvency II and the carrying amounts in accordance with the Austrian Commercial Code at the reporting date of 31 December 2016.

Assets as at the reporting date of 31 December 2016

EUR million		Solvency II	Austrian Commercial Code	Revaluation
1	Goodwill	n.a.	0	0
2	Deferred acquisition costs	n.a.	0	0
3	Intangible assets	0	0	0
4	Deferred tax assets	0	41	-41
5	Pension benefit surplus	0	0	0
6	Property, plant and equipment held for own use	43	36	7
7	Investments (other than assets held for index-linked and unit-linked contracts)	16,644	14,551	2,093
7.1	Property (other than for own use)	1,222	605	616
7.2	Shares in affiliated companies including equity investments	1,045	916	129
7.3	Equities	136	122	15
	Equities – listed	52	43	9
	Equities – unlisted	84	79	5
7.4	Bonds	12,232	11,046	1,186
	Government bonds	6,916	6,024	892
	Corporate bonds	5,065	4,832	233
	Structured notes	184	139	45
	Collateralised securities	66	50	16
7.5	Undertakings for collective investment	1,809	1,691	118
7.6	Derivatives	23	0	23
7.7	Deposits other than cash equivalents	177	171	6
7.8	Other investments	0	0	0
7.9	Assets held for index-linked and unit-linked contracts	4,411	4,414	-3
8	Loans and mortgages	285	285	0
8.1	Loans on policies	5	5	0
8.2	Loans and mortgages to individuals	23	0	23
8.3	Other loans and mortgages	257	280	-23
9	Reinsurance recoverables from:	1,282	1,423	-141
9.1	Non-life insurance and health insurance similar to non-life	773	886	-113
	Non-life insurance excluding health	651	886	-235
	Health insurance similar to non-life technique	122	0	122
9.2	Life and health similar to life, excluding health and index-linked and unit-linked	201	218	-17
	Health similar to life	0	1	-1
	Life, excluding health and index-linked and unit-linked	201	217	-16
9.3	Life, index-linked and unit-linked	308	319	-10
10	Deposits with cedants	0	0	0
11	Insurance and intermediaries receivables	94	94	0
12	Reinsurance receivables	47	47	0
13	Receivables (trade, not insurance)	44	185	-141
14	Treasury shares (held directly)	0	0	0
15	Amounts due in respect of own funds items or initial funds called up but not yet paid in	0	0	0
16	Cash and cash equivalents	341	215	127
17	Any other assets, not shown elsewhere	4	4	0
	Total assets	**23,196**	**21,295**	**1,901**

Table 169: Assets as at the reporting date of 31 December 2016

The following categories of assets are not asset components of UNIQA Österreich Versicherungen AG as at 31 December 2016, and have therefore not been commented on:

- 1. Goodwill
- 2. Deferred acquisition costs
- 5. Pension benefit surplus
- 7.8 Other investments
- 14. Treasury shares
- 15. Amounts due in respect of own funds items or initial funds called up but not yet paid in

A quantitative and qualitative explanation of the main differences compared with valuation in accordance with the Austrian Commercial Code in the annual financial statements is provided below, separately for each class of assets.

3. Intangible assets

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Intangible assets	0	0	0

Table 170: Intangible assets

Intangible assets are composed of purchased computer software as well as licenses and copyrights. Intangible assets are amortised in accordance with their useful life over a defined period.

Intangible assets can be recognised for Solvency II purposes provided that they can be sold separately and the fair values can be reliably determined. These assets were not recognised in the solvency balance sheet since neither of these criteria could be met. This explains the difference in value.

4. Deferred tax assets

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax assets	0	41	-41

Table 171: Deferred tax assets

Differences between the Solvency II values and those in accordance with the Austrian Commercial Code arise through the different reference values used to recognise deferred tax assets. Deferred tax assets are recognised in the solvency balance sheet in respect of differences in carrying amounts between the tax base and the solvency balance sheet, whereas deferred tax assets in the separate financial statements in accordance with the Austrian Commercial Code are recognised for differences in carrying amounts between the tax base and the Austrian Commercial Code financial statements. If the difference between Austrian Commercial Code or solvency financial statements and the tax base means that the tax expense is too high in relation to the reference figures, and the excess tax expense will reverse in subsequent financial years, an asset must be recognised for the future tax relief.

It should be noted that an overall netting approach is required in relation to the recognition of deferred taxes in accordance with Section 198(9) in conjunction with (10) of the Austrian Commercial Code if there are tax assets and liabilities due from/to the same tax authority and these assets and liabilities can be offset. All temporary differences that meet the relevant criteria and are expected to reverse in subsequent financial years must therefore be included and netted in the calculation of deferred taxes. This then results in either a net deferred tax asset or a net deferred tax liability. This overall approach is not affected by differing maturities.

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

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

Offsetting the deferred tax assets with the deferred tax liabilities to be assessed (see Chapter D.3.5 "Deferred tax liabilities") based on the consideration required of the overall difference results in a surplus on the assets side in the amount of €41.0 million in accordance with the Austrian Commercial Code. The overall difference was also considered in the solvency balance. Here however, this resulted in a surplus on the liabilities side after offsetting deferred tax assets with deferred tax liabilities.

The differences between the values according to the Austrian Commercial Code or the solvency balance sheet and those in the tax base largely relate to investments, technical provisions and other provisions.

6. Property, plant and equipment held for own use

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Property, plant and equipment held for own use	43	36	7

Table 172: Property, plant and equipment held for own use

The difference between the Solvency II value and the Austrian Commercial Code value of the property, plant and equipment and inventories held for own use results from the difference between the valuation at fair value under Solvency II and the amortised cost model in accordance with the Austrian Commercial Code.

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

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

7.1. Property (other than for own use)

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Property (other than for own use)	1,222	605	616

Table 173: Property (other than for own use)

The property (other than for own use) is valued in accordance with the same valuation methodology as the accounting for the property, plant and equipment held for own use (item 6). This results in a valuation difference compared with the economic value.

7.2 Shares in affiliated companies, including equity investments

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Shares in affiliated companies including equity investments	1,045	916	129

Table 174: Shares in affiliated companies, including equity investments

Shares in affiliated companies and equity investments are valued with application of the strict lower of cost or market principle in the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.3 Equities

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Equities	136	122	15
Equities – listed	52	43	9
Equities – unlisted	84	79	5

Table 175: Equities

7.3.1 Equities – listed

Equities are valued in accordance with the provisions in Section 144(2) of the Austrian Insurance Supervision Act. Write-downs have only been recognised if the impairment is expected to be permanent. This results in a valuation difference compared with the economic value.

7.3.2 Equities – unlisted

An identical valuation methodology is applied to both equities – listed as well as equities – unlisted in accordance with the Austrian Commercial Code. The differences arise from the valuation in accordance with Solvency II based on the economic values.

7.4 Bonds

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Bonds	12,232	11,046	1,186
Government bonds	6,916	6,024	892
Corporate bonds	5,065	4,832	233
Structured notes	184	139	45
Collateralised securities	66	50	16

Table 176: Bonds

In accordance with local accounting regulations bonds are assigned to the fixed assets (Section 204 of the Austrian Commercial Code) and are valued at the alleviated lower of cost or market principle.

No distinction is made between government bonds and corporate bonds under the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

7.5 Undertakings for collective investment

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Undertakings for collective investment	1,809	1,691	118

Table 177: Undertakings for collective investment in transferable securities

In accordance with local accounting standards (Section 207 of the Austrian Commercial Code), undertakings for collective investment are valued in accordance with the strict lower of cost or market principle applying the valuation exemption. Write-downs of the lower fair value in the event of an expected temporary impairment can only be omitted to the extent that the overall amount of any write-down that does not take place does not exceed 50 per cent of the total or otherwise of existing hidden net reserves of the company in the relevant accounting department.

Undertakings for collective investment in bonds (subject to consolidation) represent an exception. These undertakings are valued using the alleviated lower of cost or market principle as under 7.4 “Bonds”.

This gives rise to a valuation difference between Solvency II and Austrian Commercial Code figures for this balance sheet item.

7.6 Derivatives

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Derivatives	23	0	23

Table 178: Derivatives

Derivative financial instruments represent pending transactions in accordance with the Austrian Commercial Code and are not accounted for on the assets side, in accordance with this Code. This results in a difference in the valuation between Solvency II and the Austrian Commercial Code for this balance sheet item.

7.7 Deposits other than cash equivalents

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deposits other than cash equivalents	177	171	6

Table 179: Deposits other than cash equivalents

Deposits other than cash equivalents are valued at the strict lower of cost or market principle in accordance with local accounting regulations (Section 207 of the Austrian Commercial Code). This results in a valuation difference compared with the economic value.

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

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Assets held for index-linked and unit-linked contracts	4,411	4,414	-3

Table 180: Assets held for index-linked and unit-linked contracts

The assets stated as unit-linked and index-linked life insurance investments for which a coverage fund has to be formed, have been measured at current values in accordance with in accordance with the provisions of the Insurance Supervision Act. This results in no difference in the valuation between Solvency II and the Austrian Commercial Code for this balance sheet item.

8. Loans and mortgages

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Loans and mortgages	285	285	0
Loans on policies	5	5	0
Loans and mortgages to individuals	23	0	23
Other loans and mortgages	257	280	-23

Table 181: Loans and mortgages

Loans on policies are assessed and valued at nominal value in accordance with the Austrian Commercial Code. There is no revaluation.

For the purposes of the separate financial statements in accordance with the Austrian Commercial Code, loans and mortgages are valued at their principal amounts or at the cost of the outstanding loan. In the case of identifiable individual risks the lower applicable value is used. The Austrian Commercial Code values plus the pro rata interest rates are used in the solvency balance sheet. This explains the valuation differences.

9. Recoverables from reinsurance contracts

Assets EUR million		Solvency II	Austrian Commercial Code	Revaluation
9	Recoverables from reinsurance contracts	1,282	1,423	-141
9.1	Non-life insurance and health insurance similar to non-life technique	773	886	-113
	Non-life insurance excluding health	651	886	-235
	Health insurance similar to non-life technique	122	0	122
9.2	Life and health similar to life, excluding health and index-linked and unit-linked	201	218	-17
	Health similar to life	0	1	-1
	Life, excluding health and index-linked and unit-linked	201	217	-16
9.3	Life, index-linked and unit-linked	308	319	-10

Table 182: Recoverables from reinsurance contracts

The item "Recoverables from reinsurance contracts" includes amounts outstanding based on reinsurance contracts external to the company.

The differences between the values assessed in the solvency balance sheet and the valuation in accordance with the Austrian Commercial Code result from the fact that the values in accordance with the Austrian Commercial Code are assessed and valued at nominal value. This results in a valuation difference compared with the economic value.

10. Deposits with cedants

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deposits with cedants	0	0	0

Table 183: Deposits with cedants

The nominal values are stated for these items in accordance with the Austrian Commercial Code, and are adjusted by an allowance for the default risk if necessary. They are also recognised as economic values in accordance with Solvency II.

11. Insurance and intermediaries receivables

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Insurance and intermediaries receivables	94	94	0

Table 184: Insurance and intermediaries receivables

This item comprises receivables from insurance companies and insurance brokers. Under the Austrian Commercial Code, receivables due within twelve months are recognised at their principal amounts. Receivables due in more than twelve months are valued at the present value of the future cash flows. Irrespective of the maturity for the receivables, the counterparty default risk is determined using an internal rating procedure based on historical default rates and this is taken into account accordingly in the valuation. There are no valuation differences as the same approach is applied under Solvency II.

12. Reinsurance receivables

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Reinsurance receivables	47	47	0

Table 185: Reinsurance receivables

This item comprises reinsurance receivables that are not already included in the deposits with cedants. The nominal values are stated for these items in accordance with the Austrian Commercial Code. These are also reported as economic values in accordance with Solvency II if the amounts concerned are due in less than twelve months. The valuation methodology is identical to the one used for deposits with cedants (item 10). There are no differences in valuation as a result of this.

13. Receivables (trade, not insurance)

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Receivables (trade, not insurance)	44	185	-141

Table 186: Receivables (trade, not insurance)

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

Under the Austrian Commercial Code, pro rata interest is reported in the other receivables, whereas in the solvency balance sheet this interest is reported with each asset.

16. Cash and cash equivalents

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Cash and cash equivalents	341	215	127

Table 187: Cash and cash equivalents

Current bank balances, cheques and cash in hand are stated under this item. They are valued at the economic value which corresponds with the nominal value. There are no differences compared with Solvency II.

17. Other assets, not shown elsewhere

Assets EUR million	Solvency II	Austrian Commercial Code	Revaluation
Any other assets, not shown elsewhere	4	4	0

Table 188: Other assets, not shown elsewhere

Other assets include all assets that have not already been included in other asset items (e.g. prepaid expenses). The valuation is at amortised cost in accordance with the Austrian Commercial Code. There is no revaluation for Solvency II.

D.2 TECHNICAL PROVISIONS

The technical provisions within UNIQA Österreich Versicherungen AG are determined solely on the basis of a best estimate plus a risk margin because of the nature of the liabilities. There is no attempt to match technical cash flows with financial instruments and value these elements together on a net basis.

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

The following table compares the Solvency II provisions with the relevant corresponding provisions in accordance with the Austrian Commercial Code as at 31 December 2016 for UNIQA Österreich Versicherungen AG:

Valuation of technical provisions

EUR million		Solvency II	Austrian Commercial Code	Revaluation
1	Technical provisions – non-life insurance	1,571	2,204	-633
1.1	Technical provisions – non-life insurance (excluding health insurance)	1,357	2,204	-847
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	1,224	n.a.	1,224
	Risk margin	134	n.a.	134
1.2	Technical provisions – health (similar to non-life)	214	0	214
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	184	n.a.	184
	Risk margin	30	n.a.	30
2	Technical provisions – life (excluding index-linked and unit-linked)	11,650	12,481	-831
2.1	Technical provisions – health (similar to life)	780	2,920	-2,140
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	531	n.a.	531
	Risk margin	249	n.a.	249
2.2	Technical provisions – life (excluding health and index-linked and unit-linked)	10,870	9,562	1,308
	Technical provisions calculated as a whole	0	n.a.	0
	Best estimate	10,633	n.a.	10,633
	Risk margin	237	n.a.	237
3	Technical provisions – index-linked and unit-linked life insurance	4,276	4,378	-101
3.1	Technical provisions calculated as a whole	0	n.a.	0
3.2	Best estimate	4,248	n.a.	4,248
3.3	Risk margin	29	n.a.	29
4	Other technical provisions	n.a.	0	0
Total technical provisions		**17,498**	**19,063**	**-1,566**

Table 189: Valuation of technical provisions

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

The technical provisions for non-life and health (similar to non-life technique) are valued as stipulated in the standards of the UNIQA Group. The provisions are classified into homogeneous risk groups in accordance with the FMA's guidelines on segmenting business lines. The FMA's requirements from the guidelines relating to Pillar 1 regarding the valuation of technical provisions are also taken into account accordingly. Since there are no material holdings kept in foreign currencies, only the euro yield curve is used for discounting the provisions.

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

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

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

Furthermore, the assumptions are also compared with empirical values on an ongoing basis.

The results of these calculations are subject to both quantitative and qualitative analyses and are also reported to the Management Board in the annual report on technical functions.

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

- assumed discount rate,
- assumptions about future claims processing in long-term lines of business (liability insurance), and
- claims rate assumptions for multi-year policies.

The following figure gives an overview of non-life technical provisions (best estimate and risk margin) as at 31 December 2016:

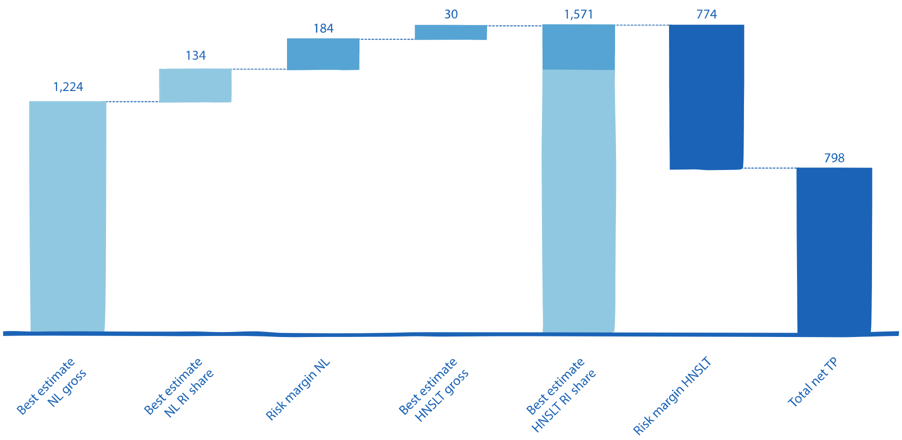


Figure 29: Technical provisions, non-life and health similar to non-life technique (in € million)

The technical provisions of UNIQA Österreich Versicherungen AG in the lines non-life and health similar to non-life technique are mainly valued according to the best estimate. Due to the high quota contributions to the Group's internal reinsurer, UNIQA Re AG, there is a material reduction on a net basis. The provisions in the health insurance line similar to non-life technique are mainly driven by the business in casualty insurance. The following tables show the details of the technical provisions non-life and health similar to non-life technique.

Valuation of non-life technical provisions (gross)

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – non-life insurance	1,571	2,204	-633
Technical provisions – non-life insurance (excluding health insurance)	1,357	2,204	-847
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	1,224	n.a.	1,224
Risk margin	134	n.a.	134
Technical provisions – health (similar to non-life)	214	0	214
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	184	n.a.	184
Risk margin	30	n.a.	30

Table 190: Valuation of gross technical provisions

There is a clear redundancy compared to the provisions which are posted in accordance with the Austrian Commercial Code.

This is largely based on the following valuation assumptions between the two regimes:

- The provisions in the Austrian Commercial Code are established using the principle of caution, whilst in Solvency II a best estimate is determined.
- Under Solvency II, discounted provisions are taken into consideration.
- In economic terms, future premiums of multi-year policies are also taken into account, which in profitable businesses lead to a reduction of the best estimate.

Valuation of technical provisions (property/casualty)

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – non-life insurance	1,571	2,204	-633
Motor vehicle liability insurance	441	617	-177
Technical provisions calculated as a whole	n.a.	617	0
Best estimate	417	n.a.	417
Risk margin	24	n.a.	24
Other motor insurance	61	73	-12
Technical provisions calculated as a whole	n.a.	73	0
Best estimate	52	n.a.	52
Risk margin	9	n.a.	9
Marine, aviation and transport insurance	55	60	-5
Technical provisions calculated as a whole	n.a.	60	0
Best estimate	49	n.a.	49
Risk margin	6	n.a.	6
Fire and other damage to property insurance	227	349	-122
Technical provisions calculated as a whole	n.a.	349	0
Best estimate	183	n.a.	183
Risk margin	44	n.a.	44
General liability insurance	479	586	-107
Technical provisions calculated as a whole	n.a.	586	0
Best estimate	450	n.a.	450
Risk margin	28	n.a.	28
Credit and suretyship insurance	4	19	-15
Technical provisions calculated as a whole	n.a.	19	0
Best estimate	3	n.a.	3
Risk margin	0	n.a.	0
Legal expenses insurance	50	125	-75
Technical provisions calculated as a whole	n.a.	125	0
Best estimate	34	n.a.	34
Risk margin	16	n.a.	16
Assistance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Miscellaneous financial loss	41	37	4
Technical provisions calculated as a whole	n.a.	37	0
Best estimate	35	n.a.	35
Risk margin	6	n.a.	6
Accepted non-proportional reinsurance: property	44	0	44
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	44	n.a.	44
Accepted non-proportional reinsurance: casualty	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: marine, aviation and transport	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Technical provisions – health (similar to non-life)	214	338	-124
Medical expense insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0

Income protection insurance	214	338	-124
Technical provisions calculated as a whole	n.a.	338	0
Best estimate	184	n.a.	184
Risk margin	30	n.a.	30
Workers' compensation insurance	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0
Accepted non-proportional reinsurance: health	0	0	0
Technical provisions calculated as a whole	n.a.	0	0
Best estimate	0	n.a.	0
Risk margin	0	n.a.	0

Table 191: Valuation of non-life technical provisions

The differences between the Austrian Commercial Code and Solvency II can vary significantly due to the specific features of the business lines. For UNIQA Österreich Versicherungen AG, the lines "Motor vehicle liability insurance", "General liability insurance", as well as "Fire and other damage to property insurance" are particularly noticeable. The long-term nature of the liabilities in these lines of business lead to discounting effects and to corresponding revaluation effects in the premiums best estimate.

A different picture emerges under miscellaneous financial loss. The premium reserve is higher here as a result of the high claims burden. This line of business also shows a high premium risk, which is reflected accordingly in the risk margin.

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

For the portfolio of classic life insurance the technical provisions under Solvency II are higher at Group level compared with IFRS (not including health or index-linked and unit-linked business), influenced by the average guaranteed interest rate level for the Austrian portfolio in the current environment of low interest rates. It should also be noted that the future profit participation is part of the provision under Solvency II (unlike the situation with the Austrian Commercial Code). Furthermore, under Solvency II a reserve is created for expected pension transfers from the unit-linked business, which is not disclosed in accordance with the Austrian Commercial Code and which is financed by the value of the expiring policies in the unit-linked business at the date of the transfer.

For index-linked and unit-linked business, which features a significantly lower level of interest rate sensitivity, provisions in the solvency balance sheet under Solvency II are also smaller than those in accordance with the Austrian Commercial Code, including in the current market environment.

Valuation of gross technical provisions

EUR million	Solvency II	Austrian Commercial Code	Revaluation
Technical provisions – life (excluding index-linked and unit-linked	11,650	12,481	-831
Technical provisions – health (similar to life)	780	2,920	-2,140
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	531	n.a.	531
Risk margin	249	n.a.	249
Technical provisions – life (excluding health and index-linked and unit-linked)	10,870	9,562	1,308
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	10,633	n.a.	10,633
Risk margin	237	n.a.	237
Technical provisions – index-linked and unit-linked	4,276	4,378	-101
Technical provisions calculated as a whole	0	n.a.	0
Best estimate	4,248	n.a.	4,248
Risk margin	29	n.a.	29
Other technical provisions	n.a.	0	0

Table 192: Valuation of gross technical provisions

The following figure shows the breakdown of the best estimate reserve under Solvency II for the life insurance business and health, similar to life technique:

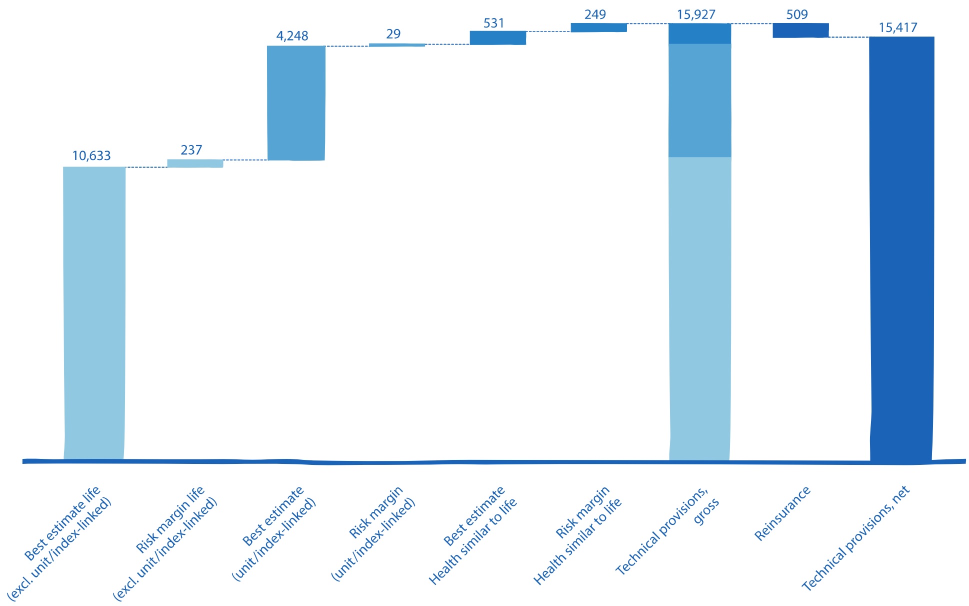


Figure 30: Life and health (similar to life technique) technical provisions (in € million)

D.2.3 Use of volatility adjustments

Adaptation of the risk-free yield curve

The volatility adjustment specified in Section 167 of the Austrian Insurance Supervision Act 2016 has been applied in the Solvency II calculation for all lines of life and non-life business and for the short-term health insurance business (similar to non-life technique). This volatility adjustment is also added to the risk-free yield curve.

The effect of the volatility adjustment on the life, non-life and health provisions similar to non-life insurance is shown in the following table.

Volatility adjustments

EUR million	Incl. volatility adjustment	Excl. volatility adjustment	Relat. Change
Technical provisions	17,498	17,615	1%
Basic own funds	3,870	3,786	-2%
Own funds eligible to meet SCR	3,870	3,786	-2%
SCR	1,594	1,634	2%
Own funds eligible to meet MCR	3,568	3,486	-2%
Minimum capital requirement	521	527	1%

Table 193: Volatility adjustments

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

D.3 OTHER LIABILITIES

The table below shows a comparison of all other liabilities as at the reporting date of 31 December 2016, valued in accordance with Solvency II and the Austrian Commercial Code.

Other liabilities

EUR million		Solvency II	Austrian Commercial Code	Revaluation
1	Contingent liabilities	0	0	0
2	Provisions other than technical provisions	42	42	0
3	Pension benefit obligations	0	0	0
4	Deposits from reinsurers	532	532	0
5	Deferred tax liabilities	790	0	790
6	Derivatives	18	17	1
7	Debts owed to credit institutions	0	0	0
8	Financial liabilities other than liabilities to banks	0	0	0
9	Liabilities to insurance companies and intermediaries	94	94	0
10	Liabilities to reinsurance companies	14	14	0
11	Payables (trade, not insurance)	160	81	79
12	Subordinated liabilities	434	410	24
12.1	Subordinated liabilities not in basic own funds	0	0	0
12.2	Subordinated liabilities in basic own funds	434	410	24
13	Any other liabilities, not shown elsewhere	5	4	1
	Total other liabilities	**2,089**	**1,194**	**896**

Table 194: Other liabilities

The following classes of liabilities were not present as at the reporting date of 31 December 2016 and were therefore not commented on:

• 1. Contingent liabilities
• 3. Pension benefit obligations
• 7. Liabilities to banks
• 8. Financial liabilities other than liabilities to banks
• 12.1 Subordinated liabilities not in basic own funds

A quantitative and qualitative explanation of the material differences compared with valuation in accordance with the Austrian Commercial Code in the separate financial statements is provided below separately for the other liabilities.

2. Provisions other than technical provisions

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Provisions other than technical provisions	42	42	0

Table 195: Provisions other than technical provisions

The other, non-technical provisions include the following items:

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Jubilee benefit provision	0	0	0
Customer services and marketing provisions	24	24	0
Provision for legal and consulting expenses	0	0	0
Provision for variable compensation components	0	0	0
Provision for premium adjustments from reinsurance	0	0	0
Provision for portfolio maintenance commission	1	1	0
Provision for income taxes	0	0	0
Provision for employee leave	0	0	0
Other HR provisions	0	0	0
Other provisions	16	16	0
Total	**42**	**42**	**0**

Table 196: Provisions other than technical provisions (detailed presentation)

Other non-technical provisions have been recognised to the extent to which the provisions will probably be utilised. They take into account all identifiable risks and the amount of liabilities that has not yet been determined.

Provisions with a maturity of more than twelve months are discounted at standard market discount rates in accordance with Section 211(2) of the Austrian Commercial Code. This results in no valuation difference to Solvency II.

4. Deposits from reinsurers

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deposits from ceded reinsurance business	532	532	0

Table 197: Deposits from reinsurers

The deposits from reinsurers are reported under this item. Liabilities are measured at the settlement amount, both for the Austrian Commercial Code financial statements as well as for the solvency balance sheet. There are no valuation differences as the same approach was applied under Solvency II.

5. Deferred tax liabilities

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Deferred tax liabilities	790	0	790

Table 198: Deferred tax liabilities

While deferred taxes in the Austrian Commercial Code balance sheet represent the tax portion of those differences that arise through a comparison of the individual items of the company and tax balance sheets, deferred taxes in the solvency balance sheet arise based on the tax portion of undisclosed reserves (deferred tax liabilities) or undisclosed charges (deferred tax assets) that are attributable to the revaluation between the Austrian Commercial Code and solvency balance sheet.

Deferred tax liabilities are stated on the solvency balance sheet in the amount of €790.2 million. There are no deferred tax liabilities stated in the Austrian Commercial Code balance sheet. This is because consideration of the overall differences is required in relation to the assessment of deferred taxes under the Austrian Commercial Code. This means that provided that the tax reimbursement claims and liabilities are in relation to the same tax authority and can actually be offset, all temporary differences that arise from the temporary concept and are expected to balance out in subsequent financial years must be used to determine the deferred taxes. The deferred tax assets and liabilities were therefore netted out as these conditions were met under the Austrian Commercial Code. This results in a surplus on the assets side in the amount of €41.0 million in accordance with the Austrian Commercial Code (see Chapter D.1.4 “Deferred tax assets”) and there are no deferred tax liabilities stated in the Austrian Commercial Code balance sheet as a result.

The overall difference was also considered in the solvency balance. Here however, this resulted in a surplus on the liabilities side after offsetting deferred tax assets with deferred tax liabilities.

The differences between the values according to the Austrian Commercial Code or the solvency balance sheet and those in the tax base largely relate to investments, technical provisions and other provisions.

6. Derivatives

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Derivatives	18	0	18

Table 199: Derivatives

Provisions for pending losses are formed under the Austrian Commercial Code for forward foreign-exchange contracts. These are stated under other provisions.

9. Liabilities to insurance companies and intermediaries

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to insurance companies and intermediaries	94	94	0

Table 200: Liabilities to insurance companies and intermediaries

This item includes liabilities to insurance companies and intermediaries. Liabilities are recognised and valued at the settlement amount in accordance with the Austrian Commercial Code. There are no valuation differences as the same approach was applied under Solvency II.

10. Liabilities to reinsurance companies

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Liabilities to reinsurance companies	14	14	0

Table 201: Liabilities to reinsurance companies

This item comprises liabilities to reinsurance companies, which are posted at their settlement amount in accordance with the Austrian Commercial Code. There are no differences in valuation as a result of this.

11. Payables (trade, not insurance)

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Payables (trade, not insurance)	160	81	79

Table 202: Payables (trade, not insurance)

This item includes other liabilities which cannot be allocated to one of the other categories. Liabilities are measured at the settlement amount both for the separate financial statements in accordance with the Austrian Commercial Code as well as for the solvency balance sheet.

In the financial statements in accordance with the Austrian Commercial Code, pro rata interest is reported under other liabilities, whereas in the solvency balance sheet this interest is recognised under subordinated liabilities. The solvency value also contains IFRS adjustment postings.

12. Subordinated liabilities

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Subordinated liabilities	434	410	24
Subordinated liabilities in basic own funds	434	410	24

Table 203: Subordinated liabilities

Subordinated liabilities are recognised and valued at their nominal value in accordance with the Austrian Commercial Code. This results in a valuation difference compared with the economic value.

13. Any other liabilities, not shown elsewhere

Other liabilities EUR million	Solvency II	Austrian Commercial Code	Revaluation
Any other liabilities, not shown elsewhere	5	4	1

Table 204: Any other liabilities, not shown elsewhere

This item mainly comprises deferred income. The other liabilities are measured at the settlement amount both for the Austrian Commercial Code separate financial statements as well as for the solvency balance sheet.

There are no valuation differences as the same approach was applied under Solvency II. The difference between both values arises from the fact that the commissions for two reinsurance contracts are allocated with a Zillmer adjustment applied with the Austrian Commercial Code valuation. The Zillmer adjustment is not applied for the Solvency II valuation. These commission costs are therefore stated in the accrued expenses item.

D.4 ALTERNATIVE METHODS FOR VALUATION

For assets and liabilities whose valuation is not done using listed market prices in active markets (mark-to-market) or using listed market prices for similar instruments (marking-to-market), the UNIQA Österreich Versicherungen AG uses alternative valuation methods.

These valuation methods mainly used for bonds, investment property and shares that are not listed. In the case of bonds, these are mainly loans, private equity funds, hedge funds, asset-backed securities (ABSs) and structured products. In the case of the investment property, it is real estate held as a financial investment.

The valuations with the help of alternative valuation methods are primarily based on the discounted cash flow method, benchmark procedures with instruments for which there are observable prices, and other procedures. The input factors and price models for the individual assets and liabilities are presented in detail below.

Assets /Liabilities	Price method	Valuation technique	Input factors	Price model
Land and buildings (not owner-occupied property)	Theoretical value	Income approach	Construction and property valuation, location, useable area, usage category, condition, current contractual rent rates and current vacancies including rental forecasts	Income value method, asset value method, income value and net asset value weighted
Bonds	Theoretical value	Income approach	CDS spreads, yield curves, certified net asset values, volatilities	Present value method, Discounted cash flow, Net asset value method
Not listed shares	Theoretical value	Income approach	WACC, (long-term) revenue growth rate, (long-term) profit margins, control premium	Expert opinion
Loans & Mortgages	Theoretical value	Income approach	cash flows fixed or determined by forward rates, yield curves, credit risk of contracting parties, collateral, debtor's credit rating	Discounted cash flow
Derivative financial instruments	Theoretical value	Income approach	CDS spread, yield curves, volatilities (FX, cap/floor, swaption, constant maturity swap, shares)	Contract specific model, Black-Scholes-Garman-Kohlhagen Monte Carlo N-DIM, LMM

Table 205: Overview of input factors and pricing modules for the individual assets and liabilities

D.5 ANY OTHER INFORMATION

The receivables, pro-rata interest rates, liabilities and provisions in foreign currencies were valued using the reference rate of the European Central Bank. Securities in foreign currencies were accounted for using the reference rates of the European Central Bank as at the reporting date, or at acquisition value in relation to previous years.

A detailed description of the valuation for solvency purposes is found in Chapter D of the UNIQA Group report.

E Capital Management

E.1 OWN FUNDS

Please refer to Chapter E of the UNIQA Group report for further information regarding the requirements for the solvency and financial condition report.

Reconciliation of Austrian Commercial Code equity to regulatory own funds

As at the reporting date of 31 December 2016, the Austrian Commercial Code equity amounted to €1,038 million. The regulatory own funds in accordance with the regulatory valuation principles amounted to €3,870 million. The following table shows the reconciliation of Austrian Commercial Code equity to regulatory own funds.

Reconciliation of Austrian Commercial Code equity with regulatory own funds

EUR million	2016
Austrian Commercial Code equity including own (treasury) shares	1,038
Revaluation of assets	1,901
Goodwill	0
Deferred acquisition costs	0
Shares in affiliated companies including equity investments	129
Property	623
Loans and mortgages	0
Other	1
Revaluation of technical provisions	-1,464
Technical provisions, non-life and non-SLT health	-633
Technical provisions, life and SLT health	-831
Other technical provisions	0
Revaluation of other provisions	896
Deferred tax liabilities	790
Other	105
Economic capital	3,609
Planned dividends	173
Tier 1 – restricted	29
Tier 2	405
Basic own funds	3,870

Table 206: Reconciliation of Austrian Commercial Code equity to regulatory own funds

The difference between the Austrian Commercial Code and the economic own funds valued in accordance with the Solvency II rules amounts to a total of €2,571 million and is a result of the different treatment of individual items in the relevant valuation assessment.

On an economic basis the excess of assets over liabilities (economic capital) amounts to €3,609 million. The foreseeable dividends in the amount of €173 million were deducted as part of the reconciliation of the allowable own funds for the purposes of Article 70(1)(b) of the Delegated Regulation (EU) 2015/35 were deducted as part of the reconciliation to eligible own funds. The subordinated liabilities are also assigned to own funds.

Composition of basic own funds and reconciliation to eligible own funds

The table below shows the composition of the basic own funds in the relevant tiers. Tier 1 own funds are the highest quality and can be used in full to cover the regulatory capital requirement. The largest proportion of own funds consists of capital of the highest quality at €3,436 million. As at the reporting date, UNIQA Österreich Versicherungen AG only held Tier 2 subordinated liabilities in its portfolio.

The eligibility of Tier 2 and Tier 3 own funds is determined according to the specific limits required by Solvency II. As at 31 December 2016, there was no limitation of the eligibility of own funds components.

The limits on the eligibility of available own funds for the capital requirements (SCR/MCR) can be seen in the following tables.

Information on own funds

EUR million	2016
Basic own funds	3,870
Tier 1 - Unristricted	3,436
Share capital incl. capital reserves	146
Surplus funds (free provision for policyholder bonuses)	49
Reconciliation Reserve	3,241
Tier 1 - Restricted - subordinated liabilities	29
Tier 2 - subordinated liabilities	405
Tier 3 - deferred tax assets	0
Reduction in eligibility thresholds	0
Own funds to cover SCR	3,870

Table207: Information on own funds

SCR and MCR cover for each tier (equity category)

	Restriction in per cent	EUR million
SCR cover		
Tier 1	Min. 50% of SCR	797
Tier 1 restricted	Max. 20% of total Tier 1	6
Tier 3	Max. 15% of SCR	239
Tier 2 + Tier 3	Max. 50% of SCR	797
MCR cover		
Tier 1	Min. 80% of MCR	417
Tier 1 restricted	Max. 20% of total Tier 1	6
Tier 2	Max. 20% of MCR	104

Table 208: Eligible own funds (general)

Eligible own funds

EUR million	Tier 1	Tier 1	Tier 2	Tier 3	Total
Basic own funds	3,436	29	405	0	**3,870**
Own funds eligible to cover SCR	3,436	29	405	0	**3,870**

Table 209: Eligible own funds at the reporting date

E.2 SOLVENCY CAPITAL REQUIREMENT AND MINIMUM CAPITAL REQUIREMENT

UNIQA Österreich Versicherungen AG uses the standard formula to calculate the solvency capital requirement.

In the calculation of default risk in connection with determining the risk-mitigating effects from reinsurance (Article 196 of the Delegated Regulation (EU) 2015/35), UNIQA Österreich Versicherungen AG uses the simplification specified in Article 107 of the Delegated Regulation (EU) 2015/35.

Pursuant to Section 178(4) of the Austrian Insurance Supervision Act 2016, no company-specific parameters are applied.

The minimum capital requirement is calculated in accordance with Chapter 6 of the Austrian Insurance Supervision Act 2016 (Section 193 et seq.) The input parameters are net premiums and net best estimates of the provisions of all lines of business.

The following table presents the solvency capital requirement amounts for each risk module and the minimum capital requirement as at 31 December 2016. UNIQA Österreich

Versicherungen AG satisfies both the solvency capital requirement and the minimum capital requirement.

Solvency capital requirement and own funds to cover the solvency capital requirement

EUR million	2016
By risk module	
Market risk	1,474
Counterparty default risk	143
Life underwriting risk	370
Health underwriting risk	289
Non-life underwriting risk	615
Operational risk	120
Solvency capital requirement (SCR)	1,594
Minimum capital requirement (MCR)	521
Own funds to cover the solvency capital requirement	3,870

Table 210: Solvency capital requirement of UNIQA Österreich Versicherungen AG

E.3 USE OF THE DURATION-BASED EQUITY RISK SUB-MODULE IN CALCULATION OF THE SOLVENCY CAPITAL REQUIREMENT

The duration-based equity risk sub-module is not used to determine the SCR for UNIQA Österreich Versicherungen AG.

E.4 DIFFERENCES BETWEEN THE STANDARD FORMULA AND ANY INTERNAL MODEL USED

UNIQA Österreich Versicherungen AG does not use any internal model to determine the SCR.

E.5 NON-COMPLIANCE WITH THE MINIMUM CAPITAL REQUIREMENT AND NON-COMPLIANCE WITH THE SOLVENCY CAPITAL REQUIREMENT

UNIQA Österreich Versicherungen AG met the minimum capital requirement and solvency capital requirement at all times during the 2016 financial year.

E.6 ANY OTHER INFORMATION

No other disclosures.

UNIQA ÖSTERREICH VERSICHERUNGEN AG

Vienna, 11 May 2017

Hartwig Löger
Chairman of the Management Board

Peter Eichler
Member of the Management Board

Andreas Kößl
Member of the Management Board

Erik Leyers
Member of the Management Board

Klaus Pekarek
Member of the Management Board

Kurt Svoboda
Member of the Management Board

Appendix I (UNIQA Group) – Affiliated companies and associates (31 December 2016)

IFRS BASIS OF CONSOLIDATION (CONSOLIDATED FINANCIAL STATEMENTS)

Company	Type	Registered office	IFRS equity interest as at 31.12.2016 in per cent)
Insurance companies, Austria			
UNIQA Insurance Group AG (Konzernobergesellschaft)		Vienna	
UNIQA Österreich Versicherungen AG	Consolidated	Vienna	100.00
Salzburger Landes-Versicherung AG (Verschmelzung: 3.10.2016)	Consolidated	Salzburg	0.00
Raiffeisen Versicherung AG (Verschmelzung: 3.10.2016)	Consolidated	Vienna	0.00
FINANCE LIFE Lebensversicherung AG (Verschmelzung: 3.10.2016)	Consolidated	Vienna	0.00
SK Versicherung Aktiengesellschaft	Equity	Vienna	24.96
Foreign insurance companies			
UNIQA Assurances SA	Consolidated	Switzerland, Geneva	100.00
UNIQA Re AG	Consolidated	Switzerland, Zurich	100.00
UNIQA Assicurazioni S.p.A. (seit 2.12.2016 als Vermögenswert, der zur Veräußerung gehalten wird, klassifiziert)	Consolidated	Italy, Milan	99.72
UNIQA poist'ovňa a.s.	Consolidated	Slovakia, Bratislava	99.90
UNIQA pojišt'ovna, a.s.	Consolidated	Czech Republic, Prague	100.00
UNIQA osiguranje d.d.	Consolidated	Croatia, Zagreb	100.00
UNIQA Towarzystwo Ubezpieczeń S.A.	Consolidated	Poland, Lodz	98.58
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Consolidated	Poland, Lodz	99.79
UNIQA Biztosító Zrt.	Consolidated	Hungary, Budapest	100.00
UNIQA Versicherung AG	Consolidated	Liechtenstein, Vaduz	100.00
UNIQA Previdenza S.p.A. (seit 2.12.2016 als Vermögenswert, der zur Veräußerung gehalten wird, klassifiziert)	Consolidated	Italy, Milan	99.72
UNIQA osiguranje d.d.	Consolidated	Bosnia and Herzegovina, Sarajevo	99.84
UNIQA Insurance plc	Consolidated	Bulgaria, Sofia	99.88
UNIQA Life Insurance plc	Consolidated	Bulgaria, Sofia	99.57
UNIQA životno osiguranje a.d.	Consolidated	Serbia, Belgrade	100.00
UNIQA Insurance company, Private Joint Stock Company	Consolidated	Ukraine, Kiev	100.00
UNIQA LIFE Private Joint Stock Company	Consolidated	Ukraine, Kiev	100.00
UNIQA životno osiguranje a.d.	Consolidated	Montenegro, Podgorica	100.00
UNIQA neživotno osiguranje a.d.	Consolidated	Serbia, Belgrade	100.00
UNIQA neživotno osiguranje a.d.	Consolidated	Montenegro, Podgorica	100.00
UNIQA Asigurari S.A.	Consolidated	Romania, Bucharest	100.00
UNIQA Asigurari De Viata S.A.	Consolidated	Romania, Bucharest	100.00
Raiffeisen Life Insurance Company LLC	Consolidated	Russia, Moscow	75.00
UNIQA Life S.p.A. (seit 2.12.2016 als Vermögenswert, der zur Veräußerung gehalten wird, klassifiziert)	Consolidated	Italy, Milan	89.75

SIGAL UNIQA Group AUSTRIA sh.a.	Consolidated	Albania, Tirana	86.93
UNIQA AD Skopje	Consolidated	Macedonia, Skopje	86.93
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Consolidated	Albania, Tirana	86.93
SIGAL UNIQA Group AUSTRIA sh.a.	Consolidated	Kosovo, Pristina	86.93
UNIQA Life AD Skopje	Consolidated	Macedonia, Skopje	86.93
SIGAL LIFE UNIQA Group AUSTRIA sh.a	Consolidated	Kosovo, Pristina	86.93
SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Consolidated	Albania, Tirana	44.33
Group service companies, Austria			
UNIQA Real Estate Management GmbH	Consolidated	Vienna	100.00
Versicherungsmarkt-Servicegesellschaft m.b.H.	Consolidated	Vienna	100.00
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Consolidated	Vienna	100.00
Raiffeisen Versicherungsmakler Vorarlberg GmbH (Entkonsolidierung: 12.11.2016)	Equity	Bregenz	0.00
Dr. E. Hackhofer EDV-Softwareberatung Gesellschaft m.b.H. (Verschmelzung: 1.7.2016)	Consolidated	Vienna	0.00
UNIQA IT Services GmbH	Consolidated	Vienna	100.00
UNIQA Capital Markets GmbH	Consolidated	Vienna	100.00
call us Assistance International GmbH	Consolidated	Vienna	50.20
UNIQA International AG	Consolidated	Vienna	100.00
UNIQA internationale Beteiligungs-Verwaltungs GmbH	Consolidated	Vienna	100.00
Assistance Beteiligungs-GesmbH	Consolidated	Vienna	64.00
UNIQA Real Estate Beteiligungsverwaltung GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Finanzierungs GmbH	Consolidated	Vienna	100.00
UNIQA Group Audit GmbH	Consolidated	Vienna	100.00
Valida Holding AG	Equity	Vienna	40.13
RHG Management GmbH	Consolidated	Vienna	100.00
UNIQA Finanzbeteiligung GmbH	Consolidated	Vienna	100.00
Group service companies, international			
UNIQA Raiffeisen Software Service Kft.	Consolidated	Hungary, Budapest	60.00
InsData spol. s r.o.	Consolidated	Slovakia, Nitra	98.03
UNIPARTNER s.r.o.	Consolidated	Slovakia, Bratislava	99.90
UNIQA InsService spol. s r.o.	Consolidated	Slovakia, Bratislava	99.90
UNIQA Ingatlanhasznosító Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA Számítástechnikai Szolgáltató Kft.	Consolidated	Hungary, Budapest	100.00
Vitosha Auto OOD	Consolidated	Bulgaria, Sofia	99.82
UNIQA Raiffeisen Software Service S.R.L.	Consolidated	Romania, Klausenburg	60.00
sTech d.o.o	Consolidated	Serbia, Belgrade	100.00
DEKRA-Expert Műszaki Szakértői Kft.	Equity	Hungary, Budapest	50.00
Financial and strategic equity investments, Austria			
Medial Beteiligungs-Gesellschaft m.b.H. (seit 30.9.2015 als Vermögenswert, der zur Veräußerung gehalten wird, klassifiziert)	Equity	Vienna	29.63
UNIQA Leasing GmbH	Equity	Vienna	25.00

PremiQaMed Holding GmbH	Consolidated	Vienna	100.00
PremiQaMed Privatkliniken GmbH	Consolidated	Vienna	100.00
Ambulatorien Betriebsgesellschaft m.b.H.	Consolidated	Vienna	100.00
STRABAG SE	Equity	Villach	14.26
PremiQaMed Management GmbH	Consolidated	Vienna	100.00
UNIQA Beteiligungs-Holding GmbH	Consolidated	Vienna	100.00
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Consolidated	Vienna	100.00
Diakonissen & Wehrle Privatklinik GmbH	Consolidated	Gallneukirchen	60.00
PremiQaMed Beteiligungs GmbH	Consolidated	Vienna	100.00
Goldenes Kreuz Privatklinik BetriebsGmbH (Erstkonsolidierung 7.7.2016)	Consolidated	Vienna	75.00

Real-estate companies			
UNIQA Real Estate CZ, s.r.o.	Consolidated	Czech Republic, Prague	100.00
UNIQA Real s.r.o.	Consolidated	Slovakia, Bratislava	100.00
UNIQA Real II s.r.o. (Entkonsolidierung: 12.8.2016)	Consolidated	Slovakia, Bratislava	0.00
UNIQA Immobilien-Projekterrichtungs GmbH	Consolidated	Vienna	100.00
Raiffeisen evolution project development GmbH (Entkonsolidierung: 22.12.2016)	Equity	Vienna	0.00
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity	Vienna	33.00
UNIQA Real Estate GmbH	Consolidated	Vienna	100.00
PremiQaMed Immobilien GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Consolidated	Vienna	100.00
Design Tower GmbH	Consolidated	Vienna	100.00
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Consolidated	Vienna	99.00
UNIQA Real Estate Holding GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Consolidated	Vienna	100.00
„Hotel am Bahnhof“ Errichtungs GmbH & Co KG	Consolidated	Vienna	100.00
GLM ErrichtungsGmbH	Consolidated	Vienna	100.00
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Consolidated	Vienna	100.00
Fleischmarkt Inzersdorf Vermietungs GmbH	Consolidated	Vienna	100.00
Praterstraße Eins Hotelbetriebs GmbH	Consolidated	Vienna	100.00
UNIQA Real Estate Inlandsholding GmbH (Erstkonsolidierung: 14.6.2016)	Consolidated	Vienna	100.00
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Consolidated	Hungary, Budapest	100.00
Floreasca Tower SRL	Consolidated	Romania, Bucharest	100.00
Pretium Ingatlan Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA Szolgáltató Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA poslovni centar korzo d.o.o.	Consolidated	Croatia, Rijeka	100.00
UNIQA-Invest Kft.	Consolidated	Hungary, Budapest	100.00
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Consolidated	Germany, Berlin	100.00
UNIQA Real Estate Bulgaria EOOD	Consolidated	Bulgaria, Sofia	100.00
UNIQA Real Estate BH nekretnine, d.o.o. (Verschmelzung: 29.12.2016)	Consolidated	Bosnia and Herzegovina, Sarajevo	0.00

UNIQA Real Estate d.o.o.	Consolidated	Serbia, Belgrade	100.00
Renaissance Plaza d.o.o.	Consolidated	Serbia, Belgrade	100.00
IPM International Property Management Kft.	Consolidated	Hungary, Budapest	100.00
UNIQA Real Estate Polska Sp. z o.o.	Consolidated	Poland, Warsaw	100.00
Black Sea Investment Capital LLC	Consolidated	Ukraine, Kiev	100.00
LEGIWATON INVESTMENTS Limited Company	Consolidated	Cyprus, Limassol	100.00
UNIQA Real III, spol. s r.o.	Consolidated	Slovakia, Bratislava	100.00
UNIQA Real Estate BV	Consolidated	Netherlands, Hoofddorp	100.00
Reytarske LLC	Consolidated	Ukraine, Kiev	100.00
ALBARAMA Limited Company	Consolidated	Cyprus, Nikosia	100.00
AVE-PLAZA LLC	Consolidated	Ukraine, Kharkiv	100.00
Asena LLC	Consolidated	Ukraine, Nikolaev	100.00
BSIC Holding LLC (Entkonsolidierung: 12.1.2016)	Consolidated	Ukraine, Kiev	0.00
Sedmi element d.o.o. (Verschmelzung: 1.1.2016)	Consolidated	Croatia, Zagreb	0.00
Deveti element d.o.o. (Verschmelzung: 1.1.2016)	Consolidated	Croatia, Zagreb	0.00
Kremser Landstraße Projektentwicklung GmbH	Consolidated	Vienna	100.00
Schöpferstrasse Projektentwicklung GmbH	Consolidated	Vienna	100.00
„BONADEA“ Immobilien GmbH	Consolidated	Vienna	100.00
„Graben 27–28“ Besitzgesellschaft m.b.H.	Consolidated	Vienna	100.00
Hotel Burgenland Betriebs GmbH	Consolidated	Vienna	100.00
R-FMZ Immobilienholding GmbH	Consolidated	Vienna	100.00
Neue Marktgasse Einkaufspassage Stockerau GmbH	Consolidated	Vienna	100.00
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft m.b.H.	Consolidated	Vienna	100.00
Raiffeisen-Fachmarktzentrum Mercurius GmbH	Consolidated	Vienna	100.00
Raiffeisen-Fachmarktzentrum ZWEI GmbH	Consolidated	Vienna	100.00
Raiffeisen-Fachmarktzentrum Ivesis GmbH	Consolidated	Vienna	100.00
Raiffeisen-Fachmarktzentrum VIER GmbH	Consolidated	Vienna	100.00
Raiffeisen-Fachmarktzentrum SIEBEN GmbH	Consolidated	Vienna	100.00
R-FMZ „MERCATUS“ Holding GmbH	Consolidated	Vienna	100.00

EBS BASIS OF CONSOLIDATION (CONSOLIDATED FINANCIAL STATEMENTS)

Company	Type	Registered office	Economic equity interest as at 31/12/2016 (in per cent)
UNIQA Insurance Group AG	Insurance company	Vienna	100.00
UNIQA Österreich Versicherungen AG	Insurance company	Vienna	100.00
SK Versicherung AG	Insurance company	Vienna	24.96
UNIQA Re AG	Insurance company	Switzerland, Zurich	100.00
UNIQA ASSICURAZIONI S.P.A.	Insurance company	Italy, Milan	100.00
UNIQA poisťovňa, a.s.	Insurance company	Slovakia, Bratislava	100.00
UNIQA pojišťovna, a.s.	Insurance company	Czech Republic, Prague	100.00
UNIQA osiguranje d.d.	Insurance company	Croatia, Zagreb	100.00
Uniqa Towarzystwo Ubezpieczeń na Życie Spółka Akcyjna	Insurance company	Poland, Lodz	100.00
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Insurance company	Poland, Lodz	100.00
UNIQA Biztosító Zrt.	Insurance company	Hungary, Budapest	100.00
UNIQA Versicherung Aktiengesellschaft	Insurance company	Liechtenstein, Vaduz	100.00
UNIQA Assurances S.A.	Insurance company	Switzerland, Geneva	100.00
UNIQA PREVIDENZA S.P.A.	Insurance company	Italy, Milan	100.00
UNIQA Osiguranje d.d.	Insurance company	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA INSURANCE plc	Insurance company	Bulgaria, Sofia	100.00
UNIQA Life Insurance plc	Insurance company	Bulgaria, Sofia	100.00
UNIQA životno osiguranje a.d.	Insurance company	Serbia, Belgrade	100.00
UNIQA Insurance company, Private Joint Stock Company	Insurance company	Ukraine, Kiev	100.00
UNIQA LIFE Private Joint Stock Company	Insurance company	Ukraine, Kiev	100.00
UNIQA životno osiguranje a.d.	Insurance company	Montenegro, Podgorica	100.00
SIGAL UNIQA Group AUSTRIA Sh.A.	Insurance company	Albania, Tirana	100.00
UNIQA neživotno osiguranje a.d.	Insurance company	Serbia, Belgrade	100.00
UNIQA neživotno osiguranje a.d.	Insurance company	Montenegro, Podgorica	100.00
UNIQA Asigurari S.A.	Insurance company	Romania, Bucharest	100.00
UNIQA Asigurari de Viata SA	Insurance company	Romania, Bucharest	100.00
Raiffeisen Life Insurance Company LLC	Insurance company	Russia, Moscow	100.00
UNIQA AD Skopje	Insurance company	Macedonia, Skopje	100.00
UNIQA LIFE SPA	Insurance company	Italy, Milan	100.00
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Insurance company	Albania, Tirana	100.00
SIGAL UNIQA Group AUSTRIA sh.a.	Insurance company	Kosovo, Pristina	100.00
SIGAL Life UNIQA Group AUSTRIA sh.a	Insurance company	Kosovo, Pristina	100.00
UNIQA Life AD Skopje	Insurance company	Macedonia, Skopje	100.00
SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Insurance company	Albania, Tirana	100.00
UNIQA Real Estate Management GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Versicherungsmarkt-Servicegesellschaft mbH	Ancillary service	Vienna	100.00
Agenta Risiko- und Finanzierungsberatung Gesellschaft mbH	Ancillary service	Vienna	100.00

RSG – Risiko Service und Sachverständigen GmbH	Ancillary service	Vienna	100.00
UNIQA IT Services GmbH	Ancillary service	Vienna	100.00
UNIQA Capital Markets GmbH	Securities company	Vienna	100.00
UNIQA Immobilien Projekterrichtungs GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
call us Assistance International GmbH	Ancillary service	Vienna	100.00
Medial Beteiligungs-Gmbh	Ancillary service: equity investments	Vienna	29.63
UNIQA International AG	Insurance company	Vienna	100.00
UNIQA internationale Beteiligungs-Verwaltungs GmbH	Insurance holding	Vienna	100.00
DIANA-BAD Errichtungs- und Betriebs GmbH	Ancillary service: ownership or administration of real estate	Vienna	33.00
UNIQA Beteiligungs-Holding GmbH	Ancillary service: equity investments	Vienna	100.00
UNIQA Leasing GmbH	Ancillary service: leasing	Vienna	25.00
PremiQaMed Holding GmbH	Ancillary service: health and care services	Vienna	100.00
PremiQaMed Management GmbH	Ancillary service: health and care services	Vienna	100.00
Versicherungsbüro Dr. Ignaz Fiala Gesellschaft mbH	Ancillary service	Vienna	33.33
UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Assistance Beteiligungs-GmbH	Ancillary service: equity investments	Vienna	100.00
Together Internet Services GmbH	Ancillary service	Vienna	22.59
RC RISK-CONCEPT Versicherungsmakler GmbH	Ancillary service	Vienna	100.00
Real Versicherungsvermittlung GmbH (formerly: Real Versicherungs-Makler GmbH)	Ancillary service	Vienna	100.00
Wohnungseigentum Tiroler gemeinnützige Wohnbaugesellschaft mbH	Ancillary service: ownership or administration of real estate	Vienna	30.84
STRABAG SE	Ancillary service	Villach	13.76
UNIQA Real Estate AG	Ancillary service: ownership or administration of real estate	Vienna	100.00
Alopex Organisation von Geschäftskontakten GmbH	Ancillary service	Vienna	100.00
UNIQA HealthService – Services im Gesundheitswesen GmbH	Ancillary service: health and care services	Vienna	100.00
Design Tower GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
UNIQA Real Estate Beteiligungsverwaltung GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Aspernbrückengasse Errichtungs- und Betriebs GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Privatklinik Grinzing GmbH	Ancillary service: health and care services	Vienna	100.00
UNIQA Real Estate Holding GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
"Hotel am Bahnhof" Errichtungs GmbH& Co. KG	Ancillary service: ownership or administration of real estate	Vienna	100.00
UNIQA Real Estate Finanzierungs GmbH	Ancillary service	Vienna	100.00
GLM Errichtungs GmbH	Ancillary service: ownership or administration of real estate (builds and manages buildings and parking facilities)	Vienna	100.00
UNIQA Group Audit GmbH	Ancillary service	Vienna	100.00

UNIQA Erwerb von Beteiligungen Gesellschaft mbH	Ancillary service: equity investments	Vienna	100.00
Valida Holding AG	Pension fund/ occupational provision	Vienna	40.13
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Ancillary service: ownership or administration of real estate	Vienna	100.00
PremiQaMed Immobilien GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
PremiQaMed Privatkliniken GmbH	Ancillary service: health and care services	Vienna	100.00
Ambulatorien Betriebs GmbH	Ancillary service: health and care services	Vienna	100.00
GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	Ancillary service	Vienna	100.00
R-SKA Baden Betriebs-GmbH	Ancillary service: health and care services	Baden	49.00
Fleischmarkt Inzersdorf Vermietungs GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Praterstraße Eins Hotelbetriebs GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
“Graben 27–28” Besitzgesellschaft mbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
PremiaFIT Facility und IT Management u. Service GmbH	Ancillary service	Vienna	100.00
RHG Management GmbH	Ancillary service: equity investments	Vienna	100.00
UNIQA Finanzbeteiligung GmbH	Ancillary service: equity investments	Vienna	100.00
UNIQA International Corporate Business GmbH	Ancillary service: insurance brokerage	Vienna	100.00
Kremser Landstraße Projektentwicklung GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Schöpferstraße Projektentwicklung GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
“Bonadea” Immobilien GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Hotel Burgenland Betriebs GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
R-FMZ Immobilienholding GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Neue Marktgasse Einkaufspassage Stockerau GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft mbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Raiffeisen-Fachmarktzentrum Mercurius GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Raiffeisen-Fachmarktzentrum ZWEI GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Raiffeisen-Fachmarktzentrum Ivesis GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Raiffeisen-Fachmarktzentrum VIER GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
Raiffeisen-Fachmarktzentrum SIEBEN GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
R-FMZ “MERCATUS” Holding GmbH	Ancillary service: ownership or administration of real estate	Vienna	100.00
PKV Beteiligungs GmbH	Ancillary service: equity investments	Klagenfurt	35.00
Diakonissen & Wehrle Privatklinik GmbH	Ancillary service: health and care services	Gallneukirchen	100.00
PremiQaMed Beteiligungs GmbH	Ancillary service: investments/ health and care services	Vienna	100.00
UNIQA Real Estate Inlandsholding GmbH	Ancillary service: investment holding	Vienna	100.00
SVA Gesundheitszentrum Betriebs-GmbH	Ancillary service	Vienna	49.00
Goldenes Kreuz Privatklinik BetriebsGmbH	Ancillary service: hospitals, private clinics	Vienna	100.00

Salzburg Institute of Actuarial Studies GmbH	Ancillary service: courses in actuarial mathematics	Salzburg	50.00
UNIQA Raiffeisen Software Service Kft.	Ancillary service	Hungary, Budapest	100.00
UNIQA Plaza Irohadaz es Ingatlankezelö Kft.	Office building and real estate management	Hungary, Budapest	100.00
UNIQA Real Estate CZ, s.r.o.	Ancillary service: ownership or administration of real estate	Czech Republic, Prague	100.00
UNIQA Real s.r.o.	Ancillary service: ownership or administration of real estate	Slovakia, Bratislava	100.00
ProUNIQA s.r.o.	Ancillary service: inspection of motor vehicle damages	Czech Republic, Prague	100.00
UNIQA InsService s.r.o.	Ancillary service	Slovakia, Bratislava	100.00
UNIQA Ingatlanhasznosító Kft.	Real Estate Development	Hungary, Budapest	100.00
UNIQA Szolgaltato Kft.	Ancillary service	Hungary, Budapest	100.00
UNIQA Claims Services International Kft.	Ancillary service	Hungary, Budapest	100.00
Elsö Közszolgalati Penzügyi Tanacsado Kft.	Ancillary service: advice, other insurance technical activities, insurance brokerage	Hungary, Budapest	100.00
UNIQA Számitástechnikai Szolgáltató Kft.	Computer Service	Hungary, Budapest	100.00
UNIPARTNER s.r.o.	Ancillary service: insurance brokers, supplemental pension savings, loans	Slovakia, Bratislava	100.00
UNIQA Intermediazioni S.r.l.	Ancillary service: brokerage	Italy, Milan	100.00
Vitosha Auto OOD	Ancillary service: Real estate leasing – company owns several buildings that it leases to NL and L insurance companies	Bulgaria, Sofia	100.00
Floreasca Tower SRL	Ancillary service: ownership or administration of real estate (property in Romania)	Romania, Bucharest	100.00
Pretium Ingatlan Kft.	Ancillary service: ownership or administration of real estate (property in Hungary)	Hungary, Budapest	100.00
UNIQA poslovni centar Korzo d.o.o.	Ancillary service: ownership or administration of real estate	Croatia, Rijeka	100.00
UNIQA-Invest Kft.	Ancillary service: investment company	Hungary, Budapest	100.00
Knesebeckstraße 8–9 Grundstücksgesellschaft mbH	Ancillary service: ownership or administration of real estate	Germany, Berlin	100.00
UNIQA Raiffeisen Software Service S.R.L.	Ancillary service	Romania, Klausenburg	100.00
UNIQA Real Estate Bulgaria EOOD	Ancillary service: ownership or administration of real estate	Bulgaria, Sofia	100.00
UNIQA Real Estate d.o.o.	Ancillary service: ownership or administration of real estate	Serbia, Belgrade	100.00
Insdata spol s.r.o.	Ancillary service: IT services company	Slovakia, Nitra	100.00
Renaissance Plaza d.o.o.	Ancillary service: ownership or administration of real estate	Serbia, Belgrade	100.00
IPM International Property Management Kft.	Ancillary service: ownership or administration of real estate	Hungary, Budapest	100.00
UNIQA Real Estate Polska Sp. z o.o.	Ancillary service: ownership or administration of real estate	Poland, Warsaw	100.00
Black Sea Investment Capital	Ancillary service: equity investments	Ukraine, Kiev	100.00
LEGIWATON INVESTMENTS LIMITED	Ancillary service: equity investments	Cyprus, Limassol	100.00
UNIQA Real III, spol. s.r.o.	Ancillary service: ownership or administration of real estate	Slovakia, Bratislava	100.00
UNIQA Real Estate BV	Ancillary service: ownership or administration of real estate	Netherlands, Hoofddorp	100.00
UNIQA Software Service Bulgaria OOD	Ancillary service	Bulgaria, Plovdiv	100.00

UNIQA Software Service Ukraine GmbH	Ancillary service	Ukraine, Kiev	100.00
Reytarske	Ancillary service: ownership of real estate for third-party use	Ukraine, Kiev	100.00
ALBARAMA LIMITED	Ancillary service: ownership or administration of real estate (currently in liquidation)	Cyprus, Nikosia	100.00
AVE-PLAZA LLC	Ancillary service: ownership or administration of real estate	Ukraine, Kharkiv	100.00
Asena CJSC	Ancillary service: ownership of real estate for third-party use	Ukraine, Nikolaev	100.00
UNIQA Assistance doo Sarajevo	Ancillary service	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA Agent doo za zastupanje u osiguranju Banja Luka	Ancillary service: insurance brokerage	Bosnia and Herzegovina, Banja Luka	100.00
UNIQA Agent doo za zastupanje u osiguranju Sarajevo	Ancillary service: insurance brokerage	Bosnia and Herzegovina, Sarajevo	100.00
UNIQA Software Service Kft.	Ancillary service	Hungary, Budapest	100.00
UNIPROINS CONSULTANTA SA	Ancillary service: training und advice However, company not currently “active”	Romania, Bucharest	100.00
sTech d.o.o.	Ancillary service: software development	Serbia, Belgrade	100.00
UNIQA Services Sp. z o.o.	Ancillary service	Poland, Lodz	100.00
Dekra Expert Muszaki Szakertöi Kft.	Ancillary service: risk assessment, claims experts, technical assessment, analyses	Hungary, Budapest	50.00

Appendix II (UNIQA Group) – QRTs

S.02.01.02

Balance sheet

In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	10,246
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	357,828
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	25,013,677
Property (other than for own use)	R0080	2,291,287
Holdings in related undertakings, including participations	R0090	640,723
Equities	R0100	293,231
Equities - listed	R0110	43,650
Equities - unlisted	R0120	249,582
Bonds	R0130	18,880,364
Government Bonds	R0140	11,814,387
Corporate Bonds	R0150	6,659,651
Structured notes	R0160	340,299
Collateralised securities	R0170	66,028
Collective Investments Undertakings	R0180	2,380,930
Derivatives	R0190	23,017
Deposits other than cash equivalents	R0200	504,125
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	5,294,627
Loans and mortgages	R0230	43,707
Loans on policies	R0240	11,868
Loans and mortgages to individuals	R0250	23,641
Other loans and mortgages	R0260	8,198
Reinsurance recoverables from:	R0270	816,261
Non-life and health similar to non-life	R0280	201,281
Non-life excluding health	R0290	199,465
Health similar to non-life	R0300	1,816
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	306,708
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	306,708
Life index-linked and unit-linked	R0340	308,273
Deposits to cedants	R0350	113,134
Insurance and intermediaries receivables	R0360	263,093
Reinsurance receivables	R0370	40,001
Receivables (trade, not insurance)	R0380	297,027
Own shares (held directly)	R0390	14,650
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	812,207
Any other assets, not elsewhere shown	R0420	52,668
Total assets	R0500	**33,129,128**

In EUR Thousand		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	2,879,637
Technical provisions – non-life (excluding health)	R0520	2,590,746
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	2,367,430
Risk margin	R0550	223,317
Technical provisions - health (similar to non-life)	R0560	288,891
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	245,449
Risk margin	R0590	43,441
Technical provisions - life (excluding index-linked and unit-linked)	R0600	16,780,233
Technical provisions - health (similar to life)	R0610	800,182
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	548,777
Risk margin	R0640	251,405
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	15,980,051
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	15,641,338
Risk margin	R0680	338,713
Technical provisions – index-linked and unit-linked	R0690	5,088,688
Technical provisions calculated as a whole	R0700	2,887
Best Estimate	R0710	5,037,458
Risk margin	R0720	48,343
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	208,356
Pension benefit obligations	R0760	600,186
Deposits from reinsurers	R0770	641,944
Deferred tax liabilities	R0780	831,493
Derivatives	R0790	18,728
Debts owed to credit institutions	R0800	4,001
Financial liabilities other than debts owed to credit institutions	R0810	14,968
Insurance & intermediaries payables	R0820	181,313
Reinsurance payables	R0830	31,496
Payables (trade, not insurance)	R0840	340,619
Subordinated liabilities	R0850	928,576
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	928,576
Any other liabilities, not elsewhere shown	R0880	53,311
Total liabilities	R0900	28,603,549
Excess of assets over liabilities	R1000	4,525,578

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110	20,008	362,869		688,122	493,460	61,583	680,780	260,223	15,626
Gross - Proportional reinsurance accepted	R0120									
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140	58	578		8,730	5,607	8,631	74,820	26,465	3,997
Net	R0200	19,949	362,291		679,392	487,853	52,952	605,960	233,757	11,629
Premiums earned										
Gross - Direct Business	R0210	18,465	363,129		680,112	480,399	62,209	675,949	257,188	16,253
Gross - Proportional reinsurance accepted	R0220									
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240	56	829		8,422	5,611	8,039	74,958	25,715	3,137
Net	R0300	18,409	362,301		671,690	474,787	54,169	600,991	231,473	13,115
Claims incurred										
Gross - Direct Business	R0310	12,640	196,136		515,870	323,797	34,460	340,341	176,359	3,426
Gross - Proportional reinsurance accepted	R0320									
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340	34	336		20,343	3,366	4,098	15,877	13,114	1,407
Net	R0400	12,606	195,800		495,527	320,431	30,363	324,463	163,246	2,019
Changes in other technical provisions										
Gross - Direct Business	R0410	11	225		-751			74	13	
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500	11	225		-751			74	13	
Expenses incurred	R0550	5,829	135,155		186,689	148,693	21,630	231,057	85,199	4,457
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	85,883	19,945	49,000					2,737,499
Gross - Proportional reinsurance accepted	R0120								
Gross - Non-proportional reinsurance accepted	R0130								
Reinsurers' share	R0140	991	6,874	1,707					138,458
Net	R0200	84,892	13,071	47,293					2,599,040
Premiums earned									
Gross - Direct Business	R0210	85,682	19,296	48,236					2,706,918
Gross - Proportional reinsurance accepted	R0220								
Gross - Non-proportional reinsurance accepted	R0230								
Reinsurers' share	R0240	963	6,457	1,024					135,213
Net	R0300	84,719	12,838	47,211					2,571,705
Claims incurred									
Gross - Direct Business	R0310	54,030	5,238	24,814					1,687,112
Gross - Proportional reinsurance accepted	R0320								
Gross - Non-proportional reinsurance accepted	R0330								
Reinsurers' share	R0340	126	1,399	-408					59,692
Net	R0400	53,904	3,839	25,222					1,627,420
Changes in other technical provisions									
Gross - Direct Business	R0410			-26					-453
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500			-26					-453
Expenses incurred	R0550	26,799	5,999	44,754					896,262
Other expenses	R1200								33,171
Total expenses	R1300								33,171

In EUR Thousand

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	1,016,905	1,900,053	35,432	217,780					3,170,171
Reinsurers' share	R1420	1,214	20,679	598	39,318					61,809
Net	R1500	1,015,691	1,879,375	34,835	178,462					3,108,362
Premiums earned										
Gross	R1510	1,017,317	1,900,509	35,484	217,474					3,170,784
Reinsurers' share	R1520	1,196	20,679	598	39,320					61,792
Net	R1600	1,016,121	1,879,830	34,887	178,154					3,108,992
Claims incurred										
Gross	R1610	845,879	2,009,204	387,817	-480,975					2,761,925
Reinsurers' share	R1620	246	41,826		27,680					69,752
Net	R1700	845,633	1,967,378	387,817	-508,655					2,692,174
Changes in other technical provisions										
Gross	R1710	-575	253	-330	-148					-801
Reinsurers' share	R1720									
Net	R1800	-575	253	-330	-148					-801
Expenses incurred	R1900	186,584	169,372	63,999	171,446					591,401
Other expenses	R2500									21,151
Total expenses	R2600									612,552

S.05.02.01

Premiums, claims and expenses by country

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – nonlife obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Austria	Poland	Italy	Czech Republic	Romania	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1,587,923	1,587,923	254,791	199,059	175,491	106,151	2,425,016
Gross - Proportional reinsurance accepted	R0120							
Gross - Non-proportional reinsurance accepted	R0130							
Reinsurers' share	R0140	21,901	21,901	15,143	5,378	13,650	3,301	64,013
Net	R0200	1,566,023	1,566,023	239,647	193,681	161,841	102,850	2,361,003
Premiums earned								
Gross - Direct Business	R0210	1,585,297	1,585,297	238,722	199,591	171,434	99,595	2,394,209
Gross - Proportional reinsurance accepted	R0220							
Gross - Non-proportional reinsurance accepted	R0230							
Reinsurers' share	R0240	21,252	21,252	15,102	5,348	13,408	2,781	62,367
Net	R0300	1,564,045	1,564,045	223,619	194,243	158,026	96,815	2,331,841
Claims incurred								
Gross - Direct Business	R0310	1,000,524	1,000,524	135,997	144,803	96,253	68,325	1,502,004
Gross - Proportional reinsurance accepted	R0320							
Gross - Non-proportional reinsurance accepted	R0330							
Reinsurers' share	R0340	14,333	14,333	-12,055	1,519	7,644	2,068	15,225
Net	R0400	986,191	986,191	148,052	143,284	88,609	66,257	1,486,779
Changes in other technical provisions								
Gross - Direct Business	R0410					-751		-768
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500					-751		-768
Expenses incurred	R0550	535,244	535,244	84,358	60,268	58,210	31,986	803,293
Other expenses	R1200							25,825
Total expenses	R1300							829,117

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Austrai	Italy	Russian Federation	Croatia	Bulgaria	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	1,826,194	1,826,194	1,065,497	58,203	34,264	29,263	3,039,366
Reinsurers' share	R1420	32,546	32,546	22,939	482	154		56,966
Net	R1500	1,793,648	1,793,648	1,042,558	57,721	34,110	29,263	2,982,400
Premiums earned								
Gross	R1510	1,825,994	1,825,994	1,066,418	58,203	33,201	29,263	3,039,043
Reinsurers' share	R1520	32,548	32,548	22,940	482	152		56,967
Net	R1600	1,793,446	1,793,446	1,043,478	57,721	33,049	29,263	2,982,077
Claims incurred								
Gross	R1610	1,689,965	1,689,965	1,071,690	49,199	29,060	21,712	2,872,141
Reinsurers' share	R1620	25,316	25,316	43,053	70	93		68,606
Net	R1700	1,664,648	1,664,648	1,028,636	49,128	28,967	21,712	2,803,535
Changes in other technical provisions								
Gross	R1710			-222		11		-211
Reinsurers' share	R1720							
Net	R1800			-222		11		-211
Expenses incurred	R1900	449,485	449,485	66,320	10,843	12,749	5,680	560,123
Other expenses	R2500							26,463
Total expenses	R2600							586,587

S.22.01.22

Impact of long term guarantees and transitional measures

In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	24,748,558			150,420	
Basic own funds	R0020	4,525,578			-110,706	
Eligible own funds to meet Solvency Capital Requirement	R0050	5,240,615			-110,706	
Solvency Capital Requirement	R0090	2,588,818			42,979	

S.23.01.22
Own funds
In EUR Thousand

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector						
Ordinary share capital (gross of own shares)	R0010	309,000	309,000			
Non-available called but not paid in ordinary share capital at group level	R0020					
Share premium account related to ordinary share capital	R0030	1,681,668	1,681,668			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040	1,743	1,743			
Subordinated mutual member accounts	R0050					
Non-available subordinated mutual member accounts at group level	R0060					
Surplus funds	R0070	49,229	49,229			
Non-available surplus funds at group level	R0080					
Preference shares	R0090					
Non-available preference shares at group level	R0100					
Share premium account related to preference shares	R0110					
Non-available share premium account related to preference shares at group level	R0120					
Reconciliation reserve	R0130	2,257,083	2,257,083			
Subordinated liabilities	R0140	928,576			928,576	
Non-available subordinated liabilities at group level	R0150					
An amount equal to the value of net deferred tax assets	R0160	10,246				10,246
The amount equal to the value of net deferred tax assets not available at the group level	R0170	5,679				5,679
Other items approved by supervisory authority as basic own funds not specified above	R0180					
Non available own funds related to other own funds items approved by supervisory authority	R0190					
Minority interests (if not reported as part of a specific own fund item)	R0200	50,952	50,952			
Non-available minority interests at group level	R0210	42,202	42,126			76
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in other financial undertakings, including non-regulated undertakings carrying out financial activities	R0230					
whereof deducted according to art 228 of the Directive 2009/138/EC	R0240					
Deductions for participations where there is non-availability of information (Article 229)	R0250					
Deduction for participations included by using D&A when a combination of methods is used	R0260					
Total of non-available own fund items	R0270	47,880	42,126			5,755
Total deductions	R0280	47,880	42,126			5,755
Total basic own funds after deductions	R0290	5,240,615	4,307,548		928,576	4,491

In EUR Thousand

		Total	Tier 1 - unrestricted	Tier 1 - restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Ancillary own funds						
Unpaid and uncalled ordinary share capital callable on demand	R0300					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0310					
Unpaid and uncalled preference shares callable on demand	R0320					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0340					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0360					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Non available ancillary own funds at group level	R0380					
Other ancillary own funds	R0390					
Total ancillary own funds	R0400					
Own funds of other financial sectors						
Credit Institutions, investment firms, financial insitutions, alternative investment fund manager, financial institutions	R0410					
Institutions for occupational retirement provision	R0420					
Non regulated entities carrying out financial activities	R0430					
Total own funds of other financial sectors	R0440					
Own funds when using the D&A, exclusively or in combination of method 1						
Own funds aggregated when using the D&A and combination of method	R0450					
Own funds aggregated when using the D&A and combination of method net of IGT	R0460					
Total available own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0520	5,240,615	4,307,548		928,576	4,491
Total available own funds to meet the minimum consolidated group SCR	R0530	5,236,124	4,307,548		928,576	
Total eligible own funds to meet the consolidated group SCR (excluding own funds from other financial sector and from the undertakings included via D&A)	R0560	5,240,615	4,307,548		928,576	4,491
Total eligible own funds to meet the minimum consolidated group SCR	R0570	4,580,482	4,307,548		272,934	
Minimum consolidated Group SCR	R0610	1,396,903				
Ratio of Eligible own funds to Minimum Consolidated Group SCR	R0650	336%				
Total eligible own funds to meet the group SCR (including own funds from other financial sector and from the undertakings included via D&A)	R0660	5,240,615				
Group SCR	R0680	2,588,818				
Ratio of Eligible own funds to group SCR including other financial sectors and the undertakings included via D&A	R0690	202%				
		C0060				
Reconciliation reserve						
Excess of assets over liabilities	R0700	4,525,578				
Own shares (held directly and indirectly)	R0710	14,650				
Foreseeable dividends, distributions and charges	R0720	151,008				
Other basic own fund items	R0730	2,102,837				
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740					
Other non available own funds	R0750					
Reconciliation reserve	R0760	2,257,083				
Expected profits						
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,413,413				
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	280,404				
Total Expected profits included in future premiums (EPIFP)	R0790	1,693,817				

S.25.01.22
Solvency Capital Requirement – for groups on Standard Formula
In EUR Thousand

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0080	C0090
Market risk	R0010	2,176,367		
Counterparty default risk	R0020	233,845		
Life underwriting risk	R0030	457,245		
Health underwriting risk	R0040	555,162		
Non-life underwriting risk	R0050	1,091,590		
Diversification	R0060	-1,424,765		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	**3,089,444**		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	209,477
Loss-absorbing capacity of technical provisions	R0140	-258,685
Loss-absorbing capacity of deferred taxes	R0150	-451,418
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	**2,588,818**
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	**2,588,818**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	
Minimum consolidated group solvency capital requirement	R0470	1,396,903
Information on other entities		
Capital requirement for other financial sectors (Non-insurance capital requirements)	R0500	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Credit institutions, investment firms and financial institutions, alternative investment funds managers, UCITS management companies	R0510	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Institutions for occupational retirement provisions	R0520	
Capital requirement for other financial sectors (Non-insurance capital requirements) - Capital requirement for non- regulated entities carrying out financial activities	R0530	
Capital requirement for non-controlled participation requirements	R0540	
Capital requirement for residual undertakings	R0550	
Overall SCR		
SCR for undertakings included via D and A	R0560	
Solvency capital requirement	R0570	**2,588,818**

S.32.01.22
Undertakings in the scope of the group
In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OO W8ELHOXWZP82		UNIQA Insurance Group AG	composite insurer	Aktiengesellschaft	non mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	SC/LEI/529900B0 OFX1G2LS5L25		UNIQA Österreich Versicherungen AG	composite insurer	Aktiengesellschaft	non mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	SC/LEI/529900DY OEB8C25L1K78		SK Versicherung AG	Non-life insurer	Aktiengesellschaft	non mutual	Österreichische Finanzmarktaufsicht - FMA
Switzerland	SC/LEI/529900OO W8ELHOXWZP82/C H/12010		UNIQA Re AG	composite insurer	Aktiengesellschaft	non mutual	Eidgenössische Finanzmarktaufsicht - FINMA
Italy	SC/LEI/815600A7F C9FCDD18474		UNIQA ASSICURAZIONI S.P.A.	Non-life insurer	Società per azioni	non mutual	Istituto per la Vigilanza sulle Assicurazioni - IVASS
Slovakia	SC/LEI/097900BF GI0000027225		UNIQA poisťovňa, a.s.	composite insurer	Akciová spoločnosť	non mutual	Národná banka Slovenska - NBS
Czech Republic	SC/LEI/31570053 VJ0RMQ3JJK93		UNIQA pojišťovna, a.s.	composite insurer	Akciová společnost	non mutual	České národní banka - CNB
Croatia	SC/LEI/74780000 P058TI5YPX93		UNIQA osiguranje d.d.	composite insurer	Delniška družba	non mutual	Hrvatska agenciYes za nadzor financijskih usluga - HANFA
Poland	SC/LEI/259400WV 4XF5OZV6N231		Uniqa Towarzystwo Ubezpieczeń na Życie Spółka Akcyjna	Non-life insurer	Spółka akcyjna	non mutual	Komisji Nadzoru Finansowego - KNF
Poland	SC/LEI/259400JPZ G18Z3V8R922		UNIQA Towarzystwo Ubezpieczen na Zycie S.A.	Life insurer	Spółka akcyjna	non mutual	Komisji Nadzoru Finansowego - KNF
Hungary	SC/LEI/549300RLB B7L1SYSG775		UNIQA Biztosító Zrt.	composite insurer	Biztosító részvénytársaság	non mutual	Pénzügyi Szervezetek Állami Felügyelete - PSZAF
Liechtenstein	SC/LEI/529900SC ZKCX0WMOCC24		UNIQA Versicherung Aktiengesellschaft	Non-life insurer	Aktiengesellschaft	non mutual	Finanzmarktaufsicht Liechtenstein - FMA
Switzerland	SC/LEI/529900OO W8ELHOXWZP82/C H/12160		UNIQA Assurances S.A.	Non-life insurer	S.A.	non mutual	Eidgenössische Finanzmarktaufsicht - FINMA
Italy	SC/LEI/8156009C 7E98F1FEA608		UNIQA PREVIDENZA S.P.A.	Life insurer	Società per azioni	non mutual	Istituto per la Vigilanza sulle Assicurazioni - IVASS
Bosnia and Herzegovina	SC/LEI/529900OO W8ELHOXWZP82/B A/12290		UNIQA Osiguranje d.d.	composite insurer	Delniška družba	non mutual	AgenciYes za nadzor osiguranYes Federacije Bosne i
Bulgaria	SC/LEI/529900QU FCNI937IFE22		UNIQA INSURANCE plc	Non-life insurer	акционерно дружество	non mutual	Комисията за финансов надзор (Financial Supervision
Bulgaria	SC/LEI/529900JXZ 3AOURHL8Z49		UNIQA Life Insurance plc	Life insurer	акционерно дружество	non mutual	Комисията за финансов надзор (Financial Supervision
Serbia	SC/LEI/529900OO W8ELHOXWZP82/R S/12330		UNIQA životno osiguranje a.d.	Life insurer	a.d.	non mutual	National Bank Of Serbia (NBS)

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100				Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
25	25	25		Significant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
99	100	99		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/12340		Insurance company "UNIQA" Private Joint Stock Company	Non-life insurer	Aktiengesellschaft	non mutual	State Commission for the Regulation of Financial Services
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/12350		UNIQA LIFE Private Joint Stock Company	Life insurer	Aktiengesellschaft	non mutual	State Commission for the Regulation of Financial Services
Montenegro	SC/LEI/529900OOW8ELHOXWZP82/ME/12370		UNIQA životno osiguranje a.d.	Life insurer	a.d.	non mutual	AgenciYes za nadzor osiguranYes (ANO)
Albania	SC/LEI/529900OOW8ELHOXWZP82/AL/12380		SIGAL UNIQA Group AUSTRIA Sh.A.	Non-life insurer	Sh.A.	non mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/12390		UNIQA neživotno osiguranje a.d.	Non-life insurer	a.d.	non mutual	National Bank Of Serbia (NBS)
Montenegro	SC/LEI/529900OOW8ELHOXWZP82/ME/12400		UNIQA neživotno osiguranje a.d.	Non-life insurer	a.d.	non mutual	AgenciYes za nadzor osiguranYes (ANO)
Romania	SC/LEI/529900EHBJY3Z379SR41		UNIQA Asigurari S.A.	Non-life insurer	Societăţi pe acţiuni	non mutual	Comisia de Supraveghere a Asigurarilor - CSA
Romania	SC/LEI/529900L3YL1512DQN720		UNIQA Asigurari de Viata SA	Life insurer	Societăţi pe acţiuni	non mutual	Comisia de Supraveghere a Asigurarilor - CSA
Russia	SC/LEI/529900OOW8ELHOXWZP82/RU/12460		Raiffeisen Life Insurance Company LLC	Life insurer	Aktiengesellschaft	non mutual	Federal Financial Markets Service - FFMS
Republic of Macedonia	SC/LEI/529900OOW8ELHOXWZP82/MK/12470		UNIQA AD Skopje	Non-life insurer	a.d.	non mutual	National Bank of the Republic of Macedonia - NBRM
Italy	SC/LEI/81560048D2E35B1A3B11		UNIQA LIFE SPA	Life insurer	Società per azioni	non mutual	Istituto per la Vigilanza sulle Assicurazioni - IVASS
Albania	SC/LEI/529900OOW8ELHOXWZP82/AL/12490		SIGAL LIFE UNIQA Group AUSTRIA Sh.A.	Life insurer	Sh.A.	non mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Kosovo	SC/LEI/529900OOW8ELHOXWZP82/XK/12500		SIGAL UNIQA GROUP AUSTRIA SH.A.	Non-life insurer	Sh.A.	non mutual	Banka Qendrore e Republikës së Kosovës - BQK
Kosovo	SC/LEI/529900OOW8ELHOXWZP82/XK/12510		SIGAL Life UNIQA GROUP AUSTRIA sh.a	Life insurer	a.d.	non mutual	Banka Qendrore e Republikës së Kosovës - BQK
Republic of Macedonia	SC/LEI/529900OOW8ELHOXWZP82/MK/12520		UNIQA Life AD Skopje	Life insurer	a.d.	non mutual	National Bank of the Republic of Macedonia - NBRM
Albania	SC/LEI/529900OOW8ELHOXWZP82/AL/12530		SH.A.F.P SIGAL LIFE UNIQA GROUP AUSTRIA Sh.A.	Institutions for occupational retirement provision	Sh.A.	non mutual	Autoriteti i Mbikëqyrjes Financiare - AMF
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13010		UNIQA Real Estate Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13060		Versicherungsmarkt-Servicegesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
87	100	87		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
75	100	75		Dominant		Yes		Method 1: Full consolidation
87	100	87		Dominant		Yes		Method 1: Full consolidation
90	100	90		Dominant		Yes		Method 1: Full consolidation
87	100	87		Dominant		Yes		Method 1: Full consolidation
87	100	87		Dominant		Yes		Method 1: Full consolidation
87	100	87		Dominant		Yes		Method 1: Full consolidation
87	100	87		Dominant		Yes		Method 1: Full consolidation
44	100	44		Significant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13080		Agenta Risiko- und Finanzierungsberatung Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13100		RSG – Risiko Service und Sachverständigen GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13130		UNIQA IT Services GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13170		UNIQA Capital Markets GmbH	Credit institutions, investment firms and financial institutions	GmbH	non mutual	Österreichische Finanzmarktaufsicht - FMA
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13200		UNIQA Immobilien Projekterrichtungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13270		call us Assistance International GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13310		Medial Beteiligungs-Gmbh	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13390		UNIQA International AG	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	Aktiengesellschaft	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13400		UNIQA Internationale Beteiligungs-Verwaltungs GmbH	Insurance holding company as defined in Art. 212§ [f] of Directive 2009/138/EC	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13410		DIANA-BAD Errichtungs- und Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13420		UNIQA Beteiligungs-Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13470		UNIQA Leasing GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13500		PremiQaMed Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13520		PremiaMed Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13540		Versicherungsbüro Dr. Ignaz Fiala Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13550		UNIQA Real Estate Zweite Beteiligungsverwaltung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13580		Assistance Beteiligungs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13610		Together Internet Services GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13640		RC RISK-CONCEPT Versicherungsmakler GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Sectoral rules
100	100	100		Dominant		Yes		Method 1: Full consolidation
50	100	50		Dominant		Yes		Method 1: Full consolidation
30	30	30		Significant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
33	33	33		Significant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Full consolidation
25	25	25		Significant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
33	0	33		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
64	100	64		Dominant		Yes		Method 1: Full consolidation
23	0	23		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13650		Real Versicherungsvermittlung GmbH(formerly: Real Versicherungs-Makler GmbH)	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13780		Wohnungseigentum Tiroler gemeinnützige Wohnbaugesellschaft mbH	Other	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13790		STRABAG SE	Other	SE	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13800		UNIQA Real Estate AG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Aktiengesellschaft	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13820		Alopex Organisation von Geschäftskontakten GmbH	Other	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/13980		UNIQA HealthService – Services im Gesundheitswesen GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14000		Design Tower GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14010		UNIQA Real Estate Beteiligungsverwaltung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14020		Aspernbrückengasse Errichtungs- und Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14080		Privatklinik Grinzing GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14120		UNIQA Real Estate Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14130		UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14140		UNIQA Real Estate Vierte Beteiligungsverwaltung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14150		"Hotel am Bahnhof" Errichtungs GmbH& Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH& Co. KG	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14170		UNIQA Real Estate Finanzierungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14180		GLM Errichtungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14190		UNIQA Group Audit GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14200		UNIQA Erwerb von Beteiligungen Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14210		Valida Holding AG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Aktiengesellschaft	non mutual	Österreichische Finanzmarktaufsicht - FMA

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
31	0	31		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
15	15	15		Significant		Yes		Other Method
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
99	99	99		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
40	40	40		Significant		Yes		Method 1: Adjusted equity method

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14220		EZL Entwicklung Zone Lassallestraße GmbH& Co. KG	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH& Co. KG	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14240		PremiQaMed Immobilien GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14250		PremiQaMed Privatkliniken GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14280		Ambulatorien Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14290		GENIA CONSULT Unternehmensberatungs Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14320		R-SKA Baden Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14330		Fleischmarkt Inzersdorf Vermietungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14340		Praterstraße Eins Hotelbetriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14350		"Graben 27- 28" Besitzgesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14380		PremiaFIT Facility und IT Management u. Service GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14400		RHG Management GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14410		UNIQA Finanzbeteiligung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14420		UNIQA International Corporate Business GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14430		Kremser Landstraße Projektentwicklung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14440		Schöpferstraße Projektentwicklung GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14450		"Bonadea" Immobilien GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14470		Hotel Burgenland Betriebs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14480		R-FMZ Immobilienholding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14490		Neue Marktgasse Einkaufspassage Stockerau GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Adjusted equity method
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
49	0	49		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14500		DEVELOP Baudurchführungs- und Stadtentwicklungs-Gesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14510		Raiffeisen-Fachmarktzentrum Mercurius GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14520		Raiffeisen-Fachmarktzentrum ZWEI GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14530		Raiffeisen-Fachmarktzentrum Ivesis GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14540		Raiffeisen-Fachmarktzentrum VIER GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14550		Raiffeisen-Fachmarktzentrum SIEBEN GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14560		R-FMZ "MERCATUS" Holding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14580		PKV Beteiligungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14590		Diakonissen & Wehrle Privatklinik GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14600		PremiQaMed Beteiligungs GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14630		UNIQA Real Estate Inlandsholding GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14640		SVA Gesundheitszentrum Betriebs-GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/36	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14650		Goldenes Kreuz Privatklinik BetriebsGmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/37	GmbH	non mutual	
Austria	SC/LEI/529900OOW8ELHOXWZP82/AT/14670		Salzburg Institute of Actuarial Studies GmbH	Other	GmbH	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15020		UNIQA Raiffeisen Software Service Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15050		UNIQA Plaza Irohadaz es Ingatlankezelö Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Czech Republic	SC/LEI/529900OOW8ELHOXWZP82/CZ/15060		UNIQA Real Estate CZ, s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15080		UNIQA Real s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	
Czech Republic	SC/LEI/529900OOW8ELHOXWZP82/CZ/15110		ProUNIQA s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
35	0	35		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
60	100	60		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
49	0	49		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
75	100	75		Dominant		Yes		Method 1: Full consolidation
50	0	50		Significant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
60	100	60		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15120		UNIQA InsService s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15140		UNIQA Ingatlanhasznosító Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15180		UNIQA Szolgaltato Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15190		UNIQA Claims Services International Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15200		Elsö Közszolgalati Penzügyi Tanacsado Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15210		UNIQA Számítástechnikai Szolgáltató Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15270		UNIPARTNER s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	
Italy	SC/LEI/529900OOW8ELHOXWZP82/IT/15600		UNIQA Intermediazioni S.r.l.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.r.l.	non mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15660		Vitosha Auto OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	OOD	non mutual	
Romania	SC/LEI/529900OOW8ELHOXWZP82/RO/15680		Floreasca Tower SRL	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SRL	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15690		Pretium Ingatlan Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Croatia	SC/LEI/529900OOW8ELHOXWZP82/HR/15700		UNIQA poslovni centar Korzo d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15710		UNIQA-Invest Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Germany	SC/LEI/529900OOW8ELHOXWZP82/DE/15720		Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Romania	SC/LEI/529900OOW8ELHOXWZP82/RO/15730		UNIQA Raiffeisen Software Service S.R.L.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	S.R.L.	non mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15740		UNIQA Real Estate Bulgaria EOOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	EOOD	non mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/15790		UNIQA Real Estate d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15810		Insdata spol s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/15830		Renaissance Plaza d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
92	0	92		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
60	100	60		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
98	100	98		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation

In EUR Thousand

Country	Identification code of the undertaking	Type of code of the ID of the undertaking	Legal Name of the undertaking	Type of undertaking	Legal form	Category (mutual/non mutual)	Supervisory Authority
C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/15840		IPM International Property Management Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/PL/15850		UNIQA Real Estate Polska Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	z.o.o.	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15860		Black Sea Investment Capital	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non mutual	
Cyprus	SC/LEI/529900OOW8ELHOXWZP82/CY/15880		LEGIWATON INVESTMENTS LIMITED	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd	non mutual	
Slovakia	SC/LEI/529900OOW8ELHOXWZP82/SK/15890		UNIQA Real III, spol. s.r.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	s.r.o. (limited liability company)	non mutual	
Netherlands	SC/LEI/529900OOW8ELHOXWZP82/NL/15910		UNIQA Real Estate BV	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	BV (Besloten Vennootschap)	non mutual	
Bulgaria	SC/LEI/529900OOW8ELHOXWZP82/BG/15920		UNIQA Software Service Bulgaria OOD	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	OOD	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15930		UNIQA Software Service Ukraine GmbH	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	GmbH	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/15970		Reytarske	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non mutual	
Cyprus	SC/LEI/529900OOW8ELHOXWZP82/CY/16040		ALBARAMA LIMITED	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Ltd	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/16050		AVE-PLAZA LLC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non mutual	
Ukraine	SC/LEI/529900OOW8ELHOXWZP82/UA/16060		Asena CJSC	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	LLC	non mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16110		UNIQA Assistance doo Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16120		UNIQA Agent doo za zastupanje u osiguranju BanYes Luka	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	
Bosnia and Herzegovina	SC/LEI/529900OOW8ELHOXWZP82/BA/16130		UNIQA Agent doo za zastupanje u osiguranju Sarajevo	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16140		UNIQA Software Service Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	
Romania	SC/LEI/529900OOW8ELHOXWZP82/RO/16150		UNIPROINS CONSULTANTA SA	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	SA	non mutual	
Serbia	SC/LEI/529900OOW8ELHOXWZP82/RS/16160		sTech d.o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	d.o.o,	non mutual	
Poland	SC/LEI/529900OOW8ELHOXWZP82/PL/16180		UNIQA Services Sp. z o.o.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	z.o.o.	non mutual	
Hungary	SC/LEI/529900OOW8ELHOXWZP82/HU/16220		Dekra Expert Muszaki Szakertöi Kft.	Ancillary services undertaking as defined in Article 1 (53) of Delegated Regulation (EU) 2015/35	Kft. (limited liability company)	non mutual	

Criteria of influence						Inclusion in the scope of Group supervision		Group solvency calculation
% capital share	% used for the establishment of consolidated accounts	% voting rights	Other criteria	Level of influence	Proportional share used for group solvency calculation	Yes/No	Date of decision if art. 214 is applied	Method used and under method 1, treatment of the undertaking
C0180	C0190	C0200	C0210	C0220	C0230	C0240	C0250	C0260
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
99	0	99		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
99	0	99		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
100	100	100		Dominant		Yes		Method 1: Full consolidation
100	0	100		Dominant		Yes		Deduction of the participation in relation to article 229 of Directive 2009/138/EC
50	50	50		Significant		Yes		Method 1: Adjusted equity method

Appendix III (UNIQA Insurance Group AG) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
		C0010
Assets		
Intangible assets	R0030	
Deferred tax assets	R0040	112,345
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	81,506
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	5,423,689
Property (other than for own use)	R0080	171,037
Holdings in related undertakings, including participations	R0090	4,997,432
Equities	R0100	35,698
Equities - listed	R0110	
Equities - unlisted	R0120	35,698
Bonds	R0130	151,984
Government Bonds	R0140	26,776
Corporate Bonds	R0150	125,208
Structured notes	R0160	
Collateralised securities	R0170	
Collective Investments Undertakings	R0180	65,908
Derivatives	R0190	
Deposits other than cash equivalents	R0200	1,630
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	
Loans and mortgages	R0230	662,286
Loans on policies	R0240	
Loans and mortgages to individuals	R0250	
Other loans and mortgages	R0260	662,286
Reinsurance recoverables from:	R0270	86,208
Non-life and health similar to non-life	R0280	15,514
Non-life excluding health	R0290	15,145
Health similar to non-life	R0300	369
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	70,694
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	70,694
Life index-linked and unit-linked	R0340	
Deposits to cedants	R0350	321,375
Insurance and intermediaries receivables	R0360	11,405
Reinsurance receivables	R0370	9,102
Receivables (trade, not insurance)	R0380	608,792
Own shares (held directly)	R0390	5,901
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	142,280
Any other assets, not elsewhere shown	R0420	24,792
Total assets	R0500	**7,489,684**

In EUR Thousand		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	31,236
Technical provisions – non-life (excluding health)	R0520	30,611
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	28,868
Risk margin	R0550	1,742
Technical provisions - health (similar to non-life)	R0560	625
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	588
Risk margin	R0590	37
Technical provisions - life (excluding index-linked and unit-linked)	R0600	482,865
Technical provisions - health (similar to life)	R0610	
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	
Risk margin	R0640	
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	482,865
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	449,347
Risk margin	R0680	33,518
Technical provisions – index-linked and unit-linked	R0690	
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	
Risk margin	R0720	
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	111,939
Pension benefit obligations	R0760	569,944
Deposits from reinsurers	R0770	125,524
Deferred tax liabilities	R0780	
Derivatives	R0790	
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	305,000
Insurance & intermediaries payables	R0820	11,482
Reinsurance payables	R0830	11,495
Payables (trade, not insurance)	R0840	168,041
Subordinated liabilities	R0850	928,576
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	928,576
Any other liabilities, not elsewhere shown	R0880	5,341
Total liabilities	R0900	**2,751,441**
Excess of assets over liabilities	R1000	**4,738,243**

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110									
Gross - Proportional reinsurance accepted	R0120		167		4,661	958	0	11,308	906	0
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		226		4,161	788		10,410	873	
Net	R0200		-59		500	170	0	898	33	0
Premiums earned										
Gross - Direct Business	R0210									
Gross - Proportional reinsurance accepted	R0220		166		4,652	949	0	11,173	910	15
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		225		4,154	781		10,441	872	
Net	R0300		-59		498	169	0	732	38	15
Claims incurred										
Gross - Direct Business	R0310									
Gross - Proportional reinsurance accepted	R0320		119		2,391	707	-7	6,318	504	6
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		96		2,428	571	1	5,725	1,196	
Net	R0400		23		-38	136	-8	593	-692	6
Changes in other technical provisions										
Gross - Direct Business	R0410									
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500									
Expenses incurred	R0550		32		1,234	300	0	4,300	384	0
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**			Line of business for: **accepted non-proportional reinsurance**				**Total**
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110								0
Gross - Proportional reinsurance accepted	R0120								17,999
Gross - Non-proportional reinsurance accepted	R0130					115		2,458	2,573
Reinsurers' share	R0140							0	16,457
Net	R0200					115		2,458	4,116
Premiums earned									
Gross - Direct Business	R0210								
Gross - Proportional reinsurance accepted	R0220								17,864
Gross - Non-proportional reinsurance accepted	R0230					115		2,458	2,573
Reinsurers' share	R0240							0	16,471
Net	R0300					115		2,458	3,965
Claims incurred									
Gross - Direct Business	R0310								
Gross - Proportional reinsurance accepted	R0320	-3							10,036
Gross - Non-proportional reinsurance accepted	R0330					50	-28	3,070	3,092
Reinsurers' share	R0340							15	10,033
Net	R0400	-3				50	-28	3,055	3,095
Changes in other technical provisions									
Gross - Direct Business	R0410								
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500								
Expenses incurred	R0550			15,041					21,290
Other expenses	R1200								1,066
Total expenses	R1300								1,066

In EUR Thousand

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410								42,483	42,483
Reinsurers' share	R1420								23,786	23,786
Net	R1500								18,697	18,697
Premiums earned										
Gross	R1510								42,802	42,802
Reinsurers' share	R1520								23,788	23,788
Net	R1600								19,013	19,013
Claims incurred										
Gross	R1610								40,200	40,200
Reinsurers' share	R1620								19,301	19,301
Net	R1700								20,899	20,899
Changes in other technical provisions										
Gross	R1710								1,213	1,213
Reinsurers' share	R1720								1,225	1,225
Net	R1800								-11	-11
Expenses incurred	R1900	11,957			23,873				7,857	43,687
Other expenses	R2500									4,475
Total expenses	R2600									48,162

S.05.02.01
Premiums, claims and expenses by country
In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Germany	Croatia	France	Spain	Italy	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110							
Gross - Proportional reinsurance accepted	R0120	16,157	1,804	36	1	0	0	17,999
Gross - Non-proportional reinsurance accepted	R0130	2,423	150					2,573
Reinsurers' share	R0140	14,863	1,563	29	1	0	0	16,457
Net	R0200	3,717	391	7	0	0	0	4,116
Premiums earned								
Gross - Direct Business	R0210							
Gross - Proportional reinsurance accepted	R0220	16,128	1,680	36	1	3	15	17,864
Gross - Non-proportional reinsurance accepted	R0230	2,423	150					2,573
Reinsurers' share	R0240	14,952	1,475	29	1	3	12	16,471
Net	R0300	3,599	355	7	0	1	3	3,965
Claims incurred								
Gross - Direct Business	R0310							
Gross - Proportional reinsurance accepted	R0320	9,170	784	32	-5	16	6	10,003
Gross - Non-proportional reinsurance accepted	R0330	2,986	44		0			3,030
Reinsurers' share	R0340	9,291	633	24	-3	12	4	9,961
Net	R0400	2,866	195	8	-1	4	1	3,072
Changes in other technical provisions								
Gross - Direct Business	R0410							
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500							
Expenses incurred	R0550	19,228	2,023	38	1	0	0	21,290
Other expenses	R1200							1,066
Total expenses	R1300							22,356

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Germany	Croatia	Italy	Switzerland	n.a.	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	37,828	3,638	989	18	11		42,483
Reinsurers' share	R1420	21,179	2,037	554	10	6		23,786
Net	R1500	16,648	1,601	435	8	5		18,697
Premiums earned								
Gross	R1510	37,895	3,848	1,029	19	11		42,802
Reinsurers' share	R1520	21,061	2,139	572	10	6		23,788
Net	R1600	16,834	1,709	457	8	5		19,013
Claims incurred								
Gross	R1610	31,181	7,909	1,108		2		40,200
Reinsurers' share	R1620	14,971	3,797	532		1		19,301
Net	R1700	16,210	4,111	576		1		20,899
Changes in other technical provisions								
Gross	R1710	-817	2,206	-171		-5		1,213
Reinsurers' share	R1720	-825	2,227	-172		-5		1,225
Net	R1800	8	-21	2		0		-11
Expenses incurred	R1900	38,899	3,741	1,017	18	11		43,687
Other expenses	R2500							4,475
Total expenses	R2600							48,162

S.12.01.02
Life and Health SLT Technical Provisions
In EUR Thousand

		Insurance with profit participation	Index-linked and unit-linked insurance			Other life insurance			Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	Total (Life other than health insurance, incl. Unit-Linked)
				Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees			
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030									449,347	449,347
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080									70,694	70,694
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090									378,653	378,653
Risk Margin	R0100									33,518	33,518
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200									482,865	482,865

In EUR Thousand

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090						
Risk Margin	R0100						
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200						

S.17.01.02
Non-life Technical Provisions
In EUR Tausend

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		-69		1,155	134		-485	191	
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		-98		-726	103		-844	33	
Net Best Estimate of Premium Provisions	R0150		28		1,881	31		360	158	
Claims provisions										
Gross - Total	R0160		657		11,353	337	149	6,150	9,863	9
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		467		8,017	260	71	3,881	4,351	
Net Best Estimate of Claims Provisions	R0250		190		3,336	77	78	2,268	5,512	9
Total Best estimate - gross	R0260		588		12,507	471	149	5,665	10,054	9
Total Best estimate - net	R0270		218		5,217	108	78	2,628	5,670	9
Risk margin	R0280		37		480	27	11	458	761	2
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		625		12,987	498	159	6,123	10,815	11
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		369		7,290	363	71	3,037	4,384	
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		256		5,697	135	88	3,086	6,431	11

In EUR Thousand

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060								926
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140								-1,533
Net Best Estimate of Premium Provisions	R0150								2,459
Claims provisions									
Gross - Total	R0160	13							28,530
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240								17,048
Net Best Estimate of Claims Provisions	R0250	13							11,482
Total Best estimate - gross	R0260	13							29,456
Total Best estimate - net	R0270	13							13,941
Risk margin	R0280	2		2					1,780
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	15		2					31,236
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330								15,514
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	15		2					15,721

Annex I
S.19.01.21
Non-life Insurance Claims Information
In EUR Thousand

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Development year											
	Jahr	0	1	2	3	4	5	6	7	8	9	10 & +
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											257
N-9	R0160	222,360	101,644	27,763	16,432	9,084	5,373	3,909	3,003	78	10	
N-8	R0170	223,951	113,461	32,015	14,961	7,075	5,647	3,148	19	9		
N-7	R0180	269,281	142,955	39,262	17,313	8,474	4,880	23	73			
N-6	R0190	183,582	112,355	33,671	16,268	8,841	113	36				
N-5	R0200	192,778	124,002	51,758	23,308	-17	96					
N-4	R0210	165,285	108,915	40,020	616	177						
N-3	R0220	175,112	108,172	884	339							
N-2	R0230	10,023	3,664	702								
N-1	R0240	8,837	2,521									
N	R0250	8,572										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	257	
	R0160	10	389,657
	R0170	9	400,286
	R0180	73	482,261
	R0190	36	354,867
	R0200	96	391,926
	R0210	177	315,013
	R0220	339	284,507
	R0230	702	14,388
	R0240	2,521	11,358
	R0250	8,572	8,572
Total	R0260	12,793	2,652,834

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Development year											
	Jahr	0	1	2	3	4	5	6	7	8	9	10 & +
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											10,878
N-9	R0160										547	
N-8	R0170									333		
N-7	R0180								1,144			
N-6	R0190							641				
N-5	R0200						1,373					
N-4	R0210					2,239						
N-3	R0220				1,860							
N-2	R0230			1,963								
N-1	R0240		2,639									
N	R0250	5,731										

		Year end (discounted data)
		C0360
	R0100	10,421
	R0160	509
	R0170	317
	R0180	1,091
	R0190	612
	R0200	1,317
	R0210	2,193
	R0220	1,823
	R0230	1,924
	R0240	2,607
	R0250	5,716
Total	R0260	28,530

S.22.01.21

Impact of long term guarantees and transitional measures

In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	514,100			567	
Basic own funds	R0020	5,509,909			-107,690	
Eligible own funds to meet Solvency Capital Requirement	R0050	5,168,872			-107,979	
Solvency Capital Requirement	R0090	1,399,767			102	
Eligible own funds to meet Minimum Capital Requirement	R0100	4,538,976			-108,025	
Minimum Capital Requirement	R0110	349,942			25	

S.23.01.01
Own funds
In EUR Thousand

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	309,000	309,000			
Share premium account related to ordinary share capital	R0030	1,681,668	1,681,668			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070					
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	2,478,320	2,478,320			
Subordinated liabilities	R0140	928,576			928,576	
An amount equal to the value of net deferred tax assets	R0160	112,345				112,345
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	5,509,909	4,468,988		928,576	112,345
Ergänzende Eigenmittel						
Ancillary own funds	R0300					
Unpaid and uncalled ordinary share capital callable on demand	R0310					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0320					
Unpaid and uncalled preference shares callable on demand	R0330					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0340					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0360					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0390					
Other ancillary own funds	R0400					
Total ancillary own funds						
Available and eligible own funds	R0500	5,509,909	4,468,988		928,576	
Total available own funds to meet the SCR	R0510	5,397,564	4,468,988		928,576	
Total available own funds to meet the MCR	R0540	5,168,872	4,468,988		699,884	
Total eligible own funds to meet the SCR	R0550	4,538,976	4,468,988		69,988	
Total eligible own funds to meet the MCR	R0580	1,399,767				
SCR	R0600	349,942				
MCR	R0620	369%				
Ratio of Eligible own funds to MCR	R0640	1297%				

		C0060	
Reconciliation reserve			
Excess of assets over liabilities	R0700	4,738,243	
Own shares (held directly and indirectly)	R0710	5,901	
Foreseeable dividends, distributions and charges	R0720	151,008	
Other basic own fund items	R0730	2,103,013	
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740		
Reconciliation reserve	R0760	2,478,320	
Expected profits			
Expected profits included in future premiums (EPIFP) - Life business	R0770		
Expected profits included in future premiums (EPIFP) - Non-life business	R0780		
Total Expected profits included in future premiums (EPIFP)	R0790		

S.25.01.21

Solvency Capital Requirement – for undertakings on Standard Formula

In EUR Thousand

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	1,476,924		
Counterparty default risk	R0020	59,606		
Life underwriting risk	R0030	48,548		
Health underwriting risk	R0040	88		
Non-life underwriting risk	R0050	3,318		
Diversification	R0060	-81,415		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	**1,507,069**		

Calculation of Solvency Capital Requirement		C0100
Operational risk	R0130	2,906
Loss-absorbing capacity of technical provisions	R0140	
Loss-absorbing capacity of deferred taxes	R0150	-110,208
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	**1,399,767**
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	**1,399,767**
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.01.01

Minimum Capital Requirement – Only life or only non-life insurance or reinsurance activity

Linear formula component for non-life insurance and reinsurance obligations

In EUR Thousand

		C0010
MCRNL Result	R0010	1,664

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0020	C0030
Medical expense insurance and proportional reinsurance	R0020		
Income protection insurance and proportional reinsurance	R0030	218	56
Workers' compensation insurance and proportional reinsurance	R0040		
Motor vehicle liability insurance and proportional reinsurance	R0050	5,217	1,040
Other motor insurance and proportional reinsurance	R0060	108	197
Marine, aviation and transport insurance and proportional reinsurance	R0070	78	
Fire and other damage to property insurance and proportional reinsurance	R0080	2,628	2,604
General liability insurance and proportional reinsurance	R0090	5,670	218
Credit and suretyship insurance and proportional reinsurance	R0100	9	
Legal expenses insurance and proportional reinsurance	R0110	13	
Assistance and proportional reinsurance	R0120		
Miscellaneous financial loss insurance and proportional reinsurance	R0130		0
Non-proportional health reinsurance	R0140		
Non-proportional casualty reinsurance	R0150		
Non-proportional marine, aviation and transport reinsurance	R0160		
Non-proportional property reinsurance	R0170		

Linear formula component for life insurance and reinsurance obligations

		C0040
MCRL Result	R0200	1,001

		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0050	C0060
Obligations with profit participation - guaranteed benefits	R0210		
Obligations with profit participation - future discretionary benefits	R0220		
Index-linked and unit-linked insurance obligations	R0230		
Other life (re)insurance and health (re)insurance obligations	R0240		
Total capital at risk for all life (re)insurance obligations	R0250		1,430,046

Overall MCR calculation

		C0070
Linear MCR	R0300	2,665
SCR	R0310	1,399,767
MCR cap	R0320	629,895
MCR floor	R0330	349,942
Combined MCR	R0340	349,942
Absolute floor of the MCR	R0350	3,600
		C0070
Minimum Capital Requirement	R0400	349,942

Appendix IV (UNIQA Österreich Versicherungen AG) – QRTs

S.02.01.02
Balance sheet
In EUR Thousand

		Solvency II value
Assets		C0010
Intangible assets	R0030	
Deferred tax assets	R0040	
Pension benefit surplus	R0050	
Property, plant & equipment held for own use	R0060	42,914
Investments (other than assets held for index-linked and unit-linked contracts)	R0070	16,643,545
Property (other than for own use)	R0080	1,221,686
Holdings in related undertakings, including participations	R0090	1,045,237
Equities	R0100	136,308
Equities - listed	R0110	52,323
Equities - unlisted	R0120	83,985
Bonds	R0130	12,231,590
Government Bonds	R0140	6,916,227
Corporate Bonds	R0150	5,065,005
Structured notes	R0160	184,330
Collateralised securities	R0170	66,028
Collective Investments Undertakings	R0180	1,809,287
Derivatives	R0190	22,805
Deposits other than cash equivalents	R0200	176,632
Other investments	R0210	
Assets held for index-linked and unit-linked contracts	R0220	4,411,303
Loans and mortgages	R0230	285,151
Loans on policies	R0240	5,109
Loans and mortgages to individuals	R0250	23,312
Other loans and mortgages	R0260	256,730
Reinsurance recoverables from:	R0270	1,282,258
Non-life and health similar to non-life	R0280	772,777
Non-life excluding health	R0290	651,079
Health similar to non-life	R0300	121,698
Life and health similar to life, excluding health and index-linked and unit-linked	R0310	201,209
Health similar to life	R0320	
Life excluding health and index-linked and unit-linked	R0330	201,209
Life index-linked and unit-linked	R0340	308,272
Deposits to cedants	R0350	100
Insurance and intermediaries receivables	R0360	94,061
Reinsurance receivables	R0370	46,637
Receivables (trade, not insurance)	R0380	44,120
Own shares (held directly)	R0390	
Amounts due in respect of own fund items or initial fund called up but not yet paid in	R0400	
Cash and cash equivalents	R0410	341,466
Any other assets, not elsewhere shown	R0420	4,480
Total assets	R0500	23,196,035

In EUR Thousand		Solvency II value
Liabilities		C0010
Technical provisions – non-life	R0510	1,571,187
Technical provisions – non-life (excluding health)	R0520	1,357,364
Technical provisions calculated as a whole	R0530	
Best Estimate	R0540	1,223,677
Risk margin	R0550	133,687
Technical provisions - health (similar to non-life)	R0560	213,823
Technical provisions calculated as a whole	R0570	
Best Estimate	R0580	184,250
Risk margin	R0590	29,572
Technical provisions - life (excluding index-linked and unit-linked)	R0600	11,650,116
Technical provisions - health (similar to life)	R0610	780,007
Technical provisions calculated as a whole	R0620	
Best Estimate	R0630	530,674
Risk margin	R0640	249,333
Technical provisions – life (excluding health and index-linked and unit-linked)	R0650	10,870,109
Technical provisions calculated as a whole	R0660	
Best Estimate	R0670	10,633,303
Risk margin	R0680	236,806
Technical provisions – index-linked and unit-linked	R0690	4,276,455
Technical provisions calculated as a whole	R0700	
Best Estimate	R0710	4,247,517
Risk margin	R0720	28,938
Contingent liabilities	R0740	
Provisions other than technical provisions	R0750	41,863
Pension benefit obligations	R0760	
Deposits from reinsurers	R0770	531,913
Deferred tax liabilities	R0780	790,202
Derivatives	R0790	18,356
Debts owed to credit institutions	R0800	
Financial liabilities other than debts owed to credit institutions	R0810	
Insurance & intermediaries payables	R0820	94,294
Reinsurance payables	R0830	13,578
Payables (trade, not insurance)	R0840	159,935
Subordinated liabilities	R0850	433,985
Subordinated liabilities not in Basic Own Funds	R0860	
Subordinated liabilities in Basic Own Funds	R0870	433,985
Any other liabilities, not elsewhere shown	R0880	5,069
Total liabilities	R0900	19,586,954
Excess of assets over liabilities	R1000	3,609,081

S.05.01.02
Premiums, claims and expenses by line of business
In EUR Thousand

		Line of Business for: **non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)**								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090
Premiums written										
Gross - Direct Business	R0110		286,486		299,751	225,992	44,659	410,078	177,902	2,247
Gross - Proportional reinsurance accepted	R0120						47	2,578	465	127
Gross - Non-proportional reinsurance accepted	R0130									
Reinsurers' share	R0140		127,728		86,627	114,860	731	137,632	86,811	
Net	R0200		158,758		213,124	111,132	43,975	275,024	91,556	2,374
Premiums earned										
Gross - Direct Business	R0210		286,581		298,907	224,989	45,638	409,347	177,187	2,323
Gross - Proportional reinsurance accepted	R0220						34	2,734	468	99
Gross - Non-proportional reinsurance accepted	R0230									
Reinsurers' share	R0240		127,681		86,438	114,475	732	137,334	86,594	
Net	R0300		158,900		212,469	110,514	44,940	274,748	91,061	2,423
Claims incurred										
Gross - Direct Business	R0310		162,527		189,431	161,604	28,574	232,710	127,458	14
Gross - Proportional reinsurance accepted	R0320		0		-75		69	2,621	1,864	15
Gross - Non-proportional reinsurance accepted	R0330									
Reinsurers' share	R0340		73,016		63,869	78,854	-998	79,428	57,936	589
Net	R0400		89,511		125,488	82,750	29,641	155,903	71,386	-560
Changes in other technical provisions										
Gross - Direct Business	R0410		91							
Gross - Proportional reinsurance accepted	R0420									
Gross - Non- proportional reinsurance accepted	R0430									
Reinsurers' share	R0440									
Net	R0500		91							
Expenses incurred	R0550		48,789		40,791	30,018	15,829	100,068	29,334	500
Other expenses	R1200									
Total expenses	R1300									

In EUR Thousand

		Line of Business for: non-life insurance and reinsurance obligations (direct business and accepted proportional reinsurance)			Line of business for: accepted non-proportional reinsurance				Total
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Health	Casualty	Marine, aviation, transport	Property	
		C0100	C0110	C0120	C0130	C0140	C0150	C0160	C0200
Premiums written									
Gross - Direct Business	R0110	84,326		33,851					1,565,291
Gross - Proportional reinsurance accepted	R0120								3,217
Gross - Non-proportional reinsurance accepted	R0130							141	141
Reinsurers' share	R0140	14		13,854		1,727	6,685	50,696	627,364
Net	R0200	84,312		19,996		-1,727	-6,685	-50,554	941,286
Premiums earned									
Gross - Direct Business	R0210	84,223		33,813					1,563,008
Gross - Proportional reinsurance accepted	R0220								3,336
Gross - Non-proportional reinsurance accepted	R0230							141	141
Reinsurers' share	R0240	14		13,826		1,801	6,369	50,084	625,347
Net	R0300	84,209		19,988		-1,801	-6,369	-49,942	941,138
Claims incurred									
Gross - Direct Business	R0310	55,503		19,050					976,872
Gross - Proportional reinsurance accepted	R0320								4,495
Gross - Non-proportional reinsurance accepted	R0330							36	36
Reinsurers' share	R0340	226		10,106		311	4,198	24,096	391,632
Net	R0400	55,277		8,945		-311	-4,198	-24,061	589,770
Changes in other technical provisions									
Gross - Direct Business	R0410			-660					-568
Gross - Proportional reinsurance accepted	R0420								
Gross - Non- proportional reinsurance accepted	R0430								
Reinsurers' share	R0440								
Net	R0500			-660					-568
Expenses incurred	R0550	28,118		6,523					299,970
Other expenses	R1200								12,422
Total expenses	R1300								12,422

In EUR Thousand

		Line of Business for: **life insurance obligations**						**Life reinsurance obligations**		**Total**
		Health insurance	Insurance with profit participation	Index-linked and unit-linked insurance	Other life insurance	Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Annuities stemming from non-life insurance contracts and relating to insurance obligations other than health insurance obligations	Health reinsurance	Life reinsurance	
		C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0300
Premiums written										
Gross	R1410	955,962	755,331	278,005	70,988			318	2,201	2,062,804
Reinsurers' share	R1420	561		20,969	40,353				64	61,947
Net	R1500	955,401	755,331	257,035	30,635			318	2,137	2,000,857
Premiums earned										
Gross	R1510	955,723	752,552	278,064	70,500			171	2,201	2,059,210
Reinsurers' share	R1520	561		20,970	40,324				64	61,919
Net	R1600	955,162	752,552	257,094	30,175			171	2,137	1,997,291
Claims incurred										
Gross	R1610	642,357	1,504,161	894,877	-420,419			25	66	2,621,067
Reinsurers' share	R1620	791		26,790	31,629					59,210
Net	R1700	641,565	1,504,161	868,088	-452,049			25	66	2,561,857
Changes in other technical provisions										
Gross	R1710	-148,025	634,503	-44,283	-10,147				-78	431,970
Reinsurers' share	R1720	84		-2,989	-97					-3,002
Net	R1800	-148,109	634,503	-41,294	-10,050				-78	434,972
Expenses incurred	R1900	137,093	87,375	54,532	70,914			23,619	2,459	375,992
Other expenses	R2500									25,005
Total expenses	R2600									400,997

S.05.02.01

Premiums, claims and expenses by country

In EUR Thousand

		Home Country	Top 5 countries (by amount of gross premiums written) – non-life obligations					Total Top 5 and home country
		C0010	C0020	C0030	C0040	C0050	C0060	C0070
	R0110		Italy	Germany	Switzerland	United Kingdom	Belgium	
		C0080	C0090	C0100	C0110	C0120	C0130	C0140
Premiums written								
Gross - Direct Business	R0110	1,505,065	25,890	21,699	3,210	2,505	1,311	1,559,680
Gross - Proportional reinsurance accepted	R0120	684	9	273	193	440		1,599
Gross - Non-proportional reinsurance accepted	R0130		7					7
Reinsurers' share	R0140	602,207	10,361	8,787	1,361	1,178	524	624,419
Net	R0200	903,542	15,546	13,184	2,042	1,767	787	936,868
Premiums earned								
Gross - Direct Business	R0210	1,502,556	26,895	20,972	3,359	2,364	1,309	1,557,455
Gross - Proportional reinsurance accepted	R0220	682	9	245	193	454		1,583
Gross - Non-proportional reinsurance accepted	R0230		7					7
Reinsurers' share	R0240	601,101	10,743	8,470	1,418	1,125	522	623,380
Net	R0300	902,137	16,168	12,747	2,134	1,693	786	935,665
Claims incurred								
Gross - Direct Business	R0310	950,529	19,303	4,641	165	378	67	975,084
Gross - Proportional reinsurance accepted	R0320	-260	357	649	78	180		1,003
Gross - Non-proportional reinsurance accepted	R0330	0			36			36
Reinsurers' share	R0340	379,208	7,845	2,111	111	223	27	389,525
Net	R0400	571,061	11,815	3,179	167	335	40	586,598
Changes in other technical provisions								
Gross - Direct Business	R0410	-568						-568
Gross - Proportional reinsurance accepted	R0420							
Gross - Non- proportional reinsurance accepted	R0430							
Reinsurers' share	R0440							
Net	R0500	-568						-568
Expenses incurred	R0550	287,942	4,954	4,202	651	563	251	298,563
Other expenses	R1200							12,364
Total expenses	R1300							310,927

In EUR Thousand		Home Country	Top 5 countries (by amount of gross premiums written) – life obligations					Total Top 5 and home country
		C0150	C0160	C0170	C0180	C0190	C0200	C0210
	R0110		Germany	Switzerland	Slowenia	Italy	Bulgaria	
		C0220	C0230	C0240	C0250	C0260	C0270	C0280
Premiums written								
Gross	R1410	2,049,788	8,328	874	605	453	323	2,060,371
Reinsurers' share	R1420	61,556	250	26	18	14	10	61,874
Net	R1500	1,988,232	8,077	848	587	440	313	1,998,497
Premiums earned								
Gross	R1510	2,046,342	8,328	874	605	453	176	2,056,777
Reinsurers' share	R1520	61,532	250	26	18	14	5	61,846
Net	R1600	1,984,810	8,077	848	587	440	170	1,994,931
Claims incurred								
Gross	R1610	2,613,173	6,093		357	1,422	23	2,621,068
Reinsurers' share	R1620	59,032	137		8	32	1	59,210
Net	R1700	2,554,141	5,956		349	1,390	22	2,561,857
Changes in other technical provisions								
Gross	R1710	432,035	-65			0		431,970
Reinsurers' share	R1720	-3,003	0			0		-3,002
Net	R1800	435,038	-65			0		434,972
Expenses incurred	R1900	373,620	1,518	159	110	83	59	375,549
Other expenses	R2500							24,975
Total expenses	R2600							400,524

S.12.01.02
Life and Health SLT Technical Provisions
In EUR Thousand

			Index-linked and unit-linked insurance			Other life insurance					
		Insurance with profit participation		Contracts without options and guarantees	Contracts with options or guarantees		Contracts without options and guarantees	Contracts with options or guarantees	Annuities stemming from non-life insurance contracts and relating to insurance obligation other than health insurance obligations	Accepted reinsurance	**Total (Life other than health insurance, incl. Unit-Linked)**
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0150
Technical provisions calculated as a whole	R0010										
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020										
Technical provisions calculated as a sum of BE and RM											
Best Estimate											
Gross Best Estimate	R0030	10,865,454		2,700,148	1,547,369		-232,151				**14,880,820**
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080	200,876		195,969	112,304		333				**509,481**
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090	10,664,578		2,504,179	1,435,065		-232,484				**14,371,339**
Risk Margin	R0100	188,727	28,938			48,079					**265,744**
Amount of the transitional on Technical Provisions											
Technical Provisions calculated as a whole	R0110										
Best estimate	R0120										
Risk margin	R0130										
Technical provisions - total	R0200	11,054,181	4,276,455			-184,072					**15,146,564**

In EUR Thousand

		Health insurance (direct business)			Annuities stemming from non-life insurance contracts and relating to health insurance obligations	Health reinsurance (reinsurance accepted)	Total (Health similar to life insurance)
			Contracts without options and guarantees	Contracts with options or guarantees			
		C0160	C0170	C0180	C0190	C0200	C0210
Technical provisions calculated as a whole	R0010						
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0020						
Technical provisions calculated as a sum of BE and RM							
Best Estimate							
Gross Best Estimate	R0030		530,674				530,674
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0080						
Best estimate minus recoverables from reinsurance/SPV and Finite Re	R0090		530,674				530,674
Risk Margin	R0100	249,333					249,333
Amount of the transitional on Technical Provisions							
Technical Provisions calculated as a whole	R0110						
Best estimate	R0120						
Risk margin	R0130						
Technical provisions - total	R0200	780,007					780,007

S.17.01.02
Non-life Technical Provisions
In EUR Thousand

		Direct business and accepted proportional reinsurance								
		Medical expense insurance	Income protection insurance	Workers' compensation insurance	Motor vehicle liability insurance	Other motor insurance	Marine, aviation and transport insurance	Fire and other damage to property insurance	General liability insurance	Credit and suretyship insurance
		C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100
Technical provisions calculated as a whole	R0010									
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050									
Technical provisions calculated as a sum of BE and RM										
Best estimate										
Premium provisions										
Gross - Total	R0060		-70,176		-10,136	14,274	-335	5,589	-33,186	1,639
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140		4,965		1,199	9,308	381	88,091	-17,952	576
Net Best Estimate of Premium Provisions	R0150		-75,141		-11,336	4,966	-717	-82,502	-15,234	1,063
Claims provisions										
Gross - Total	R0160		254,427		426,770	37,855	49,449	177,750	483,551	1,603
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240		116,733		159,771	23,143	14,248	79,541	270,530	0
Net Best Estimate of Claims Provisions	R0250		137,694		267,000	14,712	35,201	98,210	213,022	1,602
Total Best estimate - gross	R0260		184,250		416,634	52,129	49,113	183,340	450,365	3,242
Total Best estimate - net	R0270		62,552		255,664	19,679	34,484	15,708	197,787	2,666
Risk margin	R0280		29,572		23,907	9,072	6,178	43,610	28,301	303
Amount of the transitional on Technical Provisions										
TP as a whole	R0290									
Best estimate	R0300									
Risk margin	R0310									
Technical provisions - total										
Technical provisions - total	R0320		213,823		440,541	61,201	55,291	226,949	478,666	3,545
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330		121,698		160,970	32,450	14,629	167,632	252,577	576
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340		92,125		279,571	28,750	40,662	59,318	226,089	2,969

In EUR Thousand

		Direct business and accepted proportional reinsurance			Accepted non-proportional reinsurance				Total Non-Life obligation
		Legal expenses insurance	Assistance	Miscellaneous financial loss	Non-proportional health reinsurance	Non-proportional casualty reinsurance	Non-proportional marine, aviation and transport reinsurance	Non-proportional property reinsurance	
		C0110	C0120	C0130	C0140	C0150	C0160	C0170	C0180
Technical provisions calculated as a whole	R0010								
Total Recoverables from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default associated to TP calculated as a whole	R0050								
Technical provisions calculated as a sum of BE and RM									
Best estimate									
Premium provisions									
Gross - Total	R0060	-70,285		11,545					-151,072
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0140	-98		14,627					101,097
Net Best Estimate of Premium Provisions	R0150	-70,187		-3,082					-252,169
Claims provisions									
Gross - Total	R0160	103,846		23,749					1,559,000
Total recoverable from reinsurance/SPV and Finite Re after the adjustment for expected losses due to counterparty default	R0240	868		6,847					671,680
Net Best Estimate of Claims Provisions	R0250	102,977		16,902					887,320
Total Best estimate - gross	R0260	33,561		35,294					1,407,928
Total Best estimate - net	R0270	32,791		13,820					635,151
Risk margin	R0280	16,389		5,927					163,259
Amount of the transitional on Technical Provisions									
TP as a whole	R0290								
Best estimate	R0300								
Risk margin	R0310								
Technical provisions - total									
Technical provisions - total	R0320	49,950		41,221					1,571,187
Recoverable from reinsurance contract/SPV and Finite Re after the adjustment for expected losses due to counterparty default - total	R0330	770		21,473					772,777
Technical provisions minus recoverables from reinsurance/SPV and Finite Re- total	R0340	49,179		19,747					798,410

Annex I
S.19.01.21
Non-life Insurance Claims Information
In EUR Thousand

Total Non-Life Business

Accident year / Underwriting year	Z0010	Accident year

Gross Claims Paid (non-cumulative)
(absolute amount)

	Jahr	0	1	2	3	4	5	6	7	8	9	10 & +
		Development year										
		C0010	C0020	C0030	C0040	C0050	C0060	C0070	C0080	C0090	C0100	C0110
Prior	R0100											21,141
N-9	R0160	374,888	201,995	56,811	30,786	25,062	12,287	7,988	5,093	5,263	378	
N-8	R0170	403,901	218,393	69,305	31,729	18,421	12,072	7,731	7,401	6,961		
N-7	R0180	455,724	259,972	73,605	34,104	16,260	10,164	10,171	5,645			
N-6	R0190	400,120	239,685	69,655	34,402	13,773	12,496	7,015				
N-5	R0200	410,303	247,946	89,759	37,628	17,507	9,571					
N-4	R0210	467,079	246,382	83,929	36,636	18,624						
N-3	R0220	459,824	245,461	80,240	33,033							
N-2	R0230	423,936	250,048	70,876								
N-1	R0240	454,802	241,041									
N	R0250	458,895										

		In Current year	Sum of years (cumulative)
		C0170	C0180
	R0100	21,141	
	R0160	378	720,552
	R0170	6,961	775,914
	R0180	5,645	865,644
	R0190	7,015	777,146
	R0200	9,571	812,714
	R0210	18,624	852,651
	R0220	33,033	818,559
	R0230	70,876	744,860
	R0240	241,041	695,843
	R0250	458,895	458,895
Total	R0260	873,180	7,522,777

Gross undiscounted Best Estimate Claims Provisions
(absolute amount)

	Jahr	0	1	2	3	4	5	6	7	8	9	10 & +
		Development year										
		C0200	C0210	C0220	C0230	C0240	C0250	C0260	C0270	C0280	C0290	C0300
Prior	R0100											228,091
N-9	R0160										30,893	
N-8	R0170									35,294		
N-7	R0180								43,385			
N-6	R0190							47,050				
N-5	R0200						58,028					
N-4	R0210					65,854						
N-3	R0220				99,148							
N-2	R0230			156,943								
N-1	R0240		239,322									
N	R0250	510,385										

		Year end (discounted data)
		C0360
	R0100	223,072
	R0160	29,554
	R0170	33,766
	R0180	41,457
	R0190	45,173
	R0200	55,893
	R0210	63,420
	R0220	96,164
	R0230	152,906
	R0240	234,855
	R0250	504,846
Total	R0260	1,481,107

S.22.01.21

Impact of long term guarantees and transitional measures

In EUR Thousand

		Amount with Long Term Guarantee measures and transitionals	Impact of transitional on technical provisions	Impact of transitional on interest rate	Impact of volatility adjustment set to zero	Impact of matching adjustment set to zero
		C0010	C0030	C0050	C0070	C0090
Technical provisions	R0010	17,497,758			116,799	
Basic own funds	R0020	3,869,698			-83,461	
Eligible own funds to meet Solvency Capital Requirement	R0050	3,869,698			-83,461	
Solvency Capital Requirement	R0090	1,594,422			39,789	
Eligible own funds to meet Minimum Capital Requirement	R0100	3,568,436			-82,169	
Minimum Capital Requirement	R0110	520,905			6,462	

S.23.01.01
Own funds
In EUR Thousand

		Total	Tier 1 unrestricted	Tier 1 restricted	Tier 2	Tier 3
		C0010	C0020	C0030	C0040	C0050
Basic own funds before deduction for participations in other financial sector as foreseen in article 68 of Delegated Regulation 2015/35						
Ordinary share capital (gross of own shares)	R0010	37,689	37,689			
Share premium account related to ordinary share capital	R0030	108,018	108,018			
Initial funds, members' contributions or the equivalent basic own - fund item for mutual and mutual-type undertakings	R0040					
Subordinated mutual member accounts	R0050					
Surplus funds	R0070	49,229	49,229			
Preference shares	R0090					
Share premium account related to preference shares	R0110					
Reconciliation reserve	R0130	3,240,777	3,240,777			
Subordinated liabilities	R0140	433,985		28,542	405,443	
An amount equal to the value of net deferred tax assets	R0160					
Other own fund items approved by the supervisory authority as basic own funds not specified above	R0180					
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds						
Own funds from the financial statements that should not be represented by the reconciliation reserve and do not meet the criteria to be classified as Solvency II own funds	R0220					
Deductions						
Deductions for participations in financial and credit institutions	R0230					
Total basic own funds after deductions	R0290	3,869,698	3,435,712	28,542	405,443	
Ancillary own funds	R0300					
Unpaid and uncalled ordinary share capital callable on demand	R0310					
Unpaid and uncalled initial funds, members' contributions or the equivalent basic own fund item for mutual and mutual - type undertakings, callable on demand	R0320					
Unpaid and uncalled preference shares callable on demand	R0330					
A legally binding commitment to subscribe and pay for subordinated liabilities on demand	R0340					
Letters of credit and guarantees under Article 96(2) of the Directive 2009/138/EC	R0350					
Letters of credit and guarantees other than under Article 96(2) of the Directive 2009/138/EC	R0360					
Supplementary members calls under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0370					
Supplementary members calls - other than under first subparagraph of Article 96(3) of the Directive 2009/138/EC	R0390					
Other ancillary own funds	R0400					
Total ancillary own funds						
Available and eligible own funds	R0500	3,869,698	3,435,712	28,542	405,443	
Total available own funds to meet the SCR	R0510	3,869,698	3,435,712	28,542	405,443	
Total available own funds to meet the MCR	R0540	3,869,698	3,435,712	28,542	405,443	
Total eligible own funds to meet the SCR	R0550	3,568,436	3,435,712	28,542	104,181	
Total eligible own funds to meet the MCR	R0580	1,594,422				
SCR	R0600	520,905				
MCR	R0620	243%				
Ratio of Eligible own funds to MCR	R0640	685%				

		C0060
Reconciliation reserve		
Excess of assets over liabilities	R0700	3,609,081
Own shares (held directly and indirectly)	R0710	
Foreseeable dividends, distributions and charges	R0720	173,368
Other basic own fund items	R0730	194,935
Adjustment for restricted own fund items in respect of matching adjustment portfolios and ring fenced funds	R0740	
Reconciliation reserve	R0760	3,240,777
Expected profits		
Expected profits included in future premiums (EPIFP) - Life business	R0770	1,283,153
Expected profits included in future premiums (EPIFP) - Non-life business	R0780	272,338
Total Expected profits included in future premiums (EPIFP)	R0790	1,555,490

S.25.01.21

Solvency Capital Requirement – for undertakings on Standard Formula

In EUR Thousand

		Gross solvency capital requirement	USP	Simplifications
		C0110	C0090	C0100
Market risk	R0010	1,685,490		
Counterparty default risk	R0020	143,409		
Life underwriting risk	R0030	380,162		
Health underwriting risk	R0040	473,530		
Non-life underwriting risk	R0050	615,443		
Diversification	R0060	-1,016,058		
Intangible asset risk	R0070			
Basic Solvency Capital Requirement	R0100	2,281,975		

		C0100
Calculation of Solvency Capital Requirement		
Operational risk	R0130	119,738
Loss-absorbing capacity of technical provisions	R0140	-275,817
Loss-absorbing capacity of deferred taxes	R0150	-531,474
Capital requirement for business operated in accordance with Art. 4 of Directive 2003/41/EC	R0160	
Solvency Capital Requirement excluding capital add-on	R0200	1,594,422
Capital add-ons already set	R0210	
Solvency capital requirement for undertakings under consolidated method	R0220	1,594,422
Other information on SCR		
Capital requirement for duration-based equity risk sub-module	R0400	
Total amount of Notional Solvency Capital Requirements for remaining part	R0410	
Total amount of Notional Solvency Capital Requirements for ring fenced funds	R0420	
Total amount of Notional Solvency Capital Requirements for matching adjustment portfolios	R0430	
Diversification effects due to RFF nSCR aggregation for article 304	R0440	

S.28.02.01.01

Minimum Capital Requirement – Both life and non-life insurance activity

In EUR Thousand

		MCR components	
		Non-life activities MCR(NL, NL) Result	Life activities MCR(NL, L)Result
		C0010	C0020
Linear formula component for non-life insurance and reinsurance obligations	R0010	146,936	

		Non-life activities		Life activities	
		Net (of reinsurance/ SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance) written premiums in the last 12 months
		C0030	C0040	C0050	C0060
Medical expense insurance and proportional reinsurance	R0020				
Income protection insurance and proportional reinsurance	R0030	62,552	157,031		
Workers' compensation insurance and proportional reinsurance	R0040				
Motor vehicle liability insurance and proportional reinsurance	R0050	255,664	208,915		
Other motor insurance and proportional reinsurance	R0060	19,679	102,760		
Marine, aviation and transport insurance and proportional reinsurance	R0070	34,484	37,290		
Fire and other damage to property insurance and proportional reinsurance	R0080	15,708	247,891		
General liability insurance and proportional reinsurance	R0090	197,787	81,599		
Credit and suretyship insurance and proportional reinsurance	R0100	2,666	2,293		
Legal expenses insurance and proportional reinsurance	R0110	32,791	84,255		
Assistance and proportional reinsurance	R0120				
Miscellaneous financial loss insurance and proportional reinsurance	R0130	13,820	19,442		
Non-proportional health reinsurance	R0140				
Non-proportional casualty reinsurance	R0150				
Non-proportional marine, aviation and transport reinsurance	R0160				
Non-proportional property reinsurance	R0170				

In EUR Tausend

		Non-life activities	Life activities
		MCR(L, NL) Result	MCR(L, L) Result
		C0070	C0080
Linear formula component for life insurance and reinsurance obligations	R0200	-36,122	410,091

		Non-life activities		Life activities	
		Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk	Net (of reinsurance/SPV) best estimate and TP calculated as a whole	Net (of reinsurance/SPV) total capital at risk
		C0090	C0100	C0110	C0120
Obligations with profit participation - guaranteed benefits	R0210	-163,977		10,262,583	
Obligations with profit participation - future discretionary benefits	R0220	694,651		401,995	
Index-linked and unit-linked insurance obligations	R0230			3,939,245	
Other life (re)insurance and health (re)insurance obligations	R0240				
Total capital at risk for all life (re)insurance obligations	R0250				33,863,090

Overall MCR calculation

		C0130
Linear MCR	R0300	520,905
SCR	R0310	1,594,422
MCR cap	R0320	717,490
MCR floor	R0330	398,606
Combined MCR	R0340	520,905
Absolute floor of the MCR	R0350	7,400
		C0130
Minimum Capital Requirement	R0400	520,905

Notional non-life and life MCR calculation

		Non-life activities	Life activities
		C0140	C0150
Notional linear MCR	R0500	110,814	410,091
Notional SCR excluding add-on (annual or latest calculation)	R0510	339,189	1,255,234
Notional MCR cap	R0520	152,635	564,855
Notional MCR floor	R0530	84,797	313,808
Notional Combined MCR	R0540	110,814	410,091
Absolute floor of the notional MCR	R0550	3,700	3,700
Notional MCR	R0560	110,814	410,091

Appendix V – regulatory requirements for the Solvency and Financial Condition Report

This appendix lists the regulatory requirements upon which this Solvency and Financial Condition Report is based and with which it corresponds and complies. In addition to these regulatory requirements this document is also in accordance with Articles 51 to 56 of Directive (EU) 2009/138/EC (Level 1) and Sections 241 to 245 of the Austrian Insurance Supervision Act 2016 (Level 4).

Chapter A

This chapter contains information on the company's business activities and performance, in accordance with Article 293 of the Delegated Regulation (EU) (Level 2) as well as guidelines 1 and 2 EIOPA-BoS-15/109 (Level 3). Article 359 (a) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level, as well as guideline 14 EIOPA-BoS-15/109 (Level 3).

Chapter B

This chapter contains information on the company's governance system, in accordance with Article 294 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 3 and 4 EIOPA-BoS-15/109 (Level 3). Article 359 (b) Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter C

This chapter contains information on the company's risk profile, in accordance with Article 295 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guideline 5 to 5 EIOPA-BoS-15/109 (Level 3). Article 359 (c) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter D

This chapter contains information on the valuation requirements for Solvency II, in accordance with Article 296 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 6 to 10 EIOPA-BoS-15/109 (Level 3). Article 359(d) of the Delegated Regulation (EU) 2015/35 (Level 2) also applies for the reporting at Group level.

Chapter E

This chapter contains information on the company's capital management, in accordance with Articles 297 and 298 of the Delegated Regulation (EU) 2015/35 (Level 2) as well as guidelines 11 to 13 EIOPA-BoS-15/109 (Level 3). Article 359(e) of the Delegated Regulation (EU) 2015/35 (Level 2), as well as guideline 15 EIOPA-BoS-15/109 (Level 3) also apply for the reporting at Group level.

Glossary

Term	Definition
(Partial) internal model	Internally generated model developed by the insurance or reinsurance entity concerned and at the instruction of the FMA to calculate the solvency capital requirement or relevant risk modules (on a partial basis).
Acquisition costs	The amount of cash or cash equivalents paid to acquire an asset or the fair value of another form of charge at the time of acquisition.
Affiliated companies	The parent company and its subsidiary undertakings are affiliated companies. Subsidiary undertakings are companies controlled by UNIQA.
Amortised cost	Amortised cost relates to acquisition costs less permanent impairment (such as ongoing amortisation).
Asset allocation	The structure of investments, i.e. the proportional composition of the overall investments from the different types of investment (e.g. equities, fixed-income securities, holdings, land and buildings, money market instruments).
Asset liability management	Management concept whereby decisions related to company assets and liabilities are matched with each other. Strategies on the assets and liabilities are formulated, implemented, monitored and revised for this in a continuous process in order to achieve the financial targets with specified risk tolerances and limitations.
Associates	Associates are all companies over which UNIQA has significant influence but does not exercise control or joint control over their financial and operating policies. This is generally the case as soon as there is a voting share of between 20 and 50 per cent or a comparable significant influence is guaranteed legally or in practice via other contractual regulations.
Available-for-sale financial assets	The available-for-sale financial assets include financial assets that are neither due to be held until final maturity, nor have they been acquired for short-term trading purposes. Available-for-sale financial assets are assessed at fair value. Fluctuations in value are recorded in other comprehensive income in the consolidated statement of comprehensive income.
Benchmark method	An accounting and valuation method preferred in IFRS accounting.
Best estimate	This is the probability-weighted average of future cash flows taking into account the expected present value and using the relevant risk-free yield curve.
Claims rate	Insurance benefits in property and casualty insurance in relation to the premiums earned.
Combined ratio	Combined ratio of damage claims and costs. Sum of the operating expenses and insurance benefits relative to the premiums earned, net in all cases – in property and casualty insurance.
Corporate Governance	Corporate Governance designates the legal and actual framework for managing and monitoring companies. Corporate Governance regulations are aimed at ensuring transparency and thereby at boosting confidence in responsible company management and controls based around added value.
Cost ratio	Ratio of total insurance operations 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 insurance company’s costs associated with entering into new or extending existing insurance contracts. They include costs such as closure commissions and costs for processing applications and preparing risks assessments.
Direct insurance business	This relates to the insurance contracts that a direct insurer enters into with private individuals or companies. This is in contrast with reinsurance business acquired by a direct insurer or reinsurer.
Duration	The duration describes the weighted average duration of an interest-rate sensitive investment or portfolio and is a measure of risk of the sensitivity of investments in the event of changes in interest rates.
Economic capital (Net Asset Value, NAV)	The economic capital results from the residual amount between the assets assessed at fair values and the liabilities assessed at fair values and is a synonym for economic own funds.

ECM	Economic Capital Model; UNIQA assessment based on the EIOPA standard formula for calculating the risk capital requirement with the variations of the risk exposure for EEA (European Economic Area) government bonds and handling of asset backed securities, and using the partial internal model for property and casualty insurance.
ECR	Economic Capital Requirement; Risk capital requirements that results from the economic capital model. See overall solvency needs.
Equity method	Investments in associates are accounted for using this method. The value assessed corresponds with the Group's share in these companies' equity. With investments in companies that prepare consolidated financial statements themselves, their Group equity is assessed accordingly in each case. This value must be updated to take account of proportional changes in equity as part of ongoing valuations; the proportional profit on ordinary activities is attributed to the consolidated profit/(loss) with this.
Expenses incurred	All the entity's technical expenses allocated to the reporting period.
Fair value	The fair value is the price that would be received for the sale of an asset or would be paid for assigning a debt in an orderly business transaction between market participants.
FAS	US Financial Accounting Standards which set out the details on US GAAP (Generally Accepted Accounting Principles).
Gross (premiums written)	The item includes details on items in the balance sheet and income statement, excluding the proportion from reinsurance.
Hedging	Hedging against undesirable changes in rates or prices using an appropriate offsetting item, particularly using derivative financial instruments.
IAS	International Accounting Standards
IFRS	International Financial Reporting Standards. Since 2002 the term IFRS has applied to the overall concept of the standards enacted by the International Accounting Standards Board. Standards already enacted before this continue to be known as International Accounting Standards (IAS).
Insurance benefits (gross)	Total of insurance benefit payments and changes in the claims provision during the financial year in connection with direct insurance and reinsurance contracts. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.
Insurance benefits (net)	Total of insurance benefit payments and changes in the claims provision during the financial year in relation to the total of direct insurance and inward reinsurance business, less the amount related to reinsurance ceded. This does not include claims settlement expenses and changes in the provisions for claims settlement expenses.
Insurance provision	Provision at the amount of the existing liability to pay insurance benefits and reimbursements, primarily in life and health insurance. The provision is ascertained in accordance with actuarial methods as the balance of the cash value of future liabilities minus the cash value of future premiums.
Key functions	Bodies or committees that must be established under mandatory statutory requirements; they prepare regular reports to be submitted to the management board and supervisory board of an entity. The reported information is used for the purposes of review and decision-making.
Minimum capital requirement	stands for Minimum Capital Requirement. minimum level of security below which the eligible basic own funds should not fall. The Minimum Capital Requirement (MCR) is calculated using a formula in relation to the Solvency Capital Requirement (SCR).
Net	The part of risks assumed which the insurer/reinsurer does not reinsure.
Non-controlling interests	Interests in the profit/(loss) which are attributable to third parties outside of the Group that hold shares in affiliates and not to the Group.
Operating expenses	This item includes acquisition costs, expenses for portfolio management and for implementing reinsurance. Deduction of the commissions received and profit participation from reinsurance business ceded results in operating expenses for own account.
Overall solvency needs (OSN)	Designates the company's individual risk assessment and capital requirements resulting from this. Corresponds with the ECR at UNIQA.
Own funds	In the case of stock corporations, the paid-in share capital; in the case of insurance associations (to the extent that the own funds are used to cover losses), the capital reserves, the retained earnings and the risk reserve together with the net retained profit not earmarked for distribution.

Own risk and solvency assessment (ORSA)	Forward-looking risk and solvency assessment process carried out by the entity itself. It forms an integral part of corporate strategy and the planning process – but at the same time also part of the overall risk management strategy.
Premiums	Total premiums written. All premiums written in the financial year from insurance contracts for direct insurance and inward reinsurance business.
Premiums earned (gross)	Total gross premiums written less the change in gross premiums carried forward for the direct insurance business.
Premiums earned (net)	Total gross premiums written less the change in gross premiums carried forward in relation to the total direct insurance business and inward reinsurance business, reduced by the amount in relation to reinsurance ceded.
Premiums written (gross)	All premiums due during the financial year arising from insurance contracts under direct insurance business, regardless of whether these premiums relate (either wholly or partially) to a later financial year.
Premiums written (net)	Total premiums from direct insurance business and inward reinsurance less amounts in respect of reinsurance ceded.
Profit participation	In life and health insurance the policyholders must be allowed under statutory and contractual provisions to participate appropriately in the company's surpluses generated. The amount of this profit participation is determined again each year.
Provision for premium refunds and profit participation	The part of the surplus scheduled for future distribution to the policyholders is placed into the provisions for premium refunds or profit participation. Deferred amounts are also accounted for in the provision.
Provision for unsettled claims	Also known as the claims provision; takes into account liabilities from claims that have already arisen as at the reporting date but which have not yet been settled or settled in full.
Reinsurance	An insurance company insures part of its risk with another insurance company.
Reinsurance premiums ceded	Proportion of premiums to which the reinsurer is entitled for assuming certain reinsurance risks.
Retrocession	Retrocession means reinsurance of the reinsurance assumed and is used as a risk-policy tool by professional reinsurance companies and in inward reinsurance by other insurance companies.
Return on equity (ROE)	The return on equity is the ratio of the profit/(loss) to the average equity, after non-controlling interests in each case.
Revaluation reserve	Unrealised gains and losses that result from the difference between the fair value and the amortised costs are recognised directly in equity in the item "Revaluation reserve" following deduction of deferred tax and deferred profit participation (in the area of life insurance) without affecting income.
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	According to the Section 161 of the Austrian Insurance Supervision Act 2016, the risk margin is an add-on to the best estimate to ensure that the value of technical provisions equates to the amount that insurers and reinsurers would need so that they are able to assume and satisfy their insurance and reinsurance obligations.
Solvency	An insurance company's own funds.
Solvency balance sheet	Total of the assets and liabilities of an insurance or reinsurance entity (defined differently from the financial reporting requirements under IFRS). Assets and liabilities are measured at the amount that would be agreed for exchange or settlement between independent, knowledgeable, willing parties.
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, underwriting risk) are taken into account. It covers both current operating activities and the new business expected in the subsequent twelve months.
Solvency II	European Union Directive on publication obligations and solvency regulations in terms of insurance company's own funds.
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 be able to make a quantitative statement on the loss potential for portfolios in the event of extreme market fluctuations.

Subordinated liabilities	Liabilities that can only be repaid after the other liabilities in the event of liquidation or bankruptcy.
Supplementary capital	Paid-in capital that is provided to the insurance company under an agreement for a minimum of five years with a waiver of the right of termination and for which interest can only be disbursed if this is covered in the annual net profit.
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 remuneration for the insurance period after the reporting date, and has therefore not been earned as at the reporting date. Except in the case of life insurance, unearned premiums must be stated as a separate item in the balance sheet under the technical provisions.
US GAAP	US Generally Accepted Accounting Principles.
Value at risk	Risk quantification method. This involves calculating the expected value of a loss which may arise following unfavourable market developments with a specified probability within a defined period.
Value of business in-force (VBI)	Designates the cash value of future profits arising from life insurance contracts, less the cash value of the costs arising from the capital to be held in connection with this business.

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