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Consolidated Key Figures

In € million

	1 – 9/2019	1 – 9/2018	Change
Premiums written	3,870.8	3,810.0	+1.6%
Savings portions from unit-linked and index-linked life insurance (before reinsurance)	225.0	232.3	–3.2%
Premiums written, including savings portions from unit-linked and index-linked life insurance	4,095.7	4,042.3	+1.3%
of which property and casualty insurance	2,201.5	2,145.7	+2.6%
of which health insurance	855.5	817.8	+4.6%
of which life insurance	1,038.8	1,078.9	–3.7%
of which income from regular premiums	958.7	994.3	–3.6%
of which single premiums	80.1	84.6	–5.4%
Premiums written, including savings portions from unit-linked and index-linked life insurance	4,095.7	4,042.3	+1.3%
of which UNIQA Austria	2,905.9	2,853.4	+1.8%
of which UNIQA International	1,175.7	1,174.8	+0.1%
of which reinsurance	873.8	860.9	+1.5%
of which consolidation	–859.7	–846.8	+1.5%
Premiums earned (net)	3,642.3	3,571.4	+2.0%
of which property and casualty insurance	2,007.4	1,938.9	+3.5%
of which health insurance	839.6	810.7	+3.6%
of which life insurance	795.3	821.8	–3.2%
Savings portions from unit-linked and index-linked life insurance (after reinsurance)	225.0	226.1	–0.5%
Premiums earned, including savings portions from unit-linked and index-linked life insurance	3,867.3	3,797.5	+1.8%
Insurance benefits¹⁾	–2,783.2	–2,763.9	+0.7%
of which property and casualty insurance	–1,295.5	–1,279.2	+1.3%
of which health insurance	–727.3	–692.8	+5.0%
of which life insurance ²⁾	–760.3	–792.0	–4.0%
Operating expenses³⁾	–1,018.6	–951.6	+7.0%
of which property and casualty insurance	–628.6	–594.7	+5.7%
of which health insurance	–140.0	–130.8	+7.0%
of which life insurance	–250.0	–226.2	+10.5%
Net investment income	433.4	443.7	–2.3%
Earnings before taxes	214.7	209.6	+2.4%
Profit/(loss) for the period	170.3	162.4	+4.8%
Consolidated profit/(loss)	167.1	164.3	+1.7%
Investments	21,050.9	19,610.1	+7.3%
Shareholders' equity	3,398.4	2,964.2	+14.6%
Equity, including non-controlling interests	3,415.3	3,164.5	+7.9%
Insured sum in life insurance	83,964.4	84,888.3	–1.1%

¹⁾ Including expenditure for deferred profit participation and premium refunds²⁾ Including expenditure for (deferred) profit participation³⁾ Less reinsurance commissions and share of profit from reinsurance ceded

Foreword by the CEO

Dear shareholders,

With earnings before taxes amounting to €215 million – up 2.4 per cent on the previous year's figure – at the end of the first three quarters of 2019, we continue to exceed our expectations. We therefore remain confident that we will achieve our overall targets for the year on this positive basis.

Premiums written (including savings portions) increased by a total of 1.3 per cent in the first nine months. This growth was driven in particular by health insurance (+4.6 per cent), while property and casualty insurance (+2.6 per cent) also made a significant contribution. By contrast and in line with expectations, life insurance (– 3.7 per cent) continued to contract due to the influence of low interest rates.

The loss ratio developed very positively in property and casualty insurance, and we were able to reduce it to 64.5 per cent. This represents an improvement of 1.5 percentage points on the previous year, which contributed to us now being able to reduce the combined ratio to a good 95.9 per cent.

The trend of costs has been far less satisfactory. The necessary investments in the renewal of our IT systems in combination with projects required by regulations such as IFRS 17 drove operating expenses up 7.0 per cent year on year to €1,019 million.

By contrast, net investment income remained more or less stable. The slight decline of 2.3 per cent to €433 million is a positive development if we consider that we achieved a capital gain of €47 million from the sale of our Casinos Austria holding in the first quarter of 2018.

The results for the first nine months of 2019 provide a good basis for achieving our targets for the year in total. We can therefore confirm our outlook: we expect an improvement in earnings before taxes for the 2019 financial year – adjusted for the one-off effect of the sale of our holding in Casinos Austria Aktiengesellschaft in the previous year – and plan to increase the dividend payment per share again as part of our unchanged progressive dividend policy.

Sincerely,



Andreas Brandstetter
CEO UNIQA Group

Vienna, November 2019

Group Management Report

- **PREMIUMS WRITTEN (INCLUDING SAVINGS PORTIONS) AT €4,095.7 MILLION IN THE FIRST THREE QUARTERS OF 2019**
- **IMPROVEMENT IN COMBINED RATIO FROM 96.6 PER CENT TO 95.9 PER CENT**
- **SLIGHT DECREASE IN NET INVESTMENT INCOME BY 2.3 PER CENT TO €433.4 MILLION**
- **INCREASE IN EARNINGS BEFORE TAXES BY 2.4 PER CENT TO €214.7 MILLION**
- **EARNINGS OUTLOOK FOR 2019 CONFIRMED**

Economic environment

The macroeconomic environment has worsened compared with the previous year. Global economic growth is expected to slow to 2.9 per cent in 2019 and to accelerate only slightly in 2020 (3.0 per cent). The global economy still expanded by 3.6 per cent in 2018. The ongoing trade war between the US and China is dampening the business mood and slowing growth. The growth of global trading volumes has come to a standstill in the current year and has even declined slightly in recent months. Export-oriented economies such as China are bearing the greatest burden of the trade war. China's growth will fall below 6 per cent by 2020, and the outlook for India has also been lowered. The industrial sector is suffering in particular as a result of global uncertainty, although the service sector has so far managed to avoid a downturn. Any continued uncertainty in the medium term could lead to negative effects on employment and to reduced consumer demand.

Economic growth is expected to slow to 1.1 per cent in the eurozone in the current year, following a rise of 1.9 per cent in the previous year. European consumers are defying the gloomy business climate with the help of the positive employment figures. The same applies to the Austrian economy: although there are signs of a slowdown, the increase in gross domestic product (GDP) is expected to remain at a relatively solid level of 1.5 per cent in 2019. Unemployment rates in Austria and the eurozone as a whole were at lows of 4.5 per cent and 7.5 per cent respectively in September 2019.

The European Central Bank (ECB) destroyed any remaining hopes for a return to normal monetary policy in September 2019. The interest rate on deposits was reduced to –0.5 per cent, and an unlimited bond purchase programme of €20 billion per month was announced effective 1 November 2019. The renewed bond purchases, which are keeping general interest rate levels considerably lower, could continue for several years in some extreme cases. While the positive effects of the loose monetary policy on the economy and employment are being highlighted, criticism of the continued low interest rate policy is also becoming louder at the same time. Negative consequences of the ongoing low interest rates particularly affect long-term financial provision for citizens in those countries where savings deposits play a dominant role, as is the case in Austria. There are also increasing signs of distortions on competition and productivity development, as well as distortions in the banking sectors and real estate markets. From the ECB's perspective, a move away from the ultra-loose monetary policy would be dependent on the underlying inflation dynamics guaranteeing sustainable achievement of inflationary targets. ECB forecasts currently show inflation at 1.0 per cent in 2020 and 1.5 per cent in 2021, despite the comprehensive monetary policy stimulus.

The process of economic convergence in Central and Eastern Europe (CEE) is continuing. The projected growth rate in the region in 2019 remains higher at around 3.7 per cent (not including Russia) than it does in Western Europe. From an economic perspective, there are initial signs of negative contagion effects due to the weakness of German industry and the subdued business mood. Close links between the value chains and the eurozone make it difficult to keep the economic cycles apart, but stable domestic demand and positive trends in the employment market have increased resilience.

Economic developments in Central Europe (CE) remain promising despite adverse influences internationally. Consumer spending by private households is supporting growth, while external influences are acting to subdue this. Industry continues to make a positive contribution towards growth in GDP of over 4 per cent in both Hungary and Poland. Momentum in the industrial sector has slowed somewhat in Slovakia and the Czech Republic. Unemployment rates have reached historic lows of 3.3 per cent on average, which also means that further improvements are less likely.

Russia managed to accelerate its economic growth in the short term in the second quarter of 2019, although moderate but stable expansion is continuing in the medium term. The Ukrainian economy continues to show signs of a strong revival thanks to the construction industry and domestic demand. A drop in inflation in the absence of any external shocks and the search by international investors for returns led to falling interest rates in both Russia and Ukraine. The Romanian economy surprised observers with growth figures of over 4 per cent driven by the construction industry and the service sector.

GDP growth rates in the economies of Southeastern Europe (SEE) remain at around 3 per cent on average, with the positive trends continuing on the employment markets and inflation remaining under control. Nevertheless, higher growth rates could be expected given the low levels of relative income, and unemployment rates remain too high in many countries in this region. The Balkan countries also offer stable economic conditions as a whole.

UNIQA Group

Changes in premiums

Premiums written in the UNIQA Group including savings portions from unit-linked and index-linked life insurance rose by 1.3 per cent to €4,095.7 million in the first three quarters of 2019 (1 – 9/2018: €4,042.3 million). While recurring premiums increased by 1.5 per cent to €4,015.7 million (1 – 9/2018: €3,957.7 million), single premiums in life insurance fell by 5.4 per cent to €80.1 million (1 – 9/2018: €84.6 million) in line with the strategy.

Premiums earned including the net savings portions from unit-linked and index-linked life insurance – which amounted to €225.0 million (1 – 9/2018: €226.1 million) – rose by 1.8 per cent to €3,867.3 million in the first three quarters of 2019 (1 – 9/2018: €3,797.5 million). Premiums earned (net, in accordance with IFRSs) increased by 2.0 per cent to €3,642.3 million (1 – 9/2018: €3,571.4 million).

Premiums written in property and casualty insurance rose by 2.6 per cent to €2,201.5 million in the first nine months of 2019 (1 – 9/2018: €2,145.7 million). Premiums earned (net, in accordance with IFRSs) increased by 3.5 per cent to €2,007.4 million (1 – 9/2018: €1,938.9 million).

In health insurance, premiums written rose by 4.6 per cent to €855.5 million in the reporting period (1 – 9/2018: €817.8 million). The volume of premiums earned (net, in accordance with IFRSs) increased by 3.6 per cent to €839.6 million (1 – 9/2018: €810.7 million).

In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell by a total of 3.7 per cent to €1,038.8 million in the first nine months of 2019 (1 – 9/2018: €1,078.9 million). The main driver of this trend remains the decrease in demand caused by the persistently low interest rate environment. The single premium volume fell by 5.4 per cent to €80.1 million in the first three quarters of 2019 (1 – 9/2018: €84.6 million). Recurring premiums also decreased by 3.6 per cent to €958.7 million (1 – 9/2018: €994.3 million). As a result of this development, the annual premium equivalent (APE) in life insurance fell by 3.6 per cent to €966.7 million (1 – 9/2018: €1,002.7 million). The APE calculation accounts for 10 per cent of single premiums because the average term of single premiums in Europe is ten years. As a result of this, annual fluctuations are smoothed out in this calculation. The risk premium portion included in the premiums in unit-linked and index-linked life insurance amounted to €21.7 million in the first three quarters of 2019 (1 – 9/2018: €34.7 million). The insured capital in life insurance totalled €83,964.4 million as at 30 September 2019 (30 September 2018: €84,888.3 million). Including net savings portions of the premiums from unit-linked and index-linked life insurance, premiums earned in life insurance fell by 2.6 per cent to €1,020.3 million in the first nine months of 2019 (1 – 9/2018: €1,047.9 million). Premiums earned (net, in accordance with IFRSs) decreased by 3.2 per cent to €795.3 million (1 – 9/2018: €821.8 million).

Insurance benefits

The total amount of net insurance benefits in the UNIQA Group increased only moderately by 0.7 per cent to €2,783.2 million in the first three quarters of 2019 (1 – 9/2018: €2,763.9 million). Insurance benefits before consideration of reinsurance rose by 1.4 per cent to €2,886.5 million (1 – 9/2018: €2,845.8 million).

Despite storm damage, net insurance benefits in property and casualty insurance increased only slightly within the scope of the long-term average by 1.3 per cent to €1,295.5 million compared with the increase in premiums earned (1 – 9/2018: €1,279.2 million). The loss ratio after reinsurance therefore decreased to 64.5 per cent in the first nine months of 2019 (1 – 9/2018: 66.0 per cent). The combined ratio after reinsurance fell to 95.9 per cent despite the rise in costs (1 – 9/2018: 96.6 per cent). The combined ratio before reinsurance also amounted to 95.9 per cent (1 – 9/2018: 94.8 per cent).

Net insurance benefits in health insurance (including the change in insurance provision) increased by 5.0 per cent to €727.3 million in the first three quarters of 2019 (1 – 9/2018: €692.8 million).

In contrast, insurance benefits fell by 4.0 per cent to €760.3 million in life insurance (1 – 9/2018: €792.0 million).

Operating expenses

Total operating expenses less reinsurance commission received rose by 7.0 per cent to €1,018.6 million in the first nine months of 2019 (1 – 9/2018: €951.6 million). Expenses for the acquisition of insurance rose by 5.6 per cent to €663.0 million (1 – 9/2018: €627.8 million) due to an increase in amortisation of acquisition costs in life insurance, among other factors. The reinsurance commission received amounting to €12.7 million (1 – 9/2018: €12.5 million) has already been deducted from the acquisition costs. Other operating expenses (administrative expenses) rose by 9.8 per cent to €355.6 million in the first three quarters of 2019 due to higher investments and additional resource and personnel requirements for strategic projects (1 – 9/2018: €323.9 million). This line item includes costs under the innovation and investment programme amounting to around €31 million (1 – 9/2018: around €23 million).

The total cost ratio – i.e. the ratio of total operating expenses to the premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance – increased to 26.3 per cent (1 – 9/2018: 25.1 per cent).

In property and casualty insurance, operating expenses less reinsurance commissions received rose by 5.7 per cent to €628.6 million in the first three quarters of 2019 (1 – 9/2018: €594.7 million). The cost ratio (after reinsurance) increased to 31.3 per cent in this segment (1 – 9/2018: 30.7 per cent).

In health insurance, operating expenses less reinsurance commission received rose by 7.0 per cent to €140.0 million (1 – 9/2018: €130.8 million). The cost ratio after reinsurance amounted to 16.7 per cent (1 – 9/2018: 16.1 per cent).

In life insurance, operating expenses less reinsurance commission received increased by 10.5 per cent to €250.0 million (1 – 9/2018: €226.2 million) on account of the increase in amortisation of deferred acquisition costs. The cost ratio (after reinsurance) increased to 24.5 per cent (1 – 9/2018: 21.6 per cent).

Investments

The UNIQA Group's investment portfolio (including investment property, financial assets accounted for using the equity method and other investments) rose to €21,050.9 million as at 30 September 2019 compared with the last reporting date (31 December 2018: €19,337.1 million).

Net investment income fell slightly by 2.3 per cent to €433.4 million in the first three quarters of 2019 (1 – 9/2018: €443.7 million). Realised and unrealised gains and losses of around €48 million had a positive impact in the first three quarters of 2019. This includes realised gains of around €45 million from the sale of real estate. Currency effects of around €17 million had a negative impact on the net investment income. The figures for the first three quarters of 2018 included a capital gain of €47.4 million from the sale of the indirect holding in Casinos Austria Aktiengesellschaft. The equity method accounting for the 14.3 per cent holding in the construction group STRABAG SE resulted in a positive contribution to earnings of €29.2 million in the first three quarters of 2019 (1 – 9/2018: €25.1 million).

Earnings before taxes

The UNIQA Group's technical result decreased by 11.8 per cent to €69.4 million in the first three quarters of 2019 (1 – 9/2018: €78.7 million), mainly due to an increase in costs. By contrast, operating profit increased slightly by 2.3 per cent to €256.6 million (1 – 9/2018: €250.8 million). The UNIQA Group's earnings before taxes rose by 2.4 per cent to €214.7 million (1 – 9/2018: €209.6 million).

Profit/(loss) for the period amounted to €170.3 million in the first nine months of 2019 (1 – 9/2018: €162.4 million). Consolidated profit/(loss) (proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG) increased by 1.7 per cent to €167.1 million (1 – 9/2018: €164.3 million). Earnings per share amounted to €0.54 (1 – 9/2018: €0.54).

Annualised operating return on equity (earnings before taxes, amortisation of goodwill and impairment losses in relation to average equity including non-controlling interests, and excluding the accumulated profits of the valuation of financial instruments available for sale) increased to 10.4 per cent in the first three quarters of 2019 (1 – 9/2018: 9.8 per cent). Annualised return on equity (after tax and non-controlling interests) for the reporting period was 7.0 per cent (1 – 9/2018: 7.2 per cent).

Group equity and total assets

Equity attributable to the shareholders of UNIQA Insurance Group AG increased as at 30 September 2019 to €3,398.4 million (31 December 2018: €2,972.1 million). The main reason for this development was the increase in measurement of financial instruments available for sale due to lower interest rates. Non-controlling interests came to €16.9 million (31 December 2018: €14.4 million). Total assets rose to €29,228.4 million as at 30 September 2019 (31 December 2018: €28,503.8 million).

Cash flow

Net cash flow from operating activities came to €331.4 million in the first three quarters of 2019 (1–9/2018: €87.3 million). Cash flow from the UNIQA Group's investing activities, in line with investment of the revenues received in the reporting period, amounted to €–393.1 million (1–9/2018: €199.8 million); net cash flow from financing activities totalled €–948.0 million (1–9/2018: €–158.8 million). Overall, cash and cash equivalents fell by €342.9 million to €435.4 million (1–9/2018: €778.2 million).

Employees

The average number of employees (full-time equivalents, FTEs) at the UNIQA Group fell to 12,750 in the first nine months of 2019 (1–9/2018: 12,775). These included 4,194 (1–9/2018: 4,314) field sales employees. The number of administrative employees increased to 8,556 (1–9/2018: 8,461).

Operating segments

UNIQA Austria

Premiums written including savings portions from unit-linked and index-linked life insurance at UNIQA Austria increased by 1.8 per cent to €2,905.9 million in the first three quarters of 2019 (1–9/2018: €2,853.4 million). Recurring premiums rose by 1.9 per cent to €2,887.5 million (1–9/2018: €2,832.6 million). By contrast, single premiums fell by 11.8 per cent to €18.4 million (1–9/2018: €20.9 million).

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance rose by 1.3 per cent to €2,283.4 million (1–9/2018: €2,255.1 million). The volume of premiums earned (net, in accordance with IFRSs) increased by 1.3 per cent to €2,129.8 million (1–9/2018: €2,101.5 million).

Premiums written in property and casualty insurance rose by 3.5 per cent to €1,376.7 million (1–9/2018: €1,330.3 million) due to the continuing growth in vehicle and property insurance, and in health insurance UNIQA Austria also recorded premium growth of 5.0 per cent to €795.8 million (1–9/2018: €758.2 million) due to the transfer of the Liechtenstein portfolios.

Premiums written in life insurance including savings portions from unit-linked and index-linked life insurance decreased in the UNIQA Austria segment by 4.1 per cent to €733.4 million (1–9/2018: €764.9 million). The main driver of this trend was the decrease in demand caused by the persistently low interest rate environment. Recurring premiums fell by 3.9 per cent to €715.0 million (1–9/2018: €744.1 million). Single premiums fell by 11.8 per cent to €18.4 million (1–9/2018: €20.9 million). Premium volume in the area of unit-linked and index-linked life insurance at UNIQA Austria fell by 6.1 per cent to €171.3 million in the first three quarters of 2019 (1–9/2018: €182.5 million).

Net insurance benefits rose by 1.1 per cent to €1,835.9 million in the UNIQA Austria segment in the first nine months of 2019 (1–9/2018: €1,815.7 million). In property and casualty insurance the combined ratio after reinsurance worsened to 92.8 per cent (1–9/2018: 91.6 per cent) due to higher costs.

Operating expenses less reinsurance commission received rose by 14.5 per cent to €465.0 million in the first three quarters of 2019 (1–9/2018: €406.0 million) due to higher investments and additional resource and personnel requirements for strategic projects. The cost ratio after reinsurance therefore rose to 20.4 per cent (1–9/2018: 18.0 per cent).

Net investment income fell by 2.8 per cent to €329.4 million in the first nine months of 2019 (1–9/2018: €339.0 million). Earnings before taxes fell in the UNIQA Austria segment in the first three quarters of 2019 by 28.0 per cent to €123.2 million (1–9/2018: €171.2 million).

UNIQA International

In the UNIQA International segment, premiums written including savings portions from unit-linked and index-linked life insurance increased slightly by 0.1 per cent to €1,175.7 million in the first nine months of 2019 (1–9/2018: €1,174.8 million). Single premiums fell by 3.2 per cent to €61.6 million (1–9/2018: €63.7 million). By contrast, recurring premiums increased slightly by 0.3 per cent to €1,114.1 million (1–9/2018: €1,111.1 million). This meant that the international companies contributed a total of 28.7 per cent to total Group premiums overall in the first three quarters of 2019 (1–9/2018: 29.1 per cent).

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance increased by 2.9 per cent to €803.1 million (1–9/2018: €780.7 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 3.3 per cent to €731.7 million (1–9/2018: €708.2 million).

In Central Europe (CE) – i.e. Poland, Slovakia, the Czech Republic and Hungary – premiums written including savings portions from unit-linked and index-linked life insurance increased by 1.1 per cent to €709.3 million in the first nine months of 2019 (1–9/2018: €701.3 million). In the region of Eastern Europe (EE) – Romania and Ukraine – an increase of 16.4 per cent to €152.8 million was recorded (1–9/2018: €131.2 million). In Southeastern Europe (SEE), comprising Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia, premiums written including savings portions from unit-linked and index-linked life insurance increased by 6.5 per cent to €240.5 million (1–9/2018: €225.8 million). In Russia (RU) the volume of premiums written fell by 12.2 per cent to €65.9 million (1–9/2018: €75.1 million). In Western Europe (WE) – Liechtenstein and Switzerland – they decreased by 82.8 per cent to €7.1 million (1–9/2018: €41.3 million).

In the UNIQA International segment, premiums written in property and casualty insurance rose slightly by 0.7 per cent to €811.7 million (1–9/2018: €806.3 million), mainly due to the portfolio restructuring of the international business with industrial customers in Liechtenstein. This meant the contribution of Group companies outside Austria to overall premiums in property and casualty insurance amounted to 36.9 per cent (1–9/2018: 37.6 per cent).

In health insurance, premiums written remained stable at €59.7 million in the first three quarters of 2019 (1–9/2018: €59.6 million). As such, the segment was responsible for 7.0 per cent (1–9/2018: 7.3 per cent) of health insurance premiums in the UNIQA Group.

In the international life insurance business, premiums written including savings portions of unit-linked and index-linked life insurance declined by 1.5 per cent to €304.3 million in the first nine months of 2019 (1–9/2018: €308.9 million), driven primarily by the decline in premiums in Russia. Single premiums fell to €61.6 million (1–9/2018: €63.7 million). Recurring premiums decreased slightly by 1.0 per cent to €242.7 million (1–9/2018: €245.2 million). UNIQA International's share of overall life insurance premiums in the UNIQA Group was 29.3 per cent (1–9/2018: 28.6 per cent). Premiums from unit-linked and index-linked life insurance decreased in the international segment by 10.7 per cent to €75.4 million (1–9/2018: €84.4 million).

Net insurance benefits fell in the UNIQA International segment in the first three quarters of 2019 by 1.4 per cent to €419.4 million (1–9/2018: €425.2 million). In property and casualty insurance, the combined ratio after reinsurance therefore improved to 94.6 per cent (1–9/2018: 96.1 per cent). In the CE region, benefits rose by 0.9 per cent to €212.7 million (1–9/2018: €210.7 million), and in the EE region they increased by 11.9 per cent to €51.0 million (1–9/2018: €45.6 million). In SEE they rose by 5.7 per cent to €103.5 million (1–9/2018: €97.9 million). In Russia, benefits amounted to €51.5 million in the first three quarters of 2019 (1–9/2018: €60.5 million). In Western Europe, the volume of benefits reached €0.7 million (1–9/2018: €10.4 million).

In the UNIQA International segment, operating expenses less reinsurance commissions received rose by 7.1 per cent to €291.4 million (1–9/2018: €272.2 million). The cost ratio (after reinsurance) increased to 36.3 per cent (1–9/2018: 34.9 per cent). In CE costs fell by 0.5 per cent to €137.5 million (1–9/2018: €138.3 million), and in EE they rose by 32.9 per cent to €52.2 million (1–9/2018: €39.3 million). In SEE they increased by 5.8 per cent to €72.7 million (1–9/2018: €68.7 million). Costs in Russia showed an increase to €12.0 million in the first nine months of 2019 (1–9/2018: €9.5 million). In Western Europe they fell to €1.8 million (1–9/2018: €2.1 million). Conversely, costs in administration (UNIQA International AG) rose to €15.1 million (1–9/2018: €14.3 million).

Net investment income in the UNIQA International segment dropped by 37.6 per cent to €39.7 million mainly due to negative currency effects (1–9/2018: €63.6 million). Earnings before taxes rose by 10.5 per cent to €50.2 million (1–9/2018: €45.4 million) due to the improvement in the technical result.

Reinsurance

Premiums written in reinsurance amounted to €873.8 million (1 – 9/2018: €860.9 million) in the first three quarters of 2019. Premiums written in property and casualty insurance rose by 2.5 per cent to €844.9 million (1 – 9/2018: €824.5 million). In health insurance they amounted to €4.3 million (1 – 9/2018: €6.0 million) and in life insurance to €24.5 million (1 – 9/2018: €30.3 million).

Net insurance benefits rose in the reinsurance segment by 1.5 per cent to €535.0 million (1 – 9/2018: €527.0 million). Operating expenses, less reinsurance commission received, increased slightly to €228.0 million (1 – 9/2018: €225.1 million). Net investment income amounted to €15.3 million (1 – 9/2018: €16.2 million). Earnings before taxes increased to €19.2 million (1 – 9/2018: €15.8 million).

Group functions

In the Group functions segment, operating expenses less reinsurance commission received fell in the first three quarters of 2019 by 30.4 per cent to €30.0 million (1 – 9/2018: €43.0 million). Net investment income declined to €93.8 million (1 – 9/2018: €116.5 million). The main reason for the decrease was the fact that the capital gain from the sale of the indirect holding in Casinos Austria Aktiengesellschaft was recognised in the first three quarters of 2018. As a result, earnings before taxes declined to €25.8 million (1 – 9/2018: €32.9 million).

Capital market

UNIQA shares – key figures

In €	1 – 9/2019	1 – 9/2018	Change
UNIQA share price as at 30 September	8.29	8.61	–3.7%
High	9.56	10.46	–
Low	7.84	7.80	–
Market capitalisation as at 30 September (in € million)	2,544.7	2,643.0	–3.7%
Earnings per share	0.54	0.54	+1.7%
Average number of shares in circulation	306,965,261	306,965,261	–

The third quarter of 2019 was marked by some strong contrasts in mood on the international stock markets: interest rate cuts bolstered the mood of the market on the one hand while concerns about a global recession increased on the other. Trade disputes also worried investors who remained highly sensitive in their response to any signs of tension and worsening of the situation. Fluctuations in prices on the stock markets were correspondingly volatile, although following some significant fluctuations, the global share index MSCI World only experienced minimal changes on balance in the third quarter of 2019 (+0.1 per cent). The MSCI World rose by 15.7 per cent after the first three quarters of 2019.

The US stock market indices recorded an upward trend in the run-up to the interest rate cuts by the US Federal Reserve at the end of July and mid-September. The first interest rate cuts since 2008. However, concerns about developments in the global economy, an inverse interest rate structure and a sharpening of the rhetoric in the trade dispute resulted in a significant correction in the middle of the third quarter of 2019. Once the price fluctuations

more or less balanced each other out, the overall change in the indices remained relatively minor compared with the six month value: the S&P 500 and Dow Jones Industrial (DJI) both rose by 1.2 per cent, while the technology-oriented NASDAQ Composite fell by 0.1 per cent.

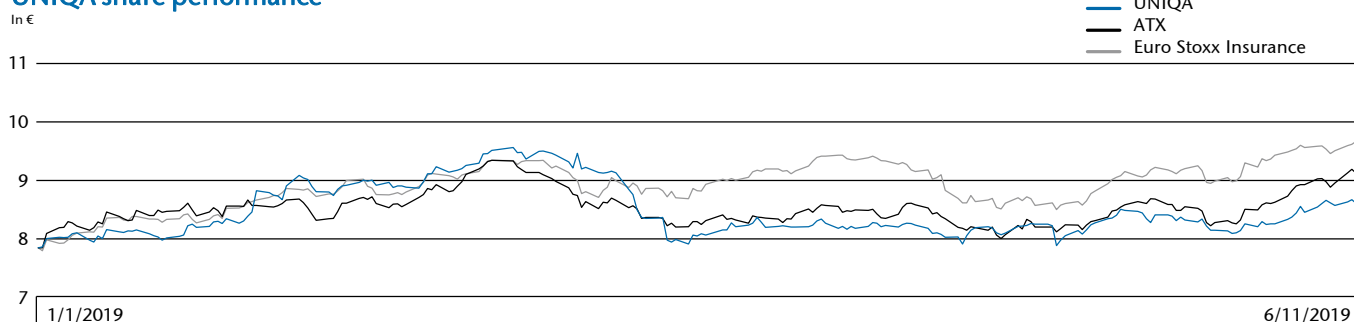
The changes in the Euro Stoxx 50 essentially reflect share price developments in the US, although with one exception: the markets responded very positively in September to the decisions by the European Central Bank (ECB) to lower interest rates once again for banks and to resume the bond purchase program, thereby enabling price developments that were particularly positive. Concerns about the effects of Brexit only worsened sentiment in some isolated cases. The Euro Stoxx 50 rose overall by 2.8 per cent in the third quarter of 2019.

Unlike the situation in Europe, the response of the emerging markets to the significant corrections of the previous month in September was a weak one, which is why the MSCI Emerging Markets Index fell by more than 5 per cent in the third quarter of 2019, thereby forfeiting more than half of the growth generated for the year. Share prices on the Central Eastern European stock exchanges remained subdued despite positive economic developments overall: the Eastern European index CECE fell 5.8 per cent in the third quarter of 2019 and was therefore below the closing value for 2018 as of the end of the quarter.

Share prices on the Vienna Stock Exchange in the third quarter of 2019 were roughly in line with those on the international stock markets: developments proved turbulent on the ATX as a result of the momentum provided by the decisions of the ECB and negative factors such as trade conflicts and concerns of a recession, leading to an overall increase of 1.1 per cent.

UNIQA shares initially recorded a strong price increase in the first three quarters of 2019 and reached a high of €9.56 on 23 April 2019. After a sharp decline in May 2019, the price stabilised with UNIQA shares trading at €8.29 on 30 September 2019. Compared with the 2018 year-end price (€7.86), this equates to a gain of 5.5 per cent.

UNIQA share performance



UNIQA shares – information

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

Financial calendar

20 February 2020	Preliminary Figures 2019
16 April 2020	Group Report 2019, UNIQA Capital Report 2019
15 May 2020	Record Date for the Annual General Meeting
19 May 2020	Solvency and Financial Condition Report 2019
22 May 2020	Results 1st Quarter 2020
25 May 2020	Annual General Meeting
4 June 2020	Ex-Dividend Date
5 June 2020	Dividend Record Date
8 June 2020	Dividend Payment Date
20 August 2020	Half-Year Financial Report 2020
19 November 2020	Results 1st to 3rd Quarter 2020

Significant events after the reporting date

No events subject to mandatory reporting occurred after the reporting date.

Outlook

UNIQA expects moderate growth in the total premium volume of approximately 1 per cent for 2019. Premium growth of around 2 per cent is expected in property and casualty insurance in 2019. In line with the long-term trend, UNIQA also anticipates growth of around 3 per cent in health insurance, driven primarily by business in Austria. In life insurance, however, a further decline can be expected due to the continuing low interest rate environment and the subdued demand for long-term provision products.

In 2016, UNIQA began the largest investment programme in the company's history and is currently investing around €500 million in redesigning the business model and developing the required staff competencies and necessary IT systems. This significant investment in the future will continue to impact earnings before taxes in the 2019 financial year as well as in the following years.

UNIQA expects a decline in net investment income for 2019 compared with 2018, mainly due to the non-recurring effect from the sale of Casinos Austria Aktiengesellschaft.

UNIQA aims to improve the combined ratio (after reinsurance) further in 2019 compared with 2018. Increased profitability in the core technical business for property and casualty insurance should provide the basis for this.

Thus overall UNIQA expects an improvement in earnings before taxes for the 2019 financial year – adjusted for the non-recurring effect from the sale of Casinos Austria Aktiengesellschaft. UNIQA also intends to continue increasing its annual distribution per share over the next few years as part of a progressive dividend policy.

Consolidated Interim Financial Statements

GENERAL DISCLOSURES

Accounting principles

The consolidated interim financial statements as at 30 September 2019 were prepared in accordance with the International Financial Reporting Standards (IFRSs) of the International Accounting Standards Board (IASB) recognised by the European Union (EU) as well as the interpretations of the IFRS Interpretations Committee. The additional requirements of Section 245a(1) of the Austrian Commercial Code and Section 138(8) of the Austrian Insurance Supervision Act were met.

The accounting, measurement and consolidation principles correspond to those applied in the consolidated financial statements as at 31 December 2018. The functional currency for UNIQA Insurance Group AG is the euro.

In preparing the consolidated interim financial statements, estimates and planning have been used to a greater extent than for annual reporting.

The consolidated interim financial statements were prepared in millions of euros (rounded based on commercial rounding methods). Rounding differences may occur when totalling rounded amounts and percentages.

Adoption of new and revised standards

Annual improvements to the IFRS cycle 2015–2017

IAS 12 Income Taxes

The amendment relates to income tax consequences of dividend payments. The amendment was endorsed

by the EU on 14 March 2019 and is effective from 1 January 2019. For UNIQA this amendment has no material impact.

IAS 23 Borrowing Costs

The amendment that specifies the determination of the interest rate for the capitalisation of borrowing costs has no impact on UNIQA.

IFRS 3 Business Combinations,

IFRS 11 Joint Arrangements

On the one hand, the remeasurement of interests already held at fair value when control over a business operation was obtained was newly regulated. On the other hand, previously held interests shall not be remeasured when joint control is obtained. The new regulations have no impact on UNIQA.

IAS 19 Employee Benefits

The amendment to IAS 19 relating to plan amendment, curtailment and settlement was endorsed by the EU on 13 March 2019 and is effective from 1 January 2019. The amendments to IAS 19 are not relevant for UNIQA.

IAS 28 Investment in Associates

Long-term investments that are not accounted for using the equity method must be treated in accordance with IFRS 9. The adjustment applies to reporting periods beginning on or after 1 January 2019. For UNIQA the date of first-time application of IFRS 9 will be postponed until IFRS 17 comes into force.

Consolidated Statement of Financial Position

Assets

In € million

	Notes	30/9/2019	31/12/2018
Property, plant and equipment		372.2	311.1
Intangible assets		1,652.3	1,618.9
Investments			
Investment property		1,103.8	1,104.1
Financial assets accounted for using the equity method		610.8	599.1
Other investments	1	19,336.4	17,633.8
Unit-linked and index-linked life insurance investments		4,674.8	4,751.2
Reinsurers' share of technical provisions		415.9	413.4
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance		0.1	0.1
Receivables, including insurance receivables		546.5	540.7
Income tax receivables		53.5	52.3
Deferred tax assets		5.6	5.8
Cash and cash equivalents		435.4	1,444.4
Assets in disposal groups held for sale		21.1	29.0
Total assets		29,228.4	28,503.8

Equity and liabilities

In € million

	Notes	30/9/2019	31/12/2018
Total equity			
Portion attributable to shareholders of UNIQA Insurance Group AG			
Subscribed capital and capital reserves		1,789.9	1,789.9
Treasury shares		-16.6	-16.6
Accumulated results		1,625.1	1,198.8
		3,398.4	2,972.1
Non-controlling interests		16.9	14.4
		3,415.3	2,986.6
Liabilities			
Subordinated liabilities	1	856.4	869.8
Technical provisions		18,225.0	17,336.4
Technical provisions for unit-linked and index-linked life insurance		4,641.2	4,721.9
Financial liabilities	1	96.6	798.5
Other provisions		734.8	663.0
Liabilities and other items classified as liabilities		799.8	807.2
Income tax liabilities		43.1	64.4
Deferred tax liabilities		413.1	255.0
Liabilities in disposal groups held for sale		3.0	1.1
		25,813.1	25,517.3
Total equity and liabilities		29,228.4	28,503.8

Consolidated Income Statement

In € million					
	Notes	1 – 9/2019	1 – 9/2018 adjusted	7 – 9/2019	7 – 9/2018 adjusted
Premiums earned (net)	3	3,642.3	3,571.4	1,217.2	1,185.9
Technical interest income		249.9	250.8	85.4	87.1
Other insurance income		15.2	15.0	3.6	5.5
Insurance benefits	4	–2,783.2	–2,763.9	–930.9	–931.6
Operating expenses	5	–1,018.6	–951.6	–321.8	–309.0
Other technical expenses		–36.3	–43.0	–10.8	–14.1
Technical result		69.4	78.7	42.7	23.8
Net investment income	2	433.4	443.7	132.4	154.9
Income from investments		594.8	680.2	178.5	220.6
Expenses from investments		–194.0	–316.7	–69.1	–91.5
Financial assets accounted for using the equity method		32.7	80.2	23.1	25.9
Other income		39.7	30.4	13.8	3.4
Reclassification of technical interest income		–249.9	–250.8	–85.4	–87.1
Other expenses		–36.0	–51.2	–11.1	–15.9
Non-technical result		187.2	172.1	49.7	55.3
Operating profit/(loss)		256.6	250.8	92.4	79.1
Amortisation of goodwill and impairment losses		–1.9	–1.9	–0.6	–0.7
Finance cost		–39.9	–39.2	–13.0	–13.8
Earnings before taxes		214.7	209.6	78.8	64.6
Income taxes		–44.5	–47.2	–16.3	–15.5
Profit/(loss) for the period		170.3	162.4	62.5	49.1
of which attributable to shareholders of UNIQA Insurance Group AG		167.1	164.3	61.5	52.1
of which attributable to non-controlling interests		3.1	–1.9	1.0	–3.0
Earnings per share (in €)¹⁾		0.54	0.54	0.20	0.17
Average number of shares in circulation		306,965,261	306,965,261	306,965,261	306,965,261

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

Consolidated Statement of Comprehensive Income

In € million	1 – 9/2019	1 – 9/2018 adjusted
Profit/(loss) for the period	170.3	162.4
Items not reclassified to profit or loss in subsequent periods		
Revaluations of defined benefit obligations		
Gains (losses) recognised in equity	–102.3	–2.5
Gains (losses) recognised in equity – deferred tax	25.6	0.8
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	0.5	3.7
	–76.3	2.0
Items reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	2.1	–8.5
Valuation of financial instruments available for sale		
Gains (losses) recognised in equity	1,390.1	–290.9
Gains (losses) recognised in equity – deferred tax	–169.7	43.2
Gains (losses) recognised in equity – deferred profit participation	–718.8	114.8
Recognised in the consolidated income statement	–26.3	–64.3
Recognised in the consolidated income statement – deferred tax	14.1	–7.7
Recognised in the consolidated income statement – deferred profit participation	11.4	9.6
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	1.5	–4.1
Recognised in the consolidated income statement	0.0	0.1
	504.6	–207.8
Other comprehensive income	428.3	–205.8
Total comprehensive income	598.6	–43.4
of which attributable to shareholders of UNIQA Insurance Group AG	591.1	–38.8
of which attributable to non-controlling interests	7.5	–4.6

Consolidated Statement of Cash Flows

In € million	1 – 9/2019	1 – 9/2018 adjusted
Profit/(loss) for the period	170.3	162.4
Impairment losses, amortisation of goodwill and other intangible assets, and depreciation of property, plant and equipment	33.4	28.2
Impairment losses/reversal of impairment losses on other investments	60.0	55.3
Gain/loss on the disposal of investments	-79.2	-46.6
Change in deferred acquisition costs	1.9	-25.5
Change in securities at fair value through profit or loss	91.3	-63.0
Change in direct insurance receivables	-42.3	-16.3
Change in other receivables	43.8	-41.4
Change in direct insurance liabilities	-46.8	-52.6
Change in other liabilities	17.3	53.9
Change in technical provisions	98.1	53.4
Change in defined benefit obligations	-23.6	-2.2
Change in deferred tax assets and deferred tax liabilities	27.1	5.9
Change in other statement of financial position items	-13.4	-24.4
Net cash flow from operating activities	338.0	87.3
Proceeds from disposal of intangible assets and property, plant and equipment	4.7	5.4
Payments for acquisition of intangible assets and property, plant and equipment	-77.3	-84.1
Proceeds from disposal of consolidated companies	0.0	56.9
Payments for acquisition of consolidated companies	-4.5	0.0
Proceeds from disposal and maturity of other investments	3,030.4	3,931.2
Payments for acquisition of other investments	-3,429.4	-3,841.1
Change in unit-linked and index-linked life insurance investments	76.3	131.6
Net cash flow from investing activities	-399.7	199.8
Dividend payments	-164.8	-158.1
Transactions between owners	-0.1	0.0
Payments from other financing activities	-783.1	-0.7
Net cash flow from financing activities	-948.0	-158.8
Change in cash and cash equivalents	-1,009.8	128.3
of which due to acquisitions or disposals of consolidated subsidiaries	0.1	0.0
Change in cash and cash equivalents due to movements in exchange rates	0.8	-0.4
Cash and cash equivalents at beginning of year	1,444.4	650.3
Cash and cash equivalents at end of period	435.4	778.2
Income taxes paid (Net cash flow from operating activities)	-43.2	-31.0
Interest paid (Net cash flow from operating activities)	-58.2	-65.9
Interest received (Net cash flow from operating activities)	298.5	293.9
Dividends received (Net cash flow from operating activities)	50.0	52.1

Consolidated Statement of Changes in Equity

				Accumulated
In € million	Subscribed capital and capital reserves	Treasury shares	Valuation of financial instruments available for sale	Revaluations of defined benefit obligations
At 1 January 2018	1,789.9	-16.6	420.6	-251.2
Change in basis of consolidation				
Dividends to shareholders				
Total comprehensive income			-193.1	-1.7
Profit/(loss) for the period				
Other comprehensive income			-193.1	-1.7
At 30 September 2018	1,789.9	-16.6	227.6	-252.9
At 1 January 2019	1,789.9	-16.6	169.9	-264.9
Change in basis of consolidation				
Dividends to shareholders				
Total comprehensive income			497.2	-76.7
Profit/(loss) for the period				
Other comprehensive income			497.2	-76.7
At 30 September 2019	1,789.9	-16.6	667.1	-341.6

results

	Differences from currency translation	Other accumulated results	Portion attributable to shareholders of UNIQA Insurance Group AG	Non-controlling interests	Total equity
	-173.2	1,388.5	3,158.0	91.4	3,249.4
		1.5	1.5	115.1	116.6
		-156.6	-156.6	-1.6	-158.1
	-8.1	164.1	-38.8	-4.6	-43.4
		164.3	164.3	-1.9	162.4
	-8.1	-0.3	-203.1	-2.7	-205.8
	-181.3	1,397.5	2,964.2	200.3	3,164.5
	-179.7	1,473.5	2,972.1	14.4	2,986.6
		-2.1	-2.1	-2.9	-5.0
		-162.7	-162.7	-2.1	-164.8
	1.5	169.1	591.1	7.5	598.6
		167.1	167.1	3.1	170.3
	1.5	2.0	423.9	4.4	428.3
	-178.3	1,477.9	3,398.4	16.9	3,415.3

Segment Reporting

OPERATING SEGMENTS – CONSOLIDATED INCOME STATEMENT

	UNIQA Austria		UNIQA International	
In € million	1 – 9/2019	1 – 9/2018 adjusted	1 – 9/2019	1 – 9/2018 adjusted
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	2,905.9	2,853.4	1,175.7	1,174.8
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	2,283.4	2,255.1	803.1	780.7
Savings portions from unit-linked and index-linked life insurance (gross)	153.6	159.8	71.4	72.5
Savings portions from unit-linked and index-linked life insurance (net)	153.6	153.6	71.4	72.5
Premiums written (gross)	2,752.3	2,693.6	1,104.3	1,102.3
Premiums earned (net)	2,129.8	2,101.5	731.7	708.2
Premiums earned (net) – intragroup	–525.7	–497.6	–286.4	–294.1
Premiums earned (net) – external	2,655.5	2,599.1	1,018.0	1,002.3
Technical interest income	225.8	231.5	24.1	19.4
Other insurance income	2.4	2.4	15.2	15.1
Insurance benefits	–1,835.9	–1,815.7	–419.4	–425.2
Operating expenses	–465.0	–406.0	–291.4	–272.2
Other technical expenses	–10.0	–19.6	–30.1	–24.1
Technical result	47.0	94.0	30.1	21.1
Net investment income	329.4	339.0	39.7	63.6
Income from investments	423.4	386.5	62.5	72.9
Expenses from investments	–112.5	–66.1	–23.0	–9.5
Financial assets accounted for using the equity method	18.6	18.6	0.2	0.2
Other income	2.0	1.7	18.9	8.3
Reclassification of technical interest income	–225.8	–231.5	–24.1	–19.4
Other expenses	–9.2	–11.9	–10.5	–24.4
Non-technical result	96.3	97.3	24.0	28.2
Operating profit/(loss)	143.3	191.4	54.1	49.3
Amortisation of goodwill and impairment losses	–1.3	–1.4	–0.5	–0.5
Finance cost	–18.8	–18.8	–3.3	–3.3
Earnings before taxes	123.2	171.2	50.2	45.4
Combined ratio (property and casualty insurance, after reinsurance)	92.8%	91.6%	94.6%	96.1%
Cost ratio (after reinsurance)	20.4%	18.0%	36.3%	34.9%

Reinsurance		Group functions		Consolidation		Group	
1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted
873.8	860.9	0.0	0.0	–859.7	–846.8	4,095.7	4,042.3
776.7	755.7	0.0	0.0	4.1	5.9	3,867.3	3,797.5
0.0	0.0	0.0	0.0	0.0	0.0	225.0	232.3
0.0	0.0	0.0	0.0	0.0	0.0	225.0	226.1
873.8	860.9	0.0	0.0	–859.7	–846.8	3,870.8	3,810.0
776.7	755.7	0.0	0.0	4.1	5.9	3,642.3	3,571.4
807.9	785.7	0.0	0.0	4.1	5.9	0.0	0.0
–31.2	–30.0	0.0	0.0	0.0	0.0	3,642.3	3,571.4
0.0	0.0	0.0	0.0	0.0	0.0	249.9	250.8
0.2	0.3	0.4	0.2	–3.0	–2.9	15.2	15.0
–535.0	–527.0	7.8	7.4	–0.6	–3.4	–2,783.2	–2,763.9
–228.0	–225.1	–30.0	–43.0	–4.2	–5.3	–1,018.6	–951.6
–12.0	–9.2	1.9	–0.7	13.9	10.6	–36.3	–43.0
1.9	–5.3	–19.8	–36.1	10.2	5.0	69.4	78.7
15.3	16.2	93.8	116.5	–44.8	–91.6	433.4	443.7
28.5	27.1	189.0	311.4	–108.6	–117.7	594.8	680.2
–13.2	–10.9	–99.4	–246.3	54.1	16.1	–194.0	–316.7
0.0	0.0	4.2	51.4	9.7	10.0	32.7	80.2
8.0	10.9	14.5	13.3	–3.6	–3.8	39.7	30.4
0.0	0.0	0.0	0.0	0.0	0.0	–249.9	–250.8
–3.8	–3.9	–13.6	–13.0	1.1	2.0	–36.0	–51.2
19.4	23.3	94.7	116.8	–47.3	–93.4	187.2	172.1
21.4	18.0	74.9	80.6	–37.1	–88.5	256.6	250.8
0.0	0.0	0.0	0.0	0.0	0.0	–1.9	–1.9
–2.2	–2.2	–49.1	–47.7	33.4	32.8	–39.9	–39.2
19.2	15.8	25.8	32.9	–3.6	–55.7	214.7	209.6
98.1%	99.5%	n/a	n/a	n/a	n/a	95.9%	96.6%
29.4%	29.8%	n/a	n/a	n/a	n/a	26.3%	25.1%

OPERATING SEGMENTS – CLASSIFIED BY BUSINESS LINE

Property and casualty insurance

	UNIQA Austria		UNIQA International	
In € million	1 – 9/2019	1 – 9/2018 adjusted	1 – 9/2019	1 – 9/2018 adjusted
Premiums written (gross)	1,376.7	1,330.3	811.7	806.3
Premiums earned (net)	784.1	766.3	455.7	430.4
Technical interest income	0.0	0.0	1.3	0.0
Other insurance income	2.1	1.7	12.6	11.5
Insurance benefits	–511.0	–514.0	–263.4	–254.3
Operating expenses	–217.0	–187.5	–167.9	–159.1
Other technical expenses	–5.9	–5.9	–28.2	–22.2
Technical result	52.4	60.6	10.1	6.3
Net investment income	21.3	35.3	16.3	21.1
Income from investments	56.1	49.8	23.2	23.6
Expenses from investments	–35.0	–14.7	–7.1	–2.8
Financial assets accounted for using the equity method	0.3	0.3	0.2	0.2
Other income	1.2	1.3	4.0	3.3
Reclassification of technical interest income	0.0	0.0	–1.3	0.0
Other expenses	–7.9	–9.7	–7.7	–9.0
Non-technical result	14.6	27.0	11.3	15.4
Operating profit/(loss)	67.0	87.6	21.4	21.7
Amortisation of goodwill and impairment losses	0.0	0.0	–0.3	–0.3
Finance cost	0.0	0.0	–3.1	–3.2
Earnings before taxes	67.0	87.6	18.0	18.2

Health insurance

	UNIQA Austria		UNIQA International	
In € million	1 – 9/2019	1 – 9/2018 adjusted	1 – 9/2019	1 – 9/2018
Premiums written (gross)	795.8	758.2	59.7	59.6
Premiums earned (net)	786.5	755.8	48.9	48.9
Technical interest income	64.6	63.3	0.0	0.0
Other insurance income	0.2	0.3	0.0	0.1
Insurance benefits	–701.6	–665.8	–27.9	–30.0
Operating expenses	–113.2	–101.0	–18.4	–17.4
Other technical expenses	0.0	–0.6	–0.5	–0.3
Technical result	36.5	52.1	2.1	1.3
Net investment income	72.6	80.4	0.1	0.6
Income from investments	90.8	95.8	0.5	0.9
Expenses from investments	–25.9	–23.2	–0.4	–0.4
Financial assets accounted for using the equity method	7.7	7.7	0.0	0.0
Other income	0.4	0.1	2.4	2.3
Reclassification of technical interest income	–64.6	–63.3	0.0	0.0
Other expenses	–0.8	–1.3	–2.0	–2.3
Non-technical result	7.6	15.8	0.5	0.5
Operating profit/(loss)	44.1	67.9	2.6	1.8
Earnings before taxes	44.1	67.9	2.6	1.8

Reinsurance		Group functions		Consolidation		Group	
1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted
844.9	824.5	0.0	0.0	–831.8	–815.5	2,201.5	2,145.7
763.8	737.1	0.0	0.0	3.8	5.1	2,007.4	1,938.9
0.0	0.0	0.0	0.0	0.0	0.0	1.3	0.0
0.2	0.2	0.3	0.2	–2.9	–2.7	12.4	10.9
–522.2	–509.8	0.2	0.3	0.9	–1.3	–1,295.5	–1,279.2
–226.9	–223.7	–15.4	–21.1	–1.3	–3.2	–628.6	–594.7
–9.5	–6.7	0.8	–0.3	9.6	6.5	–33.3	–28.5
5.3	–2.9	–14.2	–20.9	10.1	4.4	63.7	47.5
10.6	9.4	63.8	97.5	–30.7	–45.1	81.3	118.2
23.8	20.2	116.1	181.3	–44.8	–55.8	174.4	219.2
–13.2	–10.9	–54.7	–133.2	13.0	5.4	–97.1	–156.2
0.0	0.0	2.4	49.4	1.1	5.3	3.9	55.2
7.9	10.8	8.8	9.6	–2.6	–2.1	19.4	23.1
0.0	0.0	0.0	0.0	0.0	0.0	–1.3	0.0
–3.8	–3.8	–9.7	–9.2	1.4	1.1	–27.7	–30.5
14.7	16.4	62.9	98.0	–31.9	–46.0	71.6	110.8
20.1	13.5	48.7	77.0	–21.9	–41.6	135.3	158.3
0.0	0.0	0.0	0.0	0.0	0.0	–0.3	–0.3
–2.2	–2.2	–43.6	–42.8	9.0	9.1	–39.9	–39.1
17.9	11.3	5.1	34.2	–12.9	–32.4	95.1	118.8

Reinsurance		Group functions		Consolidation		Group	
1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018
4.3	6.0	0.0	0.0	–4.3	–6.0	855.5	817.8
4.1	5.8	0.0	0.0	0.1	0.1	839.6	810.7
0.0	0.0	0.0	0.0	0.0	0.0	64.6	63.3
0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.4
–5.4	–4.0	7.6	7.0	0.0	0.1	–727.3	–692.8
–0.2	–0.9	–8.1	–11.9	0.0	0.5	–140.0	–130.8
0.0	0.0	0.6	–0.2	0.1	0.0	0.2	–1.0
–1.5	0.9	0.2	–5.1	0.1	0.7	37.4	49.8
0.0	0.0	19.7	10.0	–4.8	–21.0	87.7	70.0
0.0	0.0	39.4	85.6	–21.9	–27.9	108.8	154.4
0.0	0.0	–19.6	–75.9	13.7	5.2	–32.3	–94.2
0.0	0.0	0.0	0.3	3.4	1.8	11.1	9.8
0.0	0.0	4.9	2.8	–1.0	–0.9	6.8	4.3
0.0	0.0	0.0	0.0	0.0	0.0	–64.6	–63.3
–0.1	0.0	–2.5	–2.9	0.3	0.3	–5.1	–6.3
–0.1	0.0	22.2	9.9	–5.4	–21.6	24.8	4.6
–1.5	0.9	22.3	4.8	–5.3	–21.0	62.1	54.5
–1.5	0.9	22.3	4.7	–5.3	–20.9	62.1	54.4

Life insurance

In € million	UNIQA Austria		UNIQA International	
	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	733.4	764.9	304.3	308.9
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	712.8	732.9	298.5	301.4
Savings portions from unit-linked and index-linked life insurance (gross)	153.6	159.8	71.4	72.5
Savings portions from unit-linked and index-linked life insurance (net)	153.6	153.6	71.4	72.5
Premiums written (gross)	579.8	605.1	233.0	236.4
Premiums earned (net)	559.2	579.4	227.1	228.9
Technical interest income	161.2	168.1	22.8	19.4
Other insurance income	0.1	0.3	2.5	3.5
Insurance benefits	–623.3	–635.8	–128.1	–140.9
Operating expenses	–134.8	–117.5	–105.1	–95.6
Other technical expenses	–4.2	–13.2	–1.4	–1.7
Technical result	–41.8	–18.7	17.8	13.5
Net investment income	235.5	223.3	23.3	42.0
Income from investments	276.5	241.0	38.7	48.3
Expenses from investments	–51.6	–28.2	–15.4	–6.4
Financial assets accounted for using the equity method	10.5	10.5	0.0	0.0
Other income	0.3	0.3	12.5	2.7
Reclassification of technical interest income	–161.2	–168.1	–22.8	–19.4
Other expenses	–0.5	–0.9	–0.8	–13.1
Non-technical result	74.1	54.5	12.2	12.2
Operating profit/(loss)	32.3	35.9	30.0	25.7
Amortisation of goodwill and impairment losses	–1.3	–1.4	–0.2	–0.2
Finance cost	–18.8	–18.8	–0.2	–0.1
Earnings before taxes	12.2	15.7	29.6	25.4

UNIQA INTERNATIONAL – REGIONS

In € million	Premiums earned (net)		Net investment income		Insurance benefits		Operating expenses		Earnings before taxes	
	1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018	1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted
Central Europe (CE)	382.2	372.7	17.1	19.2	–212.7	–210.7	–137.5	–138.3	32.6	32.0
Eastern Europe (EE)	107.2	83.8	3.1	6.8	–51.0	–45.6	–52.2	–39.3	6.4	4.5
Russia (RU)	64.7	71.4	4.8	20.5	–51.5	–60.5	–12.0	–9.5	14.4	12.4
Southeastern Europe (SEE)	176.7	167.8	16.9	16.9	–103.5	–97.9	–72.7	–68.7	16.3	11.9
Western Europe (WE)	0.8	12.4	0.0	0.3	–0.7	–10.4	–1.8	–2.1	–1.2	–0.1
Administration	0.0	0.0	–2.3	–0.2	0.0	0.0	–15.1	–14.3	–18.3	–15.4
Total	731.7	708.2	39.7	63.6	–419.4	–425.2	–291.4	–272.2	50.2	45.4

Reinsurance		Group functions		Consolidation		Group	
1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted
24.5	30.3	0.0	0.0	–23.5	–25.3	1,038.8	1,078.9
8.7	12.9	0.0	0.0	0.3	0.7	1,020.3	1,047.9
0.0	0.0	0.0	0.0	0.0	0.0	225.0	232.3
0.0	0.0	0.0	0.0	0.0	0.0	225.0	226.1
24.5	30.3	0.0	0.0	–23.5	–25.3	813.8	846.5
8.7	12.9	0.0	0.0	0.3	0.7	795.3	821.8
0.0	0.0	0.0	0.0	0.0	0.0	184.0	187.5
0.0	0.1	0.1	0.0	–0.1	–0.2	2.6	3.7
–7.4	–13.3	0.0	0.2	–1.5	–2.2	–760.3	–792.0
–0.8	–0.5	–6.4	–10.0	–2.9	–2.6	–250.0	–226.2
–2.5	–2.5	0.6	–0.3	4.2	4.1	–3.3	–13.5
–1.9	–3.2	–5.8	–10.1	0.0	–0.1	–31.7	–18.6
4.7	6.9	10.3	9.0	–9.3	–25.6	264.5	255.5
4.7	6.9	33.5	44.5	–42.0	–34.0	311.5	306.6
0.0	0.0	–25.0	–37.2	27.3	5.5	–64.7	–66.3
0.0	0.0	1.8	1.8	5.3	2.8	17.6	15.2
0.1	0.0	0.7	0.8	–0.1	–0.8	13.5	3.1
0.0	0.0	0.0	0.0	0.0	0.0	–184.0	–187.5
0.0	0.0	–1.4	–0.9	–0.6	0.6	–3.2	–14.4
4.8	6.9	9.7	8.9	–10.0	–25.8	90.9	56.7
2.8	3.6	3.9	–1.2	–9.9	–25.9	59.2	38.0
0.0	0.0	0.0	0.0	0.0	0.0	–1.6	–1.6
0.0	0.0	–5.5	–4.8	24.5	23.6	0.0	0.0
2.8	3.6	–1.6	–6.0	14.5	–2.3	57.5	36.4

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CLASSIFIED BY BUSINESS LINE

	Property and casualty insurance		Health insurance	
In € million	30/9/2019	31/12/2018	30/9/2019	31/12/2018
Assets				
Property, plant and equipment	179.9	158.8	42.1	44.9
Intangible assets	627.2	614.9	278.2	266.5
Investments				
Investment property	132.0	227.2	237.2	235.2
Financial assets accounted for using the equity method	68.5	66.3	209.4	205.7
Other investments	4,938.6	4,627.8	3,533.3	3,081.7
Unit-linked and index-linked life insurance investments	0.0	0.0	0.0	0.0
Reinsurers' share of technical provisions	283.0	286.0	1.6	2.2
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	0.0	0.0	0.0	0.0
Receivables, including insurance receivables	315.5	356.0	359.3	241.5
Income tax receivables	46.7	48.1	1.7	1.0
Deferred tax assets	1.9	1.7	0.0	0.0
Cash and cash equivalents	274.2	249.3	52.3	168.0
Assets in disposal groups held for sale	0.0	0.0	0.0	0.0
Total assets by business line	6,867.6	6,636.0	4,714.9	4,246.6
Liabilities				
Subordinated liabilities	856.4	875.6	0.0	0.0
Technical provisions	3,397.0	3,273.2	3,337.8	3,193.0
Technical provisions for unit-linked and index-linked life insurance	0.0	0.0	0.0	0.0
Financial liabilities	103.2	169.1	32.0	22.2
Other provisions	387.5	392.0	335.0	288.4
Liabilities and other items classified as liabilities	632.7	499.9	94.0	95.2
Income tax liabilities	39.0	61.1	2.7	2.6
Deferred tax liabilities	84.1	48.9	164.5	100.8
Liabilities in disposal groups held for sale	0.0	0.0	0.0	0.0
Total liabilities by business line	5,499.9	5,319.8	3,966.0	3,702.1

Life insurance		Consolidation		Group	
30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018
150.2	107.4	0.0	0.0	372.2	311.1
747.0	779.1	0.0	-41.6	1,652.3	1,618.9
734.6	641.7	0.0	0.0	1,103.8	1,104.1
332.9	327.1	0.0	0.0	610.8	599.1
11,421.4	10,639.2	-556.9	-714.9	19,336.4	17,633.8
4,674.8	4,751.2	0.0	0.0	4,674.8	4,751.2
131.8	136.6	-0.5	-11.5	415.9	413.4
0.1	0.1	0.0	0.0	0.1	0.1
83.9	82.8	-212.3	-139.5	546.5	540.7
5.2	3.3	0.0	0.0	53.5	52.3
3.6	4.1	0.0	0.0	5.6	5.8
108.9	1,027.2	0.0	0.0	435.4	1,444.4
21.1	29.0	0.0	0.0	21.1	29.0
18,415.6	18,528.7	-769.8	-907.6	29,228.4	28,503.8
410.8	410.7	-410.8	-416.5	856.4	869.8
11,505.9	10,897.5	-15.7	-27.3	18,225.0	17,336.4
4,641.2	4,721.9	0.0	0.0	4,641.2	4,721.9
69.9	942.3	-108.6	-335.1	96.6	798.5
14.6	19.8	-2.4	-37.2	734.8	663.0
305.6	303.5	-232.5	-91.4	799.8	807.2
1.4	0.8	0.0	0.0	43.1	64.4
164.5	105.3	0.0	0.0	413.1	255.0
3.0	1.1	0.0	0.0	3.0	1.1
17,117.1	17,402.9	-769.9	-907.5	25,813.1	25,517.3
Consolidated equity and non-controlling interests				3,415.3	2,986.6
Total equity and liabilities				29,228.4	28,503.8

The amounts indicated for each business line have been adjusted to eliminate amounts resulting from internal transactions. Therefore, the balance of segment assets and

segment equity and liabilities does not allow conclusions to be drawn with regard to the equity allocated to the respective business line.

Notes to the Condensed Consolidated Interim Financial Statements

1. Investments plus valuation hierarchies for fair value measurements

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

At 30 September 2019

In € million

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Financial assets at fair value through profit or loss	21.7	225.5	0.0	20.9	58.1	326.2
Available-for-sale financial assets	827.1	17,500.8	0.0	0.0	0.0	18,327.9
Loans and receivables	0.0	165.0	517.2	0.0	0.0	682.2
Total	848.9	17,891.2	517.2	20.9	58.1	19,336.4
of which fair value option	21.7	225.5	0.0	0.0	0.0	247.2

At 31 December 2018

In € million

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
Financial assets at fair value through profit or loss	24.5	308.0	0.0	20.8	56.4	409.8
Available-for-sale financial assets	840.9	15,702.5	0.0	0.0	0.0	16,543.3
Loans and receivables	0.0	173.0	507.7	0.0	0.0	680.7
Total	865.4	16,183.5	507.7	20.8	56.4	17,633.8
of which fair value option	24.5	308.0	0.0	0.0	0.0	332.6

Determination of fair value

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

A review of the major unobservable inputs and the measurement adjustments is carried out regularly. If information from third parties (e.g. price quotations from brokers or price information services) is used to determine fair values, the evidence obtained from third parties is examined in order to see whether such measurements meet the requirements of IFRSs, including the level in the fair

value hierarchy to which these measurements are attributable. Major items in the measurement are reported to the Audit Committee.

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

- Level 1: quoted prices (unadjusted) in active markets for identical assets and liabilities. At UNIQA, these primarily involve quoted shares, quoted bonds and quoted investment funds.
- Level 2: valuation parameters that are not quoted prices included in Level 1 but which can be observed for the asset or liability either directly (i.e. as a price) or indirectly (i.e. derived from prices), or are based on prices on markets that have been classified as inactive. The parameters that can be observed here include, for example,

exchange rates, yield curves and volatilities. At UNIQA, these include in particular quoted bonds that do not fulfil the conditions under Level 1, along with structured products.

- Level 3: valuation parameters for assets or liabilities that are not based or are only partly based on observable market data. The valuations here primarily involve application of the discounted cash flow method, comparative procedures with instruments for which there are observable prices and other procedures. As there are no observable parameters here in many cases, the estimates used can have a significant impact on the result of the valuation. At UNIQA, it is primarily other equity investments, private equity and hedge funds, ABS and structured products that do not fulfil the conditions under Level 2 that are assigned to Level 3.

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

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

Valuation process and methods

Financial instruments measured at fair value

For the valuation of capital investments, techniques best suited to the determination of value are applied. The following standard valuation techniques are applied for financial instruments which come under levels 2 and 3:

- Market approach

The valuation method in the market approach is based on prices or other applicable information from market transactions which involve identical or comparable assets and liabilities.

- Income approach

The income approach corresponds to the method whereby the future (expected) payment flows or earnings are inferred on a current amount.

- Cost approach

The cost approach generally corresponds to the value which would have to be applied in order to procure the asset once again.

Non-financial assets and loans

The fair value of investment property is determined within the scope of the impairment test.

The loans are accounted for at amortised cost. Any required impairment is determined with due regard to the collateral and the debtor's creditworthiness.

Financial liabilities

The fair value of financial liabilities and subordinated liabilities is determined using the discounted cash flow method. Yield curves and CDS spreads are used as inputs.

Valuation techniques and inputs in the determination of fair values

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

Valuation hierarchy

Assets and liabilities measured at fair value

	Level 1		Level 2		Level 3		Total	
In € million	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018
Available-for-sale financial assets								
Variable-income securities	651.9	695.2	1.3	1.1	173.9	144.5	827.1	840.9
Fixed-income securities	14,014.1	12,568.0	2,670.1	2,633.0	816.5	501.5	17,500.8	15,702.5
Total	14,666.0	13,263.2	2,671.5	2,634.2	990.4	646.0	18,327.9	16,543.3
Financial assets at fair value through profit or loss								
Variable-income securities	0.0	0.0	15.1	14.4	6.6	10.1	21.7	24.5
Fixed-income securities	114.5	197.1	48.1	48.2	62.9	62.7	225.5	308.0
Derivative financial instruments	0.0	0.0	1.8	5.2	19.1	15.6	20.9	20.8
Investments under investment contracts	50.0	49.0	0.9	0.9	7.2	6.5	58.1	56.4
Total	164.4	246.1	66.0	68.8	95.8	94.8	326.2	409.8

	Level 1		Level 2		Level 3		Total	
In € million	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018
Financial liabilities								
Derivative financial instruments	0.0	0.0	19.4	13.3	0.0	0.0	19.4	13.3
Total	0.0	0.0	19.4	13.3	0.0	0.0	19.4	13.3

Fair values of assets and liabilities measured at amortised cost

	Level 1		Level 2		Level 3		Total	
In € million	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018
Investment property	0.0	0.0	0.0	0.0	2,154.2	2,086.1	2,154.2	2,086.1
Loans and receivables								
Loans and other investments	0.0	0.0	359.7	395.0	157.5	112.7	517.2	507.7
Fixed-income securities	26.1	30.8	122.9	123.9	31.6	31.4	180.6	186.1
Total	26.1	30.8	482.6	518.9	189.1	144.1	697.9	693.8

	Level 1		Level 2		Level 3		Total	
In € million	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018	30/9/2019	31/12/2018
Financial liabilities								
Liabilities from collateral received for securities lending	0.0	0.0	0.0	0.0	0.0	772.2	0.0	772.2
Liabilities from loans	0.0	0.0	0.0	0.0	77.2	12.9	77.2	12.9
Total	0.0	0.0	0.0	0.0	77.2	785.1	77.2	785.1
Subordinated liabilities	1,046.2	959.4	0.0	0.0	0.0	0.0	1,046.2	959.4

Transfers between levels 1 and 2

Transfers were made in the reporting period from Level 1 to Level 2 amounting to €198.4 million and from Level 2 to Level 1 amounting to €249.8 million. These are attributable primarily to changes in trading frequency and trading activity.

Level 3 financial instruments

In accordance with the hierarchy set forth in IFRS 13, Level 3 primarily includes fixed-income securities and

other equity investments that come under the category “available for sale”.

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

	Fixed-income securities		Other		Total	
In € million	2019	2018	2019	2018	2019	2018
At 1 January	501.5	308.6	239.4	282.7	740.8	591.3
Transfers to Level 3	0.0	0.8	0.2	0.0	0.2	0.8
Gains and losses recognised in profit or loss	3.8	1.6	0.6	–12.5	4.4	–10.9
Gains and losses recognised in other comprehensive income	47.2	–14.4	–1.0	3.3	46.3	–11.2
Additions	267.8	217.2	45.5	43.7	313.3	260.9
Disposals	–3.7	–12.3	–14.8	–77.8	–18.5	–90.1
At 30 September and/or 31 December	816.5	501.5	269.8	239.4	1,086.3	740.8

Sensitivities

For the most important financial instruments in Level 3, an increase in the discount rate by 100 basis points results in a 6.0 per cent reduction in value. A reduction in the discount rate by 100 basis points results in a 7.4 per cent increase in value.

2. Net investment income

Classified by business line

	Property and casualty insurance		Health insurance		Life insurance		Group	
In € million	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018	1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted
Investment property	12.6	6.5	12.8	4.7	48.5	28.6	74.0	39.8
Financial assets accounted for using the equity method	3.9	55.2	11.1	9.8	17.6	15.2	32.7	80.2
Variable-income securities	3.8	14.5	9.2	9.4	0.7	12.9	13.7	36.7
Available for sale	5.0	14.3	8.4	9.0	0.5	13.7	13.9	37.0
At fair value through profit or loss	–1.2	0.2	0.8	0.4	0.2	–0.8	–0.2	–0.3
Fixed-income securities	85.1	58.0	58.1	55.7	186.3	182.1	329.5	295.8
Available for sale	78.2	60.5	49.9	56.8	186.2	180.7	314.3	298.1
At fair value through profit or loss	6.9	–2.5	8.1	–1.2	0.2	1.4	15.2	–2.3
Loans and other investments	4.5	2.2	3.7	1.6	20.3	30.4	28.5	34.2
Loans	0.6	0.2	1.3	1.3	5.2	8.5	7.1	10.0
Other investments	3.9	2.0	2.4	0.3	15.1	21.9	21.4	24.1
Derivative financial instruments	–12.9	–3.2	–0.3	–4.6	–0.1	–2.4	–13.3	–10.1
Investment administration expenses, interest paid and other investment expenses	–15.8	–15.0	–7.0	–6.6	–8.9	–11.2	–31.7	–32.8
Total	81.3	118.2	87.7	70.0	264.5	255.5	433.4	443.7

Classified by type of income

	Current income/expenses		Gains/losses from disposals and changes in value		Total		of which impairment	
In € million	1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018
Financial assets at fair value through profit or loss	0.8	2.6	0.9	–15.3	1.7	–12.7	0.0	0.0
Variable-income securities (within the framework of fair value option)	0.6	0.7	–0.8	–1.0	–0.2	–0.3	0.0	0.0
Fixed-income securities (within the framework of fair value option)	2.0	1.7	13.2	–4.0	15.2	–2.3	0.0	0.0
Derivative financial instruments	–1.8	0.3	–11.5	–10.4	–13.3	–10.1	0.0	0.0
Investments under investment contracts ¹⁾	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Available-for-sale financial assets	293.7	295.8	34.5	39.3	328.2	335.1	–16.3	–10.7
Variable-income securities	27.2	30.2	–13.3	6.8	13.9	37.0	–11.9	–9.3
Fixed-income securities	266.5	265.6	47.8	32.5	314.3	298.1	–4.5	–1.3
Loans and receivables	28.7	33.2	–0.2	1.0	28.5	34.2	0.0	0.0
Fixed-income securities	5.0	6.5	–0.3	1.3	4.7	7.7	0.0	0.0
Loans and other investments	23.7	26.8	0.2	–0.3	23.9	26.5	0.0	0.0
Investment property	61.5	62.4	12.5	–22.7	74.0	39.8	–5.9	–8.0
Financial assets accounted for using the equity method	32.7	32.7	0.0	47.5	32.7	80.2	0.0	0.0
Investment administration expenses, interest paid and other investment expenses	–31.7	–32.8	0.0	0.0	–31.7	–32.8	0.0	0.0
Total	385.7	394.0	47.7	49.7	433.4	443.7	–22.3	–18.7

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

Net profit/(loss) by measurement category

In € million

1–9/2019 1–9/2018
adjusted

Financial assets at fair value through profit or loss		
Recognised in profit/(loss) for the period	1.7	–12.7
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	328.2	335.1
of which reclassified from equity to consolidated income statement	–26.3	–64.3
Recognised in other comprehensive income	1,363.8	–355.2
Net income	1,692.1	–20.1
Loans and receivables		
Recognised in profit/(loss) for the period	28.5	34.2
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	–39.9	–39.2

The currency losses relating to investments stated under assets amount to €17.4 million (1–9/2018: currency losses in the amount of €20.8 million). In addition, positive currency effects amounting to €3.4 million (1–9/2018: positive currency effects in the amount of €6.1 million) were recognised directly in equity.

3. Premiums

Premiums earned

In € million

1–9/2019 1–9/2018

Property and casualty insurance	2,007.4	1,938.9
Gross	2,111.8	2,044.4
Reinsurers' share	–104.5	–105.5
Health insurance	839.6	810.7
Gross	841.9	812.4
Reinsurers' share	–2.3	–1.7
Life insurance	795.3	821.8
Gross	813.8	846.3
Reinsurers' share	–18.5	–24.4
Total	3,642.3	3,571.4

Property and casualty insurance premiums written

In € million

1–9/2019 1–9/2018

Direct insurance		
Fire and business interruption insurance	199.6	201.1
Liability insurance	206.3	201.8
Household insurance	146.7	143.9
Motor TPL insurance	469.7	468.3
Legal expense insurance	73.1	69.3
Marine, aviation and transport insurance	50.6	51.1
Other motor insurance	437.7	417.6
Other property insurance	228.7	216.0
Other forms of insurance	60.7	52.9
Casualty insurance	290.3	281.8
Total	2,163.4	2,103.9
Indirect insurance		
Fire and business interruption insurance	17.6	24.7
Motor TPL insurance	5.6	5.4
Other forms of insurance	14.9	11.7
Total	38.0	41.8
Total direct and indirect insurance (amount consolidated)	2,201.5	2,145.7

4. Insurance benefits

In € million	Gross		Reinsurers' share		Net	
	1–9/2019	1–9/2018 adjusted	1–9/2019	1–9/2018	1–9/2019	1–9/2018 adjusted
Property and casualty insurance						
Claims expenses						
Claims paid	1,296.6	1,222.4	–91.6	–25.6	1,205.0	1,196.8
Change in provision for unsettled claims	56.6	83.8	1.3	–30.2	57.9	53.7
Total	1,353.2	1,306.3	–90.3	–55.7	1,262.9	1,250.5
Change in insurance provision	0.6	0.0	0.0	0.0	0.6	0.0
Change in other technical provisions	–0.6	–2.6	0.0	0.0	–0.6	–2.6
Non-profit-related and profit-related premium refund expenses	32.6	31.3	0.0	0.0	32.6	31.3
Total benefits	1,385.8	1,334.9	–90.3	–55.7	1,295.5	1,279.2
Health insurance						
Claims expenses						
Claims paid	569.8	545.4	–0.4	–0.1	569.4	545.4
Change in provision for unsettled claims	29.8	16.9	0.1	–0.2	29.9	16.7
Total	599.6	562.3	–0.3	–0.3	599.3	562.1
Change in insurance provision	103.9	102.3	0.0	0.1	104.0	102.4
Non-profit-related and profit-related premium refund expenses	24.1	28.3	0.0	0.0	24.1	28.3
Total benefits	727.6	693.0	–0.3	–0.2	727.3	692.8
Life insurance						
Claims expenses						
Claims paid	864.3	881.5	–16.4	–18.5	847.9	862.9
Change in provision for unsettled claims	–16.0	–5.7	0.0	0.8	–16.1	–4.9
Total	848.3	875.7	–16.5	–17.7	831.8	858.0
Change in insurance provision	–111.0	–119.9	3.8	–8.2	–107.3	–128.1
Non-profit-related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	35.7	62.1	0.0	0.0	35.7	62.1
Total benefits	773.0	817.9	–12.7	–25.9	760.3	792.0
Total	2,886.5	2,845.8	–103.3	–81.9	2,783.2	2,763.9

5. Operating expenses

In € million	1 – 9/2019	1 – 9/2018
Property and casualty insurance		
Acquisition costs		
Payments	467.8	448.3
Change in deferred acquisition costs	–17.6	–18.0
Other operating expenses	188.4	173.6
Reinsurance commission and share of profit from reinsurance ceded	–10.0	–9.2
	628.6	594.7
Health insurance		
Acquisition costs		
Payments	80.7	81.2
Change in deferred acquisition costs	–11.2	–8.3
Other operating expenses	70.8	58.4
Reinsurance commission and share of profit from reinsurance ceded	–0.4	–0.4
	140.0	130.8
Life insurance		
Acquisition costs		
Payments	124.5	120.1
Change in deferred acquisition costs	31.6	17.0
Other operating expenses	96.4	91.9
Reinsurance commission and share of profit from reinsurance ceded	–2.4	–2.8
	250.0	226.2
Total	1,018.6	951.6

6. Employees

Average number of employees	1 – 9/2019	1 – 9/2018
Total	12,750	12,775
of which sales	4,194	4,314
of which administration	8,556	8,461

7. Dividends paid

A dividend of €0.53 per share was paid on 3 June 2019 (previous year: €0.51). This corresponds to a distribution amounting to €162.7 million (previous year: €156.6 million).

8. Basis of consolidation

The basis of consolidation – including UNIQA Insurance Group AG – includes 100 fully consolidated companies (31 December 2018: 100) and 6 associates (31 December 2018: 6) accounted for using the equity method.

UNIPARTNER s.r.o. (Bratislava, Slovakia) was merged with UNIQA InsService spol. s r.o. (Bratislava, Slovakia) as the absorbing company in January 2019. Furthermore, SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a. (Tirana, Albania) was deconsolidated in January 2019.

In the second quarter of 2019, UNIQA Linzer Straße 104 GmbH & Co KG, Vienna (formerly WLIN104 Immobilien GmbH & Co KG), and Zabłocie Park sp. z o.o., Warsaw, were acquired. The initial consolidation of these two companies has no significant effects for UNIQA.

Declaration of the legal representatives

The Management Board of UNIQA Insurance Group AG hereby confirms that, to the best of its knowledge, the condensed consolidated interim financial statements, prepared in accordance with the applicable accounting standards, give a true and fair view of the assets, liabilities, financial position and profit or loss of the Group and that the interim Group Management Report gives a true and fair view of the Group's financial position with respect to significant events that occurred during the first nine

months of the financial year and the impact on the condensed consolidated interim financial statements with respect to the significant risks and uncertainties for the remaining three months of the financial year, and with respect to the material transactions with related companies or persons that are subject to disclosure.

These consolidated interim financial statements were neither audited in full nor reviewed by an auditor.

Vienna, November 2019



Andreas Brandstetter
Chairman of the Management Board



Erik Leyers
Member of the Management Board



Kurt Svoboda
Member of the Management Board

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CONTACT

UNIQA Insurance Group AG
Untere Donaustrasse 21, 1029 Vienna, Austria
Phone: (+43) 01 21175-3773
E-mail: investor.relations@uniqa.at

www.uniqagroup.com

Clause regarding predictions about the future

This report contains statements which refer to the future development of the UNIQA Group. These statements present estimations which were reached on the basis of all of the information available to the Group at the present time. If the assumptions on which they are based do not occur, the actual events may vary from the results currently expected. As a result, no guarantee can be provided for the information given.

This is a translation of the German Group Report of UNIQA Group.
In case of any divergences, the German original is legally binding.

