UNIQA

UNIQA Insurance Group AG
Solvency Capital Report 2021

8 April 2022

Solvency Capital Ratio[1] **196%**	Unrestricted Tier 1 Capital **79%**
Part of risk profile covered by internal model **80%**	Standard & Poor's rating **A-**

- Strong capital position driven by higher interest rate environment in 2021
- Solvency position comfortably above the internal ambition target of minimum 170%
- Successful integration of exAXA business into partial internal model for non-life underwriting risk in 2021
- Quality of capital in own funds remains strong

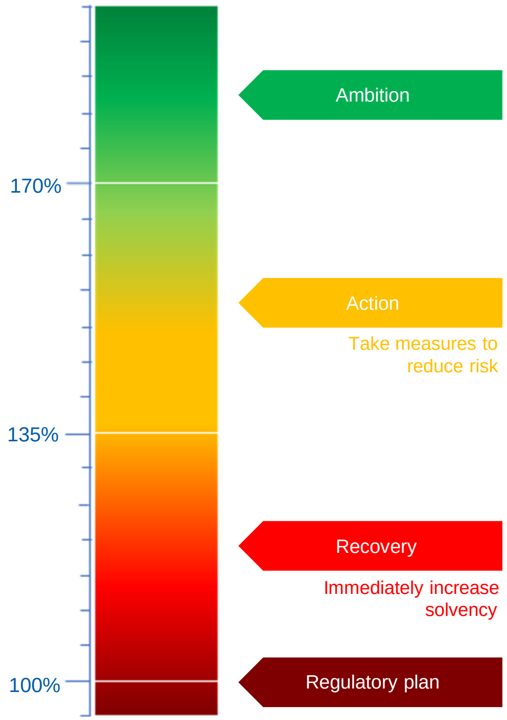
[1] Audit on Solvency & Financial Condition Report (SFCR) ongoing

GROUP CAPITAL REQUIREMENT

Risk Strategy

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



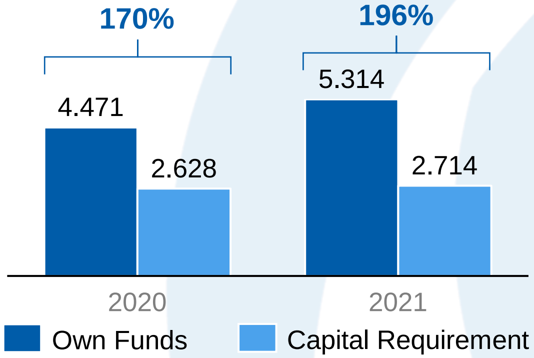
UNIQA

GROUP CAPITAL REQUIREMENT

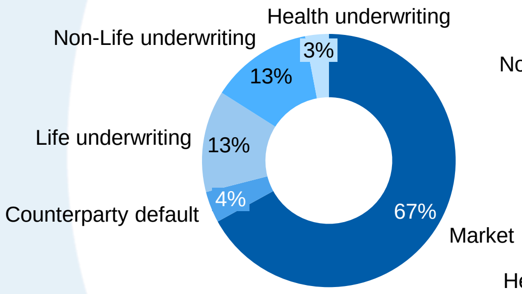
SII Capital Ratio

SII capital position[1]

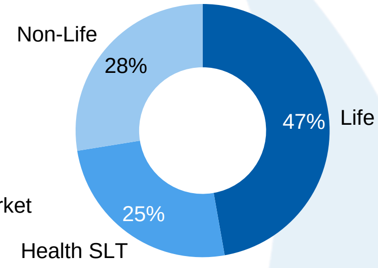
EUR mn



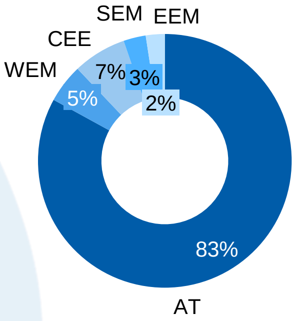
By Risk Module



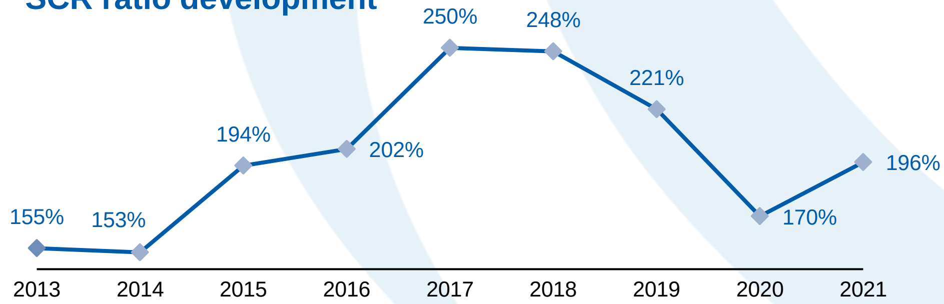
By Segment



By Region[2]



SCR ratio development



Features of UNIQA's capital position

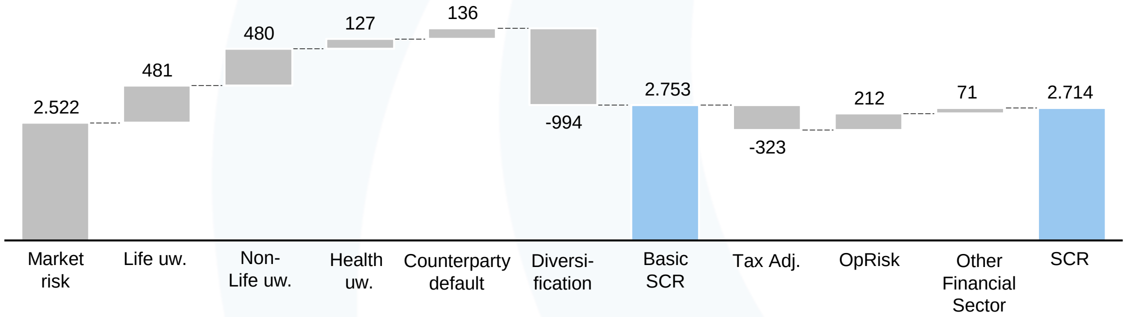
- Including risk charge on sovereign bonds
- Including dynamic volatility adjustment
- Including downside-shocks on negative interest rates
- No use of transitionals
- No use of matching adjustment

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

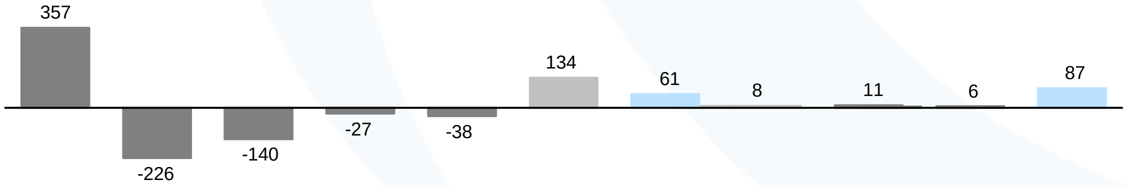
[2] Region WEM includes internal risk transfer to UNIQA Re and business in Liechtenstein

SCR development by risk module

EUR mn



Change vs. last year



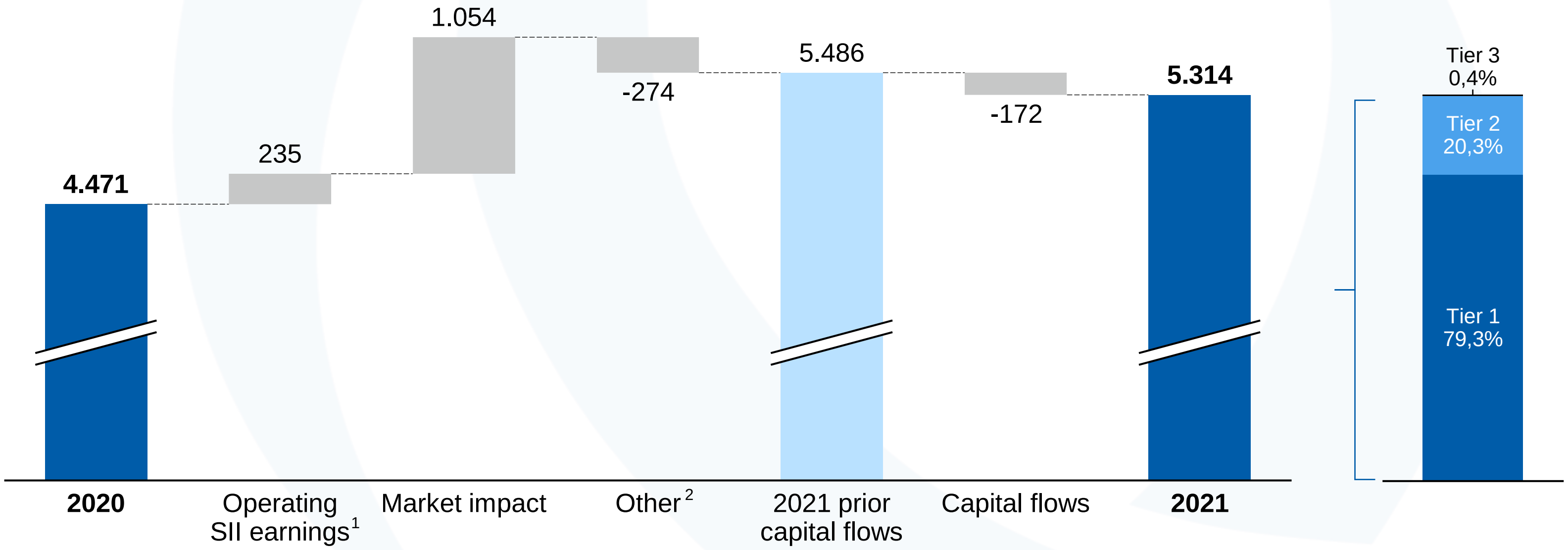
SCR increases by 87 EUR mn

- Increase of **market risk** driven by equity risk (mainly due to higher market values)
- **Life underwriting risk** decreases mainly due to lower lapse risk as a result of higher interest rates
- **Non-Life underwriting risk** decreases due to positive impacts from COVID as well as scope extension of partial internal model for exAXA
- The lower **diversification** is a consequence of a higher relative weight from market risk
- Companies of **other financial sectors** (mostly pension business) included via the capital requirements of each given sector

Own funds development

EUR mn

- Operating earnings driven by new business and in-force business
- Strong impact from market variance mainly as a result of an increased interest rate environment
- “Other” position primarily comprises of an increase in deferred tax liabilities



[1] Includes external debt interest expenses [2] Residual category including model changes, deferred tax positions and income tax

Impact of sensitivities on SII capital postion

Percent

	Percent	Delta to base value, pp
Base value	196	
Interest rates +50 bps	218	+22
Interest rates -50 bps	171	-25
Equity -25%	185	-11
FX +10%	201	+5
FX -10%	188	-8
Credit spread corp. +50 bps	193	-3
Credit spread gov. +50 bps	183	-13
Earthquake	195	-1
UFR -50 bps	176	-20
No VA	163	-33

- **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