



UNIQA Insurance Group AG
Solvency Capital and Embedded
Value 2020

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Solvency Capital

Solvency
Capital Ratio¹

170%

Unrestricted
Tier 1 Capital

74%

Impact ex-AXA
on Solvency
Capital Ratio

-26%

Standard &
Poor's rating

A-

- Decrease of capital position driven by ex-AXA acquisition and interest rate environment in 2020
- Solvency position stays in internal ambition zone of minimum 170%
- Quality of capital in own funds remains strong

Embedded Value

Life, Health &
Pension Fund
MCEV²

-5.3%

New Business
Value

**EUR
111m**

Free Surplus
Generation³

**EUR
126m**

New Business
Margin

3.6%

- Significant impacts on MCEV and NBV values as a result of adding ex-AXA entities
 - Inclusion of the ex-AXA entities leads to the following uplifts as at 2020 Q4: MCEV +862m, NBV +46m
- Downward pressure on MCEV and NBV from a decline in interest rates in 2020 and COVID-19 environment
- Higher Free Surplus Generation mainly due to acquired ex-AXA business

¹ Audit on Solvency & Financial Condition Report (SFCR) ongoing

² As % of adjusted opening Life, Health & Pension Fund MCEV. The purchased ex-AXA entities are included in the adjusted opening MCEV

³ Annualized ex-AXA contribution for 2020

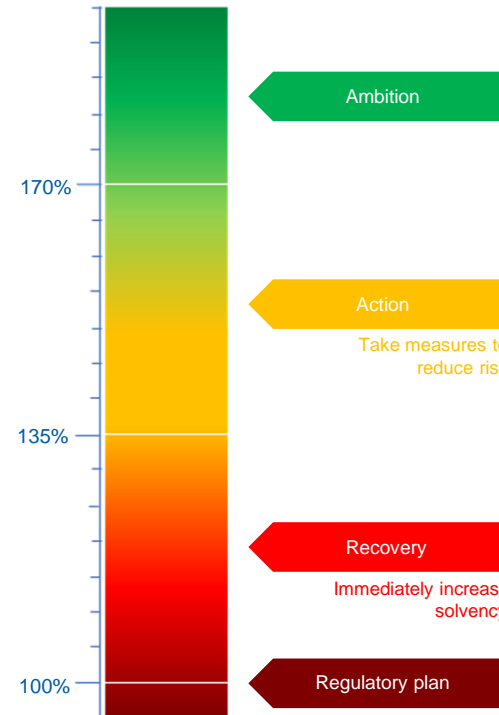
- I. **Group Solvency Capital**
 - Risk Strategy
 - Results
 - Sensitivities and other analysis
- II. **Market Consistent Embedded Value**
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- III. **Appendix**
 - SCR Methodology
 - MCEV Methodology
 - Assumptions
 - Glossary & Disclaimer

Key Elements of our Risk Strategy

- Ambition is to have SCR Ratio above 170%
- We focus on underwriting risks and take market/credit risks only to the extent necessary
- Target market risk share of total SCR is below 65%
- The target rating for UNIQA Group is category “A” by Standard & Poor’s

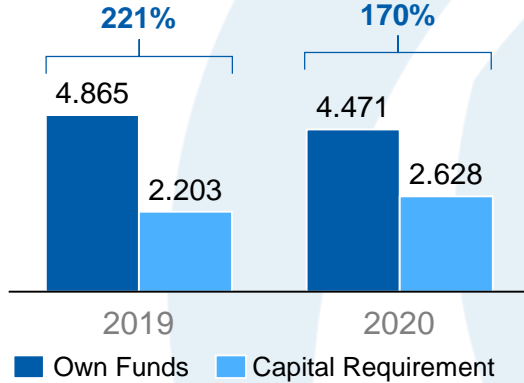
I. GROUP CAPITAL REQUIREMENT

Risk Strategy

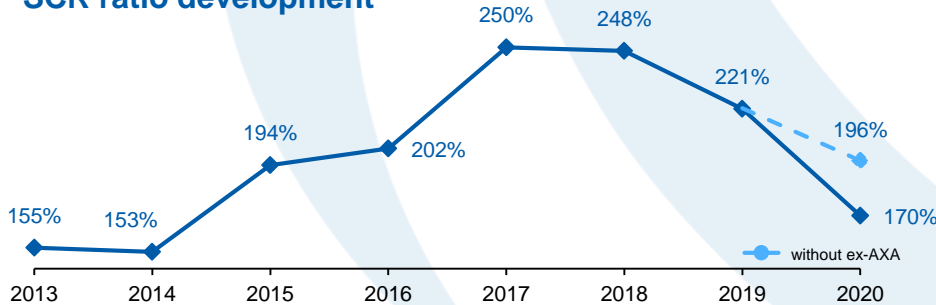


SII capital position¹

EUR mn

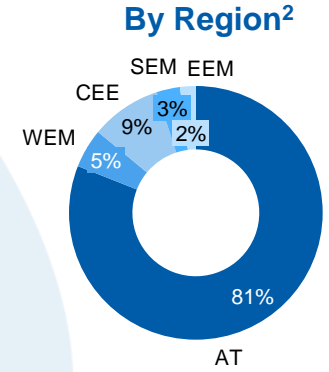
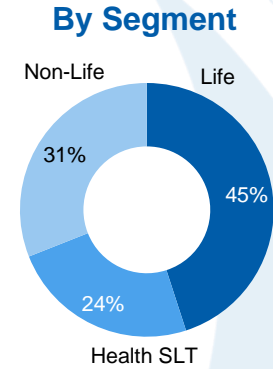
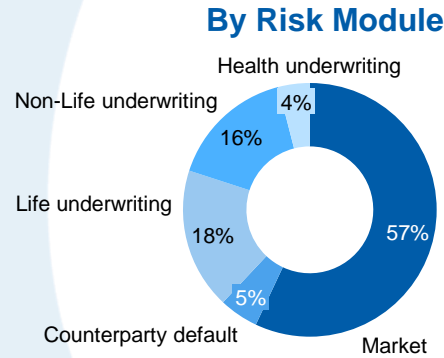


SCR ratio development



I. GROUP CAPITAL REQUIREMENT

SII capital ratio



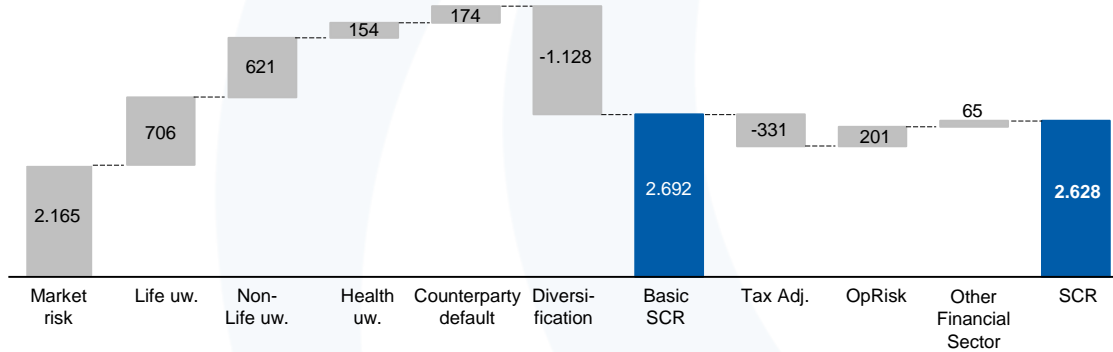
Features of UNIQA's capital position

- Including risk charge on sovereign bonds
- Including dynamic volatility adjustment
- Including downside-shocks on negative interest rates
- No use of transitionals
- No use of matching adjustment

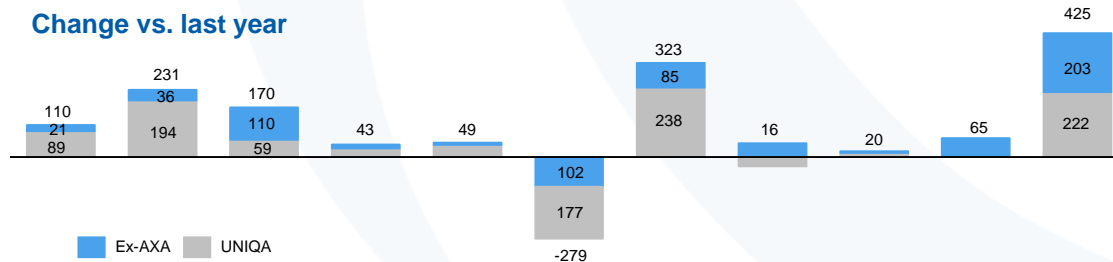
¹ Audit on Solvency & Financial Condition Report (SFCR) ongoing

² Region WEM includes internal risk transfer to UNIQA Re and business in Liechtenstein

SCR development by risk module EUR mn



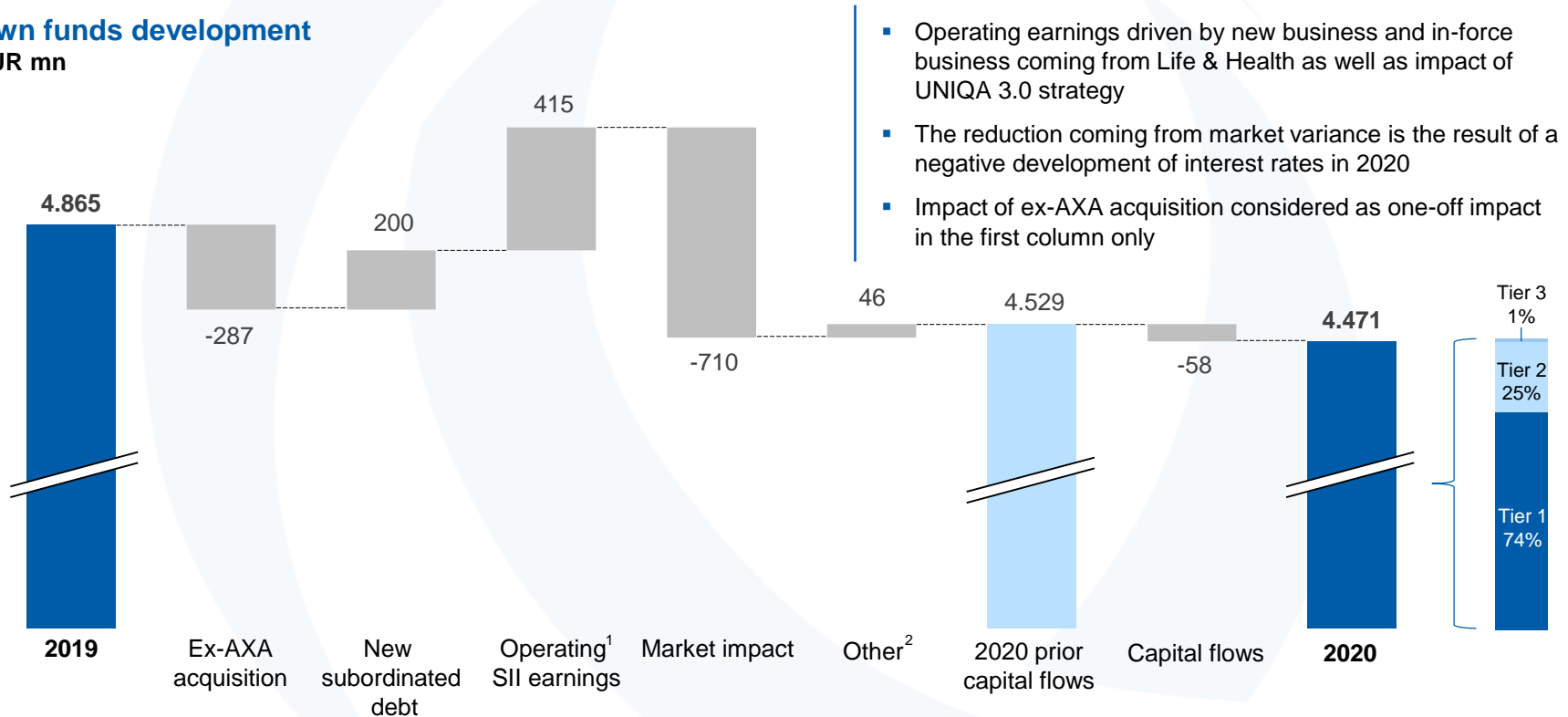
Change vs. last year



SCR increases by 425 EUR mn

- Increase of **market risk** driven by higher spread- and concentration risk (details slide 9)
- **Life underwriting risk** grows mainly in the lapse risk as a result of declined interest rates
- **Non-Life underwriting risk** increases due to merge with ex-AXA portfolio and portfolio development
- The higher **diversification** is a consequence of a more balanced risk profile and partly mitigates the increase in risk modules
- Companies of **other financial sectors** (mostly pension business) included via corresponding capital requirements

Own funds development EUR mn



- Operating earnings driven by new business and in-force business coming from Life & Health as well as impact of UNIQA 3.0 strategy
- The reduction coming from market variance is the result of a negative development of interest rates in 2020
- Impact of ex-AXA acquisition considered as one-off impact in the first column only

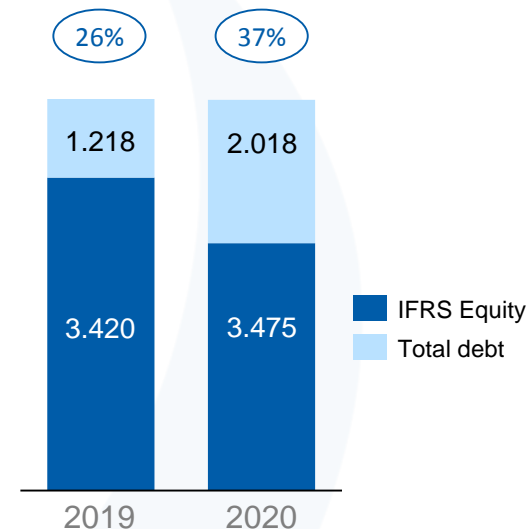
¹ Includes external debt interest expenses

² Residual category including model changes, deferred tax positions and income tax

IFRS reconciliation (EUR mn)	2019	2020
IFRS total equity	3.420	3.475
- Goodwill	-291	-353
- Intangible assets and VBI	-226	-630
- Deferred acquisition costs (DAC)	-1.124	-1.116
+ Revaluation (after deferred taxes)	2.258	2.050
<i>Revaluation of assets</i>	<i>1.106</i>	<i>1.192</i>
<i>Revaluation of technical provisions</i>	<i>1.153</i>	<i>858</i>
+ Subordinated liabilities	930	1.134
- Foreseeable dividends	-58	-58
- Capping of minority interests	-45	-31
Economic Own Funds to cover SCR	4.865	4.471

- Goodwill, value of business in force, deferred acquisition costs and intangible assets are valued at zero according to Solvency II
- Other revalued assets include property (appraisal value instead of amortized cost), participations (market value instead of IFRS book value) and loans
- Gross technical provisions and the reinsurer's share of the technical provisions are revalued to discounted best estimate reserves
- Subordinated liabilities are subject to eligibility restrictions, depending on their quality ("Tiering"). All of UNIQA's subordinated liabilities are included in Eligible Own Funds
- Foreseeable dividends have to be subtracted from Eligible Own Funds according to Solvency II

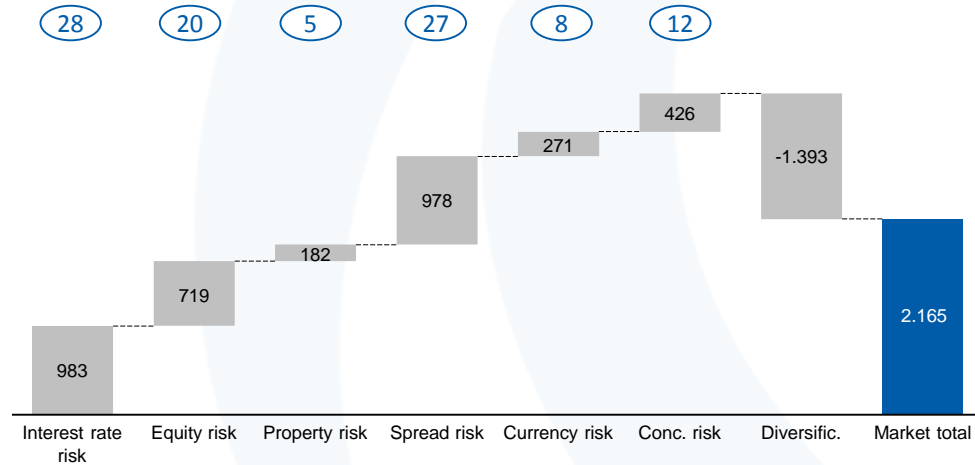
Financial leverage EUR mn



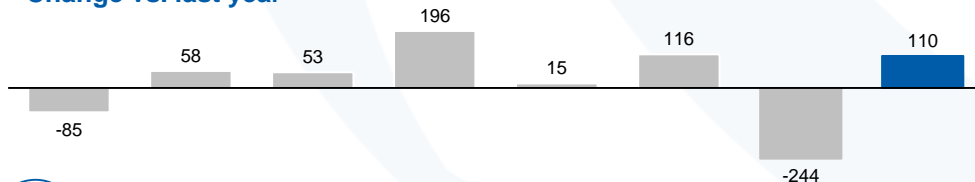
- Total debt includes subordinated bonds with nominal value, leases liabilities and pension deficits
- Financial leverage calculated as Total debt / (IFRS Equity + Total debt)

SCR market risk profile

EUR mn



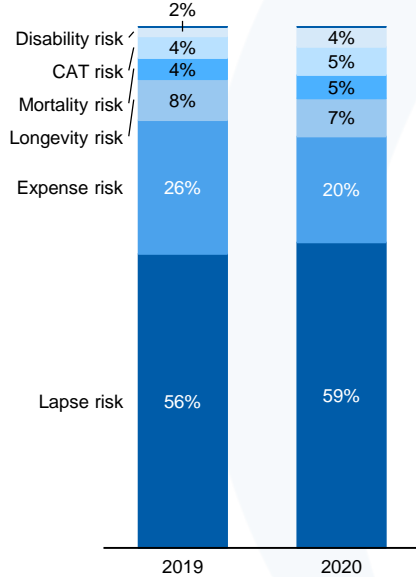
Change vs. last year



(XX) Risk profile, percent

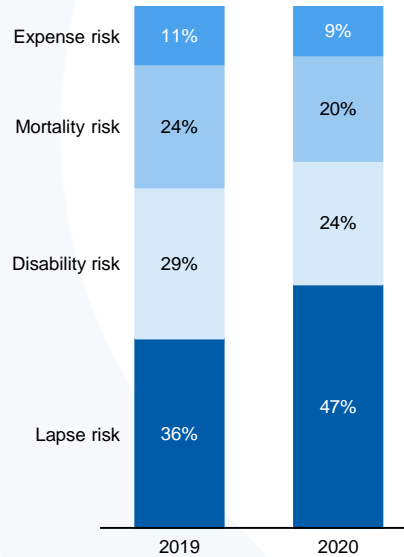
- Decrease of **interest rate risk** in low interest rate environment due to asset-liability management activities
- Increase both in **equity risk** as well as **property risk** due to higher exposure
- **Spread risk** increases as a consequence of increase in asset duration and higher market values (lower interest rates and additional ex-AXA portfolio)
- **Currency risk** is almost unchanged
- **Concentration risk** is linked to spread risk in PIM with a conservative treatment of those bonds where no single treatment is feasible

Life underwriting risk



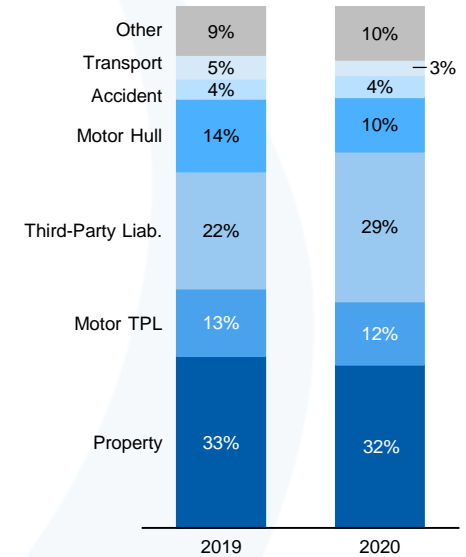
- Biometric risks still have minor relevance
- Lapse risk remains a key issue for life underwriting risk. Lapse “decrease” risk is still the relevant scenario

Health underwriting risk



- Lapse risk is the most prominent risk. Through profitable business, a “mass” scenario shows a very adverse effect

Non-life underwriting risk



- AXA business not yet included in the partial internal model, expected for 12/2021
- “Other” includes Technic, Legal expenses & Miscellaneous

Impact of sensitivities on SII capital position

Percent

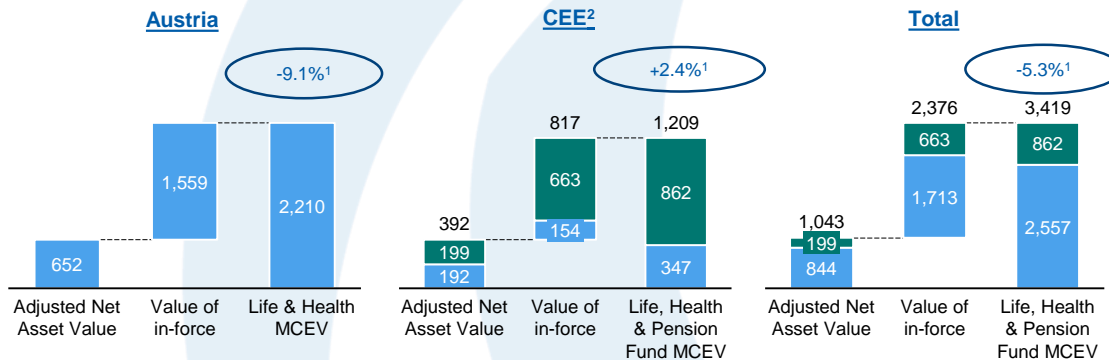
	Delta to base value, pp
Base value	170
Interest rates +50 bps	+23
Interest rates -50 bps	-24
Equity -25%	-5
FX +10%	+4
FX -10%	-5
Credit spread corp. +50 bps	-6
Credit spread gov. +50 bps	-16
Earthquake	-1
UFR -50 bps	-18
No VA	-40

- **Interest rate sensitivities:** stress applied to liquid part of the curve (negative and non-negative), extrapolation to UFR
- **Equity sensitivity:** a general decrease of 25% in the value of all equities
- **Currency sensitivities:** a rise/fall of exchange rates by 10% uniformly across all currencies
- **Credit spread sensitivity:** a widening of credit spreads by 50bps separated for corporate and government bonds
- **Nat-Cat sensitivity:** assumed earthquake with epicentre in Austria and return period of 250 years
- **UFR sensitivity:** Ultimate Forward Rate reduced by 50bps
- **No VA sensitivity:** yield curve without volatility adjustment

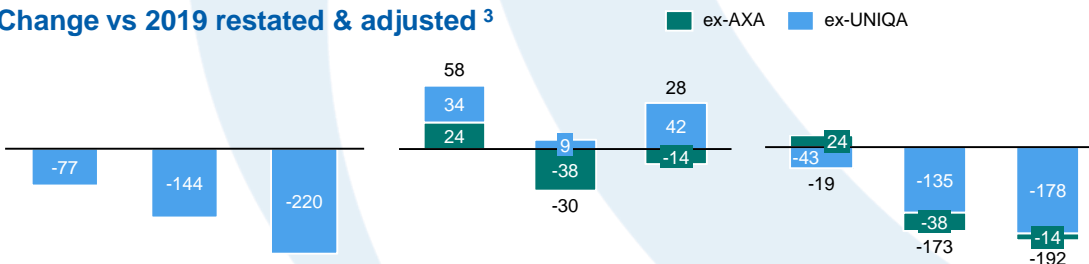
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Life, Health & Pension Fund Embedded Value 2020

In EUR mn



Change vs 2019 restated & adjusted ³



- Total Life, Health & Pension Fund Embedded Value decreased by -5.3% (net of dividends and foreign exchange effects) to EUR 3,419mn
 - Embedded Value increases by EUR 876mn to EUR 3,611mn as at 2019 Q4 from adding the ex-AXA entities
- In Austria and CEE, the decline in the VIF is driven by the lower interest rate environment in 2020
- Lower ANAV in Austria due to Life P&L result in 2020 and due to dividend payments to the Group for Health
- In CEE, positive development of ANAV is driven by the transfer from the VIF to the ANAV
- The Return on Life, Health & Pension Fund MCEV improved from EUR -477mn (-14.4%¹) to EUR -192mn (-5.3%¹)
- The Life, Health & Pension Fund Free Surplus Generation increased from 89mn (2.7%¹) to 126mn⁴ (3.5%¹), largely as a result of adding the ex-AXA entities

¹ As % of adjusted opening Life, Health & Pension Fund MCEV (net of dividends and foreign exchange effects)

² Defined as the following countries for MCEV purposes: Slovakia, Czech Republic, Hungary, Poland, Russia and Croatia (including ex-AXA)

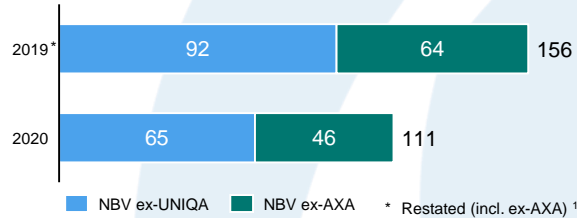
³ Restated & adjusted result includes ex-AXA restated MCEV result for 2019

⁴ Annualized ex-AXA contribution for 2020

New Business Value

New Business Value

In EUR mn



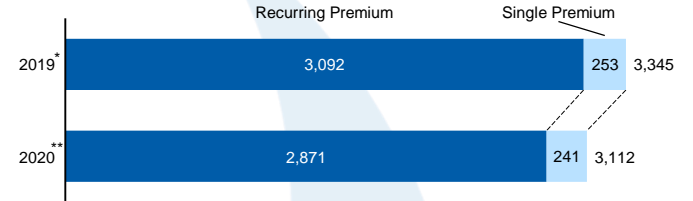
New Business Margin

As a % of PVNBP



Present Value of NB Premiums

In EUR mn



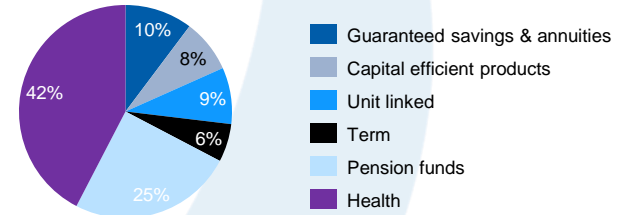
* Thereof ex-AXA 2019 restated: 1,014 recurring premium, 193 single premium
 ** Thereof ex-AXA 2020: 834 recurring premium, 181 single premium

Split by region

In EUR mn

	2020			2019 restated ¹		
	Austria	CEE	Total	Austria	CEE	Total
NBV	52	59	111	71	85	156
PVNBP	1,847	1,265	3,112	1,875	1,470	3,345
% of PVNBP	2.8%	4.7%	3.6%	3.8%	5.8%	4.7%

PVNBP split by LoB



- Significant contribution to New Business Value from adding ex-AXA entities
- Negative New Business Value impacts of lower interest rates and volumes as a result of COVID-19
- Lower volumes and significant Fx depreciation in Russia contribute to the lower New Business Value in the CEE region

¹ Restated result includes ex-AXA restated MCEV result for 2019

Analysis of Change: In-Force Business

Restatement and opening adjustments include:

- Capital and dividend flows
- Foreign exchange variance
- Acquired business for ex-AXA

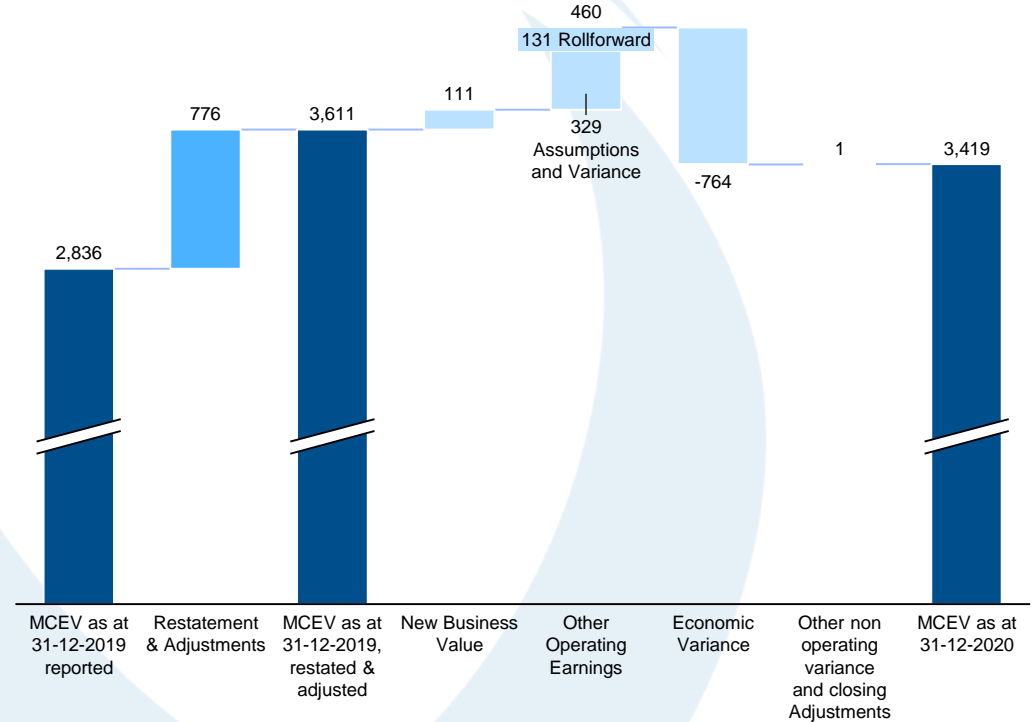
Increased New Business Value contribution of EUR 111mn driven by ex-AXA acquired business (EUR +46mn)

Positive development of operating earnings resulted in an increase of EUR 460mn

- Positive assumptions change for Austria Life and Health from UNIQA 3.0 cost savings program
- Additional positive effect from lower claims assumptions for Austria Health

Acquired ex-AXA business is the primary cause of the higher Life, Health and Pension Fund MCEV in 2020

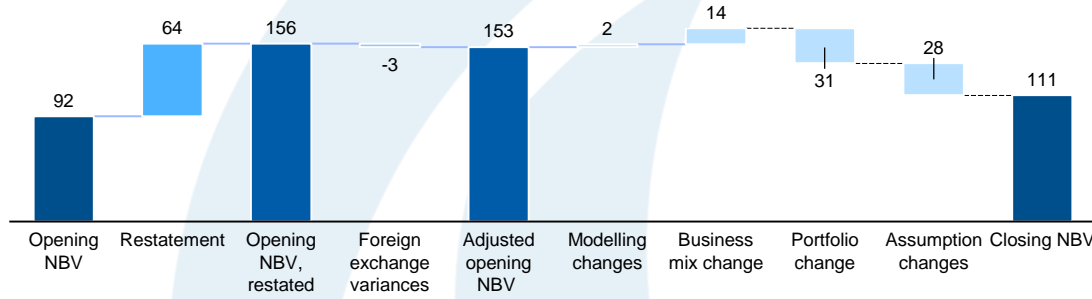
- Offset by significant negative impacts from the lower interest rate environment



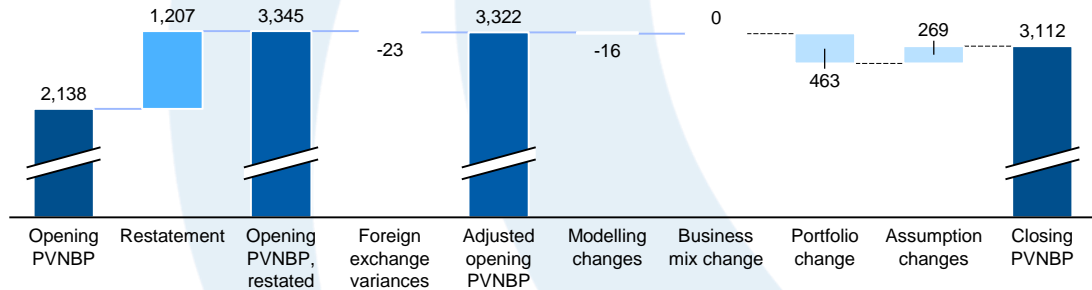
Adjusted net asset value	974	88	1,062	-95	163	-87	0	1,043
Value of in-force business	1,862	688	2,549	205	297	-676	1	2,376
MCEV	2,836	776	3,611	111	460	-764	1	3,419

Analysis of Change: New Business

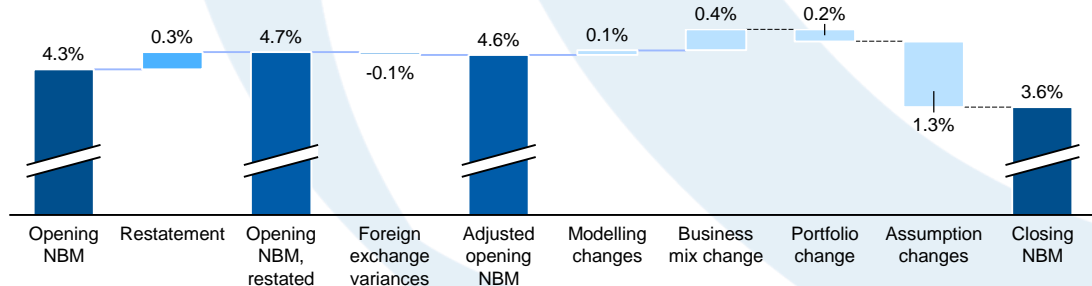
NBV



PVNBP



NBM



- Restatement change includes acquired ex-AXA Life and Pension Fund Business, which is the most dominant cause for the increase in NBV and PVNBP
- Minor effects from foreign exchange variances and modeling changes
- Positive business mix change driven by Austria term Life business
- Portfolio change effect driven by lower volumes in many entities as a result of COVID-19
- Lower interest rates result in lower New Business Values for the Group as the main assumption change

Life, Health & Pension Fund Sensitivities

in EUR mn	Change in Embedded Value				Change in New Business Value			
	2020		2019 ¹		2020		2019 ¹	
Base value	3,419	100%	2,836	100%	111	100%	92	100%
EV change by economic factors								
Risk free yield curve -50bp	-490	-14%	-325	-11%	-8	-8%	-10	-11%
Risk free yield curve +50bp	424	12%	285	10%	7	7%	4	4%
Equity and property market values -10%	-100	-3%	-142	-5%	0	0%	0	0%
EV change by non-economic factors								
Maintenance expenses +10%	-109	-3%	-84	-3%	-8	-7%	-9	-9%
Lapse rates -10%	156	5%	84	3%	18	16%	11	11%
Mortality for assurances -5%	54	2%	38	1%	6	5%	1	1%
Mortality for annuities -5%	-10	0%	-8	0%	0	0%	-1	-1%
Additional sensitivity								
Removal of liquidity premium	-101	-3%	-79	-3%	-2	-1%	-3	-4%
UFR -50 bps	-137	-4%	-166	-6%	-2	-2%	-4	-5%

- Changes in interest rates remain the most relevant sensitivities for the Life, Health & Pension Fund Embedded Value
- In absolute values, higher sensitivity impacts in general compared to 2019 due to the inclusion of the ex-AXA entities in the 2020 sensitivities
- Higher sensitivity to interest rates in 2020 due to the lower level of interest rates in the base scenario
- Increased sensitivity to lapse rates vs. 2019 driven by profitable business at ex-AXA

¹ 2019 sensitivities exclude ex-AXA entities

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- Disclosure of Solvency Capital Requirement (SCR) results:
 - UNIQA discloses SCR results 2020 on the basis of the principles and requirements as defined in the Solvency II framework directive as well as the corresponding delegated regulation
 - UNIQA uses an approved partial internal model for the risk categories non-life, health NSLT and market
 - All other risk categories are calculated based on the SII standard formula
 - UNIQA discloses the Own Funds and SCR details by risk classes
 - All figures are disclosed after the risk absorbing effects of future discretionary benefits

- Important valuation principles for the Available Own Funds
 - Valuation of assets and liabilities based on EC Delegated Acts
 - Goodwill is set to zero according to EC specifications
 - Market value of properties and loans replace the IFRS values
 - Participations are valued at market price as of 31.12.2020
 - Technical provisions and reinsurance recoverables are valued on a discounted best estimate basis

- Disclosure of Life & Health Market Consistent Embedded Value (MCEV) results:
 - UNIQA discloses 2020 Life, Health & Pension Fund results on the basis of the Market Consistent Embedded Value (MCEV) principles
 - Includes MCEV using bottom-up, market consistent methodology for main Life, Health & Pension Fund businesses
 - Minority interests are taken into account
 - Split by the regions Austria and CEE¹

- The Property & Casualty business is not taken into account

¹ Defined as the following countries for MCEV purposes: Slovakia, Czech Republic, Hungary, Poland, Russia and Croatia (including ex-AXA)

Economic Assumptions

Reference rates ¹	EUR		CZK		HUF		PLN		RUB		HRK	
	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019	2020	2019
1 year	-0.62%	-0.42%	0.39%	2.15%	0.29%	0.02%	-0.15%	1.02%	3.49%	6.20%	-0.26%	-0.04%
5 years	-0.56%	-0.23%	1.02%	1.96%	1.20%	0.96%	0.43%	1.73%	5.10%	6.24%	0.25%	0.19%
10 years	-0.37%	0.11%	1.19%	1.61%	1.93%	1.94%	1.19%	2.03%	5.90%	6.84%	0.79%	0.59%
15 years	-0.17%	0.36%	1.39%	1.69%	2.27%	2.62%	1.71%	2.19%	6.50%	6.86%	1.33%	1.09%
20 years	-0.09%	0.50%	1.68%	1.95%	2.57%	3.05%	2.07%	2.41%	6.61%	6.63%	1.74%	1.54%
25 years	0.27%	0.83%	1.96%	2.21%	2.84%	3.32%	2.34%	2.62%	6.48%	6.37%	2.05%	1.89%

Exchange rates and tax rates	Exchange rate		Tax rate	
	2020	2019	2020	2019
Austria	-	-	25.00%	25.00%
Czech Republic	26.24	25.41	19.00%	19.00%
Hungary	363.89	330.53	9.00%	9.00%
Slovakia	-	-	21.00%	21.00%
Poland	4.56	4.26	19.00%	19.00%
Russia	91.47	69.96	20.00%	20.00%
Croatia	7.55	7.44	18.00%	18.00%

Liquidity premium in bp	EUR	CZ	HU	PL	RUB	HRK
Base premium – 100%	11	15	3	6	0	3
Participating life business – 65%	7	10	2	4	0	2
Unit and index linked business – 65%	7	10	2	4		2
Health business – 65%	7					

Other economic assumptions (EUR)	2020	2019
Interest rate volatility ² - Normal	53 bp	57 bp
Equity volatility ³	20.5%	16.8%
Expense/medical inflation	2%/2%	2%/2%

- Consistent assumptions for MCEV and SCR valuation
- Reference rates based on swap rates as at 31 December 2020 including a liquidity premium (volatility adjustment). The liquidity premium is derived from observable market data and based on the approach used for internal risk capital calculations
- The 2020 calibration of the economic scenarios is based on (normal) implied volatilities

¹ Excluding liquidity premium

² 10 to 10 implied swaption volatility

³ 10 years

ABS	Asset Backed Securities
ALM	Asset Liability Management
ANAV	Adjusted Net Asset Value
CAT	Catastrophe Risk
CDR	Counterparty Default Risk
EC	European Commission
EV, MCEV	Embedded Value, Market Consistent Embedded Value
FS	Free Surplus
Health NSLT	Health Not Similar to Life Techniques (short term health and accident business)
Health SLT	Health Similar to Life Techniques (long term health business)
IFRS	International Financial Reporting Standards: set of accounting standards, developed and maintained by the International Financial Reporting Standards Board (IASB) with the intention of assuring standardisation of financial statements across the market
MAT	Marine, Aviation, Transport
OF	Own Funds
PIM	Partial Internal Model
Regions	<p>AT – Austrian Operating Companies,</p> <p>WEM - Western European Markets (Liechtenstein, Italy, Switzerland),</p> <p>CEE – Central Eastern Europe (Slovakia, Czech Republic, Hungary, Poland),</p> <p>SEE – Southern Eastern Europe (Croatia, Serbia, Bosnia, Bulgaria),</p> <p>EEM – Eastern Emerging Markets (Romania, Russia, Ukraine)</p>
S&P	Standard & Poor's Financial Services LLC, a part of McGraw Hill Financial
SII	Solvency II
SCR	Solvency Capital Requirement
UFR	Ultimate Forward Rate
VA	Volatility Adjustment
VaR	Value at Risk: risk measure used within UNIQA's partial internal model for deriving the capital requirement for the non-life and health NSLT underwriting risk
VIF	Value of in-force business
VNB	New Business Value

- This presentation contains forward-looking statements
- Forward-looking statements involve inherent risks and uncertainties, and it might not be possible to achieve the predictions, forecasts, projections and other outcomes described or implied in forward-looking statements
- A number of important factors could cause results to differ materially from the plans, objectives, expectations, estimates and intentions expressed in these forward-looking statements
- These forward-looking statements will not be updated except as required by applicable laws