



Capital Markets Day

December 14, 2020

UNIQA 3.0

Our mission

We have what it takes to be the leading provider of services that create a better life for our customers

UNIQA – Living better. together.

1. Strategy UNIQA 3.0

- Delivered on UNIQA 2.0 targets
- Seeding the future with UNIQA 3.0
- Ensuring improved return to shareholders

Andreas Brandstetter
CEO

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2. Austria

- Market leadership in Health and P&C
- Increasing efficiency
- Reducing costs significantly

Andreas Brandstetter
CEO

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3. Central and Eastern Europe

- Displayed strong, profitable growth
- Top five player through AXA CEE acquisition
- Strong earnings contribution

Wolfgang Kindl
C&M International

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4. Financials

- 2020 as a transition year
- Solid capital position not affected
- Increasing ROE enables dividends and deleveraging

Kurt Svoboda
CFRO

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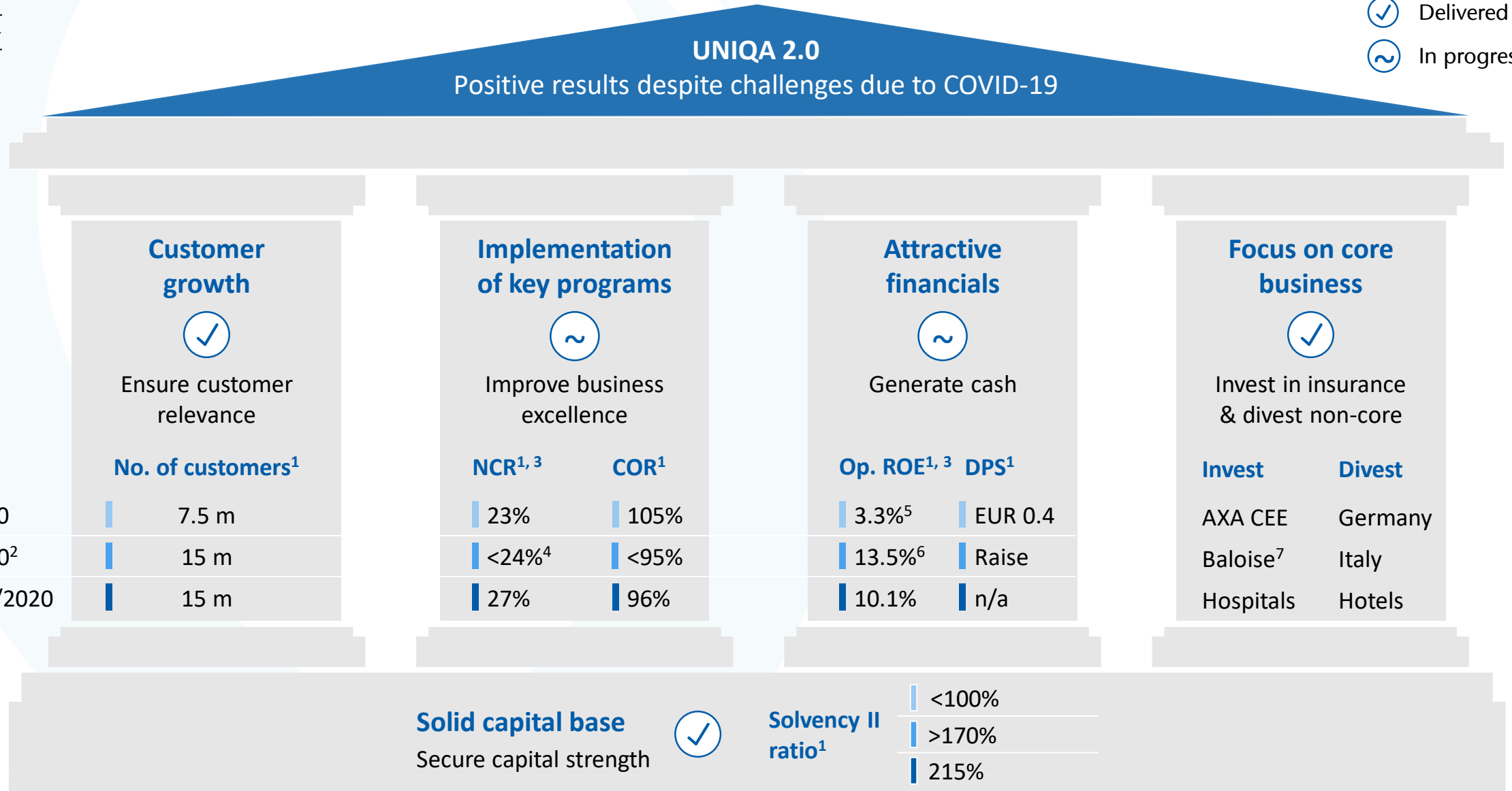
1 Strategy UNIQA 3.0

Andreas Brandstetter, CEO

Review: UNIQA 2.0 – we built a stable foundation!

INCL. AXA CEE¹

✓ Delivered
 ~ In progress



1 Figures including AXA CEE - NCR, COR, op. ROE and Solvency II not yet consolidated | 2 Communicated in 2016 | 3 Significantly impacted by COVID-19 | 4 Target adjusted after the sale of Italy business | 5 ROE | 6 Average 2017-20
 7 In HR and RS

Review: Homogeneous and balanced portfolio!

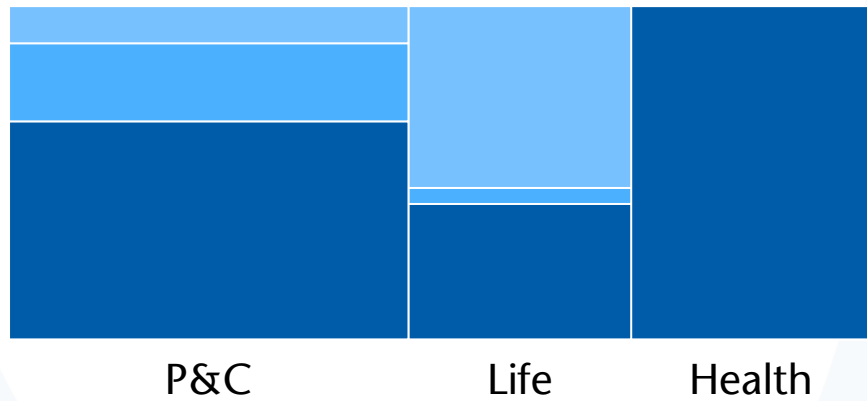
● High ○ Low FIGURES ROUNDED

Austria

Σ 3,800

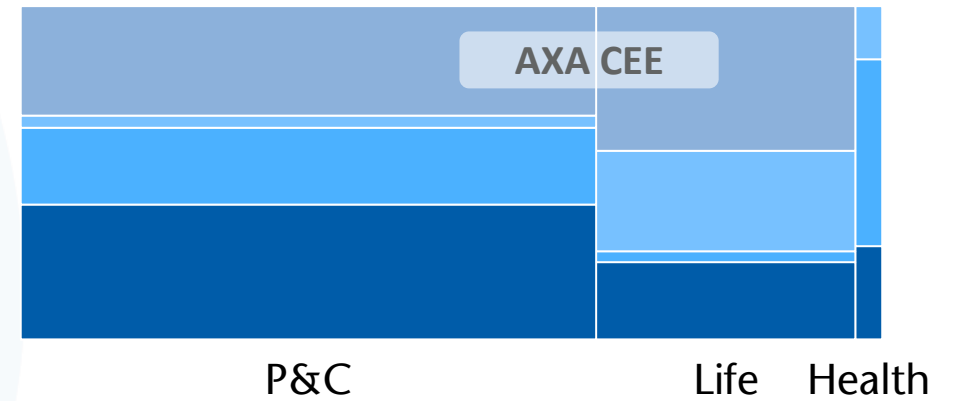
GWP
2019, EUR millions

Bank
Corporate
Retail



CEE¹

Σ 2,400



Earnings²

Contribution rel. to GWP



- **P&C: Continuous growth** with healthy COR in AT and strong trajectory in CEE
- **Life: Strong profits in CEE** – in AT further **profit improvement measures** due to low-interest environment required
- **Health: Constant high profitability** and steady regulatory environment

Key messages

UNIQA 3.0

Customer-centric excellence program for seeding the future

A**Two core markets established**

Established CEE as second core market – boosted by AXA CEE acquisition – leading to balanced earnings contribution in 2025

B**Core business improvement**

Strong underwriting; further increase of technical result: cost reduction and Life profit improvement in Austria; synergies in CEE

C**Capital strength maintained**

Continued disciplined capital management and conservatively managed balance sheet

D**Shareholder return increasing**

Sustainably increasing underlying earnings enabling reliable dividends growth and attractive return to shareholders

UNIQA 3.0: Holistic strategy approach of UNIQA 3.0

WHY

MEGATRENDS



LOW INTEREST RATES AND THE SHIFT OF ECONOMIC POWER



DEMOGRAPHIC AND SOCIAL CHANGE



INNOVATION AND DIGITIZATION



CLIMATE CHANGE AND SUSTAINABILITY

WHAT

VISION & MISSION

UNIQA.
Living better. together.

Our business goals
2021-2025

1. Best service provider
2. Market leader in Austria
3. Top 5 in international focus markets
4. Cost effectiveness and profitability
5. Most attractive employer

+
New business models



OWNERSHIP
It's our future

COMMUNITY
It's our life



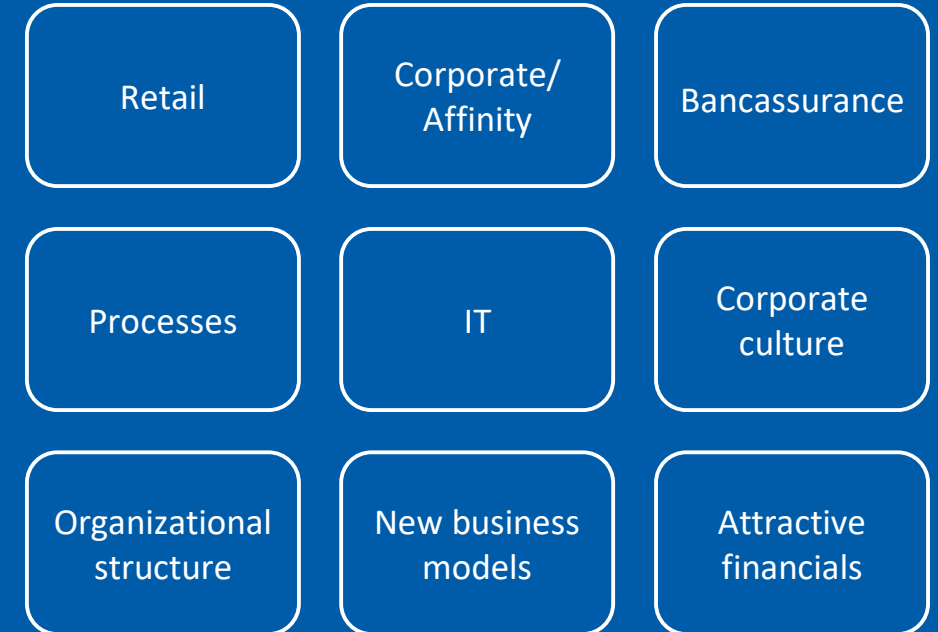
SIMPLICITY
It's our time

INTEGRITY
It's our reputation



HOW

CRITICAL INITIATIVES

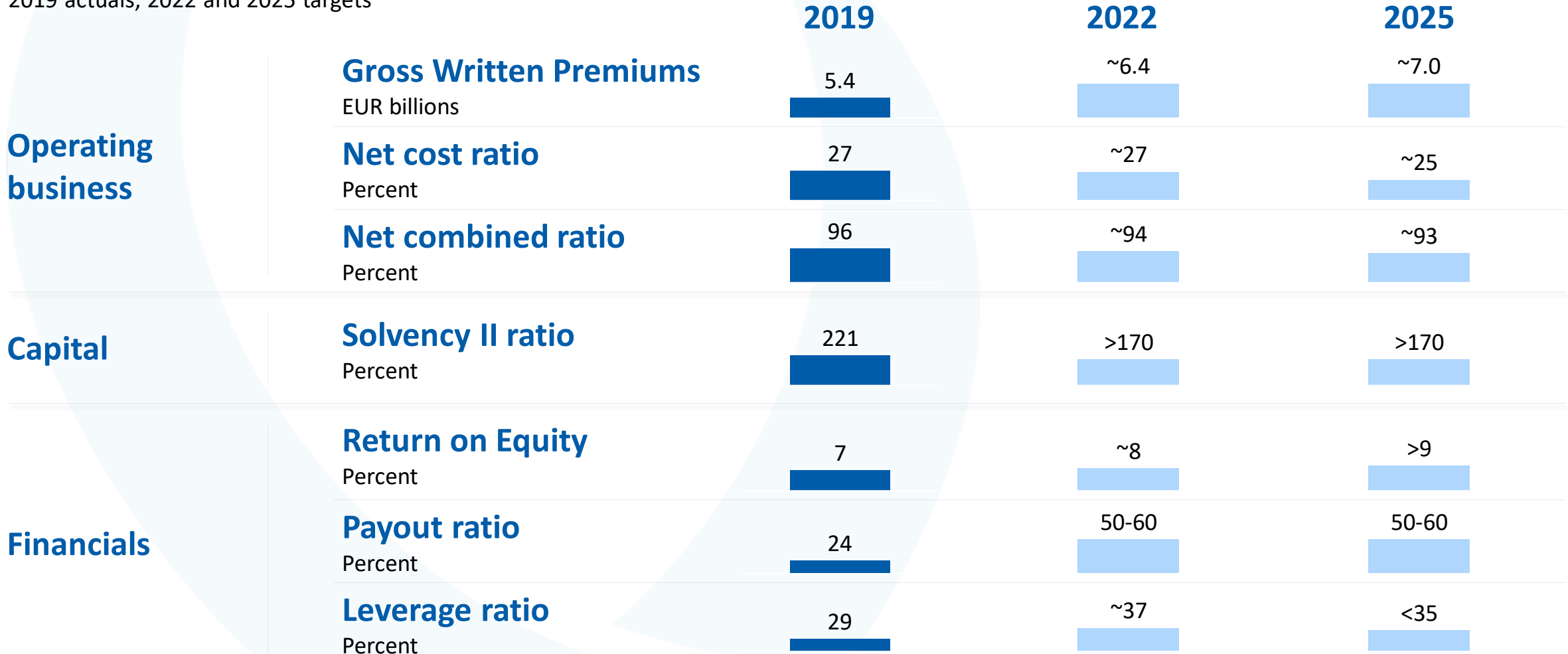


UNIQA 3.0: Ambitious targets!

UNIQA Group targets

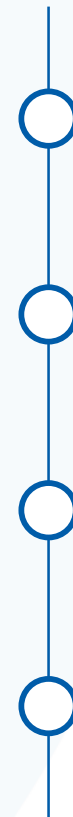
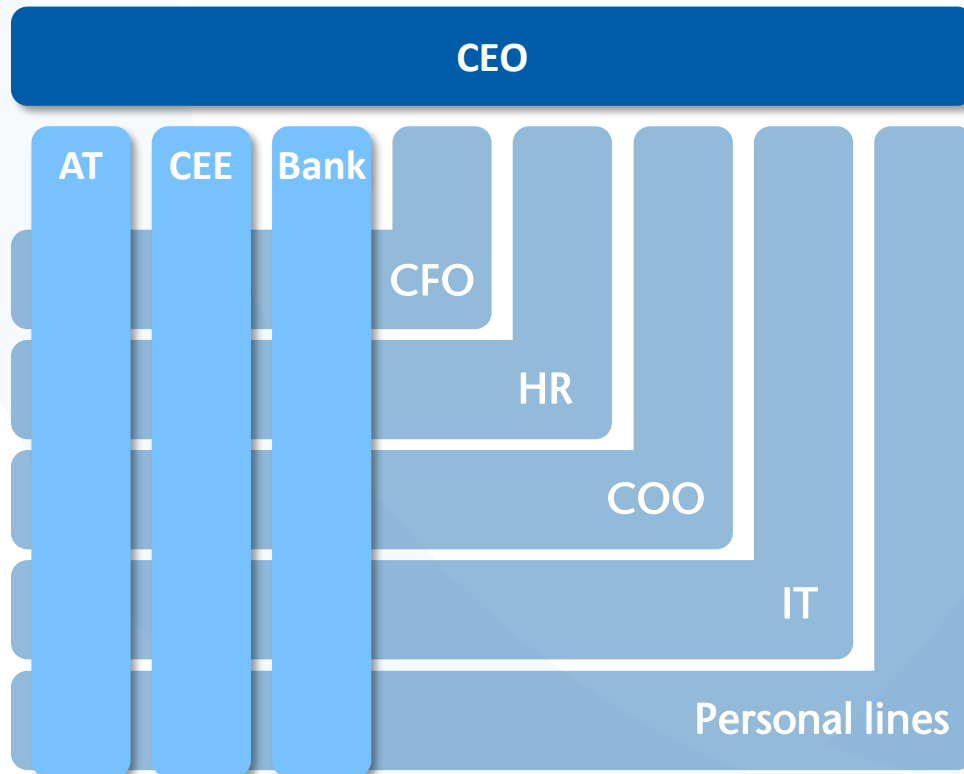
2019 actuals, 2022 and 2025 targets

■ Excl. AXA CEE ■ Incl. AXA CEE



UNIQA 3.0: HOW – fully customer-centric across all markets!

Organizational structure



Clear **customer-centric** E2E responsibilities

New target operating model unlocks growth and admin cost saving potential

Inspiring coach to support better life of customers – target "4.5 Star rating"¹

Improved employee satisfaction including up- and re-skilling to accelerate change

UNIQA 3.0: Digital and innovative for the future!



Expand internationally as **digital attacker**

- Develop **CHERRISK ecosystem**¹
- **Start in HU** and roll out in DE
- **Further expand to four countries** in 2024



Drive innovation as **internal entrepreneur**

- Focus on **future of health**
- **COVID-19** accelerates demand
- **Augment with M&A projects**

Both CHERRISK and SanusX with limited capital investment

¹ Online marketing, CHERRISK GO, comparison platform

UNIQA 3.0: Focus on sustainability!

Investment policy

EUR 1 bn sustainable investments until 2025

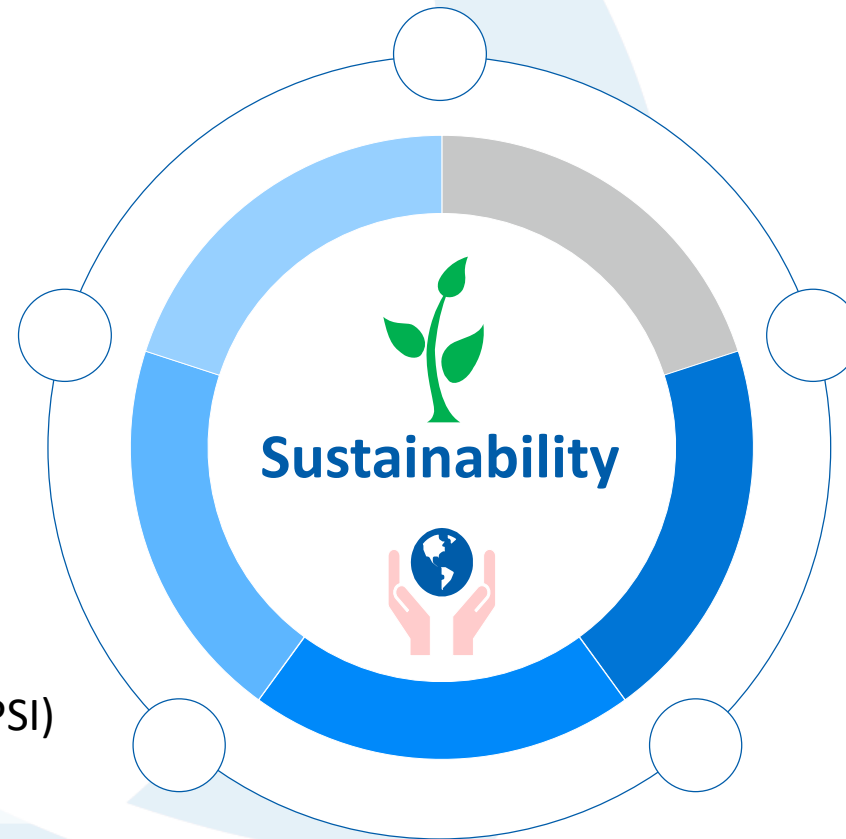
Carbon neutral 2040

Stakeholder management

Set up ESG governance
Stakeholder commitment

Communication

Transparency of memberships (UNGC, PSI)
Improvement of ESG ratings



Product policy

Sustainable investment products
Promote sustainable lifestyle

Management

Reduction of carbon footprint
Certificates for suppliers

A. Two core markets established: Core region focus!

Focus region AT

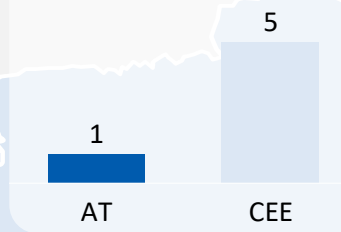
- **Health with strongest LoB growth** and substantial profit contribution
- **Profitable growth in P&C**
- **Restructuring Life business** to increase profitability

Focus region CE (CZ, SK, PL, HU)

Expansion of growing markets in CE – additionally supported by AXA CEE integration

Growth in CE supported by AXA CEE acquisition

Organic growth
2019-22, CAGR, percent



Stronger **organic growth** in CEE than in AT

Increased relevance of **CEE as second geographical foothold**

	AT	CEE	Of which CE
Customers, 2020, millions	~3.8	~11.5	~7.9
GWP, 2020, EUR billions	~3.8	~2.3 ¹	~1.7 ¹
Market share, 2020, percent	~20.5	~6.5 ²	~6.7
GWP growth p.a. per capita, 2020-25, perc.	~1.4 ³	~5.2 ²	~5.0

1 AXA CEE annualized | 2 CEE excl. Russia and Switzerland | 3 Growth 2020-21

A. Two core markets established: Scalability in three core segments!



Retail



Bank



Corporate / Affinity

**Simplification, standardization
and scalability**

**Customization of product
portfolio**

P&C

Simplification and standardization

**Digital integration
into bank journeys**

Portfolio optimization

Health

**Foster market leadership in
Austria (ecosystem)**

Roll out of health solutions

**Broaden employee
benefit offers**

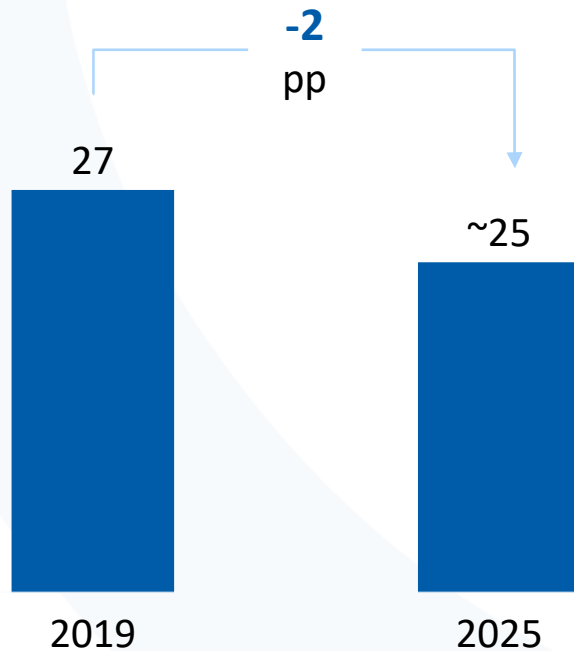
Life

**Improve profit of inforce and acceleration of capital-light
and biometric products, digitization of processes**

B. Core business improvement: Decreased cost ratio in 2025!

Net cost ratio,

Planned reduction, percent



Restructuring with significant headcount reduction (600 FTE) in Austria, facilitated by automation

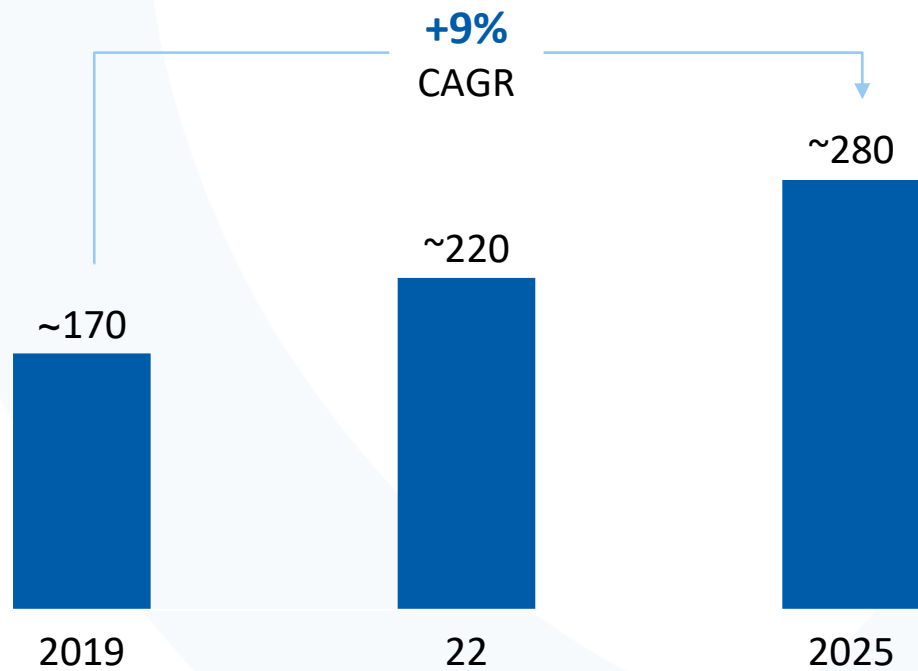
Synergies in CEE up to EUR 45m driven by increased cost efficiencies and economies of scale

Optimization, digitization and streamlining of E2E sales and after sales process

B. Core business improvement: Significant profit improvement!

Insurance technical result P&C and Health

EUR millions



Significant cost reductions

- Efficiency improvements in Austria
- Strong synergies from AXA CEE integration

Improved pricing combined with portfolio optimization in Corporate and CEE

Further loss ratio improvement driven by claims excellence program

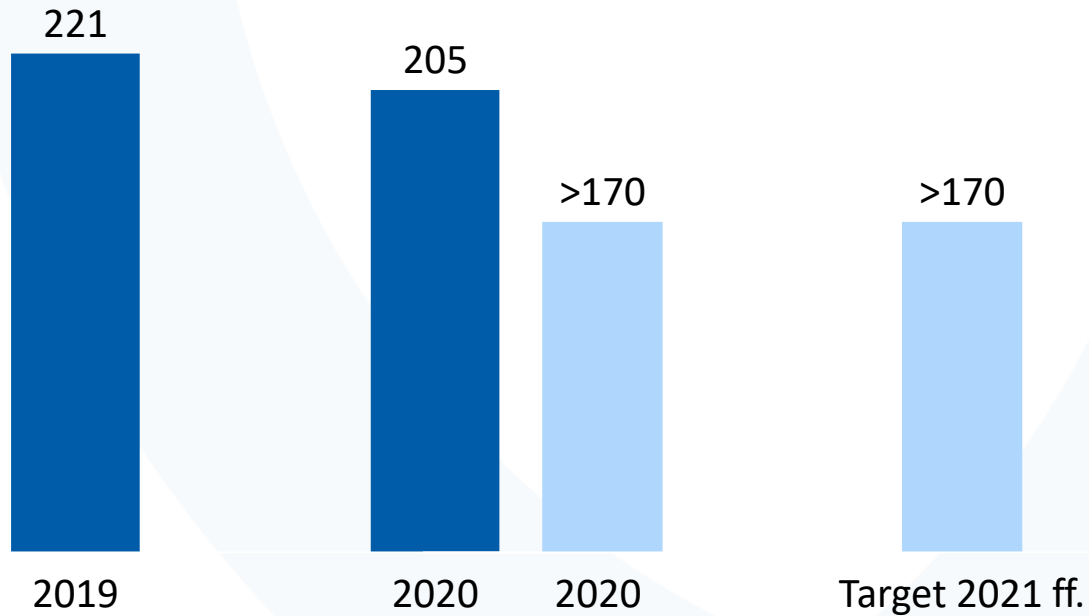
Continued profitable growth of P&C and Health, profit improvement of Life

C. Capital strength maintained: Strong capital position!

Solvency II development¹

Percent

■ Excl. AXA CEE ■ Incl. AXA CEE



One-off decrease in 2020 following AXA CEE acquisition and planned restructuring provisions

Positive future effects from cost reduction and capital optimization, especially in Life insurance

Further uplift expected by **implementation of full internal model**

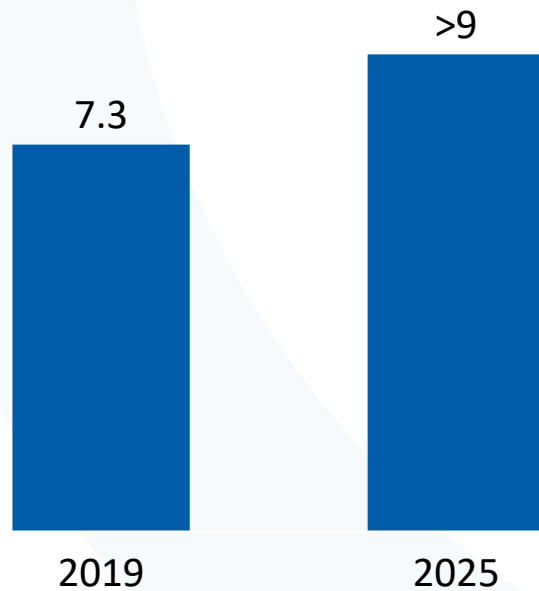
Conservative balance sheet management supporting solid capital base

¹ Incl. cost savings and full internal model

D. Shareholder return increasing: UNIQA 3.0 – attractive dividends

ROE development

Percent



Attractive and steady dividends for shareholders

50-60%
Payout ratio

Stable, low-risk balance sheet

<35%
Leverage

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2 Austria

Andreas Brandstetter, CEO

Key messages

A

Market leadership

Foster top position in Health and as most trusted insurer and achieve market leadership in P&C by becoming best service provider

B

Improve efficiency

Increase technical margins by reducing admin costs, achieving claims excellence and improved pricing

C

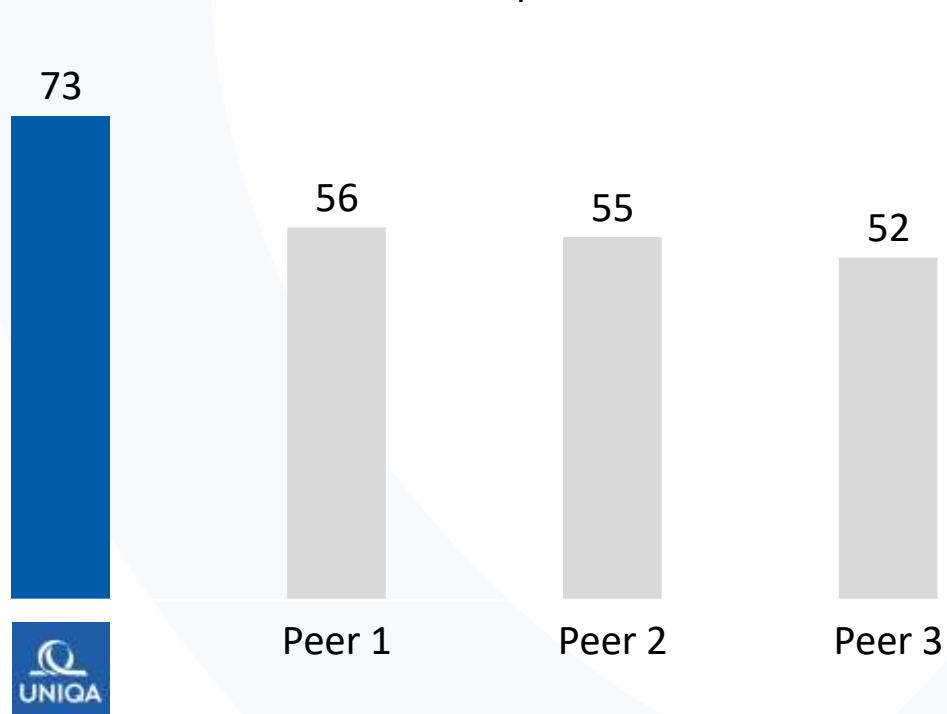
Initiate Life restructuring

Accelerate shift of product portfolio towards more capital-light and biometric products accompanied by inforce optimization

A. Market leadership: Austria – strongest insurance brand!

Brand awareness¹

Spontaneous brand awareness, percent



One-brand strategy with strong regional presence and branded locations across the country

Deep understanding of brand attributes and strengths enables **consistent long-term brand strategy**

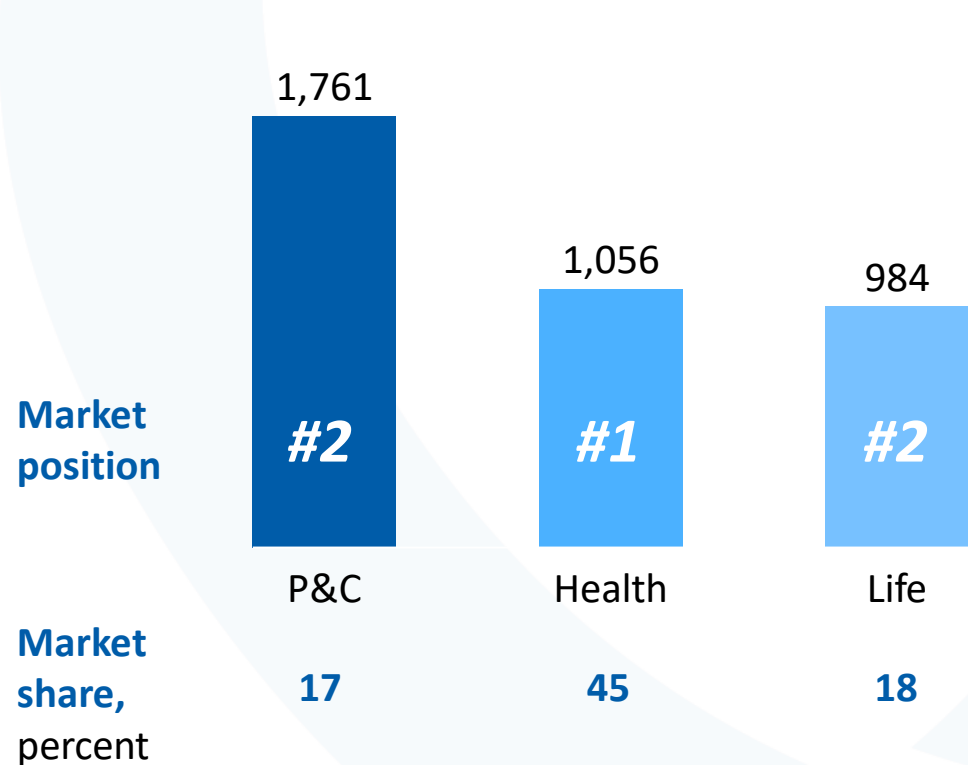
Strong brand provides base for customer loyalty and **increased customer lifetime value**

¹ Ø Jan 2019 - Jul 2020; peers include Allianz, Generali and Wiener Städtische (VIG)

A. Market leadership: Austria – market leader!

GWP Austria 2019

EUR millions



Focus on **profitable growth in Retail P&C** and profitability of commercial lines / Affinity

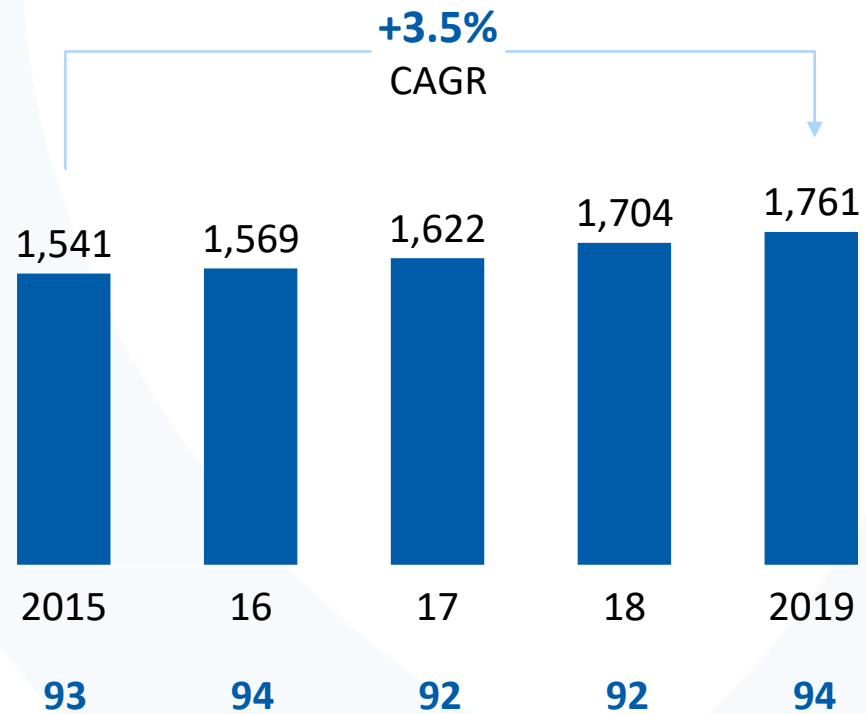
Strengthen market leadership in Health with innovative offering beyond insurance

Focus on portfolio profit improvement in Life

A. Market leadership: Austria – aiming for market leadership in P&C

GWP P&C

EUR millions



COR

Percent



Future focus

Standardization of product portfolio to accelerate profitable growth in Retail

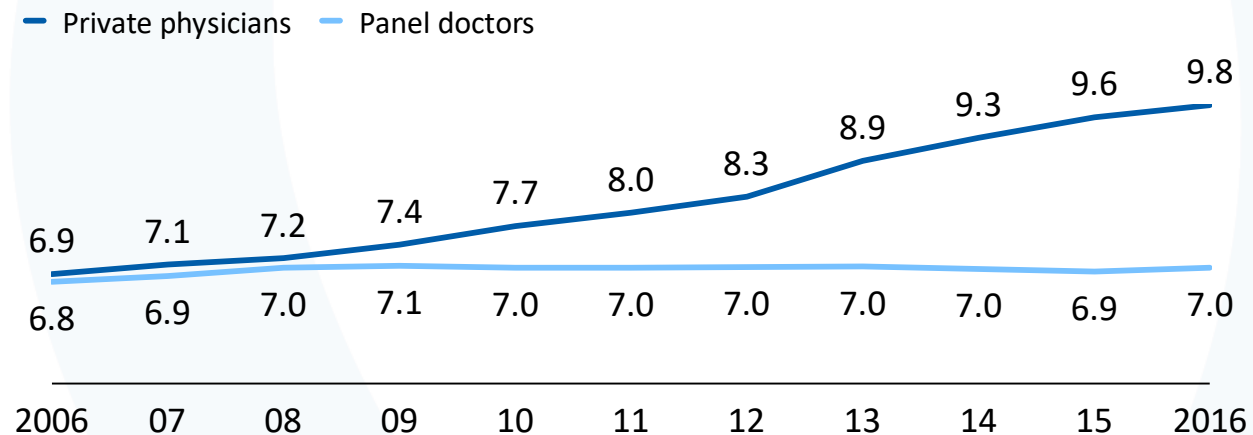
Portfolio restructuring to improve profitability in Corporate

Further digital product integration into Bancassurance processes to foster growth

A. Market leadership: Austria – future potential in Health!

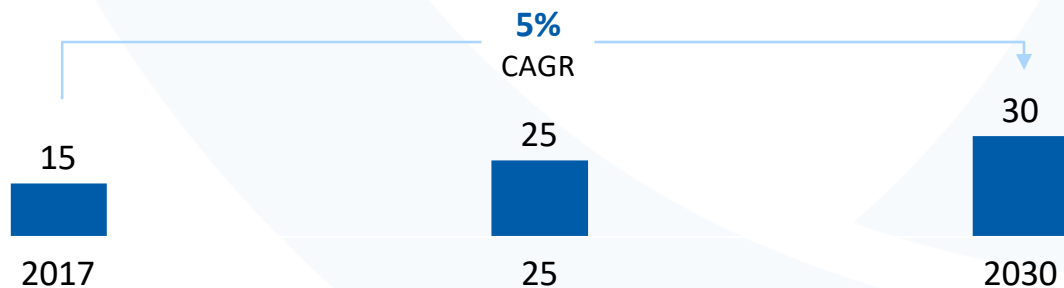
Overview of healthcare sector

Development of number of physicians in Austria, thousands



Personal health care services (age 60+) expenditure

EUR thousands



Future focus

Strong historical growth in the number of private physicians implies high demand for private health insurance

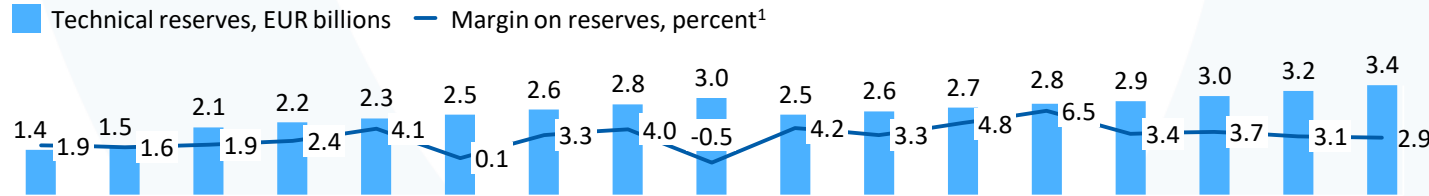
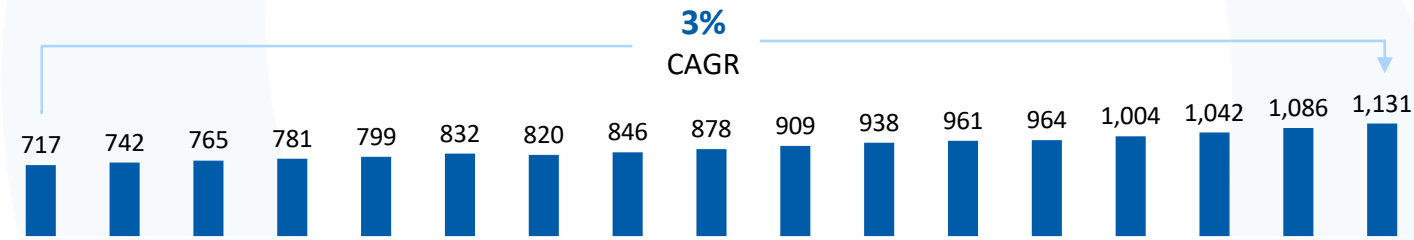
Future growth potential in health insurance due to strong projected increase in healthcare expenditure

UNIQA's innovative offer beyond insurance fosters market leadership: private hospitals, telemedicine, Vitalcoaches

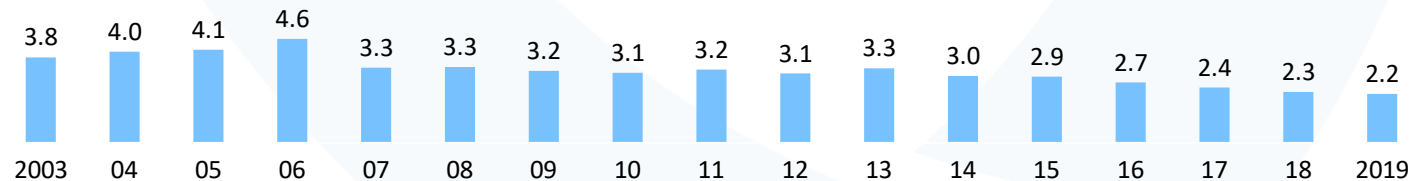
A. Market leadership: Austria – continued success story in Health!

Profitable growth (Group figures)

GWP, EUR millions



Lapse rate, percent



Long-term profitability supported by Austrian market specifics

Contracts priced and valid “for the rest of the customer’s life”

Ability to adjust premiums based on health cost development

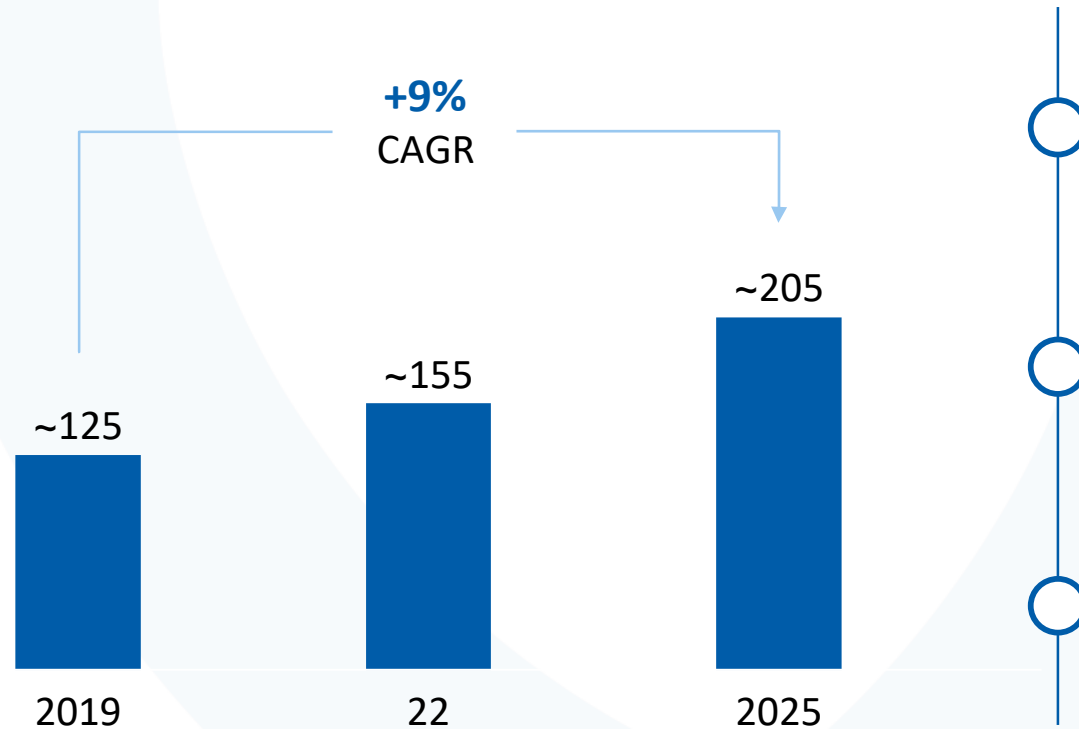
Continuously low and decreasing lapse rate driven by market environment and strong customer loyalty

1 Calculated as operating profit / average technical reserve

B. Improve efficiency: Austria – profitabilization!

Insurance technical result P&C and Health

EUR millions



Ambitiously lower costs driven by **E2E process redesign, simplification and digitization**

Claims excellence program to lower cost ratio

Portfolio optimization and pricing excellence

B. Improve efficiency: Austria – significant cost reduction!

Impact

EUR p.a. from 2022

~ -40m

Personnel costs

~ -85m

Non-personnel costs

Selected cost initiatives

Optimization and streamlining of E2E sales and after-sales process, e.g. through process redesign, bundling and streamlining

Strong simplification of product portfolio leveraging modularization, enabling significant reduction of discretionary expenses (e.g. marketing, legal, IT)

Significant digitization and automation of service offerings, facilitated by migration to new and shutdown of old core system

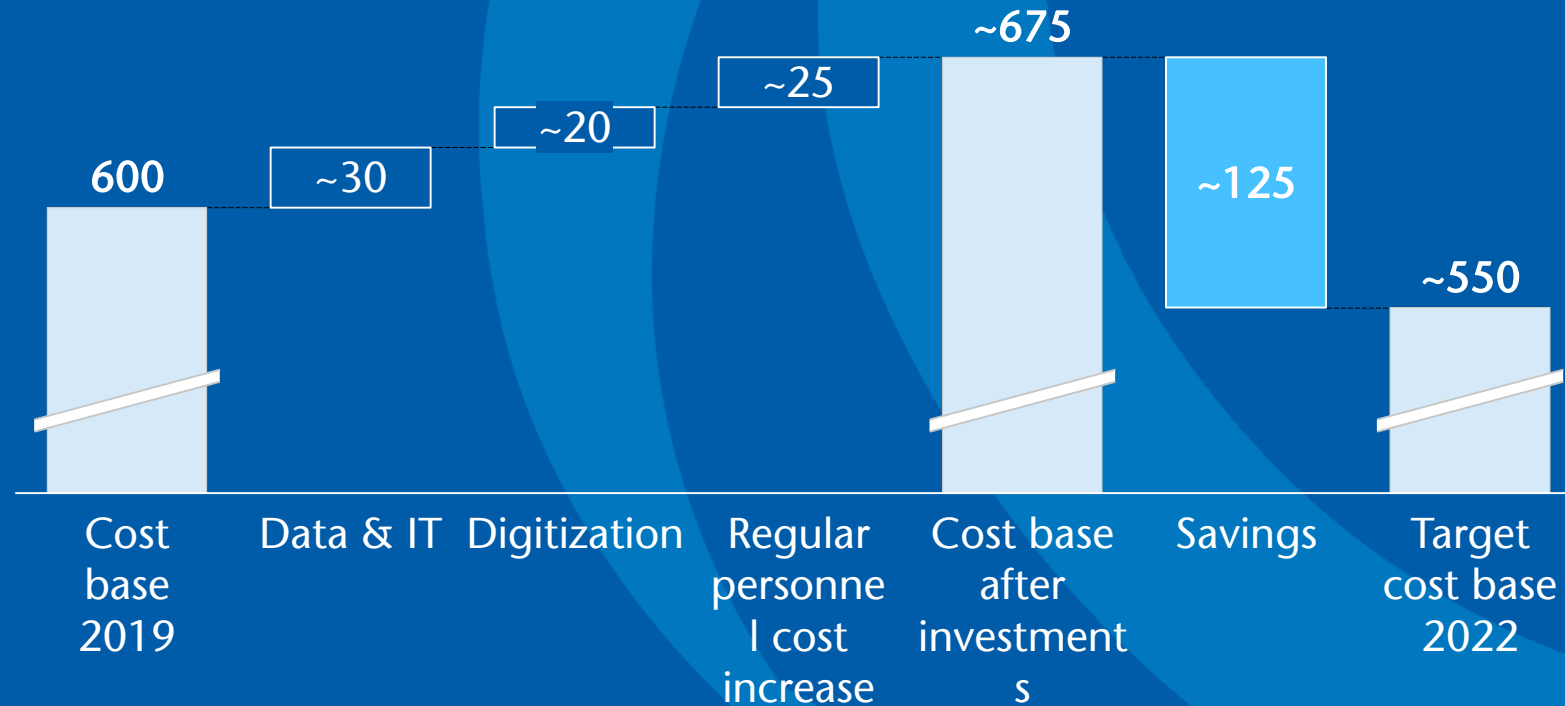


... investments in the future, e.g. core IT, digitization and operational excellence

B. Improve efficiency: Austria – high investments into the future!

Internal cost perspective

EUR millions



~ 30m

Data & IT

E.g. investments in IT security and UIP

~ 20m

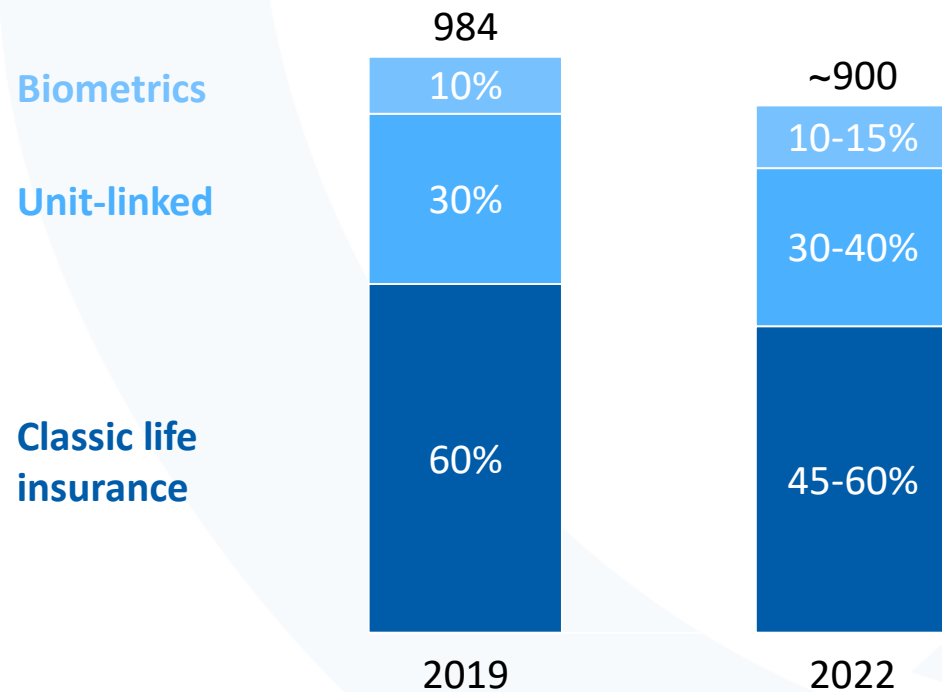
Digitization

E.g. investments in front-end and content channel

C. Initiate Life restructuring: Austria – refocus of portfolio!

GWP development

EUR millions



Measures

Optimize product portfolio to increase profitability
– focus on biometrics and unit-linked life products

Significantly reduce admin costs to create scope for savings product returns

Improve asset management to cater for low-interest environment

Introduce new competitive capital-light products with better returns and lower guarantees

C. Initiate Life restructuring: Austrian Life insurance generally attractive



Austria



Germany

General remarks

Various similarities between Austrian and German traditional life business
Key differences due to new regulations or overall market development

Ø guarantee

Market average 2019: 2.38%

Market average 2019: 2.73%

HRZ¹

New business 2020: 0.50%

New business 2020: 0.90%

Profit sharing

All profit sources are aggregated, at least 85% of aggregated gross surplus shared with policyholder (10y look back)

All profit sources are shared independently of each other (90% investment result, 90% risk result, 50% cost result)³

ZZR²

Based on factor approach, started in 2013
New calculation method in 2016
Current ZZR level of EUR 1.1 bn

Based on a single contracts, started in 2011
New calculation method in 2018, the 'corridor method'
Current ZZR level of EUR 75 bn

Austria: Summary – we deliver results

Continuous GWP growth driven by P&C

~ **+300**

*GWP growth
2019-25, EUR millions*

Significant administration cost reduction

~ **-3**

*Net cost ratio
2019-25, percent*

Strong earnings growth
in Austria

~ **+35-50**

*Earnings growth 2019-25,
percent*

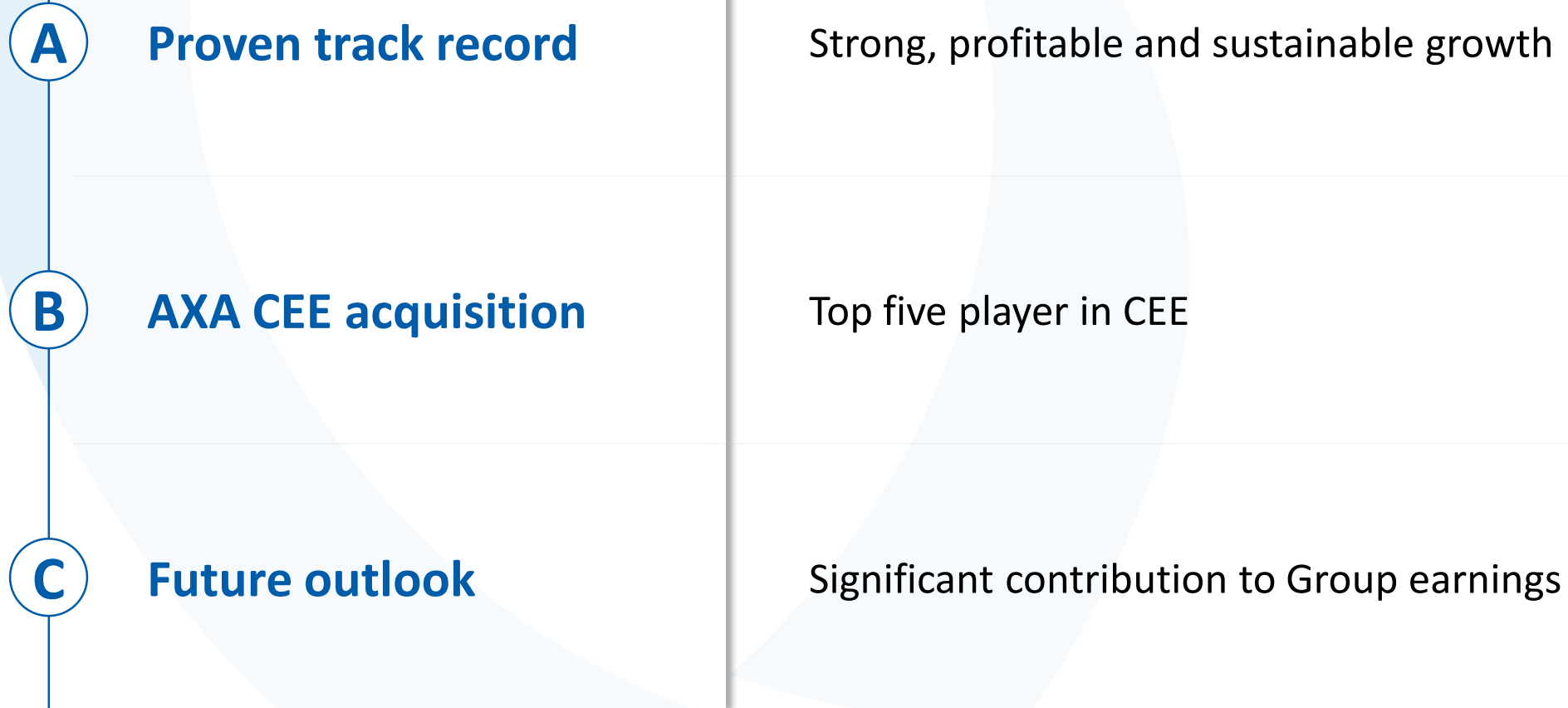
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3 Central and Eastern Europe

Wolfgang Kindl, C&M International

Key messages



A. Proven track record: CEE – sustained growth!

	GWP per capita		Growth GWP p.a., percent	Penetration GWP/GDP 19, perc.
 AT	1,961	2,002	0.3	4.5
CEE excl. Russia	195	233	2.3	2.3
 CZ	545	542	-0.1	2.6
 SK	384	478	2.8	2.8
 PL	363	391	0.9	2.8
 HU	294	368	2.9	2.6
	2011	2019		



CEE is growing faster
CEE GWP per capita growth substantially higher than AT 2011-19

High potential for future growth
CEE still with low penetration of GWP/GDP compared to AT

CE as international focus market
Further strengthening of the strategic relevance in CZ, SK, PL, HU

A. Proven track record: CEE – broadened footprint and relevance!

EXCLUDING AXA CEE

■ AT ■ CEE

2001

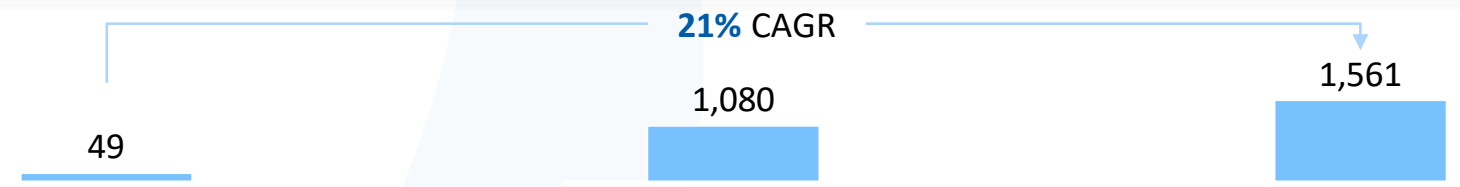
2011

2019

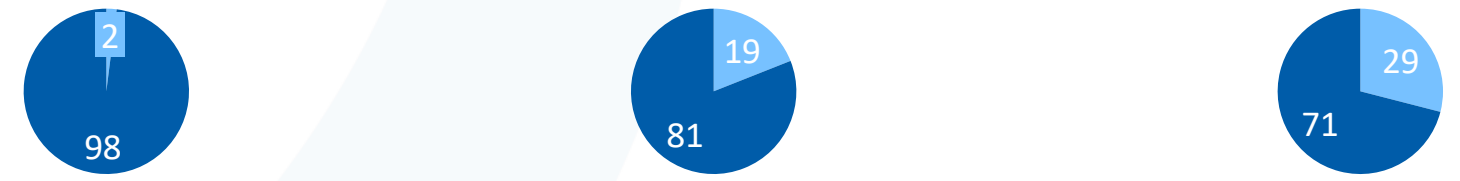
Regional presence



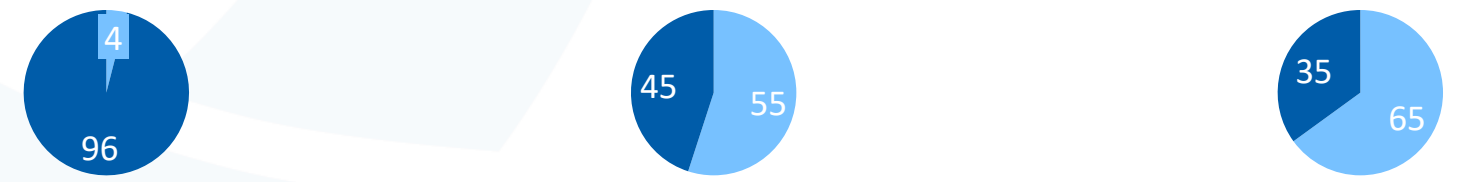
GWP EUR millions



Share of GWP Percent of Group



Share of customers Percent of Group



A. Proven track record: CEE – strong premium and profit growth!

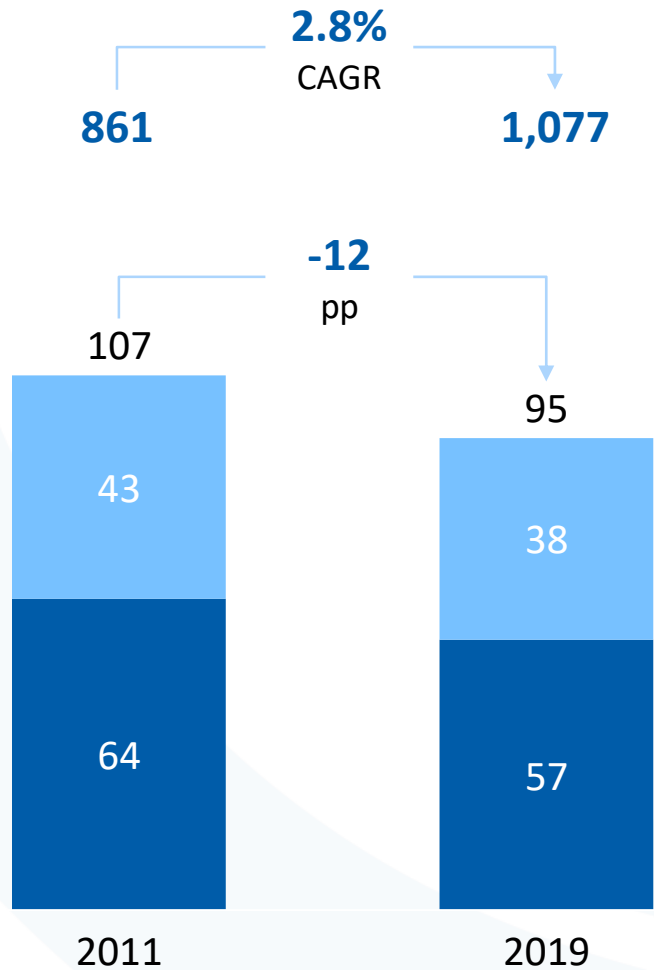
P&C segment

GWP
EUR millions

COR
Percent

Cost ratio

Claims ratio



Refocus of retail business

Penetration in non-motor and restructuring of motor business

Strong GWP contribution of non-retail

Introduction of corporate business and strong steady contribution of bancassurance

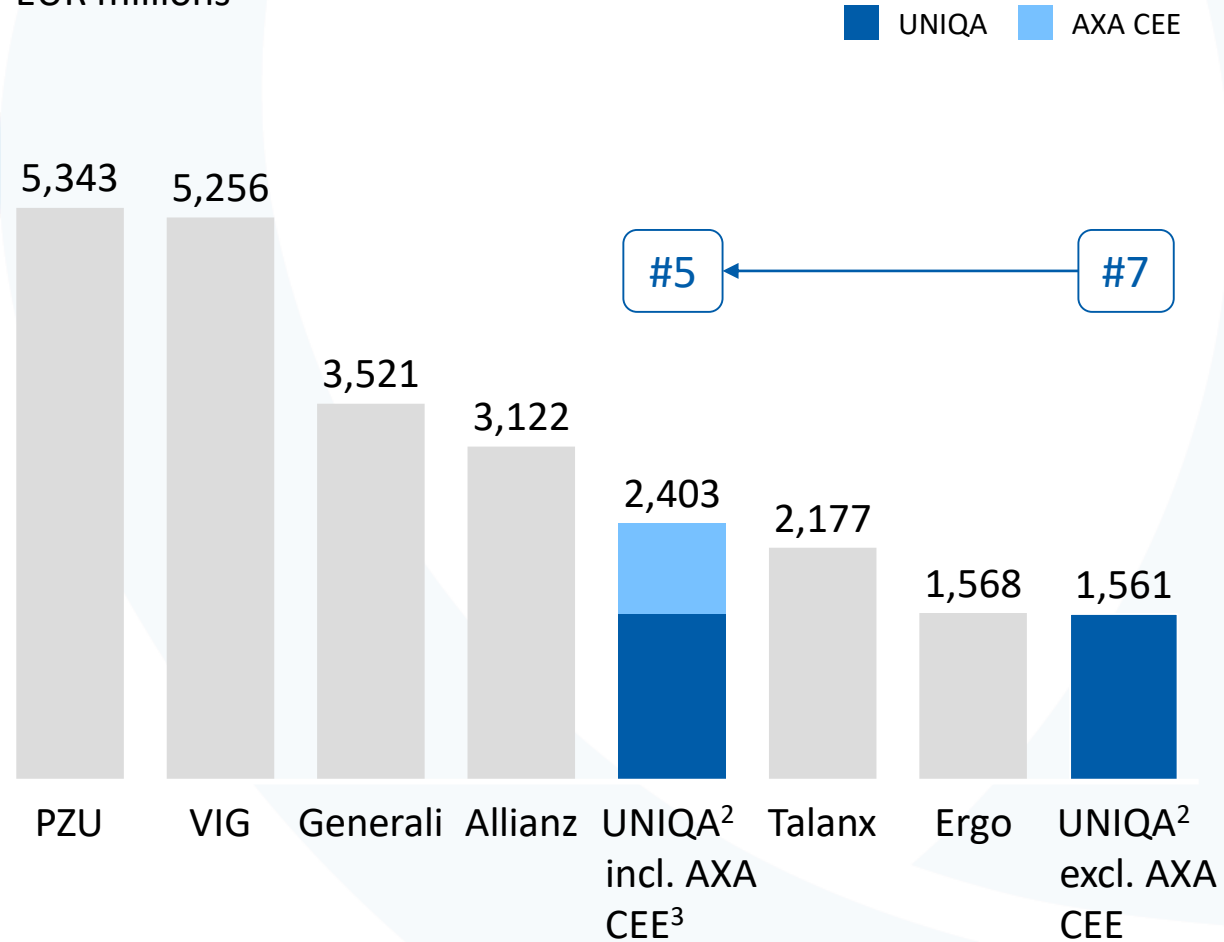
Reduction of unit costs

Stable absolute admin costs driven by harmonization of operating model and bottom slicing

B. AXA CEE acquisition: CEE – top five player!

GWP in CEE¹ 2019

EUR millions



Top five player in CEE

5th biggest insurer in CEE by GWP through additional 4.8m customers

Optimized cost structure

Increased cost efficiencies and economies of scale through EUR 45m synergies

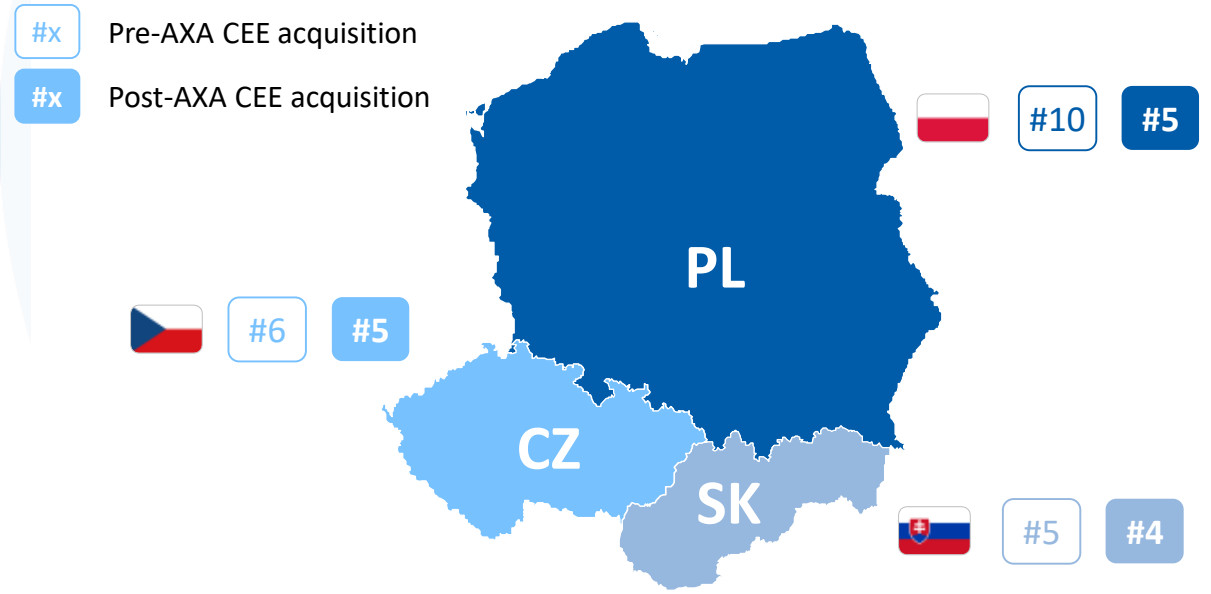
Complementary assets

Strengthened operations through complementary assets and capabilities

1 Excl. Russia, F/X adjusted | 2 Including Russia | 3 Including pensions

B. AXA CEE acquisition: CEE – strengthening core markets!

Market position



Countries	GWP ¹	Net income	#Customers
PL	573	40	3.2m
CZ, SK	269	40	1.6m
Total	842	81²	4.8m

Substantial GWP growth

UNIQA seized top market position in all three countries

Considerable income contribution

Contribution of net income complemented with significant synergies

Short-term investments required

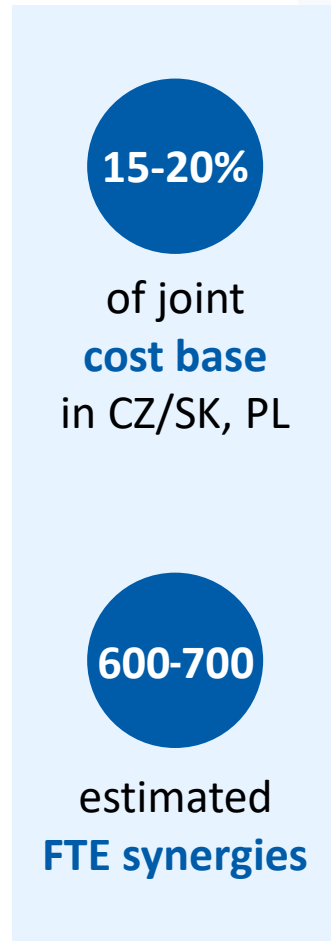
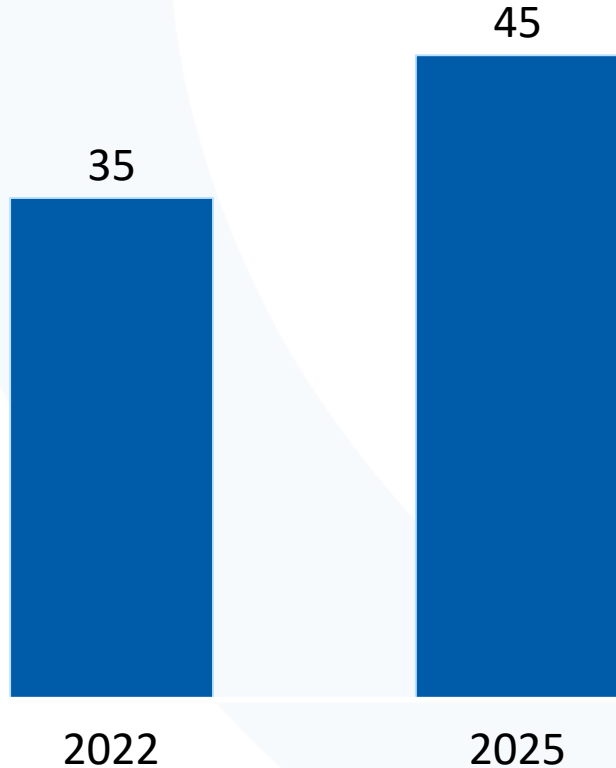
Realization of synergies requires significant investments up to 2022

1 Incl. pensions | 2 Rounding differences

B. AXA CEE acquisition: CEE – synergies of scale and skill!

Planned synergies

EUR millions



Reorganization

Relocate and consolidate functions as well as adopt new operating model

Complementary products and know-how

Integrate alternative product solutions and leverage expertise

Digitization and automation

Consolidate systems and projects as well as enable harmonization of IT platform

C. Future outlook: CEE – significant contribution!

Critical initiatives

Retail

Simplification of product portfolio by factor 10

Corporate/Affinity

State-of-the-art modular risk engineering and insurance solutions

Bancassurance

Expansion of banking partnership with RBI, Adikko and mBank

Processes

Digitization of processes (e.g. digital sales platform)

IT

Enhancement of Corporate Business Navigator IT-platform

Corporate culture

Aspiration of inspiring coaches and most attractive employer

Organizational structure

Customer-centric organizational structure and governance adaptation

New business models

Expansion of digital attacker CHERRISK

Attractive financials

Significant GWP and earnings growth through AXA CEE acquisition

CEE: Summary – we deliver results

Accelerated GWP growth driven by AXA CEE acquisition

~ **+1.4**
*GWP growth
2019-25, EUR billions*

Significant cost reduction driven by acquisition synergies and portfolio profit improvement

~ **-5**
*Combined ratio P&C
2019-25, percent*

Strong earnings growth in CEE

~ **+240-260**
Earnings growth 2019-25, percent



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4 Financials

Kurt Svoboda, CFRO

Key messages

A

2020 as transition year

Laying foundation for positive outlook in light of COVID-19

B

Solid capital position

Continued disciplined capital management and conservatively managed balance sheet

C

Strong ROE

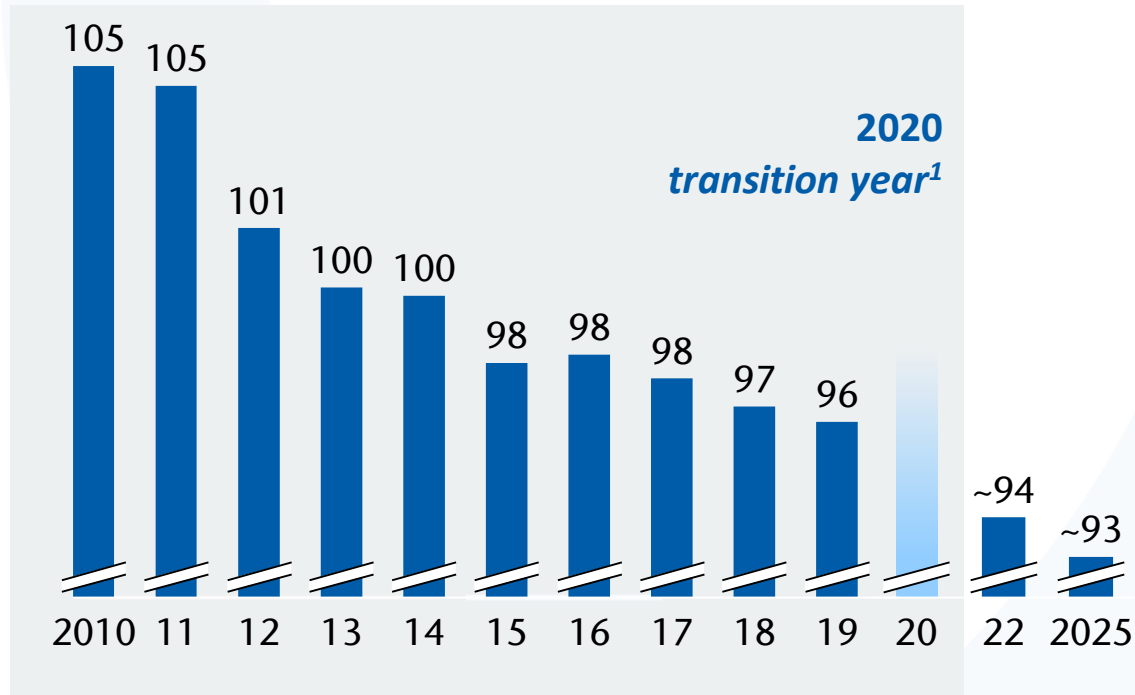
Growing ROE enables dividends and deleveraging

A. 2020 a transition year: COR on decline!

Net COR P&C development

Percent

Excl. AXA CEE



Continuous decrease in COR from 2010 to 2020 due to underwriting and operational improvements

2020 as a transition year – COR negatively impacted by restructuring charge in Q4 and high exposure to hospitality business (compensation agreement excludes further damages)

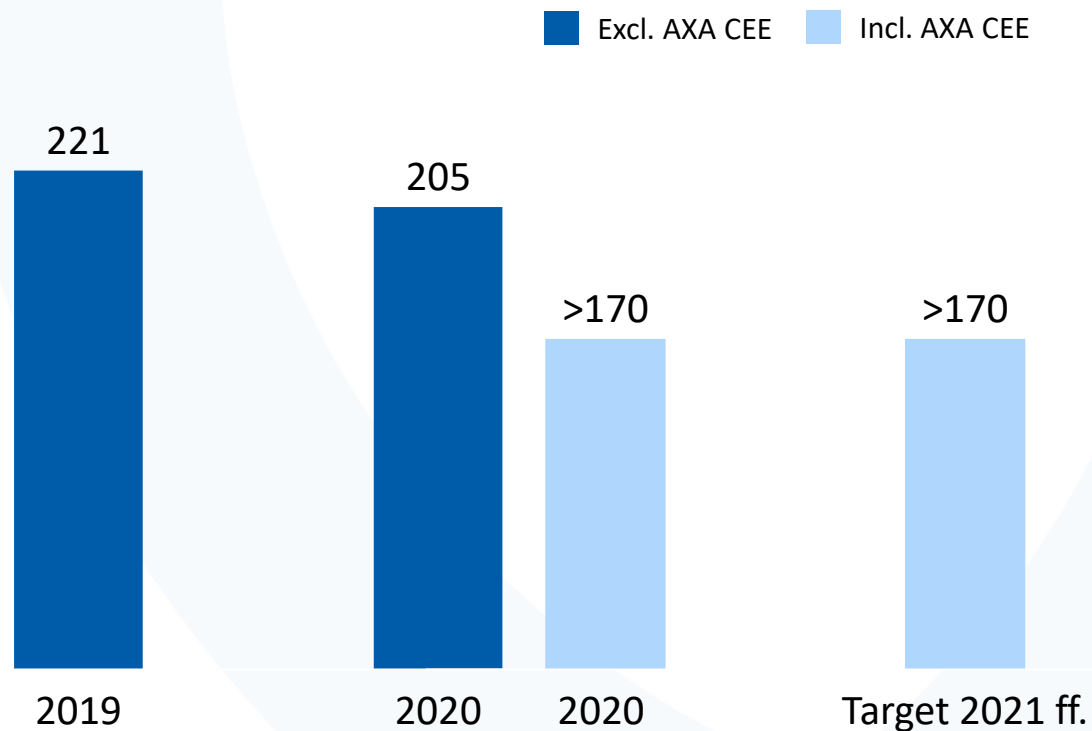
Ambitious target to further reduce COR with rigorous cost restructuring program

1 E.g. AXA CEE, COVID-19, restructuring, etc.

B. Solid capital position: Solvency – solid capital position!

Solvency II development¹

Percent



One-off decrease in 2020 following AXA CEE acquisition and planned restructuring provisions

Positive future effects from cost reduction and capital optimization, especially in Life insurance

Further uplift expected by **implementation of full internal model**

Conservative balance sheet management supporting solid capital base

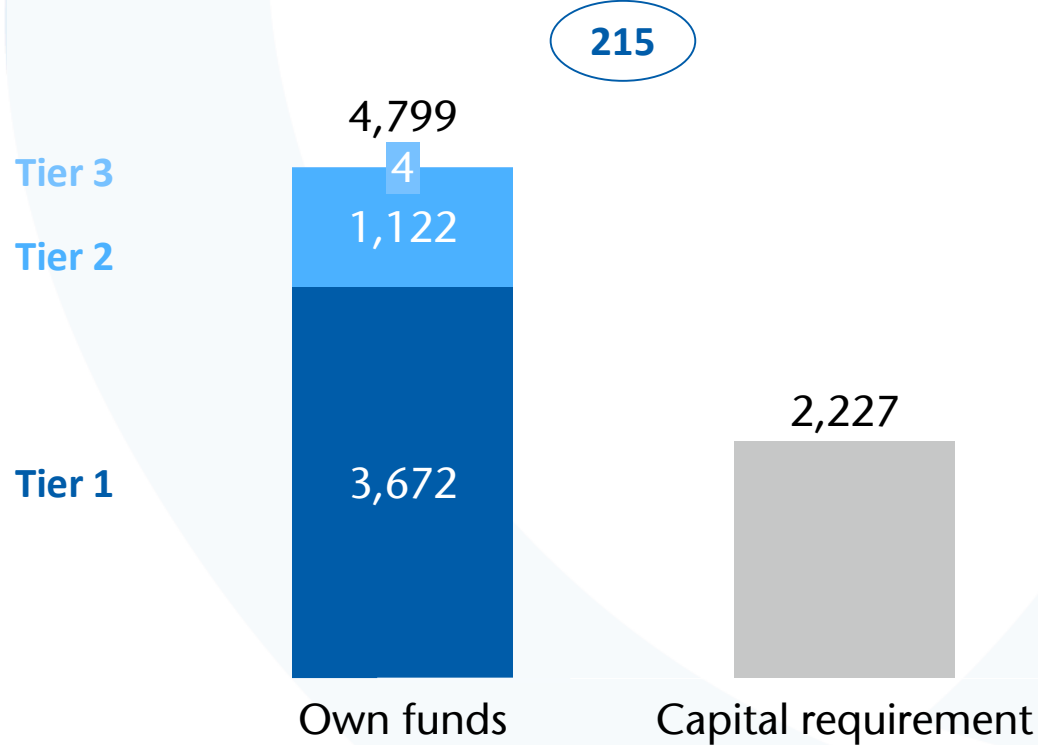
¹ Incl. cost savings and full internal model

B. Solid capital position: Solvency – solid capital position!

Solvency II Q3 2020

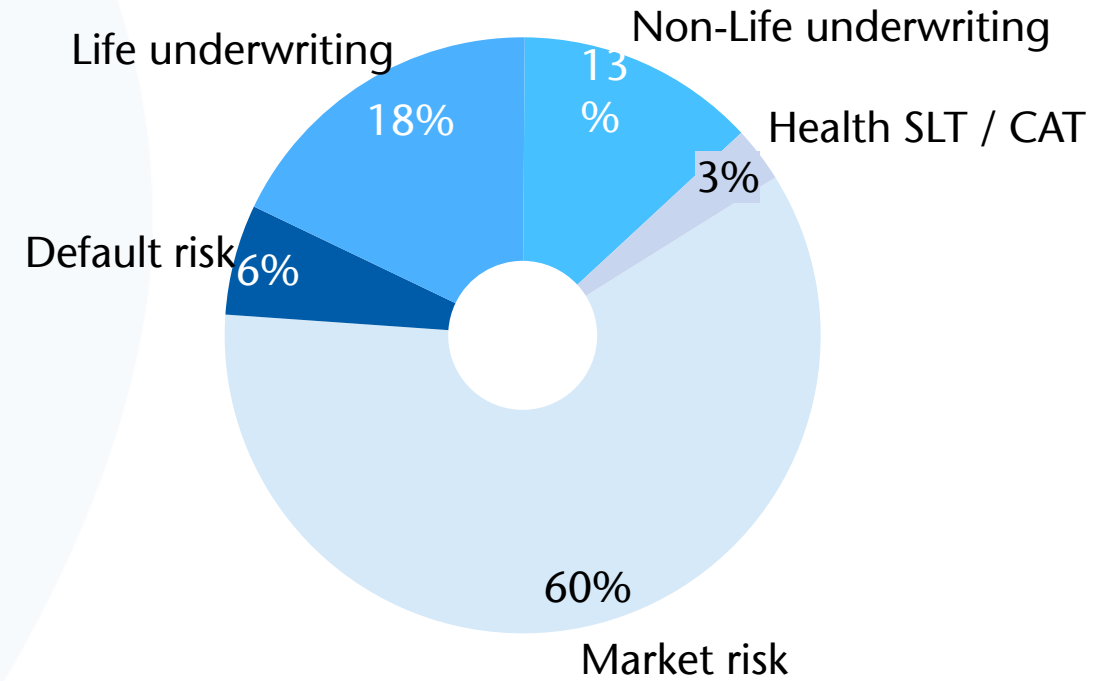
EUR millions

xx Solvency II, percent



Split by risk module

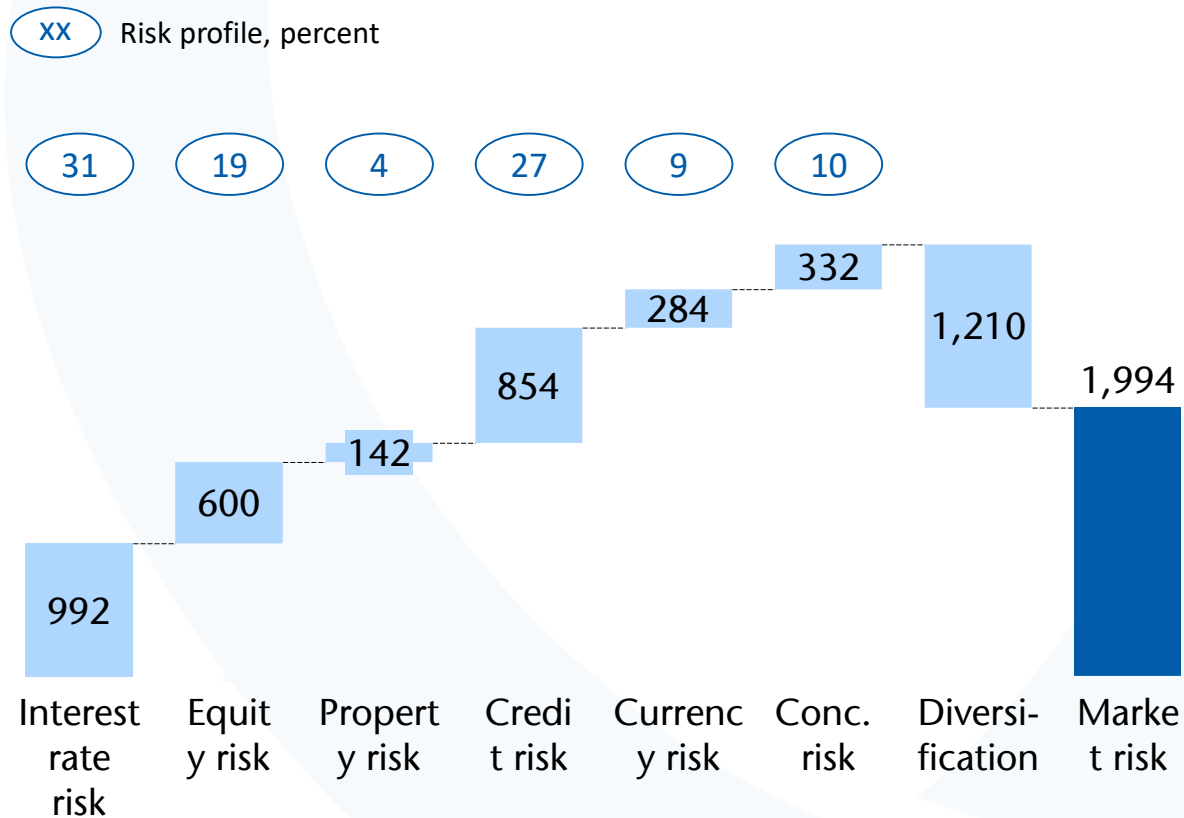
Percent



B. Solid capital position: Solvency – interest rate and credit risk are driving market risk requirement!

SCR PIM market risk profile Q3 2020

EUR millions



- Interest rate risk driven by long-term business from Life and especially Health SLT

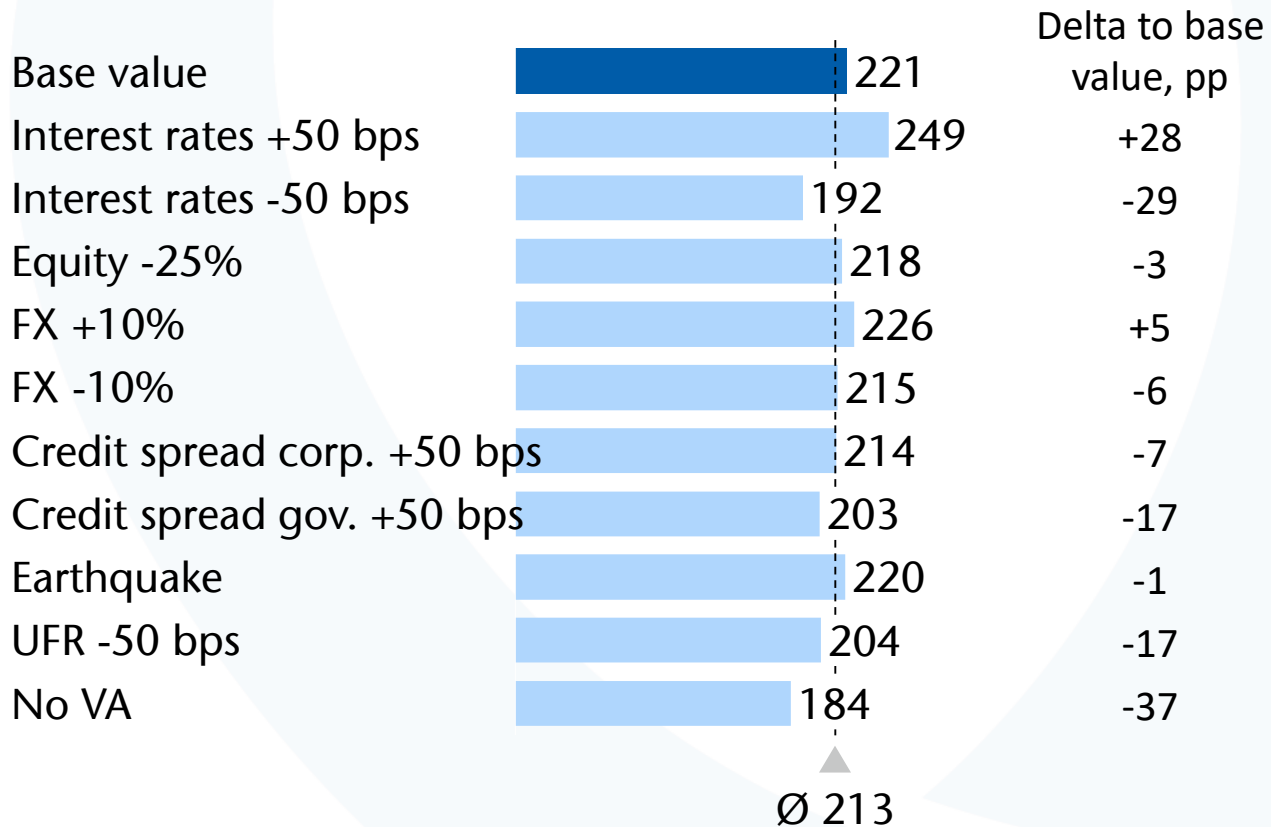
- Equity risk is driven by equity investments and participations

- Credit risk resulting from high share of fixed income investments necessary for the long-term business

B. Solid capital position: Solvency – high resilience!

Impact of sensitivities on SCR-ratio 2019

Percent



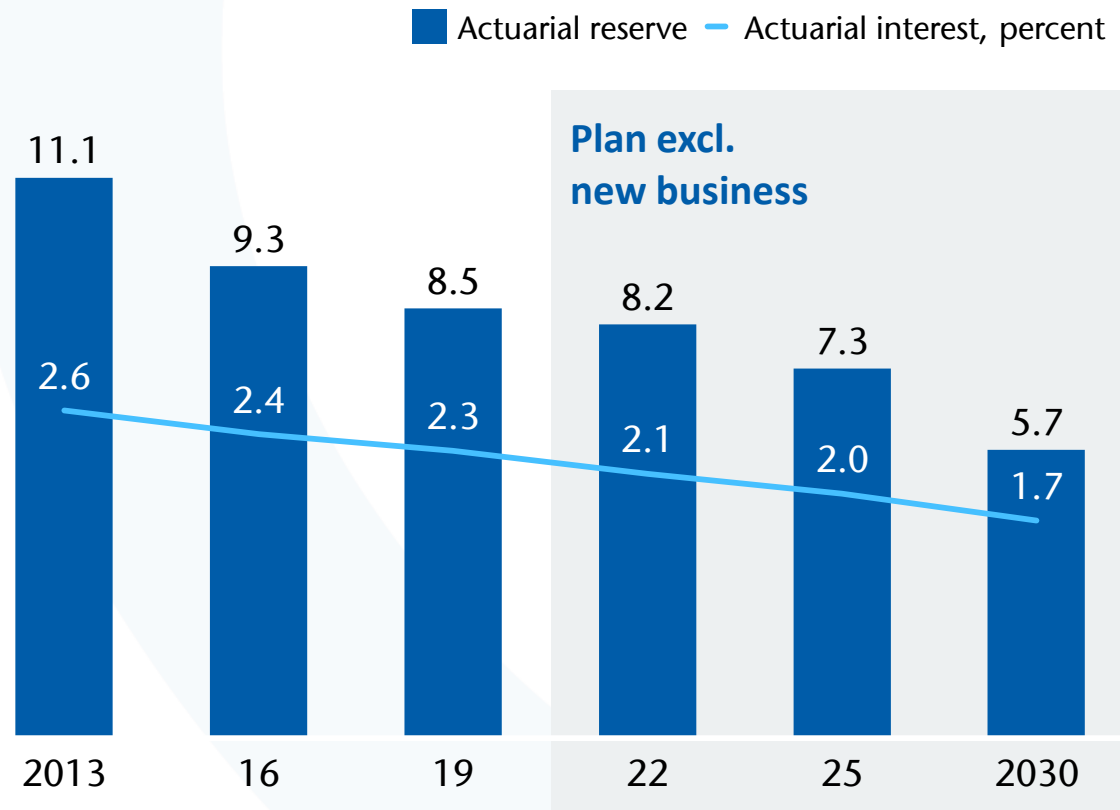
Sensitivity of Solvency ratio regarding interest rate movements and credit spreads driven by business with long duration liabilities – mainly profitable Health business in Austria

Stable Solvency ratio with respect to equities, FX as well as a significant earthquake

B. Solid capital position: Freeing up capital!

Development of Life reserves

EUR billions



More than 30% of the back book will be ran-off continuously over the next decade

Up to 5% of total capital requirements of the Group are to be relieved until 2025

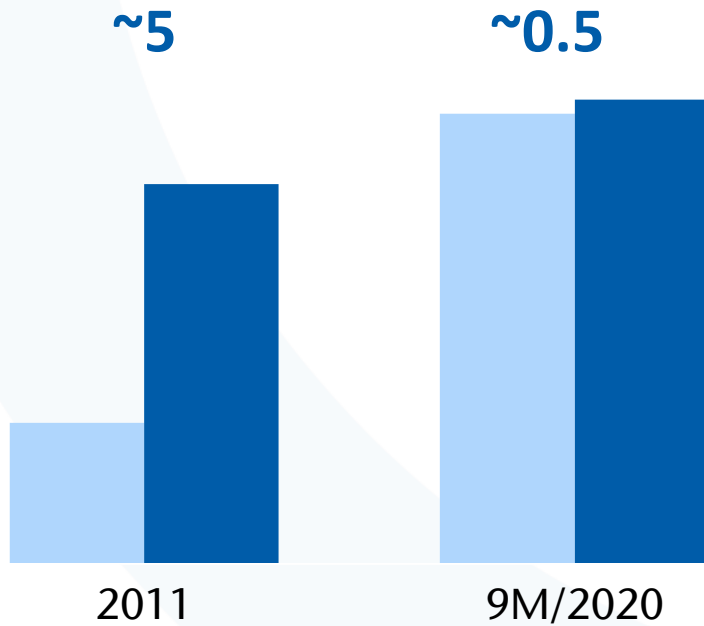
Reduction of guarantees through de-risking (e.g. increase of capital-light products)

B. Solid capital position: Duration gap in Austrian Life has been closed!

Duration gap in Austrian Life business

Years

Asset duration Liabilities duration



Significant reduction of duration gap by increasing asset duration in the last decade

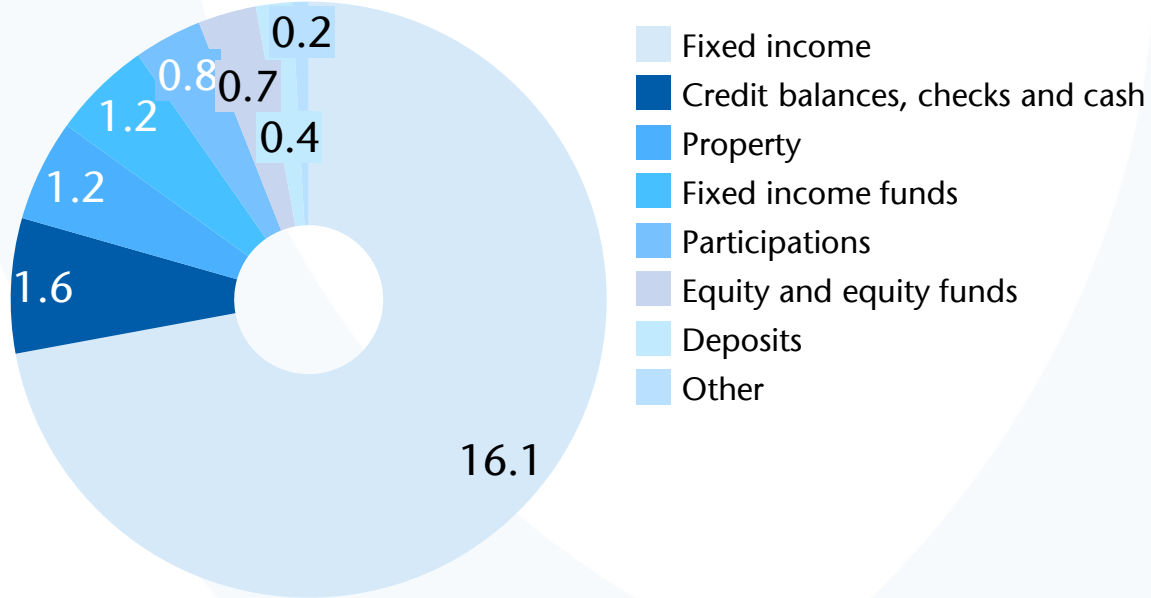
Strict ALM in Life business to be continued

B. Solid capital position: Diversified investment strategy!

AUM at book value Q3 2020

EUR billions

Total = 22.3

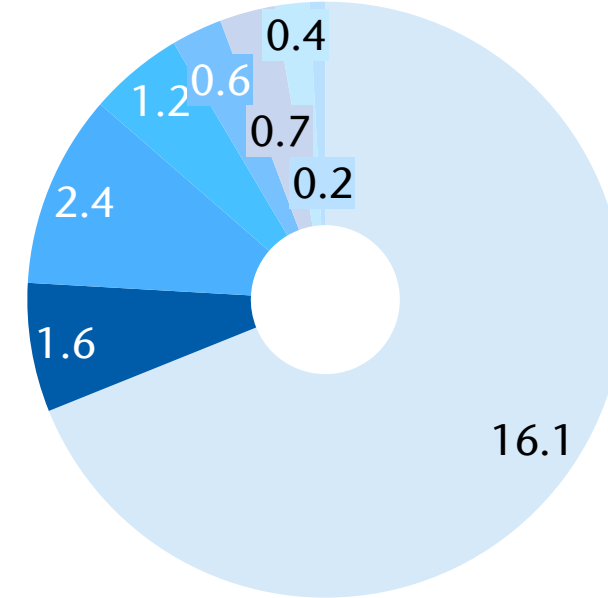


72% of our AUM consist of fixed-income securities (bonds)

AUM at market value Q3 2020

EUR billions

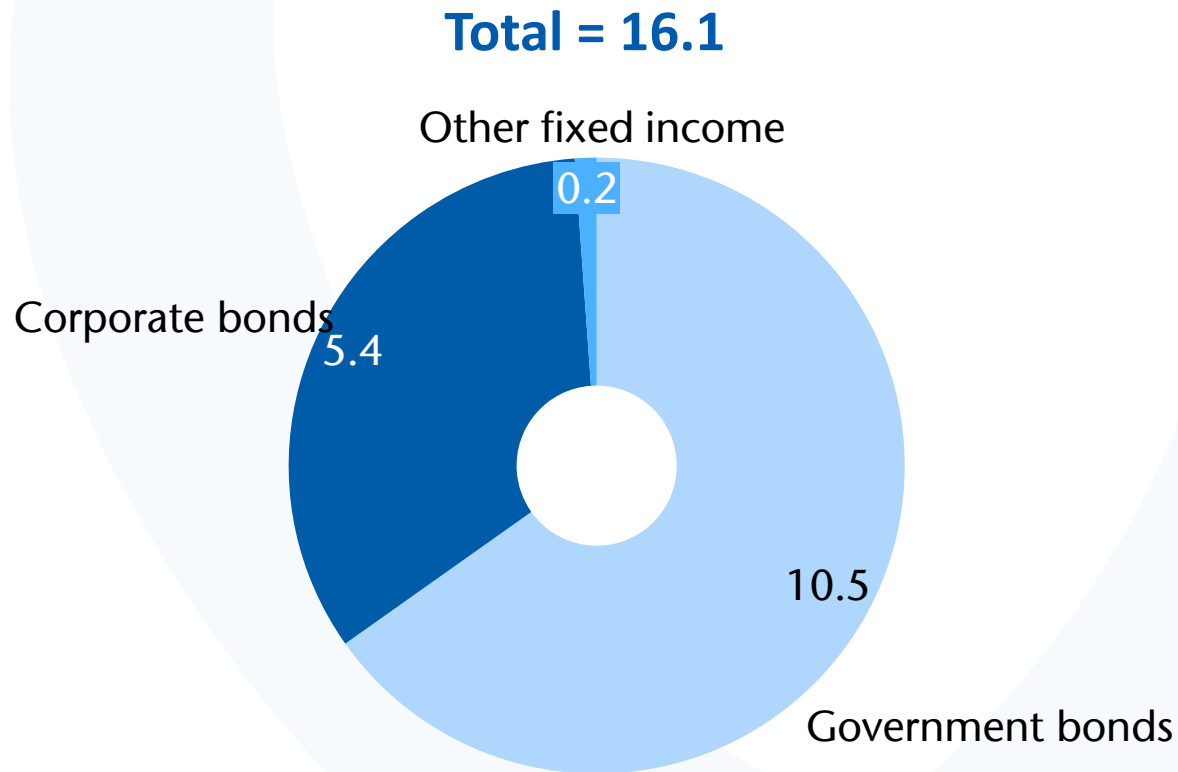
Total = 23.4



B. Solid capital position: Diversified bond mix!

Composition of bonds Q3 2020

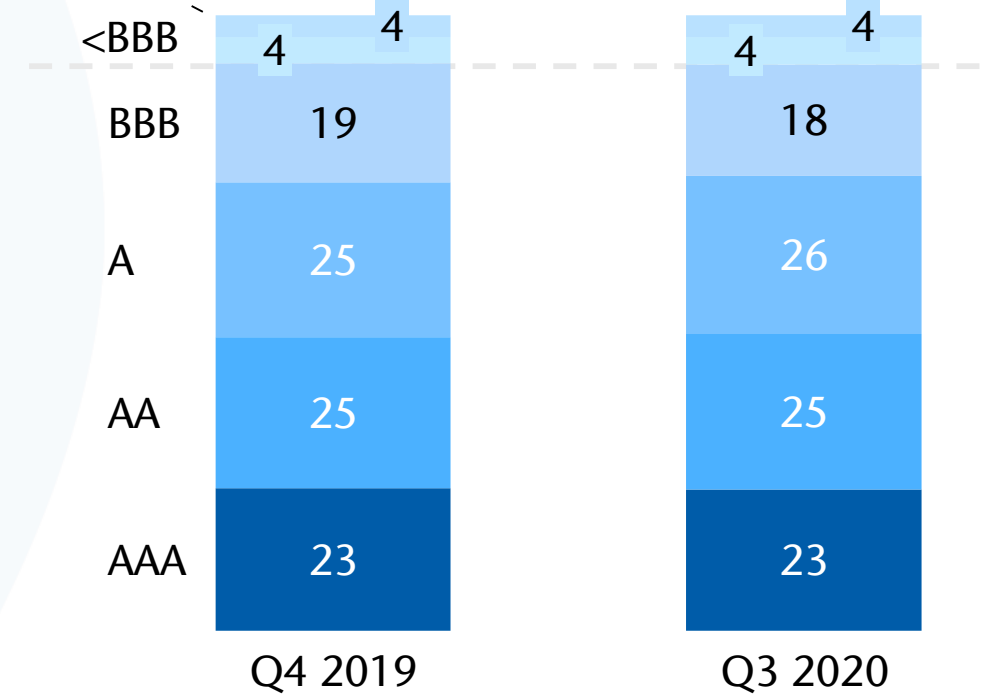
EUR billions



Rating distribution

Percent

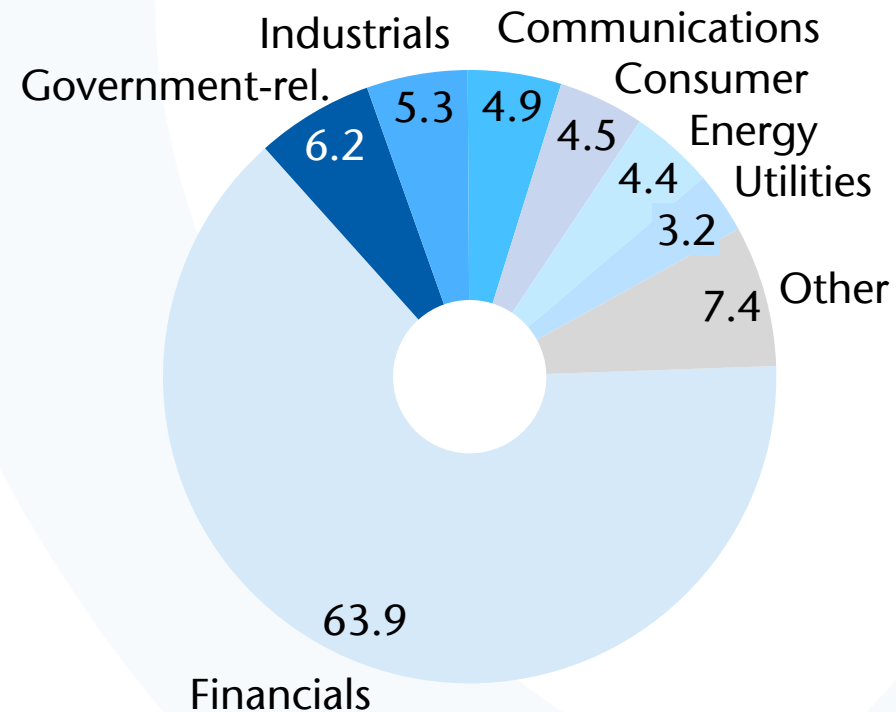
Not
rated



B. Solid capital position: Low risk exposure!

Corporate bonds – sector breakdown

Percent



Diversified corporate bond portfolio with strong focus on Financials

Very limited exposure to **COVID-19 impacted airline and travel industries**¹

Low exposure to **higher risk and cyclical energy sector**

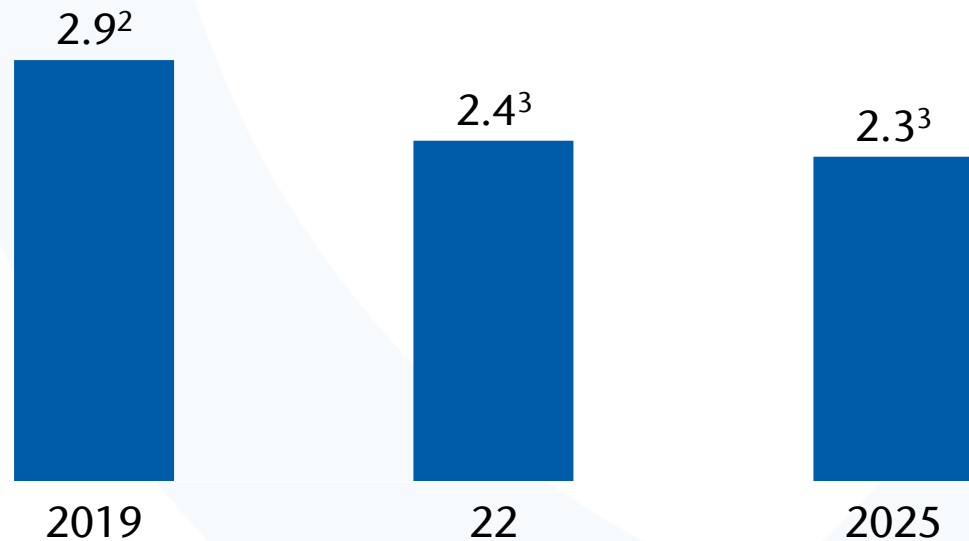
¹ Exposure to airline industry of EUR 51m and travel industry of EUR 22m as part of consumer segment

B. Solid capital position: Impacted by low interest rates

Investment yield¹

Excl. AXA CEE, percent

Investment yield impacted due to high exposure to fixed-income assets and low interest environment



¹ Annualized book yield without cash | ² On Q4 2019 asset base (book value) of EUR 21.1bn | ³ On stable Q3 2020 asset base (book value) of EUR 22.3bn

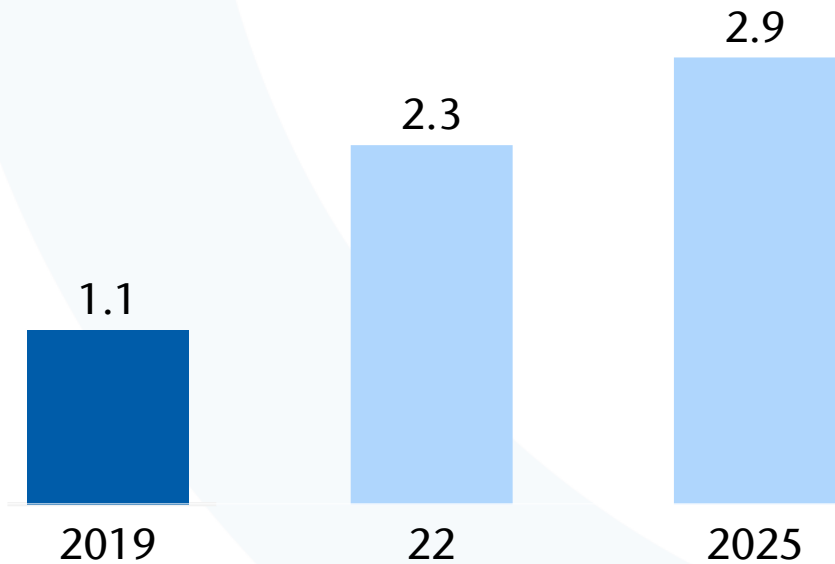
B. Solid capital position: High reinvestments!

Investments in illiquid assets

EUR billions

■ Excl. AXA CEE ■ Incl. AXA CEE

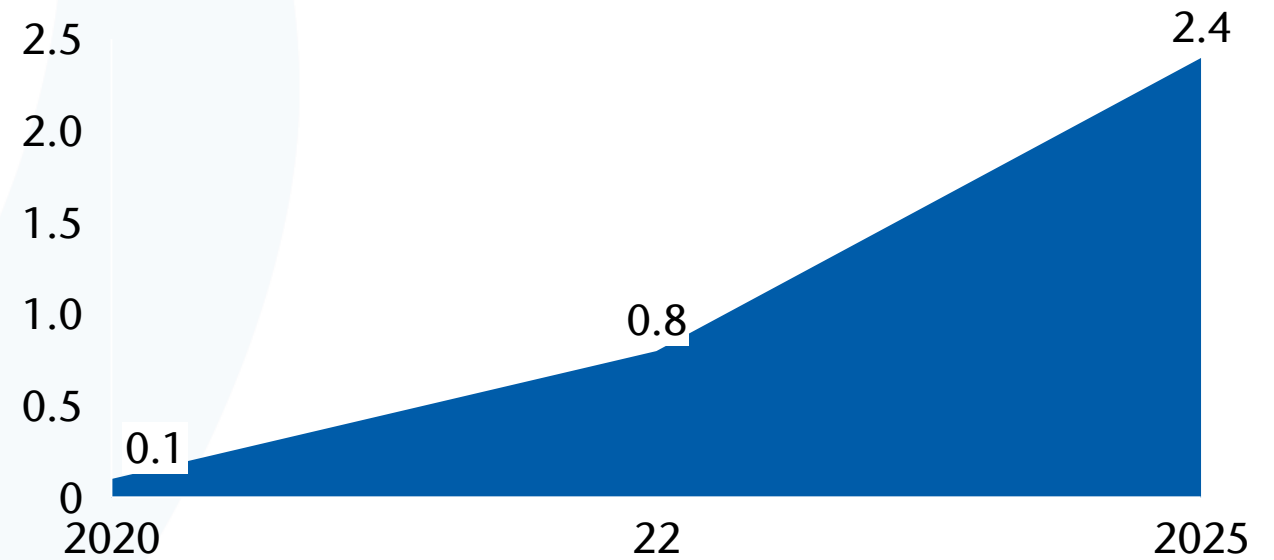
Stabilization of investment yield through new investments of EUR 1.8bn in illiquid assets



Residual reinvestments

EUR billions

Residual reinvestments of EUR 2.4bn in AA and A rated government bonds up to 2025

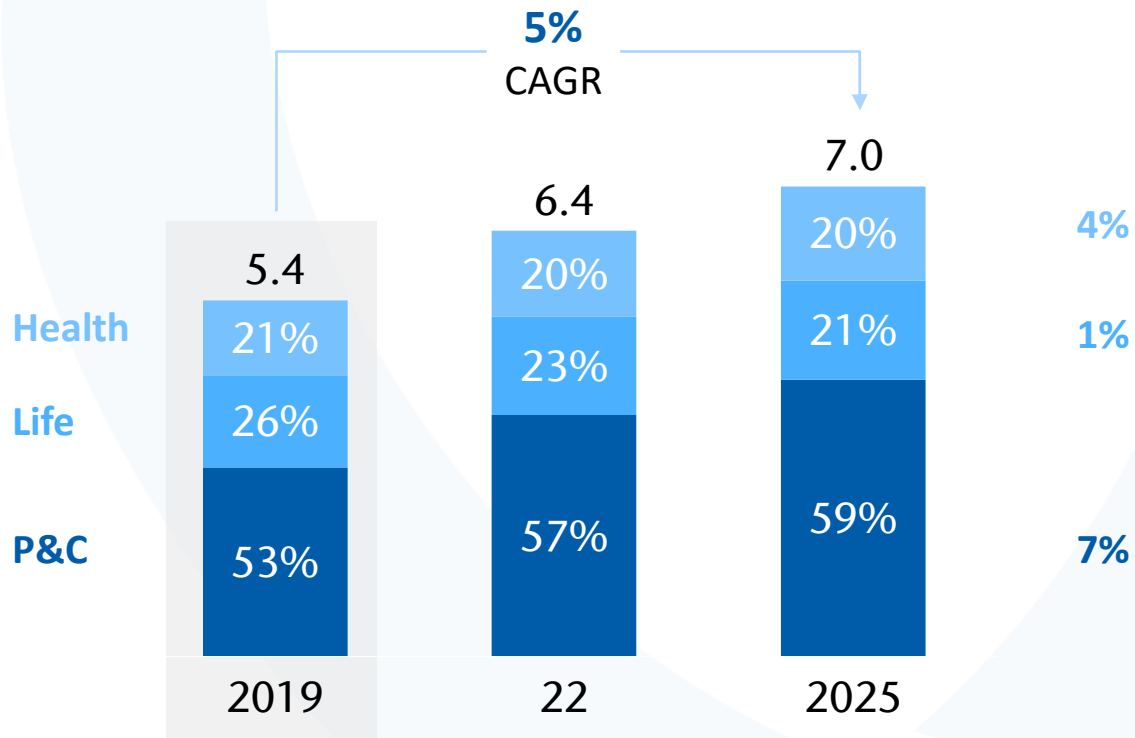


C. Strong ROE: Strong GWP growth!

GWP development

EUR millions

■ Excl. AXA CEE



Growth

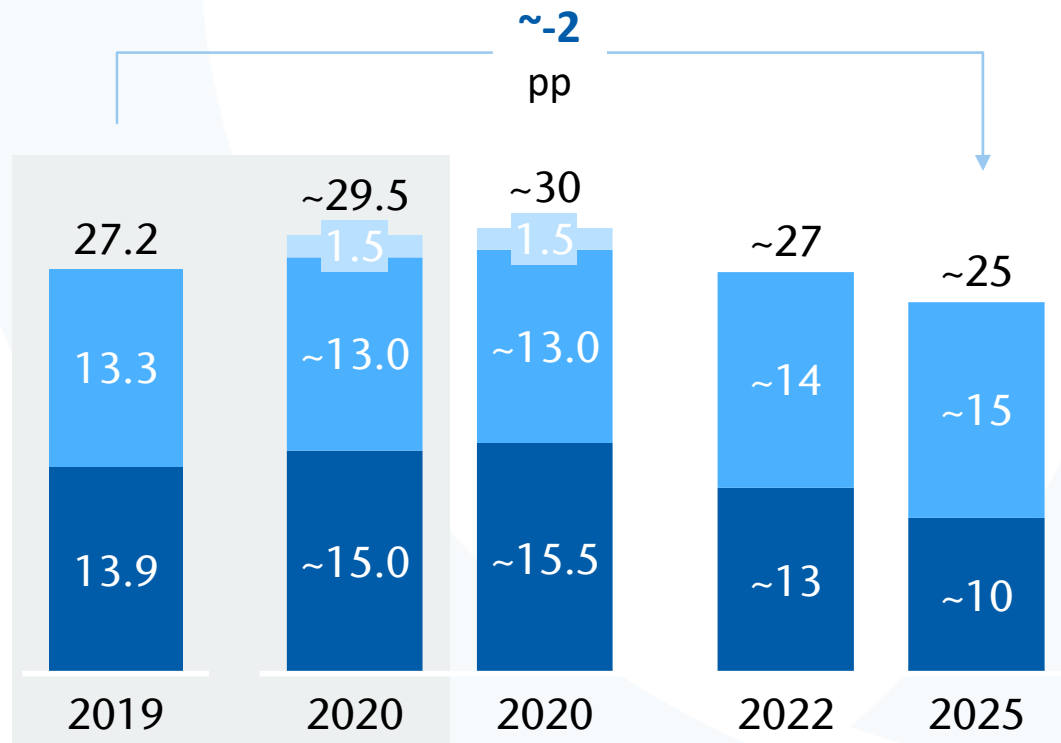
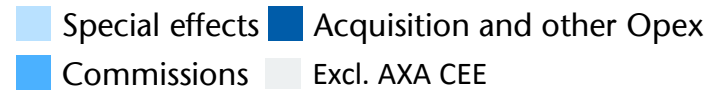
2019-2025, CAGR

- Contribution of **GWP EUR ~1bn through AXA CEE acquisition**
- **Expansion in P&C through simple products (Retail) and tailored solutions**
- **Building on strength in Health AT and consistently shifting Life to biometric and capital-light savings products**
- **Life business to grow in CEE while further focus on profitability improvement in Austria**

C. Strong ROE: Cost ratio – reaping the benefits!

Net cost ratio development

Percent



Short-term increase due to significant investments of up to EUR 145m for strategy, AXA CEE integration and restructuring in 2020

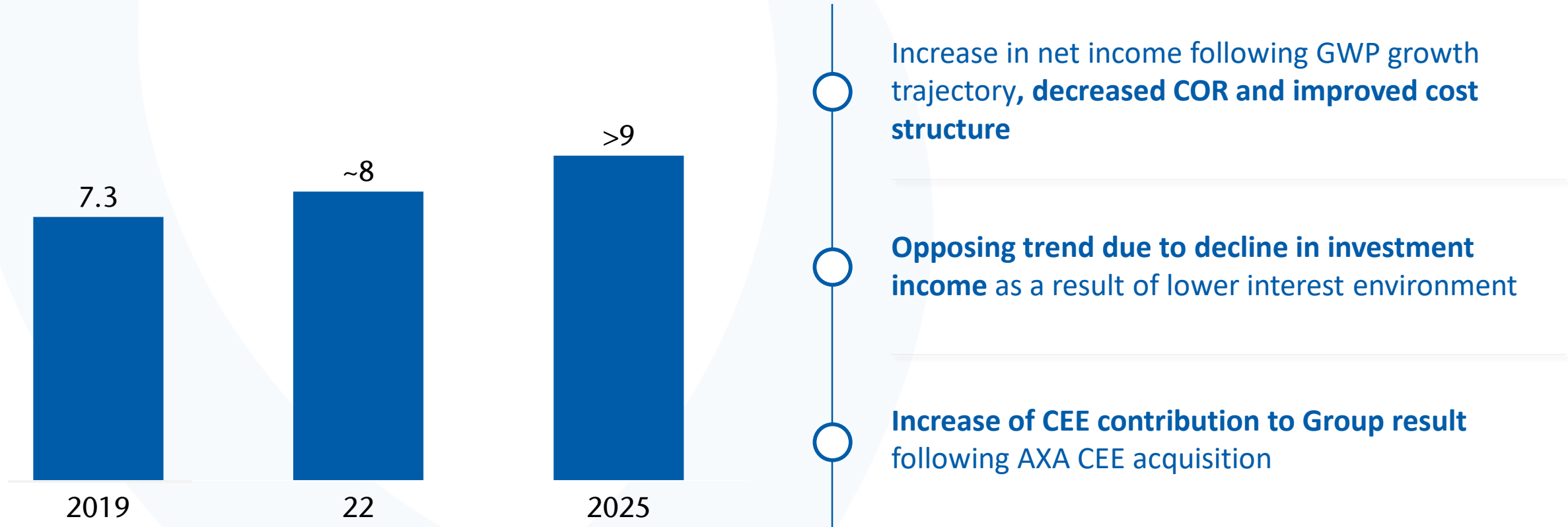
From 2021 onwards, **decrease of cost ratio due to positive effects of investments**

Positive effects include **streamlining of products and processes, economies of skill and headcount reductions**

C. Strong ROE: ROE – significant increase!

ROE development

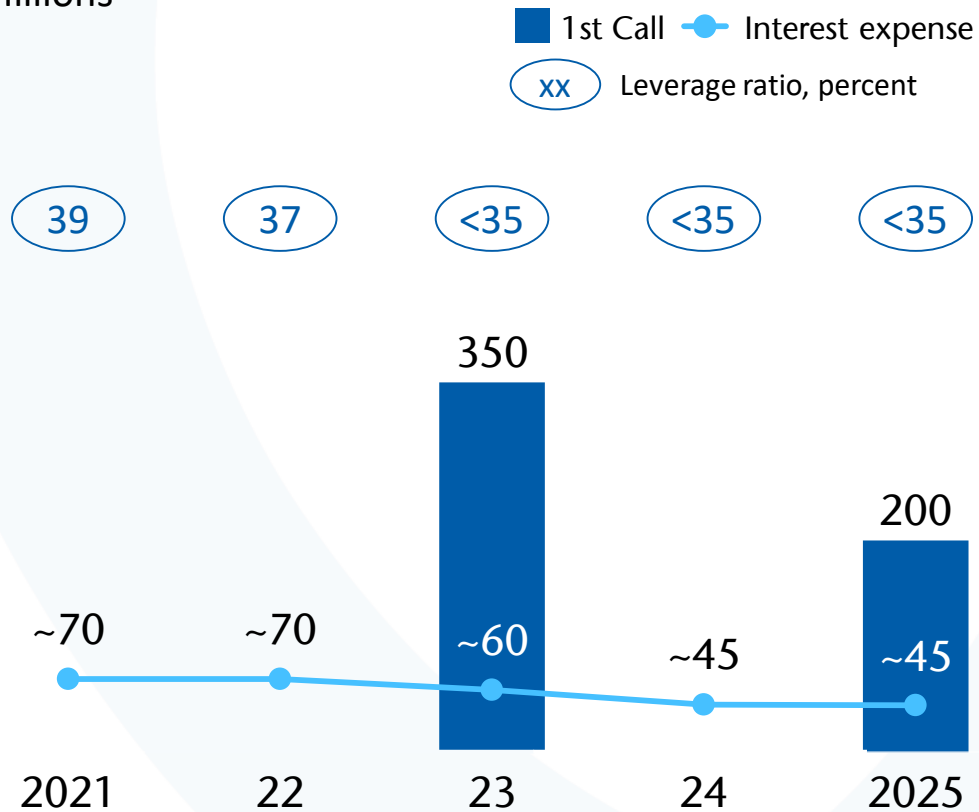
Percent



C. Strong ROE: Leverage – enables high dividend payments!

First call dates and interest expense¹

EUR millions



Significant debt repayments in 2023 and 2025

Lower leverage and decrease in interest expense facilitate future dividend payout to shareholders

¹ Assumption: debt instruments outstanding are called at 1st Call date. This is no actual guidance. Interest expense might deviate in the future

UNIQA 3.0: Ambitious targets!

UNIQA Group targets

2019 actuals, 2022 and 2025 targets

■ Excl. AXA CEE ■ Incl. AXA CEE

