

Rising to the challenge.

Contents

Consolidated Corporate Governance Report	4
Report of the Supervisory Board	18
Group Management Report	24
Consolidated Financial Statements	44
Segment Reporting	53
Notes to the Consolidated Financial Statements	64
Risk Report	118
Approval for publication	133
Declaration of the legal representatives	134
Audit Opinion	135

Consolidated Corporate Governance Report

UNIQA has been committed to compliance with the Austrian Code of Corporate Governance since 2004 and publishes the declaration of conformity both in the Group report and on www.uniqagroup.com in the Investor Relations section. The Austrian Code of Corporate Governance is also publicly available at www.uniqagroup.com and www.corporate-governance.at.

The Corporate Governance Report and the Consolidated Corporate Governance Report of UNIQA Insurance Group AG are summarised in this report in accordance with Section 267b in conjunction with Section 251(3) of the Austrian Commercial Code.

Implementation and compliance with the individual rules in the Austrian Code of Corporate Governance, with the exception of Rules 77 to 83, are evaluated annually by PwC Wirtschaftsprüfung GmbH. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out based mainly on the questionnaire, published by the Austrian Working Group for Corporate Governance, for the evaluation of compliance with the Code. The reports on the external evaluation in accordance with Rule 62 of the Austrian Code of Corporate Governance can also be found at www.uniqagroup.com.

UNIQA also declares its continued willingness to comply with the Austrian Code of Corporate Governance as currently amended. However, UNIQA deviates from the provisions of the Code as amended with regard to the following C rules (comply or explain rules), and the explanations are set out below.

Rule 49 of the Austrian Code of Corporate Governance

Due to the growth of UNIQA's shareholder structure and the special nature of the insurance business with regard to the investment of assets, there are a number of contracts with companies related to individual members of the Supervisory Board in which these Supervisory Board members discharge duties as members of governing bodies. If such contracts require approval by the Supervisory Board in accordance with Section 95(5)(12) of the Austrian Stock Corporation Act (Rule 48 of the Austrian Code of Corporate Governance), the details of these contracts cannot be made public for reasons of company policy and competition law. All transactions are in any case entered into and processed on an arm's length basis.

Members of the Management Board

Name	Responsible for	Supervisory Board appointments or comparable functions in other domestic and foreign companies not included in the consolidated financial statements
Andreas Brandstetter , Chief Executive Officer (CEO) * 1969, appointed 1 January 2002 until 30 June 2024	Strategy & Transformation, UNIQA Ventures, New Business Areas (Health), Group General Secretary, Auditing, Art Insurance, Strategic Personnel Management, Operating Personnel Management, Brand & Communication, Ethics & Sustainability, Works Council, Asset Management (UCM/UREM), Digitalisation	Member of the Supervisory Board of STRABAG SE, Villach
Erik Leyers , Data & IT * 1969, appointed 1 June 2016 until 30 June 2024	Data Management, UITs, UIP project, Group Service Centre (Nitra)	- Member of the Supervisory Board of Raiffeisen Informatik GmbH, Vienna (until 26 September 2019) - Member of the Supervisory Board of Raiffeisen Informatik Geschäftsführungs GmbH, Vienna (since 26 September 2019)
Kurt Svoboda , Finance & Risk Management * 1967, appointed 1 July 2011 until 30 June 2024	Legal & Compliance, Investor Relations, Controlling, Finance & Accounting, Actuarial Services, Risk Management, Regulatory Affairs, Reinsurance, Auditing	- Member of the Supervisory Board of CEESEG Aktiengesellschaft, Vienna - Member of the Supervisory Board of Wiener Börse AG, Vienna

The work of the Management Board

The work of the members of the Management Board of UNIQA Insurance Group AG is regulated by the rules of procedure. The division of the business responsibilities as decided by the Group Executive Board is approved by the Supervisory Board. The rules of procedure govern the obligations of the members of the Management Board to provide the Supervisory Board and each other with information and approve each other's activities. The rules of procedure also specify a list of activities that require consent from the Supervisory Board. The Management Board generally holds meetings every two weeks in which the members of the Management Board report on the current course of business, determine what steps should be taken and make strategic corporate decisions. The meetings of the Management Boards for UNIQA Österreich Versicherungen AG and UNIQA International AG are usually scheduled in between the meetings of UNIQA Insurance Group AG. In addition, there is a continuous exchange of information between the members of the Management Board regarding relevant activities and events.

The Management Board of UNIQA Insurance Group AG meets, whenever possible, every 14 days as the Group Executive Board together with the respective chairmen of the Management Boards of UNIQA Österreich Versicherungen AG (acting concurrently as CFO/CRO of UNIQA Insurance Group AG) and UNIQA International AG, along with the member of the Management Board of UNIQA Österreich Versicherungen AG responsible for Raiffeisen bank sales in Austria and, until 31 January 2019, with Mark-Alexander Bockelmann, member of the Management Board of UNIQA Österreich Versicherungen AG and UNIQA International AG responsible for digitalisation, each of whom has an advisory vote. From 1 January 2020, all members of the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG will participate in the meetings of UNIQA Insurance Group AG with an advisory vote (Group Executive Board). The Management Boards of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG represent in their entirety the future Management Board of the company emerging from the planned new Group structure as of 1 January 2020.

Management and monitoring functions in significant subsidiaries	Number of UNIQA shares held
▪ Chairman of the Supervisory Board of SIGAL UNIQA Group AUSTRIA sh.a., Tirana ▪ Chairman of the Supervisory Board of SIGAL Life UNIQA Group AUSTRIA sh.a., Tirana ▪ President of the Board of Directors of UNIQA Re AG, Zurich	as at 31 December 2019: 50,219 shares
▪ Member of the Management Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Member of the Management Board of UNIQA International AG, Vienna ▪ Member of the Executive Management of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna (until 18 December 2019) ▪ Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest ▪ Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest ▪ Member of the Supervisory Board of UNIQA Towarzystwo Ubezpieczeń S.A., Lodz ▪ Member of the Supervisory Board of UNIQA Biztosító Zrt., Budapest ▪ Member of the Supervisory Board of UNIQA pojišťovna, a.s., Prague ▪ Chairman of the Supervisory Board of UNIQA Group Service Center Slovakia, spol. s r.o., Nitra ▪ Chairman of the Supervisory Board of sTech d.o.o., Belgrade	as at 31 December 2019: 6,885 shares
▪ Chairman of the Management Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Member of the Management Board of UNIQA International AG, Vienna ▪ Member of the Executive Management of UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna (until 18 December 2019) ▪ Member of the Supervisory Board of UNIQA Asigurari S.A., Bucharest (until 24 July 2019) ▪ Member of the Supervisory Board of UNIQA Asigurari de Viata S.A., Bucharest (until 24 July 2019) ▪ President of the Board of Directors of UNIQA Versicherung AG, Vaduz ▪ Vice President of the Board of Directors of UNIQA Re AG, Zurich	as at 31 December 2019: 16,097 shares

The Management Board informs the Supervisory Board at regular intervals, in a timely and comprehensive manner, about all relevant questions of business development, including the risk situation and the risk management of the Group. In addition, the Chairman of the Supervisory Board is in regular contact with the CEO to discuss the company's strategy, business performance and risk management.

Members of the Supervisory Board

Name	Supervisory Board appointments in domestic and foreign listed companies	Management and monitoring tasks in significant subsidiaries	Number of UNIQA shares held
Walter Rothensteiner , Chairman * 1953, appointed 3 July 1995 until the 24th AGM (2023)			
Christian Kuhn , 1st Vice-Chairman * 1954, appointed 15 May 2006 until the 24th AGM (2023)			
Erwin Hameseder , 2nd Vice-Chairman * 1956, appointed 21 May 2007 until the 24th AGM (2023)	▪ Chairman of the Supervisory Board of Raiffeisen Bank International AG, Vienna ▪ Chairman of the Supervisory Board of AGRANA Beteiligungs-Aktiengesellschaft, Vienna ▪ Vice-Chairman of the Supervisory Board of STRABAG SE, Villach ▪ 2nd Vice-Chairman of the Supervisory Board of Südzucker AG, Mannheim		
Burkhard Gantenbein , 3rd Vice-Chairman * 1963, appointed 29 May 2017 until the 24th AGM (2023)		▪ Chairman of the Supervisory Board of UNIQA Österreich Versicherungen AG, Vienna ▪ Member of the Supervisory Board of UNIQA International AG, Vienna	as at 31 December 2019: 10,250 shares
Markus Andréewitch , Member * 1955, appointed 26 May 2014 until the 24th AGM (2023)			
Marie-Valerie Brunner , Member * 1967, appointed 28 May 2018 until the 24th AGM (2023)			as at 31 December 2019: 1,750 shares
Anna Maria D'Hulster (since 20 May 2019) , Member * 1964, appointed 20 May 2019 until the 24th AGM (2023)			
Elgar Fleisch , Member * 1968, appointed 28 May 2018 until the 24th AGM (2023)			
Martin Grüll (since 20 May 2019) , Member * 1959, appointed 20 May 2019 until the 24th AGM (2023)			
Jutta Kath , Member * 1960, appointed 30 May 2016 until the 24th AGM (2023)		▪ Member of the Board of Directors of UNIQA Re AG, Zurich	
Rudolf Könighofer (until 20 May 2019) , Member * 1962, appointed 30 May 2016 until 20 May 2019	▪ Member of the Supervisory Board of Raiffeisen International AG, Vienna		
Kory Sorenson (until 20 May 2019) , Member * 1968, appointed 26 May 2014 until 20 May 2019	▪ Member of the Board of Directors of SCOR SE, Paris ▪ Member of the Board of Directors of Phoenix Group Holdings, Cayman Islands ▪ Member of the Board of Directors of Pernod Ricard, Paris ▪ Member of the Board of Directors of Prometic Life Sciences Inc., Québec (until 31 March 2019)		as at 20 May 2019: 10,000 shares

Delegated by the Central Works Council**Sabine Andre (since 20 May 2019)**

* 1966, since 20 May 2019

Peter Gattinger

* 1976, from 10 April 2013 until 26 May 2015

and since 30 May 2016

Heinrich Kames

* 1962, since 10 April 2013

as at 31 December 2019:
56 shares**Harald Kindermann**

* 1969, since 26 May 2015

as at 31 December 2019:
750 shares**Franz-Michael Koller**

* 1956, since 17 September 1999

as at 31 December 2019:
912 shares**Friedrich Lehner (until 20 May 2019)*** 1952, from 31 May 2000 until 1 September 2008
and from 15 April 2009 until 20 May 2019as at 31 December 2019:
1,162 shares**Committees of the Supervisory Board**

Committee	Chairpeople	Vice Chairman	Members	Delegated by the Central Works Council
Committee for Board Affairs	Walter Rothensteiner	Christian Kuhn	Burkhard Gantenbein, Erwin Hameseder	
Working Committee	Walter Rothensteiner	Christian Kuhn	Marie-Valerie Brunner (until 20 May 2019), Elgar Fleisch, Burkhard Gantenbein, Martin Grüll (since 20 May 2019), Erwin Hameseder	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
Audit Committee	Walter Rothensteiner	Christian Kuhn	Anna Maria D'Hulster (since 20 May 2019), Burkhard Gantenbein, Erwin Hameseder, Jutta Kath, Kory Sorenson (until 20 May 2019)	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
Investment Committee	Martin Grüll (since 20 May 2019) Kory Sorenson (until 20 May 2019)	Christian Kuhn	Marie-Valerie Brunner, Anna Maria D'Hulster (since 20 May 2019), Burkhard Gantenbein, Jutta Kath, Rudolf Könighofer (until 20 May 2019)	Peter Gattinger, Heinrich Kames, Franz-Michael Koller
IT Committee	Markus Andréewitch	Jutta Kath	Marie-Valerie Brunner (since 20 May 2019), Elgar Fleisch, Rudolf Könighofer (until 20 May 2019)	Heinrich Kames, Franz-Michael Koller

The work of the Supervisory Board and its committees

The Supervisory Board advises the Management Board in its strategic planning and projects. It decides on the matters assigned to it by law, the Articles of Association and its rules of procedure. The Supervisory Board is responsible for supervising the management of the company by the Management Board. It is comprised of ten shareholder representatives and five employee representatives, and it convened for seven meetings in 2019. One decision was made by way of circular resolution. All members of the Supervisory Board attended more than half of the meetings of the Supervisory Board in the 2019 financial year in person.

A **Committee for Board Affairs** has been appointed to handle the relationship between the company and the members of its Management Board relating to employment and salary; this committee also acts as the **Nominating and Remuneration Committee** and is composed of the members of the Executive Committee of the Supervisory Board. In the seven meetings which took place in 2019, the Committee dealt intensively with the development of the UNIQA 3.0 strategy programme, interviewing candidates for management positions in the Group, filling Management Board positions, the remuneration strategy and succession planning.

The **Working Committee** of the Supervisory Board is only called upon to make decisions if the urgency of the matter means that the decision cannot wait until the next meeting of the Supervisory Board. It is the Chairman's responsibility to assess the urgency of the matter. The resolutions passed must be reported in the next meeting of the Supervisory Board. Generally, the Working Committee can make decisions on any issue that is the responsibility of the Supervisory Board, but this does not include issues of particular importance or matters that must be decided upon by the full Supervisory Board by law. The Working Committee did not convene for any meetings in 2019. One decision was made by way of circular resolution.

The **Audit Committee** of the Supervisory Board performs the duties assigned to it by law. The Audit Committee convened for three meetings, which were also attended by the auditor of the (consolidated) financial statements. The meetings dealt with all the documents relating to the financial statements, the Corporate Governance Report and the appropriation of profit proposed by the Management Board (each for the 2018 financial year). Furthermore, the audit of the 2019 financial statements of the companies of the

consolidated group was planned, and the auditor reported on the results of preliminary audits. In particular, the Audit Committee received quarterly reports from Internal Auditing concerning audit areas and material findings based on the audits conducted.

The **Investment Committee** advises the Management Board with regard to its investment policy; it has no decision-making authority. The Investment Committee held four meetings during which the members discussed the capital investment strategy, questions concerning capital structure and the focus of risk management and asset liability management.

The **IT Committee** dealt with the ongoing monitoring of the progress of the project implementing the UNIQA Insurance Platform (new core system) over the course of five meetings.

The chairmen of the respective committees informed the full Supervisory Board about the meetings and their committees' work.

For information concerning the activities of the Supervisory Board and its committees, please also refer to the details in the Report of the Supervisory Board.

Independence of the Supervisory Board

All members of the Supervisory Board elected during the Annual General Meeting have declared their independence under Rule 53 of the Austrian Code of Corporate Governance. Anna Maria D'Hulster (since 20 May 2019), Kory Sorenson (until 20 May 2019) and Jutta Kath also satisfy the criteria of Rule 54 of the Austrian Code of Corporate Governance in that they are neither shareholders with a participation of more than 10 per cent nor do they represent the interests of such shareholders.

A Supervisory Board member is considered independent if he or she is not in any business or personal relationship with the company or its Management Board that represents a material conflict of interest and is therefore capable of influencing the behaviour of the member concerned.

UNIQA has established the following additional criteria for determining the independence of a Supervisory Board member:

- The Supervisory Board member should not have been a member of the Management Board or a senior executive

of the company or a subsidiary of the company in the past five years.

- The Supervisory Board member should not maintain or have maintained within the last year any business relationship with the company or a subsidiary of the company that is material for the Supervisory Board member concerned. This also applies to business relationships with companies in which the Supervisory Board member has a significant economic interest, but does not apply to functions performed on decision-making bodies in the Group.
- The Supervisory Board member should not have been an auditor of the company or a shareholder or salaried employee of the auditing company within the last three years.
- The Supervisory Board member should not be a member of the Management Board of another company in which a Management Board member of the company is a member of the other company's Supervisory Board unless one of the companies is a member of the other company's group or holds an investment in the other company.
- The Supervisory Board member should not be a member of the Supervisory Board for longer than 15 years. This does not apply to Supervisory Board members who are shareholders with a business investment or who are representing the interests of such a shareholder.
- The Supervisory Board member should not be a close family relative (direct descendant, spouse, life partner, parent, uncle, aunt, sibling, niece or nephew) of a Management Board member or of persons who are in one of the positions described in the above points.

Measures to promote women on the Management Board, the Supervisory Board and in executive positions

UNIQA is convinced that a high degree of diversity can enhance its success on a sustainable basis. Diversity makes us successful together and has a positive influence on corporate culture. In this context, diversity means different nationalities, cultures and a collective of men and women, especially in executive positions. Together, they contribute to "Diversity of Thought".

With Marie-Valerie Brunner, Anna Maria D'Hulster and Jutta Kath, three women have been elected to join the Supervisory Board of UNIQA Insurance Group AG. The proportion of female Supervisory Board members among the elected

members (capital representatives) therefore amounts to the legally required 30 per cent. Sabine Andre was appointed to the group of employee representatives on the Supervisory Board on 20 May 2019. A total of eleven members of the Management Board, including one woman, were appointed to the Management Boards of UNIQA Insurance Group AG, UNIQA Österreich Versicherungen AG and UNIQA International AG in Austria in 2019.

Of a total of 549 managers at the Austrian location, 163 are women, which corresponds to a share of 29.7 per cent. In the UNIQA International AG companies outside Austria, 329 of a total of 699 managers are currently female, which amounts to 47.1 per cent. In the entire UNIQA Group, the average number of female managers is 39.4 per cent (492 of a total of 1,248 persons).

Diversity concept

A comprehensive diversity concept is currently being developed at UNIQA. Over the next few years, it is planned to concentrate on four selected priorities:

1. Women in management – more women in management positions
2. Compensation fairness – equal pay for work of equal value
3. Generation management – old and young contribute together to the success of the company
4. People with disabilities – integrate, promote and offer positions where they can use their strengths

UNIQA has launched a new initiative called "Get ready" in 2019. Within this framework, a dialogue was opened with regard to the selected diversity priorities, in order to raise awareness of these important topics throughout UNIQA. The first two events in 2019 focused on the promotion of women and were dedicated to the topics "Pension gap – needs and reality" and "Women & careers at UNIQA".

1. Women in management

In May 2019 the Group HR department, in cooperation with 14 female managers from Austria and abroad, worked out and prioritised the most important focus areas relating to the promotion of women. Measures that will be elaborated further for achieving these goals include the promotion of

a mindset open to diversity and inclusion, the continuous development of models for flexible working time and transparent career paths.

In October 2019 the first workshop on the topic of unconscious bias was held with the members of the Management Board. In the course of the workshop, it was shown how organisations can benefit from diverse teams. Top managers could also reflect on their unconscious thinking patterns and perception filters.

Eighty senior managers and experts across the Group completed a one-week comprehensive leadership development programme at the Harvard Business School with the title “Leading Transformation at UNIQA” in 2019. The proportion of women in this programme in the context of the strategic transformation UNIQA 3.0 was 20 per cent.

The NEXT AT management programme for all Austrian managers ended in mid-2019. By that time, 547 people had participated in it since 2017. The overall share of female participants in this programme was 25 per cent. The most frequently chosen training courses were “Motivation 3.0”, “Conflict Management” and “Leading in dynamic working environments”. Accompanying individual coaching was taken up by 80 participants.

Thanks to the cooperation with the Female Founders, which has been in place since 2017, four female executives were able to participate in the three-month digital leadership programme Lead F in 2019. Since 2019 UNIQA has also been a partner of the women’s platform Business Riots, which aims to break up traditional forms of work and living environments from the perspective of women. Female employees can attend events and further their professional and personal development.

Enabling employees to achieve a work-life balance and providing them with easy access to services that make everyday life easier, especially for mothers, are key factors in promoting women. UNIQA offers a comprehensive range of services known as “Freiraum” (Latitude) that addresses these needs. Within the scope of the mental health hotline KEEP BALANCE, a cooperation with Hilfswerk Austria, completely anonymous advice and support is offered for all professional and personal problems.

UNIQA also relies on flexible working hours. In addition to the long-established option for teleworking, which 13.5 per cent of employees use in Austria in the administrative departments, “mobile work” has been consistently

implemented since the end of 2018. Employees are able to work up to eight days a month from home, on the road or at other suitable locations. A total of 172 employees practice the classic teleworking, and 391 employees – mobile working.

In the 2019 employee survey in Austria, the effect of the increased flexibility of working hours was clearly reflected in a very high level of agreement with the statement “I am very satisfied with my working hours model”.

2. Compensation fairness

UNIQA wants to bind all committed and qualified employees – no matter what gender – in the same manner to the company on a long-term basis. Therefore, equal opportunities in working conditions and equal pay are a major concern for UNIQA. The clear objective is to achieve comprehensive gender-independent compensation fairness. To this end, the valid regulations regarding remuneration at UNIQA for employees were summarised and communicated internally in the summer of 2019. In the course of salary increases at the end of 2019, a special focus was placed on female employees. In addition, a survey of internal compensation fairness is planned for 2020.

3. Generation management

Making use of the age diversity throughout the company in a more targeted way, optimising the transfer of knowledge and promoting intergenerational cooperation even further were some of the main questions of the future UNIQA dealt with intensively during 2019. For this purpose, the offer of a demography consultancy was also taken up, to help establish an age-appropriate working environment.

Several concrete pilot events were held for managers, teams and for employees of the 45+ generation. Topics such as intergenerational knowledge transfer, reverse mentoring and generation-sensitive leadership were developed with existing teams. The feedback on these pilot projects was very positive.

4. People with disabilities

In 2019 initial contacts were made with potential cooperation partners, and events were evaluated that contribute to raising awareness of this important topic and provide informal access to unusual situations in order to reduce reservations that people might have.

Remuneration Report

Remuneration of the Management Board and Supervisory Board

The members of the Management Board of UNIQA Insurance Group AG received remuneration of €3.2 million in 2019.

In € thousand	2019	2018
The expenses attributable to the financial year in question for the remuneration of the members of the Management Board amounted to:		
Fixed remuneration ¹⁾	1,574	1,612
Variable remuneration	1,609	1,745
Current remuneration	3,183	3,356
Termination benefit entitlements	0	0
Total	3,183	3,356
of which proportionately recharged to operating subsidiaries	2,249	1,663
Paid to former members of the Management Board and their surviving dependants	2,766	2,492

¹⁾ The fixed salary components include remuneration in kind equivalent to €34,787 (2018: €34,788).

The breakdown of the total Management Board remuneration among the individual members of the Management Board was as follows:

Member of the Management Board In € thousand	Fixed remuneration	Variable remuneration ¹⁾	Multi-year share-based remuneration (LTI) ²⁾	Total current remuneration	Total for the year
Andreas Brandstetter	669	478	267	1,414	1,414
Erik Leyers	349	269	0	618	618
Kurt Svoboda	555	395	200	1,150	1,150
Total 2019	1,574	1,141	468	3,183	3,183
Total 2018	1,612	1,295	450	3,356	3,356

¹⁾ The short-term incentive (STI) comprises a variable remuneration component which is paid beginning with the 2017 financial year, partly in the following year and partly after three years (the deferred component).

²⁾ The long-term incentive (LTI) corresponds with a share-based remuneration agreement first introduced in 2013, with the beneficiary entitled to receive a cash settlement following a four-year term. Details can be found in the notes to the consolidated financial statements.

In the past financial year, the members of the Management Board of UNIQA Insurance Group AG received variable remuneration and multi-year share-based payments amounting to €1.6 million. Payments (STI) in the amount of €0.4 million are expected to be made in subsequent years for the 2017 financial year. For the 2018 financial year, payments (STI) in the amount of €0.4 million are expected to be made in 2022. For the 2019 financial year, payments (STI) in the amount of €1.6 million are expected to be made in the years 2020 and 2023. As part of the multi-year share-based payment (LTI), payments of €0.5 million were made to the members of the Management Board

of UNIQA Insurance Group AG in 2019. For the subsequent years 2020 to 2023, a payment of €2.5 million is expected for the virtual shares allocated up to 31 December 2019.

In addition to the above-mentioned employee benefits, the following pension fund contributions were made for the existing pension commitments to the members of the Management Board during the financial year. The compensation payments arise if a member of the Management Board steps down before the age of 65 because pension entitlements are generally funded in full until the age of 65 to avoid over-financing.

Pension funds contributions In € thousand	Current contributions	Total for the year
Andreas Brandstetter	84	84
Erik Leyers	170	170
Kurt Svoboda	105	105
Total 2019	359	359
Total 2018	359	359

The remuneration paid to the members of the Supervisory Board for their work in the 2018 financial year amounted to €739,375. Provisions of €745,000 have been set aside for the

remuneration to be paid for work completed in 2019. In 2019 a total of €72,100 was paid to cover attendance fees and out-of-pocket expenses (2018: €67,400).

In € thousand	2019	2018
Current financial year (provision)	745	739
Attendance fees and out-of-pocket expenses	72	67
Total	817	807

The breakdown of the total remuneration (including attendance fees and out-of-pocket expenses to employee

representatives) paid to the individual members of the Supervisory Board was as follows:

Member of the Supervisory Board In € thousand	2019 ¹⁾	2018
Walter Rothensteiner	104	104
Christian Kuhn	106	106
Erwin Hameseder	89	88
Burkhard Gantenbein	106	84
Markus Andréewitch	52	50
Marie-Valerie Brunner	65	40
Anna Maria D'Hulster	40	0
Elgar Fleisch	65	40
Martin Grüll	41	0
Jutta Kath	81	80
Rudolf Könighofer	24	65
Kory Sorenson	25	65
Klemens Breuer	0	26
Eduard Lechner	0	40
Out-of-pocket expenses to employee representatives	23	21
Total	817	807

¹⁾ The Management Board and Supervisory Board intend to propose the remuneration of €745,000 to the 2020 Annual General Meeting for resolution.

Burkhard Gantenbein received Supervisory Board remuneration (including attendance fees) of €17,000 for his activities on the Supervisory Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG in addition to the Supervisory Board remuneration of UNIQA Insurance Group AG. Besides Supervisory Board remuneration (including attendance fees) from UNIQA

Insurance Group AG, Jutta Kath also received Supervisory Board remuneration of 18,000 Swiss francs for her work on the Supervisory Board of UNIQA Re AG.

Former members of the Supervisory Board did not receive any remuneration.

The disclosures in accordance with Section 239(1) of the Austrian Commercial Code in conjunction with Section 80b of the Austrian Insurance Supervision Act must be included in the notes to the consolidated financial statements for the financial statements to be in accordance with IFRSs and to release the company from the requirement to prepare financial statements in accordance with the Austrian Commercial Code. The disclosures are defined more broadly for the separate financial statements in accordance with the provisions of the Austrian Commercial Code. The separate financial statements include not only the remuneration for the decision-making functions (Management Board) of UNIQA Insurance Group AG, but also the remuneration paid to the Management Boards of the subsidiaries if such remuneration is based on a contract with UNIQA Insurance Group AG.

Principles of profit sharing for the Management Board

A short-term incentive (STI) is offered in which a one-off payment is made based on the relevant earnings situation if the specified individual objectives for the payment of the incentive have been met. The STI comprises a variable remuneration component which is paid beginning with the 2017 financial year, partly in the following year and partly after three years (the deferred component). A long-term incentive (LTI) is also provided in parallel as a share-based payment arrangement with cash settlement, and this provides for one-off payments after a period of four years in each case based on virtual investments in UNIQA shares each year and the performance of UNIQA shares, the P&C net combined ratio, and the return on risk capital over the period. Maximum limits are agreed. This LTI is subject to an obligation on the members of the Management Board to make an annual investment in UNIQA shares with a holding period of four years in each case. The system complies with Rule 27 of the Austrian Code of Corporate Governance.

Following the Solvency II requirements for remuneration policy for board members, payment of the STI shall be made in two stages. One part will be paid out directly after the determination of earnings, and the remainder will be allocated. Upon a positive sustainability audit for the vesting period, this amount will be paid out three years later. The STI is thereby designed to ensure an appropriate balance between fixed and variable remuneration elements.

Principles and requirements for the company pension scheme provided for the Management Board

UNIQA has agreed retirement pensions, occupational disability benefits and surviving dependants' pensions for

the members of the Management Board. The beneficiaries' actual pension entitlements are a contractual arrangement with Valida Pension AG, which is responsible for managing the pensions. The retirement pension generally becomes due for payment when the beneficiary reaches 65 years of age. The pension entitlement is reduced in the event of an earlier retirement, with the pension eligible for payment once the beneficiary reaches the age of 60 at the earliest. In the case of the occupational disability pension and survivor's benefits, basic amounts are provided as a minimum pension.

The pension fund at Valida Pension AG is funded by UNIQA through ongoing contributions from management board members. Compensation payments to Valida Pension AG are mandatory if members of the Management Board resign before reaching 65 years of age (calculated duration of premium payments to avoid over-financing).

Principles for vested rights and entitlements of the Management Board in the event of termination of their position

Termination payments have been agreed based on the former provisions of the Austrian Salaried Employee Act. These termination payments, which are made if the employment contract of a member of the Management Board is terminated prematurely, comply with the criteria set out in Rule 27a of the Austrian Code of Corporate Governance. Generally, the pension entitlements remain in force if his or her position is terminated, but the entitlements are subject to curtailment rules.

Essential principles of remuneration policy for the companies included in the consolidation (UNIQA Österreich Versicherungen AG, UNIQA International AG and all international insurance subsidiaries)

Bearing in mind the UNIQA business strategy, as well as legal and regulatory requirements, UNIQA's remuneration policy aims to create a direct connection between the company's economic goals and board member remuneration. Thus, in addition to the base salary, there is a performance-based, variable remuneration component (STI) which is regularly compared to the external market. This is a bonus payment that depends on the attainment of agreed qualitative and quantitative objectives in the relevant financial year. An essential criterion for determining and formulating the objectives is that they support UNIQA's Group strategy and are therefore in harmony with the overall strategic orientation. The structure of the total remuneration – the ratio of the basic salary to the variable salary – depends on the respective position.

In principle, the variable portion of the total remuneration increases with the size of the area of responsibility. The sustainability of the business activity and its contribution to sustainable corporate growth is an essential component. This is incentivised by delaying the payment of a portion of the STI.

The Solvency II requirements for the remuneration policy for board members are met by the above. Furthermore, the Management Boards of UNIQA Österreich Versicherungen AG and UNIQA International AG (insofar as they do not have a claim as an identical board member of UNIQA Insurance Group AG) are included in the long-term incentive programme described above.

Supervisory Board remuneration

The remuneration paid to the Supervisory Board is approved at the Annual General Meeting as a total amount for the work in the previous financial year. The remuneration applicable to the individual Supervisory Board members is based on their position within the Supervisory Board and the number of committee positions held.

D&O insurance, POSI insurance

UNIQA has taken out directors' & officers' (D&O) insurance for the members of the Management Board, Supervisory Board and senior executives (including Group companies). The costs are borne by UNIQA.

Risk report, directors' dealings

A comprehensive risk report (Rules 69 and 70 of the Austrian Code of Corporate Governance) is included in the notes to the consolidated financial statements. The notifications concerning directors' dealings in the year under review (Rule 73 of the Austrian Code of Corporate Governance) can be found in the Investor Relations section of the Group website at www.uniqagroup.com

External evaluation

Implementation of, and compliance with, the individual rules in the Austrian Code of Corporate Governance were evaluated by PwC Wirtschaftsprüfung GmbH for the 2019 financial year – with the exception of Rules 77 to 83. Rules 77 to 83 of the Austrian Code of Corporate Governance are evaluated by the law firm Schönherr Rechtsanwälte GmbH. The evaluation is carried out based mainly on the questionnaire, published by the Austrian Working Group for Corporate Governance, for the evaluation of compliance with the Code.

The evaluation by PwC Wirtschaftsprüfung GmbH and Schönherr Rechtsanwälte GmbH confirming that UNIQA complied with the rules of the Austrian Code of Corporate Governance in 2019 – to the extent that these rules were covered by UNIQA's declaration of conformity – will be published simultaneously with the annual financial report for the 2019 financial year. Some of the rules were not applicable to UNIQA in the evaluation period.

Vienna, 20 March 2020



Andreas Brandstetter
Chairman of the Management Board



Erik Leyers
Member of the Management Board



Kurt Svoboda
Member of the Management Board

Report of the Supervisory Board

Ladies and gentlemen,
dear shareholders,

The Report of the Supervisory Board of UNIQA Insurance Group AG for the 2019 financial year is divided into three sections:

1. The most important features of 2019

The activities of the Supervisory Board and its committees intensified further in 2019. Put simply, our meetings lasted longer and were held more frequently than in previous years. With Anna Maria D'Hulster, Martin Gröll and Sabine Andre, our 15-member Supervisory Board counts three new members since the Annual General Meeting in May 2019. Thanks to the broad diversity of expertise represented on the Supervisory Board, we were able to focus our attention on the two major topics of the financial year in depth and at length:

The last full year of our UNIQA 2.0 strategic programme (2011–2020)

Once again the economic environment proved to be challenging for UNIQA in the past financial year. In the eurozone, growth continued to decline slightly, and Brexit was still causing uncertainty. However, the lowest point seems to have been reached, and sentiment indicators are again pointing to moderate economic expansion. Growth also slowed in Central and Eastern Europe (CEE), but is still significantly higher than in Western Europe or the global economy as a whole. CEE, which is one of UNIQA's core markets, is thus one of the fastest expanding growth regions in the world. Austria is likely to benefit from this as well. There was little movement as regards interest rates in 2019, even though the European Central Bank (ECB) launched new measures to stimulate the economy and inflation in September 2019: despite new bond purchases with a volume of €20 billion per month, inflation growth remains slow, meaning that a normalisation of monetary policy and interest rates is unlikely to be on the cards for the next

few years.

Despite these rather difficult conditions, UNIQA managed to continue with the plan for the concluding implementation of the long-term strategic programme, UNIQA 2.0. I would like to highlight three points that were already particularly important in 2018:

- The continued focus placed on the direct insurance business in Austria and in Central and Eastern Europe is primarily aimed at steadily improving the combined ratio as a measure of technical profitability in property and casualty insurance. In 2019 UNIQA managed to achieve a further reduction in this area, as in the years before.
- The investment programme that was decided on at the start of 2016 and the required modernisation of the IT systems were all advanced further. The first products in the life insurance sector are already being processed via UNIQA's new IT core system.
- The company's capitalisation is strong, also in comparison to European peer companies. The solvency capital requirement (SCR) ratio remains at a high level. With such a solid capital foundation, UNIQA can afford to boldly and optimistically shape its future with significant investments and thus grow in every respect.

The thorough preparation of the new UNIQA 3.0 strategic programme (2020–2024)

In 2019 the Supervisory Board and its committees discussed the strategic future of the UNIQA Group intensively. Three questions were and still are of central importance here:

- What are our assumptions as regards the world, civil society and its ways of living for 2030?

- What role will financial service providers – and in particular insurance companies – play?
- How can UNIQA clearly differentiate itself from the competition in a tougher market environment that is increasingly characterised by digitalisation?

Under item 2 of this report, I will go into more detail about the main focal points of the deliberations of the Supervisory Board and its committees. In each of these sessions, the challenge of “ambidexterity” was always at the centre of attention: how can we manage to make UNIQA’s existing, proven business model simpler, more customer-centred and more efficient, while at the same time providing enough strength, capital and (new) talent for disruptive innovation?

It soon became clear that it would be necessary to streamline the company’s organisational structure in order to successfully shape the future for UNIQA while at the same time radically aligning it towards more customer focus. Three customer-centred key departments were set up with so-called end-to-end responsibility for all customer processes: Customers & Markets Austria, Customers & Markets Bancassurance Austria and Customers & Markets International. These three are in turn assisted by six service and support units.

We realise that our decision to fill the Management Board, which has been reduced from eleven to nine members, at the Austrian location exclusively with men raised critical questions in times of indisputable importance of diversity. The Supervisory Board was aware of this consequence, but made its decision following a structured, months-long process after detailed discussions with numerous male and female candidates selected solely on the basis of their professional qualifications and management skills had been held.

I would like to strongly emphasise that the promotion of diversity throughout the company is a major concern for both the Supervisory Board and the Management Board.

2. Timeline and details of our main areas of focus

During 2019 the Supervisory Board was regularly informed by the Management Board about the business performance and position of UNIQA Insurance Group AG and the Group as a whole. It also supervised the Management Board’s management of the business and

fulfilled all the tasks assigned to the Supervisory Board by law and the Articles of Association. At the Supervisory Board meetings, the Management Board presented detailed quarterly reports and provided additional oral as well as written reports. The Supervisory Board was given timely and comprehensive information about those measures requiring our approval.

The members of our Supervisory Board are regularly invited to participate in informational events on relevant topics. Three seminars were held in 2019 with a special focus on “IFRS 9 and 17”, “Cherrisk” (our Hungarian digital start-up), “Innovative, alternative forms of selling” and “UIP (UNIQA Insurance Platform) & IT Strategy”.

Focus of our deliberations

The Supervisory Board met on seven occasions in 2019. Our meetings focused on the respective earnings situation within our Group and its further strategic development. We also made one decision by way of circular resolution.

- At our meeting held on **20 February**, we mainly discussed the Group’s preliminary results for the 2018 financial year and the current business development.
- On **8 April** the shareholder representatives on the Supervisory Board passed a resolution in writing to meet the minimum proportion of women and men on the Supervisory Board required by law separately from the employee representatives on the Supervisory Board.
- The Supervisory Board meeting on **9 April** focused on the audit of the annual financial statements and consolidated financial statements for the year ended 31 December 2018 and on the reports from the Management Board with up-to-date information on the performance of the Group in the first quarter of 2019. We also discussed the agenda for the 20th Annual General Meeting held on 20 May 2019, in particular the proposal to the Annual General Meeting to elect PwC Wirtschaftsprüfung GmbH as auditors for the 2020 financial year. The report by auditors PwC Wirtschaftsprüfung GmbH and lawyers Schönherr Rechtsanwälte GmbH regarding compliance with the provisions of the Austrian Code of Corporate Governance (ÖCGK) in the 2018 financial year was also acknowledged.

- Our meeting held on **15 May** was dedicated to a discussion of the Group's earnings situation in the first quarter of 2019 as well as to discussions on the Solvency and Financial Condition Report (SFCR) 2018.
- The Supervisory Board was constituted in the meeting on **20 May** based on the new election of all Supervisory Board members. Furthermore, the Executive Committee was newly elected and the committees of the Supervisory Board appointed.
- At our meeting on **27 August**, we discussed the Group's earnings situation in the first half of 2019, the developments in the ongoing third quarter of 2019 and the ORSA Report 2019 (Own Risk and Solvency Assessment) of the Management Board. Special attention was devoted for the first time to the future UNIQA 3.0 strategic programme, which will probably be presented in the third quarter of 2020. In this context, we asked the Management Board to comment on a number of open questions, which mainly related to general, long-term developments in global financial services.
- In an extraordinary meeting on **30 September**, the Supervisory Board discussed exclusively and for a second time the future strategic orientation of the Group within the framework of our UNIQA 3.0 strategic programme. Among other things, several versions of a customer-centred form of organisation were presented and discussed in detail.
- In addition to receiving reports on the results of the Group for the first three quarters of 2019 and the latest information on performance in the fourth quarter of 2019, the Supervisory Board meeting on **19 November** involved discussions on the forecast for the 2019 financial year, intensive planning for the 2020 financial year and the medium-term planning up to 2024. In addition, the UNIQA 3.0 strategic programme was discussed in detail for the third time. In order to define the organisational framework and to enable the future Management Board team to detail its work, the Supervisory Board's decisions targeted the structural and personnel future of the Group. Furthermore, the Supervisory Board evaluated its activities in accordance with the Austrian Code of Corporate Governance and dealt with the changed requirements for remuneration schemes under the European Shareholder Rights Directive.

Committees of the Supervisory Board

In addition to the Audit Committee required by law, we have set up four more committees in order to ensure that the work of our Supervisory Board is structured effectively.

- The work of the **Executive Committee** of the Supervisory Board, which consists of the same members as the **Committee for Board Affairs** and the **Nominating and Remuneration Committee** for the Management Board, was particularly important in 2019. In the seven meetings which took place, the Committee dealt intensively with the development of the UNIQA 3.0 strategic programme, interviewing candidates for management positions in the Group, filling Management Board positions, discussing the remuneration strategy and succession planning.
- The **Audit Committee** held three meetings in 2019 and these meetings were also attended by the auditors of the (consolidated) financial statements. All of the documents relating to the financial statements and the appropriation of profit proposed by the Management Board were discussed at the meeting on 9 April, with the Compliance Manager's annual activity report for 2018 also submitted and acknowledged in particular. At the meeting held on 15 May, the auditor presented the planning for the audit of the 2019 financial statements prepared by the companies in the UNIQA Group and coordinated this planning and strategy with the Committee. The Committee also discussed its exercise of the responsibilities assigned to it under the Stock Corporation Act and the Insurance Supervision Act along with the Solvency and Financial Condition Report (SFCR) 2018. At the meeting held on 19 November, the auditor informed the Committee about the findings from its preliminary audits. In addition, the Committee received quarterly reports from Internal Audit on the areas audited by this department and any material findings that arose from these audits.
- The **Investment Committee** held four meetings during which the members discussed the capital investment strategy, questions concerning capital structure, and the focus of risk and asset liability management.
- The **IT Committee** dealt with the ongoing monitoring of the progress of the project implementing the UNIQA Insurance Platform over the course of five meetings.

- The **Working Committee** did not hold any meetings in the past financial year. A decision on a real estate project was made by way of circular resolution.

The various chairs of the committees then informed the members of the Supervisory Board in detail about the meetings and their committee's work.

3. Separate and consolidated financial statements

The separate financial statements prepared by the Management Board, the Management Report of UNIQA Insurance Group AG, the consolidated financial statements prepared in accordance with International Financial Reporting Standards (IFRSs) and the Group Management Report for 2019 were audited by PwC Wirtschaftsprüfung GmbH; the statutory auditor also verified that a separate consolidated non-financial report and a consolidated corporate governance report had been prepared for the 2019 financial year. The audit raised no objections. The separate and consolidated financial statements were each awarded an unqualified audit opinion for 2019.

The Supervisory Board acknowledged and approved the findings of the audit.

The evaluation of UNIQA's compliance with the rules of the Austrian Code of Corporate Governance in the 2019 financial year was carried out by PwC Wirtschaftsprüfung GmbH, whereas compliance with Rules 77 to 83 of the Austrian Code of Corporate Governance was assessed by Schönherr Rechtsanwälte GmbH. The audits found that UNIQA had complied with the rules of the Austrian Code of Corporate Governance in the 2019 financial year to the extent that the rules were included in UNIQA's declaration of conformity.

The Supervisory Board acknowledged the consolidated financial statements for 2019 and approved the 2019 annual financial statements of UNIQA Insurance Group AG. It also endorsed both the Management Report and the Group Management Report. The 2019 annual financial statements were thereby adopted in accordance with Section 96(4) of the Austrian Stock Corporation Act.

The Supervisory Board reserves the right to review and/or approve the proposal for the appropriation of profit submitted by the Management Board due to the COVID-19 crisis until further notice.

Once again this year on behalf of the entire Supervisory Board, I would like to thank all the employees of UNIQA Insurance Group AG and all Group companies for their major personal commitment in the 2019 financial year and wish them every continued success for their future.

Vienna, April 2020

On behalf of the Supervisory Board



Walter Rothensteiner
Chairman of the Supervisory Board

Financial Report

Group Management Report	24
Consolidated Financial Statements	44
General information	44
Consolidated Statement of Financial Position	46
Consolidated Income Statement	47
Consolidated Statement of Comprehensive Income	48
Consolidated Statement of Cash Flows	49
Consolidated Statement of Changes in Equity	50
Segment Reporting	53
Notes to the Consolidated Financial Statements	64
Investments	64
Technical items	75
Other non-current assets	87
Other current assets	95
Taxes	97
Social capital	99
Equity	102
Subordinated liabilities	103
Other current and non-current liabilities	104
Other non-technical income and expenses	105
Other disclosures	106
Significant events after the reporting date	117
Risk report	118
Approval for publication	133
Declaration of the legal representatives	134
Audit opinion	135

Group Management Report

Economic environment

The macroeconomic environment continued to cool down in 2019. According to forecasts (OECD), the world economy grew by 2.9 per cent, its lowest rate since the 2008/2009 financial crisis. World trade is stagnating despite a deescalation in the US/China trade conflict ("Phase One" deal). The United Kingdom left the European Union on 31 January 2020, although uncertainty over their future trading relationship is continuing to weigh on the economy. Many countries, including Germany, are finding that industry is their weakest link, while their service sectors are flourishing. The downward trend in business confidence reached a first low point at the beginning of 2020. The economic impact of the spread of the coronavirus is still uncertain in March 2020, but there are already signs of a radical impairment of economic activity. Its extent will depend on the duration of the crisis and the public measures to prevent the spread on the one hand, and on the attempts to bridge the temporary losses of income for companies and households on the other.

Gross domestic product (GDP) in the eurozone rose by 1.2 per cent in 2019. This means that growth was slower compared with the previous year. Consumption by private households continued to be bolstered by a healthy labour market: at the end of 2019, the unemployment rate in the eurozone was at a precorona low (7.4 per cent). The Austrian economy put in a solid performance in 2019. Despite growing international risks facing the economy, GDP growth for the year amounted to 1.6 per cent. Although here, too, the economy had cooled off compared with previous years, there were increasing signs of stabilisation on a path of modest growth towards the end of the year. However, a decline in international trade and the demand for industrial goods were curbing growth in the manufacturing sector. By contrast, the trend in the service sector was still very pleasing at the start of 2020, while demand amongst private consumers remained brisk thanks to the robust labour market. Both employment and wages were on the rise, while unemployment was at a very low 4.2 per

cent. Disruptions of economic activity caused by people not working, interrupted supply chains, slumps in sectors directly affected by the impact of the coronavirus such as tourism and transport, and the influence of government measures to contain the further spread of the disease are expected to have a major, albeit temporary, effect on the development of the Austrian economy.

The European Central Bank (ECB) performed something of a U-turn in September 2019, bringing a temporary phase of monetary normalisation to an end with new measures to stimulate the economy and push up inflation. It reduced the interest rate on deposits to -0.5 per cent and, in November 2019, the ECB launched another unlimited programme of monthly bond purchases worth €20 billion. Despite this comprehensive monetary policy stimulus, inflation growth remains weak, meaning that a normalisation of monetary policy and interest rates is unlikely to be on the cards for the next few years under the ECB's new president Christine Lagarde as well. A strategic review will be carried out from 2020 onwards to assess the effectiveness and appropriateness of the monetary policy instruments being deployed, amongst other things. The Federal Reserve, the US central bank, completed its midcycle adjustment with three interest rate cuts in 2019. In March 2020 central banks and governments around the world responded to the emerging consequences of the coronavirus spread. In two emergency meetings of the Open Market Committee, the Fed cut key interest rates by a total of 150 basis points. Its target range for key interest rates is thus 0 to 0.25 per cent. Furthermore, both the Fed and the ECB decided on new large-volume bond purchases and extensive measures to supply the money and capital markets with liquidity.

Last year Austria benefited from the still highly favourable economic conditions in Central and Eastern Europe (CEE). Economic growth in UNIQA's core markets in CEE stood at 3.7 per cent (not including Russia) according to forecasts, down slightly on 2018. Nevertheless, CEE is amongst the growth regions enjoying the most rapid

expansion and has so far shown itself to be highly resistant to the economic slowdown in the eurozone, an important trading partner for the region. However, negative contagion effects have adversely affected industry and the demand for exports in some countries. In the Czech Republic and Slovakia, economic growth slowed in 2019, with GDP rising by 2.4 and 2.3 per cent respectively according to forecasts. Poland and Hungary, meanwhile, are still enjoying something of a boom (GDP growth of 4.1 and 4.9 per cent respectively). Unemployment hit historic lows in CEE, with the healthy labour market underpinning strong domestic demand.

The Russian economy proved stable, although it offers relatively little potential for growth in the medium term. The planned delivery of national infrastructure projects presents opportunities for some upward movement. Ukraine's economy, meanwhile, was on the road to recovery: inflation fell sharply in 2019, paving the way for more favourable financing conditions. The central banks in both Russia and Ukraine have begun cycles of interest rate cuts.

GDP growth rates in the economies of Southeastern Europe are around 3.4 per cent on average, with the positive trends continuing on the employment markets and inflation at modest levels. The Balkan countries also offer stable economic conditions as a whole. While there are signs of a temporary interruption of the solid economic development due to the effects of the coronavirus, with economic growth in CEE outstripping that in Western Europe by some margin, the process of income and wealth convergence in the region should continue in line with expectations.

Property and casualty insurance remain the driver for growth in Austria

Premium revenues in Austrian property and casualty insurance were strong in 2019 with 4.2 per cent growth to €9.9 billion. Growth was driven by the comprehensive vehicle and passengers' accident insurance (+6.4 per cent) business lines as well as fire, including business interruption (+7.2 per cent). The vehicle liability insurance business line, by contrast, only managed a slight increase in premiums (+1.7 per cent).

The premium attrition trend continued in life insurance, with premiums shrinking by some 2.2 per cent year on year to just under €5.5 billion. As in the previous year, the main reason was the 4.6 per cent drop in single-premium insurance to €0.7 billion. The life insurance business with

recurring premiums also experienced a decline, although this was more modest at around 1.9 per cent to just under €4.8 billion.

Health insurance performed slightly less well in 2019 than in the previous year, with growth in premiums of 3.8 per cent to €2.3 billion.

Signs indicate continued growth in the Central and Eastern European markets

As mentioned above, the macroeconomic environment in CEE is in very fine form. Like in previous years, the Eastern European insurance markets were able to capitalise on this sustained positive economic trend again in 2019. According to the results currently available, total premium volumes rose in Central and Eastern Europe (not including Russia) by around 5.0 per cent to an estimated €35 billion. This equates to growth of some €1.5 billion year on year in absolute terms. All CEE markets posted premium growth in 2019 despite the characteristic diversity between them. Growth rates in the individual countries ranged from just under 2 per cent in Poland to some 17 per cent in Bulgaria and Ukraine and are expected to remain well above the eurozone average in 2020–2021 as well.

Increased demand for insurance products fuelled by the sustained economic growth resulted in a marked rise in premiums in the year just passed – particularly in property insurance, where the figure was over 7 per cent. Stimulus for growth came in particular from the household and homeowner sectors as well as from health insurance and the vehicle insurance business lines. The vehicle business lines experienced substantial premium increases, mainly due to higher vehicle inventories as a result of a significant overall rise in new registrations as well as higher average premiums in certain countries.

Developments in the life insurance markets in Central and Eastern Europe, by contrast, were mixed. Following robust premium growth in 2017 and a fall in 2018, however, life insurance once again posted slight premium growth overall in CEE.

Growth in the region depends largely on the trend of the life insurance market in Poland, where the sharp decline in the insurance business involving short-term, single-premium products – which has fallen by some €600 million in all, i.e. about 50 per cent, over the past two years – has cut aggregate growth on the life insurance markets significantly in recent times. This contrasts with

another trend of the past few years, which demonstrates that extraordinary premium growth is very likely in some Southeastern European countries on account of their still-underdeveloped life insurance markets.

The next few years should see demand for life insurance in Eastern Europe recover across the board as people will still need their own, independent provision on top of their state pension. Many insurers have also responded to the persistently low interest rates by launching new provision solutions.

CEE remains a region with high growth potential for UNIQA, as can be seen from the positive performance in the insurance markets overall over the last few years. The sustained positive economic performance in Central and Eastern Europe should lead to further increases in income over the next few years and to higher consumer spending by households. Rising levels of wealth and growing purchasing power also mean greater demand for insurance solutions – and this in a market with some 155 million potential customers (not including Russia).

Both premiums per capita (insurance density) and the share of GDP contributed by the insurance industry (insurance penetration) in CEE are still well below the Western European market average, illustrating quite clearly the immense catch-up potential that these insurance markets continue to offer.

UNIQA Group

With a premium volume written (including savings portions from unit-linked and index-linked life insurance) of €5,372.6 million, the UNIQA Group is among the leading insurance groups in Central and Eastern Europe. The savings portion from the unit-linked and index-linked life insurance in the amount of €309.8 million was set off against the change in insurance provision, pursuant to FAS 97 (US GAAP). Without taking the savings portion from the unit-linked and index-linked life insurance into consideration, the premium volume written amounted to €5,062.8 million.

UNIQA in Europe

UNIQA offers its products and services via all distribution channels (hired sales force, general agencies, brokers, banks and direct sales) and covers virtually the entire range of insurance lines. UNIQA is the second-largest insurance group in Austria, with a presence in 15 countries of the CEE growth region: Albania, Bosnia and Herze-

govina, Bulgaria, Croatia, the Czech Republic, Hungary, Kosovo, Montenegro, North Macedonia, Poland, Romania, Russia, Serbia, Slovakia and Ukraine. In addition, insurance companies in Switzerland and Liechtenstein are also part of the UNIQA Group.

The listed holding company UNIQA Insurance Group AG manages the Group and also operates the indirect insurance business concluded as active reinsurance with another insurance company. Moreover, UNIQA Insurance Group AG carries out numerous service functions for UNIQA Österreich Versicherungen AG and its international Group companies, in order to take best advantage of synergy effects and to implement the Group's long-term corporate strategy consistently.

UNIQA International AG manages the international activities of the Group. This entity is also responsible for the ongoing monitoring and analysis of the international target markets and for acquisitions and post-merger integration.

Property and casualty insurance

The property and casualty insurance line includes property insurance for private individuals and companies, as well as private casualty insurance. The UNIQA Group received premiums written in property and casualty insurance in the amount of €2,846.8 million in 2019 (2018: €2,774.4 million) – which is 53.0 per cent (2018: 52.3 per cent) of total premium volume. The largest share by far in the volume of property and casualty insurance comes from private consumer business. Most property and casualty insurance policies are taken out for a limited term of up to three years. A broad spread across the different risks of a great many customers and the relatively short terms of these contracts lead to only moderate capital requirements and also make this business segment attractive as a result.

Health insurance

Health insurance in Austria includes voluntary health insurance for private customers, commercial preventive healthcare and optout offers for certain independent professions such as lawyers, architects and chemists. Although health insurance is still at the early stages in CEE, increased levels of prosperity in the region make the long-term growth potential even greater. Group-wide, in 2019, premiums written totalled €1,130.8 million, (2018: €1,086.4 million) – which is 21.0 per cent (2018: 20.5 per cent) of total premium volume. UNIQA is the undisputed market leader in this strategically important business line

in Austria, with around 46 per cent of market share. The overwhelming majority comes from Austria with around 93 per cent of premiums, with the remaining 7 per cent from international business.

Life insurance

Life insurance covers economic risks that stem from the uncertainty as to how long a customer will live. It includes savings products such as classic and unit-linked life insurance. There are also “biometric products” which hedge against risks such as occupational disability, long-term care needs or death. The life insurance business model is oriented towards the long term: policy terms are around 25 years on average. Life insurance is still facing major challenges, as the low interest rate environment is particularly disadvantageous to all long-term forms of saving and investment, including for life insurance. In life insurance, UNIQA reached a premium volume (including savings portions from unit-linked and index-linked life insurance) of €1,394.9 million Group-wide in 2019 (2018: €1,448.6 million) – which is 26.0 per cent (2018: 27.3 per cent) of total premium volume.

Companies included in the IFRS consolidated financial statements

In addition to the annual financial statements of UNIQA Insurance Group AG, the consolidated financial statements include the financial statements of all subsidiaries in Austria and abroad as well as those of the investment funds under the Group’s control. Including UNIQA Insurance Group AG, the basis of consolidation comprised 33 Austrian (2018: 34) and 57 international (2018: 59) subsidiaries along with six Austrian (2018: 6) and one international (2018: 1) investment fund under the Group’s control. The associates are five domestic (2018: 5) and one international company (2018: 1) that were included in the consolidated financial statements using equity method accounting.

Details on the consolidated companies and associates are contained in the corresponding overview in the consolidated financial statements. The accounting and measurement methods are also described in the consolidated financial statements.

Error corrections

Errors were corrected in accordance with IAS 8 as part of the process for preparing the consolidated annual financial statements. This resulted in adjustments to the values for the 2018 financial year. See note 37 in the consolidated financial statements for further details.

Risk reporting

UNIQA’s comprehensive risk report is included in the notes to the 2019 consolidated financial statements.

Corporate Governance Report

Since 2004, UNIQA has pledged to comply with the Austrian Code of Corporate Governance. UNIQA publishes its consolidated Corporate Governance Report at www.uniqagroup.com in the Investor Relations section.

Consolidated non-financial statement, consolidated non-financial report

Pursuant to Section 267a(6) of the Austrian Commercial Code, UNIQA Insurance Group AG prepares its consolidated non-financial statement as a separate consolidated non-financial report. The separate consolidated non-financial report is prepared and signed by all of the statutory corporate representatives. It is submitted to the Supervisory Board for review and published together with the Group Management Report pursuant to Section 280 of the Austrian Commercial Code.

Group business development

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose by 1.2 per cent to €5,372.6 million
- Combined ratio improved from 96.8 per cent to 96.4 per cent
- Earnings before taxes stable at €295.7 million
- Consolidated profit of €232.4 million
- Proposed dividend increased by 1 cent to €0.54 per share for 2019
- Pre-tax profit at 2019 levels expected for 2020

UNIQA Group

In € million

	2019	2018	2017
Premiums written including savings portions from unit-linked and index-linked life insurance	5,372.6	5,309.5	5,293.3
Cost ratio (after reinsurance)	27.2%	25.9%	25.0%
Combined ratio (after reinsurance)	96.4%	96.8%	97.5%
Earnings before taxes	295.7	294.6	264.6
Consolidated profit/(loss) (proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG)	232.4	243.3	171.8

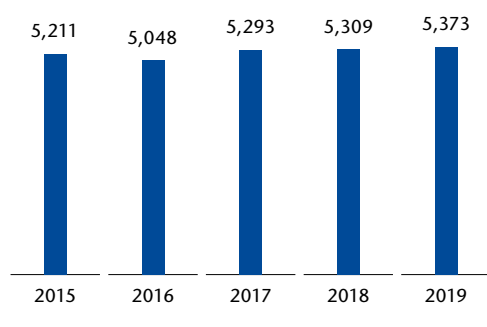
In the area of insurance policies with recurring premium payments, there was an encouraging rise of 1.4 per cent to €5,267.9 million (2018: €5,196.7 million). In the single premium business, however, the premium volume decreased by 7.2 per cent to €104.6 million (2018: €112.7 million) in line with the strategy.

Changes in premiums

UNIQA's total premium volume, including savings portions from unit-linked and index-linked life insurance in the amount of €309.8 million (2018: €320.5 million), increased by 1.2 per cent to €5,372.6 million in 2019 (2018: €5,309.5 million).

Premiums written including savings portions from unit-linked and index-linked life insurance

In € million



Premiums written in property and casualty insurance increased by 2.6 per cent to €2,846.8 million in 2019 (2018: €2,774.4 million). In health insurance, premiums written in the reporting period rose by 4.1 per cent to €1,130.8 million (2018: €1,086.4 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell by 3.7 per cent overall to €1,394.9 million (2018: €1,448.6 million). Reasons for this included the strategic withdrawal from the single-premium business and subdued demand due to persistently low interest rates.

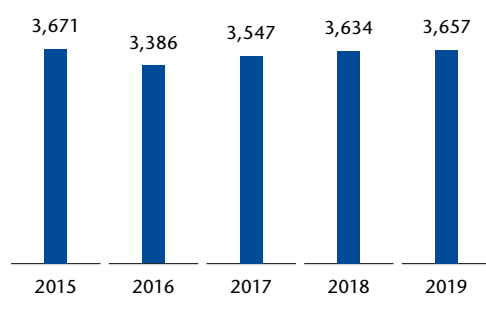
The Group premiums earned, including savings portions from unit-linked and index-linked life insurance (after reinsurance) in the amount of €309.8 million (2018: €320.9 million), rose by 1.8 per cent to €5,170.8 million (2018: €5,081.7 million). The volume of premiums earned (net, in accordance with IFRSs) increased by as much as 2.1 per cent to €4,861.1 million (2018: €4,760.7 million).

Changes in insurance benefits

In the 2019 financial year, insurance benefits before re-insurance (see note 8 in the consolidated financial statements) dropped by 1.2 per cent to €3,756.3 million (2018: €3,800.2 million). Consolidated net insurance benefits rose less sharply than premiums earned, increasing by 0.6 per cent to €3,657.1 million in the past year (2018: €3,633.7 million).

Insurance benefits (net)

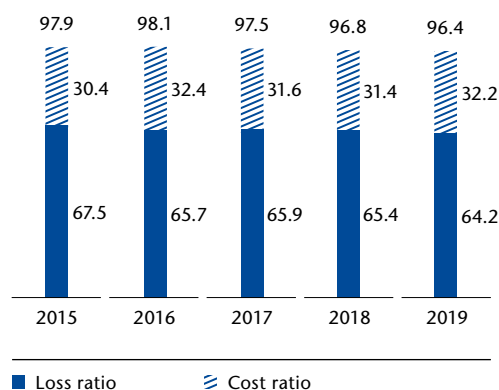
In € million



The loss ratio after reinsurance in property and casualty insurance fell to 64.2 per cent in 2019 (2018: 65.4 per cent) on the back of a favourable trend in basic losses. The combined ratio after reinsurance thus improved to 96.4 per cent (2018: 96.8 per cent) despite a higher cost ratio at Group level.

Combined ratio after reinsurance

In per cent



Operating expenses

Total consolidated operating expenses (see note 9 in the consolidated financial statements) less reinsurance commission and share of profit from reinsurance ceded rose by 7.0 per cent to €1,407.1 million in the 2019 financial year (2018: €1,314.7 million). Expenses for the acquisition of insurance less reinsurance commission and share of profit from reinsurance ceded in the amount of €17.9 million (2018: €13.6 million) rose by 6.5 per cent to €907.4 million (2018: €851.9 million) due to increased amortisation of deferred acquisition costs in life insurance. Other operating expenses increased by 8.0 per cent to €499.7 million (2018: €462.7 million) as a result of higher staff and IT costs. This line item includes expenses for the innovation and investment programme amounting to around €51 million (2018: approx. €43 million).

The cost ratio after reinsurance, i.e. the ratio of total operating expenses less the amounts received from reinsurance commission and share of profit from reinsurance ceded to the Group premiums earned, including savings portions from unit-linked and index-linked life insurance, increased to 27.2 per cent during the past year (2018: 25.9 per cent) as a result of the developments mentioned above. The cost ratio before reinsurance rose to 26.7 per cent (2018: 25.2 per cent).

Property and casualty insurance

In € million

	2019	2018	2017
Premiums written	2,846.8	2,774.4	2,639.7
Insurance benefits (net)	-1,719.5	-1,690.1	-1,644.8
Loss ratio (after reinsurance)	64.2%	65.4%	65.9%
Operating expenses (net)	-861.2	-811.0	-788.5
Cost ratio (after reinsurance)	32.2%	31.4%	31.6%
Combined ratio (after reinsurance)	96.4%	96.8%	97.5%
Net investment income	122.1	128.1	119.7
Earnings before taxes	116.0	120.3	95.1
Technical provisions (net)	3,061.3	2,970.6	2,939.7

Health insurance

In € million

	2019	2018	2017
Premiums written	1,130.8	1,086.4	1,042.0
Insurance benefits (net)	-960.3	-908.0	-877.6
Operating expenses (net)	-187.8	-183.9	-168.0
Cost ratio (after reinsurance)	16.7%	17.0%	16.2%
Net investment income	109.0	103.4	116.4
Earnings before taxes	94.9	96.2	109.7
Technical provisions (net)	3,359.1	3,190.9	3,037.7

Investments

The UNIQA Group's investment portfolio (including investment property, financial assets accounted for using the equity method and other investments) expanded by €1,287.7 million to €20,624.8 million in the 2019 financial year (31 December 2018: €19,337.1 million). This was mainly due to the general fall in interest rates on the international financial markets.

Net investment income remained on a par with the previous year at €585.2 million (2018: €585.0 million) despite the persistently low interest rates, thanks mainly to increased gains from the sale of real estate and fixed-income securities. The recognition of the 14.3 per cent equity-accounted holding in STRABAG SE also contributed €57.4 million to net income in 2019 (2018: €51.4 million). The previous year's figure had included a capital gain of €47.4 million from the sale of the indirect holding in Casinos Austria Aktiengesellschaft. A detailed description of net investment income can be found in the consolidated financial statements (see note 4 in the consolidated financial statements).

Other income and other expenses

Other income rose by 8.5 per cent to €192.4 million in 2019 (2018: €177.3 million), while other operating expenses fell by 8.9 per cent to €191.1 million in the reporting year (2018: €209.7 million).

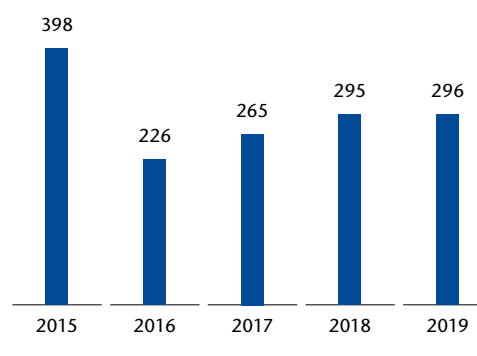
Results

The technical result of the UNIQA Group deteriorated by a substantial 25.2 per cent to €99.5 million in 2019 (2018: €133.1 million) due to the increased cost burden. Operating profit improved slightly by 1.4 per cent to €354.9 million (2018: €350.1 million).

Earnings before taxes at UNIQA remained virtually unchanged despite the poorer technical result, rising slightly by 0.4 per cent to €295.7 million (2018: €294.6 million). This was possible because the weaker technical result was offset by a rise in other comprehensive income. The profit/(loss) for the period rose by 0.6 per cent to €236.5 million (2018: €235.1 million). Income tax expense fell to €59.2 million in 2019 (2018: €59.5 million), while the tax burden was 20.0 per cent (2018: 20.2 per cent).

Earnings before taxes

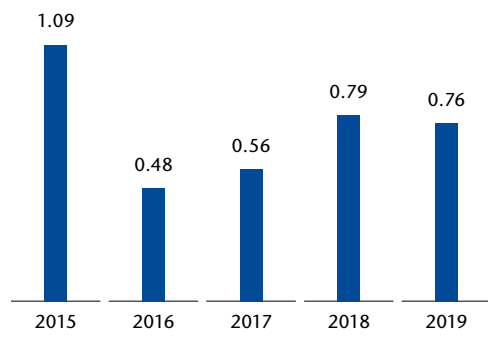
In € million



The consolidated profit, i.e. the proportion of the net profit for the period attributable to the shareholders of UNIQA Insurance Group AG, amounted to €232.4 million (2018: €243.3 million). This pushed earnings per share down slightly to €0.76 (2018: €0.79).

Earnings per share

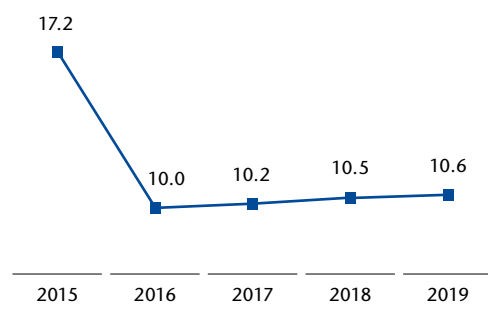
In € million



Operating return on equity (earnings before taxes and 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) came to 10.6 per cent in 2019 (2018: 10.5 per cent). The return on equity (after tax and non-controlling interests) declined to 7.3 per cent in the reporting year (2018: 7.9 per cent).

Operating return on equity

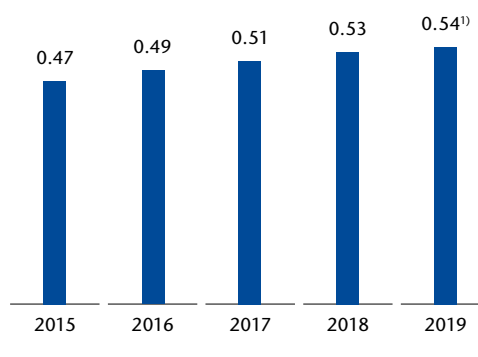
In per cent



On this basis, the Management Board will propose a dividend of €0.54 per share to the Supervisory Board and the Annual General Meeting (2018: €0.53 per share).

Dividend per share

In €



¹⁾ Proposal to the Annual General Meeting

Own funds and total assets

Total equity attributable to the shareholders of UNIQA Insurance Group AG increased by €428.9 million to €3,401.0 million in the past financial year (31 December 2018: €2,972.1 million). This was due to the increased measurement of financial instruments available for sale caused by the general fall in interest rates. Non-controlling interests came to €19.4 million (31 December 2018: €14.4 million). Total assets amounted to €28,728.4 million at 31 December 2019 (31 December 2018: €28,503.8 million).

Life insurance

In € million

	2019	2018	2017
Premiums written including savings portions from unit-linked and index-linked life insurance	1,394.9	1,448.6	1,611.6
Insurance benefits (net)	-977.3	-1,035.7	-1,025.0
Operating expenses (net)	-358.1	-319.8	-319.5
Cost ratio (after reinsurance)	26.1%	22.6%	20.3%
Net investment income	354.1	353.5	336.0
Earnings before taxes	84.8	78.2	59.9
Technical provisions (net)	15,666.7	15,483.4	15,815.9
of which technical provisions for unit-linked and index-linked life insurance (net)	4,646.0	4,721.8	4,727.4

Cash flow

UNIQA's net cash flow from operating activities amounted to €519.9 million in 2019 (2018: €-4.8 million). The cash flow from investing activities was €-526.9 million (2018: €210.0 million) while net cash flow from financing activities came to €-958.9 million (2018: €588.9 million). Overall, cash and cash equivalents fell by €964.8 million to €479.6 million in the 2019 financial year (2018: €1,444.4 million).

Employees

In 2019 the average number of employees (full-time equivalents, or FTEs) at UNIQA rose slightly to 13,038 (2018: 12,818). These included 4,202 (2018: 4,271) field sales employees. The number of employees in administration amounted to 8,836 (2018: 8,547).

In 2019 the Group had an average of 2,766 FTEs (2018: 2,708) in the Central Europe (CE) region – Poland, Slovakia, the Czech Republic and Hungary – as well as 2,278 FTEs (2018: 2,242) in the Southeastern Europe (SEE) region – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia – and 1,647 FTEs (2018: 1,654) in the Eastern Europe (EE) region – Romania and Ukraine. There were 112 FTEs (2018: 108) working in Russia (RU). The average number of FTEs in the Western European markets in 2019 was 42 (2018: 48). A total of 6,193 FTEs were employed in Austria (2018: 6,058). Including the employees of the general agencies working exclusively for UNIQA, the total number of people working for the Group amounts to about 19,200.

In 2019 women made up 55 per cent of the staff working in administrative positions at UNIQA in Austria (2018: 55 per cent). In sales the ratio was 82 per cent men to 18 per cent women (2018: 83 per cent men to 17 per cent women). 15.4 per cent (2018: 14.6 per cent) of employees were

working part time. The average age in the past year was 44 years (2018: 44 years).

In Austria almost all employees have a share in the company's success through some form of variable participation programme. This will be either a bonus for managers and selected key employees or an employee participation programme. In 2019 14 per cent (2018: 14 per cent) of employees participated in the bonus system for managers and selected key employees – a variable

remuneration system that is tied both to the success of the company and to personal performance. In 2019 a total of 79 per cent took part in the employee participation programme (2018: 76 per cent) in the form of a bonus. Everyone who has an employment relationship for the entire financial year is entitled to participate. Whether an employee participation bonus is paid depends on whether a profit target is met and to what extent other important corporate goals are achieved.

In addition, UNIQA offers young people in training the opportunity to get to know foreign cultures and make international contacts. Currently 81 apprentices are being trained.

Operating segments

UNIQA Austria

- Premiums written (including savings portions from unit-linked and index-linked life insurance) rose to €3,800.8 million
- Cost ratio increased to 20.8 per cent
- Combined ratio improved from 91.6 per cent to 93.9 per cent
- Earnings before taxes fell to €168.6 million

UNIQA Austria

In € million	2019	2018	2017
Premiums written including savings portions from unit-linked and index-linked life insurance	3,800.8	3,734.4	3,656.6
Cost ratio (after reinsurance)	20.8%	18.6%	18.3%
Combined ratio (after reinsurance)	93.9%	91.6%	91.8%
Earnings before taxes	168.6	231.7	262.5

Changes in premiums

At UNIQA Austria, premiums written including savings portions from unit-linked and index-linked life insurance increased by 1.8 per cent to €3,800.8 million in 2019 (2018: €3,734.4 million). Recurring premiums also rose by 1.8 per cent to €3,775.7 million (2018: €3,707.4 million). In contrast, single-premium business fell slightly by 7.1 per cent to €25.1 million (2018: €27.0 million).

While premiums written in property and casualty insurance rose by a very pleasing 3.4 per cent to €1,760.7 million (2018: €1,703.5 million), they increased even more strongly in health insurance, up by 4.7 per cent to €1,056.3 million (2018: €1,008.9 million). In life insurance (including savings portions from unit-linked and index-linked life insurance), by contrast, they fell by 3.7 per cent to €983.9 million (2018: €1,022.0 million).

Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned at UNIQA Austria amounted to €3,057.0 million (2018: €3,031.8 million). The volume of premiums earned (net, in accordance with IFRSs) rose by 1.2 per cent to €2,845.4 million in 2019 (2018: €2,811.6 million).

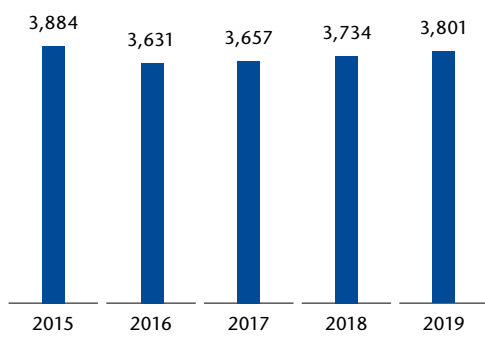
Property and casualty insurance

In € million	2019	2018	2017
Premiums written	1,760.7	1,703.5	1,621.8
Insurance benefits (net)	-688.3	-691.2	-675.8
Loss ratio (after reinsurance)	65.6%	66.9%	67.6%
Operating expenses (net)	-297.4	-255.4	-241.8
Cost ratio (after reinsurance)	28.3%	24.7%	24.2%
Combined ratio (after reinsurance)	93.9%	91.6%	91.8%
Net investment income	33.7	39.0	43.0
Earnings before taxes	83.1	112.8	110.2
Technical provisions (net)	1,099.3	1,090.3	1,056.1

Premiums written including savings portions from unit-linked and index-linked life insurance

UNIQA Austria

In € million



In property and casualty insurance, premiums earned (net, according to IFRSs) rose by 1.6 per cent to €1,049.8 million (2018: €1,033.1 million); in health insurance, they increased by 4.2 per cent to €1,050.6 million (2018: €1,008.1 million). However, in life insurance, they fell by 3.3 per cent to €744.9 million (2018: €770.4 million). Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €956.6 million (2018: €990.6 million).

Changes in insurance benefits

Net insurance benefits at UNIQA Austria increased slightly by 1.1 per cent to €2,417.3 million in 2019 (2018: €2,390.3 million). They fell 0.4 per cent in property and casualty insurance to €688.3 million (2018: €691.2 million). As a result, the loss ratio in property and casualty insurance fell to 65.6 per cent in the 2019 financial year (2018: 66.9 per cent). Nevertheless, the combined ratio in the UNIQA Austria segment increased after reinsurance to 93.9 per cent (2018: 91.6 per cent) due to the higher cost ratio. Net insurance benefits in health insurance increased by 6.3 per cent to €918.7 million (2018: €864.4 million). However, in life insurance, they fell by 2.9 per cent to €810.3 million (2018: €834.7 million).

Operating expenses

Operating expenses less reinsurance commission and share of profit from reinsurance ceded, which amounted to €190.5 million (2018: €183.2 million), increased by 12.5 per cent to €635.7 million in the 2019 financial year (2018: €564.9 million) as a result of higher staff and IT costs. In property and casualty insurance, they rose by 16.4 per cent to €297.4 million (2018: €255.4 million). In health insurance, they also grew 8.9 per cent to reach €153.3 million (2018: €140.9 million). In life insurance, too, they increased by 9.7 per cent to €185.1 million (2018: €168.6 million).

The cost ratio of UNIQA Austria after reinsurance, i.e. the ratio of total operating expenses, less reinsurance commission and share of profit from reinsurance ceded, to premiums earned, including savings portions from unit-linked and index-linked life insurance, thus rose to 20.8 per cent during the past year (2018: 18.6 per cent).

Net investment income

Net investment income in the UNIQA Austria segment rose by 1.4 per cent to €424.1 million in 2019 (2018: €418.3 million).

Health insurance

In € million

	2019	2018	2017
Premiums written	1,056.3	1,008.9	979.7
Insurance benefits (net)	-918.7	-864.4	-849.5
Operating expenses (net)	-153.3	-140.9	-128.7
Cost ratio (after reinsurance)	14.6%	14.0%	13.1%
Net investment income	101.2	103.0	117.7
Earnings before taxes	80.0	107.0	116.8
Technical provisions (net)	3,311.3	3,151.4	3,005.2

Life insurance

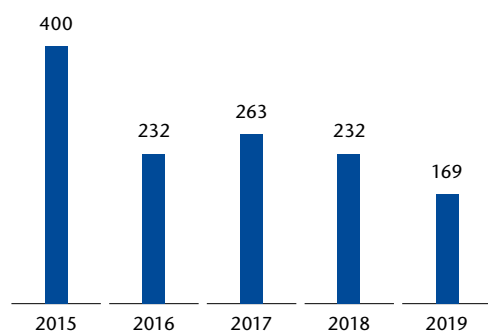
In € million	2019	2018	2017
Premiums written including savings portions from unit-linked and index-linked life insurance	983.9	1,022.0	1,055.2
Insurance benefits (net)	-810.3	-834.7	-814.5
Operating expenses (net)	-185.1	-168.6	-177.9
Cost ratio (after reinsurance)	19.3%	17.0%	17.6%
Net investment income	289.1	276.3	291.7
Earnings before taxes	5.5	12.0	35.6
Technical provisions (net)	14,018.1	13,910.8	14,089.6

Earnings before taxes

Earnings before taxes at UNIQA Austria declined by 27.2 per cent to €168.6 million in the reporting year (2018: €231.7 million), mainly due to higher costs. They fell by 26.3 per cent in property and casualty insurance to €83.1 million (2018: €112.8 million). In health insurance, they decreased by 25.3 per cent to €80.0 million (2018: €107.0 million). Earnings before taxes also dropped in life insurance, in this case by 54.0 per cent to €5.5 million (2018: €12.0 million).

Earnings before taxes**UNIQA Austria**

In € million



UNIQA International

- Premiums written (including savings portions from unit-linked and index-linked life insurance) fell slightly to €1,561.2 million
- Combined ratio improved to 95.0 per cent
- The technical result rose to €39.7 million
- Earnings before taxes further increased to €70.6 million

UNIQA International

In € million

	2019	2018	2017
Premiums written including savings portions from unit-linked and index-linked life insurance	1,561.2	1,564.6	1,608.5
Cost ratio (after reinsurance)	38.3%	35.6%	31.2%
Combined ratio (after reinsurance)	95.0%	95.5%	97.1%
Earnings before taxes	70.6	55.1	42.8

Changes in premiums

In the UNIQA International segment, premiums written including savings portions from unit-linked and index-linked life insurance fell slightly by 0.2 per cent to €1,561.2 million in the 2019 financial year (2018: €1,564.6 million). While recurring premiums rose by 0.2 per cent to €1,481.8 million (2018: €1,479.0 million), single premiums decreased as planned by 7.2 per cent to €79.5 million (2018: €85.7 million). That means that in 2019 the international companies contributed a total of 29.1 per cent (2018: 29.5 per cent) to total Group premiums.

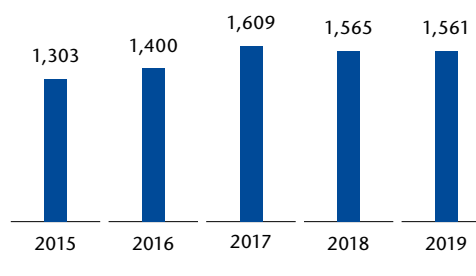
Including savings portions from unit-linked and index-linked life insurance, UNIQA International's volume of premiums earned amounted to €1,082.6 million (2018: €1,059.1 million). The volume of premiums earned (net, in accordance with IFRSs) increased in 2019 by 2.7 per cent to €984.5 million (2018: €958.4 million).

Premiums written in property and casualty insurance increased by 0.9 per cent to €1,076.9 million (2018: €1,067.4 million), whereas they fell in health insurance by 3.9 per cent to €74.6 million (2018: €77.6 million). In life insurance, premiums written including savings portions from unit-linked and index-linked life insurance fell by 2.4 per cent to €409.8 million (2018: €419.7 million) due to the planned withdrawal from the single-premium business.

Premiums written including savings portions from unit-linked and index-linked life insurance

UNIQA International

In € million



In property and casualty insurance, premiums earned (net, according to IFRSs) rose by 5.0 per cent to €614.1 million (2018: €584.8 million); in health insurance, they increased by 1.7 per cent to €67.0 million (2018: €65.8 million). However, in life insurance, they fell by 1.4 per cent to €303.5 million (2018: €307.7 million). Including savings portions from unit-linked and index-linked life insurance, the volume of premiums earned in life insurance amounted to €401.6 million (2018: €408.4 million).

In the Central Europe region (CE) – Poland, Slovakia, the Czech Republic and Hungary – premiums written including savings portions from unit-linked and index-linked life insurance increased by 1.0 per cent to €943.7 million in the 2019 financial year (2018: €934.0 million). In Eastern

Property and casualty insurance

In € million	2019	2018	2017
Premiums written	1,076.9	1,067.4	997.3
Insurance benefits (net)	-347.6	-339.2	-316.2
Loss ratio (after reinsurance)	56.6%	58.0%	58.1%
Operating expenses (net)	-235.7	-219.6	-212.5
Cost ratio (after reinsurance)	38.4%	37.5%	39.0%
Combined ratio (after reinsurance)	95.0%	95.5%	97.1%
Net investment income	25.3	23.8	28.2
Earnings before taxes	24.1	17.5	15.5
Technical provisions (net)	678.6	653.7	631.8

Europe (EE) – Romania and Ukraine – they rose sharply by 13.8 per cent to €201.5 million (2018: €177.0 million). In Southeastern Europe (SEE), comprising Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia, the premiums written including savings portions from unit-linked and index-linked life insurance increased by 4.0 per cent to €319.4 million (2018: €307.0 million) in the 2019 financial year. In Russia (RU), by contrast, they fell by 10.8 per cent to €88.5 million (2018: €99.2 million). They also declined in Western Europe (WE) – Liechtenstein and Switzerland – in this case to €8.1 million (2018: €47.3 million).

Changes in insurance benefits

Net insurance benefits at UNIQA International fell by 3.6 per cent to €541.6 million in 2019 (2018: €561.8 million). They rose 2.5 per cent in property and casualty insurance to €347.6 million (2018: €339.2 million). In health insurance, they fell by 5.8 per cent to €38.8 million (2018: €41.3 million). They also decreased in life insurance, down by 14.5 per cent to €155.1 million (2018: €181.4 million). This pushed the loss ratio in property and casualty insurance down to 56.6 per cent in 2019 (2018: 58.0 per cent), while the combined ratio after reinsurance in the UNIQA International segment improved to 95.0 per cent (2018: 95.5 per cent).

In the Central Europe region, insurance benefits rose by 2.3 per cent to €278.4 million in 2019 (2018: €272.2 million); in the Eastern Europe region, however, they fell by 11.2 per cent to €55.6 million (2018: €62.7 million). In Southeastern Europe, meanwhile, they increased by 2.6 per cent to €137.5 million (2018: €134.0 million). At €69.2 million

(2018: €79.2 million), benefits in Russia were down 12.6 per cent year on year. It was similar in Western Europe, where they fell to €0.8 million (2018: €13.7 million).

Operating expenses

Operating expenses less reinsurance commission and share of profit from reinsurance ceded, which amounted to €133.0 million (2018: €130.6 million), increased by 10.2 per cent to €414.9 million in the 2019 financial year (2018: €376.6 million). In prop-

erty and casualty insurance, they rose by 7.4 per cent to €235.7 million (2018: €219.6 million); in health insurance, by contrast, they fell by 13.6 per cent to €21.3 million (2018: €24.7 million). In life insurance, they increased 19.3 per cent to reach €157.9 million (2018: €132.4 million).

The cost ratio of UNIQA International after reinsurance, i.e. the ratio of total operating expenses, less reinsurance commission and share of profit from reinsurance ceded, to premiums earned, including savings portions from unit-linked and index-linked life insurance, amounted to 38.3 per cent during the past year (2018: 35.6 per cent).

In Central Europe, operating expenses less reinsurance commission and share of profit from reinsurance ceded rose by 0.7 per cent to €190.9 million in the reporting year (2018: €189.6 million). In Eastern Europe, they rose by 46.9 per cent to €83.5 million (2018: €56.9 million), and in Southeastern Europe they increased by 8.9 per cent to €101.3 million (2018: €93.1 million). In Russia, costs rose by 17.9 per cent to €16.4 million (2018: €13.9 million), while they fell in Western Europe by 35.3 per cent to €2.1 million (2018: €3.2 million). In administration (UNIQA International AG), costs increased by 3.3 per cent to €20.7 million (2018: €20.0 million).

Health insurance

In € million	2019	2018	2017
Premiums written	74.6	77.6	62.8
Insurance benefits (net)	-38.8	-41.3	-36.3
Operating expenses (net)	-21.3	-24.7	-21.8
Cost ratio (after reinsurance)	31.8%	37.5%	38.1%
Net investment income	0.4	0.5	0.3
Earnings before taxes	7.1	0.2	-0.1
Technical provisions (net)	44.8	37.2	32.3

Life insurance

In € million

	2019	2018	2017
Premiums written including savings portions from unit-linked and index-linked life insurance	409.8	419.7	548.4
Insurance benefits (net)	-155.1	-181.4	-185.2
Operating expenses (net)	-157.9	-132.4	-121.7
Cost ratio (after reinsurance)	39.3%	32.4%	22.6%
Net investment income	35.9	57.5	42.9
Earnings before taxes	39.4	37.5	27.4
Technical provisions (net)	1,654.4	1,577.7	1,647.4

Net investment income

Net investment income in the segment dropped by 24.6 per cent to €61.6 million in 2019 (2018: €81.7 million).

Earnings before taxes

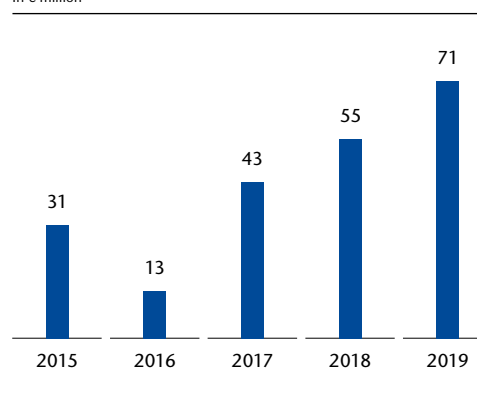
Earnings before taxes in the UNIQA International segment rose by 28.1 per cent to €70.6 million in the reporting year (2018: €55.1 million) on account of the better technical result. Earnings before taxes in property and casualty insurance improved to €24.1 million (2018: €17.5 million); in health insurance, they increased to €7.1 million (2018: €0.2 million). Lastly, in life insurance, earnings before

taxes increased by 5.2 per cent to €39.4 million (2018: €37.5 million).

Earnings before taxes

UNIQA International

In € million



Reinsurance

Reinsurance

In € million

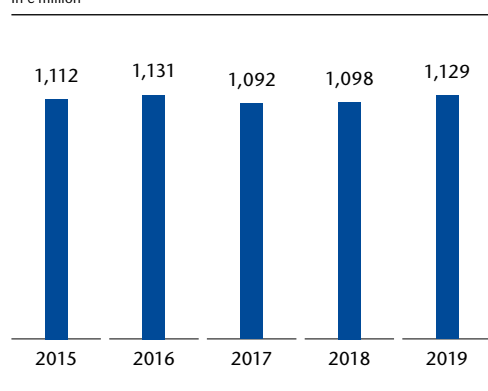
	2019	2018	2017
Premiums written	1,129.2	1,098.3	1,091.6
Insurance benefits (net)	-700.4	-682.4	-692.5
Operating expenses (net)	-303.7	-299.6	-320.2
Cost ratio (after reinsurance)	29.5%	30.4%	31.9%
Earnings before taxes	33.5	20.9	3.2
Technical provisions (net)	1,406.4	1,352.1	1,458.2

In the reinsurance segment, the premium volume written rose by 2.8 per cent to €1,129.2 million in 2019 (2018: €1,098.3 million).

Premiums written including savings portions from unit-linked and index-linked life insurance

Reinsurance

In € million



The volume of premiums earned (net, in accordance with IFRSs) rose by 4.4 per cent to €1,029.3 million (2018: €985.6 million).

Net insurance benefits rose by 2.6 per cent to €700.4 million in 2019 (2018: €682.4 million).

Operating expenses, less reinsurance commission and share of profit from reinsurance ceded in the amount of €10.1 million (2018: €8.6 million), increased by 1.4 per cent to €303.7 million (2018: €299.6 million).

Net investment income climbed to €29.5 million in 2019 (2018: €23.5 million).

This brought earnings before taxes in the reinsurance segment up by 60.4 per cent to €33.5 million (2018: €20.9 million).

Group functions

Group functions

In € million

	2019	2018	2017
Operating expenses (net)	-48.5	-68.4	-55.3
Net investment income	356.3	309.8	267.2
Earnings before taxes	255.0	185.6	153.7

In the Group functions segment, operating expenses dropped by 29.1 per cent to €48.5 million (2018: €68.4 million).

Net investment income amounted to €356.3 million (2018: €309.8 million).

Earnings before taxes rose to €255.0 million (2018: €185.6 million) in the 2019 financial year.

Consolidation

Consolidation

In € million

	2019	2018	2017
Net investment income	-286.2	-248.3	-247.6
Earnings before taxes	-232.1	-198.7	-197.6

Net investment income in the consolidation segment in 2019 amounted to €-286.2 million (2018: €-248.3 million).

Earnings before taxes amounted to €-232.1 million (2018: €-198.7 million).

Significant events after the reporting date

On 7 February 2020, UNIQA Österreich Versicherungen AG signed a purchase agreement with AXA S.A. and Société Beaujon for the acquisition of shares in the AXA subsidiaries and branches in Poland, the Czech Republic and Slovakia. The purchase price is around €1 billion. The objects of purchase are life and non-life insurance companies, including their branches, as well as securities companies, pension funds and service companies of the AXA Group in the aforementioned countries. This expansion in the growth region of Central and Eastern Europe will see some five million customers move over to UNIQA. The completion of the transaction is subject to all necessary regulatory approvals.

On 19 February 2020, the Management Board and Supervisory Board of UNIQA Insurance Group AG decided to merge UNIQA International AG as the assigning company with UNIQA Österreich Versicherungen AG as the receiving company in the course of 2020, subject to obtaining all regulatory approvals. UNIQA Insurance Group AG will continue to exist as a holding company. However, it will transfer other functions and its holdings in certain service companies – in particular, all internal Group services – to UNIQA Österreich Versicherungen AG. UNIQA Insurance Group AG is to surrender its reinsurance licence and transfer its reinsurance business to UNIQA Österreich Versicherungen AG and UNIQA Re AG. This agreed restructuring will simplify and streamline the Group's structure, enable more efficient Group management and a leaner management structure, and strengthen the customer-oriented organisation.

Since early 2020, a massive spread of the coronavirus (COVID-19) has been observed throughout Europe. Analyses have shown that for UNIQA, as an insurer in the poten-

tially affected segments health insurance, life insurance and business interruption insurance, no significant effects are to be expected with regard to insurance benefits at this time. The overall economic effects of the spread of the coronavirus are still uncertain – in particular, the development of the capital markets as a whole is not yet foreseeable and the consequences for UNIQA cannot therefore be conclusively assessed at present.

Outlook

Economic outlook

The economic slowdown in Austria was mild in 2019. The domestic economy was showing a solid development with an expected GDP increase of 1.6 per cent, and towards the end of the year there were increasing signs of stabilisation on a moderate growth path. Nevertheless, Austria is not completely immune to the international economic risks. For example, a decline in international trade and the demand for industrial goods are curbing growth in the manufacturing sector. By contrast, the trend in the service sector was still very pleasing, and the demand amongst private consumers remained brisk thanks to the robust labour market: Austria recorded both employment and wage growth, and the unemployment rate was at a very low level of 4.5 per cent at the beginning of 2020. Austria has also been profiting from the continuing favourable economic situation in the neighbouring countries of Central and Eastern Europe.

Economic growth in UNIQA's core markets in CEE (not including Russia) stood at 3.7 per cent in 2019 according to forecasts and has thus slowed down compared with 2018. Nevertheless, CEE is amongst the growth regions enjoying the most rapid expansion and has so far shown itself to be highly resistant to the economic slowdown in the euro-zone – an important trading partner.

At the beginning of 2020, economic growth in Austria was expected to be comparable to that of the previous year, although the massive spread of the coronavirus is overshadowing developments. Disruptions of economic activities caused by people not working, interrupted supply chains,

slumps in sectors directly affected by the impact of the coronavirus such as tourism and transport, and the influence of government measures to contain the further spread of the disease are expected to have a major, albeit temporary, effect on the development of the Austrian economy.

Outlook for the insurance industry

According to forecasts by the Austrian Insurance Association, total premium revenues in Austria are expected to increase again by 1.9 per cent to around €18 billion in 2020. Growth of 3.5 per cent is forecast for property insurance; personal insurance is only likely to grow by 0.3 per cent. Life insurance continues to hold back performance with a decline of an estimated –1.6 per cent, especially in the area of single premiums (–4.0 per cent). Health insurance, on the other hand, is expected to grow by 3.5 per cent.

The sustained positive economic performance in Central and Eastern Europe should also lead to further increases in income over the next few years and to increased consumer spending by households. The fact that the insurance industry still needs to catch up in CEE is reflected in the so-called insurance density (annual per capita spending on insurance products). In Ukraine, per capita insurance spending is just €36; in the countries of Southeastern Europe this number is around €130, and in Central Europe it is around €400. In comparison, the insurance density in Austria is just under €2,000 and is at €2,150 for the EU as a whole.

UNIQA expects long-term growth dynamism in the CEE markets and therefore assumes that the insurance industry in this region will continue to develop more dynamically in 2020 than in Western Europe and Austria.

Group outlook

At the beginning of 2020, the coronavirus (COVID-19) spread rapidly throughout Europe. The impact on public health systems, public life, macroeconomic development and global capital markets is enormous. The consequences for the insurance industry cannot be estimated at the moment. Due to the uncertainties associated with the current situation and the ongoing development of the UNIQA 3.0 strategic programme, UNIQA is not giving a profit outlook for 2020 at present.

Information according to Section 243a(1) of the Austrian Commercial Code

1. The share capital of UNIQA Insurance Group AG amounts to €309,000,000 and is comprised of 309,000,000 individual no-par-value bearer shares. €285,356,365 of the share capital was fully paid in cash and €23,643,635 was paid in non-cash contributions. All shares confer the same rights and obligations.
2. A voting trust exists for shareholdings of UNIQA Versicherungsverein Privatstiftung, Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH, Collegialität Versicherungsverein Privatstiftung and RZB Versicherungsbeteiligung GmbH. Reciprocal purchase option rights have been agreed upon.
3. Raiffeisen Bank International AG holds indirectly, via RZB - BLS Holding GmbH and RZB Versicherungsbeteiligung GmbH, a total of 10.87 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the company's share capital; UNIQA Versicherungsverein Privatstiftung holds directly and indirectly through Austria Versicherungsverein Beteiligungs-Verwaltungs GmbH a total of 49.00 per cent (allocated in accordance with the Austrian Stock Exchange Act) of the company's share capital.
4. No shares with special control rights have been issued.
5. The employees who have share capital exercise their voting rights directly.
6. There are no provisions of the Articles of Association or other provisions that go beyond the statutory provisions for appointing Management Board and Supervisory Board members or for modifying the Articles of Association, with the exception of the rule that, when a Supervisory Board member turns 70 years of age, they retire from the Supervisory Board at the end of the next Annual General Meeting.
7. The Management Board is authorised to increase the company's equity capital up to and including 30 June 2024 with the approval of the Supervisory Board by a total of no more than €80,000,000 by issuing up to 80,000,000 no-par-value bearer or registered shares conferring voting rights in exchange for payment in cash or in kind, one time or several times. The Management Board is further authorised until 29 November 2020 to buy back up to 30,900,000 treasury shares (together

with other treasury shares that the company has already acquired and still possesses) through the company and/or through subsidiaries of the company (Section 66 of the Stock Corporation Act). As at 31 December 2019, the company held 2,034,739 treasury shares. 1,215,089 treasury shares are held through UNIQA Österreich Versicherungen AG. This share portfolio resulted from the merger in 2016 of BL Syndikat Beteiligungs Gesellschaft m.b.H. as the transferring company, with UNIQA Insurance Group AG as acquiring company (payment of portfolio in UNIQA shares to shareholders of BL Syndikat Beteiligungs Gesellschaft m.b.H.). This share portfolio is not to be included in the highest number of treasury shares.

8. Corresponding agreements with other shareholders of STRABAG SE are in place concerning the holding in this company.
9. No reimbursement agreements exist for the event of a public takeover offer.

Disclosures required under section 243a(2) of the Austrian Commercial Code

The internal control and risk management system at UNIQA Insurance Group AG is comprised of transparent systems that encompass all company activities and include a systematic and permanent approach, based on a defined risk strategy, with the following elements: identification, analysis, measurement, management, documentation and communication of risks, as well as the monitoring of these activities. The scope and orientation of these systems were designed on the basis of company-specific requirements. Despite creating appropriate frameworks, there is always a certain residual risk because even appropriate and functional systems cannot guarantee absolute security with regard to the identification and management of risks.

Objectives:

- a) Identification and measurement of risks that could obstruct the goal of producing (consolidated) financial statements that comply with regulations
- b) Limiting recognised risks, for example by consulting with external specialists
- c) Review of external risks with regard to their influence on the consolidated financial statements and the corresponding reporting of these risks

The aim of the internal control system in the accounting process is to guarantee sufficient security by means of implementing controls so that, despite identified risks, proper financial statements are prepared. Along with the risks described in the Risk Report, the risk management system also analyses additional risks within internal business processes, compliance, internal reporting, etc.

Organisational structure and control environment

The company's accounting process is incorporated into the UNIQA Group accounting process. In addition to the SAP S/4HANA accounting system, a harmonised insurance-specific IT system is also used for the company's purposes. Compliance guidelines and manuals for company organisation, accounting and consolidation exist for the purpose of guaranteeing secure processes.

Identification and control of risks

An inventory and appropriate control measures were conducted to identify existing risks. The type of controls was defined in the guidelines and instructions and coordinated with the existing authorisation concept.

The controls include both manual coordination and comparison routines, as well as the acceptance of system configurations for connected IT systems. New risks and control weaknesses in the accounting process are quickly reported to management so that it can undertake corrective measures. The procedure for the identification and control of risks is evaluated on a regular basis by an external independent auditor.

Information and communication

Deviations from expected results and evaluations are monitored by means of monthly reports and key figures, and they form the foundation of information provided to management on an ongoing basis. The management review that is based on this information, and the approval of the processed data, form the foundation of further treatment in the company's financial statements.

Measures to ensure effectiveness

Rather than being made up of static systems, the internal control and risk management system is adjusted on an ongoing basis to changing requirements and the business environment. The identification of the necessity of changes requires constant monitoring of the effectiveness of all systems. The foundations for this are:

- a) Regular self-evaluations by the persons tasked with controls
- b) Evaluations of key data to validate transaction results in relation to indications that suggest control deficiencies
- c) Random tests of effectiveness by the Internal Audit department and comprehensive efficacy tests by the Internal Audit department and/or special teams

Reporting to the Supervisory Board/ Audit Committee

In the context of compliance and internal control and risk management systems, the Management Board reports regularly to the Supervisory Board and the Audit Committee by means of Internal Audit department reports and the separate engagement of external auditors.

Proposed appropriation of profit

The separate financial statements of UNIQA Insurance Group AG, prepared in accordance with the Austrian Commercial Code and the Insurance Supervisory Act, report an annual net profit for the 2019 financial year in the amount of €168,233,424.34 (2018: €164,365,414.37). The Management Board will propose to the Annual General Meeting on 25 May 2020 that this net profit be used for a dividend of 54 cents for each of the 309,000,000 dividend-entitled no-par-value shares issued as at the reporting date and the remaining amount carried forward to a new account.

Vienna, 20 March 2020



Andreas Brandstetter
Chairman of the
Management Board



Erik Leyers
Member of the
Management Board



Kurt Svoboda
Member of the
Management Board

Consolidated Financial Statements

General information

UNIQA Insurance Group AG (UNIQA) is a company domiciled in Austria. The address of the company's registered office is Untere Donaustrasse 21, 1029 Vienna, Austria. The Group primarily conducts business with property and casualty, as well as health and life insurance.

UNIQA Insurance Group AG is registered in the company registry of the Commercial Court of Vienna under FN 92933t. The shares of UNIQA Insurance Group AG are listed on the prime market segment of the Vienna Stock Exchange.

UNIQA Insurance Group AG is subject to the regulatory requirements of European and Austrian supervisory authorities (Financial Market Authority, European Insurance and Occupational Pensions Authority). The requirements include in particular the quantitative and qualitative solvency requirements.

Unless otherwise stated, these consolidated financial statements are prepared in thousand euros; rounding differences may occur through the use of automated calculation tools when totalling rounded amounts and percentages. The functional currency at UNIQA is the euro.

UNIQA's reporting date is 31 December.

Accounting principles

The consolidated financial statements were prepared in line with the International Financial Reporting Standards

(IFRSs) as well as the provisions of the International Financial Reporting Interpretations Committee (IFRIC) as adopted by the European Union (EU) as at the reporting date. The additional requirements of Section 245a(1) of the Austrian Commercial Code and Section 138(8) of the Austrian Insurance Supervision Act were met.

Use of discretionary decisions and estimates

The consolidated financial statements require the Group Management Board to make discretionary decisions, estimates and assumptions that relate to the application of accounting policies and the amounts stated for the assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and their underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recorded prospectively.

Discretionary judgements and assumptions regarding the future which could have a significant impact on these consolidated financial statements are described in the following notes:

Note 1: Investment property (assumptions used in determining fair values)

Note 2: Financial assets accounted for using the equity method (assumptions and models used in STRABAG SE's earnings estimates)

Note 3: Other investments (determination of fair values)

Note 5: Technical provisions (assumptions and models used in calculating actuarial provisions)

Note 17: Defined benefit plans (calculation of the present value of the defined benefit obligations)

Note 11: Intangible assets (assumptions used in determining goodwill)

The following table provides a summary of the measurement standards for the individual balance sheet items in the assets and liabilities:

Note 15: Deferred taxes (assessment of the ability to realise deferred tax assets)

Balance sheet item

Standard of measurement

Assets	
Property, plant and equipment	At lower of amortised cost or recoverable amount
Intangible assets	
- with determinable useful life	At lower of amortised cost or recoverable amount
- with indeterminable useful life	At lower of acquisition cost or recoverable amount
Investments	
Investment property	At lower of amortised cost or recoverable amount
Financial assets accounted for using the equity method	At lower of amortised pro-rata value of the equity or recoverable amount
Other investments	
- Financial assets at fair value through profit or loss	Fair value
- Financial assets held for sale	Fair value
- Loans and receivables	Amortised cost
Unit-linked and index-linked life insurance investments	Fair value
Reinsurers' share of technical provisions	As per the measurement of technical provisions
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	As per the measurement of technical provisions
Receivables, including insurance receivables	Amortised cost
Income tax receivables	At the amount of any expected claims to the tax authorities, based on the tax rates applicable on the reporting date or in the near future
Deferred tax assets	Undiscounted measurement applying the tax rates that are expected for the period in which an asset is realised or a liability met
Cash and cash equivalents	Amortised cost
Assets in disposal groups held for sale	Lower of carrying amount and fair value less cost to sale
Liabilities	
Subordinated liabilities	Amortised cost
Technical provisions	Property insurance: provisions for losses and unsettled claims (undiscounted value of expected future payment obligations) Life and health insurance: insurance provision in accordance with actuarial calculation principles (discounted value of expected future benefits less premiums)
Technical provisions for unit-linked and index-linked life insurance	Insurance provision based on the change in value of the contributions assessed
Financial liabilities	
- Liabilities from loans	Amortised cost
- Derivative financial instruments	Fair value
Other provisions	
- from defined benefit obligations	Actuarial measurement applying the projected benefit obligation method
- other	Present value of future settlement value
Liabilities and other items classified as liabilities	Amortised cost
Income tax liabilities	At the amount of any obligations to the tax authorities, based on the tax rates applicable on the reporting date or in the near future
Deferred tax liabilities	Undiscounted measurement applying the tax rates that are expected for the period in which an asset is realised or a liability met

Consolidated Statement of Financial Position at 31 December 2019

Assets

In € thousand

	Notes	31/12/2019	31/12/2018
Property, plant and equipment	10	351,780	311,062
Intangible assets	11	1,641,116	1,618,885
Investments			
Investment property	1	1,137,444	1,104,146
Financial assets accounted for using the equity method	2	642,414	599,105
Other investments	3	18,844,939	17,633,815
Unit-linked and index-linked life insurance investments	6	4,680,403	4,751,183
Reinsurers' share of technical provisions	5	350,022	413,361
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	6	113	101
Receivables, including insurance receivables	12	546,659	540,709
Income tax receivables	16	48,660	52,308
Deferred tax assets	15	5,237	5,758
Cash and cash equivalents	13	479,621	1,444,391
Assets in disposal groups held for sale	14	0	28,976
Total assets		28,728,409	28,503,801

Equity and liabilities

In € thousand

	Notes	31/12/2019	31/12/2018
Equity			
Portion attributable to shareholders of UNIQA Insurance Group AG			
Subscribed capital and capital reserves	20	1,789,923	1,789,923
Treasury shares	21	– 16,614	– 16,614
Accumulated results		1,627,714	1,198,803
		3,401,023	2,972,112
Non-controlling interests	23	19,399	14,438
		3,420,422	2,986,550
Liabilities			
Subordinated liabilities		870,110	869,832
Technical provisions	5	17,791,006	17,336,358
Technical provisions for unit-linked and index-linked life insurance	6	4,646,152	4,721,904
Financial liabilities	24	75,516	798,484
Other provisions	17	685,709	662,998
Liabilities and other items classified as liabilities	25	803,095	807,210
Income tax liabilities	16	60,669	64,378
Deferred tax liabilities	15	375,729	254,999
Liabilities in disposal groups held for sale	14	0	1,088
		25,307,986	25,517,251
Total equity and liabilities		28,728,409	28,503,801

Consolidated Income Statement

from 1 January until 31 December 2019

In € thousand

	Notes	1–12/2019	1–12/2018 adjusted
Premiums earned (net)	7		
Gross		5,034,721	4,950,079
Reinsurers' share		– 173,651	– 189,335
		4,861,071	4,760,744
Technical interest income		331,238	335,586
Other insurance income			
Gross		21,438	32,302
Reinsurers' share		75	92
		21,514	32,395
Insurance benefits	8		
Gross		– 3,756,264	– 3,800,194
Reinsurers' share		99,186	166,447
		– 3,657,078	– 3,633,748
Operating expenses	9		
Expenses for the acquisition of insurance		– 925,258	– 865,546
Other operating expenses		– 499,741	– 462,706
Reinsurance commission and share of profit from reinsurance ceded		17,883	13,599
		– 1,407,116	– 1,314,653
Other technical expenses			
Gross		– 46,360	– 41,525
Reinsurers' share		– 3,742	– 5,725
		– 50,102	– 47,250
Technical result		99,526	133,074
Net investment income	4		
Income from investments		768,959	917,575
Expenses from investments		– 248,143	– 441,735
Financial assets accounted for using the equity method		64,428	109,189
		585,244	585,029
Other income	26	192,359	177,258
Reclassification of technical interest income		– 331,238	– 335,586
Other expenses	27	– 191,019	– 209,683
Non-technical result		255,346	217,018
Operating profit/(loss)		354,872	350,092
Amortisation of goodwill and impairment losses		– 4,562	– 2,674
Finance cost		– 54,643	– 52,800
Earnings before taxes		295,667	294,618
Income taxes	16	– 59,172	– 59,470
Profit/(loss) for the period		236,496	235,148
of which attributable to shareholders of UNIQA Insurance Group AG		232,360	243,274
of which attributable to non-controlling interests		4,135	– 8,126
Earnings per share (in €)¹⁾		0.76	0.79
Average number of shares in circulation		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 from 1 January until 31 December 2019

In € thousand

	1–12/2019	1–12/2018
Profit/(loss) for the period	236,496	235,148
Items not reclassified to profit or loss in subsequent periods		
Revaluations of defined benefit obligations		
Gains (losses) recognised in equity	–66,648	–17,517
Gains (losses) recognised in equity – deferred tax	16,651	4,379
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	459	4,283
	–49,538	–8,855
Items reclassified to profit or loss in subsequent periods		
Currency translation		
Gains (losses) recognised in equity	10,294	–7,155
Recognised in the consolidated income statement	10	0
Measurement of financial instruments available for sale		
Gains (losses) recognised in equity	1,003,627	–345,092
Gains (losses) recognised in equity – deferred tax	–136,544	61,103
Gains (losses) recognised in equity – deferred profit participation	–447,828	101,135
Recognised in the consolidated income statement	–46,216	–99,926
Recognised in the consolidated income statement – deferred tax	13,724	–1,525
Recognised in the consolidated income statement – deferred profit participation	16,336	31,140
Other income from financial assets accounted for using the equity method		
Gains (losses) recognised in equity	1,550	–5,443
Recognised in the consolidated income statement	0	148
	414,952	–265,614
Other comprehensive income	365,414	–274,469
Total comprehensive income	601,910	–39,320
of which attributable to shareholders of UNIQA Insurance Group AG	591,889	–28,677
of which attributable to non-controlling interests	10,020	–10,643

Consolidated Statement of Cash Flows from 1 January until 31 December 2019

In € thousand

	Notes	1–12/2019	1–12/2018
Profit/(loss) for the period		236,496	235,148
Impairment losses, amortisation of goodwill and other intangible assets, and depreciation of property, plant and equipment		59,673	42,397
Impairment losses/reversal of impairment losses on other investments		70,616	61,040
Gain/loss on the disposal of investments		–74,458	–40,202
Change in deferred acquisition costs		28,299	–18,939
Change in securities at fair value through profit or loss		110,137	143,880
Change in direct insurance receivables		–44,131	79,230
Change in other receivables		51,724	–43,006
Change in direct insurance liabilities		–2,603	–270,341
Change in other liabilities		–11,103	56,505
Change in technical provisions		10,731	–16,238
Change in defined benefit obligations		–27,965	–111,585
Change in deferred tax assets and deferred tax liabilities		13,921	25,795
Change in other statement of financial position items		98,525	–148,439
Net cash flow from operating activities		519,864	–4,755
Proceeds from disposal of intangible assets and property, plant and equipment		4,615	8,170
Payments for acquisition of intangible assets and property, plant and equipment		–165,074	–122,833
Proceeds from disposal of consolidated companies		0	56,887
Payments for acquisition of consolidated companies		–4,523	–7,971
Proceeds from disposal and maturity of other investments		3,810,353	5,826,647
Payments for acquisition of other investments		–4,243,088	–5,834,229
Change in unit-linked and index-linked life insurance investments		70,779	283,310
Net cash flow from investing activities		–526,938	209,981
Dividend payments	20	–164,809	–158,143
Transactions between owners		–54	–1,438
Proceeds from other financing activities		0	772,196
Payments from other financing activities	24	–794,017	–23,704
Net cash flow from financing activities		–958,880	588,911
Change in cash and cash equivalents		–965,954	794,137
of which due to acquisitions or disposals of consolidated subsidiaries		58	1,894
Change in cash and cash equivalents due to movements in exchange rates		1,185	–54
Cash and cash equivalents at beginning of year	13	1,444,391	650,307
Cash and cash equivalents at end of period	13	479,621	1,444,391
Income taxes paid (Net cash flow from operating activities)		45,053	–31,229
Interest paid (Net cash flow from operating activities)		–60,945	–58,876
Interest received (Net cash flow from operating activities)		401,064	404,984
Dividends received (Net cash flow from operating activities)		52,218	57,961

Consolidated Statement of Changes in Equity

In € thousand	Notes	Subscribed capital and capital reserves	Treasury shares	Measurement of financial instruments available for sale	Accumulated
					Revaluations of defined benefit obligations
At 1 January 2018		1,789,923	–16,614	420,649	–251,203
Change in basis of consolidation					
Dividends to shareholders					
Total comprehensive income				–250,742	–13,690
Profit/(loss) for the period					
Other comprehensive income				–250,742	–13,690
At 31 December 2018		1,789,923	–16,614	169,907	–264,893
At 1 January 2019		1,789,923	–16,614	169,907	–264,893
Change in basis of consolidation					
Dividends to shareholders	20				
Total comprehensive income				398,051	–49,967
Profit/(loss) for the period					
Other comprehensive income				398,051	–49,967
At 31 December 2019		1,789,923	–16,614	567,958	–314,860

results

	Differences from currency translation	Other accumulated results	Portion attributable to shareholders of UNIQA Insurance Group AG	Non-controlling interests	Total equity
	-173,214	1,388,456	3,157,998	91,388	3,249,386
		-656	-656	-64,716	-65,372
		-156,552	-156,552	-1,591	-158,143
	-6,508	242,263	-28,677	-10,643	-39,320
		243,274	243,274	-8,126	235,148
	-6,508	-1,011	-271,951	-2,518	-274,469
	-179,722	1,473,511	2,972,112	14,438	2,986,550
	-179,722	1,473,511	2,972,112	14,438	2,986,550
		-287	-287	-2,942	-3,228
		-162,692	-162,692	-2,117	-164,809
	9,436	234,369	591,889	10,020	601,910
		232,360	232,360	4,135	236,496
	9,436	2,009	359,529	5,885	365,414
	-170,286	1,544,902	3,401,023	19,399	3,420,422

Segment Reporting

The accounting and measurement methods of the segments that are subject to mandatory reporting correspond with the consolidated accounting and measurement methods. The earnings before taxes for the segments were determined taking the following components into account: summation of the IFRS profits in the individual companies, taking the elimination of net investment income in the various segments and impairment of goodwill into consideration. All other consolidation effects (profit/(loss) for the period at associates, elimination of interim results, and other overall effects) are included in “Consolidation”. The segment profit/(loss) obtained in this manner is reported to the Management Board of UNIQA Insurance Group AG to manage the Group in the following operating segments:

- UNIQA Austria – includes the Austrian insurance business.
- UNIQA International – includes all foreign primary insurance companies and a foreign Group service company

as well as the Austrian holding company UNIQA International AG. This segment is divided on a regional basis into the following main areas:

- Central Europe (CE – Poland, Slovakia, the Czech Republic and Hungary)
- Eastern Europe (EE – Romania and Ukraine)
- Russia (RU)
- Southeastern Europe (SEE – Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Kosovo, Montenegro, North Macedonia and Serbia)
- Western Europe (WE – Liechtenstein and Switzerland)
- Administration (Austrian holding companies)
- Reinsurance – includes UNIQA Re AG (Zurich, Switzerland), UNIQA Versicherung AG (Vaduz, Liechtenstein) and the reinsurance business of UNIQA Insurance Group AG.
- Group functions – includes the remaining items for UNIQA Insurance Group AG (net investment income and administrative costs) as well as all other remaining Austrian and foreign service companies.

Operating segments

	UNIQA Austria		UNIQA International		Reinsurance	
In € thousand	1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	3,800,819	3,734,400	1,561,242	1,564,649	1,129,178	1,098,345
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	3,057,035	3,031,811	1,082,632	1,059,062	1,029,297	985,588
Savings portions from unit-linked and index-linked life insurance (gross)	211,683	219,802	98,083	100,712	0	0
Savings portions from unit-linked and index-linked life insurance (net)	211,683	220,214	98,083	100,712	0	0
Premiums written (gross)	3,589,137	3,514,598	1,463,159	1,463,937	1,129,178	1,098,345
Premiums earned (net)	2,845,352	2,811,597	984,549	958,350	1,029,297	985,588
Premiums earned (net) – intragroup	–704,769	–662,714	–381,412	–387,285	1,084,309	1,044,792
Premiums earned (net) – external	3,550,121	3,474,312	1,365,961	1,345,636	–55,012	–59,203
Technical interest income	300,108	309,474	31,130	26,112	0	0
Other insurance income	3,842	12,213	20,576	21,921	216	251
Insurance benefits	–2,417,314	–2,390,251	–541,556	–561,788	–700,442	–682,442
Operating expenses	–635,734	–564,868	–414,880	–376,591	–303,674	–299,601
Other technical expenses	–14,873	–14,768	–40,075	–34,419	–15,430	–12,100
Technical result	81,383	163,398	39,745	33,585	9,966	–8,303
Net investment income	424,126	418,322	61,587	81,720	29,450	23,493
Income from investments	539,199	512,177	89,737	96,550	43,163	35,801
Expenses from investments	–133,651	–112,433	–28,319	–15,035	–13,713	–12,308
Financial assets accounted for using the equity method	18,578	18,578	169	206	0	0
Other income	1,565	1,204	23,334	10,814	2,540	12,897
Reclassification of technical interest income	–300,108	–309,474	–31,130	–26,112	0	0
Other expenses	–11,470	–14,739	–15,400	–39,724	–5,544	–4,298
Non-technical result	114,113	95,312	38,392	26,699	26,446	32,092
Operating profit/(loss)	195,495	258,710	78,136	60,283	36,412	23,788
Amortisation of goodwill and impairment losses	–1,786	–1,913	–2,777	–761	0	0
Finance cost	–25,102	–25,080	–4,743	–4,410	–2,901	–2,900
Earnings before taxes	168,608	231,716	70,617	55,112	33,511	20,888
Combined ratio (property and casualty insurance, after reinsurance)	93.9%	91.6%	95.0%	95.5%	97.4%	99.6%
Cost ratio (after reinsurance)	20.8%	18.6%	38.3%	35.6%	29.5%	30.4%

Impairment by segment

	UNIQA Austria		UNIQA International		Reinsurance	
In € thousand	1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
Goodwill						
Impairments	0	0	–2,053	–35	0	0
Investments						
Impairments	–6,631	–2,813	0	–168	0	0
Reversal of impairment losses	54	173	1	24	0	0

Group functions		Consolidation		Group	
1-12/2019	1-12/2018 adjusted	1-12/2019	1-12/2018	1-12/2019	1-12/2018 adjusted
0	0	-1,118,689	-1,087,925	5,372,550	5,309,469
0	0	1,872	5,208	5,170,836	5,081,670
0	0	0	0	309,766	320,513
0	0	0	0	309,766	320,925
0	0	-1,118,689	-1,087,925	5,062,785	4,988,955
0	0	1,872	5,208	4,861,071	4,760,744
0	0	1,872	5,208	0	0
0	0	0	0	4,861,071	4,760,744
0	0	0	0	331,238	335,586
349	1,753	-3,469	-3,743	21,514	32,395
3,354	2,539	-1,120	-1,806	-3,657,078	-3,633,748
-48,513	-68,410	-4,315	-5,183	-1,407,116	-1,314,653
2,345	-166	17,931	14,203	-50,102	-47,250
-42,466	-64,285	10,898	8,680	99,526	133,074
356,284	309,813	-286,202	-248,319	585,244	585,029
482,698	593,331	-385,839	-320,284	768,959	917,575
-130,954	-334,583	58,495	32,624	-248,143	-441,735
4,540	51,065	41,141	39,341	64,428	109,189
194,271	157,683	-29,351	-5,340	192,359	177,258
0	0	0	0	-331,238	-335,586
-186,557	-153,378	27,952	2,457	-191,019	-209,683
363,997	314,118	-287,601	-251,202	255,346	217,018
321,532	249,833	-276,703	-242,522	354,872	350,092
0	0	0	0	-4,562	-2,674
-66,511	-64,201	44,614	43,792	-54,643	-52,800
255,021	185,632	-232,089	-198,730	295,667	294,618
n/a	n/a	n/a	n/a	96.4%	96.8%
n/a	n/a	n/a	n/a	27.2%	25.9%

Group functions		Consolidation		Group	
1-12/2019	1-12/2018	1-12/2019	1-12/2018	1-12/2019	1-12/2018
0	0	0	0	-2,053	-35
-15,507	-27,011	0	0	-22,138	-29,992
7	805	0	0	62	1,002

Classified by business line

Property and casualty insurance

In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
Premiums written (gross)	1,760,672	1,703,527	1,076,924	1,067,373	1,089,855	1,051,342
Premiums earned (net)	1,049,839	1,033,105	614,061	584,844	1,012,808	961,811
Technical interest income	0	0	1,590	0	0	0
Other insurance income	2,459	8,018	16,889	16,994	199	196
Insurance benefits	–688,258	–691,172	–347,571	–339,160	–684,346	–660,503
Operating expenses	–297,358	–255,395	–235,704	–219,552	–302,111	–297,363
Other technical expenses	–8,297	–9,693	–36,631	–31,973	–12,197	–8,751
Technical result	58,384	84,863	12,634	11,153	14,353	–4,612
Net investment income	33,744	38,966	25,306	23,751	23,203	14,267
Income from investments	73,677	65,330	33,641	30,491	36,916	26,575
Expenses from investments	–40,226	–26,657	–8,504	–6,946	–13,713	–12,308
Financial assets accounted for using the equity method	293	293	169	206	0	0
Other income	679	771	5,209	4,517	2,521	12,838
Other expenses	–9,678	–11,841	–10,681	–17,139	–5,452	–4,268
Non-technical result	24,745	27,896	18,244	11,130	20,272	22,837
Operating profit/(loss)	83,129	112,760	30,878	22,283	34,624	18,225
Amortisation of goodwill and impairment losses	0	0	–2,401	–454	0	0
Finance cost	0	0	–4,352	–4,330	–2,901	–2,900
Earnings before taxes	83,129	112,760	24,125	17,498	31,724	15,325

Health insurance

In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
Premiums written (gross)	1,056,263	1,008,859	74,558	77,586	5,747	6,574
Premiums earned (net)	1,050,575	1,008,141	66,972	65,821	5,407	6,238
Technical interest income	86,386	83,976	2	0	0	0
Other insurance income	1,212	2,653	118	124	0	0
Insurance benefits	–918,743	–864,356	–38,842	–41,256	–5,962	–4,681
Operating expenses	–153,324	–140,855	–21,314	–24,662	–387	–1,039
Other technical expenses	–429	–38	–515	–251	0	0
Technical result	65,677	89,522	6,421	–224	–942	518
Net investment income	101,237	103,049	352	460	0	0
Income from investments	124,051	129,492	663	1,103	0	0
Expenses from investments	–30,564	–34,193	–310	–643	0	0
Financial assets accounted for using the equity method	7,750	7,750	0	0	0	0
Other income	555	95	3,146	2,994	0	21
Reclassification of technical interest income	–86,386	–83,976	–2	0	0	0
Other expenses	–1,122	–1,719	–2,821	–3,067	–68	0
Non-technical result	14,284	17,449	675	387	–68	21
Operating profit/(loss)	79,961	106,971	7,096	163	–1,011	539
Finance cost	–1	0	0	0	0	0
Earnings before taxes	79,960	106,971	7,096	163	–1,011	539

Group functions		Consolidation		Group	
1-12/2019	1-12/2018	1-12/2019	1-12/2018	1-12/2019	1-12/2018
0	0	-1,080,668	-1,047,807	2,846,783	2,774,435
0	0	1,729	4,319	2,678,436	2,584,079
0	0	0	0	1,590	0
299	981	-3,403	-3,553	16,443	22,635
99	249	609	514	-1,719,467	-1,690,073
-25,539	-33,500	-530	-5,170	-861,241	-810,980
920	-36	12,317	8,582	-43,889	-41,872
-24,220	-32,306	10,722	4,691	71,872	63,789
321,995	293,266	-282,171	-242,106	122,077	128,145
388,007	424,615	-298,470	-258,948	233,770	288,064
-68,438	-180,633	11,587	8,060	-119,295	-218,484
2,426	49,284	4,712	8,782	7,601	58,565
12,093	12,028	-1,894	-4,088	18,607	26,066
-13,616	-12,327	1,208	993	-38,219	-44,581
320,471	292,967	-282,857	-245,200	100,875	109,630
296,251	260,661	-272,136	-240,510	172,747	173,419
0	0	0	0	-2,401	-454
-59,239	-57,652	12,142	12,183	-54,349	-52,699
237,012	203,009	-259,994	-228,326	115,997	120,266

Group functions		Consolidation		Group	
1-12/2019	1-12/2018 adjusted	1-12/2019	1-12/2018	1-12/2019	1-12/2018 adjusted
0	0	-5,747	-6,574	1,130,821	1,086,444
0	0	73	139	1,123,027	1,080,339
0	0	0	0	86,388	83,976
0	389	0	0	1,331	3,167
3,255	2,290	17	48	-960,275	-907,955
-12,773	-18,370	-14	1,070	-187,813	-183,856
750	0	52	1	-143	-288
-8,769	-15,691	129	1,257	62,515	75,383
20,029	7,725	-12,584	-7,855	109,034	103,379
46,352	108,310	-41,109	-28,497	129,957	210,408
-26,656	-100,585	14,454	8,839	-43,075	-126,582
333	0	14,070	11,803	22,153	19,553
180,931	144,037	-27,398	-1,191	157,234	145,956
0	0	0	0	-86,388	-83,976
-170,992	-140,033	27,509	344	-147,494	-144,476
29,969	11,729	-12,473	-8,703	32,387	20,883
21,200	-3,962	-12,344	-7,446	94,902	96,266
-44	-173	0	72	-44	-101
21,157	-4,135	-12,344	-7,374	94,858	96,165

Life insurance

In € thousand

	UNIQA Austria		UNIQA International		Reinsurance	
	1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
Premiums written (gross), including savings portions from unit-linked and index-linked life insurance	983,884	1,022,014	409,760	419,691	33,576	40,429
Premiums earned (net), including savings portions from unit-linked and index-linked life insurance	956,620	990,565	401,599	408,397	11,083	17,539
Savings portions from unit-linked and index-linked life insurance (gross)	211,683	219,802	98,083	100,712	0	0
Savings portions from unit-linked and index-linked life insurance (net)	211,683	220,214	98,083	100,712	0	0
Premiums written (gross)	772,201	802,212	311,677	318,979	33,576	40,429
Premiums earned (net)	744,938	770,352	303,516	307,685	11,083	17,539
Technical interest income	213,722	225,498	29,538	26,112	0	0
Other insurance income	171	1,542	3,569	4,803	17	55
Insurance benefits	–810,312	–834,724	–155,143	–181,372	–10,134	–17,257
Operating expenses	–185,051	–168,619	–157,862	–132,377	–1,176	–1,198
Other technical expenses	–6,146	–5,037	–2,928	–2,195	–3,233	–3,348
Technical result	–42,678	–10,987	20,690	22,655	–3,444	–4,210
Net investment income	289,144	276,306	35,929	57,509	6,248	9,226
Income from investments	341,472	317,355	55,433	64,955	6,248	9,226
Expenses from investments	–62,861	–51,583	–19,504	–7,446	0	0
Financial assets accounted for using the equity method	10,534	10,534	0	0	0	0
Other income	331	337	14,980	3,304	19	38
Reclassification of technical interest income	–213,722	–225,498	–29,538	–26,112	0	0
Other expenses	–670	–1,179	–1,898	–19,519	–24	–31
Non-technical result	75,083	49,966	19,472	15,182	6,242	9,234
Operating profit/(loss)	32,405	38,979	40,162	37,837	2,798	5,024
Amortisation of goodwill and impairment losses	–1,786	–1,913	–375	–307	0	0
Finance cost	–25,101	–25,080	–391	–80	0	0
Earnings before taxes	5,518	11,985	39,396	37,451	2,798	5,024

Group functions		Consolidation		Group	
1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
0	0	–32,273	–33,544	1,394,946	1,448,590
0	0	70	750	1,369,372	1,417,251
0	0	0	0	309,766	320,513
0	0	0	0	309,766	320,925
0	0	–32,273	–33,544	1,085,180	1,128,076
0	0	70	750	1,059,607	1,096,326
0	0	0	0	243,260	251,610
50	382	–67	–189	3,740	6,593
0	0	–1,746	–2,367	–977,335	–1,035,721
–10,202	–16,541	–3,771	–1,083	–358,062	–319,817
675	–130	5,562	5,621	–6,071	–5,089
–9,476	–16,288	48	2,732	–34,861	–6,098
14,260	8,821	8,553	1,642	354,133	353,505
48,339	60,405	–46,260	–32,839	405,232	419,103
–35,861	–53,365	32,454	15,725	–85,773	–96,670
1,781	1,781	22,359	18,756	34,674	31,071
1,247	1,618	–59	–61	16,517	5,236
0	0	0	0	–243,260	–251,610
–1,950	–1,018	–765	1,120	–5,307	–20,626
13,557	9,422	7,729	2,701	122,084	86,505
4,080	–6,867	7,777	5,433	87,223	80,407
0	0	0	0	–2,161	–2,220
–7,229	–6,376	32,472	31,536	–249	0
–3,148	–13,242	40,249	36,970	84,813	78,187

UNIQA International – classified by region

In € thousand

	Premiums earned (net)		Net investment income	
	1–12/2019	1–12/2018	1–12/2019	1–12/2018
Poland	167,831	171,878	9,543	11,027
Slovakia	89,432	87,323	3,311	4,133
Czech Republic	183,097	169,564	7,372	3,161
Hungary	75,540	72,088	4,790	3,922
Central Europe (CE)	515,901	500,853	25,015	22,244
Romania	55,246	53,256	4,308	3,994
Ukraine	90,442	65,608	1,144	4,363
Eastern Europe (EE)	145,688	118,864	5,452	8,357
Russia	87,098	95,276	6,557	29,337
Russia (RU)	87,098	95,276	6,557	29,337
Albania	34,400	31,544	432	970
Bosnia and Herzegovina	28,895	27,655	4,848	2,430
Bulgaria	46,499	48,612	1,534	1,460
Kosovo	11,693	9,655	203	176
Croatia	49,240	47,779	13,967	12,212
Montenegro	10,830	10,684	787	793
North Macedonia	13,647	12,157	356	360
Serbia	39,470	38,860	3,592	3,988
Southeastern Europe (SEE)	234,673	226,946	25,718	22,390
Liechtenstein	1,189	16,412	16	404
Switzerland	0	0	–21	–16
Western Europe (WE)	1,189	16,412	–6	389
Austria	0	0	–1,150	–995
Administration	0	0	–1,150	–995
UNIQA International	984,549	958,350	61,587	81,720
Of which:				
Earnings before taxes insurance companies				
Impairment of goodwill				

Insurance benefits		Operating expenses		Earnings before taxes	
1–12/2019	1–12/2018	1–12/2019	1–12/2018	1–12/2019	1–12/2018
–99,535	–103,981	–60,215	–61,300	15,010	14,613
–47,675	–46,442	–37,874	–37,537	5,247	5,135
–107,601	–97,710	–59,459	–53,794	22,499	20,147
–23,609	–24,083	–33,371	–36,939	6,263	4,599
–278,420	–272,216	–190,919	–189,570	49,019	44,494
–18,212	–29,297	–35,897	–23,331	3,500	–475
–37,423	–33,363	–47,646	–33,534	6,687	3,157
–55,636	–62,659	–83,543	–56,865	10,187	2,682
–69,211	–79,199	–16,413	–13,924	19,480	16,483
–69,211	–79,199	–16,413	–13,924	19,480	16,483
–14,959	–11,281	–16,356	–15,288	1,227	1,451
–19,109	–18,337	–11,431	–10,621	1,394	1,044
–24,052	–31,584	–19,973	–16,502	3,476	1,720
–6,387	–4,628	–5,270	–4,492	255	785
–34,989	–31,694	–20,939	–20,767	8,079	6,137
–5,686	–5,759	–5,139	–5,068	501	495
–7,187	–5,588	–6,896	–5,722	–498	433
–25,096	–25,166	–15,292	–14,595	2,007	1,908
–137,465	–134,037	–101,296	–93,055	16,439	13,973
–824	–13,677	–2,050	–3,169	–1,585	–477
0	0	0	0	169	131
–824	–13,677	–2,050	–3,169	–1,417	–346
0	0	–20,659	–20,008	–23,092	–22,173
0	0	–20,659	–20,008	–23,092	–22,173
–541,556	–561,788	–414,880	–376,591	70,617	55,112
				93,540	77,154
				–2,053	–35

Consolidated Statement of Financial Position – classified by business line

In € thousand

	Property and casualty insurance		Health insurance	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Assets				
Property, plant and equipment	192,493	158,803	37,855	44,866
Intangible assets	682,015	614,853	281,368	266,520
Investments				
Investment property	214,693	227,191	242,077	235,225
Financial assets accounted for using the equity method	72,436	66,289	220,089	205,735
Other investments	4,864,151	4,627,839	3,554,843	3,081,666
Unit-linked and index-linked life insurance investments	0	0	0	0
Reinsurers' share of technical provisions	219,739	286,045	1,591	2,204
Reinsurers' share of technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Receivables, including insurance receivables	238,194	356,008	357,724	241,476
Income tax receivables	42,759	48,058	1,596	967
Deferred tax assets	1,803	1,660	0	0
Cash and cash equivalents	280,748	249,265	71,129	167,959
Assets in disposal groups held for sale	0	0	0	0
Total assets by business line	6,809,031	6,636,012	4,768,272	4,246,618
Liabilities				
Subordinated liabilities	870,110	875,602	0	0
Technical provisions	3,295,437	3,273,160	3,360,686	3,193,024
Technical provisions for unit-linked and index-linked life insurance	0	0	0	0
Financial liabilities	94,009	169,111	31,674	22,167
Other provisions	356,183	392,017	313,899	288,397
Liabilities and other items classified as liabilities	655,029	499,908	101,640	95,172
Income tax liabilities	55,336	61,056	3,612	2,553
Deferred tax liabilities	74,547	48,910	152,403	100,795
Liabilities in disposal groups held for sale	0	0	0	0
Total liabilities by business line	5,400,650	5,319,763	3,963,914	3,702,108

Life insurance		Consolidation		Group	
31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
121,432	107,393	0	0	351,780	311,062
722,793	779,084	-45,060	-41,572	1,641,116	1,618,885
680,674	641,731	0	0	1,137,444	1,104,146
349,889	327,080	0	0	642,414	599,105
10,976,431	10,639,240	-550,486	-714,930	18,844,939	17,633,815
4,680,403	4,751,183	0	0	4,680,403	4,751,183
128,644	136,617	49	-11,505	350,022	413,361
113	101	0	0	113	101
160,986	82,773	-210,244	-139,548	546,659	540,709
4,305	3,283	0	0	48,660	52,308
3,434	4,098	0	0	5,237	5,758
127,745	1,027,166	0	0	479,621	1,444,391
0	28,976	0	0	0	28,976
17,956,847	18,528,725	-805,742	-907,555	28,728,409	28,503,801
410,741	410,741	-410,741	-416,511	870,110	869,832
11,149,313	10,897,500	-14,431	-27,326	17,791,006	17,336,358
4,646,152	4,721,904	0	0	4,646,152	4,721,904
49,363	942,278	-99,530	-335,073	75,516	798,484
17,133	19,771	-1,505	-37,186	685,709	662,998
325,767	303,506	-279,341	-91,375	803,095	807,210
1,722	769	0	0	60,669	64,378
148,780	105,294	0	0	375,729	254,999
0	1,088	0	0	0	1,088
16,748,971	17,402,850	-805,549	-907,471	25,307,986	25,517,251
Consolidated equity and non-controlling interests				3,420,422	2,986,550
Total equity and liabilities				28,728,409	28,503,801

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

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

Notes to the Consolidated Financial Statements

Investments

1. Investment property

Land and buildings, including buildings on third-party land, held as long-term investments to generate rent revenue and/or for the purpose of capital appreciation are measured in accordance with the cost model. The investment property held as financial investments is subject to straight line depreciation over the useful life of 5 to 80 years and is recognised under the item "Net investment income".

The fair value is determined using reports prepared by independent experts. These experts' reports are prepared based on earned value and asset value methods or by weighted earned value and net asset value. It requires making assumptions about the future, principally concerning the discount rate, the exit yield, the expected utilisation (vacancy rate), the development of future rental charges, and the condition of the land and buildings. The construction and, if necessary, property value, location, useable area and usage category for the property are also taken into account. For this reason, all measurements of the fair value for the land and buildings come under Level 3 of the hierarchy in accordance with IFRS 13. The measurement techniques respond to the underlying assumptions and parameters. For instance, any reduction in the discount rate applied would result in an increase in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged. Conversely, any reduction in the expected utilisation or the expected rental charges would, for instance, result in a decrease in the values ascertained for the land and buildings if the other assumptions and parameters remained unchanged. The measurement-related assumptions and parameters are ascertained at each key date based on the best estimate by management with due respect to the current prevailing market conditions.

Acquisition costs

In € thousand

At 1 January 2018	1,877,084
Currency translation	– 978
Change in basis of consolidation	32,509
Additions	18,813
Disposals	– 75,636
Reclassifications	– 1,726
Reclassifications held for sale	– 152,160
At 31 December 2018	1,697,905
At 1 January 2019	1,697,905
Currency translation	3,242
Additions	61,998
Disposals	– 41,908
Reclassifications	10,596
Reclassifications held for sale	78,049
At 31 December 2019	1,809,883

Accumulated depreciation and impairment losses

In € thousand

At 1 January 2018	– 643,188
Currency translation	290
Additions from depreciation	– 31,863
Additions from impairment	– 16,923
Disposals	50,959
Reclassifications	1,812
Reversal of impairment	413
Reclassifications held for sale	44,741
At 31 December 2018	– 593,759
At 1 January 2019	– 593,759
Currency translation	– 1,569
Additions from depreciation	– 40,013
Additions from impairment	– 1,848
Disposals	20,129
Reversal of impairment	3,981
Reclassifications held for sale	– 59,360
At 31 December 2019	– 672,439

Carrying amounts

In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 1 January 2018	254,494	237,163	742,239	1,233,896
At 31 December 2018	227,191	235,225	641,731	1,104,146
At 31 December 2019	214,693	242,077	680,674	1,137,444

Fair values

In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 31 December 2018	427,588	562,563	1,095,942	2,086,093
At 31 December 2019	434,938	576,950	1,246,974	2,258,862

2. Financial assets accounted for using the equity method

Investments in associates are accounted for using the equity method. They are initially recognised at acquisition cost, which also includes transaction costs. After the first-time recognition, the consolidated financial statements include the Group's share in profit/(loss) for the period and in changes in other comprehensive income until the date the applicable influence ends.

At each reporting date, UNIQA reviews whether there are any indications that the investments in associates are impaired. If this is the case, then the impairment loss is recorded as the difference between the participation carrying amount of the associate and the corresponding recoverable amount and recognised separately in profit/(loss) for the period. An impairment loss is reversed in the event of an advantageous change in the estimates used to determine the recoverable amount.

Reconciliation of summarised financial information

In € thousand

	STRABAG SE	Associated companies not material on a stand-alone basis		
	2019 ^{1) 2)}	2018 ²⁾	2019	2018
Net assets at 1 January	3,542,415	3,333,379	151,166	135,004
Dividends	-133,380	-133,380	-9,633	-910
Profit/(loss) after taxes	375,535	336,513	17,731	22,210
Other comprehensive income	4,870	5,903	3,620	-5,138
Net assets at 31 December	3,789,440	3,542,415	162,884	151,166
Shares in associated companies	14.26%	14.26%	Various investment amounts	
Carrying amount	579,218	541,460	63,196	57,638

¹⁾ Estimate for 31 Dec. 2019 based on financial information as at 30 July 2019 on STRABAG SE available as at the reporting date

²⁾ The carrying amounts are calculated based on the shares in circulation. 2019: 15.29%, 2018: 15.29%

At 31 December 2019, UNIQA held 14.3 per cent of STRABAG SE's share capital (31 December 2018: 14.3 per cent). UNIQA treats STRABAG SE as an associate due to contractual arrangements. As part of the accounting using the equity method, an assessment of the share in STRABAG SE was made, based on the financial information published at 30 June 2019, for the period up until 31 December 2019. At 31 December 2019, the fair value amounts to €486,156 thousand (2018: €402,255 thousand).

Summarised statement of comprehensive income

In € thousand

STRABAG SE¹⁾

	1-6/2019	1-6/2018
Revenue	6,979,073	6,307,354
Depreciation	-233,738	-180,348
Interest income	15,403	25,111
Interest expenses	-34,898	-32,552
Income taxes	-27,563	-9,716
Profit/(loss) for the period	13,942	2,873
Other comprehensive income	2,167	-6,903
Total comprehensive income	16,109	-4,030

¹⁾ STRABAG SE Semi-Annual Report 2019 as published in August 2019

Summarised statement of financial position

In € thousand

STRABAG SE¹⁾

	30/6/2019	31/12/2018
Cash and cash equivalents	1,590,099	2,385,828
Other current assets	4,936,424	4,405,865
Current assets	6,526,523	6,791,693
Non-current assets	5,277,484	4,829,755
Total assets	11,804,007	11,621,448
Current financial liabilities	408,176	275,709
Other current liabilities	5,398,485	5,311,939
Current liabilities	5,806,661	5,587,648
Non-current financial liabilities	1,115,886	1,087,621
Other non-current liabilities	1,348,894	1,292,406
Non-current liabilities	2,464,780	2,380,027
Total liabilities	8,271,441	7,967,675
Net assets	3,532,566	3,653,773

¹⁾ STRABAG SE Semi-Annual Report 2019 as published in August 2019

All other financial assets accounted for using the equity method are negligible from the perspective of the Group when considered individually and are stated in aggregate form.

The financial statements of the associates most recently published have been used for the purpose of the accounting using the equity method, and have been adjusted based on any essential transactions between the relevant reporting date and 31 December 2019.

Summary of information on associated companies not material on a stand-alone basis

In € thousand

	1–12/2019	1–12/2018
Group's share of profit from continuing operations	6,693	8,597
Group's share of other comprehensive income	1,453	–2,062
Group's share of total comprehensive income	8,145	6,535

3. Other investments

UNIQA has applied the deferral approach for IFRS 9 since 1 January 2018. This enables UNIQA to postpone the date of first-time application of IFRS 9 until IFRS 17 comes into force.

Financial assets are recognised for the first time on the settlement date. They are derecognised when the contractual rights to cash flows from an asset expire or the rights

to receive the cash flows in a transaction in which all major risks and opportunities connected with the ownership of the financial asset are transferred.

Financial assets at fair value through profit or loss

Financial assets are recognised at fair value through profit or loss if the asset is either held for trading or is designated at fair value and recognised in profit and loss (fair value option). These include structured bonds, hedge funds and investment certificates whose original classification fell within this category.

The fair value option is applied to structured products that are not split between the underlying transaction and the derivative but are instead accounted for as a unit. Unrealised gains and losses are recognised in profit/(loss) for the period.

Derivatives are used within the limits permitted under the Austrian Insurance Supervisory Act for hedging investments and for increasing earnings. All fluctuations in value are recognised in profit/(loss) for the period. Financial assets from derivative financial instruments are recognised under other investments. Financial liabilities from derivative financial instruments are recognised under financial liabilities.

Available-for-sale financial assets

Available-for-sale financial assets are initially measured at fair value plus directly attributable transaction costs. Subsequently, available-for-sale financial assets are measured at fair value. Corresponding value changes are, with the exception of impairment and foreign exchange differences in the case of available-for-sale debt securities, recognised in the accumulated profits in equity. When an asset is derecognised, the accumulated other comprehensive income is reclassified to profit/(loss) for the period.

Impairment of available-for-sale financial assets is recognised in profit/(loss) for the period by reclassifying the losses accumulated in equity. The accumulated loss that is reclassified from equity to profit/(loss) for the period is the difference between the acquisition cost, net of any redemptions and amortisations and current fair value, less any impairment loss previously recognised in profit or loss. If the fair value of an impaired, available-for-sale debt instrument increases in a subsequent period and the increase can be objectively related to an event occurring after the impairment was recognised, the impairment is reversed, with the amount of the reversal recognised in profit or loss. Reversals of impairment losses of equity

instruments held at fair value cannot be recognised in profit/(loss) for the period.

Loans and receivables

When first recognised, loans and receivables are measured at their fair value plus directly attributable transaction costs. Subsequently, they are measured at amortised cost using the effective interest method.

For debt instruments and assets in the category “Loans and receivables”, this test is executed within the framework of an internal impairment process. If objective indicators suggest that the value currently attributed is not tenable, an impairment is recognised.

Objective indications that financial assets are impaired are:

- the default or delay of a debtor,
- the opening of bankruptcy proceedings for a debtor, or signs indicating that such proceedings are imminent,
- adverse changes in the rating of borrowers or issuers,
- changes in the market activity of a security, or

- other observable data that indicate a significant decrease in the expected payments from a group of financial assets.

In the case of an investment in an equity instrument, a significant or prolonged decline in the fair value below its cost is also objective evidence of impairment. A significant decrease is a decrease of 20 per cent, and a prolonged decline is one that lasts for at least nine months.

Impairment is calculated as the difference between the carrying amount and the present value of the estimated future cash flows, discounted at the original effective interest rate of the asset. Losses are recognised in profit/(loss) for the period. If there are no realistic chances of recovering the asset, an impairment has to be recognised. In case of an event that causes a reversal of impairment losses, this is recognised in profit/(loss) for the period. In the event of a definitive non-performance, the asset is derecognised.

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

At 31 December 2019

In € thousand

	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	7,345	201,234	0	21,981	58,547	289,106
Available-for-sale financial assets	909,764	16,992,181	0	0	0	17,901,946
Loans and receivables	0	114,050	539,837	0	0	653,887
Total	917,109	17,307,466	539,837	21,981	58,547	18,844,939
of which fair value option	7,345	201,234	0	0	0	208,579

At 31 December 2018

In € thousand

	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	24,538	308,029	0	20,804	56,395	409,767
Available-for-sale financial assets	840,857	15,702,491	0	0	0	16,543,348
Loans and receivables	0	172,985	507,715	0	0	680,701
Total	865,396	16,183,505	507,715	20,804	56,395	17,633,815
of which fair value option	24,538	308,029	0	0	0	332,567

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. The level in the fair value hierarchy to which these measurements are attributable is also tested. 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 measurement 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: measurement 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 from 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: measurement parameters for assets or liabilities that are not based or are only partly based on observable market data. The measurement here primarily involves 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 measurement. At UNIQA, it is primarily other equity investments, private equity and hedge funds, as well as 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.

The measurement processes and methods are as follows:

Financial instruments measured at fair value

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

- **Market approach**
The measurement 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.

Measurement 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

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Available-for-sale financial assets								
Variable-income securities	729,829	695,196	20,298	1,135	159,637	144,526	909,764	840,857
Fixed-income securities	13,170,835	12,567,999	2,941,560	2,633,039	879,787	501,453	16,992,181	15,702,491
Total	13,900,664	13,263,195	2,961,858	2,634,175	1,039,424	645,979	17,901,946	16,543,348
Financial assets at fair value through profit or loss								
Variable-income securities	0	0	2,077	14,445	5,267	10,094	7,345	24,538
Fixed-income securities	108,261	197,100	51,098	48,235	41,876	62,694	201,234	308,029
Derivative financial instruments	261	12	3,695	5,205	18,025	15,587	21,981	20,804
Investments under investment contracts	49,977	49,008	3,727	932	4,843	6,456	58,547	56,395
Total	158,498	246,120	60,597	68,816	70,011	94,830	289,106	409,767

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Financial liabilities								
Derivative financial instruments	0	0	669	13,345	1	0	670	13,345
Total	0	0	669	13,345	1	0	670	13,345

Fair values of assets and liabilities measured at amortised cost

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Investment property	0	0	0	0	2,258,862	2,086,093	2,258,862	2,086,093
Loans and receivables								
Loans and other investments	0	0	384,350	395,016	155,488	112,700	539,837	507,715
Fixed-income securities	16,276	30,789	112,957	123,862	0	31,443	129,233	186,094
Total	16,276	30,789	497,307	518,878	155,488	144,143	669,070	693,809

In € thousand	Level 1		Level 2		Level 3		Total	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018	31/12/2019	31/12/2018
Financial liabilities								
Liabilities from collateral received for securities lending	0	0	0	0	0	772,196	0	772,196
Liabilities from loans	0	0	0	0	74,846	12,943	74,846	12,943
Total	0	0	0	0	74,846	785,139	74,846	785,139
Subordinated liabilities	1,051,425	959,400	0	0	0	0	1,051,425	959,400

Transfers between levels 1 and 2

In the reporting period transfers from Level 1 to Level 2 were made in the amount of €492,529 thousand (2018: €443,997 thousand) and from Level 2 to Level 1 in the amount of €144,533 thousand (2018: €234,586 thousand). These are attributable primarily to changes in trading frequency and trading activity.

Level 3 financial instruments

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

In € thousand	Fixed-income securities		Other		Total	
	2019	2018	2019	2018	2019	2018
At 1 January	501,453	308,578	239,356	282,743	740,809	591,321
Transfers from Level 3 to Level 1	0	-24	0	-6	0	-29
Transfers from Level 3 to Level 2	0	0	-4,218	0	-4,218	0
Transfers to Level 3	0	772	0	0	0	772
Gains and losses recognised in profit or loss	-2,432	1,630	-1,539	-12,527	-3,971	-10,897
Gains and losses recognised in other comprehensive income	46,002	-14,445	-1,500	3,290	44,502	-11,155
Additions	343,940	217,244	32,645	43,676	376,585	260,920
Disposals	-9,206	-12,273	-35,078	-77,814	-44,284	-90,087
Changes from currency translation	30	-29	-19	-6	11	-35
At 31 December	879,787	501,453	229,648	239,356	1,109,434	740,809

Sensitivities

For the most important financial instruments in Level 3, an increase in the discount rate by 100 basis points results in a reduction in value of 6.2 per cent (2018: 5.7 per cent). A reduction in the discount rate by 100 basis points results in a 7.5 per cent increase in value (2018: 6.4 per cent).

Transfer of financial assets

In € thousand	Fair value	
	31/12/2019	31/12/2018
Transferred financial assets from securities lending	0	772,406
Liabilities from collateral received for securities lending	0	772,196
Net position	0	210

The carrying amounts of the transferred financial assets from securities lending transactions and liabilities from collateral received for securities lending transactions are equal to the fair values. There were no open securities lending transactions as at 31 December 2019.

Carrying amounts for loans and other investments

In € thousand

	31/12/2019	31/12/2018
Loans		
Loans to affiliated unconsolidated companies	4,400	4,382
Mortgage loans	9,931	14,100
Loans and advance payments on policies	12,827	13,481
Other loans	103,094	54,986
Total	130,251	86,950
Other investments		
Bank deposits	384,350	395,016
Deposits retained on assumed reinsurance	25,236	25,750
Total	409,586	420,766
Total sum	539,837	507,715

The carrying amounts of the loans and other investments correspond to their fair values. The measurement is based on collateral and the creditworthiness of the debtor; for deposits with banks it is based on quoted prices.

Impairment of loans

In € thousand

31/12/2019 31/12/2018

At 1 January	-3,657	-6,339
Allocation	0	-114
Use	502	1,870
Reversal	439	933
Currency translation	3	-7
At 31 December	-2,713	-3,657

Contractual maturities for fair values of loans

In € thousand

31/12/2019 31/12/2018

Up to 1 year	3,096	4,227
More than 1 year and up to 5 years	16,059	16,703
More than 5 years up to 10 years	103,478	56,240
More than 10 years	7,619	9,780
Total	130,251	86,950

4. Net investment income**Classified by business line**

In € thousand

Property and casualty
insurance

Health insurance

Life insurance

Total

	1-12/2019	1-12/2018	1-12/2019	1-12/2018 adjusted	1-12/2019	1-12/2018	1-12/2019	1-12/2018 adjusted
Investment property	15,278	9,117	12,983	9,621	54,047	32,475	82,308	51,213
Financial assets accounted for using the equity method	7,601	58,565	22,153	19,553	34,674	31,071	64,428	109,189
Variable-income securities	4,422	16,450	9,576	9,022	1,487	19,284	15,484	44,756
Available for sale	6,333	14,807	8,861	8,902	1,185	19,194	16,379	42,903
At fair value through profit or loss	-1,912	1,642	715	120	302	90	-894	1,853
Fixed-income securities	119,094	77,511	69,321	83,104	247,904	253,456	436,319	414,071
Available for sale	112,090	81,459	60,868	85,447	247,768	252,528	420,726	419,434
At fair value through profit or loss	7,004	-3,948	8,454	-2,343	136	928	15,593	-5,363
Loans and other investments	6,033	3,667	3,932	2,092	26,879	34,174	36,843	39,933
Loans	967	450	1,637	1,754	6,394	10,142	8,999	12,345
Other investments	5,066	3,217	2,294	339	20,485	24,032	27,845	27,588
Derivative financial instruments	-10,416	-16,586	311	-10,485	422	-918	-9,682	-27,989
Investment administration expenses, interest paid and other investment expenses	-19,935	-20,579	-9,241	-9,528	-11,280	-16,037	-40,456	-46,144
Total	122,077	128,145	109,034	103,379	354,133	353,505	585,244	585,029
Of which:								
Current income/expenses	107,685	107,340	86,621	83,623	336,775	336,692	531,081	527,656
Gains/losses from disposals and changes in value	14,391	20,805	22,414	19,756	17,358	16,813	54,163	57,374
Impairments	-11,992	-13,062	-6,941	-1,280	-3,204	-15,650	-22,138	-29,992

Classified by type of income

In € thousand

	Current income/expenses		Gains/losses from disposals and changes in value		Total		of which impairment	
	1-12/2019	1-12/2018	1-12/2019	1-12/2018 adjusted	1-12/2019	1-12/2018 adjusted	1-12/2019	1-12/2018
Financial assets at fair value through profit or loss	1,414	2,124	3,603	-33,624	5,017	-31,500	0	0
Variable-income securities (within the framework of fair value option)	595	763	-1,490	1,090	-894	1,853	0	0
Fixed-income securities (within the framework of fair value option)	2,572	1,510	13,022	-6,873	15,593	-5,363	0	0
Derivative financial instruments	-1,752	-149	-7,930	-27,841	-9,682	-27,989	0	0
Investments under investment contracts ¹⁾	0	0	0	0	0	0	0	0
Available-for-sale financial assets	390,453	392,045	46,651	70,292	437,104	462,337	-20,258	-12,980
Variable-income securities	29,015	36,555	-12,636	6,348	16,379	42,903	-12,385	-10,175
Fixed-income securities	361,438	355,490	59,287	63,944	420,726	419,434	-7,873	-2,805
Loans and receivables	37,234	39,116	-391	817	36,843	39,933	-32	-89
Fixed-income securities	5,959	7,921	-349	1,272	5,610	9,193	0	0
Loans and other investments	31,275	31,195	-42	-455	31,233	30,740	-32	-89
Investment property	78,007	78,781	4,300	-27,568	82,308	51,213	-1,848	-16,923
Financial assets accounted for using the equity method	64,428	61,733	0	47,456	64,428	109,189	0	0
Investment administration expenses, interest paid and other investment expenses	-40,456	-46,144	0	0	-40,456	-46,144	0	0
Total	531,081	527,656	54,163	57,374	585,244	585,029	-22,138	-29,992

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

Details of net investment income

In € thousand

1-12/2019 1-12/2018

Current income/expenses from investment property		
Rent revenue	108,418	110,491
Operational expenses	-30,411	-31,710
Gains/losses from disposals and changes in value		
Currency gains/losses	-17,701	-16,603
of which gains/losses from derivative financial instruments as part of US dollar underlying	3,547	8,620
of which gains/losses from derivative financial instruments as part of hedge transactions in US dollar	-7,755	-11,965

Positive currency effects from investments amounting to €1,304 thousand (2018: positive currency effects amounting to €9,558 thousand) were recognised directly in equity.

Net profit/(loss) by measurement category

In € thousand

1-12/2019 1-12/2018

Financial assets at fair value through profit or loss		
Recognised in profit/(loss) for the period	5,017	-31,500
Available-for-sale financial assets		
Recognised in profit/(loss) for the period	437,104	462,337
of which reclassified from equity to consolidated income statement	-46,216	-99,926
Recognised in other comprehensive income	957,411	-445,017
Net income	1,394,515	17,320
Loans and receivables		
Recognised in profit/(loss) for the period	36,843	39,933
Financial liabilities measured at amortised cost		
Recognised in profit/(loss) for the period	-54,643	-52,800

Technical items

Insurance and reinsurance contracts along with investment contracts with a discretionary participation feature fall within the scope of IFRS 4 (Insurance Contracts). In accordance with IAS 8, the provisions of US Generally Accepted Accounting Principles (US GAAP) in the version applicable on 1 January 2005 were applied to all cases for which IFRS 4 contains no specific regulations on recognition and measurement. For accounting and measurement of the insurance-specific items of life insurance with profit participation, FAS 120 was observed; FAS 60 was applied for specific items in health, property and casualty insurance and FAS 113 for reinsurance. Unit-linked life insurance, where the policyholder bears the entire investment risk, was accounted for in accordance with FAS 97.

Based on the regulations, technical items must be covered by suitable assets (cover funds). As is standard in the insurance industry, amounts dedicated to the cover funds are subject to a limitation as regards availability in the Group.

Insurance and investment contracts

Insurance contracts are contracts through which a significant insurance risk is assumed. Investment contracts, i.e. contracts that do not transfer a significant insurance risk and that do not include a discretionary profit participation feature. They fall under the scope of IAS 39 (Financial Instruments).

Reinsurance contracts

Ceded reinsurance is stated in a separate item under assets. The profit and loss items (premiums and payments) are deducted openly from the corresponding items in the gross account, while commission income is reported separately as its own item. Reinsurance acquired (indirect business) is recognised as an insurance contract.

5. Technical provisions

Unearned premiums

For short-term insurance contracts, such as most property and casualty insurance policies, premiums relating to future years are reported as unearned premiums in line with the applicable regulations of US GAAP. The amount of these unearned premiums corresponds to the insurance cover granted proportionally in future periods. Premiums levied upon entering into certain long-term contracts (e.g. upfront fees) are recognised as unearned premiums. In line with the applicable regulations of US GAAP, these fees are recorded in the same manner as the redemption of

deferred acquisition costs. These unearned premiums are in principle calculated for each individual policy and exactly to the day. If they are attributable to life insurance, they are included in insurance provision.

Insurance provision

Insurance provisions are essentially established in the life and health insurance lines. Their carrying amount is determined based on actuarial principles on the basis of the present value determined prospectively of future benefits to be paid by the insurer less the present value of future net premiums the insurer expects to receive on an individual contract basis. Insurance provisions are also established in the property and casualty lines that cover life-long obligations (accident pensions as well as pensions in motor vehicle liability insurance). The insurance provision of the life insurer is calculated by taking into account contractually agreed calculation principles, which are explained in more detail under the underwriting risks in chapter 44, "Risk profile". These calculation principles take into account assumptions related to costs, mortality, invalidity and interest rate changes. Reasonable safety margins are included here in order to account for the risk of adjustments, errors and contingencies over the term of the contract.

For policies that are mainly of investment character (e.g. unit-linked life insurance), the provisions of FAS 97 are used to measure insurance provision. Insurance provision is arrived at by combining the invested amounts, the change in value of the underlying investments and the withdrawals under the policy.

Insurance provisions for health insurance are determined based on calculation principles that correspond to the "best estimate", taking into account safety margins. Once calculation principles have been determined, they have to be applied to the corresponding partial portfolio for the whole duration (locked-in principle).

Provision for unsettled claims

The provision for unsettled claims includes both the provision for claims already reported by the reporting date as well as the provision for damage that has not yet been reported but which has already occurred.

The provision in property and casualty insurance is determined based on a best estimate. Standard actuarial models are used to calculate the claim reserves with the parameters for these based on historical data. The assumptions made are reviewed continuously and adjusted if necessary.

Examples of material assumptions include growth in claims frequency and in average claims expenses. Another material assumption is the settlement patterns for the individual lines of business which can be impacted by various factors. Assumptions regarding the future progress of claims inflation are only made to the extent that the future development is extrapolated based on historical observations. In insurance lines in which past experience does not allow the application of statistical methods individual loss provisions are set aside.

Discounting of claims reserves only takes place with respect to a small section of the annuity reserves for which an insurance provision is also formed. Recourse payments expected in future are deducted from the provision for unsettled claims. Costs of settling the claim that are directly attributable to the claim event such as costs of an expert report are already included in the calculation for the provision. Provisions for internal settlement expense are determined in a separate calculation procedure. The calculation of the provision for unsettled claims involves uncertainty on account of the contingency risk in the underlying assumptions. Further information on this can be found in chapter 44, "Risk profile".

For health insurance, provisions for unsettled claims are estimated on the basis of past experience, taking into consideration the known arrears in claim payments.

Life insurance is calculated on an individual loss basis with the exception of the provision for unreported claims.

Provision for the assumed reinsurance business generally complies with the figures of the cedents.

Provisions for premium refunds and profit participation

The provision for premium refunds includes the amounts for profit-related and non-profit-related profit

participation to which the policyholders are entitled on the basis of statutory or contractual provisions.

In life insurance, policies with a discretionary participation feature, differences between local measurement and measurement in accordance with IFRSs are presented with deferred profit participation taken into account, whereby this is also reported in profit/(loss) for the period or in other comprehensive income depending on the recognition of the change in the underlying measurement differences. The amount of the provision for deferred profit participation generally comes to 85 per cent of the measurement differentials after tax.

Other technical provisions

This item contains provision for contingent losses for acquired reinsurance portfolios as well as provision for expected cancellations and premium defaults.

Liability Adequacy Test

The Liability Adequacy Test evaluates whether the established IFRS reserves are sufficient. For life insurance portfolios, a best estimate reserve is compared with the IFRS reserve less deferred acquisition costs plus unearned revenue liability (URL). This calculation is done separately each quarter for mixed insurance policies, pension policies, risk insurance policies, and unit-linked and index-linked policies.

Because UNIQA already uses the best estimate approach for calculating loss reserves in non-life insurance, only the premiums to be expected in the future will be tested. Business lines that feature a surplus in the annual calculation of less than 5 per cent from future premiums less claims and costs expected in future are reviewed each quarter. In non-life insurance, the business lines tested are motor vehicle liability insurance, general liability insurance and other.

Gross
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2019	592,185	12,301	2,599,264	29,251	1,319	11,843	3,246,163
Foreign exchange differences	4,188	-323	6,492	-46	10	3	10,325
Portfolio changes	999		-4,331		-1	16	-3,318
Additions		606		1,499	284	3,714	6,103
Disposals		-204		-133	-564	-4,600	-5,501
Premiums written	2,846,783						2,846,783
Premiums earned	-2,826,030						-2,826,030
Claims reporting year			1,815,775				1,815,775
Claims payments reporting year			-957,048				-957,048
Change in claims previous years			-57,330				-57,330
Claims payments previous years			-794,890				-794,890
At 31 December 2019	618,125	12,380	2,607,932	30,572	1,049	10,975	3,281,033
Health insurance							
At 1 January 2019	12,894	2,932,119	183,216	13,082	50,894	715	3,192,921
Foreign exchange differences	700	47	386	-12	0	-3	1,117
Portfolio changes	0		99			-11	88
Additions		144,544		10,764	21,019	22	176,349
Disposals		-1,276		-9,203	-21,206	-30	-31,715
Premiums written	1,130,821						1,130,821
Premiums earned	-1,123,558						-1,123,558
Claims reporting year			741,288				741,288
Claims payments reporting year			-556,796				-556,796
Change in claims previous years			-12,149				-12,149
Claims payments previous years			-157,705				-157,705
At 31 December 2019	20,857	3,075,435	198,338	14,630	50,707	693	3,360,660
Life insurance							
At 1 January 2019		9,979,484	199,684	4,931	707,819	5,357	10,897,274
Foreign exchange differences		22,185	1,221	-15	774	-85	24,080
Change in basis of consolidation		95			0		95
Portfolio changes		1,642	-282		-582		779
Additions		239,543		2,496	453,260	1,161	696,460
Disposals		-435,531		-231	-15,071	-1,483	-452,316
Claims reporting year			1,168,680				1,168,680
Claims payments reporting year			-1,018,554				-1,018,554
Change in claims previous years			-14,337				-14,337
Claims payments previous years			-152,847				-152,847
At 31 December 2019		9,807,418	183,565	7,181	1,146,200	4,950	11,149,313
Total							
At 1 January 2019	605,079	12,923,904	2,982,164	47,264	760,032	17,915	17,336,358
Foreign exchange differences	4,888	21,909	8,098	-73	784	-86	35,521
Change in basis of consolidation		95			0		95
Portfolio changes	999	1,642	-4,515		-583	5	-2,451
Additions		384,694		14,758	474,563	4,898	878,912
Disposals		-437,011		-9,566	-36,841	-6,114	-489,532
Premiums written	3,977,604						3,977,604
Premiums earned	-3,949,588						-3,949,588
Claims reporting year			3,725,742				3,725,742
Claims payments reporting year			-2,532,397				-2,532,397
Change in claims previous years			-83,816				-83,816
Claims payments previous years			-1,105,442				-1,105,442
At 31 December 2019	638,982	12,895,233	2,989,835	52,383	1,197,955	16,618	17,791,006

Reinsurers' share
 In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit- related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2019	27,557	22	245,429			2,600	275,608
Foreign exchange differences	614	-1	1,723			-10	2,327
Change in basis of consolidation			-1				-1
Portfolio changes	732		3,834				4,566
Additions						1,489	1,489
Disposals		-10				-1,618	-1,627
Premiums written	146,668						146,668
Premiums earned	-146,105						-146,105
Claims reporting year			168,497				168,497
Claims payments reporting year			-105,582				-105,582
Change in claims previous years			-18,558				-18,558
Claims payments previous years			-107,544				-107,544
At 31 December 2019	29,467	12	187,799			2,462	219,739
Health insurance							
At 1 January 2019	624	566	863			4	2,057
Foreign exchange differences	56		111			0	167
Portfolio changes			1				1
Disposals		-46				-3	-48
Premiums written	2,557						2,557
Premiums earned	-3,029						-3,029
Claims reporting year			1,289				1,289
Claims payments reporting year			-1,045				-1,045
Change in claims previous years			-65				-65
Claims payments previous years			-293				-293
At 31 December 2019	207	520	862			1	1,591
Life insurance							
At 1 January 2019		130,590	5,089			17	135,696
Foreign exchange differences		122	21			0	143
Portfolio changes		-42	-721			34	-729
Additions		6,877				4	6,880
Disposals		-13,361				0	-13,361
Claims reporting year			25,348				25,348
Claims payments reporting year			-22,101				-22,101
Change in claims previous years			1,312				1,312
Claims payments previous years			-4,497				-4,497
At 31 December 2019		124,186	4,451			55	128,692
Total							
At 1 January 2019	28,181	131,178	251,381			2,621	413,361
Foreign exchange differences	670	121	1,856			-10	2,637
Change in basis of consolidation			-1				-1
Portfolio changes	732	-42	3,115			34	3,839
Additions		6,877				1,493	8,370
Disposals		-13,416				-1,620	-15,036
Premiums written	149,225						149,225
Premiums earned	-149,134						-149,134
Claims reporting year			195,134				195,134
Claims payments reporting year			-128,727				-128,727
Change in claims previous years			-17,311				-17,311
Claims payments previous years			-112,334				-112,334
At 31 December 2019	29,674	124,717	193,113			2,518	350,022

Net
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit-related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2019	564,628	12,279	2,353,835	29,251	1,319	9,243	2,970,555
Foreign exchange differences	3,574	-322	4,768	-46	10	13	7,998
Change in basis of consolidation			1				1
Portfolio changes	267		-8,166		-1	16	-7,884
Additions		606		1,499	284	2,225	4,614
Disposals		-194		-133	-564	-2,983	-3,873
Premiums written	2,700,115						2,700,115
Premiums earned	-2,679,925						-2,679,925
Claims reporting year			1,647,278				1,647,278
Claims payments reporting year			-851,466				-851,466
Change in claims previous years			-38,771				-38,771
Claims payments previous years			-687,346				-687,346
At 31 December 2019	588,659	12,369	2,420,132	30,572	1,049	8,514	3,061,294
Health insurance							
At 1 January 2019	12,270	2,931,554	182,353	13,082	50,894	711	3,190,864
Foreign exchange differences	644	47	274	-12	0	-3	950
Portfolio changes	0		97			-11	87
Additions		144,544		10,764	21,019	22	176,349
Disposals		-1,230		-9,203	-21,206	-27	-31,667
Premiums written	1,128,264						1,128,264
Premiums earned	-1,120,529						-1,120,529
Claims reporting year			739,999				739,999
Claims payments reporting year			-555,751				-555,751
Change in claims previous years			-12,084				-12,084
Claims payments previous years			-157,412				-157,412
At 31 December 2019	20,649	3,074,915	197,475	14,630	50,707	692	3,359,069
Life insurance							
At 1 January 2019		9,848,894	194,595	4,931	707,819	5,340	10,761,578
Foreign exchange differences		22,063	1,200	-15	774	-85	23,937
Change in basis of consolidation		95			0		95
Portfolio changes		1,685	439		-582	-34	1,507
Additions		232,667		2,496	453,260	1,158	689,579
Disposals		-422,170		-231	-15,071	-1,483	-438,955
Claims reporting year			1,143,333				1,143,333
Claims payments reporting year			-996,453				-996,453
Change in claims previous years			-15,650				-15,650
Claims payments previous years			-148,350				-148,350
At 31 December 2019		9,683,232	179,114	7,181	1,146,200	4,894	11,020,621
Total							
At 1 January 2019	576,898	12,792,727	2,730,783	47,264	760,032	15,294	16,922,997
Foreign exchange differences	4,218	21,788	6,242	-73	784	-75	32,884
Change in basis of consolidation		95	1		0		96
Portfolio changes	267	1,685	-7,629		-583	-29	-6,290
Additions		377,817		14,758	474,563	3,405	870,542
Disposals		-423,595		-9,566	-36,841	-4,493	-474,496
Premiums written	3,828,380						3,828,380
Premiums earned	-3,800,454						-3,800,454
Claims reporting year			3,530,609				3,530,609
Claims payments reporting year			-2,403,670				-2,403,670
Change in claims previous years			-66,505				-66,505
Claims payments previous years			-993,108				-993,108
At 31 December 2019	609,308	12,770,516	2,796,722	52,383	1,197,955	14,100	17,440,984

Gross
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit- related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2018	563,515	12,550	2,492,366	28,242	1,771	14,308	3,112,751
Foreign exchange differences	-3,499	-383	-7,791	-52	1	-75	-11,799
Portfolio changes	-515		-808			-2,269	-3,592
Additions		319		1,186	501	3,015	5,020
Disposals		-185		-124	-954	-3,136	-4,399
Premiums written	2,774,435						2,774,435
Premiums earned	-2,741,750						-2,741,750
Claims reporting year			1,769,180				1,769,180
Claims payments reporting year			-863,108				-863,108
Change in claims previous years			-46,449				-46,449
Claims payments previous years			-744,127				-744,127
At 31 December 2018	592,185	12,301	2,599,264	29,251	1,319	11,843	3,246,163
Health insurance							
At 1 January 2018	10,727	2,799,040	165,494	11,580	51,545	657	3,039,042
Foreign exchange differences	-200	-105	81	-12	0	-2	-238
Portfolio changes	492		97			-158	431
Additions		133,208		10,571	20,000	218	163,997
Disposals		-23		-9,056	-20,651		-29,730
Premiums written	1,086,444						1,086,444
Premiums earned	-1,084,569						-1,084,569
Claims reporting year			741,200				741,200
Claims payments reporting year			-571,444				-571,444
Change in claims previous years			-8,868				-8,868
Claims payments previous years			-143,344				-143,344
At 31 December 2018	12,894	2,932,119	183,216	13,082	50,894	715	3,192,921
Life insurance							
At 1 January 2018	10,207,610	169,477	4,829	843,708	4,655	11,230,279	11,230,279
Foreign exchange differences	-14,236	-1,063	-14	-776	-98	-16,187	-16,187
Portfolio changes	50,017	-422		-3,307	-102	46,186	46,186
Additions	147,563		164	26,881	1,397	176,006	176,006
Disposals	-411,471		-49	-158,687	-495	-570,701	-570,701
Claims reporting year		1,224,385				1,224,385	1,224,385
Claims payments reporting year		-1,044,615				-1,044,615	-1,044,615
Change in claims previous years		11,324				11,324	11,324
Claims payments previous years		-159,402				-159,402	-159,402
At 31 December 2018	9,979,484	199,684	4,931	707,819	5,357	10,897,274	10,897,274
Total							
At 1 January 2018	574,242	13,019,200	2,827,337	44,650	897,024	19,620	17,382,072
Foreign exchange differences	-3,699	-14,724	-8,772	-78	-775	-175	-28,224
Portfolio changes	-24	50,017	-1,133		-3,307	-2,529	43,025
Additions		281,090		11,921	47,382	4,630	345,023
Disposals		-411,679		-9,230	-180,291	-3,631	-604,831
Premiums written	3,860,879						3,860,879
Premiums earned	-3,826,319						-3,826,319
Claims reporting year			3,734,766				3,734,766
Claims payments reporting year			-2,479,167				-2,479,167
Change in claims previous years			-43,993				-43,993
Claims payments previous years			-1,046,874				-1,046,874
At 31 December 2018	605,079	12,923,904	2,982,164	47,264	760,032	17,915	17,336,358

Reinsurers' share
 In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit- related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2018	25,903	12	145,312			1,791	173,019
Foreign exchange differences	223	0	173			-22	374
Portfolio changes	17		-856				-839
Additions		10				831	841
Premiums written	157,498						157,498
Premiums earned	-156,085						-156,085
Claims reporting year			142,869				142,869
Claims payments reporting year			-18,784				-18,784
Change in claims previous years			-699				-699
Claims payments previous years			-22,587				-22,587
At 31 December 2018	27,557	22	245,429			2,600	275,608
Health insurance							
At 1 January 2018	200	1,159	31				1,391
Foreign exchange differences	3	-68	-2				-67
Portfolio changes	466	-457	456				464
Additions						4	4
Disposals		-68					-68
Premiums written	3,611						3,611
Premiums earned	-3,656						-3,656
Claims reporting year			789				789
Claims payments reporting year			-391				-391
Change in claims previous years			872				872
Claims payments previous years			-891				-891
At 31 December 2018	624	566	863			4	2,057
Life insurance							
At 1 January 2018		136,223	5,477			17	141,716
Foreign exchange differences		-85	-18				-104
Portfolio changes		-192	-1				-193
Additions		237				0	238
Disposals		-5,593					-5,593
Claims reporting year			22,023				22,023
Claims payments reporting year			-19,685				-19,685
Change in claims previous years			2,463				2,463
Claims payments previous years			-5,169				-5,169
At 31 December 2018		130,590	5,089			17	135,696
Total							
At 1 January 2018	26,103	137,394	150,820			1,808	316,126
Foreign exchange differences	227	-154	153			-22	204
Portfolio changes	483	-649	-401				-567
Additions		248				835	1,083
Disposals		-5,661					-5,661
Premiums written	161,109						161,109
Premiums earned	-159,741						-159,741
Claims reporting year			165,681				165,681
Claims payments reporting year			-38,860				-38,860
Change in claims previous years			2,637				2,637
Claims payments previous years			-28,647				-28,647
At 31 December 2018	28,181	131,178	251,381			2,621	413,361

Net
In € thousand

	Unearned premiums	Insurance provision	Provision for unsettled claims	Provision for non-profit- related premium refunds	Provision for profit-related premium refunds and/or policyholder profit participation	Other technical provisions	Total
Property and casualty insurance							
At 1 January 2018	537,612	12,538	2,347,053	28,242	1,771	12,516	2,939,732
Foreign exchange differences	-3,722	-382	-7,964	-52	1	-53	-12,173
Portfolio changes	-532		48			-2,269	-2,753
Additions		308		1,186	501	2,184	4,179
Disposals		-185		-124	-954	-3,136	-4,399
Premiums written	2,616,937						2,616,937
Premiums earned	-2,585,666						-2,585,666
Claims reporting year			1,626,311				1,626,311
Claims payments reporting year			-844,324				-844,324
Change in claims previous years			-45,750				-45,750
Claims payments previous years			-721,540				-721,540
At 31 December 2018	564,628	12,279	2,353,835	29,251	1,319	9,243	2,970,555
Health insurance							
At 1 January 2018	10,526	2,797,881	165,463	11,580	51,545	657	3,037,651
Foreign exchange differences	-203	-37	83	-12	0	-2	-172
Portfolio changes	26	457	-359			-158	-34
Additions		133,208		10,571	20,000	214	163,993
Disposals		45		-9,056	-20,651		-29,662
Premiums written	1,082,834						1,082,834
Premiums earned	-1,080,912						-1,080,912
Claims reporting year			740,411				740,411
Claims payments reporting year			-571,052				-571,052
Change in claims previous years			-9,741				-9,741
Claims payments previous years			-142,453				-142,453
At 31 December 2018	12,270	2,931,554	182,353	13,082	50,894	711	3,190,864
Life insurance							
At 1 January 2018		10,071,387	164,000	4,829	843,708	4,638	11,088,563
Foreign exchange differences		-14,151	-1,045	-14	-776	-98	-16,083
Portfolio changes		50,209	-421		-3,307	-102	46,379
Additions		147,326		164	26,881	1,396	175,768
Disposals		-405,878		-49	-158,687	-495	-565,108
Claims reporting year			1,202,363				1,202,363
Claims payments reporting year			-1,024,930				-1,024,930
Change in claims previous years			8,861				8,861
Claims payments previous years			-154,234				-154,234
At 31 December 2018		9,848,894	194,595	4,931	707,819	5,340	10,761,578
Total							
At 1 January 2018	548,138	12,881,806	2,676,517	44,650	897,024	17,812	17,065,946
Foreign exchange differences	-3,926	-14,570	-8,925	-78	-775	-153	-28,428
Portfolio changes	-507	50,666	-731		-3,307	-2,529	43,593
Additions		280,842		11,921	47,382	3,795	343,940
Disposals		-406,018		-9,230	-180,291	-3,631	-599,169
Premiums written	3,699,770						3,699,770
Premiums earned	-3,666,578						-3,666,578
Claims reporting year			3,569,085				3,569,085
Claims payments reporting year			-2,440,306				-2,440,306
Change in claims previous years			-46,630				-46,630
Claims payments previous years			-1,018,226				-1,018,226
At 31 December 2018	576,898	12,792,727	2,730,783	47,264	760,032	15,294	16,922,997

The interest rates used as an accounting basis for the insurance provision were as follows:

In per cent	Health insurance	Life insurance
2019		
For insurance provision	1.50–5.50	0.00–4.00
For deferred acquisition costs	1.50–5.50	2.41–2.59
2018		
For insurance provision	1.50–5.50	0.00–4.00
For deferred acquisition costs	1.50–5.50	2.39–2.59

Development of the provision for deferred profit participation

In € thousand

	31/12/2019	31/12/2018
At 1 January	645,937	771,927
Fluctuation in value, available-for-sale securities	431,492	–132,275
Revaluations through profit or loss	481	6,284
At 31 December	1,077,910	645,937

Claims payments

In € thousand

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	Total
Financial year	751,599	773,996	714,267	778,329	798,573	729,222	734,691	746,846	814,664	844,675	883,465	
1 year later	1,130,543	1,138,253	1,068,406	1,142,524	1,174,639	1,106,066	1,106,222	1,118,644	1,233,210	1,285,373		
2 years later	1,228,232	1,229,475	1,177,160	1,255,972	1,285,030	1,204,327	1,202,760	1,231,387	1,361,592			
3 years later	1,286,633	1,276,504	1,225,202	1,308,792	1,334,305	1,251,179	1,251,488	1,284,981				
4 years later	1,311,375	1,300,643	1,251,970	1,339,606	1,362,980	1,278,898	1,280,522					
5 years later	1,327,499	1,318,705	1,266,660	1,358,361	1,380,369	1,305,351						
6 years later	1,341,509	1,329,655	1,278,874	1,372,186	1,391,295							
7 years later	1,350,716	1,338,526	1,289,116	1,383,713								
8 years later	1,358,874	1,346,403	1,294,229									
9 years later	1,366,121	1,350,826										
10 years later	1,372,460											

Cumulated payments and provision for unsettled claims

In € thousand

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	
Financial year	1,392,902	1,401,783	1,337,566	1,444,917	1,489,270	1,475,068	1,476,130	1,515,928	1,615,166	1,719,067	1,682,362	
1 year later	1,405,975	1,395,983	1,348,006	1,436,610	1,472,322	1,457,929	1,449,504	1,495,915	1,606,939	1,701,089		
2 years later	1,410,426	1,404,598	1,350,674	1,449,431	1,495,723	1,437,879	1,429,766	1,479,026	1,600,861			
3 years later	1,407,144	1,392,071	1,353,309	1,454,301	1,489,480	1,413,637	1,417,989	1,464,752				
4 years later	1,401,274	1,394,923	1,353,437	1,447,394	1,474,842	1,399,226	1,414,173					
5 years later	1,402,704	1,401,018	1,351,386	1,447,991	1,470,199	1,395,541						
6 years later	1,405,034	1,399,677	1,349,836	1,449,843	1,464,810							
7 years later	1,411,355	1,397,935	1,346,159	1,450,138								
8 years later	1,412,051	1,395,533	1,342,375									
9 years later	1,420,703	1,393,770										
10 years later	1,422,181											
Settlement gains/losses	–1,477	1,762	3,783	–296	5,390	3,685	3,816	14,274	6,079	17,977		54,994
Settlement gains/losses before 2009												–7,114
Total settlement gains/losses												47,880
Provision for unsettled claims for accident years before 2009												
Provision for unsettled claims	49,721	42,944	48,146	66,425	73,515	90,190	133,651	179,771	239,269	415,716	798,897	2,138,245
												292,628
Plus other reserve components (components not in triangle, internal claims regulation costs, etc.)												177,059
Provisions for unsettled claims (gross at 31 December 2019)												2,607,932

6. Technical provisions for unit-linked and index-linked life insurance

This item relates to insurance provisions and remaining technical provisions for obligations from life insurance policies where the value or income is determined by investments for which the policyholder bears the risk or for which the benefit is index-linked. The investments in question are collected in asset pools, recognised at their fair value and kept separately from the other investments. As a general rule, the measurement of the provisions corresponds with the item “Unit-linked and index-linked life insurance investments”. The policyholders are entitled to all income from these investments. The unrealised gains and losses from fluctuations in the fair values of the investment pools are thus offset by the appropriate changes in these provisions. The reinsurers’ share corresponds to a liability for deposits in the same amount.

An unearned revenue liability allocated to future year premium shares (such as preliminary fees) is calculated for unit-linked and index-linked life insurance contracts in accordance with FAS 97 and amortised correspondingly to deferred acquisition costs over the contract period.

Technical provisions for unit-linked and index-linked life insurance

In € thousand

	31/12/2019	31/12/2018
Gross	4,646,152	4,721,904
Reinsurers’ share	– 113	– 101
Total	4,646,039	4,721,803

7. Premiums

The item “Premiums written – gross” includes those amounts that have been called due either once or on an ongoing basis in the financial year for the purposes of providing the insurance coverage. In the event of payment in instalments, premiums written are increased by the charges added during the year and the ancillary charges in line with the tariffs. In the case of unit-linked and index-linked life insurance, only the premiums decreased by the savings portion are stated in the item “Premiums written”.

Premiums

In € thousand

1–12/2019 1–12/2018

Premiums written – gross	5,062,785	4,988,955
Premiums written – reinsurer’s share	– 175,330	– 191,957
Premiums written – net	4,887,455	4,796,998
Change in premiums earned – gross	– 28,063	– 38,876
Change in premiums earned – reinsurers’ share	1,679	2,623
Premiums earned	4,861,071	4,760,744

Direct insurance

In € thousand

1–12/2019 1–12/2018

Property and casualty insurance	2,806,564	2,731,141
Health insurance	1,127,991	1,081,893
Life insurance	1,081,627	1,119,394
Total	5,016,182	4,932,428

Of which:

Austria	3,573,023	3,503,782
remaining EU member states and other states which are party to the Agreement on the European Economic Area	1,081,618	1,087,462
other countries	361,541	341,184
Total	5,016,182	4,932,428

Indirect insurance

In € thousand

1–12/2019 1–12/2018

Property and casualty insurance	40,219	43,294
Health insurance	2,830	4,551
Life insurance	3,553	8,682
Total	46,602	56,527

Property and casualty insurance premiums written

In € thousand

	1–12/2019	1–12/2018
Direct insurance		
Fire and business interruption insurance	252,819	254,239
Liability insurance	260,012	255,031
Household insurance	195,086	191,159
Motor TPL insurance	604,372	600,528
Legal expense insurance	96,687	91,288
Marine, aviation and transport insurance	67,244	66,412
Other motor insurance	573,887	549,919
Other property insurance	288,910	272,899
Other forms of insurance	79,056	74,762
Casualty insurance	388,491	374,904
Total	2,806,564	2,731,141
Indirect insurance		
Fire and business interruption insurance	19,566	25,860
Motor TPL insurance	5,580	5,408
Other forms of insurance	15,072	12,026
Total	40,219	43,294
Total direct and indirect insurance (amount consolidated)	2,846,783	2,774,435

Reinsurance premiums ceded

In € thousand

	1–12/2019	1–12/2018
Property and casualty insurance	146,668	157,498
Health insurance	2,557	3,611
Life insurance	26,106	30,848
Total	175,330	191,957

Premiums earned

In € thousand

1–12/2019 1–12/2018

Property and casualty insurance	2,678,436	2,584,079
Gross	2,822,991	2,738,915
Reinsurers' share	–144,555	–154,836
Health insurance	1,123,027	1,080,339
Gross	1,126,022	1,083,991
Reinsurers' share	–2,994	–3,651
Life insurance	1,059,607	1,096,326
Gross	1,085,708	1,127,174
Reinsurers' share	–26,102	–30,848
Total	4,861,071	4,760,744

Premiums earned – indirect insurance

In € thousand

1–12/2019 1–12/2018

Recognised simultaneously	19,464	15,016
Recognised with a delay of up to 1 year	–18,218	–1,233
Posted after more than 1 year	140	462
Property and casualty insurance	1,386	14,245
Recognised simultaneously	4,015	2,283
Recognised with a delay of up to 1 year	23	2,269
Health insurance	4,038	4,551
Recognised simultaneously	–5,570	–9,334
Recognised with a delay of up to 1 year	–128	–3,417
Life insurance	–5,698	–12,751
Total	–274	6,045

Earnings – indirect insurance

In € thousand

1–12/2019 1–12/2018

Property and casualty insurance	62,763	–23,163
Health insurance	13,405	661
Life insurance	17,499	4,903
Total	93,667	–17,600

8. Insurance benefits

In € thousand

in € thousand

	Gross		Reinsurers' share		Net	
	1-12/2019	1-12/2018 adjusted	1-12/2019	1-12/2018	1-12/2019	1-12/2018 adjusted
Property and casualty insurance						
Claims expenses						
Claims paid	1,751,937	1,675,648	-142,187	-41,371	1,609,750	1,634,277
Change in provision for unsettled claims	6,508	115,482	59,797	-100,800	66,305	14,682
Total	1,758,445	1,791,129	-82,390	-142,171	1,676,055	1,648,959
Change in insurance provision	410	134	10	-10	420	123
Change in other technical provisions	-3,993	-3,035	0	0	-3,993	-3,035
Non-profit-related and profit-related premium refund expenses	46,985	44,026	0	0	46,985	44,026
Total benefits	1,801,848	1,832,254	-82,380	-142,181	1,719,467	1,690,073
Health insurance						
Claims expenses						
Claims paid	771,718	728,257	-750	-1,283	770,969	726,974
Change in provision for unsettled claims	13,989	17,584	114	-378	14,102	17,206
Total	785,707	745,841	-636	-1,661	785,071	744,180
Change in insurance provision	143,265	133,192	46	68	143,310	133,260
Change in other technical provisions	19	-9	0	0	19	-9
Non-profit-related and profit-related premium refund expenses	31,875	30,524	0	0	31,875	30,524
Total benefits	960,866	909,547	-590	-1,593	960,275	907,955
Life insurance						
Claims expenses						
Claims paid	1,182,199	1,211,405	-22,543	-24,854	1,159,656	1,186,551
Change in provision for unsettled claims	-17,270	31,699	656	368	-16,615	32,067
Total	1,164,928	1,243,104	-21,887	-24,485	1,143,041	1,218,618
Change in insurance provision	-208,217	-215,945	5,672	1,813	-202,545	-214,132
Change in other technical provisions	232	0	0	0	232	0
Non-profit-related and profit-related premium refund expenses and/or (deferred) benefit participation expenses	36,607	31,234	0	0	36,607	31,234
Total benefits	993,550	1,058,393	-16,215	-22,673	977,335	1,035,721
Total	3,756,264	3,800,194	-99,186	-166,447	3,657,078	3,633,748

9. Operating expenses

In € thousand

1–12/2019 1–12/2018

Property and casualty insurance		
Acquisition costs		
Payments	614,472	589,686
Change in deferred acquisition costs	– 10,117	– 13,515
Other operating expenses	269,600	246,931
Reinsurance commission and share of profit from reinsurance ceded	– 12,713	– 12,123
	861,241	810,980
Health insurance		
Acquisition costs		
Payments	107,054	109,335
Change in deferred acquisition costs	– 14,504	– 11,431
Other operating expenses	95,733	86,522
Reinsurance commission and share of profit from reinsurance ceded	– 470	– 570
	187,813	183,856
Life insurance		
Acquisition costs		
Payments	172,103	166,617
Change in deferred acquisition costs	56,252	24,853
Other operating expenses	134,408	129,253
Reinsurance commission and share of profit from reinsurance ceded	– 4,700	– 906
	358,062	319,817
Total	1,407,116	1,314,653

Other non-current assets

10. Property, plant and equipment

Property, plant and equipment are accounted for using the cost model.

Gains on the disposal of property, plant and equipment are recorded under the item “Other insurance income”, while losses are recorded under “Other technical expenses”.

If the use of a property changes and an owner-occupied property becomes an investment property, the property is reclassified as investment land and buildings with the carrying amount at the date of the change.

Property, plant and equipment are depreciated on a straight line basis over a useful life for buildings of 5 to 80 years and for technical systems and operating and office equipment of 2 to 20 years. Depreciation methods, useful lives and residual values are reviewed on every reporting date and adjusted if necessary. The depreciation charges for property, plant and equipment are recognised in profit/(loss) for the period on the basis of allocated operating expenses under the items “Insurance benefits”, “Operating expenses” and “Net investment income” so that the expenses and earnings are distributed on the basis of their causation.

Leases

For the first-time application of IFRS 16 (Leases), UNIQA uses the modified retrospective method.

There are around 1,200 contracts throughout the entire Group which fall within the scope of the standard and for which UNIQA is lessee. Nearly all contracts are simple standard contracts. They mainly relate to real estate and in part to operating and office equipment. A significant portion of the capitalised rights of use consists of a small number of contracts concluded for an indefinite period for which estimates had to be made regarding their duration and the exercise of termination options. The terms used to calculate these contracts are up to 60 years. The average contract term of the remaining contracts is between three and five years.

The discount rate used to determine the liability is composed of the risk-free interest rate adjusted by the country risk, creditworthiness, quality of the collateral and an amortisation factor. The weighted average of the discount rate applied to the first-time recognition of the lease liability amounts to 1.5 per cent.

Non-lease components included in the leases will not be allocated. Leases with a contractual term of less than twelve months and low value assets were not recognised.

Acquisition costs

In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2018	408,767	0	236,817	0	645,583
Currency translation	-1,250	0	-150	0	-1,401
Additions	3,838	0	28,712	0	32,550
Disposals	-2,791	0	-14,585	0	-17,376
Reclassifications	2,811	0	-1,084	0	1,726
At 31 December 2018	411,374	0	249,709	0	661,083
At 1 January 2019	411,374	0	249,709	0	661,083
Currency translation	-364	25	269	9	-61
Change in basis of consolidation	0	-25	275	-9	240
Additions	6,141	70,977	20,696	1,773	99,588
Disposals	-2,511	-394	-21,964	-16	-24,884
Reclassifications	-56	0	-10,556	0	-10,612
At 31 December 2019	414,585	70,584	238,429	1,757	725,355

Accumulated depreciation and impairment losses

In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2018	-165,367	0	-169,606	0	-334,973
Currency translation	395	0	20	0	415
Additions from depreciation	-10,723	0	-16,182	0	-26,904
Additions from impairment	-158	0	0	0	-158
Disposals	1,990	0	11,414	0	13,403
Reclassifications	-1,939	0	127	0	-1,812
Reversal of impairment	0	0	8	0	8
At 31 December 2018	-175,801	0	-174,219	0	-350,021
At 1 January 2019	-175,801	0	-174,219	0	-350,021
Currency translation	170	0	-102	0	68
Change in basis of consolidation	0	0	11	0	11
Additions from depreciation	-10,874	-10,254	-15,004	-659	-36,791
Additions from impairment	-13	0	0	0	-13
Disposals	471	317	12,364	16	13,167
Reclassifications	0	0	4	0	4
Reversal of impairment	0	0	1	0	1
At 31 December 2019	-186,048	-9,937	-176,947	-643	-373,575

Carrying amounts

In € thousand

	Land and buildings for own use	Usage rights from land and buildings for own use	Other property, plant and equipment	Usage rights from other property, plant and equipment	Total
At 1 January 2018	243,400	0	67,210	0	310,610
At 31 December 2018	235,573	0	75,489	0	311,062
At 31 December 2019	228,537	60,647	61,482	1,114	351,780

The fair values of the land and buildings for own use are derived from expert reports and are comprised as follows:

Fair values

In € thousand

	Property and casualty insurance	Health insurance	Life insurance	Total
At 31 December 2018	205,776	30,386	165,722	401,884
At 31 December 2019	208,991	31,076	185,784	425,851

Other property, plant and equipment refers mainly to technical systems and operating and office equipment.

Amounts recognised in consolidated financial statements

2019

In € thousand

Amounts recognised in the consolidated income statement	
Interest on lease liabilities	1,074
Expenses relating to short-term leases	1,717
Expenses relating to leases of low-value assets, excluding short-term leases of low-value assets	5,200
Amounts recognised in the consolidated statement of cash flows	
Cash outflows for leases	-10,628

Reconciliation of lease obligations

In € thousand

Future lease payments from operating leases at 31 December 2018	
	20,636
Omission of short-term leases	-1,717
Omission of leases for low-value assets	-13,001
Estimate for termination and extension option	66,477
Lease liability at 1 January 2019	72,396

11. Intangible assets**Deferred acquisition costs**

Based on US GAAP, deferred acquisition costs are accounted for in accordance with IFRS 4. In the case of property and casualty insurance contracts, costs directly attributable to the acquisition are deferred and distributed over the expected contract term or according to the unearned premiums. In life insurance, the deferred

acquisition costs are amortised in line with the pattern of expected gross profits or margins. Deferred acquisition costs for insurance activities that are directly related to new business and/or to extensions of existing policies and that vary in line with that business are capitalised. They are amortised over the term of the respective insurance contract. If they are attributable to property and casualty insurance, they are amortised over the probable contractual term. For long-term health insurance contracts, the amortisation of acquisition costs is measured in line with the proportionate share of earned premiums in the present value of expected future premium income. In life insurance, the acquisition costs are amortised over the duration of the contract in the same proportion as the actuarial profit margin of each individual year is realised in comparison to the total margin to be expected from the contracts. The changes in deferred acquisition costs are recognised as part of profit/(loss) for the period under "Operating expenses".

Insurance contract portfolio

Values of life, property and casualty insurance policies relate to expected future margins from purchased operations. They are recognised at the fair value at the acquisition date.

The amortisation of the current value of insurance contracts follows the progression of the estimated gross margins. The amortisation of the value of insurance contracts is recognised in the profit/(loss) for the period under "Amortisation of goodwill and impairment losses".

Goodwill

Ascertainment and allocation of goodwill

For the purpose of the impairment test, UNIQA has allocated the goodwill to cash-generating units (CGUs) below, which coincide with the countries in which UNIQA operates. An exception to this was the SIGAL Group, in which the three countries of Albania, Kosovo and North Macedonia were combined as one CGU due to their similar development and organisational connection:

- UNIQA Austria
- UNIQA Re
- Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group (SEE)
- Bosnia and Herzegovina (SEE)
- Bulgaria (SEE)
- Poland (CE)
- Romania (EE)
- Russia (RU)
- Serbia (SEE)
- Montenegro (SEE)
- Slovakia (CE)
- Czech Republic (CE)
- Hungary (CE)

Goodwill by CGU

In € thousand

31/12/2019 31/12/2018

Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group	23,299	22,863
Bulgaria	55,812	55,812
Poland	27,927	27,638
Romania	98,460	100,983
Serbia	19,998	19,898
Czech Republic	8,347	8,244
Hungary	16,179	16,660
UNIQA Austria	37,737	37,737
Other	3,567	5,677
Total	291,327	295,513

Impairment test for goodwill

The impairment test was carried out in the fourth quarter of 2019. In order to test the impairment for goodwill, the recoverable amount of the CGUs is determined. Impairment is recognised when the recoverable amount of a CGU is less than its value to be covered, consisting of goodwill, the proportional net assets and any capital increases. The impairment of goodwill is recognised in profit/(loss) for the period under the item “Amortisation of goodwill and impairment losses”.

Determination of the recoverable amount

The recoverable amount of the CGUs with goodwill allocated is calculated on the basis of value in use by applying generally accepted measurement principles by means of the discounted cash flow method (DCF). The budget projections (detailed planning phase) of the CGUs, the estimate of the long-term net profits achievable by the CGUs and long-term growth rates (perpetuity) are used as the starting point for determination of the capitalised value.

The capitalised value is determined by discounting the future profits with a suitable capitalisation rate after assumed retention to strengthen the capital base. In the process, the capitalised values are separated by business line, which are then totalled to yield the value for the entire company.

Cash flow forecast (multi-phase model)

Phase 1: five-year company planning

The detailed company planning generally encompasses a period of five years. The company plans used for the calculation are the result of a structured and standardised management dialogue. This includes an integrated reporting and documentation process integrated into this dialogue and takes into account empirical values from previous planning periods. The plans are formally approved by the Group Management Board and also include material assumptions regarding the combined ratio, capital earnings, market shares and the like.

Phase 2: perpetuity growth rate

The last year of the detailed planning phase is used as the basis for determining cash flows in phase 2. The growth in the start-up phase leading up to phase 2 was determined using a projection of the growth in insurance markets. This start-up phase denotes a period that is required for the insurance market to achieve a penetration rate equal to the Austrian level. It was assumed that the insurance markets would come into line with the Austrian level in terms of density and penetration in 40 to 60 years. Various studies and statistical analyses were used as sources to provide a basis for determining the growth rates in order to consistently and realistically reflect the market situation and macroeconomic development. The reference sources include our own research, as well as country risks, growth rate estimations and multiples published by Damodaran (NYU Stern).

Determining the capitalisation rate

The assumptions with regard to risk-free interest rate, market risk premium and business line betas made for determining the capitalisation rate are consistent with the parameters used in the UNIQA planning and controlling process. They are based on the capital asset pricing model.

In order to depict the economic situation of income values as accurately as possible, considering the volatility on the markets, the capitalisation rate was calculated as follows: a uniform, risk-free interest rate according to the Svensson method (German treasury bonds with a maturity of 30 years) was used as a base interest rate.

The beta factor was determined on the basis of the monthly betas over the last five years for a defined peer group. The betas for the non-life, life and health insurance segments were determined using the revenues in the relevant segments of the individual peer group companies. The health insurance segment, which is strongly focused on the Austrian market, is operated in a manner similar to life insurance. A uniform beta factor for personal insurance is therefore used in relation to the health and life insurance lines.

The determination of the market risk premium was adjusted according to the recommendation of the Chamber

of Tax Consultants and Auditors. It was derived from a dividend discount model. The necessary market data is retrieved from Bloomberg. The growth factor is derived in the same manner as the growth in the profit from ordinary activities in the impairment test.

An additional country risk premium was defined in accordance with Professor Damodaran's models. The basic principles for calculation of the country risk premium in accordance with the Damodaran method are as follows: the spread of credit default swap spreads in a rating class of "risk-free" US government bonds is determined starting from the rating of the country concerned (Moody's). Then the spread is adjusted by the amount of the volatility difference between equity and bond markets.

The calculation also factored in the inflation differential for countries outside the eurozone. In general, the inflation differential represents inflation trends in different countries and is used as a key indicator in assessing competitiveness. In order to calculate the inflation differential, the deviation of the inflation forecast for the country of the CGU in question in relation to the inflation forecast for a risk-free environment (Germany, in this case) was used. This is adjusted annually in the detailed planning by the expected inflation, and is subsequently applied for perpetuity with the value of the last year of the detailed planning phase.

Capitalisation rate 2019

In per cent

	Discount factor		Discount factor perpetuity		Growth rate (perpetuity)
	Property/ casualty	Life & health	Property/ casualty	Life & health	Property/casualty Life & health
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group ¹⁾	12.7–15.0	13.1–15.4	12.9–15.0	13.3–15.4	6.2–6.8
Bosnia and Herzegovina	16.3	16.7	16.8	17.2	6.3
Bulgaria	11.9	12.3	10.7	11.1	5.6
Montenegro	13.3	13.7	14.0	14.4	6.0
Austria	8.5	8.9	8.5	8.9	1.0
Poland	9.9	10.3	9.2	9.6	4.8
Romania	13.7	14.1	11.3	11.7	5.7
Russia	14.7	15.1	13.2	13.6	6.5
Serbia	13.7	14.1	13.7	14.1	6.2
Slovakia	9.1	9.5	9.1	9.5	4.5
Czech Republic	10.3	10.7	8.7	9.1	4.2
Hungary	12.8	13.2	11.7	12.2	5.1

¹⁾ The discount rate ranges listed for the SIGAL Group and the regions relate to the spread over the respective countries grouped under these headings.

Capitalisation rate 2018

In per cent

	Discount factor		Discount factor perpetuity		Growth rate (perpetuity)
	Property/ casualty	Life & health	Property/ casualty	Life & health	Property/casualty Life & health
Albania/Kosovo/North Macedonia as subgroup of the SIGAL Group ¹⁾	12.1–13.6	12.6–14.0	11.6–13.7	12.1–14.1	6.4–7.0
Bosnia and Herzegovina	15.1	15.6	15.0	15.5	6.6
Bulgaria	10.5	11.0	9.8	10.3	5.8
Montenegro	14.3	14.7	12.9	13.3	6.1
Austria	8.6	9.1	8.6	9.1	1.0
Poland	9.4	9.8	9.0	9.4	4.8
Romania	12.8	13.3	11.1	11.6	5.8
Russia	12.7	13.1	12.4	12.8	6.7
Serbia	13.1	13.6	12.6	13.1	6.4
Slovakia	9.2	9.6	9.2	9.6	4.6
Czech Republic	9.0	9.5	8.3	8.8	4.4
Hungary	11.7	12.2	11.0	11.5	5.3

¹⁾ The discount rate ranges listed for the SIGAL Group and the regions relate to the spread over the respective countries grouped under these headings.

Impairments for the financial year

Due to the assumed development of cash flows an impairment was made for the CGU Slovakia amounting to €120 thousand, and for the CGU Montenegro amounting to €81 thousand. There was also an impairment amounting to €1,852 thousand recognised in the financial year for the CGU Bosnia on account of an increased retention requirement.

Sensitivity analyses

In order to substantiate the results of the calculation and estimation of the value in use, random sensitivity analyses with regard to the capitalisation rate and the main value drivers are performed.

These analyses show that sustained surpluses on the part of the individual CGUs are highly dependent on the actual development of these assumptions within the individual national or regional economies (GDP, insurance density, purchasing power parities), particularly in the CEE markets, as well as the associated implementation of the individual profit goals. These forecasts and the related assessment of how the situation in the markets will develop in the future, under the influence of the continuing financial crisis in individual markets, are the largest uncertainties in connection with measurement results.

In the event that the insurance markets develop entirely differently from the assumptions made in those business plans and forecasts, the individual goodwill amounts may

incur impairment losses. Despite slower economic growth, income expectations have not changed significantly compared to previous years.

A sensitivity analysis shows that if there was a rise in interest rates of 50 basis points or a change in the underlying cash flow by –5 per cent, the CGU Bulgaria's value could fall below its carrying amount.

Other intangible assets

Other intangible assets include both purchased and internally generated software, which is depreciated on a straight-line basis over its useful economic life of 2 to 20 years.

Costs that are incurred at the research stage for internally generated software are recognised through profit or loss for the period in which they were incurred. Costs that are incurred in the development phase are deferred provided that it is foreseeable that the software will be completed, there is the intention and ability for future internal use, and this will result in a future economic benefit.

Rights of use for leased intangible assets are not recognised.

The amortisation of the other intangible assets is recognised in profit/(loss) for the period on the basis of allocated operating expenses under the items "Insurance benefits", "Operating expenses" and "Net investment income".

Measurement of non-financial assets

The carrying amounts of UNIQA's non-financial assets – excluding deferred tax assets – are reviewed at every reporting date to determine whether there is an indication of impairment. If this is the case, the recoverable amount of the asset is estimated. The goodwill and intangible assets under construction are tested for impairment annually.

An impairment loss on goodwill is not reversed. In the case of other assets, an impairment loss is reversed only to the extent that it does not increase the carrying amount of the asset above the carrying amount that would have been determined net of depreciation or amortisation had no impairment loss been recognised.

Acquisition costs

In € thousand

	Deferred acquisition costs	Insurance contract portfolio	Goodwill	Other intangible assets	Total
At 1 January 2018	1,133,156	112,903	377,814	247,420	1,871,293
Currency translation	-3,307	-7	-36	-1,115	-4,465
Additions	0	0	0	90,726	90,726
Disposals	0	0	0	-4,954	-4,954
Interest capitalised	2,922	0	0	0	2,922
Capitalisation	167,613	0	0	0	167,613
Portfolio additions and disposals	22,267	0	0	0	22,267
Amortisation	-170,555	0	0	0	-170,555
At 31 December 2018	1,152,095	112,896	377,779	332,076	1,974,845
At 1 January 2019	1,152,095	112,896	377,779	332,076	1,974,845
Currency translation	2,738	-701	-2,068	-90	-121
Change in basis of consolidation	0	0	-109	0	-109
Additions	0	0	0	77,886	77,886
Disposals	0	0	0	-2,917	-2,917
Reclassifications	0	0	0	15	15
Interest capitalised	-8,399	0	0	0	-8,399
Capitalisation	238,513	0	0	0	238,513
Portfolio additions and disposals	145	0	0	0	145
Amortisation	-261,297	0	0	0	-261,297
At 31 December 2019	1,123,795	112,195	375,601	406,970	2,018,561

Accumulated amortisation and impairment losses

In € thousand

	Deferred acquisition costs	Insurance contract portfolio	Goodwill	Other intangible assets	Total
At 1 January 2018		-99,591	-82,230	-159,924	-341,745
Currency translation		24	0	788	812
Additions from amortisation		-2,639	-35	-12,668	-15,342
Disposals		0	0	314	314
At 31 December 2018		-102,206	-82,265	-171,490	-355,961
At 1 January 2019		-102,206	-82,265	-171,490	-355,961
Currency translation		687	0	285	973
Change in basis of consolidation		0	44	0	44
Additions from amortisation		-2,509	-2,053	-18,862	-23,425
Disposals		0	0	927	927
Reversal of impairment		0	0	-1	-1
Reclassifications		0	0	-4	-4
At 31 December 2019		-104,028	-84,274	-189,145	-377,446

Carrying amounts

In € thousand

	Deferred acquisition costs	Insurance contract portfolio	Goodwill	Other intangible assets	Total
At 1 January 2018	1,133,156	13,313	295,584	87,496	1,529,548
At 31 December 2018	1,152,095	10,690	295,513	160,587	1,618,885
At 31 December 2019	1,123,795	8,168	291,327	217,826	1,641,116

Other intangible assets mainly comprise software.

Other current assets

12. Receivables, including insurance receivables

In € thousand

	31/12/2019	31/12/2018
Reinsurance receivables		
Receivables from reinsurance business	50,912	32,179
	50,912	32,179
Insurance receivables		
from policyholders	250,196	231,222
from insurance intermediaries	22,941	20,455
from insurance companies	12,419	7,968
	285,557	259,645
Other receivables		
Receivables from services	69,070	73,546
Other tax refund claims	14,654	19,108
Remaining receivables	73,434	112,439
	157,158	205,092
Subtotal	493,627	496,916
of which receivables with a remaining maturity of		
up to 1 year	491,049	494,462
more than 1 year	2,578	2,455
	493,627	496,916
of which receivables with values not yet impaired		
up to 3 months overdue	8,177	11,792
more than 3 months overdue	8,034	8,971
Other assets	53,033	43,793
Total receivables including insurance receivables	546,659	540,709

Other assets basically comprise the balance of the deferred income from the settlement of indirect business.

The fair values are essentially equal to the carrying amounts.

Impairments

	Reinsurance receivables		Insurance receivables ¹⁾		Other receivables	
In € thousand	2019	2018	2019	2018	2019	2018
At 1 January	-2,329	-525	-17,187	-18,858	-6,694	-7,942
Allocation	0	-1,804	-1,957	-4,078	-1,312	-829
Use	2,304	0	779	1,239	609	439
Reversal	25	0	6,380	3,943	1,009	1,816
Currency translation	0	0	-91	567	-582	-178
At 31 December	0	-2,329	-12,076	-17,187	-6,971	-6,694

¹⁾ Impairment losses related to policyholders are shown under the cancellation provision.

There are no material overdue receivables that have not been impaired.

13. Cash and cash equivalents

In € thousand

31/12/2019 31/12/2018

Cash collateral in connection with securities lending transactions	0	772,196
Current bank balances, cheques and cash-in-hand	479,621	672,195
Total	479,621	1,444,391

Cash and cash equivalents are measured at the exchange rate in effect on the reporting date. The item “Cash and cash equivalents” in the consolidated statement of cash flows corresponds to the item with the same name in the consolidated statement of financial position.

14. Assets and liabilities in disposal groups held for sale, as well as discontinued operations

Assets and liabilities held for sale

Non-current assets and liabilities are classified as held for sale if it is highly probable that they will be realised through sale rather than continued use.

These assets or disposal groups are recognised at the lower of their carrying amounts or fair values less costs to sell. Any impairment loss of a disposal group is firstly allocated to goodwill and then to the remaining assets and liabilities on a proportional basis. No loss is allocated to financial assets, deferred tax assets, assets in connection with employee benefits or investment property that continues to be measured based on the Group’s other accounting policies. Impairment losses on the first-time classification as held for sale and any subsequent impairment losses are recognised in profit or loss.

Intangible assets held for sale and property, plant and equipment are no longer amortised or depreciated. Investments recognised using the equity method are no longer equity-accounted.

Following the closing of the sale of Medial Beteiligungs-Gesellschaft m.b.H on 15 January 2018, the items previously reported under assets in disposal groups held for sale were derecognised.

Since the third quarter of 2018, sales talks have been held on the sale of 19 commercial properties. This is a portfolio of specialist stores and shopping centres in Austria. They have therefore been reported under assets in disposal groups held for sale (health and life business lines). In the course of the financial year, 18 real estate properties were sold. As at 31 December 2019, one property with a carrying amount of €13,778 thousand was returned to the item “Investment property”, following a change in estimates of its saleability.

Taxes

15. Income tax

Income tax

In € thousand

1–12/2019 1–12/2018

Actual tax – reporting year	33,647	11,059
Actual tax – previous years	11,345	21,087
Deferred tax	14,180	27,324
Total	59,172	59,470

The basic corporate income tax rate applied for all segments was 25 per cent. National tax regulations in conjunction with life insurance profit participation may lead to a different calculated income tax rate.

Reconciliation statement

In € thousand

1–12/2019 1–12/2018

Earnings before taxes	295,667	294,618
Expected tax expenses ¹⁾	73,917	73,655
Adjusted by tax effects from		
Tax-free investment income	–17,250	–17,807
Amortisation of goodwill and impairment losses	513	–35
Tax-neutral consolidation effect	27	–81
Other non-deductible expenses/other tax-exempt income	994	2,749
Changes in tax rates	–20	0
Deviations in tax rates	–18,069	–12,329
Tax deducted at source	1,356	328
Taxes for previous years	8,532	21,758
Lapse of loss carried forward and other	9,171	–8,767
Income tax expenses	59,172	59,470
Average effective tax burden (in per cent)	20.0	20.2

¹⁾ Earnings before taxes multiplied by the corporate income tax rate

Group taxation

UNIQA exercises in Austria the option of forming a group of companies for tax purposes. There are three taxable groups of companies with the parent groups UNIQA Insurance Group AG, PremiQaMed Holding GmbH and R-FMZ Immobilienholding GmbH.

The group members are generally charged, or relieved by, the corporation tax amounts attributable to them by the parent group through the distribution of their tax burden in the tax group. Losses from foreign group members are also included within the scope of taxable profits. The tax realisation for these losses is accompanied by a future tax obligation to pay income taxes at an unspecified point in time. A corresponding provision is therefore formed for future subsequent taxation of foreign losses.

16. Deferred taxes

The calculation of deferred tax is based on the specific tax rates of each country, which were between 9 and 25 per cent in the financial year (2018: between 5 and 25 per cent). Changes in tax rates in effect at 31 December 2019 are taken into account.

The deferred tax assets and deferred tax liabilities stated in the consolidated statement of financial position performed as follows:

Net deferred tax

In € thousand

At 1 January 2018	–287,403
Changes recognised in profit/(loss)	–27,324
Changes recognised in other comprehensive income	63,957
Reclassifications held for sale	1,088
Foreign exchange differences	441
At 31 December 2018	–249,241
At 1 January 2019	–249,241
Changes recognised in profit/(loss)	–14,180
Changes recognised in other comprehensive income	–106,170
Reclassifications held for sale	–1,088
Foreign exchange differences	186
At 31 December 2019	–370,492

Changes recorded in other comprehensive income essentially relate to measurements of financial instruments available for sale and revaluation of defined benefit obligations.

The differences between the tax carrying amounts and the carrying amounts in the IFRS consolidated statement of financial position have the following effect:

In € thousand

31/12/2019 31/12/2018

Deferred tax assets (gross)		
Technical items	57,568	54,249
Investments	22,349	26,678
Actuarial gains and losses on defined benefit obligations	61,891	45,316
Loss carried forward	12,471	14,043
Other items	22,212	12,773
Total	176,490	153,059
Deferred tax liabilities (gross)		
Technical items	-311,477	-298,358
Investments	-211,903	-60,737
Actuarial gains and losses on defined benefit obligations	-1	-1
Other items	-23,600	-43,203
Total	-546,982	-402,300
Net deferred tax	-370,492	-249,241

The temporary differences in connection with shares in subsidiaries and associates for which no deferred tax liabilities were recognised amounted to €1,657,532 thousand (2018: €2,821,988 thousand).

An assessment of the ability to realise deferred tax assets for tax losses not yet used, tax credits not yet used and deductible temporary differences requires an estimate of the amount of future taxable profits. The resulting forecasts are based on business plans that are prepared, reviewed and approved using a uniform procedure throughout the company. Especially convincing evidence regarding the value and future chance of realisation of deferred tax assets is required under internal Group policies if the relevant Group company has suffered a loss in the current or a prior period.

The deferred tax assets stated include €12,471 thousand (2018: €14,043 thousand) attributable to tax loss carryforwards.

These tax assets from loss carryforwards are forfeited as follows:

In € thousand

31/12/2019 31/12/2018

Up to 1 year	11,187	4,784
2 to 5 years	19,604	13,275
More than 5 years	101,338	136,578
Total	132,128	154,637

Deferred tax assets from loss carryforwards in the amount of €10,577 thousand (2018: €11,922 thousand) were not recognised, as a realisation of these in the near future cannot be assumed, taking maturities into account.

Social capital

17. Defined benefit plans

There are individual contractual pension obligations, individual contractual bridge payments, and pension allowances in accordance with association recommendations.

The calculation of defined benefit obligations is carried out annually using the projected unit credit (PUC) method. If the calculation results in a potential asset, the asset recognised is limited to the present value of any economic benefit available in the form of future refunds from the plan or reductions in future contributions to the plan. Any valid minimum funding requirements are included in the calculation of the present value of the economic benefit.

Revaluations of net liabilities from defined benefit plans are recognised directly in other comprehensive income. The revaluation includes the actuarial gains and losses, the income from plan assets (not including projected interest income) and the effect of any asset ceiling. Net interest expenses (income) on net liabilities (assets) from defined benefit plans are calculated for the reporting period by applying the discount rate. The discount rate was used to measure the defined benefit obligation at the start of the annual reporting period. This discount rate is applied to net liabilities (assets) from defined benefit plans on this date. Any changes in net liabilities (assets) from defined benefit plans resulting from contribution and benefit payments over the course of the reporting period are taken into account. Net interest expenses and other expenses for defined benefit plans are recognised through profit or loss in profit/(loss) for the period.

If a plan's defined benefits are changed or a plan is curtailed, the resulting change in the benefit relating to past

service costs and the gain or loss on the curtailment is recognised directly in profit/(loss) for the period. Gains and losses from the settlement of a defined benefit plan are recognised at the date of the settlement. The defined benefit obligations are stated under the balance sheet item "Other provisions".

Pension entitlements

Individuals who hold an individual contractual agreement can generally claim a pension when they reach the age of 60 or 65, subject to certain conditions. The amount of the pension generally depends on the number of their years of service and their last salary before leaving their active employment. In the event of death, the spouse of the individual entitled to the claim receives a pension at 60, 50 or 40 per cent depending on the policy. The pensions are suspended for any period in which a termination benefit is paid and their value is generally guaranteed. The pensions that are based on individual policies or on association recommendations are financed through provisions. The final pension contribution which guarantees a fixed cash value for when the beneficiary begins their retirement is set aside during the contribution phase and transferred to the pension fund at the time of retirement. The financing is specified in the pension fund's business plan, in the works council agreement and in the pension fund contract.

Termination benefit entitlements

In the case of employees of Austrian companies whose employment began prior to 31 December 2002 and lasted three years without interruption, the employee is entitled to termination benefits when the employment is terminated, unless the employee resigns, leaves without an important reason or is dismissed.

Defined benefit obligations

In € thousand

	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Termination benefits	Total defined benefit obligations
At 1 January 2019	439,983	–90,102	349,881	143,687	493,568
Current service costs	16,203	0	16,203	3,180	19,383
Interest expense/income	7,158	–1,376	5,782	1,387	7,169
Past service costs and gains or losses from settlements	–1,378	0	–1,378	0	–1,378
Components of defined benefit obligations recognised in the income statement	21,983	–1,376	20,608	4,567	25,175
Return on plan assets recognised in other comprehensive income	0	–5,971	–5,971	288	–5,683
Actuarial gains and losses that arise from changes in demographic assumptions	51	0	51	690	741
Actuarial gains and losses that arise from changes in financial assumptions	55,527	0	55,527	7,738	63,266
Actuarial gains and losses that arise from experience adjustments	7,367	0	7,367	3,679	11,046
Other comprehensive income	62,946	–5,971	56,974	12,395	69,369
Changes from currency translation	6	0	6	1	7
Payments	–19,433	0	–19,433	–26,078	–45,511
Contribution to plan assets	0	–8,116	–8,116	0	–8,116
Transfer in	7	0	7	–254	–247
Transfer out	–7,022	5,029	–1,993	0	–1,993
At 31 December 2019	498,469	–100,536	397,933	134,318	532,251

Defined benefit obligations

In € thousand

	Defined benefit obligations for pensions	Plan assets at fair value	Net defined benefit obligations for pensions	Termination benefits	Total defined benefit obligations
At 1 January 2018	503,814	–84,175	419,639	167,998	587,637
Current service costs	16,466	0	16,466	4,661	21,126
Interest expense/income	7,489	–1,203	6,285	1,378	7,663
Past service costs and gains or losses from settlements	–9,267	0	–9,267	0	–9,267
Components of defined benefit obligations recognised in the income statement	14,687	–1,203	13,483	6,038	19,522
Return on plan assets recognised in other comprehensive income	0	6,612	6,612	78	6,689
Actuarial gains and losses that arise from changes in demographic assumptions	24,532	0	24,532	220	24,752
Actuarial gains and losses that arise from changes in financial assumptions	–11,473	0	–11,473	–3,352	–14,825
Actuarial gains and losses that arise from experience adjustments	4,052	0	4,052	–506	3,546
Other comprehensive income	17,110	6,612	23,722	–3,561	20,161
Changes from currency translation	–14	0	–14	0	–14
Payments	–88,160	0	–88,160	–26,659	–114,819
Contribution to plan assets	0	–19,429	–19,429	–135	–19,563
Transfer in	2,446	0	2,446	5	2,452
Transfer out	–9,900	8,093	–1,807	0	–1,807
At 31 December 2018	439,983	–90,102	349,881	143,687	493,568

The plan assets for the defined benefit obligations are comprised as follows:

In per cent	31/12/2019		31/12/2018	
	Listed	Unlisted	Listed	Unlisted
Bonds – euro	29.4	0.1	13.4	0.0
Bonds – euro high yield	0.3	0.0	0.6	0.0
Corporate bonds – euro	20.1	0.0	20.2	0.0
Equities – euro	6.8	0.0	4.6	0.0
Equities – non-euro	6.1	0.0	4.0	0.0
Equities – emerging markets	3.0	0.0	4.0	0.0
Alternative investment instruments	0.5	3.7	0.5	2.7
Land and buildings	0.0	5.0	0.0	5.2
Cash	0.0	24.0	0.0	42.1
HTM bonds/term deposits	1.2	0.0	2.6	0.0
Total	67.2	32.8	49.9	50.1

Contributions to plan assets are expected for the coming year in the amount of €6,580 thousand.

The essential risks from the benefit plan are limited to the investment risk, the interest rate risk, life expectancy as well as salary risk.

Sensitivity analysis

In per cent	Pensions		Termination benefits	
	2019	2018	2019	2018
Remaining life expectancy				
Change in DBO (+ 1 year)	3.8	3.4		
Change in DBO (– 1 year)	–4.0	–3.5		
Discount rate				
Change in DBO (+1 percentage point)	–12.1	–11.3	–7.1	–7.2
Change in DBO (–1 percentage point)	15.1	13.9	8.1	8.2
Future salary increase rate				
Change in DBO (+ 0.75%)	4.3	1.5	5.8	5.9
Change in DBO (– 0.75%)	–3.8	–1.5	–5.3	–5.4
Future pension increase rate				
Change in DBO (+ 0.25%)	3.6	3.3		
Change in DBO (– 0.25%)	–3.4	–3.2		

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

Calculation factors applied	2019	2018
In per cent		
Discount rate in termination benefits	0.3	1.2
Discount rate in pensions	0.8	1.7
Valorisation of remuneration	3.0	3.0
Valorisation of pensions	0.8	2.0
Employee turnover rate	dependent on years of service	dependent on years of service
Calculation principles	AVÖ 2018 P – salaried employees	AVÖ 2018 P – salaried employees

Weighted average duration in years

	Pensions	Termination benefits
31 December 2019	14.6	7.7
31 December 2018	12.9	7.6

The sensitivity of the defined benefit obligations on changes in the weighted actuarial calculation parameters is:

18. Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as expenses through profit or loss as soon as the associated work is performed. Prepaid contributions are recognised as assets if an entitlement to refund or reduction of future payments arises. The defined contribution plan is financed largely by UNIQA.

Pension entitlements

Board members, special policyholders and active employees in Austria are subject to a basic defined contribution pension fund scheme. The beneficiaries are also entitled to a final pension fund contribution which guarantees them a fixed cash value for retirement when they begin their retirement. This obligation is to be classified as a defined benefit in the contribution phase. The works council agreement states the extent to which a final pension fund contribution is provided to the beneficiary's individual assurance cover account in the event of a transfer to the old-age pension or of an incapacity to work or the death as a participant. UNIQA has no obligations during the benefit phase.

Contributions to company pension funds

Under the defined contribution company pension scheme, the employer pays the fixed amounts into company pension funds. The insurance contributions to company pension funds amounted to €4,231 thousand (2018: €3,318 thousand). The employer has satisfied their obligation by making these contributions.

19. Employees

Personnel expenses

In € thousand

1–12/2019 1–12/2018

Salaries	454,780	424,290
Expenses for termination benefits	4,567	6,038
Pension expenses	20,608	13,483
Expenditure on mandatory social security contributions as well as income-based charges and compulsory contributions	128,921	121,413
Other social expenditures	7,040	7,131
Total	615,916	572,356
of which sales	120,436	118,949
of which administration	493,351	458,730
of which retirees	2,129	–5,323

Average number of employees

31/12/2019 31/12/2018

Total	13,038	12,818
of which sales	4,202	4,271
of which administration	8,836	8,547

Equity

20. Subscribed capital and capital reserves

The share capital is comprised of 309,000,000 no-par-value bearer shares. Capital reserves include unallocated capital reserves, which primarily result from share premiums.

A dividend of €0.53 per share was paid on 3 June 2019. This corresponds with a distribution amounting to €162,692 thousand. Subject to the approval of the Annual General Meeting, a dividend payment in the amount of €0.54 per share is planned for the financial year, which equates to a distribution in the amount of €165,761 thousand.

21. Treasury shares

Treasury shares

31/12/2019 31/12/2018

UNIQA Insurance Group AG		
Number of shares	819,650	819,650
Cost in € thousand	10,857	10,857
Share of subscribed capital in %	0.27	0.27
UNIQA Österreich Versicherungen AG		
Number of shares	1,215,089	1,215,089
Cost in € thousand	5,774	5,774
Share of subscribed capital in %	0.39	0.39
Total	2,034,739	2,034,739

Authorisations of the Management Board

In accordance with the resolution of the Annual General Meeting dated 20 May 2019, the Management Board is authorised to increase the company's share capital up to and including 30 June 2024 with the approval of the Supervisory Board by a total of up to €80,000,000 by issuing up to 80,000,000 no-par-value bearer or registered shares in exchange for payment in cash or in kind, one time or several times.

In accordance with the resolution of the Annual General Meeting dated 28 May 2018, the Group Management Board was again authorised to acquire, with the approval of the Supervisory Board, treasury shares for a period of 30 months from 29 May 2018. The proportion of the

share capital represented by newly acquired shares, together with the proportion of other treasury shares that the company has already acquired and still holds, may not exceed 10 per cent of the share capital. The authorisation to acquire treasury shares also includes the acquisition of shares in the company by subsidiaries of the company.

The treasury shares held via UNIQA Österreich Versicherungen AG stem from the merger of BL Syndikat Beteiligungs Gesellschaft m.b.H., the transferring company, with UNIQA Insurance Group AG, the acquiring company. These shares held are not to be counted towards the 10 per cent limit.

22. Capital requirement

Capital requirements are influenced by business performance resulting from organic growth and by acquisitions. In the context of Group management, the appropriate coverage of the solvency capital requirement in accordance with Solvency II on a consolidated basis is constantly monitored.

Quantitative and qualitative information related to capital management according to Solvency II are included in the "Solvency and Financial Condition Report" (SFCR).

23. Non-controlling interests

Non-controlling interests are measured at the acquisition date with their proportionate share in the identifiable net assets of the acquired entity.

Changes in the share in a subsidiary that do not result in a loss of control are recognised directly as equity transactions with non-controlling interests.

Non-controlling interests	31/12/2019	31/12/2018
In € thousand		
In measurement of financial instruments available for sale	4,255	–792
In actuarial gains and losses on defined benefit plans	–207	–177
In retained profit	5,129	16,770
In other equity	10,221	–1,364
Total	19,399	14,438

Subordinated liabilities

In July 2013, UNIQA Insurance Group AG successfully placed a supplementary capital bond with a volume of €350 million with institutional investors in Europe. The bond has a maturity period of 30 years and may only be terminated after 10 years. The coupon equals 6.875 per cent per annum during the first ten years; after that a variable interest rate applies. The supplementary capital bond meets the requirements for equity netting as Tier 2 capital under the Solvency II regime. The issue was also aimed at replacing older supplementary capital bonds from Austrian insurance groups and at bolstering UNIQA's capital resources and capital structure in preparation for Solvency II and optimising these over the long term. The supplementary capital bond has been listed on the Luxembourg Stock Exchange since the end of July 2013. The issue price was set at 100 per cent.

In July 2015, UNIQA Insurance Group AG successfully placed a subordinated capital bond (Tier 2) to the value of €500 million with institutional investors in Europe. The bond is eligible for netting as Tier 2 capital under Solvency II. The bond is scheduled for repayment after a period of 31 years and subject to certain conditions, and can only be cancelled by UNIQA after eleven years have elapsed and under certain conditions. The coupon amounts to 6.00 per cent per annum during the first eleven years, after which a variable interest rate applies. The bond has been listed on the Vienna Stock Exchange since July 2015. The issue price was set at 100 per cent.

Carrying amounts

In € thousand

At 1 January 2018	869,349
Amortisation of transaction costs	335
Additions from accrued interests	23,139
Disposals from accrued interests	–22,991
At 31 December 2018	869,832
At 1 January 2019	869,832
Amortisation of transaction costs	355
Additions from accrued interests	23,061
Disposals from accrued interests	–23,139
At 31 December 2019	870,110

Maturity

In € thousand

	2019 long term	2019 short term	2018 long term	2018 short term
Subordinated liabilities	847,034	23,075	846,693	23,139

Other current and non-current liabilities

24. Financial liabilities

Carrying amounts

In € thousand

	Liabilities from collateral received for securities lending	Liabilities from loans	Derivative financial instruments	Lease liabilities	Total
At 1 January 2018	0	13,837	26,514	0	40,352
Additions	772,196	0	324	0	772,520
Disposals	0	0	-12,010	0	-12,010
Changes from currency translation	0	0	-1	0	-1
Profit or loss from changes of exchange rates	0	0	-1,389	0	-1,389
Additions from accrued interests	0	0	1,612	0	1,612
Disposals from accrued interests	0	0	-1,706	0	-1,706
Ordinary amortisation	0	-894	0	0	-894
At 31 December 2018	772,196	12,943	13,345	0	798,484
At 1 January 2019	772,196	12,943	13,345	0	798,484
Additions	0	3	37	75,179	75,219
Disposals	-772,196	0	-11,015	-3,404	-786,614
Changes from currency translation	0	0	7	0	7
Profit or loss from changes of exchange rates	0	0	-1,413	0	-1,413
Additions from accrued interests	0	0	30	859	890
Disposals from accrued interests	0	0	-322	0	-322
Ordinary amortisation	0	-942	0	-9,793	-10,735
At 31 December 2019	0	12,004	670	62,842	75,516

Maturity

In € thousand

	2019 long term	2019 short term	2018 long term	2018 short term
Liabilities from collateral received for securities lending	0	0	0	772,196
Liabilities from loans	11,104	900	12,943	0
Derivative financial instruments	1	669	12,456	889
Lease liabilities	57,861	4,980	0	0
Total	68,966	6,550	25,399	773,085

Changes in financial liabilities

In € thousand

	Subordinated liabilities	Financial liabilities	Changes in financial liabilities
At 1 January 2018	869,349	40,352	909,700
Proceeds from other financing activities	0	772,196	772,196
Payments from other financing activities	0	-23,704	-23,704
Currency translation	0	-1	-1
Change in basis of consolidation	0	22,810	22,810
Other changes	483	-13,168	-12,685
At 31 December 2018	869,832	798,484	1,668,316
At 1 January 2019	869,832	798,484	1,668,316
Payments from other financing activities	0	-794,017	-794,017
Currency translation	0	7	7
Change in basis of consolidation	0	10,255	10,255
Other changes	278	60,787	61,065
At 31 December 2019	870,110	75,516	945,625

25. Liabilities and other items classified as liabilities

In € thousand

31/12/2019 31/12/2018

Reinsurance liabilities		
Deposits retained on assumed reinsurance	123,578	129,963
Reinsurance settlement liabilities	37,321	43,501
	160,899	173,464
Insurance liabilities		
to policyholders	161,586	165,610
to insurance brokers	57,225	49,565
to insurance companies	16,279	9,953
	235,091	225,129
Liabilities to credit institutions		
	3,501	3,505
Other liabilities		
Personnel-related obligations	87,763	102,688
Liabilities from services	86,813	87,493
Liabilities from investment contracts	59,368	56,446
Other tax liabilities (without income tax)	79,858	69,432
Other liabilities	67,424	72,164
	381,227	388,223
Subtotal		
	780,717	790,321
of which liabilities with a maturity of		
up to 1 year	707,468	758,923
more than 1 year and up to 5 years	16,233	10,045
more than 5 years	57,017	21,353
	780,717	790,321
Other debt		
	22,378	16,889
Total liabilities and other items classified as liabilities	803,095	807,210

The item “Other debt” basically comprises the balance of the deferred income from the settlement of indirect business.

Other non-technical income and expenses

26. Other income

In € thousand

1–12/2019 1–12/2018
adjusted

Property and casualty insurance	18,607	26,066
Health insurance	157,234	145,956
Life insurance	16,517	5,236
Of which:		
Medical services	154,877	144,037
Other services	9,837	11,036
Changes in exchange rates	16,208	15,307
Other	11,437	6,878
Total	192,359	177,258

Revenues from medical services are almost always realised at the time of purchase.

27. Other expenses

In € thousand

1–12/2019 1–12/2018
adjusted

Property and casualty insurance	38,219	44,581
Health insurance	147,494	144,476
Life insurance	5,307	20,626
Of which:		
Medical services	142,959	139,838
Other services	19,925	19,959
Exchange rate losses	9,449	26,324
Other	18,686	23,562
Total	191,019	209,683

Other disclosures

28. Group holding company

UNIQA's Group holding company is UNIQA Insurance Group AG. In addition to its duties as Group holding company, this company also performs the duties of a group reinsurer.

29. Remuneration for the Management Board and Supervisory Board

Remuneration of the Management Board

In € thousand

	1–12/2019	1–12/2018
Fixed remuneration ¹⁾	1,574	1,612
Variable remuneration ²⁾	1,141	1,295
Multi-year share-based remuneration ³⁾	468	450
Current remuneration	3,183	3,356

¹⁾ The fixed salary components include remuneration in kind equivalent to €35 thousand (2018: €35 thousand).

²⁾ The Short-Term Incentive (STI) comprises a variable remuneration component which is paid beginning with the 2017 financial year, partly in the following year and partly after three years (the "deferred component").

³⁾ The Long-Term Incentive (LTI) corresponds to a share-based remuneration agreement first introduced in 2013, with the beneficiary entitled to receive a cash settlement following a four-year term.

For the 2017 financial year, expected payments of €423 thousand will be made for variable remuneration (STI) in subsequent years. For the 2018 financial year, payments of €437 thousand are expected to be made in the year 2022. For the 2019 financial year, payments of €1,585 thousand are expected to be made in the years 2020 and 2023.

As part of the multi-year long-term incentive plan (LTI), payments of €468 thousand were made to the members of the Management Board of UNIQA Insurance Group AG in 2019. For the subsequent years 2020 to 2023, a payment of €2,559 thousand is expected for the virtual shares allocated up to 31 December 2019.

Existing pension contributions for the members of the Management Board amounted to €359 thousand in the reporting year (2018: €359 thousand). The amount expended on pensions in the reporting year for former members of the Management Board and their survivors was €2,766 thousand (2018: €2,492 thousand).

The compensation to the members of the Supervisory Board for their work in the 2018 financial year was €739 thousand. Provisions of €745 thousand have been recognised for the remuneration to be paid for their work in 2019. The amount paid out in attendance fees and cash

expenditures in the financial year was €72 thousand (2018: €67 thousand).

30. Share-based payment agreement with cash settlement

In the 2013 financial year, UNIQA introduced a share-based remuneration programme for members of the Management Board of UNIQA Insurance Group AG and for the members of the Management Board of UNIQA Österreich Versicherungen AG and UNIQA International AG. In accordance with this programme, entitled employees were conditionally awarded virtual UNIQA shares effective 1 January of the relevant financial year which give them the right to a cash payment after the end of the benefit period of four years in each case, provided certain key performance targets are met; maximum limits were also agreed.

The selected key performance targets are aimed at ensuring a relative market-based performance measurement and absolute performance measurement in accordance with the individual corporate objectives of the UNIQA Group. These defined equally-weighted key performance targets include the total shareholder return (TSR) of the UNIQA ordinary share compared with the TSR of the shares in the companies on the DJ EURO STOXX TMI Insurance, the P&C Net Combined Ratio in UNIQA's property and casualty business and the return on risk capital (the return on equity required).

The programme stipulates annual investments in UNIQA shares with a holding period also of four years in each case.

The cash settlement is calculated as follows for each tranche of shares: $\text{payment} = A \times B \times C$

A = number of virtual shares awarded for the performance period.

B = average price of the UNIQA ordinary share in the period of six months before the end of the performance period.

C = degree of target achievement at the end of the performance period. The maximum target achievement is 200 per cent.

The fair value on the date that share-based payment awards are granted is recognised as expense over the period in which the unconditional entitlement to the award is obtained. The fair value is based on expectations with respect to achievement of the defined key performance

targets. Changes in measurement assumptions result in an adjustment of the recognised provision amounts affecting income. Obligations from share-based remuneration are stated under “Other provisions”.

As at 31 December 2019 a total of 1,066,194 virtual shares (2018: 1,103,954 shares) were relevant for the measurement. The fair value of share-based remuneration at the reporting date amounts to €7,169 thousand (2018: €6,690 thousand).

31. 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 € thousand

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 2019					
Premiums written (gross)	897	52	1,232	49,371	51,551
Income from investments	8,583	526	22,785	5,313	37,207
Expenses from investments	-929	0	0	-2,078	-3,007
Other income	164	7,487	1,953	555	10,159
Other expenses	-3,265	-8,841	-2,674	-38,896	-53,675
At 31 December 2019					
Investments	211,065	29,901	644,941	45,172	931,079
Cash and cash equivalents	301,093	0	0	235,372	536,465
Receivables, including insurance receivables	27	2,727	39	3,752	6,545
Liabilities and other items classified as liabilities	0	906	245	4,399	5,550

In € thousand

	Companies with significant influence on UNIQA Group	Affiliated but not consolidated companies	Associated companies of UNIQA Group	Other related parties	Total
Transactions in 2018					
Premiums written (gross)	2,079	357	1,725	55,329	59,491
Income from investments	3,358	570	20,705	6,238	30,871
Expenses from investments	-1,047	0	0	-1,396	-2,444
Other income	117	6,687	1,944	330	9,078
Other expenses	-1	-7,831	-2,733	-23,031	-33,596
At 31 December 2018					
Investments	225,221	13,393	653,388	46,367	938,369
Cash and cash equivalents	1,160,656	0	0	152,130	1,312,786
Receivables, including insurance receivables	13	2,129	67	4,685	6,894
Financial liabilities	772,196	0	0	0	772,196
Liabilities and other items classified as liabilities	273	751	196	5,183	6,403

Transactions with related persons

1–12/2019 1–12/2018

In € thousand

Premiums written (gross)	529	505
Salaries and short-term benefits ¹⁾	–5,382	–4,711
Pension expenses	–1,420	–940
Compensation on termination of employment contract	–158	–151
Expenditures for share-based payments	–1,255	–1,112
Other income	213	228

¹⁾ This item includes fixed and variable Management Board remuneration paid in the financial year and remuneration of the Supervisory Board.

32. Other financial obligations and contingent liabilities**Options to purchase granted**

There are bilateral option agreements in place between UNIQA and the two remaining non-controlling shareholders in UNIQA Insurance Company, Private Joint Stock Company (Kiev, Ukraine) to acquire additional company shares in 2020 based on previously agreed purchase price formulas.

There is also the possibility of exercising a mutual option between UNIQA and the minority shareholders in the SIGAL Group for the purchase of additional company shares in the option window between 1 July 2020 and 30 June 2021 based on previously agreed purchase price formulas.

33. Expenses for the auditor of the financial statements

The auditor fees in the financial year were €2,439 thousand (2018: €1,530 thousand); of which €369 thousand (2018: €368 thousand) is attributable to the annual audit, €1,146 thousand (2018: €1,133 thousand) to other auditing services and €924 thousand (2018: €29 thousand) to other general services.

34. Basis of consolidation**Subsidiaries**

Subsidiaries are entities controlled by UNIQA. UNIQA is regarded as controlling an entity if:

- UNIQA is able to exercise power over the relevant entity,
- UNIQA is exposed to fluctuating returns from its participation and
- UNIQA is able to influence the amount of the returns as a result of the power it exercises.

The financial statements of subsidiaries are included in the consolidated financial statements from the date control begins until the date control ends.

Loss of control

If UNIQA loses control of a subsidiary, the subsidiary's assets and liabilities and all associated non-controlling interests and other equity components are derecognised. Any resulting profit or loss is recognised in profit/(loss) for the period. Any retained interest in the former subsidiary is measured at fair value at the date of the loss of control.

Investment in associates

Associates are all the entities over which UNIQA has significant influence but does not exercise control or joint control over their financial and operating policies. This is generally the case as soon as there is a voting share of between 20 and 50 per cent or a comparable significant influence is guaranteed legally or in practice via other contractual regulations. Inclusion in the basis of consolidation is based on the proportionate equity (equity method).

Investment funds

Controlled investment funds are included in the consolidation unless the relevant fund volumes were considered to be immaterial when viewed separately and as a whole. A fund is regarded as controlled if:

- UNIQA determines the relevant activities of the fund, such as the definition of the investment strategy and short- and medium-term investment decisions,
- UNIQA has the risk of and the rights to variable successes of the fund in the form of distributions and participates in the performance of the fund assets, and
- the determining power over the relevant activities is exercised in the interest of UNIQA by determining the investment objectives and the individual investment decisions.

Basis of consolidation

31/12/2019 31/12/2018

Consolidated companies		
Austria	33	34
Other countries	57	59
Associates		
Austria	5	5
Other countries	1	1
Consolidated investment funds		
Austria	6	6
Other countries	1	1

Shares in subsidiaries that are not consolidated, associates as well as joint ventures that are not accounted for using the equity method are classified as financial assets available for sale and stated under the item “Other investments”.

35. Consolidation principles**Business combinations**

If the Group has obtained control, it accounts for business combinations in line with the acquisition method. The consideration transferred for the acquisition and the identifiable net assets acquired are measured at fair value. Any profit from an acquisition at a price below the fair value of the net assets is recognised directly in profit/(loss) for the period. Transaction costs are recognised as expenses immediately.

The consideration transferred does not include any amounts associated with the fulfilment of pre-existing relationships. Such amounts are generally recognised in profit/(loss) for the year.

Any contingent obligation to pay consideration is measured at fair value at the acquisition date. If the contingent

consideration is classified as equity, it is not revalued, and a settlement is accounted for within equity. Otherwise, later changes in the fair value of the contingent consideration are recognised in profit/(loss) for the period.

Transactions eliminated on consolidation

Intragroup balances and transactions and all income and expenses from intragroup transactions are eliminated when consolidated financial statements are prepared.

Acquisitions

In June 2019 UNIQA Linzer Straße 104 GmbH & Co KG (formerly WLIN104 Immobilien GmbH & Co KG), Vienna, and in April 2019 Zabłocie Park sp. z o.o. (Warsaw, Poland) were acquired.

Restructuring processes

UNIPARTNER s.r.o. (Bratislava, Slovakia) was merged with UNIQA InsService spol. s r.o. (Bratislava, Slovakia) as the absorbing company in January 2019. In October 2019 UNIQA Group Audit GmbH, Vienna, was merged with UNIQA Insurance Group AG as the absorbing company. In December 2019 UNIQA internationale Beteiligungs-Verwaltungs GmbH, Vienna, was merged with UNIQA Österreich International AG, Vienna, as the absorbing company.

Liquidation

In October 2019 LEGIWATON INVESTMENTS Limited Company (Limassol, Cyprus) was liquidated.

Deconsolidation

In January 2019 SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a. (Tirana, Albania) was deconsolidated.

Company

Company	Type of consolidation	Location	Equity interest at 31/12/2019 In per cent	Equity interest at 31/12/2018 In per cent
Domestic insurance companies				
UNIQA Insurance Group AG (Group Holding Company)		Vienna		
UNIQA Österreich Versicherungen AG	Fully consolidated	Vienna	100.0	100.0
SK Versicherung Aktiengesellschaft	Equity method	Vienna	25.0	25.0
Foreign insurance companies				
Raiffeisen Life Insurance Company LLC	Fully consolidated	Russia, Moscow	75.0	75.0
SH.A.F.P SIGAL LIFE UNIQA Group AUSTRIA sh.a. (Deconsolidation: 1/1/2019)	Fully consolidated	Albania, Tirana	0.0	44.3
SIGAL LIFE UNIQA Group AUSTRIA sh.a	Fully consolidated	Kosovo, Pristina	86.9	86.9
SIGAL LIFE UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.9	86.9
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Albania, Tirana	86.9	86.9
SIGAL UNIQA Group AUSTRIA sh.a.	Fully consolidated	Kosovo, Pristina	86.9	86.9
UNIQA AD Skopje	Fully consolidated	North Macedonia, Skopje	86.9	86.9
UNIQA Asigurari de Viata S.A.	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Asigurari S.A.	Fully consolidated	Romania, Bucharest	100.0	100.0
UNIQA Biztosító Zrt.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA Insurance Company, Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.0	100.0
UNIQA Insurance plc	Fully consolidated	Bulgaria, Sofia	99.9	99.9
UNIQA Life AD Skopje	Fully consolidated	North Macedonia, Skopje	86.9	86.9
UNIQA Life Insurance plc	Fully consolidated	Bulgaria, Sofia	99.8	99.6
UNIQA LIFE Private Joint Stock Company	Fully consolidated	Ukraine, Kiev	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA neživotno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Croatia, Zagreb	100.0	100.0
UNIQA osiguranje d.d.	Fully consolidated	Bosnia and Herzegovina, Sarajevo	100.0	100.0
UNIQA poisťovňa a.s.	Fully consolidated	Slovakia, Bratislava	99.9	99.9
UNIQA pojišťovna, a.s.	Fully consolidated	Czech Republic, Prague	100.0	100.0
UNIQA Re AG	Fully consolidated	Switzerland, Zurich	100.0	100.0
UNIQA Towarzystwo Ubezpieczeń na Życie S.A.	Fully consolidated	Poland, Lodz	99.8	99.8
UNIQA Towarzystwo Ubezpieczeń S.A.	Fully consolidated	Poland, Lodz	98.6	98.6
UNIQA Versicherung AG	Fully consolidated	Liechtenstein, Vaduz	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA životno osiguranje a.d.	Fully consolidated	Montenegro, Podgorica	100.0	100.0
Group domestic service companies				
Agenta Risiko- und Finanzierungsberatung Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Assistance Beteiligungs-GesmbH	Fully consolidated	Vienna	64.0	64.0
call us Assistance International GmbH	Fully consolidated	Vienna	50.2	50.2
UNIQA Capital Markets GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Group Audit GmbH (Merger: 1/10/2019)	Fully consolidated	Vienna	0.0	100.0
UNIQA International AG	Fully consolidated	Vienna	100.0	100.0
UNIQA internationale Beteiligungs-Verwaltungs GmbH (Merger: 18/12/2019)	Fully consolidated	Vienna	0.0	100.0
UNIQA IT Services GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Finanzierungs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Management GmbH	Fully consolidated	Vienna	100.0	100.0
Valida Holding AG	Equity method	Vienna	40.1	40.1
Versicherungsmarkt-Servicegesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
Group foreign service companies				
DEKRA-Expert Műszaki Szakértői Kft.	Equity method	Hungary, Budapest	50.0	50.0
sTech d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0

Company

Company	Type of consolidation	Location	Equity interest at 31/12/2019 In per cent	Equity interest at 31/12/2018 In per cent
UNIPARTNER s.r.o. (Merger: 1/1/2019)	Fully consolidated	Slovakia, Bratislava	0.0	99.9
UNIQA GlobalCare SA (formerly: UNIQA Assurances SA)	Fully consolidated	Switzerland, Geneva	100.0	100.0
UNIQA Group Service Center Slovakia, spol. s r.o. (formerly: InsData spol. s r.o.)	Fully consolidated	Slovakia, Nitra	100.0	98.0
UNIQA Ingatlanhasznosító Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA InsService spol. s r.o.	Fully consolidated	Slovakia, Bratislava	99.9	99.9
UNIQA Raiffeisen Software Service Kft.	Fully consolidated	Hungary, Budapest	60.0	60.0
UNIQA Raiffeisen Software Service S.R.L.	Fully consolidated	Romania, Cluj-Napoca	60.0	60.0
UNIQA Számítástechnikai Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Vitosha Auto OOD	Fully consolidated	Bulgaria, Sofia	99.9	99.8
Financial and strategic domestic shareholdings				
Diakonissen & Wehrle Privatklinik GmbH	Fully consolidated	Gallneukirchen	90.0	90.0
Goldenes Kreuz Privatklinik BetriebsGmbH	Fully consolidated	Vienna	100.0	75.0
PremiQaMed Ambulatorien GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Beteiligungs GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Holding GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Management Services GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Privatkliniken GmbH	Fully consolidated	Vienna	100.0	100.0
STRABAG SE	Equity method	Villach	14.3	14.3
UNIQA Beteiligungs-Holding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Erwerb von Beteiligungen Gesellschaft m.b.H.	Fully consolidated	Vienna	100.0	100.0
UNIQA Leasing GmbH	Equity method	Vienna	25.0	25.0
Real estate companies				
“Hotel am Bahnhof” Errichtungs GmbH & Co KG	Fully consolidated	Vienna	100.0	100.0
Asena LLC	Fully consolidated	Ukraine, Kiev	100.0	100.0
AVE-PLAZA LLC	Fully consolidated	Ukraine, Kharkiv	100.0	100.0
Black Sea Investment Capital LLC	Fully consolidated	Ukraine, Kiev	100.0	100.0
Design Tower GmbH	Fully consolidated	Vienna	100.0	100.0
DIANA-BAD Errichtungs- und Betriebs GmbH	Equity method	Vienna	33.0	33.0
EZL Entwicklung Zone Lassallestraße GmbH & Co. KG	Fully consolidated	Vienna	100.0	100.0
Floresca Tower SRL	Fully consolidated	Romania, Bucharest	100.0	100.0
Hotel Burgenland Betriebs GmbH	Fully consolidated	Vienna	100.0	100.0
IPM International Property Management Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Knesebeckstraße 8-9 Grundstücksgesellschaft mbH	Fully consolidated	Germany, Berlin	100.0	100.0
LEGIWATON INVESTMENTS Limited Company (Deconsolidation: 1/10/2019)	Fully consolidated	Cyprus, Limassol	0.0	100.0
Praterstraße Eins Hotelbetriebs GmbH	Fully consolidated	Vienna	100.0	100.0
PremiQaMed Immobilien GmbH	Fully consolidated	Vienna	100.0	100.0
Pretium Ingatlan Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Renaissance Plaza d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
Reytarske LLC	Fully consolidated	Ukraine, Kiev	100.0	100.0
R-FMZ Immobilienholding GmbH	Fully consolidated	Vienna	100.0	100.0
Software Park Kraków Sp. z o.o. (Initial consolidation: 4/12/2018)	Fully consolidated	Poland, Warsaw	100.0	0.0
UNIQA Immobilien-Projektentwicklungs GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Linzer Straße 104 GmbH & Co KG (Initial consolidation: 1/4/2019)	Fully consolidated	Vienna	100.0	0.0
UNIQA Plaza Irodaház és Ingatlankezelő Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA poslovni centar korzo d.o.o.	Fully consolidated	Croatia, Rijeka	100.0	100.0
UNIQA Real Estate Bulgaria EOOD	Fully consolidated	Bulgaria, Sofia	100.0	100.0
UNIQA Real Estate BV	Fully consolidated	Netherlands, Hoofddorp	100.0	100.0
UNIQA Real Estate CZ, s.r.o.	Fully consolidated	Czech Republic, Prague	100.0	100.0
UNIQA Real Estate d.o.o.	Fully consolidated	Serbia, Belgrade	100.0	100.0
UNIQA Real Estate GmbH	Fully consolidated	Vienna	100.0	100.0

Company

Company	Type of consolidation	Location	Equity interest at 31/12/2019 In per cent	Equity interest at 31/12/2018 In per cent
UNIQA Real Estate Inlandsholding GmbH	Fully consolidated	Vienna	100.0	100.0
UNIQA Real Estate Polska Sp. z o.o.	Fully consolidated	Poland, Warsaw	100.0	100.0
UNIQA Real Estate Property Holding GmbH (formerly: UNIQA Real Estate Dritte Beteiligungsverwaltung GmbH)	Fully consolidated	Vienna	100.0	100.0
UNIQA Real III, spol. s r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Real s.r.o.	Fully consolidated	Slovakia, Bratislava	100.0	100.0
UNIQA Retail Property GmbH (formerly: Raiffeisen-Fachmarktzentrum VIER GmbH)	Fully consolidated	Vienna	100.0	100.0
UNIQA Szolgáltató Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
UNIQA-Invest Kft.	Fully consolidated	Hungary, Budapest	100.0	100.0
Zablocie Park Sp. z o.o. (Initial consolidation: 1/4/2019)	Fully consolidated	Poland, Warsaw	100.0	0.0
Investment funds				
SSG Valluga Fund	Fully consolidated	Ireland, Dublin	100.0	100.0
UNIQA Corporate Bond	Fully consolidated	Vienna	100.0	100.0
UNIQA Diversified Bond Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Eastern European Debt Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Emerging Markets Debt Fund	Fully consolidated	Vienna	100.0	100.0
UNIQA Euro Government Bond Fund	Fully consolidated	Vienna	99.7	99.7
UNIQA World Selection	Fully consolidated	Vienna	100.0	100.0

36. Changes in major accounting policies as well as new and amended standards

With the exception of the following changes, the outlined accounting policies were consistently applied to all periods presented in these consolidated financial statements.

Amendments and standards to be applied for the first time

The Group applied the following amendments to standards with the initial application date of 1 January 2019. None of the new regulations arising from this have any essential impact on UNIQA's assets, liabilities, financial position and profit or loss.

Standard	Content	First-time application by UNIQA	Impact on UNIQA
IFRS 16	Leases	1 January 2019	Yes
IFRIC 23	Uncertainty over Income Tax Treatments	1 January 2019	No
IAS 28	Long-term Interests in Associates and Joint Ventures	1 January 2019	No
Miscellaneous	Annual Improvements Project 2015–2017	1 January 2019	Yes
IAS 19	Plan Amendment, Curtailment or Settlement	1 January 2019	Yes

New and amended standards to be applied in the future

The IASB has also published a range of new standards that will be applicable in the future. UNIQA does not intend to adopt these standards early.

Standard	Content	First-time application by UNIQA	Endorsement by the EU at 31/12/2019	Likely to be relevant for UNIQA
New standards				
IFRS 9	Financial Instruments	1 January 2022 ¹⁾	Yes	Yes
IFRS 9	Amendments to IFRS 9 – Prepayment Features with Negative Compensation	1 January 2022 ¹⁾	Yes	Yes
IFRS 17	Insurance Contracts	1 January 2022 ¹⁾	No	Yes
Amended standards				
	Updated Framework	1 January 2020	Yes	Yes
IFRS 3	Definition of a Business – Amendments to IFRS 3	1 January 2020	No	Yes
IAS 1, IAS 8	Definition of Material – Amendments to IAS 1 and IAS 8	1 January 2020	Yes	Yes
IFRS 9, IAS 39, IFRS 7	Interest Rate Benchmark Reform	1 January 2020	Yes	Yes

¹⁾ Preliminary decision of the IASB to defer the date of IFRS 17 coming into force and to extend the temporary exemption of IFRS 9 by one year

The following standards to be applied in future are expected to have a significant impact on reporting at UNIQA:

IFRS 9 – Financial Instruments

Since UNIQA's business is predominantly insurance-related and UNIQA has not yet adopted IFRS 9 in any other version, a deferral to apply IFRS 9 for the first time is permitted until 1 January 2022 (see Footnote 1 to the table above). The use of UNIQA's deferral approach requires the publication of additional information in the notes for the period up to the initial application of IFRS 9.

Classification and measurement

The future classification and measurement of financial assets under IFRS 9 is derived from the business model criterion and the SPPI criterion (solely payments of principal and interest). Depending on the principle-based

classification rules, IFRS 9 requires that subsequent measurement be carried out at amortised cost or at fair value.

UNIQA has already completed the technical development and implementation of an IT-system-based assessment of the SPPI criterion for the entire portfolio of relevant assets.

Fixed-income securities make up a large portion of the investment portfolio. Given that these securities tend to follow the principal/interest payment structure in most cases, they largely fulfil the criteria of the SPPI test. If an instrument meets the requirements of the SPPI test, there are two options: it can then be measured at amortised cost, or it can be measured at fair value through other comprehensive income. The portion of the UNIQA portfolio that does not fulfil the SPPI criteria will in future be measured at fair value through profit or loss.

Requirements for SPPI fulfilled based on carrying amounts in per cent¹⁾

	Variable-income securities	Fixed-income securities	Loans and other investments	Derivative financial instruments	Investments under investment contracts
Financial assets at fair value through profit or loss	0.0	0.2	-	0.0	0.0
Available-for-sale financial assets	0.0	92.8	-	-	-
Loans and receivables	-	0.6	99.9	-	-
Total	0.0	93.5	99.9	0.0	0.0

¹⁾ Classification according to IAS 39

Asset allocation of other investments

In € thousand

At amortised cost or
at fair value through other comprehensive income

At fair value through profit or loss

	Carrying amount	Fair value	Change in fair value over the period	Carrying amount	Fair value	Change in fair value over the period
Government bonds	10,103,593	9,982,758	552,212	7,209	7,170	7,170
Corporate bonds	3,393,165	3,379,349	499,434	211,925	213,272	34,090
Covered bonds	2,691,043	2,670,983	– 58,776	0	0	0
Loans	129,775	129,577	42,628	476	468	468
Other	0	0	0	900,530	899,983	95,105
Total	16,317,577	16,162,666	1,035,498	1,120,140	1,120,894	136,834

In addition, the logic for the business models in accordance with IFRS 9 was prepared for sub-areas, and they were also subject to a validation of their plausibility. As expected, on the basis of current indications, the “hold-and-sell” business model accounts for a large part of UNIQA’s business. This may result in changes due to the interactions with IFRS 17 that cannot yet be fully assessed at the time the financial statements are being prepared.

Impairment

The new provisions of IFRS 9 concerning impairment must be applied in future to financial assets measured at amortised cost or at fair value through other comprehensive income. Under IFRS 9, the impairment calculation to be applied is based on a forward-looking model for the recognition of expected credit losses.

The logic of the model according to which future credit losses will be determined and its implementation in the IT systems is, at the time the financial statements are being prepared, in a development and analysis phase. On the basis of simplified assumptions, initial simulations were carried out with regard to the assessment of the default risk on financial assets within the scope of the new impairment provisions in accordance with IFRS 9. For the purpose of assessing the default risk, recourse was made to the definition in IFRS 9 of financial instruments with a low default risk at the reporting date. An external investment grade rating can therefore be used to assess whether a financial instrument has a low default risk.

Financial instruments by rating

In € thousand

	Government bonds	Corporate bonds	Covered bonds	Loans	Other	Total
AAA	1,890,830	101,117	1,778,171	0	0	3,770,117
AA	3,065,488	304,548	693,407	0	0	4,063,442
A	2,665,597	1,328,247	118,660	0	0	4,112,504
BBB	1,897,359	1,236,370	0	10,111	0	3,143,840
BB	319,527	59,715	22,544	0	0	401,785
B	250,331	8,703	0	0	0	259,033
≤ CCC	2,836	1	0	0	0	2,837
Not rated	11,627	354,465	78,263	119,664	0	564,019
Total	10,103,593	3,393,165	2,691,043	129,775	0	16,317,577

The fair value of the instruments which do not feature a low default risk (non-investment grade) amounts to €664 million.

UNIQA expects effects from the conversion to IFRS 9 both as a result of the new classification and measurement rules and due to the new impairment model. In a holistic

view, interactions with IFRS 17 must also be taken into account in this context. For the further course of the project, the focus is on the parallel phase in order to analyse the financial effects of the differences between IAS 39 and IFRS 9.

IFRS 17 – Insurance Contracts

IFRS 17 establishes principles relating to recognition, measurement, presentation and disclosures of insurance contracts.

An essential element of the standard is a general measurement model, according to which all insurance contracts are to be valued on the basis of a prospective model. This involves combining current values (best estimate cash flows) plus a risk margin with a mode for distributing the future profit from the contracts (contractual service margin). According to the current state of analysis, the general measurement model will be applicable to approximately 15 per cent of the insurance business.

The contractual service margin is the equivalent of the expected future profit from contracts held in the respective portfolio and thus creates a high degree of transparency with regard to UNIQA's future profitability. This margin is a residual figure and its amount depends significantly on the best estimate of future cash flows, the discount rate and the method used to determine the risk margin.

For short-term insurance contracts, there is an option to use a simplified measurement model. According to current estimates, 45 per cent of the entire UNIQA portfolio, mainly from the property and casualty insurance area, can be measured and accounted for using this premium allocation approach.

There is a mandatory special model (variable fee approach) for participating contracts and contracts of unit-linked and index-linked life insurance. The variable fee approach is expected to be applied at UNIQA in health insurance and in life insurance. The current assessment here is that the portfolios of life and health insurance will predominantly be measured using the variable fee approach, which corresponds to around 40 per cent of the total portfolio.

For both, the general measurement model and the variable fee approach, UNIQA assumes at the time of publication of the Group report that the so-called OCI option will be applied where the respective allocated financial instruments on the asset side are also measured through other comprehensive income. The objective behind the application of this option is to reduce volatility in the financial position and income statement.

Since IFRS 17 is expected to lead to significant changes in the accounting and measurement of UNIQA's core business, a separate project team consisting of actuaries, accountants, controllers and IT experts has been appointed, and it reports to a central programme management. This organisation was set up concurrently in all affected UNIQA subsidiaries in order to provide support in defining the requirements of the respective local characteristics and the product features for the entire UNIQA Group.

In order to adequately reflect the complexity of the standard, UNIQA decided to implement an insurance subledger. In the course of its implementation, characteristic sample business transactions, so-called use cases, were developed for all existing product groups in the entire UNIQA portfolio. These sample business transactions reflect the technical interpretation of IFRS 17 from UNIQA's point of view and illustrate the configuration plan for the insurance subledger. They are the core of the new software solution.

The sample business transactions were created in close cooperation with the actuaries, accountants and the technical implementation team and shared with the UNIQA Group subsidiaries in a two-stage feedback process. In the course of numerous workshops and feedback rounds, specific features of the product landscapes of the individual subsidiaries were updated and integrated in the pool of use cases. This meant that a large part of the professional and technical design for the core of the professional and technical reporting and process environment required by IFRS 17 was developed in the 2019 financial year.

In addition to the use cases, various IFRS 17 technical concepts in the actuarial and accounting areas were shared with the subsidiaries in 2019 and expanded to include their features and specifics. In the second half of 2019, UNIQA also began considering the various possible transition methods from IFRS 4 to IFRS 17 based on the available data granularity.

In the past financial year, the effects and interaction of IFRS 9 and IFRS 17 on the financial position and income statement of UNIQA Österreich Versicherungen AG were analysed. This analysis was based on several simplifications and assumptions. For example, in the health and life insurance segments, the future expected cash flows were based on the results of the market consistent embedded value (MCEV). Furthermore, a full

cost approach was applied in the analysis. The risk adjustment was derived in accordance with the requirements of the Solvency II risk margin.

Despite simplifications and estimates, important lessons have been learned:

- The comparability of IFRS 4 and IFRS 17 is limited due to the fundamental differences between the two accounting standards.
- Despite certain similarities with the solvency regulations under Solvency II, the interpretation of the results according to IFRS 17 is a great challenge due to the significantly increased complexity. In addition, the parameters for measuring the success of the company will change and new indicators such as the contractual service margin or loss component will be added.
- In order to ensure that the measurement of insurance contracts is in accordance with the provisions of IFRS 17, much larger volumes of data need be processed and validated compared to IFRS 4.

In the course of the impact analysis, all three measurement models described above (general measurement model, variable fee approach and premium allocation approach) were applied specifically to the portfolio of UNIQA Österreich Versicherungen AG. Due to the limited scope of this impact analysis, no conclusions can be drawn about the impact of IFRS 17 on the Group as a whole.

37. Error correction in accordance with IAS 8

Netting of income and expenses of the PremiQaMed Group

As part of the conversion of the UNIQA accounting system to a new IT system, an error was identified in the allocation of the PremiQaMed Group's revenue and expenses to the items in the consolidated income statement. UNIQA was showing the profit that the PremiQaMed companies generated with UNIQA policyholders as a reduction in (gross) insurance benefits. In doing so, PremiQaMed internal leases were not fully consolidated, resulting in a total increase of €7,106 thousand in the allocated profits.

Furthermore, income and related expenses resulting from settlements with other service recipients were netted and reported under other income. This resulted in a reduction of €140,414 thousand in the item "Other income" and an understatement of €137,147 thousand in the item "Other expenses".

The real estate used by the PremiQaMed Group is shown in the consolidated statement of financial position under the item "Investment property". Accordingly, up until now the resulting expenses (depreciation and amortisation) were shown under "Expenses from investments". However, like all other expenses of the PremiQaMed Group, the depreciation and amortisation amounting to €3,839 thousand should be allocated to other non-technical expenses.

Consolidated income statement

In € thousand

	1–12/2018 published	PremiQaMed Gruppe	1–12/2018 adjusted
Insurance benefits			
Gross	–3,793,089	–7,106	–3,800,194
Reinsurers' share	166,447	0	166,447
	–3,626,642	–7,106	–3,633,748
Technical result	140,180	–7,106	133,074
Net investment income			
Income from investments	917,575	0	917,575
Expenses from investments	–445,574	3,839	–441,735
Financial assets accounted for using the equity method	109,189	0	109,189
	581,191	3,839	585,029
Other income	36,844	140,414	177,258
Other expenses	–72,536	–137,147	–209,683
Non-technical result	209,913	7,106	217,018
Profit/(loss) for the period	235,148	0	235,148

38. Currency translation

Functional currency and reporting currency

The items included in the financial statements for each operating subsidiary are measured based on the currency that corresponds with the currency of the primary economic environment in which the subsidiary operates (functional currency). The consolidated financial statements are prepared in euros which is UNIQA's reporting currency.

Transactions in foreign currencies

Transactions in foreign currencies are translated into the functional currency of the Group entity at the exchange rate on the date of the transaction or, in the case of re-measurement, at the time of measurement.

Monetary assets and liabilities denominated in a foreign currency on the reporting date are translated into the functional currency at the closing rate. Non-monetary assets and liabilities measured at fair value in a foreign currency are translated at the rate valid on the date the fair value is calculated. Currency translation differences are generally recognised in profit/(loss) for the period. Non-monetary items recognised in a foreign currency at historical cost are stated with the historical exchange rate. This results in no currency translation difference.

Currency translation differences from equity instruments available for sale are recognised in other comprehensive income by way of derogation from the general principle. An exception to this are impairments for which currency

translation differences are reclassified from other comprehensive income to profit/(loss) for the period.

Foreign operations

Assets and liabilities from foreign operations, including the goodwill and fair value adjustments that result from the acquisition, are translated into euros at the closing rate on the reporting date. Income and expenses from foreign operations are translated at the monthly closing rates.

Currency translation differences are reported in other comprehensive income and recognised in equity as a part of the accumulated profits in the item "Differences from currency translation" if the foreign exchange difference is not attributable to non-controlling interests. Currency translation differences from the share of the carrying amount in the consolidated income statement and attributable to the amortised cost are recognised in the item "Available-for-sale financial assets".

Major exchange rates

	EUR closing rates		EUR average rates	
	31/12/2019	31/12/2018	1–12/2019	1–12/2018
Czech koruna (CZK)	25.4080	25.7240	25.6638	25.6703
Hungarian forint (HUF)	330.5300	320.9800	325.3846	319.2831
Polish złoty (PLN)	4.2568	4.3014	4.2992	4.2620
Romanian leu (RON)	4.7830	4.6635	4.7434	4.6555
Ukrainian hryvnia (UAH)	26.6796	31.7750	28.9962	32,2048
Russian rouble (RUB)	69.9563	79.7153	72.7949	73.7887
US dollar (USD)	1.1234	1.1450	1.1214	1.1803

Significant events after the reporting date

Acquisition of AXA companies in Poland, the Czech Republic and Slovakia

On 7 February 2020, UNIQA signed a purchase agreement with the AXA Group for the acquisition of shares in the AXA subsidiaries and branches in Poland, the Czech Republic and Slovakia. The purchase price is around €1 billion. The objects of purchase are life and non-life insurance companies, including their branches, as well as securities companies, pension funds and service companies of the AXA Group in the aforementioned countries. With the expansion in the growth region of Central and Eastern Europe, around five million customers are changing to UNIQA. The completion of the transaction is subject to all necessary regulatory approvals.

Merger of UNIQA Austria and UNIQA International

On 19 February 2020, the Management Board and Supervisory Board of UNIQA Insurance Group AG decided to merge UNIQA International AG as the assigning company with UNIQA Österreich Versicherungen AG as the receiving company in the course of 2020, subject to obtaining all regulatory approvals. UNIQA Insurance Group AG will continue to exist as a holding company. However, it will transfer other functions and its holdings in certain service companies – in particular, all internal Group services – to UNIQA Österreich Versicherungen AG. Furthermore, the plan is for UNIQA Insurance Group AG to transfer the re-insurance business within the Group and surrender its re-insurance licence. This agreed restructuring will not only streamline the Group and its management structure, it will also result in more efficient Group management and strengthen the customer-oriented organisation.

Coronavirus (COVID-19)

Starting in early 2020, the coronavirus (COVID-19) spread throughout Europe. Analyses have shown that for UNIQA, as an insurer in the potentially affected segments health insurance, life insurance and business interruption insurance, no significant effects are to be expected with regard to insurance benefits at this time. The overall economic effects of the spread of the coronavirus are still uncertain: in particular, developments in the capital markets are not yet foreseeable, and the consequences for UNIQA cannot be therefore conclusively assessed at present.

Risk report

39. Risk strategy

Principles

UNIQA's strategic objectives are directly linked to the company's risk strategy. The cornerstones of the risk strategy are based on the business strategy and the risks it entails. A clear definition of the risk preference creates the foundation for all business policy decisions.

Organisation

UNIQA's core business is to relieve customers of risk, pool the risk to reduce it and thereby generate profit for the company. The focus is on understanding risks and their particular features. To ensure a strong focus on risk, UNIQA has created a separate risk function on the Group's Management Board with a Group Chief Risk Officer (CRO) who is also acting concurrently as Group Chief Financial Officer (CFO). In the Group companies, the Chief Risk Officer is also a part of the Management Board. This ensures that decision-making is risk-based in all relevant bodies. UNIQA has established processes that make it possible to identify, analyse and manage risks.

The risk profile is regularly validated at all levels of the hierarchy and discussions are held in specially instituted committees with the members of the Management Board. Internal and external sources are consulted to obtain a complete picture of the risk situation. UNIQA regularly checks for new threats both in the Group and in the subsidiaries.

Risk-bearing capacity and risk appetite

UNIQA assumes risk in full awareness of its risk-bearing capacity. This is defined as the capacity to absorb potential losses from extreme events so that medium- and long-term objectives are not put in danger.

At the centre of the risk decisions is UNIQA's economic capital model (ECM), by means of which risks are quantified and own economic capital is determined. The ECM is based on the standard model according to Solvency II and also reflects the company's own risk assessment. This is expressed in the quantification of the risks from the non-life sectors such as market risks, in which the focus is placed on a stochastic cash flow model. UNIQA also uses this model for the regulatory risk calculations according to the Solvency II framework. Based on this model, UNIQA strives to maintain the risk capital cover (capital requirement ratio) within the range of 155 to 190 per cent. Immediate steps will be taken to improve the capital position if

the marginal value falls below 135 per cent. Details for the reporting date as at 31 December 2019, including a detailed analysis of changes, can be found in the Group Economic Capital report.

Non-quantifiable risks, in particular operational risk, litigation risk and strategic risk are identified and assessed as part of the risk assessment process. This assessment is then used as the basis for implementing any necessary risk mitigation measures.

UNIQA's risk strategy specifies the risks the company intends to assume and those it plans to avoid. Within the scope of the strategy process, risk appetite is defined based on UNIQA's risk-bearing capacity. This risk appetite is then used to determine tolerances and limits, which provide a sufficient early warning system for the company to initiate prompt corrective action in the event of any deviation from targets. UNIQA counters risks that fall outside the defined risk appetite, such as reputational risk, with proactive measures, transparency and careful assessment.

Opportunities

Risk also means opportunity. UNIQA analyses trends and risks that influence the society and thus customers and the company itself. Employees throughout the company are involved in order to recognise and analyse trends at an early stage, produce suitable action plans and develop innovative approaches.

40. Risk management system

The focus of risk management with management structures and defined processes is the attainment of UNIQA's and its Group companies' strategic goals.

UNIQA's Risk Management Guidelines form the basis for a uniform standard at various company levels. The

guidelines are approved by the CFO/CRO and the full Management Board and describe the minimum requirements in terms of organisational structure and process structure.

In addition to the Group Risk Management Guidelines, similar guidelines have also been prepared and approved for the Group companies. The Risk Management Guidelines at company level were approved by the Management Board of the UNIQA Group companies and are consistent with UNIQA's Risk Management Guidelines.

Organisational structure (governance)

The detailed setup of the process and organisational structure of risk management is set out in UNIQA's Risk Management Guidelines. They reflect the principles embodied in the concept of "three lines of defence" and the clear differences between the individual lines of defence.

First line of defence: risk management within the business activity

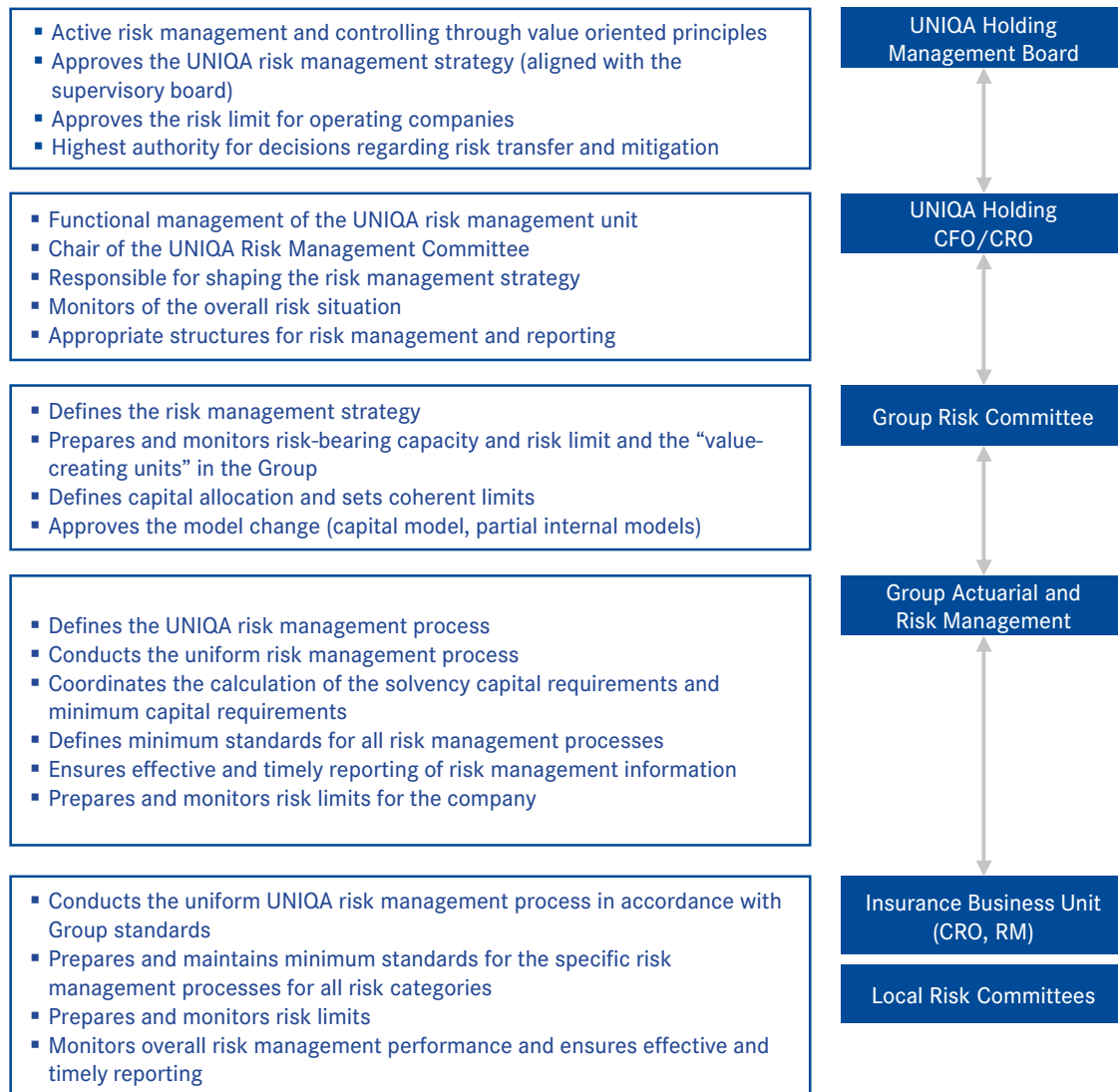
Those responsible for business activities must develop and put into practice an appropriate risk control environment to identify and monitor the risks that arise in connection with the business and processes.

Second line of defence: supervisory functions including risk management functions

The risk management function and the supervisory functions, such as controlling, must monitor business activities without encroaching on operational activities.

Third line of defence: internal and external auditing

This enables an independent review of the formation and effectiveness of the entire internal control system, which comprises risk management and compliance (e.g. internal auditing).



The relevant responsibilities are shown accordingly in the overview above. In addition, the Supervisory Board at UNIQA Insurance Group AG receives comprehensive risk reports at Supervisory Board meetings.

Risk management process

UNIQA's risk management process delivers periodic information about the risk profile and enables the top management to make the decisions for the long-term achievement of objectives.

The process concentrates on risks relevant to the company and is defined for the following classes of risk:

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

A Group-wide, standardised risk management process regularly identifies, evaluates and reports on risks to UNIQA and its Group companies within these classes of risk.

Risk identification is the starting point for the risk management process, systematically recording all major risks and describing them in as much detail as possible. In order to conduct as complete a risk identification as possible, different approaches are used in parallel, and all classes of risk, subsidiaries, processes and systems are included.

The risk categories of market risk, underwriting risk and default risk are evaluated at UNIQA by means of quantitative methods either based on the Solvency II standard approach or the partial internal model (for non-life or market risks). Furthermore, risk drivers are identified for the results from the standard approach, and analysed to assess whether the risk situation is adequately represented (in accordance with the Company's Own Risk and Solvency Assessment (ORSA)). All other classes of risk are evaluated quantitatively or qualitatively with their own risk scenarios.

41. Activities and objectives in 2019

Based on external and internal developments, activities in 2019 focused on the following:

- Further expansion of UNIQA 4WARD (Shared Service Centres (SSCs) in Bratislava)
- Security awareness
- Rollout of the new concept for the Internal Control System (ICS)
- Applying for the partial internal model for the market risk

UNIQA took a crucial step towards a “shared services” model in March 2018 with the establishment of UNIQA 4WARD as a branch of UNIQA Insurance Group AG. The purpose of this branch located in Bratislava is to overcome resource shortages more effectively, to pool know-how and support the local companies, especially with regard to Group requirements. UNIQA 4WARD forms the basis for meeting future additional requirements in good time and based on the requisite quality. In 2019 the main focus was on the further expansion of UNIQA 4WARD's areas of activity. In addition to the activities in the areas of actuarial, risk and security management, the scope of UNIQA 4WARD's activities was expanded to include financial services in the second half of 2019.

The topic of security and the associated risks are of great importance to UNIQA. Therefore, a campaign launched by UNIQA aiming at deepening the understanding of the topic was started in 2019 under the title “UNIQA Protection”. It covers the areas of security management, data protection, compliance and IDD. The campaign served primarily to raise awareness of the above-mentioned issues within the company. The focus was on security (of UNIQA, employees, customers and business partners), data protection and the correct implementation of compliance and insurance guidelines in the context of e-learning, classroom training and a competition.

The major structural changes in the Group (UIP, TOM) and adjustments in the value chain associated with these resulted in the need to restructure the ICS within the Group and adapt it to the new conditions.

As part of the ICS project launched subsequently, an analysis of the current situation was carried out at an initial stage in order to identify the essential action areas. Building on this, the concept of the “New ICS” was then developed as part of a design phase. The key alteration involves the harmonisation of a Group-wide risk catalogue and a focus on the operational risks and controls relevant to the Group and the Group companies.

In 2019 the focus was on the roll-out of the new concept throughout the Group. The first processes were started in Austria, Poland, Hungary, Serbia and Russia. The challenges were due in particular to the fact that a large number of processes within the Group are affected by the ICS, and the rollout therefore required appropriate coordination effort on the one hand, along with assurances that the knowledge and expertise was passed onto the employees of the relevant companies on the other.

In recent years UNIQA also worked intensively on developing the partial internal model (which was approved in December 2017 for property and casualty insurance). Specifically, the model was expanded to include the market risk module. Following the successful completion of the model in 2018, the focus in 2019 was on integrating it into the regular risk assessment process. The model was submitted to the FMA in 2019 for approval, which was granted at the end of 2019. This means the official SCR calculation now includes the results of the partial internal model for the market risk module.

42. Challenges and priorities in risk management for 2020

Solvency II review

One of the topics that will continue to accompany UNIQA in 2020 is the ongoing review of the Solvency II Directive. EIOPA already published extensive consultation papers in 2019, containing a total of 19 topics, which are divided into two consultation waves. These waves dealt with both qualitative (e.g. Group supervision, macro-prudential issues, reporting and disclosure) and quantitative topics (e.g. risk-free rate, risk margin, SCR, own funds). The review of Solvency II does not yet have a binding character because the focus is still on consultation and proposals for amendments. These initial proposals will determine the direction in which the entire Solvency II framework will change. This topic therefore represents a great challenge for UNIQA. There will also be a project to go with it in 2020: a group of experts will analyse the effects of this review on the company. This will ensure timely mitigation of the risk of being unable to meet future regulatory requirements.

New risk strategy

The current corporate strategy UNIQA 2.0 expires in 2020. At present UNIQA is working intensively on the design of the new corporate strategy under the working title “UNIQA 3.0”. With this, the company aims to put a strong focus on the customer and try to become more efficient and deliver relevant innovations quickly. In conjunction with the revision of the corporate strategy, the current risk strategy will also have to be revised and adjusted accordingly in order to adequately reflect the adjusted circumstances.

GRC tool implementation

As mentioned in the section on activities, work was done on designing the internal control system. As a further step, this will be realised in an IT solution. In order to support the implementation of the ICS from a systemic point of view, the introduction of a governance, risk and compliance (GRC) tool will be one of the focal points in 2020. The implementation challenges are mainly due to the fact that the requirements of four areas (compliance, security management, data protection and risk management) have to be coordinated and then mapped in the GRC tool.

The new heat map project

UNIQA has started a project to revise the Group-wide tool for risk reporting (“heat map”). The goal of the project is to create an intuitive overview of UNIQA’s current and overall risk profile and to ensure comparability with the risk strategy. One challenge in 2020 will be to map and test the developed concept in the IT tool risk2value and to implement it throughout the Group.

43. Capitalisation

After Solvency II came into force on 1 January 2016, the definitions and methods used to calculate available own funds, as well as risk capital requirements and management standards, were replaced by Solvency II standards.

Standard and Poor’s model

UNIQA also takes the potential impact on the rating by recognised rating agencies into account in the capital management process. S&P currently applies a credit rating of “A-” to UNIQA Insurance Group AG. In the S&P capital model, however, UNIQA achieves significant surplus coverage for the current level. UNIQA assumes that it will secure its surplus coverage of the AA level at a minimum in the long term and will also improve the rating in line with the corporate strategy as a result.

UNIQA Österreich Versicherungen AG and UNIQA Re AG each have a rating of “A”. The supplementary capital bonds issued in 2013 (€350.0 million Tier 2, first call date: 31 July 2023) and subordinated capital bond issued in 2015 (€500.0 million Tier 2, first call date: 27 July 2026) are rated “BBB” by S&P. The agency rates the outlook for all companies as “stable”.

44. Risk profile

UNIQA’s risk profile is very heavily influenced by life insurance and health insurance portfolios in UNIQA Österreich Versicherungen AG. This situation means that market risk plays a central role in UNIQA’s risk profile.

The Group companies in Central Europe operate in the property and casualty segment as well as in the life and health insurance segment. The insurance business predominantly relates to the property and casualty sectors in the CEE region.

This structure is important to UNIQA, because it creates a high level of diversification from the life and health insurance lines dominated by the Austrian companies.

The distinctive risk features of the regions are also reflected in the risk profiles determined by using the internal measurement approach.

Market and credit risk

The characteristics of the market and credit risks depend on the structure of the capital investment and allocation of this into the different categories of investment. The table below shows investments classified by asset category.

Asset allocation

In € thousand

31/12/2019 31/12/2018

Fixed-income securities	16,473,243	15,461,745
Real estate assets	1,137,444	1,104,146
Pension fund	834,227	721,760
Equity investments and other stocks	794,450	734,817
Shares and equity funds	765,038	729,683
Time deposits	384,762	395,016
Other investments	235,631	189,899
Total	20,624,797	19,337,067

However, the market and credit risks not only have an impact on the value of investments, but also influence the level of technical liabilities. Thus, there is – particularly in life insurance – a dependence between the (price) growth of assets and liabilities from insurance contracts. UNIQA manages the income expectations and risks of assets and liabilities arising from insurance contracts as part of the asset liability management (ALM) process. The objective is to ensure sufficient liquidity while retaining the greatest possible security and balanced risk in order to achieve a return on capital that is sustainably higher than the guaranteed performance of the technical liabilities. To do this, assets and liabilities are allocated to different accounting groups.

The following two tables show the main accounting groups generated by the various product categories.

Assets

In € thousand

31/12/2019 31/12/2018

Long-term life insurance contracts with guaranteed interest and profit participation	12,251,003	12,612,019
Long-term unit-linked and index-linked life insurance contracts	4,680,403	4,751,183
Long-term health insurance contracts	4,068,651	3,591,681
Short-term property and casualty insurance contracts	5,073,948	4,813,330
Total	26,074,005	25,768,212

These values refer to the following items:

- Land and buildings for own use
- Investment property
- Financial assets accounted for using the equity method
- Other investments
- Unit-linked and index-linked life insurance investments
- Cash and cash equivalents

Technical provisions and liabilities (net)

In € thousand

31/12/2019 31/12/2018

Long-term life insurance contracts with guaranteed interest and profit participation	11,143,552	10,890,862
Long-term unit-linked and index-linked life insurance contracts	4,646,152	4,721,904
Long-term health insurance contracts	3,359,589	3,191,419
Short-term property and casualty insurance contracts	3,061,309	2,970,578
Total	22,210,602	21,774,763

These values refer to the following items:

- Technical provisions
- Technical provisions for unit-linked and index-linked life insurance
- Reinsurance liabilities (only securities account liabilities from reinsurance ceded)
- Reinsurers' share of technical provisions

Reinsurers' share of technical provisions for unit-linked and index-linked life insurance

The market and credit risk is broken down into interest rate, credit spread, equity, currency and market concentration risk.

The **interest rate risk** arises on all asset and liability items of the statement of financial position whose value fluctuates as a result of changes in risk-free yield curves or associated volatility. Given the high proportion of interest-bearing securities in the investment, interest rate risk forms an important part of market risk. The interest rate risk is actively managed as part of the ALM-based investment strategy.

The following table shows the maturity structure of fixed-income securities.

Exposure by term

In € thousand

31/12/2019 31/12/2018

Up to 1 year	673,476	770,848
More than 1 year up to 3 years	1,888,393	1,892,686
More than 3 years up to 5 years	2,468,311	2,557,814
More than 5 years up to 7 years	2,323,011	2,443,177
More than 7 years up to 10 years	3,067,014	2,800,238
More than 10 years up to 15 years	2,503,197	2,141,868
More than 15 years	3,549,841	2,855,114
Total	16,473,243	15,461,745

In comparison with this, the next table shows the insurance provision before reinsurance in health and life insurance and the gross provision for unsettled claims in non-life insurance, broken down into annual brackets. In health and life insurance the breakdown takes place using expected cash flows from the ALM process.

IFRS reserve by expected maturity date

In € thousand

31/12/2019 31/12/2018

Up to 1 year	1,133,007	1,138,678
More than 1 year up to 3 years	1,085,507	1,359,578
More than 3 years up to 5 years	994,309	1,007,618
More than 5 years up to 7 years	1,127,128	1,074,549
More than 7 years up to 10 years	1,490,459	1,578,545
More than 10 years up to 15 years	2,433,869	2,455,407
More than 15 years	7,226,506	6,896,491
Total	15,490,785	15,510,867

Since the interest rate risk is particularly relevant in life insurance as a result of the long-term liabilities, the focus below is placed on this segment. Using UNIQA Österreich Versicherungen AG as an example, the average interest

rate sensitivity of life insurance in the event of a change in interest rates of +/-50 basis points for the assets is €453.0 million, and that of liabilities €563.0 million. The difference between these two values is used as the control basis for the interest rate risk or the duration gap. During the annual ALM process, it is determined from a strategic point of view which budgets for interest rate risk can be accepted at the operating company level.

The discount rate that may be used in the costing when new business is written in most UNIQA companies takes into account a maximum discount rate imposed by the relevant local supervisory authority. In all those countries in which the maximum permissible discount rate is not imposed in this way, appropriate prudent, market-based assumptions are made by the actuaries responsible for the calculation. In our core market of Austria, the maximum interest rate beginning 1 January 2017 is 0.5 per cent per year. However, the portfolio also includes older contracts with different discount rates. In the relevant markets of the UNIQA Group, these rates amount to as much as 4.0 per cent per year. The following table provides an overview of the average discount rates by region and currency.

Average technical discount rates, core business by region and currency

In per cent

	EUR	USD	Local currency
Austria (AT)	2.3		
Central Europe (CE)	3.5		3.0
Eastern Europe (EE)	3.5	3.6	3.3
Southeastern Europe (SEE)	2.2	1.9	0.8
Russia (RU)	2.7	2.7	4.0

As these discount rates are guaranteed by the insurance company, the financial risk lies in not being able to generate these returns. Since classic life insurance business predominantly invests in interest-bearing securities, the unpredictability of long-term interest rate trends is the most significant financial risk for a life insurance company. Investment and reinvestment risk arises from the fact that premiums received in the future must be invested to achieve the rate of return guaranteed when a policy is written. However, it is entirely possible that no appropriate securities will be available at the time the premium is received. In the same way, future income must be reinvested to achieve a return equivalent to at least the original discount rate. For this reason, UNIQA has already decided to offer products to its key markets that are only based on a low or zero discount rate. One example of this

in Austria is the sale of deferred pension products with a discount rate of 0.0 per cent.

The **credit spread risk** refers to the risk of changes in the price of asset or liability items in the financial statement, as a consequence of changes in credit risk premiums or associated volatility, and is ascertained for individual securities in accordance with their rating and duration. When investing in securities, UNIQA chooses securities with a wide variety of ratings, taking into consideration the potential risks and returns.

The following table shows the credit quality of those fixed-income securities that are neither overdue nor written down, based on their ratings.

Exposure by rating

In € thousand

31/12/2019 31/12/2018

AAA	3,770,117	3,854,062
AA	4,063,442	3,988,504
A	4,135,223	3,640,541
BBB	3,191,344	2,524,826
BB	421,238	712,052
B	271,218	240,932
≤ CCC	2,837	6,090
Not rated	617,825	494,739
Total	16,473,243	15,461,745

Equity risk arises from movements in the value of equities and similar investments as a result of fluctuations in international stock markets, and therefore, stems in particular from the asset categories “Equity investments and other stocks” and “Equities”. The effective equity weighting is controlled by hedging with the selective use of derivative financial instruments.

Foreign currency risk is caused by fluctuations in exchange rates and associated volatility. Given the international nature of the insurance business, UNIQA invests in securities denominated in different currencies, thus following the principle of ensuring matching liabilities with assets in the same currency to cover liabilities at the coverage fund or company level. Despite the selective use of derivative financial instruments for hedging purposes, it is not always possible on cost grounds or from an investment point of view to achieve complete and targeted currency matching between the assets and liabilities. The following tables show a breakdown of assets and liabilities by currency.

Currency risk

In € thousand

31/12/2019

	Assets	Provisions and liabilities
EUR	24,914,175	22,255,561
USD	315,363	92,359
CZK	651,244	530,656
HUF	492,803	576,893
PLN	993,648	804,969
RON	379,563	203,371
Other	981,612	844,177
Total	28,728,409	25,307,986

Currency risk

In € thousand

31/12/2018

	Assets	Provisions and liabilities
EUR	24,776,455	22,526,995
USD	437,881	128,123
CZK	598,874	475,748
HUF	494,772	568,962
PLN	948,421	789,665
RON	289,381	213,284
Other	958,016	814,473
Total	28,503,801	25,517,251

UNIQA strives to keep the **market concentration risk** as low as possible. Throughout the investment period, the company continuously checks whether the investment volumes in securities of individual issuers exceed certain limits in relation to the total investment volume, defined according to the respective credit rating. If this is the case, a risk premium will be added to the portfolio items that are in excess of the limit.

Stress tests and sensitivity analyses are used in particular to measure and manage market and credit risk, in addition to figures from the established market and credit risk models (MCEV, SCR, etc.).

The following tables show the most important market risks in the form of key sensitivity figures, along with their impact on equity and profit/(loss) for the period. Depending on the measurement principle to be applied, any future losses from the measurement at fair value may result in different fluctuations in profit/(loss) for the period or in other comprehensive income. The key figures are calculated theoretically on the basis of actuarial principles and do not take into consideration any diversification effects

between the individual market risks or countermeasures taken in the various market scenarios.

Sensitivities for other investments are determined by simulating each scenario for each individual item, keeping all other parameters constant in each case. Market value changes that have no effect on the balance sheet include reclassified bonds and loans in the case of interest rate and credit spread risk.

Interest rate risk

In € thousand

31/12/2019

31/12/2018

	+ 100 basis points	– 100 basis points	+ 100 basis points	– 100 basis points
Government bonds	–854,656	1,033,307	–736,457	851,479
Corporate bonds (incl. covered)	–381,292	426,367	–316,143	375,514
Other	–46,957	58,958	–35,852	15,855
Total	–1,282,905	1,518,632	–1,088,451	1,242,848
Of which income statement	–951	2,292	1,781	–1,127
Of which equity	–1,281,954	1,516,340	–1,090,232	1,243,975

Credit spread risk

In € thousand

31/12/2019

31/12/2018

	+ 100 basis points	+ 100 basis points
Income statement	–1,784	–2,743
Equity	–1,275,863	–1,111,082
Total	–1,277,647	–1,113,826

Equity risk

In € thousand

31/12/2019

31/12/2018

	– 30%	– 30%
Income statement	–126,609	–305,289
Equity	–107,515	–69,897
Total	–234,124	–375,186

Currency risk

In € thousand

31/12/2019

31/12/2018

	10%	– 10%	10%	– 10%
PLN	51,970	–51,970	48,526	–48,526
USD	24,921	–50,962	20,855	–20,855
CZK	40,396	–30,432	38,422	–38,422
RUB	26,206	–26,206	18,673	–18,673
HUF	17,283	–17,283	15,703	–15,703
Other	53,026	–57,559	56,569	–54,950
Total	213,802	–234,412	198,747	–197,128
Of which income statement	203,222	–223,833	186,416	–184,798
Of which equity	10,580	–10,580	12,330	–12,330

In **life insurance**, the interest rate assumptions are the crucial influencing factor on the liability adequacy test and deferred acquisition costs. The impact of the implied new funds assumption (including reinvestment) is therefore stated below.

If new funds are assumed with a +100 bp increase, then the resulting net effect (after accounting for the deferred profit participation) amounts to €6.62 million. A –100 bp reduction in this assumption results in a net effect of €– 7.21 million. The effects described relate to the changes in deferred acquisition costs along with the impact on the liability adequacy test. The results were determined using the traditional business in Austria which makes up the majority of insurance provision in the Group.

In **non-life insurance**, the provision for unsettled insurance claims is formed based on reported claims and applying accepted statistical methods. One crucial assumption here is that the pattern of claims observed from the past can be sensibly extrapolated for the future. Additional adjustments need to be made in cases where this assumption is not possible.

The calculation of claim provisions is associated with uncertainty based on the time required to process claims. In addition to the normal chance risk, there are also other factors that may influence the future processing of the claims that have already occurred. In particular, the reserving process for court damages in property and casualty insurance should be mentioned here. A reserve estimate is prepared here for these damages based on expert assessment, although this estimate can be exposed to high levels of volatility specifically with major damage at the start of the process for collecting court costs.

The partial internal model in property and casualty insurance is a suitable instrument for quantifying the volatility involved in processing. Pursuant to analysis of these model results, it was determined that a deviation of 5 per

cent from the basic provision determined may represent a realistic scenario. Based on the current provision for unsettled claims of €2,608 million (excluding additional provisions such as provisions for claim settlement) in the Group on a gross basis, this would mean an increase in claims incurred by €128 million.

Health insurance similar to life technique is now also affected by the period of low interest rates. Since 1 January 2018 only tariffs with the 1.0 per cent discount rate are being sold. That fact, together with the tariffs sold in 2017 at the discount rate of 1.75 per cent, further reduces the average discount rate. A reduction in the capital earnings by 100 bp (based on investment results 2019) would reduce the earnings before taxes by €35.6 million.

Liquidity risk

Ongoing liquidity planning takes place in order to ensure that UNIQA is able to meet its payment obligations over the next twelve months.

Obligations with a term of more than twelve months are covered by investments with matching maturities as far as possible within the framework of the ALM process and the strategic guidelines. In addition, a majority of the securities portfolio is listed in liquid markets and can be sold quickly and without significant markdowns if cash is required.

There are underwriting obligations mainly in the form of funds from holdings in healthcare and investments in private debt, as well as in the infrastructure sector, amounting to €565,916 thousand (2018: €601,415 thousand).

Contractual maturities at 31 December 2019

In € thousand

	Liabilities from collateral received for securities lending	Liabilities from loans	Derivative financial instruments	Lease liabilities	Total
2020	0	900	436	8,888	10,224
2021	0	11,104	233	7,757	19,094
2022	0	0	0	7,334	7,334
2023	0	0	0	5,801	5,801
2024	0	0	0	4,452	4,452
> 2025	0	0	1	33,514	33,515

Contractual maturities at 31 December 2018

In € thousand

	Liabilities from collateral received for securities lending	Liabilities from loans	Derivative financial instruments	Lease liabilities	Total
2019	772,196	936	803	0	773,934
2020	0	900	2,459	0	3,359
2021	0	11,107	0	0	11,107
2022	0	0	0	0	0
2023	0	0	0	0	0
> 2024	0	0	10,084	0	10,084

Contractual maturities at 31 December 2019

In € thousand

	Notional amount ¹⁾	Coupon payments	Total
2020		54,063	54,063
2021		54,063	54,063
2022		54,063	54,063
2023	350,000	54,063	404,063
2024	0	30,000	30,000
> 2025	500,000	60,000	560,000

Contractual maturities at 31 December 2018

In € thousand

	Notional amount ¹⁾	Coupon payments	Total
2019		54,063	54,063
2020		54,063	54,063
2021		54,063	54,063
2022		54,063	54,063
2023	350,000	54,063	404,063
> 2024	500,000	90,000	590,000

¹⁾ Contractual maturities based on the first possible termination date

Concentration risks

UNIQA strives to keep **concentration risks** as low as possible. These could arise, for example, from the transfer of insurance business to individual reinsurance companies to an inappropriate extent. This can have a material influence on UNIQA's result in case of late payment (or non-

payment) by an individual reinsurer. UNIQA controls such risks with an internal reinsurance company that is responsible for selecting external reinsurance parties, taking into account strict guidelines for avoiding material concentration risks.

Underwriting risks

The underwriting risks are divided into non-life, life and health insurance.

The underwriting risk in **non-life** is broken down into the three risk categories of premium, reserve and catastrophe risk.

Premium risk is defined as the risk that future benefits and expenses in connection with insurance operations will exceed the premiums collected for the insurance concerned. Such a loss may also be caused in insurance operations by exceptionally significant, but rare loss events, known as major claims or shock losses. Natural disasters represent a further threat from events that are infrequent but that nevertheless cause substantial losses. This risk includes financial losses caused by natural hazards, such as floods, storms, hail or earthquakes. In contrast to major individual claims, insurance companies in this case refer to cumulative losses.

Reserve risk refers to the risk that technical provisions recognised for claims that have already occurred will turn out to be inadequate. The loss in this case is referred to as settlement loss. The claim reserve is calculated using actuarial methods. External factors, such as changes in the amount or frequency of claims, legal decisions, repair and/or handling costs, can lead to differences compared with the estimate.

To counter and actively manage these risks, UNIQA runs a number of processes integrated into its insurance operations. For example, Group policy specifies that new products may only be launched if they satisfy certain profitability criteria. Major claims and losses from natural disasters are appropriately managed by means of special risk management in the underwriting process (primarily in corporate activities) and by the provision of suitable reinsurance capacity.

In connection with claim reserves, guidelines also specify the procedures to be followed by local units when recognising such reserves in accordance with IFRSs. A quarterly monitoring system and an internal validation process safeguard the quality of the reserves recognised in the whole of the Group.

An essential element in risk assessment and further risk management is the use of the non-life partial model. This risk model uses stochastic simulations to quantify the risk

capital requirement for each risk class at both company and Group levels.

In **life insurance**, the underwriting risk is generally defined as the risk of loss or adverse developments affecting the value of insurance liabilities. It is divided into the following categories: mortality, longevity, disability-morbidity, lapse, expense, revision and catastrophe risk.

The mortality risk depends on possible fluctuations in mortality rates due to an increase in deaths which would have an adverse effect on the expected benefits to pay on risk insurance policies.

Longevity risk refers to the adverse effects of random fluctuations in mortality rates due to a decline in the mortality rate. The insurer is thereby exposed to the risk that the anticipated life expectancy in the calculation of the premium will be exceeded in reality and that the expenditure for pension payments will be higher than planned.

The disability-morbidity risk is caused by possible adverse fluctuations in disability, sickness and morbidity rates compared to what they were at the time the premium was calculated.

The lapse risk arises from the fluctuations in policy cancellation, termination, renewal, capital selection and surrender rates of insurance policies. Overall, it represents the uncertainty regarding customer behaviour.

The expense risk refers to adverse effects due to fluctuations in the administrative costs of insurance and reinsurance contracts.

The revision risk results from fluctuations in the revision rates for annuities due to changes in the legal environment.

The catastrophe risk results from significant uncertainty in relation to pricing and the assumptions made in the creation of provisions for extreme/exceptional events. The most relevant risk in this context is an immediate dramatic increase in mortality rates: in this case, death benefits in the risk portfolio could not be fully financed by the risk premium collected.

In the context of life insurance, the main techniques for risk mitigation are the adjustment of future profit participations or a corresponding premium adjustment as well as additional reinsurance policies, which are carried out in compliance with legal and contractual framework

conditions. These measures are crucial for the underlying risk models and contain detailed information and regulations, particularly with regard to profit participation. In practice, profitable new business supports the risk-bearing capacity of the existing portfolio, whereby careful risk selection (e.g. health checks) and cautiously chosen calculation principles for premiums are essential cornerstones when designing products. By including premium adjustment clauses, the potential to reduce risk can be improved, especially in the risk and occupational disability portfolio.

The **health insurance business** is operated primarily in Austria. As a result, risk management in this line focuses mainly on Austria.

Health insurance is a loss insurance which is calculated under consideration of biometric risks and is operated in Austria according to the “similar to life technique”.

The risk categories of the underwriting risk in health insurance by type of life insurance are based on the subdivisions of life insurance already described above, with minor deviations.

Analogous to life insurance, the main techniques for risk mitigation are the adjustment of future profit participations or a corresponding premium adjustment which is carried out in compliance with legal and contractual framework conditions. These measures are crucial for the underlying risk models and contain detailed information and regulations, particularly with regard to profit participation. In practice, classic risk-mitigation techniques are also relevant here.

For health insurance they include:

- Prudent setting of the discount rate at a level that can be earned in the long term;
- Risk selection, i.e. a targeted pre-selection of prospective customers for insurance products, for example through health checks;
- Careful selection of the withdrawal probabilities (death and policy cancellation) in order to obtain sufficient premiums for the expected benefits;
- The consideration of premium adjustment clauses in various health insurance products in order to be able to adjust premiums in line with changes in the calculation principles in case of changes in the expected values.

In addition to these classic risk mitigation techniques, an ongoing process for managing portfolios has been

established. This process is carried out annually by determining and evaluating the need for rate adjustments. The effectiveness of the risk mitigation techniques described for the health business is assessed by comparing invoiced and actual benefits as well as by calculating contribution margin calculations.

Operational risk

Operational risk includes losses that are caused by insufficient or failed internal processes, as well as losses caused by systems, human resources or external events.

The operational risk includes legal risk, but not reputation or strategic risk. Legal risk is the risk of uncertainty due to lawsuits or uncertainty in the applicability or interpretation of contracts, laws or other legal requirements.

At UNIQA, legal risks are monitored on an ongoing basis, and reports are made to the Group Management Board. UNIQA’s risk management process also defined the risk process for operational risks in terms of methodology, workflow and responsibilities. The risk manager is responsible for compliance throughout all Group companies.

A distinctive feature of operational risk is that it can surface in all processes and departments. This is why operational risk is identified and evaluated in every operational company at a very broad level within UNIQA. Risks are identified with the help of a standardised risk catalogue that is regularly checked for completeness.

According to international standards, UNIQA – as a financial service provider – forms part of the critical infrastructure of key importance to the national community. If this infrastructure were to fail or become impaired, it would cause considerable disruption to public safety and security or lead to other drastic consequences.

As a rule, emergencies, crises and disasters are unexpected events for which it is impossible to plan, although systems and processes can be put in place to deal with such events. The systems and processes must then be treated as a special responsibility of management and must be dealt with professionally, efficiently and as quickly as possible.

UNIQA has implemented a business continuity management system covering the issues of crisis prevention, crisis management and business recovery (including business continuity plans). The UNIQA BCM model is based on international rules and standards and is developed on a continuous basis.

Emerging risk

Emerging risk refers to newly arising or changing risks that are difficult to quantify and can have a significant impact on an organisation. Among the main drivers of the changing risk landscape are new economic, technological, socio-political and ecological developments and the increasing interdependencies between them, which may lead to a growing concentration of risk. In addition, a changing business environment – the further development of regulatory rules, the increased expectations of stakeholders and the shift in risk perception – must be taken into account.

Reputational risk

The reputational risk describes the risk of loss that arises due to possible damage to the company's reputation, a deterioration in prestige, or a negative overall impression due to negative perception by customers, business partners, shareholders or supervisory agencies.

Reputational risks that occur in the course of core processes such as claim processing or advising and service quality are identified, evaluated and managed as operational risks in the Group companies.

Contagion risk

Group risk management analyses whether the reputation risk observed in the Group or in another unit may occur, and whether the danger of "contagion" within the Group is possible. The analyses performed prevent the risk of infection.

Strategic risk

The strategic risk refers to the risk that results from management decisions or insufficient implementation of management decisions that may influence current or future income or solvency. This includes the risk that arises from management decisions that are inadequate because they ignore a changed business environment. Like operational and reputational risks, strategic risks are evaluated on an ongoing basis.

Sustainability risk

Sustainability risks are not currently classified as a separate risk category but are allocated among the existing categories. Up until now, UNIQA has identified potential sustainability risks with the following topics from the materiality analysis: clear evaluation of damage and rapid assistance, process for handling data and new technologies, customer information and financing, complaints management, avoidance of critical investment, employee satisfaction as well as ethics and compliance. UNIQA's risk identification process is subject to continuous development and will also ascertain in the future whether an identified risk is relevant from a sustainability point of view. According to the definition used by UNIQA this is the case if a risk exists in relation to ecological and/or social aspects of the sustainability topics.

45. Reinsurance

The Group Management Board determines, directly and indirectly, the strategic contents of reinsurance policy with its decisions regarding risk and capital policy. The structure of the purchasing of external reinsurance is linked to the risk management process, thus enabling the risk capital to be relieved.

Reinsurance structures support the continuous optimisation of the required risk capital and the management of the use of this risk capital. Great importance is attached to the maximum use of diversification effects. Continuous analysis of reinsurance purchasing for efficiency characteristics is an essential component of internal risk management processes.

UNIQA Re AG in Zurich, Switzerland, is responsible for the operational implementation of these tasks. It is responsible for and guarantees the implementation of reinsurance policies issued by the Group Management Board. UNIQA Re AG is available to all Group companies as the risk carrier for their reinsurance needs.

The assessment of the exposure of the portfolios assumed by the group companies is of central importance. Periodic risk assessments have been performed for years in the

interest of a value-based management of the capital commitment. Extensive data are used to assess risk capital requirements for the units in question and their reinsurance programmes are structured in a targeted manner.

For the property and casualty insurer, promises of performance for protection against losses resulting from natural hazards frequently represent the greatest stress on risk capital by far due to the volatile nature of such claims and the conceivable amount of catastrophic damages. UNIQA has set up a specialised unit in order to deal with this problem. Exposure is constantly monitored and evaluated at the country and Group levels in cooperation with internal and external authorities. UNIQA substantially eases the pressure on its risk capital through the targeted utilisation of all applicable diversification effects and the launching of an efficient retrocession programme.

UNIQA Re AG has assumed almost all of the UNIQA Group's required reinsurance business ceded in the reporting period. Only in the life insurance line was a portion of the necessary cessions given directly to external reinsurance partners. The Group assumes reasonable deductibles in the retrocession programmes based on risk- and value-based approaches.

Approval for publication

These consolidated financial statements were prepared by the Management Board as at the date of signing and approved for publication.

Vienna, 20 March 2020



Andreas Brandstetter
Chairman of the Management Board



Erik Leyers
Member of the Management Board



Kurt Svoboda
Member of the Management Board

Declaration of the legal representatives

Pursuant to Section 82(4) of the Austrian Stock Exchange Act, the Management Board of UNIQA Insurance Group AG hereby confirms, that, to the best of our knowledge, the consolidated financial statements, which were prepared in accordance with the relevant accounting

standards, give a true and fair view of the financial position, financial performance and cash flows of the Group, and that the Group management report describes the relevant risks and uncertainties which the Group faces.

Vienna, 20 March 2020



Andreas Brandstetter
Chairman of the Management Board



Erik Leyers
Member of the Management Board



Kurt Svoboda
Member of the Management Board

Audit opinion

Report on the consolidated financial statements

Audit opinion

We have audited the enclosed consolidated financial statements of UNIQA Insurance Group AG, Vienna, and its subsidiaries (the Group), consisting of the consolidated statement of financial position as at 31 December 2019, the consolidated income statement from 1 January until 31 December 2019, the consolidated statement of comprehensive income, the consolidated statement of cash flows and the consolidated statement of changes in equity for the financial year ending on this reporting date as well as the notes to the consolidated financial statements.

In our opinion, the attached consolidated financial statements comply with the legal requirements and provide a true and fair view of the financial position at 31 December 2019 and of the Group's earnings position and cash flows for the financial year ending on this reporting date, in accordance with the International Financial Reporting Standards (IFRSs) as applicable in the EU and the additional requirements of Section 245a of the Austrian Commercial Code and the supplementary provisions of Section 138(8) of the Austrian Insurance Supervision Act.

Basis for the audit opinion

We have conducted an audit of these financial statements in accordance with Regulation (EU) No. 537/2014 (hereafter the EU Regulation) and following the Austrian principles of proper auditing of financial statements. These principles require the application of the international audit standards (International Standards on Auditing, ISAs). Our responsibilities according to these regulations and standards are outlined in detail in the section of our audit opinion entitled "Responsibilities of the auditor in auditing the consolidated financial statements". Our work has been completed independently of the Group and is in line with Austrian company law and professional regulations, and our other professional duties have been discharged in line with these regulations. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a reasonable basis for our audit assessment.

Particularly relevant data related to the audit

- Particularly relevant data related to the audit are data that, in our judgement, had a significant impact on our audit of the consolidated financial statements for the reporting year. These areas were taken into account in connection with our audit of the

consolidated financial statements as a whole and in forming our audit opinion; we will not issue a separate opinion on these areas.

–

Our discussion of these particularly important data is structured as follows:

- Relevant facts
- Method of audit and findings
- Reference to additional information

1. Measurement of insurance provision and deferred acquisition costs (DAC) for life insurance contracts

- Relevant facts
- The carrying amount of €9,807,418 thousand in life insurance provision is determined in accordance with actuarial principles, based on the present value of future benefits to be paid by the UNIQA Insurance Group AG, Vienna, less the present value of future anticipated premiums. This is calculated according to contractually agreed principles. The liability adequacy test (LAT) evaluates whether the established provisions are sufficient. For this purpose, a best estimate reserve is compared with the reserves as posted, less the deferred acquisition costs (DAC), plus the unearned revenue liability (URL). Acquisition costs with direct relevance to new business or to the extension of existing contracts are capitalised as DAC (€659,355 thousand) under intangible assets, and amortised over the duration of the contracts. Amortisation is calculated at a proportionate rate equivalent to that of the expected profit margin from these contracts as a proportion of total profits anticipated from life insurance.

The principles used to evaluate insurance provision and the completion of the LAT require numerous assumptions, estimates and discretionary decisions. Minor alterations to these assumptions or the methodologies used could produce a significant change in the measurement.

Based on the relevant facts as described, in our audit we paid particular attention to the measurement of the insurance provision and deferred acquisition costs.

- Method of audit and findings
- Across the Group, we have:
 - evaluated processes and tested key controls,

- involved actuarial specialists from PwC and compared the models and assumptions used with industry-specific knowledge and our professional experience with recognised actuarial practices,
 - conducted spot-check comparisons between the data used for the evaluation and basic documentation,
 - assessed the plausibility of the modelled findings,
 - evaluated that measurement methods were applied consistently, and
 - carried out spot-checks to test their appropriateness.
- We believe the assumptions and parameters on which the measurement is based are transparent and justifiable.
- Reference to additional information
 - See the section in the general disclosures, in the notes to the consolidated financial statements: “Use of discretionary decisions and estimates” and “5. Technical provisions”

2. Recognition and measurement of other intangible assets

- Relevant facts
 - Other intangible assets in the amount of €217,826 thousand mainly comprise software. As part of the investment programme launched in the 2016 financial year, significant sums are being invested in renewing the group-wide IT systems. Since 2017, the company has been switching individual elements of the system into an operational phase. Completion of the investment programme is planned for the 2029 financial year.
- The recognition and measurement of other intangible assets related to the IT systems require discretionary decisions and assumptions with regard to said recognition and measurement, as well as continuous monitoring, particularly where the total costs deviate from planned costs. Furthermore, company-internal contributions require an exact distinction to be made between capitalisable and non-capitalisable cost factors.
- Based on the relevant facts as described, in our audit we paid particular attention to the recognition and measurement of other intangible assets in our audit.
- Method of audit and findings
 - We have:
 - evaluated the internal monitoring system established for these IT investments,
 - compared the accounting and measurement methods used against appropriate benchmarks and against the

- accounting regulations of IAS 38, based on our knowledge of the industry and our experience,
- made a critical examination of the assumptions with regard to recognition and measurement, and
- spot-checked the applied measurement methods.

The accounting and measurement methods used are consistent with IFRSs. We believe the assumptions and measurement parameters to be transparent and justifiable.

- Reference to additional information
- See the section in the general disclosures, in the notes to the consolidated financial statements: “Use of discretionary decisions and estimates” and “11. Intangible assets”

Responsibility of the Management and the Audit Committee for the consolidated financial statements

The company's management is responsible for the preparation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the EU and the additional requirements under Section 245a of the Austrian Commercial Code and the supplemental regulations under Section 138(8) of the Austrian Insurance Supervision Act that accurately reflects the Group's assets, financial position and profitability. The legal representatives are additionally responsible for the internal controls which they consider to be required in order to enable the preparation of consolidated financial statements that are free from material intentional or unintentional false representations.

The legal representatives are responsible as part of the preparation of consolidated financial statements to assess the Group's ability to continue its business activities, to provide pertinent data related to the continuation of business activities and to apply relevant accounting standards to the continuation of business activities unless the legal representatives intend to liquidate the Group or discontinue business activities or have no other realistic alternative than to do so.

The Audit Committee is responsible for monitoring the Group's accounting processes.

Responsibilities of the auditor in auditing the consolidated financial statements

Our goal is to secure an adequate level of certainty that the consolidated financial statements, as a whole, are basically free of erroneous representations, whether intentional or unintentional, and to provide a report containing our audit opinion. This adequate level of certainty provides a high degree of certainty, though not a full guarantee, that an audit conducted fully in line with the EU Regulation and with the Austrian principles of proper auditing of financial statements, which stipulate the application of ISA rules, will in each case reveal any essentially false representation that may exist. False representations may be an instance of fraud or may be a result of errors and will in principal be identified as such in cases in which there is a reasonable expectation that a single instance or group of these could influence decisions taken by readers on the basis of information provided by the consolidated financial statements.

As part of any audit of financial statements that has been executed in compliance with the EU Regulation and the Austrian principles of proper auditing of financial statements, which require the application of the ISAs, we exercise due

discretion and maintain a critical stance throughout the entire process of the audit.

In addition:

- We identify and evaluate risks in the statements of intended or unintended false presentations, devise substantive procedures in response to these risks, execute them and obtain sufficient and appropriate audit evidence to serve as a basis for our audit opinion. There is a greater risk that a false presentation resulting from fraud will not be uncovered than one resulting from error since fraud could involve deceitful collusion, falsifications, purposeful omissions, deceptive presentations or the suspension of internal control measures.
- We gain an understanding of the internal control system relevant for the audit of the consolidated financial statements in order to plan audit actions that are reasonable under the given circumstances, but not with the objective of providing an audit opinion on the effectiveness of the company's internal control system.
- We assess the reasonableness of the accounting principles applied and of the validity of the values estimated by the legal representatives in the accounting along with an assessment of related statements.
- We draw conclusions with respect to the adequacy of the application of the going concern principle by the legal representatives and, on the basis of the audit evidence obtained, we evaluate whether any fundamental uncertainty results from circumstances or events that could create significant doubt about the Group's ability to continue its business activities. If we come to the conclusion that a significant uncertainty does exist, we are obliged to call attention to the relevant entries in the consolidated financial statements or, if these entries are unsuitable, to modify our audit opinion. We draw our conclusions based on the audit evidence that was acquired up to the date of the audit opinion. However, future events or circumstances may result in the Group's deviation from the going concern principle.
- We evaluate the consolidated financial statements' overall presentation, its structure and contents, including the provided data and whether the consolidated financial statements present the business activities and circumstances in an honest and complete manner.
- We request sufficient and relevant audit evidence regarding financial information related to the units or business activities within the Group in order to provide an audit opinion on the consolidated financial statements. We are responsible for guiding, monitoring and conducting the audit of the consolidated financial statements. We assume full and sole responsibility for our audit opinion.

We communicate with the Audit Committee regarding, among other things, the intended scope and scheduling of the audit and significant findings of the audit, including any significant shortcomings in the internal system of monitoring that we were able to identify over the course of our audit.

We provide the Audit Committee with a statement to the effect that we maintained the requirements for professional conduct and independence and provided said committee with information regarding all circumstances and facts which could reasonably be seen to have a possible effect on our independence and – when relevant – related precautionary measures.

We certify that the data that we shared with the Audit Committee were the most pertinent data in auditing the reporting year's consolidated financial statements and therefore represented particularly significant audit data. We describe this data in our audit opinion unless there are laws or other legal regulations that preclude sharing this information or we have determined, in a very small number of cases, that any the benefit of sharing certain information in the audit opinion in the interest of serving the public interest is outweighed by the probable negative effects of publication.

Other legal and regulatory requirements

Comments on the Group Management Report

Pursuant to statutory provisions, the Group Management Report is to be audited as to whether it is consistent with the consolidated financial statements and whether it was prepared in line with applicable legal requirements.

The legal representatives are responsible for preparing the Group Management Report in line with Austrian company law and insurance supervisory regulations.

We prepared our audit in line with professional principles related to conducting audits of management reports.

Opinion

In our opinion, the Group Management Report has been prepared in line with applicable legal requirements, contains appropriate disclosures in accordance with Section 243a of the Austrian Commercial Code, and is consistent with the consolidated financial statements.

Declaration

Based on the data collected during the audit of the consolidated financial statements and familiarity with the Group and its circumstances, we have identified no erroneous information in the Group Management Report.

Other disclosures

The legal representatives are responsible for all other information. Other information includes all information in the annual report, excluding the consolidated financial statements, the Group Management Report and the audit opinion. The annual report was only provided to us after the date of the audit opinion.

Our audit opinion on the consolidated financial statements does not cover this other information, and we can offer no assurances of any kind with respect to it.

In conjunction with our audit of the consolidated financial statements, it is our responsibility to review this other information as soon as it is made available and determine whether it contradicts or compromises the validity of any of the findings of the audit in an essential way.

Additional information in accordance with Article 10 of the EU Regulation

We were selected as the statutory auditor by the Annual General Meeting on 28 May 2018. We were appointed by the Supervisory Board on 13 November 2018. We have acted as statutory auditors continuously since 31 December 2013.

We hereby declare that the audit opinion in the section “Report on the consolidated financial statements” is in accordance with the additional report to the Audit Committee pursuant to Article 11 of the EU Regulation.

We hereby declare that we have not provided any prohibited non-audit services (Article 5(1) of the EU Regulation) and that we maintained our independence from the company audited in carrying out our audit of the consolidated financial statements.

Public accountant responsible for the project

The public accountant responsible for this project is Werner Stockreiter.

Vienna, 20 March 2020

PwC Wirtschaftsprüfung GmbH



signed:

Werner Stockreiter
Chartered Accountant

Publication and duplication of the consolidated financial statements together with the audit opinion in a form differing from the version audited by us is not permitted. This audit opinion refers exclusively to the German version of the complete consolidated financial statements and the Group Management Report. For differing versions, the regulations of Section 281(2) Austrian Commercial Code apply.

Imprint

Owner and publisher

UNIQA Insurance Group AG
Commercial registry no.: 92933t

Concept, advice, editorial work and design

be.public Corporate & Financial Communications GmbH /
www.bepublic.at

Rosebud, Inc. / www.rosebud-inc.com

Translation and linguistic consulting

ASI GmbH / www.asint.at

Photography and image editing

Kurt Keinrath

Paper

Cover: Munken Polar, 240 g/m²

Interior: Munken Polar, 100 g/m²

Printed by

Gerin Druck GmbH

Editorial deadline

15 April 2020

Contact

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

www.uniqagroup.com

Information

UNIQA's Group Report is published in German and English and can be downloaded as a PDF file from the Investor Relations area on our Group website. The interactive online version is also available at reports.uniqagroup.com.

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

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 us 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.



