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Consolidated Key Figures

In € million

	1 – 6/2019	1 – 6/2018	Change
Premiums written	2,662.0	2,640.4	+0.8%
Savings portions from unit-linked and index-linked life insurance (before reinsurance)	153.0	158.0	–3.2%
Premiums written, including savings portions from unit-linked and index-linked life insurance	2,814.9	2,798.4	+0.6%
of which property and casualty insurance	1,535.0	1,506.2	+1.9%
of which health insurance	568.1	549.4	+3.4%
of which life insurance	711.8	742.9	–4.2%
of which income from regular premiums	656.7	683.1	–3.9%
of which single premiums	55.1	59.8	–7.8%
Premiums written, including savings portions from unit-linked and index-linked life insurance	2,814.9	2,798.4	+0.6%
of which UNIQA Austria	1,992.9	1,970.1	+1.2%
of which UNIQA International	808.0	814.2	–0.8%
of which reinsurance	616.8	615.0	+0.3%
of which consolidation	–602.7	–600.8	+0.3%
Premiums earned (net)	2,425.1	2,385.5	+1.7%
of which property and casualty insurance	1,324.5	1,281.0	+3.4%
of which health insurance	553.7	536.9	+3.1%
of which life insurance	546.9	567.6	–3.7%
Savings portions from unit-linked and index-linked life insurance (after reinsurance)	153.0	154.6	–1.0%
Premiums earned, including savings portions from unit-linked and index-linked life insurance	2,578.1	2,540.1	+1.5%
Insurance benefits¹⁾	–1,852.3	–1,832.3	+1.1%
of which property and casualty insurance	–861.4	–847.6	+1.6%
of which health insurance	–476.3	–460.5	+3.4%
of which life insurance ²⁾	–514.6	–524.2	–1.8%
Operating expenses³⁾	–696.8	–642.6	+8.4%
of which property and casualty insurance	–427.7	–395.7	+8.1%
of which health insurance	–95.5	–92.4	+3.3%
of which life insurance	–173.6	–154.5	+12.4%
Net investment income	301.0	288.7	+4.2%
Earnings before taxes	135.9	145.0	–6.3%
Profit/(loss) for the period	107.7	113.3	–4.9%
Consolidated profit/(loss)	105.6	112.3	–5.9%
Investments	20,506.8	19,961.5	+2.7%
Shareholders' equity	3,224.8	2,970.1	+8.6%
Equity, including non-controlling interests	3,239.6	3,274.7	–1.1%
Insured sum in life insurance	83,885.0	82,731.4	+1.4%

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 €136 million for the first six months of 2019, we have exceeded our expectations and are confident that against this backdrop, we will achieve our objectives for the whole year as well.

Premiums written (including savings portions) rose by 0.6 per cent in the first six months. Property and casualty insurance and health insurance contributed to this growth, offsetting the reduction in international business with industry clients and the continuing decline in our life insurance business in Austria.

On the capital market, a further decrease in long-term interest rates during the reporting period led to rising securities prices. We took advantage of the tailwind and increased our net investment income by 4 per cent to €301 million – and this compared to the previous year's level that was boosted by the capital gain of €47 million generated by the sale of our Casinos Austria holding.

Thanks to our exceptionally good net investment income, we drove the investment programme further forward in the reporting period; however, as a result of this, costs also increased by 8 per cent to €697 million in total. The claims rate continues to develop positively in property and casualty insurance and, despite higher-than-average demand due to heavy snow at the start of the year, we were able to reduce it by more than one percentage point to 65.0 per cent. This affirms our strategy of restructuring or not extending unprofitable business, which we continued to pursue consistently in the second quarter of 2019.

In June 2019, as planned, we reached the second major milestone in implementing our long-term IT transformation project UIP (UNIQA Insurance Platform), with the integration of unit-linked life insurance into UNIQA sales. Other milestones included the roll-out of life insurance in banking sales and the green light for automated policy issuing.

The strong result for the first six months of 2019 forms a very sound basis for the whole year. We can therefore confirm our outlook: overall, 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, August 2019

Group Management Report

- **PREMIUMS WRITTEN (INCLUDING SAVINGS PORTIONS) OF €2,814.9 MILLION IN THE FIRST HALF OF 2019**
- **COMBINED RATIO INCREASED SLIGHTLY FROM 97.1 PER CENT TO 97.3 PER CENT**
- **IMPROVEMENT IN NET INVESTMENT INCOME BY 4.2 PER CENT TO €301.0 MILLION**
- **EARNINGS BEFORE TAXES DECREASED BY 6.3 PER CENT TO €135.9 MILLION**
- **EARNINGS OUTLOOK FOR 2019 CONFIRMED**

Economic environment

The global economy continued its expansion in the first half of 2019. However, growth expectations for the last two quarters were lowered significantly. The main causes identified were weak global trade and a fall in sentiment indicators. The most recent forecasts for global economic growth in 2019 were between 2.6 per cent (World Bank) and 3.3 per cent (International Monetary Fund).

A return to protectionism remains one of the sources of uncertainty, and no successful settlement has been reached yet in the trade dispute between the US and China. Performance is also split within the eurozone: financial investors are expressing their fears with the purchase of safe euro government bonds and the increasingly lower returns associated with these, and sentiment indicators are reaching record lows. Conversely, European labour markets are performing very well. The seasonally adjusted unemployment rate in the eurozone is at its lowest point in ten years at 7.5 per cent.

Gross domestic product (GDP) recorded a surprisingly solid increase of 0.4 per cent in the first quarter of 2019 compared with the previous quarter. However, the signs generally point to a downward trend. GDP growth of 1.1 per cent is expected for 2019 as a whole compared with 1.9 per cent in the previous year. Industry in the German economy, which is highly exposed to international markets, is providing a warning sign, with falls recorded in the first half of 2019.

As opposed to that, development of the Austrian economy is relatively solid, even though there is a slowdown here as well. After last year's economic boom with an increase in GDP of 2.7 per cent, economic growth of 1.4 per cent is expected for 2019. This slowdown is hardly being noticed yet by Austrian households. The unemployment rate remained at a very low level of 4.7 per cent.

Monetary policy normalisation ended in recent months and the prolonged low interest rate environment is continuing. Ongoing uncertainty regarding the economy could even lead to a renewed easing of monetary policy. The US Federal Reserve has left the range for key interest rates unchanged at between 2.25 and 2.50 per cent since last year. The Fed's balance sheet reduction is expected to end in September 2019 with a balance sheet total of 3,500 billion US dollars. The European Central Bank (ECB) is maintaining a loose monetary policy as a result of the slowdown and the uncertain economic cycle as well as lower inflation expectations. The main refinancing rate remains at zero, and long-term refinancing operations take place on very favourable terms for European banks.

The economy in Central and Eastern Europe (CEE) appears to be developing at a different pace for longer than expected, and contagion effects from the economic slowdown in the eurozone have so far barely been noticed. CEE is substantially outperforming economic growth in the eurozone and in many other industrialised countries. GDP growth of 2.5 per cent is expected in each of UNIQA's core Eastern European countries for 2019 and 2020. Excluding the Russian economy, growth expectations are even higher at 3.7 and 3.4 per cent for this year and next.

GDP growth in Poland (4.7 per cent) and Hungary (5.2 per cent) was surprisingly positive in the first quarter of 2019, while there was also very solid performance in the Czech Republic (2.8 per cent) and Slovakia (3.8 per cent). The countries benefit from strong domestic demand, which is supported in particular by positive developments on the labour markets. Rates of unemployment in the CE4 countries are falling to record lows and are expected to average 3.5 per cent in 2019.

A similar development can be seen in Romania's economy, which recorded a 5.0 per cent increase in GDP in the first quarter of 2019. Russia has recently been characterised by higher macroeconomic stability than in the past due to very restrictive fiscal and monetary policies. At the same time, falling inflation rates are also helping to lower interest rates. Ukraine is continuing its economic recovery, although inflation remained high at 9.0 per cent.

The economic environment also remained positive in the current financial year in the core countries of Southeastern Europe, with economic growth expected to average 3.0 per cent in the region. Momentum in the construction sectors has become an important growth driver in some countries. Improvements can be felt on the labour markets, although high structural rates of unemployment remain a pressing problem in the Western Balkans. As in the previous year, it can also be assumed for 2019 that all countries in which UNIQA is active will remain on a macroeconomic expansion course, and that CEE will continue its economic convergence – the process of catching up with per capita income in Western Europe.

UNIQA Group

Changes in premiums

The UNIQA Group's premiums written including savings portions from unit-linked and index-linked life insurance increased slightly by 0.6 per cent to €2,814.9 million in the first half of 2019 (1 – 6/2018: €2,798.4 million). While recurring premiums grew by 0.8 per cent to €2,759.8 million (1 – 6/2018: €2,738.6 million), single premiums in life insurance decreased in line with the Group strategy by 7.8 per cent to €55.1 million (1 – 6/2018: €59.8 million).

Premiums earned, including net savings portions from unit-linked and index-linked life insurance totalling €153.0 million (1 – 6/2018: €154.6 million), rose by 1.5 per cent to €2,578.1 million in the first half of 2019 (1 – 6/2018: €2,540.1 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 1.7 per cent to €2,425.1 million (1 – 6/2018: €2,385.5 million).

Premiums written in property and casualty insurance grew in the first six months of 2019 by 1.9 per cent to €1,535.0 million (1 – 6/2018: €1,506.2 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 3.4 per cent to €1,324.6 million (1 – 6/2018: €1,281.0 million).

In health insurance, premiums written in the reporting period rose by 3.4 per cent to €568.1 million (1 – 6/2018: €549.4 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 3.1 per cent to €553.7 million (1 – 6/2018: €536.9 million).

In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance declined by 4.2 per cent to €711.8 million (1 – 6/2018: €742.9 million) in the first six months of 2019. The main driver of this trend remains the decrease in demand caused by the persistently low interest rate environment. The single premium business declined in the first half of 2019 by 7.8 per cent to €55.1 million (1 – 6/2018: €59.8 million). Recurring premiums fell by 3.9 per cent to €656.7 million (1 – 6/2018: €683.1 million). As a result of this development, annual premium equivalent (APE) in life insurance declined by 3.9 per cent to €662.2 million (1 – 6/2018: €689.1 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, annual fluctuations are smoothed out in this calculation. The risk premium portion accounted for in the premiums in unit-linked and index-linked life insurance was €14.8 million in the first half of 2019 (1 – 6/2018: €23.8 million). The insured capital in life insurance totalled €83,885.0 million as at 30 June 2019 (30 June 2018: €82,731.4 million). Including net savings portions of the premiums from unit-linked and index-linked life insurance, premiums earned in life insurance fell by 3.1 per cent to €699.9 million in the first six months of 2019 (1 – 6/2018: €722.2 million). Premiums earned (net, in accordance with IFRSs) decreased by 3.7 per cent to €546.9 million (1 – 6/2018: €567.6 million).

Insurance benefits

The total amount of net insurance benefits in the UNIQA Group rose by 1.1 per cent to €1,852.3 million in the first half of 2019 (1 – 6/2018: €1,832.3 million). Insurance benefits before consideration of reinsurance rose by 2.3 per cent to €1,937.6 million (1 – 6/2018: €1,893.9 million).

Net insurance benefits in property and casualty insurance increased moderately by 1.6 per cent to €861.4 million (1 – 6/2018: €847.6 million) compared to the increase in premiums earned, despite storm damage amounting to around €41 million. The loss ratio after reinsurance therefore decreased in the first six months of 2019 to 65.0 per cent (1 – 6/2018: 66.2 per cent). However, the combined ratio after reinsurance increased to 97.3 per cent (1 – 6/2018: 97.1 per cent) due to higher costs. Before consideration of reinsurance, the combined ratio amounted to 98.4 per cent (1 – 6/2018: 95.7 per cent).

In health insurance, the (net) insurance benefits (including the change in insurance provision) grew by 3.4 per cent to €476.3 million in the first half of 2019 (1 – 6/2018: €460.5 million).

In contrast, insurance benefits fell by 1.8 per cent to €514.6 million in life insurance (1 – 6/2018: €524.2 million), which was slightly less than the volume of premiums earned.

Operating expenses

Total operating expenses, less reinsurance commission received, rose by 8.4 per cent to €696.8 million in the first six months of 2019 (1 – 6/2018: €642.6 million). Expenses for the acquisition of insurance rose by 6.4 per cent to €449.0 million (1 – 6/2018: €422.2 million) due to an increase in amortisation of acquisition costs in life insurance, among other factors. The reinsurance commission received amounting to €8.8 million (1 – 6/2018: €7.4 million) has already been deducted from the acquisition costs. Other operating expenses (administrative expenses) rose by 12.4 per cent to €247.8 million in the first half of 2019 (1 – 6/2018: €220.4 million) due to higher investments and additional resource and personnel requirements for strategic projects. This line item includes costs under the innovation and investment programme amounting to around €27 million (1 – 6/2018: approx. €12 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 27.0 per cent (1 – 6/2018: €25.3 per cent), taking into account the reinsurance commission received.

In property and casualty insurance, operating expenses less reinsurance commissions received rose by 8.1 per cent to €427.7 million in the first half of 2019 (1 – 6/2018: €395.7 million). The cost ratio after reinsurance increased in this line of business to 32.3 per cent (1 – 6/2018: 30.9 per cent).

In health insurance, operating expenses less reinsurance commission received increased by 3.3 per cent to €95.5 million (1 – 6/2018: €92.4 million). The cost ratio after reinsurance remained stable at 17.2 per cent (1 – 6/2018: 17.2 per cent).

In life insurance, operating expenses less reinsurance commission received increased by 12.4 per cent to €173.6 million (1 – 6/2018: €154.5 million) on account of the increase in amortisation of deferred acquisition costs. The cost ratio (after reinsurance) increased to 24.8 per cent (1 – 6/2018: 21.4 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 €20,506.8 million at 30 June 2019 compared with the last reporting date (31 December 2018: €19,337.1 million).

Net investment income rose by 4.2 per cent to €301.0 million in the first half of 2019 (1 – 6/2018: €288.7 million). Realised and unrealised gains and losses of around €50 million had a positive impact in the first half of 2019. This includes realised gains of around €45 million from the sale of real estate. Currency effects of around €5 million had a negative impact on the net investment income. The first half of 2018 included a capital gain of €47.4 million from the sale of the indirect investment in Casinos Austria Aktiengesellschaft. The equity method accounting of the 14.3 per cent holding in construction group STRABAG SE resulted in a positive contribution to earnings in the amount of €6.6 million in the first half of 2019 (1 – 6/2018: €2.2 million).

Earnings before taxes

The UNIQA Group's technical result decreased in the first half of 2019 by 51.3 per cent to €26.7 million (1 – 6/2018: €54.9 million), mainly due to an increase in costs. By contrast, the operating profit only decreased slightly by 4.4 per cent to €164.1 million (1 – 6/2018: €171.7 million) due to the increase in net investment income. The UNIQA Group's earnings before taxes dropped accordingly by 6.3 per cent to €135.9 million (1 – 6/2018: €145.0 million).

Profit/(loss) for the first six months of 2019 amounted to €107.7 million (1 – 6/2018: €113.3 million). Consolidated profit/(loss) (i.e. proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG) decreased by 5.9 per cent to €105.6 million (1 – 6/2018: €112.3 million). Earnings per share amounted to €0.34 (1 – 6/2018: €0.37).

The annualised operating return on equity (earnings before taxes and amortisation of portfolio values and goodwill in relation to average equity, including non-controlling interests, and excluding the cumulative profit or loss of the measurement of financial instruments available for sale) fell slightly in the first half of 2019 to 9.9 per cent (1 – 6/2018: 10.1 per cent). The annualised return on equity (after tax and non-controlling interests) for the reporting period was 6.8 per cent (1 – 6/2018: 7.3 per cent).

Group equity and total assets

Equity attributable to the shareholders of UNIQA Insurance Group AG increased to €3,224.8 million at 30 June 2019 (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 €14.8 million (31 December 2018: €14.4 million). The Group's total assets increased to €29,034.6 million as at 30 June 2019 (31 December 2018: €28,503.8 million).

Cash flow

Net cash flow from operating activities in the first half of 2019 amounted to €324.4 million (1–6/2018: €60.7 million). Cash flow from the UNIQA Group's investing activities, in line with investment of the revenues received in the reporting period, amounted to €–309.0 million (1–6/2018: €191.7 million); the net cash flow from financing activities amounted to €–948.1 million (1–6/2018: €–158.5 million). Overall, cash and cash equivalents decreased by €231.2 million to €512.4 million (1–6/2018: €743.6 million).

Employees

The average number of employees (full-time equivalents, FTEs) at the UNIQA Group fell in the first six months of 2019 to 12,731 (1–6/2018: 12,876). These included 4,194 (1–6/2018: 4,355) field sales employees. The number of administrative employees increased slightly to 8,537 (1–6/2018: 8,521).

Operating segments

UNIQA Austria

Premiums written including savings portions from unit-linked and index-linked life insurance at UNIQA Austria increased by 1.2 per cent to €1,992.9 million in the first half of 2019 (1–6/2018: €1,970.1 million). Recurring premiums rose by 1.3 per cent to €1,979.4 million (1–6/2018: €1,954.4 million). By contrast, single premiums fell by 14.1 per cent to €13.5 million (1–6/2018: €15.7 million).

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance rose by 0.7 per cent to €1,519.6 million (1–6/2018: €1,508.8 million). The volume of premiums earned (net, in accordance with IFRSs) increased by 0.9 per cent to €1,415.1 million (1–6/2018: €1,402.8 million).

Premiums written in property and casualty insurance rose by 3.7 per cent to €966.1 million (1–6/2018: €931.7 million) due to the continuing growth in vehicle and property insurance, and in health insurance UNIQA Austria also recorded premium growth of 2.4 per cent to €518.6 million (1–6/2018: €506.7 million).

Premiums written in life insurance including savings portions from unit-linked and index-linked life insurance decreased in the UNIQA Austria segment by 4.4 per cent to €508.2 million (1–6/2018: €531.7 million). The main driver of this trend was the decrease in demand caused by the persistently low interest rate environment. Recurring premiums fell by 4.1 per cent to €494.7 million (1–6/2018: €516.0 million). Single premiums fell by 14.1 per cent to €13.5 million (1–6/2018: €15.7 million). Premium volume in unit-linked and index-linked life insurance at UNIQA Austria fell by 6.9 per cent to €116.7 million in the first half of 2019 (1–6/2018: €125.3 million).

Net insurance benefits rose by 1.3 per cent to €1,213.2 million in the UNIQA Austria segment in the first six months of 2019 (1 – 6/2018: €1,197.7 million). In property and casualty insurance the combined ratio after reinsurance worsened to 94.2 per cent (1 – 6/2018: 92.1 per cent) due to higher costs.

Operating expenses less reinsurance commission received rose by 17.2 per cent to €324.0 million in the first half of 2019 (1 – 6/2018: €276.4 million) due to higher investments and additional resource and personnel requirements for strategic projects. The cost ratio after reinsurance therefore rose to 21.3 per cent (1 – 6/2018: 18.3 per cent).

Net investment income rose by 5.0 per cent to €233.9 million in the first six months of 2019 (1 – 6/2018: €222.6 million). Earnings before taxes fell in the UNIQA Austria segment in the first half of 2019 by 28.3 per cent to €86.4 million (1 – 6/2018: €120.5 million).

UNIQA International

In the UNIQA International segment, premiums written including savings portions from unit-linked and index-linked life insurance fell slightly by 0.8 per cent to €808.0 million in the first six months of 2019 (1 – 6/2018: €814.2 million). Single premiums fell by 5.6 per cent to €41.7 million (1 – 6/2018: €44.1 million). Recurring premiums declined slightly by 0.5 per cent to €766.3 million (1 – 6/2018: €770.1 million). This meant that the international companies contributed a total of 28.7 per cent to total Group premiums in the first half of 2019 (1 – 6/2018: 29.1 per cent).

Premiums earned including net savings portions of the premiums from unit-linked and index-linked life insurance increased by 3.3 per cent to €534.2 million (1 – 6/2018: €517.0 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 3.7 per cent to €485.8 million (1 – 6/2018: €468.5 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 experienced a minimal fall of 0.2 per cent to €484.5 million in the first six months of 2019 (1 – 6/2018: €485.6 million). In the region of Eastern Europe (EE) – Romania and Ukraine – an increase of 11.8 per cent to €98.8 million was recorded (1 – 6/2018: €88.4 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 8.1 per cent to €165.5 million (1 – 6/2018: €153.1 million). In Russia (RU) the volume of premiums written fell by 16.6 per cent to €42.6 million (1 – 6/2018: €51.1 million). In Western Europe (WE) – Liechtenstein and Switzerland – they decreased by 54.1 per cent to €16.5 million (1 – 6/2018: €35.9 million).

In the UNIQA International segment, premiums written in property and casualty insurance dropped by 1.5 per cent to €555.6 million (1 – 6/2018: €563.8 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 36.2 per cent (1 – 6/2018: 37.4 per cent).

Premiums written in health insurance rose by 16.0 per cent to €49.5 million in the first half of 2019 (1 – 6/2018: €42.7 million). As such, the segment was responsible for 8.7 per cent (1 – 6/2018: 7.8 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 2.3 per cent to €202.9 million in the first six months of 2019 (1 – 6/2018: €207.7 million), driven primarily by the decline in premiums in Russia. Single premiums fell to €41.7 million (1 – 6/2018: €44.1 million). Recurring premiums decreased slightly by 1.4 per cent to €161.2 million (1 – 6/2018: €163.5 million). UNIQA International's share of overall life insurance premiums in the UNIQA Group was 28.5 per cent (1 – 6/2018: 28.0 per cent). Premiums from unit-linked and index-linked life insurance decreased in the international segment by 9.6 per cent to €51.1 million (1 – 6/2018: €56.5 million).

Net insurance benefits in the UNIQA International segment fell by 1.7 per cent to €277.4 million in the first half of 2019 (1 – 6/2018: €282.1 million). In property and casualty insurance, the combined ratio after reinsurance therefore improved to 94.5 per cent (1 – 6/2018: 96.8 per cent). In the CE region benefits fell by 3.9 per cent to €134.0 million (1 – 6/2018: €139.4 million); in the EE region, however, they increased by 13.5 per cent to €33.9 million (1 – 6/2018: €29.9 million). In SEE they rose by 10.5 per cent to €69.6 million (1 – 6/2018: €63.0 million). In Russia benefits amounted to €33.0 million in the first half of 2019 (1 – 6/2018: €42.4 million). In Western Europe the volume of benefits reached €6.9 million (1 – 6/2018: €7.4 million).

In the UNIQA International segment, operating expenses less reinsurance commissions received rose by 7.0 per cent to €193.6 million (1 – 6/2018: €181.0 million). The cost ratio (after reinsurance) increased moderately to 36.2 per cent (1 – 6/2018: 35.0 per cent). In CE costs rose by 3.1 per cent to €93.8 million (1 – 6/2018: €91.0 million), and in EE they rose by 18.9 per cent to €32.9 million (1 – 6/2018: €27.7 million). In SEE they increased by 7.7 per cent to €48.3 million (1 – 6/2018: €44.8 million). Costs in Russia showed an increase to €7.8 million in the first six months of 2019 (1 – 6/2018: €6.2 million). In Western Europe they rose to €2.7 million (1 – 6/2018: €1.1 million). Costs in administration (UNIQA International AG) decreased on the other hand to €8.1 million (1 – 6/2018: €10.1 million).

Net investment income in the UNIQA International segment dropped by 40.1 per cent to €23.4 million (1 – 6/2018: €39.2 million), mainly due to negative currency effects. Earnings before taxes rose by 43.6 per cent to €34.4 million (1 – 6/2018: €24.0 million) due to the improvement in the technical result.

Reinsurance

Premiums written in the reinsurance segment amounted to €616.8 million in the first half of 2019 (1 – 6/2018: €615.0 million). Premiums written in property and casualty insurance rose by 1.4 per cent to €597.4 million (1 – 6/2018: €589.4 million). In health insurance, they amounted to €2.7 million (1 – 6/2018: €5.0 million) and in life insurance to €16.7 million (1 – 6/2018: €20.7 million).

Net insurance benefits rose in the reinsurance segment by 3.3 per cent to €369.1 million (1 – 6/2018: €357.4 million). Operating expenses less reinsurance commission received remained stable at €151.4 million (1 – 6/2018: €151.2 million). Net investment income amounted to €16.1 million (1 – 6/2018: €4.7 million). Earnings before taxes fell to €4.7 million (1 – 6/2018: €9.7 million).

Capital market

UNIQA shares – key figures

In €	1 – 6/2019	1 – 6/2018	Change
UNIQA share price as at 30 June	8.20	7.88	+4.1%
High	9.56	10.46	–
Low	7.84	7.88	–
Market capitalisation as at 30 June (in € million)	2,517.1	2,418.9	+4.1%
Earnings per share	0.34	0.37	–5.9%
Average number of shares in circulation	306,965,261	306,965,261	–

The first few months of 2019 saw a sharp rise in prices on the international stock markets. However, increasing concerns among investors regarding international trade relations and global economic performance meant that some of the price gains were lost again in May 2019. Nonetheless, the mood on the stock markets was positive again in June 2019. The global share index MSCI World rose by 15.6 per cent overall in the first half of 2019.

The US stock markets showed a particularly strong six months: the market-wide S&P 500 index gained 17.3 per cent and reached a new all-time high in the second half of June. The Dow Jones Industrial (DJI) benchmark index rose by 14.0 per cent and the Nasdaq Composite index by 20.7 per cent. The positive development on the US stock market was determined by the US Federal Reserve's relaxed monetary policy.

Group functions

In the group functions segment, operating expenses less reinsurance commission received fell by 19.9 per cent to €25.9 million in the first half of 2019 (1 – 6/2018: €32.3 million). Net investment income declined to €61.0 million (1 – 6/2018: €107.5 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 half of 2018. As a result, earnings before taxes declined to €14.7 million (1 – 6/2018: €52.4 million).

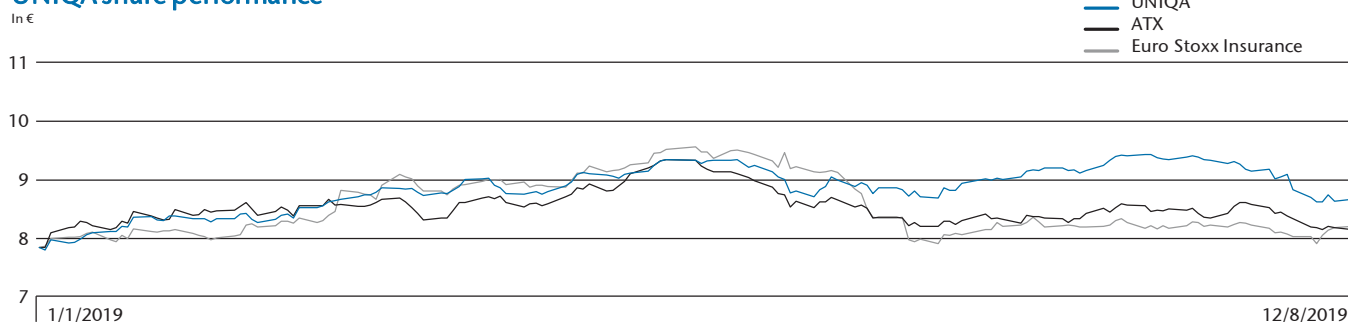
The Europe-wide Euro Stoxx 50 index rose both in the first three months of 2019 and in the second quarter of 2019. The index at mid-2019 was overall 18.3 per cent higher than at the end of the previous year.

The MSCI Emerging Markets Index performed well with an increase of 9.2 per cent, but was weaker than the MSCI World global benchmark. The potential for a counter increase in the first half of 2019 was also more modest due to the lower market correction in 2018. The same effect meant that the increase in the Eastern European index CECE in the first half of 2019 was relatively weak at 3.2 per cent, despite the solid economic performance.

The Austrian market recorded a considerable increase in the ATX benchmark index in the first quarter of 2019, but suffered a slight decline in the second quarter of 2019; on balance, the increase in the first half of 2019 was 8.4 per cent. The significant correction is due to a number of factors, such as the at times sharp increase in trade policy conflicts, the particular appeal of the US market as a result of US central bank policy and uncertainties regarding the domestic political situation in Austria.

UNIQA shares initially recorded a strong price increase in the first half of 2019 and reached a high of €9.56 on 23 April 2019. The price subsequently fell sharply, with UNIQA shares trading at €8.20 on 30 June 2019. Compared with the 2018 year-end price (€7.86), this equates to a gain of 4.3 per cent. UNIQA shares were included in the Austrian sustainability index VÖNIX on 24 June 2019.

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 November 2019	First to Third Quarter Report 2019
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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, on the other hand, 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 June 2019 were prepared in accordance with the requirements of IAS 34 and 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 2015–2017 cycle

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	30/6/2019	31/12/2018
Property, plant and equipment		358.9	311.1
Intangible assets		1,649.0	1,618.9
Investments			
Investment property		1,098.0	1,104.1
Financial assets accounted for using the equity method		607.9	599.1
Other investments	1	18,800.8	17,633.8
Unit-linked and index-linked life insurance investments		4,805.0	4,751.2
Reinsurers' share of technical provisions		441.7	413.4
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance		0.1	0.1
Receivables, including insurance receivables		681.6	540.7
Income tax receivables		52.2	52.3
Deferred tax assets		5.9	5.8
Cash and cash equivalents		512.4	1,444.4
Assets in disposal groups held for sale		21.2	29.0
Total assets		29,034.6	28,503.8

Equity and liabilities

In € million

	Notes	30/6/2019	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		1,451.5	1,198.8
		3,224.8	2,972.1
Non-controlling interests		14.8	14.4
		3,239.6	2,986.6
Liabilities			
Subordinated liabilities	1	896.8	869.8
Technical provisions		18,088.8	17,336.4
Technical provisions for unit-linked and index-linked life insurance		4,777.6	4,721.9
Financial liabilities	1	92.0	798.5
Other provisions		678.1	663.0
Liabilities and other items classified as liabilities		842.4	807.2
Income tax liabilities		49.2	64.4
Deferred tax liabilities		367.4	255.0
Liabilities in disposal groups held for sale		2.9	1.1
		25,795.0	25,517.3
Total equity and liabilities		29,034.6	28,503.8

Consolidated Income Statement

In € million	Notes	1 – 6/2019	1 – 6/2018 adjusted	4 – 6/2019	4 – 6/2018 adjusted
Premiums earned (net)	3	2,425.1	2,385.5	1,194.0	1,174.9
Technical interest income		164.5	163.8	82.2	84.0
Other insurance income		11.6	9.5	6.5	5.0
Insurance benefits	4	–1,852.3	–1,832.3	–925.3	–898.5
Operating expenses	5	–696.8	–642.6	–350.2	–322.8
Other technical expenses		–25.5	–28.9	–14.5	–13.0
Technical result		26.7	54.9	–7.3	29.7
Net investment income	2	301.0	288.7	200.4	149.1
Income from investments		416.3	459.6	241.1	243.7
Expenses from investments		–124.9	–225.2	–69.2	–117.5
Financial assets accounted for using the equity method		9.6	54.3	28.5	22.9
Other income		25.9	27.1	5.1	15.9
Reclassification of technical interest income		–164.5	–163.8	–82.2	–84.0
Other expenses		–24.9	–35.3	–8.0	–23.4
Non-technical result		137.4	116.8	115.4	57.5
Operating profit/(loss)		164.1	171.7	108.1	87.2
Amortisation of goodwill and impairment losses		–1.3	–1.3	–0.6	–0.7
Finance cost		–27.0	–25.4	–13.9	–12.7
Earnings before taxes		135.9	145.0	93.6	73.9
Income taxes		–28.2	–31.7	–19.2	–11.2
Profit/(loss) for the period		107.7	113.3	74.4	62.6
of which attributable to shareholders of UNIQA Insurance Group AG		105.6	112.3	73.5	58.7
of which attributable to non-controlling interests		2.1	1.1	0.9	4.0
Earnings per share (in €)¹⁾		0.34	0.37	0.24	0.19
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 – 6/2019	1 – 6/2018 adjusted
Profit/(loss) for the period	107.7	113.3
Items not reclassified to profit or loss in subsequent periods		
Revaluations of defined benefit obligations		
Gains (losses) recognised in equity	–49.6	–4.9
Gains (losses) recognised in equity – deferred tax	12.4	1.3
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	0.5	0.1
	–36.8	–3.5
Items reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	6.4	–10.2
Valuation of financial instruments available for sale		
Gains (losses) recognised in equity	914.9	–159.5
Gains (losses) recognised in equity – deferred tax	–117.0	23.7
Gains (losses) recognised in equity – deferred profit participation	–458.8	37.0
Recognised in the consolidated income statement	–6.9	–44.2
Recognised in the consolidated income statement – deferred tax	11.0	9.1
Recognised in the consolidated income statement – deferred profit participation	1.3	5.5
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	1.3	–3.9
Recognised in the consolidated income statement	0.0	0.1
	352.1	–142.4
Other comprehensive income	315.3	–146.0
Total comprehensive income	423.0	–32.6
of which attributable to shareholders of UNIQA Insurance Group AG	417.6	–32.3
of which attributable to non-controlling interests	5.4	–0.3

Consolidated Statement of Cash Flows

In € million	1 – 6/2019	1 – 6/2018 adjusted
Profit/(loss) for the period	107.7	113.3
Impairment losses, amortisation of goodwill and other intangible assets, and depreciation of property, plant and equipment	21.7	18.7
Impairment losses/reversal of impairment losses on other investments	41.4	38.7
Gain/loss on the disposal of investments	–76.3	–42.7
Change in deferred acquisition costs	–10.2	–39.0
Change in securities at fair value through profit or loss	13.8	–170.3
Change in direct insurance receivables	–73.3	–55.1
Change in other receivables	–55.9	–61.3
Change in direct insurance liabilities	–24.1	–9.7
Change in other liabilities	49.9	85.7
Change in technical provisions	322.2	–43.0
Change in defined benefit obligations	–20.7	–2.8
Change in deferred tax assets and deferred tax liabilities	17.5	22.6
Change in other statement of financial position items	10.6	205.6
Net cash flow from operating activities	324.4	60.7
Proceeds from disposal of intangible assets and property, plant and equipment	4.7	3.4
Payments for acquisition of intangible assets and property, plant and equipment	–31.6	–48.6
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	2,393.7	2,518.9
Payments for acquisition of other investments	–2,617.5	–2,494.4
Change in unit-linked and index-linked life insurance investments	–53.8	155.5
Net cash flow from investing activities	–309.0	191.7
Dividend payments	–164.8	–158.1
Transactions between owners	–0.1	0.0
Payments from other financing activities	–783.2	–0.4
Net cash flow from financing activities	–948.1	–158.5
Change in cash and cash equivalents	–932.7	93.9
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	0.7	–0.5
Cash and cash equivalents at beginning of year	1,444.4	650.3
Cash and cash equivalents at end of period	512.4	743.6
Income taxes paid (Net cash flow from operating activities)	–26.9	–18.6
Interest paid (Net cash flow from operating activities)	–3.3	–7.5
Interest received (Net cash flow from operating activities)	184.0	207.0
Dividends received (Net cash flow from operating activities)	20.3	38.6

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			–127.4	–3.6
Profit/(loss) for the period				
Other comprehensive income			–127.4	–3.6
At 30 June 2018	1,789.9	–16.6	293.2	–254.8
At 1 January 2019	1,789.9	–16.6	169.9	–264.9
Change in basis of consolidation				
Dividends to shareholders				
Total comprehensive income			341.7	–37.2
Profit/(loss) for the period				
Other comprehensive income			341.7	–37.2
At 30 June 2019	1,789.9	–16.6	511.7	–302.1

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
		0.9	0.9	215.1	216.0
		-156.6	-156.6	-1.5	-158.1
	-9.9	108.6	-32.3	-0.3	-32.6
		112.3	112.3	1.1	113.3
	-9.9	-3.6	-144.6	-1.4	-146.0
	-183.1	1,341.5	2,970.1	304.6	3,274.7
	-179.7	1,473.5	2,972.1	14.4	2,986.6
		-2.3	-2.3	-2.9	-5.1
		-162.7	-162.7	-2.1	-164.8
	5.8	107.4	417.6	5.4	423.0
		105.6	105.6	2.1	107.7
	5.8	1.7	312.0	3.3	315.3
	-174.0	1,415.9	3,224.8	14.8	3,239.6

Segment Reporting

OPERATING SEGMENTS – CONSOLIDATED INCOME STATEMENT

	UNIQA Austria		UNIQA International	
In € million	1 – 6/2019	1 – 6/2018 adjusted	1 – 6/2019	1 – 6/2018 adjusted
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	1,992.9	1,970.1	808.0	814.2
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	1,519.6	1,508.8	534.2	517.0
Savings portions from unit-linked and index-linked life insurance (gross)	104.5	109.4	48.4	48.6
Savings portions from unit-linked and index-linked life insurance (net)	104.5	106.0	48.4	48.6
Premiums written (gross)	1,888.3	1,860.6	759.6	765.6
Premiums earned (net)	1,415.1	1,402.8	485.8	468.5
Premiums earned (net) – intragroup	–346.6	–332.3	–193.4	–195.4
Premiums earned (net) – external	1,761.7	1,735.1	679.1	663.9
Technical interest income	150.5	153.4	14.0	10.4
Other insurance income	2.1	1.8	11.5	9.4
Insurance benefits	–1,213.2	–1,197.7	–277.4	–282.1
Operating expenses	–324.0	–276.4	–193.6	–181.0
Other technical expenses	–9.2	–13.2	–21.0	–16.5
Technical result	21.2	70.7	19.3	8.7
Net investment income	233.9	222.6	23.4	39.2
Income from investments	331.7	249.9	41.9	49.3
Expenses from investments	–97.9	–45.9	–18.4	–10.3
Financial assets accounted for using the equity method	0.0	18.6	0.0	0.2
Other income	1.2	1.3	15.3	6.4
Reclassification of technical interest income	–150.5	–153.4	–14.0	–10.4
Other expenses	–6.0	–7.4	–7.1	–17.3
Non-technical result	78.6	63.1	17.7	17.8
Operating profit/(loss)	99.7	133.8	37.0	26.6
Amortisation of goodwill and impairment losses	–0.9	–0.9	–0.4	–0.4
Finance cost	–12.4	–12.4	–2.2	–2.2
Earnings before taxes	86.4	120.5	34.4	24.0
Combined ratio (property and casualty insurance, after reinsurance)	94.2%	92.1%	94.5%	96.8%
Cost ratio (after reinsurance)	21.3%	18.3%	36.2%	35.0%

Reinsurance		Group functions		Consolidation		Group	
1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted
616.8	615.0	0.0	0.0	–602.7	–600.8	2,814.9	2,798.4
521.1	510.0	0.0	0.0	3.2	4.2	2,578.1	2,540.1
0.0	0.0	0.0	0.0	0.0	0.0	153.0	158.0
0.0	0.0	0.0	0.0	0.0	0.0	153.0	154.6
616.8	615.0	0.0	0.0	–602.7	–600.8	2,662.0	2,640.4
521.1	510.0	0.0	0.0	3.2	4.2	2,425.1	2,385.5
536.8	523.5	0.0	0.0	3.2	4.2	0.0	0.0
–15.7	–13.5	0.0	0.0	0.0	0.0	2,425.1	2,385.5
0.0	0.0	0.0	0.0	0.0	0.0	164.5	163.8
0.2	0.2	0.4	0.2	–2.5	–2.2	11.6	9.5
–369.1	–357.4	6.7	5.8	0.7	–1.0	–1,852.3	–1,832.3
–151.4	–151.2	–25.9	–32.3	–2.0	–1.7	–696.8	–642.6
–8.3	–6.3	3.5	–0.4	9.6	7.4	–25.5	–28.9
–7.5	–4.6	–15.3	–26.7	9.0	6.8	26.7	54.9
16.1	4.7	61.0	107.5	–33.4	–85.3	301.0	288.7
20.8	19.5	116.2	222.0	–94.4	–81.1	416.3	459.6
–4.8	–14.8	–57.8	–163.9	53.9	9.6	–124.9	–225.2
0.0	0.0	2.5	49.4	7.1	–13.8	9.6	54.3
0.9	14.3	11.2	11.3	–2.7	–6.2	25.9	27.1
0.0	0.0	0.0	0.0	0.0	0.0	–164.5	–163.8
–3.3	–3.3	–8.9	–8.6	0.4	1.4	–24.9	–35.3
13.6	15.8	63.3	110.1	–35.8	–90.0	137.4	116.8
6.2	11.1	48.0	83.4	–26.7	–83.2	164.1	171.7
0.0	0.0	0.0	0.0	0.0	0.0	–1.3	–1.3
–1.4	–1.4	–33.3	–31.1	22.4	21.7	–27.0	–25.4
4.7	9.7	14.7	52.4	–4.3	–61.5	135.9	145.0
100.2%	99.7%	n/a	n/a	n/a	n/a	97.3%	97.1%
29.0%	29.7%	n/a	n/a	n/a	n/a	27.0%	25.3%

OPERATING SEGMENTS – CLASSIFIED BY BUSINESS LINE

Property and casualty insurance

	UNIQA Austria		UNIQA International	
In € million	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted
Premiums written (gross)	966.1	931.7	555.6	563.8
Premiums earned (net)	513.5	498.7	295.5	282.4
Other insurance income	1.4	1.4	10.1	6.9
Insurance benefits	–334.3	–334.1	–167.0	–169.0
Operating expenses	–149.7	–125.0	–112.3	–104.2
Other technical expenses	–4.9	–4.0	–19.8	–15.1
Technical result	26.0	37.0	5.6	0.9
Net investment income	18.8	24.1	10.8	14.8
Income from investments	48.9	34.4	15.3	17.1
Expenses from investments	–30.1	–10.6	–4.6	–2.4
Financial assets accounted for using the equity method	0.0	0.3	0.0	0.2
Other income	0.8	0.9	2.9	2.6
Other expenses	–5.1	–5.9	–5.3	–7.3
Non-technical result	14.5	19.1	9.2	10.2
Operating profit/(loss)	40.5	56.1	14.9	11.1
Amortisation of goodwill and impairment losses	0.0	0.0	–0.2	–0.2
Finance cost	0.0	0.0	–1.9	–2.2
Earnings before taxes	40.5	56.1	12.7	8.7

Health insurance

	UNIQA Austria		UNIQA International	
In € million	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018
Premiums written (gross)	518.6	506.7	49.5	42.7
Premiums earned (net)	511.9	500.0	39.2	32.0
Technical interest income	42.9	42.0	0.0	0.0
Other insurance income	0.2	0.2	0.0	0.1
Insurance benefits	–455.2	–441.9	–25.2	–20.9
Operating expenses	–76.9	–71.8	–12.7	–11.8
Other technical expenses	–0.9	–0.3	–0.2	–0.2
Technical result	21.9	28.4	1.2	–0.8
Net investment income	53.7	58.7	0.2	0.2
Income from investments	76.1	66.8	0.5	0.5
Expenses from investments	–22.4	–15.8	–0.3	–0.3
Financial assets accounted for using the equity method	0.0	7.7	0.0	0.0
Other income	0.1	0.1	1.6	1.5
Reclassification of technical interest income	–42.9	–42.0	0.0	0.0
Other expenses	–0.5	–0.9	–1.4	–1.5
Non-technical result	10.4	15.9	0.4	0.3
Operating profit/(loss)	32.2	44.2	1.6	–0.5
Earnings before taxes	32.2	44.2	1.6	–0.5

Reinsurance		Group functions		Consolidation		Group	
1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted
597.4	589.4	0.0	0.0	–584.0	–578.7	1,535.0	1,506.2
512.5	496.3	0.0	0.0	3.0	3.7	1,324.5	1,281.0
0.2	0.2	0.3	0.2	–2.4	–1.9	9.6	6.7
–362.7	–345.0	0.0	0.2	2.6	0.3	–861.4	–847.6
–150.9	–149.9	–14.2	–16.4	–0.7	–0.2	–427.7	–395.7
–6.7	–4.6	1.4	–0.2	6.7	4.6	–23.3	–19.2
–7.5	–3.0	–12.5	–16.2	9.2	6.5	20.8	25.2
12.9	0.1	46.7	84.6	–21.1	–33.9	68.1	89.7
17.7	14.8	70.1	126.0	–36.6	–41.3	115.4	150.9
–4.8	–14.8	–25.6	–89.0	15.0	3.4	–50.0	–113.4
0.0	0.0	2.2	47.6	0.6	4.1	2.8	52.2
0.8	14.3	5.7	7.3	–2.0	–4.9	8.2	20.3
–3.3	–3.2	–6.5	–6.4	0.5	1.0	–19.7	–21.8
10.5	11.1	46.0	85.4	–22.6	–37.7	57.6	88.1
2.9	8.1	33.5	69.3	–13.5	–31.2	78.4	113.3
0.0	0.0	0.0	0.0	0.0	0.0	–0.2	–0.2
–1.4	–1.4	–29.4	–27.8	5.8	6.0	–26.9	–25.4
1.5	6.6	4.1	41.4	–7.6	–25.2	51.2	87.7

Reinsurance		Group functions		Consolidation		Group	
1–6/2019	1–6/2018	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018
2.7	5.0	0.0	0.0	–2.7	–5.0	568.1	549.4
2.6	4.8	0.0	0.0	0.0	0.0	553.7	536.9
0.0	0.0	0.0	0.0	0.0	0.0	42.9	42.0
0.0	0.0	0.0	0.0	0.0	0.0	0.2	0.3
–2.5	–3.4	6.7	5.6	0.0	0.0	–476.3	–460.5
–0.1	–0.7	–6.4	–8.5	0.6	0.3	–95.5	–92.4
0.0	0.0	1.1	–0.1	0.0	0.0	0.1	–0.5
0.0	0.8	1.3	–2.9	0.7	0.3	25.0	25.8
0.0	0.0	10.8	9.9	–5.7	–26.7	59.1	42.1
0.0	0.0	23.5	64.7	–21.4	–22.0	78.6	110.0
0.0	0.0	–12.9	–54.8	13.3	2.2	–22.4	–68.7
0.0	0.0	0.3	0.0	2.5	–6.9	2.8	0.8
0.0	0.0	4.5	2.2	–0.6	–0.6	5.5	3.1
0.0	0.0	0.0	0.0	0.0	0.0	–42.9	–42.0
0.0	0.0	–1.6	–1.3	0.2	0.1	–3.3	–3.6
0.0	0.0	13.8	10.7	–6.0	–27.2	18.5	–0.3
–0.1	0.8	15.1	7.8	–5.4	–26.8	43.5	25.4
–0.1	0.8	15.1	7.8	–5.4	–26.8	43.5	25.4

Life insurance

UNIQA Austria

UNIQA International

In € million

	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	508.2	531.7	202.9	207.7
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	494.2	510.1	199.5	202.7
Savings portions from unit-linked and index-linked life insurance (gross)	104.5	109.4	48.4	48.6
Savings portions from unit-linked and index-linked life insurance (net)	104.5	106.0	48.4	48.6
Premiums written (gross)	403.6	422.2	154.5	159.1
Premiums earned (net)	389.7	404.1	151.1	154.1
Technical interest income	107.6	111.3	14.9	10.4
Other insurance income	0.6	0.2	1.3	2.5
Insurance benefits	–423.7	–421.7	–85.2	–92.1
Operating expenses	–97.4	–79.6	–68.6	–65.0
Other technical expenses	–3.4	–8.9	–1.0	–1.2
Technical result	–26.7	5.4	12.5	8.6
Net investment income	161.4	139.9	12.5	24.1
Income from investments	206.8	148.8	26.0	31.7
Expenses from investments	–45.4	–19.4	–13.6	–7.6
Financial assets accounted for using the equity method	0.0	10.5	0.0	0.0
Other income	0.3	0.2	10.9	2.3
Reclassification of technical interest income	–107.6	–111.3	–14.9	–10.4
Other expenses	–0.3	–0.7	–0.4	–8.6
Non-technical result	53.7	28.2	8.0	7.4
Operating profit/(loss)	27.0	33.6	20.5	16.0
Amortisation of goodwill and impairment losses	–0.9	–0.9	–0.2	–0.2
Finance cost	–12.4	–12.4	–0.2	0.0
Earnings before taxes	13.7	20.2	20.1	15.8

UNIQA INTERNATIONAL – REGIONS

	Premiums earned (net)		Net investment income		Insurance benefits		Operating expenses		Earnings before taxes	
In € million	1–6/2019	1–6/2018	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018	1–6/2019	1–6/2018	1–6/2019	1–6/2018 adjusted
Central Europe (CE)	250.3	244.9	11.2	15.0	–134.0	–139.4	–93.8	–91.0	22.5	20.7
Eastern Europe (EE)	69.2	56.0	3.2	2.1	–33.9	–29.9	–32.9	–27.7	4.6	–1.0
Russia (RU)	41.8	48.5	–0.5	13.2	–33.0	–42.4	–7.8	–6.2	9.1	7.3
Southeastern Europe (SEE)	116.7	110.6	11.4	8.7	–69.6	–63.0	–48.3	–44.8	10.5	8.2
Western Europe (WE)	7.8	8.4	0.1	0.2	–6.9	–7.4	–2.7	–1.1	–1.5	–0.4
Administration	0.0	0.0	–2.0	–0.1	0.0	0.0	–8.1	–10.1	–10.8	–10.8
Total	485.8	468.5	23.4	39.2	–277.4	–282.1	–193.6	–181.0	34.4	24.0

Reinsurance		Group functions		Consolidation		Group	
1–6/2019	1–6/2018	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted
16.7	20.7	0.0	0.0	–15.9	–17.1	711.8	742.9
5.9	8.9	0.0	0.0	0.2	0.5	699.9	722.2
0.0	0.0	0.0	0.0	0.0	0.0	153.0	158.0
0.0	0.0	0.0	0.0	0.0	0.0	153.0	154.6
16.7	20.7	0.0	0.0	–15.9	–17.1	558.8	584.9
5.9	8.9	0.0	0.0	0.2	0.5	546.9	567.6
0.0	0.0	0.0	0.0	0.0	0.0	122.6	121.7
0.0	0.1	0.1	0.0	–0.1	–0.3	1.9	2.5
–3.8	–9.0	0.0	0.0	–1.8	–1.3	–514.6	–524.2
–0.3	–0.7	–5.2	–7.4	–1.9	–1.7	–173.6	–154.5
–1.7	–1.7	1.0	–0.1	2.9	2.8	–2.2	–9.2
0.1	–2.4	–4.2	–7.6	–0.8	0.0	–19.1	4.0
3.2	4.6	3.4	13.0	–6.7	–24.7	173.8	157.0
3.2	4.6	22.7	31.3	–36.4	–17.8	222.3	198.7
0.0	0.0	–19.3	–20.1	25.7	4.1	–52.5	–43.1
0.0	0.0	0.0	1.8	4.0	–11.0	4.0	1.3
0.0	0.0	1.0	1.8	0.0	–0.7	12.1	3.7
0.0	0.0	0.0	0.0	0.0	0.0	–122.6	–121.7
0.0	0.0	–0.9	–0.9	–0.3	0.2	–1.9	–9.9
3.2	4.6	3.5	13.9	–7.1	–25.1	61.4	29.0
3.3	2.2	–0.7	6.4	–7.9	–25.2	42.3	33.0
0.0	0.0	0.0	0.0	0.0	0.0	–1.0	–1.1
0.0	0.0	–3.9	–3.2	16.5	15.7	–0.1	0.0
3.3	2.2	–4.6	3.2	8.7	–9.5	41.2	31.9

CONSOLIDATED STATEMENT OF FINANCIAL POSITION – CLASSIFIED BY BUSINESS LINE

In € million	Property and casualty insurance		Health insurance	
	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Assets				
Property, plant and equipment	182.0	158.8	41.0	44.9
Intangible assets	616.8	614.9	276.4	266.5
Investments				
Investment property	133.5	227.2	239.0	235.2
Financial assets accounted for using the equity method	68.4	66.3	208.2	205.7
Other investments	4,924.7	4,627.8	3,369.1	3,081.7
Unit-linked and index-linked life insurance investments	0.0	0.0	0.0	0.0
Reinsurers' share of technical provisions	306.8	286.0	2.0	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	282.3	356.0	293.9	241.5
Income tax receivables	46.8	48.1	1.5	1.0
Deferred tax assets	1.9	1.7	0.0	0.0
Cash and cash equivalents	234.7	249.3	51.2	168.0
Assets in disposal groups held for sale	0.0	0.0	0.0	0.0
Total assets by business line	6,797.9	6,636.0	4,482.2	4,246.6
Liabilities				
Subordinated liabilities	896.8	875.6	0.0	0.0
Technical provisions	3,472.3	3,273.2	3,278.7	3,193.0
Technical provisions for unit-linked and index-linked life insurance	0.0	0.0	0.0	0.0
Financial liabilities	47.9	169.1	33.3	22.2
Other provisions	363.5	392.0	301.6	288.4
Liabilities and other items classified as liabilities	516.0	499.9	36.6	95.2
Income tax liabilities	44.6	61.1	2.6	2.6
Deferred tax liabilities	77.9	48.9	147.4	100.8
Liabilities in disposal groups held for sale	0.0	0.0	0.0	0.0
Total liabilities by business line	5,419.0	5,319.8	3,800.2	3,702.1

Life insurance		Consolidation		Group	
30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018
135.8	107.4	0.0	0.0	358.9	311.1
755.9	779.1	-0.1	-41.6	1,649.0	1,618.9
725.5	641.7	0.0	0.0	1,098.0	1,104.1
331.3	327.1	0.0	0.0	607.9	599.1
11,035.3	10,639.2	-528.3	-714.9	18,800.8	17,633.8
4,805.0	4,751.2	0.0	0.0	4,805.0	4,751.2
133.5	136.6	-0.5	-11.5	441.7	413.4
0.1	0.1	0.0	0.0	0.1	0.1
164.9	82.8	-59.5	-139.5	681.6	540.7
3.9	3.3	0.0	0.0	52.2	52.3
3.9	4.1	0.0	0.0	5.9	5.8
226.6	1,027.2	0.0	0.0	512.4	1,444.4
21.2	29.0	0.0	0.0	21.2	29.0
18,343.0	18,528.7	-588.5	-907.6	29,034.6	28,503.8
410.8	410.7	-410.8	-416.5	896.8	869.8
11,355.3	10,897.5	-17.5	-27.3	18,088.8	17,336.4
4,777.6	4,721.9	0.0	0.0	4,777.6	4,721.9
85.4	942.3	-74.6	-335.1	92.0	798.5
15.0	19.8	-2.1	-37.2	678.1	663.0
314.0	303.5	-24.3	-91.4	842.4	807.2
2.0	0.8	0.0	0.0	49.2	64.4
142.1	105.3	0.0	0.0	367.4	255.0
2.9	1.1	0.0	0.0	2.9	1.1
17,105.0	17,402.9	-529.3	-907.5	25,795.0	25,517.3
Consolidated equity and non-controlling interests				3,239.6	2,986.6
Total equity and liabilities				29,034.6	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 June 2019

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
In € million						
Financial assets at fair value through profit or loss	21.6	295.3	0.0	22.6	58.9	398.4
Available-for-sale financial assets	798.4	16,898.4	0.0	0.0	0.0	17,696.8
Loans and receivables	0.0	168.5	537.2	0.0	0.0	705.7
Total	820.0	17,362.1	537.2	22.6	58.9	18,800.8
of which fair value option	21.6	295.3	0.0	0.0	0.0	316.9

At 31 December 2018

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts	Total
In € million						
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 regular review is carried out of the major unobservable inputs and the measurement adjustments. 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	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Available-for-sale financial assets								
Variable-income securities	653.5	695.2	1.1	1.1	143.8	144.5	798.4	840.9
Fixed-income securities	13,718.6	12,568.0	2,461.1	2,633.0	718.6	501.5	16,898.4	15,702.5
Total	14,372.1	13,263.2	2,462.3	2,634.2	862.4	646.0	17,696.8	16,543.3
Financial assets at fair value through profit or loss								
Variable-income securities	0.0	0.0	14.7	14.4	6.8	10.1	21.6	24.5
Fixed-income securities	184.1	197.1	48.0	48.2	63.2	62.7	295.3	308.0
Derivative financial instruments	0.0	0.0	4.4	5.2	18.2	15.6	22.6	20.8
Investments under investment contracts	50.5	49.0	0.9	0.9	7.5	6.5	58.9	56.4
Total	234.6	246.1	68.0	68.8	95.7	94.8	398.4	409.8

	Level 1		Level 2		Level 3		Total	
In € million	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Financial liabilities								
Derivative financial instruments	0.0	0.0	13.2	13.3	0.0	0.0	13.2	13.3
Total	0.0	0.0	13.2	13.3	0.0	0.0	13.2	13.3

Fair values of assets and liabilities measured at amortised cost

	Level 1		Level 2		Level 3		Total	
In € million	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018
Investment property	0.0	0.0	0.0	0.0	2,127.5	2,086.1	2,127.5	2,086.1
Loans and receivables								
Loans and other investments	0.0	0.0	426.5	395.0	110.7	112.7	537.2	507.7
Fixed-income securities	21.1	30.8	131.0	123.9	31.6	31.4	183.6	186.1
Total	21.1	30.8	557.5	518.9	142.3	144.1	720.9	693.8

	Level 1		Level 2		Level 3		Total	
In € million	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	31/12/2018	30/6/2019	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	78.8	12.9	78.8	12.9
Total	0.0	0.0	0.0	0.0	78.8	785.1	78.8	785.1
Subordinated liabilities	1,013.9	959.4	0.0	0.0	0.0	0.0	1,013.9	959.4

Transfers between levels 1 and 2

Transfers were made in the reporting period from Level 1 to Level 2 amounting to €134.4 million and from Level 2 to Level 1 amounting to €289.6 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	6.7	1.6	0.9	-12.5	7.6	-10.9
Gains and losses recognised in other comprehensive income	25.3	-14.4	-1.5	3.3	23.8	-11.2
Additions	185.9	217.2	14.5	43.7	200.3	260.9
Disposals	-0.7	-12.3	-13.9	-77.8	-14.6	-90.1
At 30 June and/or 31 December	718.6	501.5	239.5	239.4	958.1	740.8

The transfers between Levels 2 and 3 were completed as a result of changes in the observability of the relevant inputs.

Sensitivities

For the most important financial instruments in Level 3, an increase in the discount rate by 100 basis points results in a 6.1 per cent reduction in value. A reduction in the discount rate by 100 basis points results in a 7.5 per cent increase in value.

2. Net investment income

Classified by business line

	Property and casualty insurance		Health insurance		Life insurance		Group	
In € million	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018	1–6/2019	1–6/2018	1–6/2019	1–6/2018 adjusted
Investment property	10.9	5.6	12.1	4.3	39.8	23.1	62.7	33.0
Financial assets accounted for using the equity method	2.8	52.2	2.8	0.8	4.0	1.3	9.6	54.3
Variable-income securities	1.8	7.9	2.8	6.8	0.1	9.2	4.7	23.9
Available for sale	3.3	7.9	1.9	6.4	0.1	9.5	5.3	23.8
At fair value through profit or loss	–1.5	0.0	0.9	0.4	0.1	–0.3	–0.5	0.1
Fixed-income securities	64.4	36.3	41.6	37.3	116.0	115.6	222.1	189.2
Available for sale	58.7	37.4	34.6	37.9	115.8	115.0	209.1	190.4
At fair value through profit or loss	5.8	–1.1	7.1	–0.6	0.1	0.5	13.0	–1.2
Loans and other investments	2.3	0.9	3.0	1.5	19.9	17.8	25.1	20.2
Loans	0.4	–0.4	0.9	0.9	3.9	5.0	5.1	5.4
Other investments	1.9	1.4	2.1	0.6	16.0	12.8	20.1	14.8
Derivative financial instruments	–2.4	–1.9	–0.1	–4.1	0.2	–2.5	–2.3	–8.6
Investment administration expenses, interest paid and other investment expenses	–11.7	–11.3	–3.1	–4.5	–6.1	–7.6	–20.9	–23.3
Total	68.1	89.7	59.1	42.1	173.8	157.0	301.0	288.7

Classified by type of income

	Current income/expenses		Gains/losses from disposals and changes in value		Total		of which impairment	
In € million	1–6/2019	1–6/2018	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018 adjusted	1–6/2019	1–6/2018
Financial assets at fair value through profit or loss	0.8	1.5	9.3	–11.1	10.1	–9.6	0.0	0.0
Variable-income securities (within the framework of fair value option)	0.5	0.6	–1.0	–0.5	–0.5	0.1	0.0	0.0
Fixed-income securities (within the framework of fair value option)	1.3	1.0	11.6	–2.2	13.0	–1.2	0.0	0.0
Derivative financial instruments	–1.0	–0.2	–1.3	–8.3	–2.3	–8.6	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	193.9	195.5	20.5	18.7	214.3	214.2	–11.8	–9.0
Variable-income securities	17.6	18.0	–12.4	5.8	5.3	23.8	–11.0	–8.0
Fixed-income securities	176.3	177.4	32.8	12.9	209.1	190.4	–0.8	–1.0
Loans and receivables	25.9	19.4	–0.7	0.8	25.1	20.2	0.0	0.0
Fixed-income securities	3.7	3.6	–0.3	1.3	3.3	4.8	0.0	0.0
Loans and other investments	22.2	15.8	–0.4	–0.4	21.8	15.4	0.0	0.0
Investment property	42.1	43.9	20.6	–10.9	62.7	33.0	–6.5	0.0
Financial assets accounted for using the equity method	9.6	6.9	0.0	47.5	9.6	54.3	0.0	0.0
Investment administration expenses, interest paid and other investment expenses	–20.9	–23.3	0.0	0.0	–20.9	–23.3	0.0	0.0
Total	251.3	243.7	49.6	45.0	301.0	288.7	–18.3	–9.0

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

Net profit/(loss) by measurement category

In € million

1–6/2019 1–6/2018
adjusted

Financial assets at fair value through profit or loss		
Recognised in profit/(loss) for the period	10.1	–9.6
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	214.3	214.2
of which reclassified from equity to consolidated income statement	–6.9	–44.2
Recognised in other comprehensive income	908.0	–203.7
Net income	1,122.3	10.4
Loans and receivables		
Recognised in profit/(loss) for the period	25.1	20.2
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	–27.0	–25.4

The currency losses in net investment income amount to €5.5 million (1–6/2018: currency losses in the amount of €21.7 million). In addition, positive currency effects amounting to €0.4 million (1–6/2018: positive currency effects in the amount of 6.8 million) were recognised directly in equity.

3. Premiums

Premiums earned

In € million

1–6/2019 1–6/2018

Property and casualty insurance	1,324.5	1,281.0
Gross	1,395.4	1,350.1
Reinsurers' share	–70.9	–69.0
Health insurance	553.7	536.9
Gross	555.3	537.9
Reinsurers' share	–1.6	–1.1
Life insurance	546.9	567.6
Gross	559.6	585.0
Reinsurers' share	–12.7	–17.4
Total	2,425.1	2,385.5

Property and casualty insurance premiums written

In € million

1–6/2019 1–6/2018

Direct insurance		
Fire and business interruption insurance	148.6	152.8
Liability insurance	152.8	150.8
Household insurance	97.9	96.3
Motor TPL insurance	320.3	321.7
Legal expense insurance	49.6	47.2
Marine, aviation and transport insurance	34.4	34.5
Other motor insurance	299.1	283.7
Other property insurance	162.3	153.2
Other forms of insurance	41.6	36.1
Casualty insurance	197.7	190.5
Total	1,504.4	1,466.8
Indirect insurance		
Fire and business interruption insurance	14.2	23.7
Motor TPL insurance	5.6	5.4
Other forms of insurance	10.8	10.3
Total	30.6	39.4
Total direct and indirect insurance (amount consolidated)	1,535.0	1,506.2

4. Insurance benefits

	Gross		Reinsurers' share		Net	
In € million	1–6/2019	1–6/2018	1–6/2019	1–6/2018	1–6/2019	1–6/2018
Property and casualty insurance						
Claims expenses						
Claims paid	841.4	818.2	–56.6	–19.7	784.7	798.5
Change in provision for unsettled claims	71.9	52.5	–18.0	–22.0	53.8	30.4
Total	913.2	870.7	–74.7	–41.7	838.5	829.0
Change in insurance provision	1.5	0.1	0.0	0.0	1.5	0.1
Change in other technical provisions	–0.1	–2.6	–1.5	0.0	–1.5	–2.6
Non-profit related and profit-related premium refund expenses	22.9	21.2	0.0	0.0	22.9	21.2
Total benefits	937.5	889.4	–76.2	–41.7	861.4	847.6
Health insurance						
Claims expenses						
Claims paid	386.3	379.0	–0.3	0.0	386.0	379.0
Change in provision for unsettled claims	3.8	–1.9	0.1	–0.2	3.9	–2.1
Total	390.2	377.1	–0.2	–0.2	390.0	376.9
Change in insurance provision	70.0	68.5	0.0	0.0	70.1	68.5
Non-profit related and profit-related premium refund expenses	16.3	15.1	0.0	0.0	16.3	15.1
Total benefits	476.5	460.7	–0.2	–0.2	476.3	460.5
Life insurance						
Claims expenses						
Claims paid	560.2	650.1	–12.1	–12.6	548.1	637.5
Change in provision for unsettled claims	16.4	–11.8	0.3	–0.3	16.8	–12.0
Total	576.6	638.3	–11.7	–12.8	564.9	625.5
Change in insurance provision	–76.8	–111.5	2.8	–6.8	–74.1	–118.3
Non-profit related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	23.8	17.0	0.0	0.0	23.8	17.0
Total benefits	523.6	543.8	–9.0	–19.6	514.6	524.2
Total	1,937.6	1,893.9	–85.3	–61.5	1,852.3	1,832.3

5. Operating expenses

In € million	1 – 6/2019	1 – 6/2018
Property and casualty insurance		
Acquisition costs		
Payments	324.4	310.6
Change in deferred acquisition costs	–22.3	–24.4
Other operating expenses	132.7	116.2
Reinsurance commission and share of profit from reinsurance ceded	–7.1	–6.7
	427.7	395.7
Health insurance		
Acquisition costs		
Payments	56.5	58.1
Change in deferred acquisition costs	–9.3	–5.4
Other operating expenses	48.6	40.0
Reinsurance commission and share of profit from reinsurance ceded	–0.2	–0.3
	95.5	92.4
Life insurance		
Acquisition costs		
Payments	84.7	83.3
Change in deferred acquisition costs	23.8	7.4
Other operating expenses	66.5	64.2
Reinsurance commission and share of profit from reinsurance ceded	–1.4	–0.3
	173.6	154.5
Total	696.8	642.6

6. Employees

Average number of employees	1 – 6/2019	1 – 6/2018
Total	12,731	12,876
of which sales	4,194	4,355
of which administration	8,537	8,521

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.

9. Relationships with related companies and persons

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

Related companies refer to companies which exercise either a controlling or a significant influence on UNIQA. The group of related companies also includes the non-consolidated subsidiaries, associates and joint ventures of UNIQA.

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

Transactions and balances with related companies

In € million

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 1 – 6/2019					
Premiums written (gross)	1.0	0.0	0.8	23.7	25.5
Income from investments	7.5	0.3	9.6	2.5	19.9
Expenses from investments	–0.4	0.0	0.0	–1.8	–2.2
Other income	0.1	3.7	1.9	0.2	6.0
Other expenses	0.0	–4.0	–1.4	–12.9	–18.3
At 30 June 2019					
Investments	242.1	16.8	607.9	46.7	913.5
Cash and cash equivalents	265.7	0.0	0.0	231.2	496.8
Receivables, including insurance receivables	0.0	5.9	0.1	4.8	10.9
Liabilities and other items classified as liabilities	0.0	1.2	0.2	4.8	6.3

Transactions and balances with related companies

In € million

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 1 – 6/2018					
Premiums written (gross)	1.6	0.2	0.7	32.1	34.6
Income from investments	1.3	0.0	18.7	2.0	22.0
Expenses from investments	–0.5	0.0	0.0	–0.1	–0.6
Other income	0.0	0.7	0.1	0.0	0.8
Other expenses	0.0	–0.4	0.0	–16.6	–17.0
At 31 December 2018					
Investments	225.2	13.4	653.4	46.4	938.4
Cash and cash equivalents	1,160.7	0.0	0.0	152.1	1,312.8
Receivables, including insurance receivables	0.0	2.1	0.1	4.7	6.9
Financial liabilities	772.2	0.0	0.0	0.0	772.2
Liabilities and other items classified as liabilities	0.3	0.8	0.2	5.2	6.4

Transactions with related persons

In € million

1 – 6/2019 1 – 6/2018

Premiums written (gross)	0.3	0.2
Salaries and short-term benefits ¹⁾	–2.5	–2.1
Pension expenses	–0.5	–0.5
Compensation on termination of employment contract	–0.1	–0.1
Expenditures for share-based payments	–0.6	–0.7
Other income	0.1	0.1

¹⁾ This item includes fixed and variable Management Board remuneration paid from the beginning of the financial year to the reporting date, as well as the Supervisory Board remuneration.

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 six

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 six 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, August 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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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.

